CITY NATIONAL ROCHDALE
AN RBC/CITY NATIONAL COMPANY

July 31, 2025

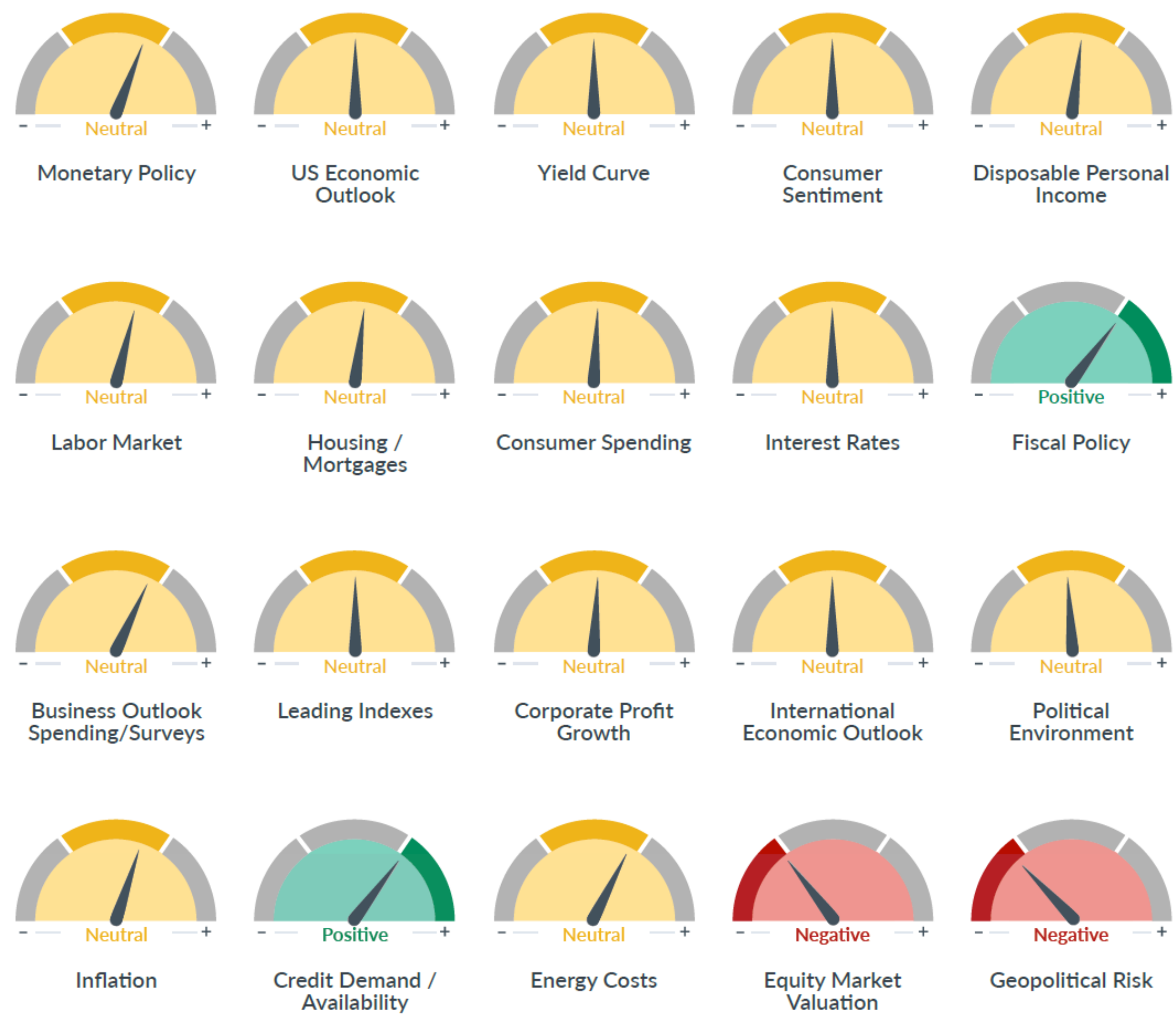
Market Update Webinar

CNR Speedometers® – August 2025

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

- The global outlook for growth remains dynamic while tariffs continue to be hashed out.
- The Federal Reserve will remain on hold, unless price impacts are clear or unemployment rises.
- Consumer financials remain strong, sentiment is recovering from recent lows, but spending is slowing.
- Despite the concern on tariffs, fiscal stimulus through deregulation and tax policy is materializing.
- U.S. stock valuations are well above average as the S&P500 makes new highs.
- Tariffs remain a key threat, but the market has become less sensitive to unexpected policy announcements.

Impact on Economy and Financial Markets



Impact on investment: ■ Positive ■ Neutral ■ Negative **Timeframe:** ■ Current ■ Change from last month

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Economic Forecasts

- The low-end of CNR's growth forecast has been revised higher and expectations across profit growth, inflation and interest rates are stable.

- The near-term GDP growth outlook has improved despite elevated uncertainty.
- Corporate profits for the year continue to exceed forecasts and corporate margins remain high.
- Some inflation pressure is likely to materialize based on the administration's tariff policy.
- The Fed may cut rates 1-2 times later this year, which may be a tailwind for stocks.
- Structural pressure will likely keep 10-year Treasury yields over 4%.

City National Rochdale Forecasts		2024	CNR 2025 (est.)	Consensus 2025 (est.)
Real Annual GDP Growth		2.5%	1.25% to 1.75%	1.5%
Corporate Profit Growth		9.6%	7.0% to 10.0%	8.2%
Headline CPI Year End		2.9%	3.25% to 3.50%	2.85%
Interest Rates	Federal Funds Rate	4.25% to 4.50%	3.75% to 4.25%	4.10%
	Treasury Note, 10-Yr.	4.57%	4.0% to 4.5%	4.29

What Is Going On in Washington D.C.?

Major One Big Beautiful Bill Takeaway's

Consumer Impact

- "Permanent" increase in the Standard Deduction
- Increased estate tax exemption
- SALT limit increased to $40,000 through 2029
- Enhanced seniors deduction "no tax on Social Security"
- No tax on tips: up to $25,000, $150,000 phase out
- No tax on overtime: $12,500, $150,000 phase out
- No tax on car loan interest: $10,000, $200,000 phase out

Corporate Impact

- 100% bonus depreciation
- 100% manufacturing, refining, agricultural/chemical goods production structure depreciation, services excluded
- 100% domestic R&D expensing
- Net interest expense limitation shifts to EBITDA vs. EBIT

Other Impact

- IRA clean energy cuts
- Student loan reforms
- Defense spending increase
- Medicaid reductions
- Work requirements
- State expense sharing

Global Trade and Tariffs

- Starting to see a blanket 15% tariff emerge
- EU: 15%, $600bn US Investment, $750bn energy purchases, details are still needed on pharmaceuticals
- China: August 12th deadline not August 1st
- Japan: $550bn invested in U.S. and effective rate of 15%
- Philippines: 19% with no tariffs on U.S. imports
- South Korea: "Make America Shipbuilding Great Again"

What happens tomorrow? TACO or WHACO

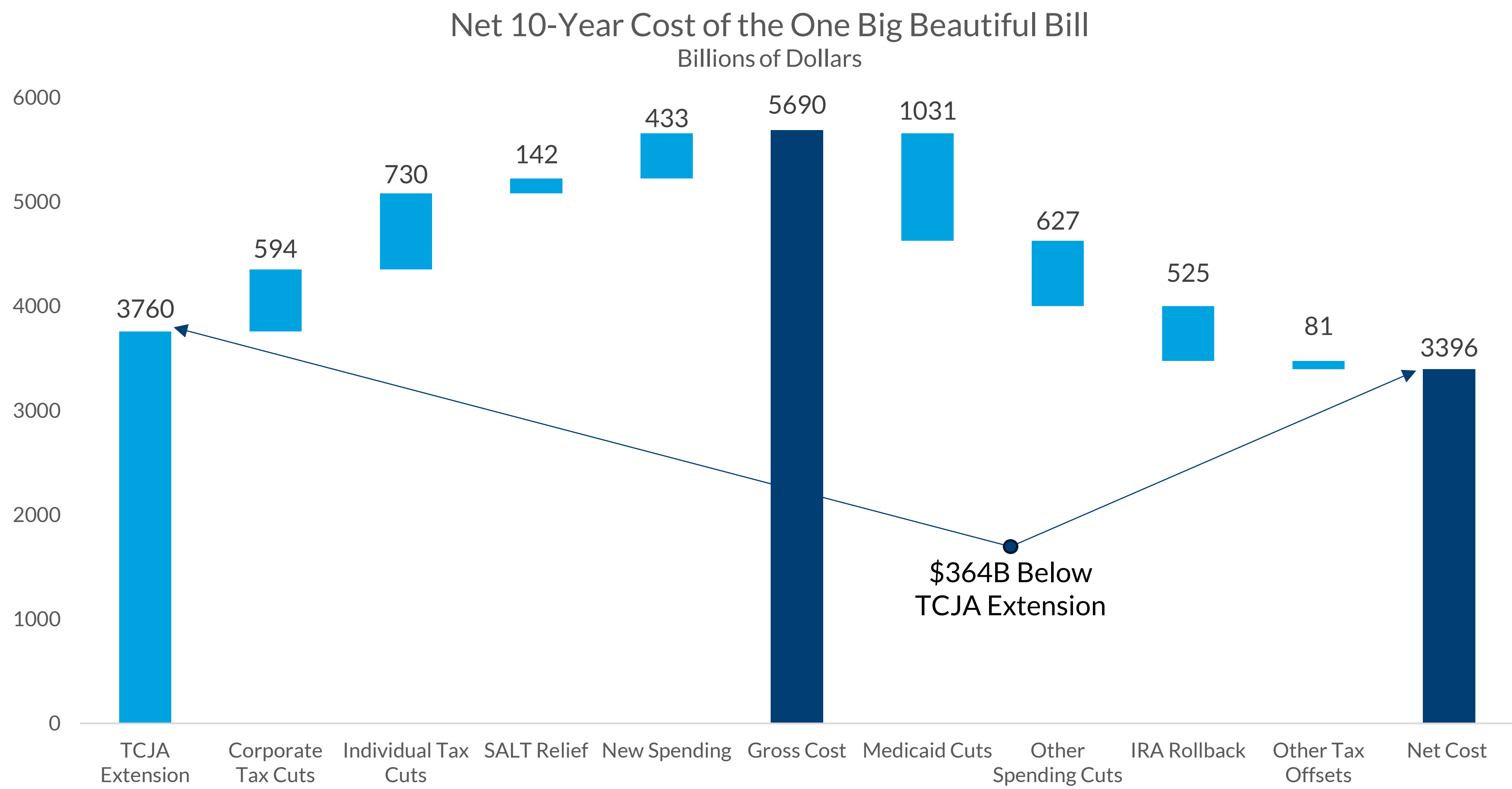
A GENIUS Bill

- First federal framework for stable coins
- Issuers are required to have 100% reserve backing
- Issuance is limited to regulated banks, licensed fintechs, and small state-supervised firms
- This is not a government-issued digital dollar and therefore does not increase the money supply
- Democracy of Issuance – multiple coins issued, limited systemic risk, preserved federal oversight
- Consumer protections such as AML compliance, public disclosures and more were included
- Newly issued stable coins from banks are expected to reach $2 trillion by 2030
- Stablecoin transactions now exceed $27tn per year

As of July 24, 2025.
Sources: Citi, McKinsey, White House, CNR Research.

Cost of the One Big Beautiful Bill

- The increase in activity that could occur as a result of the bill is fully paid for when considering the extension of the Tax Cuts and Jobs Act (TCJA) against the spending cuts.
- The market's reaction to the passage of the bill suggests optimism about its stimulative impact.



As of July 24, 2025.
Sources: WOLFE Research, CNR Research.
Information is subject to change and is not a guarantee of future results.

Tariff Pass-Through Tracker: Who's Absorbing What?

- Price increases are likely isolated, impacting goods categories like toys and games, furniture and computers.
- Absorption of tariffs is likely concentrated in consumers, but it is NOT 1:1.

	% Absorption by Channel for February - June						
	Exporter	Retailer	Consumer	Total % Absorbed	Est. Tariff % Increase	% Absorbed	% Remaining
Toys & Games	-0.1	1.2	2.4	3.4	19.2	18	15.80
Furniture	-0.7	0.0	1.6	0.9	14.8	6	13.83
Computers	0.4	0.2	3.5	4.1	17.5	23	13.46
Footwear	0.4	0.0	-0.4	0.0	12.9	0	12.86
Autos	-0.3	0.0	-0.5	-0.9	11.8	-7	12.69
Apparel	1.9	0.0	0.2	2.1	12.9	16	10.78
Audio & Video Equipment	0.2	3.9	2.1	6.1	13.5	45	7.38
Sporting Goods	-0.1	0.0	1.8	1.7	8.4	20	6.65
Personal Care Products	1.4	0.0	0.0	1.4	6.7	21	5.30
Cleaning Products	0.7	0.0	0.7	1.4	6.7	21	5.26
Office Supplies	1.0	3.5	-0.5	4.0	6.9	59	2.85
Major HH Appliances	-0.5	0.0	5.7	5.2	7.0	74	1.82
Garden Equip	-1.2	7.3	0.5	6.7	8.3	80	1.66
Auto Parts	0.9	0.0	1.2	1.3	2.7	46	1.48

