

Week in Review | Reinhart Fixed Income By Madison Investments

October 3, 2025



Federal Government Shutdown

Republicans were not able to reach agreement with Democrats to bring a continuing resolution to fund the government before the end of the fiscal year on September 30. As a result, the federal government shut down all non-essential services and furloughed workers providing them. The Trump administration is threatening to permanently fire many of these workers. Markets have thus far shrugged off the shutdown.

Our Take: There is no issue with the debt ceiling related to this shutdown, and many services are continuing. In the near term, markets are not expecting a big impact. If the shutdown drags on and causes longer delays in payments, or if it results in a significant permanent decline in the federal workforce, then markets are likely to become more concerned about the economic impact.

Employment

This Friday is the normal monthly release date for the Bureau of Labor Statistics (BLS) data on job creation, wages and unemployment. Due to the federal government shutdown, this report was not released. Private employment reports were mixed with ADP showing a decline in September employment and a negative revision to the August number, while Challenger showed a decline in the level of layoffs from last September.

Our Take: The private employment surveys cannot fully replace the BLS data in giving the most complete picture of the labor market. The Fed is currently in a very data-dependent state from meeting to meeting and is unlikely to act without more complete data on both the labor market and inflation (also produced by the BLS).

Municipals

New York's Metropolitan Transportation Authority (MTA) board voted this week to increase the base subway and bus fare by 10 cents to \$3. Express bus fares will also increase. Some LIRR and Metro-North train fares will increase along with toll rates at certain bridges and tunnels. The increases are scheduled to take effect early next year.

Our Take: MTA officials indicated that the fare increase was necessary due to rising labor costs and inflation. The last subway and bus fare increase occurred in 2023 and historically fares have increased every two years.



Contact

Financial Advisors

888.971.7135

Find your Regional Director on our [coverage map](#) or by visiting madisoninvestments.com/contact.

Institutional Investors and Consultants

888.971.7135

Visit us online

madisoninvestments.com

About Reinhart Fixed Income

Quality, stability, and predictability are the hallmarks of the Reinhart Fixed Income management philosophy. We believe that successful fixed income management is a product of understanding the role bonds play in a specific client's investment strategy and developing unique portfolios to meet the objectives of the client. Reinhart Fixed Income is part of Madison Investments, an independent investment manager providing active, high-quality, and high-conviction portfolios since 1974.

Disclosures

"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.

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 this report constitute the firm's 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 and is not investment advice.

Madison Investment Holdings, Inc. acquired the fixed income management assets of Reinhart Partners, Inc. on June 11, 2021 and now employs the Investment Team that previously managed the assets at Reinhart. The Investment Team manages the assets using substantially the same strategies and objectives as at Reinhart. Performance information dated prior to the purchase reflects that of Reinhart Partners, Inc.

Quality refers to the bond ratings provided by the various third-party ratings agencies. Stability and predictability refer to the cash flow of individual securities and not to the market value or performance of portfolio holdings. There is no guarantee this strategy will lead to investment success.

In addition to the ongoing market risk applicable to portfolio securities, bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. 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.

