CITY NATIONAL ROCHDALE®
AN RBC/CITY NATIONAL COMPANY

January 2024

Market Update

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Strategy Update

Investment Strategy Committee Highlights

Economic Outlook

- **Outlook more balanced, mild recession risk down to 50%.**
- Recent decrease in the 10-year treasury yield, if sustained, will lower recession risk.
- Inflation still elevated but continues its downward glide path. Wages and service inflation are declining more slowly.
- **Expecting Fed to lower rates 2-3 times, beginning around mid-year.**
- Consumer spending expected to slow but wealth affects, labor market strength and real income gains remain.
- Defaults by consumers and corporations expected to increase from historic lows but should be manageable.
- Investment spending should improve as businesses gain confidence around the outlook.
- **U.S. economic outlook is more resilient than European and Asian economies**.
- **Elections in U.S. likely to be contentious, shouldn't impact domestic economic activity.**
- **Geopolitical risks unlikely to meaningfully impact U.S. economic activity, but remain watchful.**

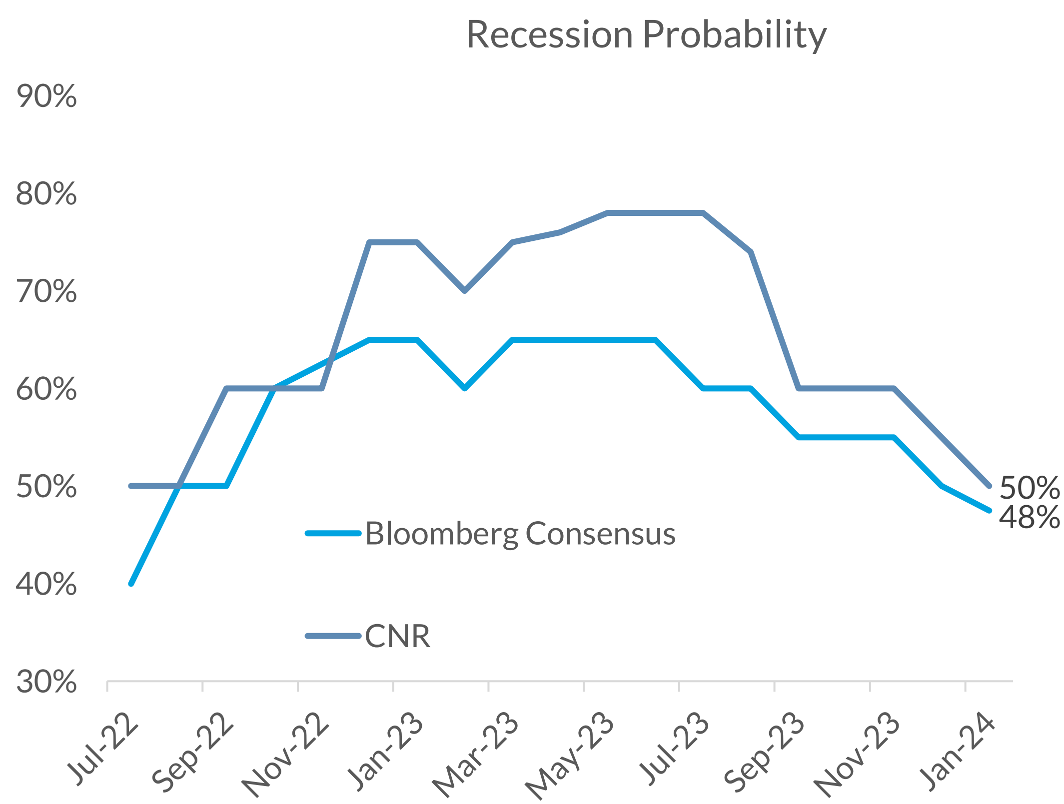
Investment Strategy

- **Markets have discounted a lot of positive news, volatility in the near term could increase, creating buying opportunities.**
- **Expecting modest returns across asset classes in 2024, remain focused on high quality stocks and bonds**.
- **Staying focused on U.S. Equities, S&P 500 returns should be moderately positive.**
- History suggests dividend stock performance should rebound versus S&P.
- Planning to opportunistically increase equity exposure as reward/risk warrants, Mid Small Caps equities of interest.
- Continue to avoid international equities for now, given less resilient outlook and geopolitical concerns.
- **Potential rates cuts are a bullish sign for investors and signal that now is the time to take advantage of interest rates.**
- Investment grade corporate and municipals may offer attractive yields, with less risk compared to high-yield markets.
- **Maintaining focus on quality and looking to extend duration opportunistically across strategies.**
- There are still excellent opportunities for short-term cash/liquidity management, in our view.
- **Alternatives* can provide better risk adjusted returns diversification and private market exposure for those clients that can allocate to illiquid investments.**

*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 January 2024. Information is subject to change and is not a guarantee of future results.

Risks to Economic Outlook More Balanced

- Inflation progress has increased odds a soft landing will be achieved.
- Near term economic slowdown still anticipated due to lagged impact of Fed tightening.
- Consumer slowdown is expected to be offset by strong household balance sheets and real income gains.
- Labor shortages and resilient demand should limit increases in unemployment.



Outlook Scenarios	Prior	Current
Soft Landing/ Slow Growth	40%	50% ↑
Mild Recession	60%	50% ↓

Sources: CNR Research, Bloomberg, Blue Chip Economic Indicators, as of January 2024.
Information is subject to change and is not a guarantee of future results.

2024 Outlook

- Household/ business fundamentals are solid but expected to slow.
- GDP growth to slow.
- Corporate profits to rebound modestly.
- Downward glide path inflation intact, favor lower end of forecast.
- Expecting 2-3 cuts in Fed Funds rate.
- Expect US Treasury yields to be more stable.

City National Rochdale Forecasts		2022	2023e	2024e
Real Annual GDP Growth		2.1%	2.0-2.5%	0.75% to 1. 75%
Corporate Profit Growth		5.1%	-1.0% to 1.0%	6.0% to 12.0%
Headline CPI Year End		6.5%	3.0% to 3.4%	2.50% to 3.25%
Core CPI Year End		5.7%	3.8% to 4.2%	2.50% to 3.00%
Interest Rates	Federal Funds Rate	4.25% to 4.50%	5.25% to 5.50%	4.50% to 5.00%
	Treasury Note, 10-Yr.	3.88%	3.88%	4.00% to 4.50%

Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
The Consumer Price Index (CPI) measures the monthly change in prices paid by U.S. consumers.
e: estimate.
Sources: Bloomberg, proprietary opinions based on CNR Research, as of January 2024.
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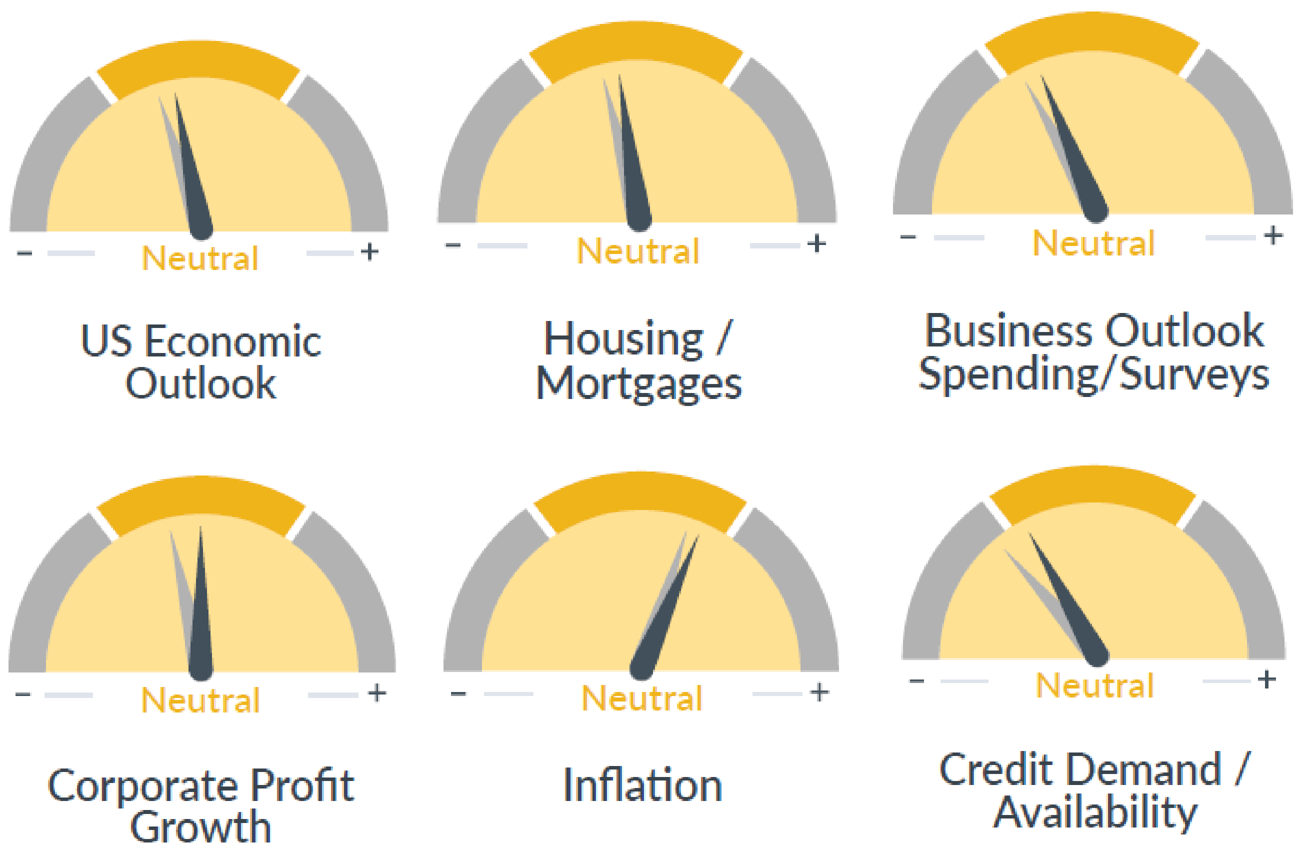
CNR Speedometers® – January 2024

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

- Indicators improving, risks to outlook growing more balanced.
- Fed likely done with rate hikes, headwinds expected to moderate.
- Consumer remains resilient, but slower spending ahead likely.
- Expecting improvements in corporate profits, inflation and credit conditions.
- Geopolitical events remain key risk to outlook.

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 January 2024. Information is subject to change and is not a guarantee of future results.

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US 2024 Political Outlook

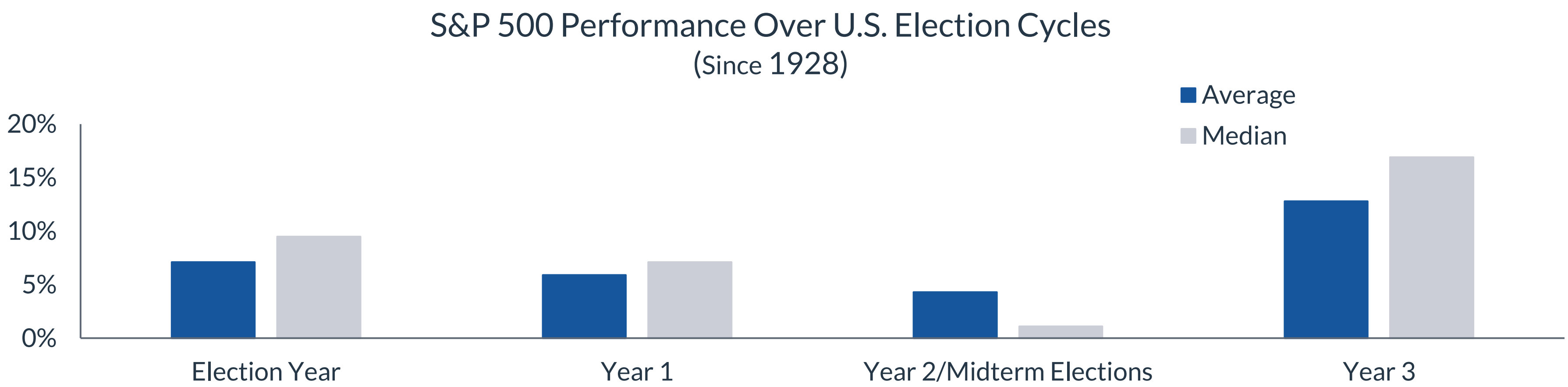
- Market implications are likely to become clearer as policy differences are fleshed out.
- Expecting a contentious election season, markets will focus more on economic conditions.

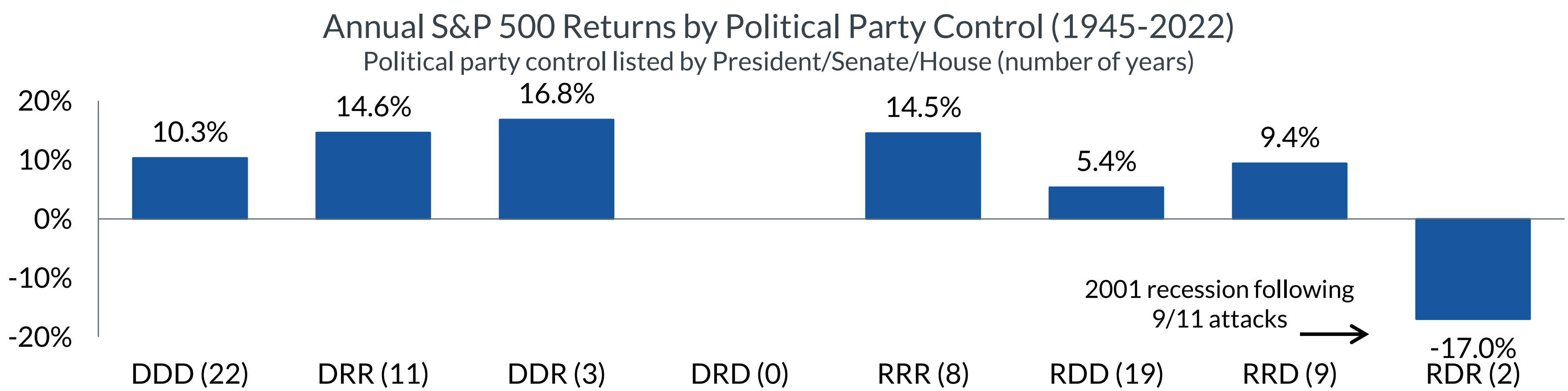
Key Issues
▪ Taxes
▪ Regulation
▪ Fiscal Debt
▪ Industrial Policy
▪ Energy Policy
▪ Immigration
▪ Trade
▪ Geopolitics/International Relations

Source: CNR Research, as of January 2024.

Presidential Election Years Are Typically Good Ones

- Over the long run, equities have historically performed well regardless of political party control of government.
- Factors like corporate profits, interest rates, and the direction of Fed policy tend to be much more important.





Source: Factset, as of January 2024.

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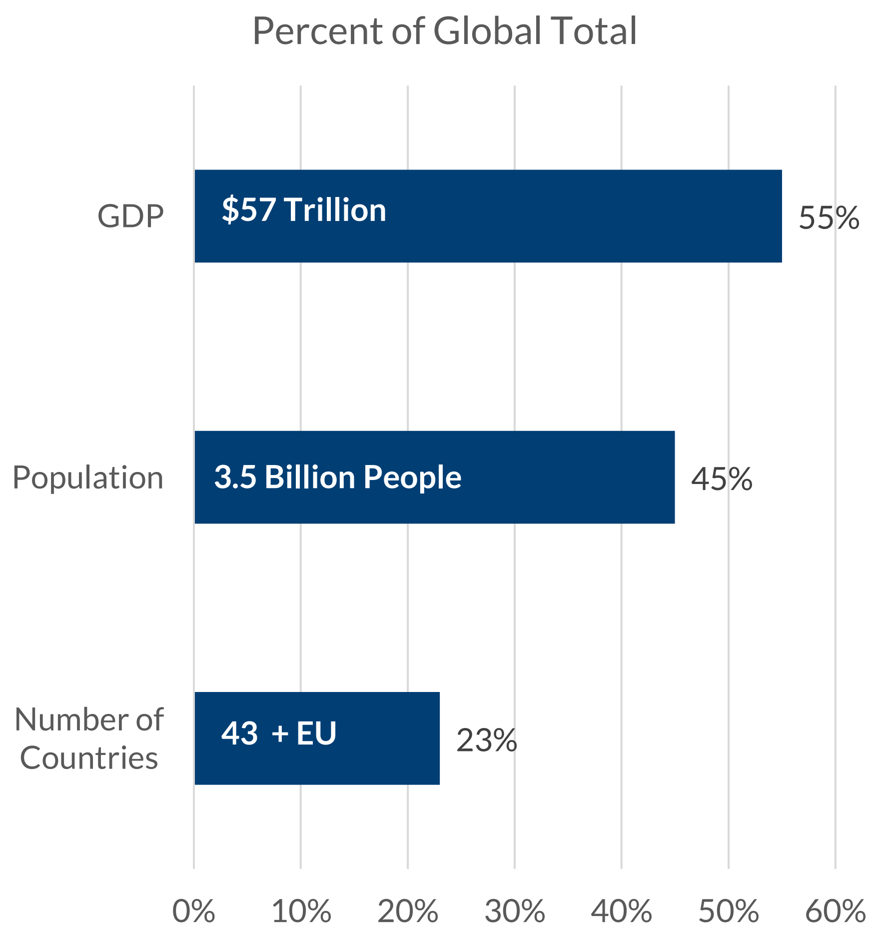
Year of Global Elections

- Election results could sculpt the geopolitical landscape for years to come.
- Could either propel or repel the global shift toward more polarization, protectionism and deglobalization.
- Key issues - China tensions over Taiwan; investment in India; border politics with Mexico and U.S.-EU relations.