Data current as of July 28, 2025.
Sources: WOLFE Research, CNR Research.
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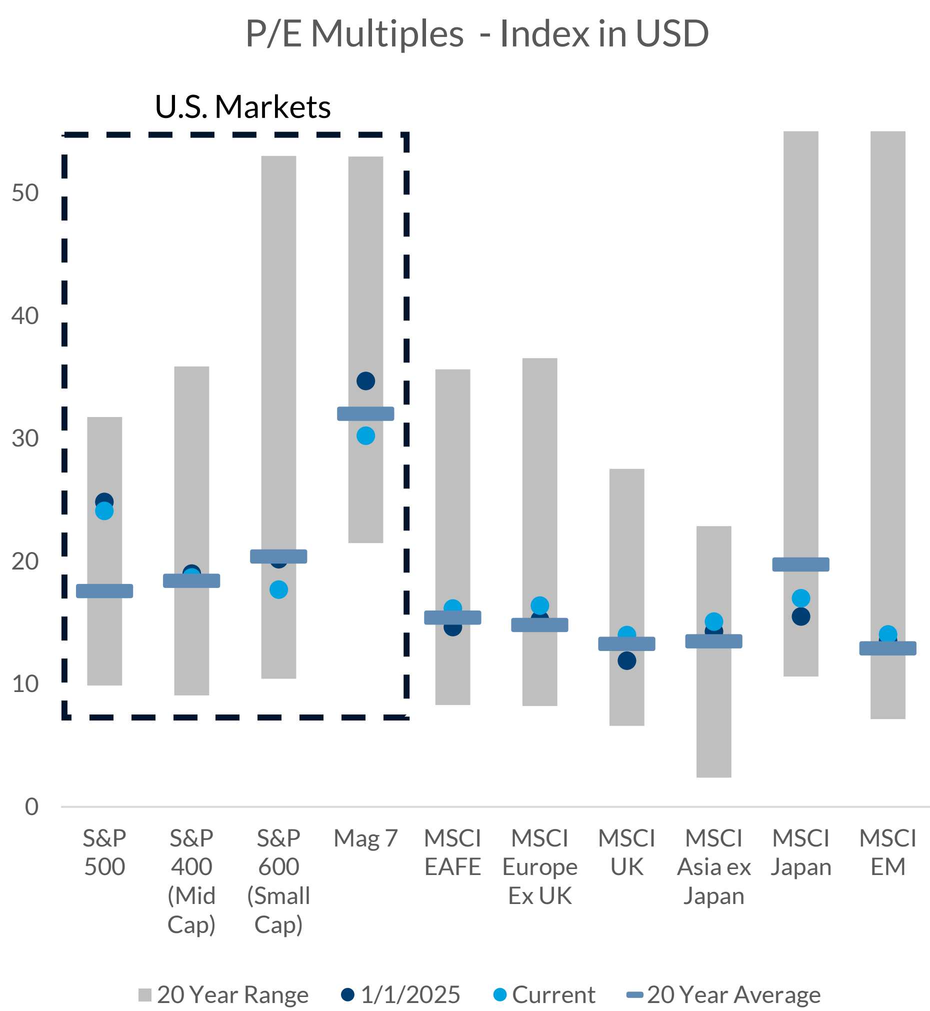
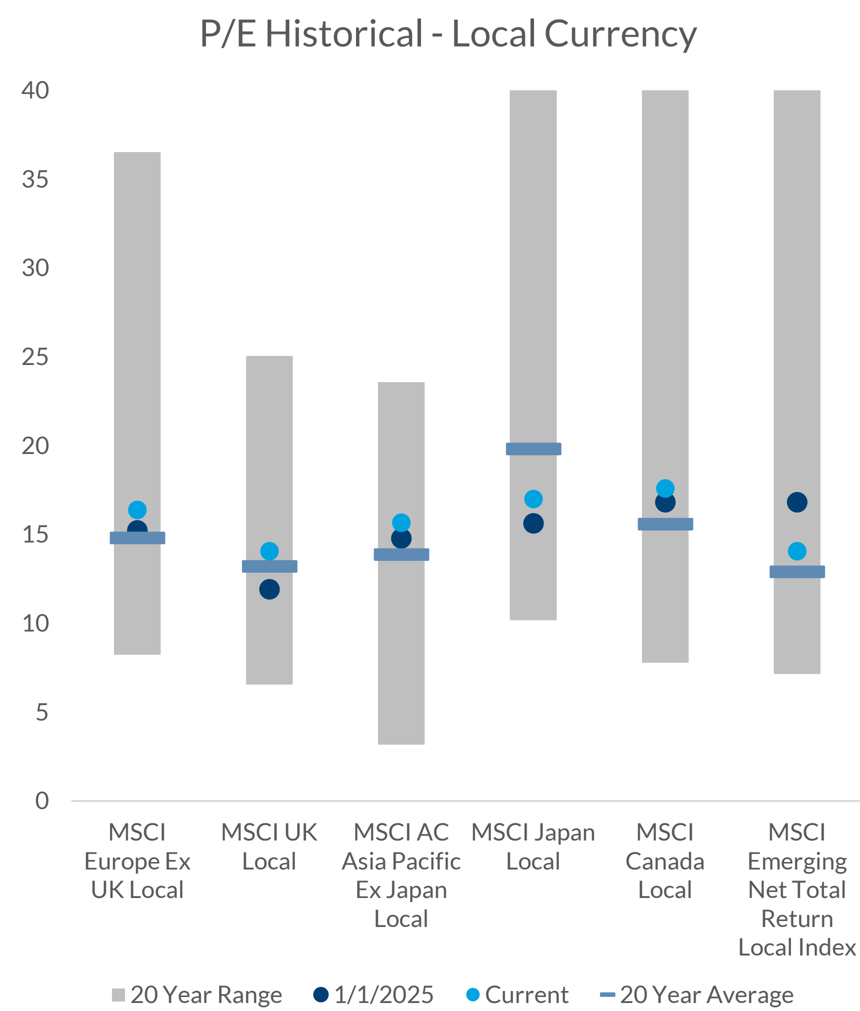
Valuations Are Turbulent and Impacted by Currency

- Valuations remain high in the U.S., but European valuations are higher when the currency impact is removed.





Data current as of July 30, 2025.
Sources: Bloomberg, CNR Research.
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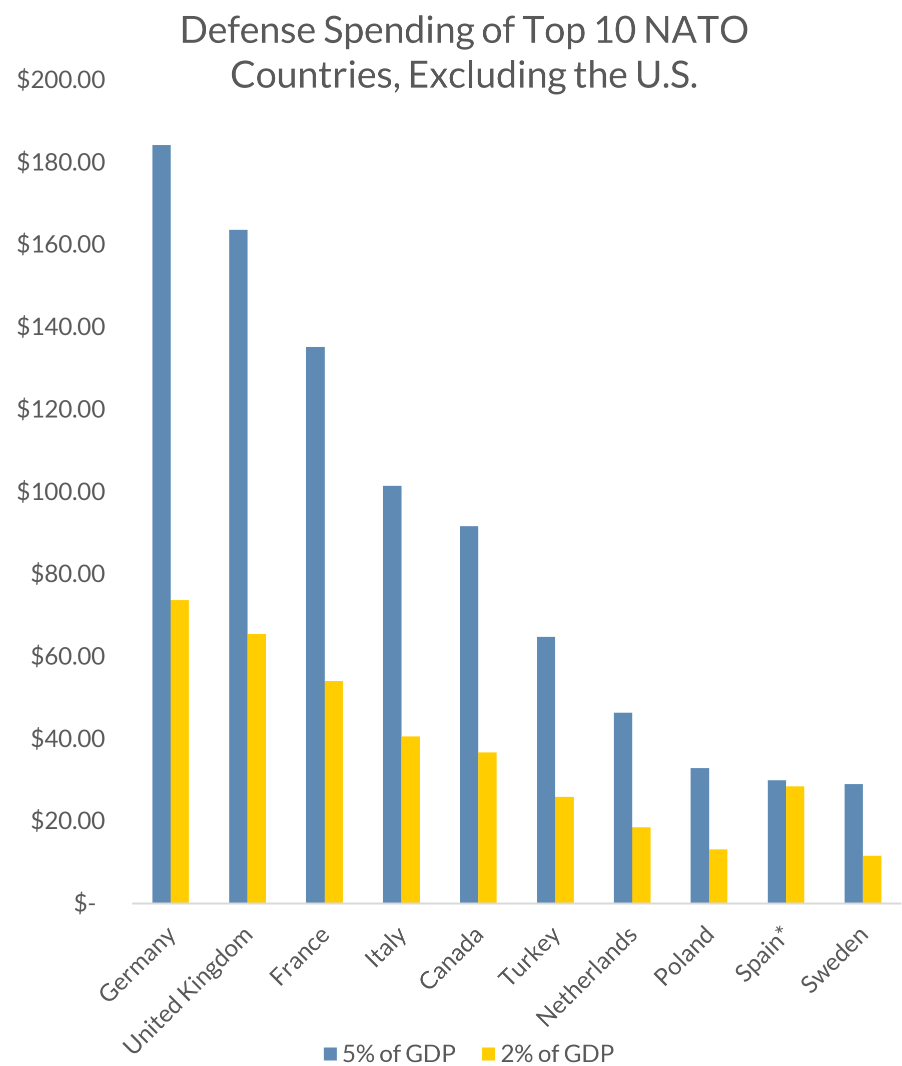
Will Defense Spending Be Enough?

- The Hague Defense Investment Plan (announced at June 2025 NATO Meeting)
  - Increased annual military spending from 2% of GDP (2014 agreement) to 5% of GDP by 2035
  - Split as 3.5% allocated for core military capabilities, and
  - 1.5% allocated to defense-related infrastructure, cybersecurity, resilience and support for Ukraine
  - Spain opted to not participate fully, only increasing its contribution by 0.1% of GDP to a total of 2.1% of GDP
- Price stability:
  - Average inflation rate may not exceed that of the three best-performing EU member states in terms of price stability by more than 1.5%
- Deficits & Debt:
  - Must not exceed 3% of GDP
  - Should be below 60% of GDP but must be on a country specific responsible debt path in line with a country's medium-term fiscal structural plan.
- NextGenerationEU (Digital Transition):
  - Requires that countries allocate 20% of funds to digital-related investments
  - AI approach is highly regulated via the AI Act and focuses on trust and safety vs. competition and speed in the U.S.



*Spain elected to not participate in the defense spending increase to 5% of GDP, only increasing spending by 0.1% to 2.1% of total GDP.

Data current as of July 25, 2025.
Sources: Bloomberg, World Bank, CNR Research.
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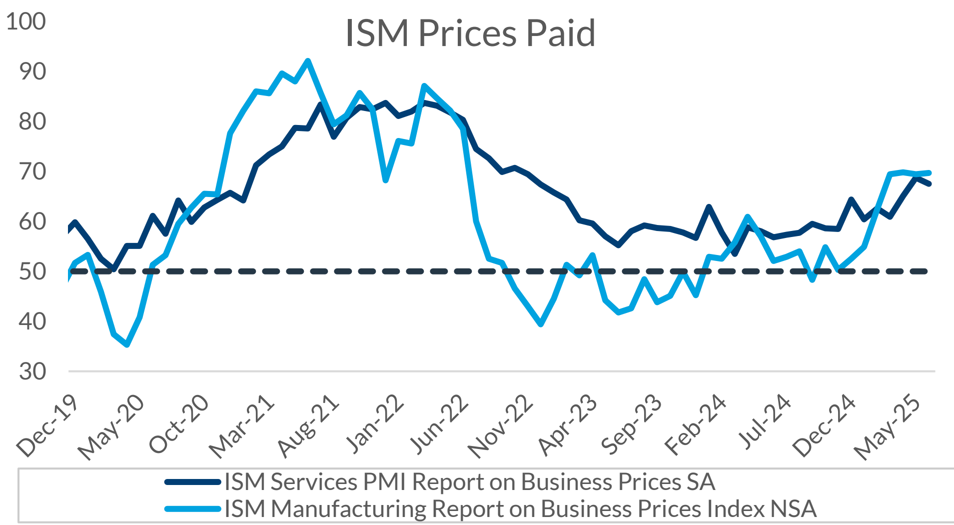
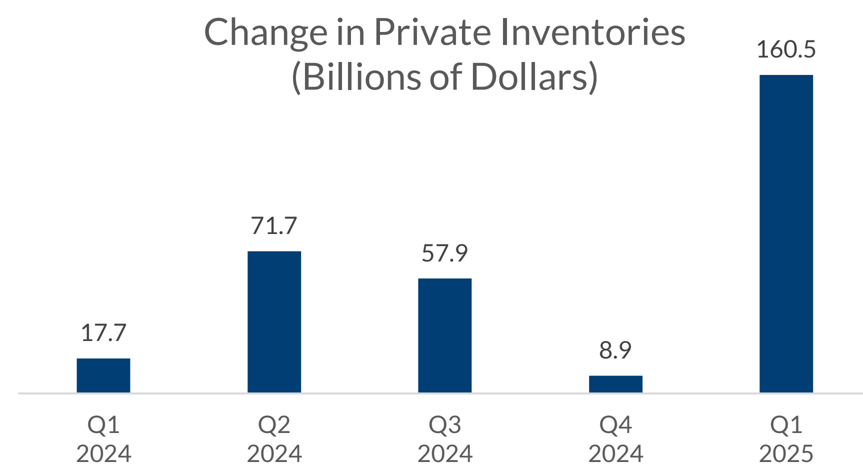
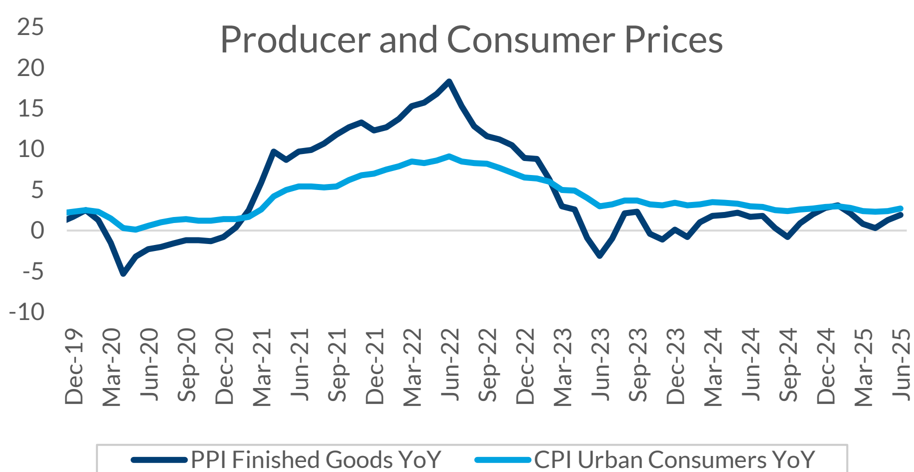
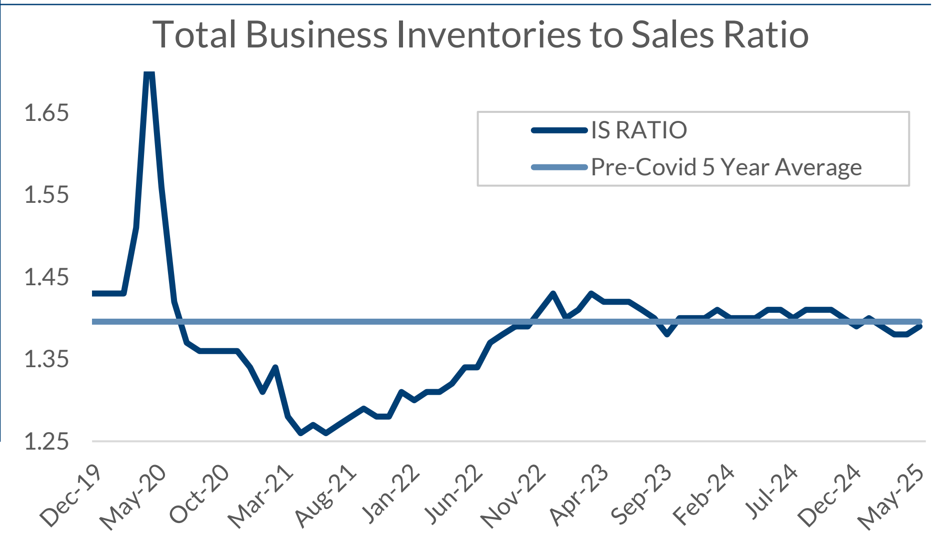
When Will Businesses and Consumers Pay More?

