

MADISON DIVERSIFIED INCOME FUND

1Q 2024 Investment Strategy Letter

Tickers: MBLAX | MBLCX

MARKET RECAP – FIRST QUARTER 2024

The U.S. stock market held the course set by the explosive rally to end 2023 over the first three months of the year. The S&P 500 jumped out of the gate with a 10.6% return, marking the index’s best first quarter advance since 2019. That year the index went on to gain 31.5%! Also analogous to today’s market expectations, the Federal Reserve (Fed) pivoted to cutting rates three times in 2019, matching the current Fed and market expectations for three cuts in 2024. So, while the early results have been undeniably favorable, time will tell if we have another blockbuster year in stocks. What has been striking over the past several months is that the cornerstone of the rally has been seriously eroded to the widespread indifference of the market. The current rally was born out of the belief that the Fed would be cutting interest rates by March 2024, with market rate cut expectations peaking around +/-7 cuts for 2024. Over the course of the quarter those expectations were halved to possibly three cuts, with June now being the anticipated start date.

Inflation has remained a sticking point, which is behind the pricing out of rate cuts and the resetting of the benchmark 10-year U.S. Treasury yield from below 4% to 4.2% by the end of the quarter. So, while bonds enjoyed the decline in rates into the end of 2023, the resetting of rate cut expectations has taken the broad bond market down -0.8% year-to-date (Bloomberg U.S. Aggregate Bond Index).

Encouragingly, the U.S. stock market broadened out beyond the Magnificent Seven (which has now become the Fab Four as Apple and Tesla declined, and Alphabet underperformed), as cyclical stocks, led by the energy sector, surged in March. That said, from a size standpoint, large caps remained the place to be with mid (Russell Mid Cap Index +8.6%) and small (Russell 2000 Index +5.2%) caps lagging.

PERFORMANCE

The fund’s relative performance was weighed down by negative returns in high quality bonds and underperformance from yield focused stocks. High quality dividend stocks, as measured by the Dow Jones US Select Dividend Index, fell well short of the S&P 500, yet still posted a solid gain of +6.1%. Within the fund’s equity allocation, our core quality dividend holdings matched or exceeded the Dow Jones Index. However, the fund’s largest holding, a covered call position, provided a significant drag on performance.



Patrick Ryan, CFA
Head of Multi-Asset
Solutions, Portfolio Manager
Industry since 2000



Stuart Dybdahl, CFA, CAIA
Portfolio Manager/Analyst
Industry since 2014

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.



1Q 2024 MADISON DIVERSIFIED INCOME FUND - INVESTMENT STRATEGY LETTER

Tickers: MBLAX | MBLCX

Performance was also mixed within the fund's fixed income allocation. As previously mentioned, the broad bond market index declined to start the year, making the positive return from the fund's largest fixed income holding a significantly positive contribution. The fund's holdings in mortgage-backed securities and high-quality investment grade corporate bonds both detracted from performance as the market favored lower quality credits and mortgages were hurt by the back up in yields.

OUTLOOK AND POSITIONING

What might be in store after a +10.6% start to the year and a near 30% gain since late October 2023? As alluded to in our market recap, with rates backing up, bonds seem to have picked up on the fact that the Fed isn't going to be as easy as everyone thought entering 2024, yet stocks are glued to Chair Powell's "damn the torpedoes" attitude to reaccelerating inflation. The man at the helm tells us that the battle is being won and that inflation (core PCE) is safely on the path to 2%. Never mind that the Fed's own statement of economic projections (SEP) doesn't see that happening before 2026, and that the most recent Consumer Price Index (CPI) data showed that year-over-year core CPI was stuck at 3.8%, 3-month annualized hit 4.2%, and 6-month annualized shot up to 3.9%, all double the Fed's 2% target. Despite the strength of the U.S. Dollar on the back of higher rates, the price of gold, oil, and other commodities shot higher through the end of the quarter. Combine this with the outperformance of cyclical value stocks over growthy technology and consumer stocks in March, and it's starting to look like the market is coming to the conclusion that the Fed might be falling behind the curve.

Turning to valuation, broad U.S. stocks (S&P 500 Index) appear at best fully valued given the 21x forward price-to-earnings multiple at quarter end. The "E" in that ratio also remains quite optimistic as consensus is looking for over 10% earnings growth for 2024. Market participants are wildly bullish, as noted by CNN's Fear & Greed Index settling just a touch under "extreme greed" to end March. Elevated valuations, optimistic earnings assumptions and investor euphoria are often cues to prepare for a more challenging market environment ahead.

