MADISON HIGH QUALITY BOND FUND

3Q 2020 Investment Strategy Letter

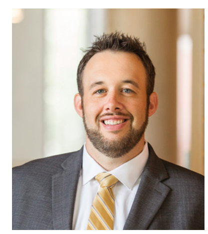
Ticker: MIIBX

As we approach the final months of 2020, it's already clear this year will be one for the record books. The disruption, adaptation, and change in our personal and professional lives is ongoing and will, with all likelihood, be with us for some time to come. As we look forward to returning to more normal routines, our lasting appreciation goes out to those caring for the sick, researching therapies, and working to make ends meet. We remain optimistic that happier times and broader perspectives are around the corner.

Paul Lefurgey, CFA
Co-Head of Fixed Income,
Portfolio Manager
Industry since 1988

THE ENGINE IS RUNNING … BUT THE ROAD IS BUMPY

After the second quarter's economic shut-down, summer brought phased re-openings across the country. These re-openings brought a welcome jump in regional activity and many furloughed workers back on payrolls. The jump in activity, aided by strong policy responses, supported personal consumption and housing demand/refinancing via low mortgage rates. In fact, the most recent Blue Chip consensus anticipates third quarter (Q3) GDP will advance nearly 20% after declining by more than 30% in the second quarter. Markets welcomed the prospect of a return to more normal conditions and continued to advance, buoyed by optimism for Covid-19 therapies and additional monetary and fiscal stimulus. However, as the back-to-school season approached, optimism was tempered by re-opening difficulties, resurgent infection numbers, and fading prospects for additional stimulus.



Mike Sanders, CFA
Co-Head of Fixed Income,
Portfolio Manager
Industry since 2004

Despite initial signs of economic growth, challenges lie ahead. Many communities, coincident with schools opening and college students returning to campus, are experiencing difficulties returning to pre-Covid activity levels. Stubborn infection rates are extending the need for preventative measures and further challenging small businesses already struggling as portions of the Coronavirus Aid, Relief and Economic Security (CARES) Act expire. In the coming months, many small businesses remain at risk of permanent closure. With the winter months rapidly approaching and the election year becoming even more contentious the months ahead present a challenging backdrop for growth.

RECOVERY HELP AHEAD?

What looked like a 'V' shaped recovery earlier this summer has proven uneven despite unprecedented stimulus measures put in place by the Federal Reserve and Treasury Department. Many of the original programs remain in effect but there are growing calls for additional measures. For their part, the Federal Reserve reaffirmed at their last meeting a desire to keep the Fed Funds rate at or near the lower bound for the foreseeable future. The most recent dot-plot survey of terminal Fed Fund rates estimates put the 'foreseeable future' as far out as 2023. While the survey is not binding, it's clear that the FOMC is willing to keep monetary policy accommodative until the economy recovers, and inflation pressures increase.

Chris Nisbet, CFA
Portfolio Manager
Industry since 1990

Just as the Covid-19 shut-down produced a wide range of impacts on economic sectors, the subsequent recovery has also impacted sectors of the economy differently. Sectors involved in technology, manufacturing, housing, and mass retail have recovered, well buoyed by low rates and a weaker dollar while dining, local retail, air travel, and tourism continue to struggle. Small and medium sized businesses, which produced much of our economy's job growth in recent years, play a vital role in bringing back labor markets. Clearly the activity increase in recent months is a welcome

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Past performance does not predict future results. Please refer to the final two pages of this piece which contain current performance information for the fund, the risks of investing in the fund and a complete list of the fund's individual portfolio holdings as of quarter end. Individual portfolio holdings are identified to illustrate our approach to investing the fund's portfolio and are not intended to represent a recommendation to buy or sell any such security.

development but likely represented more easily achieved gains. While we expect further economic growth, a more sustained bounce will depend on the speed of pandemic's course, medical developments, and policy response.

THE FED'S NEW FOCUS

The Treasury yield curve steepened further during the quarter as front-end rates anchored by Fed policy fell, while longer rates rose in response to renewed economic activity and an expanding federal deficit. During the quarter the 10-year Note yield rose from 0.65% to 0.68% and the 2-year Note fell from 0.25% to 0.13% during the quarter. Short-term interest rates moved little following the Fed's guidance of no rate changes over the next few years.

The major news during the quarter was Fed Chairman Jerome Powell announcing a new focus for monetary policy. The Fed will now target an average inflation rate of 2% over an entire cycle. This implies the Fed will allow inflation to run higher than target to offset periods of low inflation. On the surface, this is a significant change to monetary policy. The inflation rate has trended down over the last forty years with the rate barely above the 2% target over the last ten years. However, since the announcement longer-term interest rates have moved little signaling skepticism by market participants that the Fed has the tools to generate inflation. Zero interest rates, asset purchases and forward guidance have been the main tools used to stabilize the economy and markets. With the Fed reaffirming that the Federal Funds Rate is likely to stay near zero until at least 2023 with asset purchases continuing, the Fed will be closely watched as they seek to create different tools or lean on fiscal stimulus in order to make good on their newly stated inflation goal.

