

# Madison Large Cap Fund

Investment Strategy Letter | September 30, 2025



The Madison Large Cap Fund (class I) decreased 2.2% in the third quarter of 2025, compared to the 8.1% increase in the S&P 500 Index.

While a soaring market is not an environment in which we would expect to outperform, the last six months have been uniquely challenging. Our strategy was comfortably ahead of our benchmark index for the year-to-date period at the end of March, but now trails by a considerable margin. We are invested in a variety of high-quality, durable businesses in a wide range of industries, selling for reasonable, or even cheap, prices. This has historically been a formula for solid, long-term performance. We don't think that has changed. But recently, these attributes have been unpopular, as the market has favored the short-term over the long-term, the promise versus the proven, and momentum over durability. We will not risk our investors' hard-earned savings by abandoning a philosophy that makes rational, clear-headed sense to us, and that has worked for decades, in order to conform to something that may be fleeting, and appears to be dependent on highly optimistic scenarios.

## Portfolio Performance

The top five contributors for the quarter were Alphabet, Lowe's, TJX, Brookfield Corporation, and Parker-Hannifin. Shares in Alphabet bounced back in the quarter as the company reported strong results across Search, YouTube, and Cloud. Furthermore, Judge Metha released his opinion on remedies for the Google Search trial, which appear manageable relative to the Department of Justice's proposal.

Two of our retailers were also good contributors in the quarter. Home improvement retailer Lowe's results improved as the U.S. housing market appears to be thawing after years of suppressed activity due to high interest rates. The company also announced the acquisition of Foundation Building Materials to serve large, professional customers, which is a large growth opportunity. TJX Companies, an off-price retailer, continues to do well. Its value-based retail stores are resonating with consumers given the backdrop of economic uncertainty, which led to strong revenue and profit growth in the quarter and a raised outlook for the remainder of the year.

Brookfield Corporation reported another quarter of solid results across its asset management, real estate, and insurance operations. During the quarter, management also hosted its annual investor day where they outlined expectations for sustained business growth and shareholder returns. Rounding out the top five contributors is diversified industrial company Parker-Hannifin, which continues to report strong results in its aerospace segment, accompanied by company-wide margin improvements.

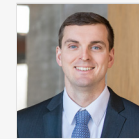
The bottom five detractors for the quarter were Gartner, Fiserv, Texas Instruments, Liberty Broadband, and Accenture. Shares in Gartner declined in the quarter following disappointing second quarter results. Growth slowed more than expected, which management attributed to the macro environment (companies, especially those impacted by tariffs, weren't in the mood to add to their expenses), while the market attributed the slowing to AI disruption (companies substituting generative AI tools for Gartner subscriptions). We believe the AI risk to Gartner is manageable, as the combination of its strong reputation and proprietary data, including surveys, models, benchmarking data, five hundred thousand annual client calls, twenty seven thousand annual tech vendor calls, etc., creates a trove of unique insights not available to generic generative AI tools.

Fiserv's shares sold off in the quarter due to concerns over modest volume growth at its Clover payment processing unit. Fiserv's other businesses are performing well, and we believe the slowdown at Clover is due to transitory factors and that growth will pick back up. Texas Instruments reported a solid quarter of revenue and profits growth, but the outlook for the third quarter was below expectations as it appears some of the strong demand in the first half of the year was due to customers pulling forward orders to avoid potential tariffs. While tariff related purchasing clouds the outlook, we believe that its end markets remain in the early innings of an upcycle after one of the worst downcycles for analog semiconductors in decades.

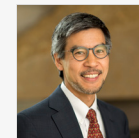
## Tickers

|                 |                |
|-----------------|----------------|
| Class R6: MNVRX | Class I: MIVIX |
| Class Y: MINVX  | Class A: MNVAX |

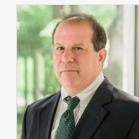
## Portfolio Management



**Joe Maginot**  
Portfolio Manager, Analyst  
Industry since 2012



**Haruki Toyama**  
Head of Mid & Large Cap Equity,  
Portfolio Manager  
Industry since 1994



**Rich Eisinger**  
Head of Equities, Portfolio  
Manager  
Industry since 1994

*Performance data shown represents past performance. Investment returns and principal value will fluctuate, so that fund shares, when redeemed, may be worth more or less than the original cost. Past performance does not guarantee future results and current performance may be lower or higher than the performance data shown. Visit [madisonfunds.com](https://madisonfunds.com) or call 800.877.6089 to obtain performance data current to the most recent month-end.*



