

RBC Rochdale

Market Update Webinar

April 29, 2026



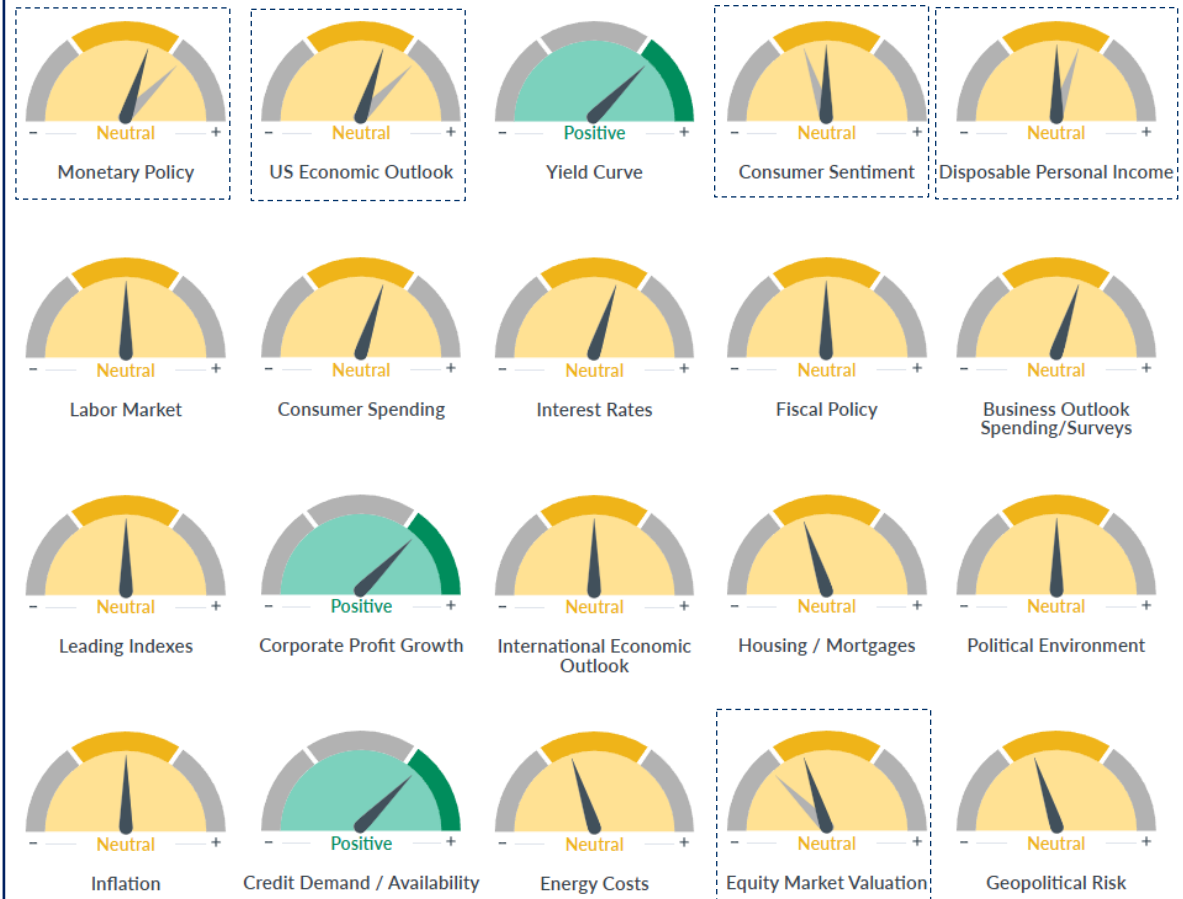
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Rochdale SpeedometersSM – May 2026

Economic and Financial Indicators That Are Forward-Looking Six to Nine Months

- U.S. growth may slow as consumer spending is reallocated to elevated gasoline prices. Government spending and corporate earnings are key stabilizers.
- The non-U.S. growth impact is more acute due to higher reliance on middle east energy imports. This may raise inflation, and stunt growth for a longer period. But the paradigm shift to higher defense and infrastructure spending remains intact.
- The Fed will likely remain on hold, and we maintain our view that cuts are possible due to the drag on growth, against a backdrop of stable employment and productivity gains.
- Earnings remain strong as 2026 S&P 500 estimates have grown to 18.5%.
- Global valuations have reset, paving the way for earnings to drive prices higher over 2026.

Impact on Economy and Financial Markets



Impact on investment: ■ Positive ■ Neutral ■ Negative | Time frame: ■ Current ■ Change from last month

Source: Proprietary opinions based on Rochdale research, as of April 28, 2026. Information is subject to change and is not a guarantee of future results.

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Economic Forecast

- Near-term GDP growth has decelerated and may slow over Q2 due to the energy price shock.
- Strong consumer spending continues but sentiment remains weak. Consumers looked past the first month of increased gasoline prices and spending increased over March.
- Corporate profits and margins continue to be revised higher for each quarter and for the full year.
- Rate cuts are likely on hold for the near term but still possible later in the year if modest employment gains occur and energy inflation is temporary.
- Rates have moved in response to the war in Iran, with investors demanding a higher term premium across all maturities.

RBC Rochdale Forecasts		2026		
		2025	Rochdale (est.)	Consensus (est.)
Real Annual GDP Growth		2.10%	2.00% - 2.50%	2.17
Corporate Profit Growth		12.25%*	14.00% - 16.00%	18.31%
Headline CPI Year End		2.70%	2.75% - 3.25%	3.23%
Interest Rates	Federal Funds Rate	3.80%	3.00% - 3.50%	3.47%
	Treasury Note, 10-Yr.	4.06%	3.85% - 4.35%	4.18%

*Corporate profit growth is a blended estimate of actual earnings from companies that have reported, and the Bloomberg consensus estimate for those that have not reported, producing a combined blended estimate. Sources: Bloomberg, proprietary opinions based on Rochdale Research, as of March 23, 2026. Information is subject to change and is not a guarantee of future results.

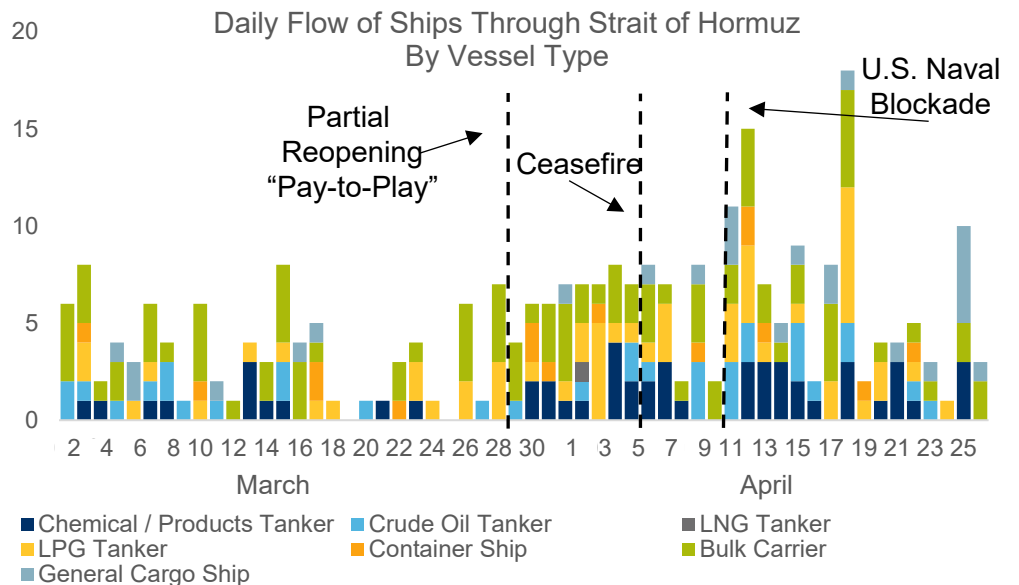
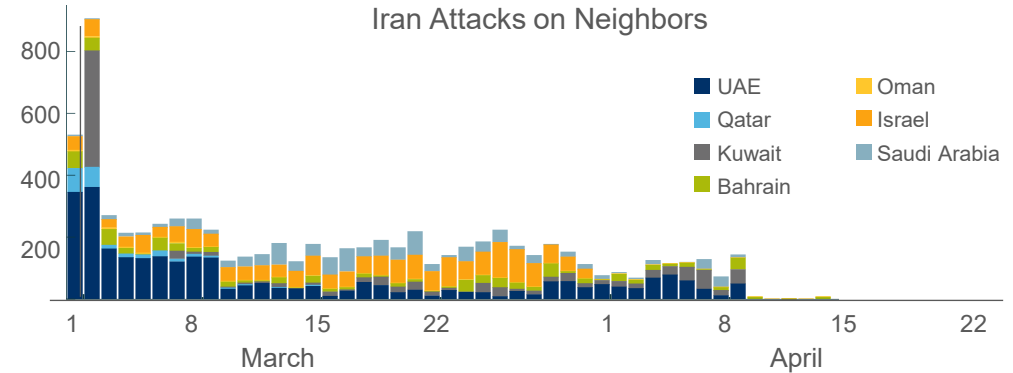
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The Iranian War: On Again, Off Again

Iranian War – April Events

- **April 7:** Temporary two-week ceasefire
- **April 13:** U.S. Naval Blockade
- **April 16-17:** Israel – Lebanon ceasefire announced
- **April 23:** Indefinite extension to cease fire... “shoot to kill” any boats laying mines
- **April 25:** Pres. Trump cancels U.S. negotiators trip... lack of unified leadership
- **April 26:** Israel and Lebanon ceasefire collapse
- **April 27:** New Iranian proposal – lift blockade, Iran opens the Strait of Hormuz, nuclear talks are postponed to a later (undefined) date
- **April 28:** U.S. issues new Iranian sanctions



Source: Bloomberg, BCA Research, RBC Rochdale. As of April 28, 2026. Information is subject to change and is not a guarantee of future results.



Commodity Dependency... Look Under the Hood

- Like corporations during Covid, countries have been forced to find alternative commodity providers and diversify importers.
- Dependency on few importers or undiversified shipping routes impacts nations differently, offset by domestic production.

Top number: % of Strait of Hormuz exports

Bottom Number: % of Countries total imports that transit Strait of Hormuz

	Crude	Liquefied Natural Gas	Helium
China	36% ~50%	21% 24%	34% 62%
India	15% 45-50%	13.8% 67%	4% 72%
Taiwan	4% 70%	6.8% 30%	13% 69%
South Korea	12% 61%	10.9% 30%	26% 63%
Japan	11% 96%	3.7% 5%	5% 32%
Europe	4% 13%	26% 18%	N/A
United States	3% 8%	0% 0%	3% 28%

Dependency: Low Moderate High Very High

2025 Global Helium Use Case Consumption Share	
Scientific Use	22%
Semiconductor Production	17%
Lifting Gas	17%
Magnetic Resonance Imaging (MRI's)	15%
Aerospace	9%
Welding	8%
Diving	7%
Other	5%





Source: World Integrated Trade Solution (WITS) – (Blended data as of 2023-2024), U.S. Geological Survey (USGS) (as of 2025), U.S. Energy Information Administration Hormuz and Chokepoints Analysis (as of 1H 2025). The Institute of Energy Economics of Japan (IEEJ) (as of January 2026) and RBC Rochdale calculations, China Energy Portal (as of 2024), The Oxford Institute for Energy Studies Disruption in the Strait of Hormuz: Implications for China's energy markets and policies (as of March 2026), Energy Administration Ministry of Economic Affairs (Taiwan) as of December 2025). Information is subject to change and is not a guarantee of future results.