Within the fund, we remain focused on generating a high level of income with an eye on risk. Fortunately, valuations are much more favorable for the dividend focused stocks we own in the fund, offering both better long-term opportunities and a higher margin of safety. We are also sticking with higher quality bonds and mortgage-backed securities within fixed income. Interest rate spreads on below investment grade and lower rated investment grade bonds remain too narrow, offering a poor risk-reward trade-off.

Patrick Ryan, CFA

Stuart Dybdahl, CFA, CAIA

1Q 2024 MADISON DIVERSIFIED INCOME FUND - INVESTMENT STRATEGY LETTER

Tickers: MBLAX | MBLCX

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 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 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 11% of the total market capitalization of the Russell 3000® Index.

The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index, which represent approximately 35% of the total market capitalization of the Russell 1000® Index. As of the latest reconstitution, the average market capitalization was approximately \$3.7 billion; the median market capitalization was approximately \$2.9 billion. The largest company in the index had an approximate market capitalization of \$10.3 billion.

The CNN Fear & Greed Index is a compilation of seven different indicators that measure some aspect of stock market behavior. They are market momentum, stock price strength, stock price breadth, put and call options, junk bond demand, market volatility, and safe haven demand. The index tracks how much these individual indicators deviate from their averages compared to how much they normally diverge.

The Magnificent Seven stocks are a group of high-performing and influential companies in the U.S. stock market: Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla.

The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

The Dow Jones U.S. Select Dividend Index aims to measure the performance of high dividend-paying U.S. stocks, excluding REITs, meeting specific criteria for dividends, earnings, size and liquidity. It uses a yield-driven weighting method.

In addition to the ongoing market risk applicable to portfolio securities, bonds are subject to interest rate risk, credit risk and inflation risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. Credit risk is the possibility that the issuer of a security will be unable to make interest payments and repay the principal on its debt. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Yield Curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. There are three main types of yield curve shapes: normal (upward sloping curve), inverted (downward sloping curve) and flat.

“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”), which also includes the Madison Scottsdale office. 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.

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. 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.

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).

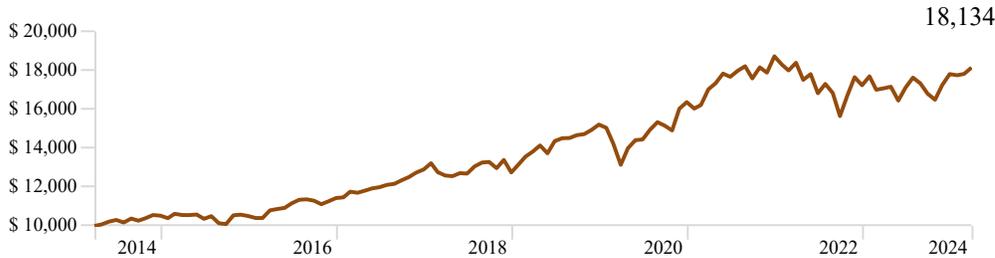
Madison Funds are distributed by MFD Distributor, LLC, member FINRA.

Madison-524504-2024-04-09

MADISON DIVERSIFIED INCOME FUND

March 31, 2024

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



Average Annual Total Returns² (%)

	Three Months	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Class A Without Sales Charge	1.88	1.88	6.24	2.14	5.58	6.13	5.84
Class A With Sales Charge	-4.01	-4.01	0.11	0.15	4.33	5.51	5.60
Class C Without Sales Charge	1.73	1.73	5.39	1.37	4.81	5.35	5.99
Class C With Sales Charge	0.73	0.73	4.49	1.37	4.81	5.35	5.99
50% Fixed / 50% Equity Blend	4.84	4.84	15.06	4.51	7.81	7.39	-
ICE BofA Corp/Govt & Mtg. Index	-0.72	-0.72	1.59	-2.52	0.32	1.56	-
S&P 500® Index	10.56	10.56	29.88	11.49	15.05	12.96	-

Calendar Year Returns² (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class A	6.78	-0.16	8.75	12.83	-1.16	19.28	7.57	14.39	-7.95	3.33
50% Fixed / 50% Equity	10.05	1.23	7.36	12.42	-1.90	20.03	13.73	12.76	-15.40	15.51

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.

3, 5, & 10-Year Standard Deviation

	3-Year	5-Year	10-Year
Class A	11.63	11.72	9.32
ICE BofA Corp/Govt & Mtg. Index	0.43	0.43	0.32
S&P 500® Index	17.60	18.37	15.16

¹ Growth of \$10,000 for the years indicated 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 below) 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 B shares have no up-front sales charge. If redeemed within six years, however, B shares are subject to a maximum contingent deferred sales charge ("CDSC") of 4.5%. Class B shares may not be purchased or acquired, except for exchange from Class B shares of another Madison fund, please see the most recent prospectus for details. 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.

