MADISON COVERED CALL & EQUITY INCOME FUND

3Q 2022 Investment Strategy Letter

Tickers: MENRX | MENYX | MENAX | MENCX | MENIX

Covered Call strategies, by their nature, are defensive. They are structured to knowingly sacrifice a portion of upside growth potential in order to provide additional downside protection. The Madison Covered Call & Equity Income Fund does exactly that by owning a very high quality portfolio of individual equities and selling equity call options on the portfolio holdings. The Fund offers a solid total return platform which includes capital appreciation and a high distribution rate which is primarily sourced from call option premiums and realized capital gains on the underlying portfolio. It is a relatively concentrated, actively managed portfolio providing a risk-reduced way to participate in US equity markets.

Ray Di Bernardo, CFA
Portfolio Manager/Analyst
Industry since 1986

Drew Justman, CFA
Portfolio Manager/Analyst
Industry since 2000

THE "PIVOT DIVOT"

In golf parlance, the stock market laid sod over the ball. Also known as a chili dip, chunk or just plain fat, this occurs when an expected outcome doesn't materialize as hoped. The expected outcome investors had hoped for was a pivot by the Federal Reserve. While the inflation-fighting Fed was aggressively raising interest rates to find a neutral setting, many investors believed that they had tightened enough and that maybe the Fed would pivot and return to a more lenient monetary approach. After all, the S&P 500 had already declined almost 20% over the first six months of the year and inflation would surely ease into year-end. This wishful thinking had enough support to cause the market to bounce off the mid-June low to the tune of 17% by mid-August. It was about then that the club dug itself into the turf. Inflation wasn't receding as expected and the economy, while showing signs of stress, remained fairly healthy. The "hoped for" pivot did not occur, and the Fed reiterated its steadfast commitment to fighting the evil inflationary monster. That seems only fair as years of ultra-easy monetary policy created the monster in the first place. As a result, the market rolled over and, by quarter end, had fallen to the lowest level of the year.

Speaking of inflation, there's no doubt that commodity prices have eased in recent months but remain elevated. While filling up the gas tank with regular unleaded costs $3.80 per gallon on average in the U.S., down from over $5.00 in June, we began the year at $3.28 and averaged below $3.00 per gallon in 2021. Demand has remained fairly sticky while supply has struggled to keep up. Draining the Strategic Petroleum Reserve (SPR) has helped keep prices in check for now, but its effect will diminish as the reserve is now at dangerously low levels. Let's cross our fingers that a real emergency doesn't present itself before we can get the reserve filled back up.

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The seemingly best cure for our inflation conundrum is a recession which the Fed appears destined to deliver. Higher rates and a stagnant economy do not form a good recipe for corporate profits. We have commented in recent updates that corporate earnings expectations remain elevated and could deteriorate significantly in the coming quarters. Higher interest rates coupled with falling earnings expectations does not create an environment conducive to elevated price-to-earnings multiples. Even though the market is trading at levels not seen since late 2020, we believe there is likely more downside to come. We may see more attempts to break higher but until we move into recession and reset the economy, the trend may continue lower.

Good advice for investing and your golf swing is to keep your head down.

Q3 2022 PERFORMANCE REVIEW

The Madison Covered Call & Equity Income Fund continued to perform very well in a turbulent market environment. While the S&P 500 declined another -4.9% during the quarter despite its early rally, the Fund (Class Y) fell by -1.5%. The CBOE S&P 500 Buy-Write Index (BXM) fell -7.6%. Over the first 9 months of the year, the Fund is down -5.6% while the S&P 500 is down -23.9% and the BXM is -17% lower.

Having performed exceptionally well during the severe downturn in the first half of the year, the Fund gave back a small portion of its relative outperformance as the market rallied through mid-August on hopes of a Fed pivot. When the market turned later in the quarter, the Fund's defensive posture, again, proved beneficial and the Fund ended the quarter with very strong outperformance over the full period.

