

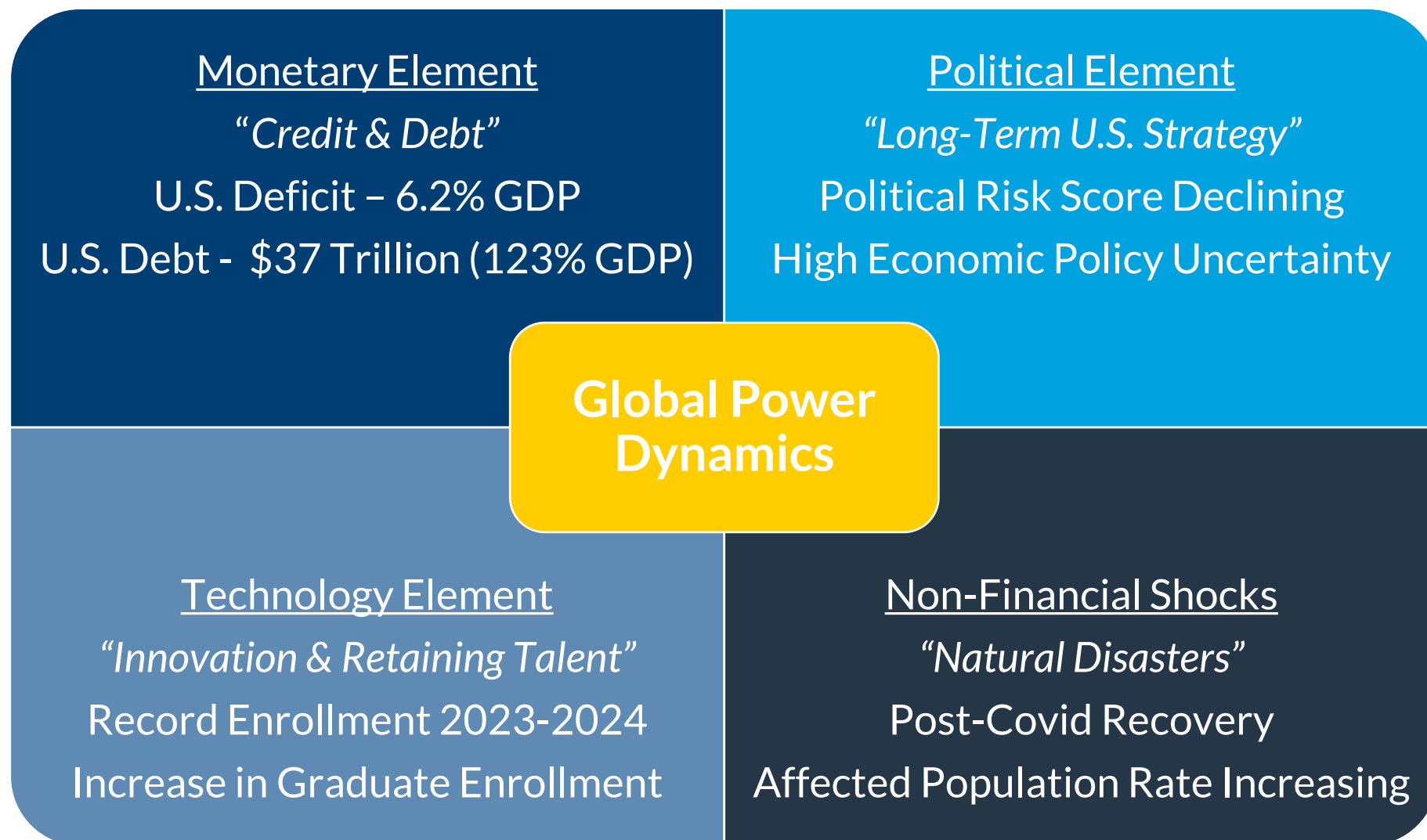
April 24th, 2025

Market Update Webinar

Introduction



Foundational Elements of Economic Shifts



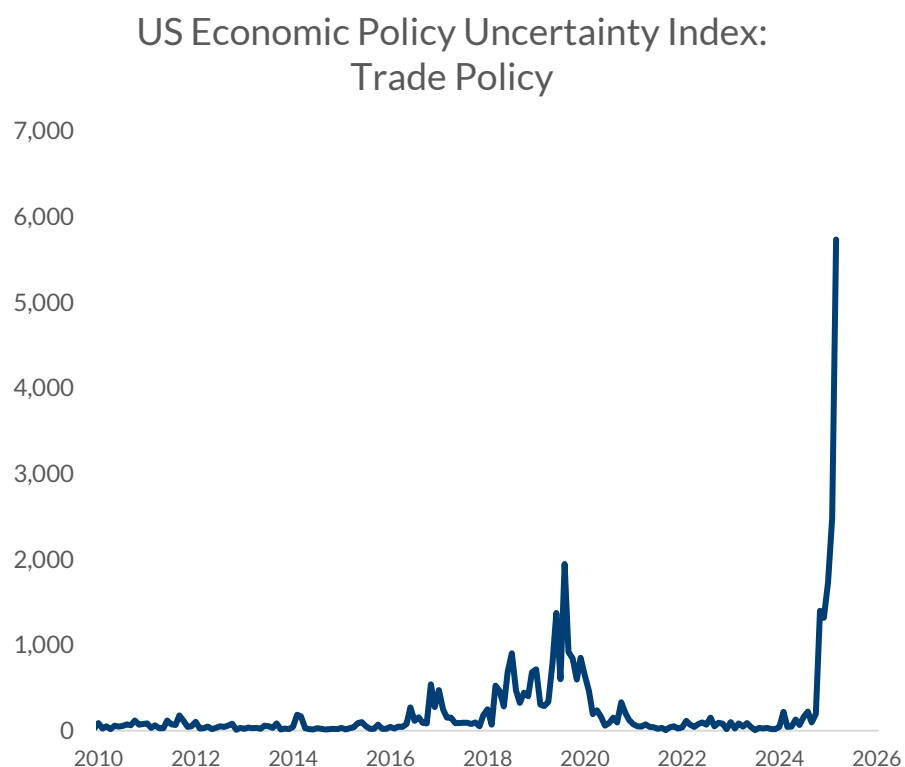
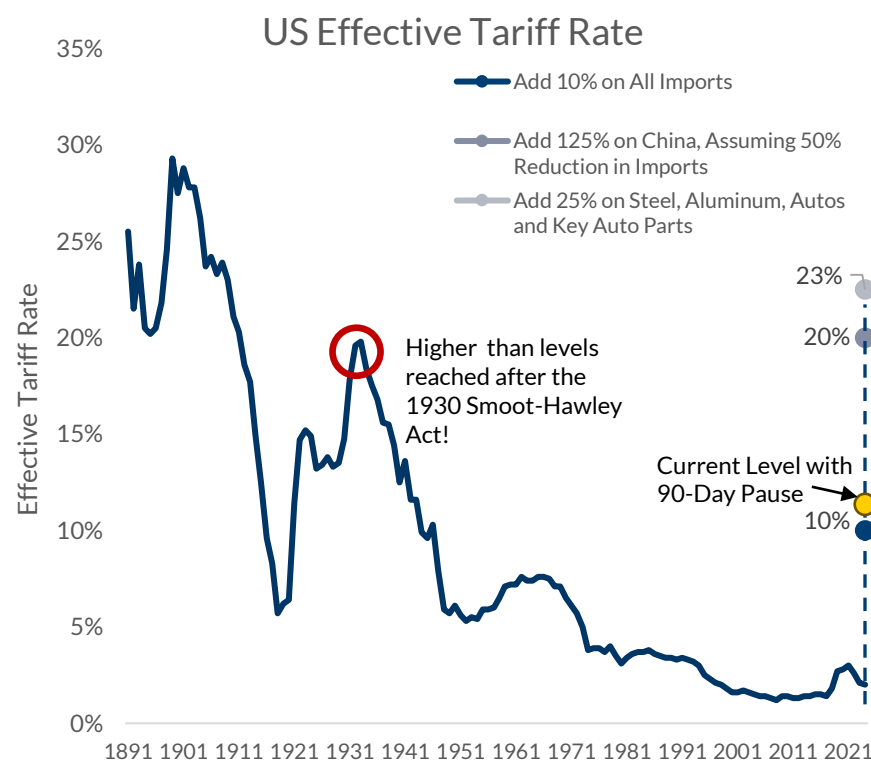
Source: CNR Research

Monetary Element: Congressional Budget Office (CBO) (projected Federal Budget Deficit of \$1.9T). Political Element: Baker, Bloom & Davis (Baker Bloom & Davis economic policy index rising); Bloomberg (Bloomberg Country Risk Political Score). Technology Element: Open Doors International. Non-Financial Shocks: United Nations. Information is subject to change and is not a guarantee of future results.



Tariff Rates & Uncertainty

- Policy uncertainty and the level of tariff rates have distorted the economic environment.
- This makes planning from a consumer and business perspective more difficult.



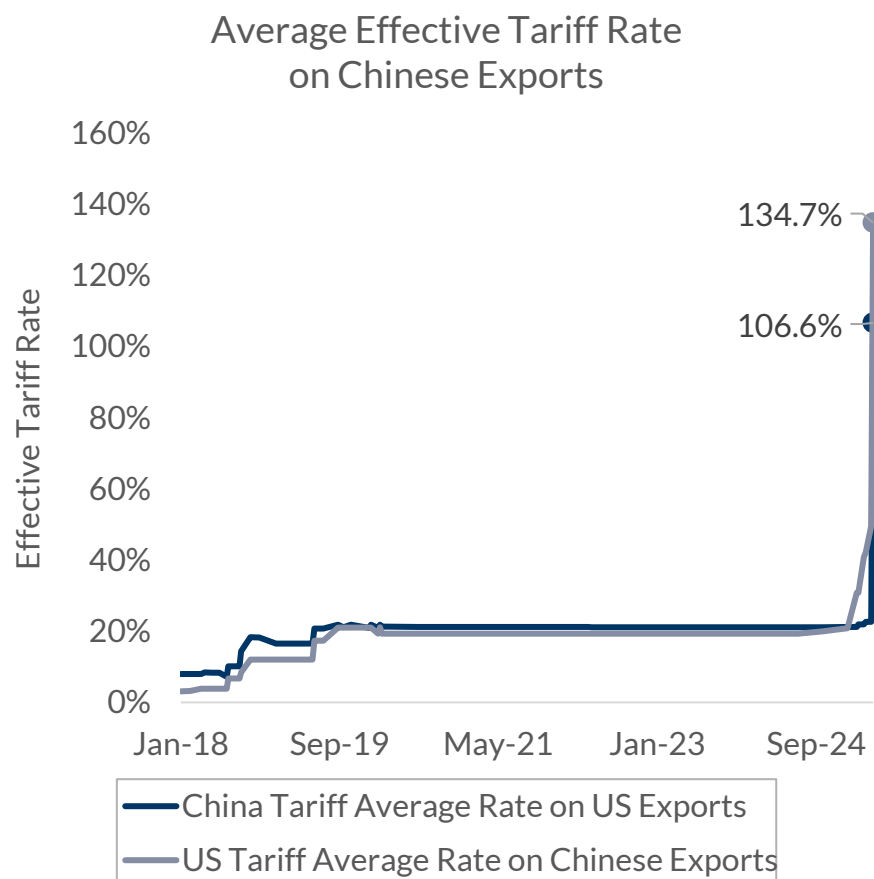
Data current as of April 11, 2025.
 Source: Bloomberg, CNR Research
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China Tariff Rates, Market Performance & Stimulus

- U.S. – China tariff rates make trade nearly impossible, halting consumer and corporate decision making.
- China is gearing up for a fight, working through monetary and fiscal stimulus to prop up markets and shift toward domestic consumption.



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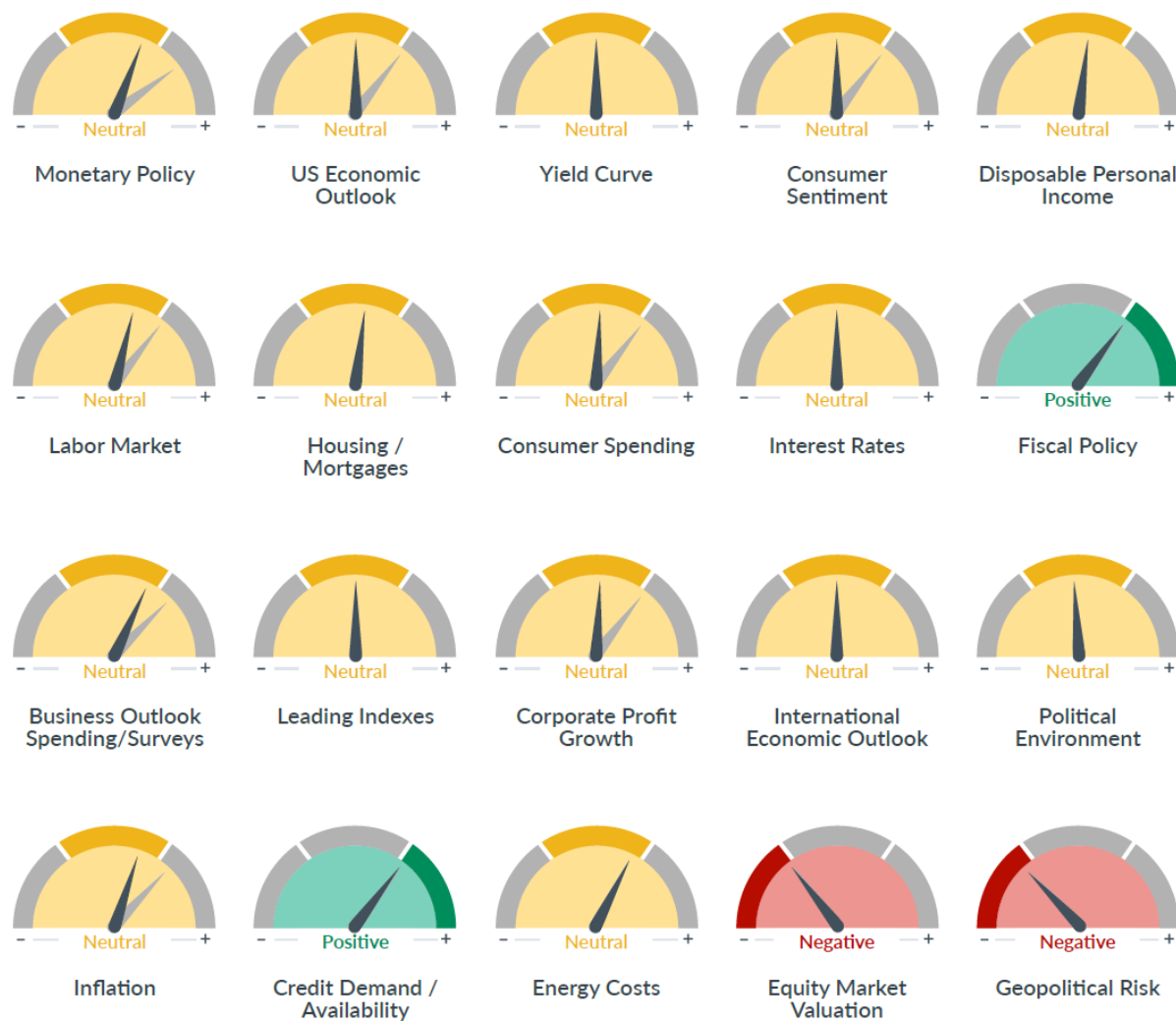


CNR Speedometers® – April 2025

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

- The global outlook for growth has changed significantly due to tariffs.
- The Federal Reserve will remain on hold unless price impacts are clear or unemployment jumps.
- Consumer financials remain strong, but sentiment has deteriorated, which may impact spending.
- Despite the concern on tariffs, fiscal stimulus through deregulation and tax policy is still on the horizon.
- U.S. equity valuations have fallen but could still move lower in the near-term.
- The 124% tariff rate on China may fuel negative global foreign policy effects.

