IN THIS ISSUE

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ECONOMIC & INVESTMENT MANAGEMENT PERSPECTIVES

QUARTERLY UPDATE

Challenges to Overcome in the First Half 2023; Thinking Optimistically Longer Term

Garrett R. D'Alessandro, CFA, CPWA®, CAIA, AIF®
Chief Executive Officer

Several key forward-looking indicators are flashing recession signals for the US economy in the first half of 2023. We have set our investment strategy and asset allocation for clients to reflect our near-term cautious outlook by underweighting risky asset classes, like growth equities, and overweighting less risky asset classes, like income-producing, fixed-income investments.

Our recession forecast calls for a mild downturn, which means that GDP will decline less than normal and only for a few quarters before the economy begins to recover. Because financial markets usually anticipate this, we think the stage should be set for a rise in stock and bond values later this year and leading into 2024.

The primary reasons for our mild recession outlook pertain to our view of the consumer, who represents approximately 68% of overall economic activity. When consumers have good financial resiliency, as they do today, history shows that recessions tend to be shorter and milder. In evaluating consumer financial health, the labor market outlook while trending downward is still quite solid. Despite unemployment at a 50-year low of 3.5%, millions of jobs remain unfilled, forcing businesses to continue to hire and raise wages even as economic growth slows. Should a recession occur, we think these ongoing labor shortages will limit a rise in the unemployment rate to only 4.5%–5%. By historical standards, this should not cause a meaningful retrenchment in consumer activity because roughly 95% of all those wanting to work will still be employed.

We believe our focus on holding high-quality US stocks and bonds through this turbulent period gives us the best opportunity for achieving your individual goals. In our assessment, the US continues to rank as the world's primary economic region, with the most resilience and long-term promise for investors.

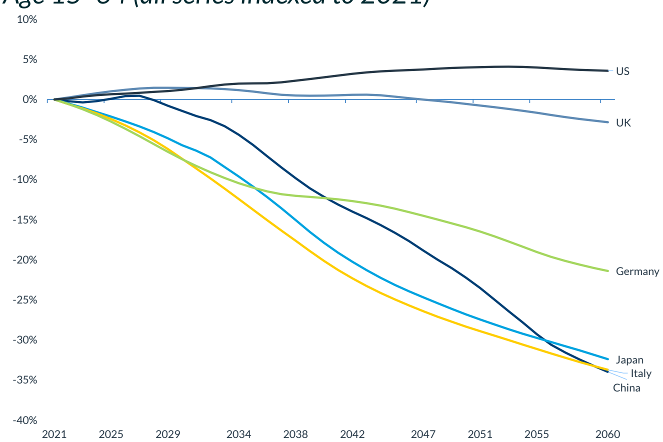
KEY POINTS

- **Better returns for stocks and bonds expected in 2023**
- **Near-term recession expected, but likely mild**
- **US economy continues to be best positioned globally**

There are two dominant forces that drive an economy forward and ultimately support corporate profit growth. The first is demographics — countries with slowing or shrinking working-age populations historically have little ability to grow. The second main driver is an economy's capacity for productivity and innovation. As the accompanying charts show,

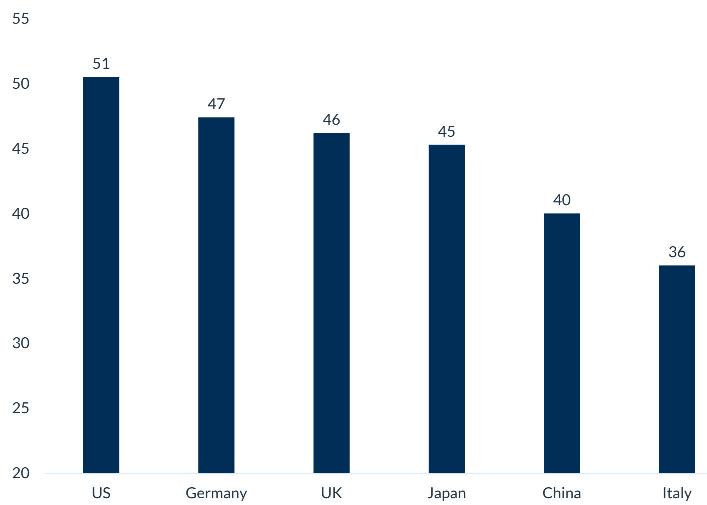
Chart 1: Working Age Population Projections in Major Economies

Age 15–64 (all series indexed to 2021)



Source: United Nations Department of Economic and Social Affairs as of 2022

Chart 2: Global Productive Capacities Index



Source: United Nations Department of Economic and Social Affairs as of 2018

when compared with other major economies, the US outlook for labor force growth and productivity is likely to be among the best globally in the years ahead.

The year 2022 was a disappointing one for stock and bond investors, and there are likely to be further challenges to overcome in the months ahead.

However, as we move through 2023, we expect more positive economic and corporate earnings trends to develop that should favor a recovery in both stocks and bonds. Although we can't know exactly when the current turbulence will end, we believe adhering to your long-term investment strategy, while being flexible during volatile times, will be an optimal approach to achieving your goals.

Market Update: History Supports Optimism for 60/40 Portfolios

Tom Galvin
Chief Investment Officer

2022 was one of the most challenging years in my many decades of investing. For the first time in history, stocks and bonds both declined by more than 10%. This highly unusual combination resulted in the traditional 60/40 portfolio — designed to offer a degree of downside protection in turbulent markets — posting an eye-watering 16.9% decline and its worst annual return since the Great Financial Crisis of 2008. We believe 2023 will ultimately turn out to be more positive for investors but remain cautious for now.

Looking closer at historical performance, we see good reason for optimism going forward. Since 1926, there have been only six years where the 60/40 portfolio mix has declined by 10% or more, and cumulative returns were higher in most cases six months later and significantly higher after one year and three years. The real shocker though in 2022 was that bonds fell for the second year in a row, with their 13% decline the biggest in nearly 100 years. Prior to this, the most bonds declined in a given year was in the 6%–7% range, and this occurred only three times, with the average next year return for fixed income investors a very strong 8%.