- There are signs of moderate inflation pressure, but increased inventories have stabilized pricing for now.









Data current as of July 25, 2025.
Sources: Bloomberg, Federal Reserve Bank of St. Louis, Census Bureau, CNR Research.
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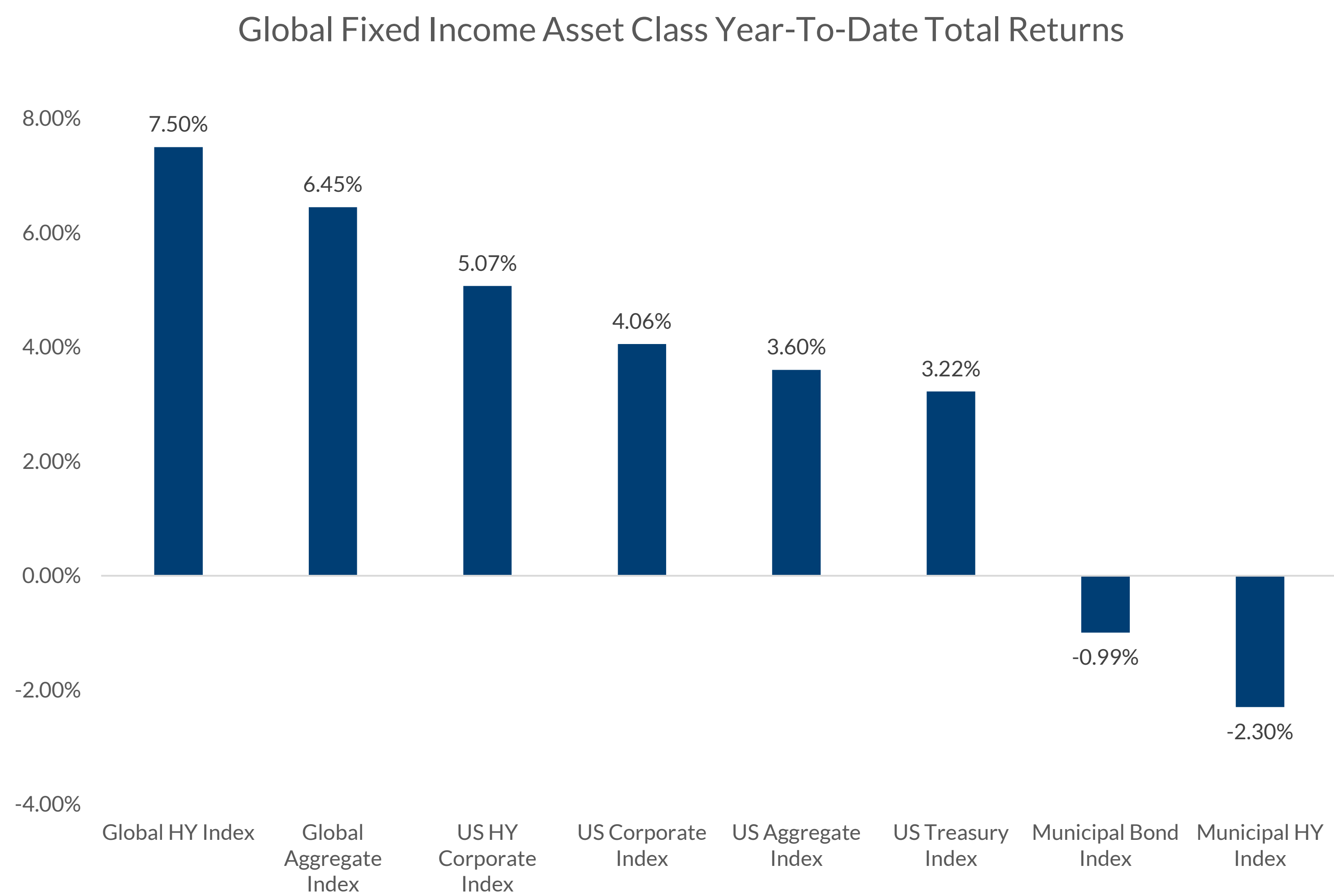
Global Fixed Income Performing Well Year to Date

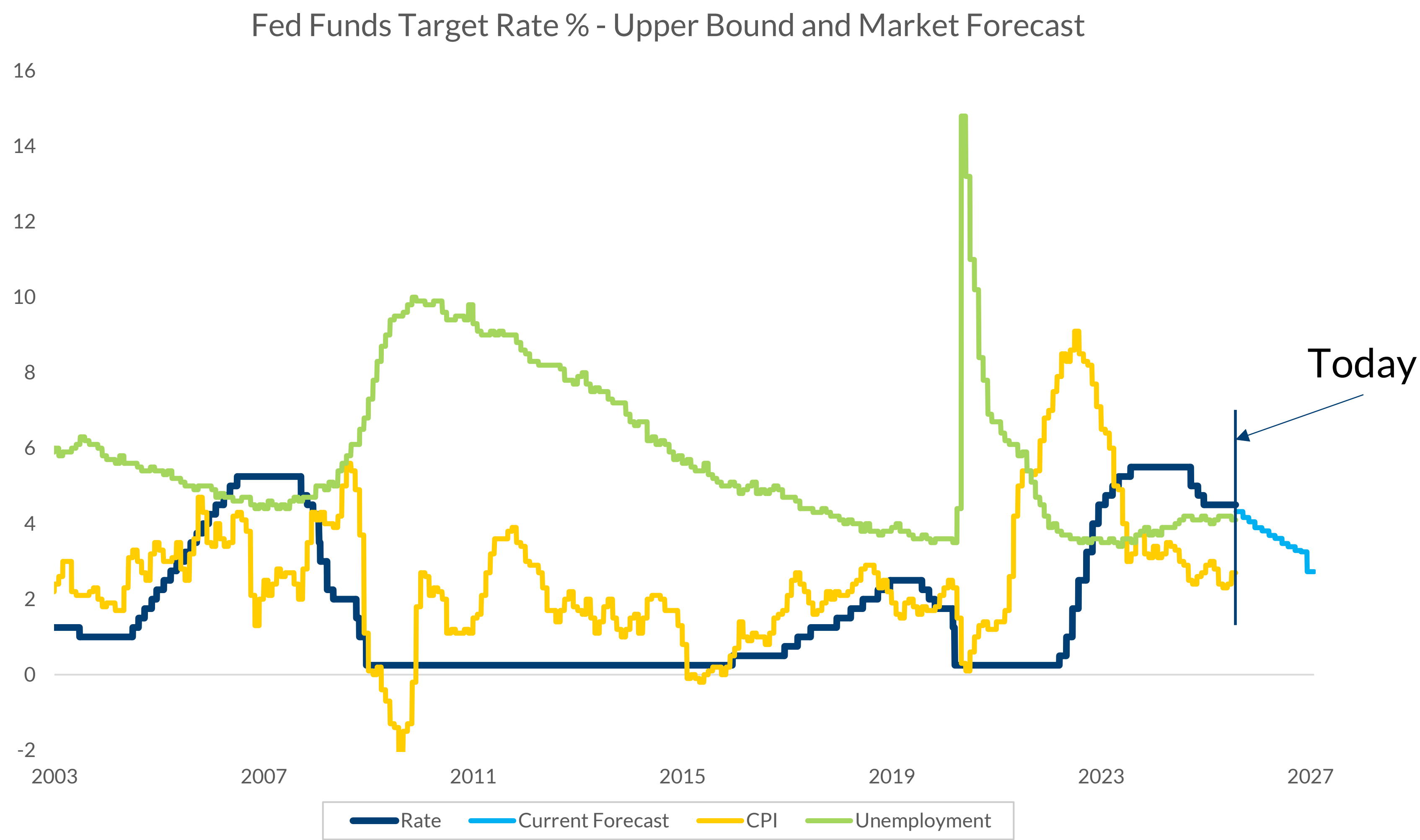
- Fixed income returns are mostly positive despite broad financial market volatility and geopolitical tensions.



Sources: Bloomberg US Treasury Bond Index, Bloomberg US Aggregate Index, Bloomberg Global Aggregate Index, Bloomberg US High Yield Corporate Bond Index, Bloomberg Global High Yield Index, Bloomberg US Corporate Bond Index, Bloomberg Municipal Bond Index, Bloomberg Municipal High Yield Index as of July 25, 2025. Information is subject to change and is not a guarantee of future results.

Despite Powell Pressure, the Fed Was Expected to Cut

- The Fed is looking to balance its mandates but was expected to cut by the end of this year.



Data current as of July 30, 2025.
Sources: Bloomberg, CNR Research.
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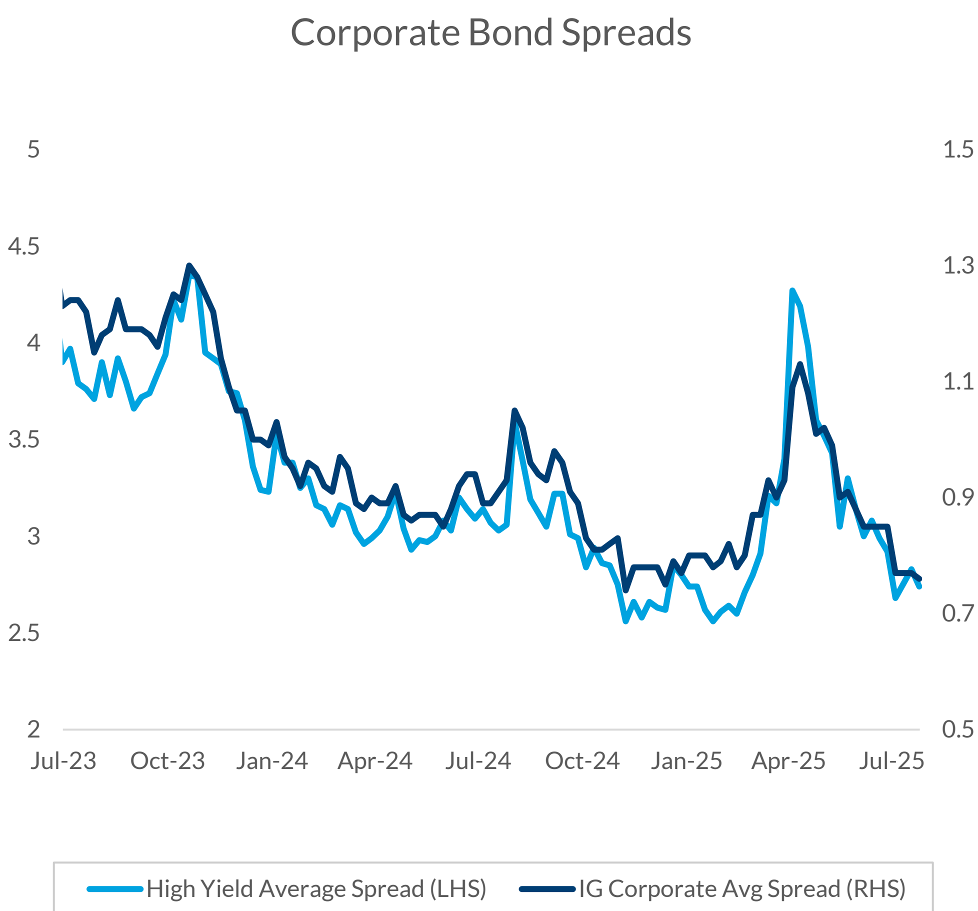
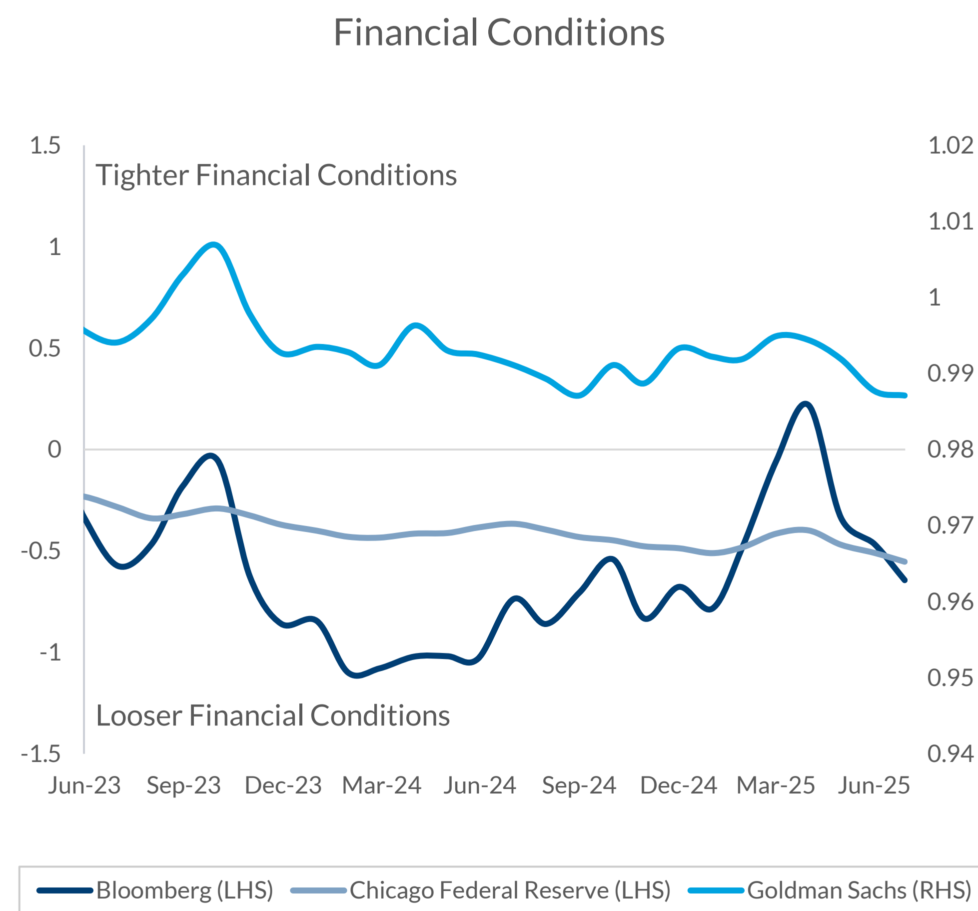
Financial Conditions Support Credit Markets

- The premium paid to own corporate bonds has fallen to low levels, driven by improved financial conditions and healthy balance sheets.





