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October 2024

ECONOMIC & INVESTMENT MANAGEMENT PERSPECTIVES

QUARTERLY UPDATE

Market Update: Fundamentals Remain Supportive Heading into Q4

Charles Luke, CFA
Chief Investment Officer

As we head into the final stretch of 2024, the global economic outlook remains largely positive, with the U.S. economy showing resilience amid some moderation. Market indicators from the City National Rochdale (CNR) Speedometers® highlight steady economic and financial trends, including recent upgrades to our monetary policy and consumer sentiment dials.

Projections for U.S. GDP growth range between 1.75% and 2.25% in 2024. Corporate profits are anticipated to rise 9%-12%, with inflation moderating to around 2.5%-3%, even as Federal Reserve rate cuts start to take effect. While some concerns linger, the broader market appears to be well-supported.

With election year uncertainty in focus, market patterns tend to shift as volatility rises before Election Day. Historically, stock prices may experience a dip of around 3% between August and November, but this is often followed by a strong rebound once election results are clear. Markets typically rise over November and December as uncertainty

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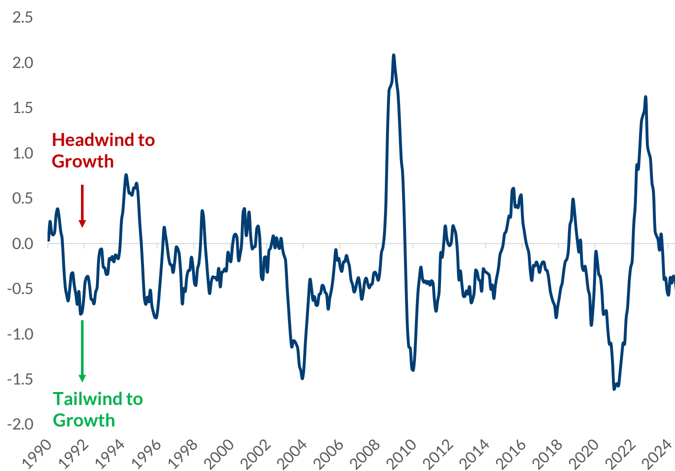
Chart 1: Financial Conditions Impulse on Growth Index



Source: Federal Board of Reserve, as of September 2024. Information is subject to change and is not a guarantee of future results.

lifts. Although political events can introduce some noise, they are generally less impactful on market direction than core fundamentals like corporate profits, interest rates and monetary policy. There is also no notable correlation between party control and returns. The stock market is not partisan.

In terms of sectors, technology has been a star performer, driving much of the market's gains, but there have been questions around valuation and narrow leadership. Still, AI is likely to continue its robust adoption and growth. The first half of 2023 saw AI-related investments reach $120 billion, with forecasts suggesting that figure could grow to $160 billion by 2025. AI's transformative potential is significant, with an expected contribution of $2.6 trillion to $4.4 trillion annually across industries such as marketing, healthcare and software development.

Globally, markets have experienced a mixed year, with pockets of outperformance in Europe and emerging markets. However, the U.S. has consistently outperformed, rising more than 5% over international markets since July[1]. While international markets have shown promise at times, opportunities have often been fleeting, as regional conflicts, higher inflation and lower growth prospects have dampened performance.

Despite the difficulty in the international investment landscape, the world economy remains on track. The services sector has been the engine of global growth, while manufacturing has struggled to keep pace, even experiencing contraction in some areas. However, the outlook is positive that any slowdown in growth will be countered by over half of the world's central banks embracing easing cycles. And, while the Chinese economic outlook remains highly uncertain, China's recent stimulus measures are expected to bolster global growth in the upcoming year, providing another source of upside potential.

Turning back to the U.S., financial conditions have improved notably, easing some of the tightening from earlier in the year. The Federal Reserve's shift toward an easing cycle has benefited the credit markets, which remain healthy. Corporate earnings are solid, and bond issuance has increased compared to last year. This more supportive backdrop from the Fed could act as a tailwind for continued market stability, lowering the risk of significant market disruptions. Should this easing trend persist, the Fed may well achieve its goal of a soft landing without the need for drastic economic adjustments.

The economic landscape is further supported by a resilient U.S. labor market. September saw nonfarm payroll growth that exceeded expectations, and revisions to previous months' data indicate a stronger job creation trend than initially thought. The unemployment rate has declined to 4.1%[2], and household employment is on the rise. While some concerns about labor market momentum remain, anticipated rate cuts should help support further job growth and bolster consumer confidence as we approach year-end.

Real consumer spending has also remained robust, ticking up in recent months and projected to grow

[1]Data as of the S&P 500; MSCI EAFE, as of October, 2024.

[2]Data as of The Bureau of Labor Statistics (BLS), as of September, 2024.

