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Market Perspectives Video

Rain or Shine

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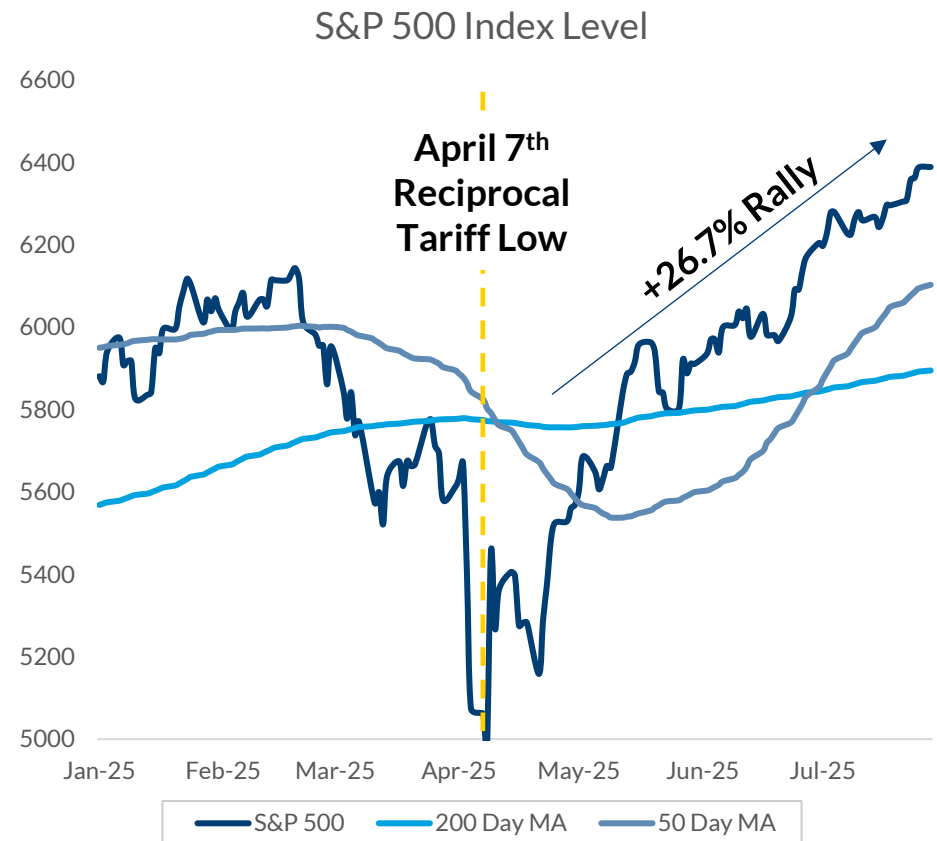
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US Equity Market Performance by Quarter

- Q1: Equities decline across the board.
- Q2: Double-digit gains in large caps.
- Q3: Mid- and small caps outperform large caps.

Quarter	US Large Cap	US Mid Cap	US Small Cap
2025-Q1	-4.28%	-6.11%	-8.94%
2025-Q2	10.94%	6.71%	4.90%
2025-Q3	3.03%	3.78%	3.34%
YTD 2025	9.42%	3.97%	-1.27%



Sources: Bloomberg, CNR. As of 7/25/2025. Global Equities – MSCI All Country World Index. US Large Cap – S&P 500 Index. US Mid Cap – S&P 400 Index. US Small Cap – S&P 600 Index.
Past performance is no guarantee of future results.

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Q2 2025 Earnings Picture

- Q2 earnings weather early tariff impact, growth softens from Q1

Mixed but Positive

- 212 companies have reported
- Q2 2025 Earnings Growth: 7.2% vs. 12.8% in Q1
- Earnings Surprise Amount: 6.2% vs. 7.5% in Q1

Sector Leadership

- Winners: Communication Services, Information Technology, Financials
- Laggards: Materials, Consumer Discretionary, Consumer Staples

Earnings per Share ("EPS") Growth

- \$238.53: Actual EPS at start of year
- \$264.83: 2025 Estimate (+11.0% vs. 2024)
- \$297.61: 2026 Estimate (+12.4% vs. 2025)

Source: Bloomberg, City National Rochdale (CNR). As of 7/30/2025.
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City National Rochdale Equity Sector Views

- Maintain technology overweight while building positions in more defensive sectors of the market.

Overweight

Information Technology

- Demand surge for generative AI
- Cross-sector integration
- Data center build-outs and capex spending

Consumer Staples

- Resilient to economic uncertainty
- Defensive to slowing growth

Energy

- Cheap valuations
- Healthy energy demand despite OPEC+ supply
- Responds to rising inflation expectations

Underweight

Utilities

- Sensitive to expensive valuations
- Rate sensitive: steepening yield curve and higher inflation expectations

Financials

- Lower net interest margins as rates decrease
- Less investment and consumer borrowing as growth slows
- Expectation for widening credit spreads

Source: CNR. As of 7/18/2025.

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All investing is subject to risk, including the possible loss of the money you invest. As with any investment strategy, there is no guarantee that investment objectives will be met and investors may lose money. Diversification does not ensure a profit or protect against a loss in a declining market.

Equity investing strategies & products. There are inherent risks with equity investing. These risks include, but are not limited to stock market, manager or investment style. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Fixed Income investing strategies & products. There are inherent risks with fixed income investing. These risks include, but are not limited to, interest rate, call, credit, market, inflation, government policy, liquidity or junk bond risks. When interest rates rise, bond prices fall. This risk is heightened with investments in longer-duration fixed income securities and during periods when prevailing interest rates are low or negative.

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Index Definitions

The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting.

MSCI All Country World Index (ACWI): The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance.

The Standard & Poor's 500 Index (S&P 500) is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity and industry group representation to represent US equity performance.

S&P 400 TR (28 June 1991 base) Standard and Poor's Midcap 400 Index is a capitalization-weighted index which measures the performance of the mid-range sector of the U.S. stock market. This index represents the Total return version of MID.

The Standard & Poor's Smallcap 600 Index is a capitalization-weighted index that measures the performance of selected U.S. stocks with a small market capitalization. The index was developed with a base value of 100 as of December 31, 1993.





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