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Sources: Bloomberg, Federal Reserve Bank of St. Louis, Census Bureau, CNR Research.
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Key Takeaways

- Developments in administrative policy, including the One Big Beautiful Bill, the GENIUS Act and several AI-related executive actions are driving a risk-on tone.
- Costs of the OBBBA are offset by spending cuts and effectively reduce the spending related to the extension of the Trump 1.0 tax cuts – this is stimulative.
- Tariff costs can be borne by exporters, companies and consumers – the cost does not disproportionately impact one component of the supply chain.
- Valuation dynamics are shifting with Europe and the U.S. above long-term averages with no clear signals on positioning. We don't know if European defense spending alone will be enough to propel the rally.
- There are very few tangible signs that inflation is creeping higher, but time may be running out.
- Bond returns have been solid this year, and liquidity conditions as well as balance sheet strength are likely to provide support in the near term.

Data current as of July 2025.
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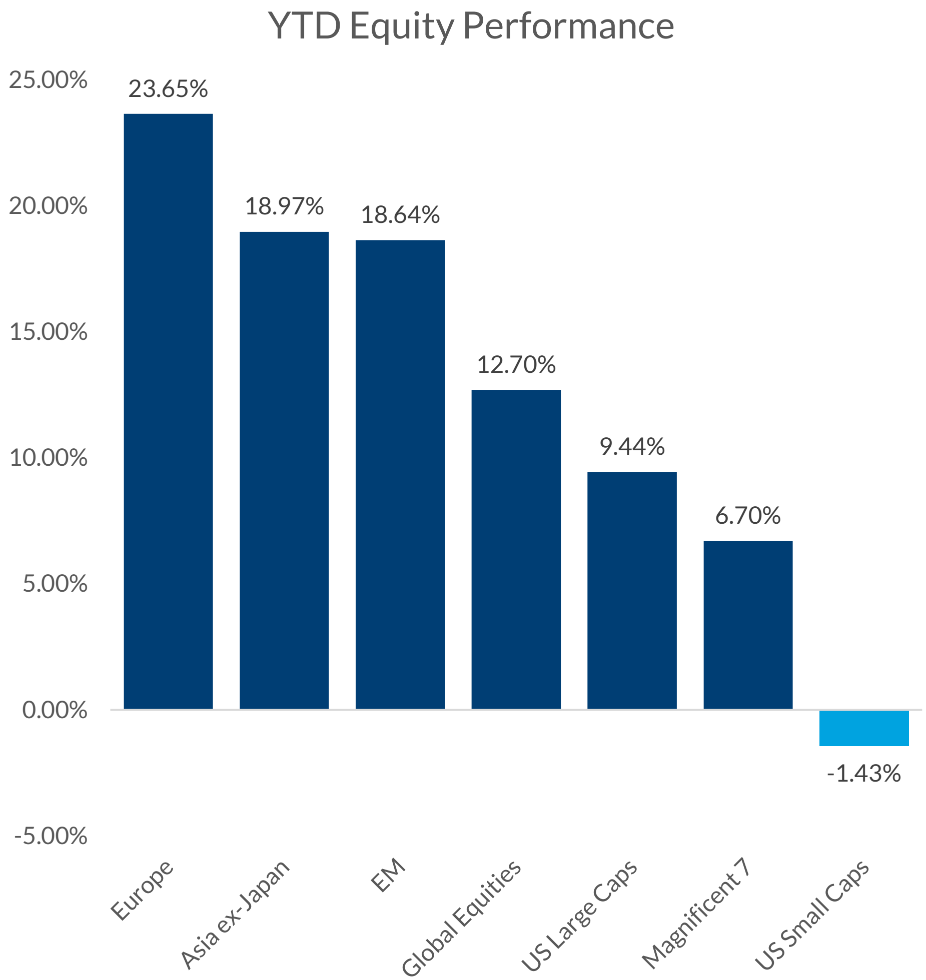
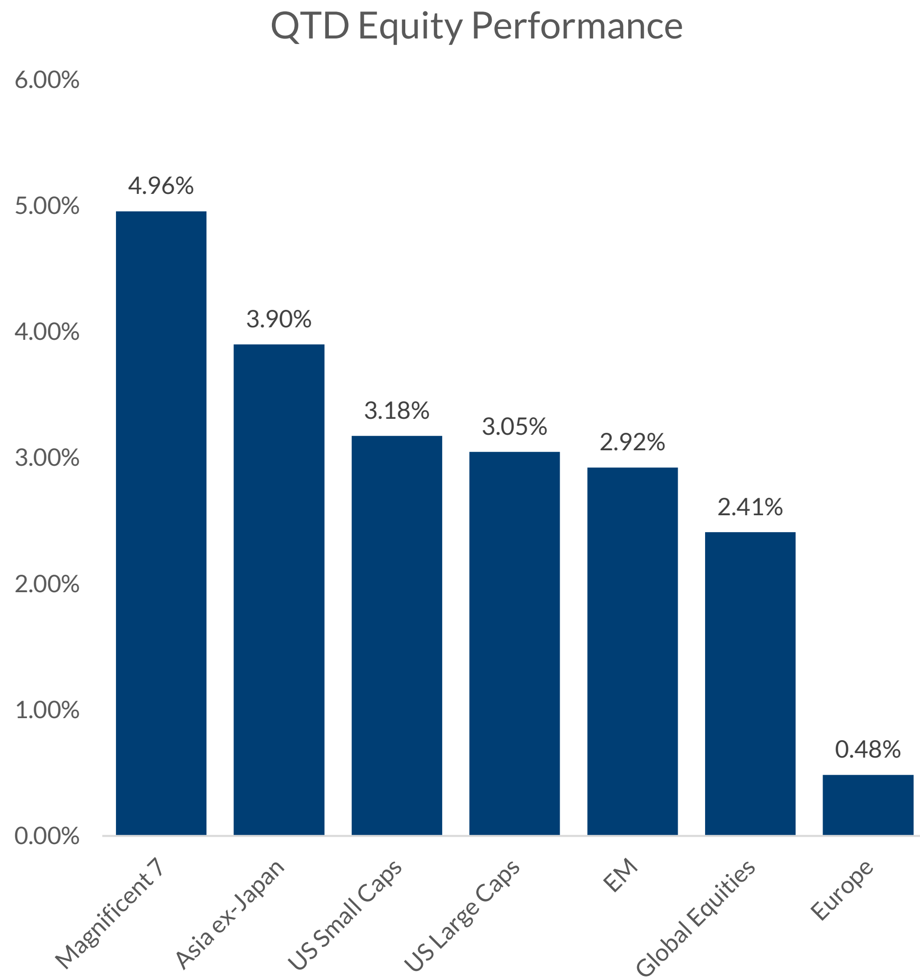
Equity

Global Equity Market Performance

- European equity outperforms YTD. Magnificent 7 performs best in H2.



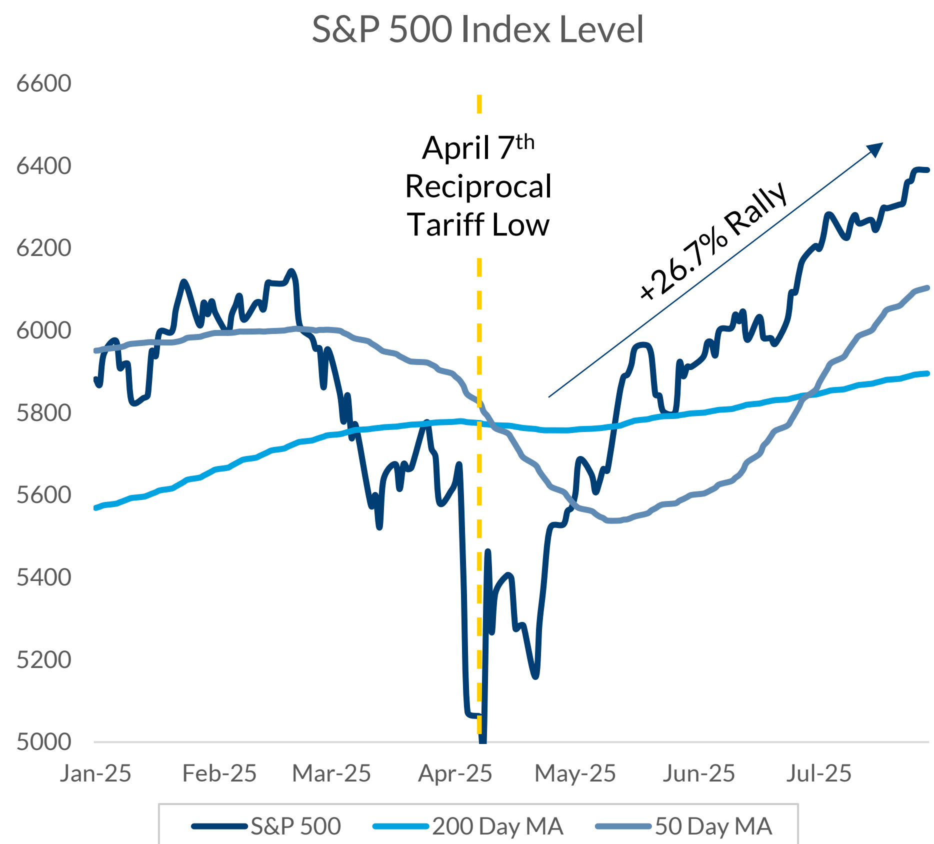


Sources: Bloomberg, CNR. As of 7/25/2025. Global Equities – MSCI All Country World Index. US Large Caps – S&P 500 Index. US Small Caps – Russell 2000 Index. Magnificent 7 – Apple, Alphabet, Amazon, Meta, Microsoft, Nvidia, Tesla. Europe – MSCI Europe Index. Asia ex-Japan – MSCI Asia ex-Japan Index. EM – MSCI Emerging Markets Index. US Value – Russell 1000 Value Index. US Growth – Russell 1000 Growth Index. US Cyclicals – GS S&P 500 Cyclical Industry Groups. US Defensives – GS S&P 500 Defensive Industry Groups. Sectors from the S&P 1500 Composite Index.
Past performance is no guarantee of future results.

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.

Technical Analysis – What Are the Technicals Indicating?

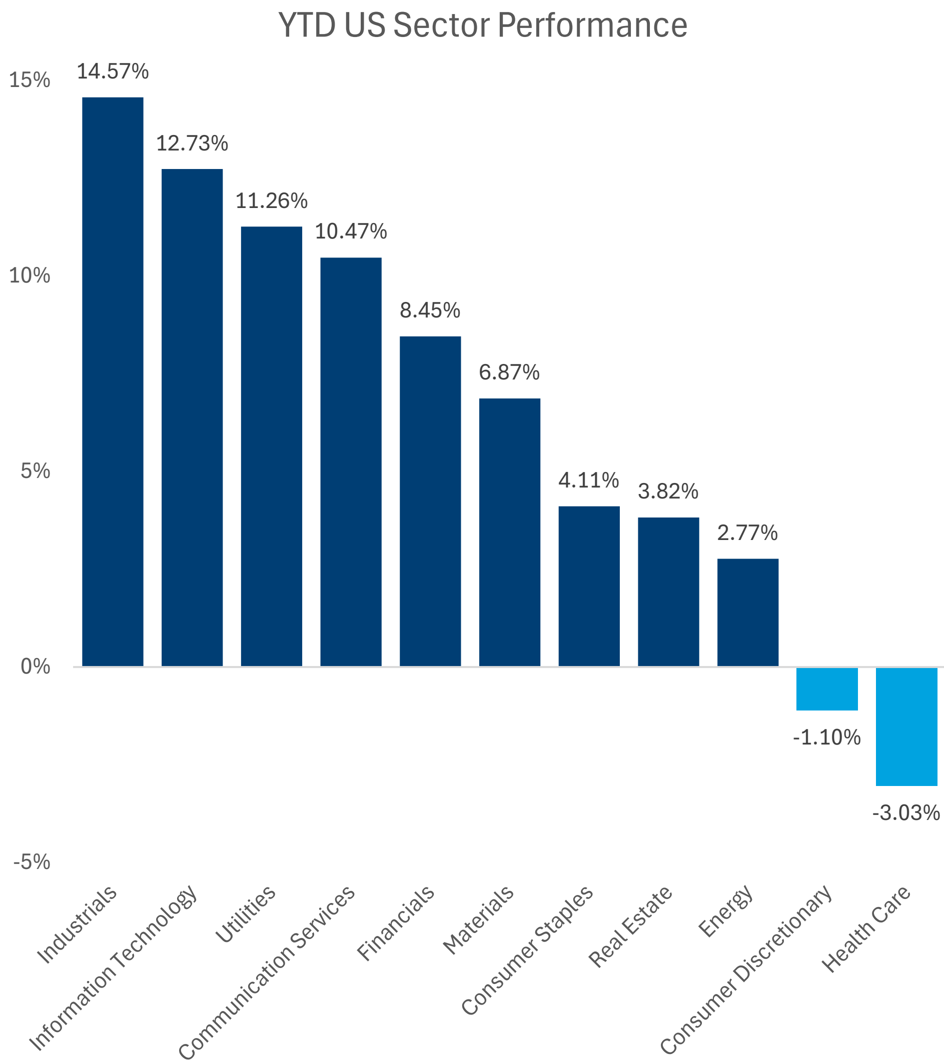
- S&P 500 at all-time highs with strong momentum but overbought conditions.

