

MADISON DIVIDEND INCOME FUND

1Q 2023 Investment Strategy Letter

Tickers: BHBFX | MDMIX | MADAX | MADRX

For the first quarter, the Madison Dividend Income Fund (Class Y) returned -2.3%, which compared to the S&P 500 Index, Russell 1000 Value Index, and Lipper Equity Income peer group returns of +7.5%, 1.0%, and +0.2%, respectively.

The most notable performance headwinds in the quarter were a challenging environment for bank stocks, along with pullbacks in portfolio holdings that outperformed last year. In terms of contribution to overall portfolio returns, regional bank **US Bancorp (USB)** was the biggest detractor in the portfolio. Market worries about losses in bank investment portfolios weighed on the entire industry and negatively impacted USB. We believe the market is overlooking some positive attributes at USB including a conservative underwriting culture, high recurring fee income, prudently managed investment portfolio, and an attractive valuation and dividend yield. We also believe USB could gain market share as one of the few bank stocks with an A-rated balance sheet by Standard & Poor's. Within Health Care, pharmaceutical manufacturers **Pfizer (PFE)** and **Johnson & Johnson (JNJ)** underperformed following outperformance last year, along with agricultural processor **Archer-Daniels-Midland (ADM)** within Consumer Staples. Another notable negative contributor was industrial conglomerate **Honeywell (HON)** within Industrials. On the positive side, within Financials, exchange operator **CME Group (CME)** was the largest contributor to returns in the portfolio. In Technology, **Cisco Systems (CSC)** and **Texas Instruments (TXN)** were notable positive contributors, along with truck manufacturer **PACCAR (PCAR)** and industrial distributor **Fastenal (FAST)** within Industrials. The fund continues to hold all stocks mentioned.



John Brown, CFA
Portfolio Manager/Analyst
Industry since 1983



Drew Justman, CFA
Portfolio Manager/Analyst
Industry since 2000

In general, it was a volatile quarter with significant performance dispersion across indices. Many stocks that were down sharply in 2022 performed better than stocks that held up on a relative basis last year. This may be best demonstrated by the Nasdaq 100 Index. While this isn't a benchmark for the Dividend Income Fund, we believe it highlights a dynamic that drove market returns this period. The Nasdaq 100 was up +20.7% in the quarter, but that followed a decline of -33.0% in 2022. Looking at the cumulative performance of the Nasdaq 100 over the past five quarters, it is still down -19.1% even after strong results this period. In our prior letters, we've talked about the importance of protecting capital on the downside to generate attractive long-term returns. We believe the Nasdaq 100 performance pattern discussed above emphasizes this concept - the larger the drawdown, the higher the return required to get back to prior levels. Smaller drawdowns make it easier for an investment to get back to peak levels faster, which in turn allows for the benefits of compounding returns to resume and grow over time.

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 or call 800.877.6089 to obtain performance data current to the most recent month-end.

Past performance does not predict future results. Please refer to the final two pages of this piece which contain current performance information for the fund, the risks of investing in the fund and a complete list of the fund's individual portfolio holdings as of quarter end. Individual portfolio holdings are identified to illustrate our approach to investing the fund's portfolio and are not intended to represent a recommendation to buy or sell any such security.



1Q 2023 MADISON DIVIDEND INCOME FUND - INVESTMENT STRATEGY LETTER

Tickers: BHBFX | MDMIX | MADAX | MADRX

The Dividend Income Fund is a conservatively managed equity strategy that owns a high-quality portfolio of above-average dividend yield stocks with strong balance sheets and sustainable competitive advantages (wide moats). We believe that owning high-quality stocks with above-average dividend yields is the best way to provide income and generate attractive long-term returns over a full market cycle while limiting drawdowns in bear markets and market corrections.

We also believe it is important to stay disciplined to the investment process throughout the full market cycle despite changing short-term dynamics. As such, the fund maintains its high-quality focus in all market environments. After outperforming all three benchmarks in the fourth quarter and full year 2022, many stocks in the Dividend Income strategy were out of favor in the quarter. We view this as a short-term issue and remain committed to our long-term strategy of limiting downside in bear markets and market corrections.

OUR APPROACH TO INVESTING – RELATIVE YIELD STRATEGY

The Madison Dividend Income Fund goal is to achieve long-term outperformance over a full market cycle while taking below average risk. To pursue this objective, we employ a relative yield strategy where we buy stocks that have a dividend yield at least 1.1x the S&P 500. Relative yield is defined as a stock's dividend yield divided by the market dividend yield. An attractive relative yield candidate is a stock with a relative yield near the high end of its historical range and a long dividend-paying history with a consistent record of dividend increases. Once we identify high relative yield stocks, we then analyze a company's business model, balance sheet, and cash flow profile to assess its ability to continue paying dividends. We want to find stocks that have low valuations with potential for valuation multiple expansion, while avoiding stocks that may have high dividend yields but face secular challenges.

