

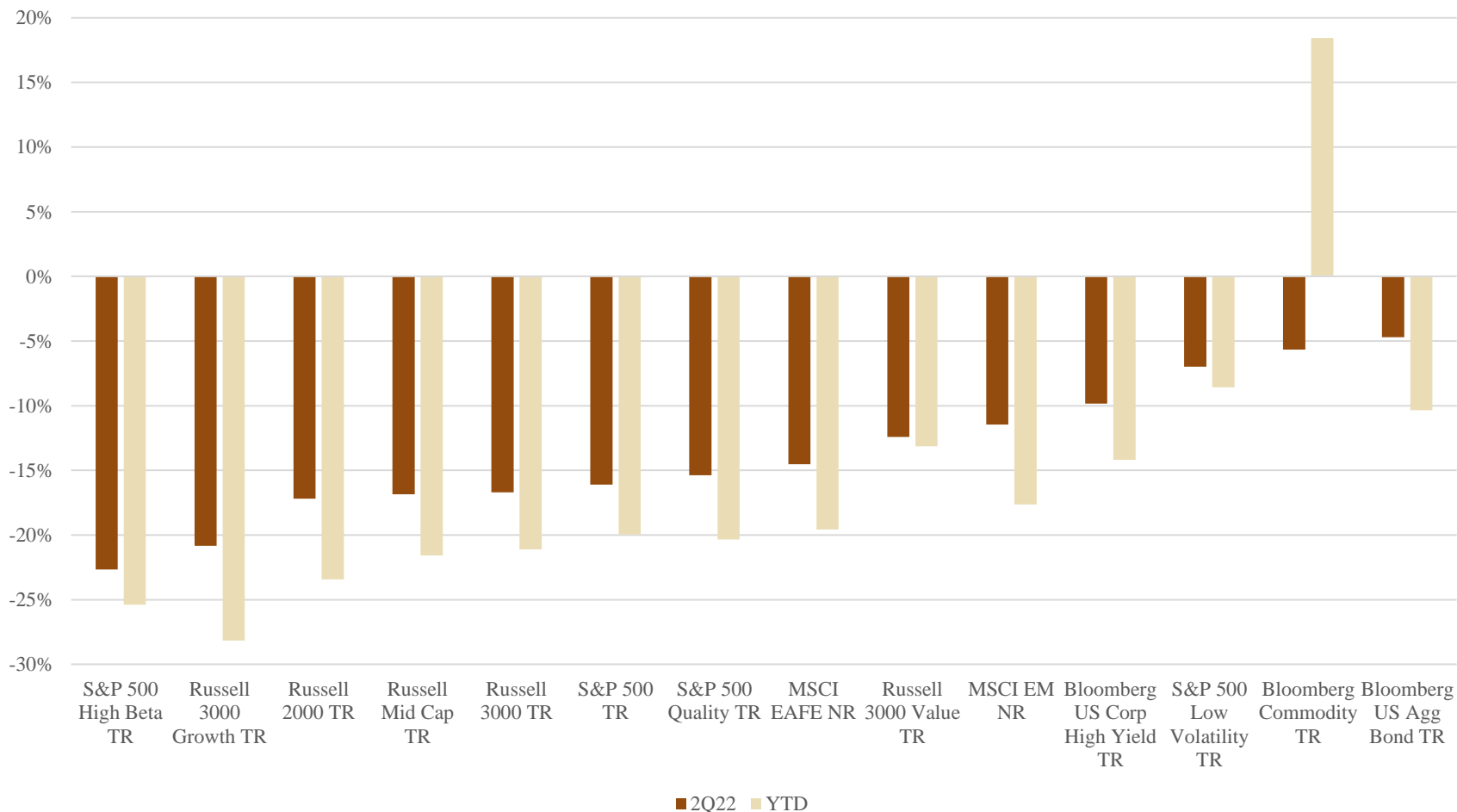
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Mosaic by Madison Investments

Market Update & Economic Outlook – 2<sup>nd</sup> Quarter 2022



## Asset Class Performance



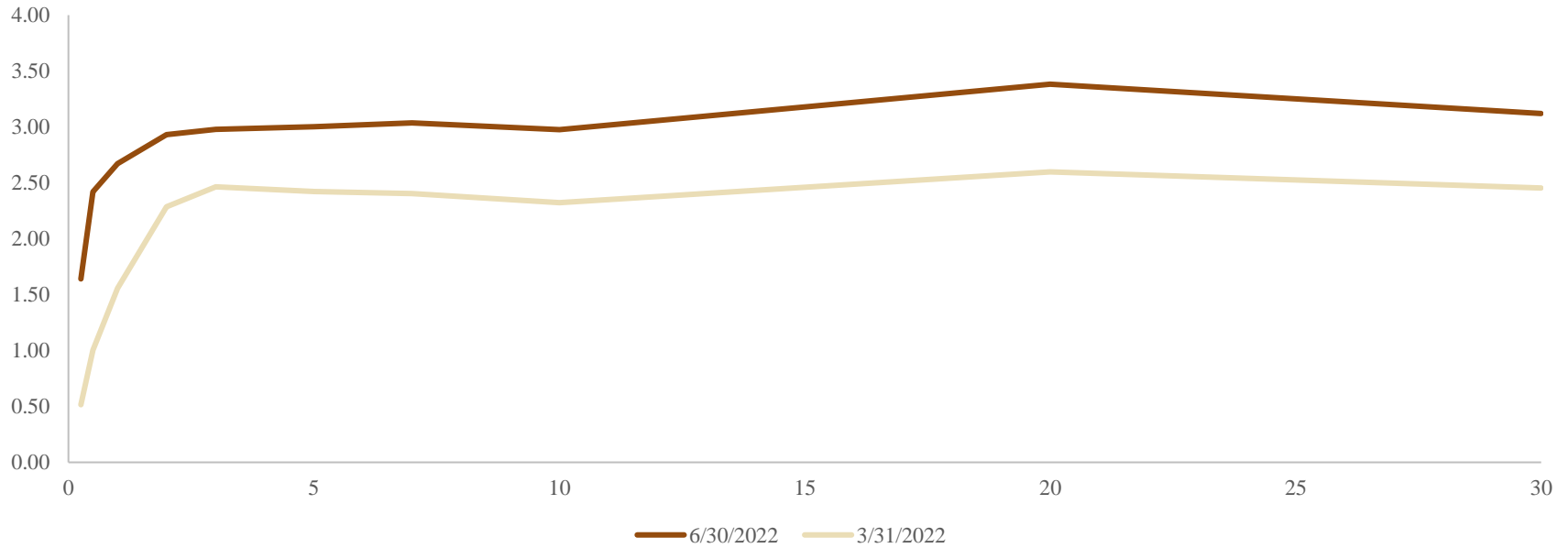
Source: Morningstar Direct

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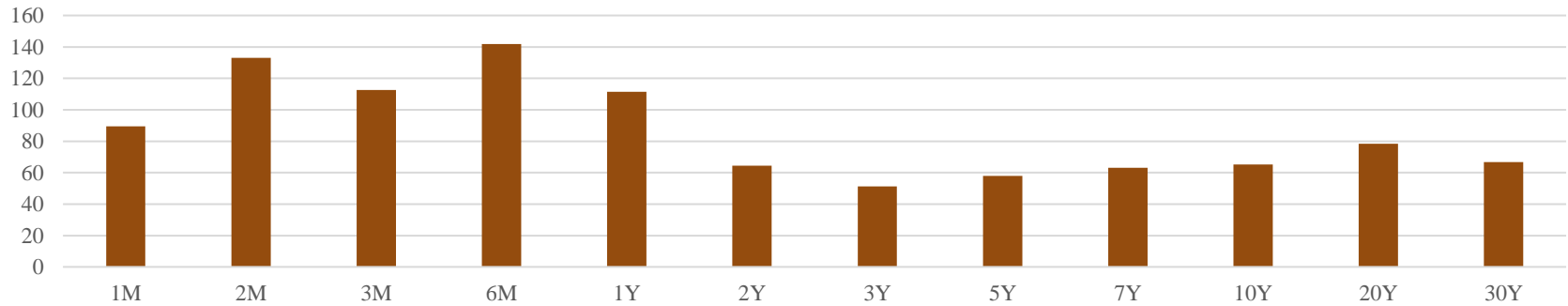
# YIELD CURVE SHIFTED DRAMATICALLY HIGHER