So with history on our side, where do we go from here? **The good news, after such a painful experience, is that the outlook for the year ahead is considerably brighter.** However, we think investors

Chart 1: 60/40 Annual Total Return

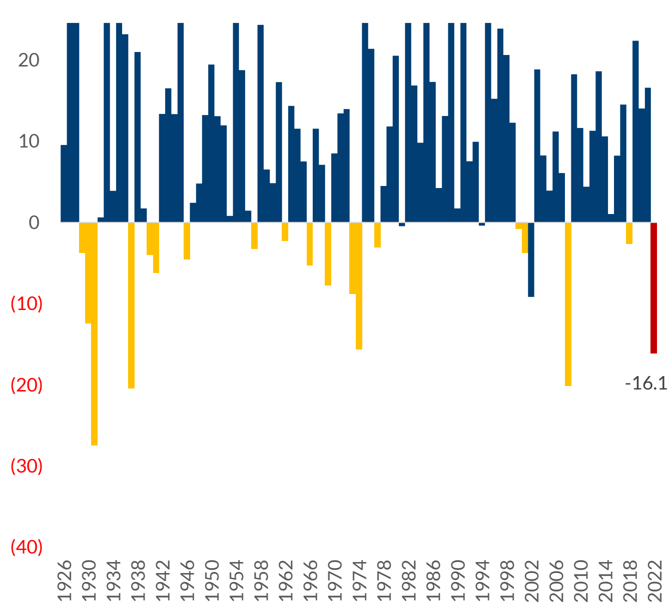
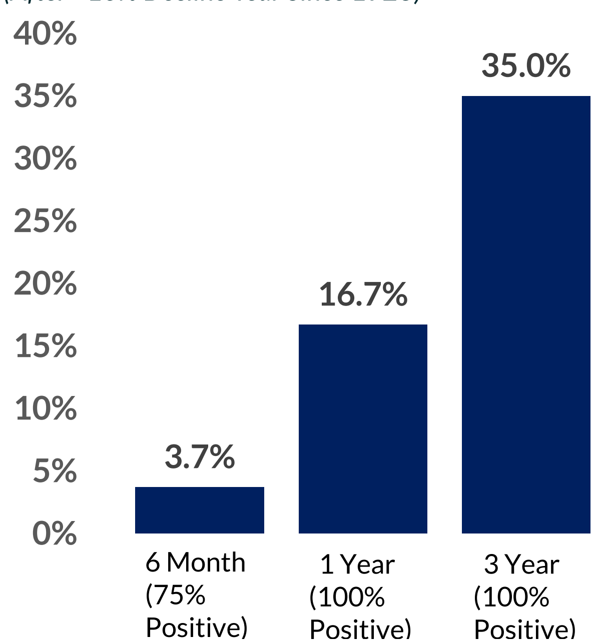


Chart 2: 60/40 Average Cumulative Returns

(After >10% Decline Year Since 1926)



Sources: Ibbotson Associates Index Data via Morningstar Direct. FactSet 60/40 split between Equities and Fixed Income. Equities index: S&P 500. Fixed Income index: Bloomberg US Aggregate Bond Index. Hypothetical value of assets held in untaxed portfolios invested in US stocks and bonds. Stocks and bond investments are represented by total returns of the S&P 500 and 50% IA SBBI US LT Government/50% IA SBBI US LT Corporate 1/1926-1/1976, Bloomberg US Aggregate 1/1976-present. Past performance is no guarantee of future results. 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.

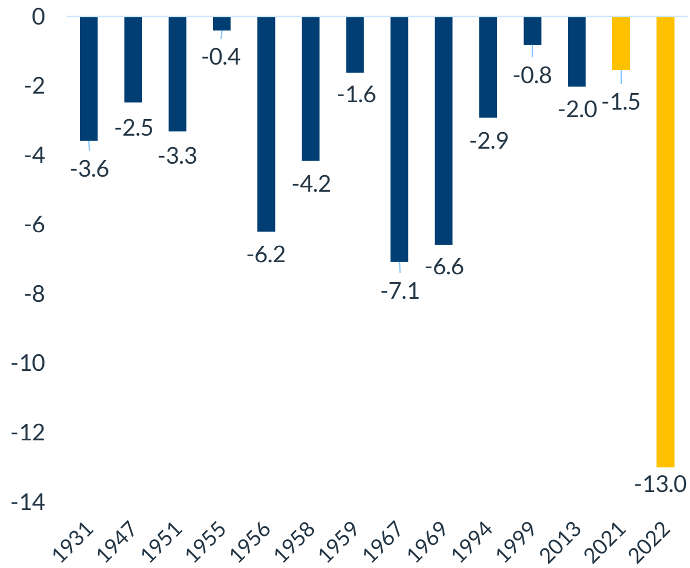
will first likely need to exercise a bit more patience. From our perch, we see 2023 shaping up to be a tale of two halves, with the many factors that have weighed on markets this past year — persistently strong inflation, hawkish central banks, rising recession risk and ongoing geopolitical uncertainty — continuing before giving way to more favorable market conditions. Until then, there are several key issues we are watching.

At the top of our list is the path of Fed policy. While inflation trends are now moving favorably, they are likely happening too slowly for central bank officials. With wage and service sector pressures in particular proving stubborn, the **Fed has continued to signal it plans to "hike and hold" rates at high levels.** Investors, though aren't buying it, with the market's rally off its mid-October low premised on expectations that officials will pivot to cutting rates as soon as the second half of 2023. However, if as we expect, the Fed does stay on course keeping rates higher for longer, further volatility in the months ahead is likely.