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Iran Scenario Dashboard — Post-Ceasefire Outlook

Middle East Crisis – Markets Trade Energy Flows, Not Headlines

Scenario	Probability	Energy Disruption Risk	Conflict Trajectory	Energy, Inflation & Growth Impact	Winning Sectors	Losing Sectors
 Durable De-escalation	15%	Low	Cease-fire evolves into détente with reduced hostilities and stabilized shipping flows.	Oil declines; inflation moderates; growth improves.	Global cyclicals, Europe, Japan, Rate Sensitive Sectors, Transportation, non-U.S. equities	Energy, gold, defensives
 Kinetic Equilibrium (Base Case)	55%	Moderate	Conflict continues at a contained level, with energy flows largely preserved.	Oil stabilizes; inflation contained; growth slows but avoids recession.	Industrials, materials, defense, global cyclicals, non-U.S. equities	Airlines, fuel-sensitive sectors, Consumer Discretionary
 Re-escalation /Supply Shock	25%	High	Renewed escalation disrupts shipping and widens supply deficits.	Oil rises sharply; inflation accelerates; stagflation risks increase.	Energy, oil services, tankers, commodities, gold	Small caps, transports, consumer discretionary, EM importers
 Systemic Shock / Global Recession	5%	Extreme	Major escalation or prolonged closure of Hormuz triggers severe global disruption.	Oil spikes initially, followed by demand destruction and recession.	Energy (initially), Treasuries, gold, defensives	Equities, Credit, Cyclicals, Financials

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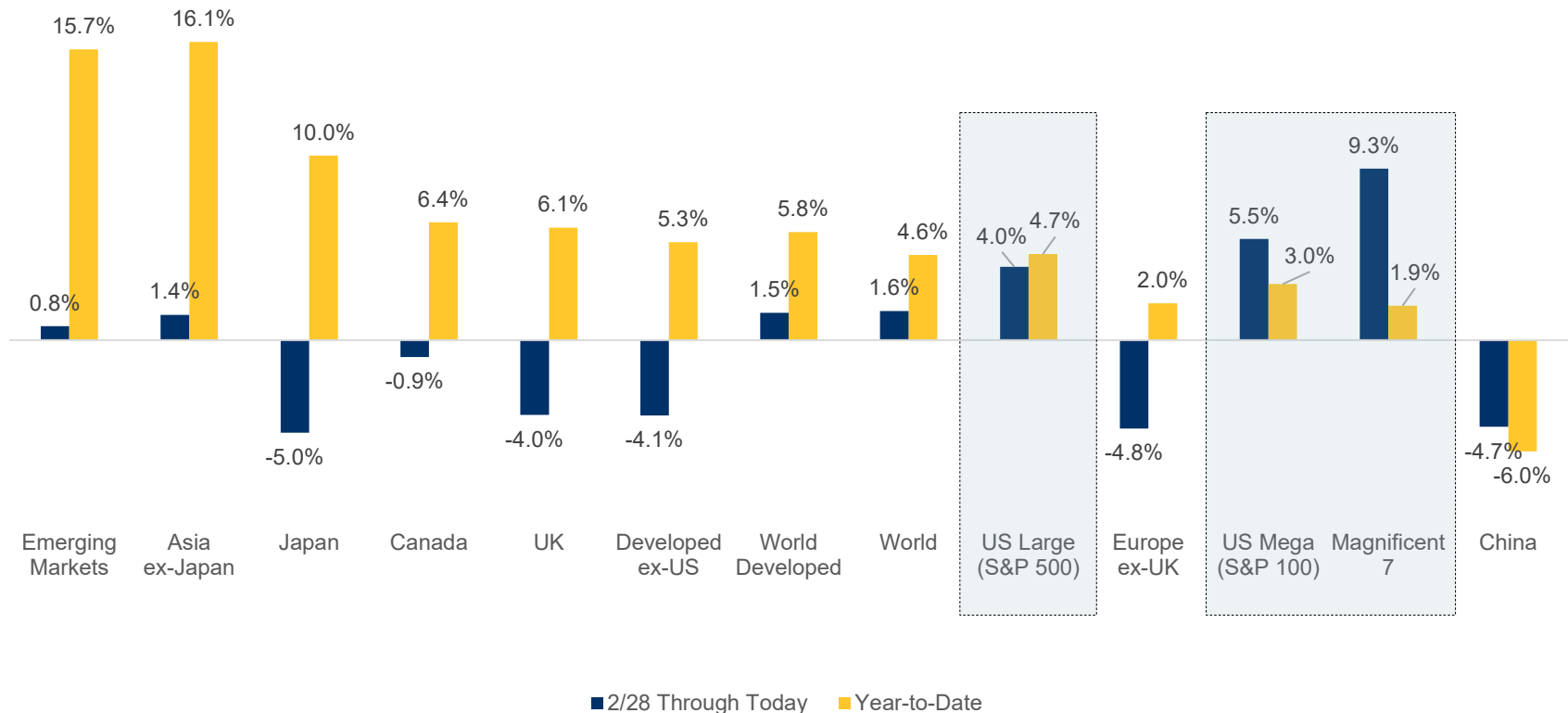
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The U.S. Has Been Defensive, International Leads

- U.S. market outflows have reversed and strong Q1 earnings has led to recent outperformance of U.S. markets relative to international markets, which led early this year and remain the strongest performing regions year-to-date.

Global Market Returns



For Index Definitions please see pages 34 through 35.

Source: Bloomberg. As of April 28, 2026. Information is subject to change and is not a guarantee of future results.

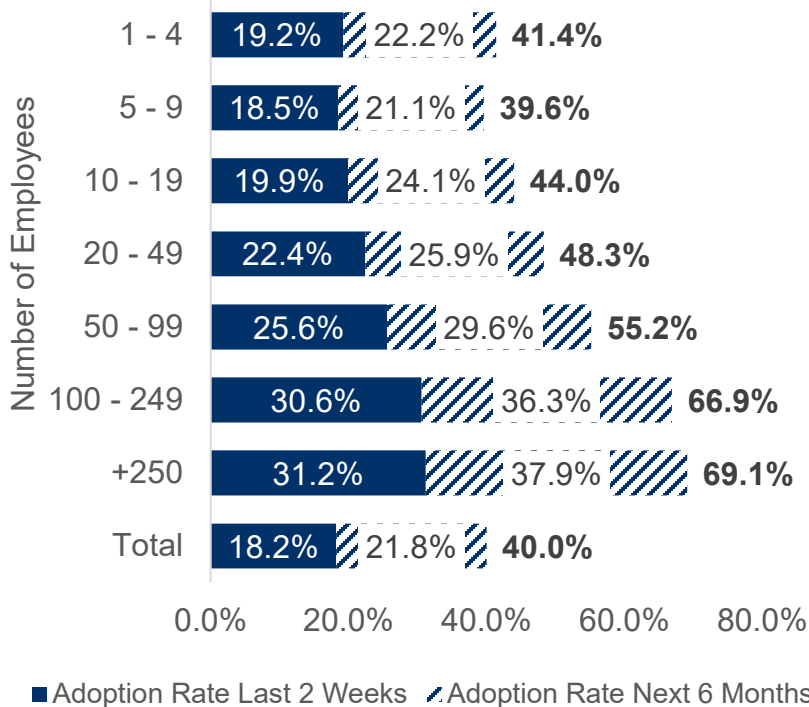
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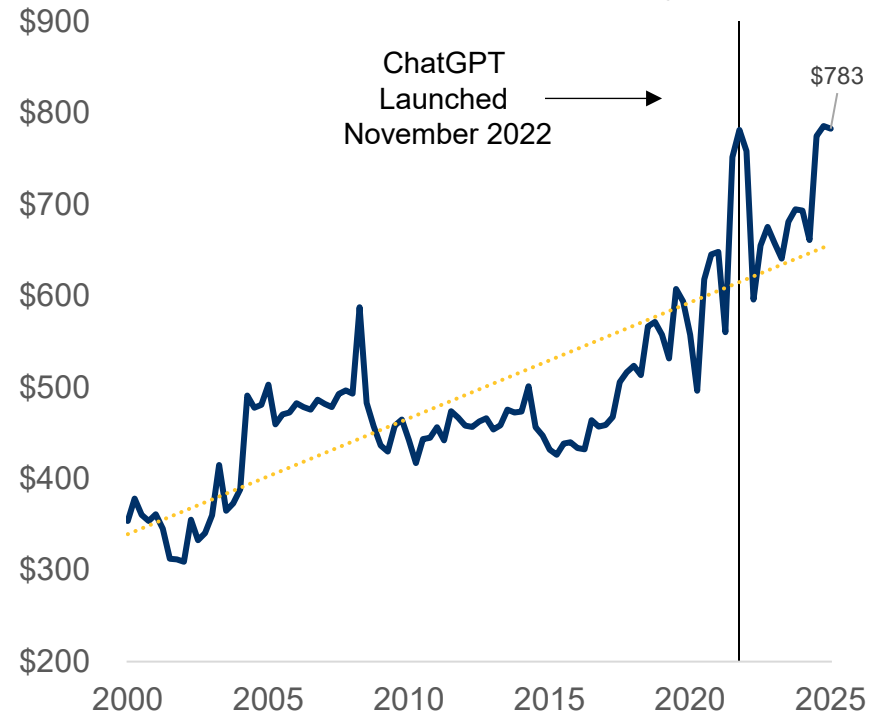
Artificial Intelligence Adoption Is Accelerating

- AI adoption has accelerated and is poised to double over the next six months.
- Productivity growth is accelerating, not just observable in employees, but also when looking at labor productivity relative to industry level usage of Generative AI.

AI Adoption by Business Size in any business function:
Last Two Weeks & Next 6 Months



S&P 500 Revenue Per Employee



Source: Bloomberg, U.S. Census Bureau . As of April 24, 2026. Information is subject to change and is not a guarantee of future results.

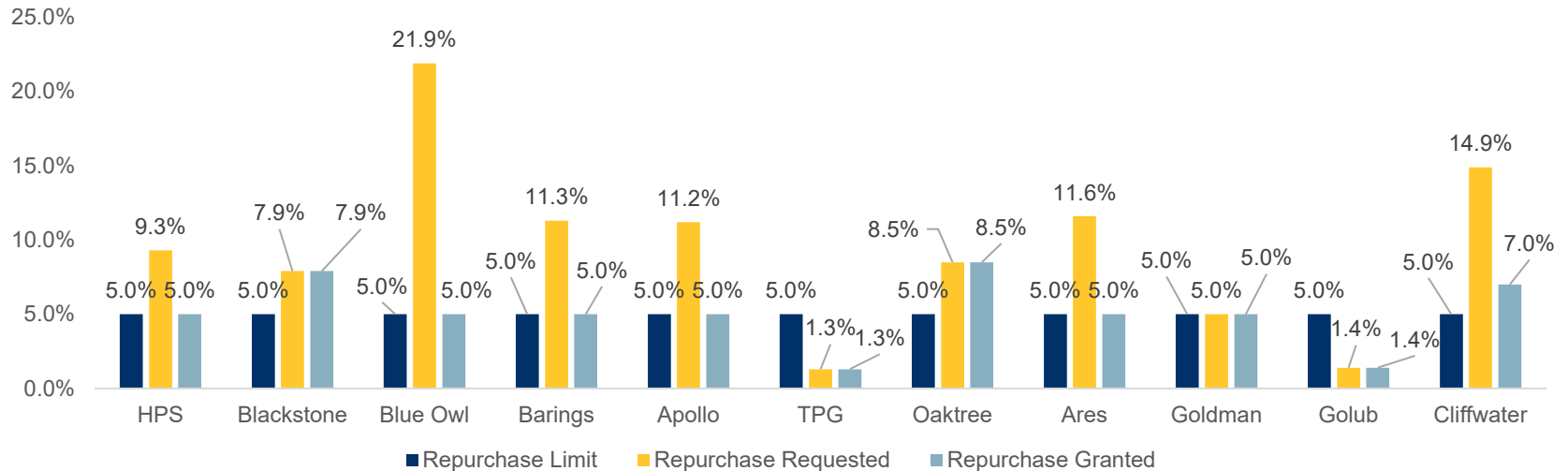
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The Dust Has Settled in Private Credit, What's Next?

