



Market insights

Third quarter 2025



Navigating a government shutdown

S&P 500 Performance During and After Government Shutdown

Start of Shutdown	Reopen Date	Length (Days)	S&P 500 Return	S&P 500 12 Months After End	President	Senate	House
Sep. 30, 1976	Oct. 11, 1976	11	-3.5%	-6.6%	Ford	D	D
Sep. 30, 1977	Oct. 13, 1977	13	-2.5%	12%	Carter	D	D
Oct. 31, 1977	Nov. 9, 1977	9	0.4%	1.5%	Carter	D	D
Nov. 30, 1977	Dec. 9, 1977	9	-1%	3.2%	Carter	D	D
Sep. 30, 1978	Oct. 18, 1978	18	-2%	3.1%	Carter	D	D
Sep. 30, 1979	Oct. 12, 1979	12	-4.4%	24.7%	Carter	D	D
May 1, 1980	May 1, 1980	1	-0.8%	25.8%	Carter	D	D
Nov. 20, 1981	Nov. 23, 1981	3	0.7%	9.3%	Reagan	R	D
Sep. 30, 1982	Oct. 2, 1982	2	0.3%	36.2%	Reagan	R	D
Dec. 17, 1982	Dec. 21, 1982	4	2.4%	18%	Reagan	R	D
Nov. 10, 1983	Nov. 14, 1983	4	1.6%	-0.4%	Reagan	R	D
Sep. 30, 1984	Oct. 3, 1984	3	-2.2%	13.5%	Reagan	R	D
Oct. 3, 1984	Oct. 5, 1984	2	-0.6%	12.6%	Reagan	R	D
Oct. 16, 1986	Oct. 18, 1986	2	0.0%	18.4%	Reagan	R	D
Dec. 18, 1987	Dec. 20, 1987	2	2.5%	11.9%	Reagan	D	D
Oct. 5, 1990	Oct. 9, 1990	4	-2.1%	23.2%	G.H.W. Bush	D	D
Nov. 13, 1995	Nov. 19, 1995	6	1.2%	22.8%	Clinton	R	R
Dec. 15, 1995	Jan. 6, 1996	22	0.0%	21.3%	Clinton	R	R
Oct. 1, 2013	Oct. 17, 2013	16	3.1%	8.9%	Obama	D	R
Jan. 19, 2018	Jan. 22, 2018	2	0.8%	-7.1%	Trump	R	R
Feb. 9, 2018	Feb. 9, 2018	1	1.5%	3.4%	Trump	R	R
Dec. 21, 2018	Jan. 25, 2019	34	10.3%	23.7%	Trump	R	R
Average		8.2	0.3%	12.7%			
Median		4.0	0.1%	12.3%			



BOK Financial Wealth Management

For more than a century and through various economic cycles, BOK Financial has been committed to delivering comprehensive Wealth Management products and services through diverse revenue streams. Today, the Wealth Management division serves individual and institutional clients globally from offices in 13 states.

Notable Highlights

- \$114.0 billion in assets under management or in custody.
- \$68.0 billion in fiduciary assets.
- ~\$995 billion in traded securities annually.*
- 1,000+ dedicated Wealth Management employees.
- Part of BOK Financial Corporation, a \$50 billion regional financial services company.

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Wealth Management services are offered through our regional bank brands as well as the following affiliate companies, non-bank subsidiaries and separately identifiable departments:

- BOK Financial Advisors
- BOK Financial Capital Markets
- BOK Financial Private Wealth, Inc.
- BOK Financial Securities, Inc.
- Cavanal Hill Investment Management

*Numbers reflect 2024 data, but do not include Investment Banking.

BOK Financial Wealth Management

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- Life insurance
- Long term care

Private Wealth Management

- Private banking
- Trust & estate administration
- Investment management
- Investment advisory services
- Advisor trust services

Planning

- Financial planning
- Business transition services

Specialty Asset Management

- Mineral management
- Real estate management



INSTITUTIONAL CLIENT SERVICES

Retirement & Investments

- Institutional investment mgmt.
- Asset custody services
- Mineral management
- Retirement plan services

Hedging & risk management

- Energy hedging
- Agriculture hedging
- Interest rate services
- Foreign exchange risk mgmt.

Institutional sales & trading

- Institutional investing
- Public and corporate finance
- Mortgage hedging services
- Reinsurance services

Specialty Asset Management

- Mineral management
- Real estate management

CLIENTS WE SERVE

- High net-worth individuals and families
- Corporations
- Insurance companies
- Educational institutions
- Municipalities
- Endowments
- Not-for-profits
- Financial institutions
- Pension plans
- Foundations
- Philanthropic organizations
- Governmental entities
- Registered investment advisers
- Hospitals
- Tribal governments

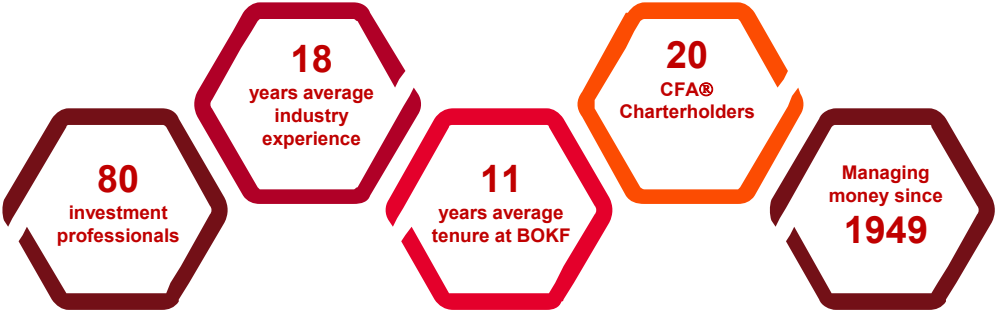
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Investment expertise. Competitive results.

Four centers of expertise. 80 experienced investment professionals. Collaborating as one team.

<p>Strategic Investment Advisors <i>Investment advisory and consulting</i></p> <p>Research and analytics that build the foundation for investment services offered by BOK Financial.</p> <ul style="list-style-type: none">• Asset allocation research.• Manager selection and due diligence.• Outsourced CIO services.• Investment consulting.• Managed accounts.• Multi-asset solutions.	<p>Cavanal Hill Investment Management <i>Asset management</i></p> <p>A registered investment advisor and subsidiary of BOKF, NA. Fundamental and quantitative research across the capital markets.</p> <ul style="list-style-type: none">• Taxable fixed income.• Tax-free fixed income.• Cash management.• Domestic equity.• Energy.• Opportunistic strategies.	<p>Alternative Investments <i>Comprehensive alternative services</i></p> <p>Provides access to a variety of non-traditional asset classes and strategies delivered through limited partnerships.</p> <ul style="list-style-type: none">• Private equity.• Real assets.• Hedge funds.• Semi-liquid or interval funds.• Liquid alternatives.	<p>Investment Management Communication</p> <p>A dedicated team providing education and insight into the BOK Financial Investment Management process as well as current economic and market conditions for both internal and external audiences.</p> <ul style="list-style-type: none">• Regular market commentary.• Timely response to changing market conditions.
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Key points

1

Policy uncertainty is still elevated, but worst-case economic scenarios are being priced out. The labor market remains supportive of the U.S. consumer, but risks are rising as hiring slows, lengthening unemployment time frames.

2

The downward trend in cyclical inflation rates from core goods is threatened in the short run by tariff-induced price increases. Core services and rents remain a sticky part of inflation but are moving in the right direction.

3

The Federal Reserve is now engaged in lowering rates, as the downside risks to the labor market outweigh the potential price level increases from tariffs. The recent 0.25% cut is expected to lead to further cuts this year and into 2026.

4

Short-term Treasury yields are responding to the reduced fed funds target, but longer-term rates are still reflecting some measure of concern about lingering inflation. Home mortgage rates are lower, but not by as much as the Fed has reduced rates.

5

Domestic stocks approached bear market levels yet have fully recovered tariff-induced losses and are now at or near record highs. International stocks continue to outperform domestic indexes year-to-date.

Base case outlook



Economy

Economic growth is slowing, but recession odds have recently receded. Tariff uncertainty remains, but Tax policy and the debt ceiling have been resolved.

Risks: Higher unemployment, potential geopolitical events and persistent higher tariffs.



Policy

The Federal Reserve recently cut rates and more are expected. Fiscal outlays are under review but remain additive to growth.

Risk: Unexpected difficulty financing the debt and inflation rising in the long run.



Markets

Credit spreads are not forecasting a recession, and the yield curve has steepened. Q2 earnings have exceeded estimates but valuations are high.

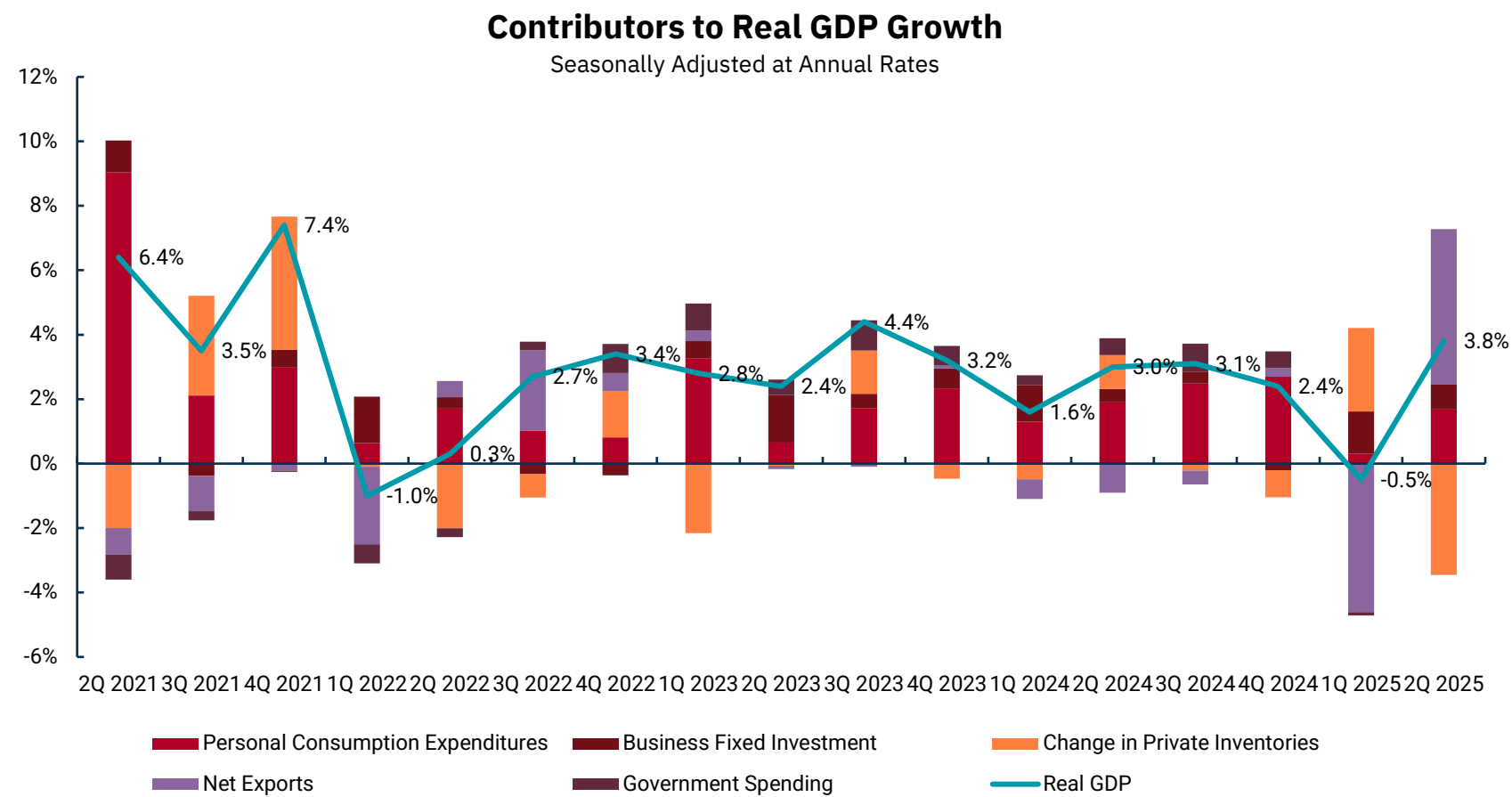
Risk: Recession leads to material earnings decline and widening credit spreads.