Impact on Economy and Financial Markets



Impact on investment: ■ Positive ■ Neutral ■ Negative

Timeframe: ■ Current ■ Change from last month

Source: Proprietary opinions based on CNR Research, as of April 2025. Information is subject to change and is not a guarantee of future results.

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Economic Forecasts

- April changes adjusted for the impact of Tariff policy.

- GDP growth is expected to remain positive, but it may be weighed down by policy decisions.
- Corporate profits should be stable in 2025, rising above trend.
- Inflation pressures are likely to stay elevated based on the new administration's policy.
- The Fed may cut rates 1-2 times, which is supportive of continued growth.
- Structural pressure will likely keep 10-year Treasury yields over 4%.

City National Rochdale Forecasts

		2024	Current 2025e	Tariff Drag
Real Annual GDP Growth		2.5%	2.0% to 2.5%	-1.0% to -1.5%
Corporate Profit Growth		9.6%	10.0% to 14.0%	-4.0% to -6.0%
Headline CPI Year End		2.9%	2.50% to 2.75%	+0.5% to +1.0%
Interest Rates	Federal Funds Rate	4.25% to 4.50%	3.75% to 4.25%	No Change
	Treasury Note, 10-Yr.	4.57%	4.0% to 4.5%	No Change

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.

e: estimate.

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

Sources: Bloomberg, FactSet, proprietary opinions based on CNR Research, as of April 2025. Information is subject to change and is not a guarantee of future results.

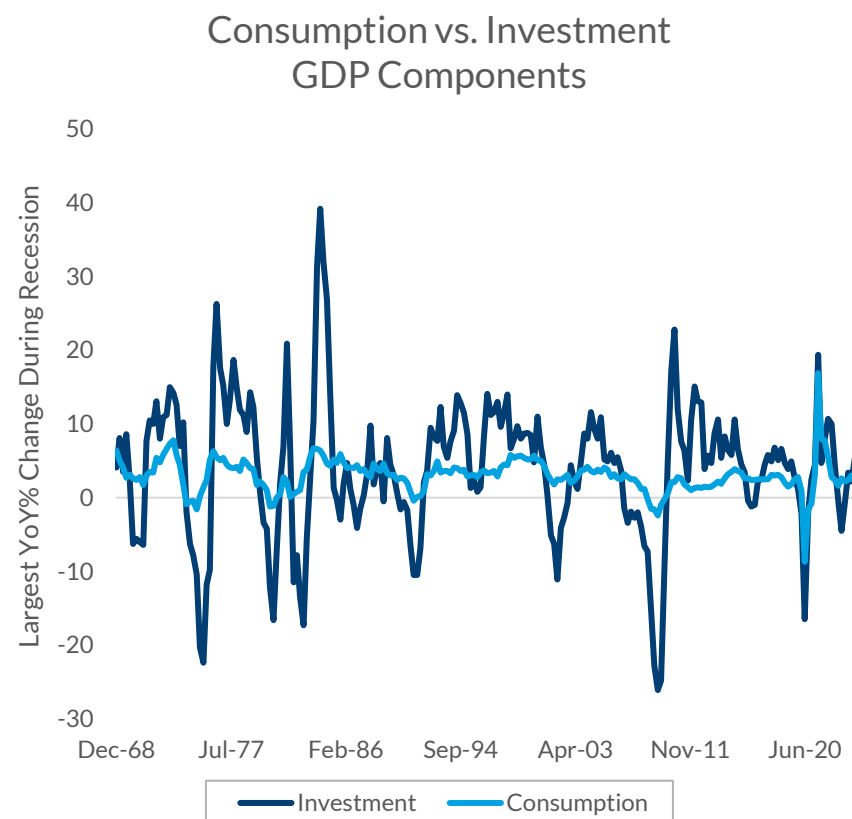
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Recession Swing Factor Is Investment

- Consumption is a leading indicator of a recessionary environment but is steady during slowdowns.
- “Swing factor” in anticipating a recession is typically slower investment sparked by consumption concern.

Recession Period		GDP Components		
Start	End	Personal Consumption	Priv. Domestic Investment	Difference
Dec-69	Nov-70	1.70%	-6.4%	-8.10%
Nov-73	Mar-75	-1.60%	-22.4%	-20.80%
Jan-80	Jul-80	-1.20%	-16.6%	-15.40%
Jul-81	Nov-82	0.10%	-17.3%	-17.40%
Jul-90	Mar-91	-0.40%	-10.5%	-10.10%
Mar-01	Nov-01	1.80%	-11.2%	-13.01%
Dec-07	Jun-09	-2.40%	-26.1%	-23.70%
Feb-20	Apr-20	-8.70%	-16.5%	-7.80%
Averages		-1.34%	-15.88%	-14.54%



Data current as of April 18, 2025.

Represents lowest YoY% decline in personal consumption and private domestic investment over the time periods indicated.

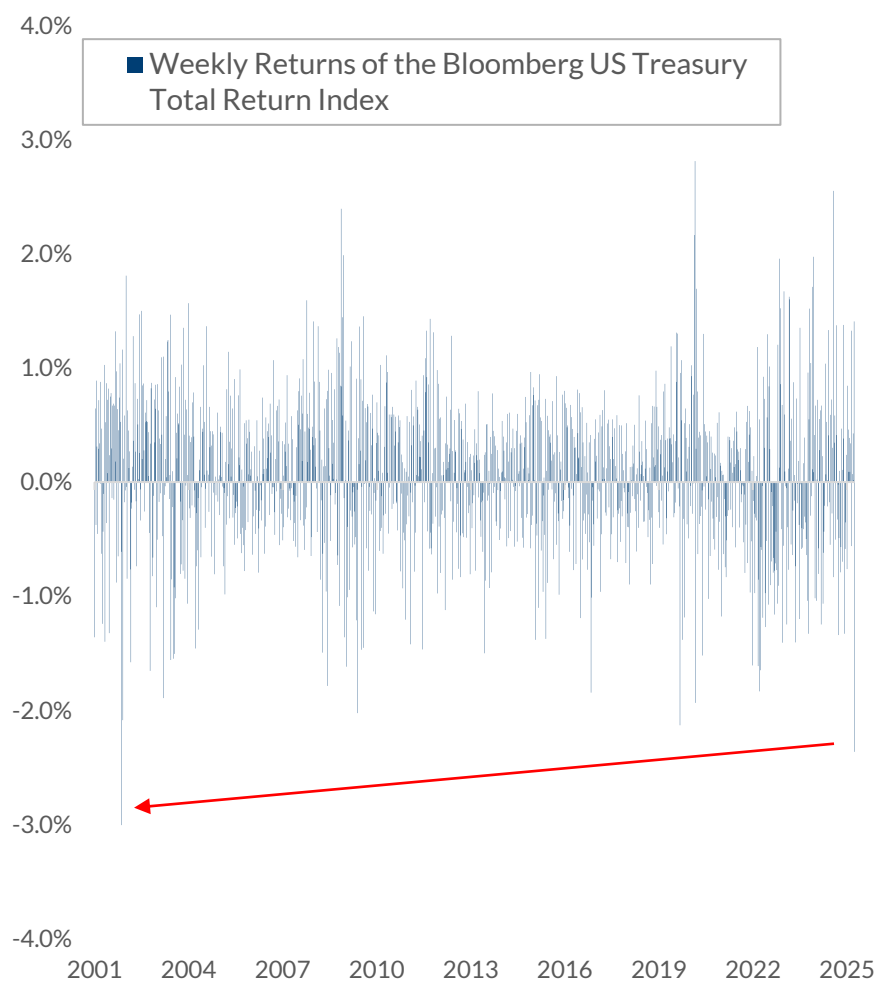
Sources: Bloomberg, CNR Research

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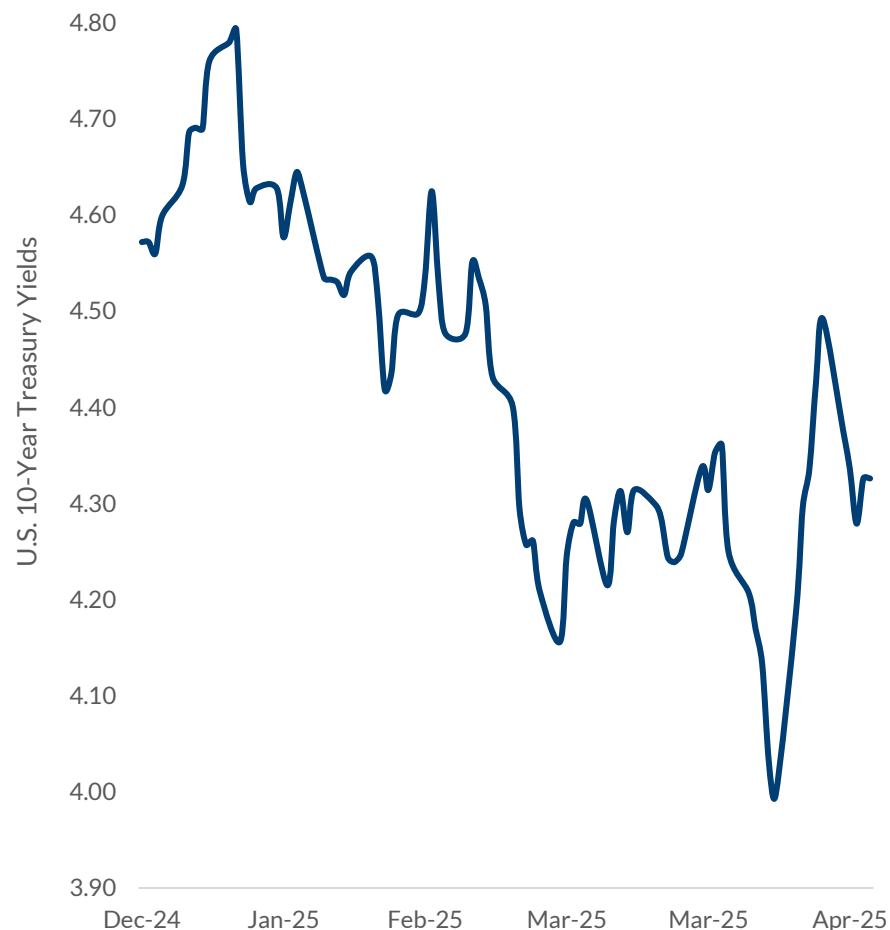


What Is Happening With the Bond Market?

US Bond Selloff Is Worst Since Post-9/11



2025 U.S. 10-Year Treasury Rate Movement



Data current as of April 18, 2025.

Sources: Bloomberg, CNR Research

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Prior Recessionary Market Levels

- While the probability of a recession is up, the market is not reflecting the stress of a major growth slowdown.
- Valuation has become more attractive, but intraday moves and the sensitivity to news flow remains high.

Recessionary Period	Trough** Forward P/E Ratio	Trough** Shiller P/E Ratio	Peak *** HY Spread (bps)	Peak *** IG Spread (bps)	Peak *** BAA Spread (bps)	Cyclicals Relative to Defensive Stocks****; Peak-to- Trough***** Decline (bps)	Change in 2-Year Yield: Peak-to- Trough***** Decline (bps)	Change in 10-Year Yield: Peak to Trough***** Decline (bps)	Brent Oil Price: Peak-to- Trough***** Decline (%)	Copper Price: Peak-to- Trough***** Decline (%)
Jan 70 - Nov 70	-	13.7	-	-	254	-	-304	-190	-	-40.2
Dec 73 - Mar 75	-	8.3	-	-	331	-	-314	-94	-	-63.3
Feb 80 - Jul 80	6.5	7.8	-	-	299	-	-700	-418	-11.0	-40.8
Aug 81 - Nov 82	6.0	6.6	-	-	382	-	-731	-545	-29.3	-37.3
Aug 90 - Mar 91	10.1	14.8	-	154	245	-26.1	-228	-132	-59.1	-24.1
Apr 01 - Nov 01	17.3	27.7	902	202	353	-24.2	-371	-168	-50.1	-33.6
Jan 08 - Jun 09	8.9	13.3	1971	618	616	-39.8	-434	-311	-76.3	-69.4
Mar 20 - Apr 20	13.4	24.8	1100	373	431	-22.4	-159	-140	-76.1	-26.3
Apr 25 -	17.9	30.6	453	119	202	-18.2	-72	-78	-24.5	-20.9
Average of Past Recessions	10.4	14.6	1325	337	364	-28.1	-405	-249.8	-50.3	-41.9

Data current as of April 11, 2025.

Sources: BCA Research, CNR Research

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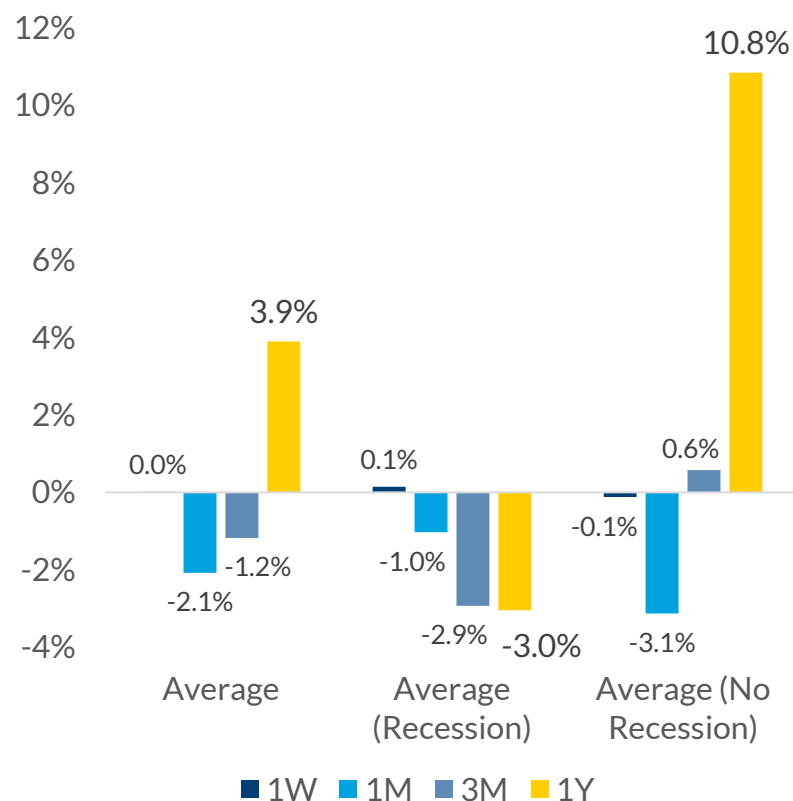
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Market Returns After Geopolitical Pressure

- Markets eventually adjust to the new set of economic circumstances as new information becomes available.
- Drawdowns in the market have been swift, but recovery typically ensues over 12 months.