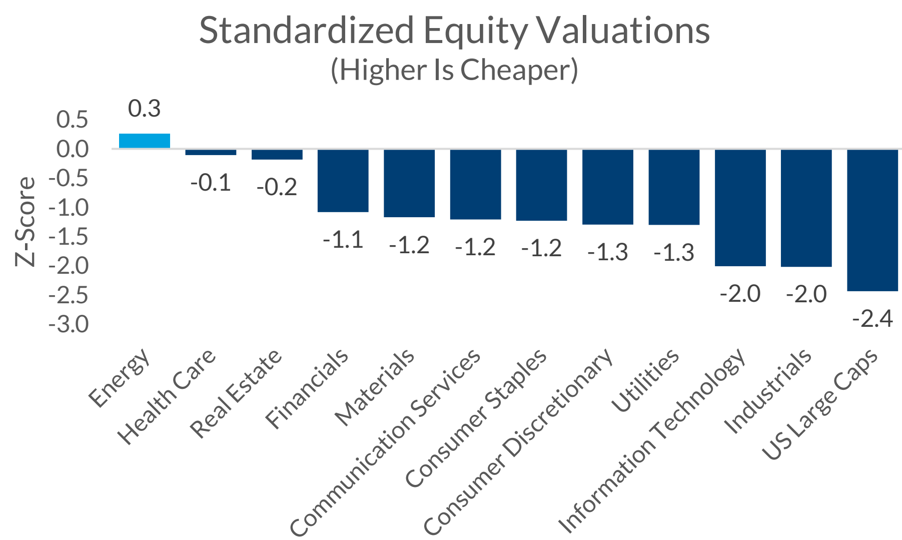
Current Technical Position	• **S&P 500**: At all-time highs (6,390 on 7/28/2025) • **Index RSI**: Above 70 (overbought territory) • **Stock RSI**: ~15% of constituents above 70
Key Technical Signals	• **Moving Averages**: Above 200-day and 50-day averages • **Momentum**: Positive but showing signs of overextension • **Forward P/E**: 24.1x (above 5-year avg of 21.5) • **Stock Breadth:** 2/3 of stocks above 200-day average, ~3/4 of stocks above 50-day average
Technical Outlook	• **Near-term**: Consolidation likely given overbought conditions • **Medium-term**: Uptrend remains intact

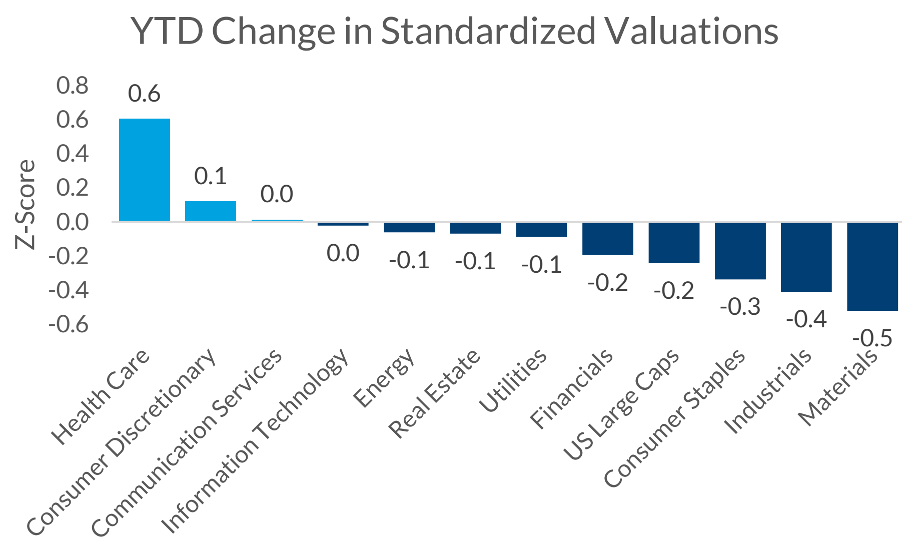
Sources: Bloomberg, CNR. As of 7/28/2025. RSI are S&P 500 measures. Overbought – 70. Oversold – 30. Value-Growth – DJ Thematic Sector Neutral Value Index. High-Low Momentum – DJ Thematic Sector Neutral Momentum Index. Small-Large Size – DJ Thematic Sector Neutral Size Index. US Large Caps – S&P 500 Index. Sectors from the S&P 1500 Composite Index. Standardized Valuations – Average z-score of P/E, P/CF, P/B, P/S, and Dividend Yield; inverted so higher is cheaper, lower is richer.
Information is subject to change and is not a guarantee of future results.

US Sector Performance & Valuations

- Industrials is the top performing sector YTD driven by accelerating capex spending.
- Equity markets are broadly expensive, with pockets of value.







Source: Bloomberg, CNR. As of 7/24/2025. Sectors from the S&P 1500 Composite Index.
Standardized Valuations – Average z-score of P/E, P/CF, P/B, P/S, and Dividend Yield; inverted so higher is cheaper, lower is richer.
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CNR Equity Sector Views

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

Overweight

Information Technology	Consumer Staples	Energy
• Demand surge for generative AI • Cross-sector integration • Data center build-outs and capex spending	• Resilient to economic uncertainty • Defensive to slowing growth	• Cheap valuations • Healthy energy demand despite OPEC+ supply • Responds to rising inflation expectations

Underweight

Utilities	Financials
• Sensitive to expensive valuations • Rate sensitive: steepening yield curve and higher inflation expectations	• 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.
Information is subject to change and is not a guarantee of future results.

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, CNR. As of 7/30/2025.
Information is subject to change and is not a guarantee of future results.

Q2 2025 US Earnings Details

Financials

- Standout sector! ~11% earnings surprise, >20% Growth
- Strong results from top banks (JPM, C, GS, MS, BAC)
- Strong trading revenue, rising investment banking fees, M&A and IPO activities increased

Big Tech

- Alphabet (Google) posted a 14% revenue jump, +$10 billion to $85 billion capex spending
- Google Cloud revenue surged 32%
- Tesla missed with a 12% revenue decline, CEO warning of "rough quarters" ahead

Streaming & Tech Services

- Netflix beat estimates with 16% revenue growth, raised full-year guidance
- IBM exceeded expectations with 8% revenue growth

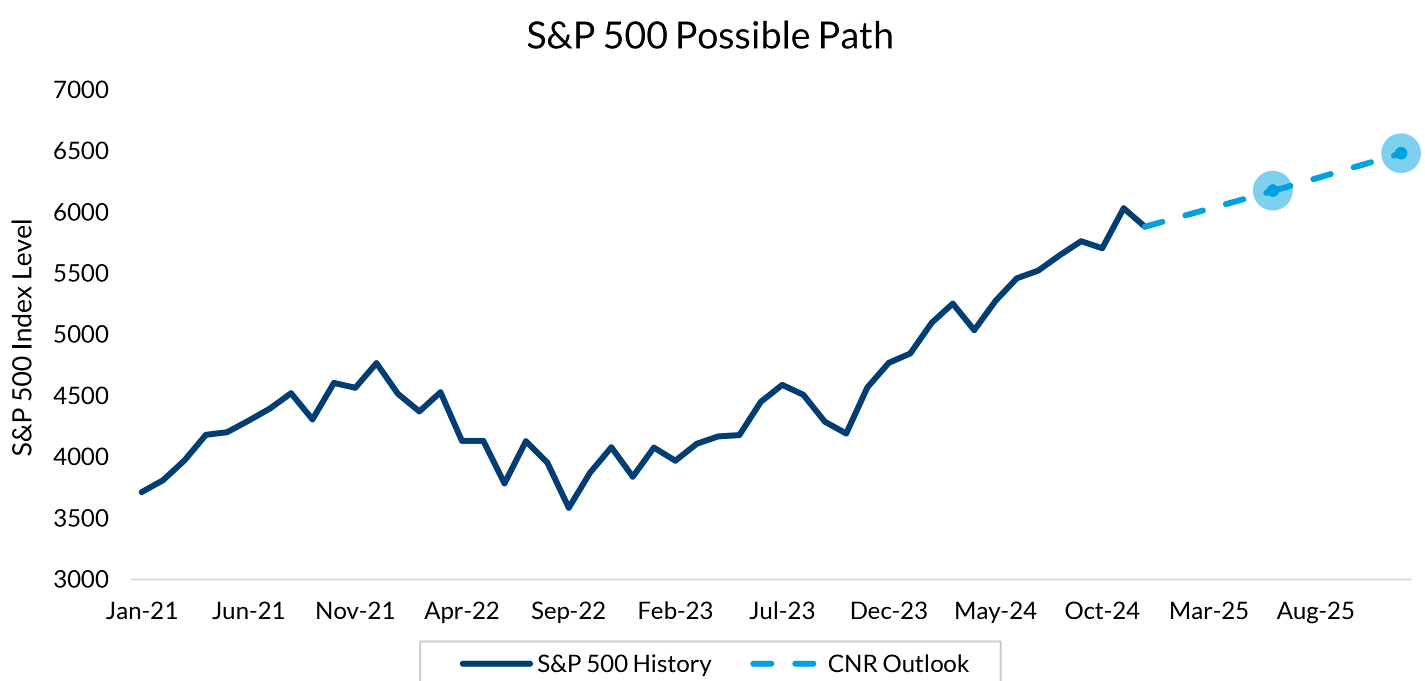
Sector	# Reported	% Reported	Pos Earnings Surprise %	Earnings Surprise Amount	Pos Earnings Growth %	Earnings Growth Amount
S&P 500	212 of 498	42.6%	82.5%	6.2%	67.5%	7.2%
Energy	8 of 22	36.4%	62.5%	12.7%	62.5%	1.3%
Materials	10 of 26	38.5%	50.0%	4.0%	40.0%	-3.1%
Industrials	42 of 78	53.8%	88.1%	6.8%	66.7%	2.6%
Consumer Discretionary	26 of 50	52.0%	69.2%	5.4%	50.0%	-16.5%
Consumer Staples	14 of 37	37.8%	85.7%	4.0%	50.0%	-0.4%
Health Care	20 of 60	33.3%	80.0%	0.7%	55.0%	-10.1%
Financials	47 of 74	63.5%	91.5%	10.6%	89.4%	20.2%
Information Technology	20 of 68	29.4%	95.0%	4.2%	85.0%	18.5%
Communication Services	9 of 21	42.9%	88.9%	5.0%	77.8%	15.0%
Utilities	3 of 31	9.7%	33.3%	2.4%	33.3%	5.2%
Real Estate	13 of 31	41.9%	84.6%	-2.3%	61.5%	-5.5%

Sources: Bloomberg, CNR. As of 7/29/2025.
Information is subject to change and is not a guarantee of future results.

S&P 500 Year-End Forecast

- The S&P 500 rose to 6,205 on June 30, exceeding the upper range of our midyear estimates.
- We project approximately 4.8% upside through year-end and 5.4% upside over the next six months.
- CNR's updated year-end forecast for the S&P 500 is 6,600.

Forecast on December 31, 2024		
Metric	Midyear 2025	Year-End 2025
S&P 500 Level Estimate	6100-6200	6400-6500



Sources: Bloomberg, CNR. Information is subject to change and is not a guarantee of future results. As of 7/18/2025.

Rest of Year Outlook & Forward-Looking Themes

- Convergence point: AI revolution meets policy reality as markets restructure.

AI Revolution & Deployment Phase	• Broad-based incorporation of AI across industries • Infrastructure spending (data centers, chips) • Productivity gains beginning to materialize
Policy Uncertainty & Trade	• Trump 2.0 policies (tariffs, deregulation, tax cuts) • “US exceptionalism” in question • Potential inflationary pressures from trade policy
Geopolitical Fragmentation	• Ongoing trade tensions with China • Reshoring/nearshoring/friendshoring trends • Energy transition and security concerns
Market Structure Changes	• Concentration risk in mega-cap tech • Need for market-breadth expansion • Factor rotation potential (as seen in early July)

Source: CNR Research. Information is subject to change and is not a guarantee of future results. As of 7/28/2025.

Key Takeaways

- S&P 500 is at all-time highs with likely near-term consolidation.
- Market is moving beyond AI speculations into actual deployment, driving capex spending.
- Earnings are positive but show sequential deceleration as tariff effects emerge.
- While 2/3 of stocks are above their 200-day moving averages, concentration risk in mega-cap tech is a concern.
- Trump 2.0 policies are reinforcing US market outperformance but with risks of inflationary pressure and trade tensions.

