MADISON HIGH QUALITY BOND FUND

1Q 2023 Investment Strategy Letter

Tickers: MIIBX | MIIRX

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Industry since 2004

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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 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.

PERFORMANCE & POSITIONING

During the 1st quarter, the Madison High Quality Bond Fund (Class Y) returned 1.72%, versus the Bloomberg Intermediate Government Credit A+ Index return of 2.30%. Duration and Sector/Quality exposure were detractive to performance as interest rates fell and credit spreads widened late in the quarter. Yield Curve positioning, Security Selection, and Yield/Income were neutral to performance.

The impact of recent banking issues on the Fed's future policy path will take some time to reconcile. We envision continued market volatility as economic data reflects higher interest rates, tighter lending standards, and potential labor market impacts. While fixed income sectors remain attractive given higher yield levels, we remain conservatively invested as we await improved clarity on the path of the Fed's tightening campaign. We continue to take advantage of higher market yields to redeploy portfolio assets along the yield curve. These trades have allowed the strategy to maintain a very high average quality profile, conservative relative duration, and add meaningful portfolio yield. Corporate spread widening is likely to provide a significant opportunity once we have more clarity on recent bank issues, at which point corporate bonds will be more attractive.

Mike Sanders *Chris Nisbet*

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.

A basis point is one hundredth of a percent.

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.

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. Yield curve strategies involve positioning a portfolio to capitalize on expected changes.

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.

Bloomberg Intermediate Government Credit A+ Index measures the performance of United States dollar-denominated United States Treasuries, government-related and investment-grade United States corporate securities that have a remaining maturity of greater than or equal to one year and less than 10 years.

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.

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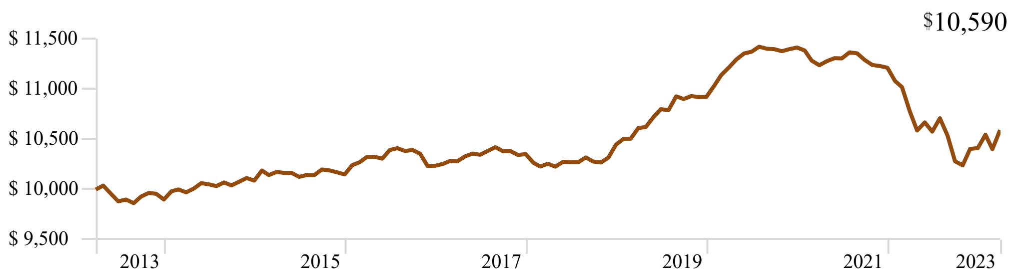
MADISON HIGH QUALITY BOND FUND

March 31, 2023

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



Experienced Management

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Industry since 2004

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Average Annual Total Returns[2] (%)

	Three Months	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Class Y	1.72	1.72	-1.76	-1.89	0.64	0.58	2.78
Class I	1.84	1.84	-1.56	-	-	-	-2.88
Bloomberg Interm. Govt/Credit A+ Index	2.30	2.30	-1.55	-1.85	1.24	1.12	-

Calendar Year Returns[2] (%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Class Y	-1.00	1.89	0.61	0.85	1.14	0.91	4.54	4.50	-1.76	-7.13
Bloomberg Interm. Govt/ Credit A+ Index	-1.00	2.84	1.31	1.44	1.60	1.19	5.89	6.15	-1.60	-7.93

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.

Fund Features

- Fund seeks the highest total return while maintaining an average maturity of 10 years or less.
- A or better quality: government, agency and corporate bonds
- Active duration, yield curve, sector and security selection decisions
- Focus on managing risk

Class	Ticker	Inception Date	Exp. Ratio(%)[4]
Y	MIIBX	5/1/00	0.50%
I	MIIRX	2/28/2022	0.41%

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

Distribution Frequency - Quarterly

Characteristics (years)

Effective Duration	3.29
Avg. Maturity	3.61

Yields, Class Y Shares

30-day SEC Yield	3.68%
Yield to Maturity	4.24%

10-Yr Risk Measures (%), Class Y Shares

Standard Deviation	2.34
Downside Capture	100.27
Upside Capture	85.68

1 Growth of $10,000 for the years shown is calculated at NAV and assumes all dividends and capital gain distributions were reinvested. It does not take into account sales charges 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. 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 past performance (before and after taxes) is not necessarily an indication of its future performance. Madison waived 0.10% of the Fund's annual management fee from August 7, 2020 through February 27, 2022. Investment returns reflect this fee waiver, without which returns would have been lower.

