March 2023

Economic Outlook and Investment Strategy

Investment Strategy Committee Considerations

2023 Economic Outlook

- Higher for longer thesis intact
- Modestly lowered recession risk to 70%, mild downturn base case
- Modestly raised GDP forecast, maintain earnings growth forecast
- Modestly increased inflation and 10-year forecasts
- Market adjusted to CNR view of no Fed cuts in 2023
- Leading indexes, inverted yield curve, tightening lending standards and declining manufacturing support recession view
- Downward glide path for inflation intact, but likely choppy
- Encouraging signals of wage moderation
- Job gains, wages, savings and net worth support consumer
- Healthy banking system and strong corporate balance sheets moderate downside risks
- Watchful on private equity
- US economy more resilient than Europe/Asia
- Geopolitical risk remains elevated
- Realignment and fracturing of global alliances is real

2023 Investment Strategy

- Macro uncertainty remains high
- Portfolios defensively positioned – inflation, Fed tightening, recession risk, geopolitical tensions
- We expect that balanced portfolios should provide 5-7% returns
- History suggests cyclical bear market in later phases, equities never outperform; bear markets end after recession begins
- Underweight equities, focus on high-quality US stocks, avoid Europe and Asia
- Forecasting moderate equity returns in 2023, above average volatility
- Equity income attractive in an uncertain environment
- Fixed income returns expected to be moderately positive
- Investment grade corporate and municipals offer attractive yields with lower volatility
- High yield corporates and municipals, while volatile, offer reasonable reward for risk
- Excellent opportunities for liquidity management
- Alternatives may provide diversifying benefits and attractive opportunities

Sources: Bloomberg, CNR Research, as of February 2023. Information is subject to change and is not a guarantee of future results.

2023: Economic Momentum to Slow, Recession Risk High

- Household and business fundamentals are still solid but slowing.
- Inflation pressures to remain elevated, but moderating.
- The Fed remains tight to the slow economy and wages.
- We have below-consensus expectations for GDP and earnings growth.
- We have consensus estimates for interest rates.

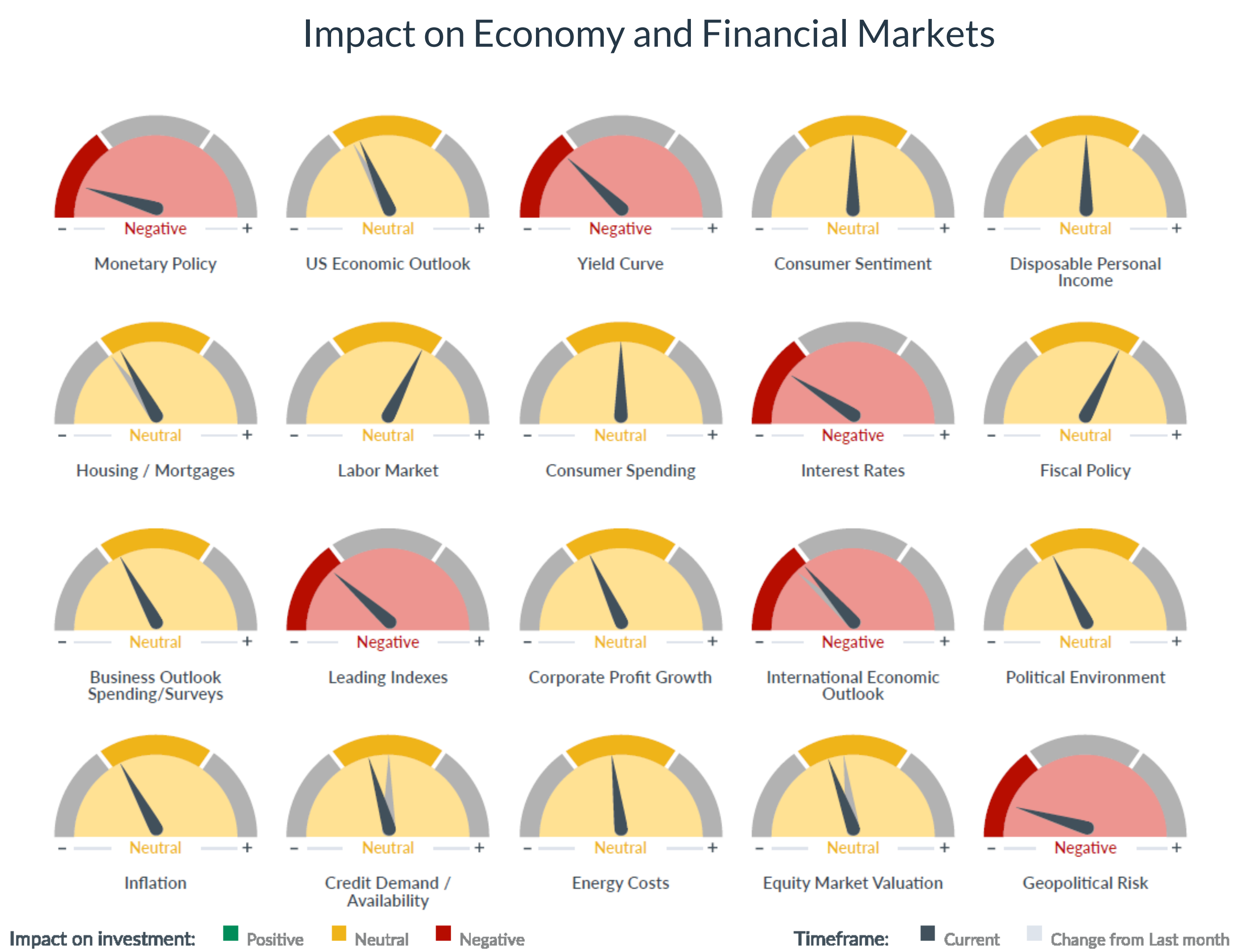
City National Rochdale Forecasts		2022	2023e
Real Annual GDP Growth		2.1%	-1.0% to 1.0%
Corporate Profit Growth		4.0% to 6.0%e	-6.5% to 1.5%
Headline CPI Year End		6.5%	2.6% to 3.0%
Core CPI Year End		5.7%	3.1% to 3.5%
Interest Rates	Fed Funds Rate	4.25% to 4.5%	5.0% to 5.25%
	Treasury Note, 10-Yr.	3.88%	4.0% to 4.5%

Gross Domestic Product (GDP): Gross domestic product 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.
Consumer Price Index (CPI): The Consumer Price Index measures the monthly change in prices paid by US consumers.
Sources: Bloomberg, proprietary opinions based on CNR research, as of March 2023.
Information is subject to change and is not a guarantee of future results.

CNR Speedometers® – March 2023

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

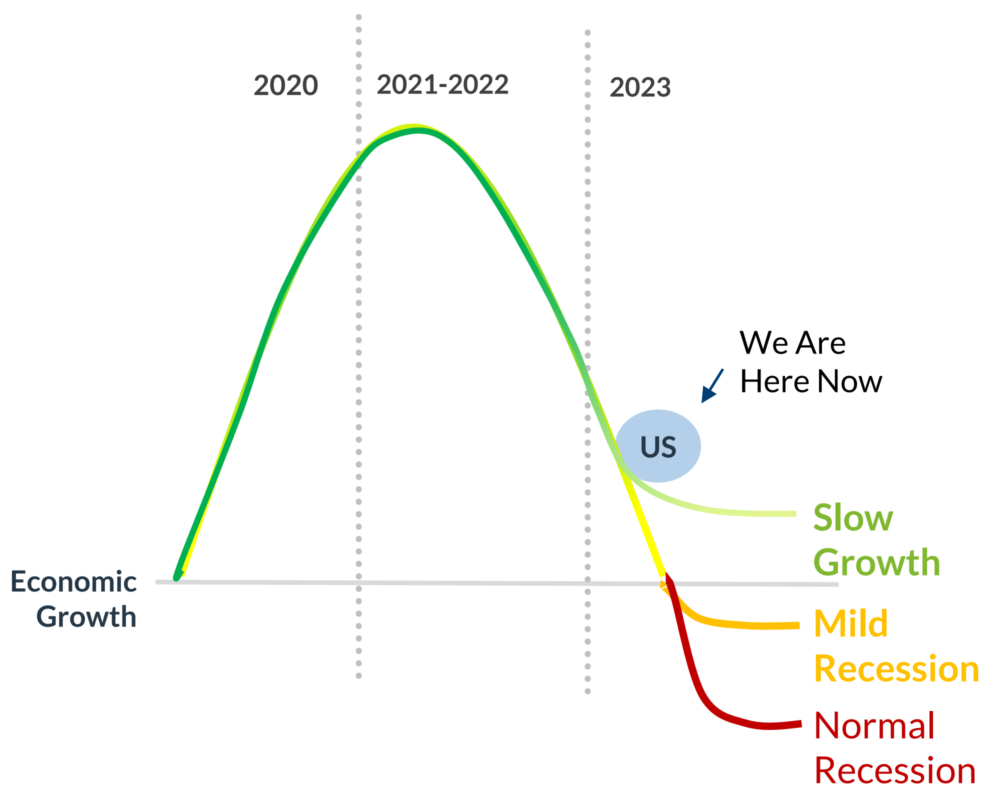
- Indicators have slowed as risk to the outlook increases.
- Recent slowing driven by higher inflation and commodity prices and more hawkish Fed policy.
- Watching geopolitical events with a heightened degree of concern.



Source: Proprietary opinions based on CNR Research, as of March 2023. Information is subject to change and is not a guarantee of future results.

2023 Outlook

- US recession odds modestly lowered to 70% on stronger than expected economic data; mild downturn still expected.
- Labor shortages should limit increases in unemployment, lowering risk of more normal recession.
- Consumer retrenchment is expected to be modest, supported by strong household balance sheets and real income.
- CNR 2023 GDP and EPS estimates are modestly below market consensus.



Outlook	Probability	GDP Growth	Earnings Growth
Slow Growth	30%	0% to 2%	0% to 12%
Mild Recession	65%	0% to -1%	-10% to 0%
Normal Recession	5%	-1% to -2%	-10% to -20%
Weighted Average		0%	-2.5%

Sources: Bloomberg, CNR Research, as of March 2023.
Information is subject to change and is not a guarantee of future results.

2023 Outlook Potential Scenarios

	Slow Growth	Mild Recession	Normal Recession
Probability	30%	65%	5%
Economy	Below trend	Contract-to-flat	Contract
Consumption	Moderate	Weak-to-moderate	Weak
Labor	Pace of hiring slows and "job gap" narrows	Moderate job losses	Significant increase in unemployment
Inflation	Remains elevated	Gradually eases	Falls faster
Interest Rates	Elevated but range bound	Lower	Curve inversion persists, long-end meaningfully lower
Fed Policy	Tightening continues well into 2023	Pause	Potential rate cut 2H of 2023
Geopolitical Risk	China reopens successfully, Ukraine resolution	Slow progress in China, Ukraine stalemate continues	China COVID-19 setbacks, Ukraine war escalates

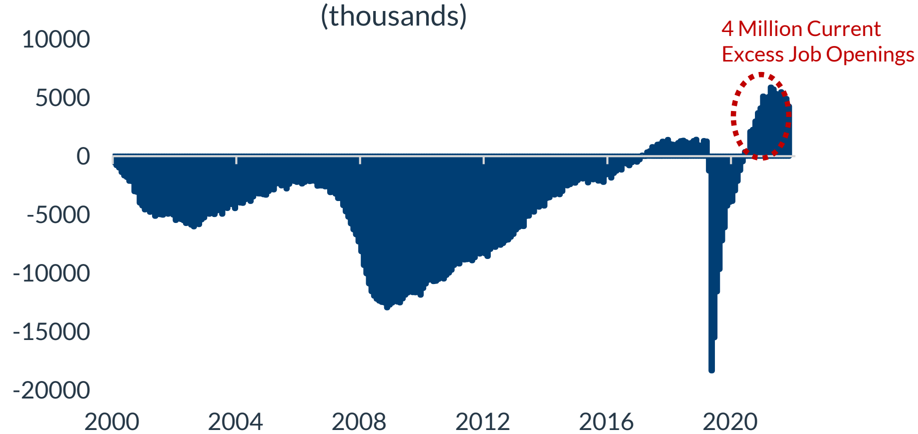
Source: CNR Research. Information is subject to change and is not a guarantee of future results.