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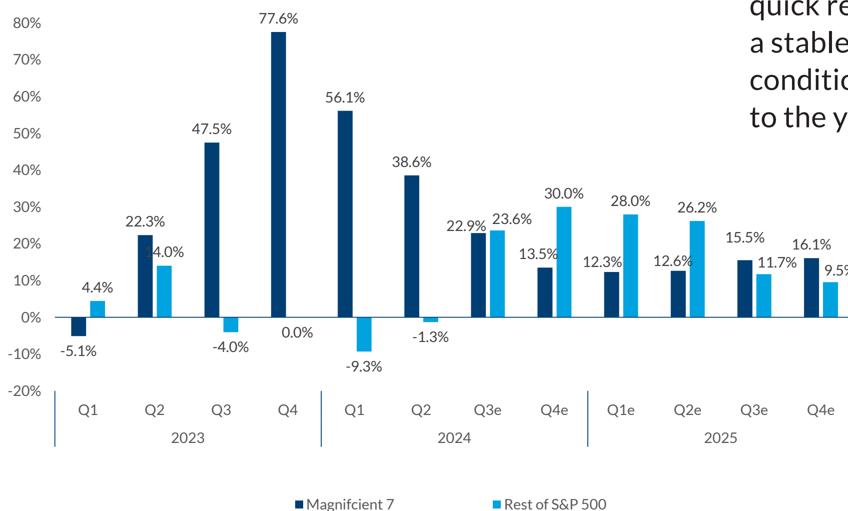
by 2.4% in 2024 and 1.9% in 2025[3]. The underlying strength in consumer demand, particularly in retail, suggests a positive trend for continued economic growth. Consumer credit conditions remain stable, despite increases in delinquencies in lower income quartiles, household debt service levels are near historical lows, and wealth has increased across all income groups. Although credit card balances recently topped $1 trillion, when adjusted for inflation, this rise has been minimal over the past 25 years. Even in the housing sector, where limited inventory has driven up prices, conditions appear poised to improve as rates ease.

Financial markets are another beneficiary of Federal Reserve rate cuts. In fixed income, short-term Treasury yields are beginning to decline, and the yield curve is gradually normalizing. Credit spreads in corporate bonds remain stable, reflecting strong demand from investors and solid credit fundamentals. On the equity side, Fed rate cut expectations have supported a rotation in market leadership, which has broadened YTD returns away from tech stocks.

Chart 2: S&P 500 Y/Y Earnings Growth



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

Past performance is not a guarantee of future results.

Equity market performance has also been bolstered by strong earnings growth across multiple sectors. Q2 earnings demonstrated broad-based improvement, with 9 out of 11 sectors showing year-over-year gains (see chart 2). Initially, technology stocks led the rally in 2023, but more recently, earnings estimates have begun to accelerate across a broader market spectrum.

The broadening of market leadership is a promising signal for future equity gains, indicating that other sectors are beginning to contribute meaningfully to overall performance. In the U.S., sectors like utilities and real estate have performed well in the third quarter, demonstrating gains while more traditional growth sectors have taken a breather. Utilities, in particular, have seen an unusual surge, outperforming during an up market — a pattern typically associated with market declines. Meanwhile, value sectors are showing signs of strength, indicating a potential rotation as we close out the year.

Looking forward, the combination of easing financial conditions, strong corporate earnings and ongoing economic growth paints an optimistic backdrop for market returns as we head into the final months of 2024. While election uncertainties may introduce some short-term volatility, history suggests a quick recovery. With strong AI investment trends, a stable credit landscape and solid labor market conditions, the outlook is set for a strong conclusion to the year and a promising start to 2025.

[3]Data as of the Bloomberg consensus estimates, as of October, 2024.

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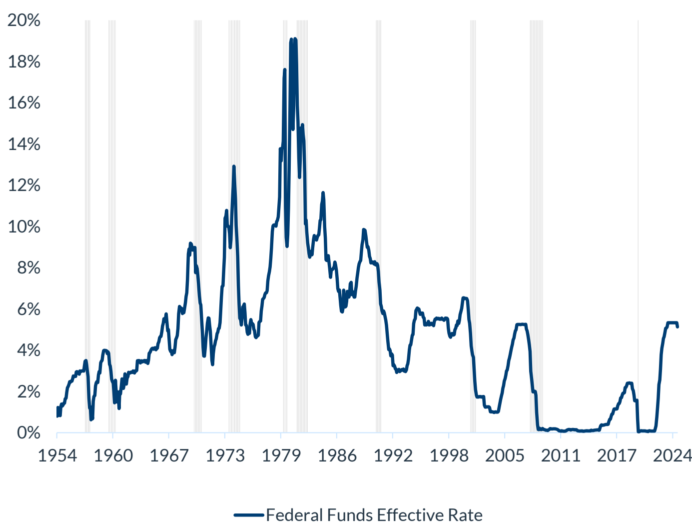
Core Equity: Equity Investing in a "Rate-Cut" Cycle

Amy Chen, CFA
Director, Senior Equity Analyst

With inflation easing, the Federal Reserve has started the process of lowering its key policy rate out of restrictive territory.

