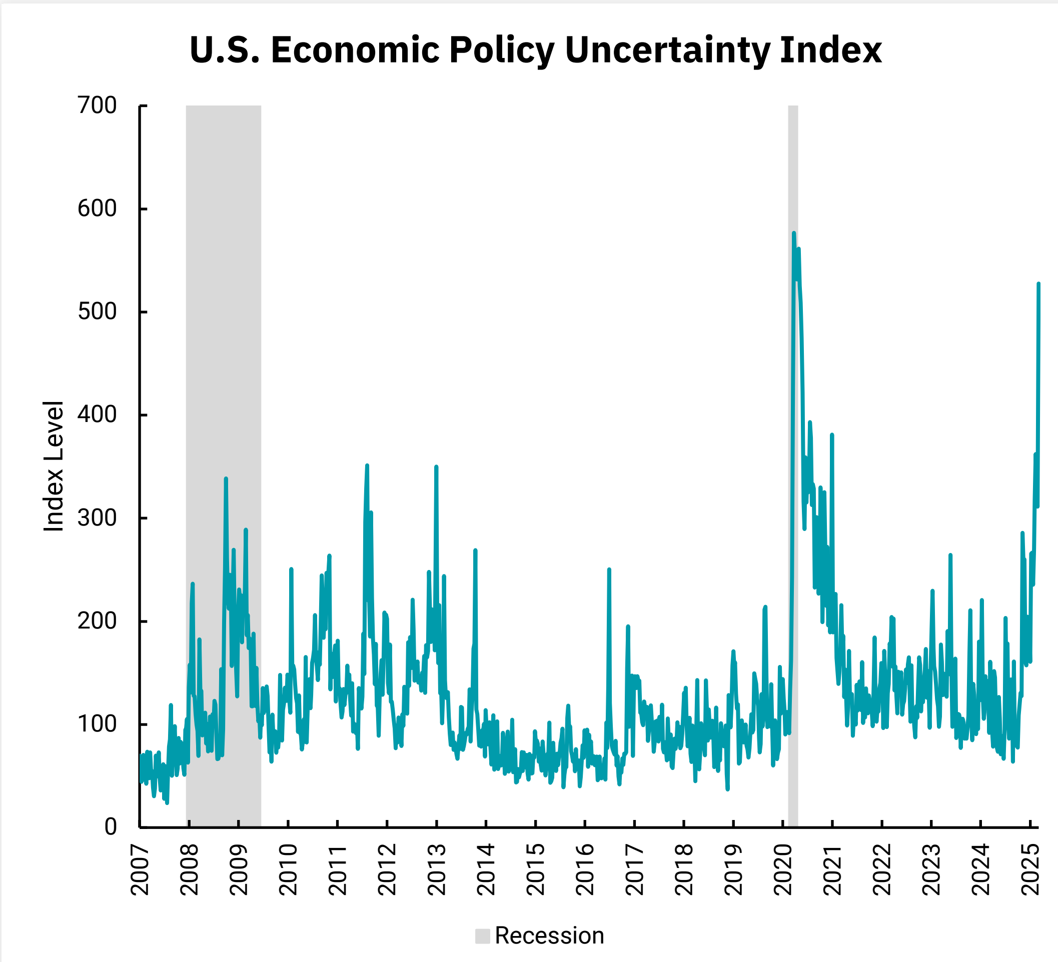
It is not just the number of policies that are changing— - trade, energy, fiscal, immigration, regulation— - but the speed at which they are moving.

INVESTMENT MANAGEMENT

Weekly market update

BOK FINANCIAL

Chart of the week (Mar. 7, 2025)



"The markets hate uncertainty." This statement has been around since I got in the business in January of 1982...and was around long before that. Even bad "certainty" is better than uncertainty, as at least one knows the basis of the decisions they must make. This week's chart from the Federal Reserve shows policy uncertainty back to 2007. Absent a short period during the pandemic, when we were uncertain about everything, not just the economic policy, we can see we are at historic levels.

It is telling that even during the depths of the Financial Crisis in 2008-2009, when unemployment rose to 10% and the S&P declined by 50%, policy uncertainty was not as high as it is now. Little wonder, then, that we are seeing some increase in the level of volatility as we consider the path of the economy and markets going forward. Indeed, it is not just the number of policies that are changing - trade, energy, fiscal, immigration, regulation - but the speed at which they are moving. One can agree with the need for change and even the direction of the change, but moving faster increases the chances of an implementation error.

The good news is that the economy is entering this period of uncertainty in a relatively strong position overall. We might expect the employment picture to change in the coming months as government job cuts, along with reduced federal spending, are announced and implemented. Still, we begin that process with the headline unemployment rate reported this morning at 4.1% and February job gains of 151,000. We have seen the number of open jobs decline over the last few months, but there are still more open jobs than unemployed persons. Yet, we also know that historically, the jobless rate can increase rapidly, meaning we will have to be cognizant of increasing risks to growth.