S&P 500 Performance
After Select Geopolitical Shocks



Select Geopolitical Shocks	First Trading Date	S&P 500 Performance			
		1W	1M	3M	1Y
Yom Kippur War/Oil Embargo	10/8/1973	-0.2%	-2.6%	-12.0%	-38.7%
Iran Hostage Crisis	11/5/1979	1.7%	5.8%	14.1%	36.1%
Financial Panic of '87	10/2/1987	-5.2%	-21.8%	-24.0%	-14.0%
Iraq Invades Kuwait	8/2/1990	-3.1%	-7.9%	-10.4%	14.0%
First Gulf War	1/17/1991	2.1%	12.9%	20.0%	31.8%
WTC Bombing	2/26/1993	0.7%	1.2%	3.0%	8.1%
Russian Financial Crisis	8/17/1998	0.4%	-5.8%	5.6%	25.7%
9/11	9/17/2001	-3.4%	3.8%	9.6%	-14.6%
War in Afghanistan	10/8/2001	2.6%	5.4%	9.6%	-23.7%
Second Gulf War	3/20/2003	-0.8%	2.2%	14.2%	28.9%
Orange Revolution/Ukraine	11/22/2004	0.2%	2.9%	1.0%	9.1%
Russo-Georgian War	8/8/2008	0.2%	-2.0%	-27.7%	-19.9%
Lehman Brothers Collapse	9/15/2008	1.2%	-23.7%	-26.7%	-9.4%
Russian Invasion of Crimea	2/27/2014	1.3%	-0.1%	3.6%	15.8%
North Korea Missile Crisis	7/28/2017	0.2%	-0.9%	4.9%	16.2%
U.S.-China Trade War	1/22/2018	2.20%	-2.6%	-3.7%	-3.1%

During or six months prior to recession

Data current as of April 16, 2025.

Source: Bloomberg, CNR Research

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Investment Strategy Committee Summary

- Equity positioning remains steady but selective, as tariff-related headwinds lead us to drop growth and earnings expectations; we continue to emphasize valuation discipline within U.S. markets.
- Our focus remains on U.S. domestic equities, where fundamentals are comparatively stronger; international allocations remain in flux, and we are actively evaluating regional exposures as trade dynamics evolve.
- Volatility may persist given uncertainty around policy direction; we see opportunity in dislocation, but patience and selectivity are key.
- Tariffs have introduced a new structural risk, clouding the near-term outlook; businesses and consumers are adjusting, and market pricing is likely to remain reactive to shifting trade signals.
- Fed policy remains on hold, not easing aggressively, and with inflation still elevated, we see limited scope for near-term cuts — underscoring the importance of careful rate sensitivity management.
- Municipal bonds have sold off substantially and now offer compelling tax-exempt yields, both in investment grade and high-yield segments.
- High yield corporate bond spreads have increased; we prefer a credit barbell, where absolute yields will provide high long-term return while rotating into selective lower quality will drive total return.
- Select alternatives may provide valuable diversification, particularly for clients who can tolerate illiquidity and are seeking exposure to private market opportunities in a more complex macro environment.

*Alternative investments are speculative, may entail substantial risks and may not be suitable for all investors.

Diversification does not ensure a gain or protect against a loss.

Sources: Bloomberg, CNR Research, as of April 2025.

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Investors Have a Long List of Economic Concerns

RISKS
Higher tariffs
Uncertainty about the duration of tariffs
Trade retaliation
Supply chain disruptions
Radical changes to other government policies
Increase of layoffs
Increased geo-political tension
Sustained above target inflation
Lower consumer confidence
Lower corporate confidence
DOGE layoffs and other cost cutting moves
Lower tourism



**The U.S.
Economy**

Data current as of April 22, 2025

Source: CNR Research

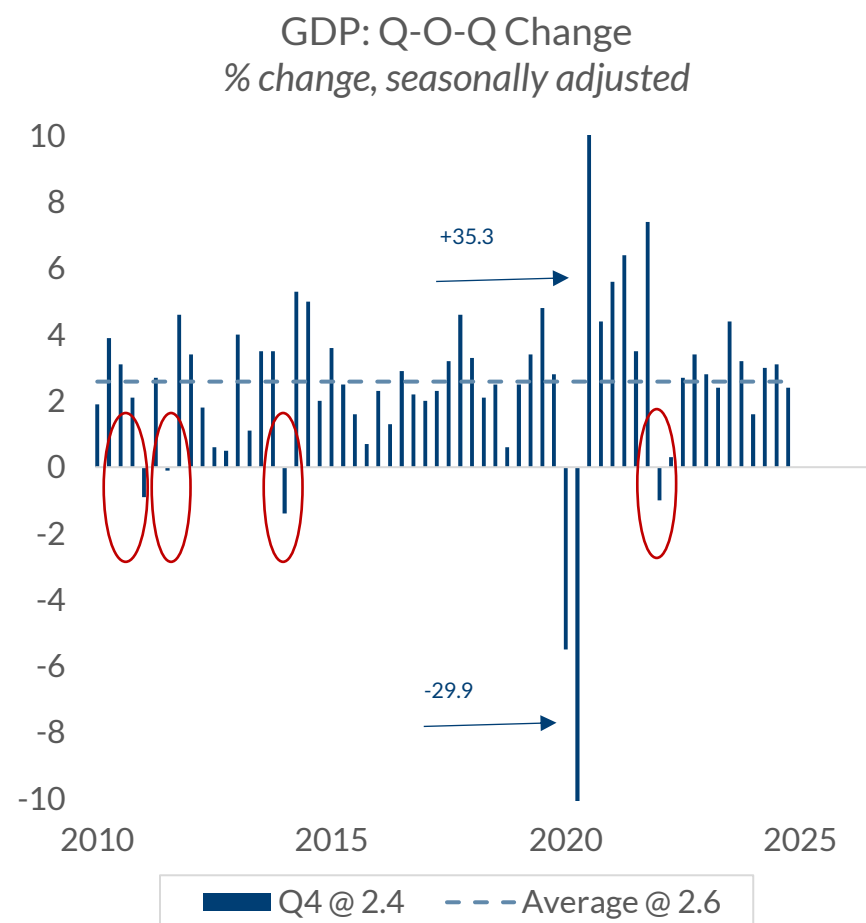
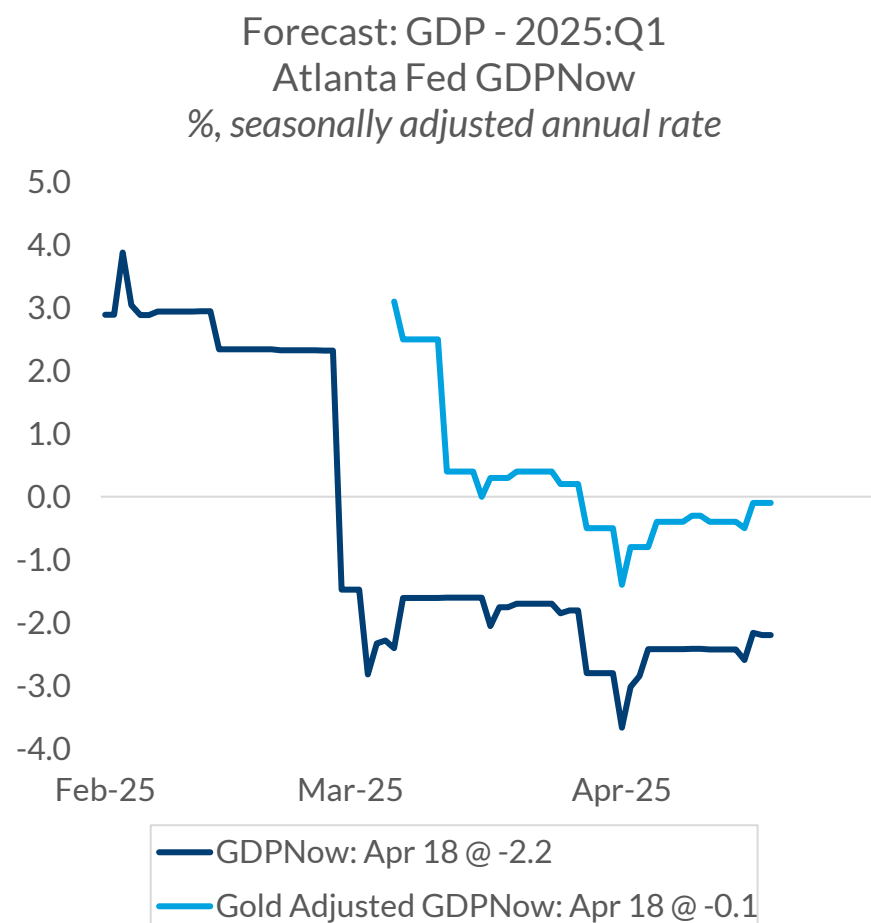
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Economic Growth Likely Slowed Over Q1 2025

- Consumer spending is showing signs of weakness following a surge in Q4.
- Companies scrambled to increase imports ahead of tariffs, creating a large drag on GDP.
- Over history, negative GDP growth doesn't necessarily result in a prolonged recession.



Data current as of April 22, 2025

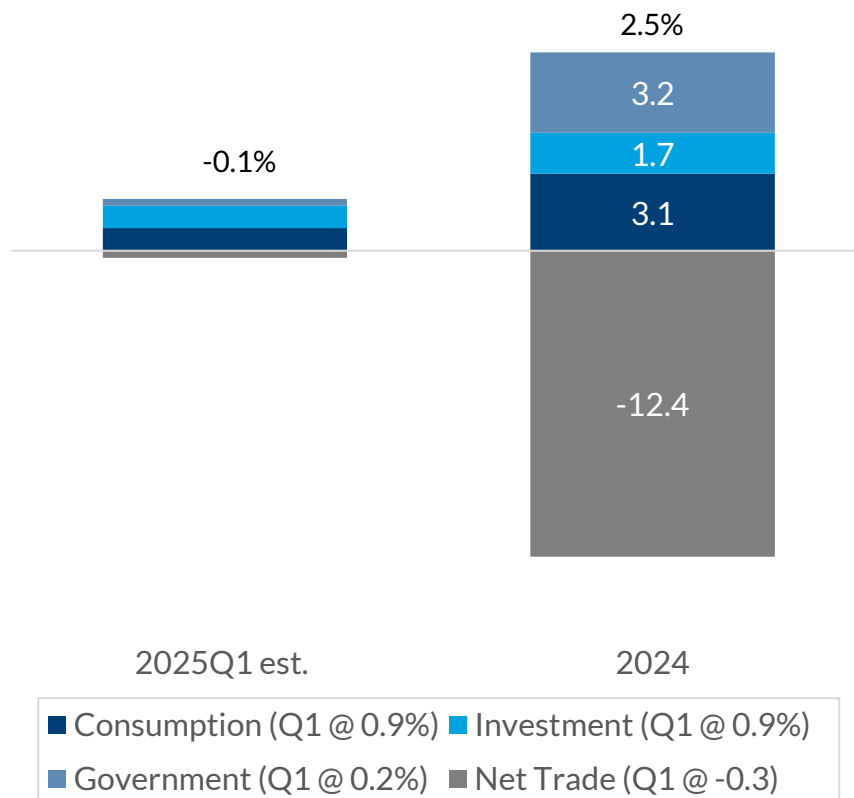
Source: Bureau of Economic Analysis, Federal Reserve Bank of Atlanta
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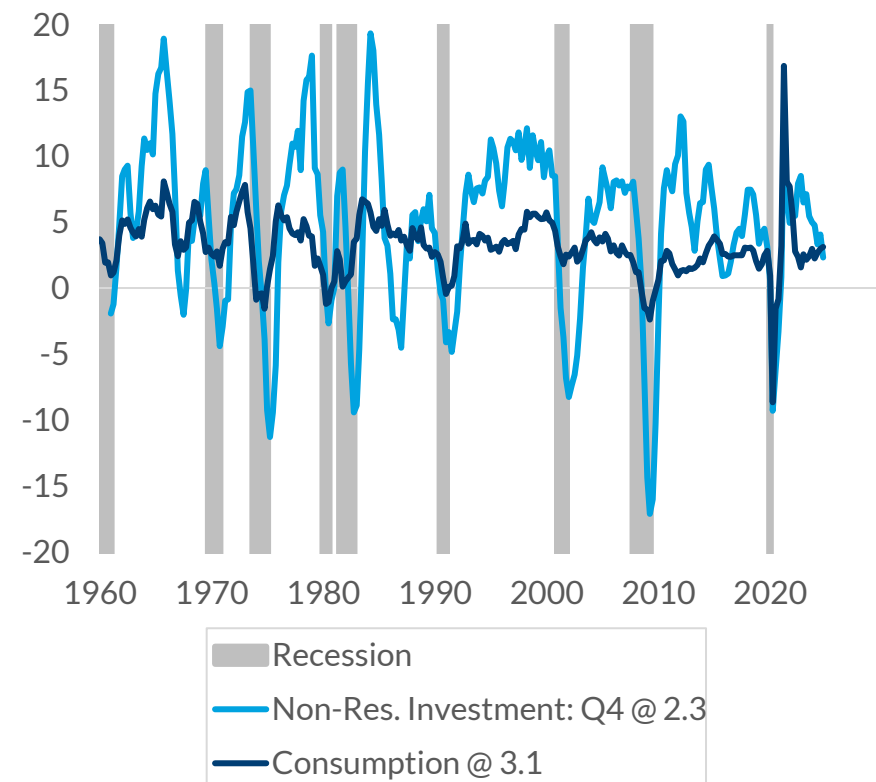
Policy Has Created Concern Across Economic Measures

- The uncertainty of the administration's end-game makes forecasting very difficult.
- Consumption, the largest component of GDP, tends to be relatively stable and rarely negative on a yearly basis.
- Trends in non-residential investment are the focus of the corporate response to policy changes.