- Q1 was the first real test for liquidity gates within private credit and losses remain limited.

Private Credit Redemption Requests in 2026



Semi-Liquid Repurchase Requests

Structure Overview

- Most interval funds/private BDCs have a 5% fund level gate
- Helps align liquidity with underlying assets
- Underlying loan repayments may provide periodic cash flow

Key Takeaways

- Redemption requests are functioning within stated structures
- Recent activity reinforces the importance of liquidity terms
- Manager selection and portfolio construction remain important

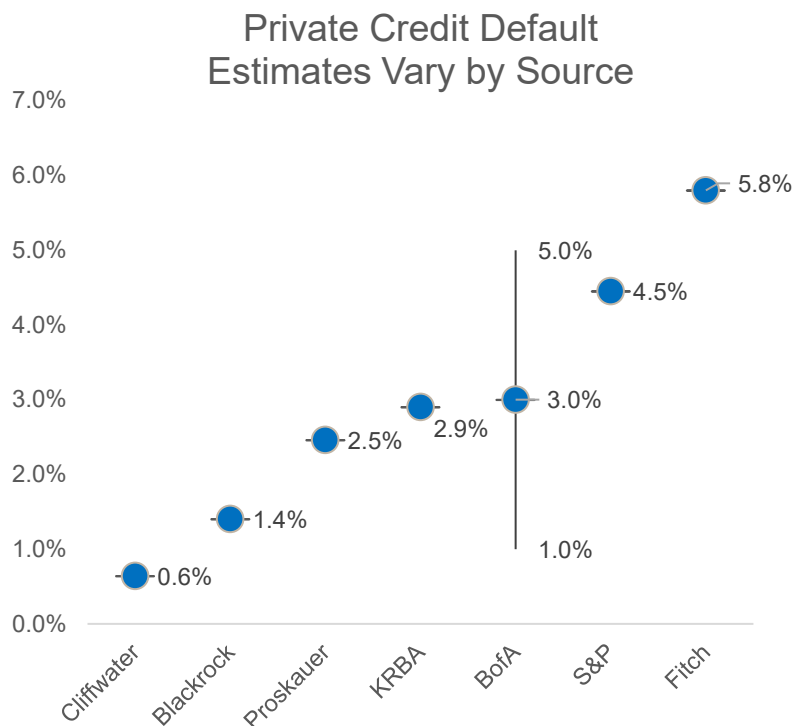
Source: Bloomberg. Performance data represents past performance, which does not guarantee future results. There is no assurance that similar investments will be made or that similar results will be achieved.

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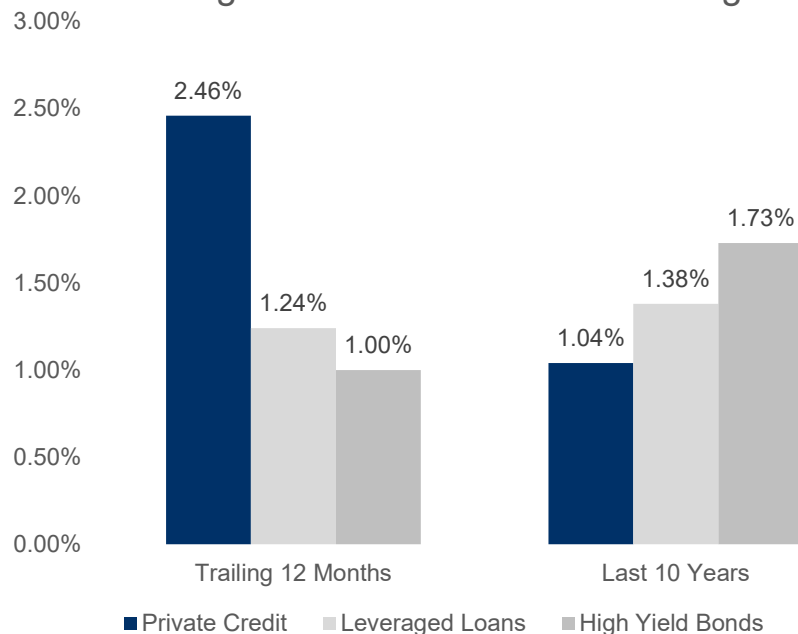


Private Credit Defaults Are Hard to Pin Down

- Default rates for private credit varies widely, with differing definitions among managers and inconsistent data.
- Pressure is rising, but return and overall default experience will vary greatly among managers – diversification is key.



Defaults Across Credit Markets Trailing 12 Months vs. 10 Year Average



Sources: S&P (including both conventional and selective defaults), KBRA (forward looking expectation by market value), Proskauer, Fitch, Blackrock, BofA (“roughly in the 1% to 5% range”), Cliffwater (CDLI Index realizations), PitchBook, 12/31/2025. Performance data represents past performance, which does not guarantee future results. There is no assurance that similar investments will be made or that similar results will be achieved.

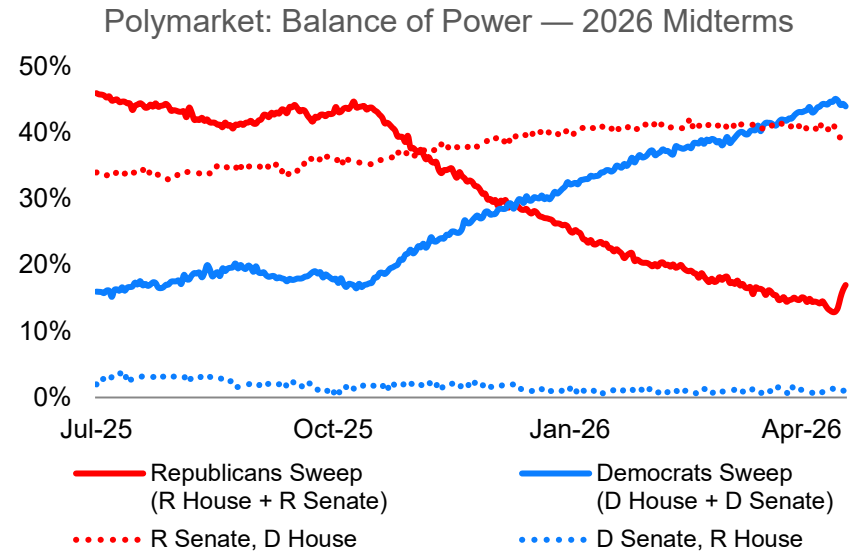
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Midterms Around the Corner: Political Dashboard

	Total	Republican	Democrat
Senate – Current	100	53	47*
Seats up for election	35	22	13
Open Seats (incumbent not running)	11	5	4

House – Current (all seats up for election)	435	217	212
Open Seats (incumbent not running)	55-58	35-37	20-21



State	Recent Polling	2020 Presidential	2024 Presidential	2018 Senate	2020 Senate	2022 Senate	2024 Senate	Primary Date
AK	D+1	Trump +10	Trump +14	N/A	Sullivan +13	Murkowski +7	N/A	August 18
OH	R+3	Trump +8	Trump +11	Brown +7	N/A	Vance +7	Moreno +4	May 5
TX	R+3	Trump +6	Trump +14	Cruz +3	Cornyn +10	N/A	Cruz +9	May 26*
IA	R+2	Trump +8	Trump +13	N/A	Ernst +7	Grassley +12	N/A	June 2

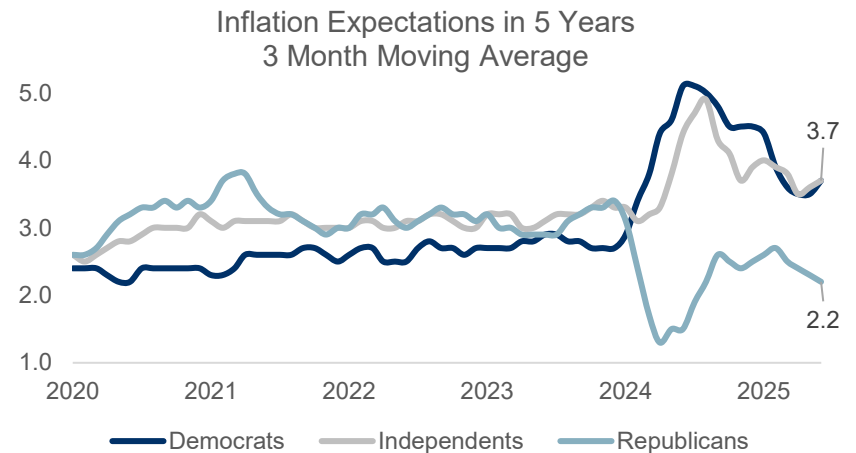
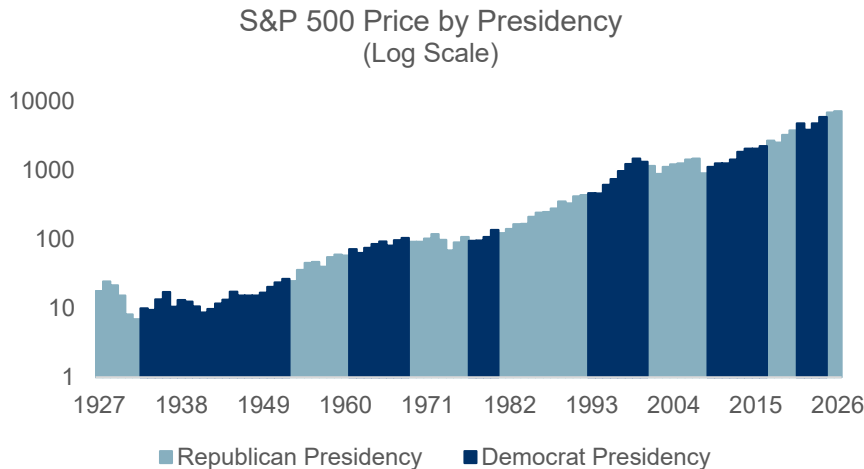
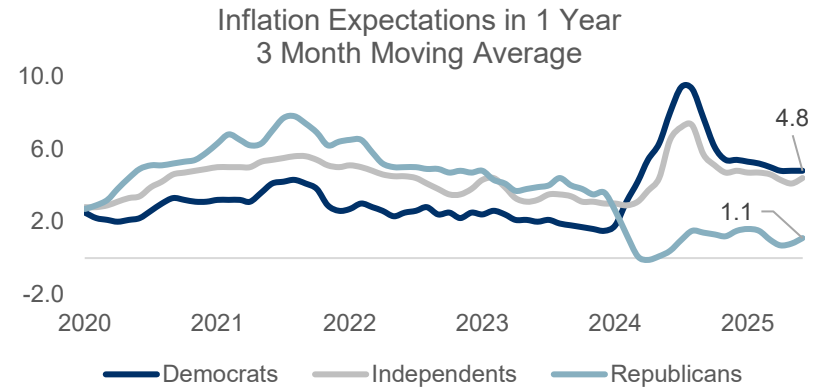
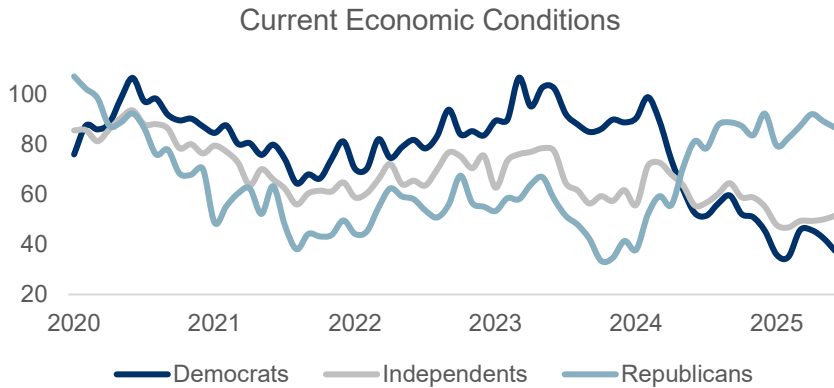
Numbers indicate the percentage points a candidate won or is leading by in the current race.