Indeed, given the Fed's determination to bring down inflation, a recession in coming months will be hard to avoid. Higher rates have already taken a significant bite out of economic activity, and due to the lagged nature of monetary policy transmission, the full effects of tightening have not yet been felt on the economy. From an investment perspective, **what concerns us the most is that markets still seem to be pricing in a soft landing ahead, with 2023 earnings growth expectations a relatively healthy 4.2%**. Our outlook calls for a -2.7% earnings decline on a weighted average basis, but in a scenario where the economy enters even a mild recession, we think earnings growth could potentially fall even further, up to 10%.

There are also many other things that could upset investor sentiment in coming months. We think a US debt default will ultimately be avoided; however **political turmoil in Washington indicates resolving the latest debt ceiling crisis won't come without some level of market volatility. At the same time, geopolitical concerns have not gone away.** Russia's

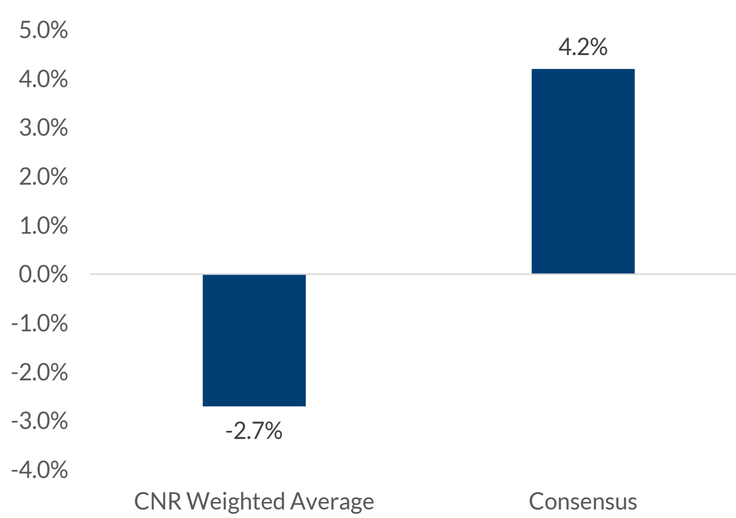
Chart 3: Negative Annual Fixed Income Returns Are Rare Since 1926



Sources: Ibbotson Associates Index Data via Morningstar Direct. Fixed Income index: Bloomberg US Aggregate Bond Index. Hypothetical value of assets held in untaxed portfolios invested in US stocks and bonds. Stocks and bond investments are represented by total returns of the S&P 500 and 50% IA SBBI US LT Government/50% IA SBBI US LT Corporate 1/1926–1/1976, Bloomberg US Aggregate 1/1976–present. Past performance is no guarantee of future results. 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.

Chart 4: 2023 S&P 500

Earnings Growth Estimates



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

KEY POINTS

- Very difficult year unlikely to be repeated
- But remain cautious near term
- Higher for longer outlook still unfolding

war with Ukraine continues to rage on, and while the ending of China's Zero COVID policy has so far gone better than expected, reopening is bound to be a bumpy affair. We remain in a risky environment, and though the US may be insulated to some degree from external shocks, as we've been repeatedly reminded over the past two years, what happens halfway around the world can have significant reverberations here at home.

Nevertheless, at some point over the next six to 12 months, we think investment conditions will likely begin to improve. Relative to the eve of prior recessions, US banks remain well capitalized, consumer and corporate balance sheets are healthy and the labor market is strong, all of which should help mitigate against the risk of a short and shallow economic downturn turning into something deeper and longer lasting. We also expect inflation to continue to show signs of sustained moderation, allowing the Fed to eventually pause their tightening campaign when the policy rate reaches around 5%. This won't be a cure-all, but **a Fed moving to the sidelines should allow the economy and markets to find more sustainable footing**.

For now, we remain happy with the de-risking steps we've made over the past year in client portfolios and continue to maintain our cautious approach to asset allocation positioning. Importantly, we have yet to see that capitulation or "throw in the towel" moment that can typically occurs at the end of bear markets, and our focus on holding high-quality and income-producing US stocks and bonds can help provide client portfolios with relative stability until market turbulence subsides. Still, **if we are right about all this, then we are also likely coming closer to the end of this painful reset in asset prices.**

In the months ahead, bonds may continue to struggle with rising interest rates, but higher rates have already brought a much-improved outlook for fixed income investors, who have not seen yields at these levels in many areas of the market in more than a decade. Likewise, though stocks may face additional downside pressures as earnings expectations are revised down, significant repricing has already occurred.

While it can be difficult, this is a good reminder for investors that it is important to focus not on where returns have been, but on where they could go in the quarters and years ahead. There is likely more volatility to come, and it's not certain that we have seen the lows for this cycle, but **we think it is increasingly probable that conditions will unfold for a more durable recovery into the second half of the year.** However, a meaningful lowering of inflation and some earnings growth visibility will first likely be necessary before risk assets find their bottom. Until then, we remain patiently vigilant, watching for conditions and signals to improve.

Staying Focused on True North

Tom Galvin
Chief Investment Officer

As 2022 unfolded and recession risk rose, our strategic thinking shifted to Higher for Longer and we proactively lowered our exposure to cyclical companies and industries most at risk from an economic downturn.