Historically, rate cuts by the Fed have often been followed by recession, though sometimes this is due to factors entirely unrelated to monetary policy. For instance, the Fed lowered rates in 2019, but the recession that began in 2020 was triggered by the global pandemic. Still, while history never repeats itself, it does often rhyme. And making the situation today further complicated is the upcoming U.S. presidential election. Consumer and corporate spending tend to waver ahead of such elections due to uncertainties regarding future governmental policy changes. So, how should we navigate through all these cross currents?

Chart 1: Fed Rate Cuts Have Often Been Followed by Recession



Source: Federal Reserve Bank of St. Louis, as of September 2024. Information is subject to change and is not a guarantee of future results. Indices are unmanaged, and one cannot invest directly in an index.

The straightforward answer is to avoid speculation on election outcomes or the size of the next Fed rate cut, whether it be 25 bps or 50 bps. Instead, **we remain focused on a balanced long-term approach, investing in secular growth themes,** such as the digital revolution, healthcare innovators, durable consumer franchises, industrial leaders and a clean climate. At the same time, we remain watchful of potential short-term market dislocations and prepared for what may lie ahead.

Our base case anticipates a slow-easing cycle ahead, aka a soft landing. With inflation cooling, consumers are expected to have more money at their disposal, supporting strong holiday retail sales. In such a scenario, the Consumer Discretionary and Consumer Staples sectors are good places to invest. Lower rates would boost existing home sales, which in turn could drive spending on home improvements, furniture and electronics. We also maintain a positive outlook on the Technology sector, given its close ties to consumer sentiment and e-commerce, not to mention the transformative potential of AI, which could unlock significant productivity gains in the years ahead.

In the event of a "hard landing" for the economy, leading to a fast-easing cycle, defensive sectors typically outperform, such as Consumer Staples and Healthcare. Larger-than-expected rate cuts would result in a downward shift in the yield curve, pushing up the net asset value of so-called "bond proxies," like REITs and Utilities, making them attractive investments during recession periods.

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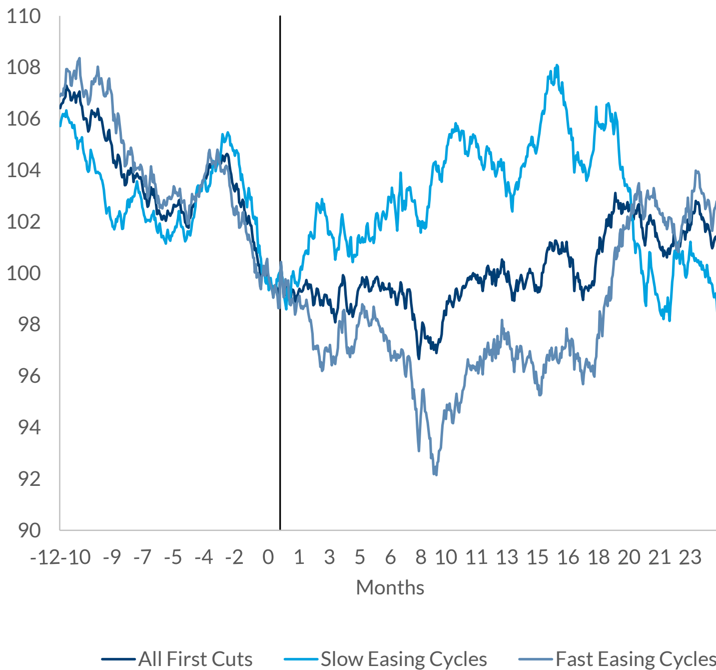
Regardless of whether we experience a slow- or fast-easing cycle, historical data suggests sector performance tends to converge within two years following the initial Fed rate cut. That reinforces our strategy of focusing on long-term secular growth themes rather than reacting to short-term sector rotations.

Chart 2: Cyclical vs. Defensive Performance Around Initial Fed Rate Cuts



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

Slow Cycles: 02/05/1954, 11/15/1957, 06/10/1960, 11/19/1971, 05/30/1980, 11/21/1984, 07/06/1995, 09/29/1998.

Fast Cycles: 11/13/1970, 12/09/1974, 11/02/1981, 06/06/1989, 01/03/2001, 09/18/2007, 07/31/2019.

KEY POINTS

- The pace of Fed easing may have an impact on the trajectory of market returns.
- Remain focused on a balanced long-term approach.
- Continue to prefer secular growth themes.