Source: Bloomberg, WOLFE, Ballotpedia, Polymarket.*One Independent Senator associated with the democrats. As of April 28, 2026. Information is subject to change and is not a guarantee of future results.



Consumer Expectations & Political Leadership

- While Congressional leadership and representative changes grab media headlines, consumer views drive markets.
- Historically, political control has limited impact on market returns, which gravitate towards the fundamentals.



Source: Bloomberg, University of Michigan Consumer Sentiment Survey. As of April 28, 2026. Information is subject to change and is not a guarantee of future results.

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Key Takeaways

- **Economic Outlook:** Lingering Iran war effects are pressuring growth and monetary policy expectations, but equity valuations now offer better value than earlier this year, with consumers strong but normalizing.
- **Geopolitical Update:** The Strait of Hormuz remains closed, disrupting Middle East oil exports, though a partial reopening and market equilibrium are expected soon.
- **Market Performance:** The S&P 500 has rallied 13% since March lows, showcasing U.S. resilience, while international markets lead year-to-date gains.
- **AI & Productivity:** Accelerating AI adoption is driving efficiency gains and economic productivity.
- **Private Credit:** Beyond Q1 redemption concerns, focus shifts to tracking defaults; experienced managers are positioned to capitalize on pricing dislocations.
- **Midterm Elections:** Increased likelihood of a power shift in Congress is likely to create volatility later this year.

Source: RBC Rochdale as of April 29, 2026.

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Kevin Warsh, Federal Reserve Chair Nominee

Kevin Warsh

Stanford University, Public Policy

Harvard University, Law School

Former member of the Fed's Board of Governors (2006-2011)

- Expected to restructure the Fed, calling for a “regime change”
 - An unspecified overhaul of the framework that guides how the Fed sets interest rates
 - Some changes he has discussed:
 - A new measurement of inflation
 - Scale back the size of the Fed's balance sheet
 - Reduce emphasis on forward guidance
 - It was useful following the global financial crisis, but not now
 - A narrower focus on monetary policy
 - The Fed will have less to say on topics like the environment and diversity
- Warsh is a supply-side advocate
 - Prioritizes long-term growth by boosting supply through tax cuts, deregulation, and free-market incentives
- The Fed could be generally considered more of the school of New Keynesian economics
 - Managing aggregate demand through government spending and monetary policy to address market failures caused by the stickiness of prices and wages

Data current as of: April 28, 2026

Source: RBC Rochdale

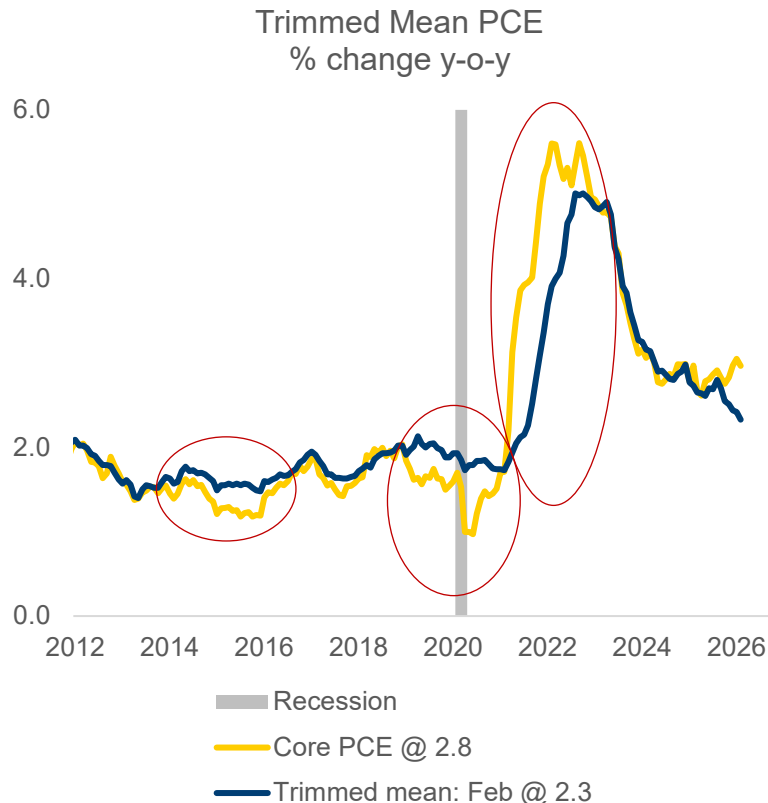
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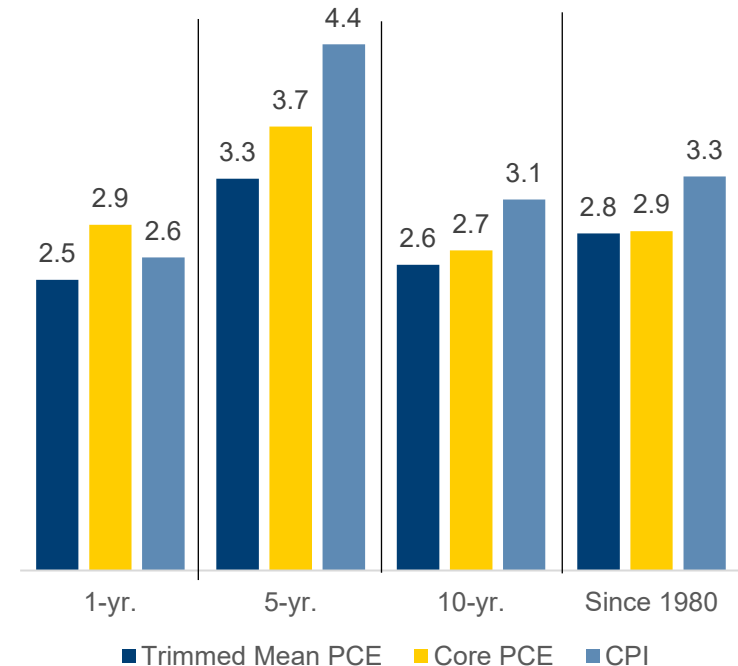


The Fed: A New Inflation Measurement?

- Kevin Warsh believes the Trimmed Mean PCE inflation measure is a better inflation measure for monetary policy decisions.
- It removes extreme price increases and decreases, providing a clearer and more accurate picture of long-term inflation.
- Historically, it has produced a more stable and lower level of inflation.



Inflation Measurements
%, average annual rate, February 2026



Data current as of: April 28, 2026

Source: Federal Reserve of Dallas, Bureau of Economic Analysis, Bureau of Labor Statistics

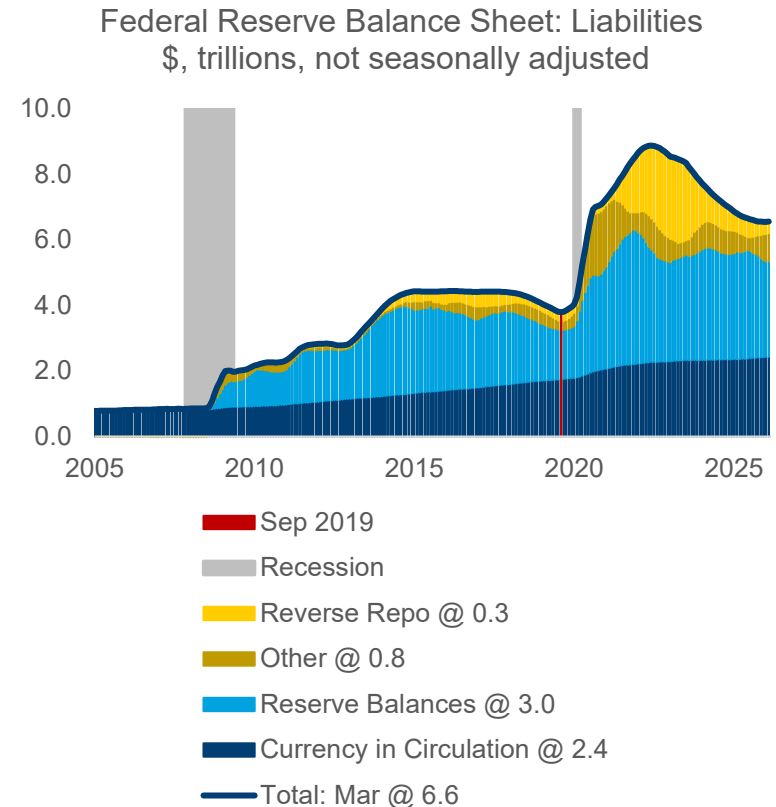
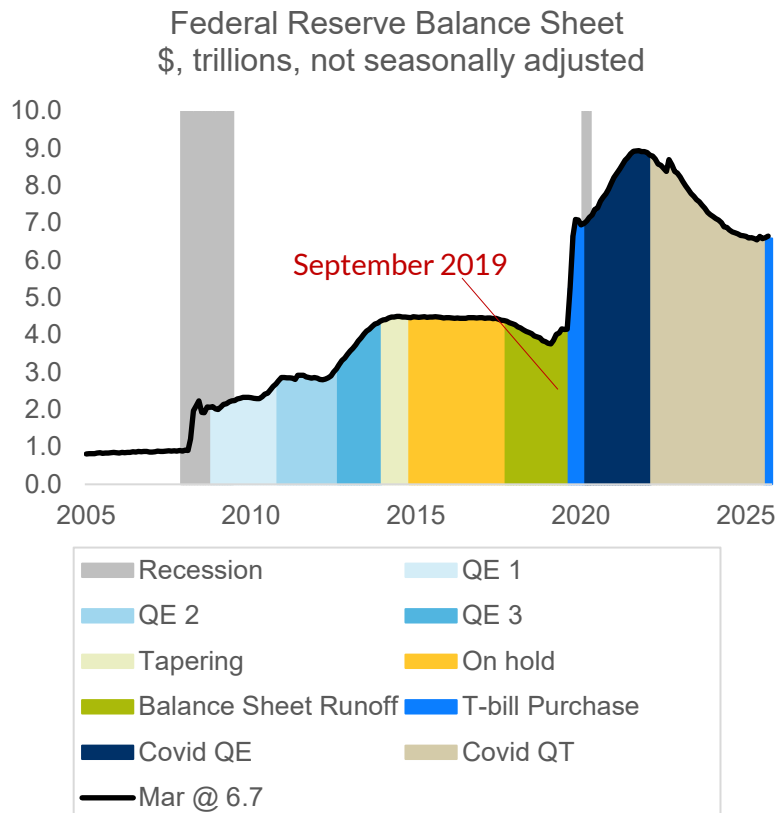
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The Fed: A Smaller Balance Sheet?

- Warsh believes QE is a misallocation of capital that, in the long run, would hurt the economy.
- Reducing its size is easier said than done.
- The large balance sheet also serves the need for massive liquidity in the financial markets.