The Case for Mild Recession

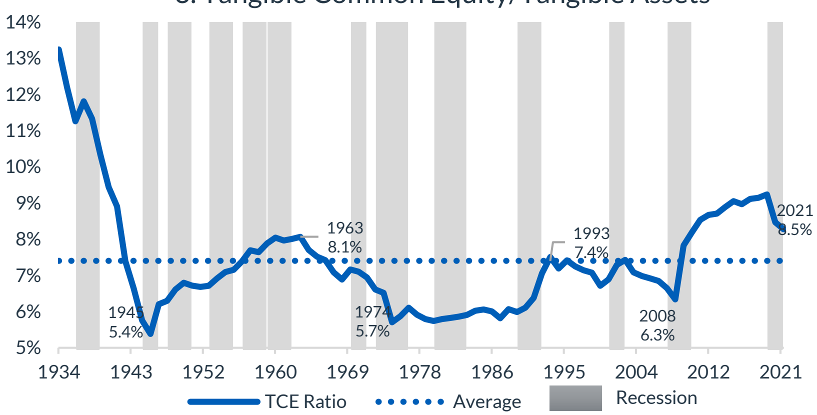
1. Healthy Households
2. Resilient Labor Market
3. Banks Well Capitalized
4. Room for Growth in Service Spending

1. Household Debt Service Burden

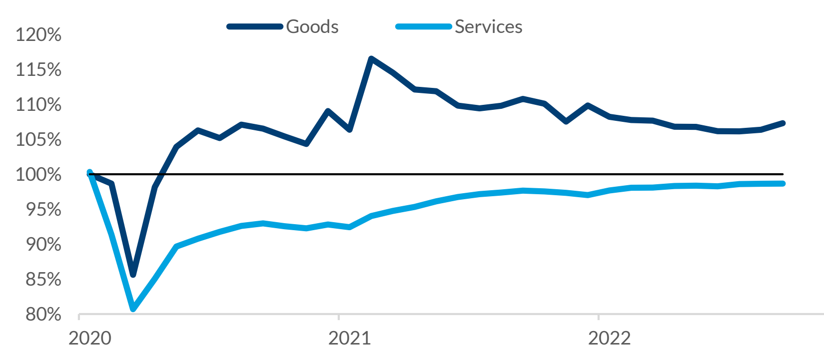
2. Job Openings Available Workers (thousands)



3. Tangible Common Equity/Tangible Assets



4. Real Personal Consumption Expenditures (Deviation from Pre-pandemic Growth Trend)



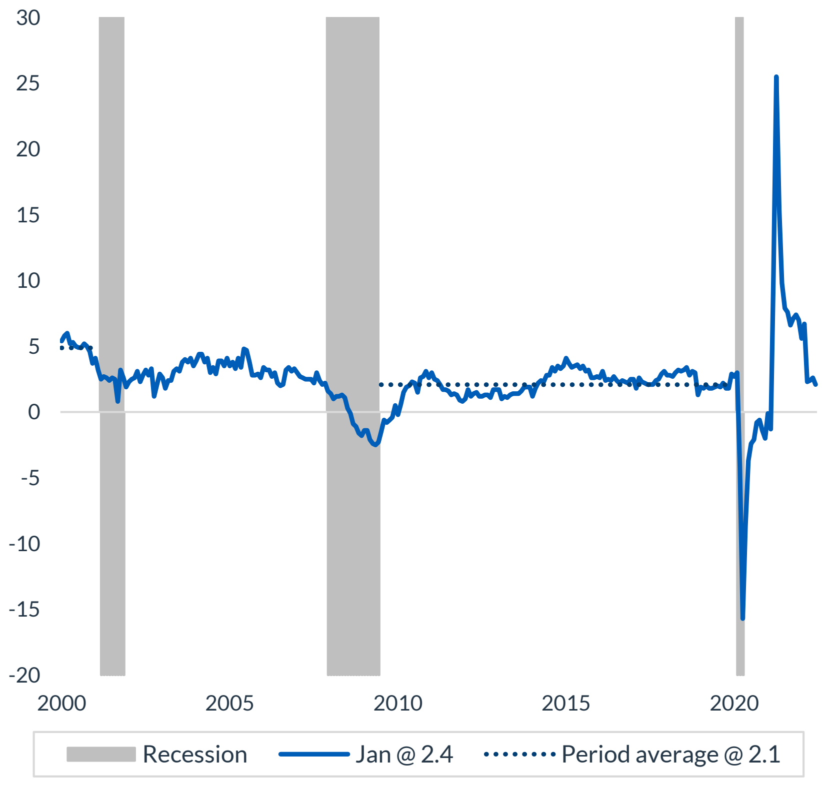
Sources: Chart 1: St. Louis Fed, as of Q2 2022. Chart 2: St. Louis Fed, as of October 2022. Chart 3: FDIC, as of year end 2021. Chart 4: St. Louis Fed, as of Q3 2022. Information is subject to change and is not a guarantee of future results.

Consumer Spending Returning to Pre-Pandemic Levels

- Although household balance sheets remain strong, spending habits are returning to pre-pandemic levels.
- There are no longer the surges in income from the various stimulus programs of the past few years.
- Stable income flows, along with higher inflation, have limited households' abilities to increase spending.

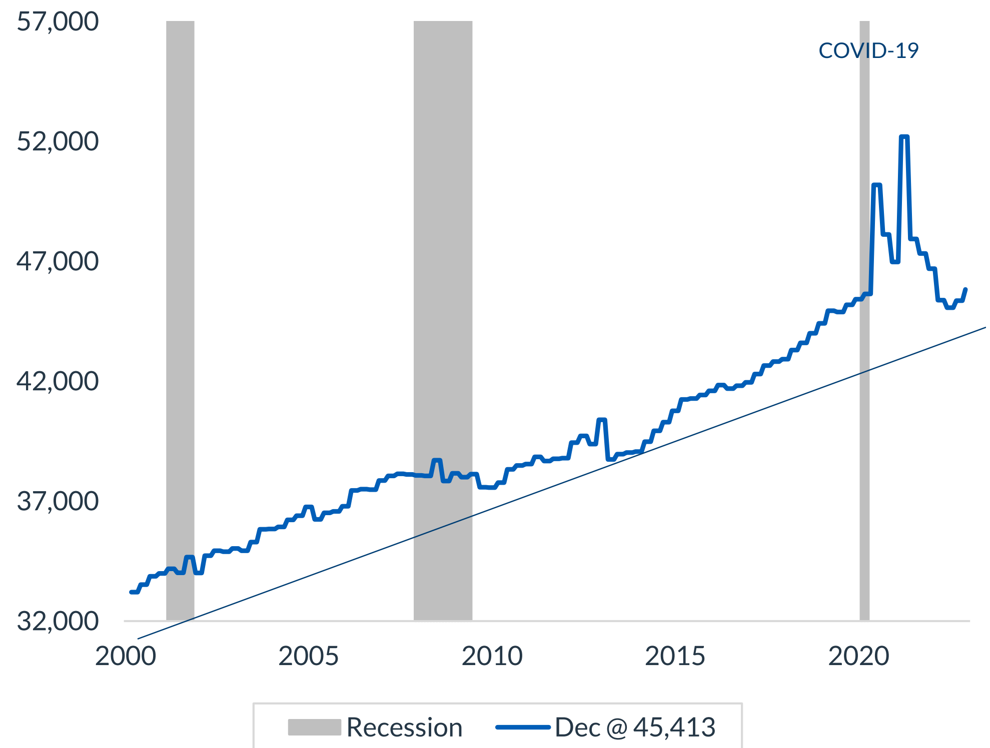
Real Personal Spending

% chg., y-o-y, seasonally adjusted



Real Disposable Personal Income Per Capita

$, Chain Linked 2012 Prices, SAAR

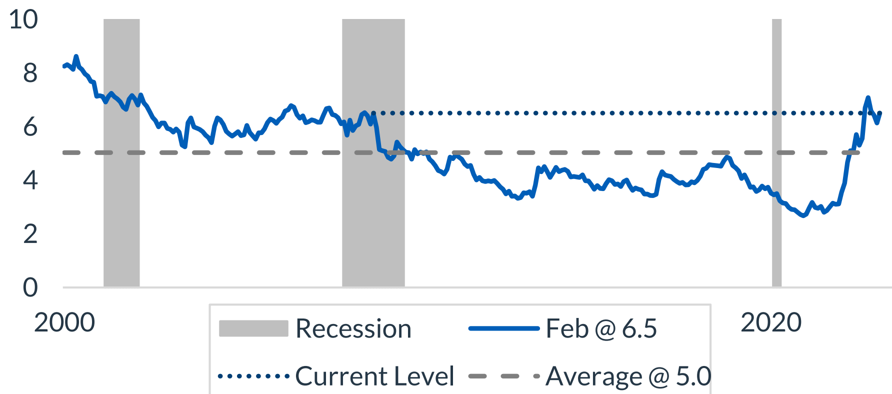


Sources: US Bureau of Economic Analysis (BEA), as of February 2023.
A seasonally adjusted annual rate (SAAR) is a rate adjustment used for economic or business data, such as sales numbers or employment figures, that attempts to remove seasonal variations in the data. Information is subject to change and is not a guarantee of future results.

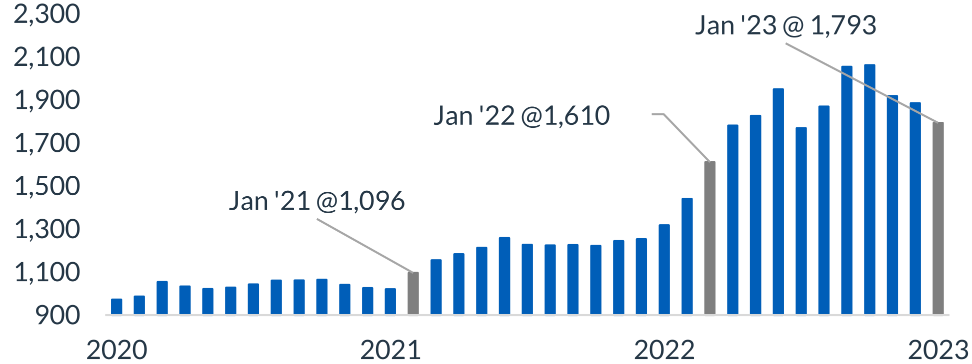
Housing Is Already Feeling the Pressure

- Housing is facing increasing headwinds of higher interest rates and falling post-pandemic demand.
- Homebuilder sentiment and activity is now at its lowest level since June 2020.
- Low inventories have helped support elevated home prices, but increases appear to be plateauing.