Data current as of July 2025.
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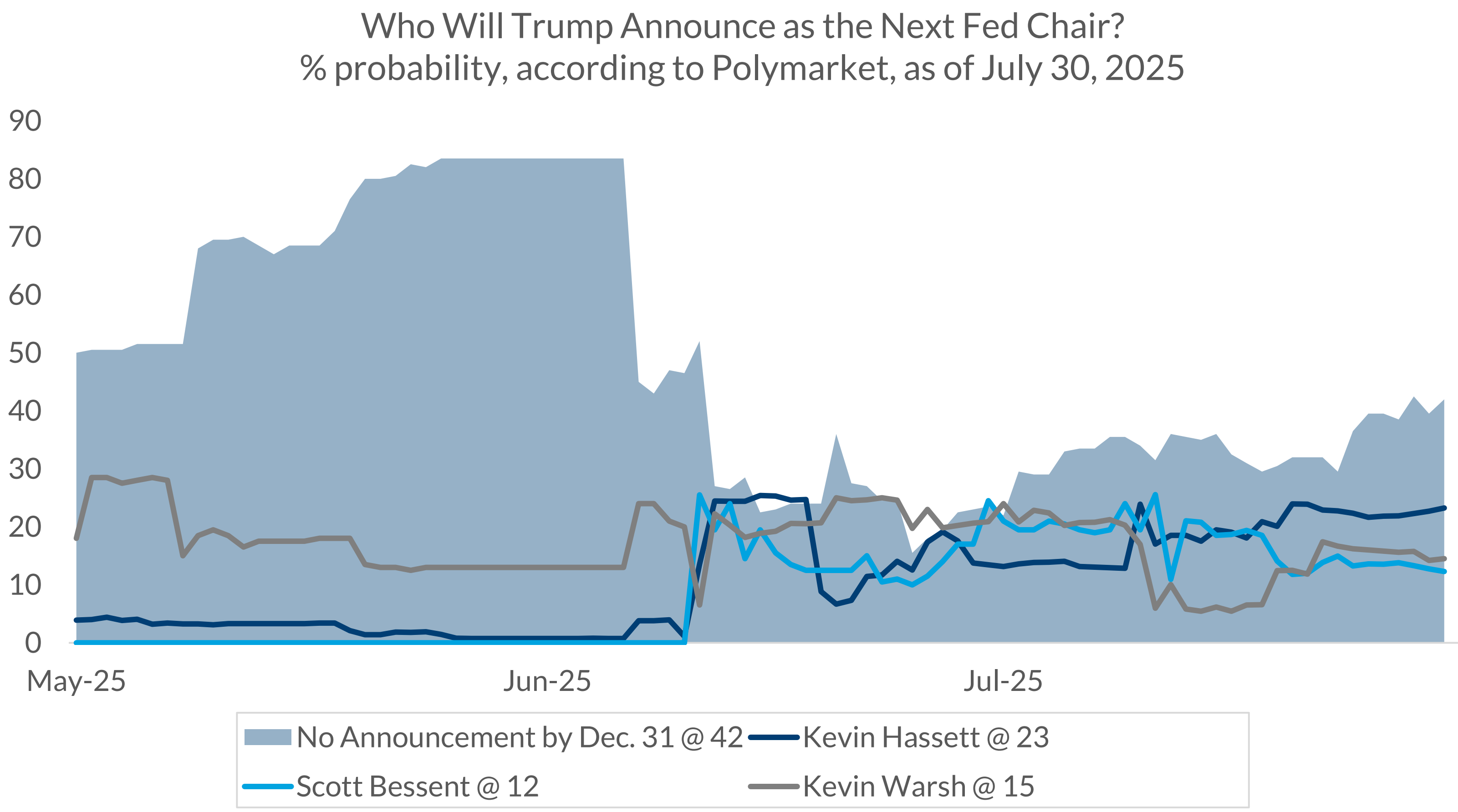
Economics

The Fed: Pressure on Powell to Cut Interest Rates

- The president wants the Fed to lower interest rates and is putting pressure on the FOMC.
- The market has wobbled on the potential removal of Powell, but it appears he will finish his term.

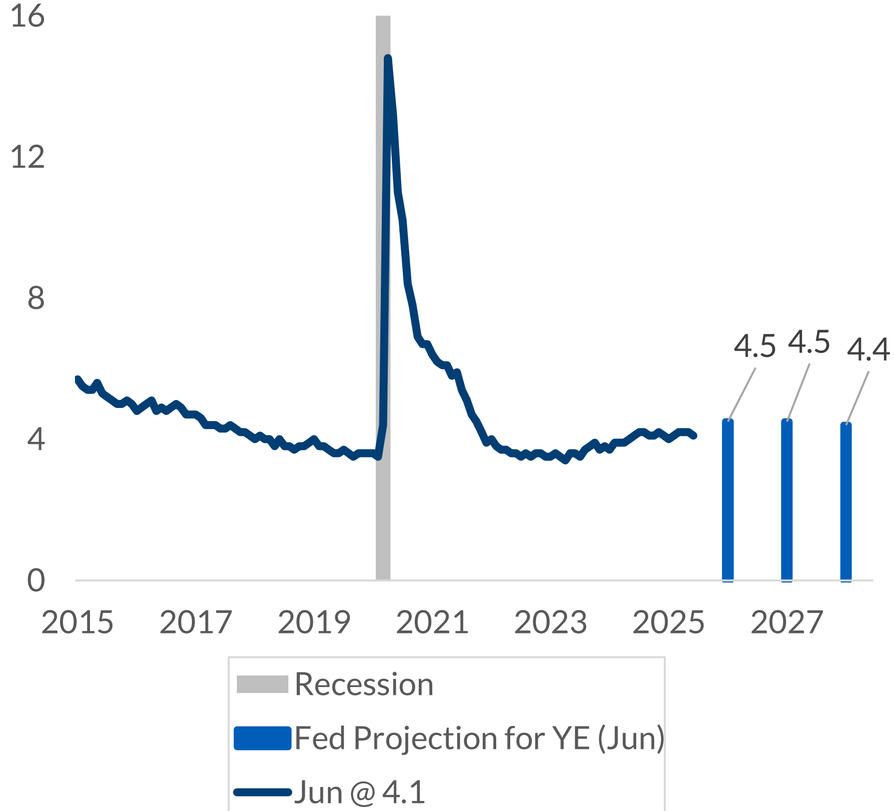


Data current as of July 30, 2025.
Source: Polymarket.
Information is subject to change and is not a guarantee of future results.

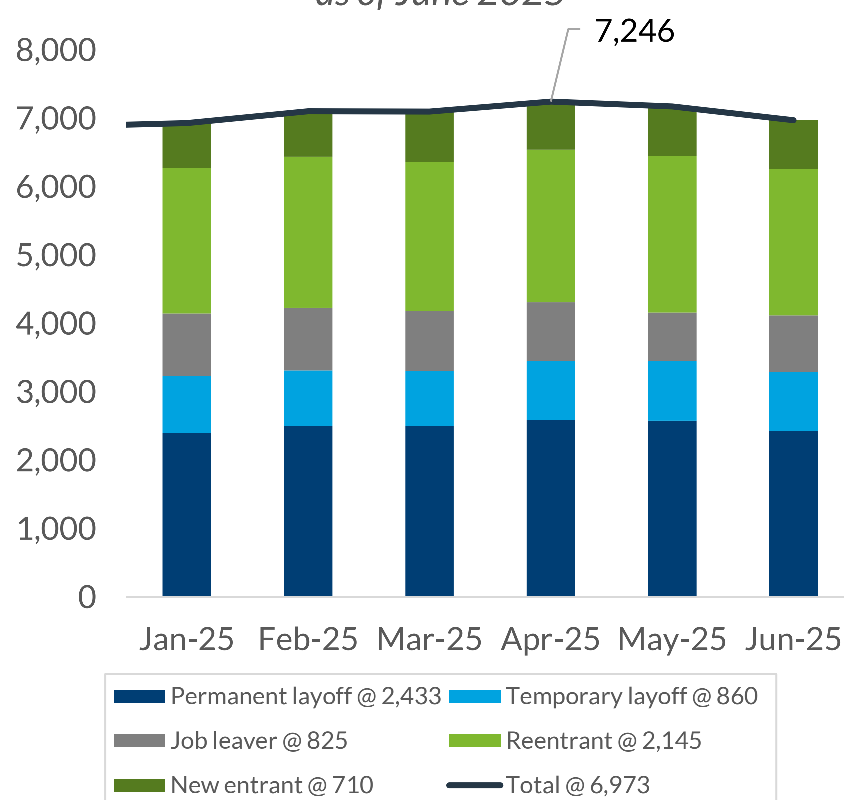
The Fed Is on Hold and Data Dependent

- The Fed's mandate is focused on the unemployment rate, not nonfarm payroll data.
- The unemployment rate remains range-bound and below the Fed's forecast.
- Those looking for a job have fallen in the past two months, which may be due to immigration policy.

FOMC Projections: Unemployment Rate
%, historical data is seasonally adjusted



Unemployed in Labor Force: Reasons
'000, total, seasonally adjusted
as of June 2025

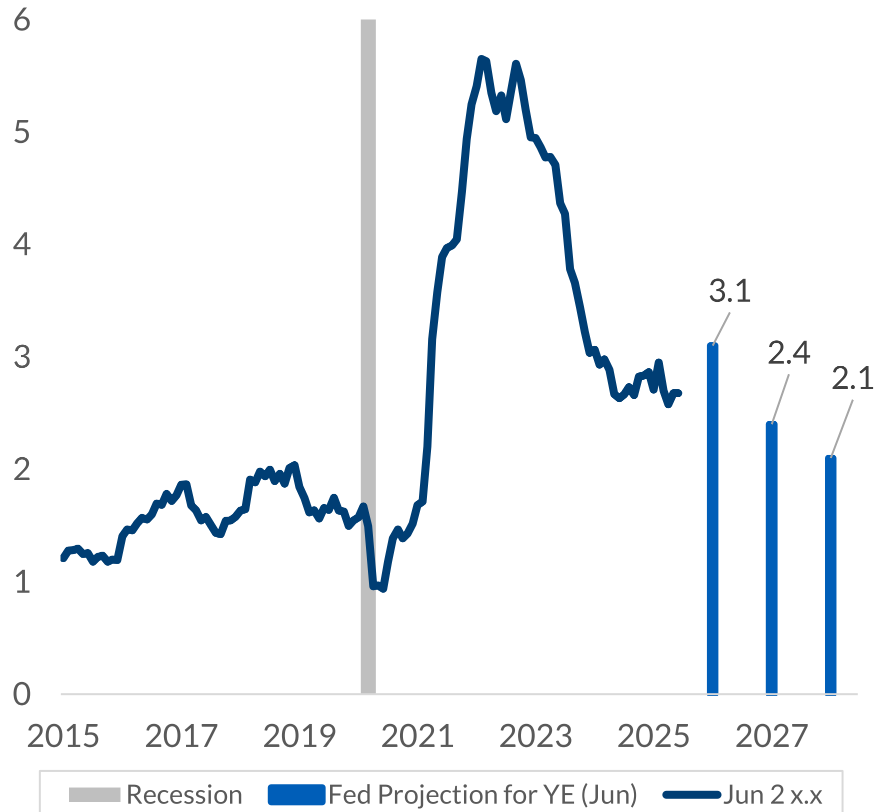


Data current as of July 29, 2025.
Sources: Federal Reserve, Bureau of Labor Statistics.
Information is subject to change and is not a guarantee of future results.

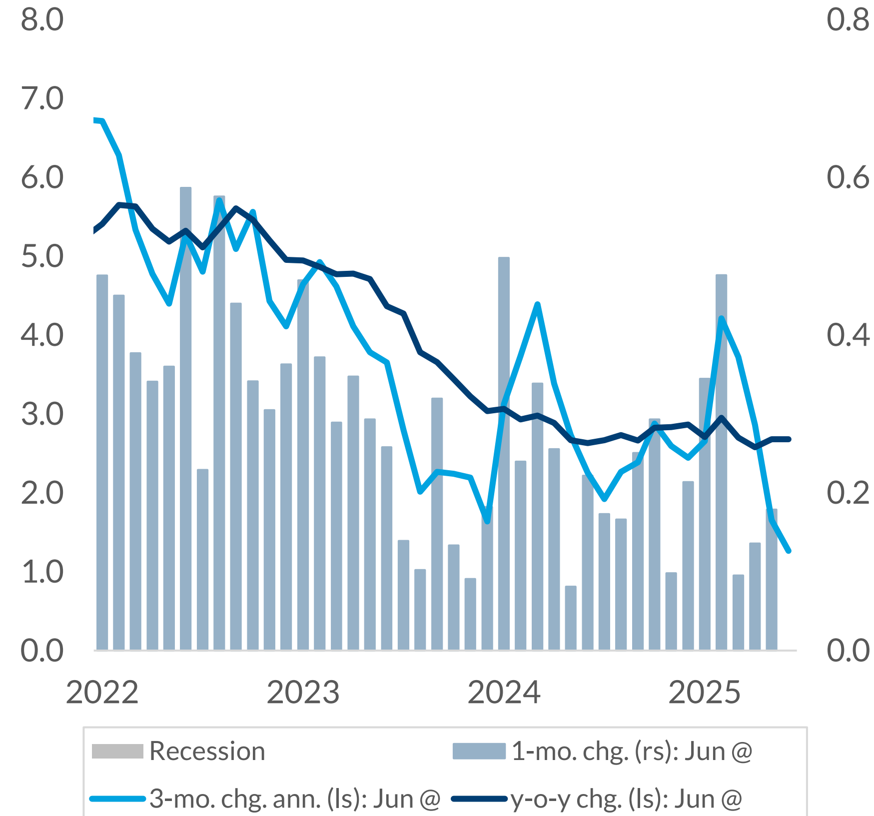
The Fed Is on Hold and Data Dependent

- Inflationary pressures have declined in the past few months, which is partly due to slower consumer spending and tight monetary policy.
- Tariff impacts remain unclear, but surveys point to a potential rise in producer prices.

