



FORM ADV PART 2A INVESTMENT ADVISER BROCHURE

Madison International Realty Holdings, LLC

March 30, 2023

300 Park Avenue
New York, NY 10022
212-688-8777
www.madisonint.com

This brochure provides information about the qualifications and business practices of Madison International Realty Holdings, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 688 - 8777. Our website is www.madisonint.com. 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. Madison International Realty Holdings, LLC is a registered investment adviser with the United States Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. Additional information about Madison International Realty Holdings, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

While there are no material changes to this brochure since our updating amendment on March 30, 2022, we have made changes in certain sections to provide additional clarity and updates with respect to evolving business practices and procedures.

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Item 4. Advisory Business

Madison International Realty Holdings, LLC (“MIRH”) is a specialized investment advisory firm focused on originating, underwriting and executing its investments in real estate for its private equity funds (the “Funds”). The Funds are managed by a team of experienced real estate investment professionals led by Ronald M. Dickerman, the founder, owner and president of MIRH. Mr. Dickerman has more than 30 years of experience analyzing, underwriting, acquiring, financing, managing and disposing of commercial real estate and other asset types as well as originating and managing pooled investment vehicles. MIRH has multi-disciplinary experience distributed through offices in New York, Los Angeles, London, Luxembourg, Amsterdam and Frankfurt.

MIRH is an investment adviser registered with the SEC that was founded in 2011 to make secondary investments in private real estate transactions. MIRH owns Madison International Realty V, LLC, Madison International Realty VI, LLC, Madison International Realty VII, LLC, Madison International Realty VIII, LLC, Madison International Realty NYC Core Retail, LLC, Madison International Realty GmbH, Madison International Realty Luxembourg S.A.R.L., Madison International Realty NYC Core Retail II, LLC, Madison International Prime Property Realty, LLC, Madison International Realty UK, Ltd, Madison International European Realty, LLC, Madison International Realty Growth-N, LLC, Madison International Realty-U, LLC and Madison International European Prime Property Realty, LLC (collectively, including MIRH, “Madison”). Madison (via the creation of a former relying adviser of MIRH, Madison International Realty, LLC) was founded by Ronald M. Dickerman in 2002. Since 2002, Madison has invested in private real estate transactions primarily to acquire illiquid ownership positions in commercial real estate transactions from existing investors seeking liquidity.

Madison pursues an investment strategy in an effort to produce attractive risk adjusted returns for its Fund investors. Although the Funds initially determine an investor’s suitability for investment in each Fund, the individual needs of investors in each Fund are not a basis of Madison’s investment recommendations. Investment advice is provided directly to the Funds on a discretionary basis and not individually to investors.

The various Madison Funds will generally pursue a similar investment strategy, subject to any specific investment restrictions, limitations or particular areas of investment focus, which are typically set forth in the limited partnership or operating agreement for each fund. Differences in strategy between Funds relate to geographic focus, investment term, return target, investment size, or investment type focus, among others. In addition, certain Funds have provisions that require investor approval before Madison can make the investment, rather than being fully discretionary. The Funds will also have differing fee and expense structures.

Primarily in secondary market transactions, Madison will seek to acquire partial ownership interests or debt obligations in real estate platform companies and investment vehicles such as limited partnerships, joint ventures, limited liability companies, private and public

REITs, thinly traded or de-listed property companies, and other structured equity vehicles, at prices that Madison believes to be at discounts to intrinsic value.

Madison expects the Funds to acquire positions from foreign and domestic individual and institutional investors, as well as provide new equity capital to existing property owners seeking to monetize equity positions, restructure balance sheets or buy out partners. The Funds will target ownership interests in high-quality, well-leased, well-located assets with moderate leverage, strong sponsorship, and limited operating risk. Fund investments are expected to be diversified by geographic location, commercial real estate type, and underlying sponsor. The Funds target investments in all major commercial real estate asset classes, including office, retail, industrial multifamily and hospitality. Madison has an established track record of underwriting, acquiring, and realizing returns from investments in each of these asset classes.

In certain limited situations, Madison seeks to wholly own and operate underlying properties. In such situations, Madison typically uses a third-party property manager and operator, while maintaining control over key decisions (but see discussion of “owner’s representatives” below).

Madison generally pursues one investment strategy across its Funds (as described above and in **Section 8**). However, within its overall strategy, investment decisions by Madison are tailored to the specific investment objectives and restrictions of each Madison Fund pursuant to the applicable Fund's investment guidelines and restrictions set forth in the relevant confidential private placement memorandum, limited partnership agreement, investment management agreement and other organizational documents pertaining to such Madison Fund (collectively, the “organizational documents”). Fund investors and prospective Fund investors should refer to the organizational documents for complete information on the general investment objectives, investment restrictions and material risks associated with each Madison Fund. Side letters are used to tailor additional rights to individual Fund investors. Madison does not participate in any wrap fee programs.

As of December 31, 2022, Madison managed Funds with a total of \$7,963,293,111 of assets under management, of which \$7,506,004,953 are managed on a discretionary basis and \$457,288,158 which are managed on a non-discretionary basis. Assets under management have been calculated pursuant to SEC guidance.

Item 5. Fees and Compensation

Madison receives a fixed asset management fee for each Fund it manages and also receives a performance-based fee in accordance with the organizational documents of each individual Fund. During the investment period of the Funds, asset management fees are generally charged based on the aggregate capital commitments of each Fund. Subsequent to the investment period, these fees are generally charged based on aggregate capital contributions for investments that have not been liquidated. Madison also receives a performance-based fee through the payment of distributions utilizing the distribution priority detailed in the organizational documents. Generally, the distribution priority includes (i) return of capital contributions to Fund investors, (ii) a preferred rate of return to Fund investors, and (iii) additional distributions returned to Fund investors and Madison as the general partner in accordance with ratios detailed in the organizational documents. These ratios, as well as the preferred rate of return, are Fund-specific. The receipt of distributions in the third stage of priority represents the performance-based compensation received by Madison, which is subsequent to Fund investors achieving their preferred rate of return.

Asset management fees and performance-based compensation may vary from Fund to Fund and investors should review the organizational documents of the relevant Fund in addition to this brochure for complete details on fees paid to Madison. In addition, subject to any applicable provisions in the Funds organizational documents, we may offer certain persons the ability to co-invest in particular investment opportunities alongside the Funds. The compensation payable to Madison in such cases will differ from the compensation we receive from the Funds that participate in the same investment.

All Madison Funds are “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940 (as amended, the “Company Act”) and therefore specific fee information is not disclosed in this brochure but can be found in the organizational documents of each Fund.

Madison charges and deducts asset management fees directly from the Funds; these fees are generally paid quarterly in advance and are generally not refundable once paid, in accordance with the organizational documents of each individual Fund. These fees are paid through borrowings under the Funds’ credit facilities, if applicable, deductions from investment proceeds or other cash held by the relevant Fund, or through drawdowns of the unfunded commitments of underlying investors in the relevant Fund.

In accordance with applicable fund organizational documents, Madison waives or reduces future installments of asset management fees that it would otherwise receive, in exchange for the financing of deemed present day capital contributions to individual Funds. Any reduction of an asset management fee installment payable by an individual Fund, will reduce dollar-for-dollar the amount of capital contributions that the Fund’s general partner would otherwise contribute to a Fund as a general partner commitment, or otherwise increase the allocation of profits to the general partner or its affiliates. Fully waived or reduced asset management fees relate to installment periods that are several quarters or years in the future. The general partner or its affiliates will always contribute at least the

portion of the general partner commitment in cash such that its cash funding is at least 0.75% of the total commitments.

In addition to the asset management fees and performance-based compensation described above, Fund investors are allocated their *pro rata* share of all other fees and expenses charged to the Funds. These expenses include organizational expenses, operating expenses and investment expenses.

Organizational expenses include expenses incurred in connection with the organization, offering and formation of the Fund entities, the asset manager and the general partner and the offering of the interests in the Fund entities, including, without limitation, legal and accounting fees and expenses, printing costs, registration and filing fees, marketing costs and expenses, including expenses arising from compliance with marketing regulations, tax and transportation, travel, conference attendance, capital raising, meal and lodging expenses incurred during the provision on services in connection with the organization of the partnership and any related investment vehicles, but excluding all placement fees. Organizational expenses for each Fund are typically subject to a maximum amount as detailed in organizational documents. Organizational expenses that exceed such maximum amount and all placement fees, may be paid by Madison directly or may be paid initially by a Fund, but such payments by the Fund shall reduce dollar-for-dollar the subsequent installment of the management fee payable by the Fund.