This quarter we are highlighting **United Parcel Service (UPS)** as a relative yield example in the Industrials sector. UPS is the industry leader in global transportation services as the largest parcel delivery and logistics firm in the world. We believe it has a sustainable competitive advantage due to high barriers to entry, its low-cost position in the industry, economies of scale benefits, and strong brand recognition. It has a global network of assets including planes, trucks, sorting facilities, and technology that would be difficult to replicate. UPS enjoys the #1 market position in an attractive oligopoly, ahead of competitors FedEx and DHL. Unlike FedEx, UPS operates a single network that handles ground and express packages, which results in industry-best package density and operating margins.

Our thesis on UPS is that it is well-positioned to benefit from a secular trend of growth in e-commerce and onshoring of manufacturing supply chains. Package volumes and revenues are likely to benefit as more e-commerce transactions occur over the next several years. UPS should also benefit as many companies alter supply chains and bring manufacturing operations back to the US. Importantly, we believe UPS has a strong management team that focuses on profitable growth and is willing to pass on unprofitable business. This was demonstrated in 2021 when UPS divested UPS Freight, which was its less-than-truckload business. We applaud the focus on improving returns on invested capital through a "better, not bigger" strategy.

The Fund bought UPS in March 2023. Market concerns about slowing economic growth provided an attractive valuation and buying opportunity, in our view. At the time of purchase, UPS had a 3.3% dividend yield and a relative yield of 2.0x the S&P 500, which is at the high end of its historical range. The company has a consistent record of dividend increases and has raised its dividend 13% annually over the last five years. UPS has a strong balance sheet that is A-rated by Standard & Poor's which should allow it to weather different economic environments. It also generates strong free cash flow and returns significant amounts of cash to shareholders through dividends and share buybacks. We expect continued dividend increases and buybacks.

Tickers: BHBFX | MDMIX | MADAX | MADRX

Dividend Yield and Relative Dividend Yield History for United Parcel Service (UPS)



Source:FactSet

Risks to our investment thesis include a severe economic downturn that results in slower-than-expected package volumes and/or declining revenue per package. Other risks include losing market share due to competition from Amazon, FedEx, DHL, and others, along with rising oil and labor input costs, which could hurt margins. UPS is also in ongoing labor negotiations with the International Brotherhood of Teamsters, which could be more costly than expected.

John Brown, CFA®

Drew Justman, CFA®

1Q 2023 MADISON DIVIDEND INCOME FUND - INVESTMENT STRATEGY LETTER

Tickers: BHBFX | MDMIX | MADAX | MADRX

DISCLOSURES

“Madison” and/or “Madison Investments” is the unifying tradename of Madison Investment Holdings, Inc., Madison Asset Management, LLC (“MAM”), and Madison Investment Advisors, LLC (“MIA”). MAM and MIA are registered as investment advisers with the U.S. Securities and Exchange Commission. Madison Funds are distributed by MFD Distributor, LLC. MFD Distributor, LLC is registered with the U.S. Securities and Exchange Commission as a broker-dealer and is a member firm of the Financial Industry Regulatory Authority. The home office for each firm listed above is 550 Science Drive, Madison, WI 53711. Madison’s toll-free number is 800-767-0300.

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

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

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

The Nasdaq-100 Index is comprised of 100 of the largest and most innovative non-financial companies listed on the Nasdaq Stock Market based on market capitalization.

Consider the investment objectives, risks, and charges and expenses of Madison Funds carefully before investing. Each fund’s prospectus contains this and other information about the fund. Call 800.877.6089 or visit madisonfunds.com to obtain a prospectus and read it carefully before investing.

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.

Following our Participate and Protect® investment philosophy, our goal is to build portfolios so that investors will participate in favorable markets and be protected during market declines compared with investors in portfolios holding more speculative and volatile securities. There is no assurance that this goal will be realized.

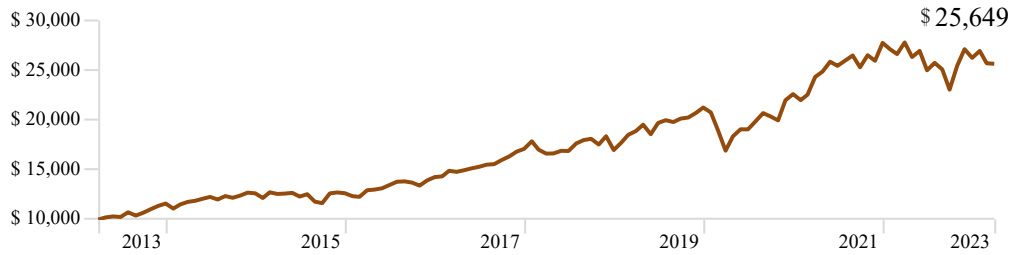
Madison Asset Management, LLC does not provide investment advice directly to shareholders of the Madison Funds. Opinions stated are informational only and should not be taken as investment recommendation or advice of any kind whatsoever (whether impartial or otherwise).