GDP: Forecast & History
% change, seasonally adjusted annual rate



GDP: Consumption & Non-Residential Investment
% change, y-o-y



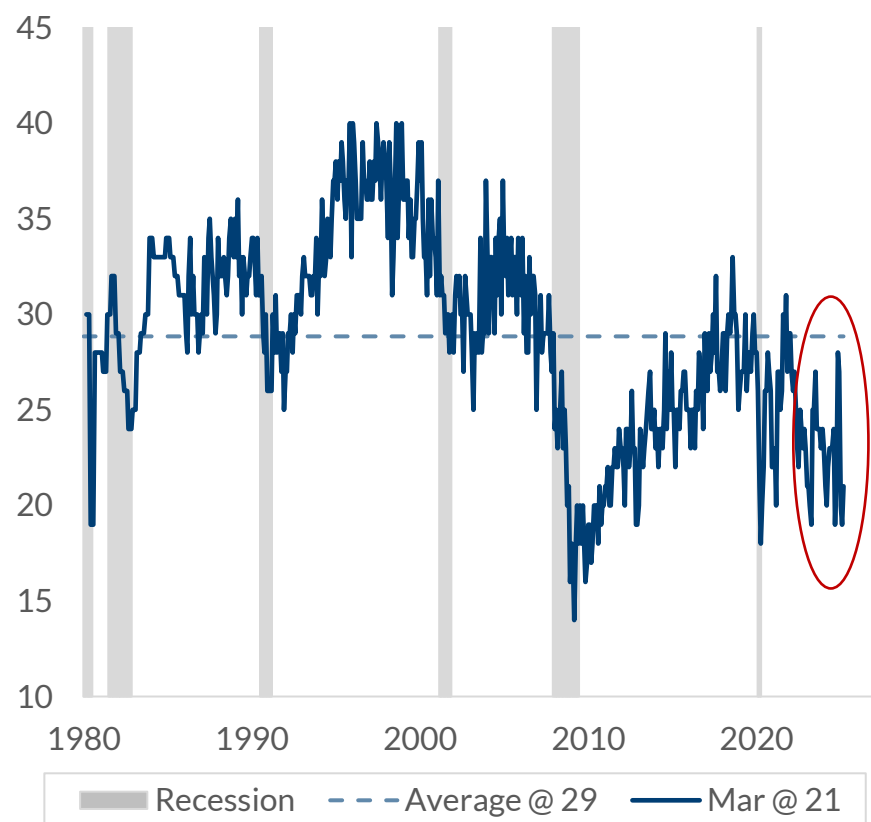
Data current as of April 22, 2025
Source: Bureau of Economic Analysis
Information is subject to change and is not a guarantee of future results.



Manufacturing Spending Data Shows Potential Slowing

- Expectations for increased capital expenditures have declined because of policy shocks.
- Continued policy ambiguity makes it difficult for domestic manufacturers to effectively plan.

NFIB: Small Business Capital Exp. Index
index, seasonally adjusted



Capex: Bloomberg Expectation Survey
diffusing index, not seasonally adjusted



Data current as of April 22, 2025

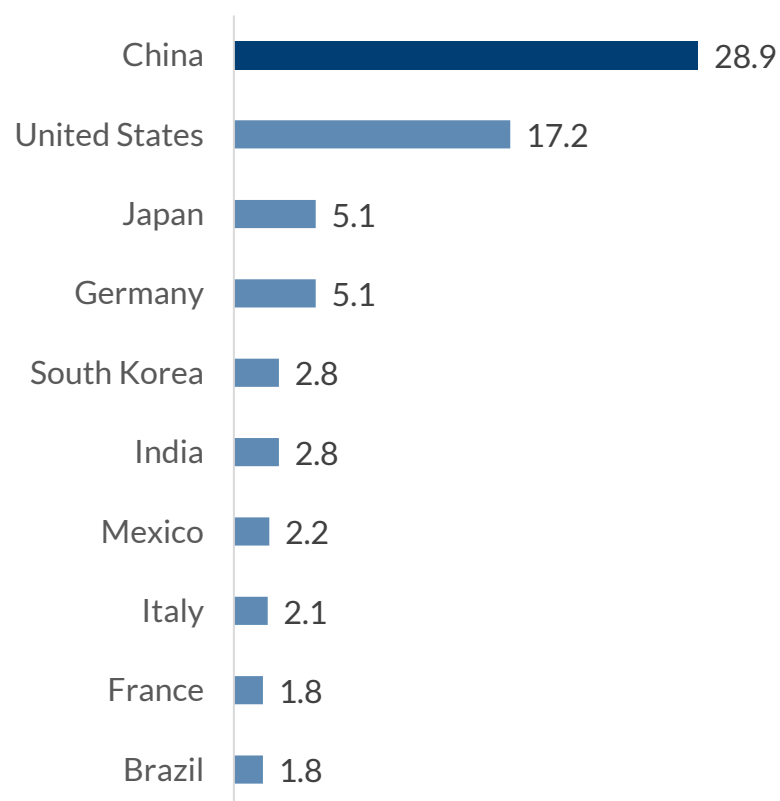
Source: National Federation of Independent Businesses, Bloomberg
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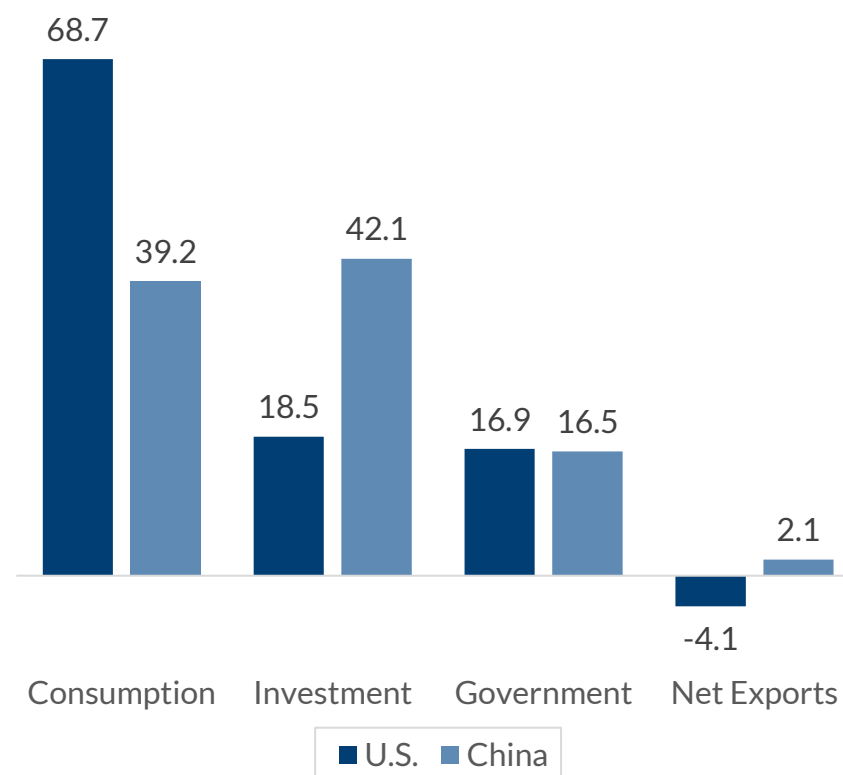
The Chinese Economy Remains Reliant on Manufacturing

- In 2010, China overtook the United States as the global leader in manufacturing output
- China manufactures about 1/3rd of all products in the world, which is not sustainable.
- Yet, they consume about 12% of all consumption, so the economy is unbalanced.

Manufacturing Output
%, share of global manufacturing output in 2023



GDP Comparison: U.S. v. China
% of GDP, as of 2023: Q4



Data current as of April 22, 2025

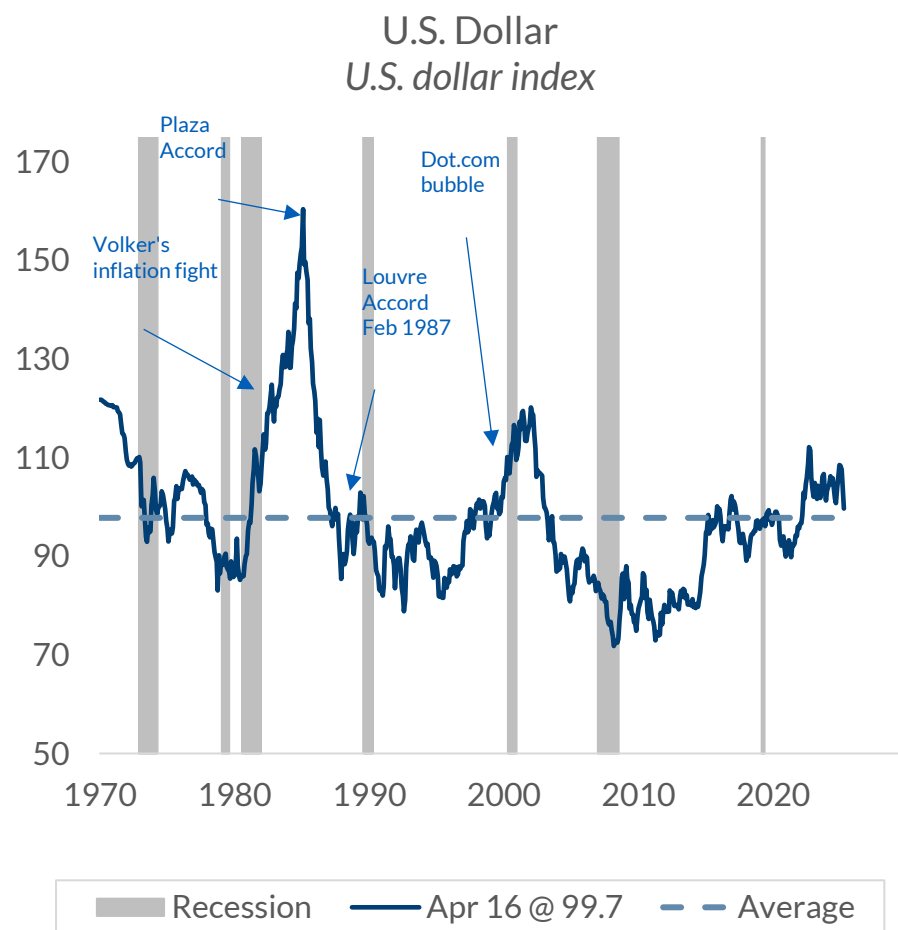
Source: Bureau of Economic Analysis, National Bureau of Statistics of China, United Nations Statistics Division

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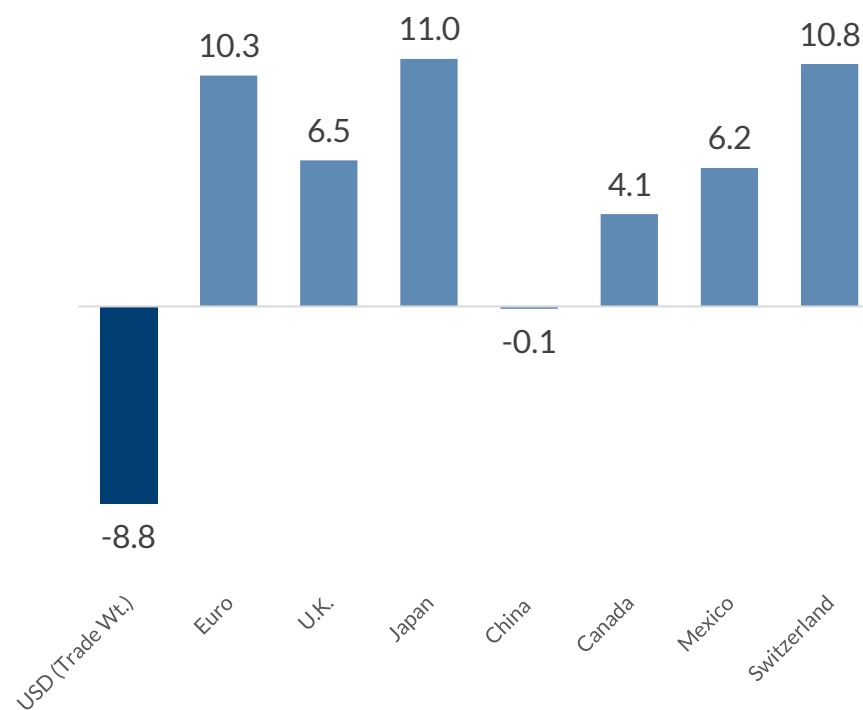


The U.S. Dollar Has Come Under Pressure

- Amid unprecedented tariffs, the dollar has declined relative to other world currencies.
- While the administration appears to have a strong dollar policy, signals remain mixed on the top priorities.



Selected Currencies vs. the USD
% change since December 31, 2024, as of
April 22, 2025



Data current as of April 22, 2025

Source: Bloomberg

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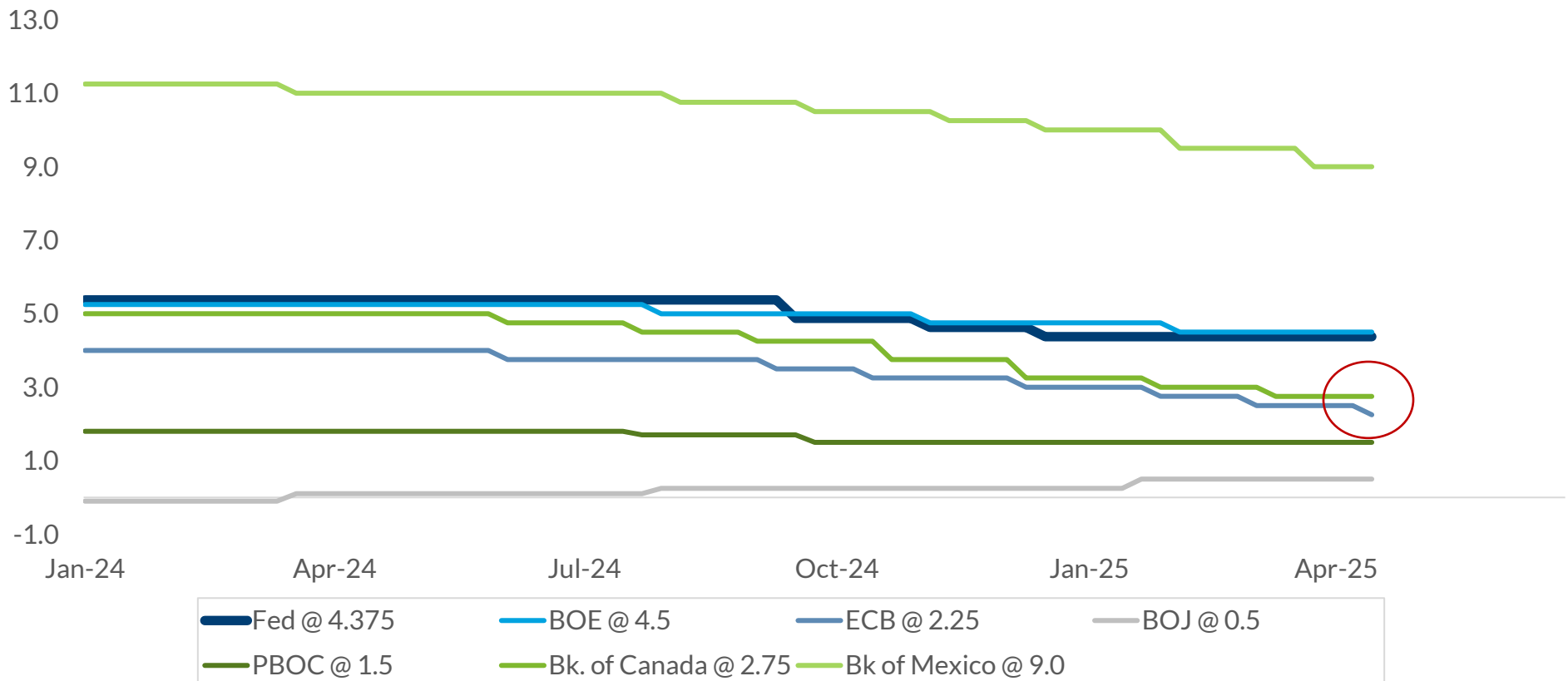
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Global Easing is the Likely Path for Central Banks

- Foreign central banks are planning to ease monetary policy in response to risks associated with global trade.
- On the other hand, the Fed's current focus is on the inflationary risks of possible tariffs.