KEY POINTS

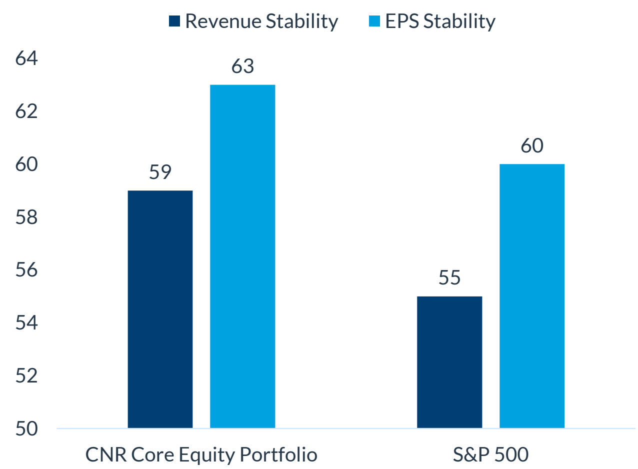
- Remaining cautious near term but expecting more positive returns in 2023
- Continuing to focus on quality US stocks
- Portfolio positioned with blend of defensive and offensive stocks

Conversely, we increased our exposures to industries that are more steady and stable growers. **Exiting 2022, we increased our exposure to consumer staples and health care services companies.** While spending by consumers in these areas can fluctuate during recessions, spending on everyday necessities and caring for one's health tend to be less cyclical and more durable. **We have also lowered our exposure to more cyclically oriented sectors such as energy, materials, industrials and technology that would face earnings challenges in a recession.**

When it comes to stocks, we believe it is vitally important to keep our compass pointed to True North, if you will. **Our focus remains on holding high-quality companies with strong management teams and durable franchises that are selling at reasonable prices.** We seek to own stocks that have the right blend of defense to manage their way successfully through a recession, and offense to outperform over a multiyear time period when the recession ends.

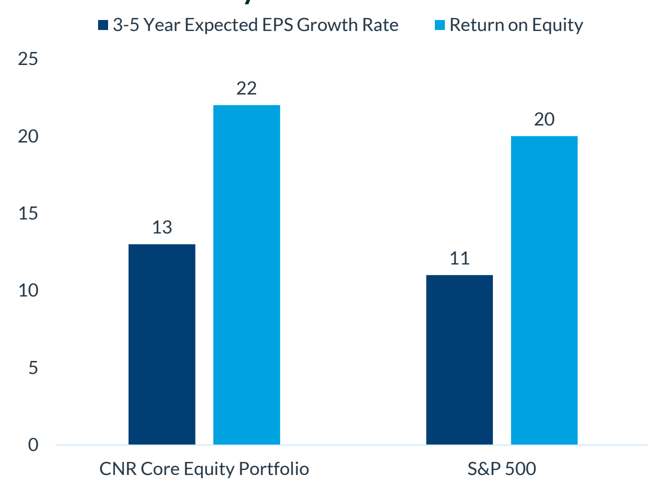
Given this, **we believe our defensive repositioning last year will help us weather the downward earning revisions that are likely to unfold in the months ahead for equities on a global basis.** Using our proprietary CNR quality ranking system, we believe our US Core Equity portfolio has a superior weighted average positioning compared to the S&P 500 from both a revenue and earnings stability perspective. On the offense side of our playbook, **we have a superior three to five year expected EPS growth rate and higher ROE compared to the S&P 500, which should serve us well when the economy rebounds.**

Chart 1: CNR Proprietary Quality Ranking



Source: CNR Research, as of January 2023
See Quality Ranking in index definitions

Chart 2: Profitability Measures



Source: Factset, as of January 2023

Revisiting Resilience — the Ramifications of Recession

David Shapiro
Senior Portfolio Manager

Tony Hu, CFA, FRM
Senior Portfolio Manager

During 2022, **dividend stocks demonstrated their usual resilience in the face of a bear market,** with our benchmark, the Dow Jones Select Dividend Index, posting a total return of 2.5%. Dividend stocks strongly outperformed the S&P 500 (down -18.1%), and the S&P Value stocks (-5.2%) they more closely resemble.

While markets have certainly seen volatility, with interest rates, the Fed hiking cycle and inflation all Higher for Longer, one shoe hasn't yet dropped. We have not actually entered a recession. Meanwhile, earnings growth and expectations have remained positive, with 2022 S&P EPS growth expected to conclude up +6%, and 2023 estimates currently reflecting growth of +5%.

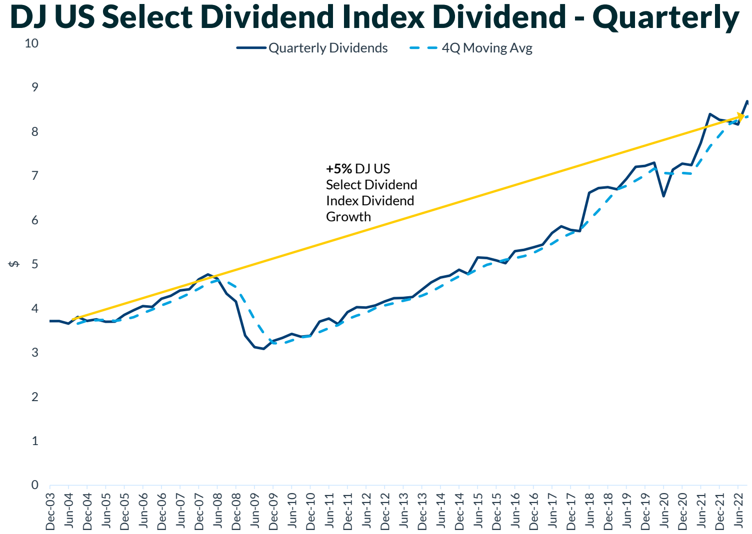
Of course, we do not know what the future will bring. However, we do know that **risks of recession are elevated going into 2023**. But while dividend stocks may see some earnings pressure, they continue to reward investors with income. In times of economic stress, income investors usually increase their focus on yield as a valuation metric over near-term earnings trends.

At CNR, we have long viewed dividend income, and dividend yield, as underpinning the value of our portfolio. **While stock prices may fluctuate significantly, our portfolio of dividends, our income stream, does not.** That income supports the **more stable and growing value of our portfolio, to be realized in price over the long term.**

Absent another crisis akin to the Great Financial Crisis, **we expect the dividends of attractively yielding stocks to hold up better than dividends of the broader market**. We expect CNR Equity Income portfolio dividends, run through our fundamental and quantitative quality screens, to do even better. Over the longer term, we expect dividend stock income growth to continue to grow at its historical rate of +5%.