Data current as of: April 28, 2026

Source: Federal Reserve

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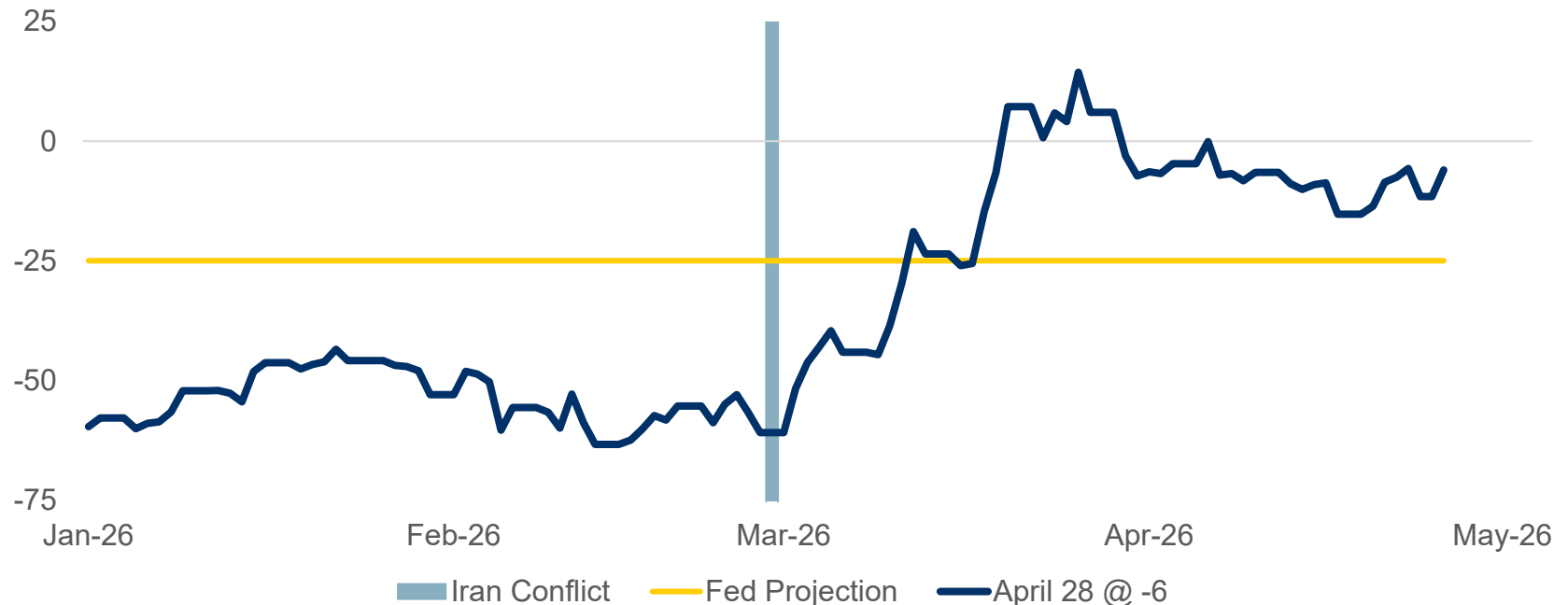
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The Fed: We Believe They Will Continue to Cut

- Since the outbreak of the Iran Conflict, the outlook for year-end fed funds has shifted from two to three cuts to less than one.
- This is due to and increased inflationary risks, the question is how long will this concern last.

Federal Funds Futures: Implied Rate
basis points, change from current level
for December 2026



Data current as of: April 28, 2026

Source: Bloomberg's WIRP page, Federal Reserve

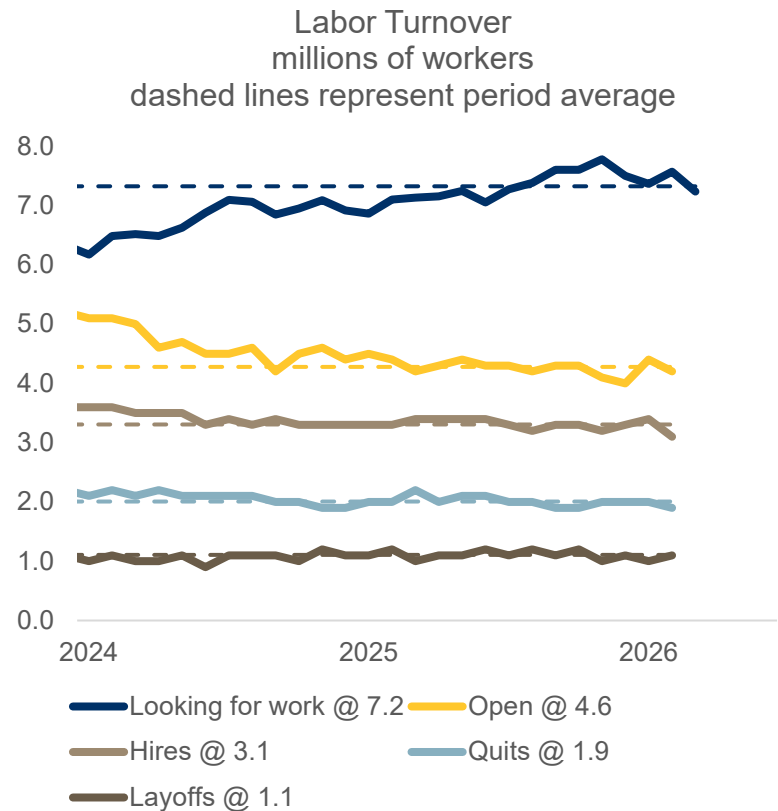
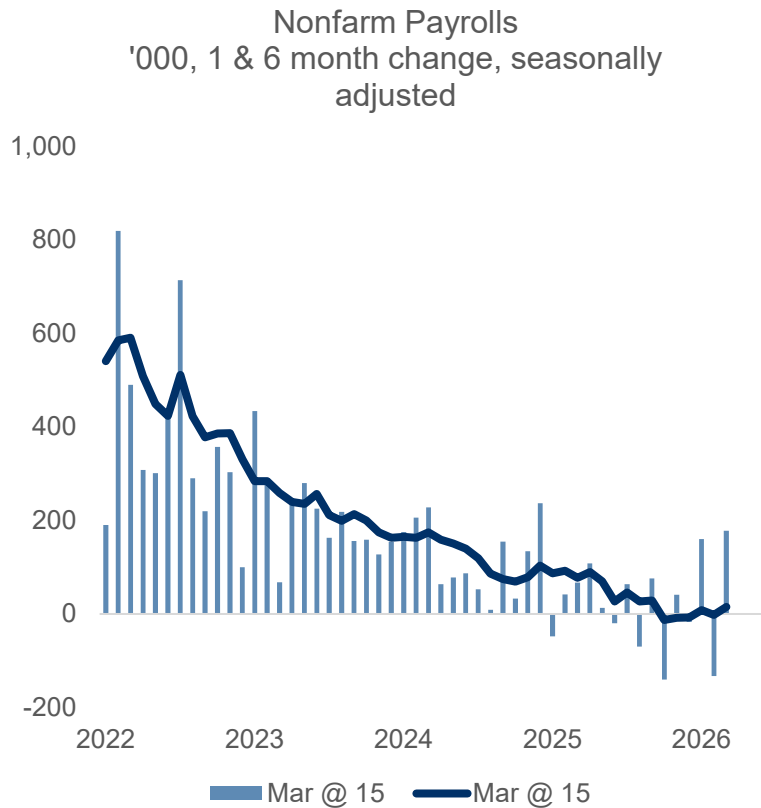
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Payroll Growth Has Stalled, But that Might be OK

- The nonfarm payroll report measures the net change in the number of workers.
- The net change has fallen to near zero, due in part to heightened economic uncertainty (trade policy, A.I., etc.)
- Job hiring has remained relatively stable at about 3 million per month.



Data current as of: April 28, 2026

Source: Bureau of Labor Statistics

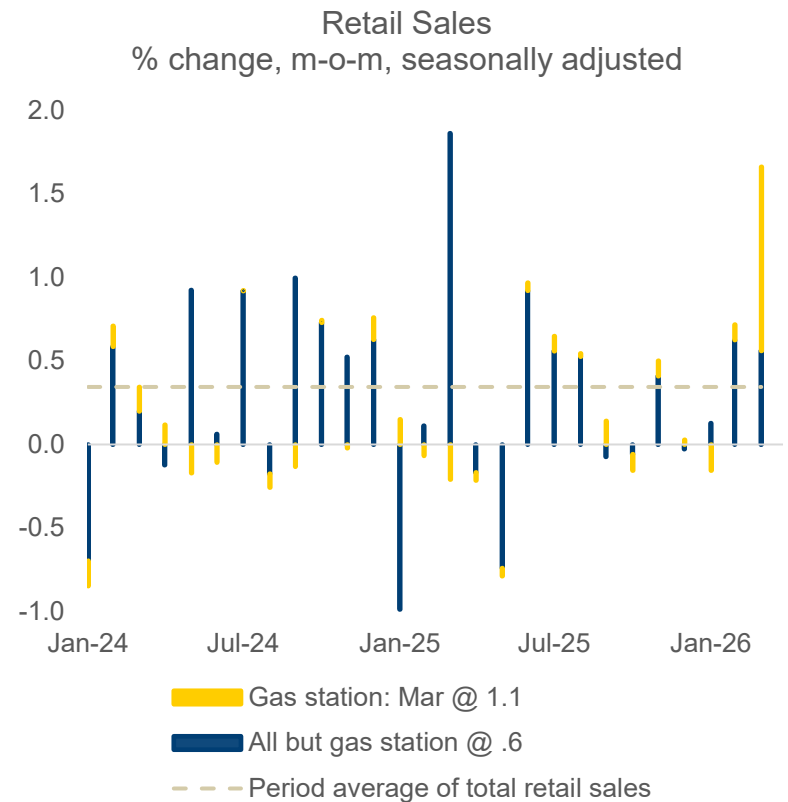
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Consumers Should Remain Resilient

- High gasoline prices are feeding America's dour mood, dragging consumer sentiment to historic lows.
- Throughout this recovery, the resilient consumer has been the driving engine of economic growth.
- As long as consumers have money to spend and access to credit, we expect personal consumption to remain strong.



Data current as of: April 28, 2026

Source: University of Michigan Survey of Consumers, U.S. Census Bureau

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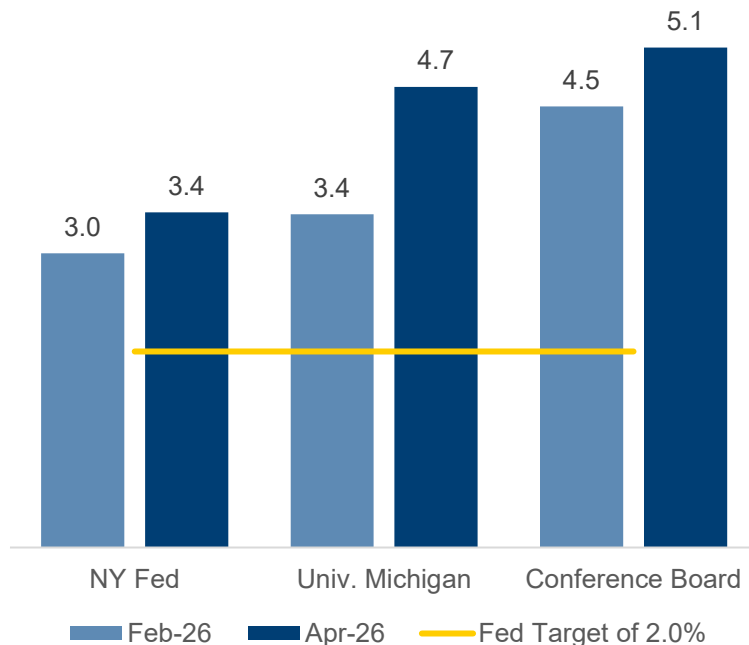
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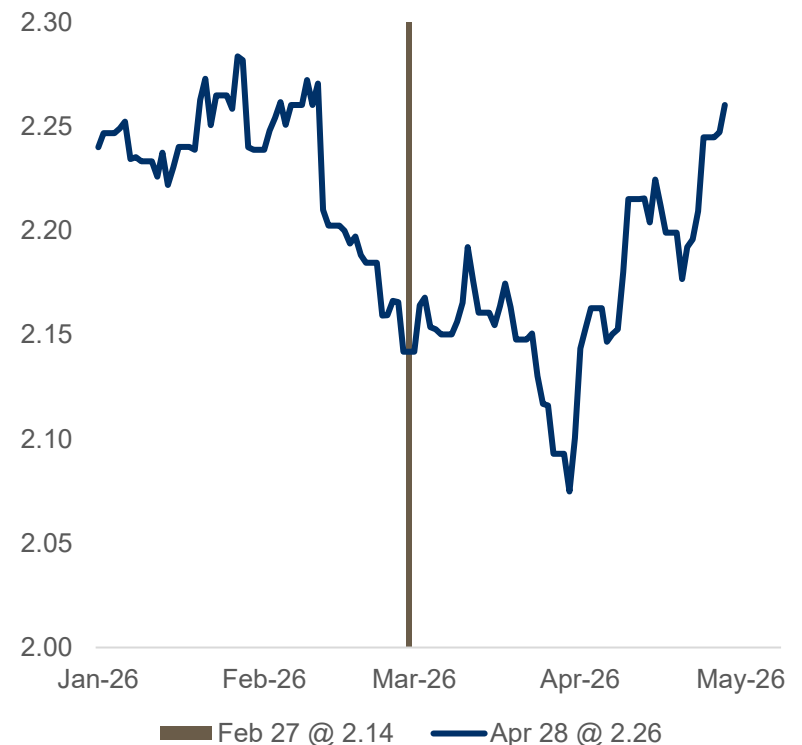
Inflation Expectations

