MADISON DIVERSIFIED INCOME FUND

1Q 2023 Investment Strategy Letter

Tickers: MBLAX | MBLCX

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After the historic interest rate rise and volatile yield curve movements last year, the first weeks of 2023 were relatively calm. Comments from the Federal Reserve (Fed), supported by economic data, suggested that the Fed's rapid monetary policy normalization was nearing the final stages. Risk assets remained stable, and interest rate expectations began to line up with Fed communications. Markets were calm, perhaps too calm. The initial signs of a potential banking crisis emerged in late February. Hidden in plain sight, the unescapable math of rising bond yields had caused significant asset/liability mismatches on the balance sheets of several large financial institutions. The following weeks were dominated by domestic and global regulators attempting to stave off a potentially significant financial crisis. At this point, it is uncertain whether the banking issues are truly behind us. However, there is an added degree of uncertainty as the Fed seeks to wind down policy normalization.

NEW UNCERTAINTY CLOUDS THE PATH FORWARD

Market volatility remains elevated as investors reprice expectations for monetary policy with every data release and news story. While the Fed's top priority remains inflation, financial stability concerns make the future path of monetary policy increasingly uncertain. The impact that the recent banking turmoil will have on the path of inflation is unknown. Lending standards had already tightened over the last year as the Fed aggressively raised rates and banks became less sanguine on future economic growth. Nonetheless, there continues to be a labor shortage in certain industries, energy prices remain volatile, and there are areas where supply chains remain tight. The banking issues in recent weeks will certainly impact economic growth going forward and, in turn, the outlook for inflation, only adding to the challenges facing the Fed as they seek to navigate the final stages of their policy adjustment.

THE FED - ONE MORE AND DONE?

During the first quarter, the Fed raised the Fed Funds Rate twice, ending the quarter with a stated range of 4.75% to 5.00%. During the last Fed meeting, Chairman Jay Powell indicated that there was significant uncertainty in the Fed's own forecast of future interest rates given the recent volatility in the banking system. Markets do not like uncertainty and interest rates ended the quarter lower versus year-end 2022. The two-year, five-year, ten-year, and thirty-year Treasuries were lower by 40 basis points (bps), 43 bps, 41 bps, and 31 bps, respectively. Lower interest rates pushed total returns higher for Treasuries, with the Bloomberg U.S. Treasury Index returning 3.00% for the quarter, the highest number since the first quarter of 2020. Due to the overall level of uncertainty, investors continue to adjust expectations of where interest rates will end the year. Fed projections show a Fed

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Funds Rate of 5.125%, which would indicate one additional increase before pausing for the remainder of the year. However, current market implied pricing indicates an expected Fed Funds Rate of 4.35% in December 2023, over 75 bps lower. This large difference in expectations will continue to drive volatility throughout the remainder of the year.

ARE BANKING ISSUES CONTAINED?

As headlines first appeared about large withdrawals from several financial institutions facing balance sheet losses as a result of rising interest rates, regulators wasted no time stepping in to provide liquidity. Initial signs suggest that the swift and significant policy actions have provided the liquidity and confidence needed to stave off a banking crisis. However, the stresses brought about by rising rates have not gone away, and there are certainly other issues lurking on bank balance sheets. Borrowings at newly created Fed programs have risen but are not accelerating at the same pace as when first introduced. The true impact for banks will not be known for many quarters and this will continue to be a source of uncertainty and volatility in risk assets. Despite the issues facing the banking sector, the Bloomberg U.S. Corporate Bond Index returned 3.50% during the first quarter, slightly better performance than similar-maturity Treasuries. While overall performance was positive, the volatility during the quarter was significant and is likely to continue. Corporate bond spreads mildly tightened during the first two months of the quarter before the banking issues arose. Then, spreads widened out significantly, especially within the financial sector, with spreads on the Bloomberg U.S. Finance Corporate Bond Index reaching 188 bps in mid-March before falling to 164 by month-end, 24 bps higher than year-end 2022.

VOLATILE EQUITY MARKETS

It was a volatile quarter within equities, 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 Diversified Income strategy, 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.

PORTFOLIO COMMENTARY – EQUITIES

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.

We 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 equity portion of the Diversified 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.

RELATIVE YIELD EXAMPLE: UNITED PARCEL SERVICE (UPS)

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.