With a head fake rally followed by a downward reversal, the market was extremely volatile in the third quarter. The rally was led by the old bull market's stalwarts… FAANG stocks.[1] Big technology and consumer discretionary stocks bounced strongly while defensive sectors such as Health Care, Consumer Staples, and Utilities lagged. The Energy sector, which has been the only bright spot for the market this year, also lagged as global recessionary fears and some demand destruction led to downward revisions for oil demand. The price of West Texas Intermediate (WTI) crude peaked in June at above $112 per barrel and steadily declined during the quarter ending just below $80 per barrel. As the market rolled over in the second half of the period, prior leaders became laggards and defensive sectors held up best. Despite crude oil continuing to slide, the Energy sector was the best relative performer during the market decline.

From a sector positioning standpoint, the Fund benefitted from its continued overweighting in the Energy sector and underweighting in the Technology sector despite alternating between helping and hurting during the volatile market swings. The Fund continued to be very defensively positioned from a call option overlay and cash perspective. We entered the quarter with just under 80% of the Fund's equity value covered by call options and closed out the quarter at just over 80%. Cash levels were high entering the quarter as we were concerned about further downside risk. As the market rallied early in the quarter, option assignments added to the cash position and only near the end of the quarter did we begin to bring cash levels lower following the renewed market decline. However, cash levels remain elevated, and we will more aggressively reinvest as opportunities arise and risk levels abate. Market volatility has remained very elevated, which allows for higher pricing on call options and benefits the Fund's ability to maintain a high income stream.

[1] *"FAANG" is an acronym that refers to the stocks of five prominent American technology companies: Meta (META) (formerly known as Facebook), Amazon (AMZN), Apple (AAPL), Netflix (NFLX); and Alphabet (GOOG) (formerly known as Google).*

Underlying equity positions in the Fund had mixed performance during the quarter given the extreme market gyrations but remain very accretive over the full year-to-date period. Given the weaker crude oil prices during the quarter, individual energy names underperformed. Baker Hughes and Transocean were among the weaker performers while other energy names held up well. The Fund's exposure to gold-related companies was weak as the price of gold declined 8% during the quarter primarily due to the extreme strength of the U.S. dollar. Newmont and Barrick Gold underperformed as a result. Fedex also underperformed on a weak earnings report and even weaker forward outlook. On the flipside, payment processing stocks performed relatively well with Fiserv and Paypal among the Fund's best performers during the quarter. Utility AES and T-Mobile were also accretive performers.

OUTLOOK

With the S&P 500 having just recorded its 3rd consecutive negative quarter and being firmly in bear market territory, we wonder when we will transition into a sustainable upward phase in the market. As a forward-looking mechanism, the stock market looks beyond current negative factors, however, its ability to clearly envision an improved economic environment is blurred by significant uncertainty. While inflation remains a concern, it is widely anticipated to decline in the coming quarters but its ability to get back to the 2% stated Fed target is still in doubt. How long the Fed will keep pressuring interest rates higher will be a big factor in how the market ultimately reacts. Of course, the higher rates trend and the longer they stay there will continue to have a deleterious effect on an economy that most believe is already in recession. While employment has remained relatively strong, there are concerns that it could deteriorate in the coming months. As noted earlier, corporate profits are very likely to be revised lower for 2023, making the market look more expensive unless stock prices come down commensurately. The housing market is also beginning to weaken from extremely elevated levels. The average 30-year fixed rate mortgage has more than doubled this year to 7%, straining affordability and shutting down the refi market.

Clarity is in short order these days. While we believe the market will enter a new bull phase at some point, we remain very cautiously positioned at present and will remain so until the path forward clears. Until then, we fully expect a convulsive market environment with rallies and setbacks. Our goal continues to be to participate in the rallies but protect in the setbacks. The Fund has done that this year very well.

Ray Di Bernardo *Drew Justman*

DISCLOSURES

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 CBOE S&P 500 BuyWrite Index (BXM) is a benchmark designed to track the performance of a hypothetical buy-write strategy (i.e., holding a long position in and selling covered call options on that position) on the S&P 500 Index.

The S&P 500® is an unmanaged index of large companies, and is widely regarded as a standard for measuring large-cap and mid-cap U.S. stock-market performance. Results assume the reinvestment of all capital gain and dividend distributions.