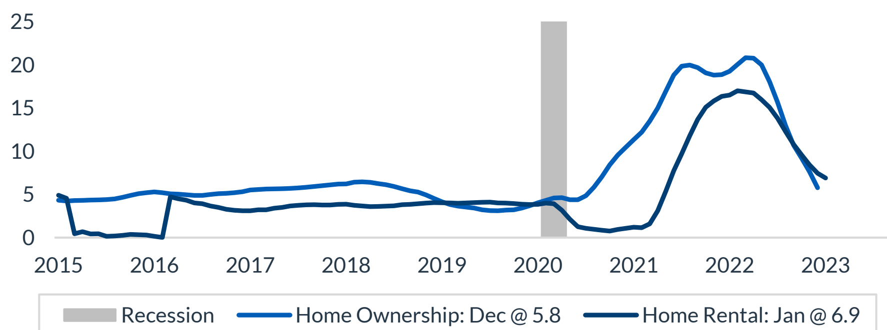
Mortgage Rates (%)
30-year Fixed Rate Mortgage



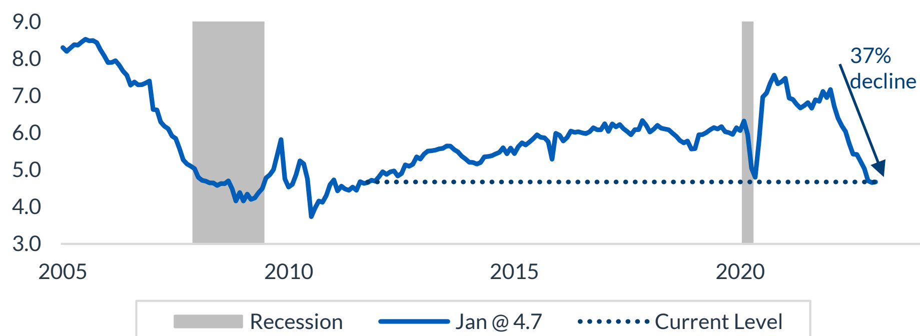
Monthly Mortgage Payment - Median Existing Home
$, 30-year fixed rate mortgage, 80% financing



Housing Costs
% change, y-o-y



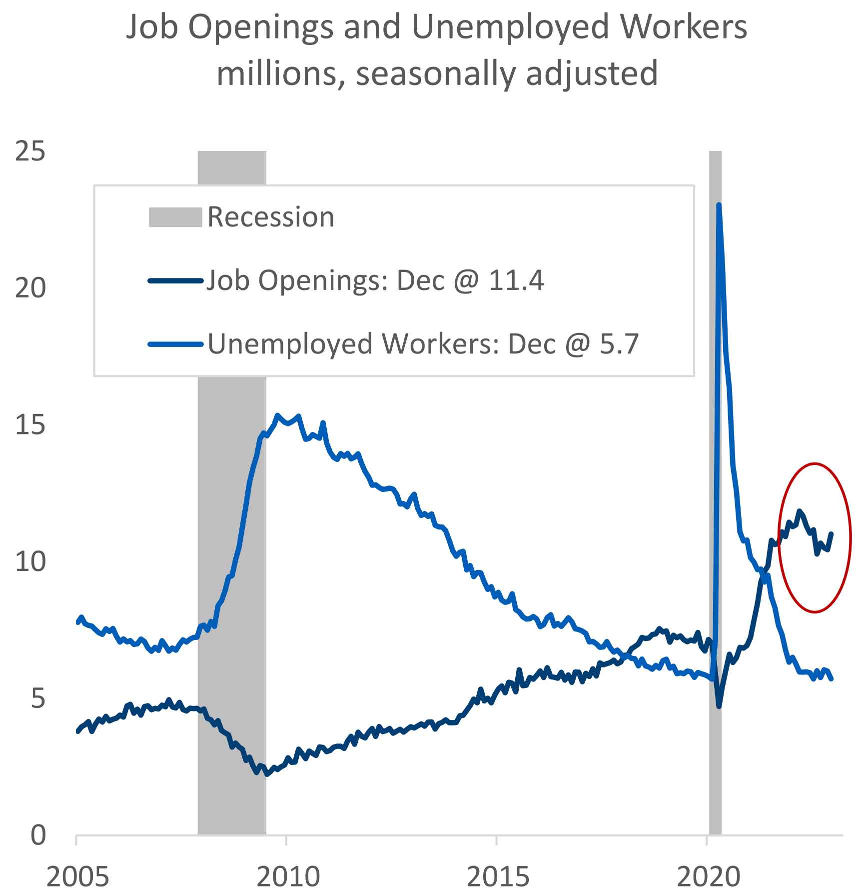
New & Existing Home Sales
units, millions, seasonally adjusted annual rate

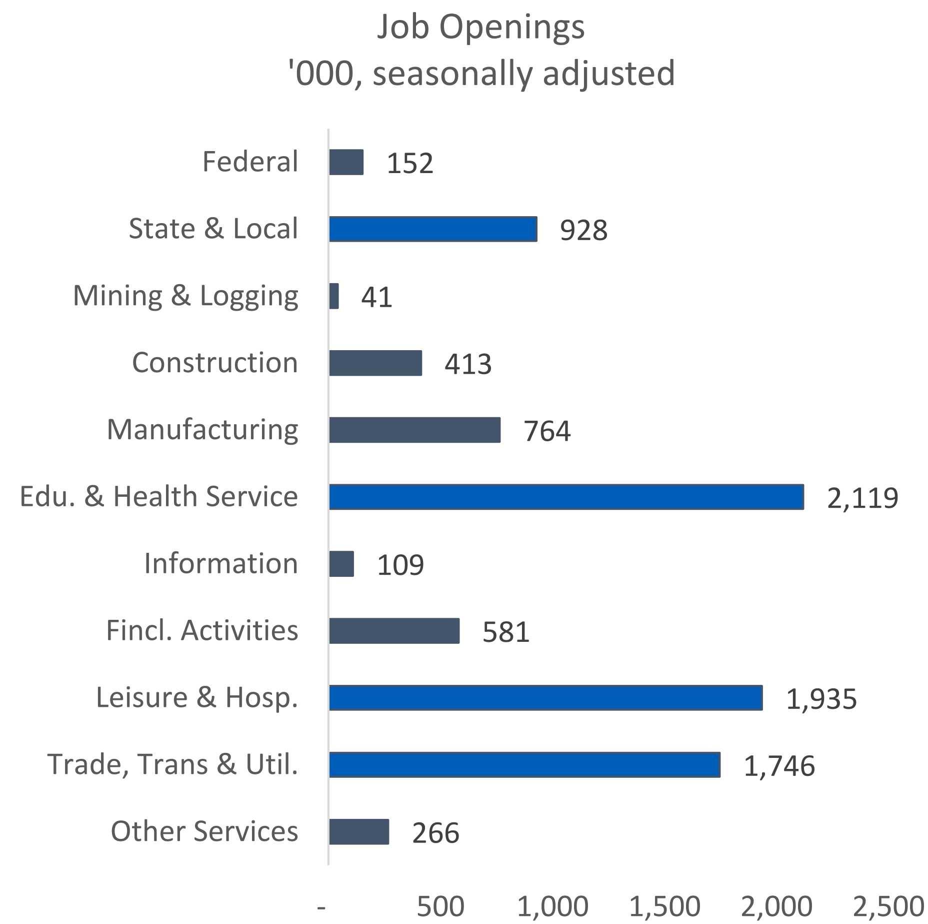


Sources: Freddie Mac Commitment Rate; National Association of Realtors, Bankrate.com; S&P CoreLogic Case-Shiller, Zillow Inc., National Association of Realtors, US Census Bureau, as of February 2023.
Information is subject to change and is not a guarantee of future results.

Labor Market Remains Strong

- The demand for workers is near record levels and is broad-based.
- Particularly in industries most effected by the pandemic (Education, Health Care, Leisure/Hospitality)

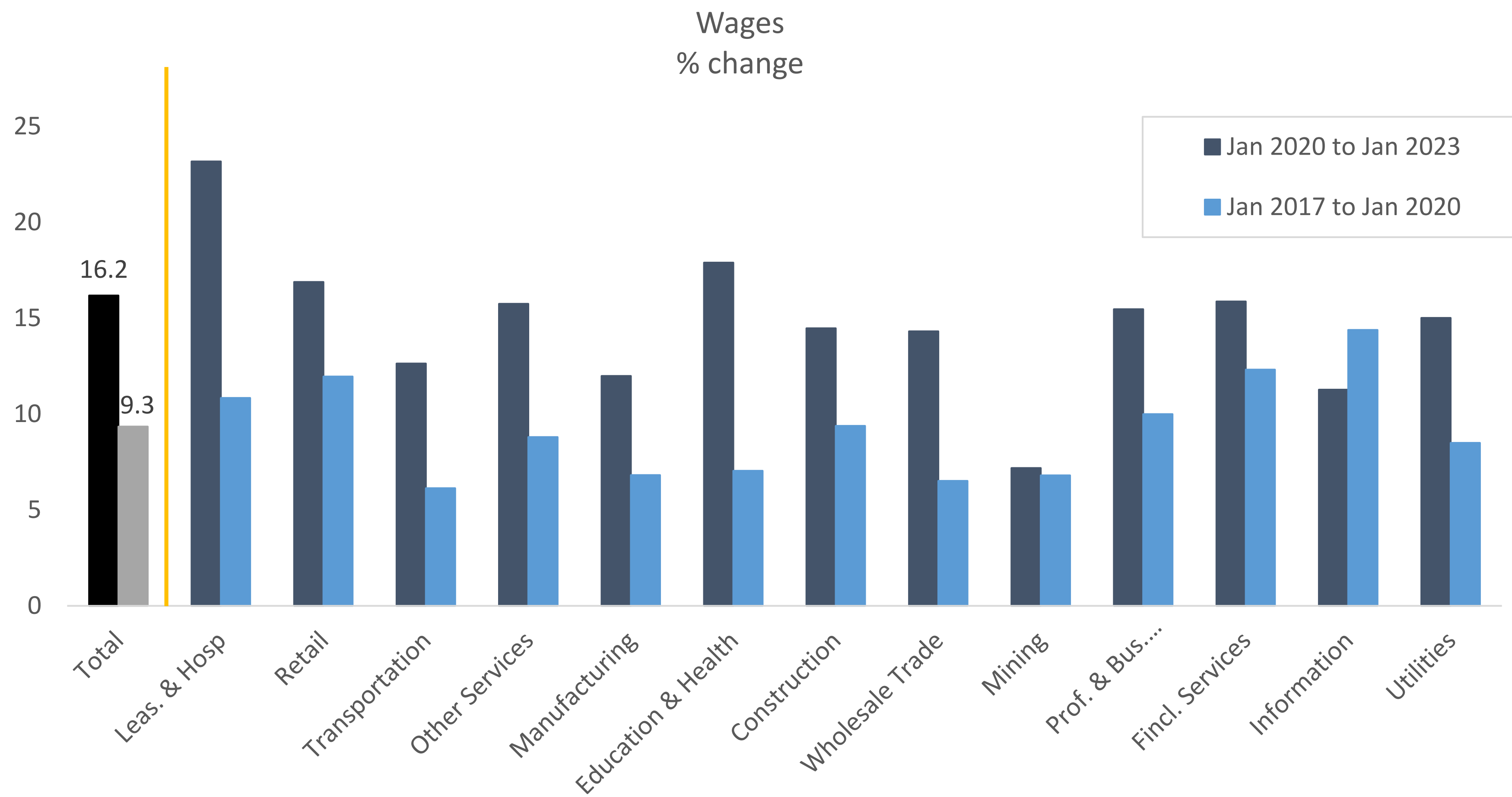




Source: Bureau of Labor Statistics.
Information is subject to change and is not a guarantee of future results.

Wage Pressures Are Key to Inflation Outlook

- Wage pressures are generally sticky; they don't tend to go down once they have moved up.
- Wage pressures are greater now than before the pandemic.



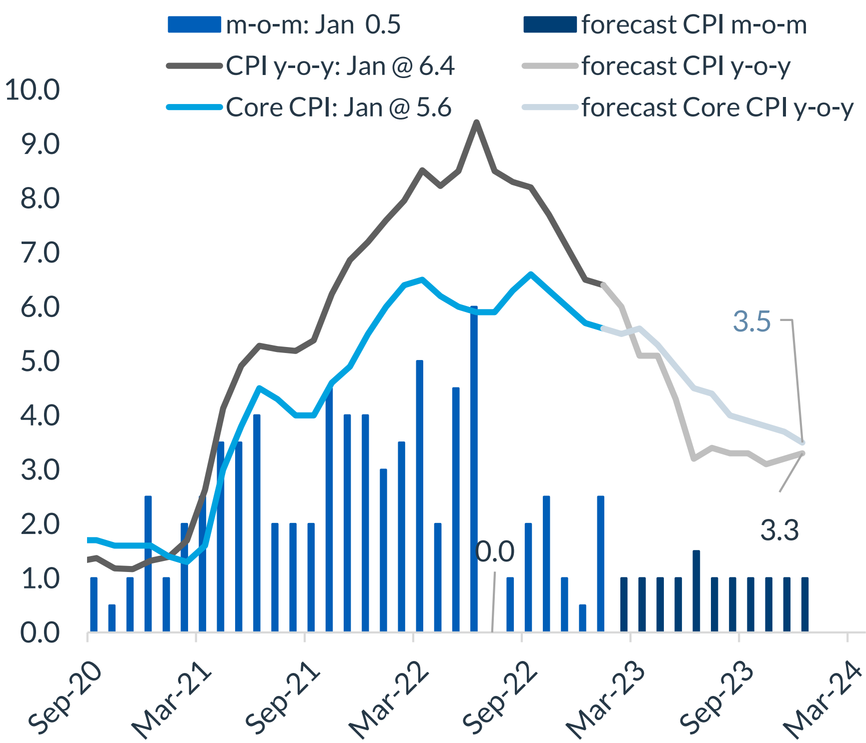
Source: Bureau of Labor Statistics.
Information is subject to change and is not a guarantee of future results.

