

October 2024

Market Update

City National Rochdale, LLC is an SEC-registered investment adviser and wholly-owned subsidiary of City National Bank. Registration as an investment adviser does not imply any level of skill or expertise. City National Bank is a subsidiary of the Royal Bank of Canada.

Overview

- Speedometers
- Outlook
- Election Policy Impact
- Election Market Impact
- Economic Fundamentals
- Bond Market
- Equity Market



Market Perspective

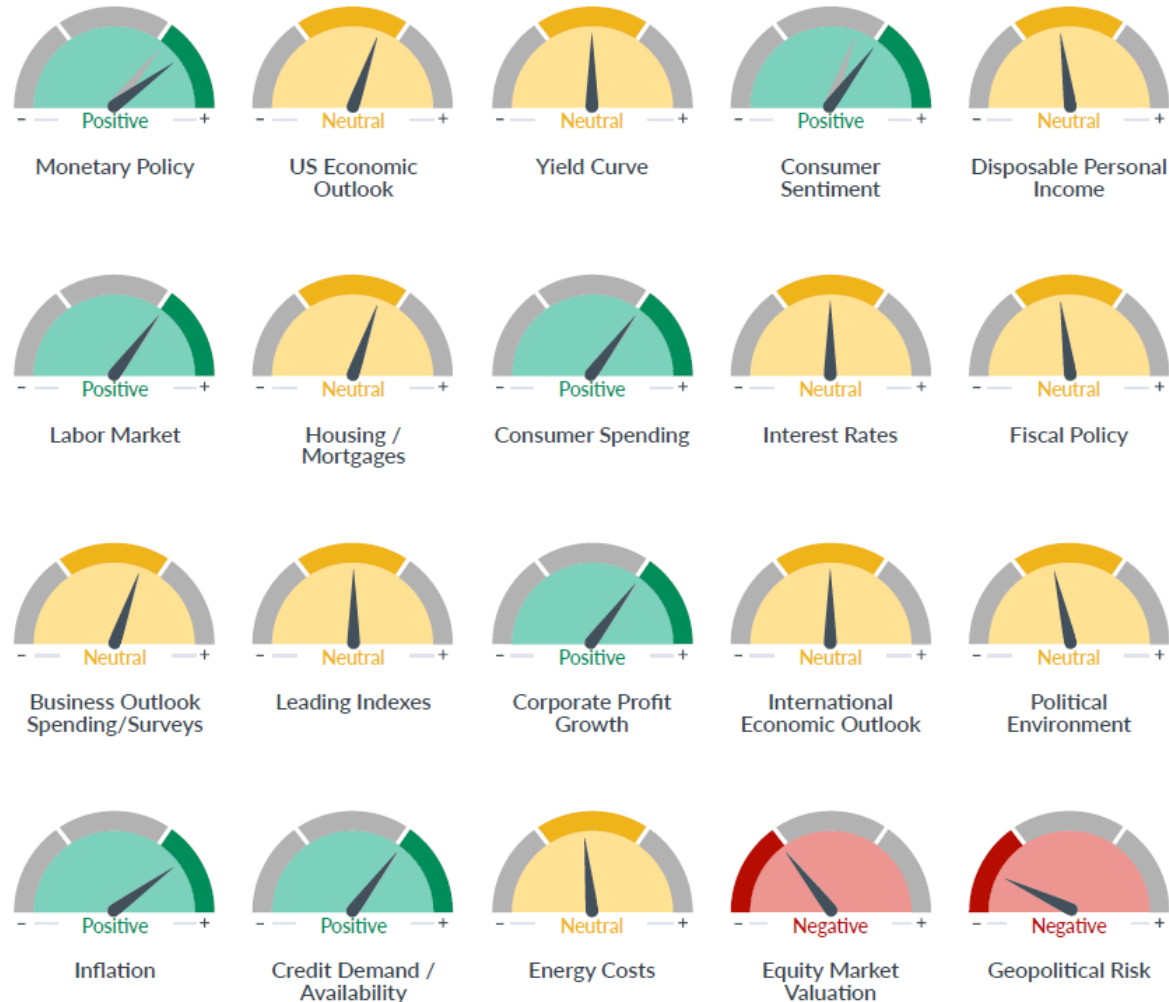


CNR Speedometers® –October 2024

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

Impact on Economy and Financial Markets

- Global outlook divergent, US growth prospects most resilient.
- Cooling inflation paving the way for Federal Reserve easing cycle.
- Slower but positive job and income growth support consumer spending.
- Lower rates and fading post election uncertainty supportive of improved consumer/business sentiment.
- Elevated equity valuations offset by strong corporate profits.
- Geopolitical events remain key risk to outlook.



Impact on investment: ■ Positive ■ Neutral ■ Negative

Timeframe: ■ Current ■ Change from last month

Source: Proprietary opinions based on CNR Research, as of October 2024. Information is subject to change and is not a guarantee of future results.

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Economic Forecasts

- GDP growth to moderate, but economy should remain resilient and avoid recession.
- Corporate profits expected to show improving growth.
- Inflation pressures expected to continue moderating.
- Expecting 75-100 bps of Fed rate cuts in 2024.
- Structural pressures will likely keep longer term Treasury yields higher.

City National Rochdale Forecasts		2023	2024e	2025e
Real Annual GDP Growth		2.5%	1.75% to 2.25%	1.5% to 2.0%
Corporate Profit Growth		1%	9.0% to 12.0%	10% to 14%
Headline CPI Year End		3.3%	2.50% to 3.00%	2.50% to 2.75%
Core CPI Year End		3.9%	2.50% to 3.00%	2.25% to 2.75%
Interest Rates	Federal Funds Rate	5.25% to 5.50%	4.25% to 4.75%	3.75% to 4.25%
	Treasury Note, 10-Yr.	3.88%	3.75% to 4.25%	3.75% to 4.25%

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.

The Consumer Price Index (CPI) measures the monthly change in prices paid by U.S. consumers.

e: estimate.

Sources: Bloomberg, proprietary opinions based on CNR Research, as of September 2024. Information is subject to change and is not a guarantee of future results.

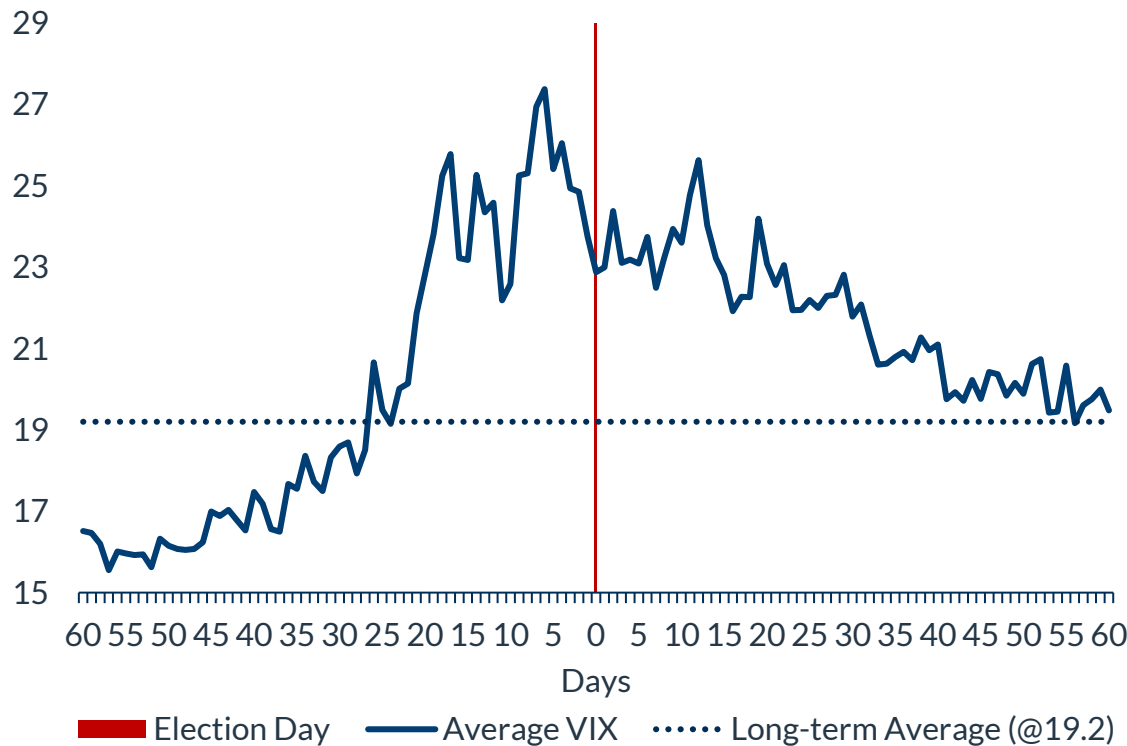
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Election Volatility Tends to be Short Lived

- Anxiety and uncertainty has historically risen as election day approaches.
- By 30 days after the vote, however, volatility has somewhat subsided, returning to normal 60 days post-election.

Equity Market Volatility
Before and After Presidential Elections
(Since 1992)



Date	Key Event
November 11/5	US general election
December 12/11	Certificate of ascertainment
12/17	Electors cast votes
12/25	Deadline for electoral votes
January 1/3	119th Congress convenes
1/6	Electoral votes counted
1/20	Inauguration day

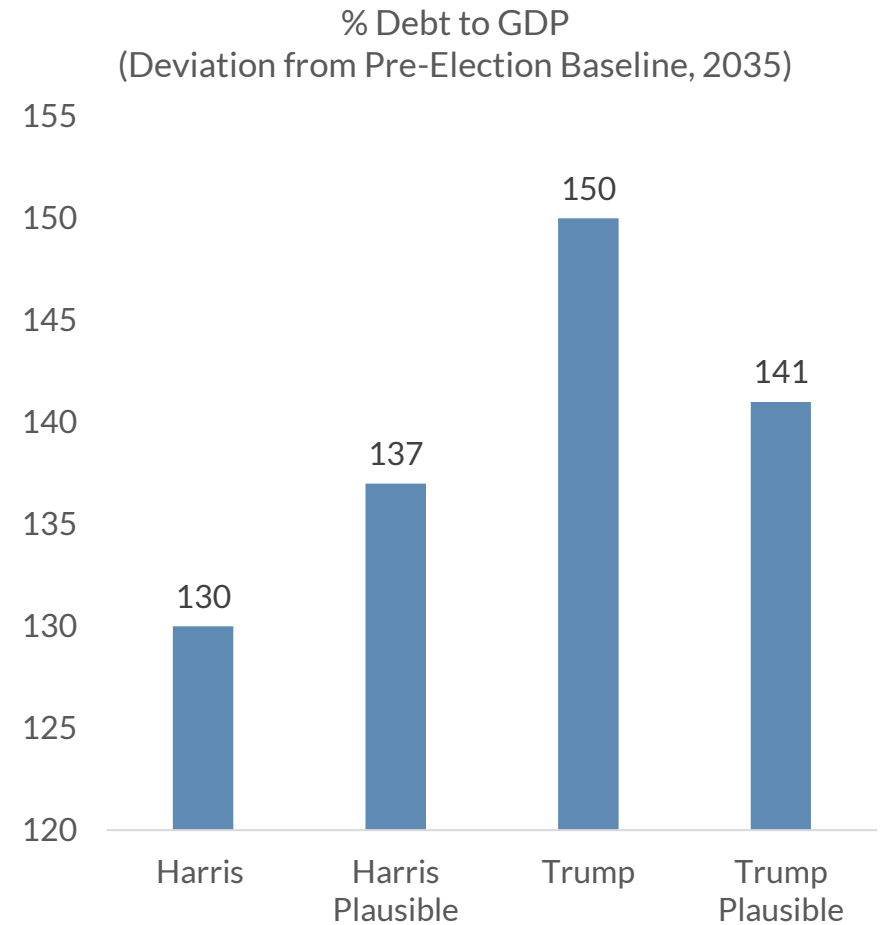
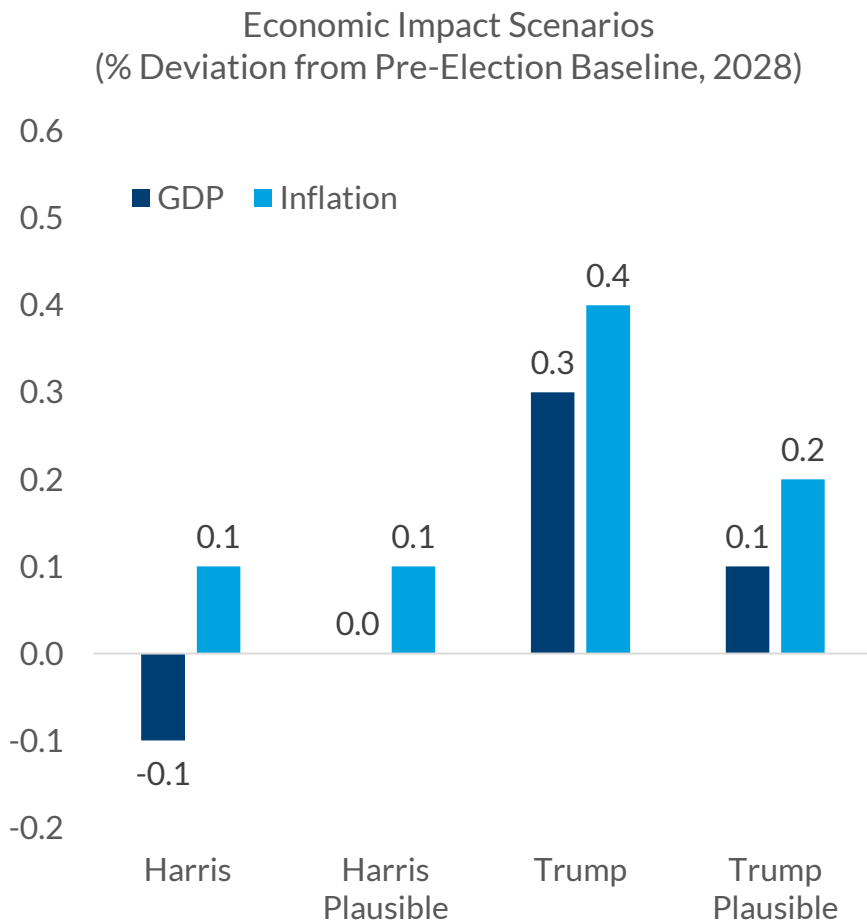
Source: FactSet, as of October 2024. Information is subject to change and is not a guarantee of future results.

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Harris vs Trump: Comparing Policy Impacts

- Under Harris, the economy would likely experience lower increases in GDP growth, inflation and Federal debt.
- Under Trump, the economy would likely experience higher increases in GDP growth, inflation and Federal debt.



Source: Bloomberg Economics, as of October 2024. Information is subject to change and is not a guarantee of future results.

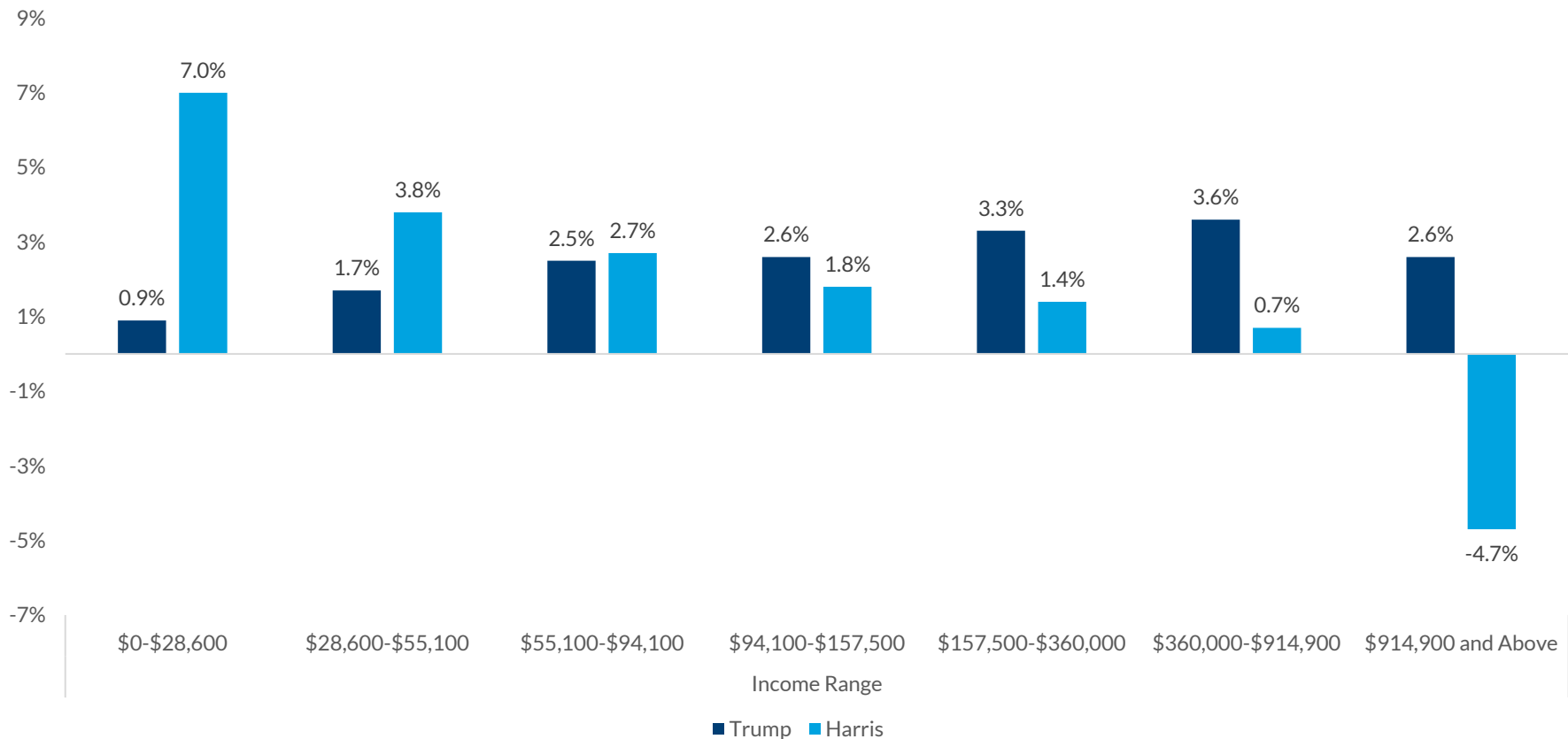
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Election Impact: Taxes

- Benefits under Harris’s tax plan are skewed toward lower income households.
- Under Trump’s proposals, but higher income household would see a larger relative benefit.