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

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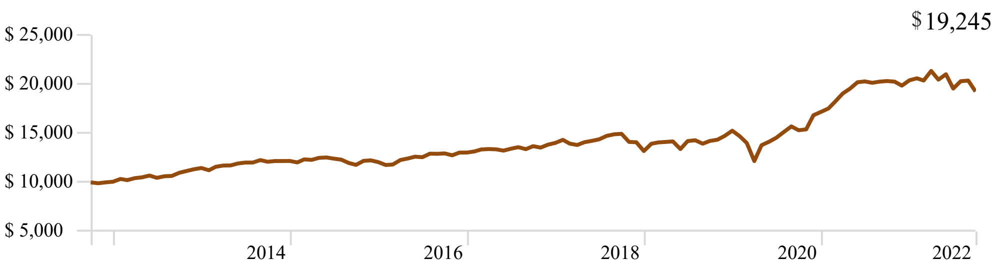
MADISON COVERED CALL & EQUITY INCOME FUND

September 30, 2022

Growth of $10,000 Class Y Shares, Trailing 10 Years[1]



Average Annual Total Returns[2] (%)

		Three Months	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Class R6		-1.51	-5.58	-5.20	10.78	7.19	6.90	7.20
Class I		-1.54	-	-	-	-	-	-5.58
Class Y		-1.53	-5.57	-5.24	10.62	7.06	6.77	6.97
Class A	Without Sales Charge	-1.60	-5.89	-5.60	10.36	6.77	6.50	6.71
	With Sales Charge	-7.30	-11.33	-11.05	8.22	5.51	5.87	6.23
Class C	Without Sales Charge	-1.89	-6.37	-6.17	9.52	6.00	5.71	6.00
	With Sales Charge	-2.85	-7.26	-7.04	9.52	6.00	5.71	6.00
S&P 500® Index		-4.88	-23.87	-15.47	8.16	9.24	11.70	-
CBOE S&P 500® BuyWrite Index		-7.59	-17.01	-11.21	0.48	1.94	4.75	-

Calendar Year Returns[2] (%)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Class Y	9.47	13.88	6.25	-0.97	8.07	7.56	-5.96	15.72	12.54	18.70
S&P 500® Index	16.00	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71
CBOE S&P 500® BuyWrite	5.20	13.26	5.64	5.24	7.07	13.00	-4.77	15.68	-2.75	20.47

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Annual Distribution History Breakdown - Class Y, per share

	Year-end NAV	Total Distribution	30-Day SEC Yield[3]	Distribution Yield[4]
2021	$9.80	$0.63	0.63%	6.82%
2020	$8.80	$0.56	0.66%	6.49%
2019	$8.40	$0.59	0.70%	7.33%
2018	$7.80	$0.77	1.93%	9.07%
2017	$9.08	$0.69	1.29%	7.63%

Experienced Management

Ray DiBernardo, CFA
Portfolio Manager
Industry since 1986

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Portfolio Manager
Industry since 2000

Fund Features

- Fund seeks total return with high level of income
- Focus on large and mid cap stocks
- Generates income from selling covered call options on stocks held and from dividends
- Premiums from call options help offset potential market losses

Class	Ticker	Inception Date	Exp. Ratio
A	MENAX	10/30/09	1.31%
C	MENCX	7/31/12	2.06%
Y	MENYX	10/30/09	1.06%
I	MENIX	2/28/22	1.01%
R6	MENRX	7/31/12	0.93%

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

Distribution Frequency - Quarterly

30-Day SEC Yields

A	0.11%
C	-0.67%
Y	0.39%
R6	0.53%
I	0.44%

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 (see Note 2) 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. Class A share returns with sales charge reflect the deduction of the maximum applicable sales charge of 5.75%. Class C shares do not have an up-front sales charge, however, C shares are subject to a 1% CDSC on shares redeemed within 12 months of purchase. Class Y shares and Class R6 shares do not impose an up-front sales charge or a CDSC. 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.

3 SEC Yield equals Net Investment Income (Gross Investment Income less Operating Expenses) divided by average asset value (average shares outstanding less net asset value).