Operating expenses include those costs or expenses of the Funds in connection with, or related to:

- (a) Sourcing, acquiring, evaluating, negotiating, holding, monitoring (including ongoing risk monitoring), managing, financing, hedging, selling or disposing of its investments (to the extent not paid for or reimbursed by a third-party), including:
 - marketing, advertising, press releases and public relations (including a *pro rata* portion of all such expenses incurred by the investment manager and its affiliates relating to activities of (i) the investment manager, (ii) its affiliates, and (iii) any party advised by any of the foregoing)
 - all costs and expenses incurred in connection with a proposed investment that is not ultimately consummated, or a proposed disposition that is not actually consummated, including, without limitation, legal, tax, accounting, travel and entertainment, advisory, consulting and printing expenses or other third-party expenses, and any liquidated damages, break-up, reverse break-up, topping, termination reverse termination fees, or similar payments (collectively, “Broken Deal Expenses”), provided, that notwithstanding anything to the contrary herein, the Fund will generally bear Broken Deal Expenses associated with unconsummated transactions that are in excess of the amount of a Fund’s *pro rata* share of such Investment had such investment been consummated (e.g., to cover the portion thereof attributable to any co-investor that does not bear such broken deal expenses, because a co-investment

vehicle had not yet been formed, or for any other reason); provided, further, that the costs of operating overhead including in respect of the remuneration of employees of the general partner, the investment manager, or any of their affiliates, shall not be deemed to be Broken Deal Expenses

- entertainment expenses (including expenses related to attendance or exhibiting at industry conferences)
- trade association membership fees
- administrative and research fees (including proxy research and voting services)
- fees for outside services
- costs of software and other products and services used for real estate investment, fund management and reporting or other purposes related to the Fund entities (including the cost of software used for real estate underwriting)
- investment-related research, organizing and storing portfolio data, financial modelling software and financial modelling services (but excluding Microsoft Office and expense reporting software)
- expenses incurred in monitoring transactions that affect the value of the investments, communicating with parties that control or participate in each investment
- evaluating the actions taken or not taken by the management of each investment
- expenses of custodians, outside advisors, counsel (including Fund counsel)
- travel expenses related to all of the foregoing, including commercial airfare, lodging, meals and meeting space
- brokerage fees and commissions and other transaction costs associated with such sale or disposition
- interest and fees arising out of all financings entered into by the Funds, including, but not limited to, those of lenders, investment banks, and other financing sources

(b) maintaining the operations of the Fund entities, including:

- taxes, fees and other governmental charges levied against the Fund entities including any costs and expenses arising from any foreign exchange or other currency transactions
- insurance
- administrative fees
- fees for outside services
- audit costs
- software costs (including technological expenses, data services and investor portals)
- custodians, outside advisors, counsel (including Fund counsel) accountants, auditors, tax providers, administrators and other consultants and professionals, including but not limited to service

providers engaged to ensure compliance with tax, legal, and regulatory requirements, including the Alternative Investment Fund Managers Directive and similar requirements, other EU Directives, including but not limited to Base Erosion and Profit Shifting (BEPS) and Directive 2011/16/EU, as amended by Council Directive (EU) 2018/822 of 25 May 2018 (DAC6)) and related compliance in other jurisdictions, including but not limited to the Grand Duchy of Luxembourg, the Netherlands and the Cayman Islands, and similar requirements to the extent related to or arising from a Fund, the *pro rata* cost of employees engaged by the general partner, the investment manager and/or their affiliates (including any salaries, bonuses, and customary employee benefits paid to such persons) and the *pro rata* direct or indirect allocation of specified overhead costs and expenses associated with such specified services provided by such employees (including rent, information technology and employment and similar taxes)

- expenses associated with forming, administering and operating alternative investment vehicles, intermediate vehicles, and other holding vehicles used to acquire, hold or dispose of any investment or otherwise facilitate a Fund entities' investment activities including administrative, accounting, and operating expenses (whether provided by a third-party or in-house with respect to tax, legal, and compliance with non-U.S. laws and regulations) such as salaries, bonuses, and customary employee benefits paid to such persons and the *pro rata* direct or indirect allocation of specified overhead costs and expenses associated therewith (including rent, information technology and employment and similar taxes) and the costs, fees and expenses for developing, structuring, operating and winding up of entities formed for investment-related purposes (including, without limitation, in non-U.S. jurisdictions) whether at cost or cost-plus rates
- interest on and fees, costs and expenses arising out of all financings entered into by a Fund (including, without limitation, those of lenders, investment banks, and other financing sources), or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of an investment or its acquisitions and including expenses or professional fees incurred in connection with any procedure reports for lenders and any indemnification obligations
- costs and expenses associated with legal, tax, regulatory and statutory compliance with U.S. federal, state, local, non-U.S. or other law and regulation (including, without limitation, regulatory filings of the investment manager and its affiliates directly relating to the Fund entities and their activities (e.g. disclosures, reports, and/or filings required in accordance with SFDR) but excluding costs directly related to registering as a registered investment advisor such as ongoing compliance costs and costs associated with any examination

or deficiency finding of the U.S. Securities and Exchange Commission

- actual, potential, contemplated, or threatened litigation expenses (including the amount of any judgments or settlements paid in connection therewith)
- Out-of-pocket expenses incurred in connection with compiling and complying with provisions in side letters and transfer of interests (to the extent not reimbursed by the parties to such transfer)
- expenses of the advisory committee members and the costs of any services provided by the general partner or its affiliates
- expenses associated with meetings of the advisory committee and the limited partners
- travel, meals and entertainment expenses incurred in connection with meeting any member of the advisory board or other limited partner in connection with a Fund
- expenses associated with the preparation and distribution of reports, financial statements, ESG and other similar reporting, tax returns, U.S. Treasury forms and K-1s to the Combined Limited Partners, and any other financial, tax, accounting, legal or fund administration reporting functions for the benefit of the Fund (including any fees, costs and expenses incurred to audit such reports, provide access to such reports or information (including through a website or other portal) and any other operational, secretarial or postage expenses relating thereto)
- any other expenses associated with compliance with FATCA
- expenses associated with the representation of a Fund or the partners by the “partnership representative”
- real estate, entity-level, withholding and other taxes, fees or other governmental charges assessed on or payable by the Fund entities or any subsidiary
- indemnification and other unreimbursed expenses
- fees paid to locally licensed intermediaries or distributors that a Fund entity, general partner, or an affiliate thereof is required to engage in order to offer interests in a particular jurisdiction and/or as a result of one or more limited partners being domiciled in, or otherwise affiliated with a particular jurisdiction
- any extraordinary expenses to the extent not reimbursed or paid by insurance, but specifically excluding the management fee and organizational expense
- expenses of liquidating the Fund entities
- expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund entities
- expenses relating to litigation involving the Fund entities and the amount of any judgments or settlements paid in connection therewith

The above does not include every possible expense a Fund may incur and not all Funds will bear all of the expenses described above. Certain expenses may also be common to one or more Funds, as well as the general partner or asset manager. Investors must closely review the relevant organizational documents for further detail on the expenses paid by each Fund. These expenses will be allocated among such entities on a basis that the Adviser believes to be fair and equitable, taking into consideration all relevant facts. In some cases shared expenses may be paid by a single Fund entity, or by the general partner/asset manager and subsequently be reimbursed by the other Fund entities for their appropriate share. This arrangement could incentivize Madison to allocate fewer expenses to the general partner/asset manager or to Fund entities that have a greater expected performance-based fee profile. This conflict is mitigated by Madison's expense allocation controls, including review and approval of each expense allocation and disbursement by multiple parties within Madison's Finance & Accounting Team.

In addition, in limited situations and in accordance with organizational documents, where Madison wholly owns and operates the underlying properties, the Adviser we will seek to be reimbursed for the costs of "owner's representatives" as well as advisory and consultant services (who are typically employees or consultants of MIRH and its affiliates), including legal, tax and accounting related services incurred by the general partner and its affiliates (including base salary, discretionary bonus and benefits) for its employees or consultants to allow Madison to properly staff and oversee the operations of the underlying portfolio.

The third-party managers or investment sponsors of the investment vehicles the Fund invests in charge the vehicles a management fee and typically charge an incentive fee. Other fees such as acquisition fees or financing fees, among others, may also be charged by some third-party managers and sponsors. In the case of an internally managed listed or unlisted REITs, the REIT pays the costs and compensation of the management team. Clients and Investors should understand that Madison expects that in all of the Funds' investments, a third-party sponsor or management team will receive compensation from the investment vehicle that is in addition to any amounts due to Madison.

Madison does not receive any compensation for the sale of securities or other investment products.

Item 6. Performance Based Fees and Side-by-Side Management

As discussed in Item 5 above, Madison receives both an asset management fee and a performance-based fee. The performance-based fee is earned after Fund investors achieve their preferred rate of return. For most Funds, performance-based fees are only received subsequent to actual liquidation events (cash distributions received by Fund investors in excess of the preferred return described in Item 5). Neither asset management nor performance-based fees are calculated utilizing unrealized asset valuations (other than in limited situations as detailed in certain Funds organizational documents).

The use of performance-based fees could create incentives for Madison to acquire riskier Fund investments than might be acquired under a different fee arrangement, although a side-by-side commitment of capital by Madison to a Fund will reduce this incentive. In addition, Madison could have an incentive to hold investments for a longer term rather than selling in order to achieve additional management fees. Madison seeks to mitigate both of these conflicts by, among other things, maintaining robust acquisition and disposition controls, including the review and approval of each acquisition and disposition by the investment committee. In addition, an advisory committee inclusive of up to 10 unaffiliated Fund investors has been in place for each Fund created since 2007. The advisory committees provides advice and counsel on Fund activities and are required to approve certain activities as described in the respective organizational documents, which also helps to mitigate the potential conflicts described above. Madison has also formalized internal Senior and Executive Management Teams comprised of senior personnel who seek to proactively identify, and respond to potential and actual conflicts of interest. All fees charged by Madison are in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

Fee arrangements between advisers and multiple clients (e.g., advisers to multiple funds), can create an incentive to favor higher fee paying Funds over other Funds in the allocation of investment opportunities. It is Madison’s policy to seek to provide consistent treatment of advisory clients with similar investment guidelines when possible, recognizing that differences in client holdings will exist due to the timing of their investments and other investment considerations.