A new economic direction

1. Trade
2. Fiscal
3. Immigration
4. Regulation
5. Taxes
6. Energy & AI

GDP- Trade led to negative growth

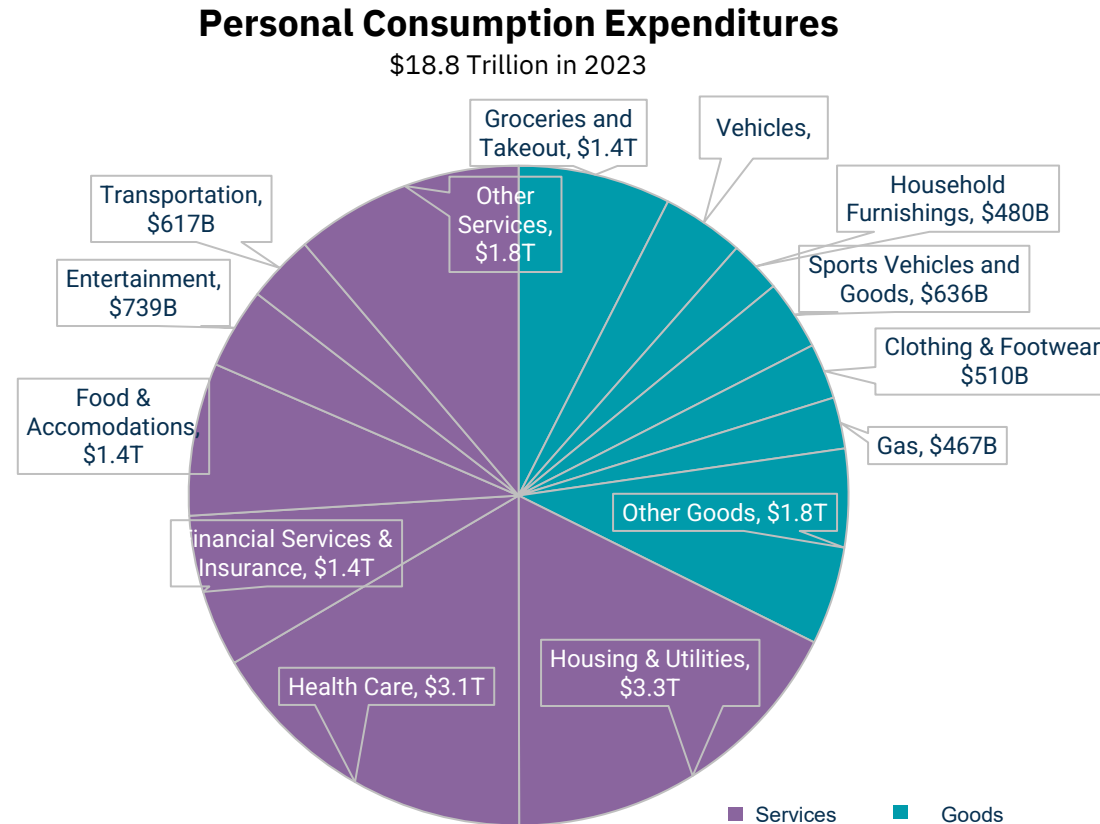


Source: Bureau of Economic Analysis. Data as of Sep. 25, 2025.

Trade – Globalization improved corporate margins



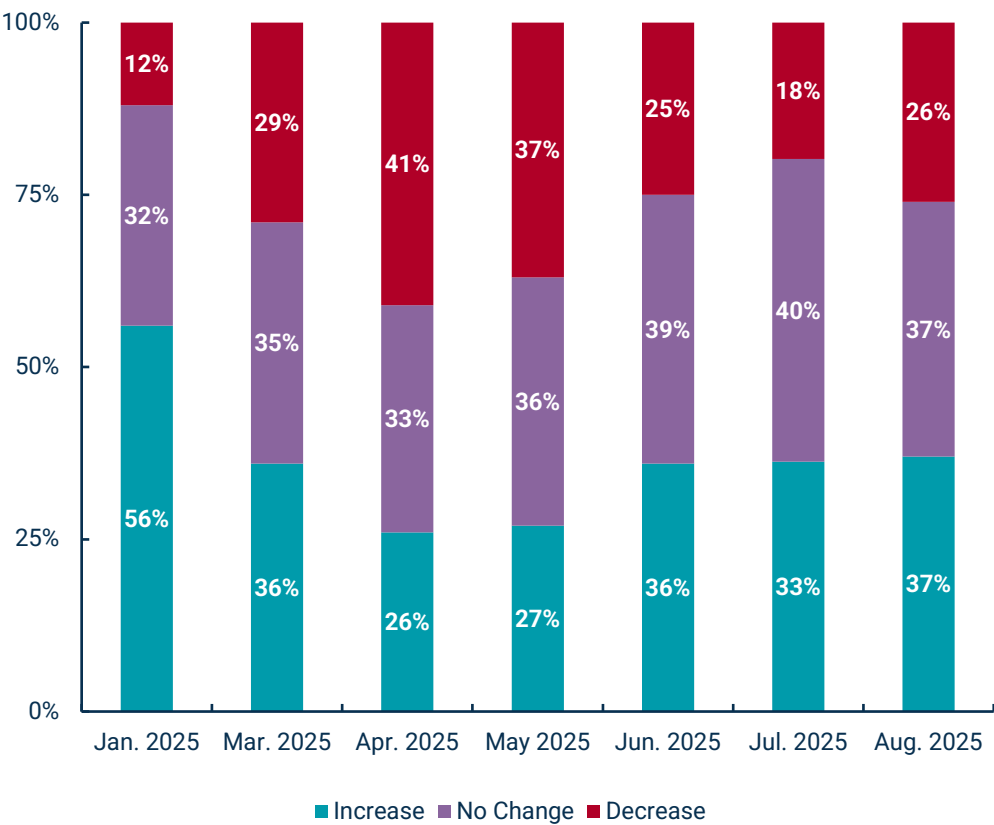
Trade – Majority of the U.S. economy is services





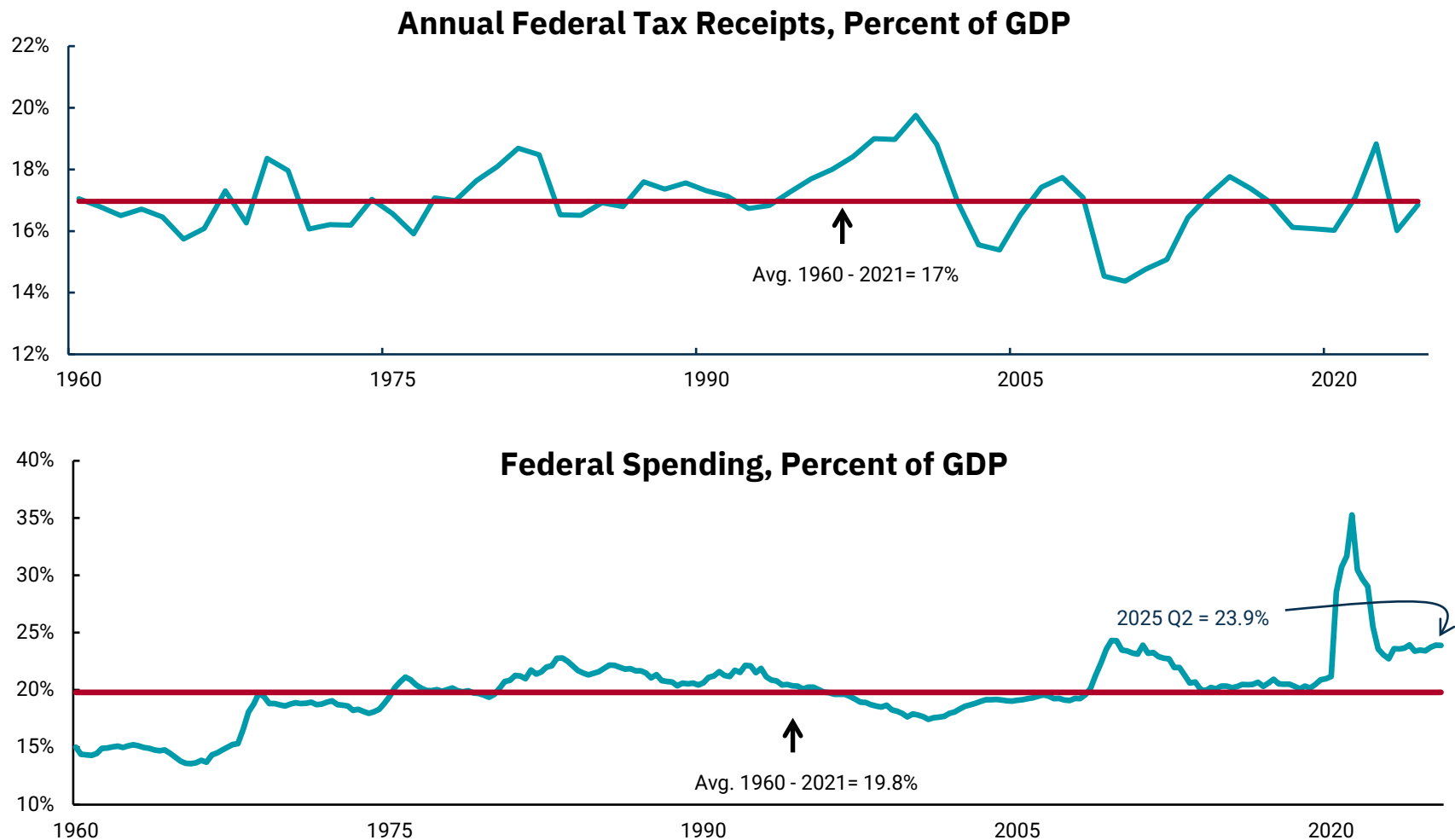
Trade – Policy uncertainty leads to inaction

CEO Capex Forecasts 12 Months Out



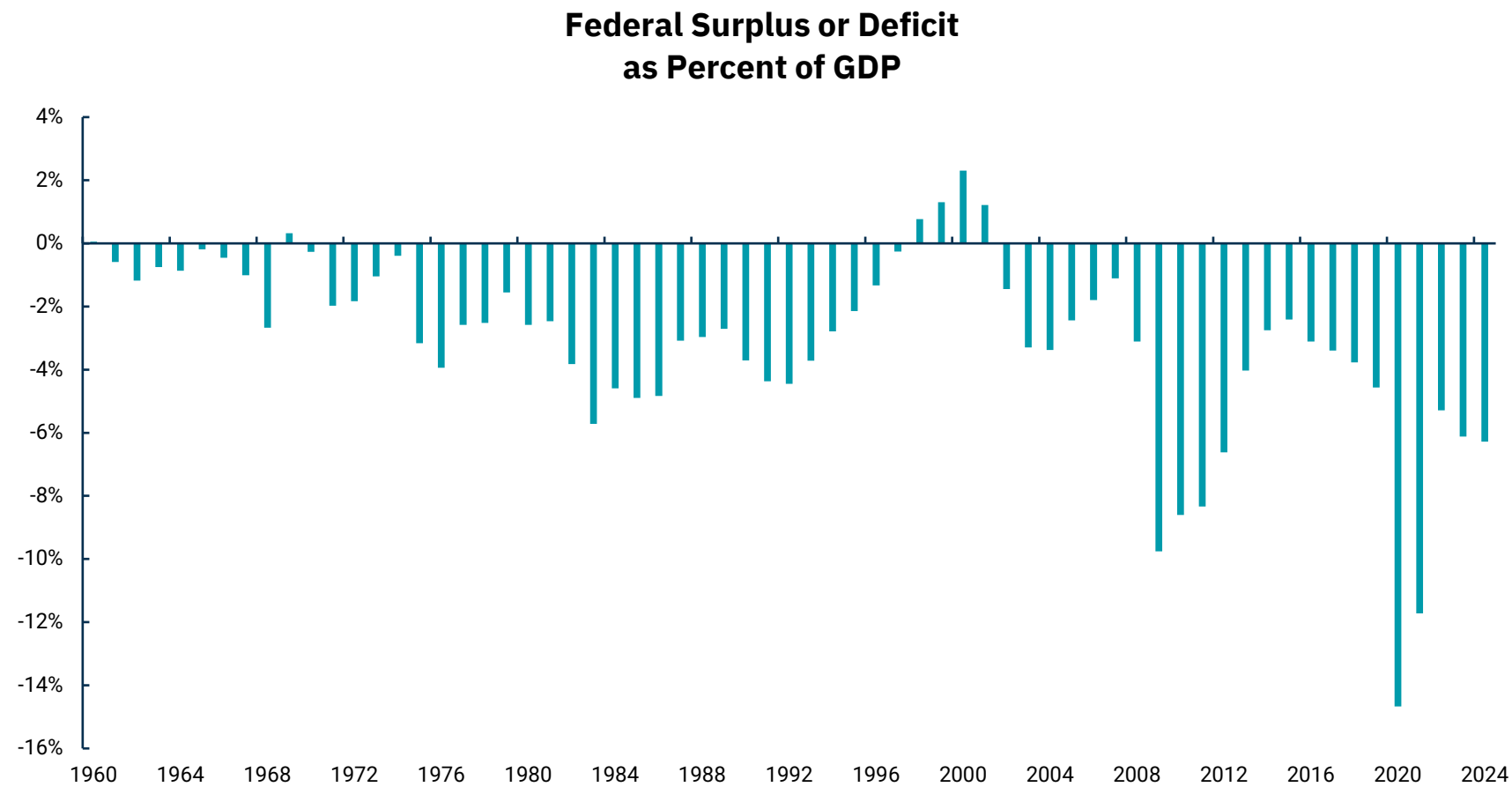
[CEO Confidence Falters In August Poll Amid Revived Tariff Concerns](#)
Source: Chief Executive Magazine, August Poll.

