

Weekly Update – September 22, 2025

Market Returns Ending 9/19/2025			
Category	1 Week	QTD	YTD
US			
Large Cap	1.2%	7.7%	14.4%
Mid Cap	1.1%	9.8%	10.3%
Small Cap	2.2%	12.9%	10.9%
International			
Developed	0.1%	4.4%	25.2%
Emerging	1.6%	10.9%	28.1%
Bonds			
Aggregate	-0.2%	2.1%	6.2%
High Yield	0.3%	2.6%	7.3%

US Equity Style Returns			
Weekly			
	Value	Core	Growth
Large	0.5	1.3	1.9
Mid	-0.1	0.0	0.3
Small	1.3	2.2	3.1
YTD			
	Value	Core	Growth
Large	11.1	14.3	17.2
Mid	8.7	10.3	14.6
Small	9.2	10.9	12.4

Source: Bloomberg

Key Events: The Fed gives an “Insurance” rate cut

This week, the Federal Reserve delivered its first interest rate cut of 2025. The move reflected growing concerns over a softening labor market, despite elevated inflation. Fed Chair Jerome Powell called it a ‘risk management’ rate cut, emphasizing a cautious, data-driven approach, despite political pressure to lower rates even further.

Meanwhile, President Trump held a call with Chinese President Xi Jinping to discuss technology and trade tensions; the meeting was seen as a potential turning point in the two countries’ economic relationship.

Market review: Markets break out the Champagne

Stock markets celebrated the rate cut: Large (S&P 500 & Dow Jones), Global (MSCI All-Country World), Technology (Nasdaq) and small caps (Russell 2000 and S&P 600) all reached new highs this week.

Outlook: Blue skies ahead?

If you're wondering why the Fed is cutting rates while stocks hover at all-time highs, you're not alone. Interestingly, the Fed has lowered rates within 1% of the S&P 500's peak twelve times over the past 40 years—and in each case, stocks posted gains over the following twelve months.ⁱ

Still, the charts below offer reasons for caution. Coffee prices have nearly doubled since the pandemic, and subprime auto loan delinquencies are rising sharply. The recent bankruptcy of a subprime auto lender raises concerns that this could be an early warning sign for consumer spending.ⁱⁱ

This contrast—soaring equity markets alongside signs of consumer strain from inflation and fragile balance sheets—underscores the importance of diversification.

Rather than betting on a single outcome, we build

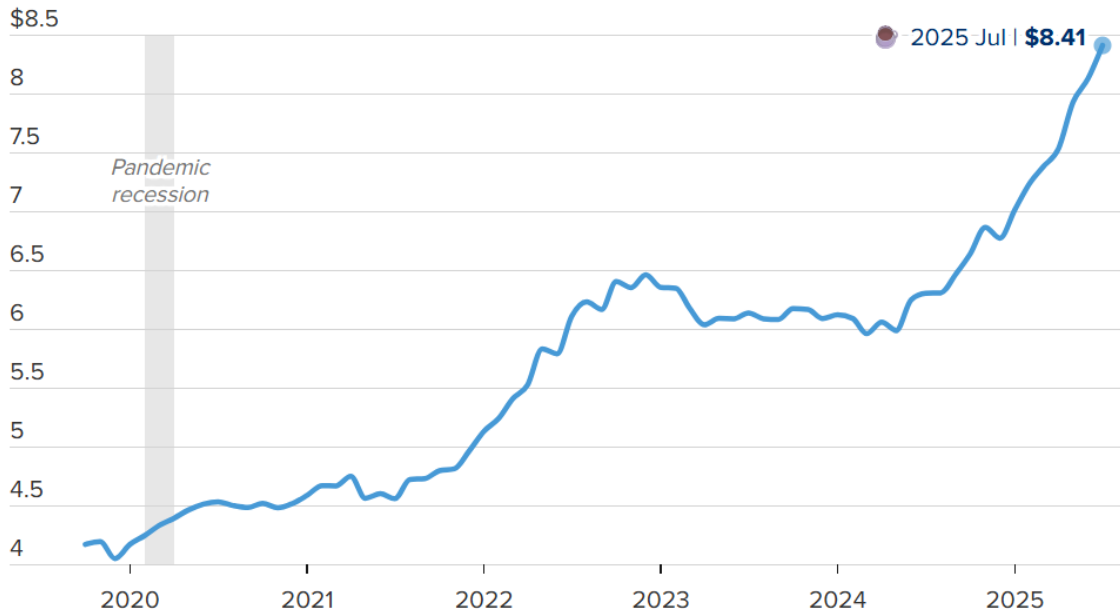
portfolios designed to thrive across a range of scenarios. While we welcome this year's double-digit equity returns, we remain prepared for the volatility that often accompanies uncertainty.



Inflation hits consumers where it hurts

Average price of a pound of coffee in the U.S.