Chart 1:

DJ US Select Dividend Index Dividend - Quarterly



Source: FactSet, as of December 31, 2022

Finally, while price may be disconnected from value in the short term, our attractive yield provides an element of tangible return in the near term. In a year that starts with more than the usual uncertainty regarding the directions of earnings growth and macroeconomic pressure, we can have confidence that our portfolio will deliver on that +3%–4% weighted average gross yield of its constituents. That provides a head start on successfully achieving client goals over the course of the year. We have found that that yield accounts for approximately half of the total return of a dividend stock portfolio over time.

KEY POINTS

- **During 2022, dividend stocks demonstrated their typical resilience in the face of a bear market**
- **Dividend growth holds up better than earnings growth in a typical recession, should we experience one**
- **Dividend income underpins portfolio value, which is less volatile than market pricing**

Chart 2: DJ US Select Dividend Return Components

	Annualized Total Return	Annualized Price Return	% of Return from Dividends
1Y	2.3%	-1.6%	169%
3Y	8.9%	4.5%	49%
5Y	8.4%	4.1%	51%
10Y	11.9%	7.7%	36%
15Y	8.7%	4.4%	50%

Sources: FactSet, CNR Research as of December 31, 2022

Benefits of Owning High Yield Bonds Are Compelling

Charles Luke, CFA
Managing Director, Co-Director, Fixed Income

The end of 2022 marked a handoff from inflationary to growth concerns, creating volatility in fixed income markets. US Treasuries continued their historic upward pace, peaking for the year in October at an intraday high of 4.33%.[1]

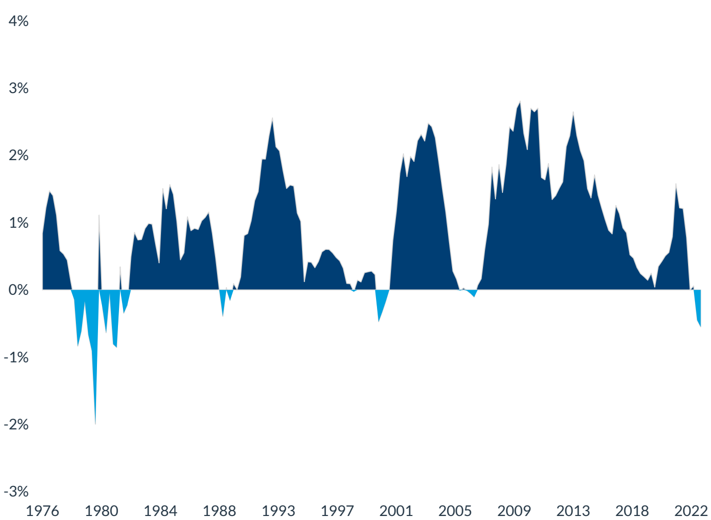
KEY POINTS

- **Federal reserve policy is key for the bond market**
- **Yield curve inversion indicates positive long-term bond returns**
- **High yield bonds provide adequate compensation for risk**

Federal Reserve policy remains key, and higher rates are likely to create problems for the economy. The market for global high yield bonds staged a rally as clarity around a potential stopping point for the Federal Funds target rate firmed, although the rate will continue to climb. Investment Grade bonds showed signs of life toward the end of the year, orchestrating a turnaround fueled by a short-lived peak and subsequent decline in yields, which fell 0.42%[1] and ended the year at 3.90%.[1] Fixed income markets generally rose in Q4, with the broad aggregate investment grade index finishing up 1.87%[2] and US High Yield bonds surging 4.17%.[3]

Chart 1: 2-Year Minus 10-Year US Treasury Yields

monthly, since June 30, 1976



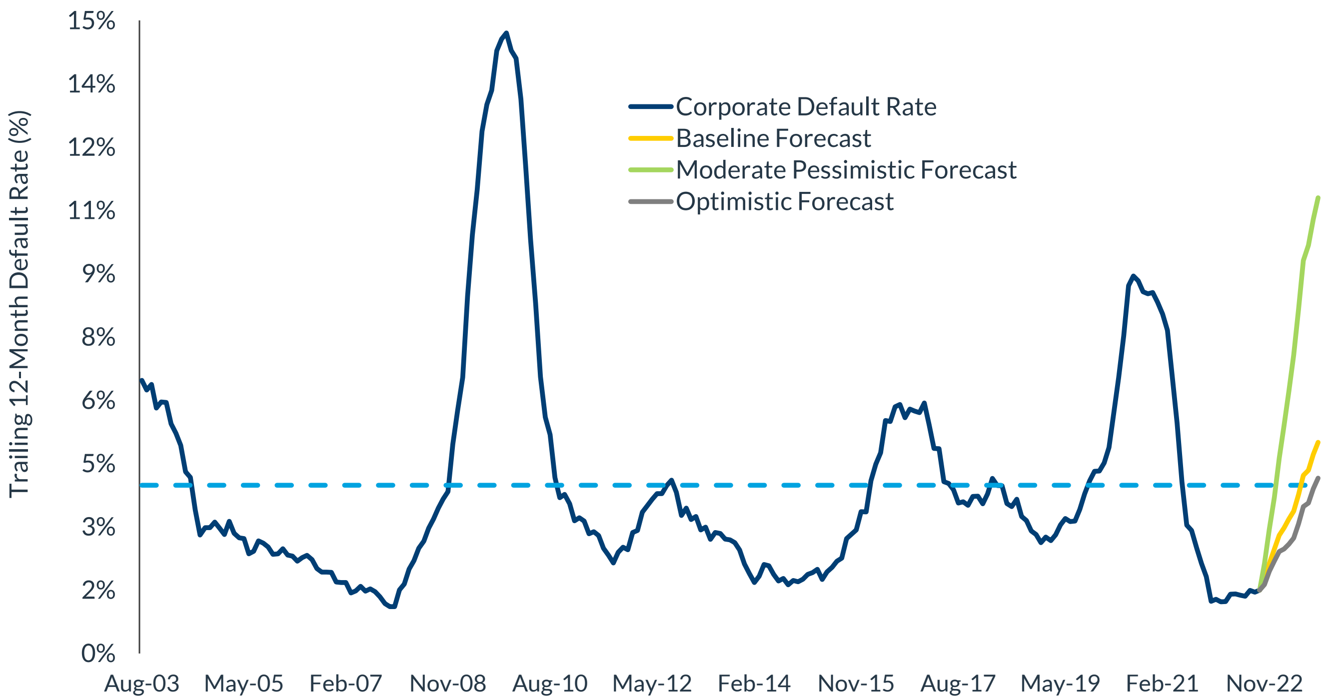
Source: Bloomberg, as of December 31, 2022