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Equity Income: Setting the Table With Valuation

David Shapiro
Senior Portfolio Manager, Equity Income

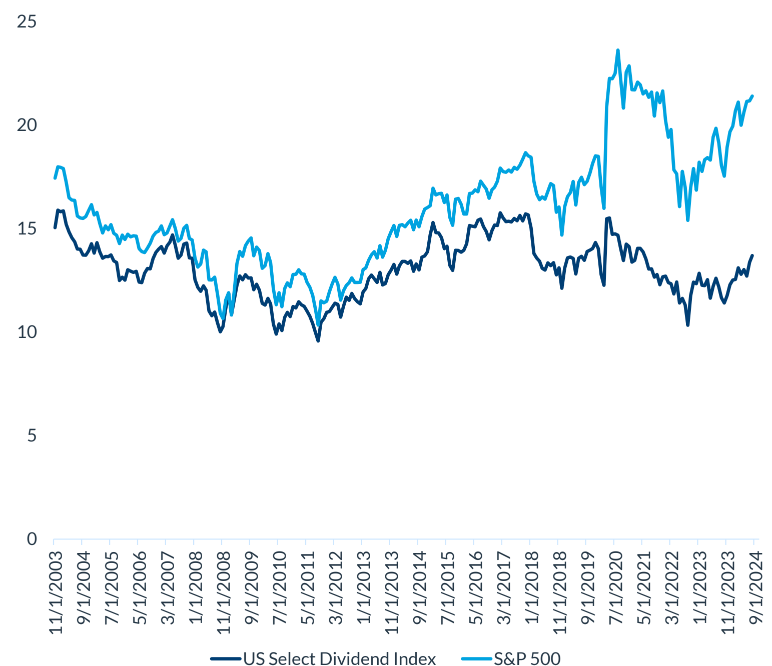
Tony Hu, CFA, FRM
Senior Portfolio Manager, Equity Income

We spend the majority of our time evaluating our holdings' businesses, continuously re-confirming our confidence in their long-term free cash flow and dividend growth rates, and using positioning to to minimize the volatility in the portfolio from outsized risks to both the upside and downside.

While t**he rate-cutting cycle is generally viewed as positive for dividend stocks**, we ultimately don't know what the future will bring, and so we monitor various metrics to get a sense of where we stand. Here, we examine **valuation as a short-cut look at risk management.** The proposition: **Lower valuation means less risk to the downside and more opportunity to the upside — in both absolute and relative terms.**

Chart 1 shows the forward P/E multiples of the S&P and CNR's attractive dividend index. As the statistics on Table 1 show, the S&P's forward valuation is almost two standard deviations above its long-term mean, widely viewed as overvalued. Attractive dividend stocks are trading within one standard deviation of their long-term average, valued fairly vs. the historic range. As a result, relative to each other, **the gap between the market multiple and dividend stock multiple is more than two standard deviations above the long-term average.** The gap has been wider less than 8% of the time over the more than 20-year history of the dividend index[1].

Chart 1: Valuation Comparison: Forward P/E



Source: FactSet, as of September 30, 2024.

Past performance is no guarantee of future results.

DJDVP vs. S&P 500 rolling trailing 5-year returns.

[1] FactSet, as of September 30, 2024.

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Table 1: Valuation Comparison: Forward P/E Summary Statistics

	Mean	+1 Std Dev	+2 Std Dev	Current
Dividend Stocks	13.0	14.5	15.9	14.0
S&P 500	16.0	18.9	21.8	21.7
Gap (S&P 500-Dividend Stocks)	2.6	4.8	6.9	7.7

Source: FactSet, as of September 30, 2024.

Dividend Stocks Index: DJ US Select Dividend Index.

Past performance is no guarantee of future results.

And so, despite having risen +19% year-to-date, **we believe dividend stocks remain fairly valued, and, relative to the market, continue to look very undervalued.** While valuation alone is not a catalyst, this should mean that if we face some unexpected macroeconomic adversity, there is less room for dividend stocks to correct than the broader market. Conversely, if we can look ahead to a soft landing and better growth in the wake of resolved election uncertainty, dividend stocks are better positioned to benefit from both rising earnings and greater room for expanding multiples.

The near-term performance outcome is dependent on how the environment unfolds. We believe that valuation provides some assurance that **dividend stocks remain well positioned, with risk well balanced, for multiple outcomes.** While we wait to see what happens, we continue to focus our time analyzing our holdings and looking forward to 3Q24 earnings season.

KEY POINTS

- Divided stocks look fairly valued and, relative to the market, very undervalued.
- Valuation isn't a catalyst, but can provide downside risk management.
- Lower rates generally are viewed as positive for dividend stocks.