Inflation Expected to Continue to Moderate

- Expect headline and core inflation to continue to slow through the first half of 2023.
- Slowdown driven by goods prices, with supply chain disruptions easing and high demand falling.
- Service sector pressures, particularly in labor intensive industries, are proving more sticky.

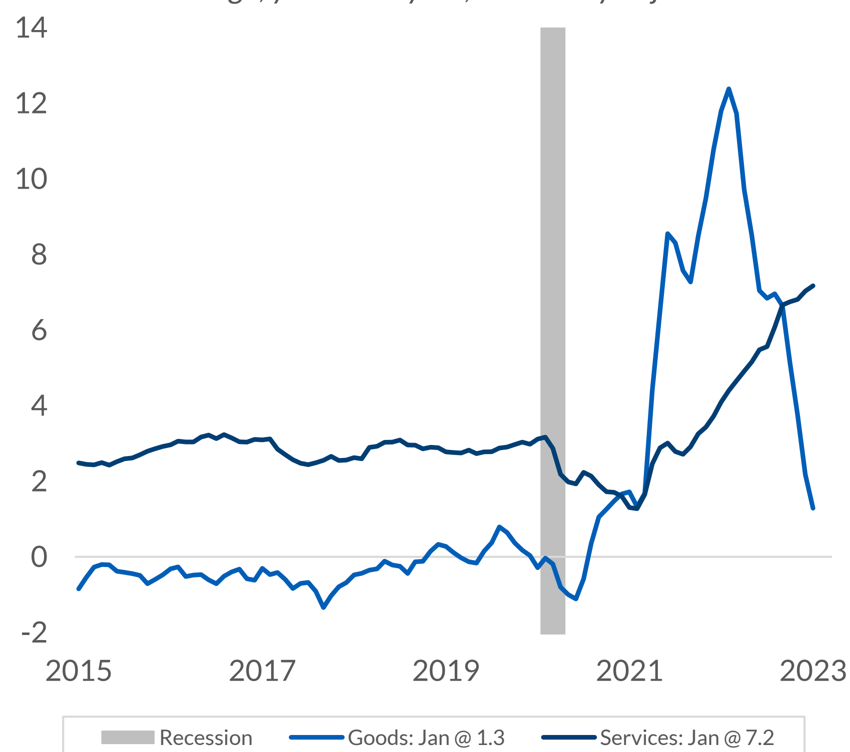
Consumer Price Index - with Forecast

%, annual rate, seasonally adjusted



Core CPI: Goods and Services

% change, year-over-year, seasonally adjusted



Sources: US Bureau of Labor Statistics, CNR Research, as of January 2023.
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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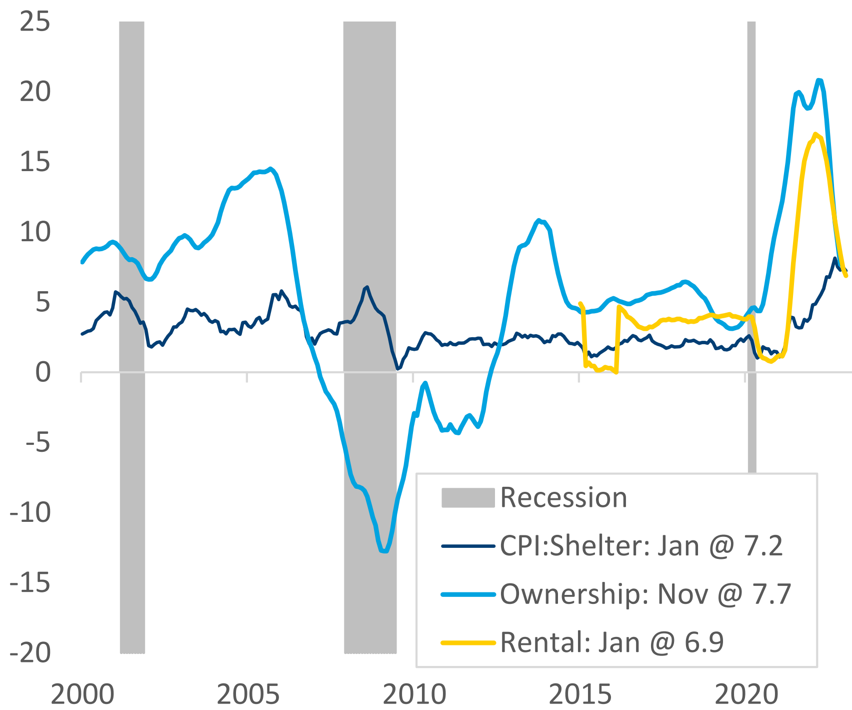
Fed Focused on Prices for Services Other than Housing

- The Fed remains concerned with high level service inflation.
- They recognize with rental prices falling, shelter costs should soon follow
- They are now primarily concerned with the labor-intensive portion of service inflation ex-housing.

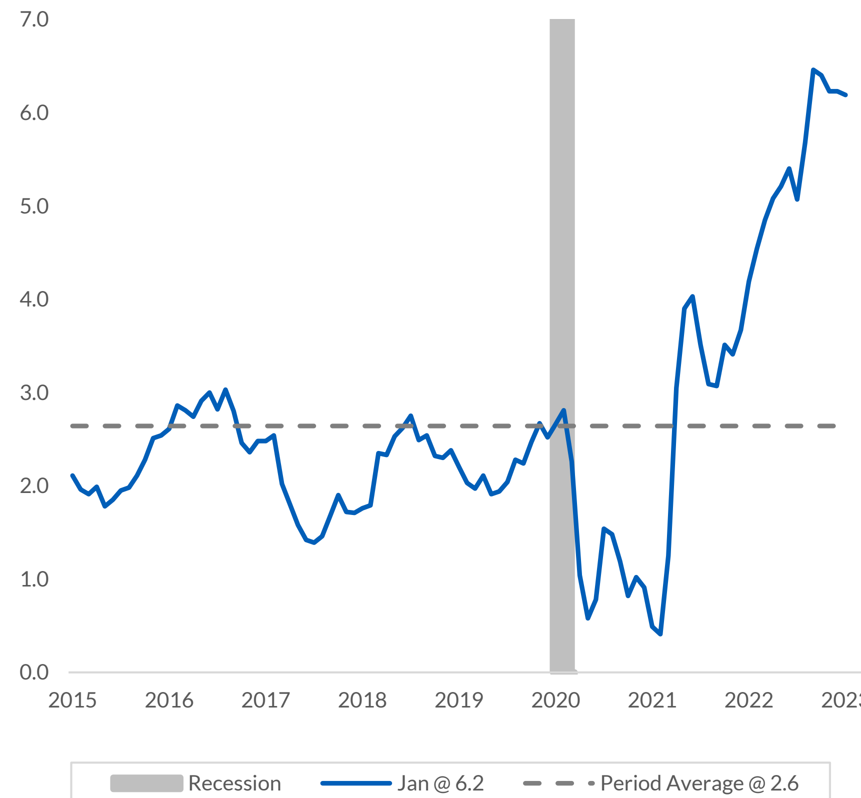
Home Prices: CPI: Shelter, Ownership, Rental

% change, y-o-y



CPI Services, Less Housing (SuperCore)

% change, y-o-y, seasonally adjusted



Source: Bureau of Labor Statistics.
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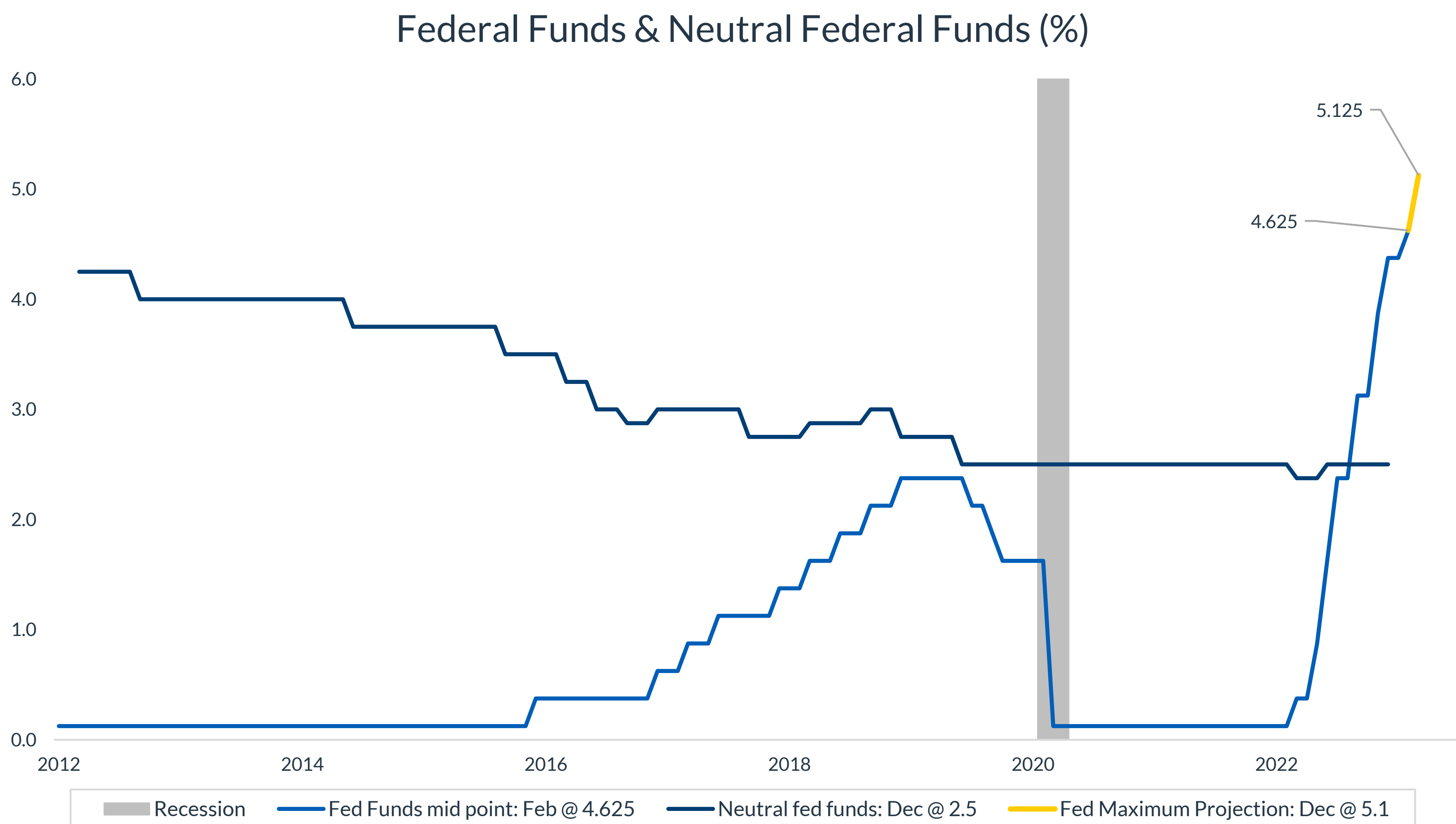
The Fed Policy Remains Hawkish

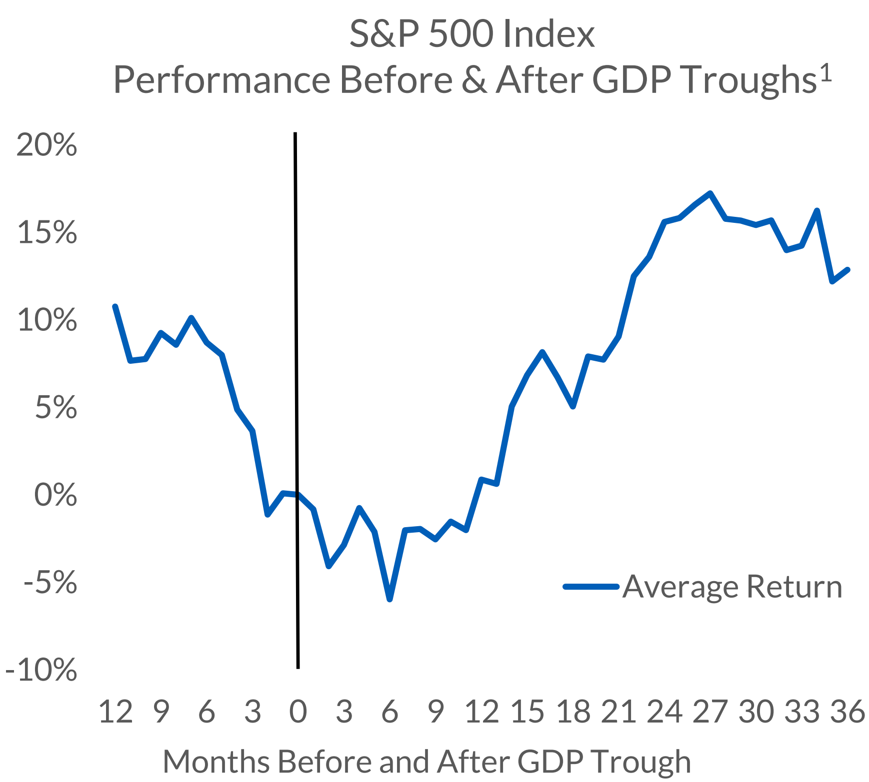
- The Fed has increased the federal funds rate well into the restrictive territory.
- Policymakers have indicated even more rate hikes may be necessary to tame inflation.

