CAVANAL HILL

Fourth Quarter 2025

Money Markets Overview & Outlook

Keys to watch:

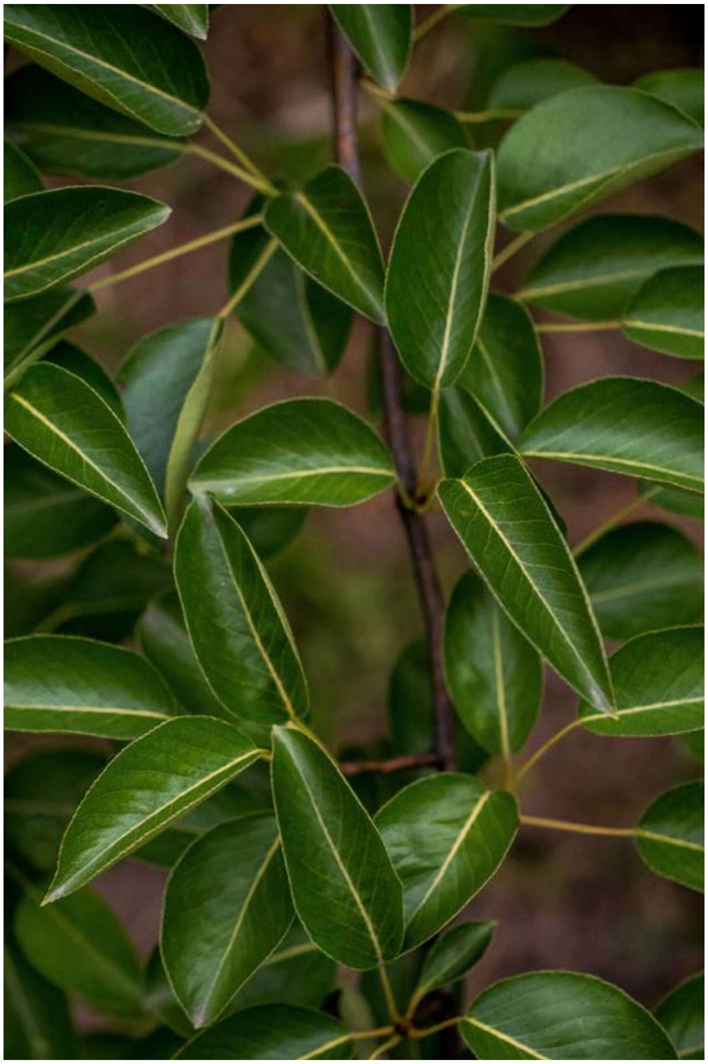
- Federal Reserve independence
- Money market ETF share class, stablecoin, tokenization
- Policy rate below neutral rate

What factors influenced the market during the quarter?

Nearly half of money market fund industry asset gains during 2025 occurred during the fourth quarter, as assets increased by $397 billion. Industry assets grew 13% year-over-year to a record $8.1 trillion. All the while, the Federal Open Market Committee decreased interest rates 75 basis points (0.75%) from September to December. Additionally, the Fed began reserve management purchases, in which it purchases short-dated government bonds to maintain its ample reserves supply. More notable though, the volume of purchases is greater than the amount of mortgage bonds maturing, effectively injecting liquidity into the market.

What is your outlook for the money markets?

Interest rates are expected to remain above 3% during 2026 and money market funds should continue to gather assets at a rate of 5% - 10%. Even as investors participated in other asset classes, their allocation to money market products continued to increase due to reinvestment of income. Changes in yields of money market funds have a delayed reaction due to the maturity transformation relative to federal funds and policy-rate-benchmarked securities. Conveniences that ensure safety of principal and same-day liquidity are among the reasons money-market funds will remain attractive relative to other cash management products.



If you'd like additional information about this or any of the Cavanal Hill Funds, please contact Jim Nichols at 855.359.1898, James.Nichols@cavanalhill.com, or cavanalhillfunds.com.

Disclosures

Cavanal Hill Investment Management, Inc. ("Cavanal Hill") is an SEC registered investment adviser and a wholly-owned subsidiary of BOKF, NA, a wholly-owned subsidiary of BOK Financial Corporation, a financial holding company ("BOKF"). SEC registration does not imply a certain level of skill or training. 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 at this date and are subject to change without notice and are not a complete analysis of any sector, industry or security. Cavanal Hill Distributors, Inc., member FINRA, is the distributor for Cavanal Hill Mutual Funds. Cavanal Hill Distributors, Inc. is also a wholly-owned subsidiary of BOKF, NA and an affiliate of Cavanal Hill Investment Management, Inc.

This report is not to be considered a recommendation of Cavanal Hill's investment management services, any particular security, strategy or investment product, nor is it intended to provide personal investment advice. It does not take into account any specific investment objectives, financial situations, or particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed in this report and should understand that statements regarding future prospects may not be realized.

The information provided in this presentation is for informational purposes only and is not an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction. Cavanal Hill's investment management services may only be offered by Cavanal Hill representatives in states where registered or exempt from registration. The purpose of this report is to provide the public with general information on Cavanal Hill's services and philosophy. Any communications with prospective clients residing in jurisdictions where Cavanal Hill and its investment adviser representatives are not registered or licensed shall be limited as to not trigger registration or licensing requirements.

Investors should note that income from such securities or other investments, if any, may fluctuate and that price or value of such securities and investments may rise or fall. Investments are not insured by the FDIC and are not guaranteed by Cavanal Hill or any bank, including any banking affiliates of Cavanal Hill. Investments are subject to risks, including the possible loss of the principal amount invested. Past performance does not guarantee future results. This communication is not to be construed as legal advice.

This document contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates, and projections, of 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 and involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what is expressed, implied, or forecasted in such forward-looking statements. The potential realization of these forward-looking statements is subject to a number of limitations and risks. Cavanal Hill does not undertake any obligation to update, amend, or clarify forward-looking statements, whether as a result of new information, future events or otherwise. This report 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 Cavanal Hill. Any unauthorized use or disclosure is prohibited. Receipt and review of this research report constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this report. This material was authored by a Portfolio Manager for Cavanal Hill Investment Management, Inc. For questions about this report, please contact Matt Stephani at 918-588-6192.

If you'd like additional information about this or any of the Cavanal Hill Funds, please contact Jim Nichols at 855.359.1898, James.Nichols@cavanalhill.com, or cavanalhillfunds.com.