Key Elections	Date
Taiwan	January
Indonesia	February
Pakistan	February
Russia	March
Ukraine	March
India	April-May
Mexico	June
European Parliament	June
US	November

Source: Our World of Data, International Monetary Fund. National Democratic Institute, as of December 2023.

Geopolitical Risks Taking on Increased Importance

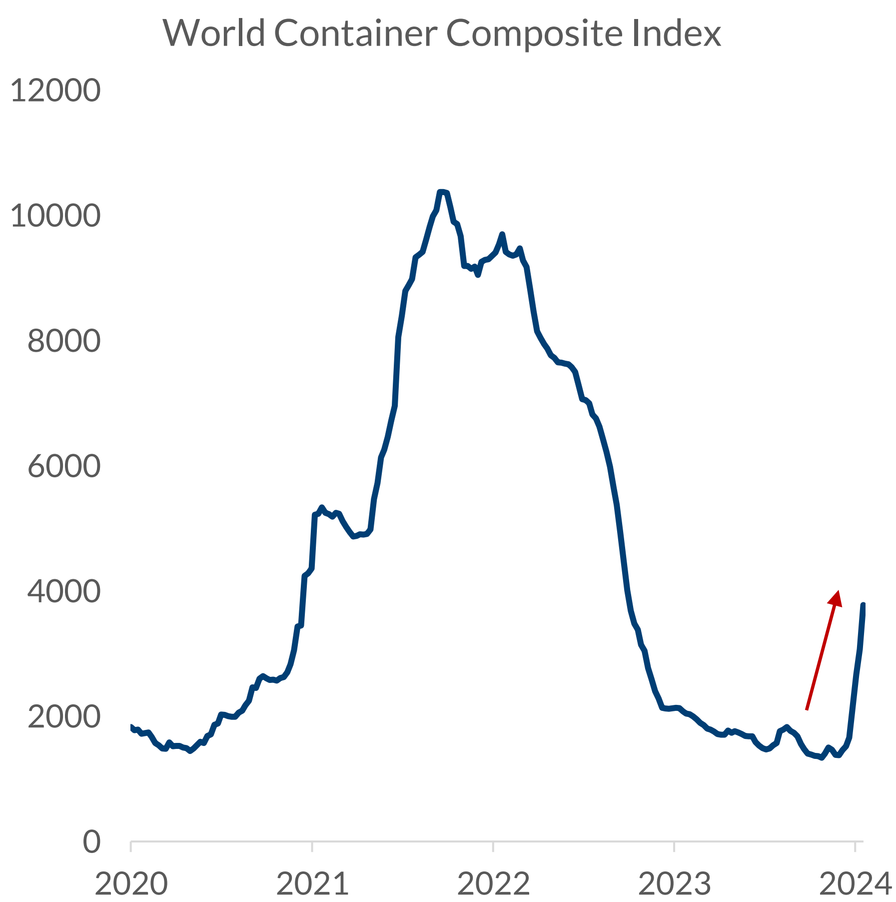
- Expect geopolitical considerations will play a greater role than they have for a generation.
- Will increasingly influence corporate investment decisions and nations' economic and industrial policy.

Region	Perspectives
Mideast	▪ Risks rising, global entanglement unlikely, watchful for impact on oil and shipping costs
Russia/ Ukraine	▪ No end in sight, likely to drag on for years; watchful for escalation of sanctions and impact on oil
China/ Taiwan/ US	▪ Chip wars remain, military tensions in South China Sea worsening, Taiwan election adds to tensions, while diplomatic efforts remain could impact supply chain

Source: CNR Research, as of January 2024.

Geopolitical Shock Remains Key Risk to Outlook

- Global conflicts threaten disinflationary process underway.
- Rising global conflicts and tensions are leading to increased economic uncertainty.

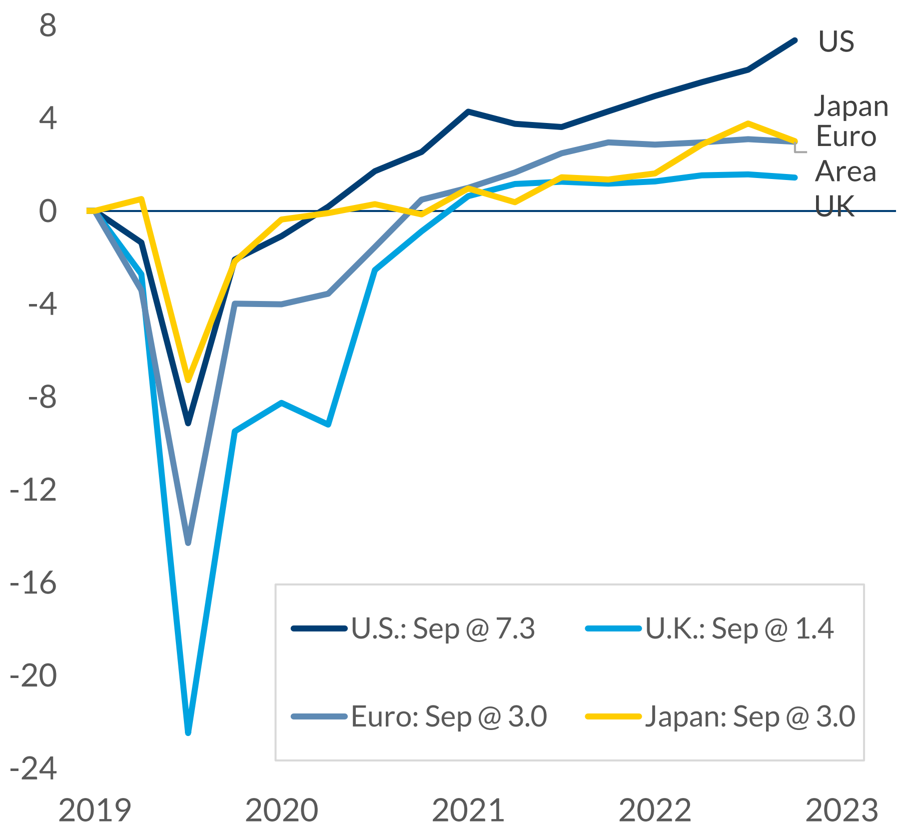


Source: Bloomberg, economicpolicyuncertainty.com, as of January 2024.

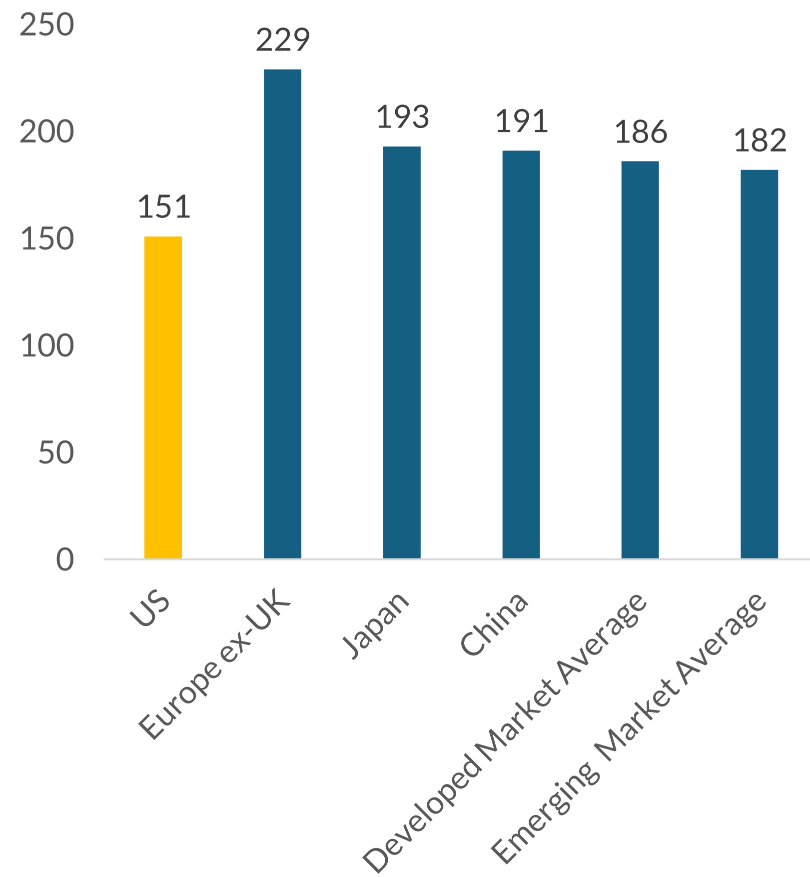
US Continues to Have Most Resilient Outlook

- Structural strengths help explain why US economy has performed better post pandemic than other economies.
- US continues to grade best on factors that drive long term economic growth and financial market returns.

GDP
%, indexed to "0.0" on December 31, 2019



CNR 4Ps Framework Scores
(Lower = Better)

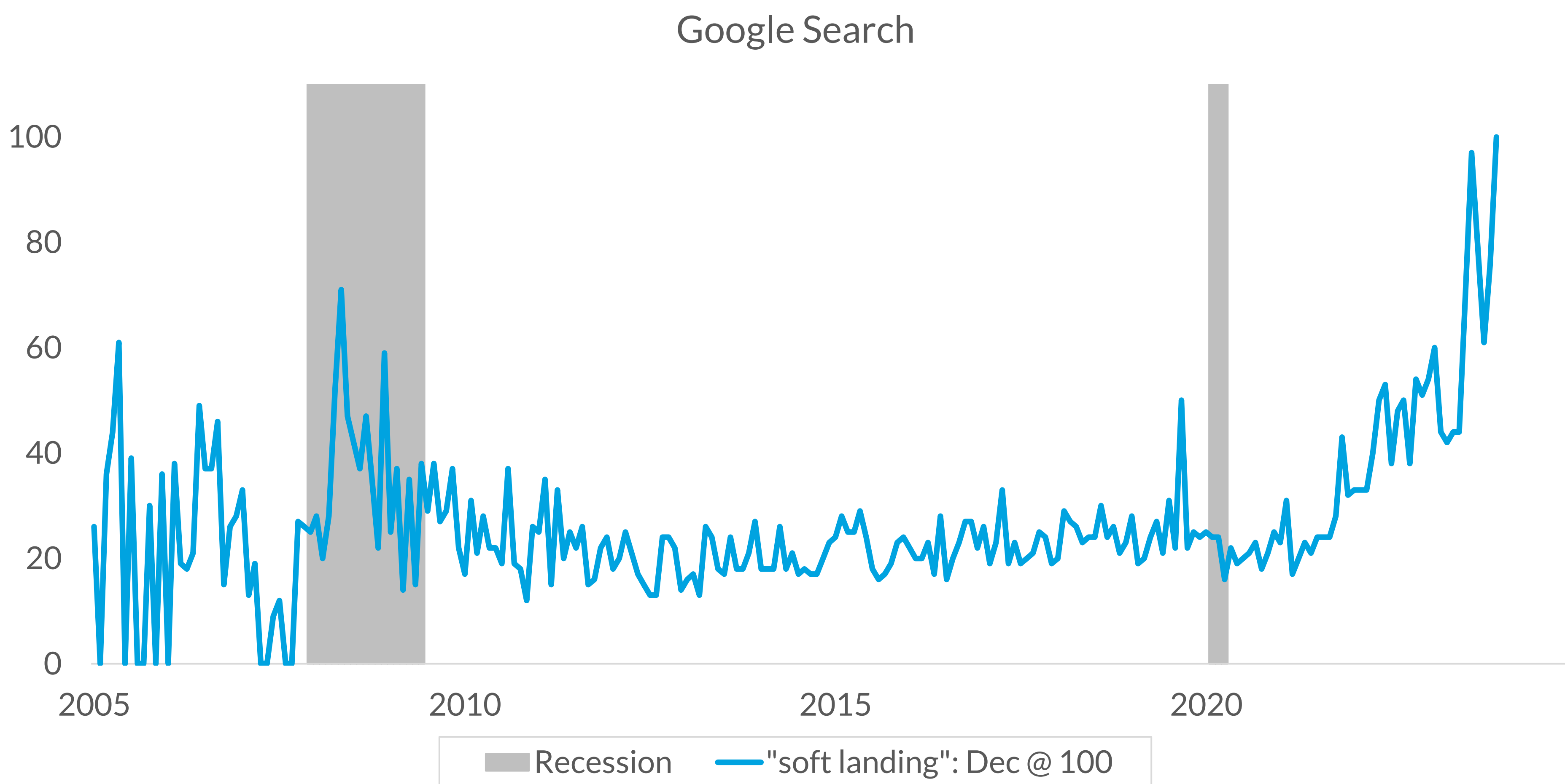


CNR 4Ps: Policy, Profitability, Population and Potential. For more information on CNR's proprietary 4P Analysis, please see Important Information.
Sources: Bloomberg, FactSet, CNR Research, as of January 2024.

Economy/Fed

US Economy is in a Sweet Spot

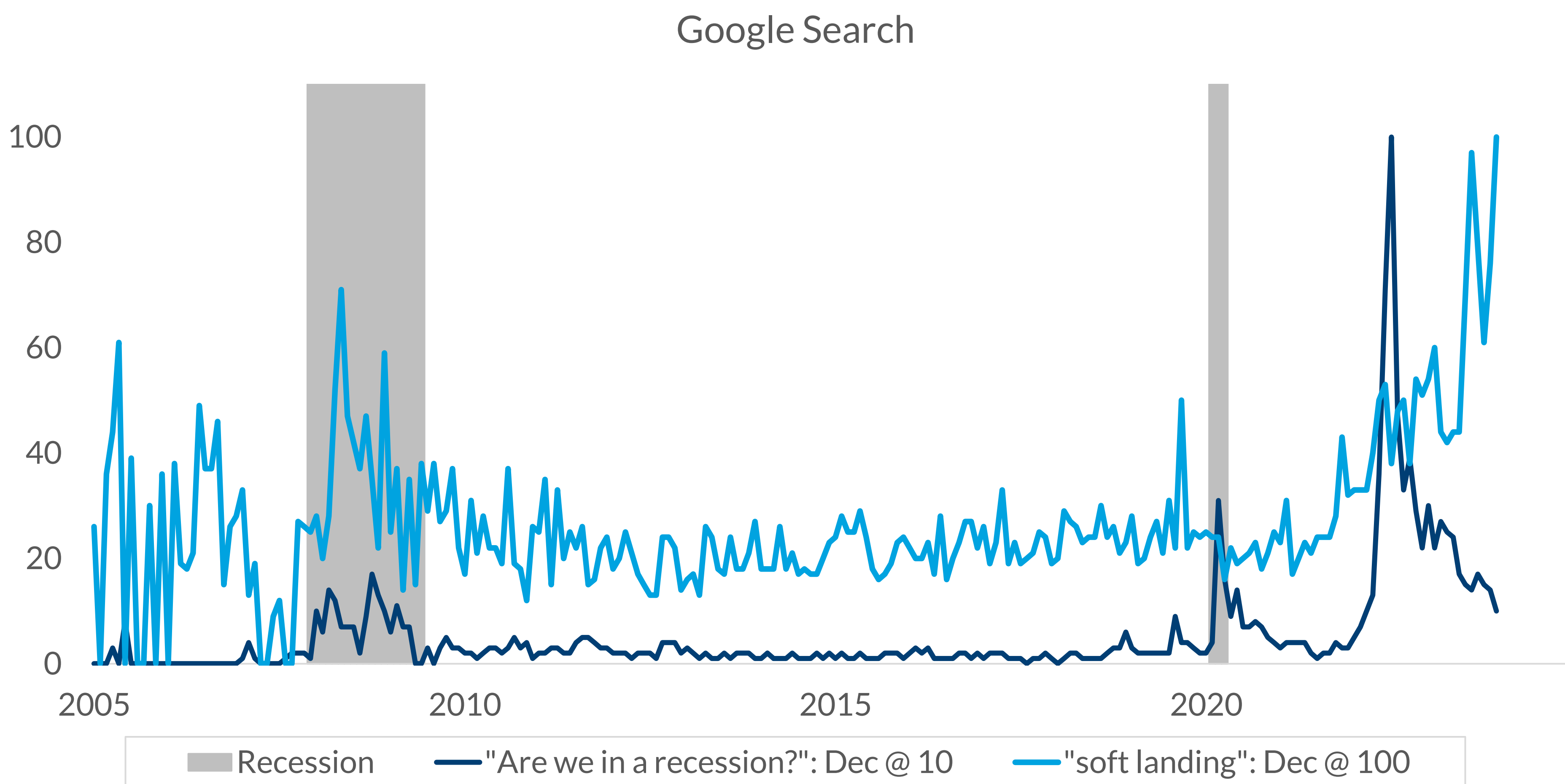
- The Fed has raised interest rates and inflation has been falling, at the same time labor & spending remain strong.
- Public interest in understanding an economic “soft-landing” has been growing.
- It is a “good news” story we would all like to happen.