Percentage Change in After Tax Income
(Projected in 2034)



Source: Tax Foundation, as of October 2024. Information is subject to change and is not a guarantee of future results.

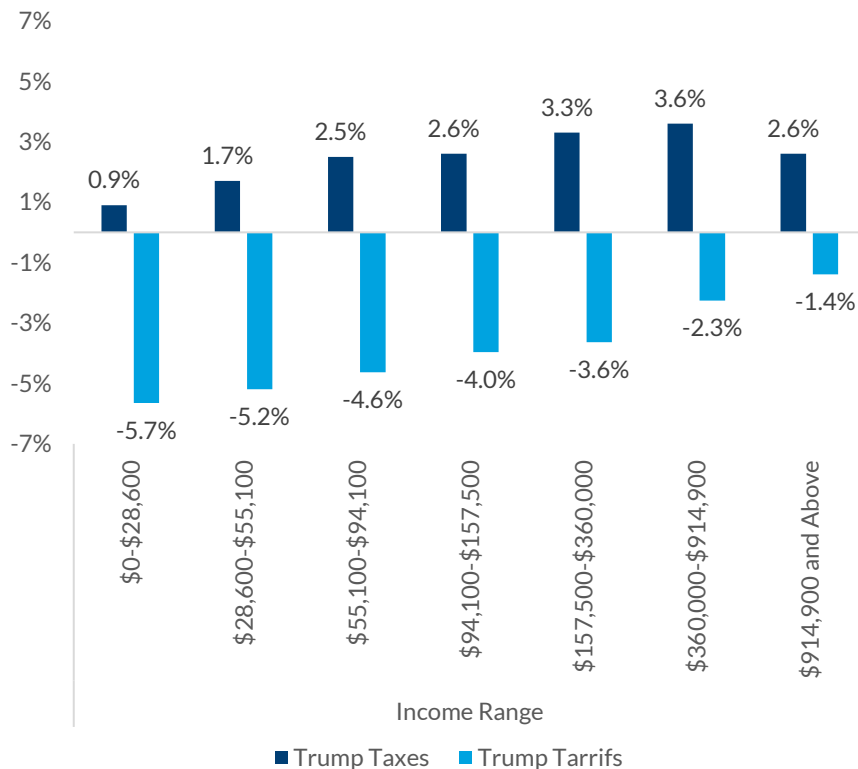
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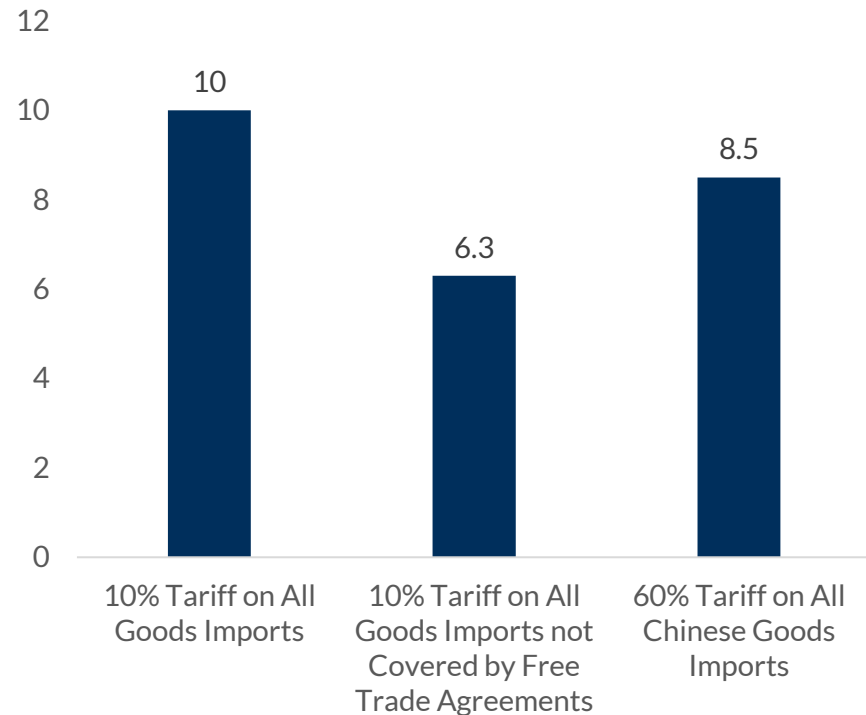
Election Impact: Taxes

- Trump has proposed significant increases of tariffs on foreign imports.
- Increases in tariffs would offset the benefit of tax cuts, hitting lower income groups the hardest.

Percentage Change in After Tax Income
(Projected by 2034)



Impact of Proposed Trade Policies
(Percentage Point Increase to Effective Rate)



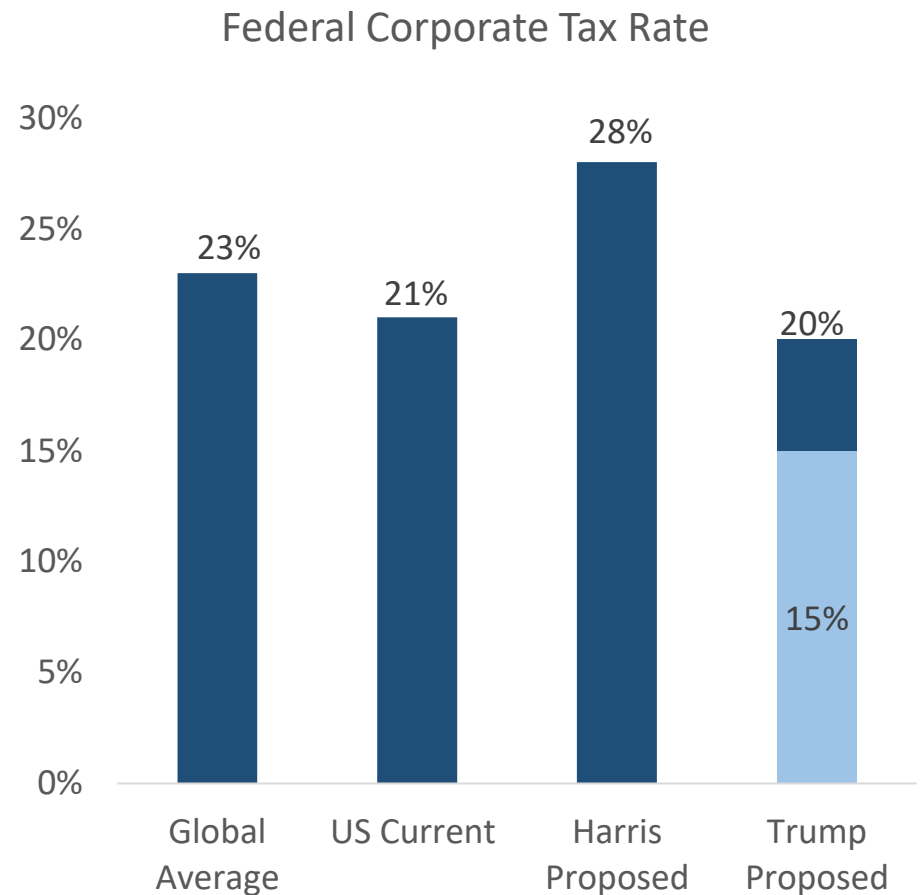
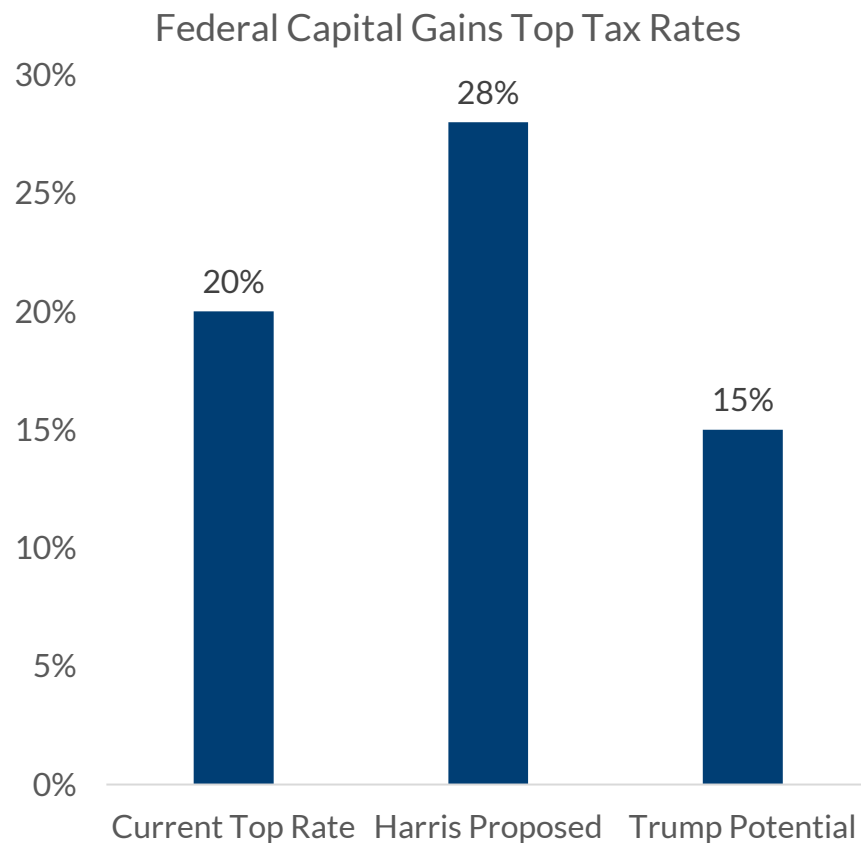
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Election: Corporate Taxes

- Proposals by Harris would significantly raise the top capital gains tax rate, while Trump could significantly lower it.
- Under Harris, the corporate tax rate could significantly increase above the global average.
- Trump has proposed further reductions in the corporate taxes.



■ 15% is an alternative proposed rate.

Source: Tax Foundation, as of October 2024. Information is subject to change and is not a guarantee of future results.

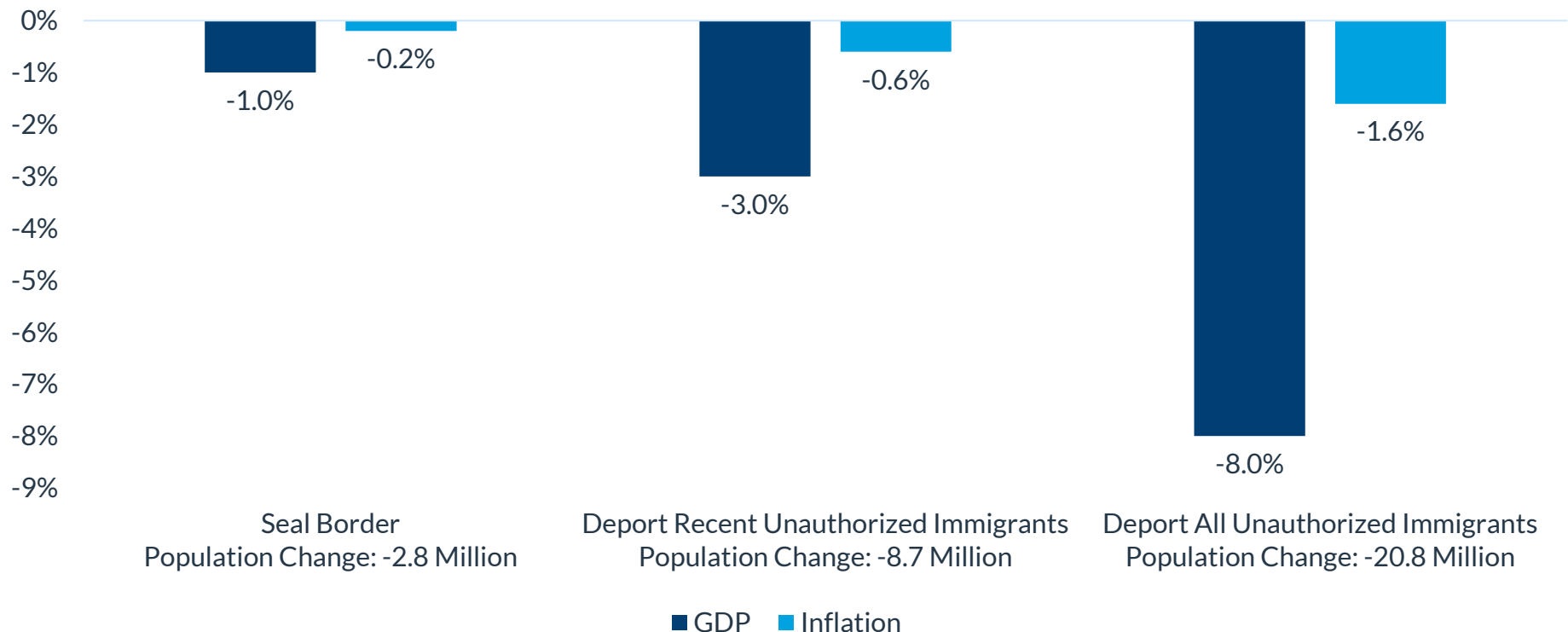
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Election Impact: Immigration

- Fewer workers means lower GDP.
- Industries highly dependent on migrant labor would like experience higher wages and inflation pressures.
- In aggregate, the hit to demand from large scale immigration reduction would likely be deflationary.

Estimated Economic Impact
Relative to CBO 2028 Baseline



Source: Bloomberg Economics, as of October 2024. Information is subject to change and is not a guarantee of future results.



Economic Impacts of Potential Policy Changes

Potential Policy Change	Economic Impact			
	GDP	Inflation	Interest Rates	Corporate Profits
Lower Tax Rates	Higher	Higher	Higher	Higher
Higher Tariffs	Lower	Higher	Higher	Lower
Higher Federal Debt	Neutral	Higher	Higher	Neutral
Lower Immigration	Lower	Neutral	Lower	Lower

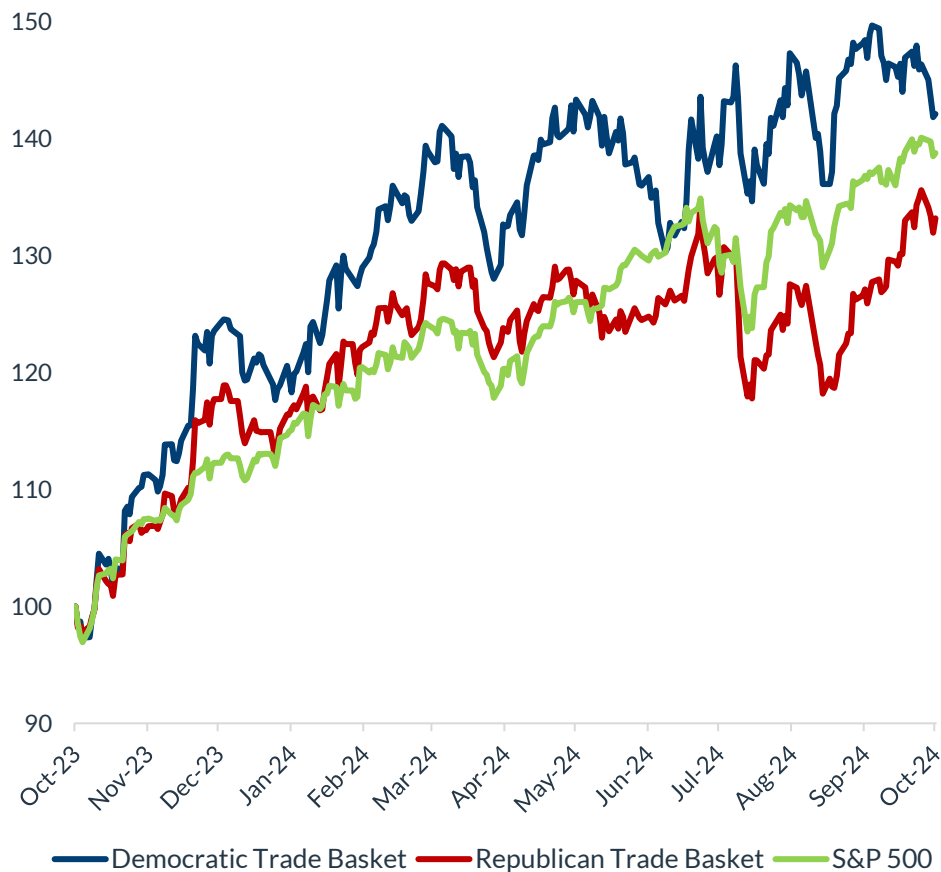
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Election Sector Themes

1 Year Performance



Top Democratic Sector Trades
<ul style="list-style-type: none"> ▪ Industrials ▪ Healthcare ▪ Utilities ▪ Consumer Discretionary
Top Republican Sector Trades
<ul style="list-style-type: none"> ▪ Financials ▪ US Focused Industrials/Defense ▪ Energy ▪ Materials

Source: Bloomberg, Goldman Sachs, as of October 2024. Past performance is not a guarantee of future results. Goldman Sachs projected top performing sectors for a future Democratic or Republican Administration.