## U.S Treasury Yield Curve

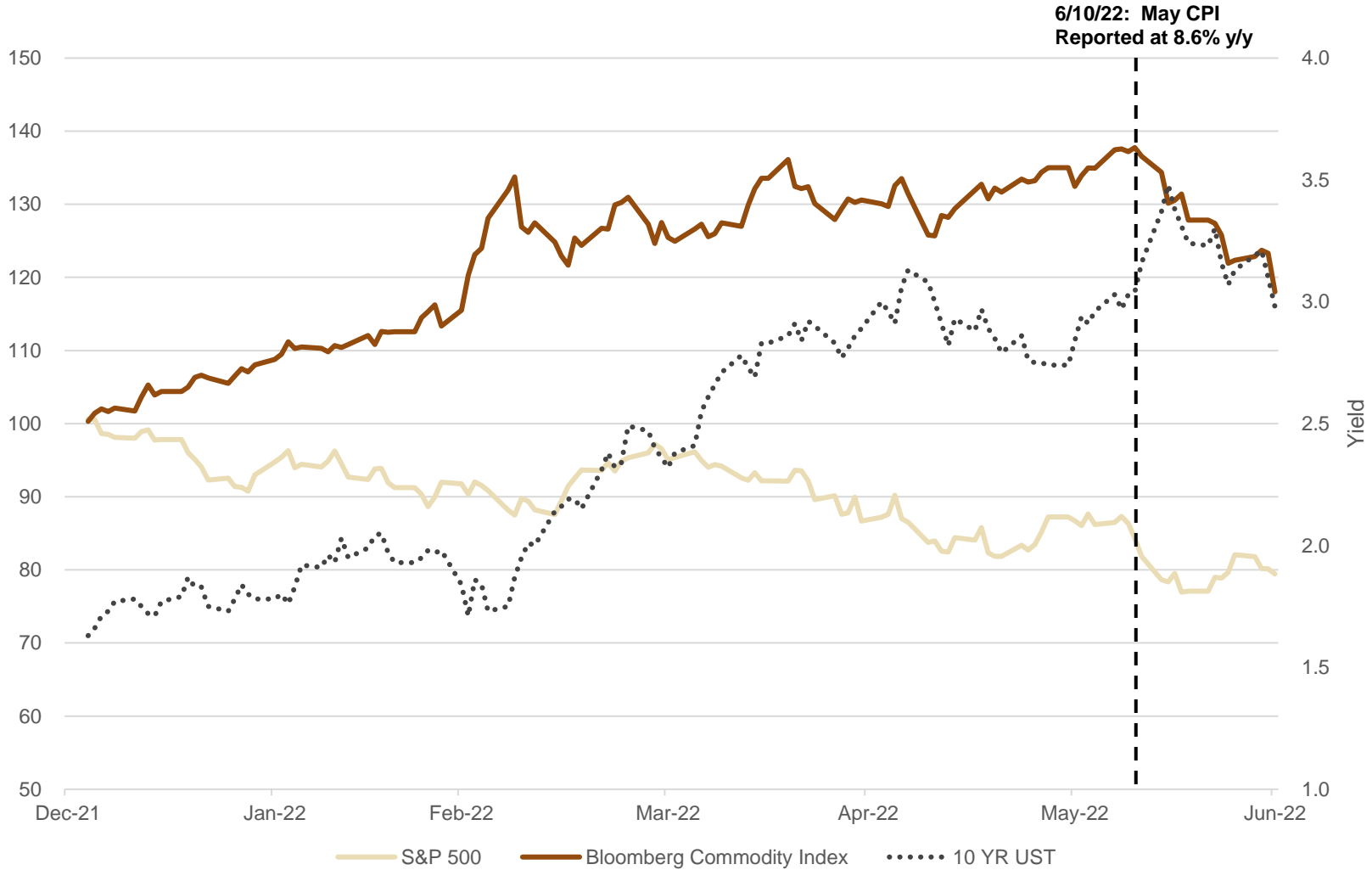


## 2Q22 Changes in the Yield Curve



Source: FactSet

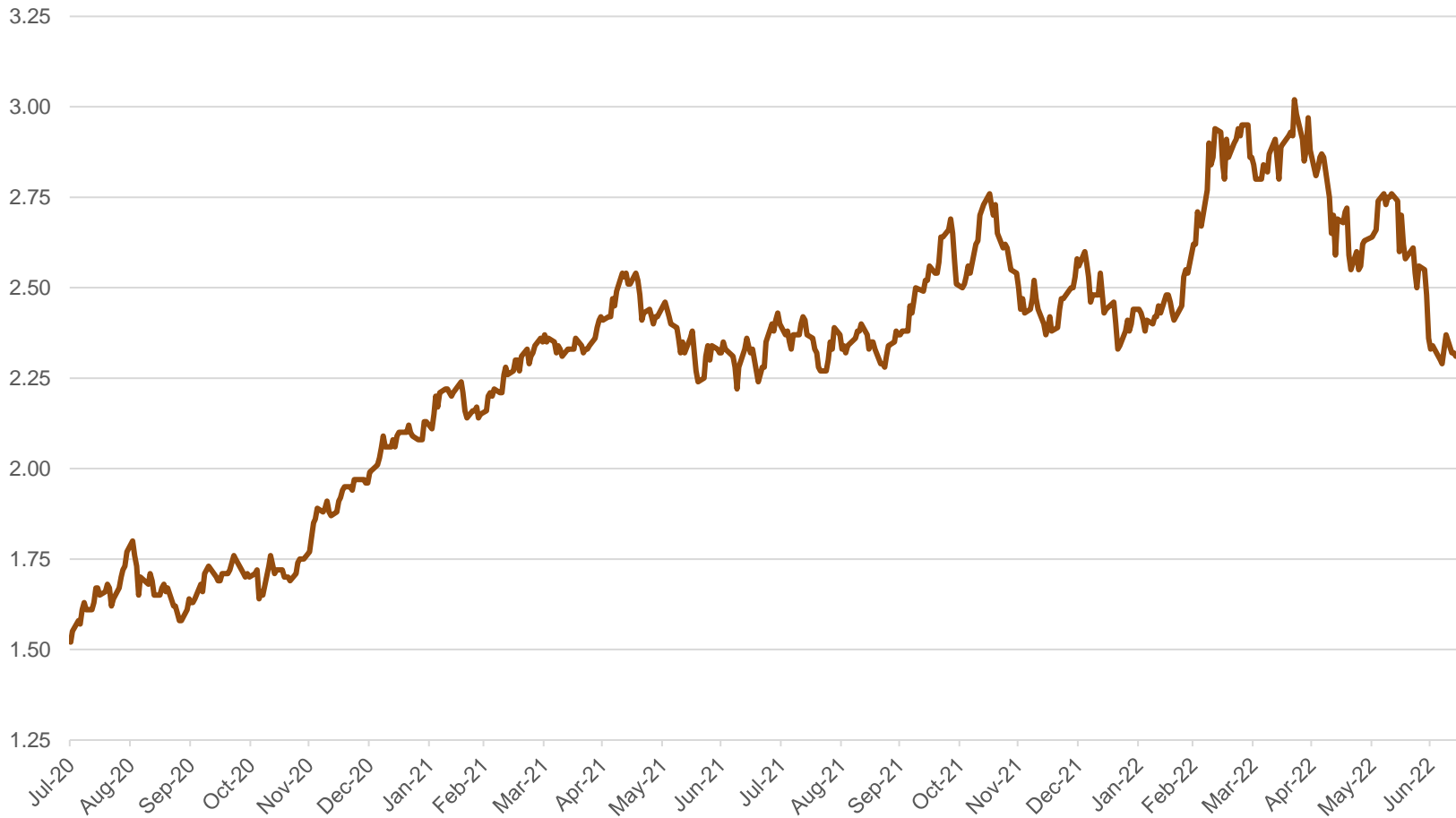
# RENEWED ADVANCE IN CPI LEADS TO INCREASE IN RECESSION FEARS DUE TO A MORE RESTRICTIVE FEDERAL RESERVE



