Weekly Mosaic – Change in Forward Guidance

Week of October 26th, 2026

Madison INVESTMENTS

57.6
S&P Global PMI Composite (Preliminary)

An early look at economic activity in October came in above expectations of 57.5 but below September's reading of 58.4, as activity in the service sector cooled slightly while manufacturing activity ticked higher.

29.0
NAHB Housing Market Index, Seasonally Adjusted

The National Association of Home Builders (NAHB) Housing Market Index came in below expectations of 31.0 in the month of October as elevated interest rates and costs continue to weigh on the housing sector.

+0.0%
Leading Economic Index, Seasonally Adjusted, Month-over-Month

The Conference Board's Leading Economic Index (LEI) was flat month-over-month in September. Increases in five of the ten components were offset by a large decline in consumer expectations.

Top of Mind

The Federal Open Market Committee (FOMC) meets this week to determine the appropriate posture of monetary policy.

Inflation data and various read-throughs have been volatile, driven by immense demand from the continued buildout of data centers and supply constraints from geopolitical tensions in the Middle East.

Over the past month, the probability of an interest rate hike at this week's Federal Reserve (Fed) meeting has fallen, with the market now expecting the Fed to leave the policy rate unchanged.

The drop in rate-hike expectations is curious, as inflation data since the September hike has largely been moving in the wrong direction.

With Fed Chair Kevin Warsh preferring not to provide forward guidance on monetary policy, markets have quickly adapted to the views of various Fed speakers on future rate hikes, which have leaned more dovish since the September hike.

Index Returns

As of 10/23/2026 (%)	1-Week	QTD	YTD	1-Year	3-Year
S&P 500 TR	-0.46	-0.31	12.40	14.46	23.42
Russell Mid Cap TR	0.92	2.65	14.81	14.67	20.02
Russell 2000 TR	2.01	-0.71	12.90	13.19	20.16
MSCI EAFE NR	-1.52	-1.59	8.57	12.32	19.19
MSCI EM NR	-2.62	-7.38	14.28	16.58	22.47
Bloomberg US Agg Bond TR	0.54	1.87	-1.10	-1.11	5.25
Bloomberg Intermediate Corporate Bond TR	0.18	1.12	-0.47	0.09	6.10
Bloomberg High Yield Corporate TR	-0.11	-0.20	-0.09	1.17	8.55
Bloomberg Commodities TR	-0.43	1.60	34.99	38.31	16.09

Price Levels

	10/23/2026	1 Mo	3 Mo	6 Mo	1-Year
US Dollar Index	101.81	101.10	101.47	98.53	98.94
10 Year Treasury Yield	5.00	5.10	4.68	4.30	4.00
West Texas Crude (WTI) $/bbl	103.17	93.38	91.74	98.42	62.44

Current Positioning

Reasonably constructive, while continuing to monitor the risks associated with potentially higher levels of inflation and a potential slowdown in capex spending by the AI hyperscalers.

	Min / Neutral / Max	
EQUITIES		Valuations have improved as fundamentals remain strong. Portfolios are underweight the market cap and sectors with the most demanding valuations, favoring more reasonably valued areas of the market.
U.S. Equity		Relative advantages remain attractive, and valuations have continued to improve across the market cap spectrum. Portfolios are overweight US stocks relative to international stocks.
Large		The persistence of earnings growth from large cap companies has been astounding. However, their valuations remain at a premium to other segments of US and international equities.
Mid		Mid-cap stocks remain attractively positioned, as absolute and relative valuations stand to continue benefiting from a broadening equity market.
Small		Valuations remain attractive against large caps, and fundamentals continue to improve.
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; however, the risk of higher energy prices and inflation threatens further monetary support by the various global central banks.
Developed Markets		Underweight developed markets relative to the benchmarks, with a neutral weight to European and Japanese equities.
Emerging Markets		Emerging market stocks remain attractive relative to developed market stocks.
FIXED INCOME		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 economic growth continues to surprise to the upside and inflation remains above target, with a growing risk of moving higher.
Treasury		Underweight US Treasuries, favor the securitized sector and high-quality corporate credit.
Corporate		Prefer intermediate and long-corporate bond exposure. High-quality bias remains, with little value offered in the form of spreads across the high-yield universe.
MBS/Securitized		Attractive relative yield, fair spreads, and strong implied credit quality position, specifically within residential mortgages and asset-backed securities.
ALTERNATIVES		
EM Local Currency Debt		Emerging market (EM) local currency debt stands to continue benefiting from falling real rates, rising asset prices in EM, and rising currencies.
CASH		Neutral weight cash, as we believe there are attractive opportunities outside.

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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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

Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, USD-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 USD-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.

Purchasing Managers' Index (PMI): a survey-based economic indicator that provides insights into business conditions across various sectors, including services. It is widely used to anticipate changing economic trends and is produced globally by S&P Global. The PMI includes individual measures of business output, new orders, employment, costs, selling prices, exports, purchasing activity, supplier performance, backlogs of orders, and inventories of inputs and finished goods. The index ranges from 0 to 100, with values above 50 indicating an expansion in business activity and below 50 indicating contraction.

National Association of Home Builders (NAHB) Housing Market Index (HMI): rates the relative level of current and future single-family home sales. The data is compiled from a survey of around 900 home builders. A reading above 50 indicates a favorable outlook on home sales; below indicates a negative outlook.

Conference Board Leading Economic Index (LEI): an American economic leading indicator intended to forecast future economic activity. It is calculated by The Conference Board, a non-governmental organization, which determines the value of the index from the values of ten key variables. These variables have historically turned downward before a recession and upward before an expansion.

Federal funds rate: the target interest rate range set by the Federal Open Market Committee (FOMC) for banks to lend or borrow excess reserves overnight. It influences monetary and financial conditions, short-term interest rates, and the stock market.

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.