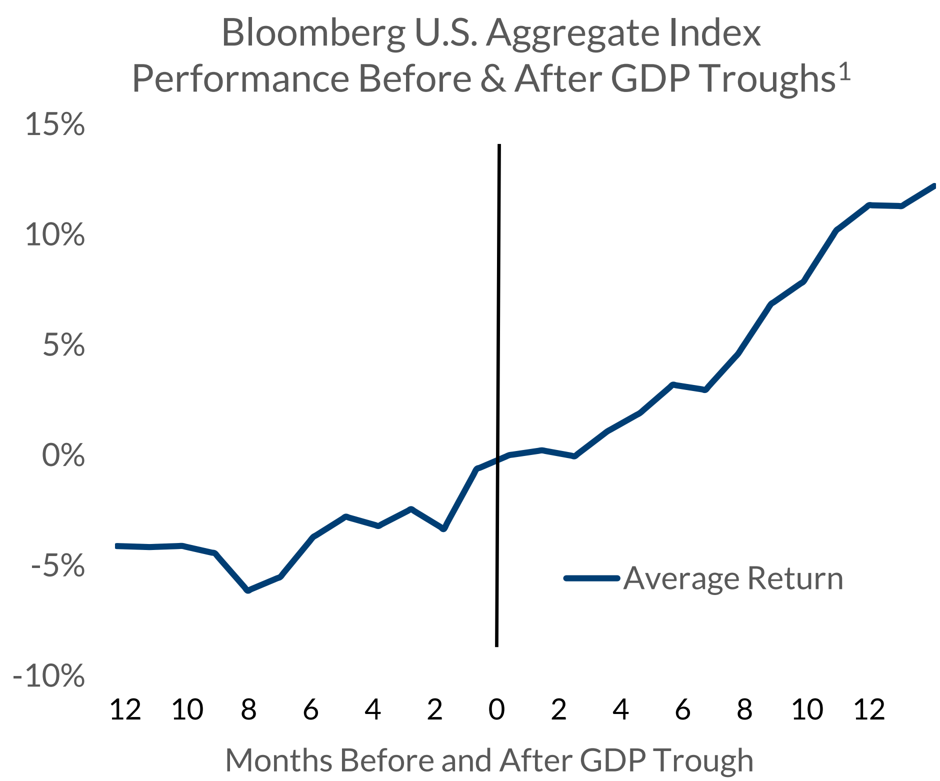


Source: Federal Reserve.
Information is subject to change and is not a guarantee of future results.

More Positive Year Expected for Financial Markets

- Expecting moderate returns of 5-7% for portfolios balanced with stocks and bonds.
- Fixed income expected to lead the way with lower volatility.
- Sustainable stock returns should fall into place in second half of 2023.

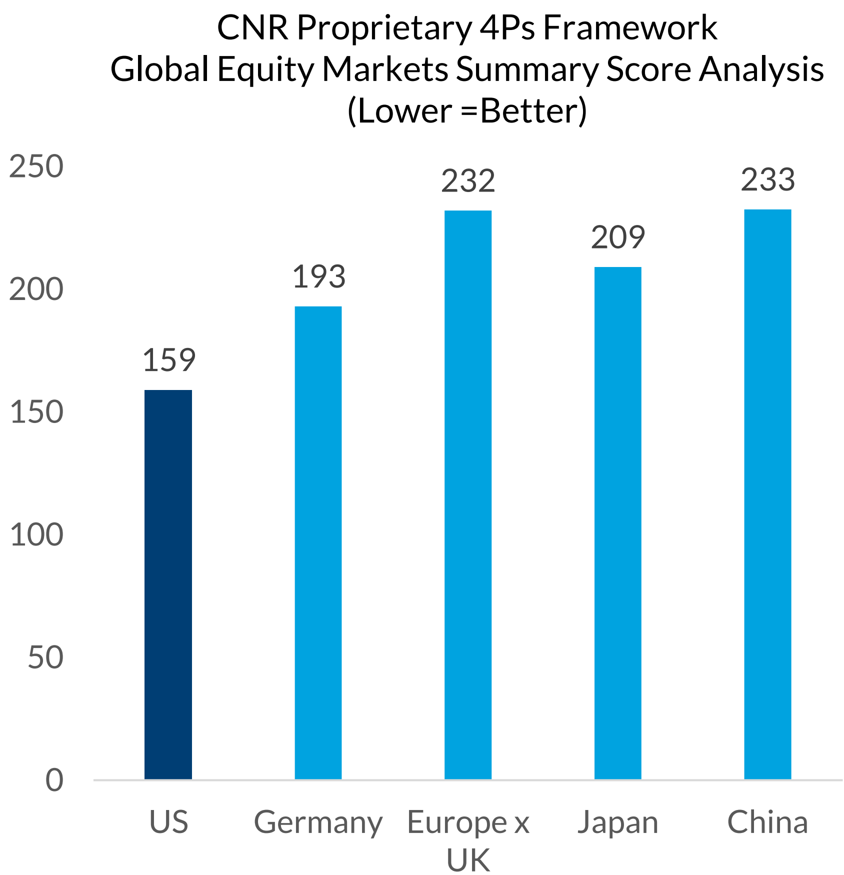




Sources: Bloomberg, CNR Research, as of February, 2023. Information is subject to change and is not a guarantee of future results.
[1] Covers performance periods with GDP troughs in 1970, 1973, 1981, 1990, 2001 and 2008.

US Remains Best Region Given Macro Uncertainty

- US outlook remains most resilient for investors.
- US continues to be best positioned for long term growth among major economies.
- CNR proprietary 4Ps ranking is supportive of continued overweight to US equites.



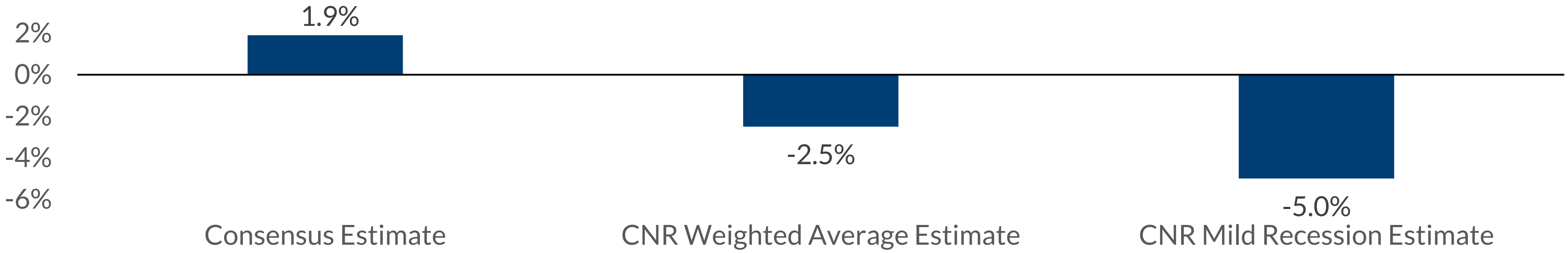
Country/ Region	What's Needed to Change Our Outlook?
China	• Reversal of state control measures • Relaxation of tensions with West • Easing of property market bubble
Euro Area	• Clean end to Ukraine War/Peace dividend • Higher nominal GDP potential • Competitive market reforms

Sources: Bloomberg, CNR Research, as of February 2023. Information is subject to change and is not a guarantee of future results.

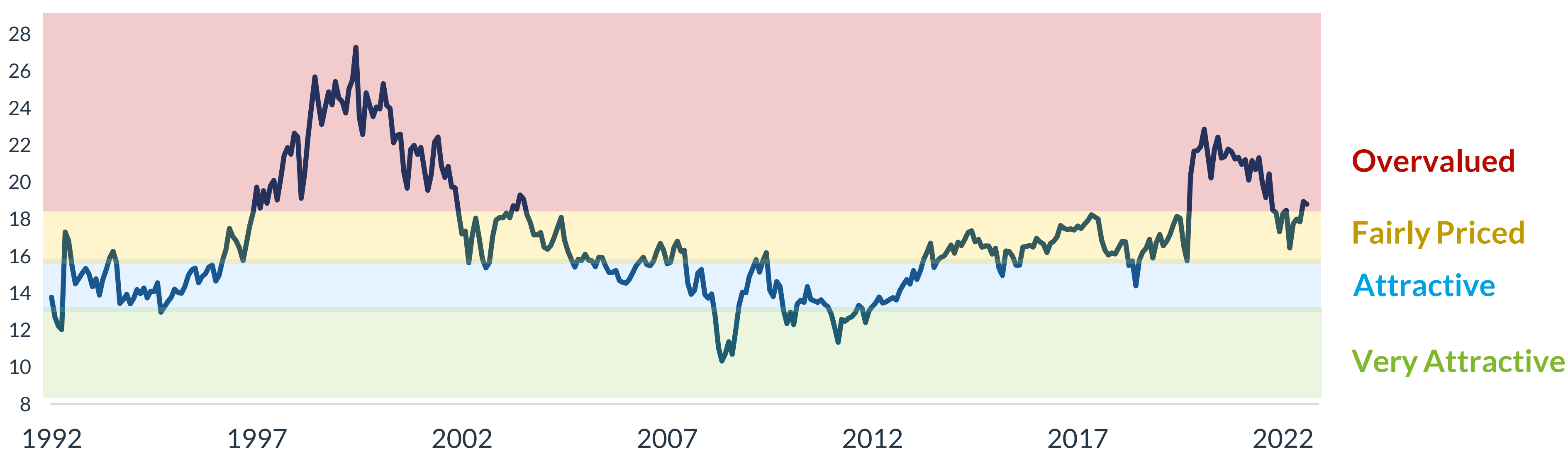
Markets Appear to Have Gotten Ahead of Themselves

- Focusing on fundamentals is key.
- Earnings estimates have come down significantly, but markets are still pricing in soft landing scenario.
- The market rally since October lows has been driven entirely by multiple expansion.