The Higher-for-Longer environment is still here, which benefits cash investments. As a proxy for liquidity management, 6-month US Treasury Bills yield 4.81%.[4] **Bonds with longer maturities also have higher yields, and the potential for a mild recession will make interest rate exposure increasingly attractive during 2023.** The historic yield curve inversion, a phenomenon characterized by lower long-term rates relative to short-term rates, is a forward signal that long-term bonds will rise. The difference between 2-year and 10-year US Treasury notes was as low as -0.84% in December, a level last reached in October 1981.

While the risk of a recession has increased, the benefits of owning high yield bonds are compelling. We expect high yield to face pressure during 2023, but with income levels above 8%,[3] the market is providing adequate compensation for the potential risks. **The historically low level of defaults is unsustainable, and it is likely to rise to long-term averages of 4%–5%,[5] but this is unlikely to result in persistent negative returns.**

Projections for a mild recession indicate that returns across taxable fixed income markets are likely to rebound from a challenging 2022. **Current yield levels will help alleviate the strain on fixed income even if rates continue to rise, and further clarity on inflation and growth is likely to relieve pressure on the market.**

Chart 2: Moody's US High Yield Default Rates and Forecasts



Source: Moody's, as of October 31, 2022

[1] Source: Bloomberg, Ticker: GT10 Govt

[2] Source: Bloomberg, Ticker: LBUSTRUU Index

[3] Source: Bloomberg, Ticker: LF98TRUU Index

[4] Source: Bloomberg, Ticker: GB6 Govt

[5] Source: Moody's November Default Report

Past performance or performance based upon assumptions is no guarantee of future results.

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Index returns do not include fees for trading costs (i.e., commissions) or any fees charged by your financial advisor, custodian, City National Rochdale or other third-party managers, and if they were included would reduce the returns.

Munis Positioned to Gain on Momentum

Michael Taila
Managing Director, Co-Director, Fixed Income

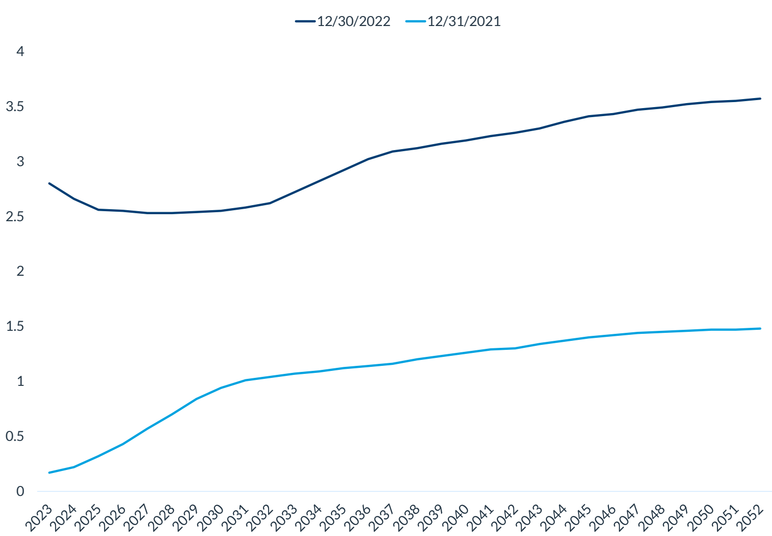
William D. Black, CFA
Managing Director, Senior Portfolio Manager

Municipal bond investors wrapped up a challenging 2022 as rising prices generated relatively solid performance during Q4, with Bloomberg indices reporting roughly 4.0% and 3.5% total returns for investment grade (IG) and high yield (HYM) municipal bonds, respectively.

Despite persistently aggressive Fed actions to quell the highest inflation in decades, and associated interest rate volatility, IG and HYM bond investor optimism gained momentum in the year's final months. The repricing of yields across the curve of about 150–250 basis points has fostered a more attractive entry point to lock in and earn a healthy future income stream. Municipal bonds should advance further as compelling yields lure investors and technical factors support stronger valuations.

A hard-to-ignore theme of 2022 focused on municipal bond mutual fund redemptions that reached record levels, based on US Lipper data. While outflows linger, we expect the end of tax loss harvesting to help moderate negative flows. **Normalization will likely occur during 1H2023 as seasonal factors, such as insufficient supply, catalyze investor demand amid higher yields.** Gross supply declined about 20% year-over-year in 2022 and will likely remain constrained in 2023 as higher rates suppress refunding opportunities. In the near term, reinvestment needs are expected to outstrip available supply, leading prices higher and keeping municipal-to-Treasury ratios more expensive on short and intermediate areas of the curve. However, the long-term benchmark offers more attractive valuations. **A change in market sentiment where spreads widen or valuations become more desirable is an opportunity to put cash to work.**