Data current as of January 24, 2024
Source: Google
Information is subject to change and is not a guarantee of future results.

2024 Will be Tricky for the Fed

- But what people are talking about doesn't always happen; remember the recession talk of 2022 & 2023?
- Interest rates are well into the restrictive territory; without them being cut, the economy could weaken.
- However, the Fed needs inflation to decline enough to lower interest rates. The timing is essential.



Data current as of January 24, 2024
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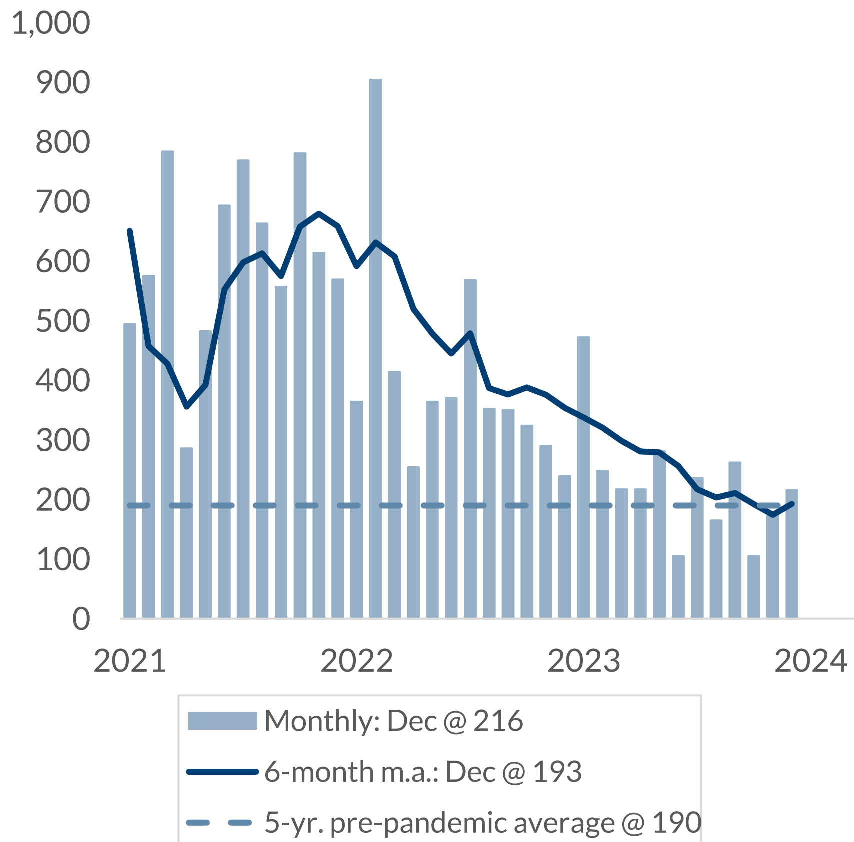
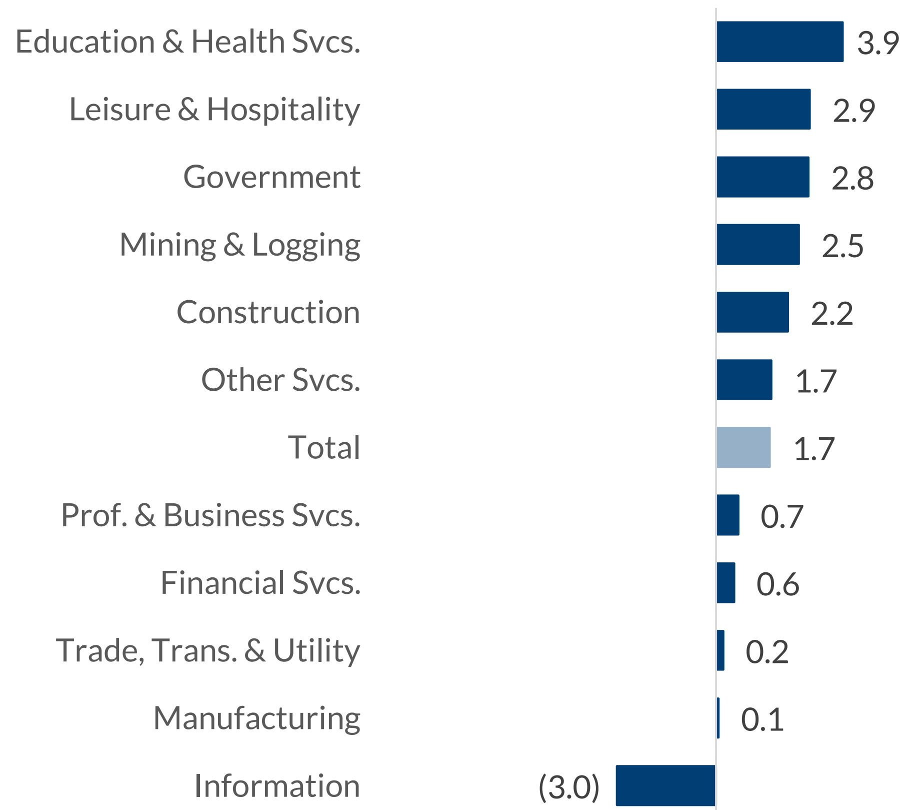
The Economic Outlook

- Fortunately for the Fed, the blistering labor growth of the past few years has retreated to a manageable pace.
- There are signs of weaker growth ahead, shorter workweek, and less demand for temporary workers, etc.
- Also, more robust labor growth is happening in the less cyclical sectors of the economy.

Nonfarm Payrolls
'000, seasonally adjusted



Nonfarm Payrolls: Percent Change from 1-Year Ago
%, seasonally adjusted, as of December 2023



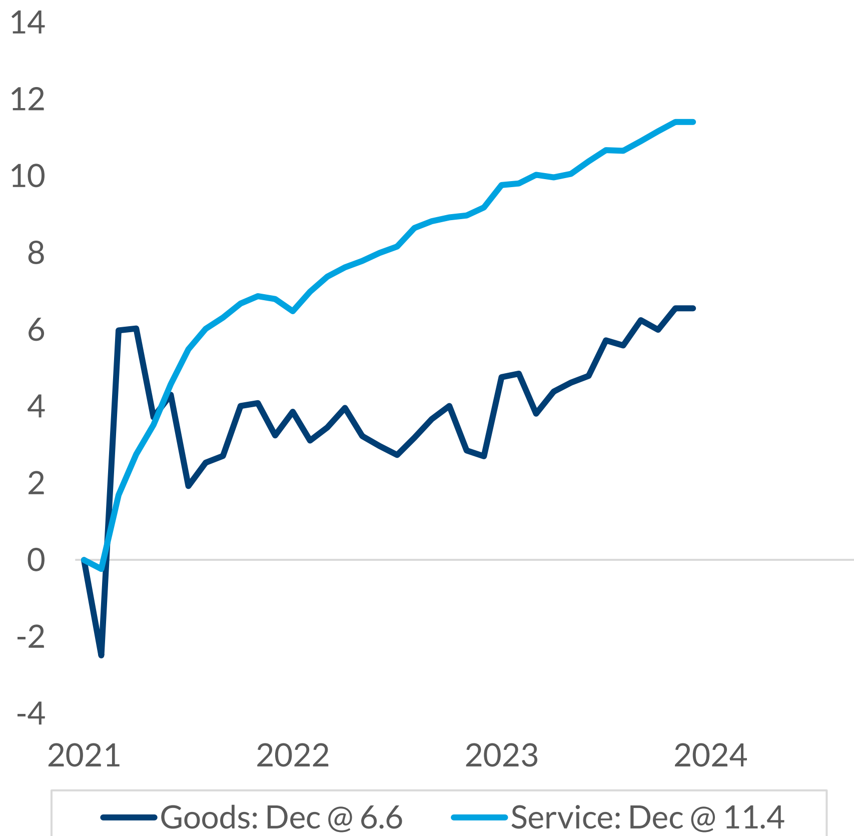
Data current as of January 24, 2024
Source: Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.

There is a Bifurcation Occurring in the Economy

- The goods-producing sector is experiencing a slower growth rate than the service sector.
- The goods-producing sector of the economy tends to be more cyclical than services.
- A noticeable difference has developed between spending and labor gains of goods and services.

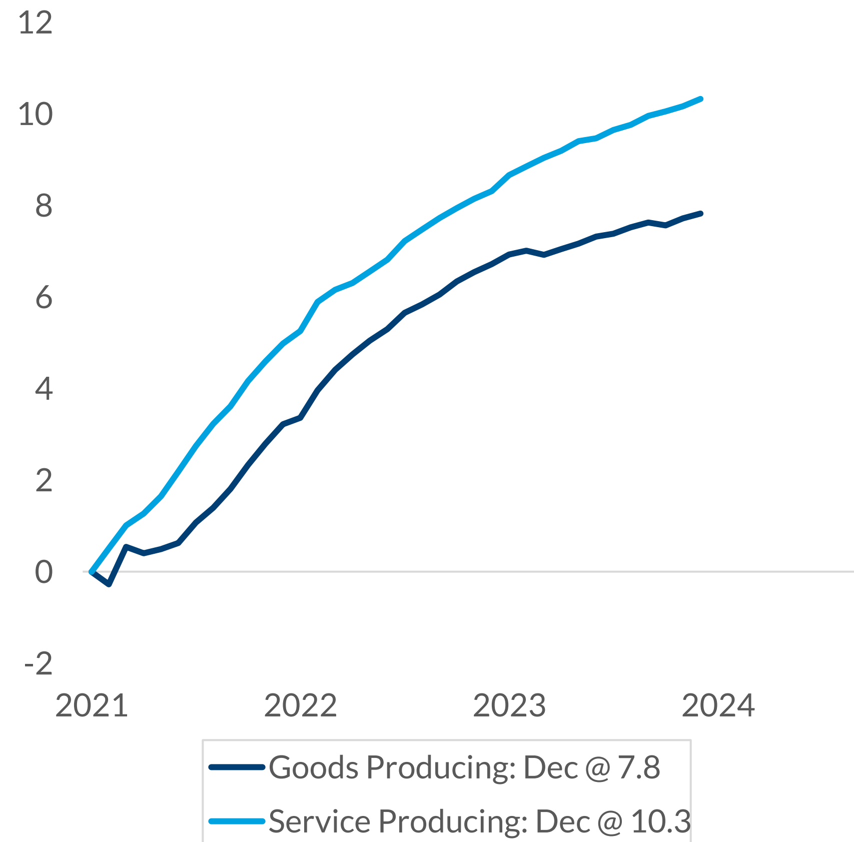
Personal Spending: Inflation Adjusted

cumulative % change since January 2021, seasonally adjusted



Labor: Job Growth of Good & Service Sectors

cumulative % change since January 2021, seasonally adjusted



Data current as of January 24, 2024
Source: Bureau of Economic Analysis, Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.

Inflation

- Inflationary pressures have stagnated after declining 6 percentage points between June 2022 and 2023.
- Service inflation, 2/3rds of CPI, has been the sticky part of inflation.
- Housing and labor costs have been the culprit behind high service inflation.

Data current as of January 24, 2024
Source: Bureau of Labor Statistics
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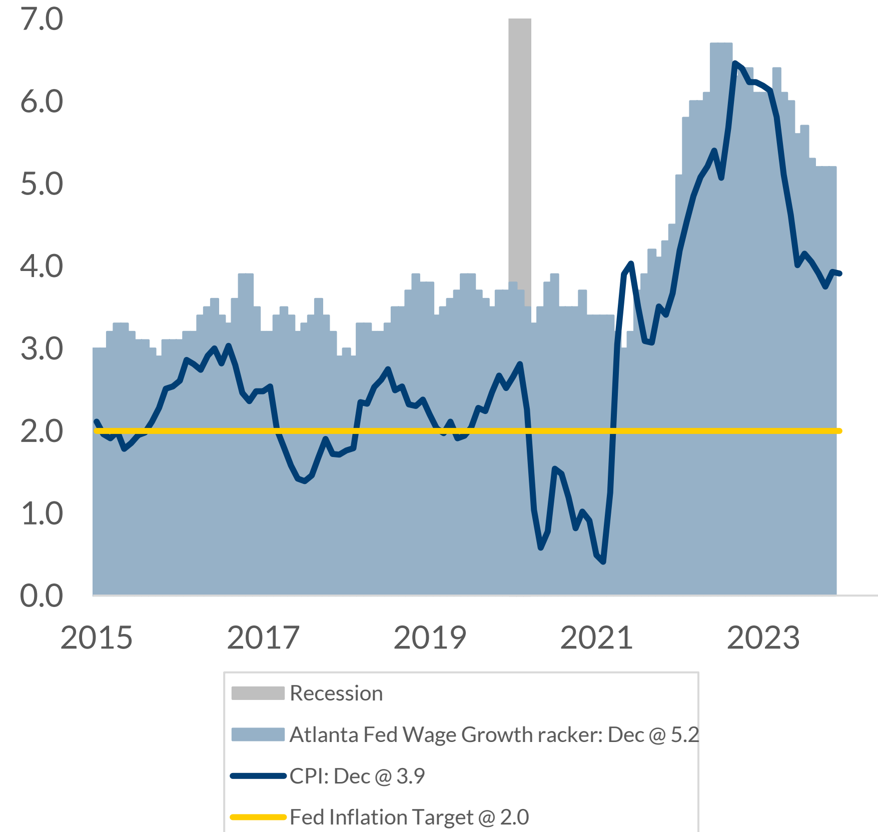
Inflation: Various Measurements
% change y-o-y, seasonally adjusted

Super-Core Inflation (services without shelter)
% change y-o-y, not seasonally adjusted



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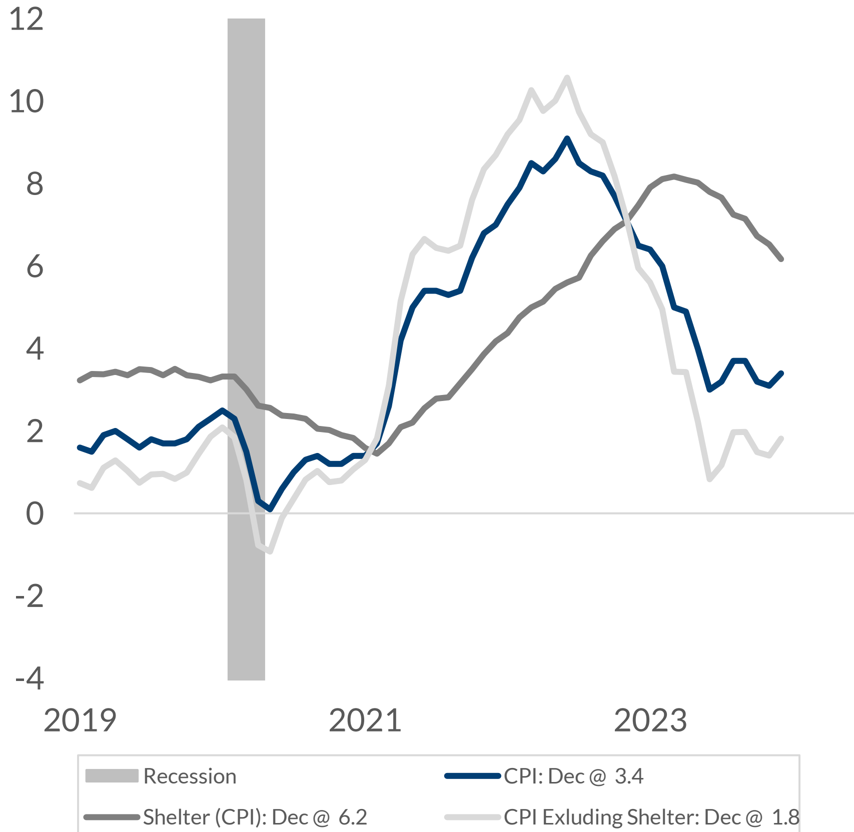