2023 S&P 500 Earnings Growth Forecasts



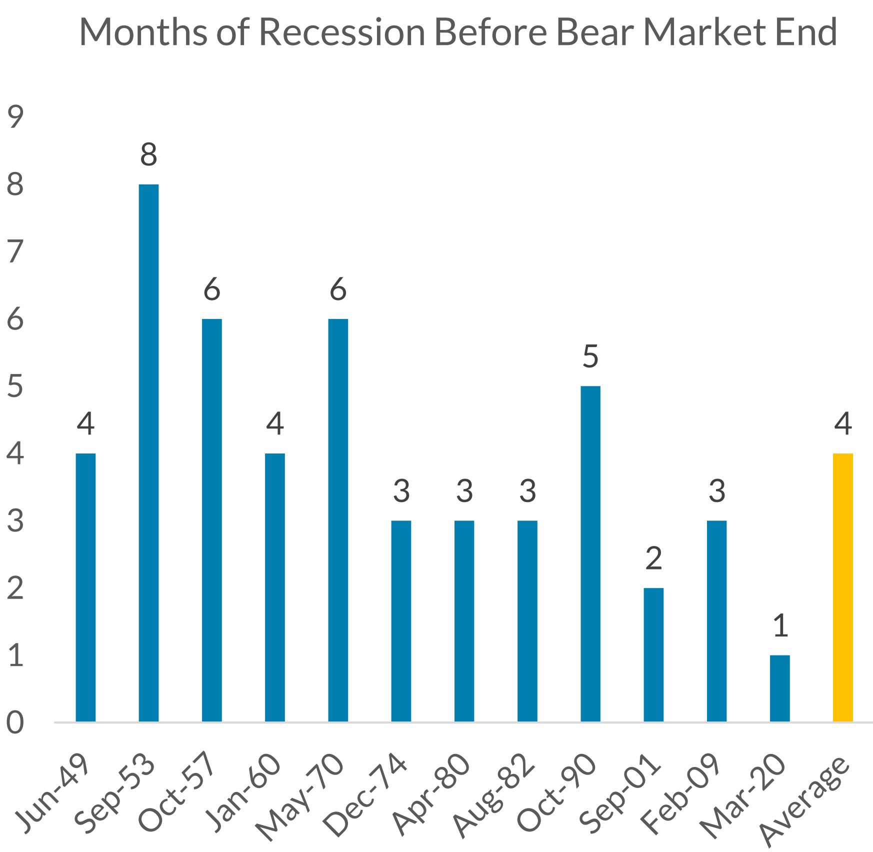
S&P 500 Forward Price/Earnings Ratio

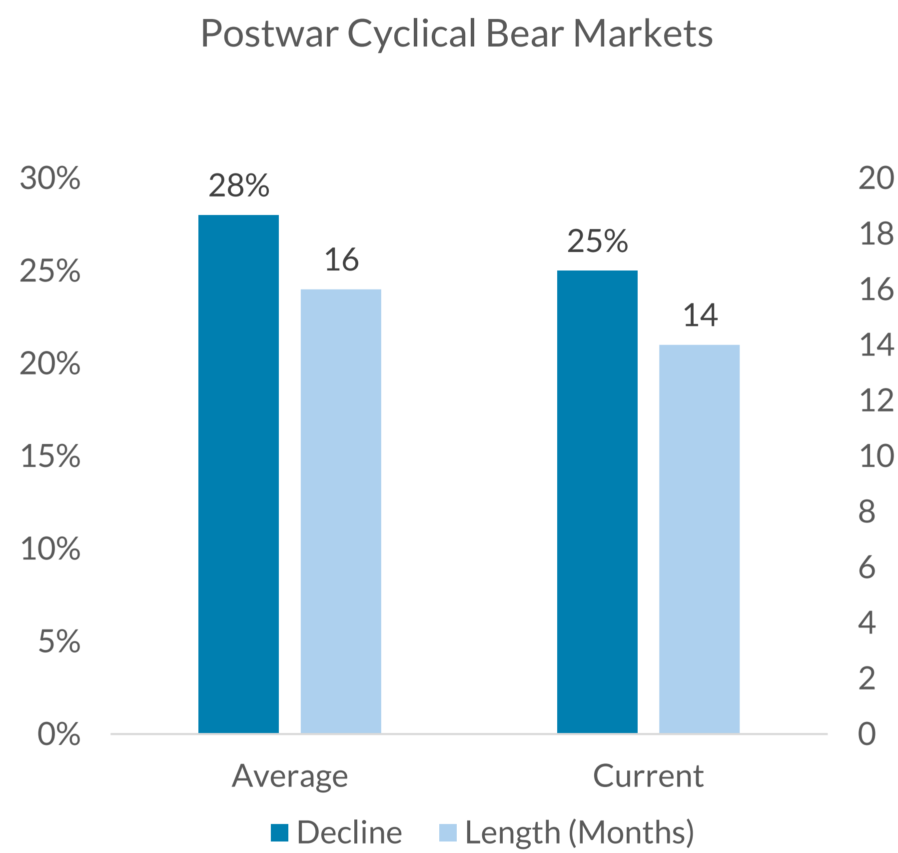


Sources: FactSet, CNR Research, as of February 2023.
Indices are unmanaged, and one cannot invest directly in an index. Information is subject to change and is not a guarantee of future results.

Bear Markets Historically End After Recession Begins

- History suggests we are coming close to the end of the cyclical bear market.
- Recessionary bear markets have never ended before a recession begins.
- Further downside likely if mild recession occurs.

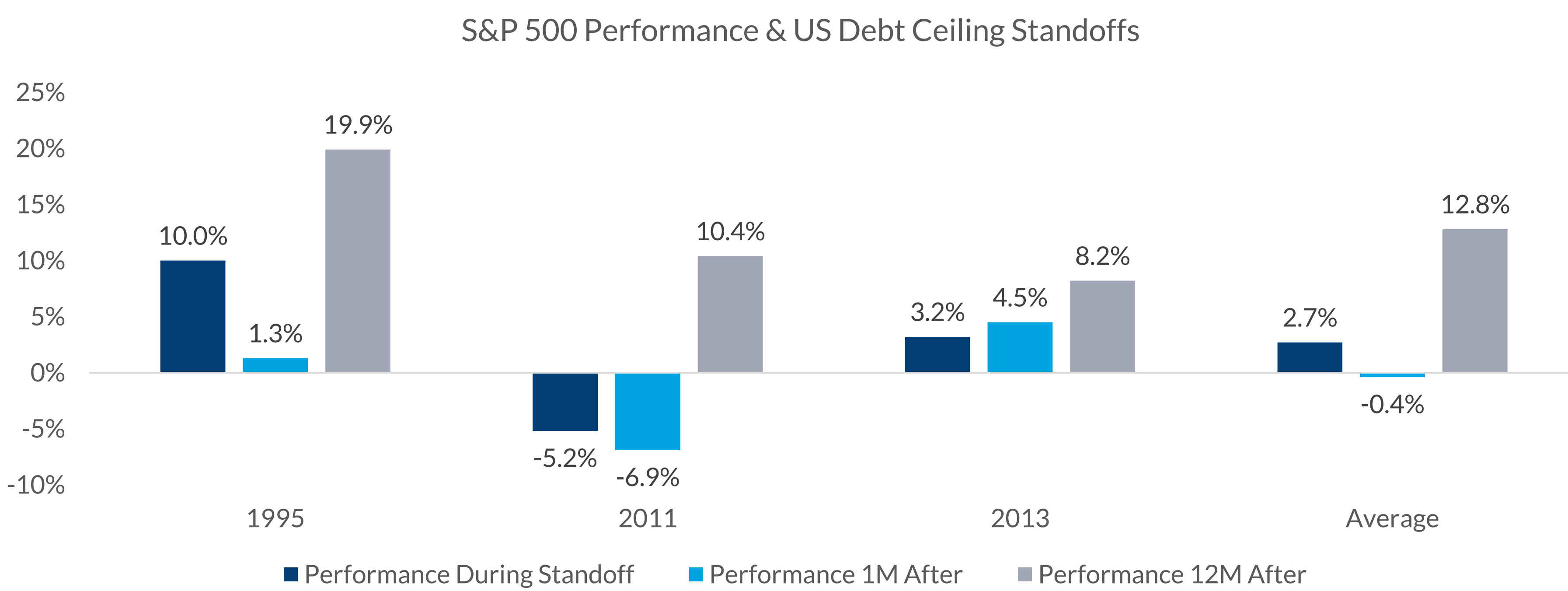




Sources: Bloomberg, CNR Research, as of February 2023. Information is subject to change and is not a guarantee of future results.

US Debt Ceiling – Another Source of Potential Volatility

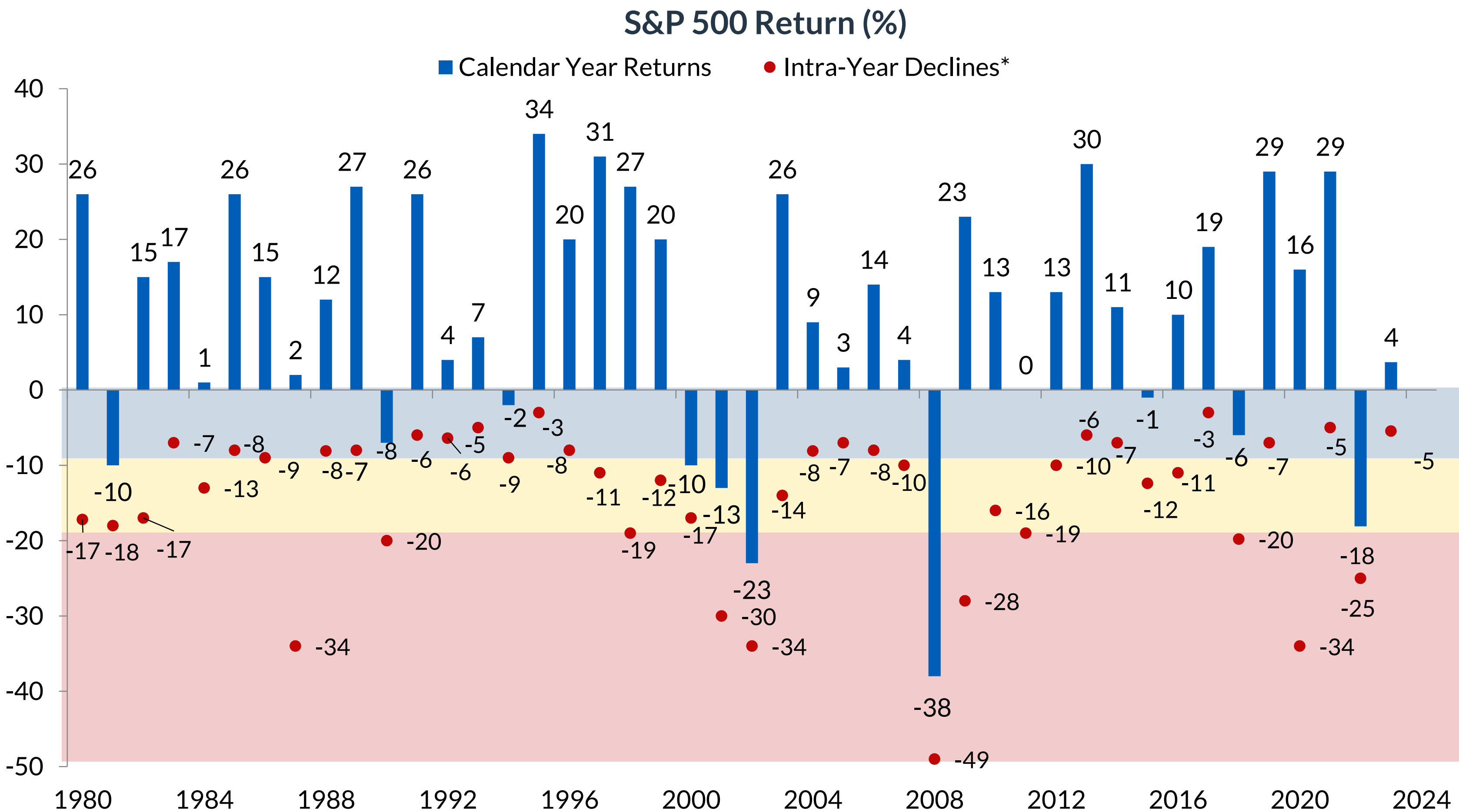
Debt Ceiling Standoff	Date	Performance During Standoff	Performance 1M After	Performance 12M After	Details
1995	Oct 1995 - Mar 1996	10.00%	1.30%	19.90%	Two periods of government shutdowns (5 and 21 days)
2011	May 2011 - Aug 2011	-5.20%	-6.90%	10.40%	S&P downgrades US credit rating from AAA to AA+
2013	May 2013 - Oct 2013	3.20%	4.50%	8.20%	Government shutdown for 16 days



Source: FactSet. Indices are unmanaged, and one cannot invest directly in an index. Index returns do not reflect a deduction for fees or expenses. Past performance is not a guarantee of future results.

Short-Term Volatility Is Normal

- Corrections are a normal part of market movements.
- The breadth and depth of this pullback is likely to add more time to an ultimate recovery.