Central Banks: Overnight Interest Rates
%, as of April 22, 2025



Data current as of April 22, 2025

Source: Bloomberg

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Key Takeaways

- Despite weak growth in Q1, economic fundamentals remain strong supported by low unemployment and a healthy consumer.
- Inflationary concerns will remain a risk because of tariffs, despite positive trends across price measures over the first quarter.
- Business investment will remain a key component to watch for determining the general direction of the economy.

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Einstein, James Dean, Brooklyn's got a winning team...

January

- 1/13 – Biden administration implements new AI export controls
- 1/20 – DeepSeek releases its R1 LLM in China, becoming an overnight global sensation
- 1/27 – Major stock market sell-off as investors reassess AI valuations

February

- 2/4 – DeepSeek officially open-sources DeepSeek-R1
- 2/11 – Experts note China was able to circumvent previous chip restrictions
- 2/13 – Trump Presidential Memorandum: Reciprocal Trade and Tariffs

March

- 3/19 – Fed Research Chair Jerome Powell holds press conference holding rates constant despite imminent Trump tariff policy

April

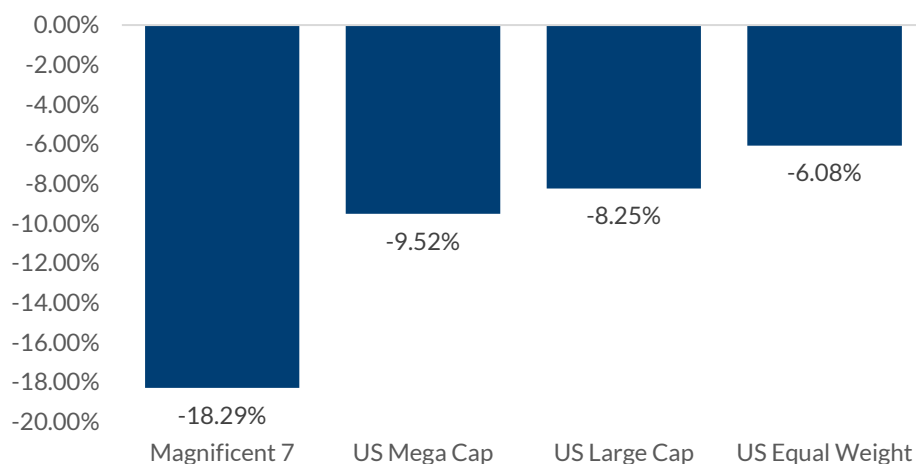
- 4/2 – Trump announces and implements sweeping reciprocal tariffs far exceeding expectations of 10% baseline
- 4/3 – Markets plunge amid tariff fallout as companies announce layoffs and price hikes
- 4/4 – Powell states tariffs will likely boost inflation and slow growth
- 4/11 – Wall Street posts solid gains as big banks kick off first-quarter earnings season
- 4/15 – Trump administration bars Nvidia from selling its H20 chip in China

Source: CNR. As of 4/16/2025. Information is subject to change and is not a guarantee of future results.

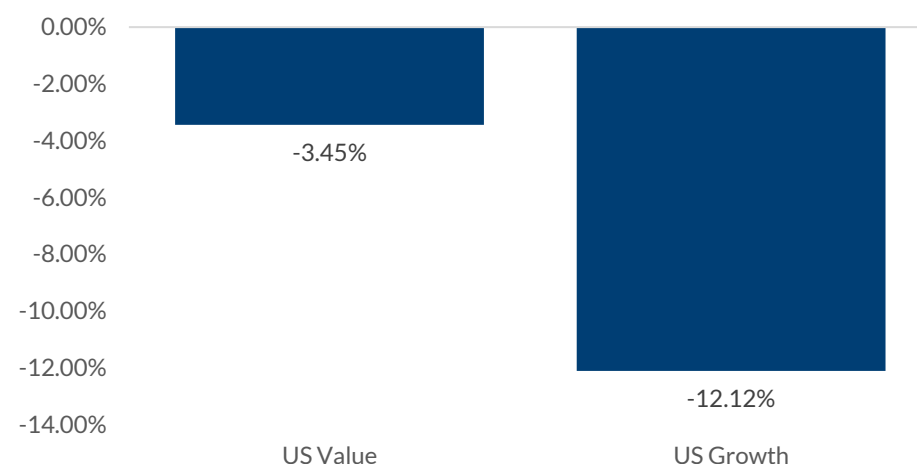


US Equity Markets: Defensives Over Cyclical

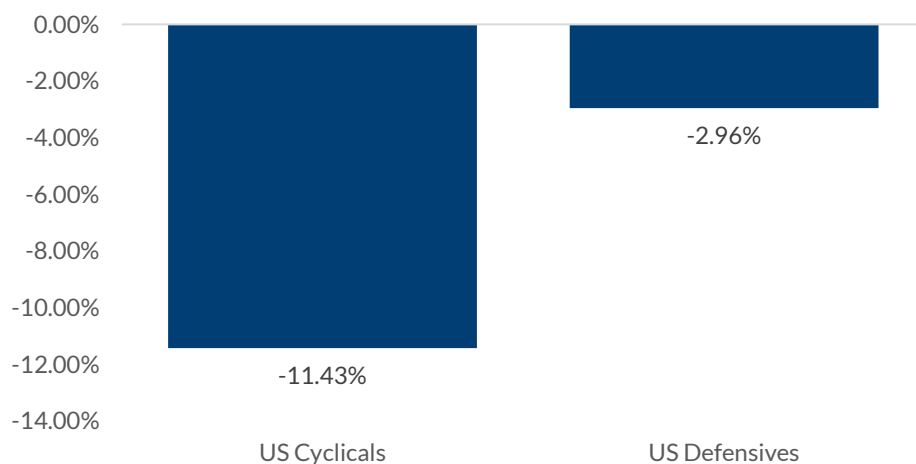
US Large- Cap Performance: 2025



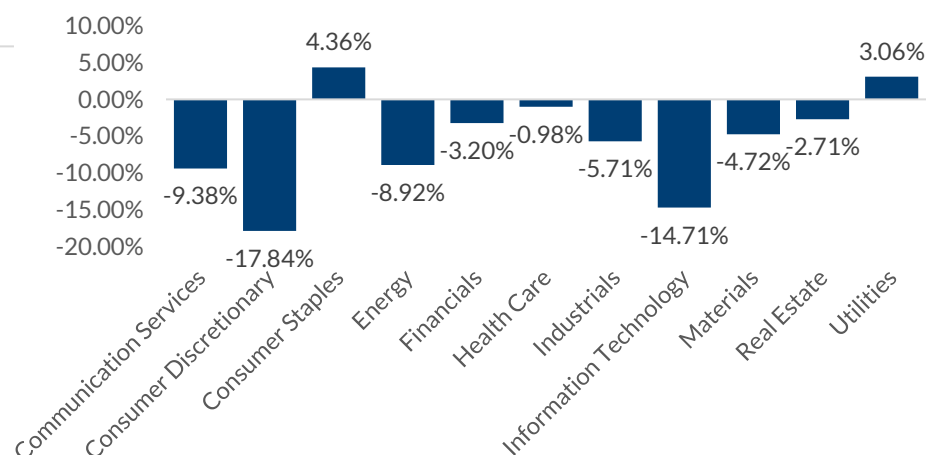
US Style Performance: 2025



US Cyclical vs. Defensives: 2025



US Sector Performance- YTD

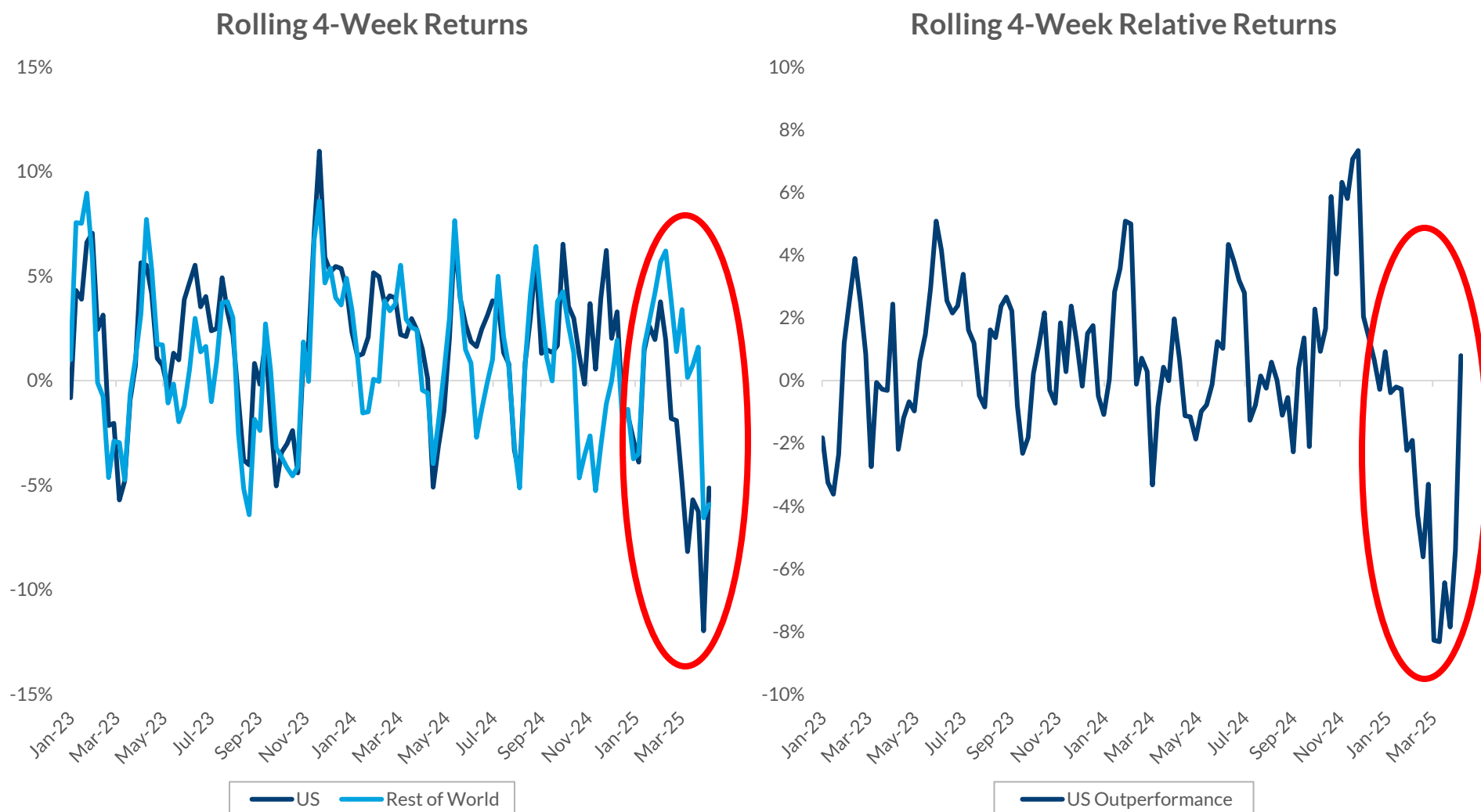


Source: Bloomberg, CNR. As of 4/15/2025. US Mega Cap – S&P 100 Total Return Index. US Large Cap – S&P 500 Total Return Index. US Equal Weight – S&P 500 Equal Weight Total Return Index. Magnificent 7 – Apple, Alphabet, Amazon, Meta, Microsoft, Nvidia, Tesla. US Value – Russell 1000 Value Total Return Index. US Growth – Russell 1000 Growth Total Return Index. US Cyclical – 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

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US vs. Global Equity Gap Has Closed



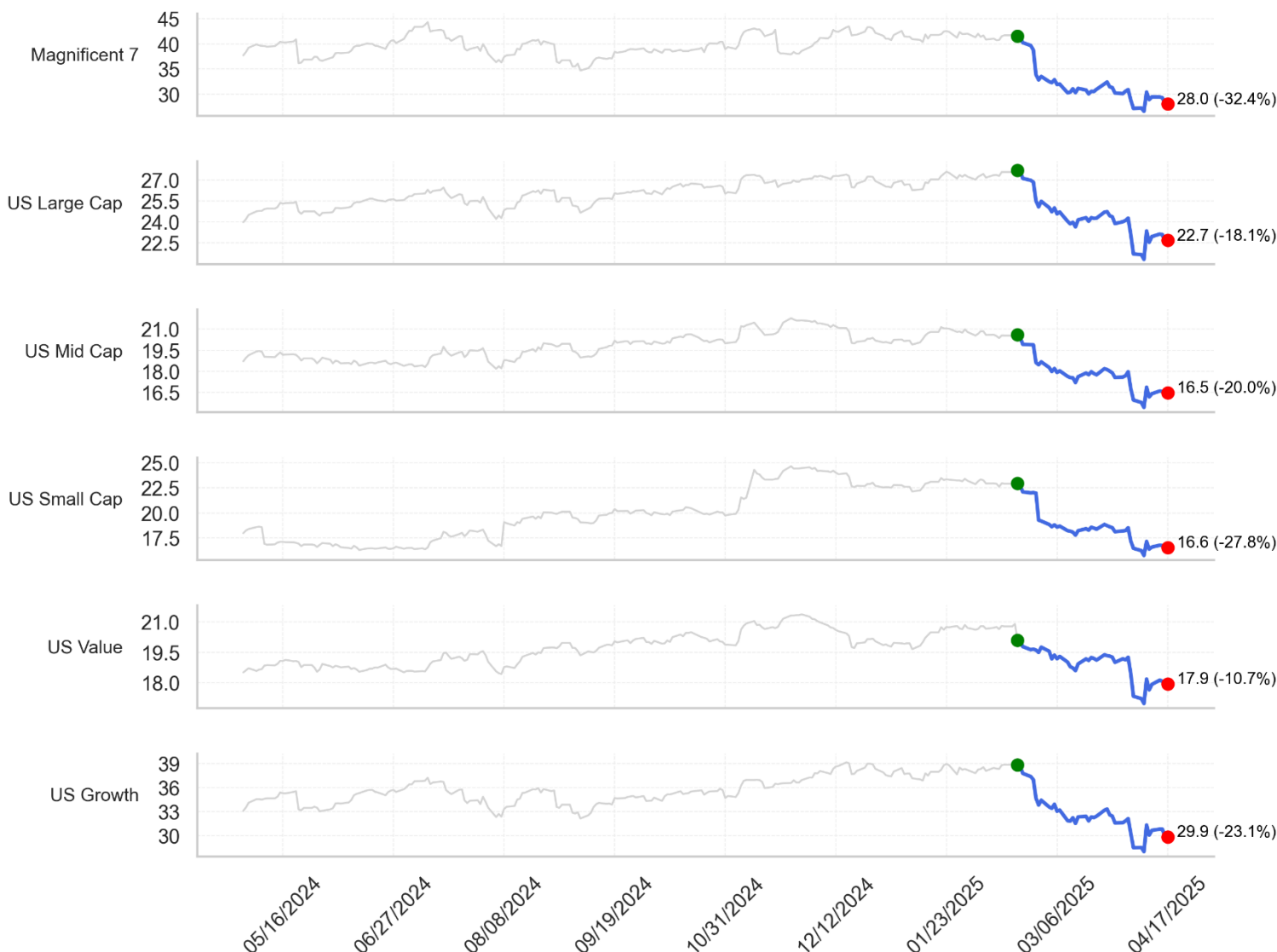
Sources: Bloomberg, CNR. As of 4/11/2025, starting 12/9/2022. US – Russell 3000 Index, Rest of World – MSCI ACWI ex USA Index
Past performance is no guarantee of future results

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US Equity Valuations Cheapen (Trailing 12M P/E)

P/E Ratio Sparklines (42 Day Highlight)



Sources: Bloomberg, CNR. As of 4/17/2025. Magnificent 7 – Apple, Alphabet, Amazon, Meta, Microsoft, Nvidia, Tesla. US Large Cap – S&P 500 Index. US Mid Cap – S&P 400 Index. US Small Cap – S&P 600 Index. US Value – Russell 1000 Value Total Return Index. US Growth – Russell 1000 Growth Total Return Index. Past performance is no guarantee of future results.