Private Investment Allocations

On occasion, Madison may conclude that an investment opportunity is appropriate for more than one Fund. For example, to the extent that a Fund is either at the beginning or end of its investment period, it may co-invest with an existing Fund (in the event of an opportunity presented at the beginning of its investment period) or with a successor Fund (in the event of an opportunity presented at the end of its investment period). Further, one Fund may be pursuing an overlapping investment mandate with another Fund over the same investment period. In addition, Madison occasionally makes *de minimis* investments as part of its due diligence process in pursuing potential projects or sectors to invest in more fully in the future. Depending on the timing and circumstance of such future investment, it is possible a larger investment may come to fruition for a fund other than the one that initially pursued the small investment. Potential conflicts of interest and/or allocation issues may be

reviewed by the investment committee, and are subject to approval by each Fund's Advisory Board, as necessary.

There may be instances in which the Adviser determines that an investment opportunity that would otherwise be offered to a Fund is not suitable (or is not of a suitable size) for such Fund. In such event, the investment opportunity may be offered to other existing Fund investors or other investors in whole or in part, as appropriate under the circumstances. In addition, the Adviser may offer co-investment opportunities to certain underlying investors in the Funds or to other third parties if we determine that, for diversification or other reasons, it may not be prudent for existing Funds to invest the entire amount necessary to fund an investment. Such co-investment opportunities, if offered, would be subject to any relevant agreements or restrictions set forth in the organizational documents of the respective Funds or other documentation.

The Firm's allocation of investment opportunities to the Funds, as well as co-investment allocation outside the Funds, is subject to a number of allocation provisions that are set forth in the organizational documents of the applicable Funds (each, an "Allocation Rule"). Such Allocation Rules include, but are not limited to: provisions relating to exclusivity with respect to particular types of investments during certain time periods, and specified exceptions thereto; provisions related to the order of presentation of co-investment opportunities; provisions that may permit certain types or categories of investments to be made by a Fund, notwithstanding a conflicting Allocation Rule; and provisions that limit the concentration of a Fund in one or more particular categories of investments. The Allocation Rules are set forth in the organizational documents of the Funds to which they relate. Other Funds advised by the Firm in the future are expected to be subject to these or other Allocation Rules. If and to the extent that any Allocation Rule requires that an investment opportunity be allocated to a specific Fund, such investment will generally be so allocated. Any exceptions will typically be discussed with and/or require the consent of the advisory committee or underlying investor(s). In any of the foregoing circumstances where an investment opportunity is to be allocated other than in a manner required by an applicable Allocation Rule, Madison will allocate the opportunity in light of all applicable circumstances, taking into account factors such as, without limitation: each Fund's investment strategies, objectives and guidelines (including each Fund's applicable investment limitations); each Fund's existing overall portfolio composition, including its exposure to particular types of investments and/or geographical markets or submarkets; where each Fund is situated within its overall expected entity lifespan; and general market conditions in the markets in which the Funds invest. However, in making such determination, Madison shall ensure that such determination is not based upon any Fund's applicable fee structures (including with respect to any performance-based compensation) or any other factors which could appear to provide preferential treatment to one or more Funds.

In the event that Madison is unable to make an allocation determination because it believes that the investment opportunity should be made to more than one Fund, Madison shall allocate the investment opportunity on a rotational basis based on an actively managed queue. The Fund that is a fit based on the screening process and has been waiting the

longest to execute an investment opportunity meeting its criteria shall be awarded the opportunity on a sequential basis.

Listed Securities Allocations

Subject to certain exceptions, any listed real estate security (“Listed Opportunity”) for which the supply in the market at an actionable price is limited at a time when more than one Fund desires to acquire, such Listed Opportunity will be allocated *pro rata* between the Funds based on available capital. Depending on the specific investment strategy, available capital will be determined as either a Fund’s targeted allocation to Listed Opportunities or a Fund’s targeted allocation to a specific security.

Allocations may be made other than on a *pro rata* basis under limited circumstances (for example due to certain Allocation Rules described above) as determined by the investment committee. In addition, because there may be differences in investment strategy for certain Funds (i.e., return thresholds, holding periods, position concentration and sizing, etc.), such Listed Opportunity may be taken exclusively or disproportionately by another Fund. Also, the investment committee may determine at the outset of a particular Listed Opportunity that it presents an opportunity for a Private Investment in Public Equity or “PIPE” investment, in which case it may be allocated exclusively or predominantly to a certain Fund. Finally, because of the illiquid (or potentially illiquid) nature, size, duration of an opportunity or because it is otherwise inconsistent with the appropriate management of a certain Fund’s liquidity needs or desired concentration levels, the investment committee may decide that such Listed Opportunity should be allocated exclusively, or predominantly, to another Fund.

Conflicts may also arise as a result of Madison’s receipt of material non-public information (which could adversely affect another Fund’s need for liquidity with respect to such investment or restrict the ability of a Fund to pursue a Listed Opportunity at all). Similarly, a Fund’s acquisition or disposition of a Listed Opportunity could adversely affect another Fund by affecting the price and liquidity of such Listed Opportunity available in the market at the time of the desired acquisition and disposition of such Listed Opportunity by such Fund(s). The investment committee will consider whether any Fund may be adversely affected and whether such adverse effects may be mitigated.

Madison anticipates that conflicts associated with dispositions made at different times will arise infrequently. However, there may be instances where required market liquidity for disposition of a particular Listed Opportunity at a designated price may be limited and conflicts may arise. For example, as a Fund nears the end of its term, it may enjoy a preferential right of disposal over another Fund. When such potential conflicts arise, Madison expects to convene the investment committee (with consultation from outside counsel, where appropriate) to consider any potential adverse effects on any Fund and how such effects might be mitigated.

Item 7. Types of Clients

Madison provides investment management services to a series of private funds, including co-investment vehicles, which are not available to the general public for investment. The terms of each Fund can be found in the organizational documents of each Fund. Investors in Madison Funds are typically state or municipal government entities, pension and profit-sharing plans, pooled investment vehicles, endowments, estates, foundations, high-net worth individuals, non-U.S. institutions and trusts.

Madison requires that each limited partner in a Madison Fund be an “accredited investor” as defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”) and, in most cases, a “qualified purchaser” as defined by the Company Act.

Investors in the Madison Funds should refer to the organizational documents of the applicable Madison Fund for complete information on the minimum investment requirement for participation in that Madison Fund. Madison does, however, maintain discretion to waive, increase or reduce the minimum investment commitment required for any of its Funds.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Madison seeks to make secondary purchases of partial ownership interests in high quality U.S. and European commercial real estate assets using an event-driven, value-oriented investment strategy. Ownership interests within the Funds' target investment market include limited partnership, limited liability company, private and public REITs, joint venture and structured equity interests held by individual and institutional investors seeking liquidity. In addition, the Funds will also seek to deploy growth capital into middle-market real estate platforms and small-cap public companies, combining traditional real estate investing with the ability to participate in GP economics; looking for stable, discretionary, long-term partners to support their operations and accelerate enterprise value growth. The Funds may also originate structured equity investments and invest in property companies with similar attributes. Madison will generally pursue these interests at what it believes to be discounts to its underwritten value. Investments are expected to be diversified by geographic location, commercial real estate asset type, and underlying fund sponsor. Madison's investments will target all major commercial real estate asset classes, including office, retail, multifamily residential, industrial/logistics, life sciences, data centers, cold storage, marinas and hospitality. Madison's investment strategy targets investments with high asset quality, minimal operating risk, moderate leverage with no near-term maturities, and strong current dividend yields.

Madison will primarily pursue investments for its Funds where Madison believes it has a strategic or informational pricing advantage and will seek "off-market" investment opportunities where no secondary market exists for the underlying interests. The Funds do not concentrate on widely marketed investment opportunities or property auctions. Instead, the Funds will focus on privately negotiated transactions and other off-market situations where Madison believes that it holds strategic, informational, and/or other competitive advantages. The Funds leverage Madison's global transaction sourcing capabilities to originate investments both through Madison's specific knowledge of historical transactions and through its reputation as a leading provider of liquidity to exiting real estate investors. Madison expects to source Fund investments through its existing and growing network of domestic and foreign relationships including fund sponsors, financial intermediaries, wealth managers, trust and estate lawyers, industry professionals, and industry trade organizations. In addition, Madison expects to source investments through event and conference participation, speaking engagements, membership in various professional real estate groups, direct mail and print campaigns, including articles, editorials and advertisements in widely circulated publications worldwide.