Sources: Bloomberg, CNR Research, as of February 28, 2023.
*Intra-year declines are the largest declines within the calendar year.
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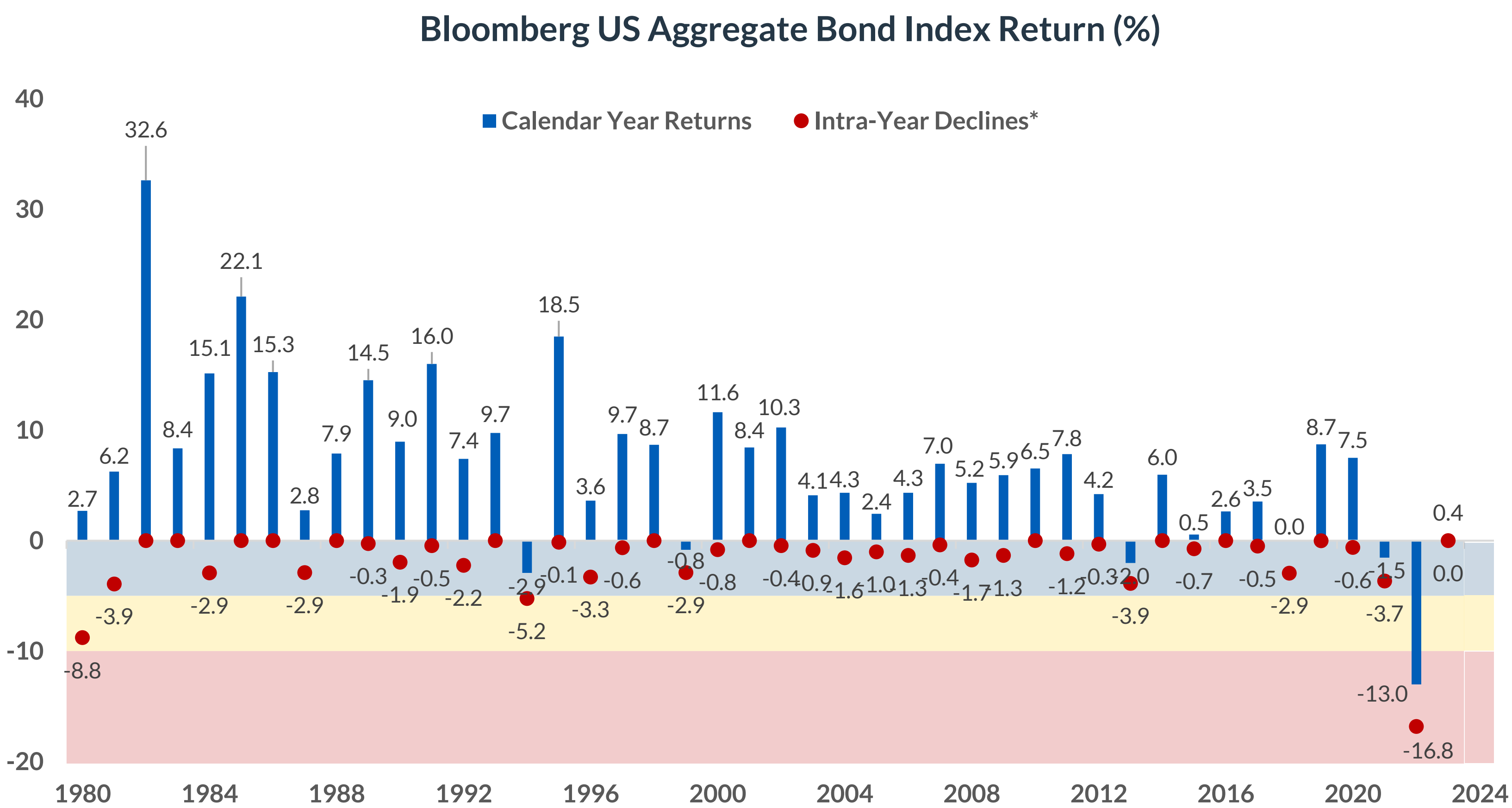
Short-Term Bond Market Volatility Is Not Normal

- 2022 is the largest pullback on record since 1980 in fixed income.
- Fixed income volatility is high, and the magnitude of this year's move is unprecedented.
- High interest rate sensitivity, high inflation, historically low interest rates and a surprise shock from the Fed have fueled negative returns.



Source: Bloomberg, as of February 28, 2023.
*Intra-year declines are the largest declines within the calendar year.
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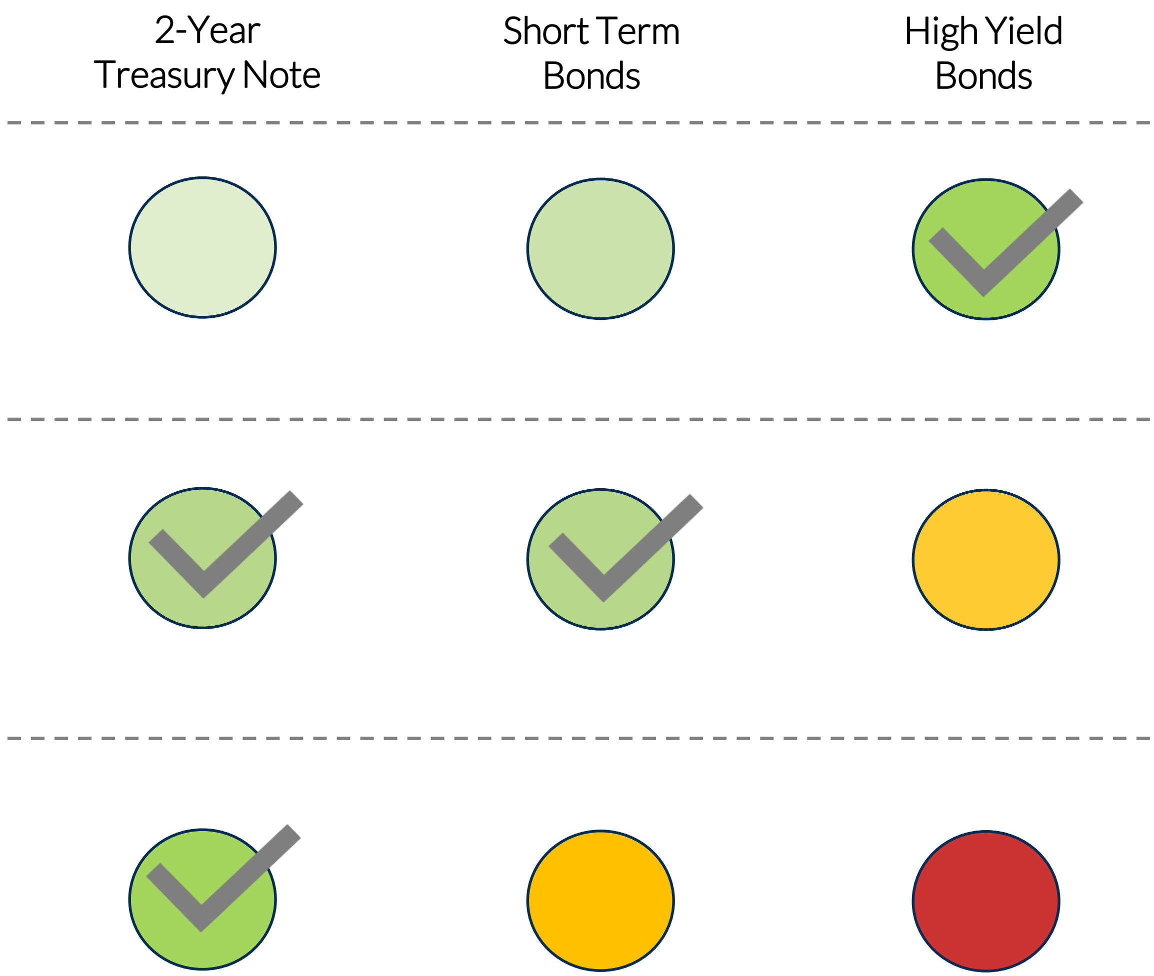
Investment Grade Is Now a More Compelling Allocation

- High yield debt remains attractive in the long term, but we recommend reducing our overweight.

Slow Growth (30%)
- Stable Rates
- Resilient Growth
- Healthy Corporate Environment

Mild Recession (65%)
- Lower/Stable Rates
- Negative Growth
- Moderate Corporate Defaults

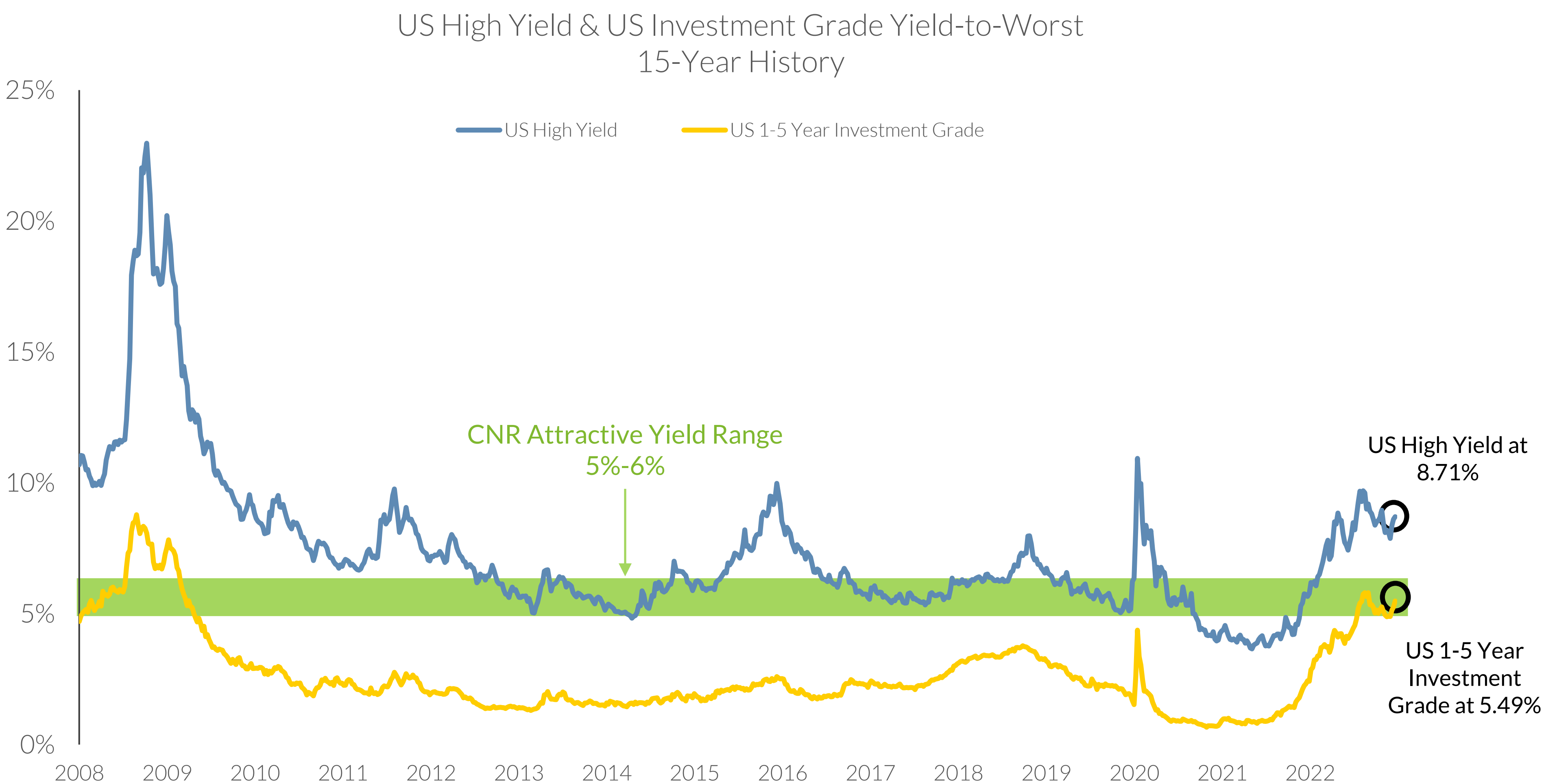
Normal Recession (5%)
- Flight to Safety
- Significant GDP Decline
- High Default Rates



Sources: Bloomberg, CNR Research, as of March 2023. Indices are unmanaged, and one cannot invest directly in an index. Index returns do not reflect a deduction for fees or expenses. Information is subject to change and is not a guarantee of future results. See index definitions for more information.