- The Fed, like the rest of us, doesn't know when the Iran War will end.
- Thus, they monitor surveys and market expectations of inflation.
- In the short run, surveys are showing a significant increase, while long-term market expectations are relatively stable

Inflation Expectations: 1-Year Forward
%, survey data



5-yr./5-yr. forward (%)



Data current as of: April 28, 2026

Source: Federal Reserve Bank of New York, University of Michigan Survey of Consumers, The Conference Board

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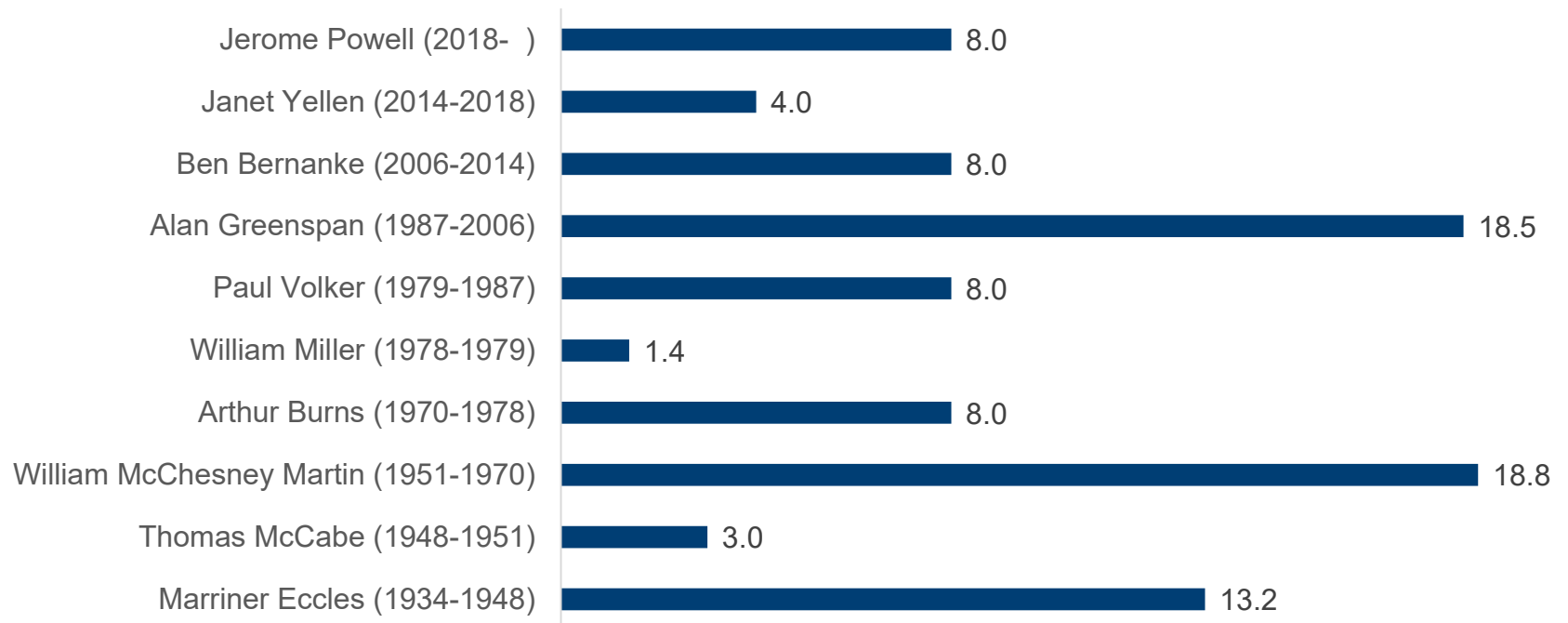
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Does He Stay or Does He Go?

- Today's FOMC meeting is expected to be Jerome Powell's last as chair, marking the end of his second four-year term.
- He could remain a member of the Board of Governors, since that term ends on January 31, 2028.
- Although he is expected to resign from the Board, that decision appears to be based on legal issues against him and Lisa Cook.

Fed Chair: Tenure
years of duty of recent Fed Chairs



Data current as of: April 28, 2026

Source: Federal Reserve

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Key Takeaways

- **Monetary Policy:** Rates are likely to remain on hold as a Powell transition appears likely.
 - The Fed is weighing the decline in yearly tariff inflation against the new oil price shock.
 - Opinions are divided—some see potential rate hikes or cuts, but the majority remains dovish.
 - FOMC members are seeking confirmation that inflation is likely to resume its long-term downward trajectory.
- **Employment:** Payroll growth has stalled, with net job changes nearing zero due to economic uncertainty, but overall hiring remains steady at about 3 million new jobs monthly.
- **Consumers:** Despite high gasoline prices weighing on sentiment, consumers are likely to remain a key driver of economic growth, supported by continued spending power and credit access.
- **Inflation:** The Fed monitors inflation surveys and market expectations, noting a short-term spike in survey-based expectations while long-term market forecasts remain stable.

Source: RBC Rochdale as of April 29, 2026.

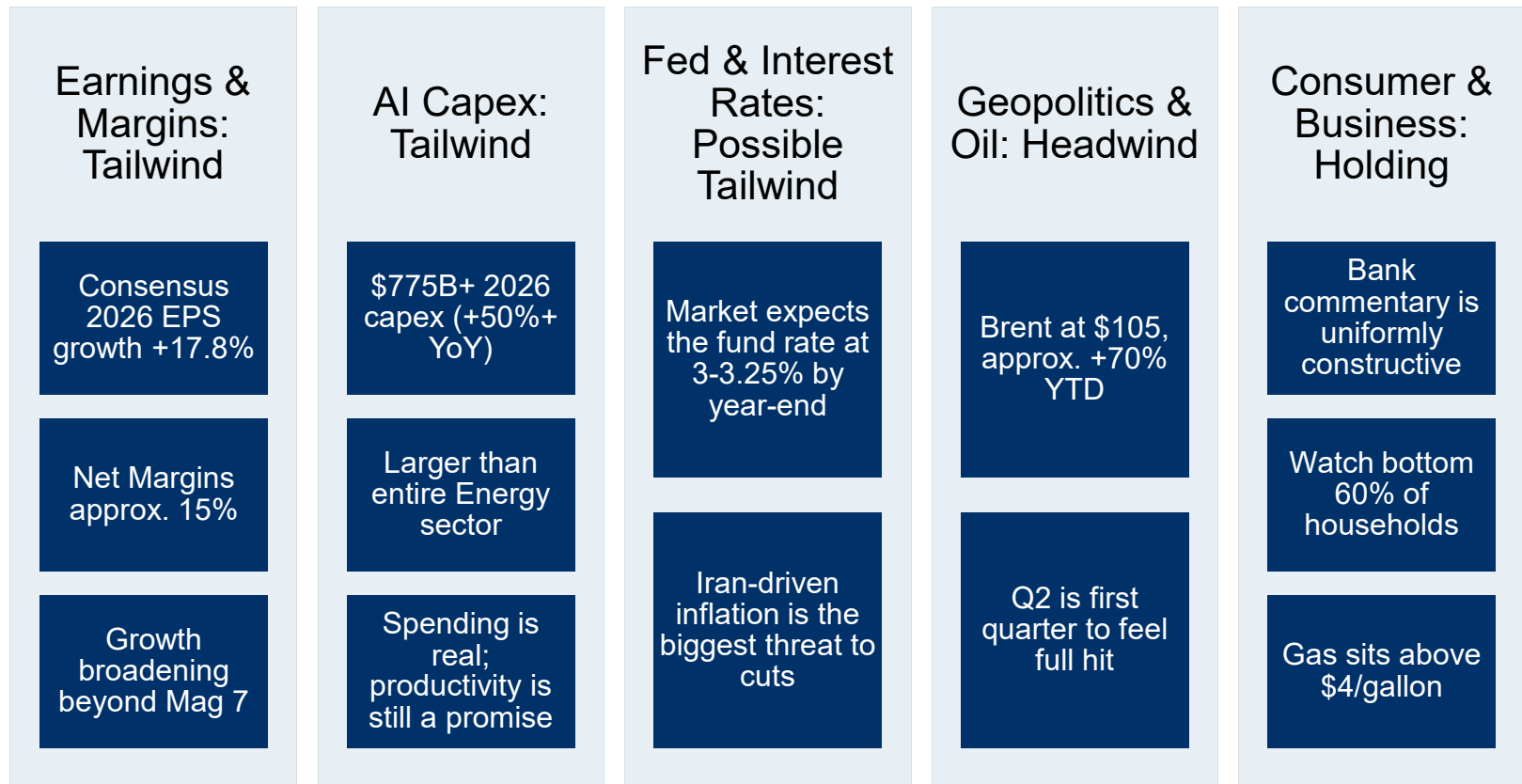
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What Drives Equity Markets From Here?

- Equity markets are responding to five key themes: Earnings are the engine, while the other four calibrate speed.
- We see three tailwinds, one headwind and one neutral theme.
- We expect the market to move higher on strong earnings and Fed cuts, but returns could stall if energy costs keep inflation sticky.