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Taxable Strategies: The Federal Reserve Finally Cuts Interest Rates

Michael Taila, CPWA®
Managing Director, Head of Fixed Income

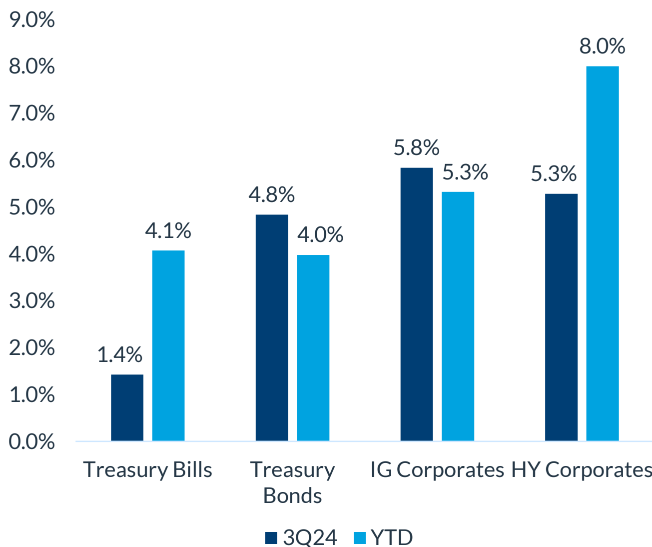
Alex Nelson, CFA
Portfolio Manager

In response to moderating inflation and a normalizing labor market, **the Federal Reserve reduced its target interest rate, cutting a surprise 50 basis points (bps) at its September policy meeting.**

Yields have come down significantly since the beginning of the quarter, with shorter maturities falling between 60-120 bps on expectations for further Fed easing, while longer maturities fell 80 bps on growth and inflation dynamics. In addition to lower rates, the yield curve has also returned to a more normal shape, consistent with market expectations for continued, albeit slower, economic expansion (Chart 1). As a result, **City National Rochdale recently lowered its 10-year U.S. Treasury forecast range to 3.75% - 4.25%.**

Most taxable asset classes have enjoyed positive YTD returns, benefiting from lower rates, tighter credit spreads and strong investor demand (Chart 2). Longer maturity bonds have handily outperformed shorter maturities since mid-April, a trend that should persist as the Fed continues to ease. **Despite strong**

Chart 1: 3Q and YTD Returns

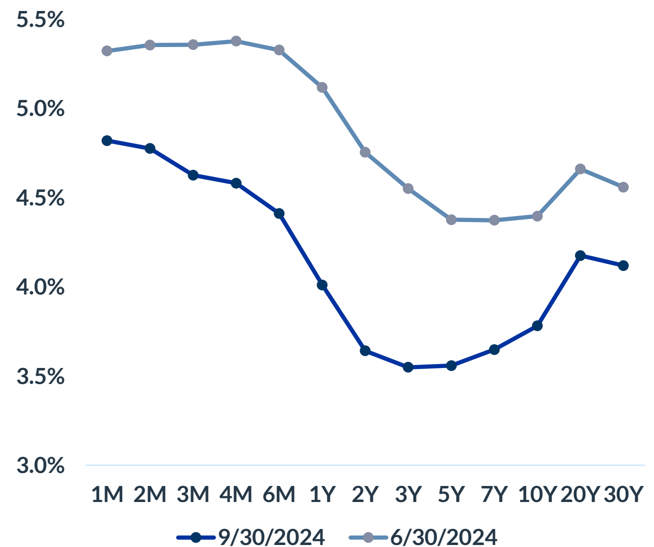


Source: Bloomberg, as of September 30, 2024.

Indicies used: Treasury Bills: G0BA Index Treasury Bonds:G0Q0 Index IG Corporates: LUACTRUU Index HY Corporates: LF98TRUU Index.

Past performance is no guarantee of future results.Indexes are unmanaged and do not reflect a deduction for fees or expenses. Investors cannot invest directly in an index. Information is subject to change and is not a guarantee of future results.

Chart 2: US Treasury Yield Curve



Source: Bloomberg, as of September 30, 2024.

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YTD returns, yields remain attractive across fixed-income markets. We remain neutrally positioned relative to benchmarks but have flexibility to respond to changes in macroeconomic data, geopolitical risk or election volatility. In our view, extending duration by pushing further out on the yield curve could add value to investor portfolios, particularly for longer-maturity strategies. For example, **rotating from T-bills, which have elevated reinvestment risk, into medium-term bonds could lock in compelling yields and potentially enhance total return prospects.**

Corporate fundamentals remain mostly healthy, driven by continued strength in consumption and resilient economic growth. Interest coverage, or a company's ability to make debt payments, and net leverage, which nets cash from total debt, are near their long-run averages and all-time bests for U.S. investment grade and U.S. high-yield corporate issuers, respectively. Consequently, **defaults are running below historical averages, and credit spreads are near record tights.** Credit health has been further supported by strong demand for corporate bonds, balanced against robust YTD primary issuance that set another monthly record in September 2024. Looking ahead, we expect U.S. corporate fundamentals to remain durable as the economy expands, albeit more slowly. We are also monitoring the impact of the November elections, with volatility viewed as a potential opportunity for fixed-income investors.

KEY POINTS

- The Fed cut rates by 50 bps on cooling labor markets and inflation.
- Performance has been firmly positive YTD, led by U.S. high-yield corporates.
- Credit fundamentals remain solid.