Madison's investment analysis and due diligence process is characterized by in-depth financial analysis, original market research, and conservative assumptions embedding a level of conservatism in asset valuation, holding period, and investment pricing. This conservatism may result in positive variances to underwritten target returns while also providing a cushion to returns in more challenging market environments. Madison takes a disciplined, comprehensive approach to evaluating each prospective investment, employing a systematic due diligence process conducted internally by Madison and assisted, when appropriate, by outside experts. The goal of the underwriting process is to

determine the current value, future value, and estimated remaining holding period of the underlying real estate asset and translate these factors into a price for the target ownership interest that takes into account the capital structure of the investment and a Fund's target return to its investors. In addition to its fundamental real estate analysis and market diligence, Madison also will conduct a thorough review of the debt and equity structure of the asset, the sponsor, property specifics, such as entitlements and code compliance, and legal documentation.

During the investment underwriting process, Madison may consider long-term ESG factors through in-depth asset, deal sponsor and company research and engagement. We seek to understand material ESG risks and opportunities in the assets, sponsors, funds and companies we analyze and consider them in a way that we believe is suitable and consistent with our Funds' mandates. Where material, we are committed to evaluating the impact of a company's or an asset's ESG policies in the investment process. Where consistent with our client mandates, we may integrate ESG issues into the portfolio and asset management process to pursue a positive impact with the companies in which we invest and work with. While Madison considers ESG factors when making an investment decision for a majority of investments, the Funds do not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. ESG-related information may be difficult to obtain in connection with real estate investing, and ESG-related factors may have little to no impact on an investment's profitability or value. Any reference herein to ESG considerations is not intended to qualify our duty to maximize risk-adjusted returns. For more detailed information and disclosures about Madison and its ESG-related practices, you can access Madison's most recent Corporate Responsibility Report at the following link:

https://madisonint.com/media/CorporateResponsibilityReport_final_compressed2021.pdf?x19447.

Madison currently employs an investment recycling program for the Funds, In accordance with Fund organizational documents. In some instances, in lieu of making distributions to investors, Madison utilizes proceeds from the sale of investments, investment related refinancing proceeds, investment operating distributions, or realized gains from foreign currency contracts for the purpose of ("Investment Recycling"). During the commitment period of the Funds, Madison organizational documents typically provide the ability to recall distributions previously made to limited partners, up to the amount of original capital contributions returned, subject to certain timing restrictions (depending on the Fund, between 6 and 15 months of making such distributions), for the purpose of Investment Recycling. Madison also utilizes cash proceeds that have not been distributed to limited partners for Investment Recycling, which are subject to cash reserve limitations (calculated as a specified percentage of capital commitments), typically requiring Madison to either use the proceeds to make additional investments or reduce cash reserves through limited partner distributions.

Risk Factors

An investment in the Funds involves a significant amount of risk and should only be undertaken by investors capable of evaluating and bearing such risk. There can be no assurance that a Fund's investment objectives will be achieved or that there will be any return of capital. Prospective investors should read the following key risk factors before investing in the Funds. A full list of more detailed risk factors appears in each Fund's organization documents, and all investors should review those documents prior to investing in a Fund.

Nature of Investment

An investment in the Madison Funds requires a long-term commitment, with no certainty of return. The Funds may make investments in real-estate related assets and businesses, some of which may be experiencing or are expected to experience severe financial difficulties, which difficulties may never be overcome. There may be little or no near-term cash flow available to investors and the Funds may not be able to generate returns that are commensurate with the risk of investing in the type of assets described herein. Since the Funds may only make a limited number of investments and since many of the investments may involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors.

Illiquid and Long-Term Investments; Investments Longer than Term

Investments in real estate assets may be generally less liquid and involve a longer holding period than traditional private equity investments, which are themselves often considered illiquid and long-term. Although investments by the Funds may generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. The Funds may also invest in restricted securities that are sold in reliance on Rule 144A under the Securities Act. Such investments may not be reoffered, resold, pledged, or otherwise transferred other than to a "Qualified Institutional Buyer" in a transaction meeting the requirements of Rule 144A, or in accordance with another available exemption, and in each case, in accordance with the terms of each security. It is not generally expected that sales of investments by the Funds will occur for a number of years after the investment is made, and some investments may not be advantageously disposed of prior to the date that the Funds is dissolved. It is unlikely that there will be a public market for the securities held by the Funds at the time of their acquisition. Therefore, no assurance can be given that, if the Funds are determined to dispose of a particular investment held by the Funds, it can dispose of such investment at a prevailing market price, and there is a risk that the disposition of such investments may require a lengthy time period or may result in distributions in-kind to Limited Partners. The Funds are generally permitted to make distributions to Limited Partners in-kind. In certain circumstances, Madison will seek to dispose of illiquid securities in a manner that is in the best interests of the Funds, which may include distributions in-kind. Although Madison expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous

time as a result of dissolution. Any disposition prior to the expiration date of the expected holding period for such investor may adversely affect returns. The Funds will generally not be able to sell its investments through the public markets unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirement is available. Additionally, there can be no assurance that investments can be sold on a private basis. In addition, in some cases the Funds may be prohibited by contract, legal or regulatory reasons from selling certain securities for a period of time. Furthermore, investments with exposure to the real estate sector by their nature are subject to downturns in demand, market disruptions, and the lack of available capital for potential purchasers and are therefore often difficult or time consuming to liquidate.

Public Company Holdings; Material Non-public Information

The Funds have the ability to invest in publicly traded debt or equity securities, including REITs, master limited partnerships and tranches of mortgage-backed securities. These activities are subject to the risks present in investing in publicly traded securities, including economic, political, interest rate and other risks, fluctuations in public market values, and the risk of loss from counterparty defaults. The Funds may choose to directly or indirectly hedge against certain of these risks, but there can be no guarantee such transactions will protect the Funds from loss. Additionally, these activities may be subject to liquidity risk, counterparty credit risk, legal risk and operations risk, company specific and industry specific factors and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. When investing in publicly traded securities, the Funds may be unable to obtain financial covenants or other contractual rights, including management rights that it might otherwise be able to obtain in making privately negotiated investments. Moreover, the Funds may not have the same access to information in connection with investments in publicly traded securities, either when investigating a potential investment or after making an investment, as compared to privately negotiated investments. In addition, an investment may be sold by the Funds to a public company where the consideration received is a combination of cash and stock of the public company, which may, depending on the securities laws of the relevant jurisdiction, be subject to lock up periods. By reason of their responsibilities in connection with their other activities, Madison personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be able to act upon any such information. Due to these restrictions, Madison may not be able to initiate a transaction on behalf of the Funds that it otherwise might have initiated and may not be able to dispose of an investment that it otherwise might have disposed, adversely affecting the investment results of the Funds.

Limited Access to Information from Underlying Investments

Madison will not always receive full information from the Funds' investments to determine fully the origination, credit appraisal and underwriting practices utilized with respect to the investments or the manner in which the investments have been serviced or operated, including because certain of this information is considered proprietary by the management team of the underlying investment of each such investment. An underlying manager of an

investments underlying assets use of proprietary investment strategies and/or other information that are not fully disclosed to Madison will involve risks under certain market and other conditions that are not anticipated by Madison. Furthermore, this lack of access to information will negatively impact Madison's investment evaluation and decision-making process.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive real estate investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. The Funds will be competing for investments with other real estate investment vehicles, as well as individuals, publicly traded real estate companies, financial institutions (such as mortgage banks and pension funds), hedge funds and other institutional investors. Furthermore, over the past several years, many real estate funds and publicly traded companies have been formed (and many such existing funds have grown in size) for the purpose of investing in real estate assets. Some of these competitors may have more relevant experience, greater financial and other resources and more personnel than Madison. Additional real estate funds, including secondary real estate funds, and companies with similar investment objectives may be formed in the future by other unrelated parties and further consolidations may occur (resulting in larger funds and vehicles). Additionally, there continues to be a significant amount of capital available for secondary investments. There can be no assurance that the Funds will be able to locate, complete and exit investments which satisfy the Funds' investment criteria, rate of return objectives, or realize upon their values, or that the Funds will be able to invest fully its committed capital. Consequently, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. The Funds will incur bid, legal, due diligence and other costs on investments which may not be successful. As a result, the Fund may not recover all of its costs, which would adversely affect returns. Participation in auction transactions will also increase the pressure on the Funds with respect to pricing of the transaction. Real estate investment partners will be dependent upon the judgment and ability of Madison in sourcing transactions and investing and managing the capital of the Funds. There can be no assurance that the Fund will be able to locate, consummate and exit investments that satisfy the Fund's target size range or rate of return objectives or that it will be able to invest fully its committed cap.

Portfolio Investments Will Utilize Leverage

The partnerships, companies, and joint ventures in which the Funds invest may have leveraged capital structures. Shortfalls in cash flow or increased interest rates may impair their ability to meet their debt obligations, which could impair the Fund's ability to earn an acceptable rate of return (or any rate of return) on such investment. Such leverage, while increasing the possibility of high returns, may also increase the risk of loss of an investment. Further, the use of leverage will increase the exposure of Fund investments to

adverse economic factors such as rising interest rates, downturns in the economy or further deteriorations in the markets generally.