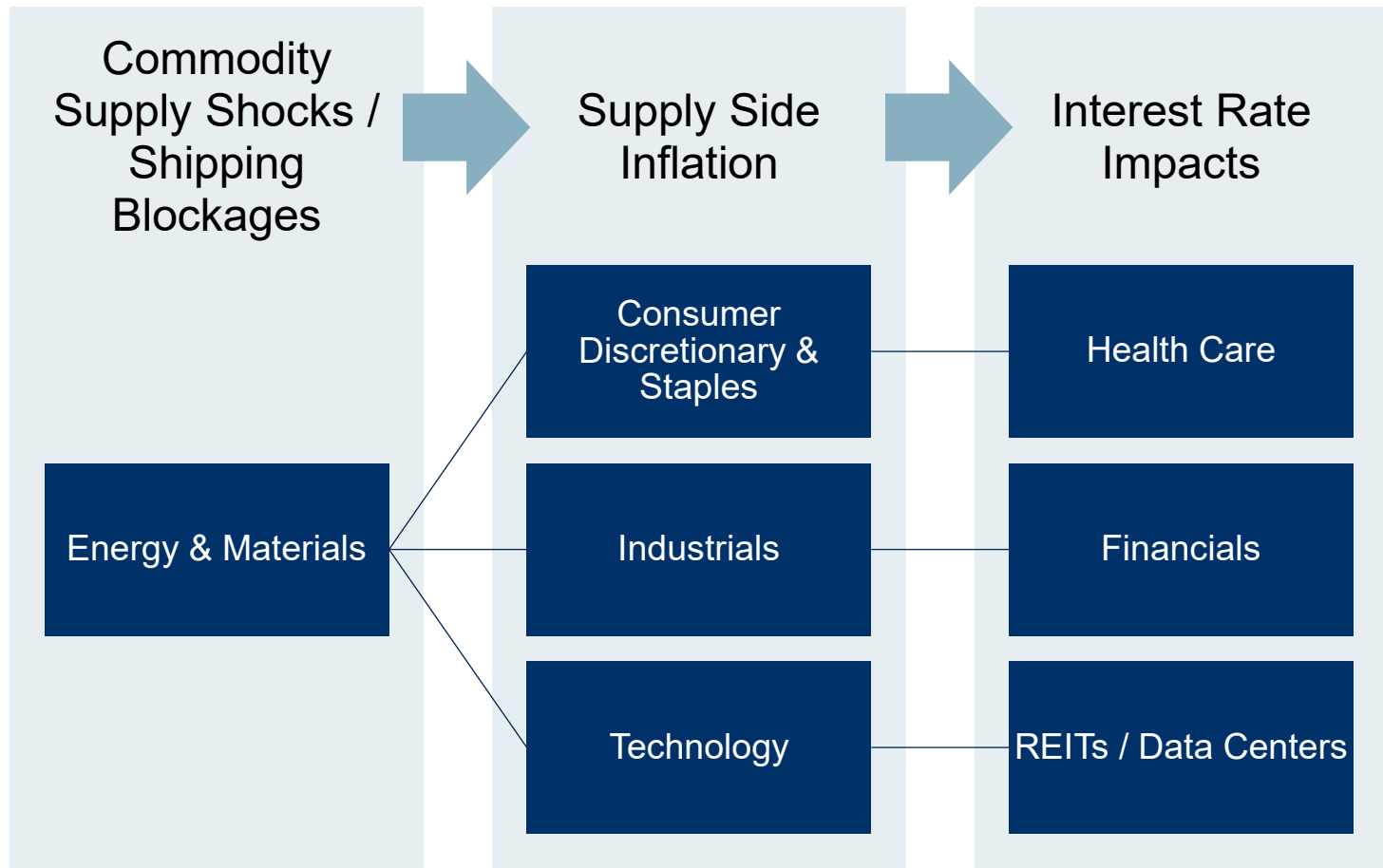
Source: Bloomberg, RBC Rochdale. As of 4/24/2026. Information is subject to change and is not a guarantee of future results.

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Sector Impact From The U.S-Iran Conflict

- Consequences from events in the Middle East impact various sectors through a commodity price shock.



Source: Bloomberg, RBC Rochdale. As of 4/24/2026. Information is subject to change and is not a guarantee of future results.

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The Energy Sector Has Two-Sided War Impact

- The commodity price shock lifts prices, but also creates demand erosion.
- We favor domestically focused E&Ps¹ and liquids midstream in unaffected geographies; be selective on integrated and cautious on refiners given margin durability risks.

Energy sector up roughly 30% YTD	Supply constraints lift oil and international gas	Price-sensitive demand erodes in jet fuel and petrochemical feedstocks	High short-term beta to commodity prices
Producers (E&P ¹ / Upstream)	Integrations	Midstream	Downstream
<ul style="list-style-type: none"> • Margin uplift from higher prices • Domestic producers like EOG and Diamondback are most advantaged • Unaffected U.S. exposure, low earnings bars, attractive valuations 	<ul style="list-style-type: none"> • Exxon & Chevron • Positive but less leveraged to the U.S. given international exposure • More expensive valuations 	<ul style="list-style-type: none"> • Attractiveness may improve • Longer conflict and looser discipline could lift volumes in unaffected regions • Midstream names like Oneok are positioned well – U.S. exposure, low volume forecasts and appealing valuations 	<ul style="list-style-type: none"> • Capacity outages abroad boost product prices and margins in unimpacted areas • Domestic refiners like Valero benefit but with less attractive earnings/valuation profiles • Weaker visibility as demand erosion could hurt refining

¹Exploration & Production (“E&P”).

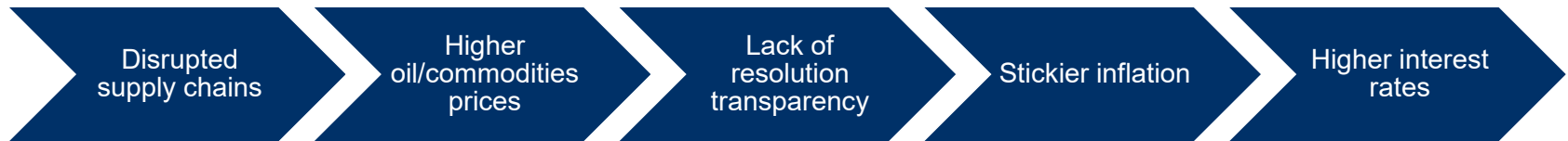
Source: Bloomberg, RBC Rochdale. As of 4/22/2026. Information is subject to change and is not a guarantee of future results.

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Financials Face War-Driven Inflation Risk

- Higher rates will pressure the profitability within the financial sector.
- Economically exposed companies, particularly banks, consumer finance, and life insurers face the greatest rate-sensitivity
- We favor defensive positioning within financials, prioritizing balance-sheet strength, deposit stability and conservative asset-liability management.



Banks
<ul style="list-style-type: none">• Higher rates cut loan demand• Raise funding costs and credit losses• Elevate unrealized losses on securities• Tightening capital/leverage flexibility

Consumer Finance
<ul style="list-style-type: none">• Weaker demand• Rising charge-offs/default risk• Household stress increases through higher rates

Life Insurers
<ul style="list-style-type: none">• Bond portfolio values fall with yields• Asset-Liability mismatch risk rises as liabilities reprice unevenly

Source: Bloomberg, RBC Rochdale. As of 4/22/2026. Information is subject to change and is not a guarantee of future results.

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Technology: April's Tale of Two Industries

- Semiconductor companies jumped, software faced headwind and AI infrastructure spending continues to accelerate.
- Tech leadership has rotated inside the sector. Chips and AI infrastructure are winning; software is being repriced. Mag 7 earnings tell us if the spending can keep pace with the hype.

Semiconductors – The Best Month Since 2020

- SOX Index (semiconductor) was up ~45% in 18 days, which is the longest winning streak in its history.
- Nvidia crossed the \$5 trillion market capitalization level on April 24th.
- Intel rose 24% on April 24th after exceeding Q1 earnings expectations - its best day since 1987.

Software – “SaaS¹-apocalypse and Stabilization”

- Software ETF (IGV) fell ~30% over Q1 - its worst quarter since 2008.
- Salesforce, ServiceNow and Adobe were all down between 25-30% Year-to-Date on AI disruption fears.
- IGV is up ~15% since April 10th as investors start to see buying opportunities.

The Fuel: AI Spending Keep Breaking Records

- Hyperscalers plan ~\$650B+ in 2026 spending - up 60% vs. last year and larger than the S&P 500 Energy sector.
- Mag 7 earnings on April 29th - 30th will be the next big test for the AI

¹SaaS: Software as a Service. Index descriptions are located in the Definitions sections at the end of the document.
Source: Bloomberg, RBC Rochdale. As of 4/27/2026. Information is subject to change and is not a guarantee of future results.

Q1 Earnings: Strong Numbers, Skeptical Tape

- Earnings reports have been positive, but reactions have been limited so far, as impacts from the Iran war filter into Q2 numbers.

14-15% of companies have reported earnings

80% of reported companies beat earnings estimates (76% average)

Earnings growth is 14.% so far (vs. 12.4% expected)

Greatest growth surprises in Financials, Industrials, and Communications

Price reactions have generally been muted

Investors looking through to Q2: oil pass-through to margins, demand destruction and cut guidance

1Q26 EPS Beat, Hit, Miss, Growth Table	Report Count	% Count Reported	% MCap Reported	Relative to Preseason Day			Growth Rate	
				Beat	Hit	Miss	At Start of Season@	Current
S&P 500	172	34.4%	29.6%	79.7%	7.0%	13.4%	12.35%	14.01%
Energy	5	22.7%	12.3%	4	0	1	7.71%	-14.6%
Materials	9	34.6%	40.7%	7	2	0	23.65%	35.6%
Industrials	34	43.0%	50.3%	24	4	6	1.26%	6.0%
Discretionary	16	32.7%	30.8%	10	1	5	1.43%	4.3%
Staples	12	34.3%	49.8%	9	1	2	1.91%	3.6%
Health Care	16	27.1%	34.6%	15	1	0	-9.68%	-9.4%
Financials	46	60.5%	59.5%	38	1	7	16.55%	20.9%
Technology	16	22.2%	12.8%	15	1	0	41.54%	43.1%
Communications	5	25.0%	14.4%	4	0	1	-3.550%	0.2%
Utilities	4	12.9%	19.6%	3	0	1	0.0766	7.7%
Real Estate	9	29.0%	41.5%	8	1	0	0.0211	5.4%
ex-Energy	167	34.4%	30.3%	133	12	22	12.56%	15.32%
ex-Technology	156	36.4%	37.4%	122	11	23	3.54%	5.21%
ex-Financial	126	29.7%	30.3%	99	11	16	11.38%	12.43%
ex-Magnificent 7	172	34.9%	29.6%	137	12	23	10.35%	12.37%

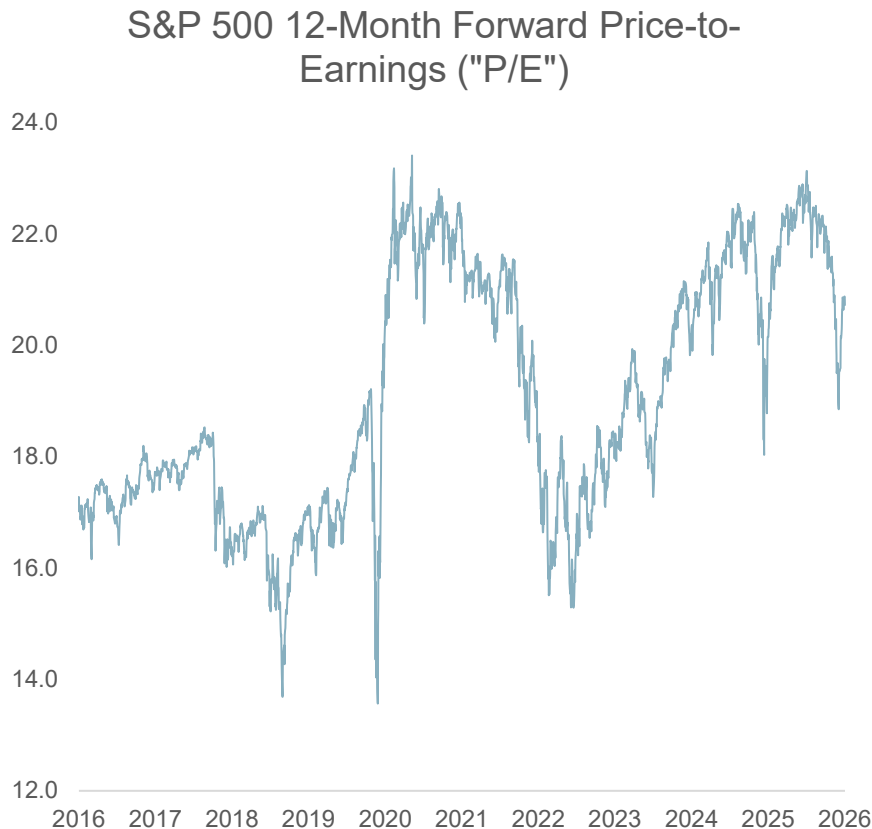
Source: Bloomberg, RBC Rochdale. As of 4/28/2026. Information is subject to change and is not a guarantee of future results.