Fiscal- Spending and revenue as a percent of GDP



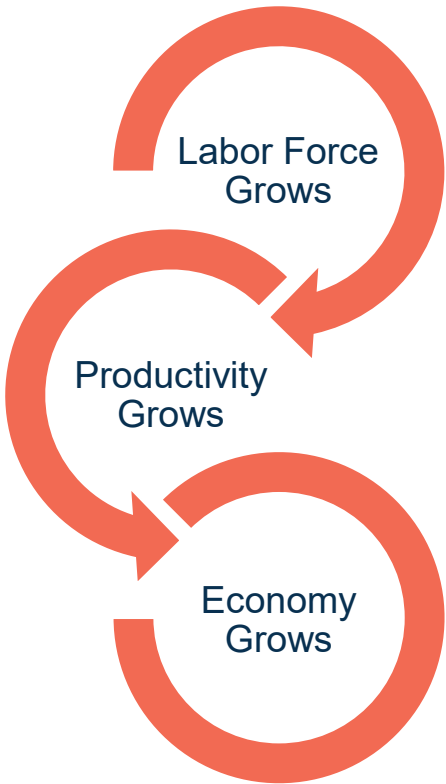
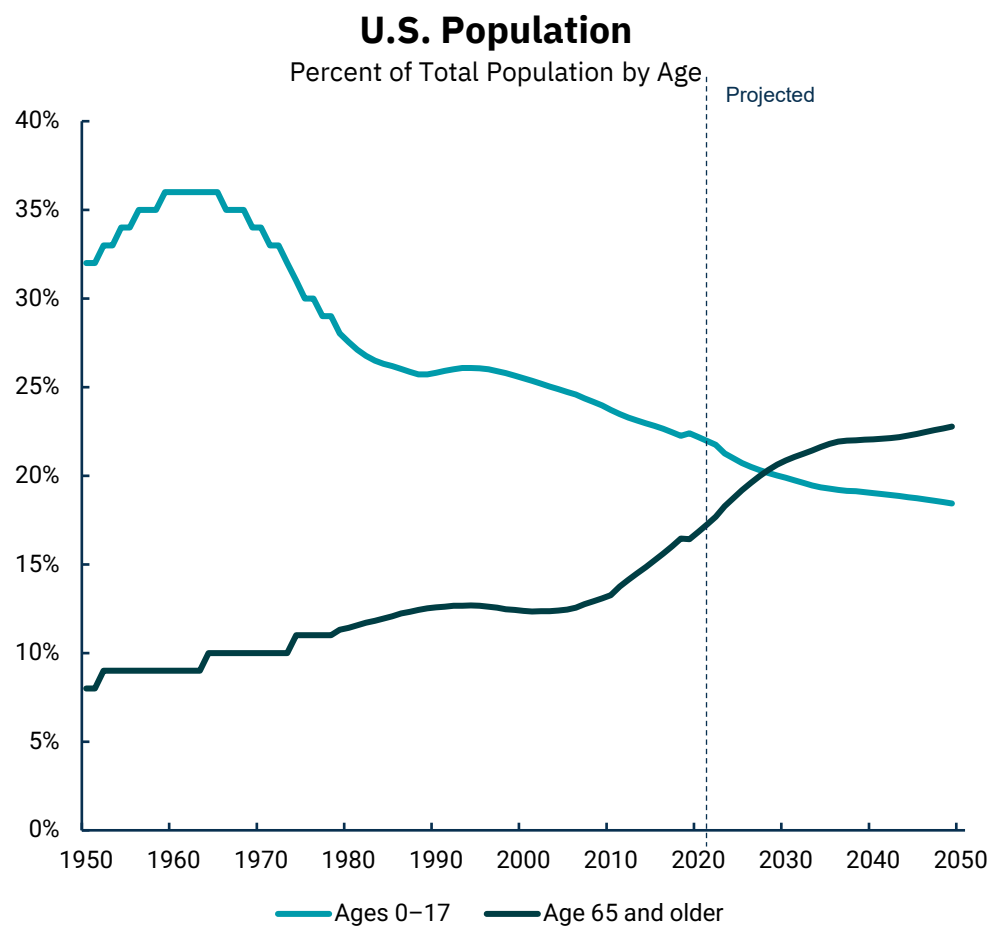
Source: Federal Reserve Bank of St. Louis; U.S. Office of Management and Budget via FRED®.

Fiscal- Federal deficit on an unsustainable path



Source: U.S. Office of Management and Budget and Federal Reserve Bank of St. Louis. Data as of Mar. 27, 2025.

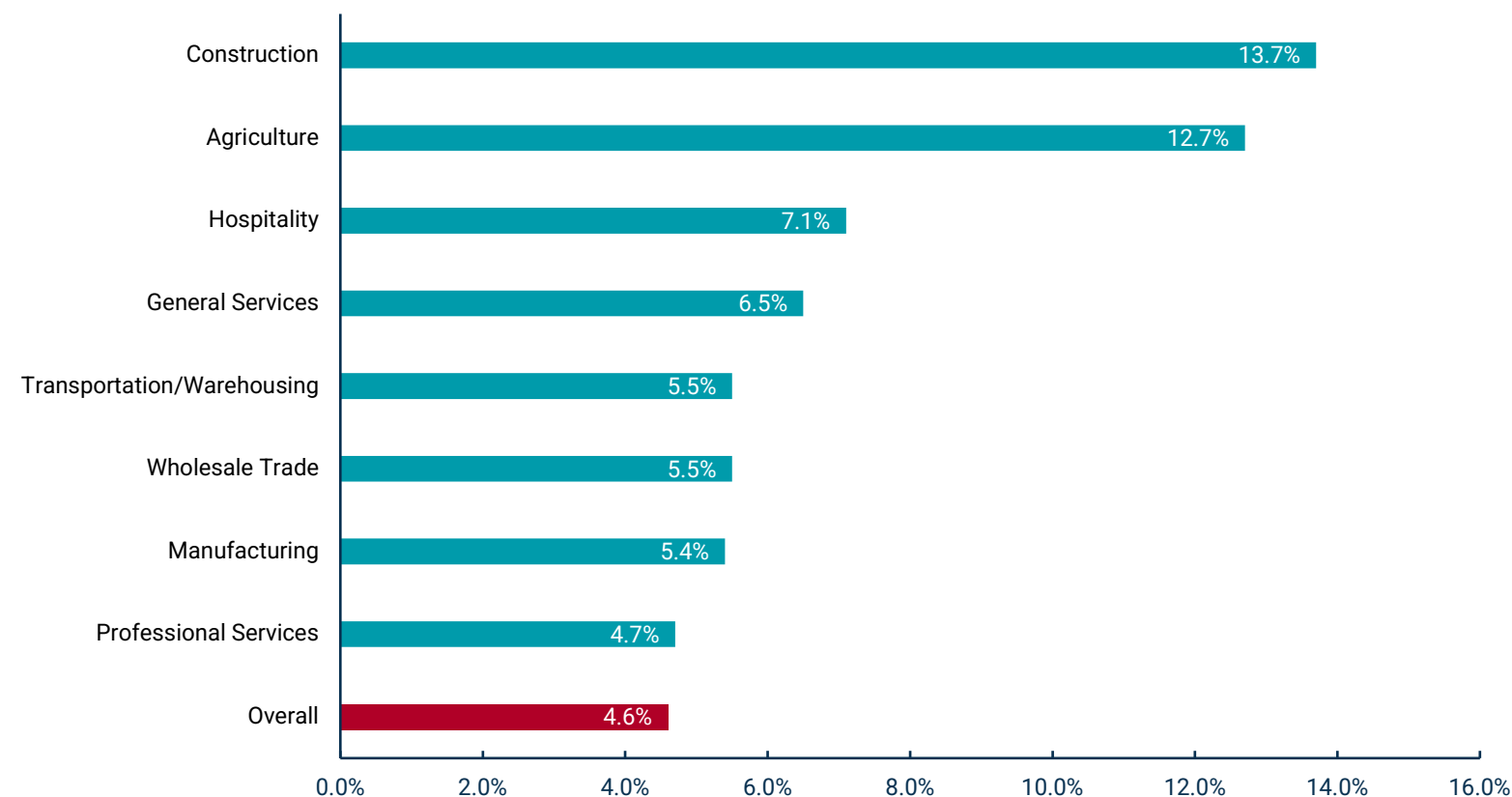
Immigration – We are an aging demographic



POP2 Children as a percentage of the population: Persons in selected age groups as a percentage of the total U.S. population and children ages 0–17 as a percentage of the dependent population, 1950–2023 and projected 2024–2050
Source: childstats.gov, U.S. Census Bureau. The data for 2020 to 2023 are based on the population estimates released for July 1, 2023. Data beyond 2023 are derived from the national population projections released in November 2023.

Immigration- Impact by economic sector

U.S. Industries with the Highest Share of Undocumented Immigrants in Their Workforce



Source: Statista. American Immigration Council analysis of 2022 American Community Survey Data (Published Oct. 2024)

Regulation – Changes afoot

EPA Launches Biggest Deregulatory Action in U.S. History

Administrator Zeldin Announces 31 Historic Actions to Power the Great American Comeback

Trump seeks to fast-track new nuclear licenses, overhaul regulatory agency

Energy Department Slashes 47 Burdensome and Costly Regulations, Delivering First Milestone in America's Biggest Deregulatory Effort

Changes in U.S. Regulation Are Simplifying the Growth of Web3 Business

With regulatory changes gaining traction and Washington warming to digital assets, the U.S. is quickly reclaiming its place at the forefront of blockchain development.

[Changes in U.S. Regulation Are Simplifying the Growth of Web3 Business](#)

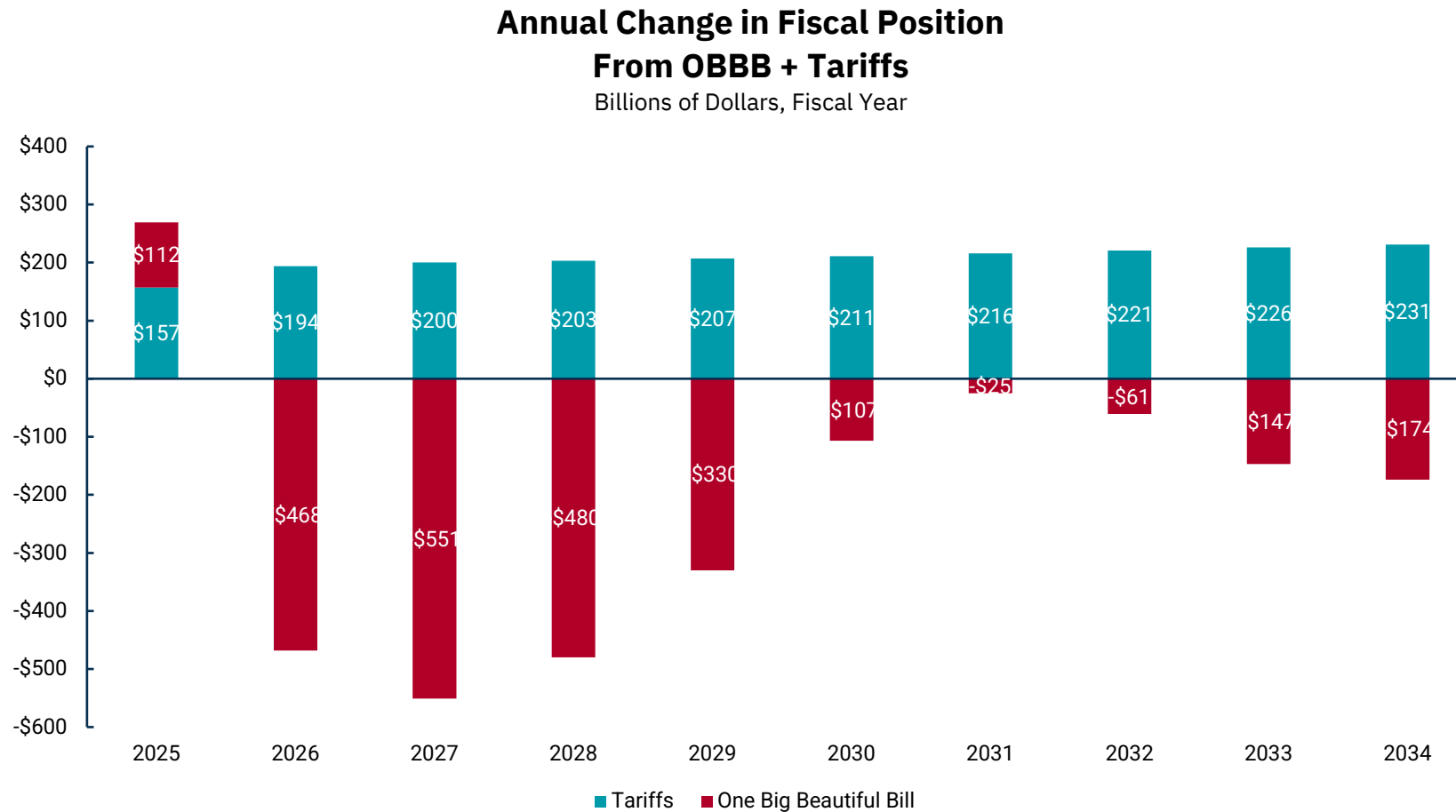
[EPA Launches Biggest Deregulatory Action in U.S. History | US EPA](#)