Non-Controlling Investments; Investments and Joint Ventures with Third Parties

The Funds will hold a non-controlling interest in certain investments and therefore, will likely have limited access to information, affecting Madison's ability to monitor the investments and to protect the Funds' position in such investments. In such cases, the Funds will typically be significantly reliant on the existing management, board of directors and other shareholders of such companies, who may not be affiliated with the Funds and whose interests may conflict with the interests of the Funds. The Funds will also, in certain circumstances, co-invest with third parties, including operating partners or service providers, through partnerships, joint ventures, or other similar arrangements, thereby acquiring jointly controlled or non-controlling interests in certain investments in conjunction with participation by one or more third parties in such investment. The Funds may not have control over these investments and therefore may have a limited ability to protect its position therein. Such investments will likely involve risks not present in investments where another participant is not involved, including the possibility that such other participant, third-party partner or co-venturer may have financial difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take (or block) action in a manner contrary to the Funds' objectives or the increased possibility of default by, diminished liquidity or insolvency of, the third party due to a sustained or general economic downturn. In addition, the Funds may in certain circumstances be liable for the actions of its third-party partners or co-investors (including co-investment vehicles (if any)). In circumstances involving a third-party management group or sponsor, such third parties are generally expected to receive compensation arrangements related to such investments, including incentive compensation arrangements.

Investments in Platform Companies

The Firm's investments into middle-market real estate platforms and small-cap public companies involve additional risks than Madison's investments into real estate assets. These additional risks are generally those associated with investing in operating companies including economic, political, interest rate, liquidity, as well as company specific and industry specific factors, such as investing in emerging or less established operators.

Reliance on Portfolio Company Management

Although Madison will monitor the performance of each investment, unless otherwise provided in the underlying transaction documents in connection with the investment, the underlying management team of each investment will be responsible for operating the underlying real estate investment on a day-to-day basis and will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing, monitoring and eventually divesting the underlying real estate assets. Furthermore, the Funds may not learn of significant structural events, such as personnel changes or substantial changes to the

value of the assets or obtain other important information regarding the underlying assets of an investment until after the fact. In addition, it will be difficult, if not impossible, for the Funds, Madison or any of their affiliates to protect investors from the risk of the management team of any underlying investment engaging in fraud, misrepresentation, material strategy alteration or other acts or omissions. Furthermore, limited partners themselves will generally have no direct dealings or contractual relationships at the investment or underlying investment level. Accordingly, there can be no assurance that the management team of an underlying investment or any successor will be able to operate such underlying investment in accordance with the Fund's expectations or the investment manager's suggestions, or that the Funds will be able to recover on its investments. In addition, although the Funds generally intend to invest in real estate related businesses with strong management teams, there can be no assurance that the existing management teams of any such investment will continue to operate the Funds' indirect interest in the underlying investment successfully or that such management teams will continue to be involved in such role throughout the period of the Funds' investments. The management teams of the Funds' underlying investments will need to attract, retain and develop executives and members of their management teams and the market for executive talent is extremely competitive. There can be no assurance that such management teams will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Funds may be adversely affected thereby. In the event that all or part of the management team ceases to be involved with the management of an underlying investment, the Funds may not have any rights or remedies in order to mitigate the effects of such cessation or may not be able to exercise any rights or remedies without the support of other constituencies of its investment (which may include, without limitation, other investors, the board of directors, equity shareholders and/or other creditors), which may or may not be forthcoming. In addition, the Funds may invest in a company or entity whose management teams may be distressed, in a period of change, or otherwise perceived to be ineffective or inefficient, and there can be no assurances that Madison will be able to successfully make impactful changes or procure comprehensive oversight rights.

Risks Associated with Foreign Investments

The Funds are generally expected to make investments in one or more foreign countries. The Funds' assets generally will be denominated in the currency of the jurisdiction in which investments are located. Any fluctuation in currency exchange rates or costs of conversion and any changes in exchange control regulations will affect the value of investments in foreign assets. Moreover, the Funds may incur costs when converting from one currency to another.

In addition to the foreign currency risk, any investment in a foreign country, especially in real estate, expose the Funds to exist certain economic, political and social risks. Further, laws, regulations and conditions in foreign countries may impose restrictions or risks that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Foreign countries also may impose taxes on a Fund and/or its investors.

Risks Inherent in Secondary Market Purchases

The Funds seek to make secondary market purchases of partial and/or illiquid ownership interests in entities owning certain properties and portfolios from existing investors seeking liquidity at material discounts to intrinsic value where such value is expected to be realized through a liquidation or other monetization by the manager of the underlying investment vehicle. Accordingly, the success of the Funds' investments will be subject to a variety of risks, including those related to the ability of the manager of the underlying investment vehicles to successfully (i) operate and manage their portfolios and the underlying properties and (ii) liquidate their underlying investments. The Funds generally will not participate in the management and control of such portfolios and the underlying properties. In addition, the success of the Funds' investments will be subject to the following risks:

- Underlying investment vehicles may be denominated in a currency that is different than the currency of the jurisdiction of the underlying properties. In addition, certain underlying investment vehicles may have senior financing in currencies that are different than the currencies of the jurisdictions of the underlying properties or the Funds.
- There may be situations where additional equity is needed to satisfy capital needs of an underlying investment vehicle or to de-lever the portfolio or an asset. Further, given the fragmented nature of the capital base, there is a risk that the entire investor base may not be able or willing to provide additional equity which might have a material adverse effect on the underlying asset.
- One or more of the underlying investment vehicles may have restrictions against investments by U.S. persons or investors that are entities or other restrictions that may limit investment opportunities in such vehicles.

Leverage And Interest Rates

Investments will likely utilize a leveraged capital structure, in which case a third-party typically would be entitled to cash flow generated by such investments prior to a Fund receiving a return. Fluctuating or rising interest rates may adversely affect the ability of a Fund to successfully acquire investments and may also adversely affect the performance of the investments. Use of borrowed funds to leverage acquisitions involves a high degree of financial risk and can amplify the effect of any increase or decrease in value of an investment and will increase the exposure of the investments to adverse economic factors, such as fluctuations in interest rates, downturns in the local economy in which the investments are located or deterioration in the condition of the investments.

Uninsured Losses; Availability of Insurance

With respect to investments, Madison may seek to require the underlying portfolio company and/or project to obtain liability, fire, flood, extended coverage and rental loss insurance with insured limits and policy specifications that they believe are customary for similar investments. There can be no assurance that insurance will be available or sufficient to cover the risks associated with the Funds' investments. In addition, certain losses of a

catastrophic nature, such as wars, natural disasters, terrorist attacks, or other similar events, may be either uninsurable or, insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments may not be insurable, or insurance may be unavailable at a reasonable cost, available in amounts that are less than the full market value or replacement cost of investments or subject to a large deductible. In addition, there can be no assurance that the particular risks which are currently insurable will continue to be insurable at a reasonable cost. If the Funds or any of its investments suffers an uninsured loss, all or a substantial portion of the relevant investment may be lost. In addition, all of the assets of the Funds may be at risk in the event of an uninsured liability to third parties. There can be no assurance that insurance will be available or sufficient to cover the risks associated with the Funds' investments. Insurance against certain risks, such as earthquakes, floods, or terrorism may be unavailable, unavailable at a reasonable cost, available in amounts that are less than the full market value or replacement cost of investments or subject to a large deductible. In addition, there can be no assurance that the particular risks which are currently insurable will continue to be insurable at a reasonable cost. If a Fund or any of its investments suffers an uninsured loss, all or a substantial portion of the relevant investment may be lost. In addition, all of the assets of a Fund may be at risk in the event of an uninsured liability to third parties.

Third Party Claims

The Funds may acquire properties subject to known or unknown liabilities and with limited or no recourse. As a result, if liability were asserted against a Fund based upon such properties, a Fund might have to pay substantial sums to dispute or remedy the matter, which could adversely affect a Fund's cash flow. Unknown liabilities with respect to properties acquired could include liabilities for clean-up of undisclosed environmental contamination; claims by tenants, vendors or other persons relating to the former owners of the properties; liabilities incurred in the ordinary course of business; and claims for indemnification by the general partners, directors, officers, and others indemnified by the former owners of the properties.

Targeted Returns

Investors have no assurance that the Funds will achieve their target internal rate of return and/or cash multiple of invested capital objectives. In consideration of the updated Marketing Rule, Madison calculates its targeted returns based on analysis of the types of underlying investments a Fund is expected to make over its lifetime, the implementation of Madison's investment strategy, the net returns received on the Fund's investments, and the costs related to these investments. While Madison's targeted returns are based on assumptions that it believes are reasonable and sound under the circumstances, the actual realized returns on investments may differ from the assumptions and circumstances on which the targeted returns are based. Accordingly, the actual returns on any investments may differ materially from any targeted returns and no assurance can be given that the return objectives will be met. An investor could experience returns below the return objectives or a loss of its entire investment.

Risks Associated with Unspecified Transactions

Investors may not be able to evaluate for themselves the merits of a particular investment in real property interests or the management of underlying properties prior to the investors' decision to invest in a Fund or prior to a Fund's investment in a particular property, nor will investors be entitled to participate in any manner in the decisions regarding refinancings or divestitures. Investors will be relying on the ability of the general partner with respect to the investments made by a Fund.