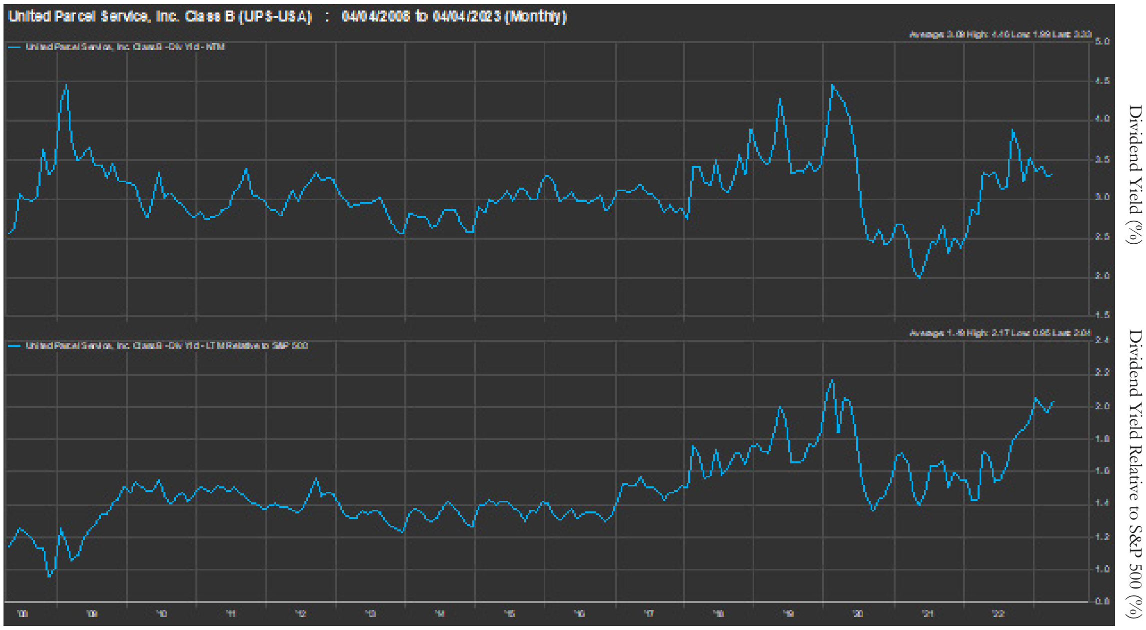
Risks to our investment thesis include a severe economic downturn that results in slower-than-expected package volumes and/or declining revenue per package. Other risks include losing market share due to competition from Amazon, FedEx, DHL, and others, along with rising oil and labor input costs, which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

PERFORMANCE & POSITIONING

In the first quarter, the Madison Diversified Income Fund (Class A) returned -0.92%, compared to its blended benchmark (50% equity/50% fixed income) return of 5.24%. The S&P 500 Index returned 7.50% while the ICE BofA US Corp. Govt. & Mtg Index returned 3.00%.

John Brown *Mike Sanders* *Chris Nisbet* *Drew Justman* *Allen Olson*

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



Source:FactSet

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.

Custom Blended Benchmark - 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, "ICEBofA Corp/Govt & Mtg." is a broad-based measure of the total rate of return performance of the U.S. investment-grade bond markets.

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.

Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index, which represents approximately 89% of the total market capitalization of the Russell 3000 Index.

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.

The Bloomberg US Corporate Index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and governmentrelated bond markets.

The Bloomberg U.S. Finance Corporate Bond Index is a subset of the Bloomberg U.S. Corporate Index that measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate bonds of financial institutions.

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.

Bond Spread is the difference between yields on differing debt instruments of varying maturities, credit ratings, and risk, calculated by deducting the yield of one instrument from another.

A basis point is one hundredth of a percent.

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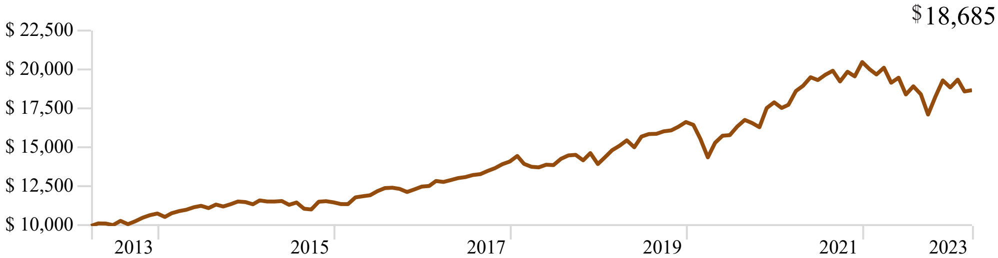
MADISON DIVERSIFIED INCOME FUND

March 31, 2023

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



Average Annual Total Returns[2] (%)