[Trump seeks to fast-track new nuclear licenses, overhaul regulatory agency | Reuters](#)

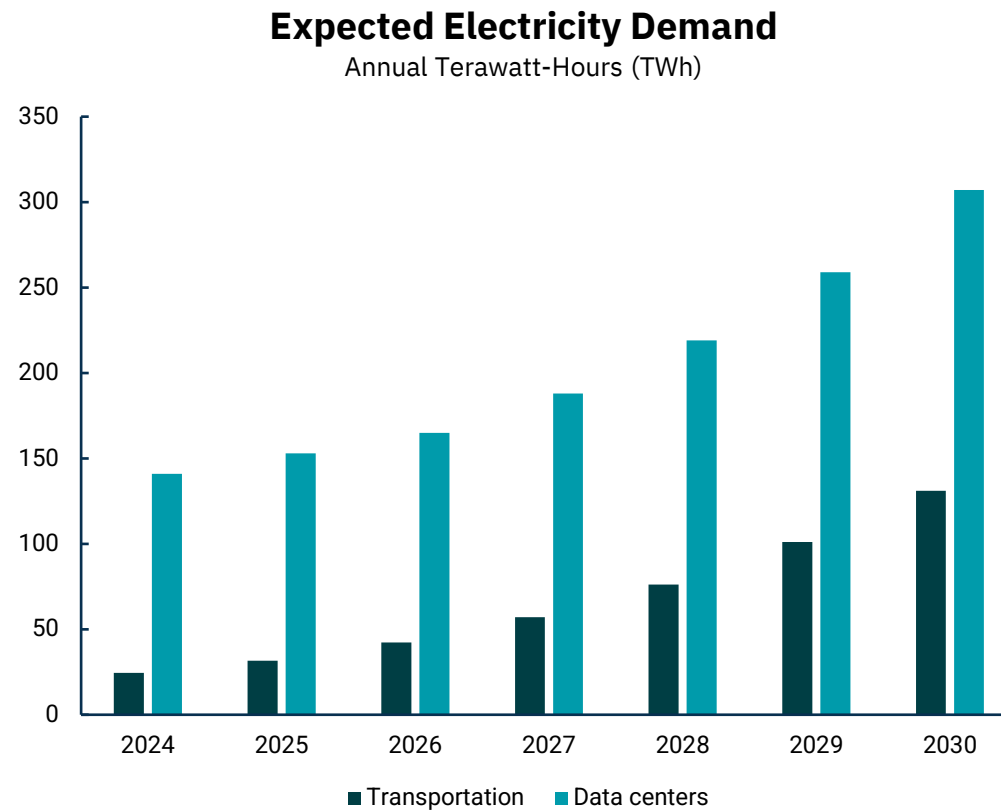
[Energy Department Slashes 47 Burdensome and Costly Regulations, Delivering First Milestone in America's Biggest Deregulatory Effort | Department of Energy](#)

Source: Various.

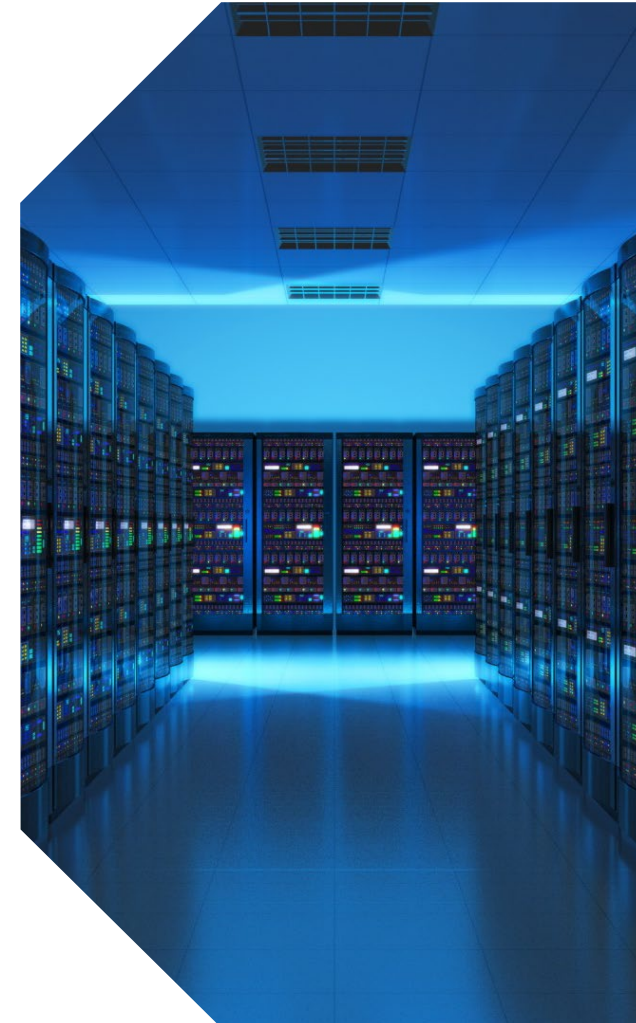
Tax policy- Extending the TCJA 10-year forecast



Energy - Electricity demand to increase rapidly



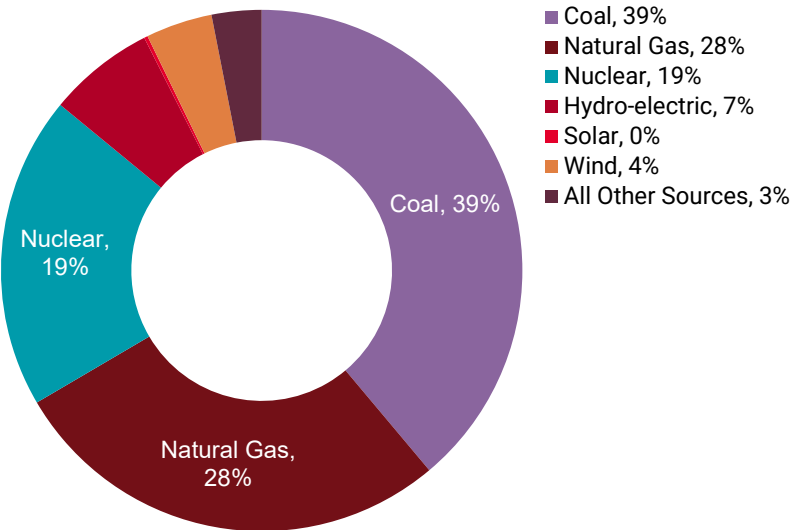
Source: Rystad Energy, CNBC.



Energy - All sources will be needed

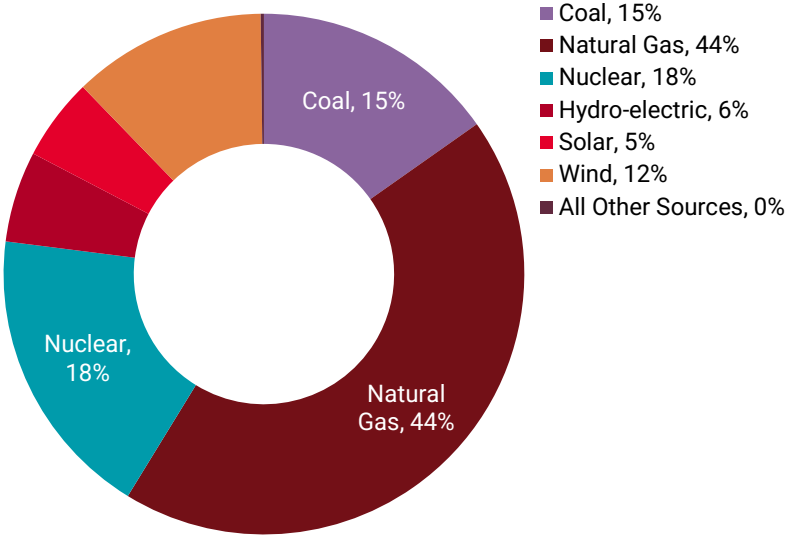
2013 Electricity Generation by Sector

(Million Kilowatt-Hours)



2024 Electricity Generation by Sector

(Million Kilowatt Hours)



Source: U.S. Energy Information Administration.



Policy response

1

Core inflation remains above the Federal Reserve's 2% target.

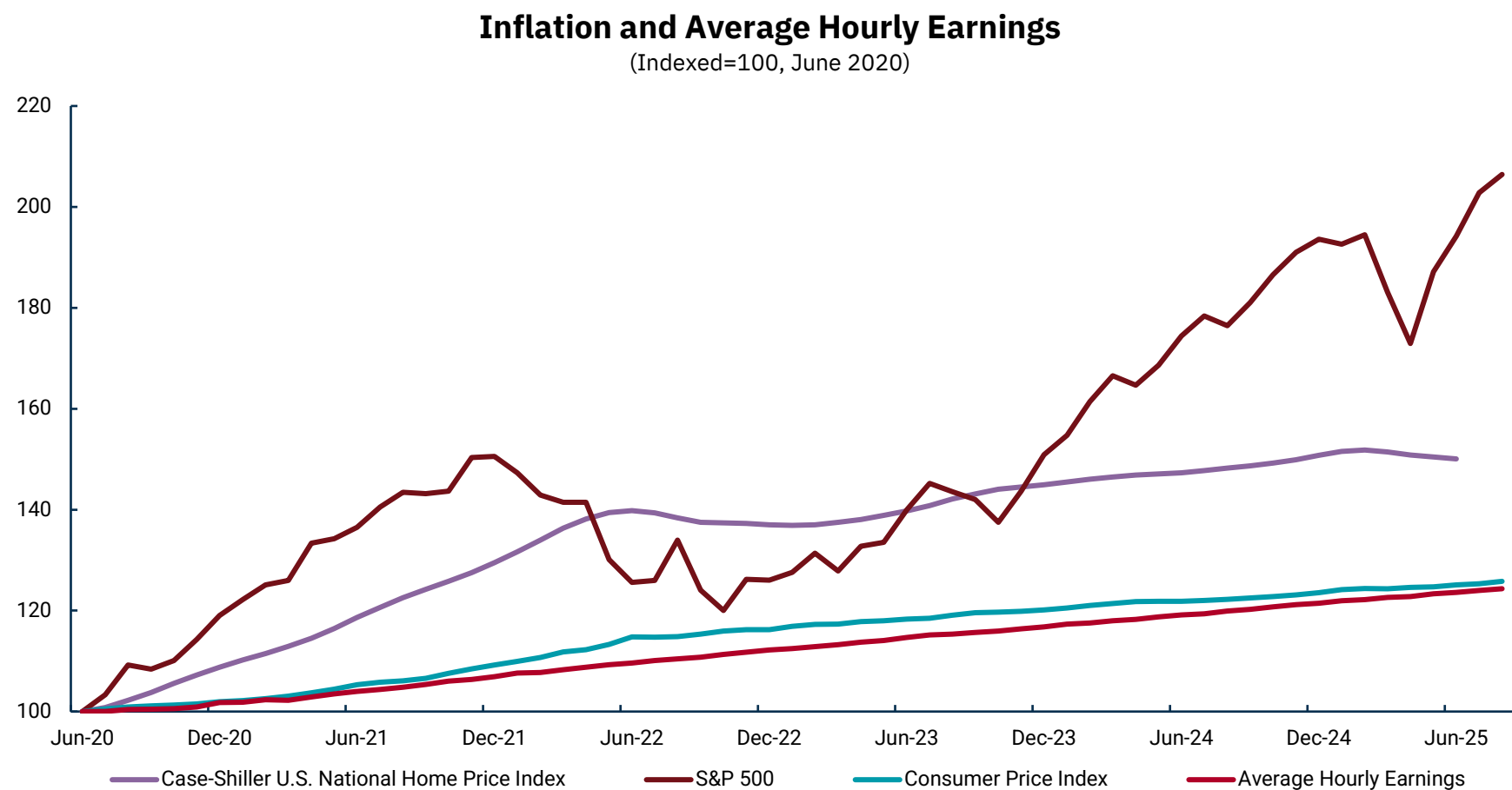
2

The Fed is expected to lower the Federal Funds rate further.