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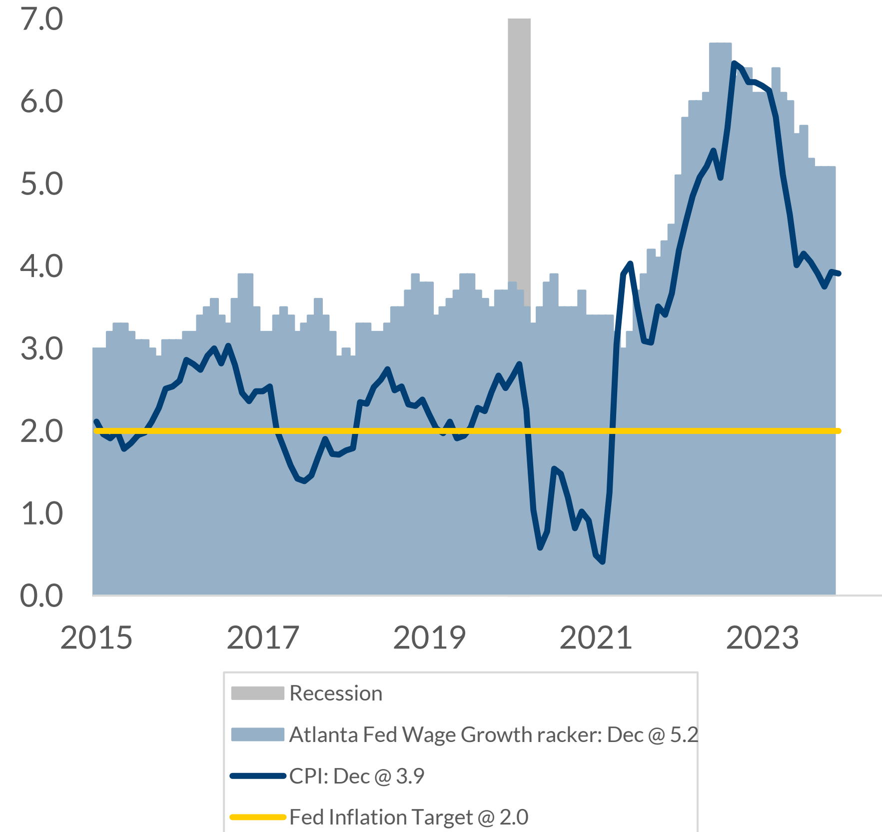
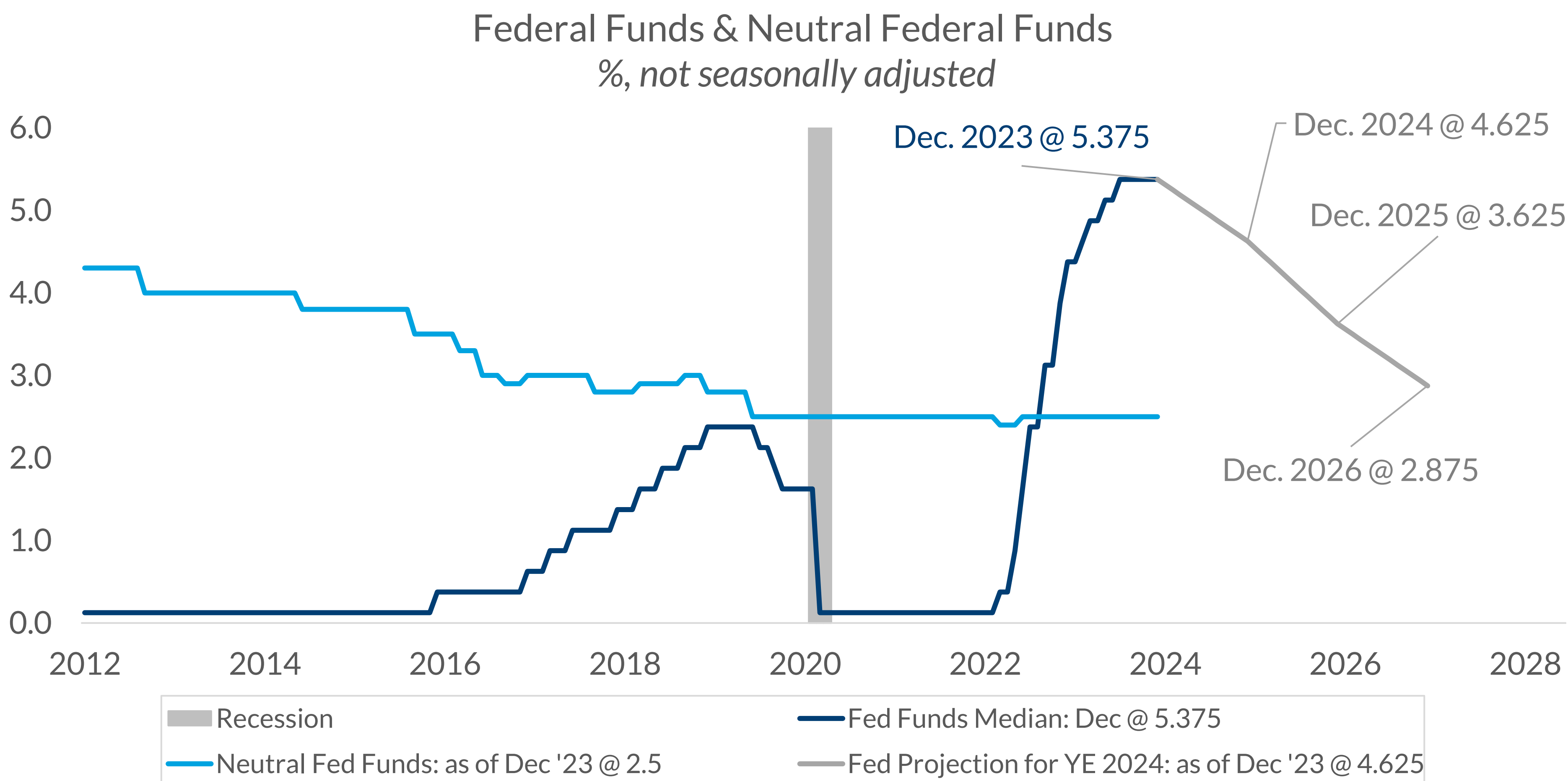


Data current as of January 24, 2024
Source: Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.

The Fed

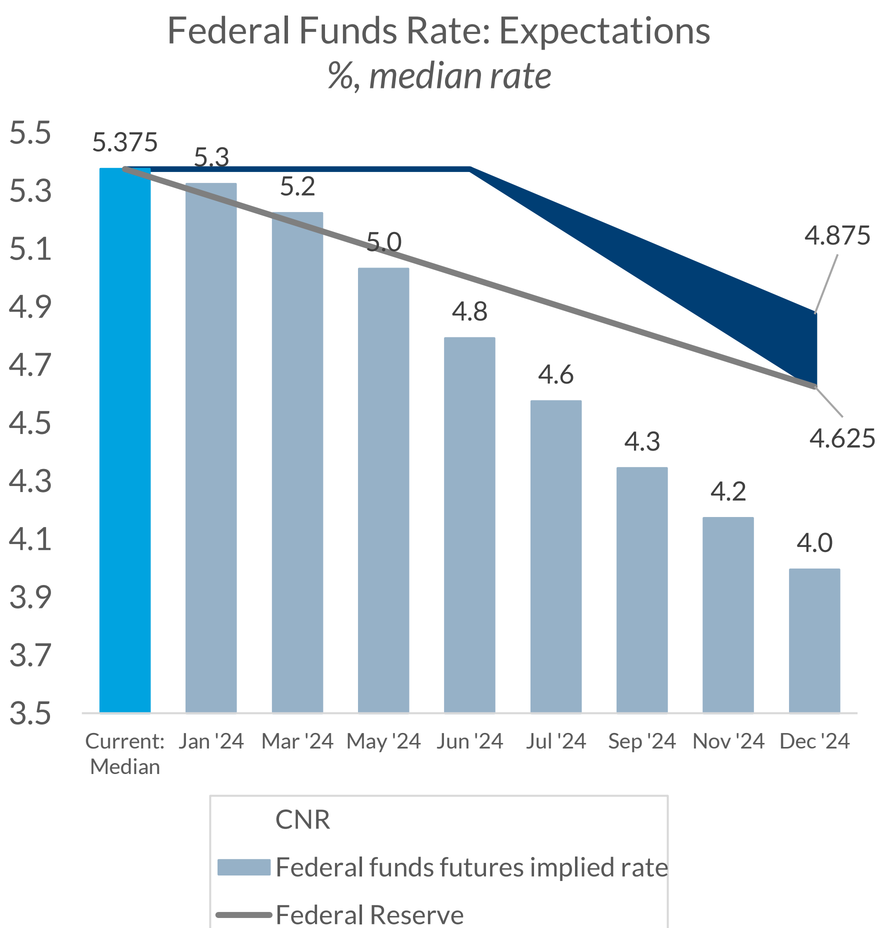
- At 5.375% median rate, the federal funds rate is highly restrictive.
- Without reducing this rate, the economy is likely to enter a recession.
- The Fed plans to return the funds rate the near-neutral level by the end of 2026.

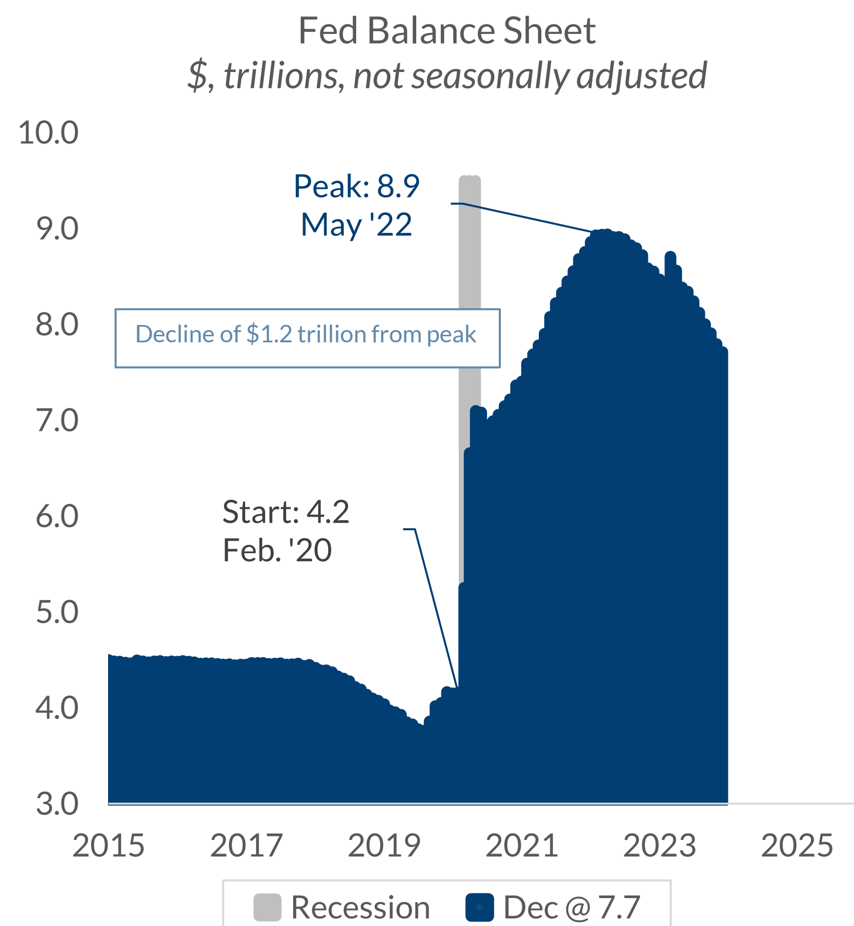


Data current as of January 24, 2024
Source: Federal Reserve Bank
Information is subject to change and is not a guarantee of future results.

The Fed

- The Fed plans to lower interest rates this year by 75 bps.
- Several FOMC policymakers are talking about slowing the pace of quantitative tightening, a stimulative move.
- CNR expects the Fed to lower the funds rate two or three times this year, probably in the second half.

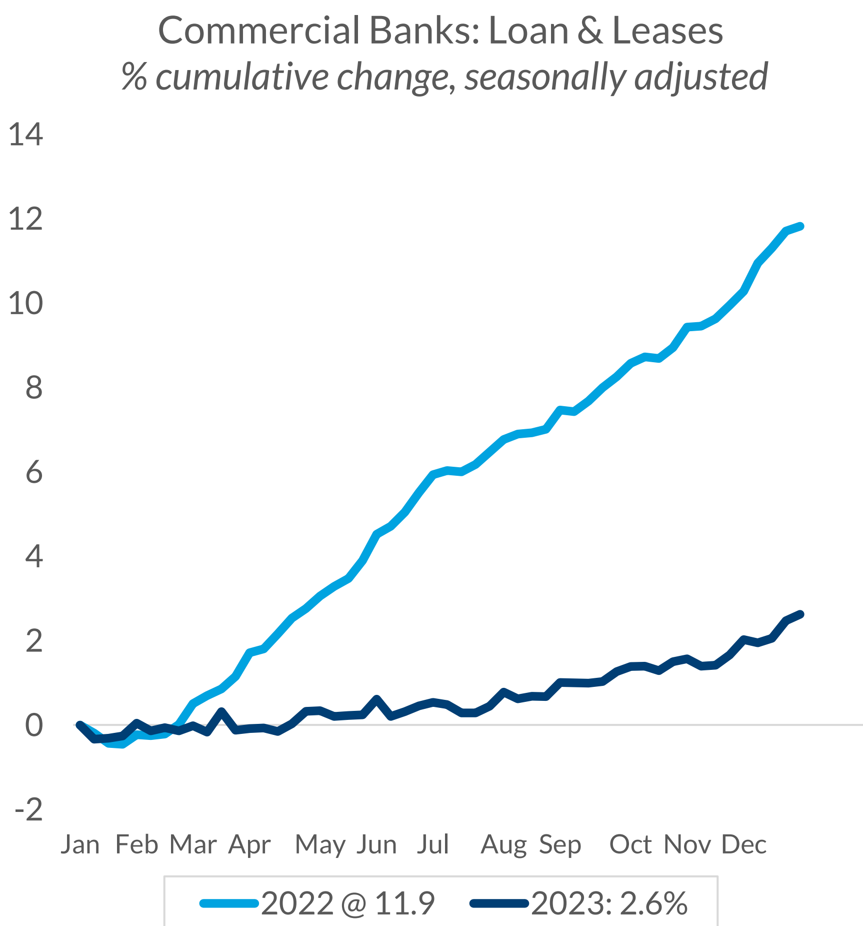


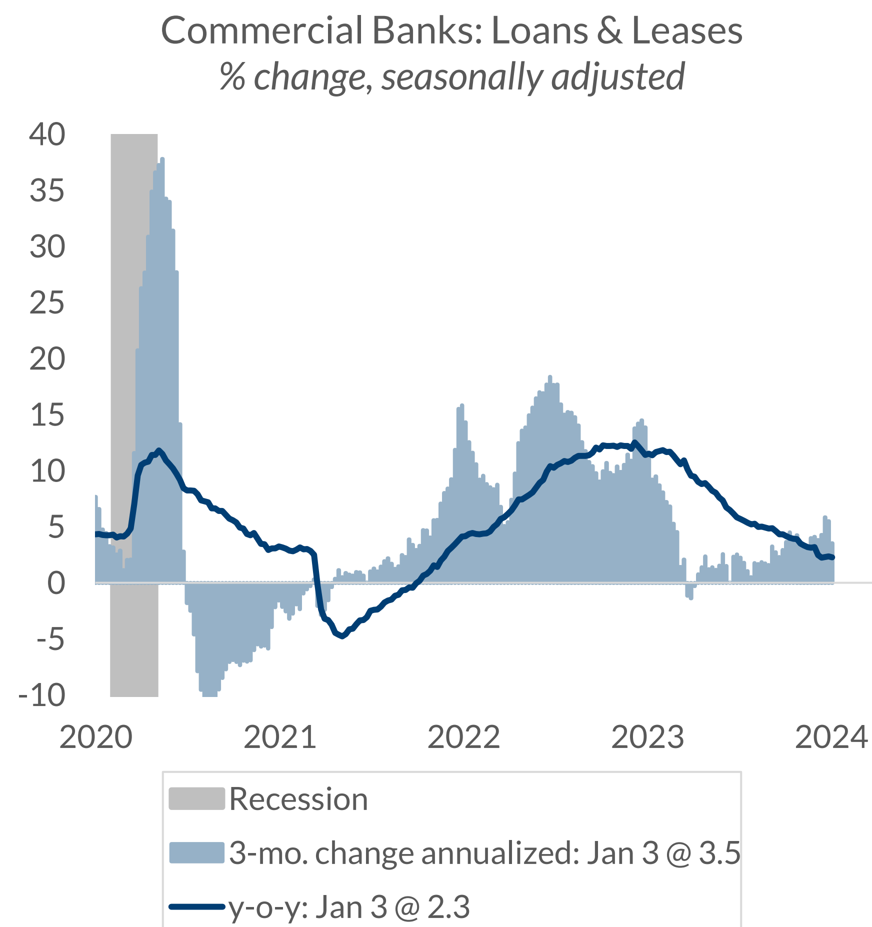


Data current as of January 24, 2024
Source: Federal Reserve, Bloomberg WIRP, CNR Research
Information is subject to change and is not a guarantee of future results.