Source: FactSet

# LONG-TERM MARKET INFLATION EXPECTATIONS HAVE COOLED

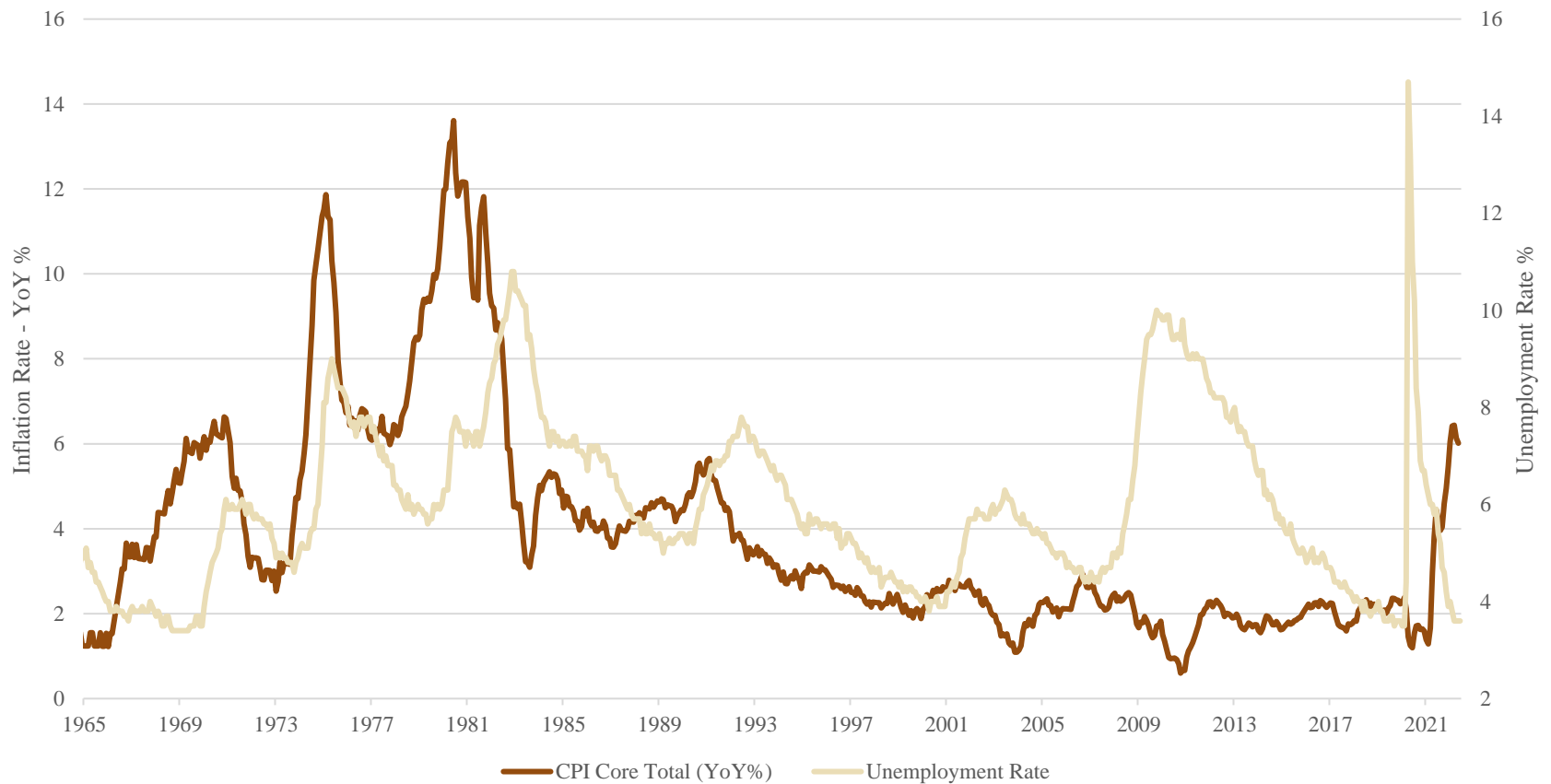
## 10-Year Breakeven Inflation Rate



Source: FactSet

# FEDERAL RESERVE'S DUAL MANDATE OF PRICE STABILITY AND MAXIMUM EMPLOYMENT ARE AT A CROSSROADS

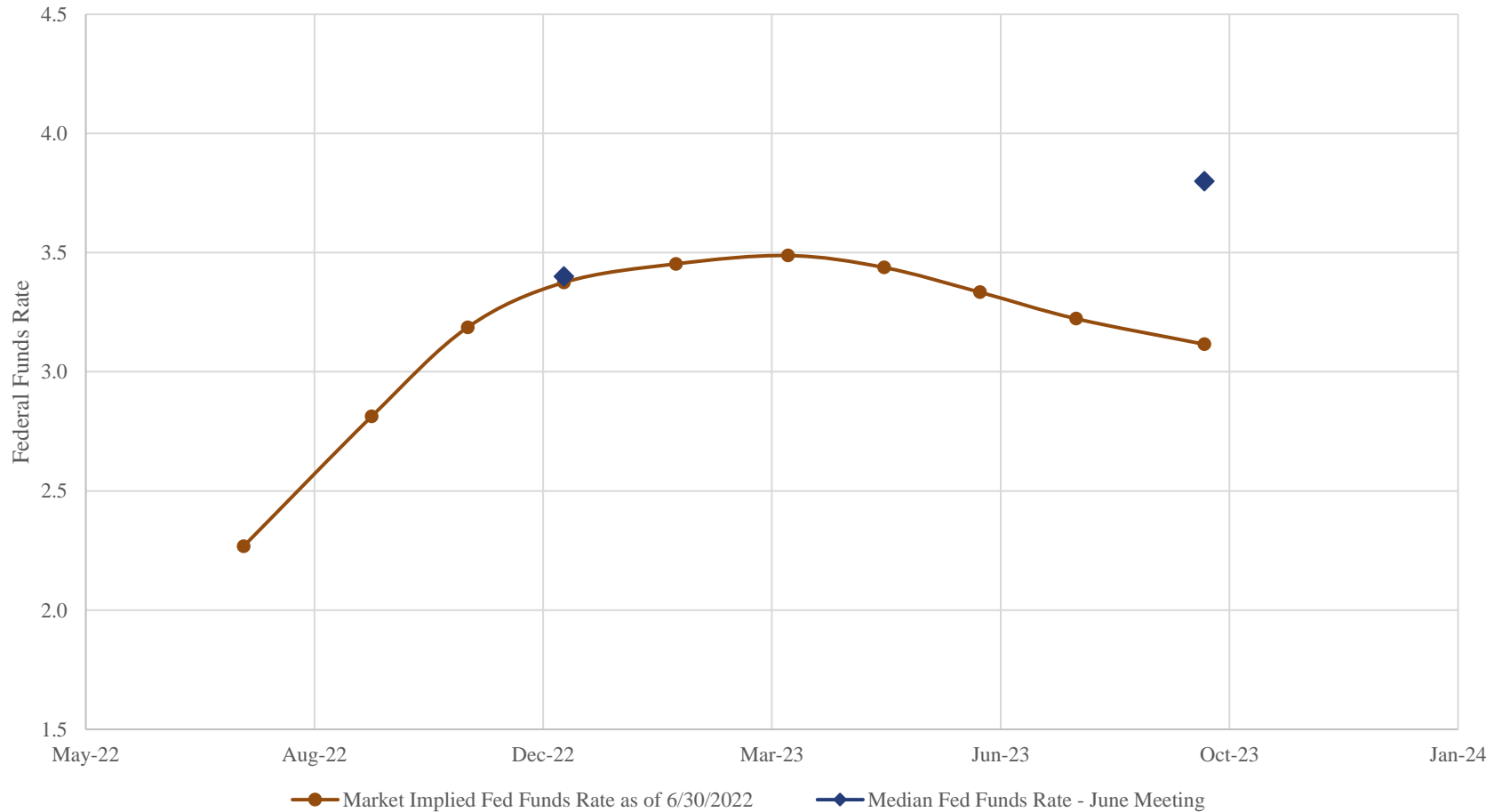
## Dual Mandate in a Challenging Position



Source: FactSet

# FEDERAL RESERVE IS ANTICIPATING EVER HIGHER INTEREST RATES, HOWEVER, THE MARKET ISN'T SO SURE

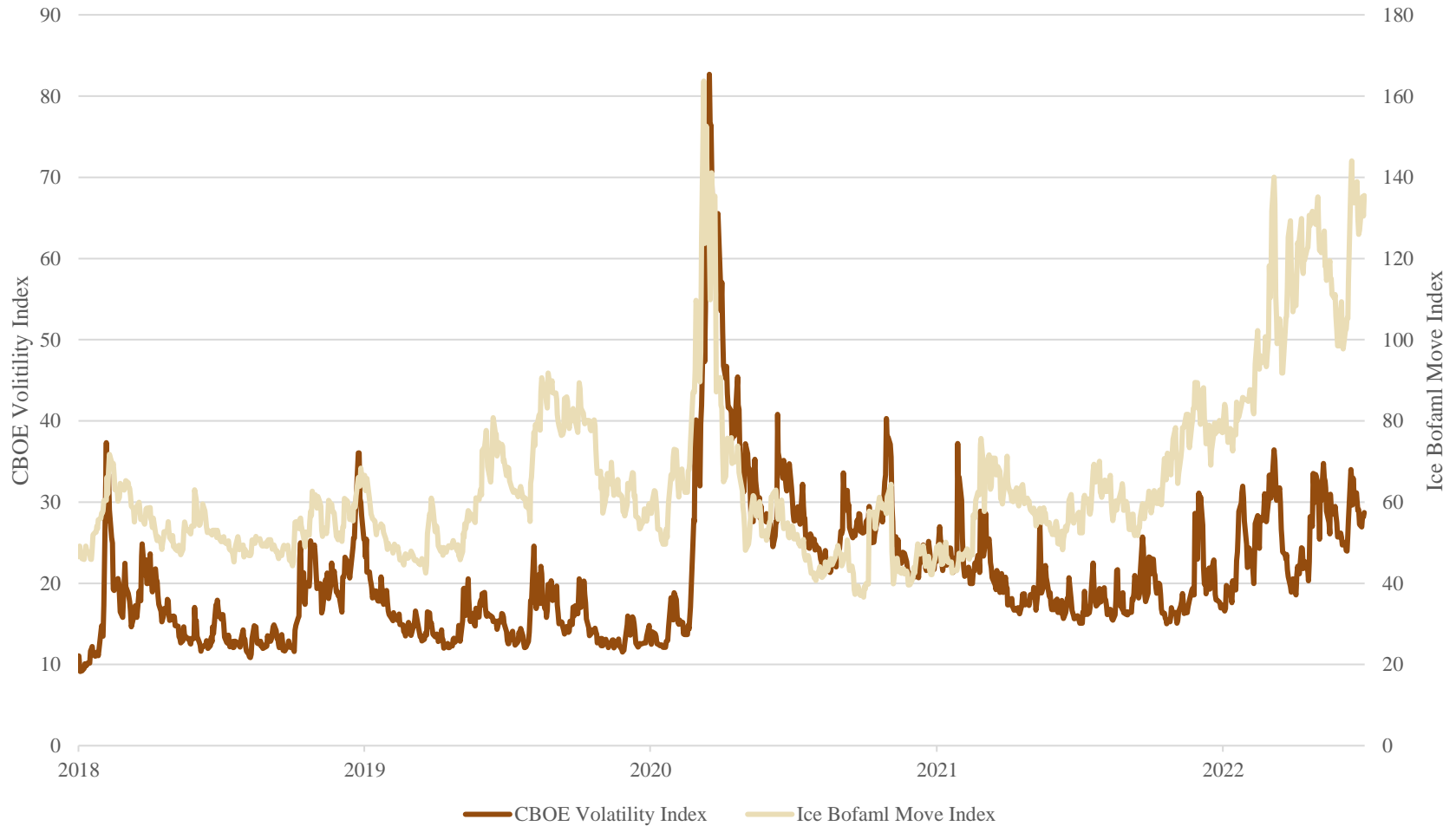
### Expectations of Interest Rates at Odds