3

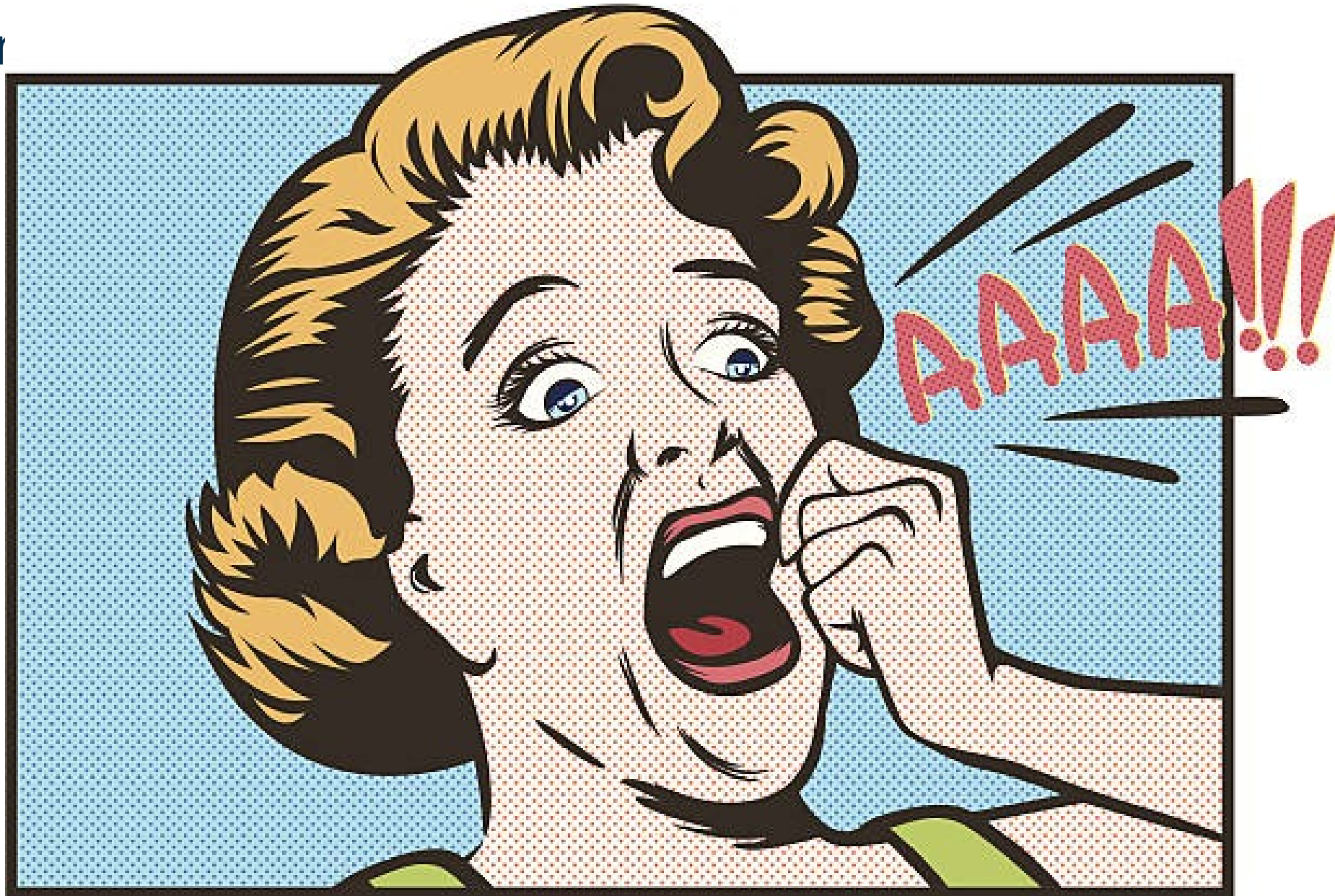
Future deficits are highly dependent on growth.

Inflation - Moving in the right direction...but

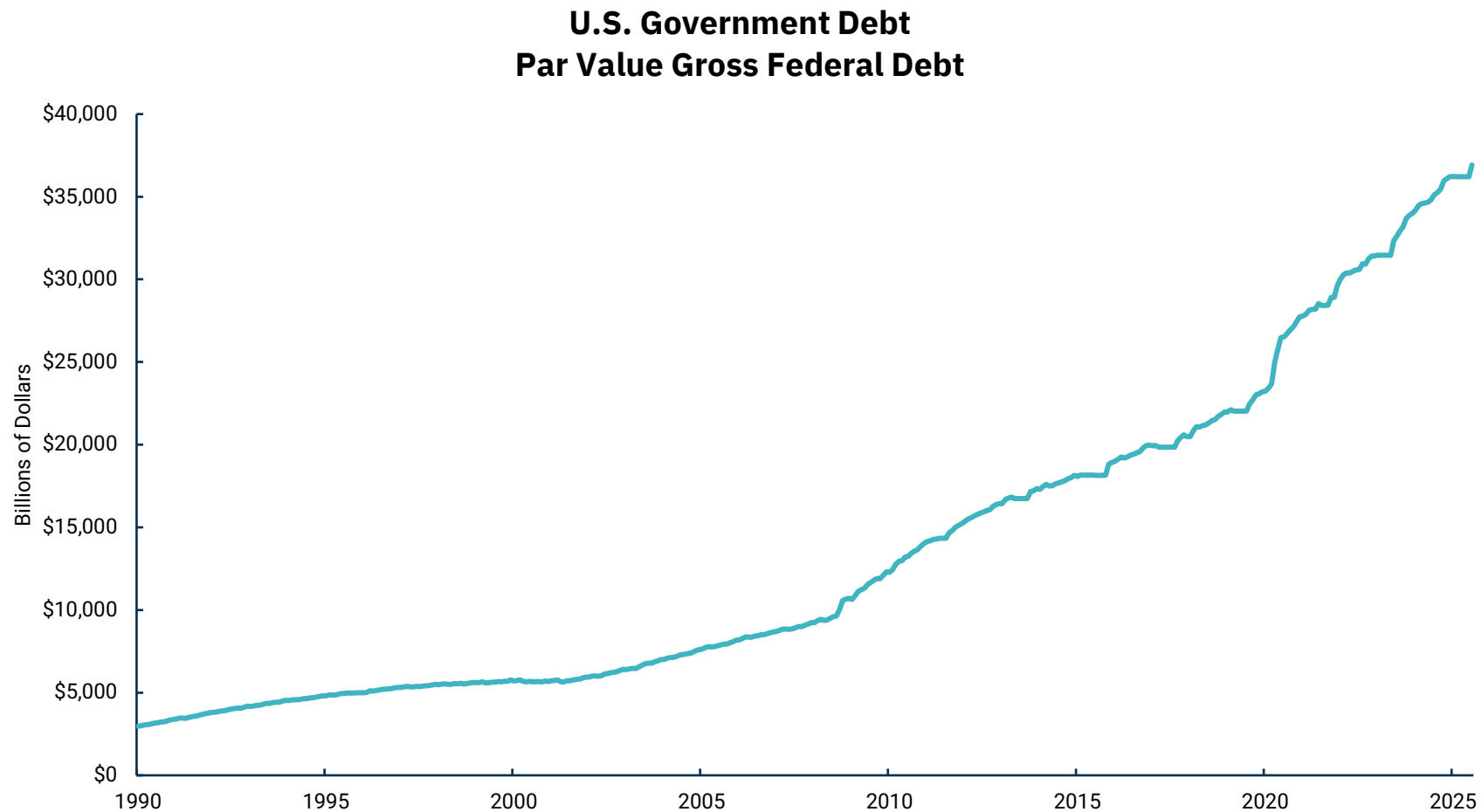


Source: U.S. Bureau of Labor Statistics via FRED®. Data as of Aug. 31, 2025.

Inflation

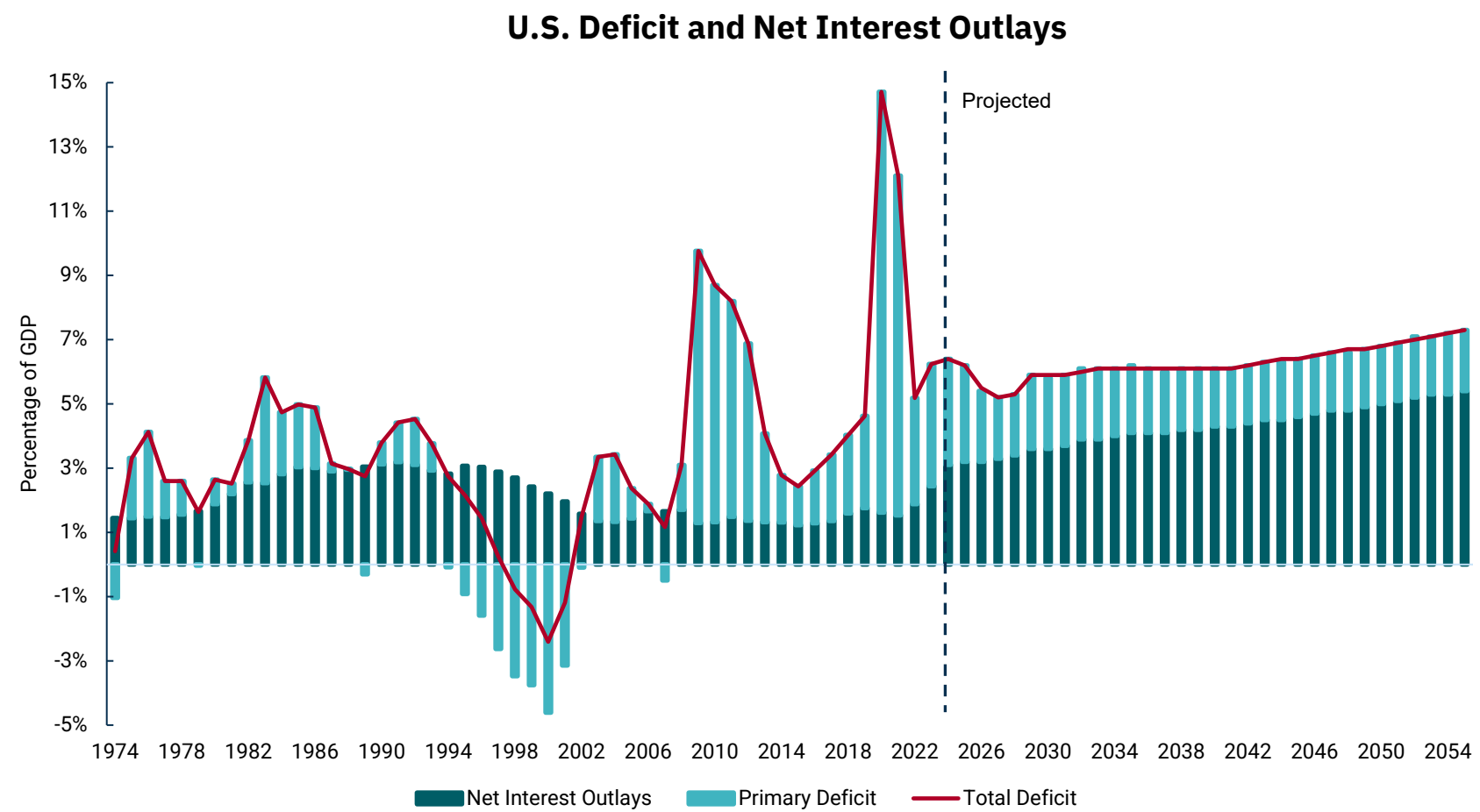


Government debt - A growing issue



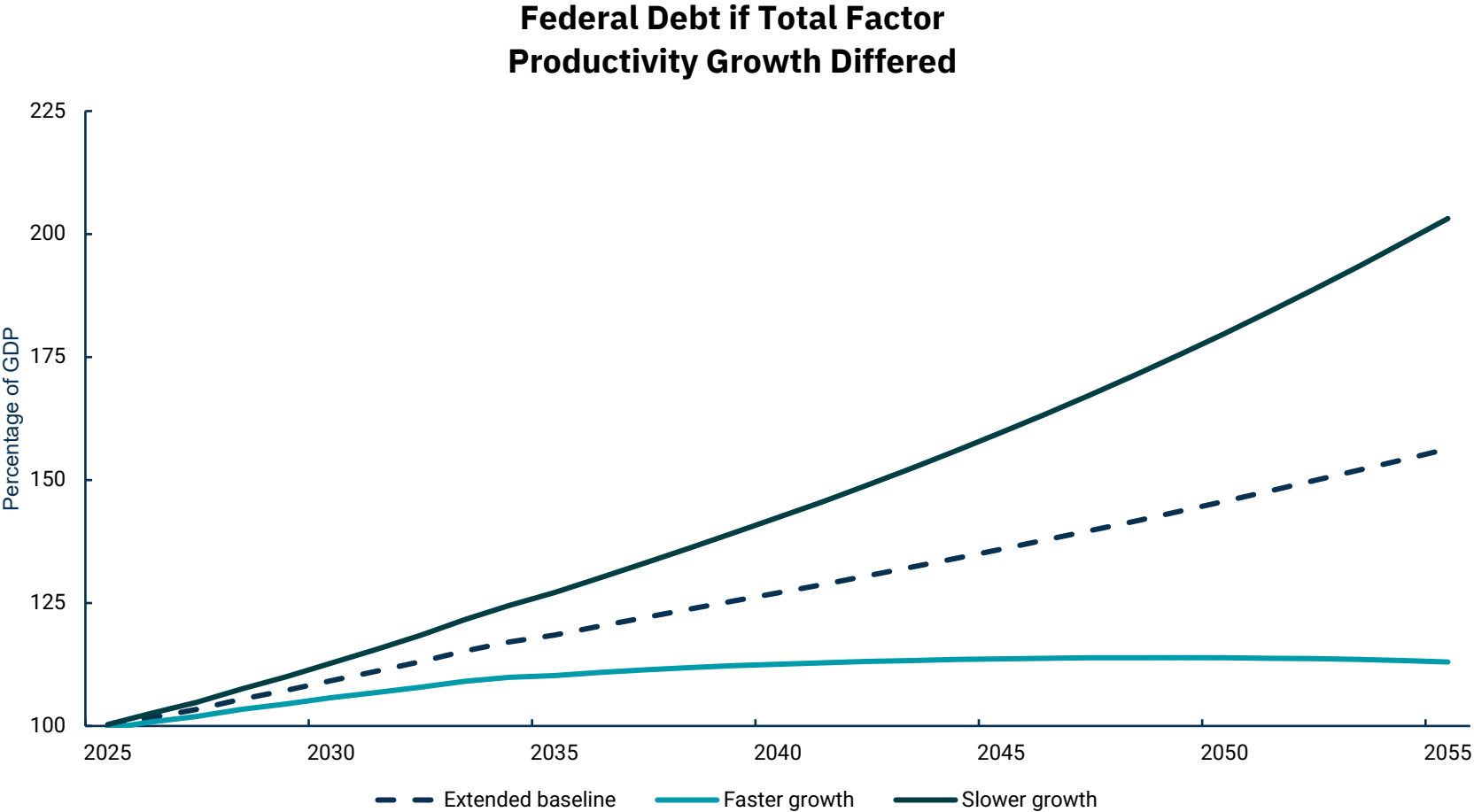
Source: Federal Reserve Bank of Dallas. Data as of Aug 31, 2025.