Attractive Investment Grade Yield

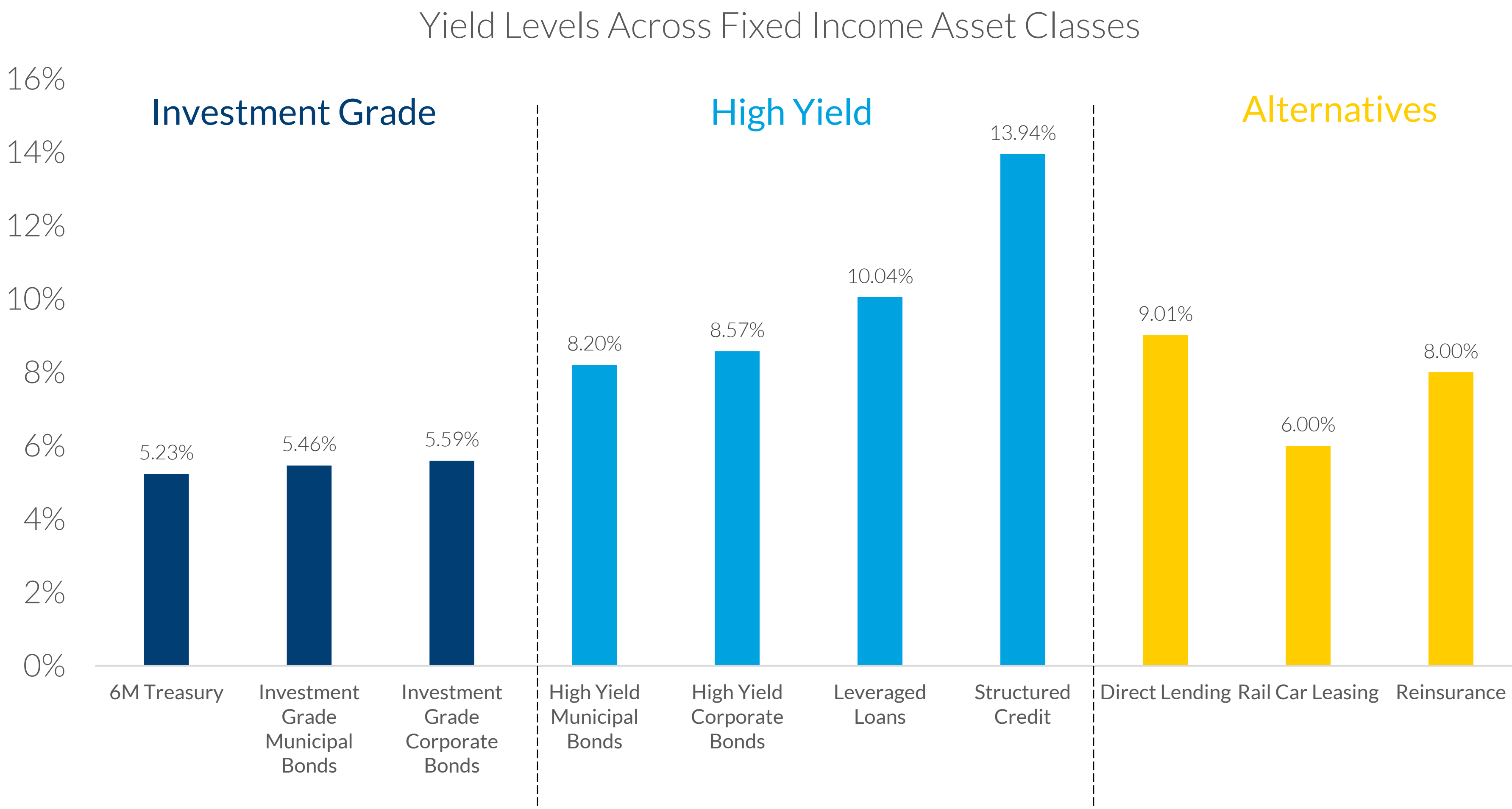
The First Time in 15 Years



Sources: Bloomberg, CNR Research, as of February 24, 2023.
Past performance is no guarantee of future results.
Refer to the index definitions for more information.

Yields Are Substantially Higher

- Higher yields have opened the door to a more diversified fixed income allocation.



Municipal bond index yields are tax-adjusted at 37% federal and 2.8% Medicare surcharge rates.
Sources: Bloomberg, CNR Research, as of February 2023. Information is not representative of any CNR product or service. Indices are unmanaged, and one cannot invest directly in an index. Index returns do not reflect a deduction for fees or expenses. Information is subject to change and is not a guarantee of future results. See index definitions for more information.

Upcoming Events & Key Signals We Are Watching For

Indicator	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Bottoming in ISM PMI Index										
Headline CPI Falls Below Wage Growth										
Fed Funds Rate Peaks/ Fed Pauses										
Economic Activity Bottoms										
Upward Earnings Revisions Begin										
Debt Ceiling Resolution										

Source: CNR Research, February 2023. Information is subject to change and is not a guarantee of future results.

Potential Next Steps for Portfolios

Asset Allocation Positioning	Stocks	Bonds
Current	Modest Underweight	Modest Overweight
Base Case	Neutral Weight	Neutral Weight
Best Case	Modest to Strong Overweight	Modest to Strong Underweight
Worst Case	Strong Underweight	Strong Overweight

Asset Allocation Positioning
Base Case
• Signs of bottoming economic activity/beginning of new growth cycle • Add cyclical US equity exposure • Reduce investment grade (IG) fixed income allocations
Best Case
• Higher confidence of multi-year expansion/geopolitical risk easing • Overweight US equity exposure, underweight IG fixed income allocations • International equity contingent on geopolitical considerations
Worst Case
• High risk of structural bear market/deeper recession, exogenous shock • Meaningfully lower overall equity exposure • Meaningfully increase allocations to IG fixed income

Source: CNR Research, February 2023. Information is subject to change and is not a guarantee of future results.

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 MSCI World is a market cap weighted stock market index of 1,655 companies throughout the world. It is maintained by MSCI, formerly Morgan Stanley Capital International, and is used as a common benchmark for 'world' or 'global' stock funds intended to represent a broad cross-section of global markets.

The Michigan Consumer Sentiment Index (MCSI) is a monthly survey of U.S. consumer confidence levels conducted by the University of Michigan. It is based on telephone surveys that gather information on consumer expectations regarding the overall economy.

The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in the first quarter of 1966.

The Barclays Aggregate Bond Index is composed of U.S. government, mortgage-backed, asset-backed, and corporate fixed income securities with maturities of one year or more.

The Barclays High Yield Municipal Index covers the high yield portion of the U.S.-dollar-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

The Bloomberg Barclays U.S. Corporate Bond Index is an unmanaged market-value-weighted index of investment-grade corporate fixed-rate debt issues with maturities of one year or more.

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 Bloomberg Barclays US Aggregate Bond Index is the most widely followed U.S. bond market index. It measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

The U.S. Treasury 10-year Note is a debt obligation issued by the United States government that matures in 10 years. A 10-year Treasury Note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity.

Employment Index: U.S. 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.

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

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.

Leveraged Loans – S&P LSTA Leveraged Loan Index, 6m T-Bills – ICE BofA 6-Month Treasury Bill Index, U.S. High Yield Corporate: 1-3 Years – ICE BofA U.S. High Yield 1-3 Year Index, Intermediate Municipal – Bloomberg 1-15 Yr Municipal Index, U.S. High Yield Corporate – Bloomberg U.S. High Yield Corporate Index, Intermediate IG Corporate – Bloomberg Intermediate Corporate Index, High Yield Municipal – Bloomberg 60% Tax-Exempt HY/40% LB Municipal Index

Index Definitions

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada. As of June 2007, the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

The Michigan Consumer Sentiment Index (MCSI) is a monthly survey of U.S. consumer confidence levels conducted by the University of Michigan. It is based on telephone surveys that gather information on consumer expectations regarding the overall economy.

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.

The Bloomberg Barclays Emerging Markets USD Aggregate Index tracks total returns for external-currency-denominated debt instruments of the emerging markets. Countries covered are Argentina, Brazil, Bulgaria, Ecuador, Mexico, Morocco, Nigeria, Panama, Peru, the Philippines, Poland, Russia and Venezuela.

The Bloomberg Barclays U.S. Agency Bond Index is a rules-based, market-value-weighted index engineered to measure investment-grade agency securities publicly issued by U.S. government agencies. Mortgage-backed securities are excluded.

S&P Leveraged Loan Indexes (S&P LL indexes) are capitalization-weighted syndicated loan indexes based upon market weightings, spreads and interest payments. The S&P/LSTA Leveraged Loan 100 Index (LL100) dates back to 2002 and is a daily tradable index for the U.S. market that seeks to mirror the market-weighted performance of the largest institutional leveraged loans, as determined by criteria. Its ticker on Bloomberg is SPBDLLB.

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.

2-Year Treasury Notes: negotiable debt obligations issued by the U.S. Treasury Department (other than a Stripped Treasury Security) having a remaining maturity of more than one year but not more than two years.

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 Bond 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.

High Yield Corporate Bonds: "U.S. High Yield Corporate" is represented using the U.S. High Yield Index.

High Yield Municipal Bonds: Bloomberg 60% Tax-Exempt HY / 40% LB Municipal Investment Grade Total Return Index.

"U.S. High Yield Corporate" is represented using the U.S. High Yield Index.

"Intermediate Long Municipal" is represented by: 10% Bloomberg 5 Year Municipal Bond Index, 15% Bloomberg 7 Year Municipal Bond Index, 35% Bloomberg 10 Year Municipal Bond Index, 30% Bloomberg 15 Year Municipal Bond Index, 10% Bloomberg 20 Year Municipal Bond Index.

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.

Index Definitions

The Dow Jones Select Dividend Index seeks to represent the top 100 U.S. stocks by dividend yield. The index is derived from the Dow Jones U.S. Index and generally consists of 100 dividend-paying stocks that have five-year non-negative Dividend Growth, five-year Dividend Payout Ratio of 60% or less, and three-month average daily trading volume of at least 200,000 shares.

The Bloomberg Commodity Total Return Index, formerly known as Dow Jones-UBS Commodity Index Total Return (DJUBSTR), is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 13-week (three-month) U.S. Treasury Bills.

The Corporate Emerging Market Bond Index (CEMBI) is J.P. Morgan's index of U.S.-dollar-denominated debt issued by emerging market corporations.

The Standard & Poor's Small Cap 600 Index (S&P 600) measures the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

Nasdaq 100 Index is an index composed of the 100 largest, most actively traded U.S. companies listed on the Nasdaq stock exchange.

The Shanghai Stock Exchange (SSE) composite is a market composite made up of all the A shares and B shares that trade on the Shanghai Stock Exchange.

Brent Crude is a major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide. This grade is described as light because of its relatively low density, and sweet because of its sulfur content.

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 S&P/Case-Shiller Home Price Indexes are a group of indexes that track changes in home prices throughout the United States. The indexes are based on a constant level of data on properties that have undergone at least two arm's length transactions.

The ISM Manufacturing Index is based on surveys of more than 300 manufacturing firms by the Institute for Supply Management (ISM). The ISM Manufacturing Index monitors employment, production, inventories, new orders and supplier deliveries. A composite diffusion index monitors conditions in national manufacturing and is based on the data from these surveys.

The ISM Non-Manufacturing Index is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys, that monitors economic conditions of the nation.

The Palmer Square CLO Senior Debt Index (ticker: CLOSE) and Palmer Square CLO Debt Index (ticker: CLODI) seek to reflect the investable universe for U.S. dollar denominated collateralized loan obligations ("CLOs").

The Intercontinental Exchange (ICE) is an American company that owns and operates financial and commodity marketplaces and exchanges.

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

Index Definitions

Yield to Worst – 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.

Investments in emerging markets bonds may be substantially more volatile, and substantially less liquid, than the bonds of governments, government agencies, and government-owned corporations located in more developed foreign markets. Emerging markets bonds can have greater custodial and operational risks, and less developed legal and accounting systems than developed markets.

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 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.

Gross Domestic Product (GDP): Gross domestic product 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.

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

Important Disclosures

The information presented does not involve the rendering of personalized investment, financial, legal or tax advice. This presentation is not an offer to buy or sell, or a solicitation of any offer to buy or sell, any of the securities mentioned herein.

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There are inherent risks with fixed income investing. These risks may include 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.

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

Concentrating assets in the real estate sector or REITs may disproportionately subject a portfolio to the risks of that industry, including the loss of value because of adverse developments affecting the real estate industry and real property values. Investments in REITs may be subject to increased price volatility and liquidity risk; concentration risk is high.

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.

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.

Important Disclosures

Investments in commodities can be very volatile, and direct investment in these markets can be very risky, especially for inexperienced investors.

Returns include the reinvestment of interest and dividends.

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.

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