RISK RALLY CONTINUES

Risk assets continued to perform well during the third quarter. The Bloomberg Barclay's U.S. Corporate Index achieve a total return of 1.54% versus the Bloomberg Barclay's U.S. Treasury Index only returning 0.17%. The Fed has continued its purchases of both corporate bond exchange-traded funds (ETFs) and the underlying corporate bonds. Given the total size of these markets, the amount of purchases is fairly limited in scope. However, most market participants believe that the Fed will increase purchases if volatility increases. Corporations have issued a record amount of debt this year but with the Fed actively involved in these markets, the implicit backstop continues to make corporate bonds attractive to purchase versus Treasuries.

PERFORMANCE & POSITIONING

During the third quarter, the Madison High Quality Bond Fund produced positive returns although underperforming the benchmark slightly (Class Y at NAV). The Bloomberg Barclay's Intermediate Government Corporate A+ Index returned 0.36%. for the quarter.

During the quarter, the fund continued to add exposure to corporate securities as increased corporate issuance provided attractive purchase candidates. By adding holdings of attractive high-quality credits, the portfolio sought to maintain yield and take advantage of attractive roll down characteristics of the recently steepened yield curve. The portfolio continues to sell short-term Treasuries to fund 7- to 10-year credit purchases and increased 5- to 7-year Treasury holdings. We view Treasuries maturing inside of two years as anchored near zero given our near-term Fed policy outlook making them attractive swap candidates to maintain portfolio yield and duration.

We believe that while the domestic economy has bounced back significantly from the depths of the Covid-19 shut down, we are entering a more gradual and difficult period. The path forward is largely dependent upon the progress of reopening efforts and identification of successful Covid-19 therapies and vaccines. Against this backdrop, we expect increased market volatility across sectors. However, with monetary stimulus remaining at all-time highs, the stage is set for a significant rebound as the path forward becomes more certain. While the relative attractiveness of corporate credit remains strong, the impact of the pandemic upon certain sectors could last for years to come. The past nine months has, once again, reinforced the need for diversification and rewarded those who have maintained exposure to high-quality fixed income within their overall portfolio. We will continue to position portfolios with a defensive duration posture and high-quality credit holdings as we navigate the coming months.

Thank you for your ongoing confidence in these challenging times. Stay well!

Paul Lefurgey *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.

The Bloomberg Barclays US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index.

Bloomberg Barclays 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 Barclays US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

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. In a low-interest environment, there may be less opportunity for price appreciation.

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

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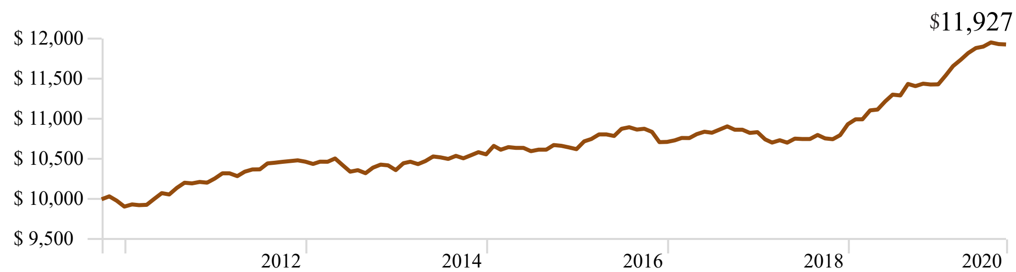
MADISON HIGH QUALITY BOND FUND

September 30, 2020

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 Y	0.22	4.34	4.55	3.15	2.24	1.78	3.49
Bloomberg Barclays Interm. Govt/Credit A+ Index	0.36	6.07	6.26	4.25	3.08	2.63	4.41

Calendar Year Returns[2] (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Class Y	4.35	3.53	2.04	-1.00	1.89	0.61	0.85	1.14	0.91	4.54
Bloomberg Barclays. Interm. Govt/Credit A+ Index	5.48	5.67	3.14	-1.00	2.84	1.31	1.44	1.60	1.19	5.89

Performance data shown represents past performance. Investment returns reflect the investment adviser's voluntary waiver of a portion of its management fee effective August 7, 2020. Without the fee waiver, the returns shown would be lower. The voluntary fee waiver may be amended or discontinued at any time without prior notice. 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.