FOMC Projections: Inflation (Core PCE)
%, seasonally adjusted annual rate



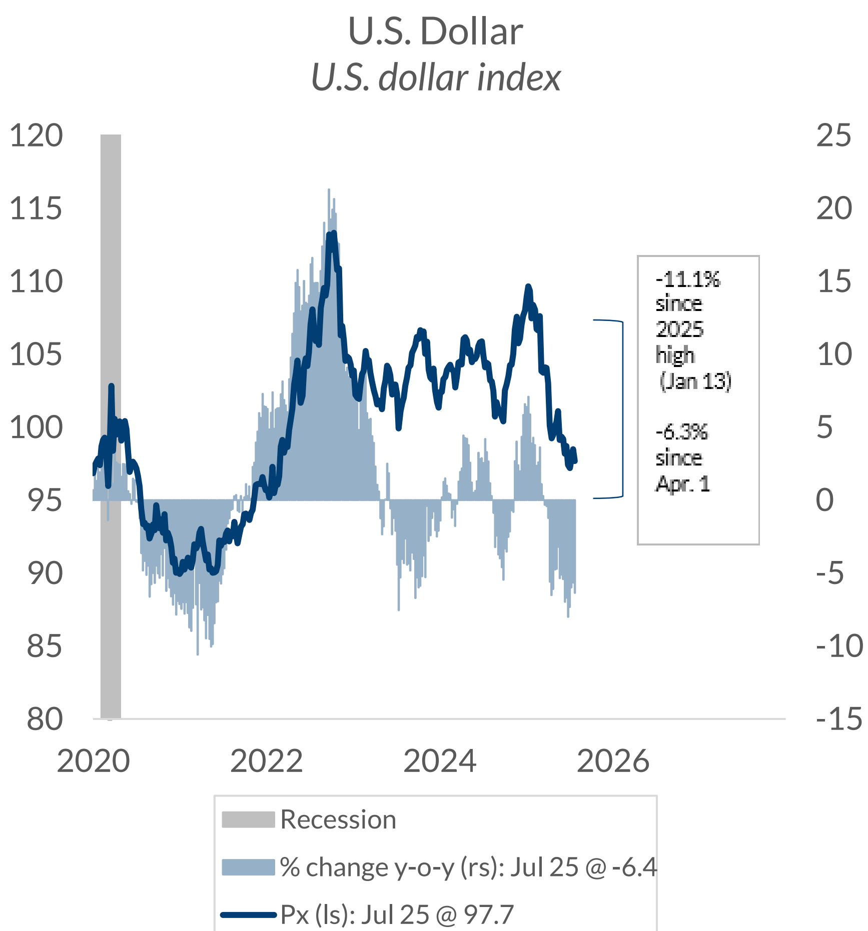
Core PCE Price Index
% change, seasonally adjusted

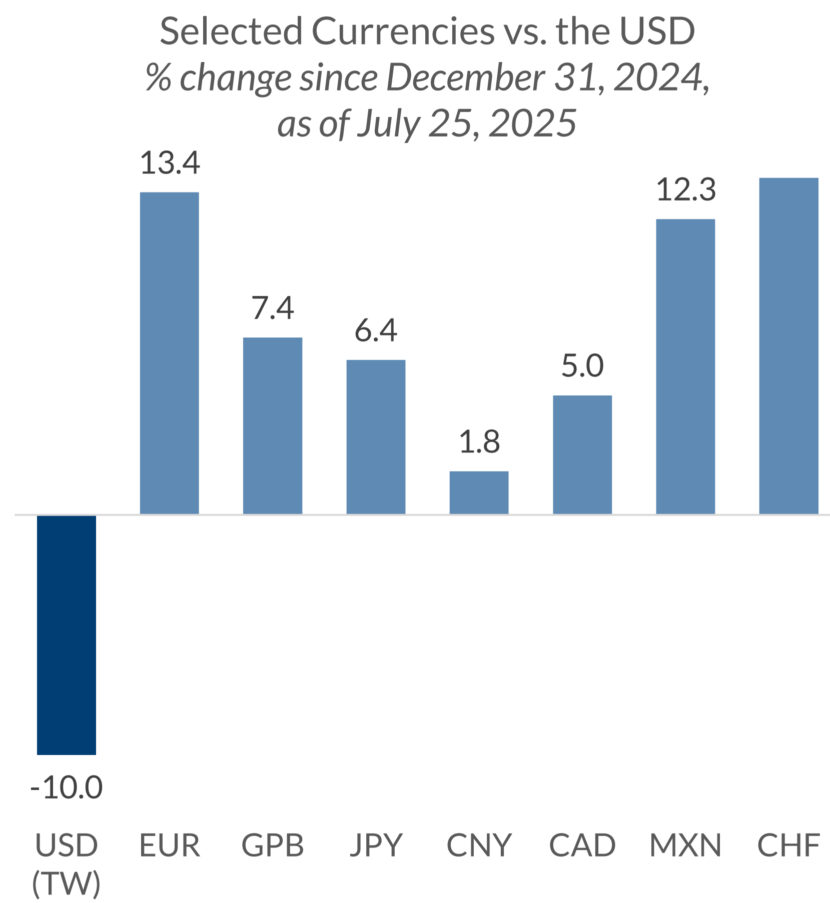


Data current as of July 29, 2025.
Sources: Federal Reserve, Bureau of Economic Analysis.
Information is subject to change and is not a guarantee of future results.

U.S. Dollar Has Come Under Pressure This Year

- The dollar has declined more than 10% in the first six months of the year, not seen since 1973.
- The decline occurred in the first four months of the year; since then, it has been stable.
- Much of the decline is attributed to hedging, as global investors were concerned with their outlook.

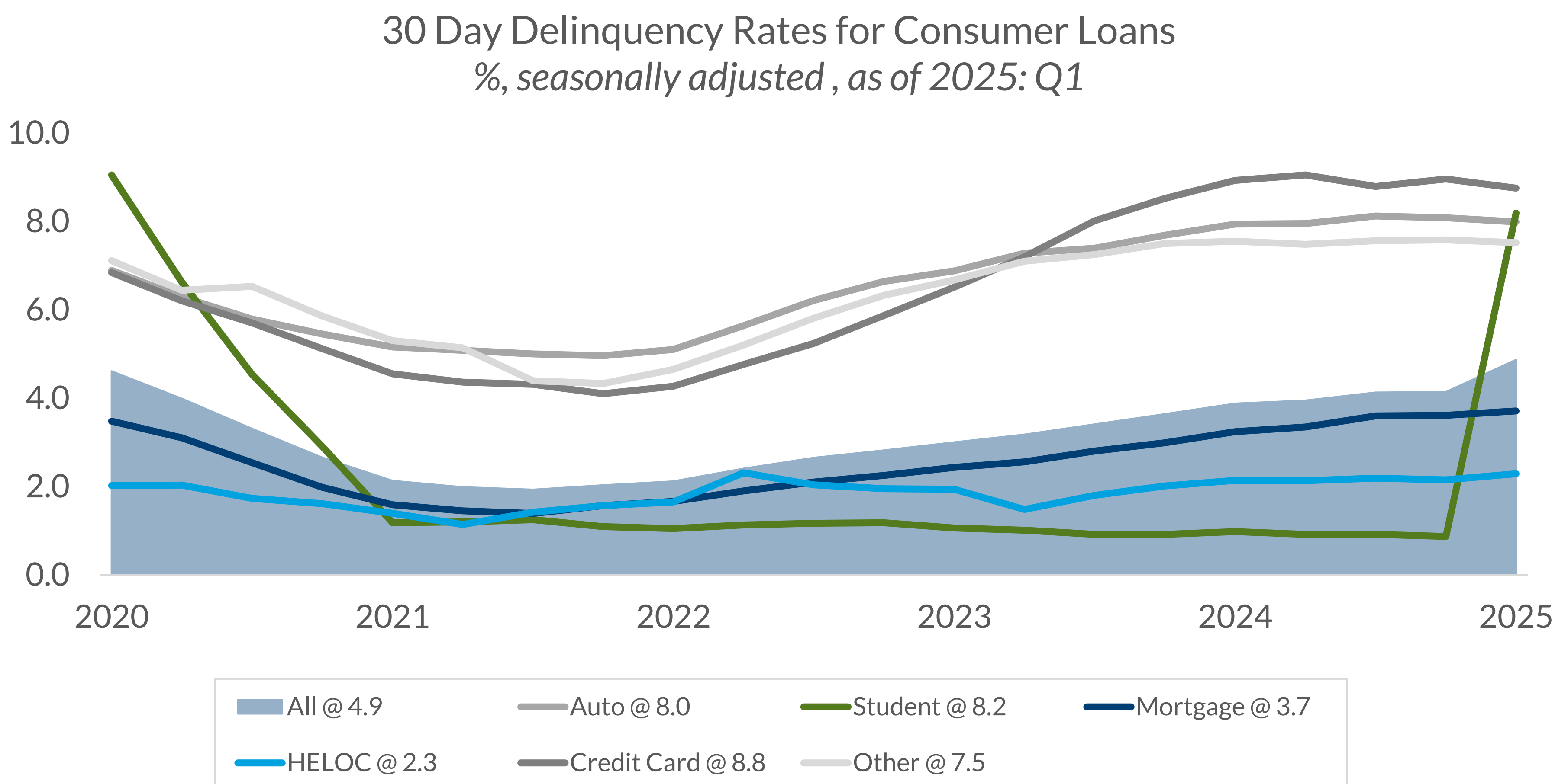




Data current as of July 29, 2025.
Source: Bloomberg & International Currency Exchange (ICE).
Information is subject to change and is not a guarantee of future results.

Credit: Economic Uncertainty Raises Credit Concerns

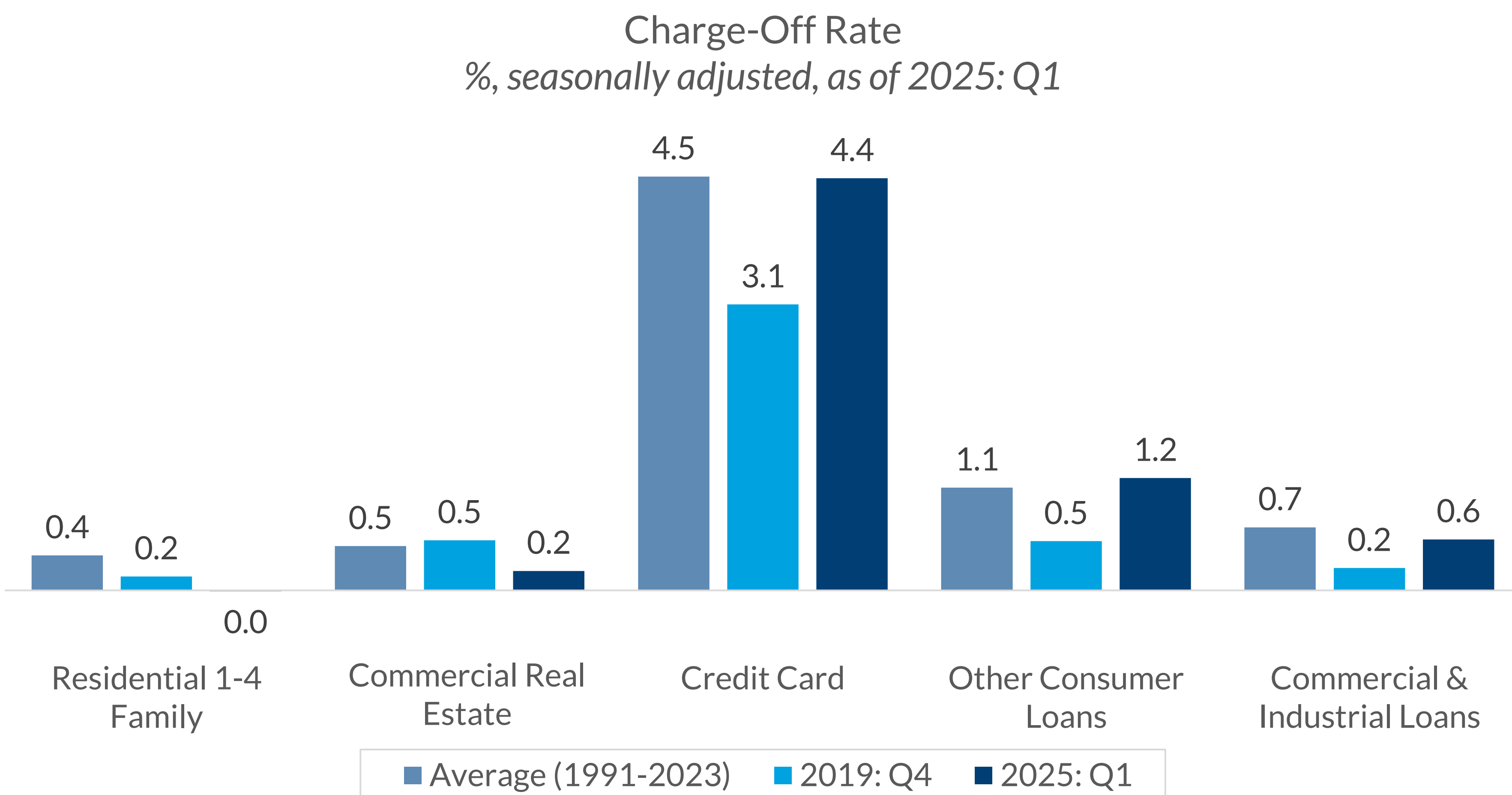
- Higher interest rates, changes in the status of student loans and increased reliance on credit has led to an increase in delinquencies in some areas.
- Borrowers with weaker credit histories are facing the greatest financial strain.



Data current as of July 29, 2025.
Source: Federal Reserve Bank of New York Credit Panel/Equifax.
Information is subject to change and is not a guarantee of future results.

Credit: Delinquencies Not Yet a Risk for the Economy

- Although delinquencies can be a leading indicator for consumer strain, default risk remains low.
- "Tale of Two Consumers" is the reason for the rise in delinquencies, but it is currently not a credit concern.
- The low unemployment rate will keep credit concerns at bay for the time being.

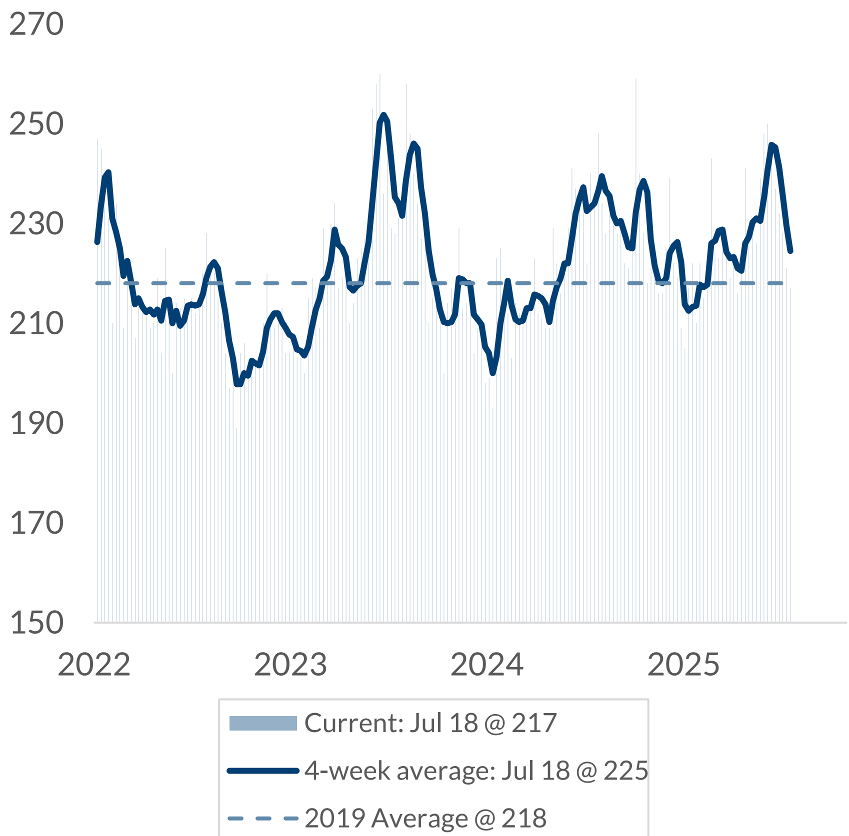


Data current as of July 29, 2025.
Source: Federal Reserve.
Information is subject to change and is not a guarantee of future results.