Bank Lending and Economic Growth

- Reduced bank lending in 2023 was one reason many economists thought the economy would enter a recession.
- The pace of lending began to pick up in the second half of 2023.
- The pace of future growth will help dictate the trajectory of economic growth.



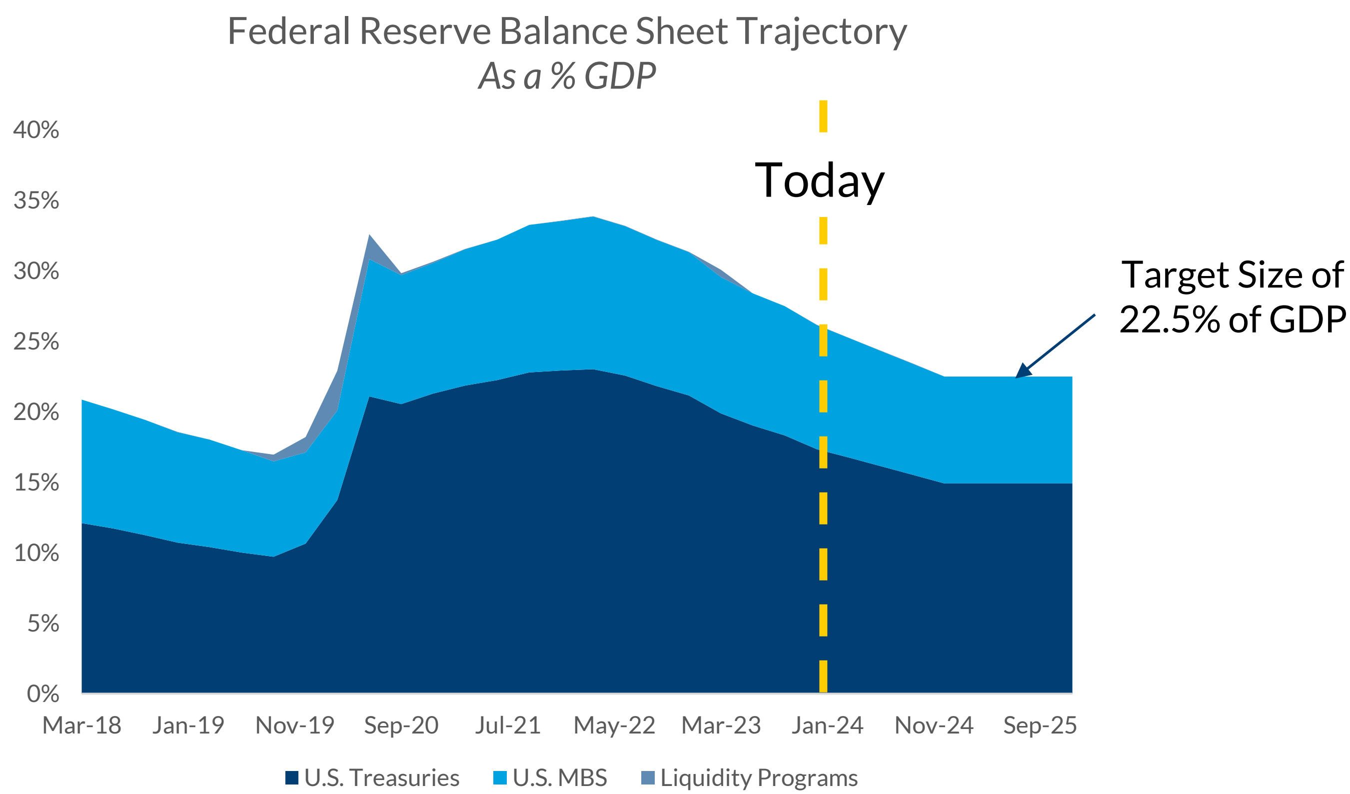


Data current as of January 24, 2024
Source: Federal Reserve
Information is subject to change and is not a guarantee of future results.

Fixed Income

Federal Reserve Balance Sheet Tapering

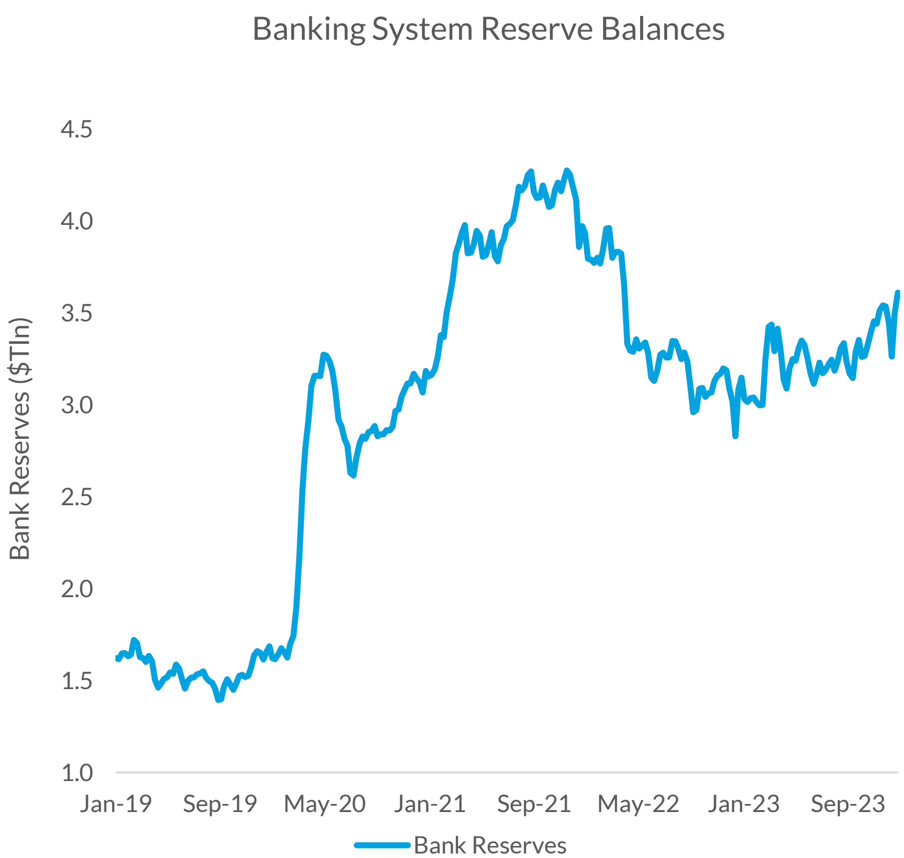
- Recent comments from the FOMC suggest the Fed is considering an end to balance sheet reduction.
- Reserves are above levels considered adequate, but recent volatility in some rate markets has brought the balance sheet into focus and the probability of a stoppage in QT has increased.

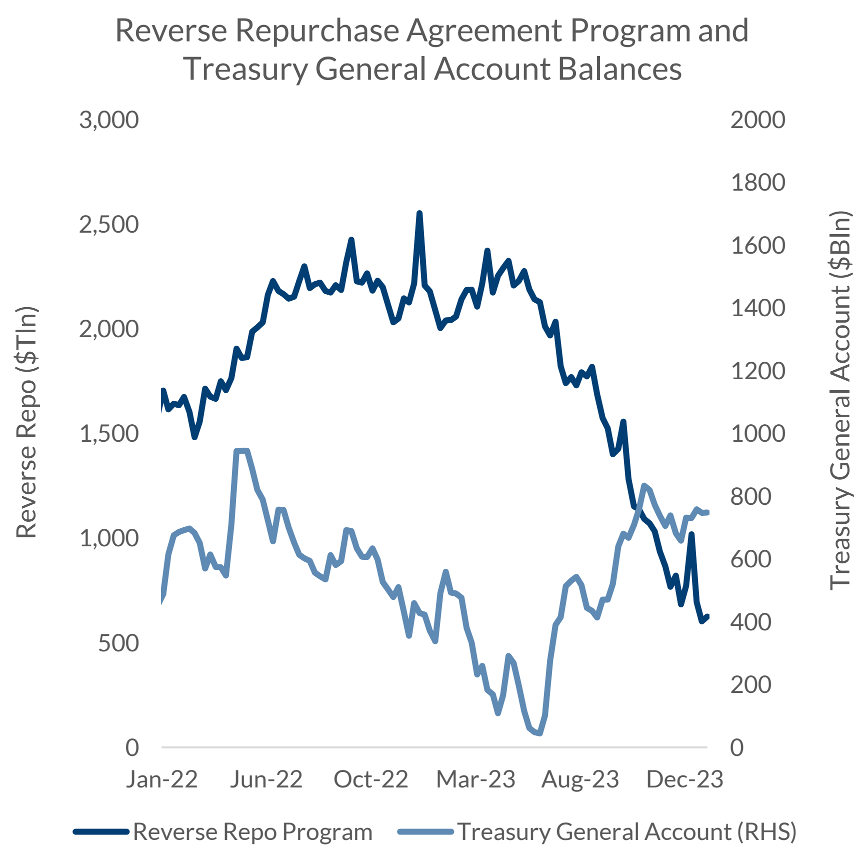


Source: Bloomberg, Federal Reserve, CNR. As of January 2024.
Represents Federal Reserve Assets as a percentage of GDP on a quarterly basis. Projections calculated based on a target balance sheet size of 22.5%, in-line with the previous reduction over 2019 and assuming pro-rata reductions of U.S. Treasuries, Mortgage-Backed Securities and Liquidity Programs.

Liquidity Markets

- Bank reserves, the reverse repurchase agreement program ("RRP") and the impact of variations in the treasury general account are important to the smooth functioning of markets.
- While reserves remain plentiful, reductions in the RRP alongside volatility in short-term markets is creating concern about financial system stability.
- We believe this is a leading factor in the Fed's forward view of quantitative tightening ("QT").

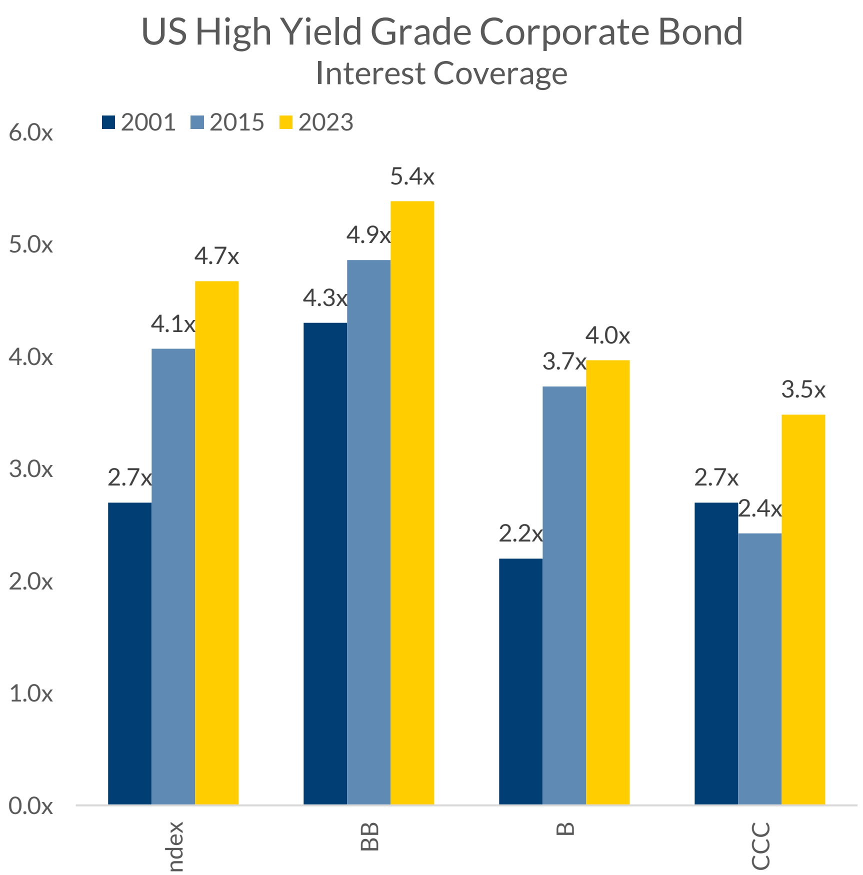


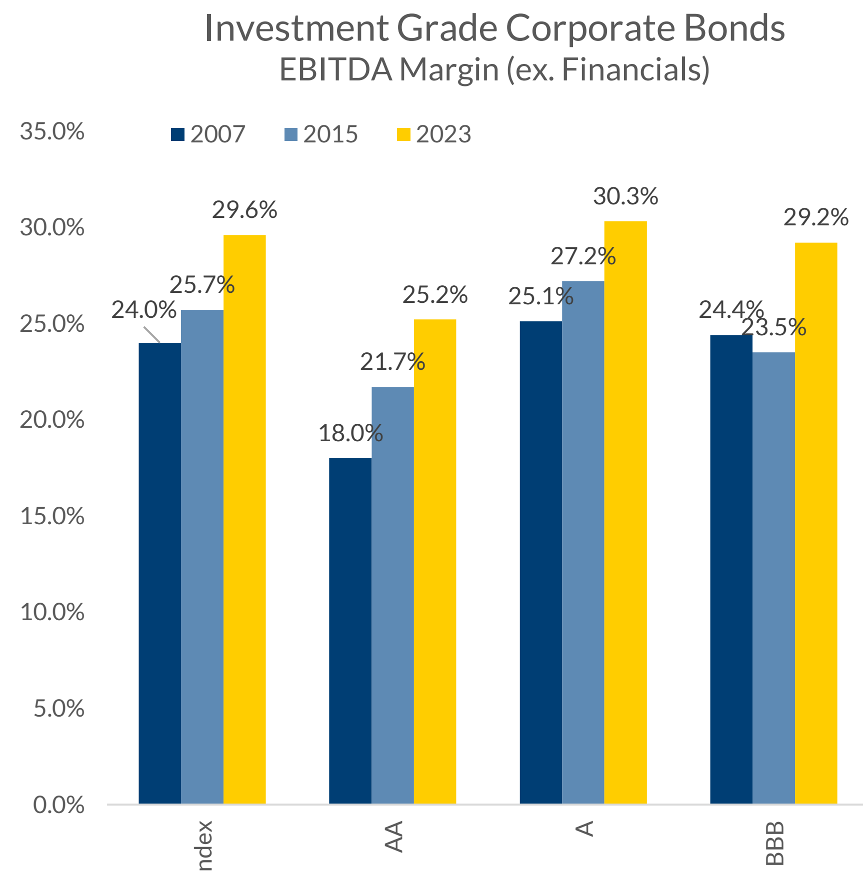


Source: Bloomberg, Federal Reserve, CNR. As of January 22, 2024.

Credit Fundamentals Are Resilient

- U.S. High Yield and Investment Grade bond fundamentals are strong.
- High Yield interest coverage – the amount of income available to service debt - is healthy.
- Investment grade markets are experiencing expanded EBITDA margins.
- The level of global defaults is below historical averages, posting just 3% in December.