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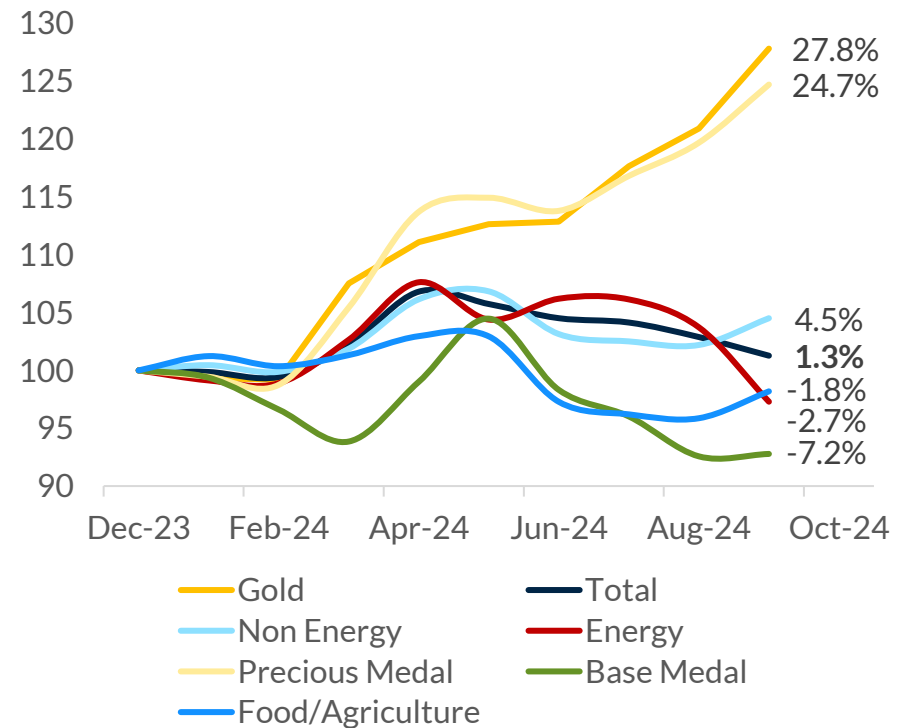
Commodity Update/Gold

- Gains in commodities this year have been almost exclusively driven by gold.
- More broadly, commodities have struggled against a backdrop of muted global demand and falling inflation.

Key Factors Driving Gold Prices Higher

- Safe-haven demand/Geopolitical risks
- Easing Fed policy
- Global Central Bank Buying
- US election uncertainty
- Speculation/FOMO

IMF Primary Commodity Price Index
YTD % Change



Source: CNR Research, Bloomberg, as of September 2024. Information is subject to change and is not a guarantee of future results.

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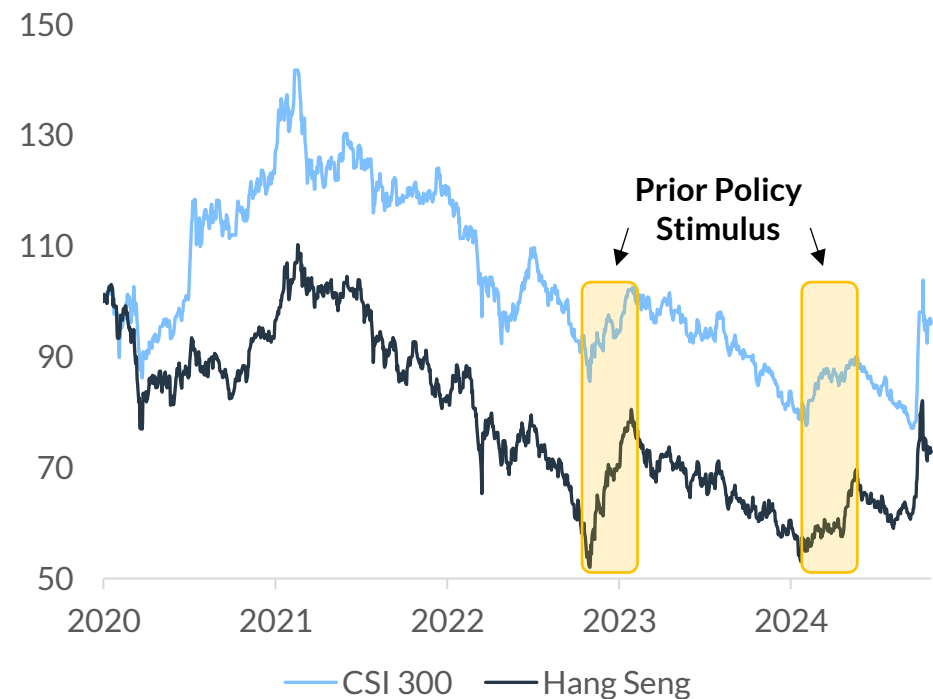
Should You Invest In China?

- The announcements of significant policy stimulus has sparked a strong rally in Chinese equities.
- Like many past rallies, this one had been driven largely by investors' enthusiasm.
- For the rally to be sustained, investors will likely need to see evidence that interventions are working.

Reasons To Be Cautious

- Previous measures have come with limited success.
- Long term structural issues will be difficult to correct.
- Equity valuations are now back in-line with historic levels.

China Equity Indices
(January 2020=100)



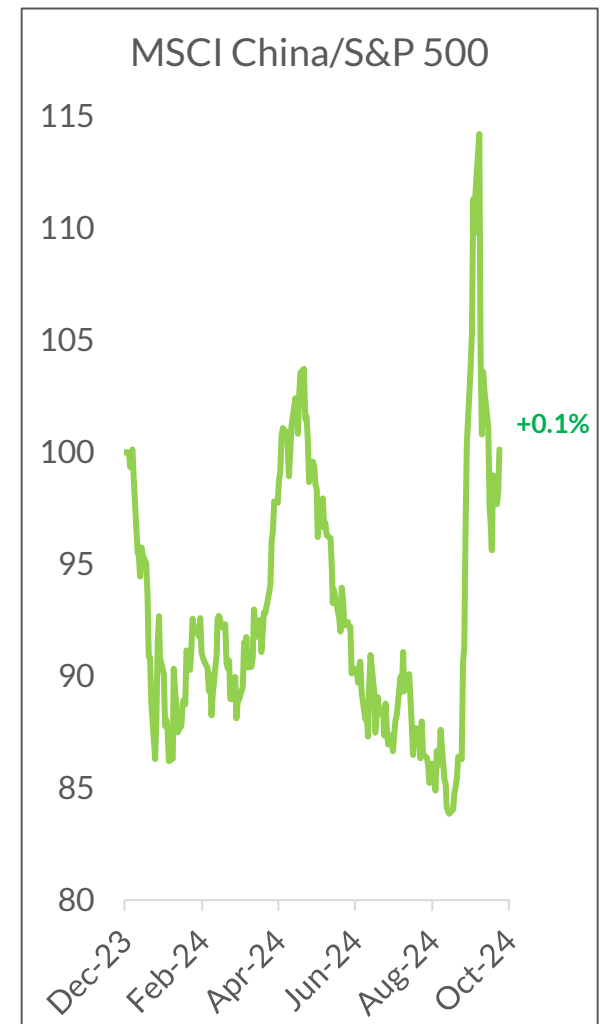
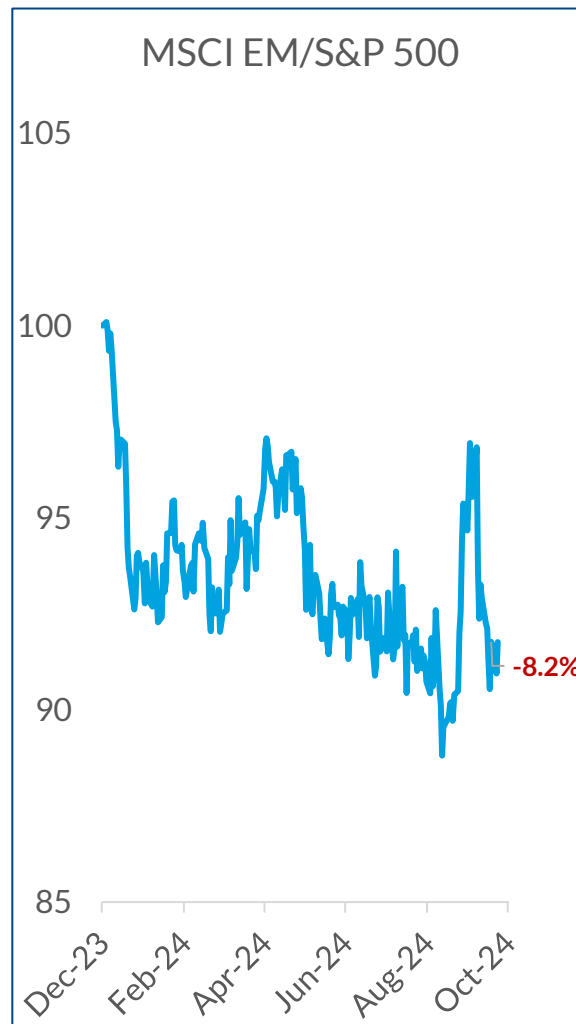
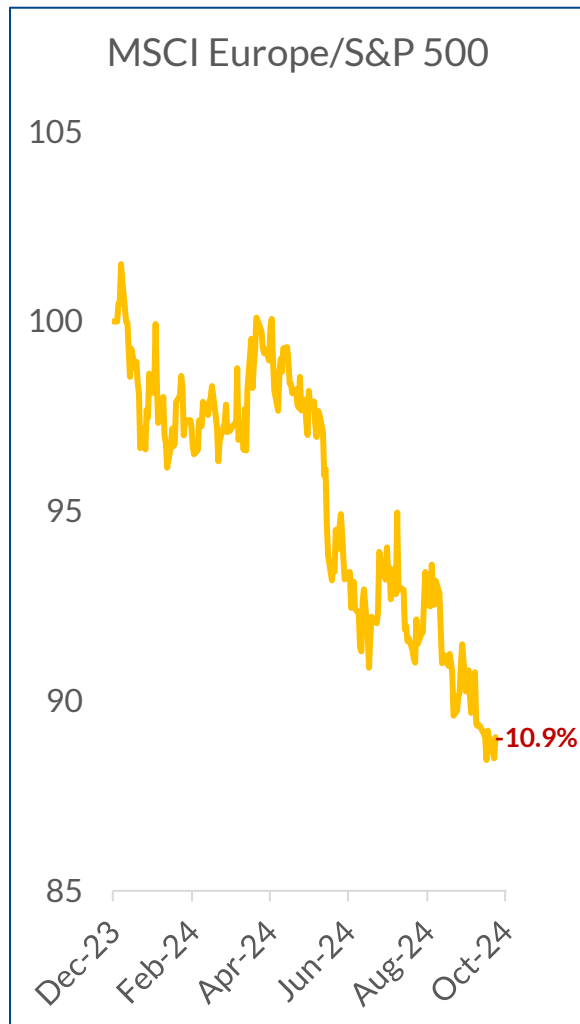
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Global Markets Have Underperformed US

- The U.S. market continues to outperform compared to international markets.
- At times, international investments have appeared attractive this year, but the opportunities have been fleeting.



Source: Bloomberg, as of October 2024. Information is subject to change and is not a guarantee of future results.

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Key Takeaways

- Underlying economic fundamentals remain strong.
- Policy impacts four main areas: Taxes, Tariffs, Debt and Immigration.
- Harris: Continuation of existing policy, which favors clean energy. More strategic tariffs may benefit exporters. Higher potential taxes may hurt capex heavy sectors.
- Trump: Policy changes should favor Financials and Energy. Domestic profits could favor Utilities and Real Estate sectors. Trade and Tax policy could lead to higher inflation and interest rates. Policy may also increase growth.
- Both platforms are likely to increase government debt.
- Commodities have performed poorly, but Gold has climbed due to increased geopolitical risk.
- We believe the U.S. remains the best market.

Source: CNR Research, as of October 2024.
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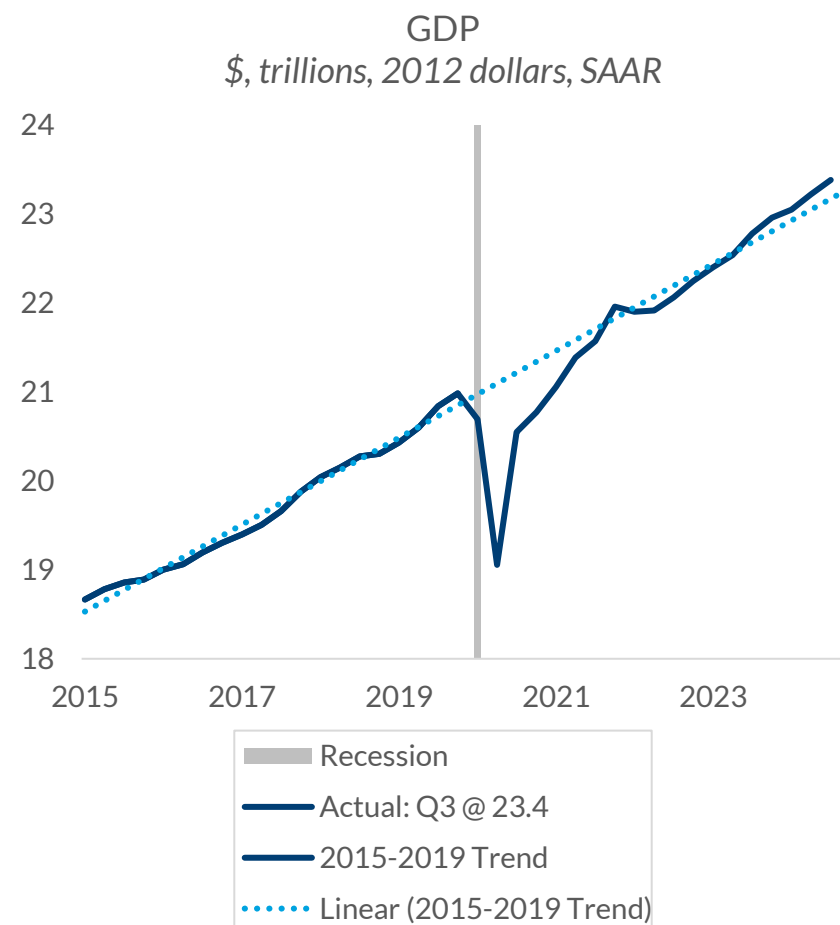
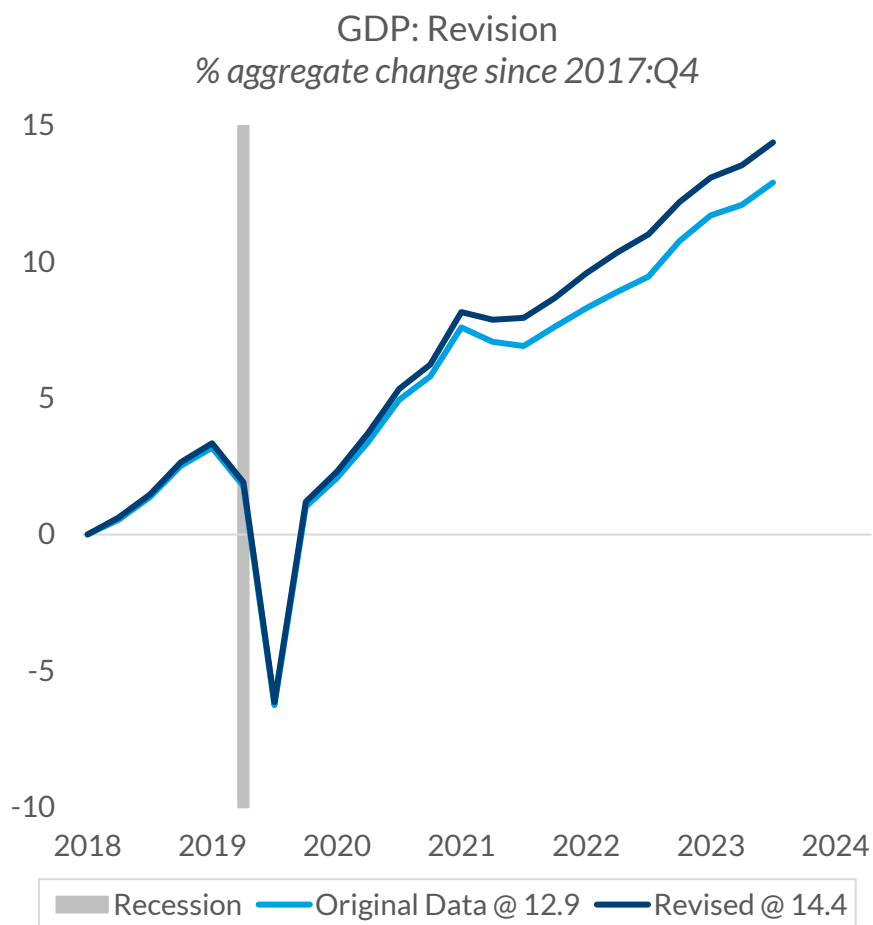


The Economy



The Economy: Upward Revisions

- GDP data was revised for the past five years (part of an annual process to include new data).
- The revisions showed faster growth for the past three years.
- This put post-pandemic recession growth above the pre-pandemic trend.



