

## MADISON INVESTORS FUND

### 1Q 2024 Investment Strategy Letter

Tickers: MNVRX | MIVIX | MINVX | MNVAX

The Madison Investors Fund (Class Y) increased 9.63% in the first quarter of 2024, compared to the 10.56% increase in the S&P 500 index.

#### PORTFOLIO PERFORMANCE

In the first quarter, the top five individual contributors to performance relative to the benchmark were PACCAR, Arch Capital, Progressive, Fiserv, and Parker-Hannifin.

Shares in PACCAR, a truck manufacturer, appreciated nicely as investors rewarded continued strong performance. Operating margins remain a particular bright spot, supported by new truck models, improved manufacturing efficiency and a growing aftermarket parts division. On this last point, PACCAR has done an excellent job growing the aftermarket parts business by increasingly manufacturing its own parts and opening new distribution centers to expand its geographic reach and improve in-stock levels and fill rates. All told, this division's operating profits have more than doubled over the last five years and provides a nice ballast to help offset some of the inherent cyclicity that comes with manufacturing commercial trucks.

Two of our insurers, Arch Capital and Progressive, were also large contributors during the quarter. While they participate in different areas of the insurance market, with Arch generally focused on commercial lines and Progressive on personal lines, they both are benefiting from attractive market conditions, which has boosted underwriting profits. Also, investment income should continue to rise as they roll over the fixed income portfolios at more favorable coupon rates.

At payment processor Fiserv, revenue and profits continue to steadily compound. In fact, 2023 marked the 38th consecutive year of double-digit earnings growth for the company, a remarkable accomplishment considering the wide range of economic environments experienced during that long period. It goes without saying that success over such a prolonged timeframe requires a combination of strong competitive advantages, dependable stewardship, and continuous investment in new products and services. In more recent years, Fiserv has rolled out the Clover payment platform for small-and-medium sized businesses. Clover has been very successful in large part, not only due to its superior functionality relative to legacy point-of-sale payment platforms, but also Fiserv's distribution scale across financial institutions and independent sales organizations, an advantage that is difficult to replicate by upstart fintech competitors. Investments like Clover give us confidence that Fiserv will continue to build upon its impressive long-term track record.

Rounding out the top five contributors is Parker-Hannifin, a diversified industrial company that is executing extremely well integrating a recent acquisition.



Rich Eisinger  
Co-Head of Investments  
Portfolio Manager/Analyst  
Industry since 1994



Haruki Toyama  
Head of Mid & Large Cap Equity  
Portfolio Manager/Analyst  
Industry since 1994



Joe Maginot  
Portfolio Manager/Analyst  
Industry since 2012

*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](http://madisonfunds.com) or call 800.877.6089 to obtain performance data current to the most recent month-end.*



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## 1Q 2024 MADISON INVESTORS FUND - INVESTMENT STRATEGY LETTER

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The bottom five individual detractors were Liberty Broadband, Dollar Tree, Analog Devices, Accenture, and Becton Dickinson.

Shares in Liberty Broadband, a holding company with a large investment in cable operator Charter Communications, took another leg down this quarter as internet subscriber growth turned negative. However, there were also signs in the quarter that competition from fixed wireless internet providers was set to slow; this fact, combined with historically low valuation multiples, keep us optimistic regarding our investment. Dollar Tree underperformed in the quarter following a messy earnings report that showed inconsistent results at Family Dollar. Given it is still early in Family Dollar's turnaround effort, we had been expecting the potential for choppy performance, and weren't that surprised by the result. What we found more notable were the strong results from the Dollar Tree stores, as they are the primary value driver for the overall company.

At semiconductor manufacturer Analog Devices, end-market demand continues to decline as customers and distributors reduce inventory after building it up during the supply chain induced shortages a few years back. Despite these near-term trends, we remain confident that large parts of the global economy will continue to digitize over the long-term, thereby driving strong demand for analog semiconductor chips.