		Three Months	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Class A	Without Sales Charge	-0.92	-0.92	-7.15	9.10	6.28	6.45	5.82
	With Sales Charge	-6.63	-6.63	-12.48	6.98	5.02	5.82	5.58
Class C	Without Sales Charge	-1.04	-1.04	-7.83	8.34	5.52	5.67	6.05
	With Sales Charge	-2.03	-2.03	-8.68	8.34	5.52	5.67	6.05
50% Fixed / 50% Equity Blend		5.24	5.24	-6.00	7.68	6.32	6.95	-
ICE BofA Corp/Govt & Mtg. Index		3.00	3.00	-4.90	-2.91	0.90	1.37	-
S&P 500® Index		7.50	7.50	-7.73	18.60	11.19	12.24	-

Calendar Year Returns[2] (%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Class A	15.39	6.78	-0.16	8.75	12.83	-1.16	19.28	7.57	14.39	-7.95
50% Fixed / 50% Equity	13.90	10.05	1.23	7.36	12.42	-1.90	20.03	13.73	12.76	-15.40

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Distribution History

Class A - Per Share

Year	Total	Yr-End Nav
2022	$1.18	$14.57
2021	$0.12	$17.11
2020	$0.46	$16.79
2019	$1.08	$16.07
2018	$1.53	$14.39

10-Yr Risk Measures (%)

Class A vs. 50% Fixed / 50% Equity Blend

Standard Deviation	9.00
Downside Capture	109.97
Upside Capture	102.38

Yields Class A

30-day SEC Yield	1.88%
Yield to Maturity	4.61%

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

Experienced Management

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Fund Features

- Fund seeks high total return by combining income and capital appreciation
- Focus on dividend paying stocks at attractive prices
- Active management of credit risk, sector allocation and yield curve position
- Target: 60% stocks and 40% bonds

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

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.

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Madison, WI 53711
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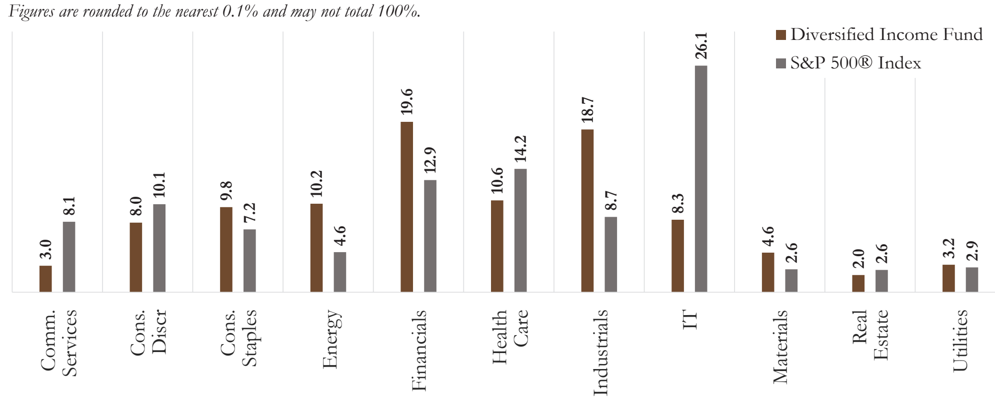
Equity Sector Allocation (%)

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



Portfolio Mix (%)

Stocks	65.5
Mortgage Backed Securities	10.6
U.S. Treasuries	10.0
Corporate Bonds	9.7
Cash & Short Term Securities	1.5
Real Estate Investment Trusts	1.4
Asset Backed Securities	0.9
Municipal Bonds	0.4

Top Ten Holdings (%)

CISCO SYSTEMS INC	2.7
CME GROUP INC	2.3
JOHNSON + JOHNSON	2.3
FASTENAL CO	2.3
HOME DEPOT INC	2.3
MORGAN STANLEY	2.2
NEXTERA ENERGY INC	2.2
CATERPILLAR INC	2.1
AIR PRODUCTS + CHEMICALS INC	2.1
COMCAST CORP CLASS A	2.1

Characteristics

TTM P/E	18.1x
P/B	3.1x
ROE	23.8%
Active Share	83.7%
Wtd. Avg. Market Cap (billions)	$139.9
Effective Duration (years)	6.3
Avg. Maturity (years)	8.8
Total Net Assets (millions)	$158.3
Portfolio Turnover	32%
Total Number of Holdings	338

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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. Upside Capture Ratio measures a fund's performance in up markets relative to its benchmark. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside 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 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. 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. Effective Duration provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates. Average Maturity is computed by weighting the maturity of each security in the portfolio by the market value of the security, then averaging these weighted figures. 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. 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.

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.

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