Source: Bloomberg

# FIXED INCOME MARKETS GRAPPLE WITH AGGRESSIVE MONETARY TIGHTENING AND SLOWING ECONOMIC GROWTH

### Volatility Remained High in 2Q22

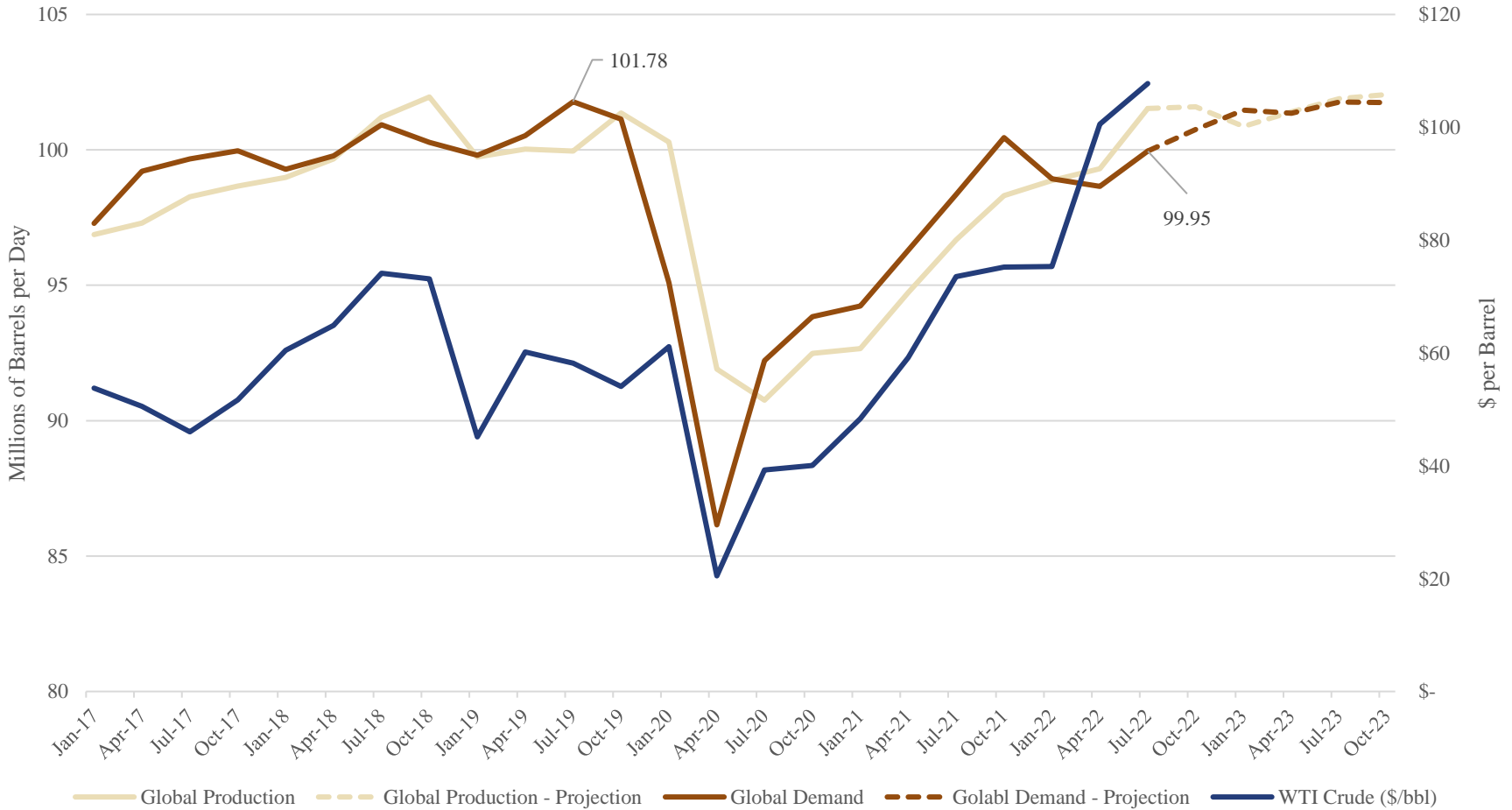


Source: FactSet



# OIL MARKET WEIGHS RECESSIONARY CONCERNS AND POTENTIAL FOR A RECOVER IN DEMAND FROM CHINA

## Global Oil Demand

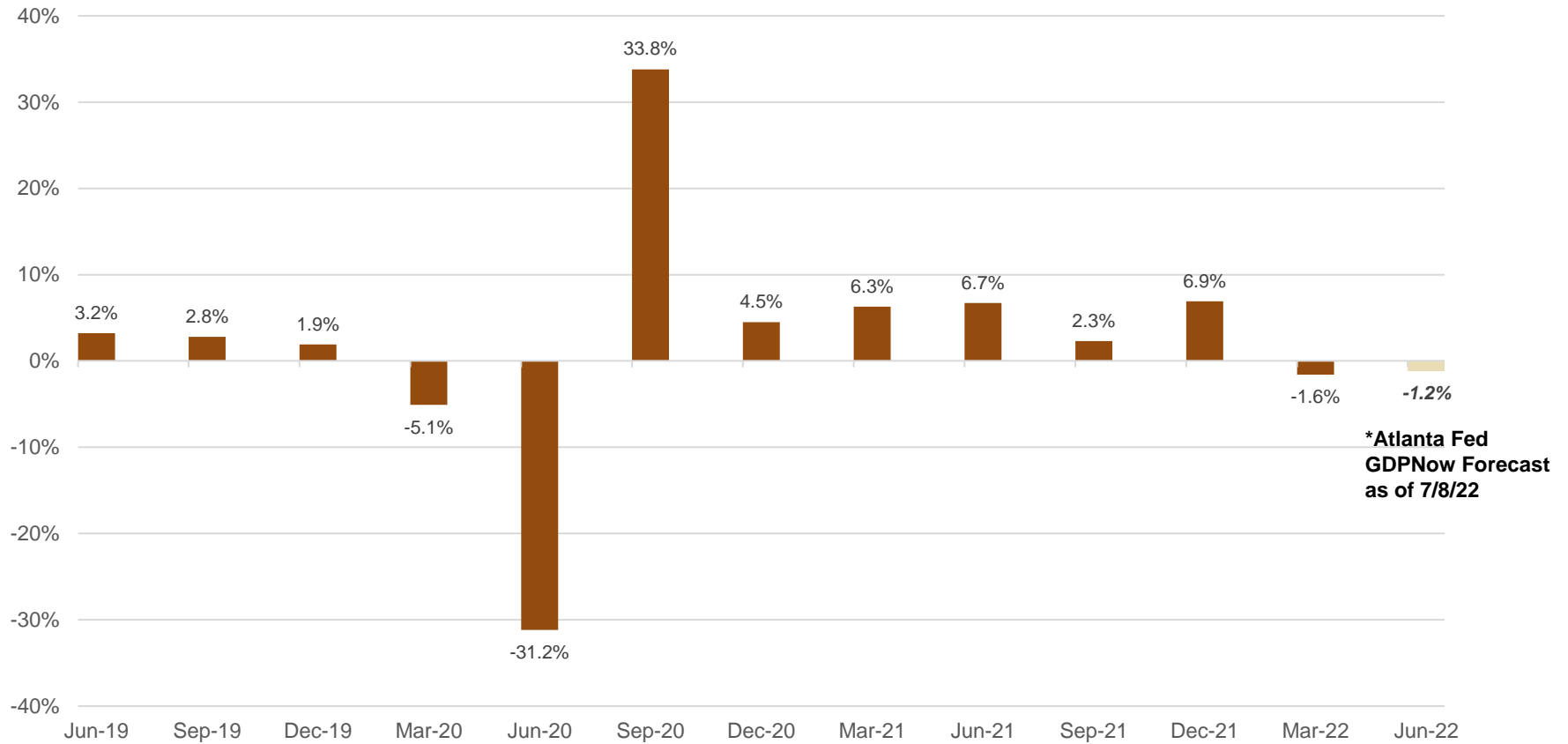


Source: FactSet, U.S. Energy Information Administration

# ATLANTA FED GDPNOW FORECASTING A TECHNICAL RECESSION

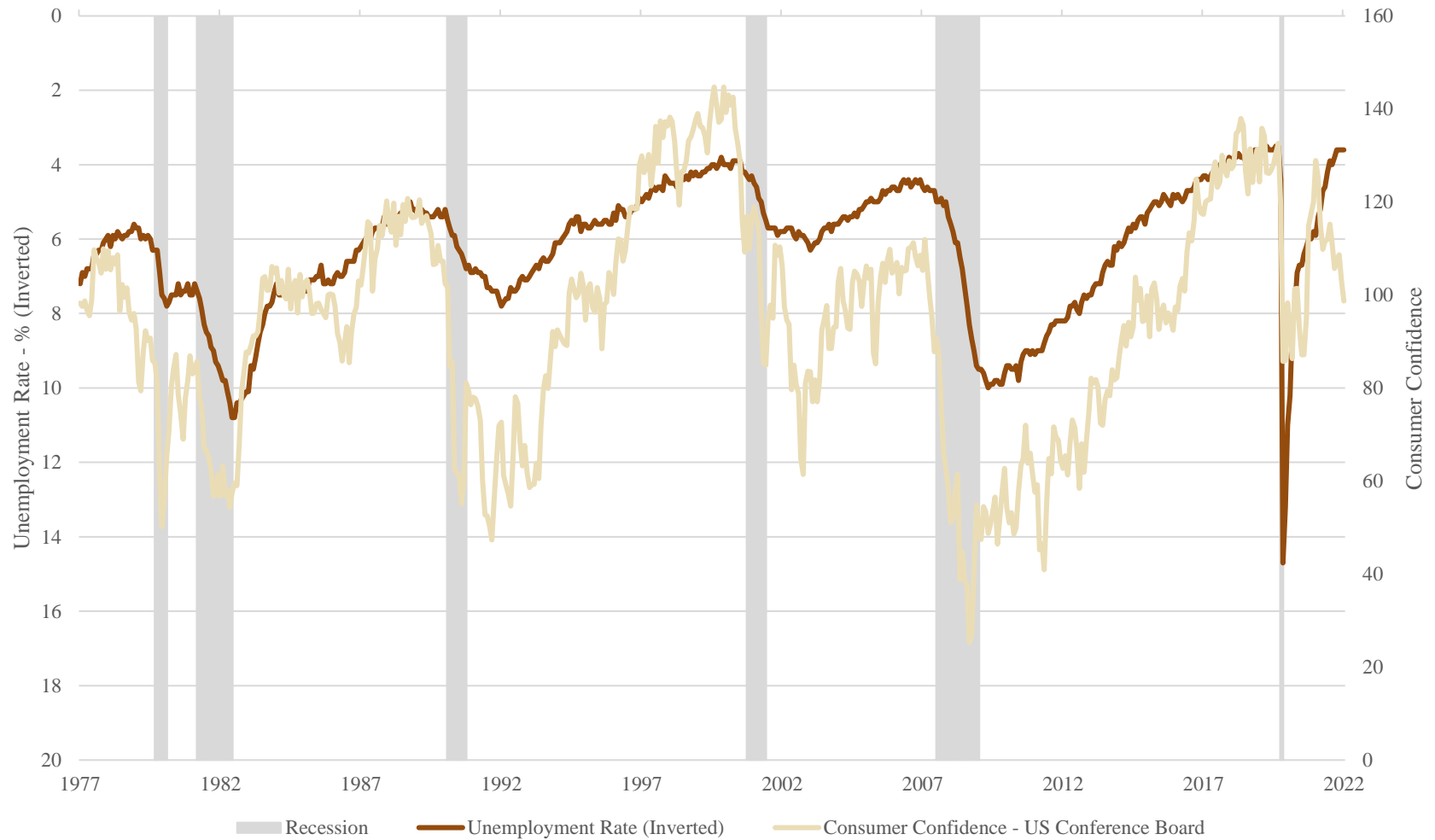


## Real GDP Growth



Source: FactSet, Federal Reserve Bank of Atlanta

# CONSUMER CONFIDENCE HAS DETERIORATED IN THE FACE OF HISTORICALLY LOW UNEMPLOYMENT

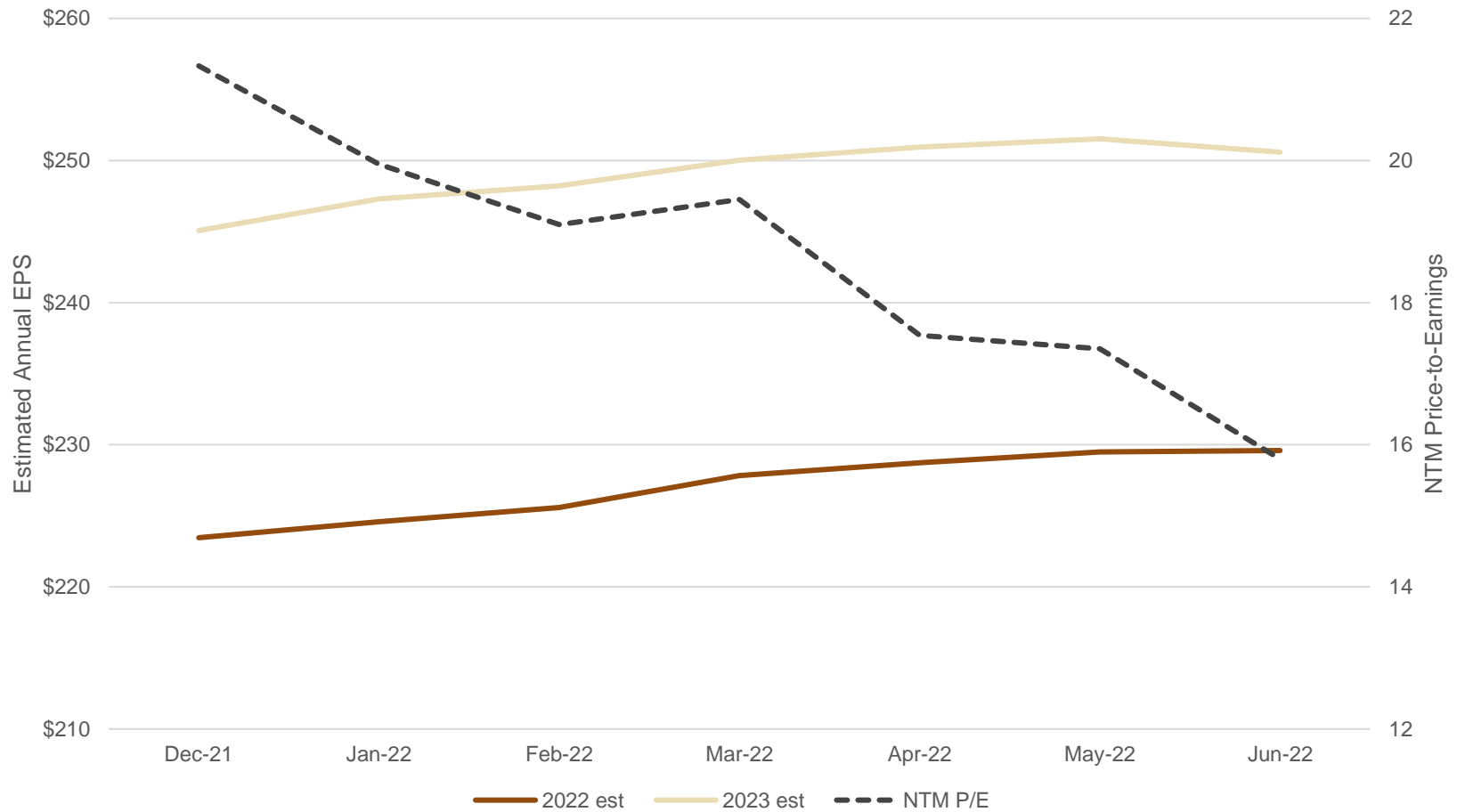


Source: FactSet

EARNINGS ESTIMATES HAVE REMAINED UNSCATHED WHILE THE VALUATION MULTIPLE HAS DROPPED

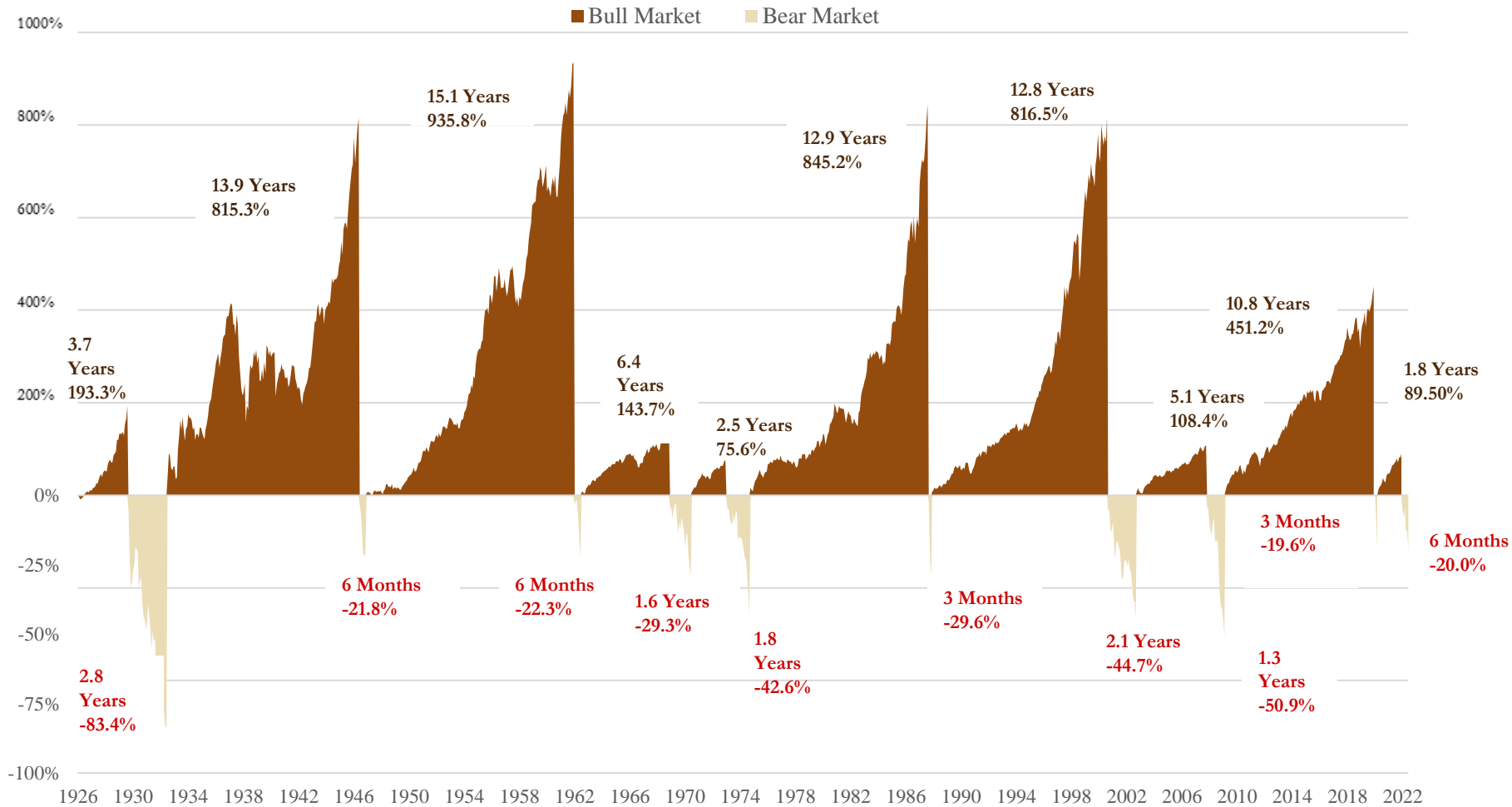


S&P 500 Est. Earnings vs. NTM P/E



Source: FactSet

# BULL AND BEAR MARKETS THROUGHOUT TIME



Source: Morningstar Direct

# MOSAIC BY MADISON INVESTMENTS – 6/30/2022 PERFORMANCE

	2022		1 Year		3 Year				5 Year				10 Year				Quarterly Inception (4/1/2010)			
	2Q22	YTD	Return	Std Dev	Return	Std Dev	Beta	Sharpe Ratio	Return	Std Dev	Beta	Sharpe Ratio	Return	Std Dev	Beta	Sharpe Ratio	Return	Std Dev	Beta	Sharpe Ratio
<b>Mosaic &amp; ETF Strategies</b>																				
Mosaic Income	-5.12	-10.55	-10.28	4.80	-0.76	4.55	0.98	-0.27	0.90	3.89	0.95	-0.04	1.73	3.28	0.92	0.35	2.54	3.27	0.89	0.62
ETF Income	-4.66	-10.03	-9.78	4.84	-0.71	4.58	0.98	-0.26	0.89	3.89	0.94	-0.04	1.52	3.24	0.90	0.28	2.38	3.16	0.89	0.59
<b>Bloomberg US Agg Bond TR USD</b>	-4.69	-10.35	-10.29	5.07	-0.93	4.56	1.00	-0.31	0.88	4.04	1.00	-0.04	1.54	3.49	1.00	0.27	2.46	3.37	1.00	0.58
Mosaic Cap Preservation	-5.97	-11.06	-10.05	5.44	0.46	5.15	0.94	0.00	1.97	4.32	0.92	0.22	2.68	3.51	0.89	0.59	3.17	3.50	0.92	0.76