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2025-Q1 Earnings Highlights

Sector	# Reported	% Reported	Pos Sales Surprise %	Sales Surprise Amount	Pos Earnings Surprise %	Earnings Surprise Amount
S&P 500	59 of 500	12%	44%	0.47%	75%	6.59 %
Energy	1 of 23	4%	100%	3.05%	0%	(2.86)%
Materials	0 of 26	0%				
Industrials	9 of 78	12%	22%	0.34%	56%	1.46 %
Consumer Discretionary	6 of 51	12%	50%	0.18%	67%	25.66 %
Consumer Staples	7 of 38	18%	57%	1.00%	57%	3.71 %
Health Care	3 of 60	5%	33%	-1.20%	67%	2.60 %
Financials	25 of 73	34%	44%	1.18%	88%	8.11 %
Information Technology	5 of 69	7%	60%	0.67%	80%	1.88 %
Communication Services	2 of 20	10%	0%	0.25%	100%	14.97 %
Utilities	0 of 31	0%				
Real Estate	1 of 31	3%	100%	0.85%	100%	3.31 %

Sector	# Reported	% Reported	Pos Sales Growth %	Sales Growth Amount	Pos Earnings Growth %	Earnings Growth Amount
S&P 500	59 of 500	12%	81%	6.27%	71%	6.77 %
Energy	1 of 23	4%	100%	10.39%	0%	0.12 %
Materials	0 of 26	0%				
Industrials	9 of 78	12%	67%	2.53%	56%	7.96 %
Consumer Discretionary	6 of 51	12%	67%	-2.92%	50%	(22.20)%
Consumer Staples	7 of 38	18%	57%	5.93%	29%	(13.42)%
Health Care	3 of 60	5%	100%	8.15%	100%	3.77 %
Financials	25 of 73	34%	92%	7.08%	84%	8.49 %
Information Technology	5 of 69	7%	80%	9.46%	100%	19.12 %
Communication Services	2 of 20	10%	100%	9.48%	100%	20.87 %
Utilities	0 of 31	0%				
Real Estate	1 of 31	3%	100%	9.35%	100%	11.09 %

Sources: Bloomberg, CNR. As of 4/21/2025. Pos Sales/Earnings Surprise % - Percent of companies with positive sales/earnings surprises. Sales/Earnings Surprise Amount - Percent difference between actual and expected sales/earnings. Pos Sales/Earnings Growth % - Percent of companies with positive sales/earnings growth. Sales/Earnings Growth Amount - YoY Sales/Earnings growth
Past performance is no guarantee of future results

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CNR Equity Team's 2025-H2 Desired Positioning

Anticipated 2nd Half Sector Positioning

Overweight	Neutral	Underweight
<ul style="list-style-type: none"> • Consumer Discretionary • Information Technology • Real Estate 	<ul style="list-style-type: none"> • Materials • Consumer Staples • Communication Services • Energy 	<ul style="list-style-type: none"> • Health Care • Industrials • Financials

Intra-Sector Industry Group Spreads

Information Technology	Industrials	Financials
<ul style="list-style-type: none"> • +Software & Services • -Semis & Semiconductor Equipment 	<ul style="list-style-type: none"> • +Commercial & Professional Services • -Capital Goods 	<ul style="list-style-type: none"> • +Banks • -Insurance

Source: CNR. As of 4/14/2025. Information is subject to change and is not a guarantee of future results.

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Key Takeaways

- **Volatility in Equity Markets:** Various 2025 events have contributed to significant volatility in equity markets.
- **US Equities Underperform Globally:** US equity markets have underperformed global markets year-to-date, particularly due to factors like AI and China chip accessibility.
- **Convergence in Recent Weeks:** Over the last 4 weeks, there has been a convergence between US and global equity markets.
- **US Valuations Become Cheaper:** US equity valuations have cheapened significantly across both market capitalization and investment style.
- **Mixed Q1 Earnings, Led by Financials, IT, and Comm. Services:** 2025-Q1 earnings have been mixed, with the Financials, Information Technology, and Communication Services sectors leading the way.
- **Expect More Aggressive H2 2025 Positioning:** Investors are expected to take a more aggressive positioning in the second half of 2025 compared to the first half.

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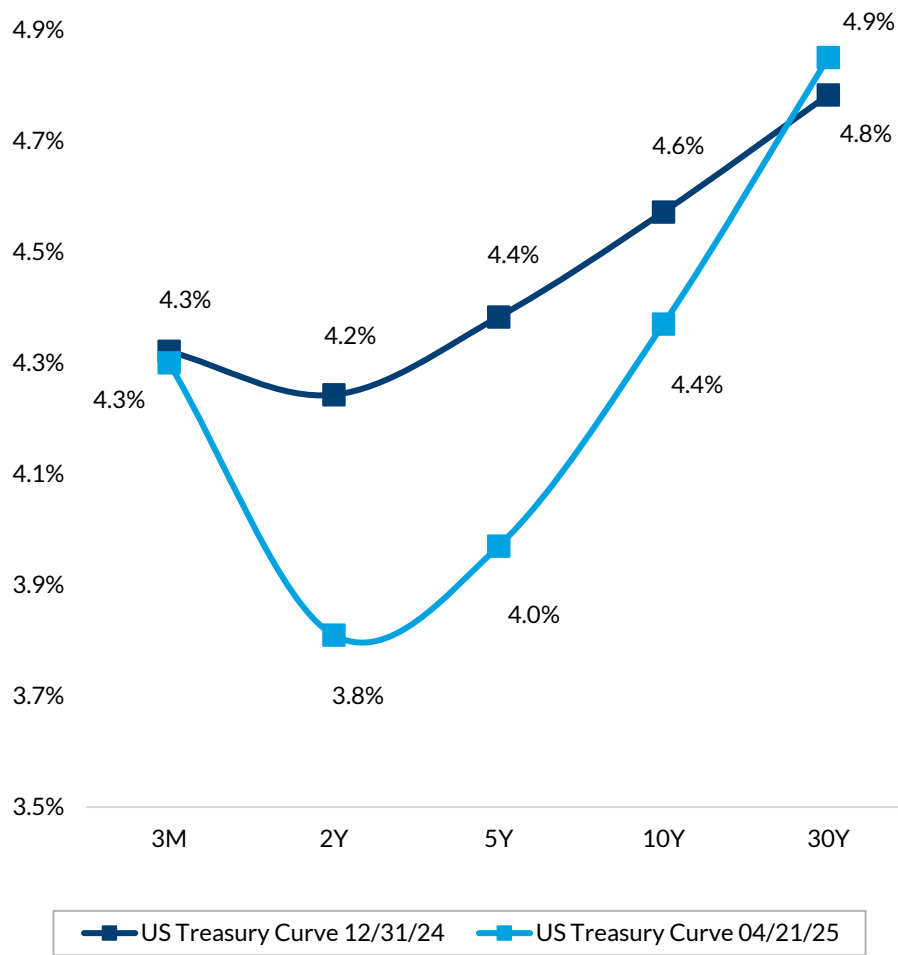
U.S. Treasury Yields Continue to Be Volatile

- As federal policy actions take shape, the Treasury market continues to respond.

10-Year US Treasury



US Treasury Curve Change Year-to-Date

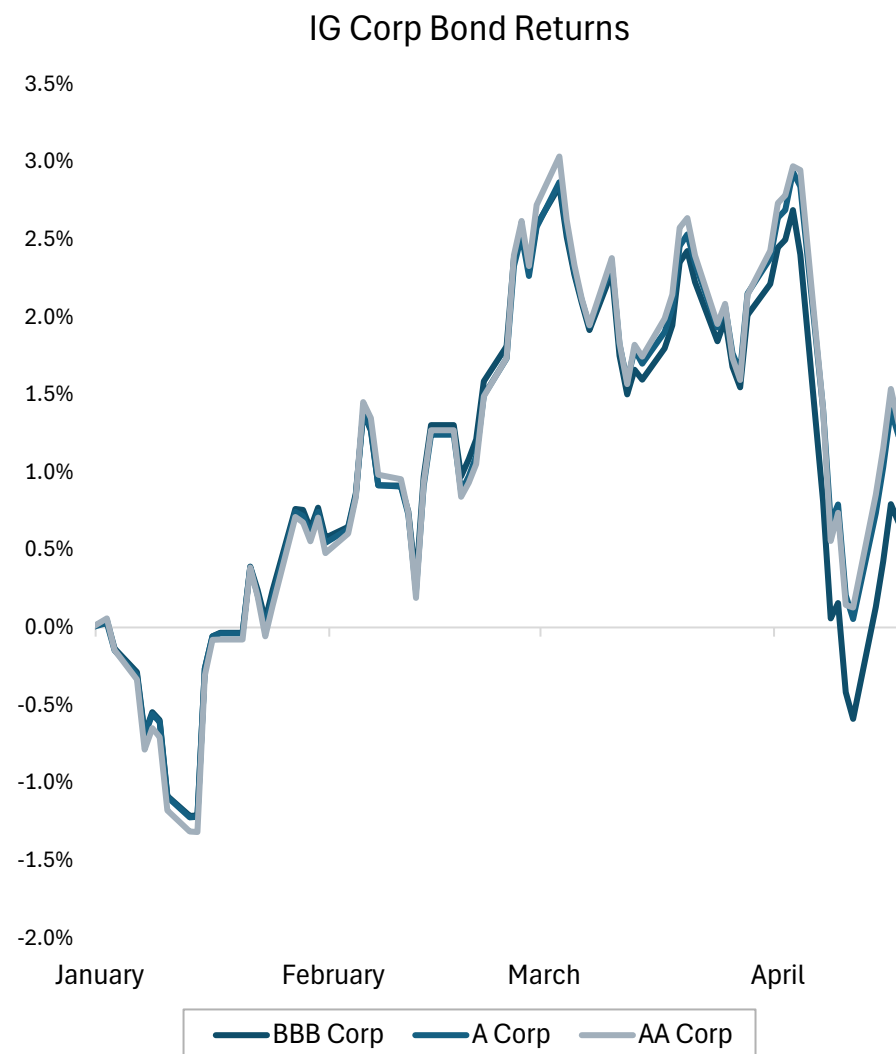
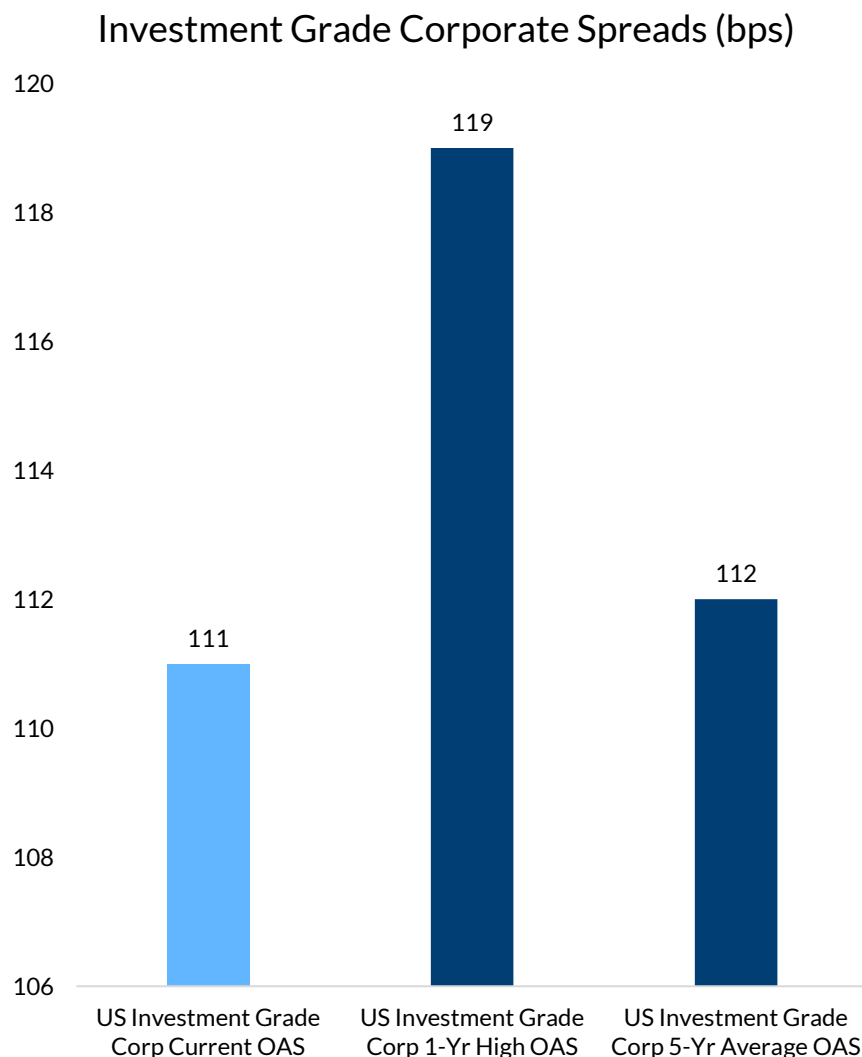


Source: Bloomberg U.S. Treasury Index 10-Year as of 4/21/2025.



Investment Grade Bond Spreads Have Stabilized

- After a disruptive period in early April, IG corporate bond spreads have retraced some recent widening.