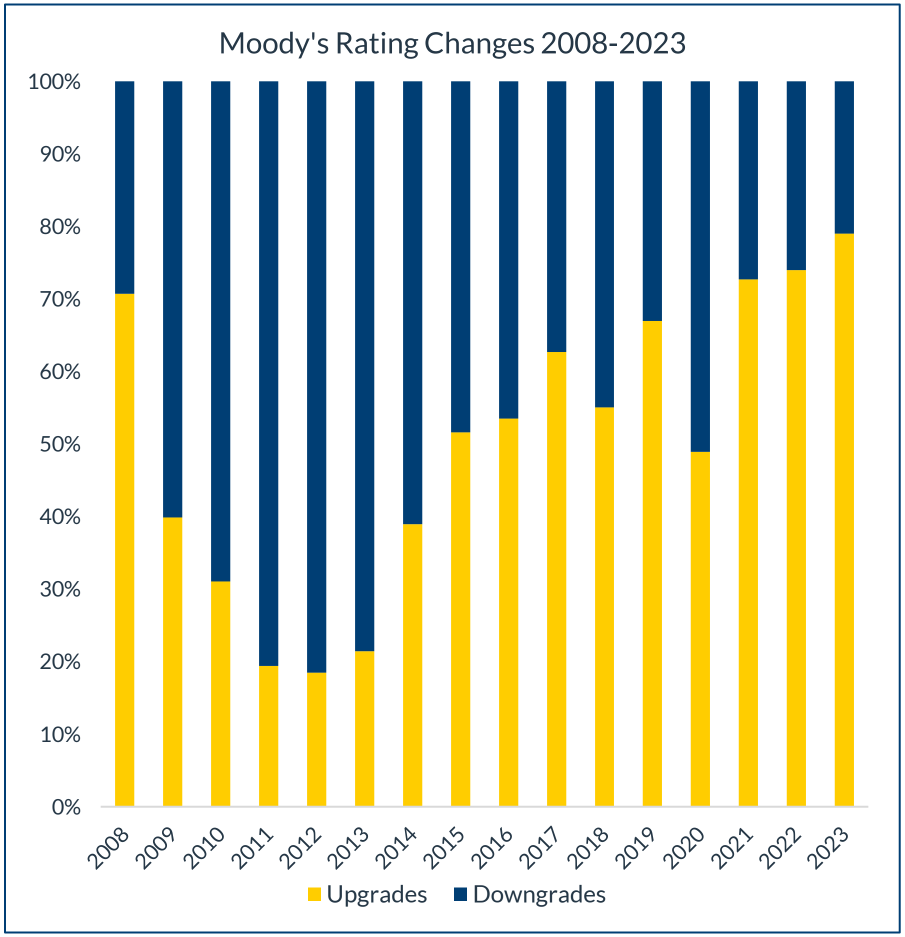


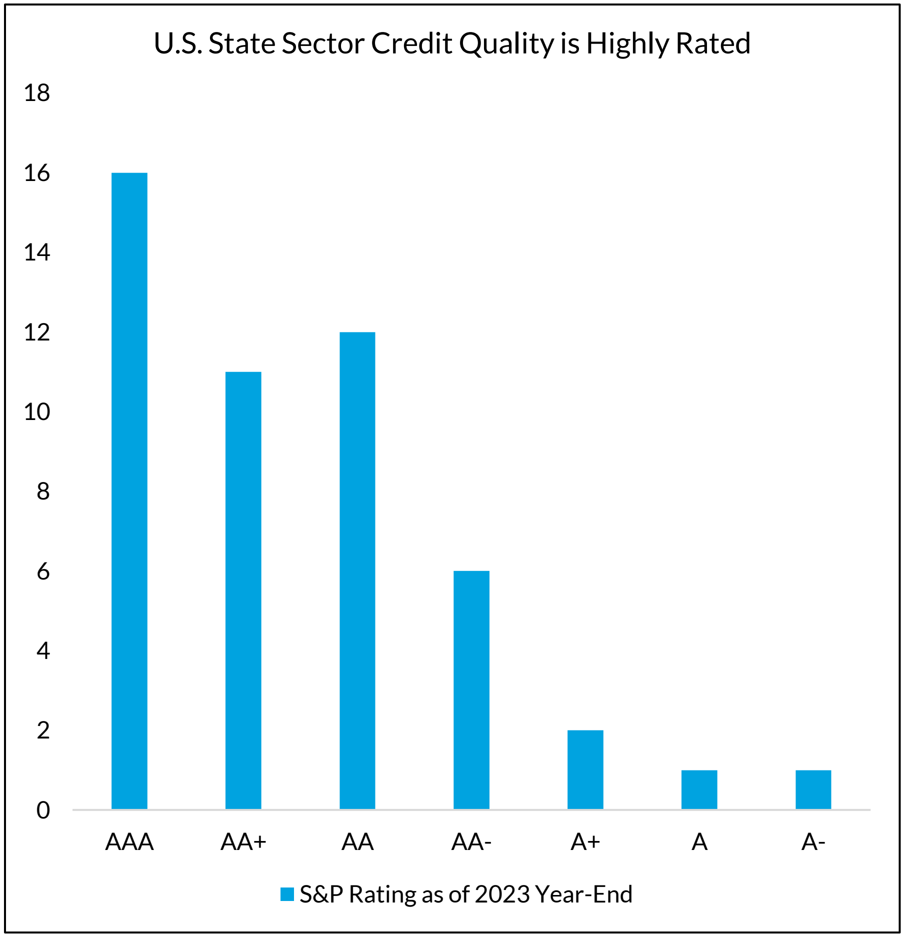


Source: Barclays, Moody's Analytics, as of September 2023
Indexes used: Bloomberg U.S. High Yield Corporate Bond Index; Bloomberg Investment Grade Corporate Bond Index.

Municipal Bond Credit Quality Remains Intact

- State and local governments are well-positioned financially with healthy reserve funds.
- Most revenue bond sectors have reached or exceeded their pre-pandemic performance.
- Focusing on credit selection is key to successfully navigating the market.

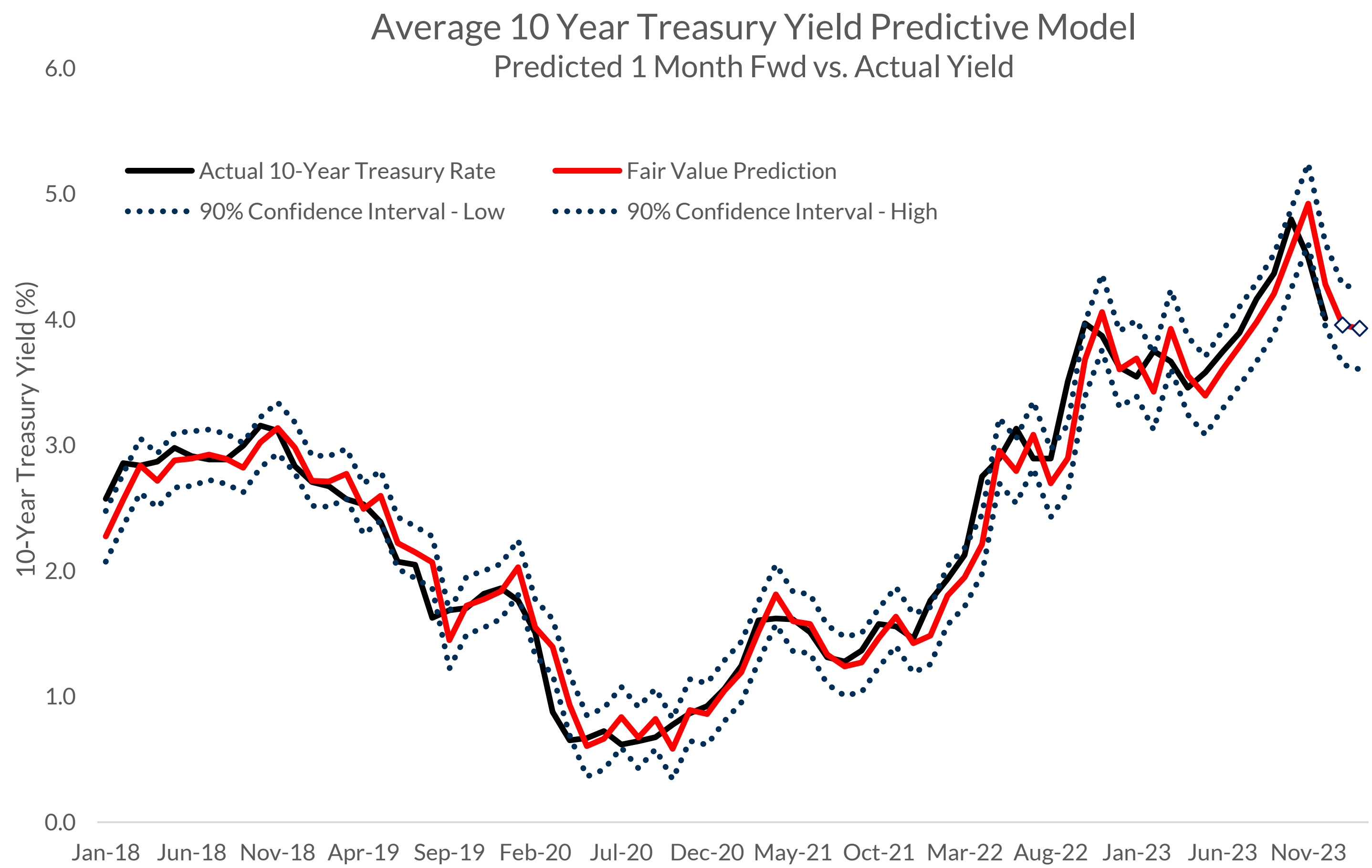




Source: Moody's as of December 2023; data through the first three quarters of 2023; S&P Ratings Direct as of January 2024.

10-Year U.S. Treasury Yields Are More Aligned With Fair Value

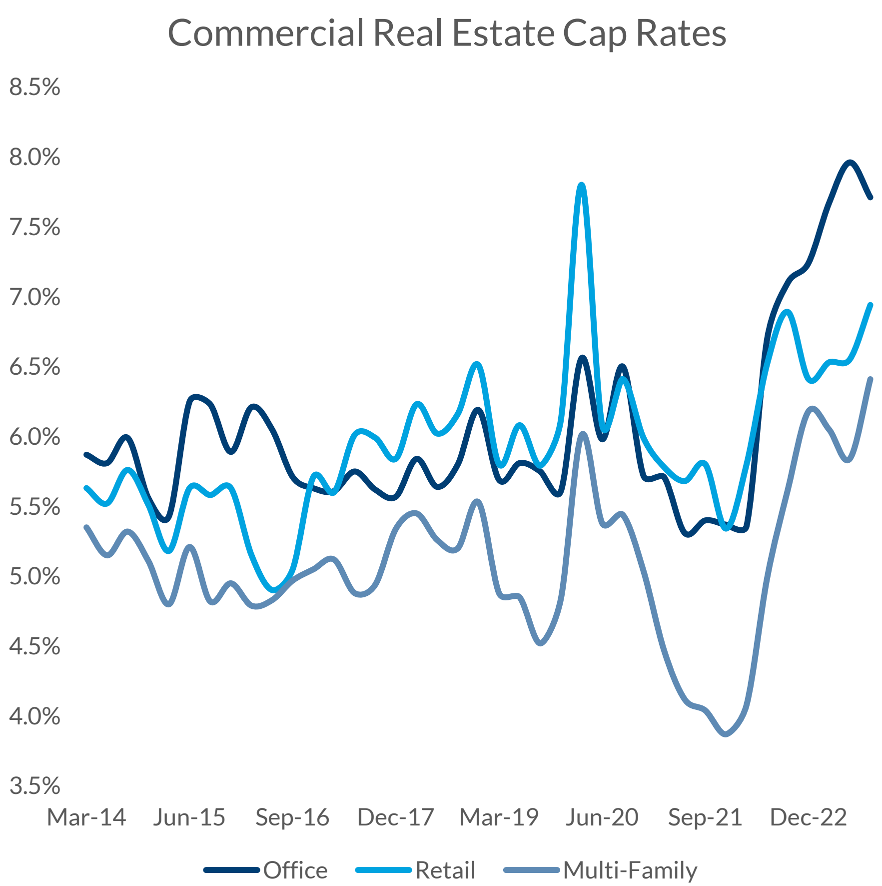
- Rates are likely to stay above 4% in 2024, consistent with our fair value modeling based on the current economic backdrop.
- Our strategies are broadly positioned with neutral index interest rate exposure given high volatility.
- We recommend that fixed income target allocations be fully deployed at the current level of interest rates.

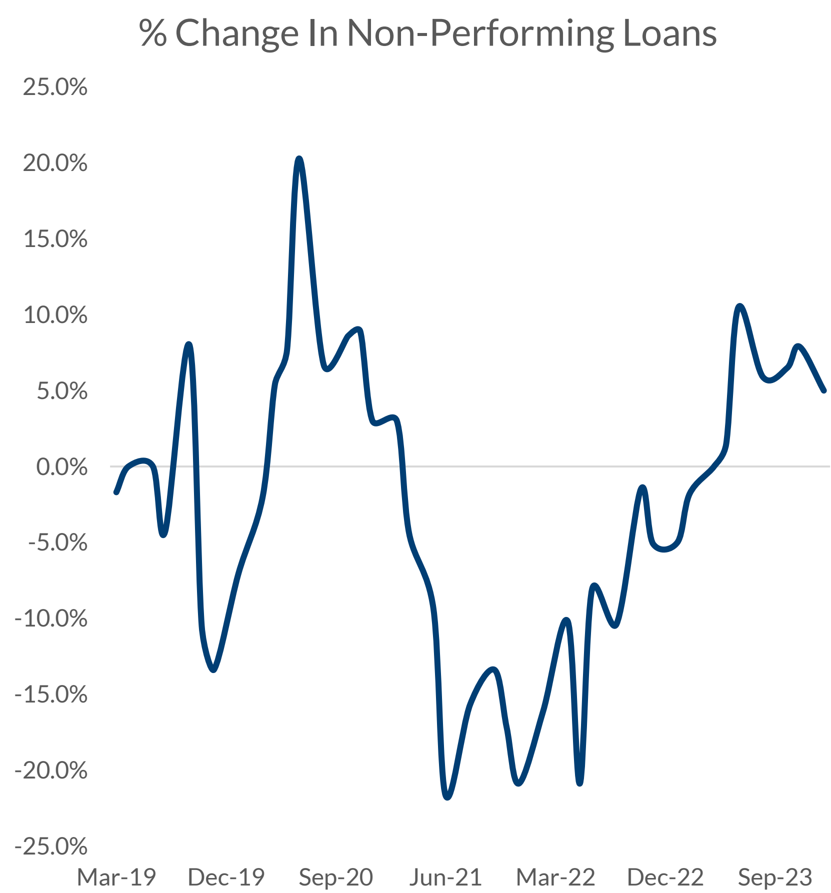


Source: Bloomberg, Federal Reserve, CNR. As of January 2024.
We model the average forward 10-year interest rate using an ARIMAX model of order (0,1,1) with exogenous variables term premium1 and inflation risk2. We train the ARIMAX model on a rolling window of 60 months and predict the average change in the 10-year interest rate over the next month. The data displayed in the figure shows the out-of-sample performance of the model.

Commercial Real Estate

- Despite the potential impact to bank balance sheets, commercial real estate failed to disrupt markets in 2023.
- Valuations have adjusted and, while downside risks remain, the run rate of non-performing loans is falling, and market stabilization has the potential to increase anemic transaction volume.
- The direction of CRE markets will be key to the valuation of mortgage-backed securities and will affect broader rate markets.

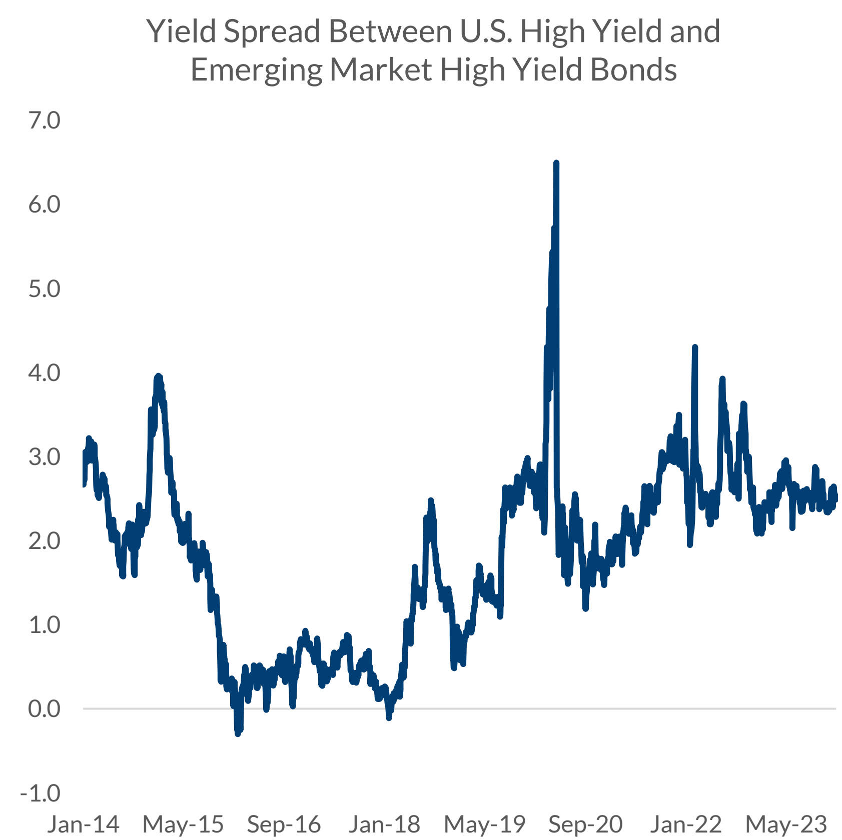




As of January 2, 2024.
Source: NAREIT, Bloomberg, Dallas Federal Reserve.