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Valuations: Paying Up for Growth

- The S&P 500 is up +4.1% YTD and valuation has improved but remains expensive.
- We believe that earnings must “do the work” from here for a continued advance.



Where valuation sits

- Current Forward P/E: 21.8x
- vs. 5-yr Average: 21.6x
- vs. 10-yr Average: 20.7x
- vs. 15-yr Average: 18.9x

The bull case in one number

- 2026-Q2 earnings growth forecast of 20.2%
- Despite the war
- 17.8% for full year

Year-end 2026 S&P 500 targets

- Wall Street median: 7,434 (+4.4% upside)
- Our call: 7,700-7,800 (+8-10%)
- We have remained steadfast on our estimate

Source: Bloomberg, RBC Rochdale. As of 4/22/2026. Information is subject to change and is not a guarantee of future results.

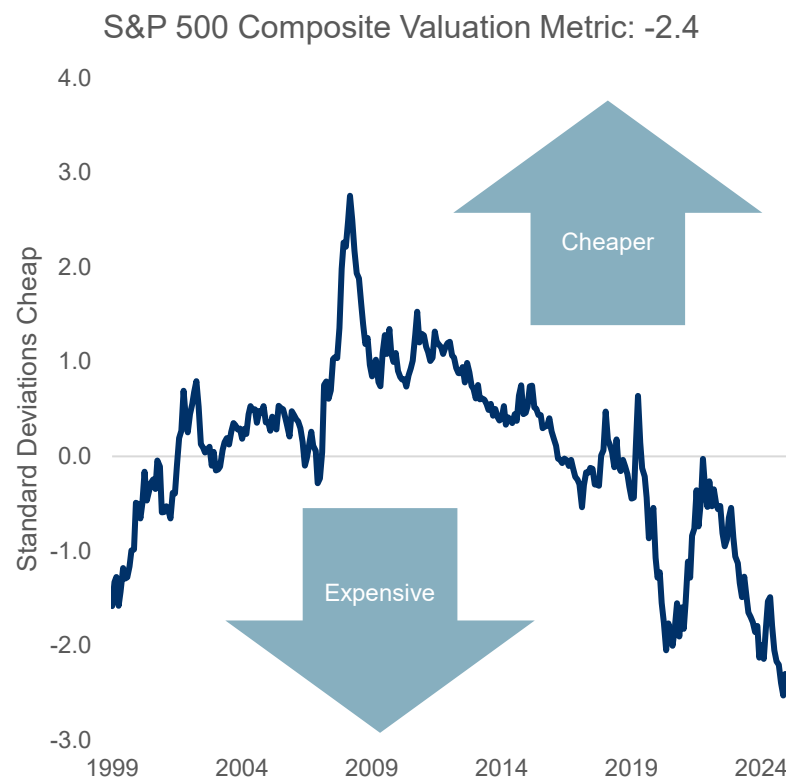
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Long-Term Valuation Remains High

- We blend five backward-looking valuation measures, which currently indicate an expensive market on a long-term basis.
- This allows us to use what companies actually report and to combine multiple metrics to get a full picture and eliminate noise.
- Valuations don't tell us when, but they do tell us how much room for error the market has.

Valuation Metric ¹ (Trailing 12-months)	Current Level	Standard Deviations
Price-to-Earnings	28.0x	1.5
Price-to-Book	5.6x	1.7
Price-to-Cashflow	22.4x	1.4
Price-to-Sales	3.5x	1.6
Dividend Yield	1.12%	1.8
Composite Valuation	-	2.4



Source: Bloomberg, RBC Rochdale. Valuation metrics quoted for the S&P 500 Index as of 4/27/2026. 1: Dividend Yield and Composite Valuation are not trailing 12-month metrics. Information is subject to change and is not a guarantee of future results.

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Key Takeaways

- The U.S.-Iran conflict has an impact on equity markets through higher commodity prices, greater inflation expectations, weaker consumer trends, and flight-to-quality.
- **Commodity-based: Energy** (price tailwinds vs demand erosion), **Materials** (fertilizers, chemicals, helium; energy-intensive paper/packaging), **Consumer** (fuel squeeze; travel/leisure margin pressure), Metals & Mining (diesel/sulfuric constraints).
- **Rate-sensitive: Financials** (banks, consumer finance, life insurers) face funding, credit, and ALM pressures; Consumer housing linkage; REITs (real-rate sensitive); **Health Care** (biopharma trades inversely to rates near term)
- **Pricing power vs elasticity:** Cost pass-through (surcharges, list prices) drives margin dispersion; where demand is price-sensitive (jet fuel, petrochemicals), volumes risk offsetting price gains.
- **Earnings:** ~15% of the S&P 500 have reported Q1 results, 88% have beaten EPS estimates with full year forecasts of 18% earnings growth. Valuations remain high, but earnings may be up to task.

Source: Bloomberg, RBC Rochdale. As of 4/22/2026. Information is subject to change and is not a guarantee of future results.

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Q&A

Definitions

Standard & Poor's 100 Index is a capitalization-weighted index based on 100 highly capitalized stocks selected from the S&P 500 index for which options are listed. The index was developed with a base value of 50 as of January 2, 1976.

The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

Bloomberg Magnificent 7 Total Return Index is an equal-dollar weighted equity benchmark consisting of a fixed basket of 7 widely-traded companies classified in the United States and representing the Communications, Consumer Discretionary and Technology sectors as defined by Bloomberg Industry Classification System (BICS).

MSCI USA Small Cap Index: Measures the performance of the small-cap segment of the U.S. equity market.

MSCI World Net Total Return Index: Tracks large and mid-cap companies across 23 developed market countries globally.

iShares MSCI Canada ETF: Tracks the investment results of the MSCI Canada Index, focusing on large and mid-sized companies in the Canadian equity market.

MSCI ACWI Net Total Return Index: (All Country World Index) Broadly tracks large and mid-cap stocks across 23 developed and 24 emerging market countries.

iShares MSCI Pacific ex-Japan ETF: Tracks developed market equities in the Pacific region (Australia, Hong Kong, New Zealand, and Singapore), excluding Japan.

iShares MSCI United Kingdom ETF: Tracks the performance of the British equity market, specifically large and mid-cap companies based in the UK.

MSCI World ex USA Net Total Return Index: Tracks large and mid-cap representation across 22 developed markets, specifically excluding the United States.

MSCI AC Asia ex Japan Net Total Return Index: Tracks large and mid-cap stocks across developed and emerging market countries in Asia, excluding Japan.

MSCI Emerging Markets Net Total Return Index: Tracks the performance of large and mid-cap companies in emerging market countries globally.

MSCI Europe Net Total Return Index: Tracks large and mid-cap representation across developed market countries in Europe.

MSCI Europe Ex UK Net Total Return USD Index: Tracks the performance of large and mid-cap equities across developed markets in Europe, excluding those of the United Kingdom, covering roughly 85% of the free-float adjusted market capitalization in the European developed markets.

MSCI Japan Net Total Return Index: Tracks the performance of large and mid-cap Japanese stocks listed on major exchanges like Tokyo and Osaka

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Definitions

MSCI China Net Total Return USD Index tracks the performance of both large and mid-cap Chinese equities available to international investors, covering roughly 85% of the investable Chinese universe

Morningstar LSTA US Leveraged Loan Price Index: Tracks the U.S. institutional leveraged loan market

A consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households. The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically.

The “core” Personal Consumption Expenditures (PCE) price index is defined as prices excluding food and energy prices. The core PCE price index measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy prices to reveal underlying inflation.

Trimmed Mean Inflation: is represented by the Dallas Fed Trimmed Mean One Year PCE Inflation Annual Rate: which tracks the underlying long-term inflation trends by removing outlier price changes from the Bureau of Economic Analysis (BEA) Personal Consumption Expenditure (PCE) index. It removes the bottom 21% of the of the expenditure weight representing the smallest or lowest price changes and also removes the top 31% of the expenditure weight representing the largest or highest price changes.

Nonfarm Payrolls measures the number of employees on business payrolls

Labor Turnover, commonly referred to the JOLTS (Job Openings Labor Turnover Survey) measures the number of employed people tracked by a household labor force survey

The University of Michigan Consumer Sentiment index is a monthly survey that assess the sentiment of U.S. consumers nation wide, conducted by the University of Michigan.

Retail Sales is a monthly survey that measures the total dollar value of sales and the end-of-month inventories for retail and food services businesses.

SOX Index is the Philadelphia Semiconductor Index tracks companies involved in the design, distribution, manufacturing, and sale of semiconductors.

MOVE Index: The MOVE Index measures U.S. bond market volatility by tracking a basket of OTC options on U.S. interest rate swaps. The Index tracks implied normal yield volatility of a yield curve weighted basket of at-the-money one month options on the 2-year, 5-year, 10-year, and 30-year constant maturity interest rate swaps.

Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country’s borders in a specific time period.



Definitions

FOMC: Federal Reserve's monetary policymaking body that sets interest rates and steers U.S. monetary policy to promote stable prices and maximum employment. Comprised of 12 members (Board of Governors and Reserve Bank presidents), it holds eight meetings annually to determine the federal funds rate.

Rochdale SpeedometersSM are indicators that reflect forecasts of a 6-to-9-month time horizon. The colors of each indicator, as well as the direction of the arrows, represent our positive/negative/neutral view for each indicator. Thus, arrows directed toward the (+) sign represent a positive view, which in turn makes it green. Arrows directed toward the (-) sign represent a negative view, which in turn makes it red. Arrows that land in the middle of the indicator, in line with the (0), represents a neutral view which in turn makes it yellow. All of these indicators combined affect City National Rochdale's overall outlook of the economy.

WIRP Est Number of Moves Priced in for the US - Futures Model: This data represents the estimated number of moves priced in to the current forward-curve structure for The United States using the futures model. This ticker utilizes 'virtual ticker' technology to show multiple dimensions of data via a single ticker.

Federal Funds Target Rate - Upper Bound: A target interest rate set by the central bank in its efforts to influence short-term interest rates as part of its monetary policy strategy. This indicator shows the new target interest rate on the date the new rate was announced.

Bloomberg US Corporate High Yield Total Return Index Value Unhedged USD: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded.

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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.

There are inherent risks with fixed income investing. These risks may include interest rate, call, credit, market, inflation, government policy, liquidity, or junk bond. 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.

Municipal securities. The yields and market values of municipal securities may be more affected by changes in tax rates and policies than similar income-bearing taxable securities. Certain investors' incomes may be subject to the Federal Alternative Minimum Tax (AMT), and taxable gains are also possible. Investments in the municipal securities of a particular state or territory may be subject to the risk that changes in the economic conditions of that state or territory will negatively impact performance. These events may include severe financial difficulties and continued budget deficits, economic or political policy changes, tax base erosion, state constitutional limits on tax increases and changes in the credit ratings.

Investing in international markets carries risks such as currency fluctuation, regulatory risks, economic and political instability. Emerging markets involve heightened risks related to the same factors as well as increased volatility, lower trading volume, and less liquidity. Emerging markets can have greater custodial and operational risks, and less developed legal and accounting systems than developed markets.

Indices are unmanaged, and one cannot invest directly in an index. Index returns do not reflect a deduction for fees or expenses.

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