Weekly Mosaic – Are We Meeting?

Week of October 13th, 2025

+8.0%

Estimated Earnings Growth Rate, S&P 500, 3Q25

As third quarter earnings season gets underway, earnings growth expectations have improved. Over the last quarter, earnings growth estimates have improved from +7.3% year-over-year to +8.0% with the improvement in six of the eleven sectors.

$0.36B

Consumer Credit

Despite consumer spending continuing to move higher, consumer credit expanded well below expectations of +$14.0B in August and nowhere near the +$18.1B seen in July.

55.0

Consumer Sentiment, Univ of Michigan

Consumer sentiment slipped -0.1 from the previous reading in September of 55.1 as the expectations component slipped to a five-month low of 51.2. Three-year inflation expectations edged lower to 4.6% from 4.7%, and long-term expectations remained unchanged.

Top of Mind

Equity markets plunged at the end of last week as news broke of the administration's intentions to raise tariffs on China, yet again, after Beijing announced export restrictions on rare-earth minerals.

In addition to threatening more tariffs, President Trump announced that he no longer saw a reason for a side meeting between himself and President Xi at the upcoming Asia-Pacific Economic Cooperation (APEC) meeting in South Korea.

Over the weekend, both sides have softened their rhetoric, and the probability of a meeting between the two leaders appears to be back on the rise.

The US government remains closed, and having a deal done by the 15th of October, which many had earmarked for a deal as it's the first federal payday since the shutdown started, appears to be improbable, as the administration has taken measures to ensure that the military continues to get paid despite the shutdown.

With the shutdown continuing, establishment economic data, such as this week's Producer Price Index from the Bureau of Labor Statistics, will not be released. The only data release anticipated by the BLS is the Consumer Price Index report, which was rescheduled for release on October 24th, as it is a key component of the cost-of-living adjustment the Social Security Administration needs for next year's benefits.

Index Returns

As of 10/10/2025 (%)	1-Week	QTD	YTD	1-Year	3-Year
S&P 500 TR	-2.41	-1.99	12.54	14.85	23.77
Russell Mid Cap TR	-3.36	-2.65	7.49	8.64	16.00
Russell 2000 TR	-3.28	-1.70	8.52	10.92	13.93
MSCI EAFE NR	-1.86	-0.30	24.77	17.44	21.32
MSCI EM NR	-0.58	1.48	29.42	20.46	18.38
Bloomberg US Agg Bond TR	0.33	0.58	6.75	4.99	5.22
Bloomberg Intermediate Corporate Bond TR	0.07	0.27	6.86	6.23	7.06
Bloomberg High Yield Corporate TR	-0.73	-0.62	6.55	7.30	10.34
Bloomberg Commodities TR	-1.13	-0.41	8.93	8.08	1.23

Price Levels

	10/10/2025	1 Mo	3 Mo	6 Mo	1-Year
US Dollar Index	98.98	97.78	97.85	100.10	102.99
10 Year Treasury Yield	4.06	4.04	4.42	4.47	4.08
West Texas Crude (WTI) $/bbl	61.56	64.01	69.63	61.91	76.46

Current Positioning

Cautiously optimistic while intentionally avoiding some of the most expensive areas of the equity and credit markets.

	Min			Neutral			Max	
EQUITIES			■					Guarding against elevated levels of complacency and stretched valuations.
U.S. Equity				■				Relative advantages remain attractive; however, valuations have become less attractive. Our longstanding overweight to US equities relative to international equities remains.
Large			■					The balance sheet strength of many large cap companies remains attractive. However, their valuations are among the richest relative to other segments of US and international equities.
Mid				■				Absolute and relative valuations combined with a higher percentage of domestically driven supply chains and sales, combine to position mid-cap stocks attractive.
Small					■			Valuations continue to remain attractive against large caps and stand to benefit from less onerous regulations. Within small caps, we are focused on quality companies able to navigate an elevated interest rate environment.
Value					■			Overweight Energy and Financials while avoiding the cheapest valued companies, leading us away from deep value sectors and industries.
Growth			■					Driven by an underweight to Consumer Discretionary and Communication Services, neutral weight Technology.
International			■					International equity valuations are attractive and central banks around the world have largely shifted toward easing monetary policy.
Developed Markets				■				Overweight Japanese and Eurozone equities relative to benchmark.
Emerging Markets					■			Attractive valuations, global monetary easing, and stimulative measures in China, position emerging Asian equities to potentially benefit from multiple tailwinds.