4 Distribution Yield equals the Total Distribution amount divided by the average of the beginning and end of year Net Asset Value (NAV). Distribution yield includes net investment income plus both short- and long-term capital gain distributions.

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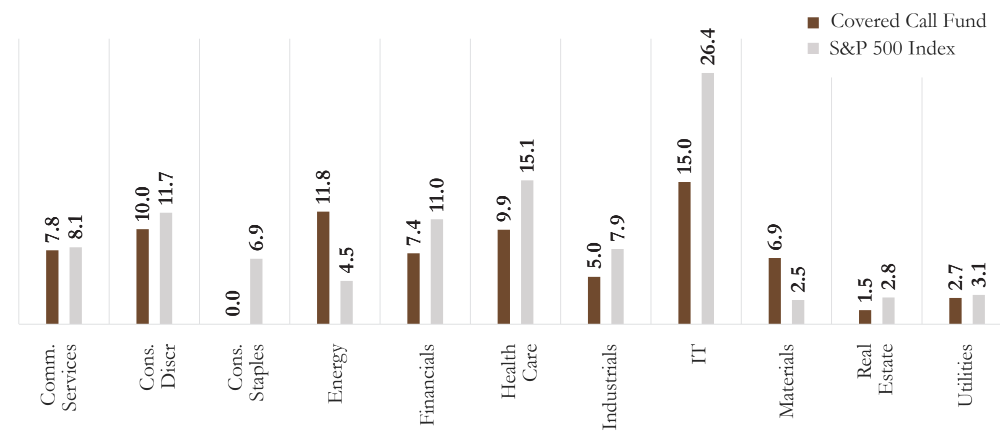
Sector Allocation (%)



ETFs (0.7%), short-term investments, cash (22.1%) and other net assets and liabilites are not represented above. Equity sector allocations are rounded to the nearest 0.1% and may not equal 100% due to option liability.

5-Yr Risk Measures (%)

	MENYX	S&P 500
Std. Deviation	13.90	18.07
Down Capture	62.24	100.00
R^2	75.60	100.00

	MENYX	BXM
Std. Deviation	13.90	13.25
Down Capture	76.72	100.00
R^2	67.99	100.00

Top Ten Holdings (%)

LAS VEGAS SANDS CORP	3.0
T MOBILE US INC	3.0
CVS HEALTH CORP	2.7
HONEYWELL INTERNATIONAL INC	2.7
EOG RESOURCES INC	2.7
FISERV INC	2.7
MICROSOFT CORP	2.7
AES CORP	2.6
APA CORP	2.6
BARRICK GOLD CORP	2.6

Characteristics

TTM P/E	14.7x
P/B	1.9x
ROE	15.9%
Dividend Yield	2.2%
Active Share (vs. S&P)	85.0%
Equities covered by call options	80.1%
Average days to expiration	37.6
Number of Equity Holdings	38
Wtd. Average Market Cap (billions)	$157.7
Total Net Assets (millions)	$117.5

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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 measures a fund's performance in down markets relative to its benchmark. It is calculated by taking the security's downside capture return and dividing it by the benchmark's downside capture return over the time period. 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 a company would be worth if it liquidated its assets and paid back all its liabilities). ROE (Return on Equity) is a profitability ratio that measures the amount of net income returned as a percentage of shareholders equity. Dividend Yield: the portfolio's weighted average of the underlying fund holdings and not the yield of the fund. R-squared (R2) is generally interpreted as the percentage of a fund's movements that can be explained by movements in a benchmark index. Active Share is defined as the percentage of a portfolio that differs from its benchmark index. Active Share can range from 0% for an index fund that perfectly mirrors its benchmark to 100% for a portfolio with no overlap with an index. 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. Wtd. Avg. Market Cap measures the size of the companies in which the fund invests. Market capitalization is calculated by multiplying the number of a company's shares outstanding by its price per share.

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As a writer of a covered call option, the fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. In addition to its covered call strategy, the fund may pursue an option strategy that includes the writing of both put options and call options on certain of the common stocks in the fund's portfolio.

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