The U.S. economy emerged from the pandemic with a much stronger growth pattern than much of the rest of the world. Part of this was our willingness to borrow money to increase demand and jobs. There has been a price to pay in the form of inflation, and our total debt now over $36 trillion: a huge sum and a high level as compared to our annual GDP. Annual budget deficits in the 5% to 8% range are just not sustainable over a longer period, requiring some shift in direction towards sustainability. The short-term impact may be slower growth, which will feel somewhat painful and could result in lessened GDP and higher unemployment. However, longer-term, the goal would be to reduce debt levels and move the economy forward on a more sustainable path.

It can be hard to know what to do during periods like this. Having a plan that considers periods of volatility is an important part of longer-term success. And to be clear, recent levels of market volatility are not outside the norm. We remain committed to our diversified approach, which has been successful during previous periods like this. If you have questions, let's talk.

Source: Federal Reserve Bank of St. Louis.

INVESTMENT MANAGEMENT

Weekly market update

BOK FINANCIAL

Commentary (Mar. 7, 2025)

Domestic Equities

- U.S. stocks continued to decline this week as investors were unnerved by day-to-day changes in tariff policies. Tech stocks sold off heavily, with the Nasdaq Composite Index underperforming the broader market. Rising bond yields this week are weighing heavily on small-cap stocks, as the Russell 2000 Index is in correction territory.
- Chipmakers Marvell and Broadcom reported earnings this week that were in line with or ahead of expectations. Both stocks had surged over the past six months and were priced with high expectations. However, both stocks fell due to projections for slower growth going forward.
- Recession fears have started to re-enter the market due to concerns over tariff-induced inflation and slowing employment. Additionally, in February, the Conference Board's Consumer Confidence Index posted its largest monthly drop since 2021. This has led to sector rotation, with investors moving out of cyclicals and into more defensive sectors.

Bonds

- U.S. Treasuries were mixed on rising trade policy uncertainty and the jump in long-term yields across Europe. Specifically, short- to intermediate-term yields were lower, while the long-end rose.
- The broad investment grade market, as measured by the Bloomberg US Aggregate Bond Index, was lower for the week on rising longer-term rates and widening credit spreads.
- High yield credit spreads widened for the third consecutive week following the sell-off in risk assets, with the option-adjusted spread on the Bloomberg US Corporate High Yield Index closing just shy of 3.0%.
- German bond yields exploded higher on the debt brake deal, with the yield on the 10-year bund experiencing its biggest one-day rise in over three decades on Wednesday. The rout in German bunds reverberated across developed bond markets, with yields surging across Europe, Japan and Australia.

International Equities

- As foreign investors continue grappling with the unfolding tariff policies, foreign stocks have captured some momentum as the MSCI ACWI Ex USA Index is outperforming the S&P 500 year-to-date.
- ·Developed markets rallied this week as most major markets across Europe and the Asia-Pacific region rose in value. Chancellor-in-waiting Friedrich Merz announced that Germany would amend the constitution to exempt defense and security outlays from limits on fiscal spending. Additional plans include creating a $528 billion fund to improve infrastructure. That news ignited a strong rally in German stocks.
- Emerging markets snapped back after last week's losses as Asian markets posted strong gains. China responded to the new U.S. tariffs by announcing it would impose additional tariffs of up to 15% on a range of U.S. farm products. The new tariffs will take effect on March 10. Beijing also placed 10 more U.S. firms on its unreliable entity list.

Economics

- On Thursday, jobless claims came in at 221,000, which was below the consensus estimate of 244,000 and last week's reading of 242,000. The better-than-expected reading highlighted the overall stability of the labor market. However, recent layoff announcements hit new multi-year highs.
- February's employment report showed the economy added 151,000 jobs. This was slightly below the consensus estimate of 160,000, but above January's reading of 125,000. The unemployment rate ticked up from 4.0% to 4.1%. Economists estimate that the uptick in the unemployment rate resulted from layoffs and hiring freezes at the federal government.
- The monthly Consumer Price Index (CPI) will be released on Friday. This is an important indicator to watch as the Federal Reserve balances its dual mandate of full employment and stable prices. Signs of softer inflation could signal future interest rate cuts.