Interest Rate Fluctuation

The Funds may incur variable rate indebtedness. In that case, increases in interest rates would increase a Fund's interest costs, thereby decreasing the amount of available funds for distribution to the Fund's limited partners. Increases in interest rates also may cause a reduction in the value of a Fund's investments. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies that are beyond the control of the Funds. The Funds employ a hedging strategy to limit the effects of changes in interest rates on their operations, including engaging in interest rate swaps, caps, floors and other interest rate exchange contracts. There is a cost associated with the use of these types of derivatives to hedge the Funds' assets and liabilities. Moreover, there is no perfect hedge for any investment, and a hedge may not perform its intended use of offsetting losses on an investment. With respect to certain potential hedge instruments, the Funds are exposed to certain counterparty risks, such as a swap counterparty ceasing to make markets and quote prices in such instruments, which may render a Fund unable to enter into an offsetting transaction with respect to an open position. Consequently, the profitability of the Funds may be adversely affected during any period as a result of changing interest rates.

Hedging Policies/Risks

The Funds may utilize a wide variety of derivative financial instruments for risk management purposes. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments and such transactions may entail greater than ordinary investment risks. Additionally, costs related to hedging and/or other derivative arrangements (including legal expenses) will be borne by the Funds. There can be no assurance that any hedging transactions will be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks or where Madison does not regard the probability of the risk occurring to be sufficiently high as to justify the cost), thereby resulting in losses to the Funds. Engaging in hedging and/or other derivative transactions may result in a poorer overall performance for a Fund than if it had not engaged in any such hedging and/or other derivative transaction, and Madison may not be able to effectively hedge against, or accurately anticipate, certain risks that may adversely affect the Fund's investments. In addition, the Fund's investments may be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities and counterparties and foreign exchange rules. The Funds are exposed to the risk that third parties that owe the Funds or an underlying investment money, securities or other

assets, will not perform its obligations. Co-investors will likely not receive the benefit of any derivative or hedging activities engaged in by the Funds, even in cases where such activity is primarily related to a Fund's exposure to a particular investment in which such co-investors participate. The Funds will utilize hedging transactions only as determined by Madison in their sole discretion. The Funds may utilize a wide variety of derivative financial instruments for risk management purposes. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring real estate-related investments and such transactions may entail greater than ordinary investment risks. Additionally, costs related to hedging and/or other derivative arrangements (including legal expenses) will be borne by the Funds. There can be no assurance that any hedging transactions will be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks or where Madison does not regard the probability of the risk occurring to be sufficiently high as to justify the cost), thereby resulting in losses to the Funds. The Funds will utilize hedging transactions only as determined by Madison in its sole discretion.

Potential Environmental Liability

The Funds may be exposed to substantial risk of loss arising from investments involving undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. Under various U.S. federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and/ or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the Funds' return from such investment. Environmental claims with respect to a specific investment may exceed the value of such investment, and under certain circumstances, subject the other assets of the Funds to such liabilities.

Limited Transferability of Interests No Market for Interests; Restrictions on Transfer

Fund interests have not been registered under the Securities Act, the securities laws of any U.S. state, or the securities laws of any other jurisdiction, and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws, or an exemption from such registration is available. It is anticipated that the offering and sale of a Fund interests will be exempt from registration pursuant to Regulation D promulgated under the Securities Act. It is not contemplated that registration under the Securities Act or other securities laws will ever be effected. There is no public

market for the interests, and one is not expected to develop. Further, Fund interests are subject to restrictions on transfer. In all events, Limited Partners may not withdraw capital from a Fund other than to the extent of current income and disposition proceeds when and as required to be distributed by a Fund. The Funds are not to be registered as investment companies under the Company Act. Each prospective investor will be required to represent, among other things, that it is acquiring the Fund interests for investment and not with a view to resale or distribution. Each prospective investor must be prepared to bear the economic risk of an investment in a Fund for an indefinite period of time, because the Fund interests cannot be resold unless (i) they are subsequently registered under the Securities Act and/or the applicable securities laws of any state or other jurisdiction or an exemption from such registration is available and (ii) the provisions of the Partnership Agreements relating to the restrictions on transfers of the Fund interests are complied with to the satisfaction of Madison. Transfers and withdrawals may also be restricted in order to prevent the assets of a Fund from being subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) Fund interests are subject to restrictions on transfer. In all events, limited partners may not withdraw capital from a Fund other than to the extent of current income and disposition proceeds when and as required to be distributed by the Fund. It is anticipated that the offering and sale of interests in each Fund will be exempt from registration pursuant to Regulation D promulgated under the Securities Act; that there will be no public market for Fund interests; and that the Funds will not be registered as investment companies under the Company Act.

Asset Valuations

With certain limited exceptions, valuations of current income and disposition proceeds with respect to investments will be determined by the general partner of each fund and will be final and conclusive to all limited partners. If distributions upon the termination of the Funds are made in assets other than cash, the amount of any such distribution will be accounted for at the fair market value of such assets, with certain limited exceptions, as determined by the general partner, as applicable, in accordance with procedures set forth in the Partnership Agreements. The market value of investments held by the Funds will generally fluctuate with, among other things, general economic conditions, world political events, developments or trends in any particular security, and the conditions of financial markets. Because there is no liquid market for the investments, or only a limited liquid market, the fair value of the investments may not be readily determinable. The Funds will value these investments periodically at fair value as determined by the general partner, as applicable. The valuations used by Madison, as applicable, for a substantial portion of the Funds’ investments may therefore not reflect the most recently available market information. Factors that may be considered in valuing the investments include discounted cash flows, prevailing market conditions with respect to the location of an investment, similar property sales and other relevant factors. Because such valuations are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, the general partner’s, as applicable, determination of fair value may differ materially from the actual results obtainable in an arm’s length sale of such investments to a third party. The Funds’ financial condition and results of operations could be adversely affected if the

Funds' fair value determinations were materially higher than the values that the Funds ultimately realize upon the realization of such investment.

Risks of Co-investments

Under certain circumstances, the partners, members, employees and managers of Madison will be permitted to make co-investments as part of the general partner's commitment to such co-investment with or through the Funds on terms that are not available to its other investors generally. In addition, Madison may negotiate for and retain certain carried interest or other incentive fees from co-investors in entities in which a Fund invests. A Fund may also make an investment with the expectation of offering a portion of its interests therein as a co-investment opportunity to limited partners and/or other third-party investors. There can be no assurance that a Fund will be successful in syndicating such co-investment, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the syndication will take place on terms and conditions that will be preferable for a Fund or that expenses incurred by a Fund with respect to such syndication will not be substantial. In the event that a Fund is not successful in syndicating such co-investment, in whole or in part, a Fund may consequently hold a greater concentration and have more exposure in the related investment than initially was intended, which could make a Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by a Fund that is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns, including through the payment of Broken Deal Expenses by a Fund that are not paid by the prospective co-investors.

Cyber Security Breaches and Identity Theft

Cyber security incidents and cyber-attacks are occurring globally at a more frequent and severe levels and will likely continue to increase in frequency in the future. Madison's, the Funds' investments, and their service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications, or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, copy, publish, delete, or modify private and sensitive information. Although Madison has implemented, and the Funds' investments and their service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of authorized users, and industrial, governmental or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. Madison, a Fund, and/or an investment may have to make a significant investment to fix or replace such systems. The failure of these systems and/or

of disaster recovery plans for any reason could cause significant interruptions in Madison's, the Funds', and/or an investment's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to limited partners (and their beneficial owners) and the intellectual property and trade secrets of Madison and/or its investments. Such a failure could harm Madison's, the Funds' and/or an investment's reputation, and subject any such entity and their respective affiliates to legal claims and adverse publicity, or otherwise affect their business and financial performance.

General Real Estate Investment Considerations

The Funds' investments will be subject to the risks inherent to the ownership and operation of real estate. Deterioration of real estate fundamentals generally, and in the U.S. in particular, would negatively impact the performance of the Funds. The value of real estate historically has experienced significant fluctuations, and cycles in value and local market conditions may result in occasional or permanent reductions in the value of real property interests underlying the Funds' investments. In addition, the properties that the Funds expect to invest in are often subject to extensive environmental laws and regulations, fire and safety requirements, zoning laws and similar laws, and other governmental rules, regulations and policies. Any changes in these laws, regulations and/or policies could have a materially adverse impact on the relevant properties and, consequently, on the Funds. The Funds' ability to generate sufficient net cash flow and the marketability and value of the properties underlying the Funds' investments will depend on many factors beyond the control of the Funds, including:

- adverse changes in macroeconomic, geopolitical, and/or local market conditions that may depress travel or leasing activity;
- the financial conditions of tenants and buyers and sellers of properties;
- changing demographics; perceptions of prospective tenants of the convenience, services, safety and attractiveness of the Funds' investments; changes in environmental and zoning laws;
- changes in supply of and demand for competing properties in an area (as a result, for instance, of overbuilding);
- overbuilding and competition from other real estate investors with significant capital, including other real estate investment companies and institutional investment funds;
- the quality of the construction and design of the relevant buildings;
- contingent liabilities on acquisition and disposition of assets;
- changes in availability of mortgage and other debt financing, the availability of which may render the sale or refinancing of properties difficult or impracticable;

- changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;
- environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established;
- energy prices;
- changes in the relative popularity of property types and locations;
- the ability of the general partner to provide adequate management, maintenance and insurance;
- risks due to dependence on cash flow;
- risks and operating problems arising out of the presence of certain construction materials; and
- acts of God and other uninsurable losses.