Characteristics (years)

Effective Duration	3.17
Avg. Maturity	3.35

Risk Measures (10-year)

Standard Deviation	1.57%
Downside Capture	76.00%
Upside Capture	70.95%

Yields

30-day SEC Yield (Post-Waiver)	0.03%
30-day SEC Yield (Pre-Waiver)	-0.08%
Yield to Maturity	0.47%

The 30-Day SEC Yields are annualized and are based on the most recent 30 day period. The subsidized yield reflects the investment adviser's voluntary waiver of a portion of its management fee effective August 7, 2020. The unsubsidized yield reflects what the yield would have been if no fee waiver had been in effect. The voluntary fee waiver may be amended or discontinued at any time without prior notice.

Experienced Management

Paul Lefurgey, CFA
Co-Head of Fixed Income, Portfolio Manager
Industry since 1988

Mike Sanders, CFA
Co-Head of Fixed Income, Portfolio Manager
Industry since 2004

Chris Nisbet, CFA
Portfolio Manager
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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
Y	MIIBX	5/1/00	0.39%
Y	MIIBX	5/1/00	0.49%

Expense ratios are based on the fund's most recent prospectus. The 0.49% excludes waivers. The 0.39% reflects the investment adviser's voluntary waiver of a portion of its management fee effective August 7, 2020. The voluntary fee waiver may be amended or discontinued at any time without prior notice.

Distribution Frequency - Quarterly

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.

Effective August 7, 2020, Madison voluntarily agreed to waive 0.10% of its 0.30% management fee until at least February 27, 2021. The voluntary fee waiver may be amended or discontinued at any time without prior notice. Any fees waived will not be subject to later recoupment by Madison.

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Madison FUNDS

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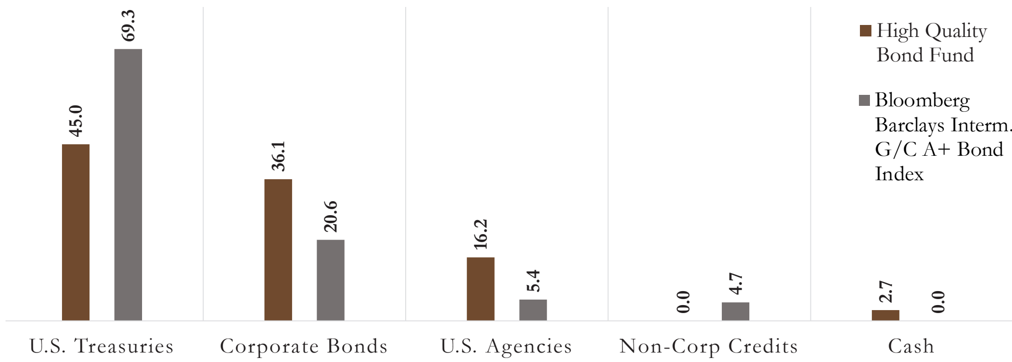
Sector Allocation (%)



Sector allocation is rounded to the nearest 0.1%.

Total Net Assets

$184.9 Million

Portfolio Turnover

20%

Total Number of Holdings

62

Top Ten Treasury & Agency Holdings

DESCRIPTION	COUPON	MATURITY	%
US TREASURY N/B	2.5%	15 Aug 2023	3.2
FANNIE MAE	2.125%	24 Apr 2026	3.0
US TREASURY N/B	2.375%	15 Aug 2024	2.9
FANNIE MAE	1.875%	05 Apr 2022	2.8
FREDDIE MAC	0.375%	20 Apr 2023	2.7
FREDDIE MAC	0.375%	21 Jul 2025	2.7
US TREASURY N/B	2.125%	15 May 2025	2.7
US TREASURY N/B	2.25%	15 Nov 2024	2.6
US TREASURY N/B	2.75%	15 Nov 2023	2.6
US TREASURY N/B	2.125%	29 Feb 2024	2.6

Top Ten Corporate Holdings

DESCRIPTION	COUPON	MATURITY	%
MASTERCARD INC	3.3%	26 Mar 2027	1.4
WALT DISNEY CORP	3.8%	22 Mar 2030	1.4
PEPSICO INC	2.75%	19 Mar 2030	1.3
HOME DEPOT INC	2.7%	15 Apr 2030	1.3
NIKE INC	2.75%	27 Mar 2027	1.3
JPMORGAN CHASE + CO	1%	01 Mar 2025	1.2
SALESFORCE.COM INC	3.25%	11 Apr 2023	1.2
STATE STREET CORP	1%	01 Nov 2025	1.2
BANK OF AMERICA CORP	1%	21 Jul 2023	1.2
BLACKROCK INC	3.5%	18 Mar 2024	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 10/31/2019. Bloomberg Barclays 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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