

**Madison Investment Advisors, LLC  
Madison Asset Management, LLC  
Hansberger Growth Investors, LP**

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**Determining Reasonableness of Retirement Plan Fees**

**Disclosure Document for Covered Plans under ERISA 408b-2(c)(1)(iv)**

- A. Services: Madison Investment Advisors, LLC,<sup>1</sup> Madison Asset Management, LLC and Hansberger Growth Investors, LP (each referred to as “Madison”) provide investment advisory services to “covered plans.” Covered plans are employee benefit plans or pension plans within the meaning of Section 3(2)(A) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (other than those described in section 4(b) of ERISA, SEP, SIMPLE and IRA accounts). Madison’s investment advisory services are described in detail in the first section of the investment management agreement between Madison and each covered plan (the “Contract”).<sup>2</sup> This disclosure document does not apply to Madison Managed Account Program accounts managed by Madison.
- B. Status: As an investment adviser to a covered plan under the Investment Advisers Act of 1940, as amended, Madison acts in a fiduciary capacity and provides its services to the covered plan directly pursuant to the Contract. Madison is a Qualified Professional Asset Manager.
- C. Compensation: Madison receives direct compensation from each covered plan pursuant to the Contract. Depending on the type of investment management services provided, Madison may also receive indirect compensation in connection with the *services* described above.
1. Direct compensation – All covered plans pay direct *compensation* for the *services* described above pursuant to the fee schedule contained in Schedule A to the Contract.<sup>3</sup>
  2. Indirect compensation
    - i. **Fixed-income services**: Madison receives no indirect *compensation* in connection with covered plans to which Madison provides fixed income (bonds) investment management *services*.
    - ii. **Equity services**: Madison may receive indirect *compensation* in connection with covered plans to which Madison provides certain equity (stock) investment management services as follows:
      - a. Non-discretionary equity investment management services – Madison receives no indirect *compensation* in connection with covered plans to which Madison provides non-discretionary equity investment management services pursuant to a model and for which Madison does not have discretion to execute brokerage transactions on behalf of the covered plan.
      - b. Discretionary equity investment management services; no transaction fee arrangement – Madison receives no indirect *compensation* in connection with covered plans to which Madison provides discretionary equity investment management services and for which the covered plan has entered into a no transaction fee arrangement with a broker or program sponsor (i) to which

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<sup>1</sup> Including its Madison Scottsdale division.

<sup>2</sup> For covered plans to which Madison provides services in its capacity as a subadviser to a program sponsor, Madison’s services are described in the applicable program’s Disclosure Brochure (Form ADV Part 2) and the contract between the covered plan and the program sponsor (for such covered plans, references to the “Contract” refer to the document between the covered plan and the program sponsor). Investment management agreements for certain covered plans that elected not to use Madison’s standard Contract describe Madison’s investment advisory services in detail in a corresponding section of the covered plan’s preferred form of contract under “Services Provided” or functionally equivalent title.

<sup>3</sup> For covered plans to which Madison provides services in its capacity as a subadviser to a program sponsor, Madison’s direct compensation is described in the fee schedule contained in the applicable program’s Disclosure Brochure and the Contract (which may or may not be referenced as Schedule A).

the covered plan has directed Madison to execute all securities transactions on behalf of the covered plan and (ii) for which the covered plan pays a fixed fee, a portion of which is paid to Madison for its services and the remainder of which is paid to its broker or program sponsor for a variety of other services including brokerage.