Emerging Market Bond Valuations

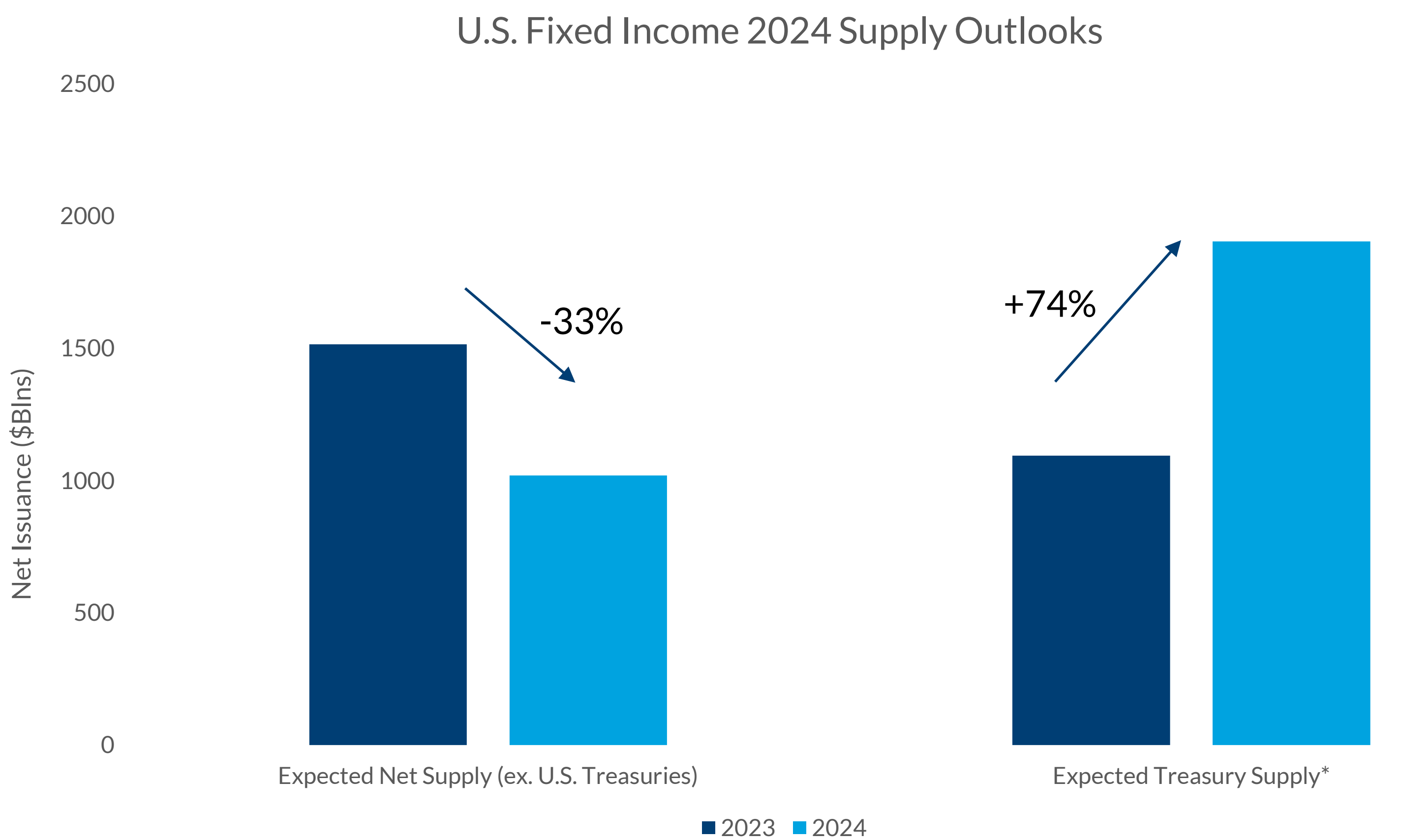
- The outlook is shifting for Emerging Market ("EM") bonds as inflation continues to cool.
- Emerging market high yield bond yields exceed U.S. levels by more than 2.5%.
- Fed rate cuts could spark a period of global easing, which may create tailwinds in Emerging Market bonds.
- No allocation adjustments have been made at this time, but attractive entry points are possible.



Source: Bloomberg, CNR. As of January 22, 2024.
Indexes used: Bloomberg Emerging Market High Yield Index; Bloomberg U.S. High Yield Corporate Bond Index.

Fixed Income Market Supply & Demand Fundamentals

- Higher rates have lowered the level of issuance activity in the bond market, except for U.S. Treasuries.
- Lower supply with higher rates has created positive supply and demand fundamentals, a key component of our recommendation to own Fixed Income at full weight.
- The equation is flipped for Treasuries, but this may help keep rates elevated - a positive for long-term return.
- The demand base is also shifting with money managers expected to take a bigger share of treasury issuance.

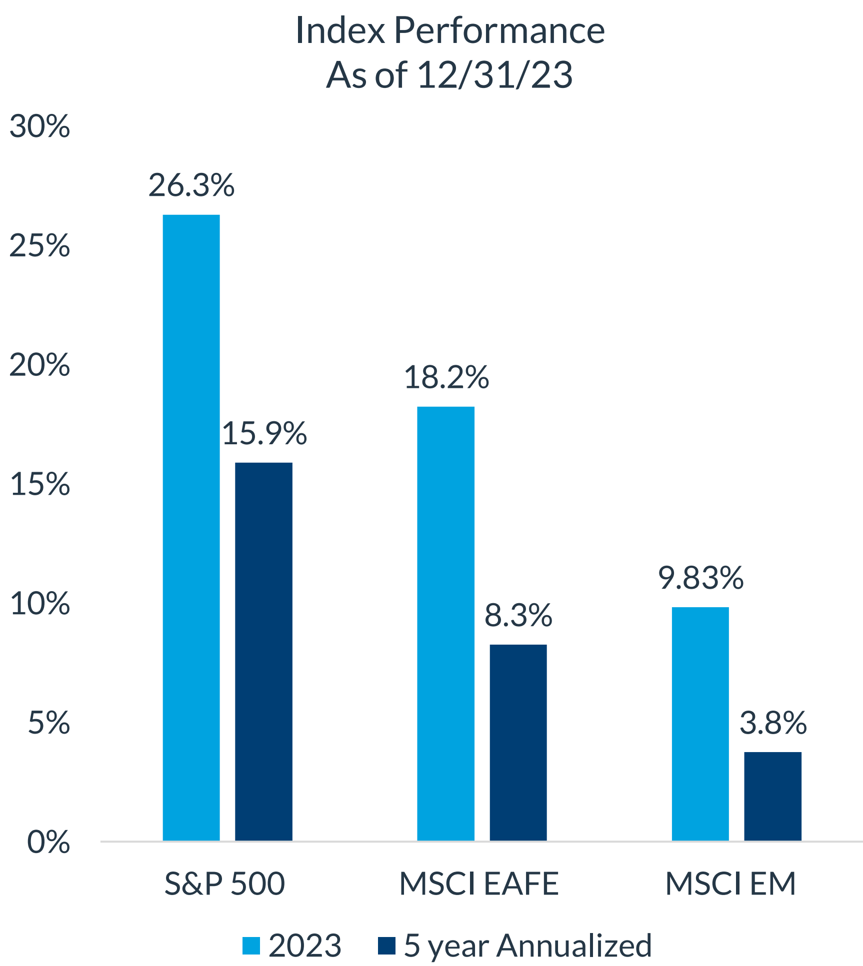


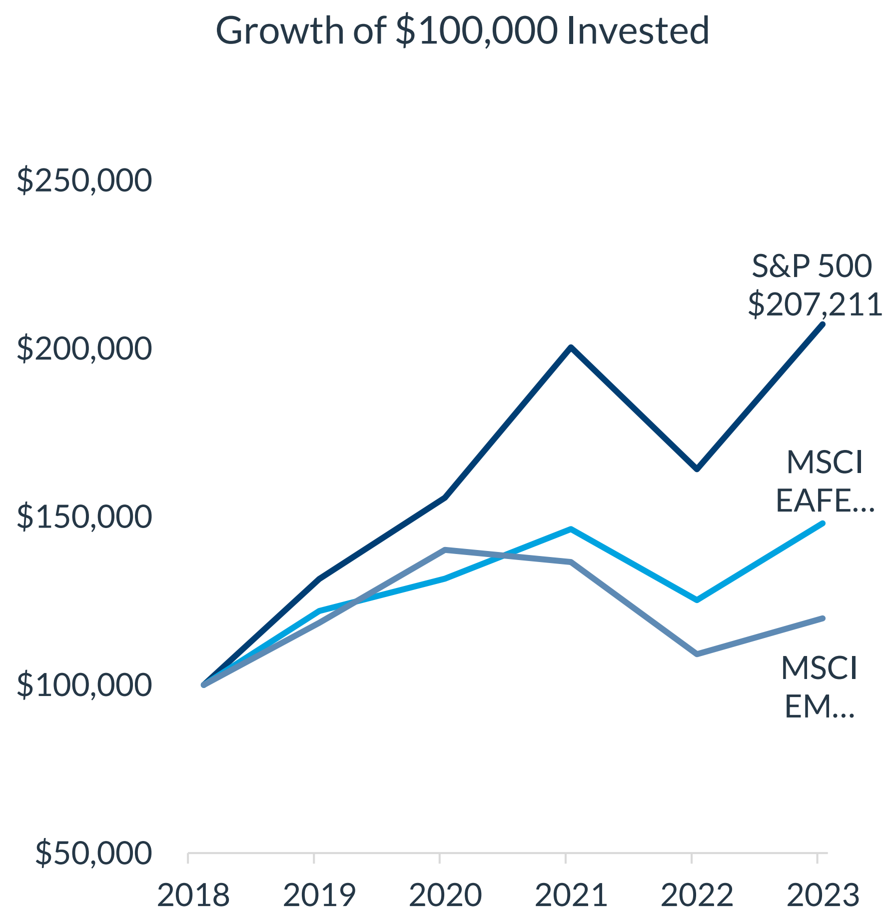
*Forecasts for long-term (>1Y) net issuance in 2023 and 2024; $bln
Source: JPMorgan, Bloomberg, Federal Reserve. Projections as of November 21, 2023.

Equities

Continue to Favor U.S. Equities

- US outperformance has been significant over the past 5 years.
- While outperformance is expected to moderate, CNR 4P's continue to support US overweight.

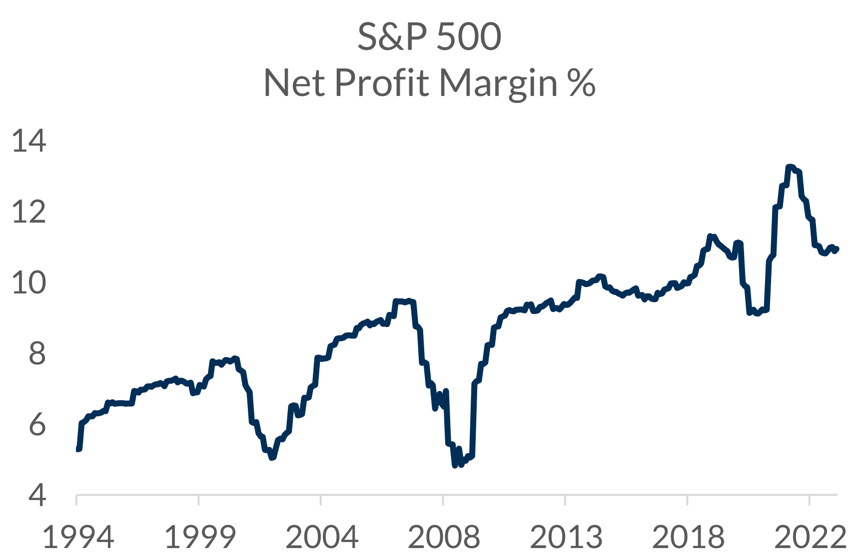




Source: FactSet, as of December 2023.
For more information about CNR's proprietary 4P Analysis, please see the Important Information sections.
Information is subject to change and is not a guarantee of future results.

Key Issues for Stocks

Positives	Negatives
▪ Acceleration in EPS growth	▪ Margins near all time high
▪ Positive historical stock returns in election year/Fed pivot	▪ Geopolitical risks – Slowing global GDP
▪ Resilient labor market/consumer strength	▪ Equity risk premium low – High valuations
▪ Broadening of participation in rally	▪ Record optimism for soft landing



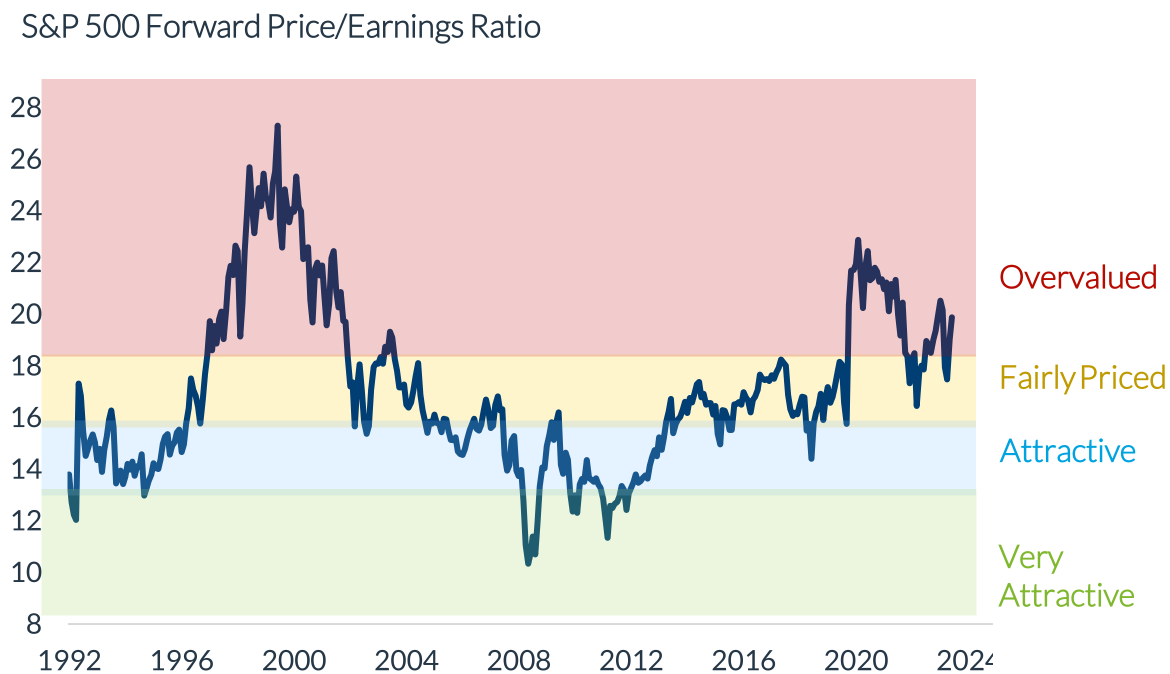
S&P 500 Fair Value Matrix

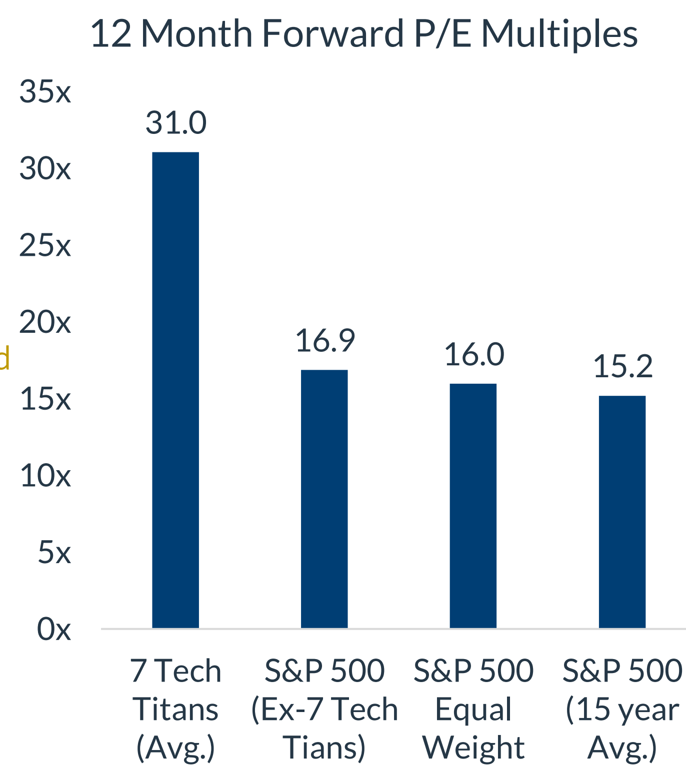
P/E	2024 EPS $231	2024 EPS $240	2024 EPS $246
16	3696	3837	3942
18	4158	4316	4435
20	4620	4796	4928

Source: Factset, as of December 2023.
Information is subject to change and is not a guarantee of future results.

Key Conditions to Increasing Equity Exposure
Valuations

- Equity valuations look historically expensive, but are more reasonable outside of large-cap tech.
- We continue to see more attractive entry points from a risk reward perspective at lower index levels.
- MidSmall cap stocks appear increasing more attractive from a relative value persecutive.

