

December 2023

2024 Outlook

Strategy Update



Investment Strategy Committee Highlights

Economic Outlook

- Recent slowing in economic growth is expected to continue into the first half of 2024.
- If recent declines in interest rates and the price of oil hold, mild recession risks decline.
- Consumer spending expected slow but unlikely to contract wealth affect and labor market strength remain.
- Investment spending expected to slow.
- Positive impacts from government spending will slow and could turn negative.
- Downward glide path on inflation remains intact.
- Continue to expect no more Fed hikes, 2 cuts in H2 of 2024.
- US economy remains more resilient vs Europe and Asia.
- Slow growth/Mild recession H1 sets the stage for mild recovery H2 2024.
- Recovery in earnings growth to track economic activity.
- Defaults by consumers and corporations expected to increase from historic lows but should be manageable.
- Muni credit appears stable and resilient.
- Geopolitical risks unlikely, in our view, to impact US economic activity.

Investment Strategy

- Expecting modest returns across asset classes.
- Maintaining modestly defensive risk positioning.
- Remain focused on high quality stocks and bonds.
- US remains our preferred geographic region for equity investing.
- Will opportunistically increase equity risk when reward risk is compelling.
- Longer term investment grade corporates and municipals have become more attractive.
- High yielding bonds are fully compensating investors for high volatility.
- Alternatives remain, in our view, attractive as portfolio diversifier.
- Key variables identified to adjust asset allocation positioning.
- Geopolitical risks and trade tensions remain elevated, highest risks to our positioning.

Diversification does not ensure a gain or protect against a loss.

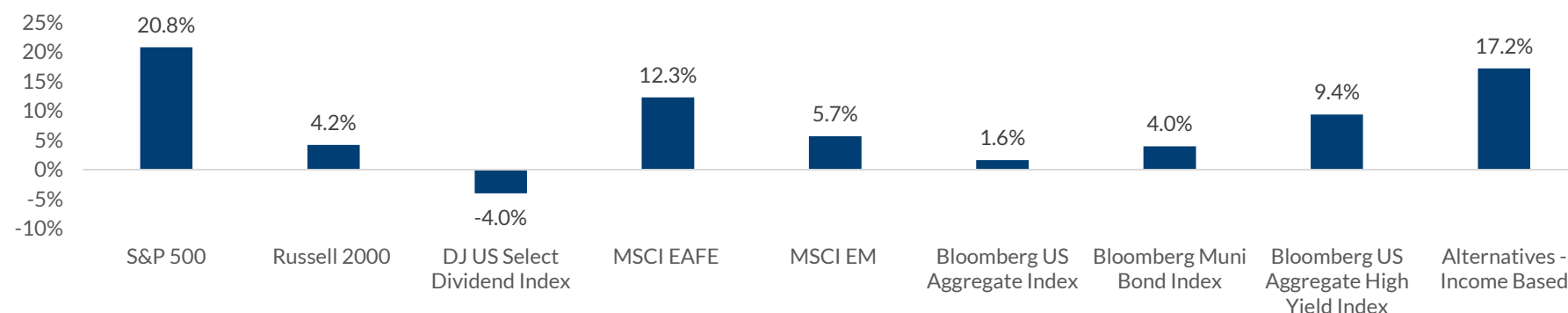
Sources: Bloomberg, CNR Research, as of December 2023. Information is subject to change and is not a guarantee of future results.



2023 Report Card

What We Got Right	What We Got Wrong
<ul style="list-style-type: none"> Higher for Longer Fed/Interest Rates 	<ul style="list-style-type: none"> Resiliency of US Consumers
<ul style="list-style-type: none"> Recovery of the 60/40 Portfolio 	<ul style="list-style-type: none"> Timing of US Recession
<ul style="list-style-type: none"> Geopolitical Tensions to Remain Elevated 	<ul style="list-style-type: none"> Modest Underweight to Equities
<ul style="list-style-type: none"> Reduced MidSmall Cap equities 	<ul style="list-style-type: none"> Weakness of Income Stocks
<ul style="list-style-type: none"> Overweight US Equity to Non-US 	<ul style="list-style-type: none"> Impact of AI/Tech Stocks on S&P 500 Returns
<ul style="list-style-type: none"> Muni and High Yield Bonds Outperformance 	
<ul style="list-style-type: none"> Strong Returns for Alternatives 	

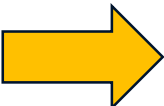
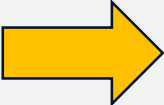
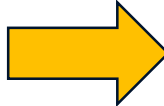
2023 YTD Performance
(As of 11/30/23)



Source: Bloomberg, Palmer Square CLO Indices (Returns illustrated are 50% Palmer Square BB CLO Index/50% Palmer Square BBB CLO Index)
Information is subject to change and is not a guarantee of future results. Past performance is no guarantee of future results.