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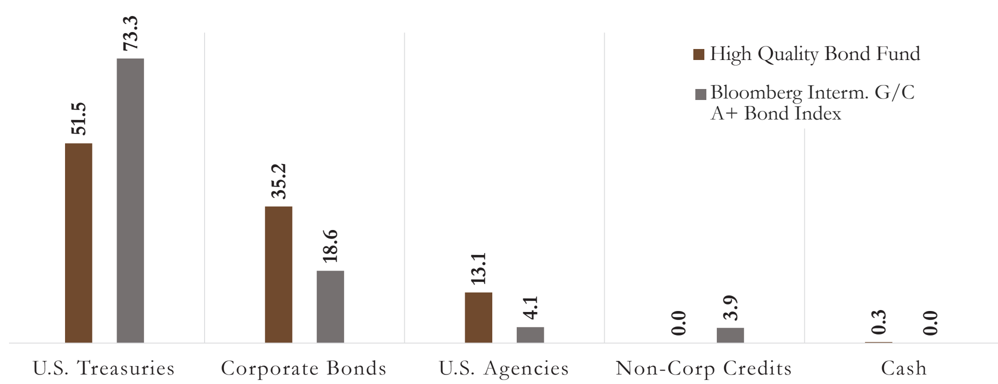
Sector Allocation (%)



Figures are rounded to the nearest 0.1%.

Total Net Assets

$88.6 Million

Portfolio Turnover

23%

Total Number of Holdings

55

Top Ten Treasury & Agency Holdings

DESCRIPTION	COUPON	MATURITY	%
US TREASURY N/B	0.375%	31 Jan 2026	3.6
US TREASURY N/B	2.125%	15 May 2025	3.3
US TREASURY N/B	1.5%	15 Aug 2026	3.2
US TREASURY N/B	0.25%	31 Oct 2025	3.1
US TREASURY N/B	2.25%	15 Nov 2027	2.9
US TREASURY N/B	3.875%	31 Dec 2029	2.9
US TREASURY N/B	3.875%	30 Nov 2029	2.9
US TREASURY N/B	1.5%	31 Jan 2027	2.9
US TREASURY N/B	1.875%	28 Feb 2029	2.8
FREDDIE MAC	0.375%	20 Apr 2023	2.8

Top Ten Corporate Holdings

DESCRIPTION	COUPON	MATURITY	%
JPMORGAN CHASE + CO	1%	01 Mar 2025	1.7
STATE STREET CORP	1%	01 Nov 2025	1.6
BANK OF AMERICA CORP	1%	24 Oct 2026	1.5
BANK OF NY MELLON CORP	1%	25 Oct 2028	1.5
SALESFORCE INC	3.25%	11 Apr 2023	1.4
TRUIST FINANCIAL CORP	2.85%	26 Oct 2024	1.4
BERKSHIRE HATHAWAY	2.875%	15 Mar 2032	1.3
COCA COLA CO	1%	15 Mar 2028	1.2
WALT DISNEY CO	3.8%	22 Mar 2030	1.2
MORGAN STANLEY	1%	18 Oct 2028	1.2

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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: a fund's performance in down markets relative to its benchmark. The security's downside capture return is divided it 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. Effective Duration: 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: 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: 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. 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. Bloomberg Intermediate Government Credit A+ Index measures the performance of United States dollar-denominated United States Treasuries, government-related and investment-grade United States corporate securities that have a remaining maturity of greater than or equal to one year and less than 10 years.

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: interest rate risk, call risk, risk of default and liquidity 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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