Liberty Broadband, which derives nearly all its value from its ownership stake in Charter Communications, dropped as Charter reported a disappointing quarter of profitability and broadband subscriber losses. In the first quarter, investor sentiment rose following promising trends in these metrics, so this quarter marked a step back. At Accenture, Department of Government Efficiency (“DOGE”) efforts have weighed on the Public Service customer group, but results have otherwise been consistent with our expectations. However, its shares have lagged as its valuation multiple has contracted considerably due to concerns that generative AI will negatively impact its business. We continually weigh the opportunities and threats of AI technologies for Accenture but believe that broad technological change and the need for large enterprises to integrate new technologies is generally a benefit. Today, Accenture has over three hundred Diamond Clients spending over one hundred million dollars annually with it and counts over 75% of the Fortune Global 500 as clients. Over the last couple of decades, Accenture has helped enterprises integrate broad swaths of technology into their operations and believe the integration of AI will be similar.



## Portfolio Activity

We initiated a position in MSCI Inc. and sold Elevance Health and Liberty Broadband.

MSCI Inc. is a financial technology company that serves asset owners, asset managers, and other financial intermediaries. It is probably best known for its flagship indexes, such as the MSCI ACWI and MSCI EAFE, but it also calculates many thousands of other custom indexes daily. Additionally, it offers clients a broad suite of risk management tools and data products. We believe that MSCI is a unique, high-quality business, anchored by its indexes, which are the standard for measuring the performance of global and international equity markets. MSCI is also in the early innings of creating standards around risk and return measurement for investors allocating to private assets. Importantly, organic growth at MSCI requires minimal capital investments, so margins are high and free cash flow is robust.

Its management team is also excellent. CEO Henry Fernandez and President Baer Pettit have both been with MSCI for decades and built it from a small subsidiary within Morgan Stanley into the global franchise it is today. The company's compensation structure encourages both business growth and shareholder return, and management owns a meaningful stake in the company. Overall, we believe that MSCI has a long runway for growth as it's well-positioned to capitalize on secular industry trends, launch products that reach new customer groups, and broadly benefit from the growth of global capital markets.

During the quarter, we also sold two relatively small holdings in Elevance Health and Liberty Broadband. Elevance is the nation's second-largest managed care provider. While we continue to view the management team as strong operators, the industry outlook has become more challenging across both Medicare Advantage and state Medicaid programs. Elevance's scale and diversity of operations, including an in-house connected care operation, have helped blunt the impact of recent increases in medical costs. However, we now believe that the business will face a longer road to recovery. Liberty Broadband, which derives nearly all its value from its ownership stake in Charter Communications, was also sold in the quarter to fund new opportunities, as the portfolio's cash position was low and Liberty Broadband represented one of the smallest holdings in the portfolio.

Respectfully,

Joe Maginot

Haruki Toyama

Rich Eisinger

Although the information in this report has been obtained from sources that the firm believes to be reliable, we do not guarantee its accuracy, and any such information may be incomplete or condensed. All opinions included in the report constitute the authors' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security and is not investment advice.

Madison Asset Management, LLC does not provide investment advice directly to shareholders of the Madison Funds. Opinions stated are informational only and should not be taken as investment recommendation or advice of any kind whatsoever (whether impartial or otherwise).

Madison-817660-2025-10-09



# Madison Large Cap Fund

Fact Sheet | September 30, 2025



## Why Madison Large Cap Fund?

|                                                      |                                                    |                         |
|------------------------------------------------------|----------------------------------------------------|-------------------------|
| High-quality, concentrated portfolio of 25-40 stocks | Focused on risk management and downside protection | Long-tenured management |
|------------------------------------------------------|----------------------------------------------------|-------------------------|

| Average Annual Total Returns <sup>1</sup> (%) |          |       |        |        |        |         |                 |
|-----------------------------------------------|----------|-------|--------|--------|--------|---------|-----------------|
|                                               | 3-Months | YTD   | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception |
| Class R6                                      | -2.17    | 0.03  | -0.39  | 17.56  | 11.92  | 13.13   | 12.17           |
| Class I                                       | -2.20    | -0.03 | -0.44  | 17.47  | --     | --      | 11.35           |
| Class Y                                       | -2.22    | -0.10 | -0.55  | 17.35  | 11.74  | 12.93   | 11.04           |
| Class A without sales charge                  | -2.29    | -0.28 | -0.81  | 17.05  | 11.45  | 12.65   | 11.68           |
| Class A with sales charge                     | -7.92    | -6.01 | -6.50  | 14.76  | 10.14  | 11.98   | 11.13           |
| S&P 500                                       | 8.12     | 14.83 | 17.60  | 24.94  | 16.47  | 15.30   | --              |

