Weekly Mosaic – Shutdown?

Week of September 29th, 2025

Madison INVESTMENTS

+3.8%
2Q25 Real GDP, Final

The economy continues to outperform against consensus expectations. The final revision for second quarter real GDP growth came in +0.5% above expectations of 3.3%.

+2.9%
Core PCE Deflator, Year-over-Year

One of the Federal Reserve's favored measures of inflation remained elevated on a year-over-year basis. The same measure of inflation on a month-over-month basis came in at +0.23%, slightly higher than an anticipated +0.20%.

+0.6%
PCE, Seasonally Adjusted, Month-over-Month

Personal Consumption marched higher in August, coming in ahead of an anticipated +0.45%. The continued strength of the US consumer led the Federal Reserve Bank of Atlanta's GDPNowcast estimate to tick up to +3.9% for the 3rd quarter.

Top of Mind

Should Congress fail to reach a budget deal to fund the federal government by Tuesday evening, a partial shutdown will take effect beginning Wednesday.

Past government shutdowns have had minimal impact on the financial markets. However, the timing of this week's possible shutdown has the potential to break precedent.

The Bureau of Labor Statistics (BLS) is scheduled to release its latest employment report on Friday, which will include the official Unemployment Rate and Nonfarm Payrolls for September. If a deal isn't struck by midnight on Tuesday, the employment report will likely be delayed.

Delayed BLS data could prove problematic for markets, as the probability of two additional interest rate cuts this year, consistent with the Federal Reserve's latest Summary of Economic Projections, hangs in the balance. If the report shows signs of increased weakness, the probability of two more rate cuts will likely increase; however, a strong report could reduce the likelihood of two cuts by year-end.

Equity markets have benefited from volatility, as measured by the VIX, which has been trending lower since April. However, a delay in the BLS data due to the government shutdown could challenge this trend.

Index Returns

As of 9/26/2025 (%)	1-Week	QTD	YTD	1-Year	3-Year
S&P 500 TR	-0.30	7.39	14.05	17.16	23.87
Russell Mid Cap TR	-0.29	4.89	9.96	11.22	17.42
Russell 2000 TR	-0.58	12.24	10.23	11.67	15.39
MSCI EAFE NR	-0.41	3.63	23.79	13.41	21.39
MSCI EM NR	-1.12	8.94	25.57	16.30	17.06
Bloomberg US Agg Bond TR	-0.28	1.81	5.90	2.69	4.95
Bloomberg Intermediate Corporate Bond TR	-0.30	1.85	6.38	4.97	6.91
Bloomberg High Yield Corporate TR	-0.23	2.42	7.10	7.48	10.87
Bloomberg Commodities TR	2.15	4.07	9.83	9.85	3.18

Price Levels

	9/26/2025	1 Mo	3 Mo	6 Mo	1-Year
US Dollar Index	98.15	98.23	97.40	104.04	100.91
10 Year Treasury Yield	4.18	4.24	4.28	4.26	3.79
West Texas Crude (WTI) $/bbl	65.69	64.49	66.66	69.74	68.28

Current Positioning

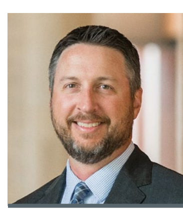
Cautiously optimistic while intentionally avoiding some of the most expensive areas of the equity and credit markets.

	Min			Neutral			Max	
EQUITIES			■					Valuations remain stretched, we are underweight the market cap and sectors with the most demanding valuations, favoring more reasonably valued opportunities away from the cap-weighted indices.
U.S. Equity				■				Relative advantages remain attractive; however, valuations remain full. Our longstanding overweight to US equities relative to international equities remains.
Large			■					The balance sheet strength of many large cap companies remain 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 and lower interest rates. We are focused on quality companies within our allocation to small caps.
Value					■			Overweight 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 Eurozone equities, neutral weight Japanese 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		■						Underweight duration, specifically long-duration Treasuries, as the Federal Reserve has restarted cutting interest rates as inflation remains above target and economic growth continues to surprise to the upside.
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 growing possibility of a quieter geopolitical sphere and a lack of geopolitical risk premium in energy-based commodities combine for a challenging environment 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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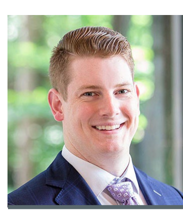

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The S&P 500® Index is a large-cap market index which measures the performance of a representative sample of 500 leading companies in leading industries in the U.S.

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 Personal Consumption Expenditures Price Index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services.

The GDPNowcast from the Federal Reserve Bank of Atlanta is a nowcasting model that provides a running estimate of the seasonally adjusted annual rate of real GDP growth. It is designed to offer timely GDP estimates before the official release by the U.S. Bureau of Economic Analysis (BEA). The GDPNowcast is not an official forecast but serves as a reference for economic activity and is based solely on mathematical results without subjective adjustments.

The VIX Index is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index (SPXSM) call and put options.

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.