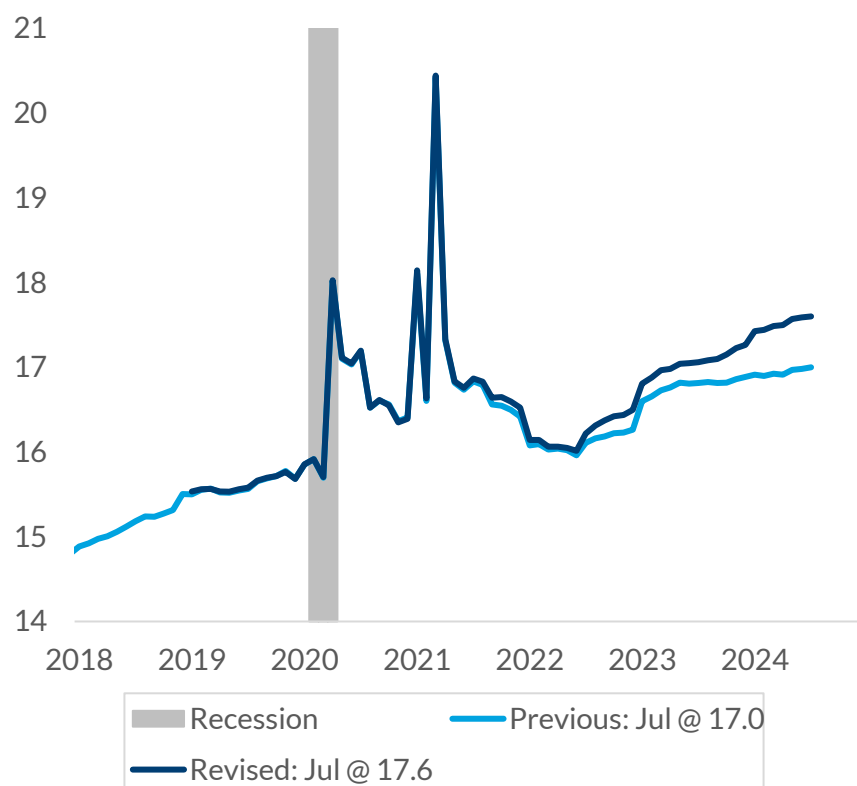
Data current as of October 29, 2024
 Source: Bureau of Economic Analysis
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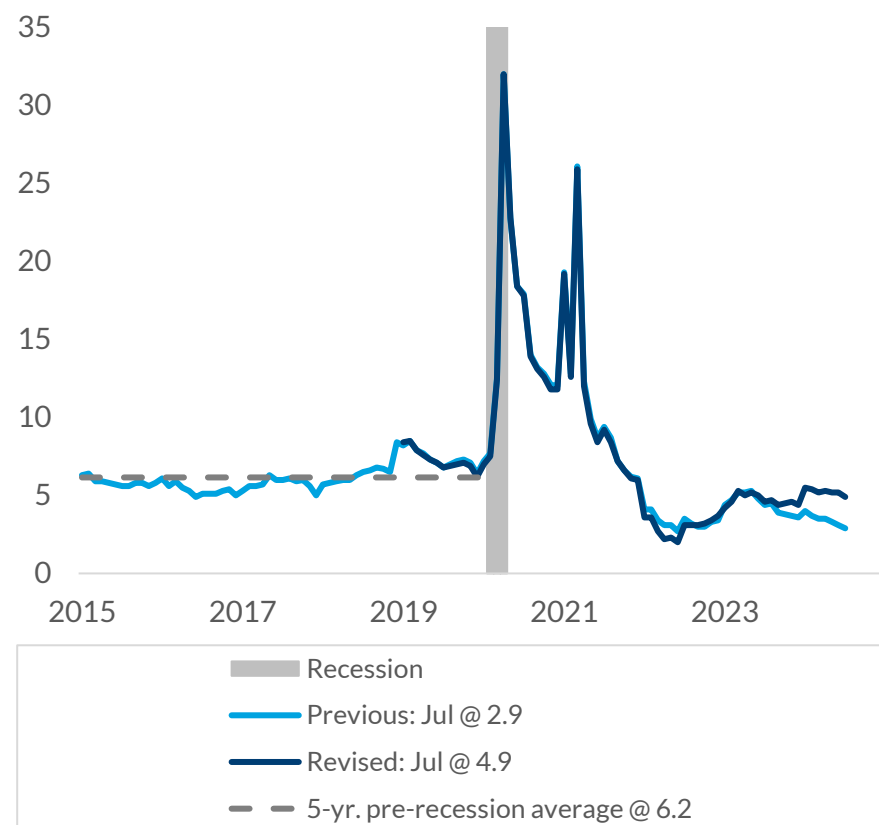
The Economy: Upward Revisions

- The economy benefits from high levels of household wealth, excess liquidity, and an accommodative Fed.
- Recent revisions to household income and spending boosted household wealth and their saving rate.
- The Fed's recent decision to accelerate its easing of monetary policy supports continued growth.

Disposable Personal Income: Revised Data
Inflation Adjusted
\$, trillions, seasonally adjusted annual rate



Personal Saving Rate
% of disposable income, seasonally adjusted



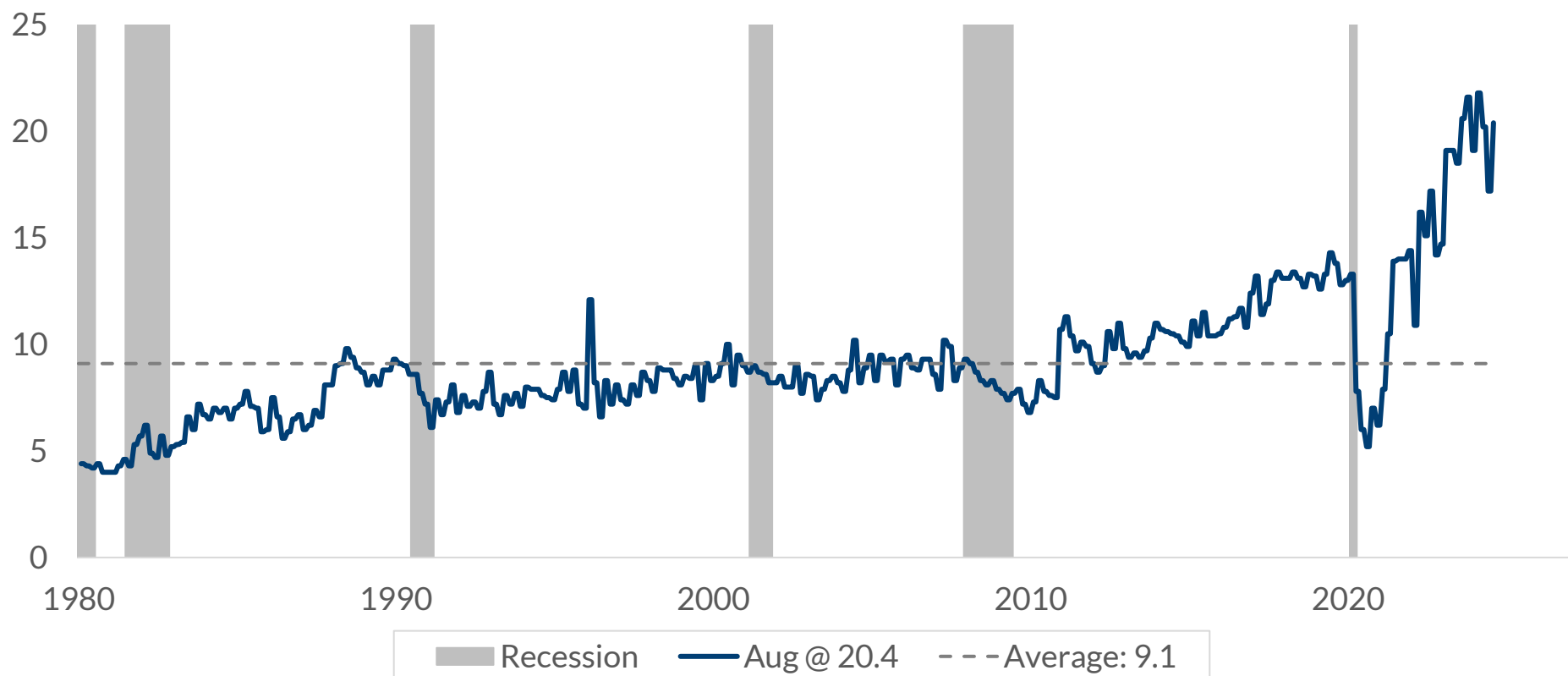
Data current as of October 29, 2024
Source: Bureau of Economic Analysis
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Strong Economy

- This is probably the ultimate in discretionary spending.
- Nobody needs a foreign vacation, but almost everyone would like one.
- More than 20% of the population plan to take a foreign vacation, more than twice the long-term average.

Plans to Take a Foreign Vacation in the Next Six Months
%, *seasonally adjusted*



Data current as of October 29, 2024

Source: The Conference Board

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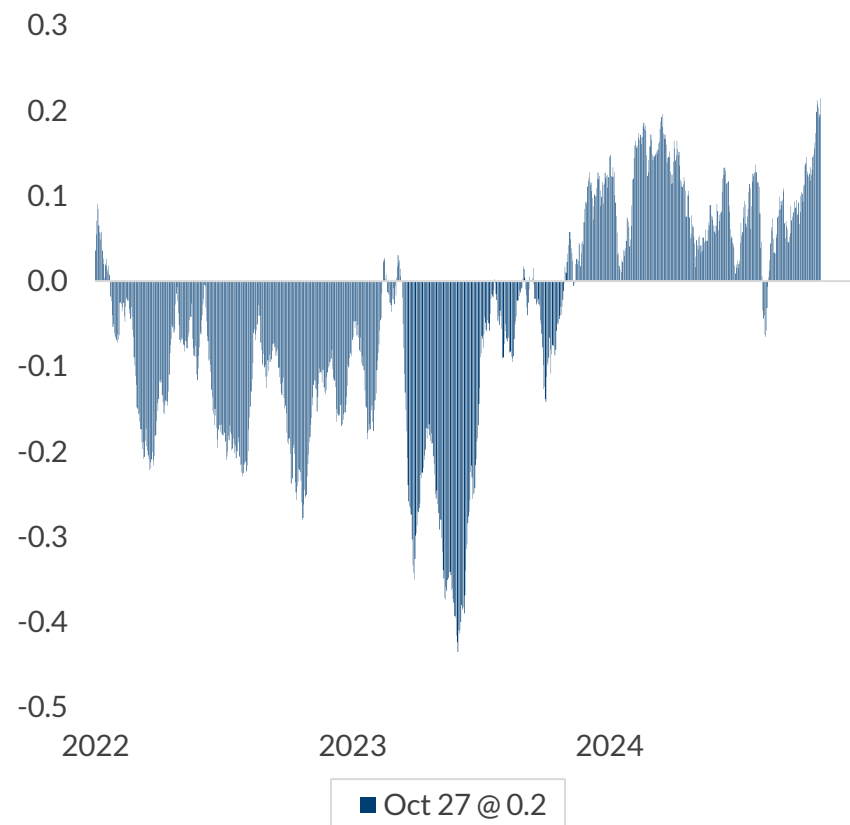
Strong Economy

- Releases of economic data since July have been coming in stronger than expected.
- Also, news articles have been positive since last November.

Citi Economic Surprise Index
measures economic data surprises relative to market expectations



Daily News Economic Sentiment
%, diffusion index, not seasonally adjusted

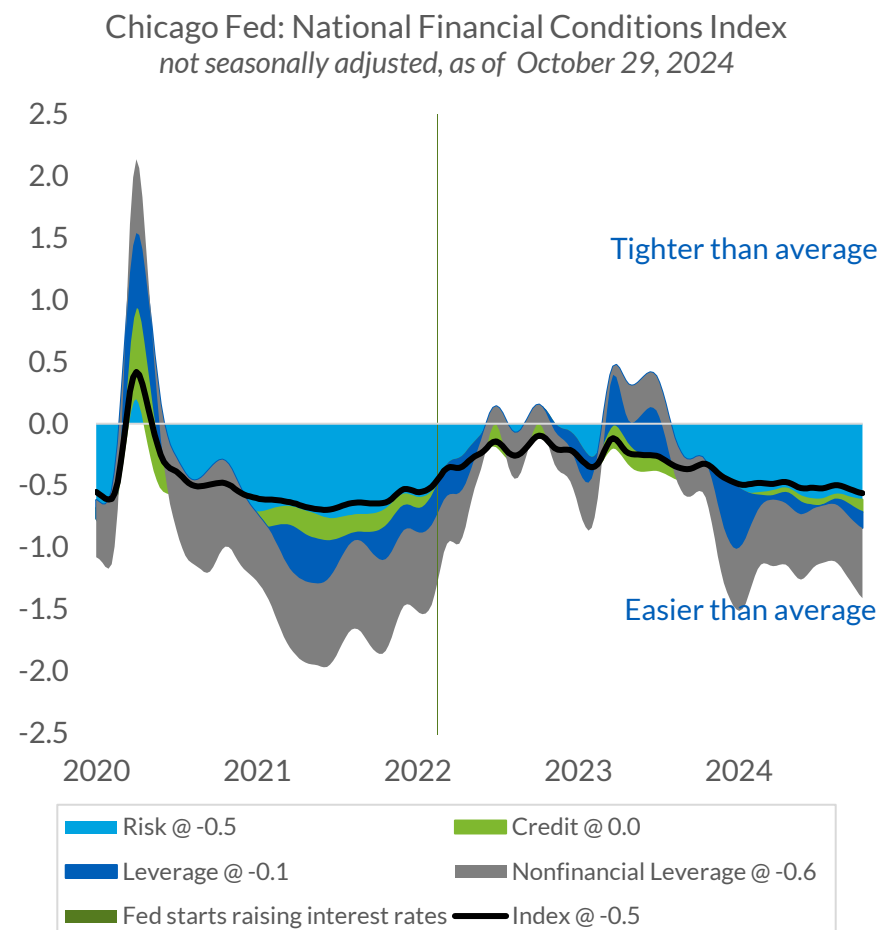
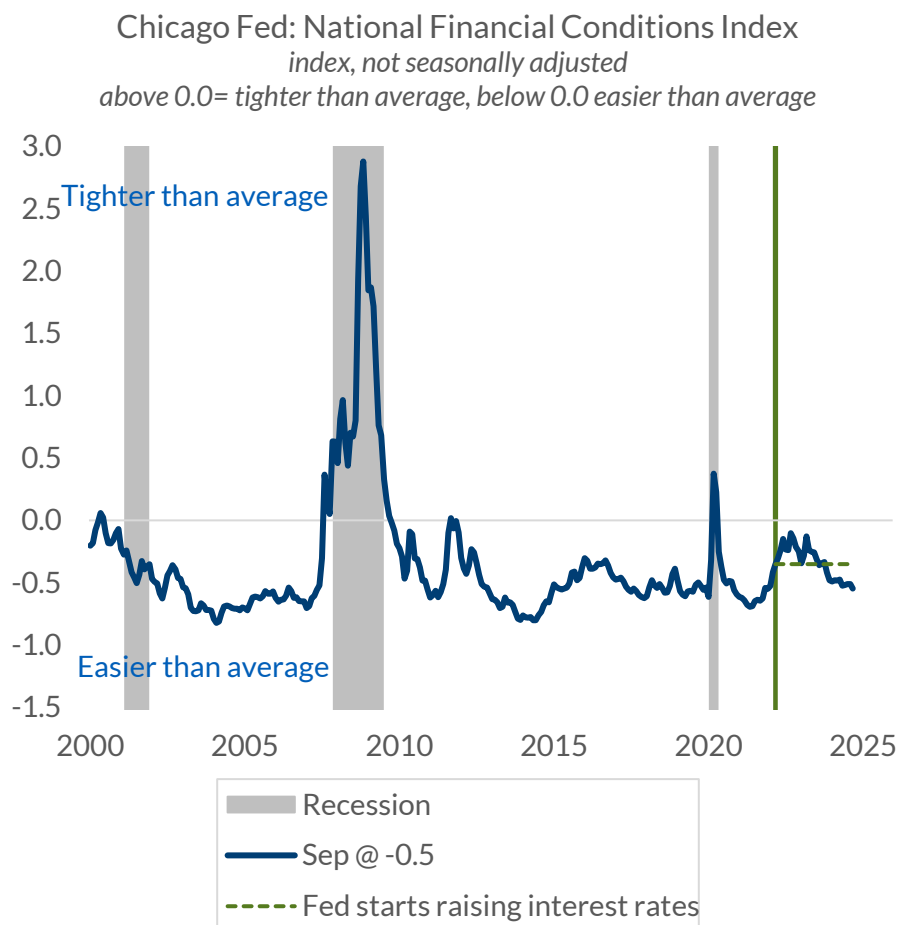


Data current as of October 29, 2024
Source: Citibank Global Markets, Federal Reserve Bank of San Francisco
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Strong Economy

- This is a comprehensive measurement of financial conditions of debt, equity, money markets, and banking.
- Financial conditions have eased since the pandemic and when the Fed began raising interest rates.