| Calendar Year Returns <sup>1</sup> (%) |      |       |       |       |       |       |       |        |       |       |
|----------------------------------------|------|-------|-------|-------|-------|-------|-------|--------|-------|-------|
|                                        | 2015 | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022   | 2023  | 2024  |
| Class Y                                | 0.23 | 12.97 | 22.51 | -0.20 | 30.48 | 14.42 | 22.68 | -13.17 | 26.09 | 16.44 |
| S&P 500                                | 1.38 | 11.96 | 21.83 | -4.38 | 31.49 | 18.40 | 28.71 | -18.11 | 26.29 | 25.02 |

Performance data shown represents past performance. Investment returns and principal value will fluctuate, so that fund shares, when redeemed, may be worth more or less than the original cost. Past performance does not guarantee future results and current performance may be lower or higher than the performance data shown. Visit [madisonfunds.com](https://madisonfunds.com) or call 800.877.6089 to obtain performance data current to the most recent month-end.

| Sector Allocation (%) |         |       |
|-----------------------|---------|-------|
|                       | Madison | Index |
| Comm Services         | 7.49    | 10.14 |
| Cons Discr            | 22.73   | 10.54 |
| Cons Staples          | --      | 4.91  |
| Energy                | --      | 2.89  |
| Financials            | 28.29   | 13.54 |
| Health Care           | 8.25    | 8.86  |
| Industrials           | 13.62   | 8.29  |
| Info Tech             | 19.54   | 34.78 |
| Materials             | --      | 1.77  |
| Real Estate           | --      | 1.94  |
| Utilities             | --      | 2.35  |
| Cash                  | 0.09    | --    |

| 5-Year Risk Metrics (%) - Class Y |         |        |
|-----------------------------------|---------|--------|
|                                   | Madison | Index  |
| Standard Deviation                | 15.49   | 15.84  |
| Up Capture                        | 86.72   | 100.00 |
| Down Capture                      | 100.20  | 100.00 |
| Beta                              | 0.91    | 1.00   |

| 10-Year Risk Metrics (%) - Class Y |         |        |
|------------------------------------|---------|--------|
|                                    | Madison | Index  |
| Standard Deviation                 | 14.45   | 15.31  |
| Up Capture                         | 89.08   | 100.00 |
| Down Capture                       | 93.11   | 100.00 |
| Beta                               | 0.89    | 1.00   |

## Investment Objective

The Madison Large Cap Fund seeks long-term capital appreciation.

| Class | Ticker | Inception | Exp. Ratio |
|-------|--------|-----------|------------|
| R6    | MNVRX  | 9/23/13   | 0.73%      |
| I     | MIVIX  | 8/31/20   | 0.81%      |
| Y     | MINVX  | 11/1/78   | 0.91%      |
| A     | MNVAX  | 9/23/13   | 1.16%      |

Expense ratios are based on the fund's most recent prospectus.

## Fund Characteristics

|                                    |        |
|------------------------------------|--------|
| Number of Holdings                 | 29     |
| Active Share (%)                   | 89.6   |
| % Assets in Top 10 Stocks          | 49.0   |
| Annual Portfolio Turnover (%)      | 16     |
| Wtd. Avg. Market Cap (\$ billions) | 449.4  |
| Net Assets (\$ millions)           | 372.3  |
| Distribution Frequency             | Annual |

## Portfolio Management

|                                                                                    |                                                                                                  |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Joe Maginot</b><br>Portfolio Manager, Analyst<br>Industry since 2012            | <b>Haruki Toyama</b><br>Head of Mid & Large Cap Equity, Portfolio Manager<br>Industry since 1994 |
| <b>Rich Eisinger</b><br>Head of Equities, Portfolio Manager<br>Industry since 1994 |                                                                                                  |