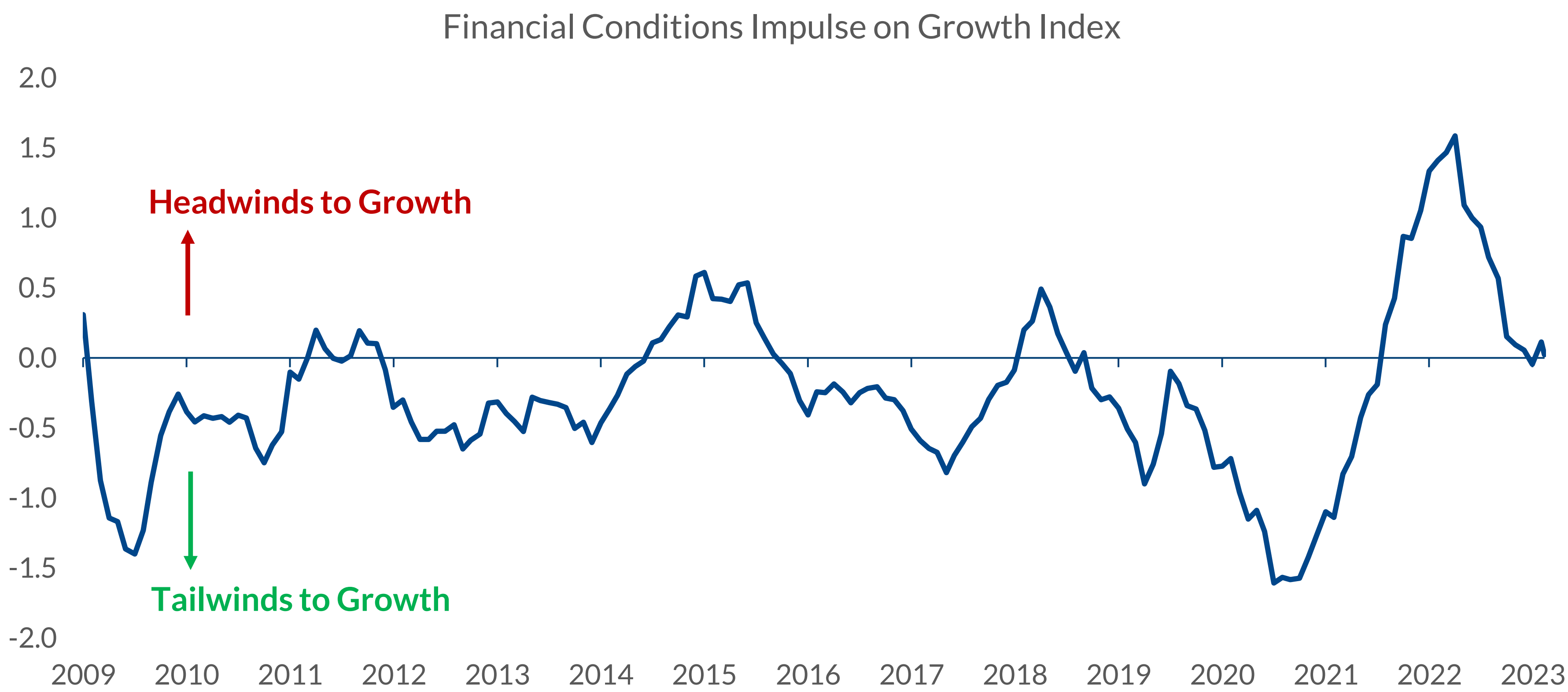




Source: FactSet, as of December 2023
Information is subject to change and is not a guarantee of future results.

Key Conditions to Increasing Equity Exposure
Financial Conditions

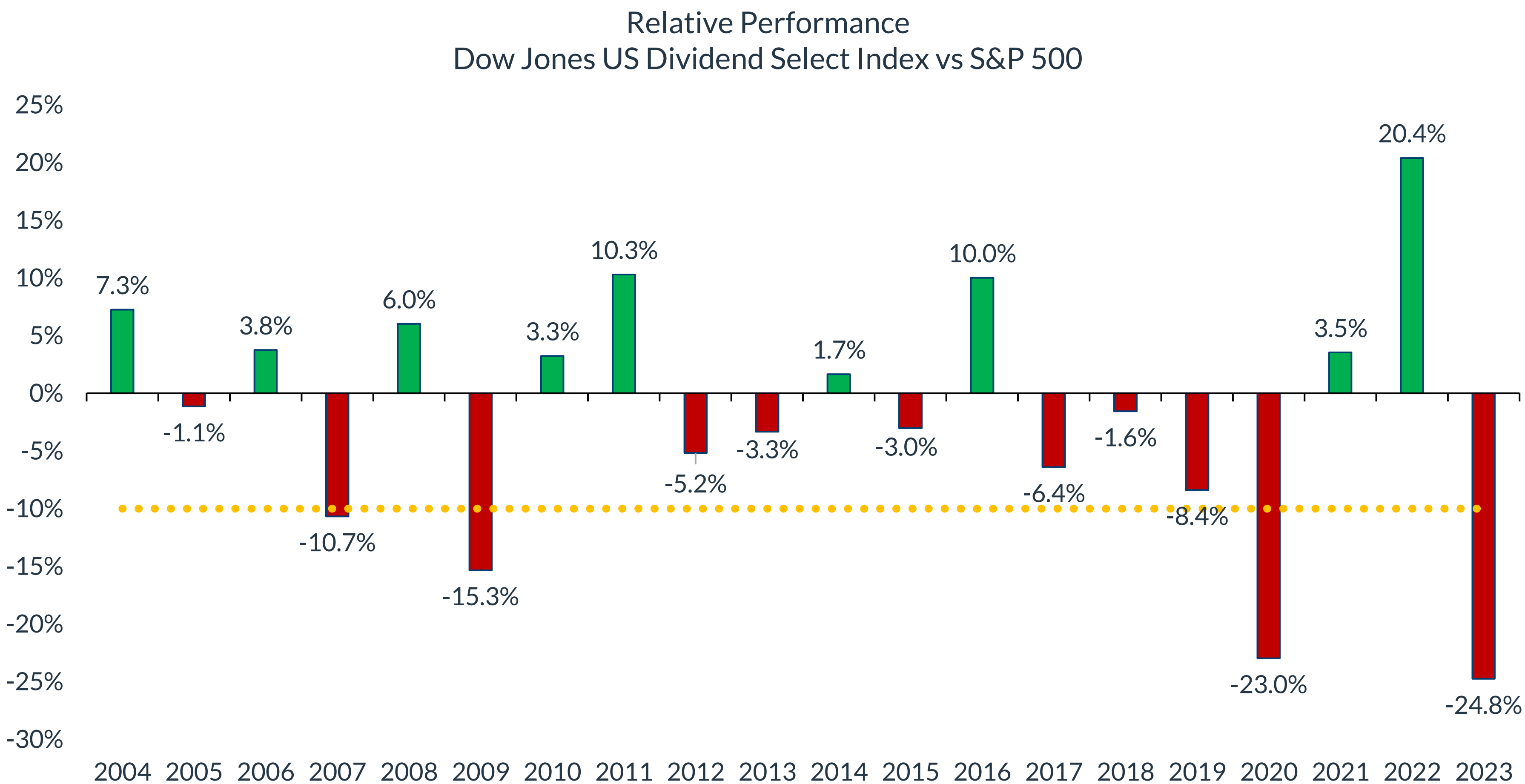
- Easing in financial conditions is a positive signal.
- If continued, would be supportive of more sustainable growth.



Source: Federal Board of Reserve, as of December 2023.
Information is subject to change and is not a guarantee of future results.

History Suggests Dividend Stocks are Due for a Rebound

- Dividend stocks have periods of outperformance and underperformance vs the S&P 500.
- After lagging by 23% in 2020, dividend stocks recovered all lost ground within two years.
- Over the past 20 years, every year of 10% or greater underperformance has been followed by outperformance.

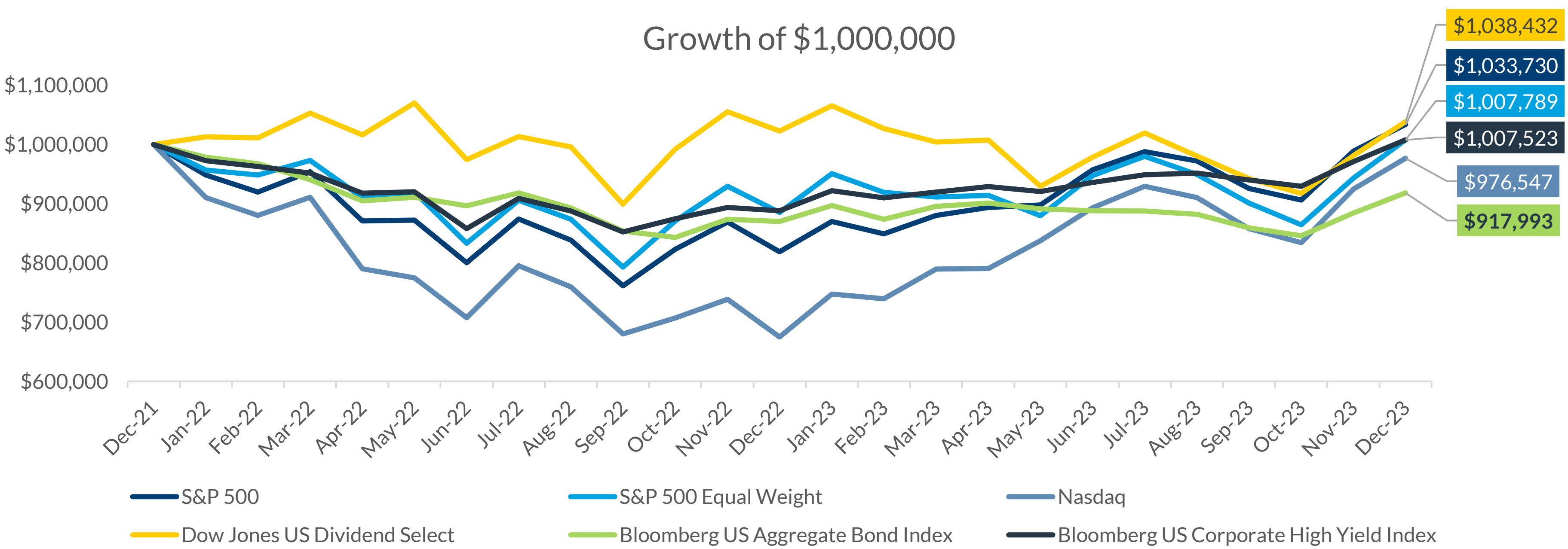


Source: Factset, as of December 2023.
Information is subject to change and is not a guarantee of future results.

Conclusion

Reflecting on Two Volatile Years

- Significant market declines in 2022 were reversed in 2023, producing modest 2 year returns across asset classes.
- We expect modest returns in 2024 with less dramatic swings in financial market prices.



Period	S&P 500	S&P 500 Equal Weight	Nasdaq	Dow Jones US Dividend Select	Bloomberg US Aggregate Bond Index	Bloomberg US Corporate High Yield Index
2022	-18.1%	-11.5%	-32.5%	2.3%	-13.0%	-11.2%
2023	26.3%	13.8%	44.7%	1.5%	5.5%	13.4%
2022-2023	3.4%	0.8%	-2.3%	3.8%	-8.2%	0.8%

Source: FactSet, as of December 2023.
Past performance is no guarantee of future results.

2024 Key Asset Class Expectations

- Expect US equities to outperform non-US equites
- Forecasting positive but moderate returns for S&P 500, timing and extent of EPS growth is key
- History suggest a modest rebound in Dow Jones US Dividend Select Index vs. S&P 500
- Fixed income returns expected to be mostly positive
- Investment grade corporate and municipals have the potential to offer attractive yields with lower volatility
- High yield corporates and municipals, while volatile, have the potential to offer attractive yield
- Alternatives* may provide diversifying benefits and attractive opportunities

Source: CNR Research, as of December 2023. Information is subject to change and is not a guarantee of future results
*Alternative investments are speculative, may entail substantial risks and may not be suitable for all investors.

Q&A

Important Information

Equity investing strategies & products. There are inherent risks with equity investing. These risks include, but are not limited to stock market, manager or investment style. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Fixed Income investing strategies & products. There are inherent risks with fixed income investing. These risks include, but are not limited to, interest rate, call, credit, market, inflation, government policy, liquidity or junk bond risks. When interest rates rise, bond prices fall.This risk is heightened with investments in longer-duration fixed income securities and during periods when prevailing interest rates are low or negative.

Investing in international markets. There are inherent risks with international investing. These risks include, but are not limited to, 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. In addition, emerging markets can have greater custodial and operational risks and less developed legal and accounting systems than developed markets. 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 moredeveloped foreign markets.

High yield securities. Investments in below-investment-grade debt securities, which are usually called "high yield" or "junk bonds," are typically in weaker financial health. Such securities can be harder to value and sell, and their prices can be more volatile than more highly rated securities. While these securities generally have higher rates of interest, they also involve greater risk of default than do securities of a higher-quality rating.

Real estate sector or REITs. 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.

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.

All investment strategies have the potential for profit or loss; changes in investment strategies, contributions or withdrawals may materially alter the performance and results of a portfolio. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be suitable or profitable for a client's investment portfolio.

Quality Rank: City National Rochdale Proprietary Quality Ranking is the weighted average sum of securities held in the strategy versus the S&P 500 at the sector level using the below footnoted formula.

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.

4P Analysis Framework: 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.

Returns include the reinvestment of interest and dividends.

Indices are unmanaged, and one cannot invest directly in an index. Index returns do not reflect a deduction for fees or expenses.

Important Information

The views expressed represent the opinions of City National Rochdale, LLC (CNR) which are subject to change and are not intended as a forecast or guarantee of future results. Stated information is provided for informational purposes only, and should not be perceived as personalized investment, financial, legal or tax advice or a recommendation for any security. It is derived from proprietary and non-proprietary sources which have not been independently verified for accuracy or completeness. While CNR believes the information to be accurate and reliable, we do not claim or have responsibility for its completeness, accuracy, or reliability. Statements of future expectations, estimates, projections, and other forward-looking statements are based on available information and management's view as of the time of these statements. Accordingly, such statements are inherently speculative as they are based-on assumptions which may involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such statements.

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 does not ensure a profit or protect against a loss in a declining market. Past performance is no guarantee of future performance.

City National Rochdale, LLC, is a SEC-registered investment adviser and wholly owned subsidiary of City National Bank. Registration as an investment adviser does not imply any level of skill or expertise. City National Bank and City National Rochdale are subsidiaries of Royal Bank of Canada. City National Bank provides investment management services through its subadvisory relationship with City National Rochdale, LLC.

Index Definitions

S&P 500 Index. The Standard & Poor's 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent US equity performance.

MSCI EAFE Index. The MSCI EAFE (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization weighted index that is designed to measure developed equity market results, excluding the US and Canada.

The MSCI Emerging Markets Index. The MSCI Emerging Markets Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global emerging markets, consisting of more than 20 emerging market country indexes.

US High Yield Index. The US High Yield Index is a market capitalization weighted index that measures the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.

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

Bloomberg US Corporate High Yield Index. The Bloomberg US Corporate High Yield Index measures the performance of non-investment grade, US dollar-denominated, fixed-rate, taxable corporate bonds.

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 US Corporate 1-5 years Total Return Index Value Unhedged USD: The Bloomberg US Corporate Bond 1-5 Year Index measures the investment grade, fixed-rate, taxable corporate bond market with 1-5 year maturities.

Bloomberg US Investment Grade Corporate Bond Index: 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.

DJ US Select Dividend Index®. The Dow Jones US Select Dividend Index® measures the performance of the top 100 US stocks by dividend yield.

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

Bloomberg U.S. High Yield Corporate Bond Index. The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market.

The Bloomberg Investment Grade Corporate Bond 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.

Bloomberg Emerging Market High Yield Index. The Bloomberg Emerging Markets USD Aggregate Bond Index is a flagship hard currency Emerging Markets debt benchmark that includes fixed and floating-rate US dollar-denominated debt issued from sovereign, quasi-sovereign, and corporate EM issuers.

Alternatives – Income based performance: Returns illustrated are 50% Palmer Square BB CLO Index/50% Palmer Square BBB CLO Index.

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

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

Definitions

Commercial and Industrial (C&I) Loan A commercial and industrial (C&I) loan is a loan made to a business or corporation.

Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.

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

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.

CITY NATIONAL ROCHDALE®

AN RBC/CITY NATIONAL COMPANY

New York Headquarters
400 Park Avenue
New York, NY 10022
212-702-3500

Beverly Hills Headquarters
400 North Roxbury Drive
Beverly Hills, CA 90210
310-888-6000