Revenue growth remains challenged at Accenture, a technology consulting firm, after seeing elevated levels of demand a few years back when customers were accelerating their digital transformation efforts. While the environment remains subdued, we see some signs that the company will return to its historical growth cadence, including booking over \$600 million of business related to generative AI during the most recent quarter. At Becton Dickinson, fundamentals continue to be subdued as demand in China remains weak while they also contend with headwinds to margins from persistent inflationary pressure and lower manufacturing utilization required to reduce inventory.

### PORTFOLIO ACTIVITY

There were no new buys or sells during the quarter. While market performance has been strong over the last year and valuations have generally returned to prior highs, we remain committed to our 20-plus year strategy of investing in durable, competitively advantaged, growing companies at attractive valuations and are optimistic about our portfolio of such stocks.

We thank you for your trust and remain invested alongside you for the long term.

Respectfully,

*Rich Eisinger*

*Haruki Toyama*

*Joe Maginot*

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### 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.

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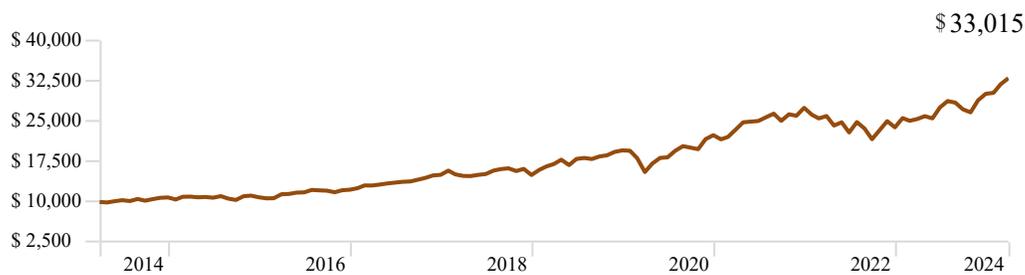
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# MADISON INVESTORS FUND

March 31, 2024

## Growth of \$10,000 Class Y Shares, Trailing 10 Years<sup>1</sup>



## Average Annual Total Returns<sup>2</sup> (%)

	Three Months	YTD	1 Yr	3 Yr	5 Yr	10 yr	Since Inception
Class R6	9.65	9.65	30.09	12.26	14.31	12.89	13.35
Class I	9.65	9.65	29.97	12.17	-	-	14.53
Class Y	9.63	9.63	29.83	12.06	14.12	12.69	11.28
Class A without sales charge	9.53	9.53	29.54	11.77	13.83	12.40	12.86
with sales charge	3.24	3.24	22.10	9.58	12.50	11.74	12.22
S&P 500® Index	10.56	10.56	29.88	11.49	15.05	12.96	-

## Calendar Year Returns<sup>2</sup> (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class Y	11.54	0.23	12.97	22.51	-0.20	30.48	14.42	22.68	-13.17	26.09
S&P 500® Index	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29

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## Characteristics

Total Number of holdings	29
Active Share	87.3%
% Assets in Top 10 stocks	48.0%
Portfolio Turnover	22%
Wtd. Average Market Cap (billions)	\$375.3
Total Net Assets (millions)	\$424.1

## Risk Metrics (%) Class Y vs. S&P 500

	3 Yr	5 Yr	10 yr
Upside Capture	95.50	93.29	92.30
Downside Capture	91.06	93.04	88.08
Beta	0.93	0.93	0.90

## Experienced Management



Rich Eisinger  
Head of Equities,  
Portfolio Manager  
Industry since 1994



Haruki Toyama  
Head of Mid & Large Cap  
Equity, Portfolio Manager  
Industry since 1994



Joe Maginot  
Portfolio Manager  
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## Fund Features

- ▶ Fund seeks long-term capital appreciation
- ▶ High conviction; 25-40 holdings
- ▶ Pursues high-quality growth companies, growth at a reasonable price style (GARP)
- ▶ Focus on risk management

Class	Ticker	Inception Date	Exp. Ratio
A	MNVAX	9/23/13	1.16%
Y	MINVX	11/1/78	0.91%
I	MIVIX	8/31/20	0.81%
R6	MNVRX	9/23/13	0.73%

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

## Distribution Frequency - Annual

<sup>1</sup> 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.