Further, an underlying company of an investment may be required to expend funds to correct defects or to make improvements before a tenant can be found for a property at an attractive lease rate or a property can be sold. No assurance can be given that such underlying company will have funds available to correct those defects or to make those improvements. In acquiring a property, an underlying company may agree to lock-out provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property or significant costs and expenses associated with repaying a loan. These factors and others that could impede an underlying company's ability to respond to adverse changes in the performance of its properties could significantly affect the Funds' financial condition and operating results. The real estate held indirectly by the Funds is generally illiquid. Therefore, there can be no assurance that there will be a ready market when the Funds (or the underlying investment manager) determines to sell their properties. Illiquidity may result from the absence of an established market for the property, as well as legal or contractual restrictions on their resale, or a disruption in the market. In addition, no assurance can be given that the fair market value of any real estate investments indirectly held by the Funds will not decrease in the future or that the Funds will recognize full value for any indirect investment sold by the Funds or an underlying investment manager.

Public Health Emergencies Including COVID-19

The World Health Organization declared the outbreak of a novel and highly contagious form of coronavirus ("COVID-19") to constitute a "Public Health Emergency of International Concern." COVID-19 resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of COVID-19 continues to evolve, and many countries reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses also implemented

similar precautionary measures. In addition, state, federal and non-U.S. laws and regulations were implemented as a result of the COVID-19 pandemic that placed restrictions on lenders and landlords in the real estate sector and other industries from exercising certain of their rights in the event of borrower or tenant defaults or delinquencies, including with respect to foreclosure and eviction rights. For example, certain states implemented mortgage payment relief packages for homeowners or instituted executive orders suspending the enforcement of residential or commercial evictions and U.S. federal regulators implemented a moratorium on evictions and foreclosures on homeowners with mortgages backed by the federal government for non-payment of rent. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, created significant disruption in supply chains and economic activity and had a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. Jurisdictions and other local and national authorities may expand or extend measures imposing restrictions. The potential long-term impacts of COVID-19, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. In light of the above, views and other forward-looking statements expressed in Fund marketing or other materials may be based on assumptions that are no longer valid at the time a communication is received.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their investments and could adversely affect the Funds' ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Funds' and the portfolio companies' operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that has come as a result of COVID-19 has and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on the Funds at a future point. For this reason, valuations in such environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds' investments, the Funds' ability to source, manage and divest investments and the Funds' ability to achieve its investment objectives, all of

which could result in significant losses to the Fund. In particular, a public health emergency may have a greater impact on leveraged assets.

Any such disruptions may continue for an extended period of time. The full impacts of this pandemic on markets, business activity and the U.S. and global economy, as well as potential changes in economic and fiscal policies that may be adopted to address the current pandemic or the possibility of a similar future event, price shocks and related externalities, are not yet fully identified or understood and the situation continues to evolve. In implementing the Funds' investment strategies, the General Partner will make a number of assumptions, including as to the severity of the consequences of COVID-19 to the U.S. and global economies, and the likelihood of a similar future event and any possible impacts thereof. There can be no assurances that such assumptions will be correct and unexpected events and developments, including the severity of this or any other pandemic on economies and specific Investments, may be detrimental to the Fund and its Investments. In addition, the operations of the Funds and their investments may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, including possibly the Real Estate Managing Directors, or the personnel of any such entity's key service providers. The impact to businesses in such circumstances has been and is expected to continue to be substantial. In addition, in connection with the impacts of the current pandemic and any future such public health crisis, the Funds are expected to incur heightened legal expenses which could similarly have an adverse impact to the Funds' returns. For example, but not by limitation, the Funds or their investments may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Funds and/or their investments. There may also be a heightened risk of cyber and other security vulnerabilities during public health emergencies, which could result in adverse effects to the Funds or their investments in the form of economic harm, data loss or other negative outcomes.

Russian Invasion of Ukraine

On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine. Geopolitical tensions globally have risen significantly in response and the US, the United Kingdom, EU member states, and certain other countries have imposed several rounds of economic sanctions on the Russian Federation, parts of Ukraine, as well as various designated parties, and additional sanctions may be added in the future. There is no guarantee that such sanctions and economic actions will abate or that more restrictive measures will not be put in place in the near term. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the impact of these events or how long the conflict or such sanctions will last. The Russian Federation-Ukraine conflict and related events (including the economic sanctions) may significantly exacerbate the normal risks associated with investments in the Funds and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping and transportation costs and supply chain constraints; (iii) interest rates, currency exchange rates, and expenses associated with currency management

transactions; (iv) demand for the types of investments made by the Funds; (v) available credit in certain markets; (vi) import and export activity from certain markets and capital controls; and (vii) laws, regulations, treaties, pacts, accords, and governmental policies, all of which could have a negative impact on the economy and business activity globally, and therefore could adversely affect the performance of the Fund's investments. Furthermore, the conflict between the two nations and the varying involvement of the United States and other NATO countries could preclude prediction as to their ultimate adverse impact on global economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

US Private Fund Regulatory Environment

The US regulatory environment for private funds is likely to continue to present increased regulatory and compliance challenges in 2023, which may result in increased compliance costs for Madison and its Funds. The SEC has proposed significant changes to Form PF and material amendments to other rules that may impact investment advisers including with respect to cybersecurity risk management, short selling, beneficial ownership reporting, insider trading, custody of client assets, supervision of service providers, private fund adviser audits and side letter restrictions, and many other topics. If enacted as proposed, the proposed amendments would impose significant new reporting requirements, burdens, and other restrictions on private fund managers like Madison. SEC amendments to the marketing and advertising rules under the Advisers Act also took effect in November 2022 and required Madison to adopt new processes and procedures reasonably designed to ensure compliance. All of these factors as well as future SEC proposals are likely to result in increased regulatory and compliance costs for Madison and its Funds this year and potentially beyond.

Financial Institution Insolvency

An investment in any Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty. The majority of the Funds' cash is held in accounts at U.S. and multinational banking institutions that Madison believes are of high quality. Cash held in non-interest-bearing and interest-bearing operating accounts will likely exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. If such banking institutions were to fail, we could lose all or a portion of those amounts held in excess of such insurance limitations. While the FDIC took control of several banking institutions, including Silicon Valley Bank ("SVB") on March 10, 2023, and Signature Bank on March 12, 2023, the Federal Reserve announced that account holders would be made whole. However, as the FDIC continues to address the situation with SVB, Signature Bank and other similarly situated banking institutions, the risk of loss in excess of insurance limitations has generally increased. Any material loss or delay in accessing funds that the Funds may experience in the future could have an adverse effect on the Funds' ability to pay their operational expenses or make other payments and may require us to move the Funds' accounts to other

banks, which could cause a temporary delay in making payments to vendors and other operational inconveniences and may cause the Funds to incur additional expenses. It may also increase costs associated with maintaining bank accounts with qualified custodians as industry participants seek to diversify their exposures to specific financial institutions.

Item 9. Disciplinary Information

Madison has not been involved in any legal or disciplinary events that it believes would be material to a Fund's, Fund investor's, or a prospective Fund investor's evaluation of our investment advisory business or the integrity of management.

Item 10. Other Financial Industry Activities and Affiliations

Neither Madison, nor its management persons are registered or have a pending application to register as a broker-dealer or a representative of a broker-dealer. In addition, neither Madison nor its management persons are registered or have a pending application to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Madison and its related persons are the general partners, or managing members of each Madison Fund. In addition, under SEC guidance, our affiliated investment advisers that have the authority to make investment decisions on behalf of the Funds are deemed to operate, for Advisers Act registration purposes, as a single advisory business together with MIRH. MIRH's affiliated investment advisers include Madison International Realty VI, LLC, Madison International Realty VII, LLC, Madison International Realty VIII, LLC, Madison International European Realty, LLC, Madison International Realty NYC Core Retail, LLC, Madison International Realty NYC Core Retail II, LLC, Madison International Prime Property Realty, LLC, Madison International Realty UK, Ltd, Madison International Realty Luxembourg S.A.R.L., Madison International European Prime Property Realty, LLC, Madison International Realty-U, LLC, Madison International Realty Growth-N, LLC and Madison International Realty GmbH.

The general partners of the Madison Funds are Madison International Holdings V, LLC, Madison International Holdings VI, LLC, Madison International Holdings VII, LLC, Madison International Real Estate (Lux) GP S.À R.L, Madison International European GP, LLC, Madison International European Feeder GP, LLC, Madison International Holdings VI Retail Co-Investment, LLC Madison International Holdings NYC Core Retail, LLC, Madison International Holdings NYC Core Retail II, LLC, Madison International Prime Property Holdings, LLC, Madison International Holdings Lazora, LLC, Madison International Real Estate VII (Lux) GP S.a.r.l. and Madison International European Prime Property Holdings, LLC, Madison International Holdings VII ELI Co-Investment LLC, Madison International Holdings VII IQHQ Co-Investment LLC, Madison International Prime Property Holdings II, LLC, Madison International Holdings VIII, LLC, Madison International European Tranche III GP, LLC, Madison International Holdings AMH Co-Investment, LLC, Madison International Holdings Growth-N, LLC, Madison International Holdings U-1, LLC, Madison International Holdings Topco-N, LLC and Madison International Holdings VIII Cologix Co-Investment, LLC.