ETF Cap Preservation	-5.55	-10.32	-9.41	5.23	0.67	5.07	0.92	0.04	2.01	4.29	0.91	0.23	2.53	3.49	0.89	0.55	3.16	3.41	0.91	0.77
<b>Capital Preservation Benchmark</b>	-6.41	-11.85	-10.99	5.94	0.45	5.45	1.00	0.00	2.11	4.68	1.00	0.24	2.93	3.86	1.00	0.60	3.63	3.69	1.00	0.84
Mosaic Conservative	-7.46	-12.47	-10.84	6.76	1.21	6.46	0.88	0.13	2.79	5.53	0.87	0.33	3.84	4.45	0.86	0.72	4.14	4.50	0.87	0.80
ETF Conservative	-7.04	-11.58	-10.03	6.46	1.37	6.23	0.85	0.16	2.68	5.41	0.85	0.31	3.71	4.42	0.86	0.70	4.16	4.47	0.87	0.81
<b>Conservative Benchmark</b>	-8.10	-13.35	-11.72	7.32	1.78	7.25	1.00	0.20	3.30	6.27	1.00	0.37	4.29	5.09	1.00	0.72	4.76	5.07	1.00	0.83
Mosaic Moderate	-8.55	-13.19	-11.13	7.98	2.11	8.02	0.84	0.23	3.66	7.07	0.84	0.39	5.04	5.72	0.84	0.78	5.14	5.90	0.84	0.79
ETF Moderate	-8.38	-12.47	-10.38	7.82	2.25	7.69	0.81	0.25	3.50	6.90	0.82	0.37	4.91	5.71	0.84	0.75	5.20	5.94	0.85	0.79
<b>Moderate Benchmark</b>	-9.79	-14.85	-12.48	8.97	3.06	9.45	1.00	0.30	4.44	8.29	1.00	0.43	5.62	6.71	1.00	0.75	5.85	6.90	1.00	0.78
Mosaic Moderate Growth	-9.69	-14.05	-11.46	9.53	2.96	9.88	0.83	0.28	4.53	8.86	0.84	0.42	6.18	7.25	0.84	0.77	6.07	7.53	0.84	0.75
ETF Moderate Growth	-9.71	-13.61	-11.07	9.38	3.07	9.40	0.79	0.31	4.25	8.61	0.81	0.40	6.05	7.20	0.84	0.76	6.14	7.59	0.84	0.75
<b>Moderate Growth Benchmark</b>	-11.45	-16.34	-13.27	10.76	4.28	11.82	1.00	0.36	5.53	10.48	1.00	0.46	6.93	8.50	1.00	0.75	6.89	8.91	1.00	0.73
Mosaic Growth	-10.85	-14.99	-11.93	11.11	3.60	12.04	0.83	0.31	5.22	10.88	0.84	0.42	7.19	8.98	0.85	0.75	6.86	9.33	0.84	0.70
ETF Growth	-11.17	-14.82	-11.80	11.12	3.81	11.29	0.78	0.33	4.94	10.48	0.81	0.41	7.22	8.84	0.84	0.76	7.16	9.39	0.84	0.73
<b>Growth Benchmark</b>	-13.10	-17.82	-14.09	12.64	5.44	14.29	1.00	0.40	6.56	12.77	1.00	0.47	8.20	10.39	1.00	0.75	7.90	11.00	1.00	0.70