Data current as of October 29, 2024
Source: The Federal Reserve Bank of Chicago, Federal Reserve Bank
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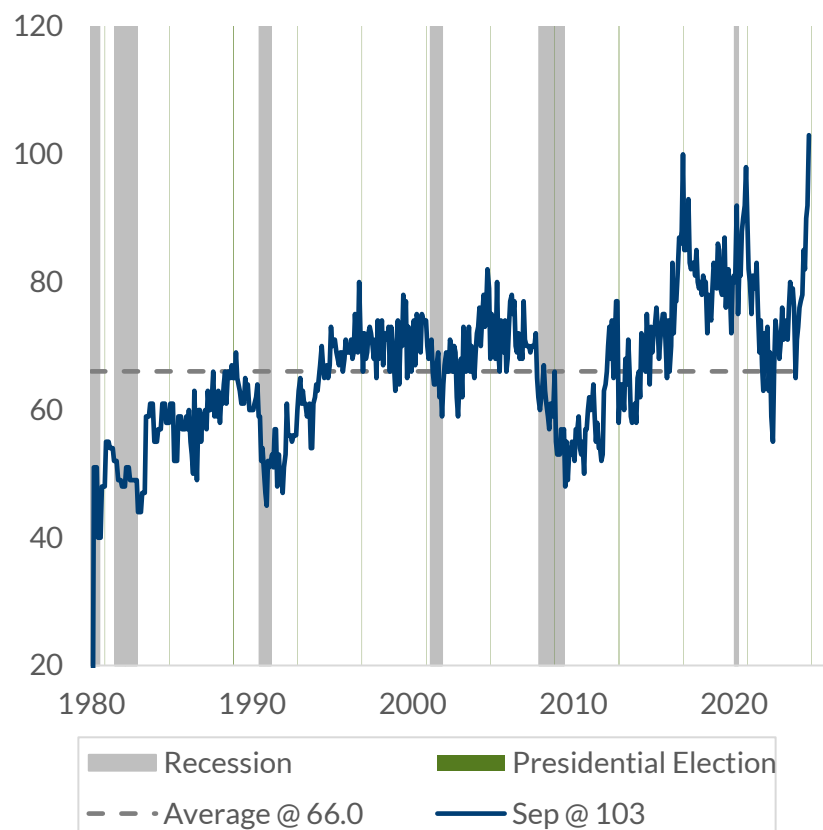
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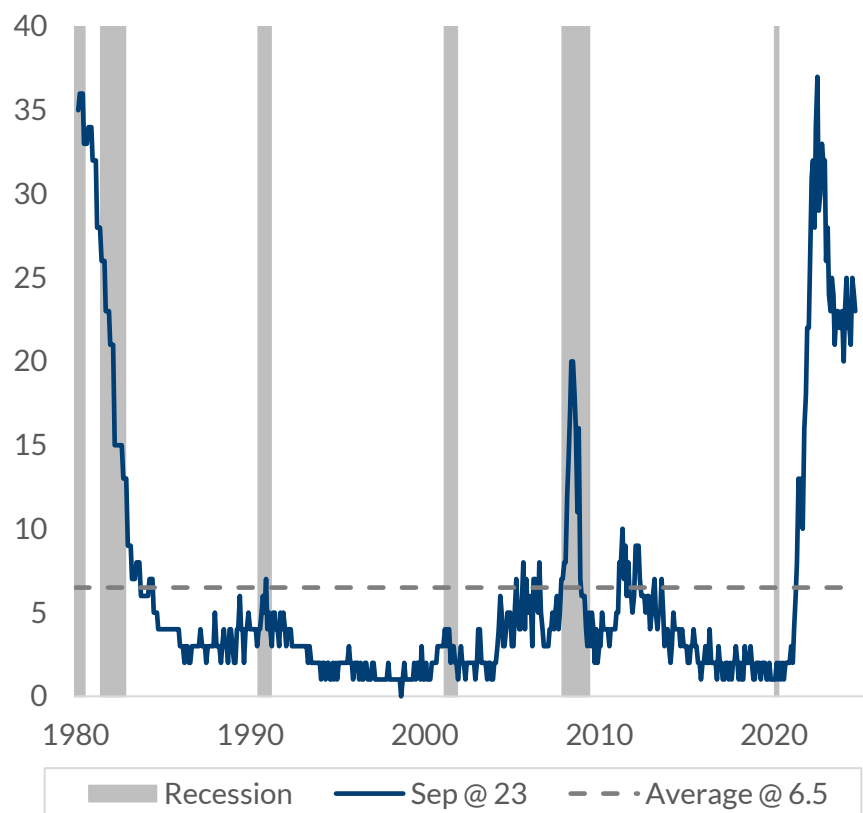
Strong Economy

- The election season tends to increase uncertainty among small business owners.
- The good news is that after the election, uncertainty declines.
- Small businesses remain concerned with inflation with their attention focused on the cost of goods and labor.

NFIB: Small Business Uncertainty Index
index, seasonally adjusted



NFIB: Single Most Important Problem - Inflation
%, not seasonally adjusted



Data current as of October 29, 2024

Source: National Federation of Small Business

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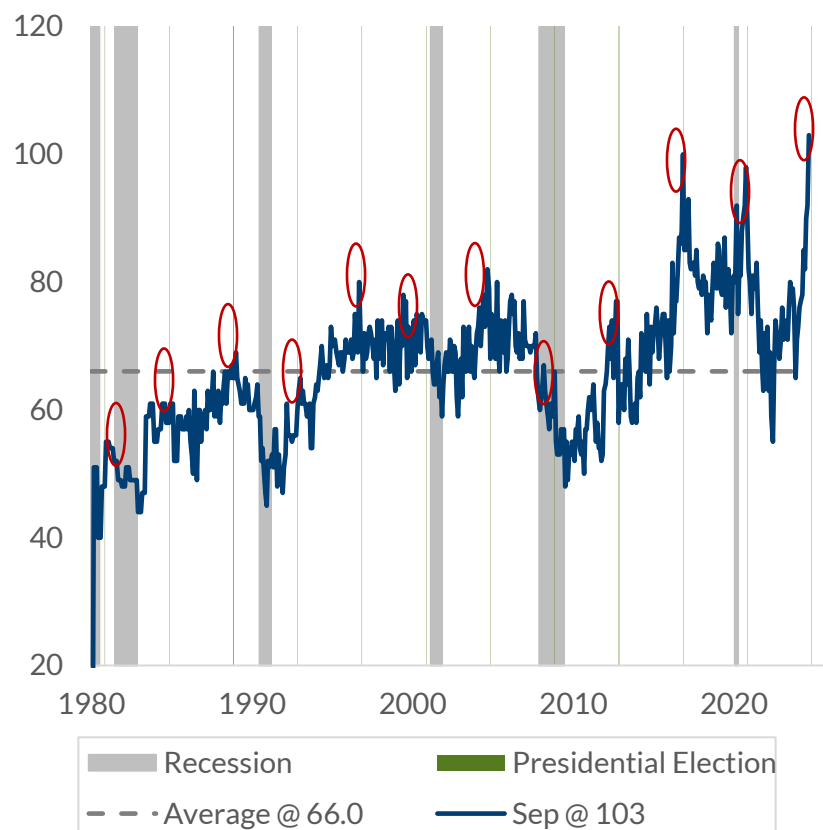
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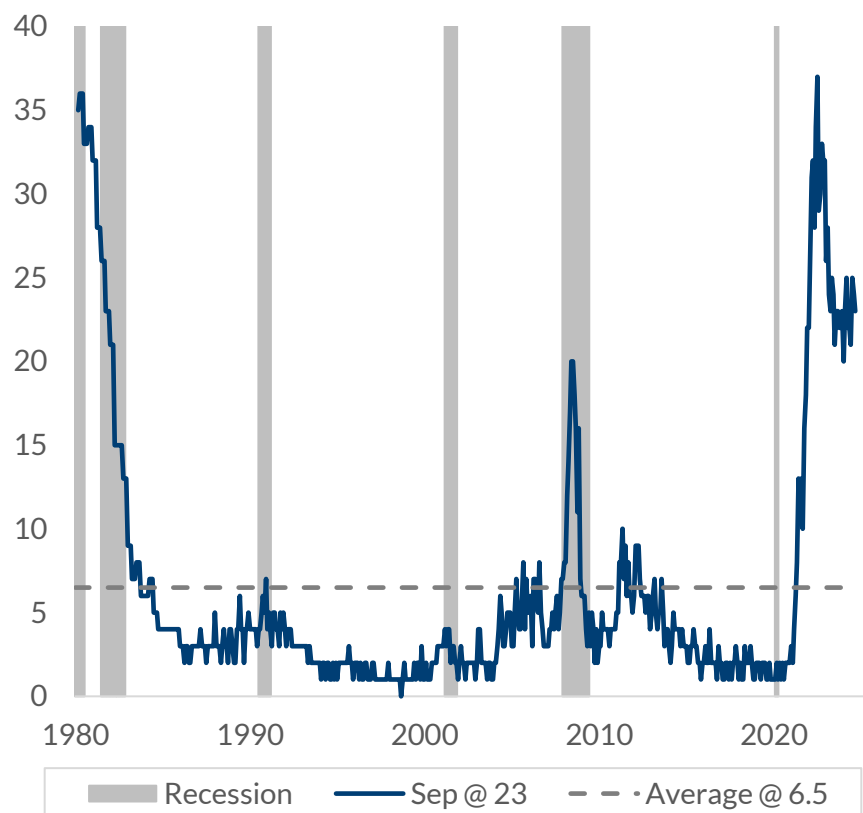
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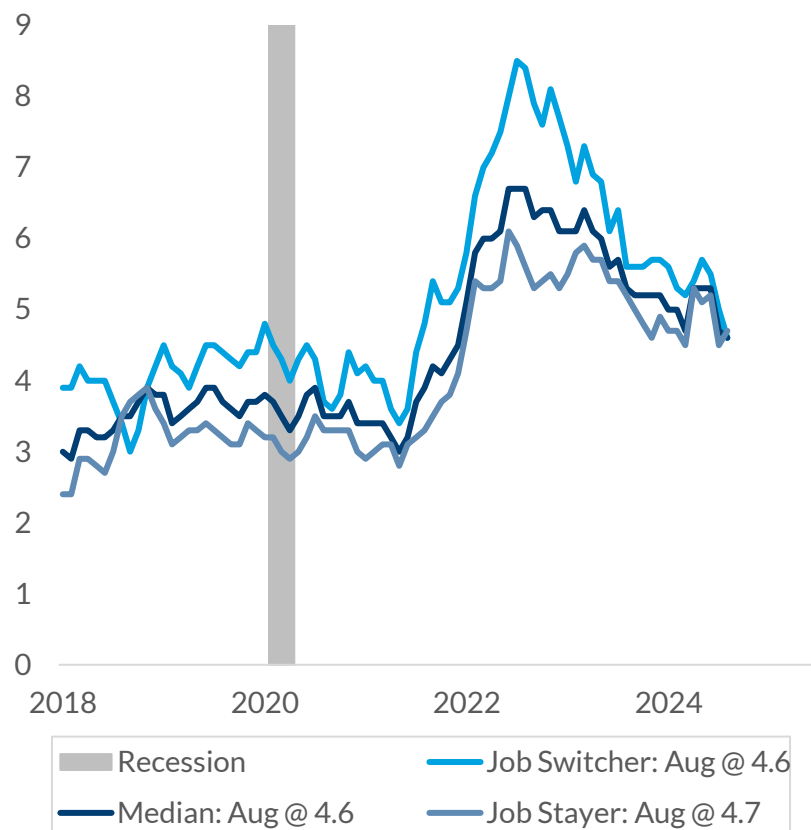
Strong Economy

- Wage pressures continue to cool.
- With the declining demand for workers, wage growth is coming under pressure.
- Workers switching, the driving force behind the high wage gains of 2022, have fallen to average wage gains.

NFIB Hiring Plans & Wage Gains
% change y-o-y and index value



Wage Growth Tracker: Atlanta Fed
% change y-o-y, not seasonally adjusted



Data current as of October 29, 2024

Source: National Association of Independent Business, Federal Reserve Bank of Atlanta

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Key Takeaways

- The expectation of continued robust consumer spending was boosted by revisions to income and spending.
- The Fed's planned interest rate cuts should help reduce the cost of financing products that are of higher cost.
- The Fed's planned action should keep financial conditions easier than average.
- Reduced wage pressures should give the Fed confidence that the decline in inflation should be less sticky.

Data current as of October 29, 2024

Source: City National Rochdale Research

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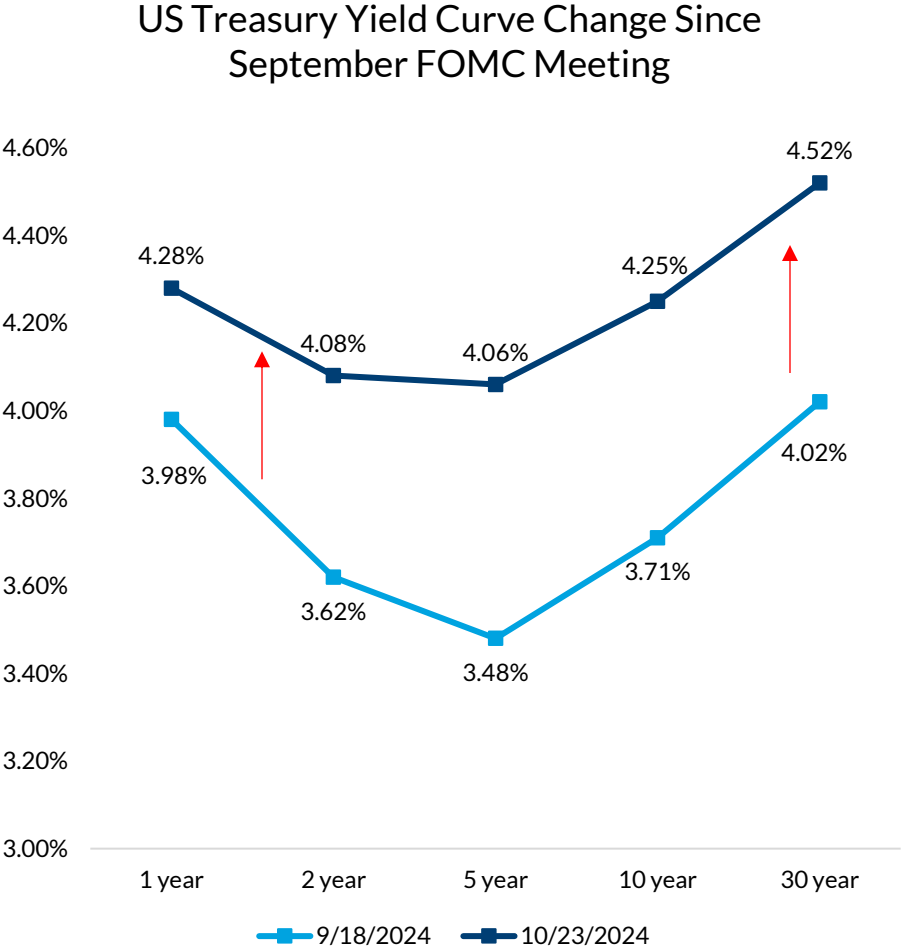
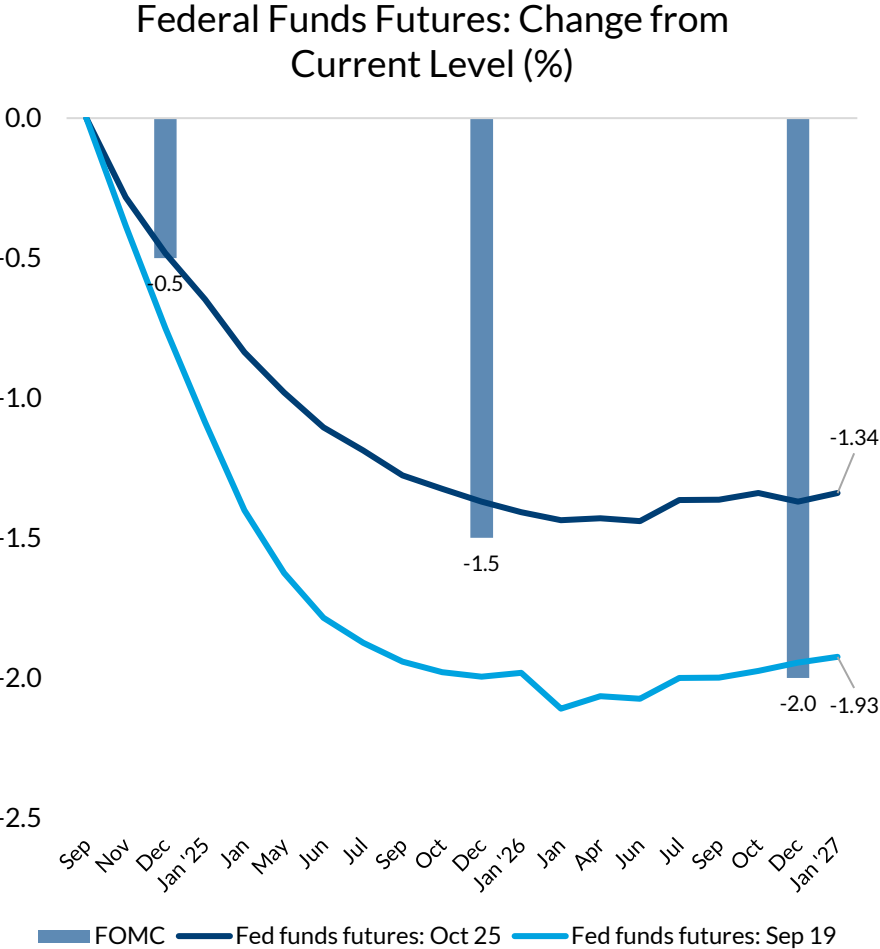