Madison does not recommend or select other investment advisers for clients in return for compensation. Madison does contract with non-US service providers for certain advisory, accounting, fund administration, and other services to comply with the EU Alternative Investment Fund Managers Directive and similar requirements and other EU Directives, including the Base Erosion Profit Sharing (BEPS) directive.

Item 11. Code of Ethics, Participation of Interest in Client Transactions and Personal Trading

In compliance with Rule 204A-1 of the Advisers Act, Madison has adopted a Code of Ethics in order to establish the standard of conduct expected of all employees in light of Madison's duties to its clients. It also establishes reporting and other requirements for personal securities transactions.

Madison and its employees owe a fiduciary duty to the Funds. Among other duties, each employee should (i) at all times place the interests of the Funds before his or her own interests, (ii) act with honesty and integrity with respect to the Funds, (iii) not take inappropriate advantage of his or her position for his or her personal benefit, (iv) make full and fair disclosure of all material facts, particularly where Madison's or employee interests may conflict with a Fund's, and (v) have a reasonable, independent basis for his or her investment advice.

Madison maintains a copy of its Code of Ethics adopted and implemented pursuant to SEC Rule 204A-1. Clients may obtain a copy of Madison's Code of Ethics upon request by contacting the Chief Compliance Officer at 212-688-8777.

As general partners, limited partners or managing members of the general partners of each of the Madison Funds, or as co-investors in investment vehicles, Madison and its related persons have direct or indirect beneficial interests in the assets owned by the Madison Funds and share in any profits and losses generated by the Madison Funds' investments.

Madison has adopted policies and procedures reasonably designed to avoid conflicts of interest related to the personal trading of its employees through the use and maintenance of a securities screening list in which no related person may purchase or sell, directly or indirectly, for his or her own account or for any account in which he or she may have a beneficial interest, any security that appears on the list, without prior approval from Compliance. Included on the securities screening list are securities in the real estate sector as they can be investments or potential investments of the Madison Funds.

Item 12. Brokerage Practices

Madison is authorized by the Funds to select brokers to effect transactions on their behalf. As a practical matter, Madison does not participate in directed brokerage arrangement with clients. Madison has established general criteria to determine which brokers are qualified to provide brokerage services, and considers, among others, the following relevant factors:

- financial stability of the broker;
- the price of the security and the broker's commission rates;
- research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis);
- custodial and other services provided by such brokers that are expected to enhance the Firm's general investment management capabilities;
- the broker-dealer's expertise in the specific securities or sectors in which Madison seeks to trade;
- the extent to which the broker-dealer makes a market in the securities involved or has access to such markets;
- liquidity of the market for the security;
- the likely market impact of the order and Madison's opinion as to which broker-dealer is best able to handle the order with minimum adverse market impact;
- the broker-dealer's promptness of execution;
- the broker-dealer's reputation for diligence, fairness and integrity;
- confidentiality considerations;
- the broker-dealer's ability and willingness to correct errors;
- the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; and
- the size and type of the transaction;
- the operational facilities, infrastructure and technology of the brokers and/or dealers involved (including back-office efficiency); and
- the ability to handle a block order for securities and distribution capabilities.

Madison also seeks to obtain "best execution" of the securities transactions effected for its Funds. To fulfill this obligation, Madison seeks to execute securities transactions in such a manner that the total cost or proceeds in each Fund transaction is the most favorable under the circumstances. In seeking best execution, Madison considers the full range and quality of a broker's services including, among other things, the value of research provided as well as execution capability, commission rate, the frequency and severity of errors made by each broker, or disputes with each broker, and the time/effort it took to resolve such errors/disputes, purpose behind using said broker, unusual trends (such as higher than usual commission rates or volume of business), potential conflicts of interest, financial responsibility, and responsiveness. In addition, Madison considers the benefit of spreading certain trades among multiple brokers.

Madison receives soft dollar benefits from certain broker-dealers in compliance with Section 28(e) of the Securities Exchange Act of 1934. These benefits include, among

others, research as well as brokerage services including trade execution, clearance, and settlement. Madison analyzes the soft dollar benefits that it receives to confirm that each product and service provides lawful and appropriate assistance to Madison in the performance of its investment management role, and that the commissions paid by the Funds for products and services are reasonable in light of the value received.

In addition, due to Madison's investment strategy, it does not receive client referrals from any broker-dealer utilized to execute Fund transactions, nor does it participate in directed brokerage.

There are certain situations where multiple Madison Funds are actively engaged in purchasing or selling the same security. In these instances, trades will be aggregated to ensure any economic benefits are allocated proportionately to the Funds.

Item 13. Review of Accounts

Madison's investment committee is responsible for the ongoing monitoring of each Madison Fund and the status of its holdings. The investment committee consists of members of Senior and Executive Management, including Madison's President, senior investment professionals, Chief Financial Officer and Chief Compliance Officer, who are responsible for the continuous monitoring of the Funds' adherence to any investment objectives, policies and restrictions as set forth in each Fund's organizational documents. Madison's president Ronald M. Dickerman maintains full veto power, including final approval rights on any investment decision made by the investment committee.

Madison provides Fund investors with annual financial statements audited by an independent auditor registered with the Public Company Accounting Oversight Board ("PCAOB") within 120 days of year-end (unless Madison does not have custody over client assets) as well as a detailed management report with an update and analysis of each Fund investment. In addition, Madison provides unaudited financial statements and management reports on a quarterly basis with a detailed narrative of the activity of the Fund, as well as quarterly investor statements which roll-forward the Fund and individual investor net asset value.

Item 14. Client Referrals and Other Compensation

There is no person, other than the Funds, that provides any economic benefit to Madison for providing investment advice or other advisory services to the Funds. In addition, neither Madison nor any of its related persons compensate any person who is not a supervised person (employee) of Madison for client referrals.

Madison does compensate placement agents for soliciting Fund interests to prospective investors. The compensation paid generally consists of a cash payment computed as a percentage of asset management fees received from such placement activity, although other methods of computation or payment may be used. These arrangements are intended to be in compliance with the applicable rules and regulations of the Advisers Act, and the Securities Act. Fund organizational documents provide details of how the costs of any placement arrangements are allocated. Madison may either compensate these placement agents directly or placement agent fees may be paid initially by a Fund, but such payment shall reduce dollar-for-dollar the subsequent installment of the management fee payable by the fund. Fund investors should be aware that the receipt of compensation by a placement agent may create a conflict of interest and may affect the judgment of the placement agent when making a recommendation for an investment with Madison.

Item 15. Custody

Madison is deemed to have custody over client assets with respect to each private fund that it manages. The safeguarding of Fund assets and compliance with the Advisers Act is of primary importance to Madison. When applicable, cash and securities are maintained at a financial institution that meets the definition of qualified custodian under the Advisers Act. See Form ADV Part 1 for a complete list of qualified custodians for each Fund. In addition, the audited financial statements of each Fund are prepared in accordance with U.S. GAAP (or IFRS as allowable for partnerships organized outside the United States) and distributed to all Fund investors within 120 days of the end of the Fund's fiscal year. The audits are performed by an accounting firm registered with, and subject to regular inspection by the PCAOB in accordance with its rules. The SEC recently proposed significant amendments to the rules regarding the safeguarding of client assets. Madison is monitoring these developments closely and plans to comply with any updated final rules.

Item 16. Investment Discretion

Madison generally has sole investment discretion over the Funds in accordance with the partnership agreements, investment management agreements and other organizational documents of each Fund. Any limitations or restrictions to this discretion, including investment objectives and guidelines would be detailed in the agreements and organizational documents above with respect to each Fund. In situations where Madison does not exercise sole investment discretion, the underlying investor has an investment opt-out period after being presented an investment opportunity.

Item 17. Voting Client Securities

Pursuant to each Fund's partnership agreement, the general partner of each Fund is responsible for the management, policies and operations of each Fund. On behalf of the general partner of each of the Funds, Madison generally originates and recommends investment opportunities to the Funds, monitors and evaluates investments and provides other related services as each Fund may reasonably request.

To the extent Madison exercises or is deemed to be exercising voting authority over the Fund securities, it shall vote those securities in accordance with its proxy voting policies and procedures. In such cases, each proxy proposal received by Madison will be thoroughly reviewed by Madison in order to ensure that such proxy is voted in the best interests of the Fund.

Madison may occasionally be subject to material conflicts of interest in the voting of proxies due to business or personal relationships it maintains with persons having an interest in the outcome of certain votes. Madison may also occasionally have business or personal relationships with the proponents of proxy proposals, participants in proxy contests, corporate directors and officers, or candidates for directorships. In addition, conflicts may arise as a result of an investment being held in multiple Funds with differing investment objectives.

If at any time, Madison becomes aware of a material conflict of interest relating to a particular proxy proposal, Madison will handle such proposal by requiring such proposal be reviewed by the Chief Compliance Officer and investment committee, who will determine how to vote the proxy in a manner consistent with the Funds' best interest.

Clients may obtain a copy of Madison's proxy voting policies and procedures or additional information about how Madison voted securities upon request.

Item 18. Financial Information

Madison does not require prepayment of more than \$1,200 in fees, six or more months in advance, nor is it aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. In addition, Madison has not been the subject of any bankruptcy petition at any time during the past ten years.