Mosaic Aggressive	-12.10	-15.89	-12.40	12.76	4.51	14.12	0.83	0.34	6.01	12.89	0.85	0.43	8.27	10.71	0.86	0.74	7.71	11.11	0.84	0.68
ETF Aggressive	-12.57	-16.01	-12.46	12.92	4.63	13.28	0.78	0.36	5.71	12.46	0.82	0.42	8.32	10.56	0.85	0.75	8.06	11.28	0.85	0.70
<b>Aggressive Benchmark</b>	-14.73	-19.30	-14.93	14.58	6.54	16.81	1.00	0.43	7.54	15.10	1.00	0.48	9.45	12.31	1.00	0.74	8.86	13.13	1.00	0.67
<b>Tax-Sensitive Strategies</b>																				
Tax-Sensitive Conservative	-5.54	-9.89	-8.07	5.93	2.07	5.92	0.76	0.28	3.10	5.16	0.78	0.40	4.13	4.33	0.80	0.80	4.32	4.25	0.78	0.89
<b>T-S Conservative Benchmark</b>	-6.91	-12.41	-10.52	7.19	2.30	7.75	1.00	0.26	3.74	6.58	1.00	0.42	4.89	5.38	1.00	0.79	5.27	5.38	1.00	0.88
Tax-Sensitive Moderate	-7.37	-11.36	-8.89	7.52	3.08	7.62	0.77	0.36	4.02	6.85	0.80	0.45	5.36	5.71	0.82	0.83	5.43	5.77	0.81	0.85
<b>T-S Moderate Benchmark</b>	-8.86	-14.12	-11.54	8.79	3.47	9.83	1.00	0.34	4.78	8.53	1.00	0.46	6.10	6.90	1.00	0.80	6.26	7.09	1.00	0.82
Tax-Sensitive Mod Growth	-9.21	-13.03	-9.92	9.28	3.99	9.45	0.78	0.40	4.90	8.66	0.81	0.47	6.55	7.25	0.83	0.82	6.47	7.47	0.82	0.80
<b>T-S Moderate Growth Benchmark</b>	-10.79	-15.81	-12.59	10.60	4.57	12.09	1.00	0.38	5.78	10.65	1.00	0.48	7.27	8.63	1.00	0.78	7.19	9.01	1.00	0.76
<b>Index Returns</b>																				
Bloomberg US Agg Bond TR USD	-4.69	-10.35	-10.29	5.07	-0.93	4.56	0.09	-0.31	0.88	4.04	0.05	-0.04	1.54	3.49	0.04	0.27	2.46	3.37	0.01	0.58
Bloomberg Municipal TR USD	-2.94	-8.98	-8.57	5.37	-0.18	5.15	0.11	-0.12	1.51	4.31	0.07	0.12	2.38	3.97	0.05	0.45	3.19	3.99	0.02	0.67
Russell 3000 TR USD	-16.70	-21.10	-13.87	17.53	9.77	19.37	1.04	0.55	10.60	17.53	1.03	0.60	12.57	14.15	1.03	0.86	11.95	14.79	1.03	0.80
MSCI ACWI Ex USA NR USD	-13.73	-18.42	-19.42	13.03	1.35	17.47	0.85	0.13	2.50	15.70	0.83	0.16	4.83	13.74	0.86	0.37	3.67	15.41	0.94	0.28