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Tax-Exempt Strategies: Municipals Grind Higher With the Finish Line in Sight

Michael Taila, CPWA®
Managing Director, Head of Fixed Income

William D. Black, CFA
Managing Director, Senior Portfolio Manager

Michael Korzenko, CFA
Director, Senior Analyst, Municipal Credit Research

Municipal bonds closed out the third quarter in fashion as investment-grade (IG) and high-yield (HYM) bonds posted solid performance, with July and August monthly returns positive for the first time since 2020.

On the year, the Bloomberg Municipal Bond Index and the Bloomberg Municipal High Yield Bond Index have rewarded their investors with 2.2% and 7.4% gains, respectively, through 3Q2024[1]. In a trend that has increasingly improved since record outflows from municipal bond mutual funds during 2022, net inflows have continued to gain ground fairly consistently, particularly for HYM bonds. **Coupled with cash on the sidelines that had remained somewhat dormant since last year amid rate volatility and an uncertain economic trajectory, the demand side of the market has benefitted the asset class YTD despite the strength in bond supply.**

Bloomberg gross municipal bond sales through 3Q2024 of about $360 billion are approximately 40% higher vs. 2023, and on track to surpass recent years' high-water mark. From a purely yield perspective, the technical strength of the market has not materially altered the attractiveness of municipal bonds. **As of quarter-end, absolute yields,**

Chart 1: Municipal Bond Yields Remain Attractive

Source: Bloomberg, as of September 30, 2024.

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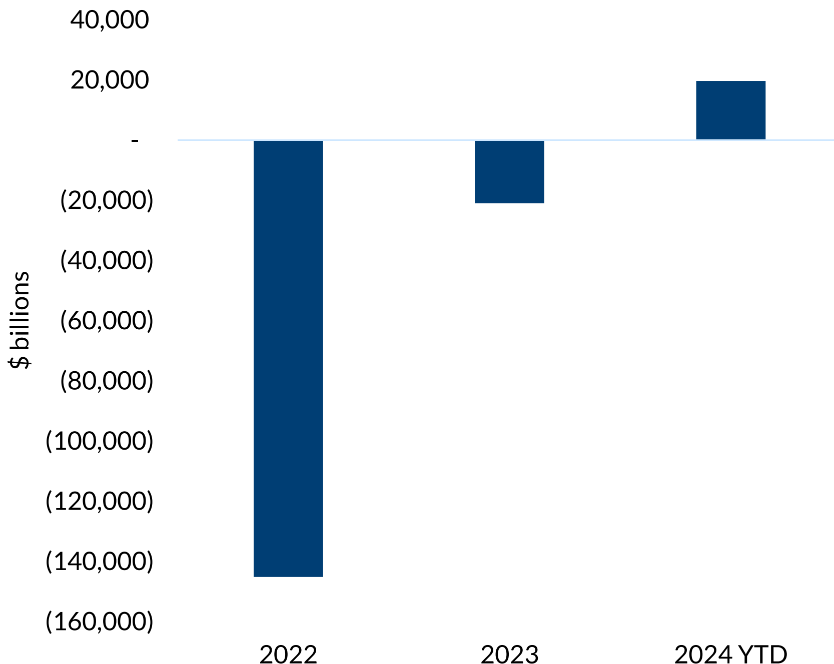
per Bloomberg, for IG and HYM bonds of 3.3% and 5.2%, respectively, equate to a taxable equivalent basis of more than 5.5% and 8.75%, respectively[1]. We believe long-term investors have an opportunity to take advantage of attractively priced cash flows in the current environment, especially given the improvements in bond valuations since the end of 2Q2024 (i.e., the ratio of municipal bond yields vs. comparable Treasury maturities has increased, which signals increasing value to municipal investors).

With the Fed recently beginning its easing cycle, the economy is forecast to moderate, but municipal bond quality is well-positioned at this time. Credit spreads have generally declined since the beginning of the year and remain somewhat tight to recent years' levels. As Election Day approaches, credit spreads are anticipated to remain range-bound, but should economic data soften beyond expectations, lower quality bonds are more vulnerable to widening. Municipal credit is transitioning back into equilibrium as operating risks come more into balance with normalizing revenues (necessitating spending adjustments). Balance sheet liquidity and reserve funds remain sound, however, which will provide an important buffer for most issuers confronting challenges. We are also closely monitoring the outcomes of national, state, and local elections and their potential policy implications, such as tax reform or sector-specific considerations.

KEY POINTS

- Asset class performance are currently comfortably "in the green."
- Absolute yields continue to attract investor capital.
- Credit fundamentals are normalizing but remain durable.

Chart 2: Cumulative Flows (in $b)



Source: Bloomberg ICI Municipal Bond Estimated Weekly Net New Cash Flow, as of September, 30 2024. Indexes are unmanaged and do not reflect a deduction for fees or expenses.
Information is subject to change and is not a guarantee of future results.

[1] Bloomberg, as of September 30, 2024.