Fixed Income



Projections For Fed Easing Dialed Back, Yields Higher

- Market expectations for the Fed Funds rate are now more closely aligned with the FOMC.
- The US Treasury yield curve has adjusted higher in response to economic conditions, inflation, and the election.



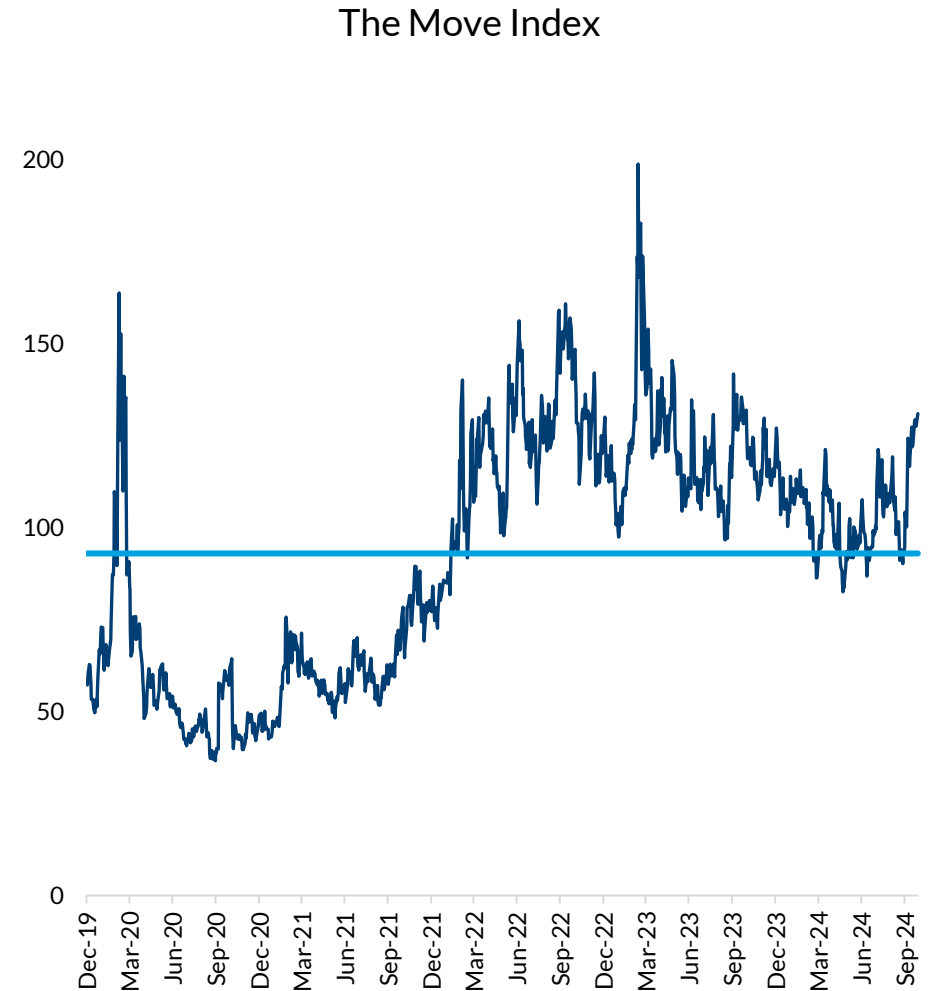
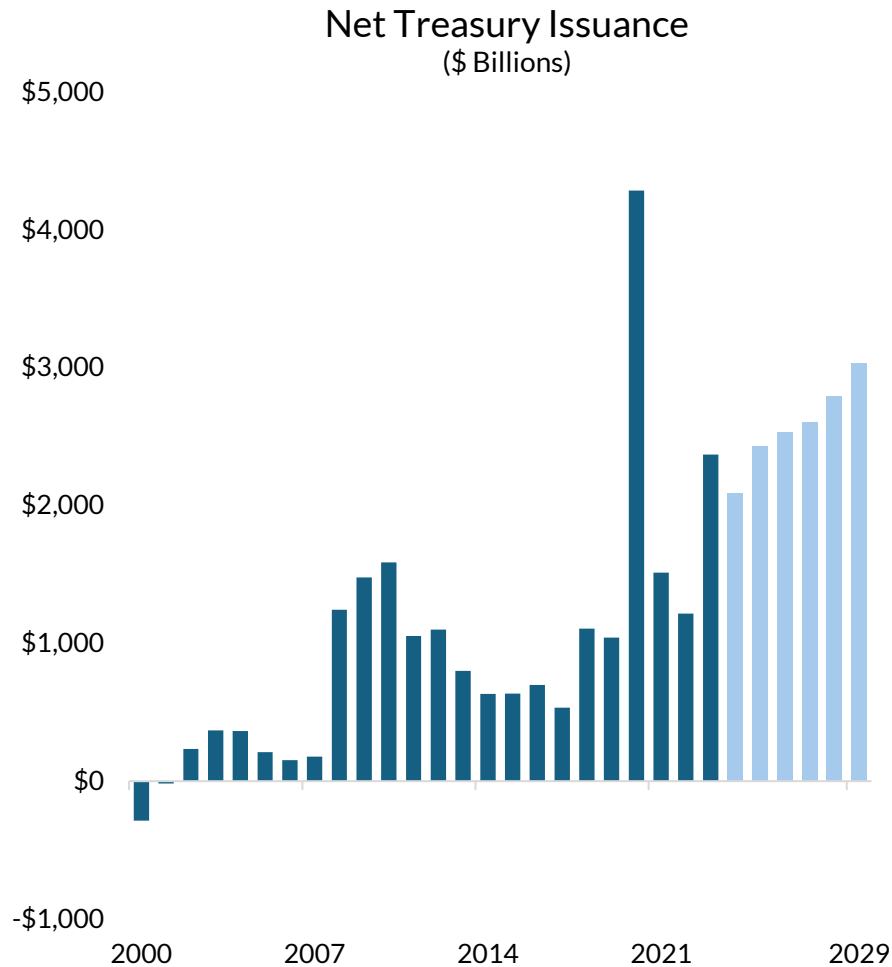
Source: Federal Reserve Bank, Bloomberg’s WIRP page, CNR Research as of 10/25/2024. Information is subject to change and is not a guarantee of future results

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Bond Market Volatility Increases Ahead of Elections

- Projected US Treasury issuance could accelerate based on the potential for increased fiscal deficits.
- Bond market volatility increases in reaction to election uncertainty.



Sources: Bloomberg as of 10/25/24, ICE BofA Move Index. Congressional Budget Office, Treasury Borrowing Advisory Committee, Securities Industry and Financial Markets Association. MetLife Investment Management. Information is subject to change and is not a guarantee of future results.

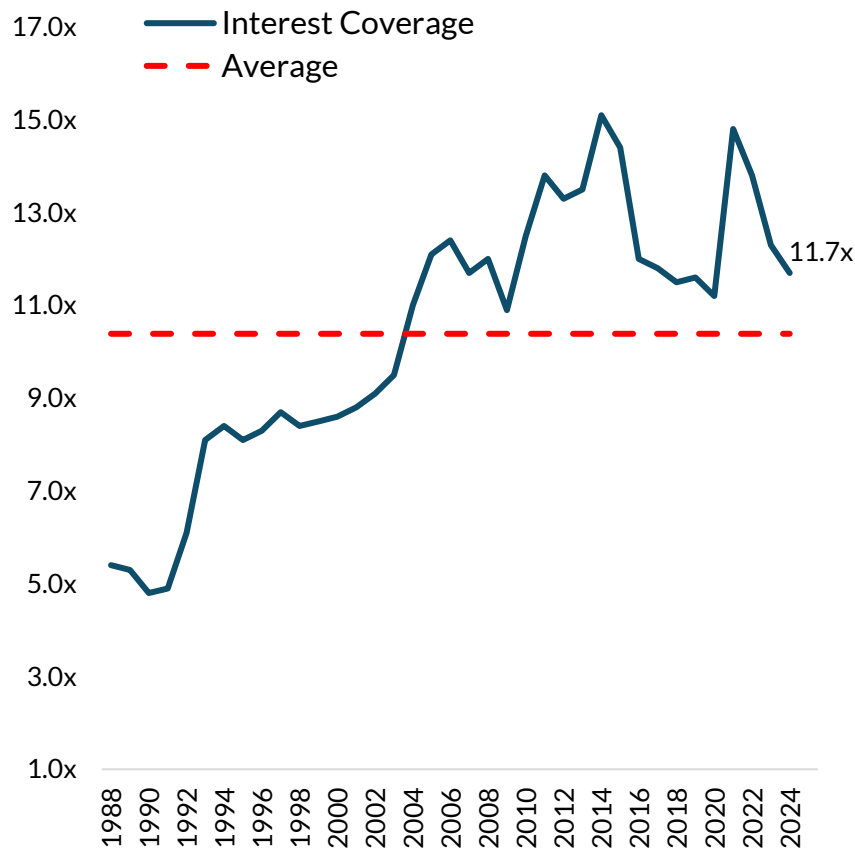
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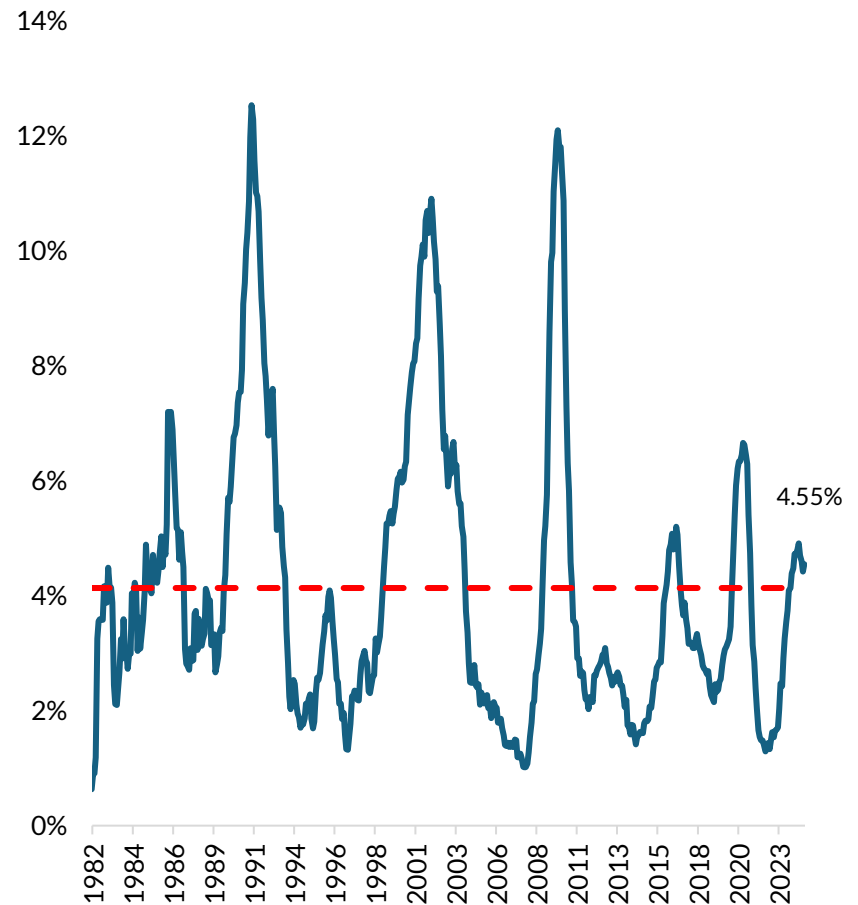
Corporate Credit Health Remains Strong

- Balance sheets remain broadly healthy, with interest coverage of almost 12x and manageable leverage.
- The corporate default rate has normalized, sitting slightly above its 40-year average.

Investment Grade Corporates (ex. Financials)



S&P Historical Default Rate



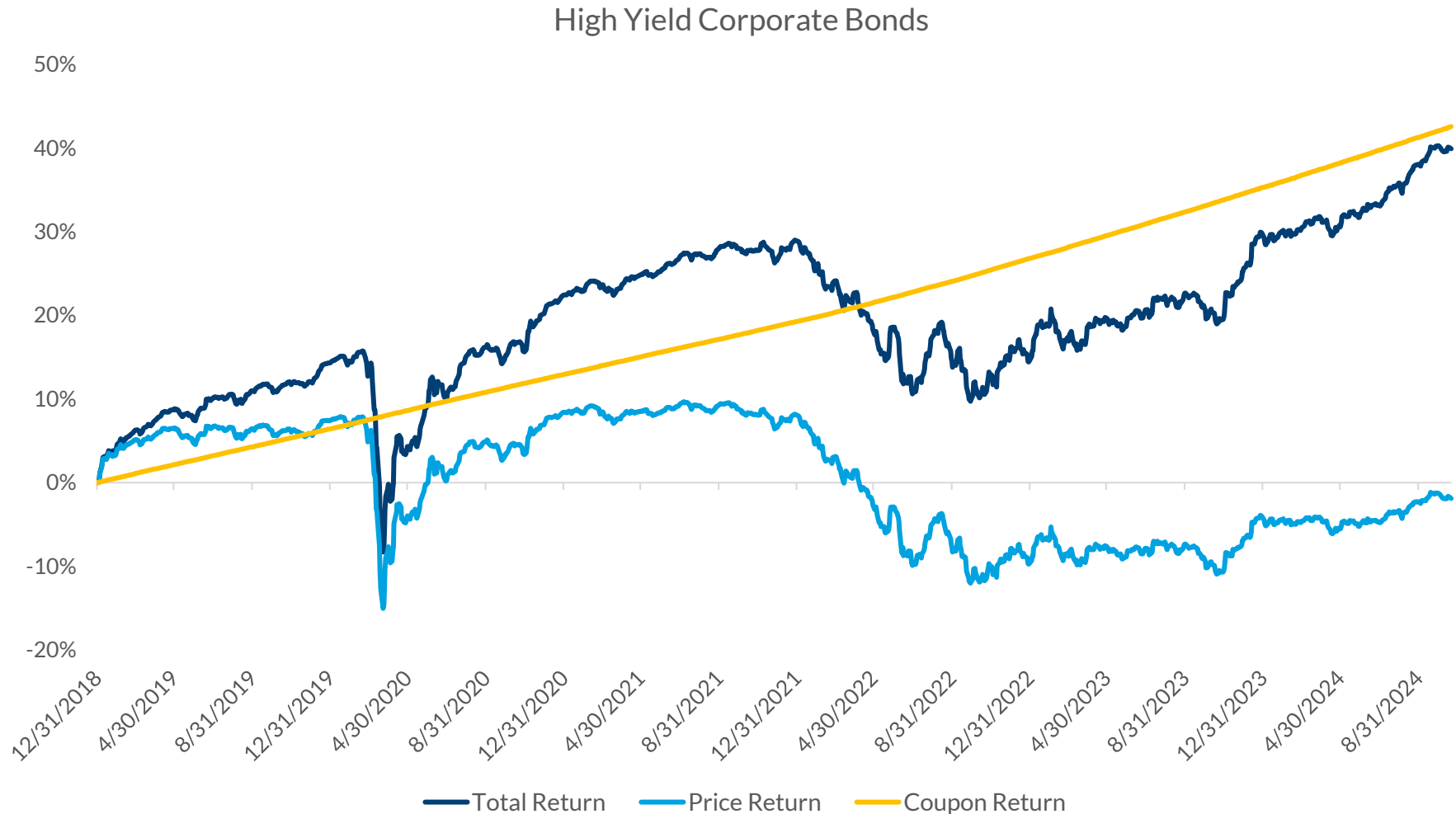
Source: Barclay's and S&P, as of October 2024. Information is subject to change and is not a guarantee of future results.

