OneAscent INVESTMENTS

Weekly Update – October 13, 2025

Market Returns Ending 10/10/2025

Category	1 Week	QTD	YTD
US			
Large Cap	-2.4%	-2.0%	12.5%
Mid Cap	-3.6%	-2.3%	7.0%
Small Cap	-3.3%	-1.7%	8.5%
International			
Developed	-1.9%	-0.3%	25.5%
Emerging	-0.6%	1.5%	30.1%
Bonds			
Aggregate	0.3%	0.6%	6.7%
High Yield	-0.7%	-0.6%	6.6%

US Equity Style Returns

Weekly

	Value	Core	Growth
Large	-2.7	-2.5	-2.2
Mid	-3.8	-3.4	-2.1
Small	-4.0	-3.3	-2.6

YTD

	Value	Core	Growth
Large	9.3	12.3	14.9
Mid	6.3	7.5	10.8
Small	6.3	8.5	10.6

Source: Bloomberg

Key Events: Fed caution amidst inflation concerns

Minutes from the September Federal Reserve meeting indicate that the FOMC remains on track to lower interest rates further this year. 10 of 19 members support two additional cuts, while the rest favor fewer, citing persistent inflation concerns. Surveys from the New York Fed and the University of Michigan show expectations remain above the Fed's 2% target[i].

The bankruptcy of auto lender Tricolor highlights potential weakness in the economy and the delicate balance as the Fed attempts to maintain full employment and price stability.

Market review: Largest one-day drop since April

After surging more than 30% from the April lows, elevated valuations left the market vulnerable to a pullback—and that materialized on Friday with the steepest losses since April.

Investment-grade bonds stood out as the only segment to post a positive return for the week.

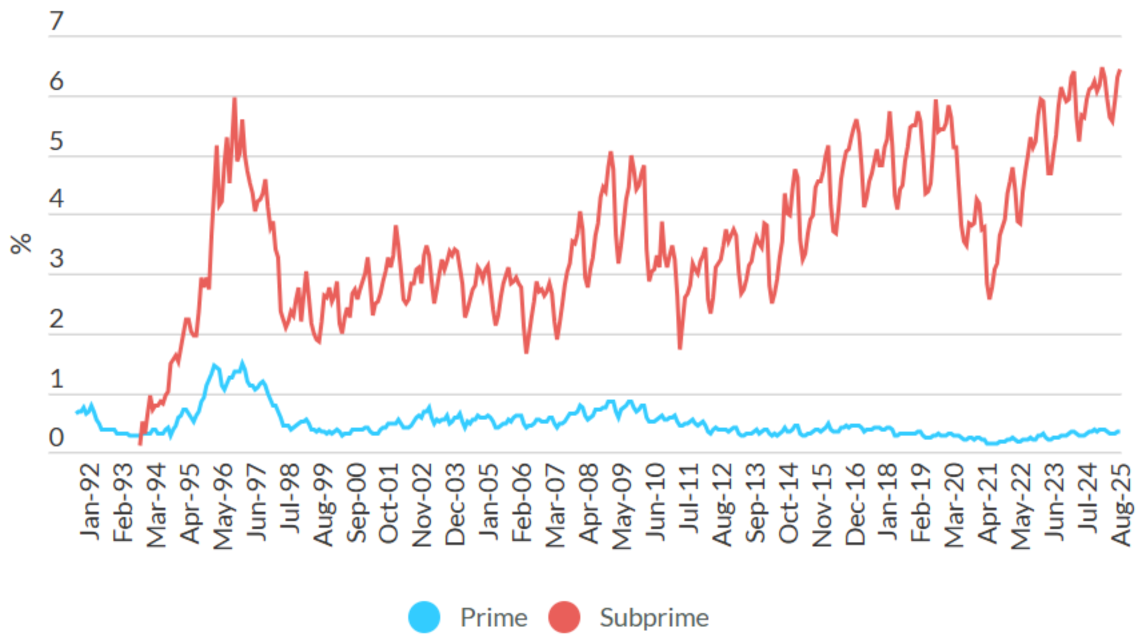
Outlook: Canary in the coal mine?

Was Friday's market selloff simply a healthy pause in a strong rally, or does rising consumer stress—evidenced by increasing auto loan delinquencies—signal deeper economic trouble ahead?

The reality likely lies somewhere in between. While certain indicators such as credit strain and weakening employment data point to weakness, there are also compelling signs of resilience. Robust technology capital investment and solid retail sales reflect underlying economic strength. Additionally, ongoing fiscal and monetary support—through government spending and lower interest rates—continues to provide a favorable backdrop.

Uncertainty is a natural part of every investing journey. That's why we remain confident that staying the course with a diversified portfolio of attractively valued assets is the most effective way to navigate market shifts—and we encourage investors to embrace the same balanced approach.

Canary in the coal mine?
The weakest borrowers are falling behind on car payments

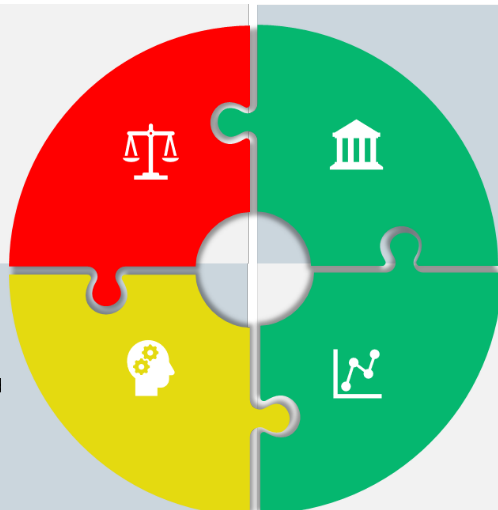


Source: *Fitch Ratings.*

OneAscent Navigator Outlook: October 2025

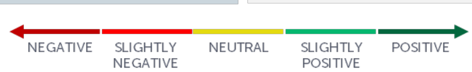
VALUATION
- Bond yields remain attractive relative to the earnings yield for equities.
- Significant valuation premium persists for Large caps relative to the overall S&P 500.
- Growth minus Value forward P/E spread is at the high end of the historical range.

ECONOMY
- US Economic data surprised to the upside in September.
- Auto and Credit Card delinquencies highlight potential economic weakness.
- Earnings outlook remains solid even though the growth forecast for 2026 looks optimistic.



SENTIMENT
- Despite rate cuts, inflationary pressures prevent a dovish Federal Reserve mindset
- Investor sentiment continues to hover around neutral levels.
- Despite high levels of uncertainty, small business optimism continues to recover.

TECHNICAL
- While the stakes are high, history suggests decent returns following the shutdown.
- Global equity market breadth may be pausing after a strong move higher.
- Profitless technology stocks more than doubled in the 3rd Quarter, a sign of heightened speculation.



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[i] Source: Bloomberg: NY Federal Reserve 1-year inflation expectations – 3.38%. University of Michigan 1-year inflation expectations -

[ii] Market Returns reference the following indices: Large Cap – S&P 500, Mid Cap Growth – Russell Midcap growth, Mid Cap Value – Russell Midcap Value, Small Cap – Russell 2000, Developed – MSCI EAFE, Emerging – MSCI Emerging Markets, Aggregate – Bloomberg US Aggregate, High Yield – Bloomberg High Yield