Composite performance shown is presented gross of program management fees, but net of expenses incurred by the underlying fund securities held in the portfolio. Gross of fee performance is presented as supplemental information to the complete performance presentations that accompany or precede the materials. See the gross of fee performance disclosure at the end of these materials. For investment professional use only. Not for public distribution.

# MOSAIC BY MADISON PERFORMANCE – 2Q22

<i>Mosaic &amp; ETF Strategies</i>	2Q22			
	April	May	June	QTD
Madison Mosaic Income	-3.62	0.11	-1.66	-5.12
Madison Mosaic ETF Income	-3.59	0.46	-1.56	-4.66
<b>Bloomberg US Agg Bond TR</b>	<b>-3.79</b>	<b>0.64</b>	<b>-1.57</b>	<b>-4.69</b>
Madison Mosaic Capital Preservation	-3.94	0.35	-2.45	-5.97
Madison Mosaic ETF Capital Preservation	-3.81	0.57	-2.37	-5.55
<b>Capital Preservation Benchmark</b>	<b>-4.45</b>	<b>0.57</b>	<b>-2.60</b>	<b>-6.41</b>
Madison Mosaic Conservative	-4.60	0.38	-3.36	-7.46
Madison Mosaic ETF Conservative	-4.36	0.54	-3.32	-7.04
<b>Conservative Benchmark</b>	<b>-5.11</b>	<b>0.49</b>	<b>-3.63</b>	<b>-8.10</b>
Madison Mosaic Moderate	-4.99	0.46	-4.19	-8.55
Madison Mosaic ETF Moderate	-4.79	0.59	-4.33	-8.38
<b>Moderate Benchmark</b>	<b>-5.76</b>	<b>0.41</b>	<b>-4.66</b>	<b>-9.79</b>
Madison Mosaic Moderate Growth	-5.41	0.59	-5.08	-9.69
Madison Mosaic ETF Moderate Growth	-5.31	0.61	-5.23	-9.71
<b>Moderate Growth Benchmark</b>	<b>-6.42</b>	<b>0.33</b>	<b>-5.69</b>	<b>-11.45</b>
Madison Mosaic Growth	-5.81	0.69	-6.00	-10.85
Madison Mosaic ETF Growth	-5.85	0.64	-6.25	-11.17
<b>Growth Benchmark</b>	<b>-7.07</b>	<b>0.25</b>	<b>-6.72</b>	<b>-13.10</b>
Madison Mosaic Aggressive	-6.24	0.78	-6.98	-12.10
Madison Mosaic ETF Aggressive	-6.41	0.69	-7.22	-12.57
<b>Aggressive Benchmark</b>	<b>-7.73</b>	<b>0.17</b>	<b>-7.75</b>	<b>-14.73</b>
<i>Tax-Sensitive Strategies</i>				
Madison Mosaic Tax-Sensitive Conservative	-3.41	0.95	-3.13	-5.54
<b>T-S Conservative Benchmark</b>	<b>-4.39</b>	<b>1.08</b>	<b>-3.68</b>	<b>-6.91</b>
Madison Mosaic Tax-Sensitive Moderate	-4.09	0.84	-4.22	-7.37
<b>T-S Moderate Benchmark</b>	<b>-5.20</b>	<b>0.87</b>	<b>-4.70</b>	<b>-8.86</b>
Madison Mosaic Tax-Sensitive Mod Growth	-4.84	0.69	-5.25	-9.21
<b>T-S Moderate Growth Benchmark</b>	<b>-6.01</b>	<b>0.67</b>	<b>-5.72</b>	<b>-10.79</b>
<i>Index Returns</i>				
Bloomberg US Agg Bond TR USD	-3.79	0.64	-1.57	-4.69
Bloomberg Municipal TR USD	-2.77	1.49	-1.64	-2.94
Russell 3000 TR USD	-8.97	-0.13	-8.37	-16.70
MSCI ACWI Ex USA NR USD	-6.28	0.72	-8.60	-13.73

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# 2Q22 PERFORMANCE ATTRIBUTION



## SUMMARY

- Portfolios held up well through the volatility, relative their benchmarks, benefiting from conservative positioning, alternatives, and cash.
- Mosaic (ETF/Mutual Fund) portfolios outpaced their Mosaic ETF equivalents in addition to their blended benchmarks during the quarter.

## U.S. EQUITIES

Overall Underweight - Additive

- Relative Style
  - Quality Bias – Additive
  - O/W Value & Core, U/W Growth - Additive
- Sector Positioning
  - Overweight Industrials – Slightly Additive
  - Underweight Consumer Discretionary – Additive
  - Overweight Technology – Detractive
  - Underweight Utilities – Detractive

## INTERNATIONAL EQUITIES

Overall Underweight - Additive

- Developed Markets – Mixed
  - Overweight United Kingdom – Additive
- Emerging Markets – Mixed
  - Underweight was detractive. Selection within Mosaic (ETF/Mutual Fund) was additive.