Madison Funds are distributed by MFD Distributor, LLC, member FINRA.

MADISON DIVIDEND INCOME FUND

March 31, 2023

Growth of \$10,000 Class Y Shares, Trailing 10 Years¹



Average Annual Total Returns² (%)

	Three Months	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Class I	-2.25	-2.25	-7.64	-	-	-	8.77
Class R6	-2.19	-2.19	-7.53	-	-	-	-3.18
Class Y	-2.27	-2.27	-7.73	14.88	9.06	9.88	8.21
Class A without sales charge	-2.34	-2.34	-7.96	-	-	-	10.75
Class A with sales charge	-7.97	-7.97	-13.25	-	-	-	8.45
S&P 500® Index	7.50	7.50	-7.73	18.60	11.19	12.24	-
Russell 1000® Value Index ³	1.01	1.01	-5.91	17.93	7.50	9.13	-
Lipper Equity Income Funds Index	0.24	0.24	-4.53	16.94	8.31	9.21	-

Calendar Year Returns² (%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Class Y	30.59	8.81	0.07	12.79	19.93	-0.70	25.16	6.34	22.76	-5.42
S&P 500®	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11
Russell 1000® Value	32.53	13.45	-3.83	17.34	13.66	-8.27	26.54	2.80	25.16	-7.54
Lipper	28.70	10.69	-2.96	14.30	16.43	-6.62	26.38	4.58	24.20	-5.57

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 or call 800.877.6089 to obtain performance data current to the most recent month-end.

5-Yr Risk Measures (%)

	Class Y vs. S&P 500	Class Y vs. R1000V	Class Y vs. Lipper
Standard Deviation	15.85 / 18.64	15.85 / 18.82	15.85 / 16.75
Down Capture	82.95 / 100.00	83.83 / 100.00	95.65 / 100.00
Up Capture	82.01 / 100.00	92.66 / 100.00	99.44 / 100.00
Beta	0.78 / 1.00	0.81 / 1.00	0.92 / 1.00

¹ Growth of \$10,000 is calculated at NAV and assumes all dividends and capital gain distributions were reinvested. It does not take into account sales charges (if applicable) or the effect of taxes.

² 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.

³ Russell 1000® Value was added as a secondary comparison benchmark as of 6/1/2020.

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.

Prior to March 1, 2012, BHBFX was known as Madison Mosaic Equity Trust Balanced Fund. At that time, the fund changed investment policies. As a result, the manner in which the fund is currently being managed is not similar to the way in which it was previously managed. Therefore, the fund's historical performance data prior to March 1, 2012 may not be relevant to current (and future) investors.

Experienced Management



John Brown, CFA
Portfolio Manager
Industry since 1983



Drew Justman, CFA
Portfolio Manager
Industry since 2000

Fund Features

- ▶ Fund seeks current income with an opportunity for capital appreciation
- ▶ High conviction of approx. 50 holdings
- ▶ Relative yield strategy; buy stocks trading at high end of historic dividend yield range
- ▶ Focus on risk management

Class	Ticker	Inception Date	Exp. Ratio
A	MADAX	5/29/20	1.16%
Y	BHBFX	12/18/86	0.91%
I	MDMIX	8/31/20	0.81%
R6	MADRX	2/28/22	0.73%

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

Distribution Frequency - Quarterly

Distribution History

Class Y, Per Share

Year	Total	Yr-End Nav
2022	\$2.62	\$27.96
2021	\$0.26	\$32.37
2020	\$0.45	\$29.48
2019	\$1.11	\$28.22
2018	\$2.99	\$23.46

