Weekly Mosaic – Softer Employment

Week of October 6th, 2025

94.2

Consumer Confidence, Conference Board

Consumer Confidence fell in September, missing expectations of 96.0 and coming in below the August reading of 97.8, as consumers' view of their present situation receded by 7.0 points.

50.0

ISM Services PMI, Seasonally Adjusted

Service sector activity softened in September, coming in below expectations as well as August's reading. Concerningly, the New Orders component fell from 56.0 to just 50.4 while the Prices component moved up to 69.4 from 69.2 in August.

7,227K

Job Openings & Labor Turnover Survey (JOLTS) - Job Openings

The number of Job Openings posted in August showed signs of improvement from July's reading of 7,205K; however, the figure remains below the number of unemployed workers.

Top of Mind

As anticipated, the Bureau of Labor Statistics (BLS) did not release its official Employment Situation report for September, which was scheduled to be published on Friday, due to the federal government shutdown.

Once funding legislation is passed to end the shutdown, the Employment Situation report is slated to be released within 3-5 days, containing the nonfarm payroll data and the unemployment rate.

With the official data delayed, we can turn to data released by private parties to gain insight into the labor market, such as the Conference Board, Automatic Data Processing (ADP), and the Institute for Supply Management (ISM). All three of which released employment data last week.

The Conference Board's report indicated that consumers' view of the labor market continued to weaken in September. The ADP Employment report showed that private employers cut 32K jobs in September, and the Employment component of the ISM Services index came in at 47.2, its fourth consecutive reading in contractionary territory.

So, while we wait for the establishment employment data to be released, the data provided by the private sector appears to show softness.

Index Returns

As of 10/03/2025 (%)	1-Week	QTD	YTD	1-Year	3-Year
S&P 500 TR	1.11	0.43	15.32	19.38	24.05
Russell Mid Cap TR	1.15	0.73	11.23	13.12	16.86
Russell 2000 TR	1.78	1.64	12.20	15.14	14.83
MSCI EAFE NR	2.70	1.59	27.13	19.15	21.98
MSCI EM NR	3.67	2.07	30.18	19.53	19.01
Bloomberg US Agg Bond TR	0.46	0.24	6.39	3.43	4.71
Bloomberg Intermediate Corporate Bond TR	0.39	0.20	6.79	5.41	6.78
Bloomberg High Yield Corporate TR	0.23	0.11	7.34	7.63	10.93
Bloomberg Commodities TR	0.31	0.73	10.17	7.53	2.61

Price Levels

	10/03/2025	1 Mo	3 Mo	6 Mo	1-Year
US Dollar Index	97.72	98.14	97.18	103.02	101.99
10 Year Treasury Yield	4.12	4.22	4.35	4.01	3.85
West Texas Crude (WTI) $/bbl	60.85	64.36	68.13	62.42	74.33

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.

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.

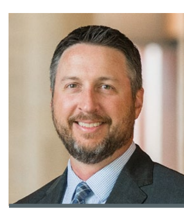
ALTERNATIVES	■							
Commodities	■							A persistent lack of a durable geopolitical risk premium, lower global trade, and slower global economic growth combine for a challenging environment for commodities moving forward.

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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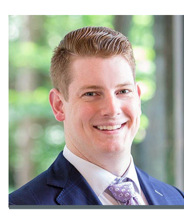

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The Russell Midcap® Index measures the performance of the mid-cap segment of the U.S. equity universe.

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 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 1 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 USD-denominated investment grade, fixed-rate, taxable corporate bond securities with maturities greater than or equal to 1 year, but less than 10 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 Conference Board Consumer Confidence Index measures the level of consumer confidence in economic activity. It is a leading indicator as it can predict consumer spending, which plays a major role in overall economic activity. A value above 100 indicates an increase in consumer confidence and the chance that consumers will spend money on major purchases in the next year. A value below 100 indicates negative economic developments as consumers are likely to save their money.

The ISM Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries. An index reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. Supplier Deliveries is an exception. A Supplier Deliveries Index above 50 percent indicates slower deliveries and below 50 percent indicates faster deliveries.

The Job Openings and Labor Turnover Survey (JOLTS) program of the Bureau of Labor Statistics (BLS) produces monthly and annual estimates of job openings, hires, and separations for the nation.

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.