Ground roast, 100%, all sizes

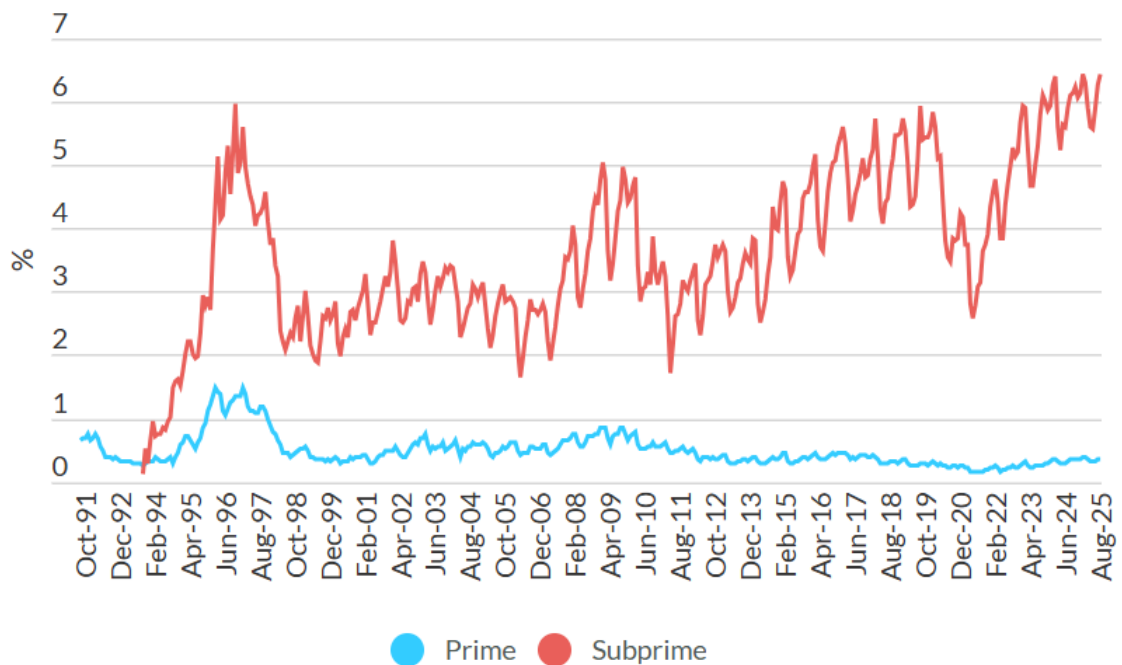


Note: Current dollars; not seasonally adjusted

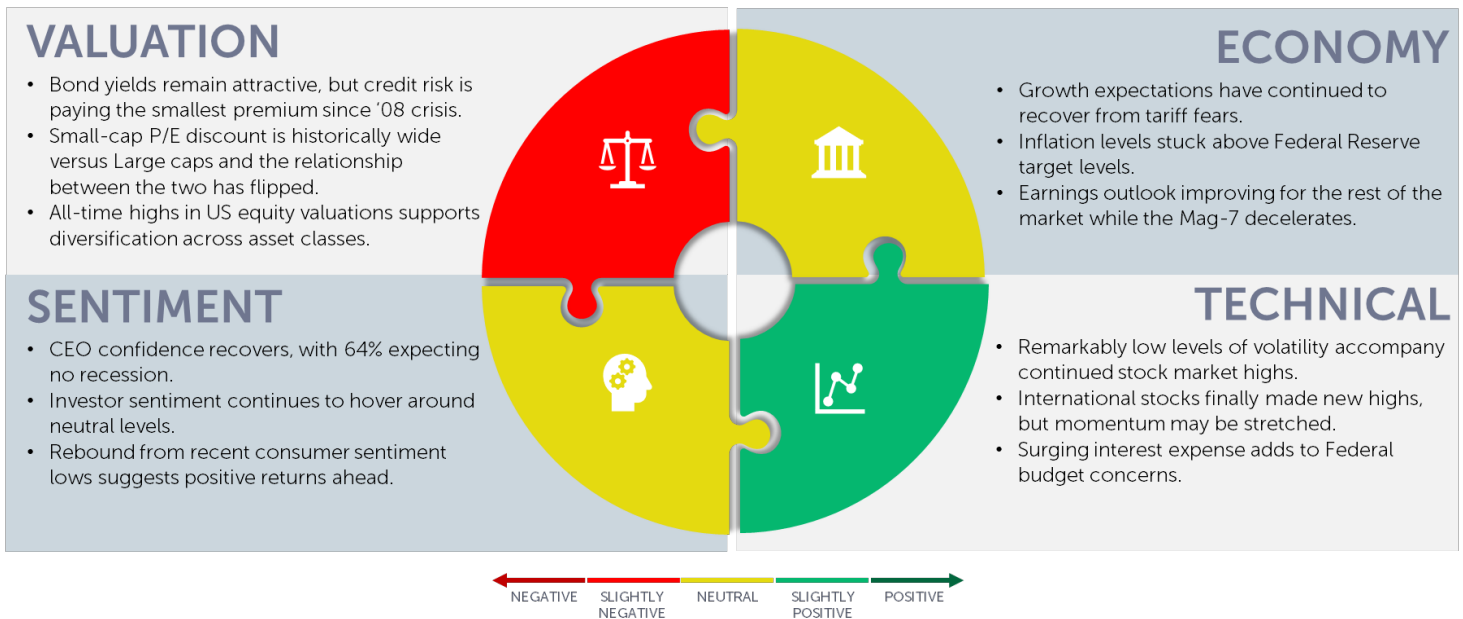
Source: U.S. Bureau of Labor Statistics



Sub-prime auto delinquencies hit new highsⁱⁱⁱ



OneAscent Navigator Outlook: September 2025



This material is intended to be educational in nature^{iv}, and not as a recommendation of any particular strategy, approach, product or concept for any particular advisor or client. These materials are not intended as any form of substitute for individualized investment advice. The discussion is general in nature, and therefore not intended to recommend or endorse any asset class, security, or technical aspect of any security for the purpose of allowing a reader to use the approach on their own. Before participating in any investment program or making any investment, clients as well as all other readers are encouraged to consult with their own professional advisers, including investment advisers and tax advisors. OneAscent can assist in determining a suitable investment approach for a given individual, which may or may not closely resemble the strategies outlined herein.

ⁱ Source: Morningstar [A Fed rate cut with the stock market at a record high? Here's what history says. | Morningstar](#)

ⁱⁱ Source: [Tricolor: The messy collapse of a subprime auto lender explained](#)

ⁱⁱⁱ Source: Fitch [ABS Auto Indices](#)

^{iv} 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