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The Fed: The Fed Starts Easing Cycle with a Bang

Paul Single
Managing Director, Senior Economist,
Senior Portfolio Manager

The Fed kicked off its easing cycle by going big by slashing the federal funds rate by 50 basis points instead of the 25 basis points they usually move.

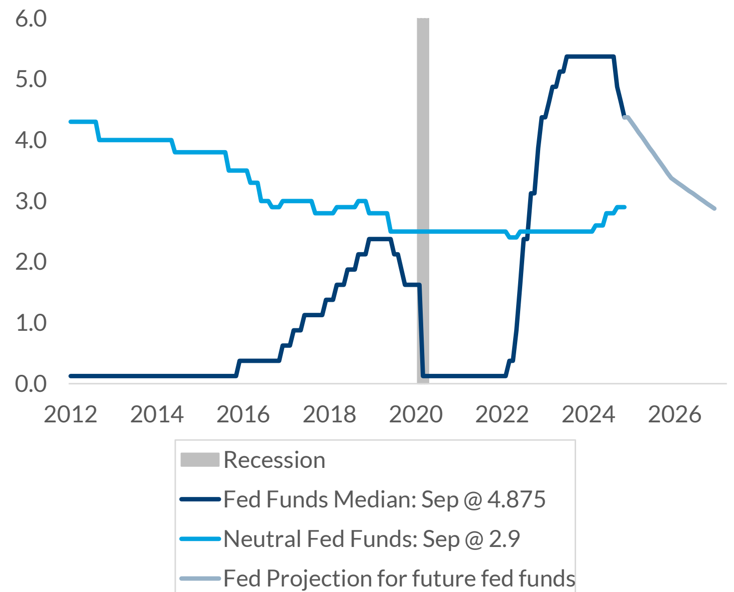
They opted for the more assertive approach due to the cooling labor market and high confidence that inflation is headed toward their target rate of 2.0%. **The Fed is proactively trying to ease the pressure off the economy to ensure the growth in the labor market reaccelerates.**

Before the move, the federal funds rate at 5.375% was well above the Fed's "longer term" rate of 2.5%. This is the interest rate the policymakers believe will help components of the economy (GDP, inflation, and unemployment) converge to provide maximum output and sustainably low unemployment and inflation – the rate that neither spurs nor slows economic activity. **For the past two years, the Fed has kept the federal funds rate well above the longer-term rate as a restrictive monetary policy stance.** It has worked, with inflation declining. The longer-term interest rate is now at 2.9%, and the Fed plans to have the federal funds rate at that level by the end of 2026, implying that the Fed will be at a neutral level.

The Fed believes their path of interest rate declines will bring about a "soft landing," the ability to bring

Chart 1: Federal Funds & Fed's Longer-Term Rate

%, not seasonally adjusted



Source: Federal Reserve Bank, as of October 1, 2024.

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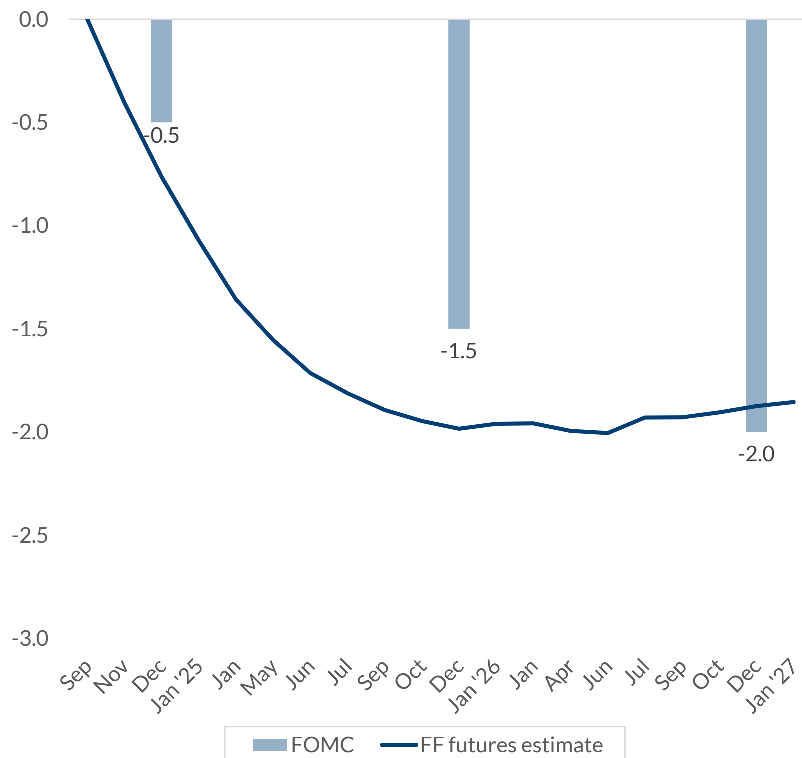
down inflation without causing a jump in joblessness. The Fed has not completed that task, but they have made significant progress. There is still some more work to be done. The Fed doesn't have a set course for interest rate changes but will adjust its planned interest rate cuts based on the incoming data. The financial markets are a tad more aggressive than the Fed's current plan for interest rate cuts in 2025. However, they are consistent with the Fed's view by the end of 2026 (Chart 2). The financial markets appear concerned that labor growth will slowly recover in the next year.