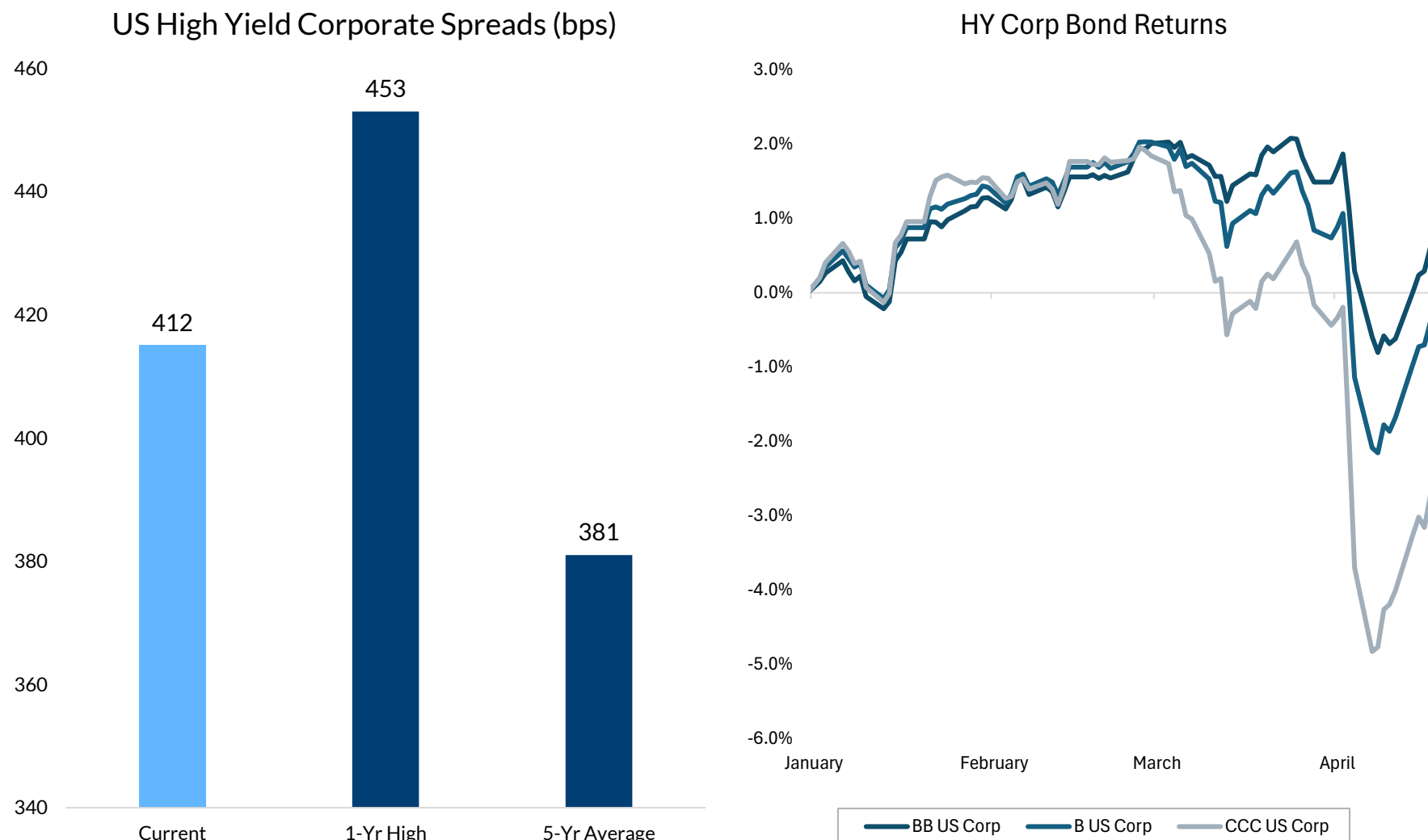
Source: Bloomberg Investment Grade Corporate Bond Index and average option adjusted spread (OAS) as of 4/21/2025.

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High Yield Bond Spreads Have Moved Unevenly

- Spread tightening has been orderly but with large dispersions between rating cohorts (e.g., CCC vs. BB).

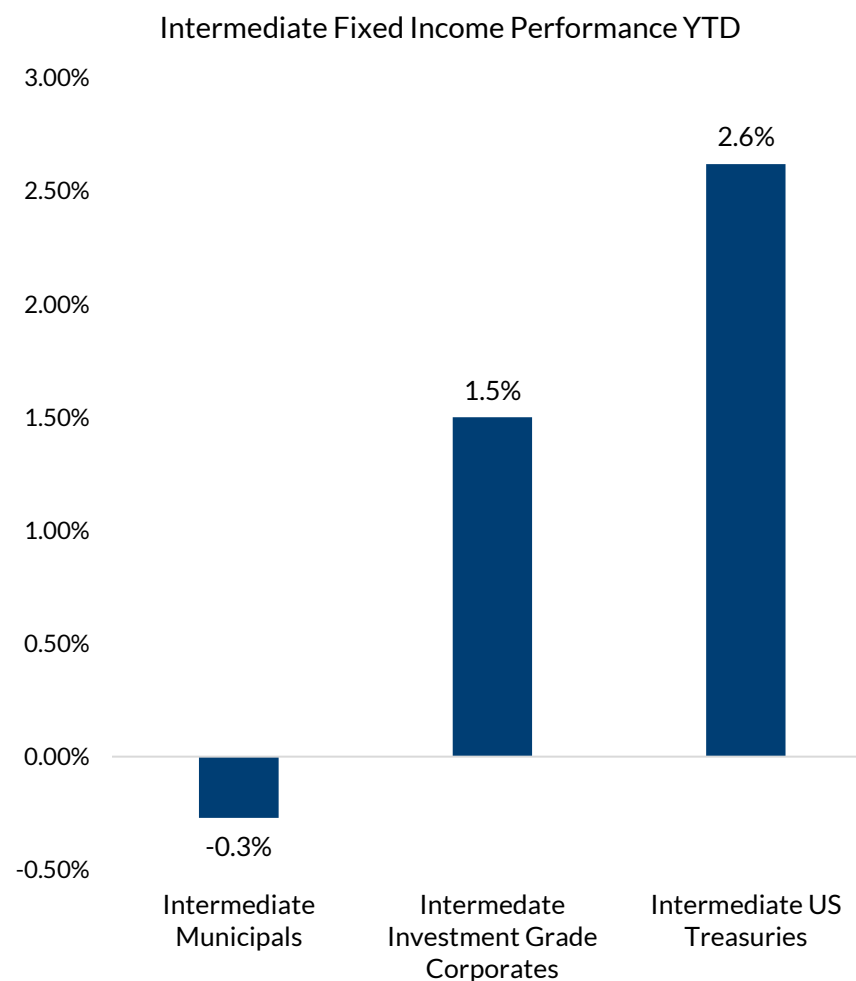
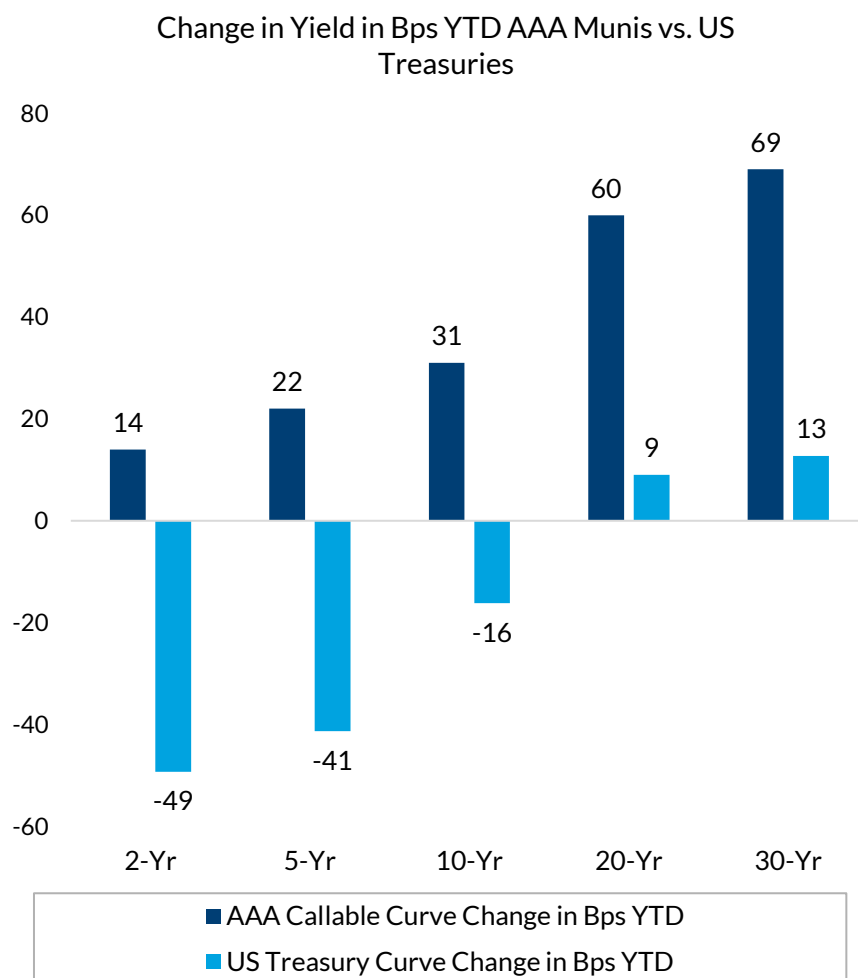


Source: Bloomberg US Corporate High Yield Index and average OAS as of 4/21/2025.



Municipal Credit Remains Strong Despite Higher Yields

- Decoupling of municipal yields from US Treasuries has led to asset class underperformance.
- Municipal curve repricing was technically driven, not a credit-induced event.



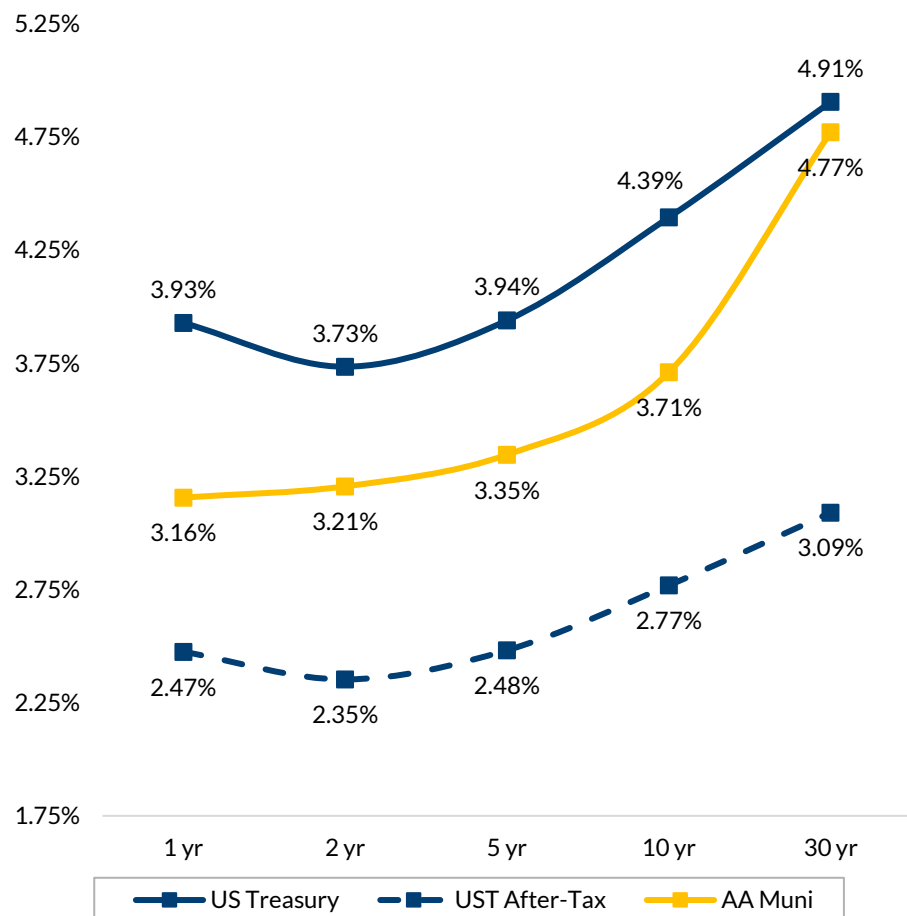
Sources: Bloomberg AAA Callable Curve, Bloomberg US Actives Curve, Bloomberg US Treasury Bond Intermediate Index, Bloomberg Intermediate Corporate Bond Index, and Bloomberg Inter/Short Municipal Bond Index as of 4/21/2025.



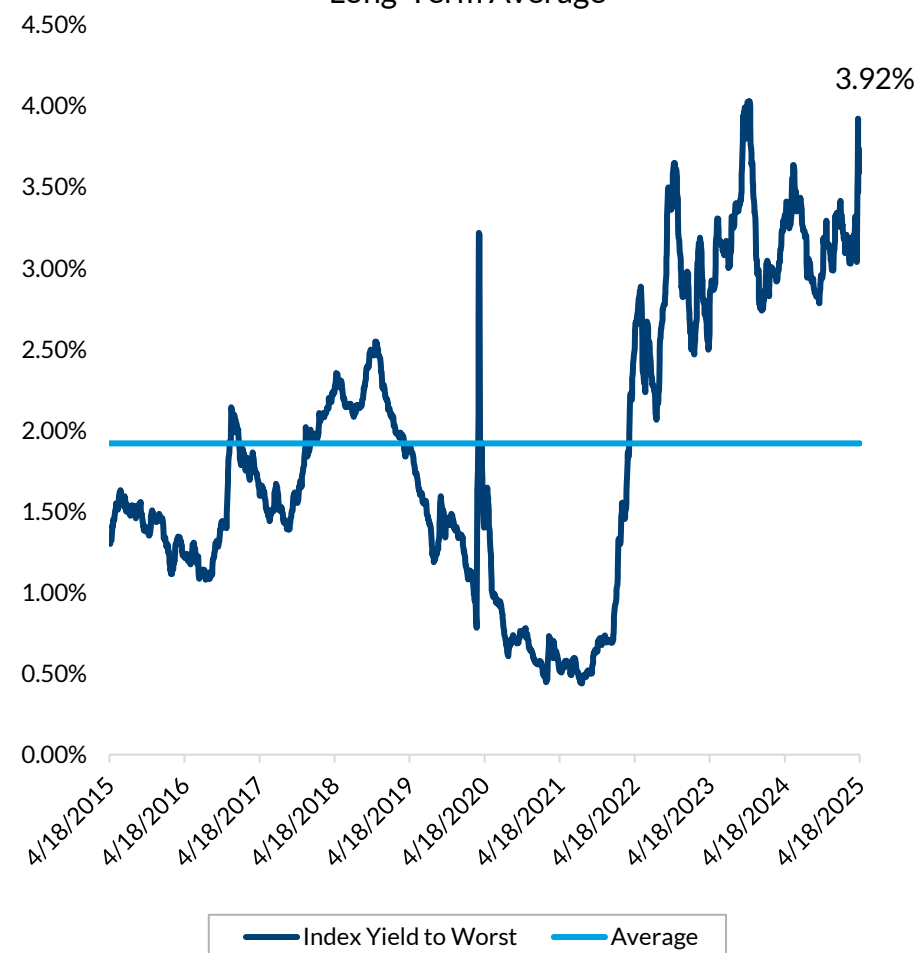
Municipal Bonds Offer Compelling After-Tax Income

- The value advantage of owning tax-exempt municipal bonds has increased in recent weeks.

"AA" Rated Municipals vs. US Treasury Yield Curves



Bloomberg Intermediate-Short Index Yields Above Long-Term Average



Sources: Bloomberg Municipal Bond Index, Bloomberg US Treasury Actives Curve, Bloomberg Intermediate-Short Index as of 4/21/2025. After-tax of US Treasuries accounts for 37% top marginal federal rate.