Baseline deficit forecast



Source: Congressional Budget Office. Data shown from CBO's March 2025 report, *The Budget and Economic Outlook: 2025-2055*.

Economic growth - The best path forward



Source: Congressional Budget Office. Data shown from CBO's May 2025 report, *The Long-Term Budget Outlook Under Alternative Scenarios for the Economy and the Budget*.



Market pulse

1

Stock market volatility was subdued in 2024 but has increased in 2025.

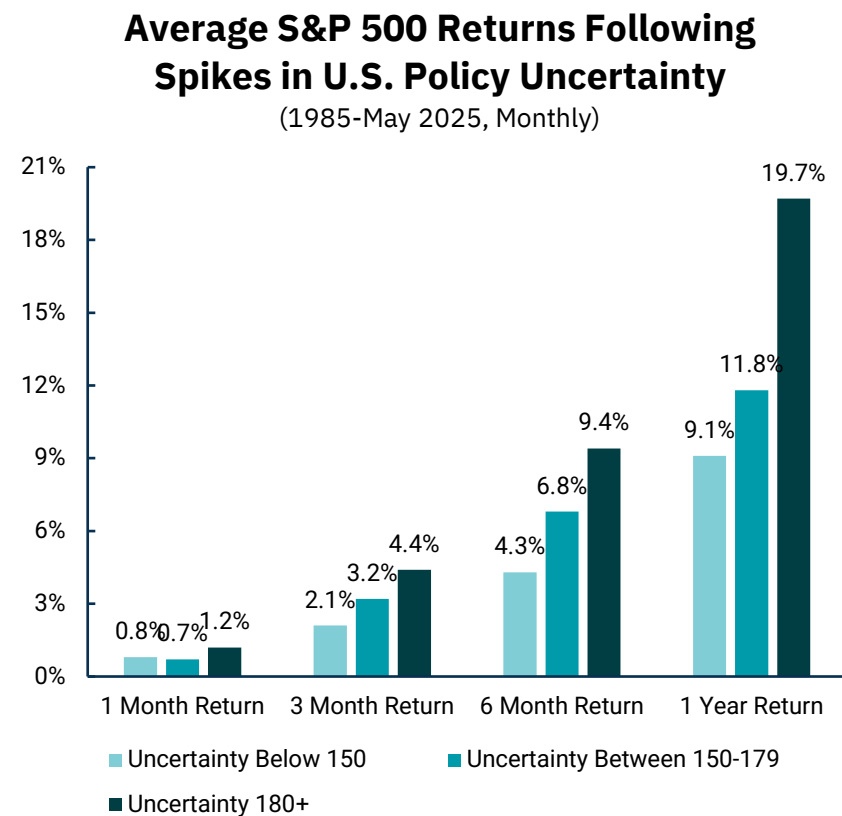
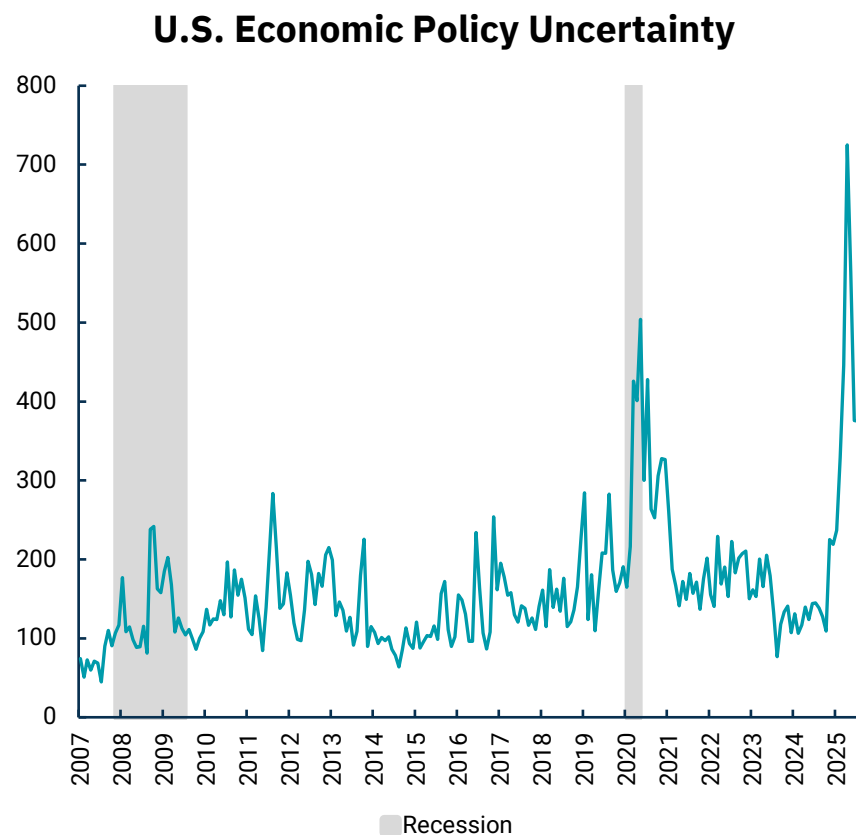
2

International stocks have outperformed by a wide margin in 2025.

3

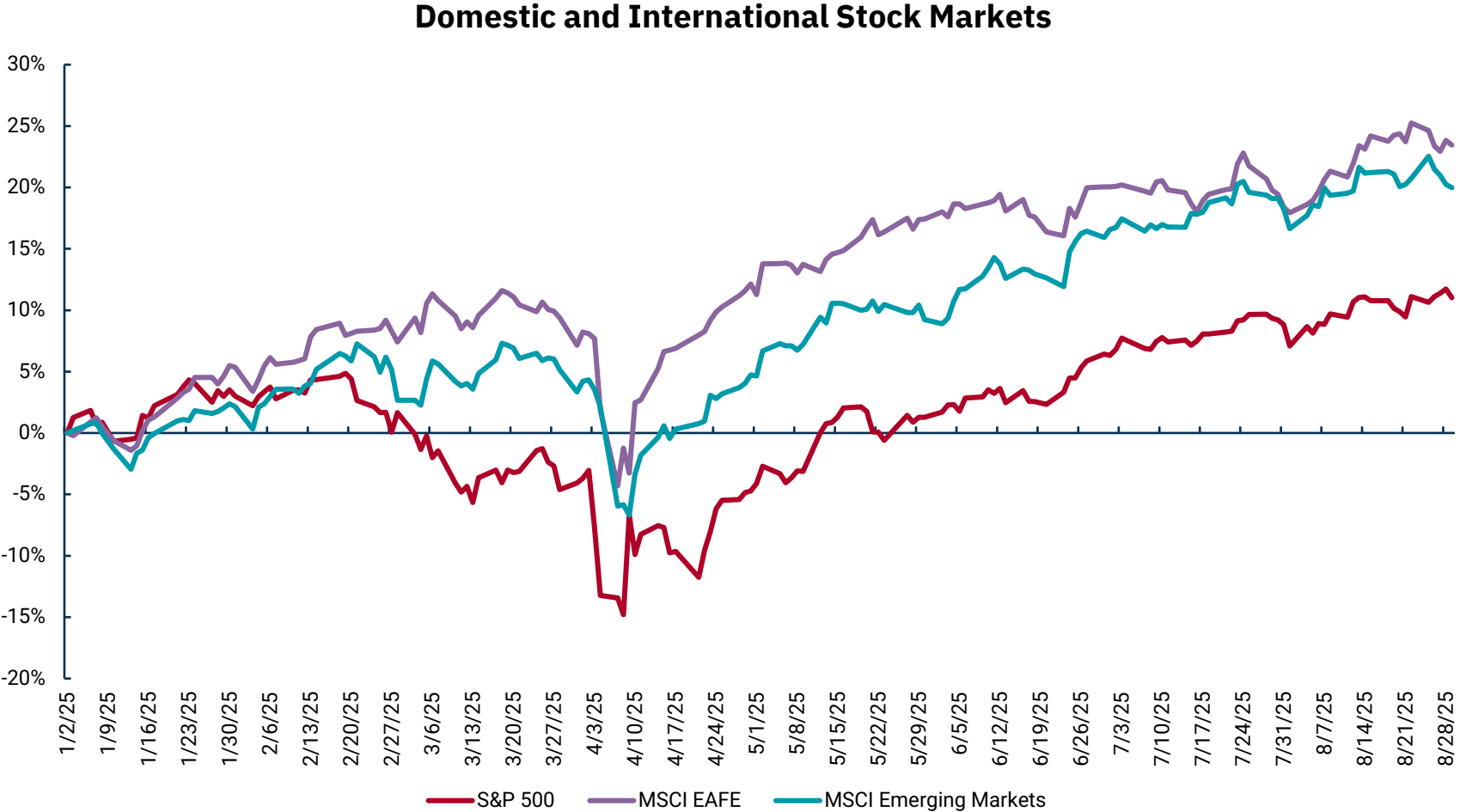
Bond markets still show positive real rates of return.

Policy uncertainty



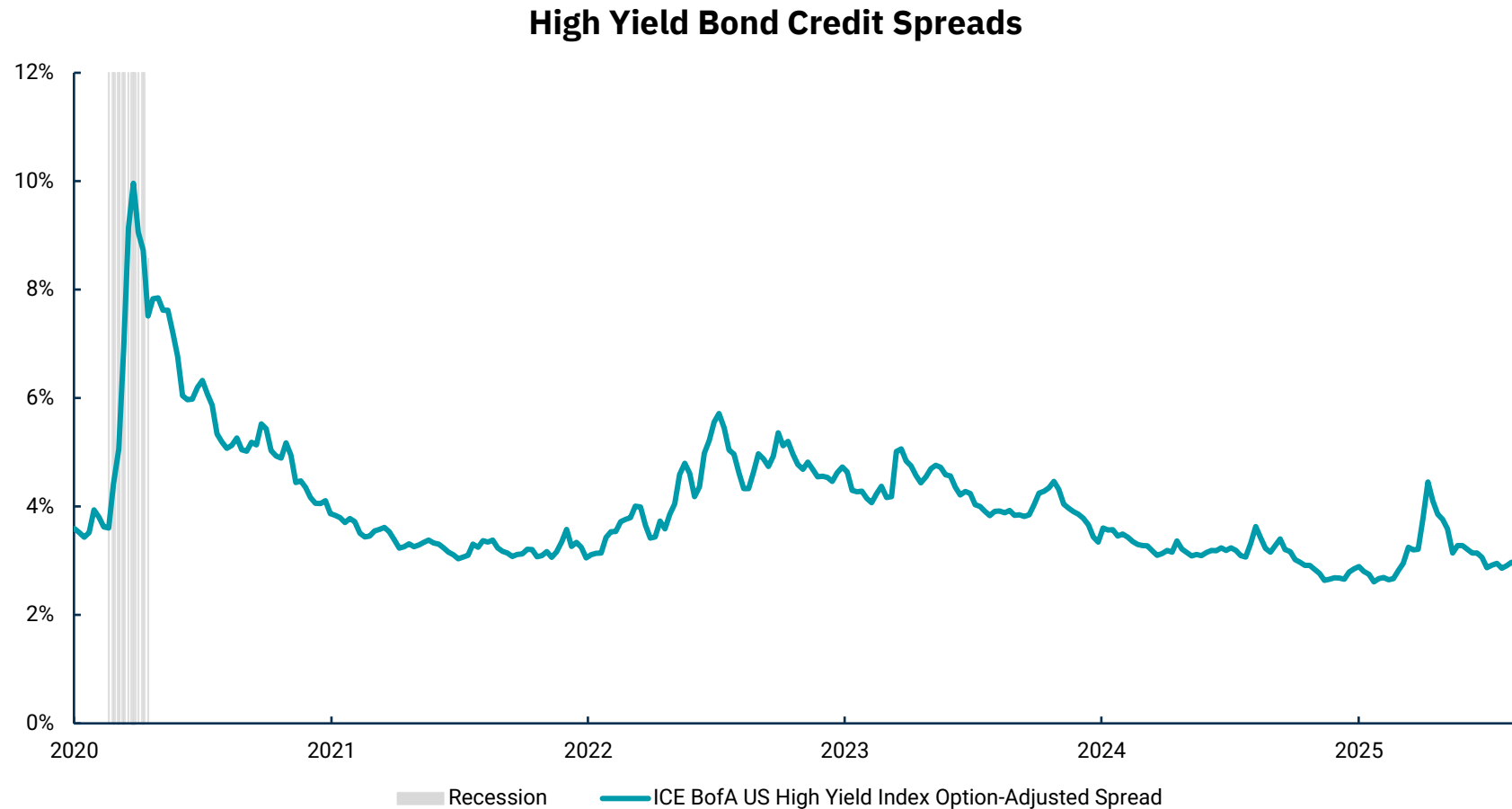
Source: Chart 1, 'Measuring Economic Policy Uncertainty' by Scott Baker, Nicholas Bloom and Steven J. Davis at www.PolicyUncertainty.com. Chart 2, Strategas.