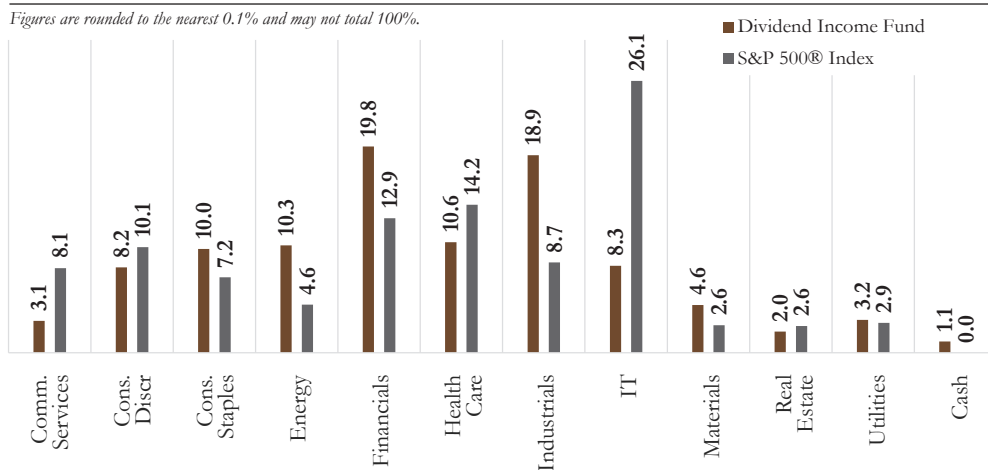


Shareholder Services
 Madison Funds
 P.O. Box 219083
 Kansas City, MO 64121-9083
 800.877.6089

Consultant and
 Advisor Services
 550 Science Drive
 Madison, WI 53711
 888.971.7135

Sector Allocation (%)

Figures are rounded to the nearest 0.1% and may not total 100%.



Top Ten Stock Holdings (%)

CISCO SYSTEMS INC	3.9
CME GROUP INC	3.4
FASTENAL CO	3.3
JOHNSON + JOHNSON	3.3
HOME DEPOT INC	3.3
MORGAN STANLEY	3.3
NEXTERA ENERGY INC	3.1
CATERPILLAR INC	3.1
COMCAST CORP CLASS A	3.1
AIR PRODUCTS + CHEMICALS INC	3.1

Characteristics

TTM P/E	18.1x
P/B	3.1x
ROE	23.8%
Active Share (vs S&P)	83.74%
Dividend Yield	3.0%
30-Day SEC Yield (Class Y)	1.7%
Wtd. Avg. Market Cap (billions)	\$139.5
Portfolio Turnover	33%
Number of Holdings	42
Total Net Assets (millions)	\$266.9

If fees had not been waived and/or expenses reimbursed, the SEC yields would have been lower.

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 <https://www.madisonfunds.com/individual/prospectus-and-reports> to view or download a copy.

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

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. 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. 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. 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. TTM P/E (Price-to-Earnings Ratio): measures how expensive a stock is. It is calculated by the weighted average of a stock's current price divided by the company's trailing 12-month (TTM) earnings per share of the stocks in a fund's portfolio. P/B (Price-to-Book Ratio): measures a company's stock price in relation to its book value (the total amount raised if its assets were liquidated and paid back all its liabilities). ROE (Return on Equity): a profitability ratio that measures the amount of net income returned as a percentage of shareholders equity. 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. Dividend Yield: the portfolio's weighted average of the underlying fund holdings and not the yield of the fund. 30-day SEC Yield (Class Y) is a standardized formula designed to approximate the Fund's annualized hypothetical current income from securities less expenses for the 30 day-period ended 12/31/20 and that date's maximum offering price. Portfolio Turnover: a measure of the trading activity in an investment portfolio—how often securities are bought and sold by a portfolio. It is calculated at the fund level and represents the entire fiscal year ending 10/31/2022. 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. 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. The Russell 1000® Value (R1000V) index measures the performance of the Russell 1000's value segment,

which is defined to include firms whose share prices have lower price/ to/book ratios and lower expected long/term mean earnings growth rates. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group. The Lipper Equity Income Fund Index (Lipper) tracks funds that seek relatively high current income and growth of income by investing at least 65% of their portfolio in dividend-paying equity securities.

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, special risks associated with dividend paying stocks, option risk, interest rate risk, capital gain realization risks to taxpaying shareholders, and foreign security and emerging market risk. More detailed information regarding these risks can be found in the fund's prospectus.

Madison Funds are distributed by MFD Distributor, LLC, member of FINRA and may be purchased directly from the fund or through your investment professional. Portfolio data is as of the date of this piece unless otherwise noted and holdings are subject to change.

"Madison" and/or "Madison Investments" is the unifying tradename of Madison Investment Holdings, Inc., Madison Asset Management, LLC ("MAM"), and Madison Investment Advisors, LLC ("MIA"). MAM and MIA are registered as investment advisers with the U.S. Securities and Exchange Commission. Madison Funds are distributed by MFD Distributor, LLC. MFD Distributor, LLC is registered with the U.S. Securities and Exchange Commission as a broker-dealer and is a member firm of the Financial Industry Regulatory Authority. The home office for each firm listed above is 550 Science Drive, Madison, WI 53711. Madison's toll-free number is 800-767-0300.

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

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

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

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