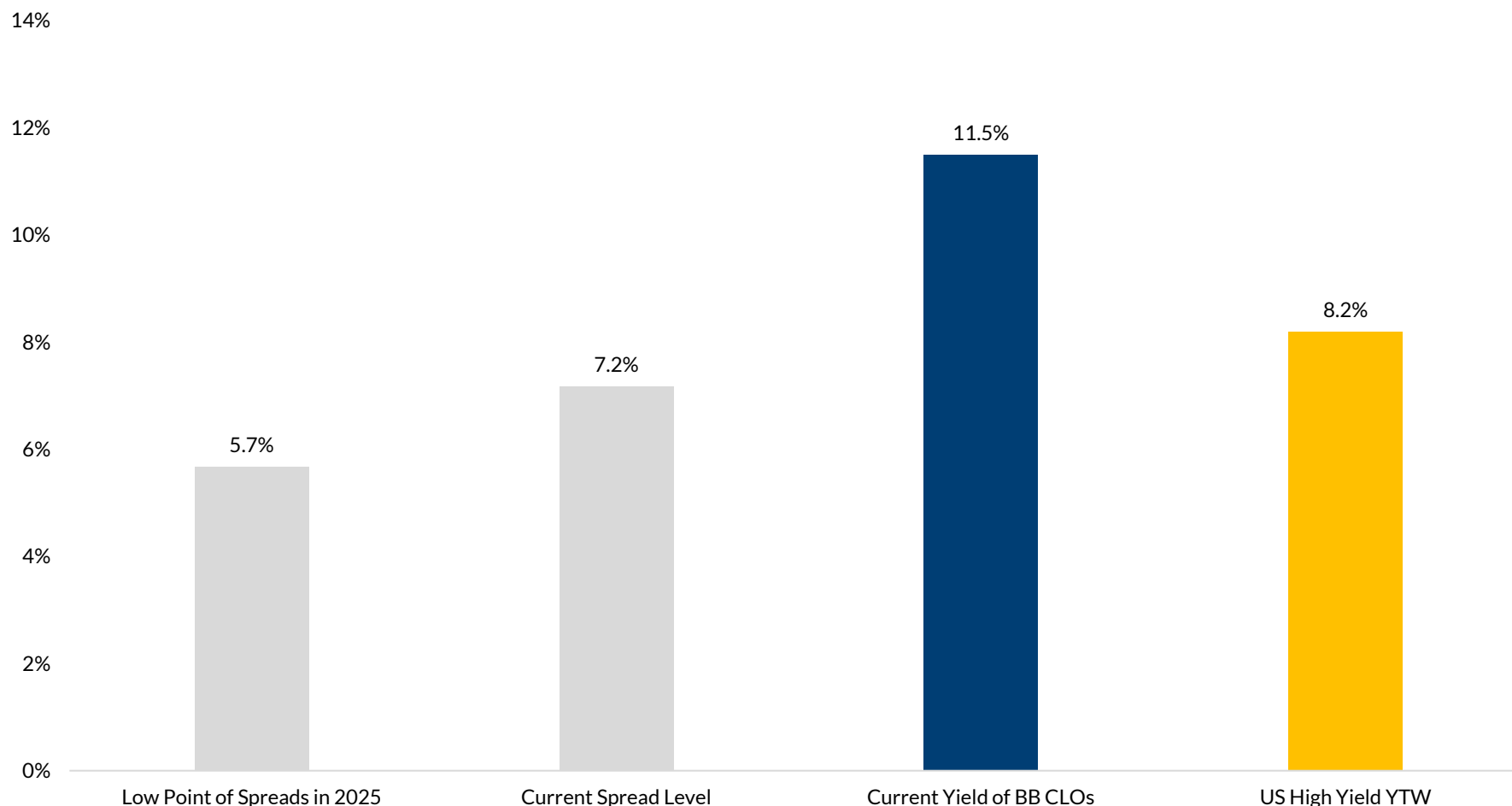
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CLOs May Offer Enhanced Return and Diversification

- CLOs may bolster yield opportunities and performance prospects vs. traditional high yield asset classes.
- Current spreads of about +700 bps is the highest in at least a year.

Elevated Spreads and Consistently High Yields



Sources: Size of CLO market: CreditFlux, 12/31/2024. Size of US High Yield market: Bloomberg, 4/21/2025. CLO Index data and performance: Bloomberg, Palmer Square BB Index as of 4/21/2025.

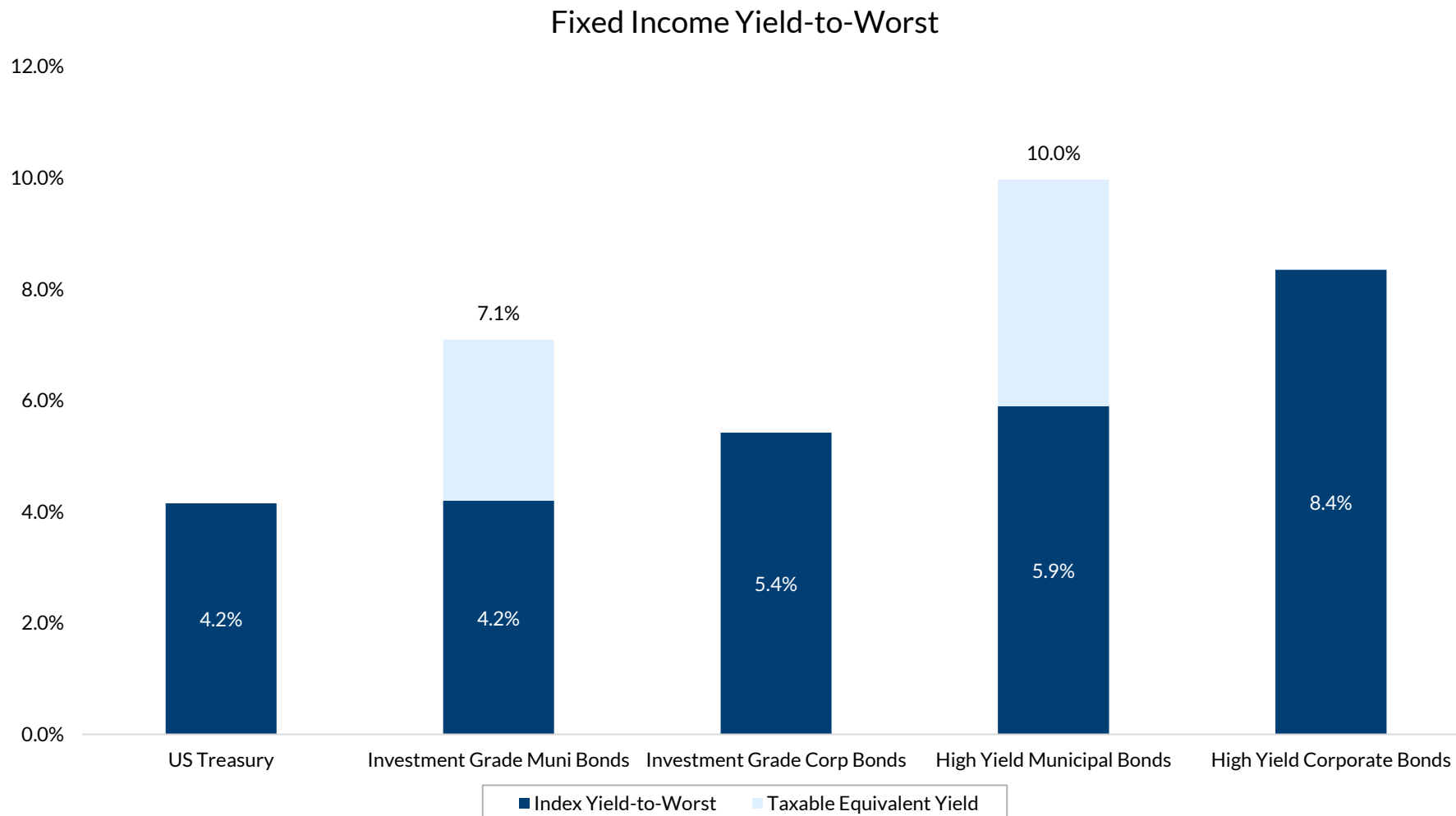
Diversification does not ensure a profit or protect against a loss in a declining market.

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Fixed Income Asset Class Yields

- Available yields across fixed income segments remain attractive (if applicable, taxable equivalent yields).



Sources: Bloomberg US Treasury Index, Bloomberg Municipal Bond Index, Bloomberg Investment Grade Corporate Bond Index, Bloomberg Municipal High Yield Index, Bloomberg US Corporate High Yield Index as of 4/21/2025. Taxable equivalent yield assumes 37% federal + 3.8 Medicare surcharge taxes.

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Key Takeaways

- Fixed income markets are expected to remain volatile as policy uncertainty continues.
- Curve repricing month-to-date has created compelling opportunities for investors.
- Recent market dislocation was primarily technical-driven with credit conditions resilient.
- Municipal bond underperformance vs. Treasuries has significantly improved valuations.
- Yield and income should bolster total return prospects while cushioning against volatility.

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 US equity performance.

The Bloomberg Barclays US Corporate High Yield Index is an unmanaged, US-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.

Bloomberg Tax-Exempt HY is market value-weighted and designed to measure the performance of US dollar-denominated high-yield municipal bonds issued by US states, the District of Columbia, US territories and local governments or agencies.

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

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.

Bloomberg Tax-Exempt HY is market value-weighted and designed to measure the performance of US dollar-denominated high-yield municipal bonds issued by US states, the District of Columbia, US territories and local governments or agencies.

The Bloomberg US Municipal Bond Index measures the performance of investment grade, US dollar-denominated, long-term tax-exempt bonds.

The Bloomberg Barclays US Corporate High Yield Bond Index is a measure of the USD-denominated, high yield, fixed-rate corporate bond market.

The Bloomberg US Aggregate Bond Index measures the performance of investment grade, US dollar-denominated, fixed-rate taxable bonds.

The Bloomberg Municipal 1-5yr Index measures the performance of USD-denominated long-term, tax-exempt bond market with maturities of 1-5 years

Bloomberg US 1-15 Yr. Municipal Bond Index consists of a broad selection of investment grade general obligation and revenue bonds of maturities ranging from one year to 17 years.

The Bloomberg Taxable Intermediate Government Credit Index measures investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related bond markets with a maturity greater than 1 year and less than 10 years.

The Bloomberg Municipal High Index is a measure of the US municipal tax-exempt non-investment grade bond market.

The MSCI Europe Index captures large and mid cap representation across 15 Developed Markets (DM) countries in Europe. It covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.

The Bloomberg US Treasury Long Term TR Index is a market capitalization-weighted index that tracks the performance of US Treasury bonds with a maturity of 10 years or more.

The Russell 3000 is a broad equity index composed of the 3,000 largest U.S. listed stocks, representing more than 95% of the investable American stock market.

The MSCI ACWI ex USA Index captures large and mid cap representation across Developed Markets (DM) countries (excluding the US) and Emerging Markets (EM) countries. The index covers approximately 85% of the global equity opportunity set outside the US.

The S&P 600 is an index of small-cap stocks managed by Standard & Poor's. It tracks a broad range of small-sized companies that meet specific liquidity and stability requirements.

The S&P MidCap 400 is a benchmark index published by Standard & Poor's (S&P). The index comprises 400 companies that broadly represent companies with midrange market capitalization.

The Russell 1000 Growth index is an index that tracks large cap, growth stocks. It provides a comprehensive and unbiased barometer for the large-cap growth segment, with annual reconstitution to include new and growing equities.

The Russell 1000 Value index is an index that tracks large cap, value stocks.

The Bloomberg US Treasury Actives Curve is a curve that relates the yield on a security to its time to maturity..

The Palmer Square CLO Senior Debt Index is a rules-based observable pricing and total return index for CLO debt for sale in the United States, rated at the time of issuance as AAA or AA (or an equivalent rating).



Index Definitions

The GS S&P 500 Cyclical Industry Groups is an industry analysis framework developed by MSCI and S&P Dow Jones Indices. It provides consistent and exhaustive industry definitions, with four levels of granularity: sectors, industry groups, industries, and sub-industries.

GS S&P 500 Defensive Industry Groups is an industry analysis framework that helps investors understand the key business activities for companies around the world. It provides consistent and exhaustive industry definitions, including sectors, industry groups, and sub-industries.

The S&P Composite 1500® combines three leading indices, the S&P 500®, the S&P MidCap 400®, and the S&P SmallCap 600®, to cover approximately 90% of U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

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).

The Bloomberg US Aggregate Corporate Average OAS is the calculated spread between a computed OAS index of all bonds in a given rating category and a spot Treasury curve. The OAS index is constructed using each constituent bond's OAS, weighted by market capitalization.

The Bloomberg US Corporate High Yield Average OAS represents the average spread of high yield corporate bonds in the US domestic market.

The Bloomberg 1-3 Month U.S. Treasury Bill Index tracks the market for U.S. Treasury bills with a time to maturity between 1 and 3 months.

The Bloomberg Intermediate Govt/Credit Index measures investment grade, US dollar-denominated, fixed-rate nominal Treasuries, government-related and corporate securities with 1-10 year maturities.

The Bloomberg Municipal Bond: Muni Inter-Short (1-10) Index is a measure of the US municipal tax-exempt investment grade bond market.

The S&P 500 Total Return Index (SPTR) is a stock market index that tracks the performance of 500 large-cap U.S. companies and reinvests all dividends and cash payouts back into the index.

The S&P 500 Equal Weight Total Return Index (EWI) is the equal-weight version of the widely-used S&P 500. It includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight of 0.2% of the index total at each quarterly rebalance.

The Russell 1000 Value Total Return Index is a subset of the larger Russell 3000 Index and represents the 1,000 top companies by market capitalization in the United States.

The Russell 1000® Growth Index measures the performance of the largecap growth segment of the US equity universe.

The S&P Composite 1500® combines three leading indices, the S&P 500®, the S&P MidCap 400®, and the S&P SmallCap 600®, to cover approximately 90% of U.S. market capitalization.

The ICE BofA Option-Adjusted Spreads (OASs) represent the calculated spreads between a computed OAS index of all bonds in a given rating category and a spot Treasury curve.

The Option-Adjusted Spread (OAS) is a measurement of the spread of a fixed-income security rate and the risk-free rate of return, adjusted to take into account embedded options.

The ICE BofA BBB US Corporate Index is a subset of the ICE BofA US Corporate Master Index, tracking the performance of US dollar-denominated investment grade rated corporate debt publicly issued in the US domestic market.

The Bloomberg Barclays US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

The ICE BofA AA US Corporate Index tracks the performance of US dollar denominated investment grade rated corporate debt publicly issued in the US domestic market.

The Bloomberg AAA Callable Curve index is a standard market scale that reflects movement in the municipal market. It includes non-call yields up to year 10 and callable yields thereafter.

The Bloomberg US Actives Curve index is a fixed-income index that tracks total returns. It includes USD-denominated securities publicly issued by US and non-US industrial, utility, and financial issuers.

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

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

The Bloomberg Inter/Short Municipal Bond Index is a measure of the US municipal tax-exempt investment grade bond market

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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

The option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to take into account an embedded option.



Important Information

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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.

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.

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.

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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