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Income Is The Primary Driver Of Total Return

- Currently high levels of income can serve to cushion volatility.
- Income accounts for a high proportionate share of total return over longer periods of time.



Source: Bloomberg US High Yield Corporate Index, as of 10/21/2024. Past performance is not a guarantee of future results.

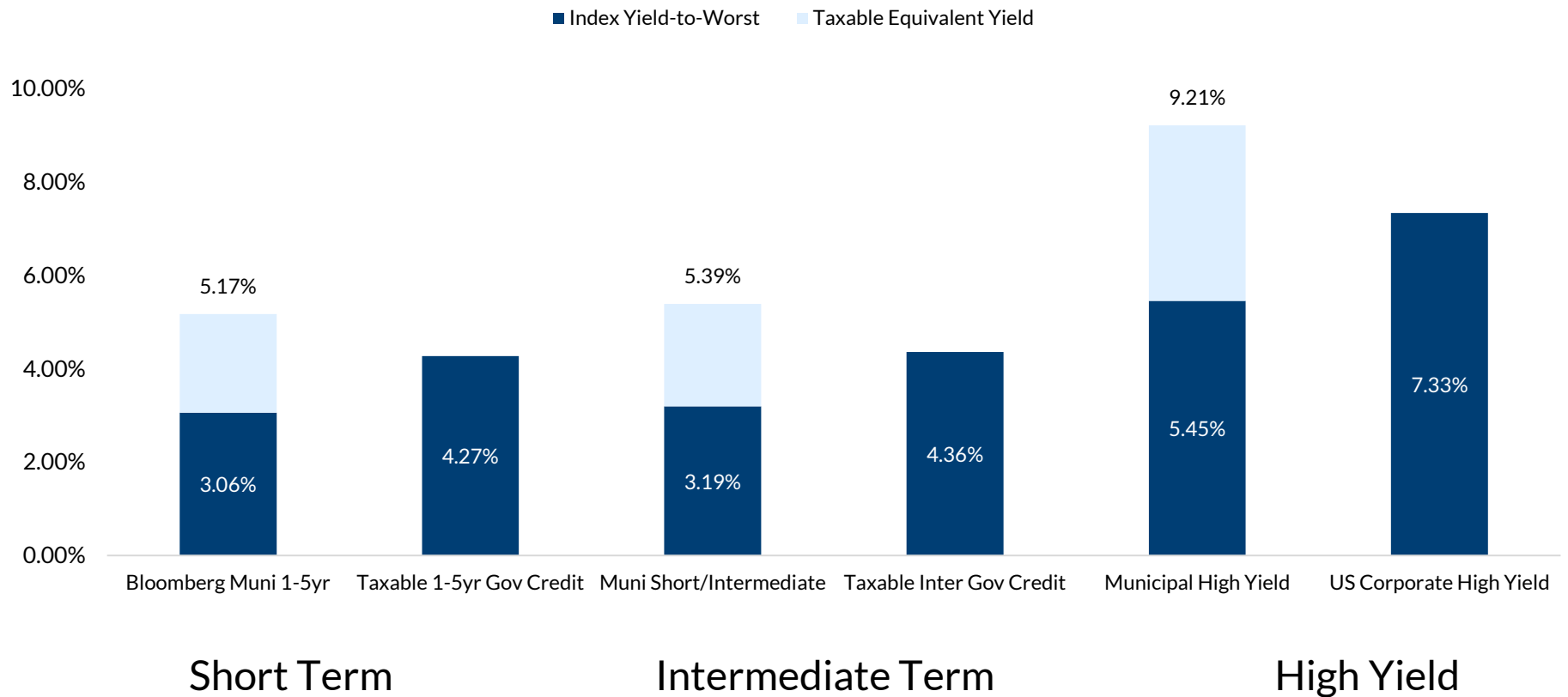
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Fixed Income Yields Have Recently Repriced Higher

- Increased yields have the potential to improve forward-returns.
- Higher levels of income tend to act as a buffer to yield curve price fluctuations.

Fixed Income Asset Class and Maturity Focus Yield Comparison



Source: All data as of 10/23/2024. Bloomberg Municipal 1-5yr, Bloomberg Taxable 1-5yr Government Credit, Bloomberg Municipal Short/Intermediate, Bloomberg Taxable Intermediate Government Credit, Bloomberg Municipal High Yield, and Bloomberg US Corporate High Yield.



Key Takeaways

- FOMC easing has been met with sharply higher yields.
- Economic and political forces to pressure longer term yields.
- Underlying credit fundamentals remain healthy.
- High levels of income cushion return volatility and drive total returns.
- Market yields remain compelling.

Source: CNR Research, as of October 2024.
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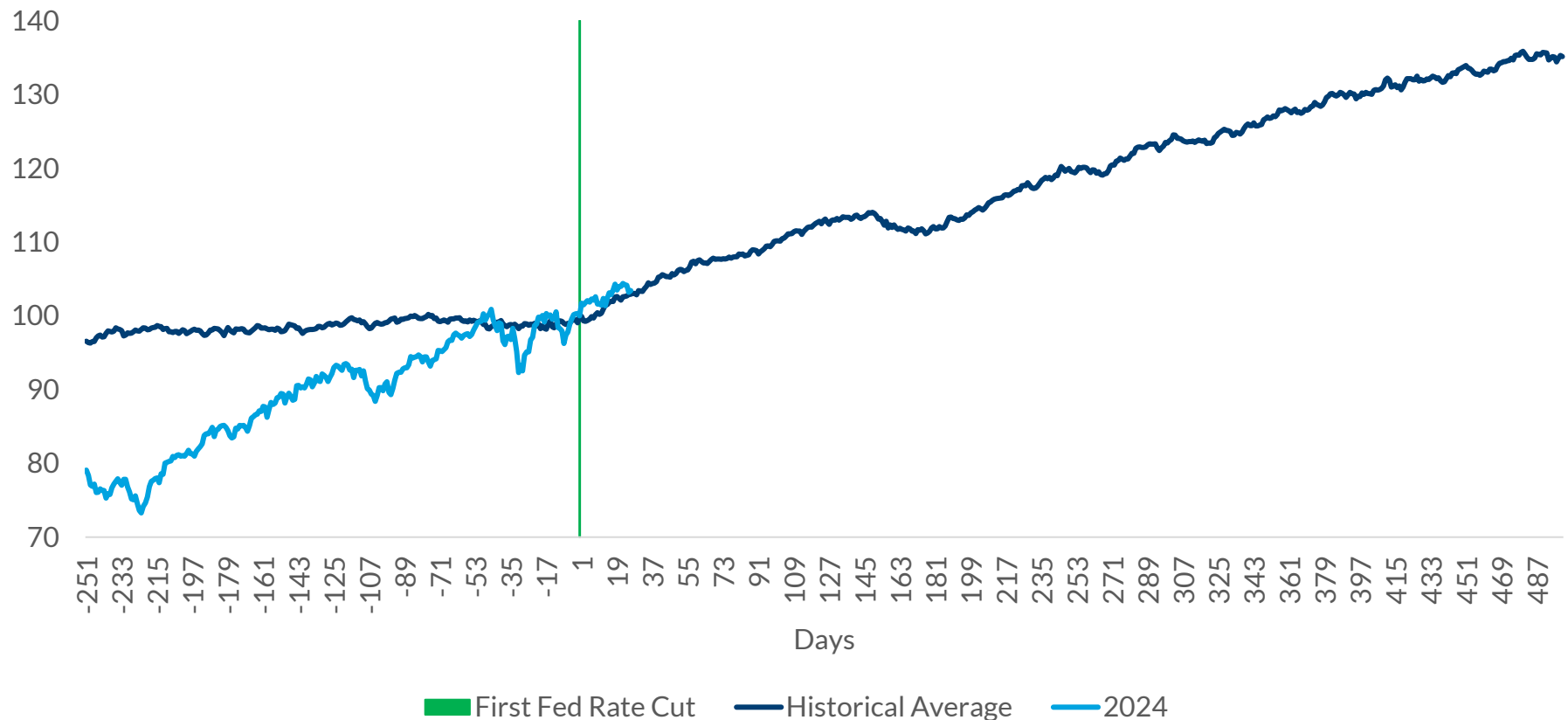
Equities



Markets Have Rallied in Anticipation of Fed Easing

- Historically, when the Fed is cutting rates and the economy avoids recession, markets have tended to perform well.
- Fed easing cycles can support consumer and corporate spending and help boost economic and earnings growth.
- This is supportive of continued stock market gains.

S&P 500 Performance
Before and After First Fed Rate Cut



Source: Bloomberg, as of October 2024. Fed rate cut cycles since 1954.
Past performance is not a guarantee of future results.

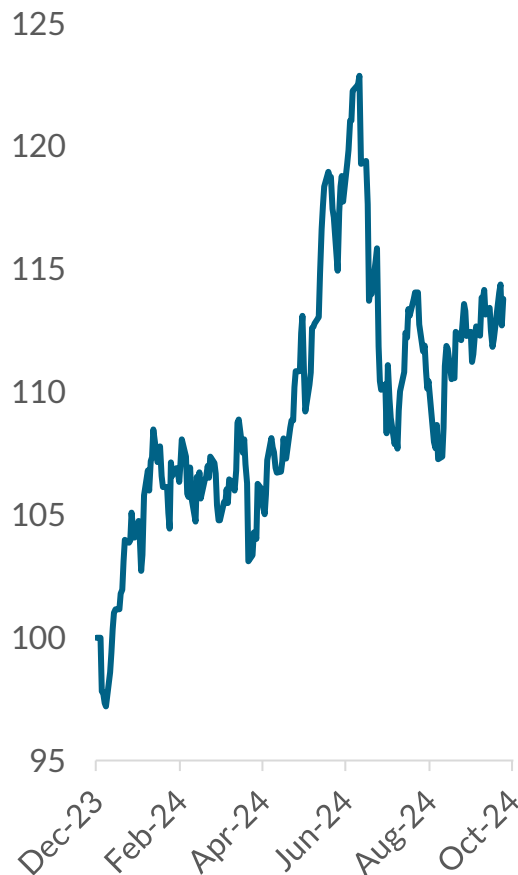
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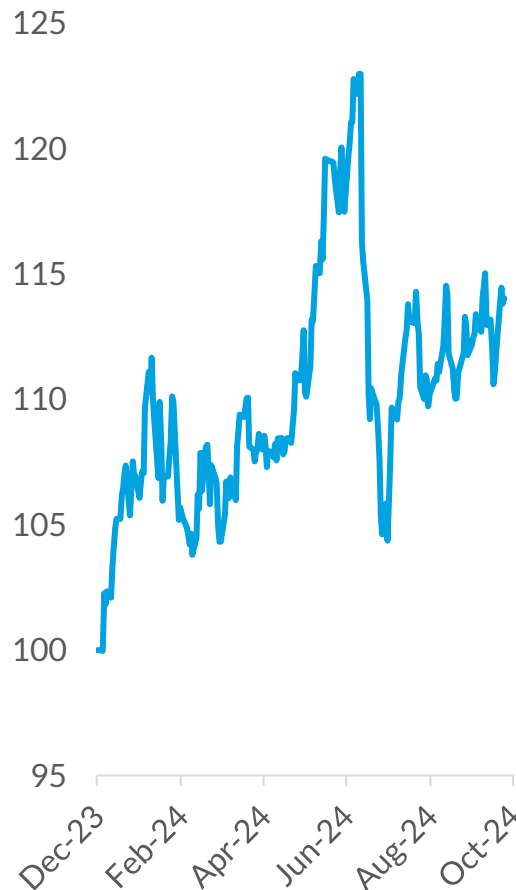
Market Rotation

- Early signs of a style rotation in favor of cyclical and economic sensitive stocks has failed to maintain momentum.
- This likely reflects the tug of war between shifting expectations for interest rate, economic growth and the election.

S&P 500 Growth/
S&P 500 Value



Russell Top 50/2000



S&P 500/Dow Jones US
Select Dividend Index



Source: Bloomberg, as of October 2024.
Information is subject to change and is not a guarantee of future results.

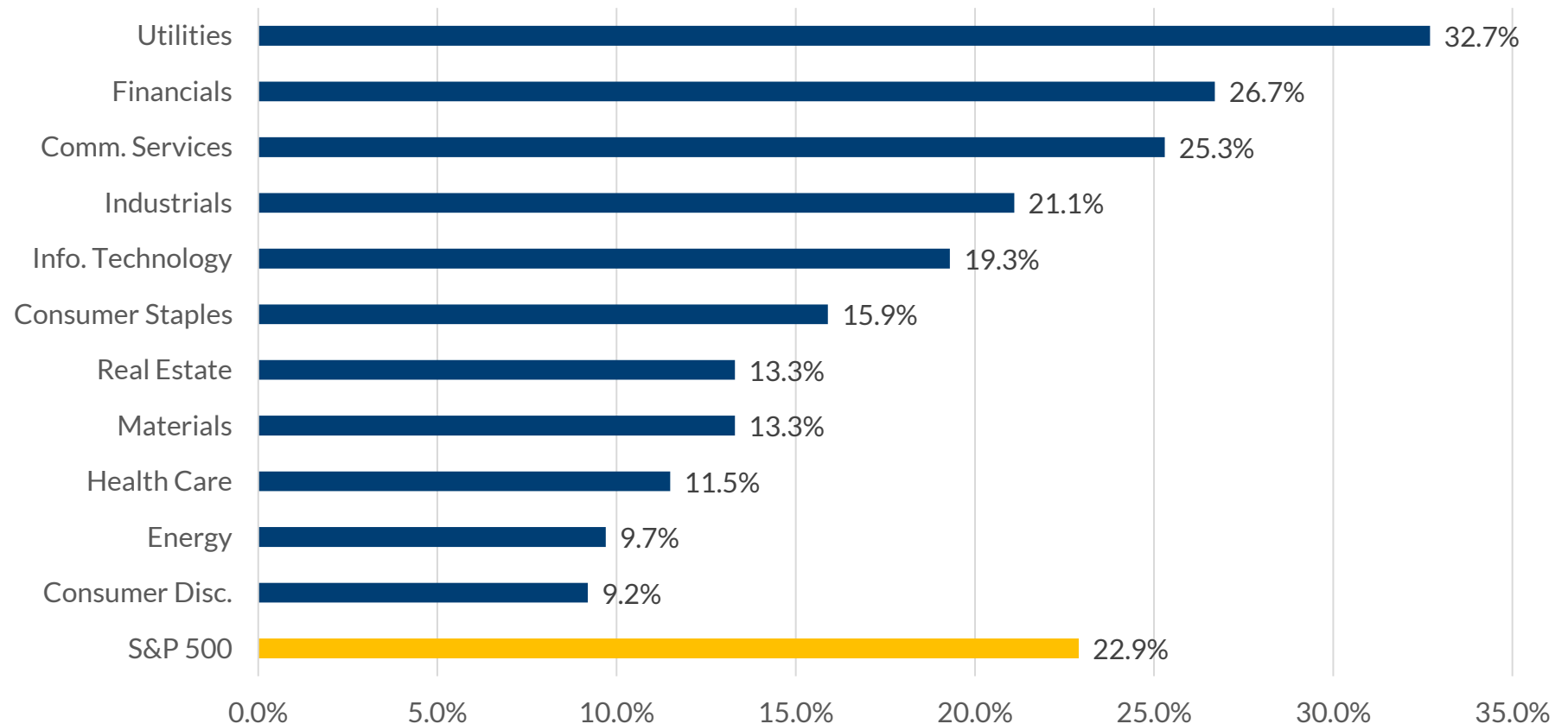
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Sector Performance Has Broadened

- Growth and tech sectors continue to perform well but are no longer dominating market gains.
- The rally has seen increased participation from interest rate-sensitive and cyclical sectors.

2024 YTD Performance



Source: Bloomberg, as of October 2024. Past performance is not a guarantee of future results.