Chart 1: Municipal Bond Yield Rose Sharply in 2022



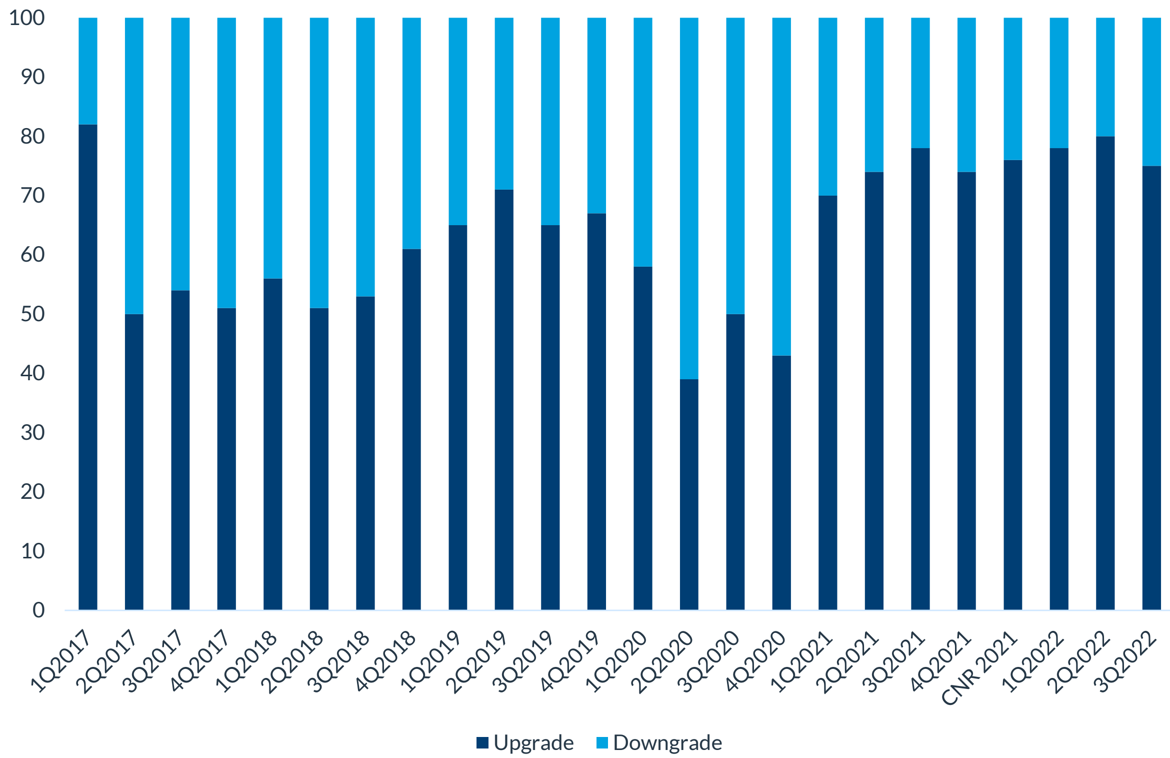
Source: Bloomberg, as of December 31, 2022

KEY POINTS

- **Attractive municipal yields poised to garner investor attention**
- **Technical backdrop likely more supportive near term**
- **Credit fundamentals remain durable but investors should focus on quality**

Municipal bonds have exhibited resiliency throughout economic cycles. Healthy reserves entering 2023 should safeguard against the diminution of credit quality for most state and local governments. Distress indicators for HYM bonds remain fairly low but warrant careful due diligence in sourcing appropriate risk exposures. IG municipal bond rating trends have been positive since 1Q2020 and should stay favorable, albeit more balanced, in the year ahead. We continue to exercise caution in some revenue bond sectors that may have recovered more unevenly since the pandemic or remain under pressure from macroeconomic influences. **Acknowledging issuer diversification within the municipal market and differences in fiscal performance, we continue to advocate for higher-quality bonds with an overall focus on security selection.**

Chart 2: Moody's Upgrade-to-Downgrade Trends



Source: Moody's, as of November 10, 2022

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The Fed Remains Hawkish

Paul Single

Managing Director, Senior Economist,
Senior Portfolio Manager

KEY POINTS

- **The Fed clearly in a transition phase regarding monetary policy**
- **The Fed now believes more gradual pace of rate of increases is best for the economy**
- **The Fed will keep key interest rates higher for longer**

The Federal Reserve is clearly in a transition phase regarding monetary policy. It remains very hawkish, but **the pace of increasing short-term interest rates to constrict economic growth and curtail the high level of inflation is slowing.**

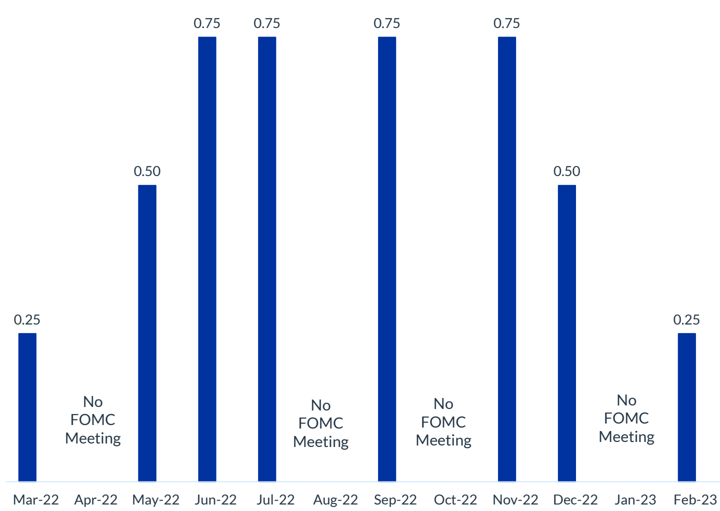
In the second half of last year, the Fed was on a very aggressive path of raising the federal funds rate. At one point, they raised the funds rate by 75 basis points at a record four consecutive meetings (chart 1). At its December meeting, the Fed ratcheted down the hike to 50 bps, and then last week, they increased the rate by just 25 bps.