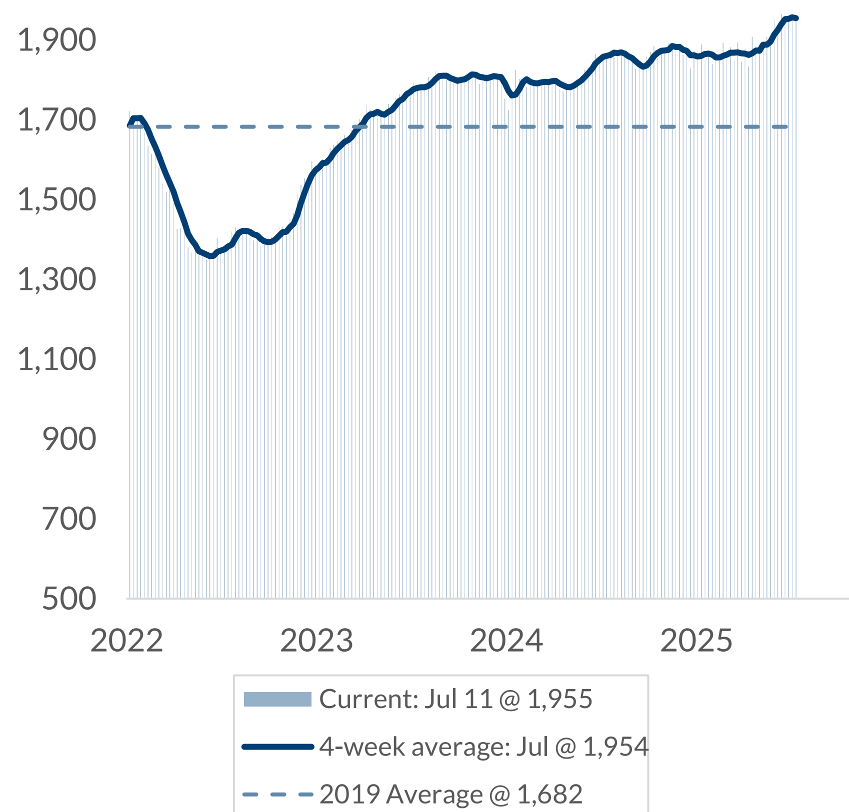
Labor: Demand Remains Strong

- Although the pace of hiring is slowing, job losses are still rare.
- Continuing claims are increasing, suggesting that finding a job is becoming more challenging.
- Federal workers have tallied just 58,000 job losses this year.

Initial Claims for Unemployment Insurance
'000, seasonally adjusted



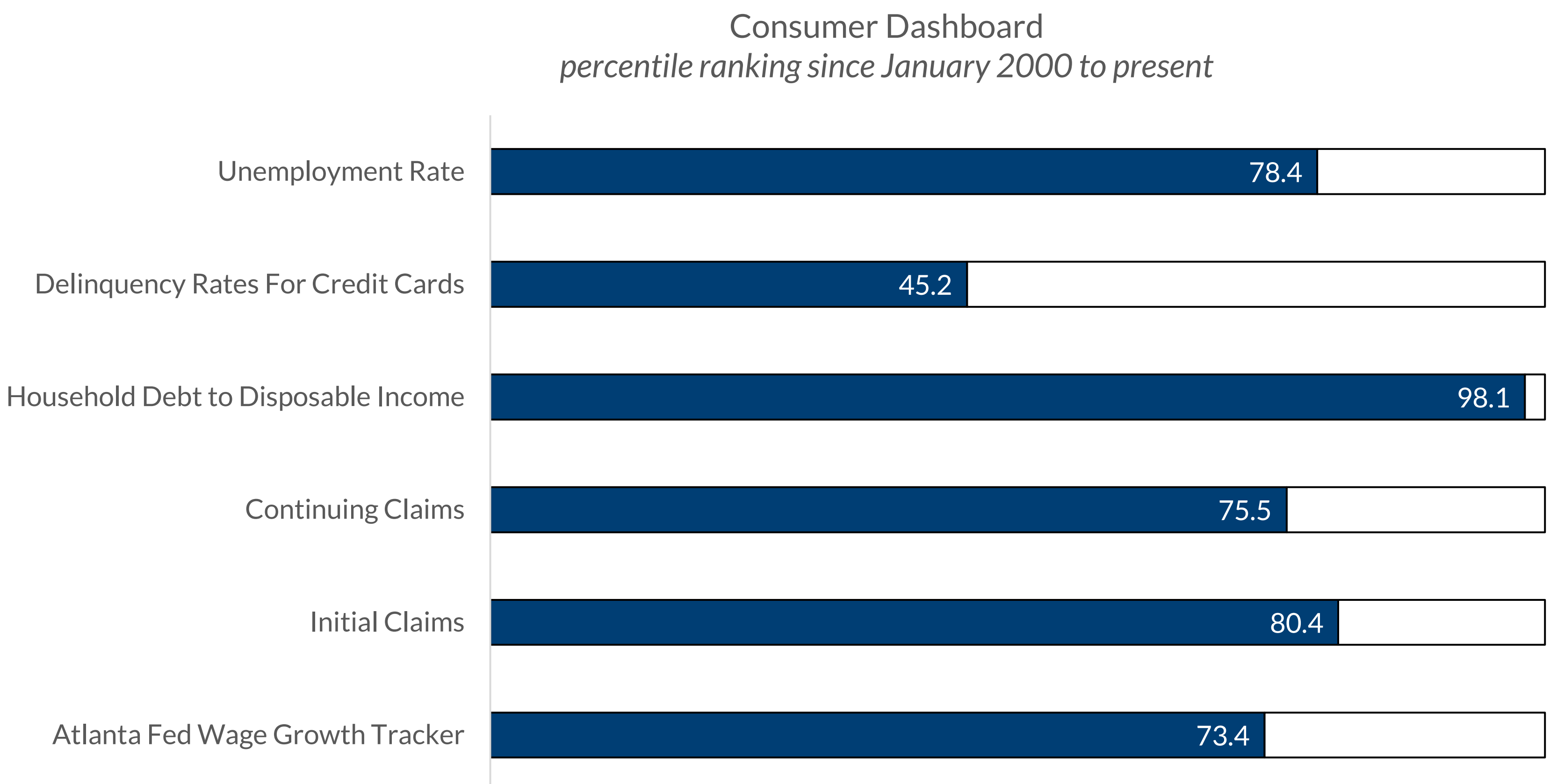
Continuing Claims for Unemployment Insurance
'000, seasonally adjusted



Data current as of July 29, 2025.
Source: The Labor Department.
Information is subject to change and is not a guarantee of future results.

Consumer Dashboard: Strong

- Despite the reduced pace of consumer spending YTD, consumer fundamentals remain robust.
- The slower pace of spending appears to be due to consumer uncertainty over economic policy.
- Once the uncertainty is behind us and the Fed lowers interest rates, we expect to see a bounce-back in the pace of consumer spending.



Data current as of July 28, 2025.
Source: The Bureau of Labor Statistics (Unemployment Rate); Federal Reserve Bank of New York, Consumer Credit Panel/Equifax (Delinquency for Credit Cards); Federal Reserve & Bureau of Economic Analysis (Household Debt to Disposable Income); Labor Department (Initial and Continuing Claims); Federal Reserve Bank of Atlanta (Wage Growth Tracker); CNR Research.
Information is subject to change and is not a guarantee of future results.

Key Takeaways

- The economy is in a slowdown mode, not a contraction.

- Downside risks:
  - Lower real disposable income, from tariffs, will keep consumer spending muted.
  - Businesses are dealing with higher input costs and low policy uncertainty.

- Upside risks:
  - Consumer economic uncertainty has fallen from its recent peak.
  - The new budget, along with lower interest rates and reduced regulations, should drive stronger growth in 2026.

- Outlook:
  - CNR's outlook is positive.
  - The pace of economic growth will be slower this year but pick up next year.
  - Economic uncertainty should abate.
    - This should boost consumer and business sentiment.
  - The reduction in regulations, especially on businesses and, more specifically, the financial sector, should clear the way for economic growth.

Information is subject to change and is not a guarantee of future results.

Q&A

Index Definitions

The Standard & Poor's 500 Index (S&P 500): 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.

The 10-year Treasury bond yield is the interest rate the U.S. government pays to borrow money for a decade, serving as a benchmark for other interest rates and a key indicator of investor sentiment about economic conditions. It matters because it influences borrowing costs, impacts the valuation of financial assets, and signals expectations about inflation and economic growth.

S&P 400: 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.

S&P 600: 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 December31, 1993.

Bloomberg Magnificent 7 Total Return Index: 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).

Mag 7: The Magnificent Seven stocks refer to a group of high-performing and influential companies in the U.S. stock market. These companies are: Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla.

MSCI EAFE Index: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

Europe Ex UK: The MSCI Europe ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe.

MSCI AC Asia ex Japan Net Total Return USD Index: MSCI AC Daily Total Return Net Asia Ex Japan USD. MSCI Net Total Return Index Series.

EM: The MSCI Emerging Markets Index is designed to capture large and mid-cap representation across emerging markets countries.

MSCI Europe Ex UK Local: The MSCI Europe ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe.

MSCI UK Local: The MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market.

MSCIAC Asia Pacific Ex Japan local: The MSCI AC Asia Pacific ex Japan Index captures large and mid-cap representation across Developed Markets and Emerging Markets countries in the Asia Pacific region, excluding Japan.

MSCI Canada Local: The MSCI Canada Index is designed to measure the performance of the large and mid-cap segments of the Canada market.

MSCI Emerging Net Total Return Local Index: The MSCI Emerging Net Total Return Index is designed to measure the performance of large and mid-cap companies in emerging markets.

ISM Manufacturing Report on Business Prices Index NSA: The ISM Non-Manufacturing Index (now called the Services PMI) is an index used to assess the performance of services companies in the US.

Global HY Index: The Global HY Index refers to indices that track the performance of high-yield debt securities rated below investment grade.

Index Definitions

MSCI UK Net Total Return USD Index: MSCI Daily Total Return Net UK USD. Morgan Stanley Capital International Equity Indices in US Dollars. Indices with net dividends reinvested use the same dividend minus-tax-credit calculations, but subtract withholding taxes retained at the source for foreigners who do not benefit from a double taxation treaty.

MSCI Japan Net Total Return USD Index: MSCI Daily Total Return Net Japan USD. Morgan Stanley Capital International Equity Indices in US Dollars. Indices with net dividends reinvested use the same dividend minus-tax-credit calculations, but subtract withholding taxes retained at the source for foreigners who do not benefit from a double taxation treaty.

MSCI Emerging Net Total Return USD Index: MSCI Daily Total Return Net Emerging Markets USD. MSCI Net Total Return Index Series.

Global Aggregate Index: The Global Aggregate Index is a flagship measure of global investment-grade debt, encompassing over 30,000 securities from more than 3,100 issuers. It includes treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets.

US HY Corporate Index: 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.

US Corporate Index: The Bloomberg US Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market.

US Aggregate Index: US Treasury Index: The Bloomberg US Aggregate Index measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market.

Municipal Bond Index: The Bloomberg Municipal Bond Index is a rules-based, market-value-weighted index that tracks general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds rated Baa3/BBB- or higher by at least two of the ratings agencies: Moody's, S&P, and Fitch. It is a flagship measure of the US municipal tax-exempt investment grade bond market.

Municipal HY Index: The Bloomberg Municipal HY Index is a flagship measure of the US municipal tax-exempt high yield bond market.

US Dollar Index: The US Dollar Index (USDX) is a measure of the value of the United States dollar relative to a basket of foreign currencies.

Definitions

Employment Index: US jobs with the exception of farmwork; unincorporated self-employment; and employment by private households, the military, and intelligence agencies.

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.

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.

CNR Speedometers® 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 towards the (+) sign represents a positive view which in turn makes it green. Arrows directed towards the (-) sign represents 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.

Yield to worst is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting.

Risk sentiment refers to how financial market participants (traders and investors) are behaving and feeling. It describes their willingness to take on risk, with risk-on sentiment indicating preparedness to take risks and risk-off sentiment indicating caution

A collateralized Bond Obligation (CBO) is an investment-grade bond that is backed by a pool of junk bonds. Junk bonds are typically not investment grade, but because the pool includes several types of credit quality bonds together from multiple issuers, they offer enough diversification to be structured as "investment grade."

The term premium refers to the additional return that investors require for holding a longer-term bond as opposed to a series of shorter-term bonds.

PPI: The Producer Price Index (PPI) program measures the average change over time in the selling prices received by domestic producers for their output.

Important Information

The views expressed represent the opinions of City National Rochdale, LLC (CNR) which are subject to change and are not intended as a forecast or guarantee of future results. Stated information is provided for informational purposes only, and should not be perceived as personalized investment, financial, legal or tax advice or a recommendation for any security. It is derived from proprietary and non-proprietary sources which have not been independently verified for accuracy or completeness. While CNR believes the information to be accurate and reliable, we do not claim or have responsibility for its completeness, accuracy, or reliability. Statements of future expectations, estimates, projections, and other forward-looking statements are based on available information and management's view as of the time of these statements. Accordingly, such statements are inherently speculative as they are based-on assumptions which may involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such statements.

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 may not protect against market risk or loss. Past performance is no guarantee of future performance.

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.

Investments in below-investment-grade debt securities which are usually called “high-yield” or “junk bonds,” are typically in weaker financial health and such securities can be harder to value and sell and their prices can be more volatile than more highly rated securities. While these securities generally have higher rates of interest, they also involve greater risk of default than do securities of a higher-quality rating.

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.

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.

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

CNR is free from any political affiliation and does not support any political party or group over another.