<sup>2</sup> 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 Y and 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.

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From February 6, 2009 through February 28, 2016 the investment adviser waived between 0.11% to 0.15% of its management and/or services fees annually for Class Y shares, 0.15% for Class A shares from September 23, 2013 to February 28, 2016; and 0.10% for Class R6 from September 23, 2013 until May 1, 2014. Investment returns reflect these fee waivers, without which returns would have been lower.

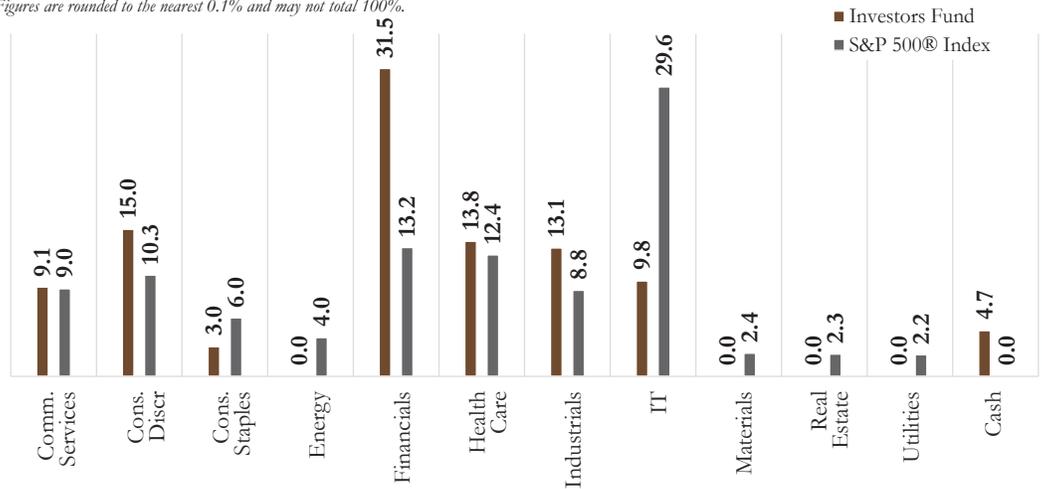


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## Sector Allocation (%)

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



## Complete Stock Holdings (%)

ALPHABET INC CL C	7.9	VISA INC CLASS A SHARES	3.3
ARCH CAPITAL GROUP LTD	5.9	PROGRESSIVE CORP	3.2
PACCAR INC	5.4	DOLLAR TREE INC	3.0
FISERV INC	4.8	TEXAS INSTRUMENTS INC	2.9
AMAZON.COM INC	4.6	US BANCORP	2.8
LOWE S COS INC	4.1	MARSH + MCLENNAN COS	2.5
PARKER HANNIFIN CORP	4.1	BROOKFIELD CORP	2.3
BERKSHIRE HATHAWAY INC CL B	4.0	SCHWAB (CHARLES) CORP	2.2
COPART INC	3.7	FERGUSON PLC	2.1
TJX COMPANIES INC	3.6	ELEVANCE HEALTH INC	1.8
ANALOG DEVICES INC	3.6	DANAHER CORP	1.8
ALCON INC	3.5	LIBERTY BROADBAND C	1.2
AGILENT TECHNOLOGIES INC	3.4	NIKE INC CL B	0.6
BECTON DICKINSON AND CO	3.3	BROOKFIELD ASSET MGMT A	0.6
ACCENTURE PLC CL A	3.3		

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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. 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. 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. 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. 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.

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