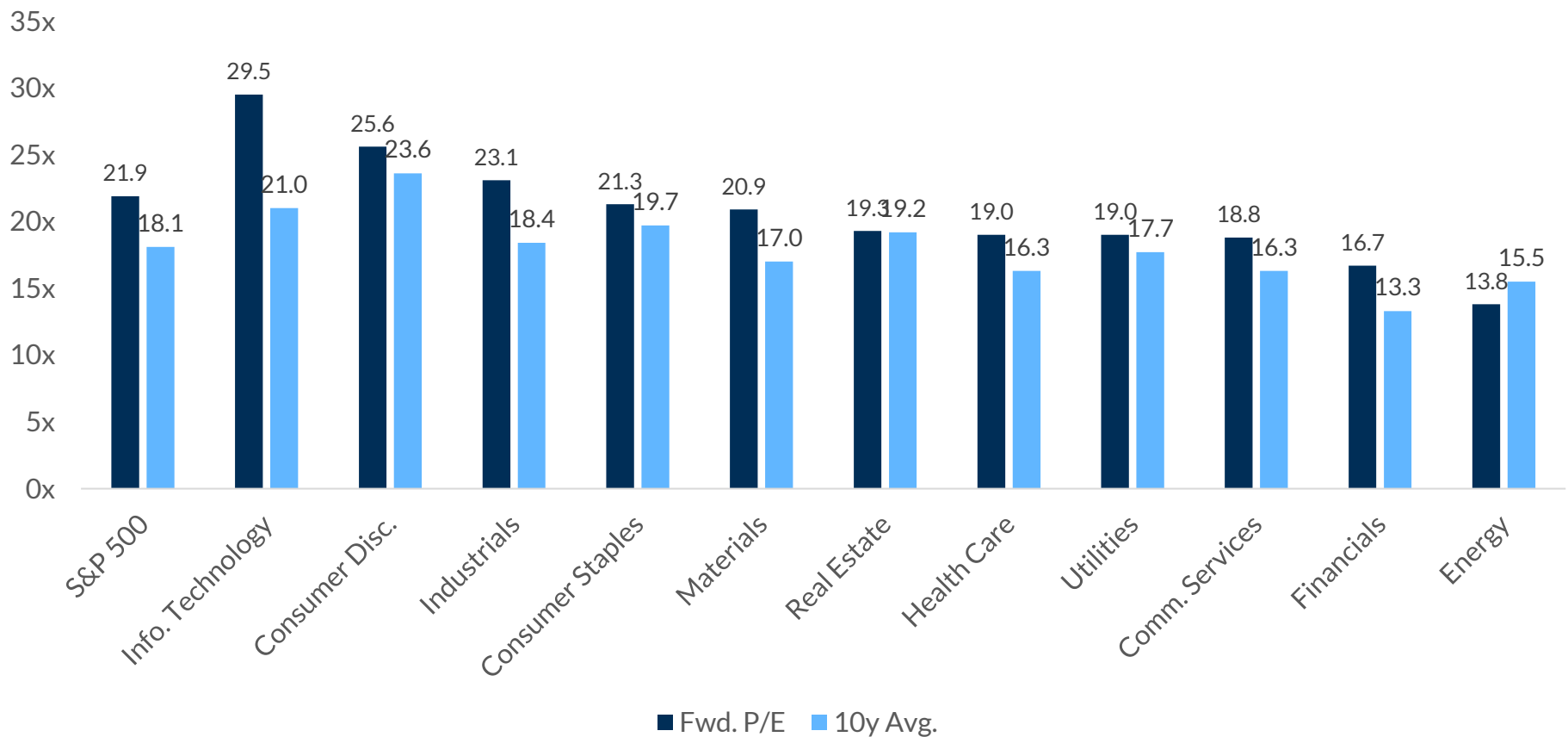
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Wide Variation in Valuation

- Fed rate cuts typically support an expansion of stock market valuations.
- Valuations are historically high across sectors, but non-tech sectors have greater scope for expansion.
- Ultimately though earnings growth will need to come through to support elevated valuations.

Sector Valuations



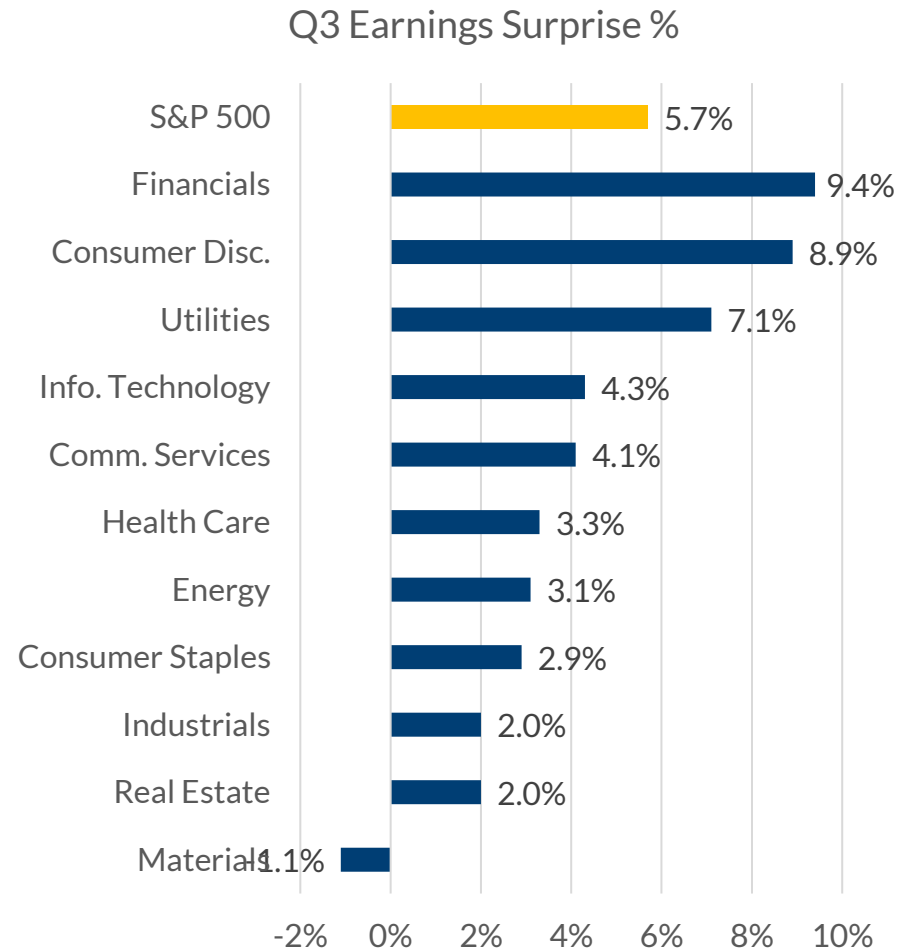
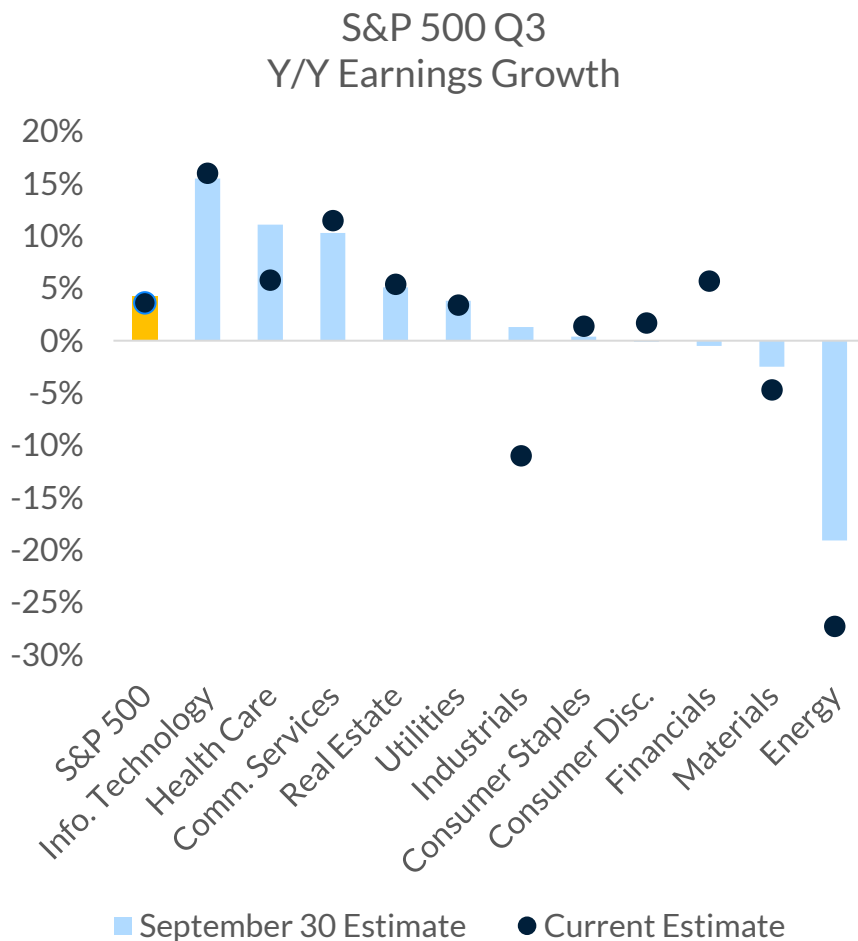
Source: FactSet, as of October 2024. Information is subject to change and is not a guarantee of future results.

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Q3 Earnings by the Numbers

- Earnings season is off to a positive but modest start.
- Sectors delivering the biggest upside surprises include financials, utilities, and consumer discretionary stocks.
- The broadening of earnings outside of tech have contributed to a rotation in market leadership.



Source: FactSet, as of October 2024. Information is subject to change and is not a guarantee of future results.

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Key Takeaways

- The stock market typically moves higher during Federal Reserve easing cycles.
- Stock market rotations have occurred but have not been sustainable.
- The market has broadened, evidenced by non-tech earnings and overall performance.
- While aggregate valuation is high, we still believe sectors outside of Technology present opportunities.
- The start to Q3 earnings season has been slightly below expectations, but most of the drag has come from energy.

Source: CNR Research, as of October 2024.
Information is subject to change and is not a guarantee of future results.

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Summary



Key Takeaways

- We expect continued economic growth even with election uncertainty. Tailwinds of easing Fed policy, AI investment and improving financial conditions are positives.
- Key areas of the economy include consumer spending and the level of unemployment. There are some worrying trends, but falling inflation and Fed policy offset concerns for now.
- Credit quality is strong, bond issuance is healthy. Borrowing fundamentals in the corporate market do not suggest a credit downturn is on the horizon.
- Equity markets appear well positioned for Q4, supported by positive seasonality, growing earnings and reduced post-election uncertainty. The rally has also broadened – a key component to a continued advance.

Source: CNR Research, as of October 2024.
Information is subject to change and is not a guarantee of future results.

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Q&A



Index Definitions

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 U.S. equity performance.

The Bloomberg Barclays U.S. Corporate High Yield Index is an unmanaged, U.S.-dollar-denominated, nonconvertible, non-investment-grade debt index. The index consists of domestic and corporate bonds rated Ba and below with a minimum outstanding amount of \$150 million.

The Dow Jones U.S. Select Dividend Index aims to represent the U.S.'s leading stocks by dividend yield.

Bloomberg 60% Tax-Exempt High Yield/40% Municipal Investment Grade TR Index Unhedged 1% issuer cap: A custom index comprised 60% of the Bloomberg Municipal Bond High Yield Index TR Unhedged and 40% of the Bloomberg Municipal Bond Index TR Unhedged. The issuer cap is 1%.

The Bloomberg Aggregate Bond Index, or "the Agg," is a broad-based fixed-income index used by bond traders and managers of mutual funds and exchange-traded funds (ETFs) as a benchmark to measure their relative performance.

The Bloomberg 1-3 Month U.S. Treasury Bill Index (the "Index") is designed to measure the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months.

The Russell 2000 Index is a stock market index that measures the performance of the 2,000 smaller companies included in the Russell 3000 Index.

The World Uncertainty Index is a measure that tracks uncertainty across the globe by text mining the country reports of the Economist Intelligence Unit.

S&P 500 Utilities Sector GICS Index: The Global Industry Classification Standard was developed by and is the exclusive property and a service mark of MSCI, Inc. and Standard & Poor's. The S&P 500® Utilities Index is an unmanaged index considered representative of the utilities market.

S&P 500 Real Estate Sector GICS Index: The S&P 500® Real Estate comprises those companies included in the S&P 500 that are classified as members of the GICS® Real Estate sector.

S&P 500 Financial Sector GICS Index: The S&P 500® Financials comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector.

MSCI Europe Index: The MSCI Europe Index captures large and mid cap representation across Developed Markets (DM) countries in Europe. The index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.

The MSCI Emerging Markets Index is a selection of stocks that is designed to track the financial performance of key companies in fast-growing nations.



Index Definitions

The Bloomberg Aggregate Bond Index, or "the Agg," is a broad-based fixed-income index used by bond traders and managers of mutual funds and exchange-traded funds (ETFs) as a benchmark to measure their relative performance.

The S&P U.S. Aggregate Bond Index is designed to measure the performance of publicly issued U.S. dollar denominated investment-grade debt.

The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from 25 local currency markets.

Bloomberg Municipal AAA Index: The Bloomberg Municipal AAA Index is a rules based, unmanaged market-value-weighted index that tracks the performance of the long-term US tax-exempt bond market with AAA/Aaa credit ratings by at least two of the following rating agencies: Moody's, S&P, and Fitch. The index includes the following types of bonds: general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

Bloomberg Municipal A Index: The Bloomberg Municipal A Index is a rules based, unmanaged market-value-weighted index that tracks the performance of the long-term US tax-exempt bond market with minimum A3/A-credit ratings by at least two of the following rating agencies: Moody's, S&P, and Fitch. The index includes the following types of bonds: general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

U.S. High Yield Municipal Bond Index: US dollar-denominated, fixed-rate tax exempt bond market. The index includes state and local general obligation, revenue, insured and pre-refunded bonds.

The S&P U.S. High Yield Corporate Bond Index is designed to track the performance of U.S. dollar-denominated, high-yield corporate bonds issued by companies whose country of risk use official G-10 currencies, excluding those countries that are members of the United Nations Eastern European Group (EEG).

The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury.

IMF Primary Commodity Price Index: The IMF Primary Commodity Price Index is a system that provides market prices for fuel and non-fuel commodities. It represents the benchmark prices which are representative of the global market and are determined by the largest exporter of a given commodity. The index covers 68 commodities, weighted according to their global import share and adjusted every five years.

The CBOE Volatility Index (VIX) is a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 Index (SPX).

CSI 300 index is a project developed by the two stock exchanges in China. It measures the changes in the performance of the top 300 companies traded on the two Chinese stocks exchanges.

The MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). The index covers about 85% of this China equity universe. Currently, the index includes Large Cap A and Mid Cap A shares represented at 20% of their free float adjusted market capitalization.

The Hang Seng Index, or HSI, is a free-float market capitalization-weighted index of the largest companies that trade on the Hong Kong Exchange (HKEx).



Definitions

6M T-Bills: The 6 Month Treasury Bill Rate is the yield received for investing in a US government issued treasury bill that has a maturity of 6 months.

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

A collateralized loan obligation (CLO) is a single security backed by a pool of debt.

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.

A leveraged loan is a type of loan that is extended to companies or individuals that already have considerable amounts of debt or poor credit history.

A high-yield bond, or junk bond, is a corporate bond that represents debt issued by a firm with the promise to pay interest and return the principal at maturity. Junk bonds are issued by companies with poorer credit quality.

Muni Bond: A municipal bond is a debt security issued by a state, municipality or county to finance its capital expenditures, including the construction of highways, bridges or schools. These bonds can be thought of as loans that investors make to local governments.

Liquidity Management: The liquidity index calculates the days required to convert a company's trade receivables and inventory into cash.

Investment Grade Municipal Bonds: Investment-grade municipal bonds are debt securities, issued by state and local governments carrying the lowest credit risk that a bond issuer may default. Investment Grade Municipal Bonds: Bloomberg Municipal Bond Inter-Short 1-10 Year Total Return Index.

Investment Grade Corporate Bonds: Investment grade corporate bonds are low-risk bonds. Because they are bonds, they are not tied to equity. Instead, they are like debt notes issued by a corporation. Investment Grade Corporate Bonds: Bloomberg Intermediate Corporate Bond Index.

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.

The Producer Price Index (PPI) is a family of indexes that measures the average change over time in selling prices received by domestic producers of goods and services.

The S&P 500 Growth Index is a stock index administered by Standard & Poor's-Dow Jones Indices. As its name suggests, the purpose of the index is to serve as a proxy for growth companies included in the S&P 500. The index identifies growth stocks using three factors: sales growth, the ratio of earnings change to price, and momentum.

The Russell 2000 Index is a stock market index that measures the performance of the 2,000 smaller companies included in the Russell 3000 Index.



Definitions

Municipal bonds (or “munis”) are a fixture among income-investing portfolios. Investors who want higher returns can invest in high yield municipal bonds.

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.

Yield to Worst (YTW) is the lower of the yield to maturity or the yield to call. It is essentially the lowest potential rate of return for a bond, excluding delinquency or default.

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

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.



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

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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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.

High yield securities. Investments in below-investment-grade debt securities, which are usually called "high yield" or "junk bonds," are typically in weaker financial health. 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.

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.

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