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 Fund's investment strategy reflects Madison's general "Participate and Protect®" investment philosophy. Madison's expectation is that investors in the Fund will participate near fully in market appreciation during bull markets and experience something less than full participation during bear markets compared with investors in portfolios holding more speculative and volatile securities. Therefore, the Fund's investment philosophy is intended to represent a conservative investment strategy. There is no assurance that Madison's expectations regarding this investment strategy will be realized.

Experienced Management



Patrick Ryan, CFA
Portfolio Manager
Industry since 2000



Stuart Dybdahl, CFA, CAIA
Portfolio Manager
Industry since 2014

Fund Features

- ▶ A blended portfolio focused on generating income from a broad range of sources
- ▶ Active risk management seeks participation in rising markets and protection of capital during downturns
- ▶ Adaptive to changing markets and opportunities

Class	Ticker	Inception Date	Exp. Ratio
A	MBLAX	12/29/97	1.11%
C	MBLCX	7/31/12	1.86%

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

Distribution Frequency - Monthly

Distribution History

Class A - Per Share

Year	Total	Yr-End Nav
2023	\$1.99	\$13.04
2022	\$1.18	\$14.57
2021	\$0.12	\$17.11
2020	\$0.46	\$16.79
2019	\$1.08	\$16.07

Yields Class A

30-day SEC Yield	2.00%
Yield to Maturity	5.03%

Other available share classes have yields that may be higher or lower than the class presented.

Total Net Assets

\$141.7 Million

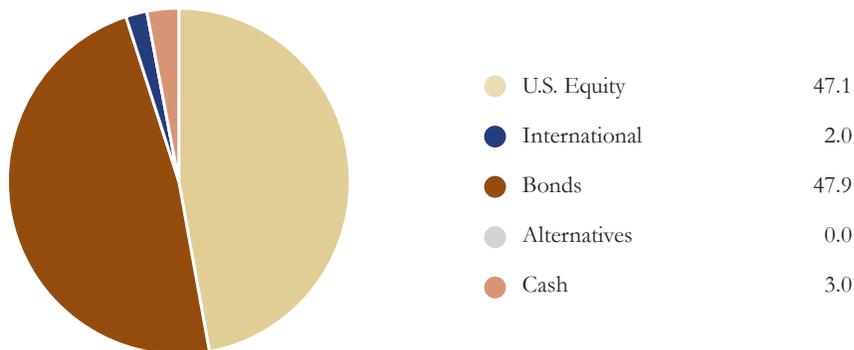
Total Number of Holdings

20

Portfolio Turnover

118%

Asset Allocation (%)



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

Top Ten Holdings (%)

MADISON COVERED CALL ETF	24.5
MADISON DIVIDEND VALUE ETF	19.3
MADISON SHORT TERM STRATEGIC I	19.2
MADISON AGGREGATE BOND ETF	15.4
JANUS HENDERSON MORTGAGE BACKE	8.5
ISHARES AAA A RATED CORPORAT	4.7
VANGUARD DIVIDEND APPRECIATION	3.3
GLOBAL X MLP ETF	2.0
LAD AUTO RECEIVABLES TRUST	0.01
DONLEN FLEET LEASE FUNDING	0.01

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. Materials on this document are informational only and should not be taken as investment recommendation or advice of any kind whatsoever (whether impartial or otherwise).

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. SEC 30-day Yield represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. It is calculated based on the standardized formula set forth by the SEC. It is designed to standardize the yield calculation so that all mutual fund companies with the same or similar portfolios use a uniform method to obtain yield figures. Yield to maturity measures the annual return an investor would receive if they held a particular bond until maturity as of the end of a report period. In order to make comparisons between instruments with different payment frequencies, a standard yield calculation basis is assumed. This yield is calculated assuming semiannual compounding. 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.

50% Fixed / 50% Equity Blend Benchmark consists of 50% Bank of America U.S. Corp. Govt. & Mtg. Index and 50% S&P 500® Index. ICE Bank of America U.S. Corporate, Government & Mortgage Index, "ICE BofA Corp/Govt & Mtg." is a broad-based measure of the total rate of return performance of the U.S. investment-grade bond markets. Index 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.

An investment in the fund is subject to risk and there can be no assurance that 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, interest rate risk, credit risk, non-investment grade security risk, option risk, capital gain realization risks to taxpaying shareholders, and foreign security and emerging market risk.

Mutual funds that invest in bonds are subject to certain risks including interest rate risk, credit risk, and inflation risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds. Unlike bonds, bond funds have ongoing fees and expenses. 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.

Patrick Ryan and Stuart Dybdahl assumed management of the Fund on July 31, 2023.

Data prior to July 31, 2023 represents the performance of the previously portfolio management team of Madison, who used a differed principal investment strategy to achieve the Fund's investment objective.