



OPTIMUM EXPERIENCE

NEWSLETTER FOR CANANDAIGUA NATIONAL BANK & TRUST OPTIMUM CHECKING CUSTOMERS

What are the benefits of laddering Certificates of Deposit?

Saving money is essential for achieving financial goals, but where you save matters just as much as how much you save. One strategy gaining popularity is Certificate of Deposit (CD) laddering. Let's explore what CD laddering is and how it can help you make the most of your hard-earned dollars.

What is CD Laddering?

CD laddering is a smart savings strategy that involves spreading your savings across multiple certificates of deposit with staggered maturity dates. Instead of putting all your money into a single CD, you divide it into equal parts and invest each part into CDs with different maturity periods.

How Does CD Laddering Work?

Imagine you have \$10,000 to invest. Instead of depositing the entire amount into a single CD, you could split it into four \$2,500 portions and invest each in CDs with different term lengths—say, one year, two years, three years, and four years. As each CD matures, you can reinvest the funds into a new CD with the longest term, effectively creating a ladder of CDs.

Benefits of CD Laddering:

Flexible Access to Funds: CD laddering provides you with regular access to a portion of your savings as CDs mature at different intervals. This flexibility means you're not tying up all your money for an extended period, unlike with a single long-term CD.

Optimized Interest Rates: By spreading your savings across CDs with different maturity dates, you can take advantage of higher interest rates typically offered by longer-term CDs. At the same time, you maintain access to a portion of your funds in shorter-term CDs.

Mitigated Interest Rate Risk: CD laddering helps reduce the risk of locking in your money at a low interest rate for an extended period. As each CD matures, you have the opportunity to reinvest at prevailing rates, potentially increasing your overall returns over time.

Diversification: Diversification is key to a healthy financial portfolio. With CD laddering, you're spreading



your investments across multiple CDs with varying maturity dates. This diversification minimizes the impact of interest rate fluctuations and market volatility on your savings.

Getting Started with CD Laddering:

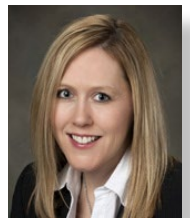
Set Clear Savings Goals: Determine what your financial objectives are and the timeline for achieving them.

Consider Ladder Length: Decide on the number of CDs and the length of the ladder that aligns with your financial goals and needs.

Stay Informed: Keep an eye on interest rates and market conditions to make informed decisions when reinvesting maturing CDs.

CD laddering offers a balanced approach to savings, providing liquidity, optimizing interest rates, and reducing risk through diversification. By implementing a CD ladder, you can grow your savings steadily while maintaining access to your funds when you need them. Take advantage of this smart savings strategy to achieve your financial goals with confidence.

To learn more about our current CD offerings, visit CNBank.com/CD or stop into one of our bank offices today!



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Get on Track with a Spending Plan

Have you ever felt like you're walking on a treadmill with your personal finances - doing a lot of work but not getting anywhere? If so, you may need a spending plan to get back on track. A spending plan is a tool for prioritizing your financial goals and managing your money to reach them.

Cash Outflow

We're all familiar with the way small, daily expenses can consume a \$20 bill in the blink of an eye. But have you ever really kept a record of where your money goes? Tracking your spending for a month or two is the first step in developing a plan. When you write down an expense, put it in one of these categories: fixed (insurance premiums, mortgage payment or rent, car loan, etc.); variable (food, clothing, entertainment, utilities, etc.); or savings/investments.

Cash Inflow

The other side of the equation is money coming in. You'll want to list all incoming funds for the same period you track your spending. Include all the

money you received, including your salary, child support, tips, and gifts.

Building a Plan

Once you have these records, a monthly spending plan that matches your income and expenses can be developed. The most workable spending plans:

- Limit monthly allocations of expenses, including savings, to available after-tax income
- Set aside money each month for larger expenses that are paid sporadically during the year
- Give each person in the family the flexibility to spend a certain amount as that person sees fit (a personal allowance)
- Are updated for periodic hikes in insurance premiums, property taxes, and the like
- Provide a cushion for unforeseen expenses

Having goals is one issue; reaching them is another. You know your financial priorities - we can help you develop a workable plan for making sure they're met.



Optimum CD Specials

Enjoy preferred CD rates as an Optimum account holder. Take advantage of our limited time Optimum CD specials with a minimum CD balance of \$500. Visit CNBank.com/CDSpecials for current rates!

Penalty may be imposed for early withdrawal. Cannot be combined with other offers. Member FDIC.

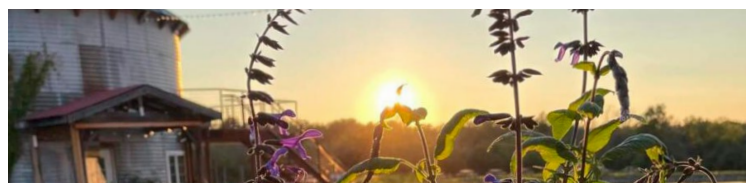
CNC Shareholder Corner

CNC stock is not traded on an exchange like other Wall Street stocks, but in auctions based on purchase and sale bids submitted in a sealed bid process.

Next Stock Sale: June 20, 2024

Visit our web page for the latest financial information. Official Bid Forms are available by contacting us at CNCSshareholderRelations@CNBank.com.

CNBank.com/ShareholderRelations



Join us for our Annual Picnic!

Wednesday, August 21
11:30 am – 1:00 pm

Lincoln Hills Farms
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Now accepting early registration online!
Register today at CNBank.com/Picnic