	Min			Neutral			Max	
FIXED INCOME				■				We believe opportunities within fixed income markets are attractive over the mid- to long-term time periods while recognizing volatility could persist over the short-term.
Duration			■					Slightly underweight duration as uncertainty around growth and inflation persist.
Treasury				■				Neutral US Treasuries, favor the securitized sector.
Corporate			■					Prefer short-term and intermediate-term investment grade corporate credit relative to long-term. High-quality bias remains with little value offered in the form of spreads across the high yield universe.
MBS/Securitized							■	Attractive relative yield, adequate spreads, and strong implied credit quality position the asset class attractively, specifically residential mortgages.

	Min			Neutral			Max	
ALTERNATIVES	■							
Commodities	■							A persistent lack of a durable geopolitical risk premium, lower global trade, and slower global economic growth combine for a challenging environment for commodities moving forward.

	Min			Neutral			Max	
CASH					■			Excess cash position is being driven by our active underweight to international equities.

Mosaic by Madison Investments

Mosaic by Madison Investments represents Madison's global multi-asset product suite spanning the risk spectrum with a series of distinct portfolios across ETF/Mutual Fund and ETF mandates. Madison's Multi-Asset Solutions team has deep experience monitoring worldwide macroeconomic trends and their associated investment implications. Risk management and a commitment to consistency are key components of our philosophy and process. We believe that efficient asset allocation and downside volatility mitigation should lead to increased long-term client investment success.

Multi-Asset Solutions Team

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Disclosures

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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.

The Russell Midcap® Index measures the performance of the mid-cap segment of the U.S. equity universe.

The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 11% of the total market capitalization of the Russell 3000® Index.

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The MSCI EAFE (Europe, Australasia & Far East) Index is a free-float adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada.

The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. With 1,138 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each

The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage backed securities, asset-backed securities and corporate securities, with maturities greater than one year.

The Bloomberg Commodity Total Return index (BCOM) is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 13 week (3 Month) U.S. Treasury Bills.

The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

The Bloomberg US Intermediate Corporate Bond Index measures performance of United States dollar-denominated investment grade, fixed-rate, taxable corporate bond securities with maturities greater than or equal to one year, but less than ten years, that are issued by U.S and non-U.S. industrial, utility and financial issuers.

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All investing involves risks including the possible loss of principal. There can be no assurance the asset allocation portfolios will achieve their investment objectives. The portfolios may invest in equities which are subject to market volatility. In addition to the general risk of investing, the portfolio is subject to additional risks including investing in bond and debt securities, which includes credit risk, prepayment risk and interest rate risk. When interest rates rise, bond prices generally fall. Securities rated below investment grade are more sensitive to economic, political and adverse development changes.

Equity risk is the risk that securities held by the fund will fluctuate in value due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the fund participate, and the particular circumstances and performance of particular companies whose securities the fund holds. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

Commodity values can be very volatile. They can be impacted by world or local events, government regulations and economic conditions. Investments in commodities can lose value.

Each portfolio is subject to the risks and expenses of the underlying funds in direct proportion to the allocation of assets among the underlying funds.

Upon request, Madison may furnish to the client or institution a list of all security recommendations made within the past year.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

The Producer Price Index (PPI) is a family of indexes that measures the average change over time in selling prices received by domestic producers of goods and services.

The Michigan Consumer Sentiment Index (MCSI) is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan.

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.