- c. Discretionary equity investment management services; brokerage discretion provided to Madison – Madison receives indirect compensation in the form of so-called “soft dollar” research and brokerage services under Section 28(e) of the Securities Exchange Act of 1934, as amended, in connection with covered plans to which Madison provides discretionary equity investment management services and has discretion to execute brokerage transactions on behalf of the covered plan. This means that a covered plan may pay a higher commission than other brokers would charge if Madison determines in good faith that the amount of the commission is reasonable in relation to the value of services provided. Madison also may receive brokerage or research services from broker-dealers that are provided at no charge in recognition of the volume of trades directed to the broker. To the extent research services or products may be a factor in selecting brokers, services and products may include written research reports analyzing performance or securities, discussions with research analysts, meetings with corporate executives to obtain oral reports on company performance, market data, and other products and services (including conference attendance that may be sponsored by brokers or individual issuers of securities or groups of issuers of securities by industry or sector) that will assist Madison in its investment decision-making process. The research services provided by brokers through whom the covered plan effects securities transactions may be used by Madison in servicing all of its accounts, and some of the services may not be used by Madison in connection with the covered plan. The following is a list of brokers used by Madison during its last fiscal year, in alphabetical order, together with a description of the indirect compensation Madison received from those brokers. In general, equity transactions are executed for which covered plans can expect to pay up to four cents per share for each transaction. Depending on the broker, up to three cents per share generates soft dollar research or brokerage credit that will be utilized by Madison under Section 28(e). None of the brokers identified below are affiliated with Madison.

<b>Name of Broker</b>	<b>Form of Indirect Compensation Received</b>
Credit Suisse	Proprietary investment research and third party research, the payment for which is consolidated through ITG - Hoenig (see below)
ITG – Hoenig	Third party research including: 13D; Bloomberg; Dow Jones News; Factset; RenMac, Reuters, Rosenberg – Gluskin Sheff & Associates; Russell; S&P Fees; Sector & Sovereign; SNL Financial, Starmine; StreetAccount; Thomson Baseline; TraderForum; Vertical Research, etc.
Liquidnet	Third party research, the payment for which is consolidated through ITG - Hoenig (see above)
Morgan Stanley	Proprietary investment research
Raymond James	Proprietary investment research
RW Baird	Proprietary investment research
Sanford Bernstein	Proprietary investment research and third party research, the payment for which is consolidated through ITG - Hoenig (see above)
Weeden & Company	Third party research, the payment for which is consolidated through ITG - Hoenig (see above)
William Blair	Proprietary investment research

**iii. Proprietary Investment Company Investments:** Madison does not normally invest

covered plan assets in its proprietary investment company securities (mutual funds). If such investments are held in a covered plan account managed by Madison pursuant to its Contract, Madison will waive the *direct fees* that would otherwise be paid in connection with assets so invested. This is because Madison would receive indirect compensation in the amounts disclosed in the “Fund Summary” of the applicable prospectus (or Summary Prospectus, if used) for any investment company held in a covered plan account in connection with the covered plan assets invested in such proprietary investment company securities.

3. Compensation paid among related parties - If the covered plan has affirmatively agreed to receive some of the *services* under the Contract from an affiliate of Madison that is also a registered investment adviser under the Investment Advisers Act of 1940, as amended (for example, international equity management from Madison’s Hansberger Growth Partners affiliate), then Madison will allocate some or all of the *direct fees* it receives from the covered plan to that affiliate. There are no separate or additional fees charged to the covered plan for the covered plan to receive the *services* under the Contract in this manner.
4. Compensation for termination of contract or arrangement. – Madison is not paid any compensation for termination of its Contract. Madison will refund prepaid fees on a pro rata basis to any covered plan that terminates its Contract.

D. Recordkeeping services. Madison does not provide recordkeeping services to covered plans.

E. Investment disclosure – fiduciary services. Madison does not normally invest covered plan assets in its proprietary investment company securities (mutual funds). If such investments are held in a covered plan account managed by Madison pursuant to its Contract, no additional compensation will be charged directly against an investment. The annual operating expenses (expense ratio) of any such investment is set forth in the “Fund Summary” section of the current prospectus (or Summary Prospectus, if used) for the fund.

F. Investment disclosure – recordkeeping and brokerage services. Madison does not offer recordkeeping or brokerage services to covered plans that are individual accounts plans.

G. Manner of receipt. The *direct compensation* to be paid to Madison may be billed or deducted directly from the covered plan’s account, in the option of the covered plan.<sup>4</sup> *Indirect compensation*, if any, is paid directly by the covered plan at the time it engages in equity brokerage transactions in the form of brokerage commission.

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<sup>4</sup> For covered plans to which Madison provides services in its capacity as a subadviser to a program sponsor, the direct payment to Madison is made by the program sponsor from the program fee it collects from the covered plan in the manner determined by the program sponsor and the covered plan.