International stocks outperforming YTD



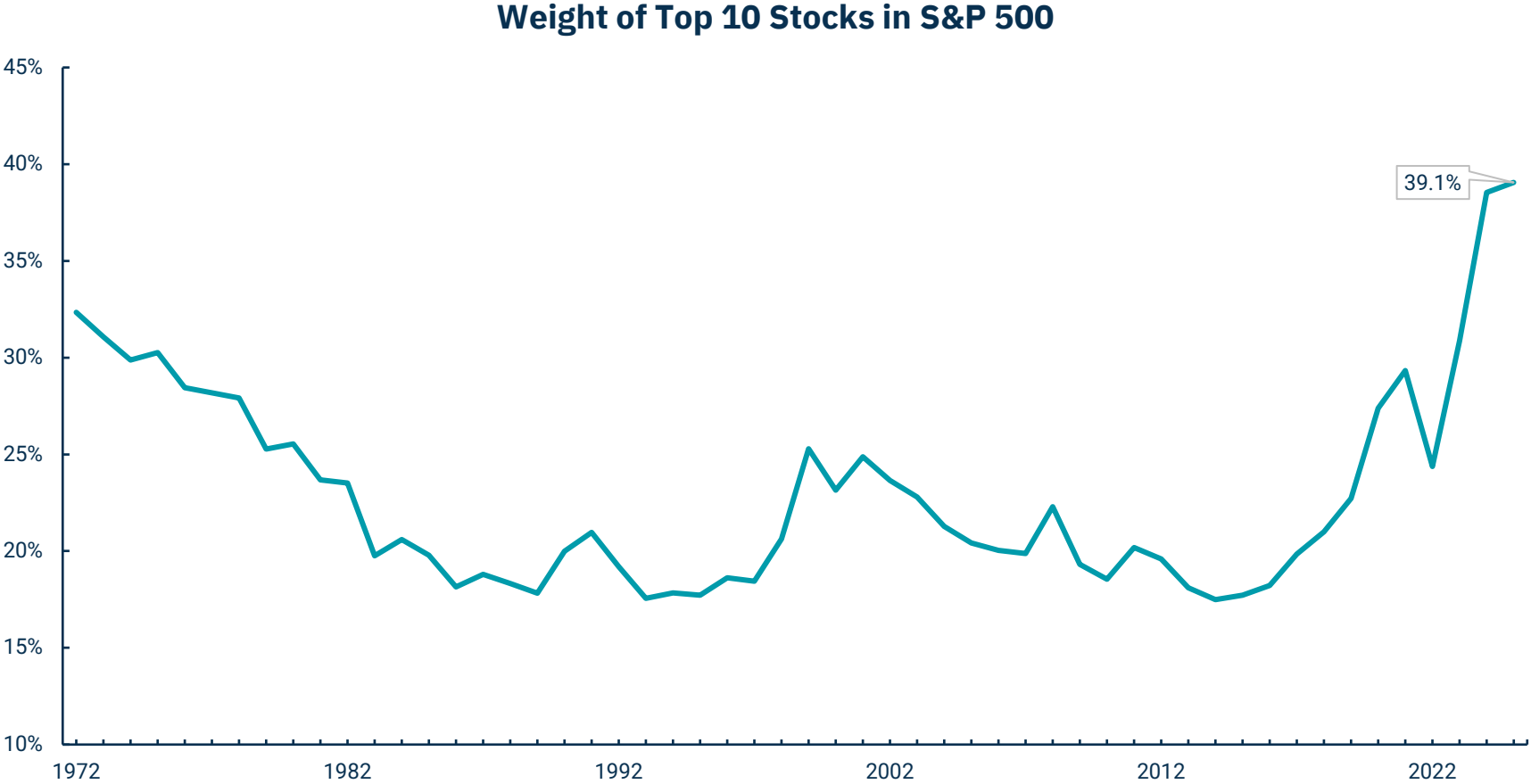
Source: Bloomberg. Data shown as of Aug. 31, 2025.

Credit spreads – Not indicating recession, yet



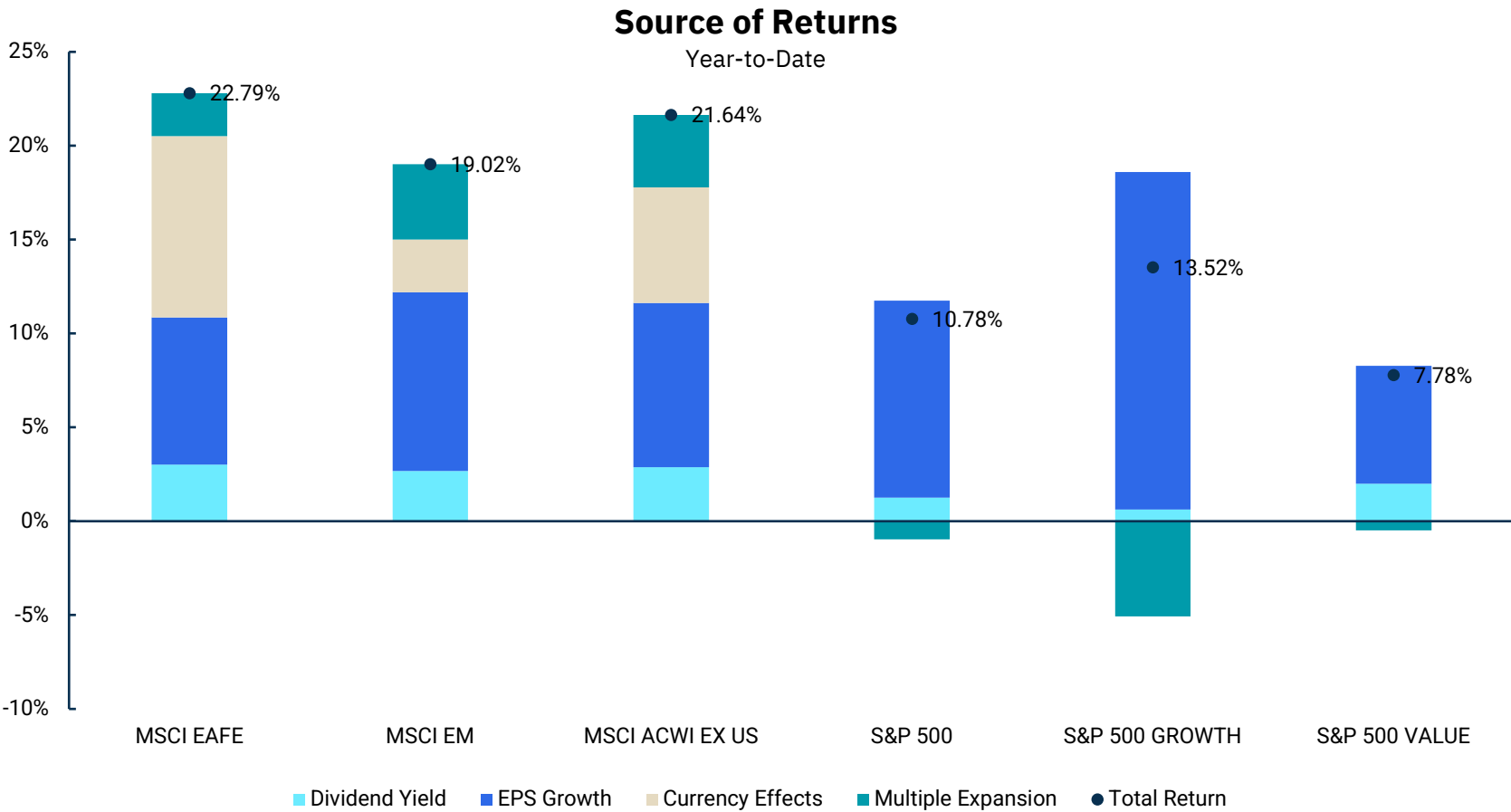
Source: Federal Reserve Bank of St. Louis. Data shown as of Aug. 31, 2025.

Industry concentration



Source: Bloomberg. Data shown as of Aug. 31, 2025.

Earnings help drive returns



Multiple Expansion = Total Return YTD - Dividends - Currency Effects - EPS Growth
Currency Effects = Index Return YTD – Currency Hedged Index Return YTD
EPS Growth = Sell-side consensus estimate for 2025 EPS
Dividend Yield = BEst. Div Yld

Source: Bloomberg. Data shown as of Aug. 31, 2025.

U.S. equity market outlook

1

While policy uncertainty remains high—driven by rapid shifts in trade, tax and regulatory policy—markets have rebounded strongly. Business investment is showing early signs of recovery following the Q1 GDP contraction, with Q2 growth estimates pointing to a modest rebound. Capital expenditure plans, particularly by the hyper-scalers, are rapidly expanding.

2

Earnings expectations for 2025 remain positive but valuations are not cheap. Q2 earnings are besting expectations and the outlook for 2026 and 2027 begin to improve. Equity market performance has had the effect of increasing valuations.

3

Companies have kept healthy margins even with the substantial reduction in inflation and higher tariffs, helping to improve the outlook for financial markets. However, most tariff impacts may yet be in front of us.

4

Tariff-related inflation remains a key risk, but recent data suggest pricing pressures may be stabilizing. The Fed's ability to ease policy is constrained by persistent core inflation and labor market tightness. Still, equity markets have responded positively to resilient earnings and improving economic sentiment, even as risks of stagflation or recession linger.

U.S. fixed income outlook

1

The market is currently pricing in 0.50% of rate cuts this year. The Fed's forecast reflects this view. While the economy has been remarkably resilient, considerable uncertainty remains in the near term. Taking a slightly longer view, an increase in government spending in 2026 should provide a boost.

2

The effects on inflation from higher tariffs remains a hot topic. While certain to make prices higher in the near term, tariffs act more like a tax, reducing spending on other items. This argues for lower inflation over the intermediate term, and potentially downward pressure on interest rates.

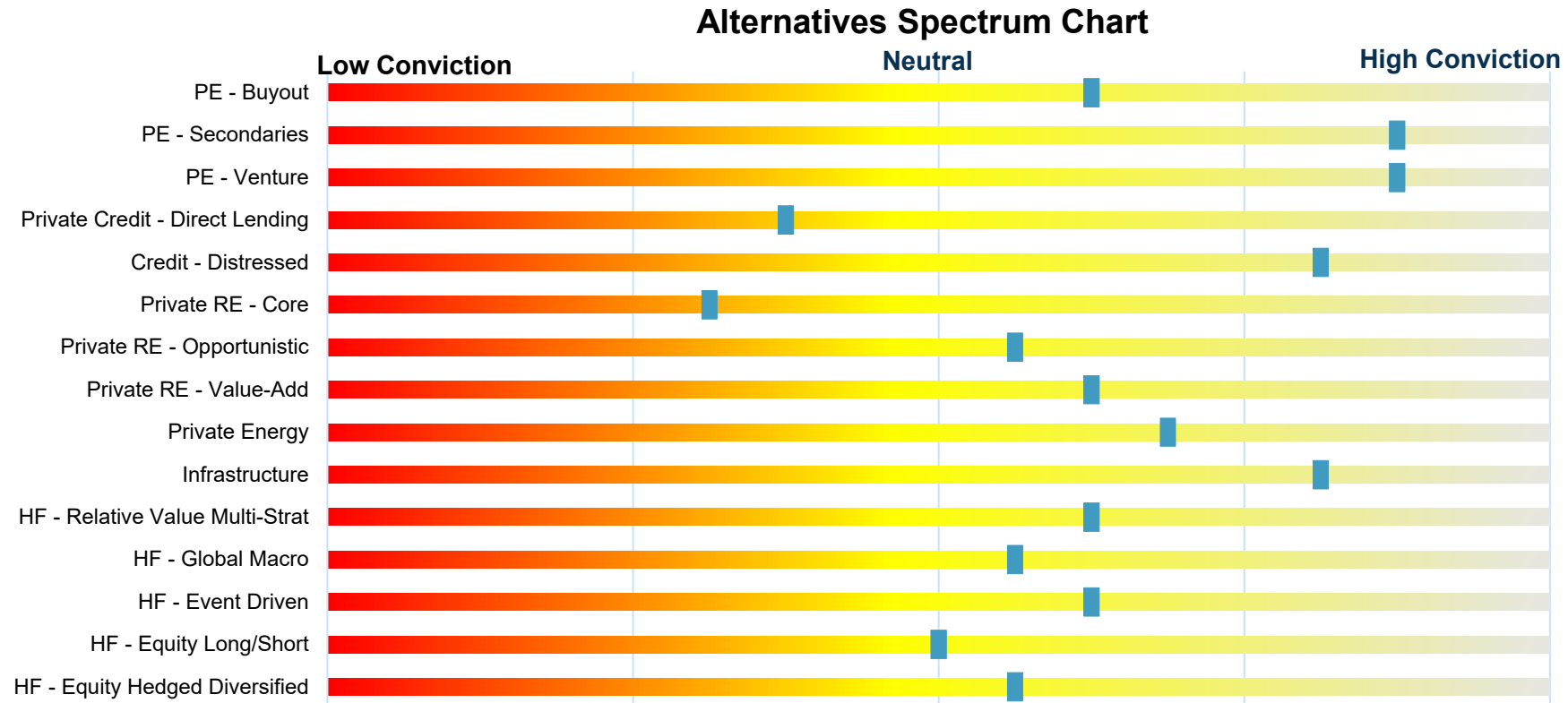
3

Credit spreads have returned to close to record tight levels. Returns have been strong in credit this year. The potential for excess return from credit continues to shrink rapidly.