Weekly Market Update

For Week Ending March 07, 2025

Markets

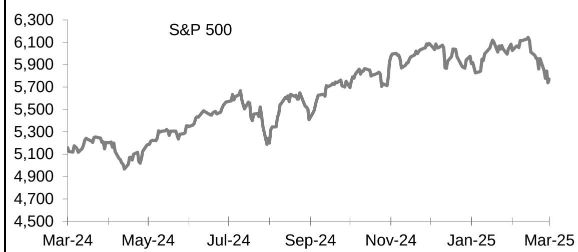
	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	42,801.72	-2.3%	0.9%	12.3%
S&P 500 Index	5,770.20	-3.1%	-1.7%	13.4%
NASDAQ Composite	18,196.22	-3.4%	-5.7%	12.6%
S&P 400 Midcap Index	2,987.09	-3.4%	-4.1%	2.2%
S&P 600 Smallcap Index	1,315.05	-3.5%	-6.4%	1.9%
MSCI EAFE	8,941.36	3.1%	10.6%	9.2%
MSCI Emerging Markets	603.92	2.9%	5.2%	12.2%
Bloomberg US Agg	2,236.01	-0.6%	2.1%	4.1%
Bloomberg Municipal 5 Yr	501.27	-0.1%	1.4%	2.5%
Bloomberg US Corporate	3,353.01	-0.7%	1.9%	4.7%
Bloomberg Glb Agg ex US Hdg	588.98	-1.3%	-0.7%	4.0%
Bloomberg High Yield	2,730.31	-0.3%	1.8%	9.1%
MSCI US REIT Index	2,368.60	-2.1%	2.5%	11.4%
Bloomberg Commodity Index	255.17	2.1%	6.9%	12.0%

	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	4.50%	4.50%	4.50%	5.50%
3-Month Treasury	4.30%	4.29%	4.31%	5.38%
1-Year Treasury	4.04%	4.08%	4.14%	4.93%
2-Year Treasury	4.00%	3.99%	4.24%	4.50%
5-Year Treasury	4.09%	4.02%	4.38%	4.07%
7-Year Treasury	4.20%	4.11%	4.48%	4.08%
10-Year Treasury	4.30%	4.21%	4.57%	4.08%
30-Year Treasury	4.60%	4.49%	4.78%	4.24%
Consumer Rates				
30-Year Mortgage	6.70%	7.00%	7.28%	5.83%
Prime Rate	8.25%	8.25%	8.25%	9.25%
SOFR	4.34%	4.39%	4.49%	5.31%
Commodities				
Gold (spot)	2,909.10	2,857.83	2,624.50	2,159.98
Crude Oil WTI	67.04	69.76	71.72	78.93
Gasoline	3.10	3.10	3.06	3.40
Natural Gas	4.40	3.83	3.63	1.82
Copper	4.68	4.51	4.03	3.92

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	19.91	21.54	5.50	1.69
S&P 500	20.96	23.44	4.95	1.41
S&P 500 Value	18.00	19.65	3.41	2.10
S&P 500 Growth	24.96	28.99	8.99	0.73
NASDAQ	25.77	31.76	6.57	0.72
S&P Midcap 400	15.52	16.63	2.46	1.84
S&P Smallcap 600	15.23	15.88	1.80	2.50
MSCI EAFE	14.89	16.13	2.04	3.16
MSCI Emerging Markets	12.28	14.23	1.77	2.58

Source: Bloomberg

Equity Style



1 Month*

	Value	Core	Growth
Large	-0.13	-4.11	-7.75
Mid	-4.18	-6.72	-9.09
Small	-6.42	-7.97	-9.41

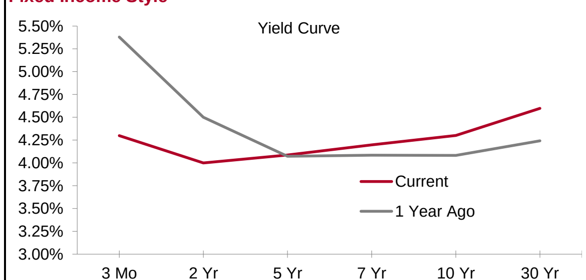
> 10% · 0% - 10% · <0%

Year to Date*

	Value	Core	Growth
Large	1.75	-1.67	-4.82
Mid	-2.00	-4.09	-6.06
Small	-6.54	-6.38	-6.23

*S&P Indices

Fixed Income Style



1 Month*

	Short (1-3 Yrs)	Interm. (1-10 Yrs)	Long (+10 Yrs)
Govt	0.80	1.16	1.30
Corp	0.77	1.05	0.90
HY	0.60	0.38	1.18

> 10% · 0% - 10% · <0%

Year to Date*

	Short (1-3 Yrs)	Interm. (1-10 Yrs)	Long (+10 Yrs)
Govt	1.18	1.75	3.52
Corp	1.23	1.74	2.33
HY	1.86	1.74	2.68