Looking forward, the Fed has planned a total of 50 bps more rate increases this year to a level of 5.125%. **With the pace of inflation moderating and demand for labor slowing, the Fed now believes that the more gradual pace of rate increases is the best policy.** It will buy them more time to monitor how the economy is responding to interest rate increases already in place.

The Fed believes the catalyst for the high level of inflation is the imbalance in the labor market. For example, there are 5.7 million more job openings than people looking for a job (chart 2). That works out to be 1.9 jobs available for each person seeking a job, which is about three times the long-term average. That is an enormous imbalance that keeps wage pressures very high, which is leading to higher costs for businesses, which is leading to elevated inflation levels.

The Fed believes keeping interest rates higher for longer will reduce consumer demand and bring the labor demand/supply imbalance back into balance. This is the Fed's plan for getting the inflation rate back to its target rate of 2.0%.

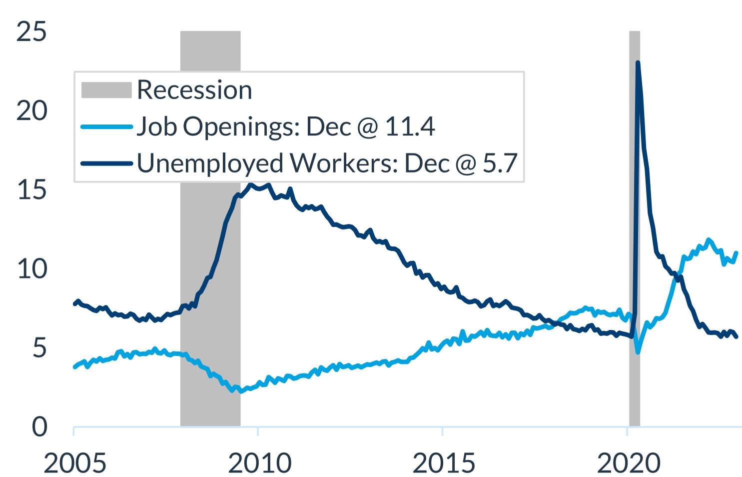
Chart 1: Federal Funds Rate - Monthly Change (%)



Source: Federal Reserve, February 2023

Chart 2: Job Openings and Unemployed Workers

millions, seasonally adjusted



Source: Bureau of Labor Statistics, December 2022

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Concentrating assets in a particular industry, sector of the economy or market may increase volatility because the investment will be more susceptible to the impact of market, economic, regulatory and other factors affecting that industry or sector compared with a more broadly diversified asset allocation.

Private investments often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, and may involve complex tax structures and delays in distributing important tax information.

Alternative investments are speculative, entail substantial risks, offer limited or no liquidity and are not suitable for all investors. These investments have limited transparency to the funds' investments and may involve leverage, which magnifies both losses and gains, including the risk of loss of the entire investment. Alternative investments have varying and lengthy lockup provisions. Please see the Offering Memorandum for more complete information regarding the Fund's investment objectives, risks, fees and other expenses.

Investments in below-investment-grade debt securities, which are usually called "high-yield" or "junk bonds," are typically in weaker financial health and 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.

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. 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.

There are inherent risks with fixed-income investing. These risks may include interest rate, call, credit, market, inflation, government policy, liquidity or junk bond. When interest rates rise, bond prices fall. This risk is heightened with investments in longer-duration fixed-income securities and during periods when prevailing interest rates are low or negative. The yields and market values of municipal securities may be more affected by changes in tax rates and policies than similar income-bearing taxable securities. Certain investors' incomes may be subject to the Federal Alternative Minimum Tax (AMT), and taxable gains are also possible.

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.

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

Alternative investments are speculative, entail substantial risks, offer limited or no liquidity and are not suitable for all investors. These investments have limited transparency to the funds' investments and may involve leverage which magnifies both losses and gains, including the risk of loss of the entire investment. Alternative investments have varying and lengthy lockup provisions.

This material is available to advisory and sub-advised clients, as well as financial professionals working with City National Rochdale, a registered investment advisor and a wholly-owned subsidiary of City National Bank. City National Bank provides investment management services through its sub-advisory relationship with City National Rochdale.

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.

Bloomberg Barclays US Aggregate Bond Index (LBUSTRUU): The Bloomberg Aggregate Bond Index or "the Agg" is a broad-based fixed-income index used by bond traders and the managers of mutual funds and exchange-traded funds (ETFs) as a benchmark to measure their relative performance.

GT2 Govt, GT3 Govt, GT5 Govt, GT10 Govt, GT30 Govt: US Government Treasury Yields

DXY Index: The US dollar index (USDX) is a measure of the value of the US dollar relative to the value of a basket of currencies of the majority of the US's most significant trading partners.

Dow Jones US Select Dividend Index (DJDVP): The Dow Jones US Select Dividend Index looks to target 100 dividend-paying stocks screened for factors that include the dividend growth rate, the dividend payout ratio and the trading volume. The components are then weighted by the dividend yield.

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 Commodity Research Bureau (CRB) Index acts as a representative indicator of today's global commodity markets. It measures the aggregated price direction of various commodity sectors.

The MSCI indexes are market cap-weighted indexes, which means stocks are weighted according to their market capitalization — calculated as stock price multiplied by the total number of shares outstanding.

Quality Ranking: City National Rochdale Proprietary Quality Ranking is the weighted a verage sum of securities held in the strategy versus the S&P 500 at the sector level using the below 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. As of September 30, 2022. 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 June 2022.

Bloomberg Barclays US Aggregate Bond Index: The Bloomberg Aggregate Bond Index or "the Agg" is a broad-based fixed-income index used by bond traders and the managers of mutual funds and exchange-traded funds (ETFs) as a benchmark to measure their relative performance.

The Case-Shiller Index, formally known as the S&P CoreLogic Case-Shiller US National Home Price NSA Index, is an economic indicator that measures the change in value of US single-family homes on a monthly basis.