KEY POINTS

- The Fed is singularly focused on keeping labor growth strong.
- Inflation looks like it is headed to the Fed's goal of a sustainable 2.0%.
- Consumer spending remains strong, but continued gains in labor are needed for it to be sustainable.

Chart 2: Federal Funds Futures: Change from Current Level

%, as of October 1, 2024



Source: Federal Reserve Bank, Bloomberg's WIRP page as of October 2024.
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There are inherent risks with equity investing. These risks include, but are not limited to stock market, manager, or investment style. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

There are inherent risks with fixed income investing. These risks may include interest rate, call, credit, market, inflation, government policy, liquidity, or junkbond. When interest rates rise, bond prices fall.

Bloomberg risk is the weighted average risk of total volatilities for all portfolio holdings. Total Volatility per holding in Bloomberg is ex-ante (predicted) volatility that is based on the Bloomberg factor model.

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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Index Definitions

S&P 500 Index: The S&P 500 Index, or Standard & Poor's 500 Index, is a market-capitalization-weighted index of 500 leading publicly traded companies in the US It is not an exact list of the top 500 US companies by market cap because there are other criteria that the index includes.

The MSCI EAFE Index is a stock market index that measures the equity market performance of developed markets outside of the U.S. & Canada

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

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

Bloomberg Municipal High Yield Bond Index: The Bloomberg Municipal High Yield Bond Index measures the performance of non-investment grade, US dollar-denominated, and non-rated, tax-exempt bonds.

Bloomberg Investment Grade Index: The Bloomberg US Investment Grade Corporate Bond Index measures the performance of investment grade, corporate, fixed-rate bonds with maturities of one year or more.

G0BA Index: ICE BofA US Treasury Bill Index:The index measures the performance of US dollar denominated US Treasury Bills publicly issued in the US domestic market. Qualifying securities must have at least one month remaining term to final maturity and a minimum amount outstanding of $1 billion. It is capitalization-weighted.

G0Q0 Index: ICE BofA US Treasury Index: ICE BofA US Treasury Bill Index:The index measures the performance of US dollar denominated US Treasury Bills publicly issued in the US domestic market. Qualifying securities must have at least one month remaining term to final maturity and a minimum amount outstanding of $1 billion. It is capitalization-weighted.

LUACTRUU Index: Bloomberg US Corporate Total Return Value Unhedged USD: The Bloomberg 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.

LF98TRUU Index: Bloomberg US Corporate High Yield Total Return Index Value Unhedged USD. Bloomberg: LF98TRUU Index: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fi xed-rate corporate bond market. Securities are classifi ed as high yield if the middle rati ng of Moody's, Fitch and S&P is Ba1/BB+/BB+or below. Bonds from issuers with an emerging markets country of risk, based onBloomberg EM country defi niti on, are excluded. This is the total return index level.

Indexes are unmanaged and do not reflect a deduction for fees or expenses. Investors cannot invest directly in an index.

Non-deposit Investment Products: ■ are not FDIC insured ■ are not Bank guaranteed ■ may lose value

Definitions

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.

P/E Ratio: The price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS).

The 4P analysis is a proprietary framework for global equity allocation. Country rankings are derived from a subjective metrics system that combines the economic data for such countries with other factors including fiscal policies, demographics, innovative growth and corporate growth. These rankings are subjective and may be derived from data that contain inherent limitations. MSCI Emerging Markets Asia Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Asian emerging markets.

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.

City National Rochdale Proprietary Quality Ranking formula: 40% Dupont Quality (return on equity adjusted by debt levels), 15% Earnings Stability (volatility of earnings), 15% Revenue Stability (volatility of revenue), 15% Cash Earnings Quality (cash flow vs. net income of company) 15% Balance Sheet Quality (fundamental strength of balance sheet).
*Source: City National Rochdale proprietary ranking system utilizing MSCI and FactSet data. **Rank is a percentile ranking approach whereby 100 is the highest possible score and 1 is the lowest. The City National Rochdale Core compares the weighted average holdings of the strategy to the companies in the S&P 500 on a sector basis. As of September 30, 2022. City National Rochdale proprietary ranking system utilizing MSCI and FactSet data.

BPS: A basis point (BPS) is used to indicate changes in the interest rates of a financial instrument. Basis points are typically expressed with the abbreviations “bp,” “bps,” or “bips.”

A consensus estimate is a forecast of a public company’s projected earnings based on the combined estimates of all equity analysts that cover the stock.

Bureau of Labor Statistics(BLS): The BLS is a federal agency that collects and disseminates important information about labor, wages, prices, and productivity.

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