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	3.0%	3.1%
CPI Core Inflation	3.3%	3.9%
Personal Consumption Exp (PCE) Core	2.6%	3.1%
Jobs		
Unemployment Rate (U3)	4.1%	3.9%
Broader Unemployment Rate (U6)	8.0%	7.3%
JOLT Survey (in millions)	7.60	8.89
Jobless Claims (000's)	221	210
Change in Non-Farm Payroll (000's)	151	222
Average Hourly Earnings (Y/Y % Change)	4.0%	4.2%
Consumer & Spending		
Consumer Confidence (Conf Board)	98.3	104.8
Consumer Spending ($ Bil)	20,382	19,308
Consumer Credit ($ Bil)	5,007	5,039
Retail Sales ($ Bil)	724	695
Housing		
Housing Starts (000's)	1,366	1,376
Case-Shiller Home Price Index	323.22	311.02
U.S. Productivity		
Real Gross Domestic Product ($ Bil)	23,536	22,961
Quarter over Quarter Change	2.3%	3.2%
Year Over Year Change	2.5%	3.2%
ISM Manufacturing	50.30	47.60
Capacity Utilization	77.77	77.19
Markit US Composite PMI	51.60	52.50
U.S. General		
Leading Economic Indicators	101.5	104.2
Trade Weighted Dollar Index	128.5	121.5
EUR / USD	1.08	1.09
JPY / USD	148.04	148.05
CAD / USD	0.70	0.74
AUD / USD	0.63	0.66

S&P 500 Sector Returns

	1 Month	YTD
Health Care	1.99%	8.58%
Consumer Staples	2.63%	6.37%
Real Estate	1.25%	4.44%
Materials	-0.53%	4.44%
Energy	-1.00%	2.16%
Utilities	-1.05%	2.16%
Industrials	-2.20%	1.92%
Financials	-5.15%	1.73%
Communication Services	-6.13%	0.25%
Information Technology	-5.45%	-7.43%
Consumer Discretionary	-11.05%	-10.45%

Disclosures

BOK FINANCIAL

The information provided herein was prepared by the Investment Management team of BOKF, NA. BOKF, NA is the bank subsidiary of BOK Financial Corporation (BOKF), a financial services holding company (NASDAQ:BOKF). BOKF offers trust and wealth management services through its subsidiaries including BOKF, NA (and its banking divisions Bank of Oklahoma, Bank of Texas, Bank of Albuquerque, and BOK Financial) and investment advisory services through its non-bank subsidiaries, Cavanal Hill Investment Management, Inc., and BOK Financial Private Wealth, Inc., each an SEC registered investment adviser, and BOK Financial Securities, Inc., also an SEC registered investment adviser and registered broker/dealer, member FINRA/SIPC (each an “Investment Affiliate”) (collectively, “BOKF”). Distribution of this document is intended for informational purposes. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. The opinions expressed herein reflect the judgment of the author(s) as of the date prepared and are subject to change without notice and are not a complete analysis of any sector, industry, or security regardless of the date on which the reader may receive or access the information. The information provided is intended to be educational in nature and not advice relative to any investment or portfolio offered through an Investment Affiliate, and does not constitute any form of regulated financial, legal, or tax advice, or other regulated financial service. The content provided herein is not a solicitation for the investment management services of any Investment Affiliate, nor is it intended to constitute a recommendation for, or advice to, any specific person on behalf of any Investment Affiliate, as it does not take into account the financial objectives, situation, or needs of any specific person. This information is provided on the understanding that the recipient has sufficient knowledge and experience to be able to understand and make their own evaluation of said content, any risks associated therewith, and any related legal, tax, accounting, or other material considerations. Recipients should not solely rely on this material in making any future investment decision. To the extent that the recipient has any questions regarding the applicability of any specific issue discussed above to their specific portfolio or situation, they are encouraged to consult with a qualified lawyer, accountant, or financial professional.

This document may contain forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates, and projections, the securities and credit markets and the economy in general. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "projects," variations of such words and similar expressions are intended to identify such forward-looking statements. Management judgments relating to and discussion of the value and potential future value or performance of any security, group of securities, type of security or market segment involve judgments as to expected events and are inherently forward-looking statements. These statements are not guarantees of future performance. Likewise, past performance is not a guarantee of future results. This content is prepared for the use of the Investment Affiliates and their clients and prospective clients, and may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of BOKF or BOKF, NA. Any unauthorized use or disclosure is prohibited. Receipt and review of this document constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein. This report should not be distributed without the attached disclosures, and is considered incomplete if the disclosures are not attached.

*This chart is for illustrative purposes only and not indicative of any actual investment.
Asset allocation, diversification, and rebalancing do not ensure a profit or protect against loss in declining markets. Investing involves risks, including possible loss of principal, and there is no guarantee that investment objectives will be achieved.

INVESTMENT AND INSURANCE PRODUCTS ARE: NOT FDIC INSURED | NOT GUARANTEED BY THE BANK OR ITS AFFILIATES | NOT DEPOSITS | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | MAY LOSE VALUE