



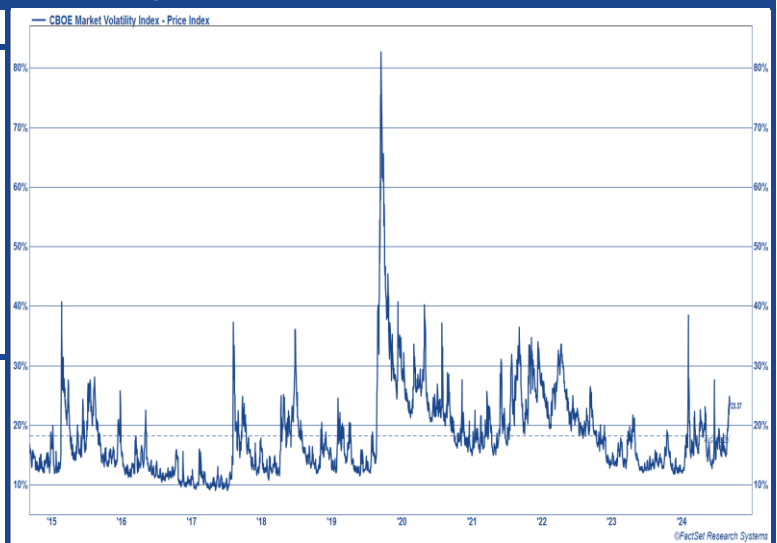
Economic & Market Commentary

Investors do not like uncertainty and right now while there is growing concern about a slowly weakening economy, there is elevated uncertainty and angst surrounding the Trump Administration's tariff policies and its potential impact on global trade, inflation, and the economy. This uncertainty has been pressuring markets and raising volatility levels although they are only slightly above historical averages. There continue to be signs of a weakening economy as February's labor market data showed monthly gains trend lower. Non-farm payrolls grew by 151,000 in line with consensus expectations but down from last year's pace. Other recent indicators of a slowing economy include weakening consumer spending, declining consumer confidence, rising consumer delinquencies, retailer earnings warnings, and slowly rising jobless claims. Another highlight that gained much attention was the Federal Reserve Bank of Atlanta's GDPNow economic indicator for 1Q25 that moved sharply lower earlier this month. This indicator estimates a contraction of -2.4% for the U.S. economy. The main cause of this decline was a large increase of imports in January as companies looked to get ahead of pending tariffs. This will likely rebalance over the coming months, but it garnered much attention from the media and added to investor angst. Tariffs have been the main driver of recent market volatility as long-term impacts are unclear. It is clear though that tariffs are not going away anytime soon as the Trump Administration seeks to level the global trade playing field. In early April under existing tariff laws established by Congress, the administration will employ retaliatory tariffs on countries that impose tariffs on U.S. made goods. Income tax began to replace tariffs back in 1914 so there isn't much history to evaluate the impact of tariffs on inflation, earnings, economic demand, supply chain, and retaliatory tariffs. Thus, expect volatility to remain elevated near-term.

Index Total Returns - March 7, 2025

	1-Wk	YTD	1-Yr
MSCI-Developed	3.11	10.64	9.20
Dow Jones	-2.33	0.91	12.27
MSCI-Emerging	2.89	5.23	12.19
S&P 500	-3.06	-1.66	13.38
S&P 400	-3.44	-4.09	2.15
NASDAQ	-3.43	-5.66	12.60
Russell 2000	-4.01	-6.76	0.91
Barclay's U.S. Bond Index			
Aggregate	-0.58	2.15	4.08
High Yield	-0.28	1.76	9.11
Int. Gov. Credit	-0.21	1.76	4.92
5-year Muni	-0.15	1.36	2.53
Municipal	-0.52	0.97	2.03

VIX Volatility Index



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.04	4.07	4.95
U.S. 2-Yr	4.00	3.98	4.51
U.S. 3-Yr	4.01	3.96	4.29
U.S. 5-Yr	4.09	4.00	4.07
U.S. 10-Yr	4.32	4.19	4.09
U.S. 30-Yr	4.61	4.47	4.25

S&P 500 Sector Total Returns - March 7, 2025

Sector	1-Wk	YTD	1-Yr
Health Care	0.18	8.58	3.45
Financials	-5.87	1.73	23.20
Consumer Staples	-1.37	6.37	15.59
Real Estate	-1.60	4.44	10.81
Energy	-3.74	2.16	2.93
Materials	-1.08	4.44	-0.57
Utilities	-2.40	2.16	25.58
Industrials	-1.55	1.92	11.24
Comm. Services	-1.96	0.25	26.82
Info Tech	-3.38	-7.43	11.56
Con. Discretion	-5.36	-10.45	13.00

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.47	3.39	3.18
U.S. AA	3.51	3.42	3.19
U.S. A	3.87	3.79	3.65
U.S. Baa	4.38	4.28	4.27
U.S. Municipal	3.63	3.55	3.35
Michigan	3.73	3.65	3.51

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	20.92	18.58	1.26
S&P 400 - Mid Cap	15.12	15.97	1.45
S&P 600 - Small Cap	14.98	15.69	1.66