## FIXED INCOME

Overall Underweight – Additive, Positioning was Detractive

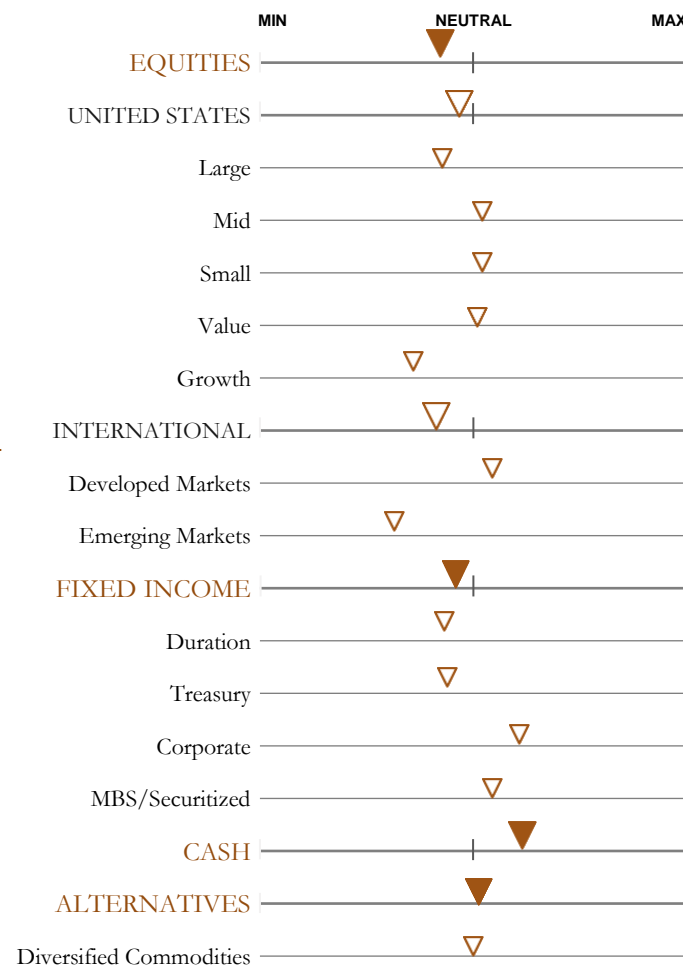
- Treasury Exposure – Mixed
  - Long duration Treasuries – Detractive
  - Intermediate duration Treasuries – Additive
- Spread Exposure– Mixed
  - Securitized strategies – Additive
  - Short Duration Investment Grade Corporates – Additive
  - Intermediate Duration Investment Grade Corporates – Slightly Detractive

## ALTERNATIVES

Overall – Additive

- Broad based commodity exposure - Additive
- Exposure to gold mining stocks - Detractive

## 2Q22 Average Portfolio Positioning





# MORNINGSTAR CATEGORY RETURNS 3/31/2022 (MOST RECENT DATA)

	1Q22		1 Year				3 Year				5 Year				10 Year				Since Inception (4/1/2010)			
	Return	Peer group percentile	Return	Peer group percentile	Sharpe Ratio	Peer group percentile	Return	Peer group percentile	Sharpe Ratio	Peer group percentile	Return	Peer group percentile	Sharpe Ratio	Peer group percentile	Return	Peer group percentile	Sharpe Ratio	Peer group percentile	Return	Peer group percentile	Sharpe Ratio	Peer group percentile
<b>US SA Intermediate Core Bond</b>																						
Madison Mosaic Income Advantage	-5.72	60	-3.41	30	-0.85	25	1.89	66	0.32	70	2.20	74	0.34	77	2.48	64	0.63	57	3.05	70	0.83	71
Madison Mosaic ETF Income Advantage	-5.64	56	-3.55	38	-0.90	34	1.76	76	0.29	78	2.09	83	0.30	88	2.19	84	0.54	82	2.84	84	0.79	79
Madison Mosaic Capital Preservation	-5.41	42	-1.62	5	-0.38	3	3.49	7	0.66	7	3.53	6	0.66	6	3.43	10	0.89	6	3.77	22	1.00	23
Madison Mosaic ETF Capital Preservation	-5.05	34	-1.61	5	-0.41	4	3.52	6	0.67	7	3.47	7	0.65	8	3.23	16	0.83	11	3.72	24	1.01	22
<i>Peer Group Median</i>	-5.57		-3.75		-0.97		2.14		0.38		2.52		0.41		2.65		0.64		3.35		0.90	
<i>Number of investments ranked</i>	288		288		288		272		272		261		261		230		230		212		212	
<b>US SA Allocation--15% to 30% Equity</b>																						
Madison Mosaic Conservative	-5.42	85	-0.26	42	-0.05	41	4.91	24	0.77	21	4.80	14	0.77	10	4.67	8	1.00	4	4.90	10	1.04	9
Madison Mosaic ETF Conservative	-4.88	63	-0.19	40	-0.04	40	4.81	29	0.78	19	4.57	22	0.74	13	4.49	13	0.96	6	4.88	12	1.04	12
Madison Mosaic TaxSensitive Conservative	-4.60	51	-0.08	37	-0.02	36	4.79	29	0.79	17	4.73	18	0.78	10	4.75	7	1.01	3	4.91	9	1.08	3
<i>Peer Group Median</i>	-4.57		-0.63		-0.16		4.24		0.63		4.00		0.60		4.00		0.81		4.41		0.89	
<i>Number of investments ranked</i>	293		291		291		234		234		182		182		106		106		73		73	
<b>US SA Allocation--30% to 50% Equity</b>																						
Madison Mosaic Moderate	-5.07	67	1.14	52	0.20	52	6.33	61	0.80	28	6.03	42	0.79	17	5.94	31	0.99	8	6.03	43	0.98	14
Madison Mosaic ETF Moderate	-4.47	44	1.49	43	0.27	43	6.24	63	0.83	23	5.79	53	0.77	21	5.76	43	0.96	11	6.08	41	0.98	15
Madison Mosaic TaxSensitive Moderate	-4.31	39	1.84	37	0.33	34	6.62	50	0.87	16	6.15	37	0.81	13	6.10	26	1.01	7	6.23	34	1.03	9
<i>Peer Group Median</i>	-4.72		1.27		0.22		6.62		0.71		5.85		0.65		5.66		0.80		5.93		0.82	
<i>Number of investments ranked</i>	493		479		479		416		416		331		331		213		213		148		148	
<b>US SA Allocation--50% to 70% Equity</b>																						
Madison Mosaic Moderate Growth	-4.84	52	2.67	60	0.38	58	7.73	81	0.79	40	7.26	68	0.77	28	7.13	61	0.94	20	7.11	68	0.91	22
Madison Mosaic ETF Moderate Growth	-4.32	41	2.79	58	0.42	52	7.62	83	0.83	31	6.95	77	0.76	32	6.98	69	0.93	22	7.18	65	0.92	21
Madison Mosaic TaxSensitive Mod. Growth	-4.20	37	3.84	42	0.57	33	8.49	64	0.91	15	7.61	58	0.83	19	7.47	51	0.99	13	7.49	55	0.97	11
Madison Mosaic Growth	-4.64	47	3.95	40	0.48	44	8.91	54	0.75	55	8.35	38	0.74	37	8.19	31	0.88	31	8.04	40	0.84	38
Madison Mosaic ETF Growth	-4.11	34	4.09	38	0.52	40	9.00	52	0.81	35	8.09	45	0.74	36	8.24	30	0.90	27	8.38	31	0.87	32
<i>Peer Group Median</i>	-4.73		3.34		0.45		9.08		0.76		7.91		0.70		7.50		0.82		7.66		0.81	
<i>Number of investments ranked</i>	627		613		613		553		553		456		456		324		324		255		255	
<b>US SA Allocation--70% to 85% Equity</b>																						
Madison Mosaic Aggressive	-4.31	34	5.50	35	0.58	37	10.41	66	0.75	54	9.53	47	0.73	41	9.33	28	0.85	26	9.04	32	0.81	30
Madison Mosaic ETF Aggressive	-3.94	23	5.51	35	0.60	35	10.46	65	0.81	34	9.29	53	0.73	37	9.41	27	0.87	18	9.45	27	0.83	24
<i>Peer Group Median</i>	-5.21		4.66		0.50		11.15		0.76		9.41		0.69		8.74		0.77		8.74		0.74	
<i>Number of investments ranked</i>	389		385		385		339		339		274		274		188		188		141		141	

Source: Morningstar Direct

Composite performance shown is presented gross of program management fees, but net of expenses incurred by the underlying fund securities held in the portfolio. Gross of fee performance is presented as supplemental information to the complete performance that accompany or precede the materials. See the gross of fee performance disclosure at the end of these materials.  
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# PORTFOLIO STRATEGY



## BIG PICTURE

- Underweight equities (roughly 75-85%) versus neutral benchmark allocations. Overweight commodities. Underweight International vs. US equities. Underweight fixed income. Overweight Cash. Equity risk (stocks + commodities) 80-90% of target weight.

## EQUITIES

Within the US bias towards quality across the market cap spectrum

- Favoring exposure to higher quality, dividends, and sustainable free-cash flow
- Avoiding highly leveraged companies

Underweight International vs US stocks

- Overweight UK
- Underweight Eurozone, Japan
- Underweight emerging markets

Style

- Neutral to Overweight Value
- Overweight Core
- Underweight Growth

Sectors

- Overweight: Technology, Industrials, Materials (via Gold Miners)
- Neutral: Health Care, Cons Staples, Financials, Energy
- Underweight: Cons Discretionary, Comm Services, Real Estate, Utilities

## FIXED INCOME

Duration: Short-to-Neutral (98-105% of benchmark)

- Closer to neutral duration in our more fixed income heavy portfolios (mitigates the greater overall interest rate risk, due to larger bond allocations), slightly overweight duration in equity heavy portfolios.
- Long duration Treasuries held to hedge risky assets

Corporates

- High-quality and short-term
- No allocation to below investment grade

## ALTERNATIVES

- Broad commodities benefiting from supply constraints.
- Using gold miner stocks as a play on gold.