## Complete Stock Holdings (%)

|                          |      |                          |      |                      |      |
|--------------------------|------|--------------------------|------|----------------------|------|
| Alphabet Inc Cl C        | 7.49 | Danaher Corp             | 3.83 | Airbnb Inc Class A   | 2.55 |
| Arch Capital Group Ltd   | 6.24 | Progressive Corp         | 3.73 | Marsh + McLennan Cos | 2.52 |
| Amazon.com Inc           | 5.52 | Brookfield Corp          | 3.65 | TJX Companies Inc    | 2.49 |
| Ferguson Enterprises Inc | 5.01 | Fiserv Inc               | 3.28 | Deere + Co           | 2.41 |
| Texas Instruments Inc    | 4.50 | Analog Devices Inc       | 3.13 | Accenture Plc Cl A   | 2.27 |
| Parker Hannifin Corp     | 4.25 | Agilent Technologies Inc | 3.09 | MSCI Inc             | 2.13 |
| PACCAR Inc               | 4.16 | Gartner Inc              | 2.91 | Starbucks Corp       | 1.83 |
| Keysight Technologies In | 3.99 | Schwab (Charles) Corp    | 2.84 | Nike Inc Cl B        | 1.35 |
| Lowe's Cos Inc           | 3.97 | Copart Inc               | 2.80 | Alcon Inc            | 1.33 |
| Visa Inc Class A Shares  | 3.90 | CDW Corp/De              | 2.74 | --                   | --   |

## Shareholder Services

### Madison Funds

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### Consultant and Advisor Services

550 Science Drive  
Madison, WI 53711  
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Madison Investments offers a series of funds that emphasize quality and durability—all built with the long run in mind. While a risk management approach is not unique to us, the way in which we deploy our investment strategies is what sets us apart.

*This material is authorized for use only when preceded or accompanied by the current prospectus. Before investing, please fully consider the investment objectives, risks, charges and expenses of the fund. This and other important information is contained in the current prospectus, which you should carefully read before investing or sending money. For more complete information about Madison Funds® obtain a prospectus from your financial adviser, by calling 800.877.6089 or by visiting [www.madisonfunds.com](http://www.madisonfunds.com) to view or download a copy.*

1. Average annual total returns and calendar year returns assume all distributions are reinvested and reflect applicable fees and expenses. Class A share returns without sales charge would be lower if sales charge were included. Class A share returns with sales charge reflect the deduction of the maximum applicable sales charge of 5.75%. Class Y and R6 shares do not impose an up-front sales charge or a CDSC. From February 6, 2009 through February 28, 2016 the investment adviser waived between 0.11% to 0.15% of its management and/or services fees annually for Class Y shares, 0.15% for Class A shares from September 23, 2013 to February 28, 2016; and 0.10% for Class R6 from September 23, 2013 until May 1, 2014. Investment returns reflect these fee waivers, without which returns would have been lower.

Madison Asset Management, LLC does not provide investment advice directly to shareholders of the Madison Funds.

Madison Funds are distributed by MFD Distributor, LLC, member of FINRA. Portfolio data is as of the date of this piece unless otherwise noted and holdings are subject to change.

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Any performance data shown represents past performance. Past performance is no guarantee of future results.

Non-deposit investment products are not federally insured, involve investment risk, may lose value and are not obligations of, or guaranteed by, any financial institution. Investment returns and principal value will fluctuate.

This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security and is not investment advice.

An investment in the fund is subject to risk and there can be no assurance the fund will achieve its investment objective. The risks associated with

an investment in the fund can increase during times of significant market volatility. The principal risks of investing in the fund include: equity risk, growth and value investing risk, capital gain realization risks to taxpaying shareholders, foreign security and emerging market risk. More detailed information regarding these risks can be found in the fund's prospectus.

Effective February 28, 2025, the Fund's name changed from Madison Investors Fund to Madison Large Cap Fund. The investment strategy and objective remain unchanged.

Upon request, Madison may furnish to the client or institution a list of all security recommendations made within the past year.

Indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only, and do not represent the performance of any specific investment. Index returns do not include any expenses, fees or sales charges, which would lower performance.

The S&P 500® Index is a large-cap market index which measures the performance of a representative sample of 500 leading companies in leading industries in the U.S.

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

**Portfolio Turnover:** a measure of the trading activity in an investment portfolio—how often securities are bought and sold by a portfolio. The range represents the typical turnover of the portfolio.

**Wtd Avg. Market Cap:** the size of the companies in which the fund invests. Market capitalization is calculated by number of a company's shares outstanding times its price per share.

**Standard Deviation:** a statistical measurement of dispersion about an average, which, for a portfolio, depicts how widely the returns varied over a certain period of time. Investors may use the standard deviation of historical performance to understand the range of returns for a portfolio. When a portfolio has a higher standard deviation than its benchmark, it implies higher relative volatility. Standard deviation has been calculated using the trailing monthly total returns for the appropriate time period. The standard deviation values are annualized.

**Upside Capture Ratio:** a fund's performance in up markets relative to its benchmark. The security's upside capture return is divided by the benchmark's upside capture return over the time period.

**Downside Capture Ratio:** a fund's performance in down markets relative to its benchmark. The security's downside capture return is divided by the benchmark's downside capture return over the time period.

**Beta:** a measure of the fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

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