4

With credit spreads at near cycle lows, investors should continue to take advantage of rallies and liquid market conditions to reduce exposure to lower quality credits. Mortgages look attractive on both a relative and absolute basis to other sectors.

Alternatives: Our 2025 outlook

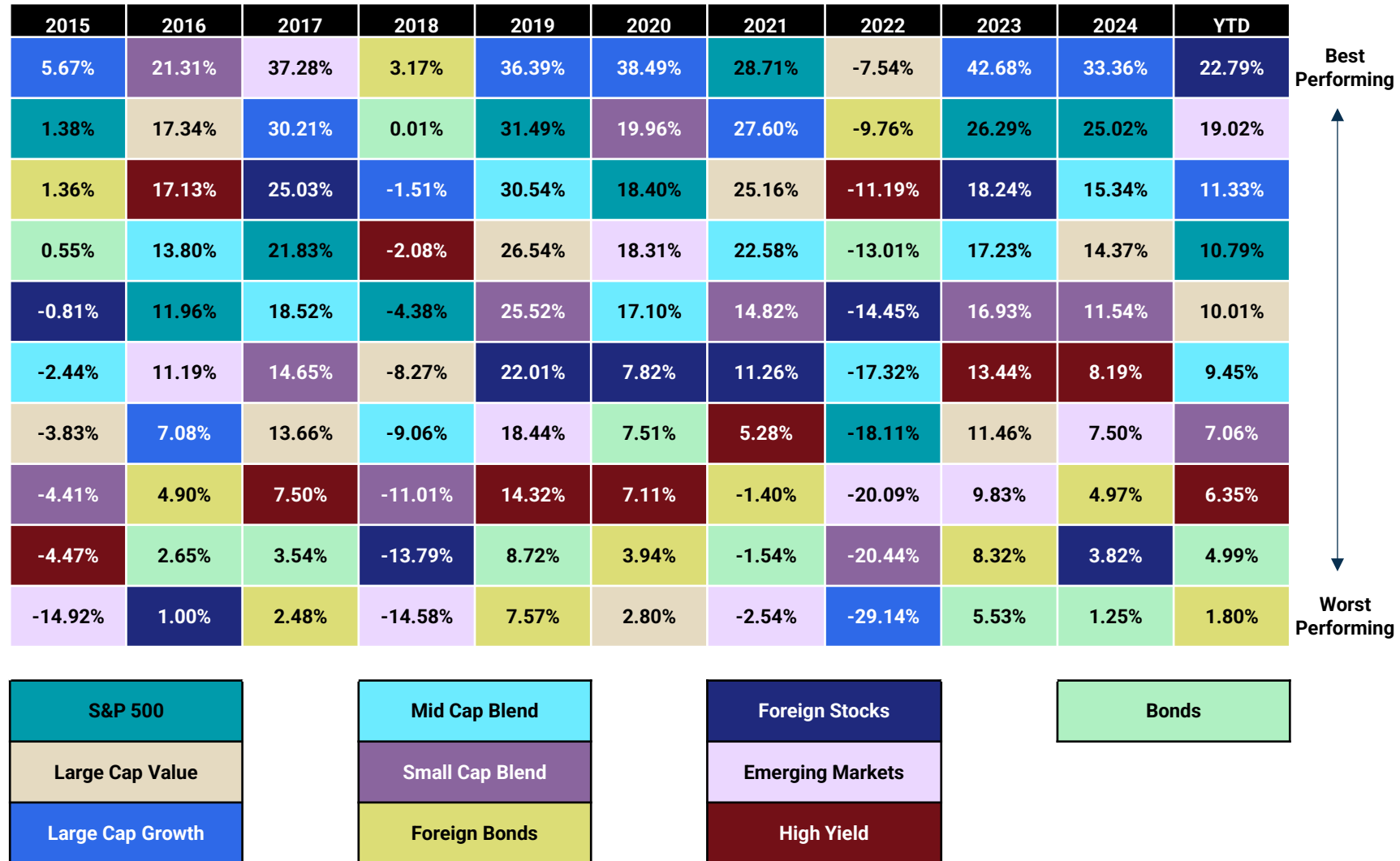


- Private equity secondaries opportunities are attractive due to the discount in value.
- Higher interest rates have created additional stress for issuers. This stress creates additional opportunities for our credit-oriented funds to generate risk-adjusted returns, as they frequently engage in liability management exercises.
- Private energy has been a great performer and future returns will be dependent on the strength of energy markets.

Broad market overview

Returns (%)	1 Mo.	YTD	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.
Capital Markets						
DJ Industrial Average TR USD	3.42	8.30	11.45	15.26	12.04	13.12
NASDAQ 100 TR USD	0.92	11.98	20.52	25.04	15.00	19.67
Russell 3000 TR USD	2.31	10.58	15.84	18.80	14.11	13.98
S&P 500 TR USD	2.03	10.79	15.88	19.53	14.74	14.60
Domestic Large Cap Equities						
Russell 1000 TR USD	2.10	10.76	16.24	19.30	14.35	14.33
Russell 1000 Value TR USD	3.19	10.01	9.33	12.88	12.98	10.22
Russell 1000 Growth TR USD	1.12	11.33	22.58	25.02	15.25	17.92
Domestic Mid Cap Equities						
Russell Mid Cap TR USD	2.50	9.45	12.58	13.60	12.02	10.88
Russell Mid Cap Value TR USD	3.00	8.12	8.24	11.18	12.86	9.45
Russell Mid Cap Growth TR USD	1.00	13.14	26.42	19.37	11.01	12.96
Domestic Small Cap Equities						
Russell 2000 TR USD	7.14	7.06	8.17	10.27	10.13	8.88
Russell 2000 Value TR USD	8.47	6.90	5.83	8.84	13.06	8.62
Russell 2000 Growth TR USD	5.91	7.20	10.48	11.55	7.07	8.75
International Equities						
MSCI EAFE NR USD	4.26	22.79	13.87	17.04	10.15	7.40
MSCI EAFE Value NR USD	5.72	30.21	22.65	21.25	14.28	7.32
MSCI EAFE Growth NR USD	2.81	15.63	5.56	12.94	5.97	7.22
MSCI ACWI Ex USA NR USD	3.47	21.64	15.42	15.14	8.94	7.33
MSCI EM NR USD	1.28	19.02	16.80	10.81	5.21	6.92
Cash & Fixed Income						
FTSE Treasury Bill 3 Mon USD	0.37	2.97	4.69	4.92	3.03	2.09
Bloomberg US Agg Bond TR USD	1.20	4.99	3.14	3.02	-0.68	1.80
Bloomberg Gbl Agg Ex USD TR Hdg USD	0.02	1.80	3.60	4.25	0.92	2.60
Bloomberg US Corporate High Yield TR USD	1.25	6.35	8.26	9.30	5.16	5.80
Alternatives						
MSCI US REIT GR USD	4.43	3.52	-0.23	5.79	8.35	6.81
Bloomberg Commodity TR USD	1.93	7.07	11.77	-0.81	10.31	3.38

Asset class quilt

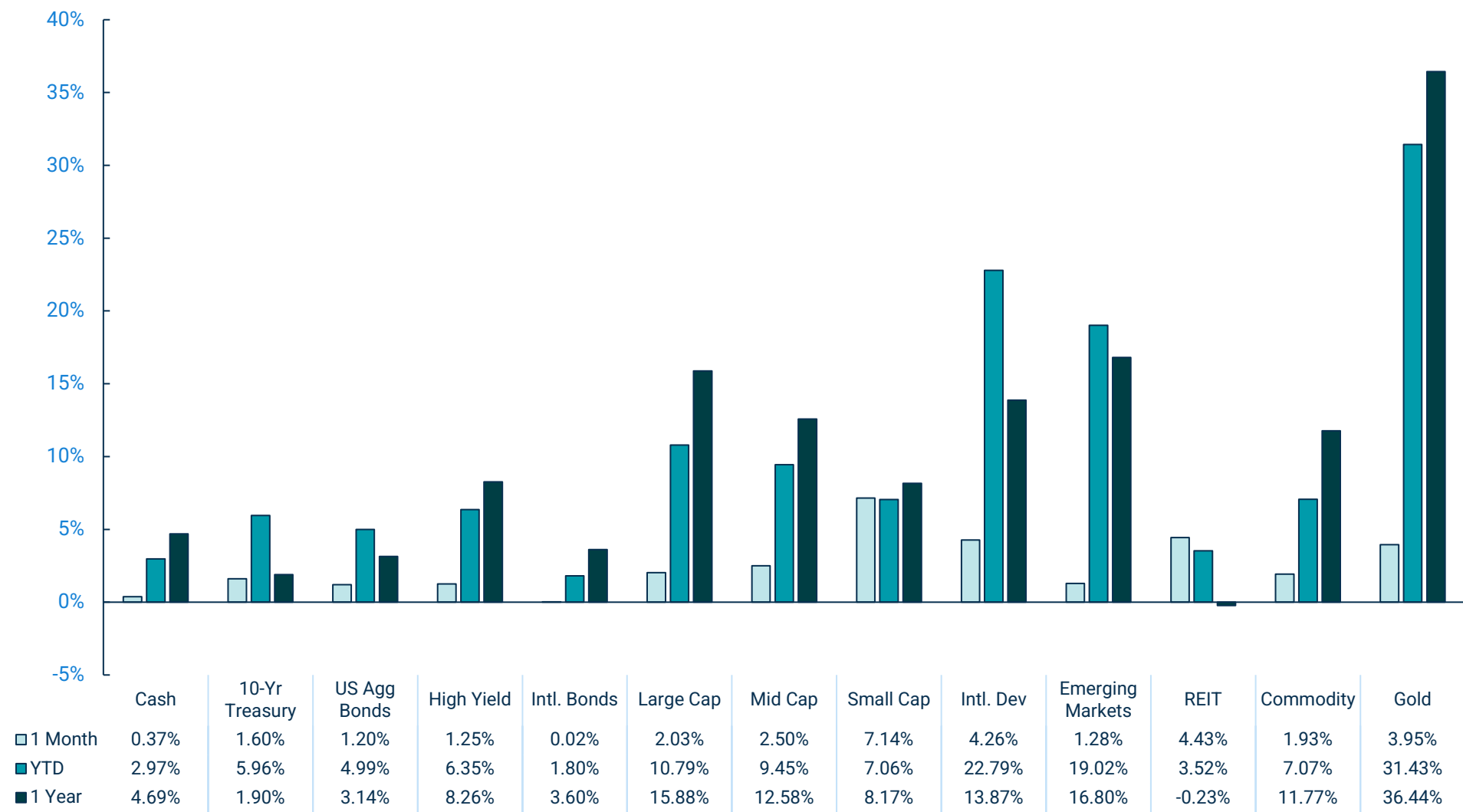


Equity returns across periods

1 Month				1 Year				3 Year				5 Year								
Int'l	Small	Mid	Large	Value	Core	Growth	Int'l	Small	Mid	Large	Value	Core	Growth	Int'l	Small	Mid	Large	Value	Core	Growth
	8.5	3.0	3.2	7.1	2.0	1.1		5.8	8.2	9.3	10.3	12.6	15.9		13.1	12.9	13.0	10.1	14.7	15.3
	4.1			3.5				19.9			15.1				12.8			8.9		

Source: Morningstar. Returns in the style boxes are represented by the Russell indexes and the S&P 500 for the Large Cap Core space. Returns in the international boxes are represented by the MSCI ACWI Ex USA indexes. Boxes shown in red represent returns below 0%. Purple boxes represent returns between 0% and 10%. Returns above 10% are shown in violet.
Data shown as of Aug. 31, 2025.

Market summary



Source: Morningstar. Data shown as of Aug. 31, 2025.

Disclosures

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