Potential Next Steps for Asset Allocation

Scenario		Action
<ul style="list-style-type: none"> If mild recession risk falls meaningfully 		<ul style="list-style-type: none"> Likely to increase exposure to MidSmall Cap equity and credit
<ul style="list-style-type: none"> If geopolitical tensions ease and tech EPS growth stalls 		<ul style="list-style-type: none"> Consider adding non-US equity exposure
<ul style="list-style-type: none"> If inflation falls further 		<ul style="list-style-type: none"> Increase exposure to longer fixed income

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



2024 Outlook

Slow Growth/Mild Recession Likely to Start Year

- Household and business fundamentals are solid but slowing.
- Downward glide path inflation intact
- Fed policy remains tight to slow the economy and wages.
- We have below-consensus expectations for GDP and earnings growth.
- We have above consensus estimates for Fed Funds

City National Rochdale Forecasts		2022	2023e	2024e
Real Annual GDP Growth		2.1%	2.0-2.5%	0.25% to 1.50%
	Corporate Profit Growth	5.1%	-1% to 1%	6% to 12%
	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%	4.75% to 5.00%
	Treasury Note, 10-Yr.	3.88%	4.00% to 4.50%	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 December 2023.
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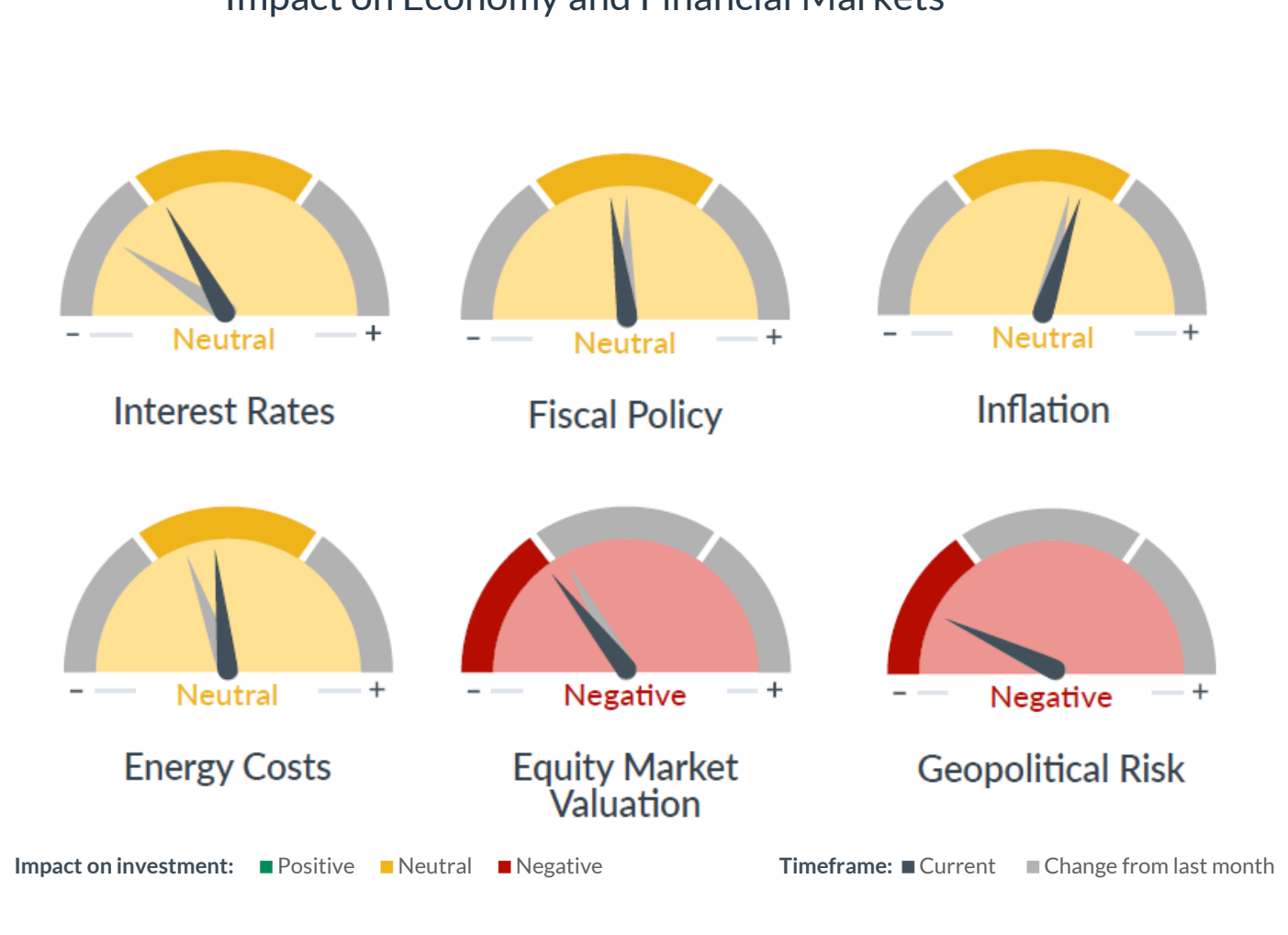


CNR Speedometers® – December 2023

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

Impact on Economy and Financial Markets

- Indicators improving, but still supportive of mild recession
- Slowing economy likely to keep interest rate from going higher
- Upcoming budget discussions likely to reduce spending
- Downward glide path of inflation and lower energy prices if sustained are positives
- Geopolitical events remain key risk to outlook



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

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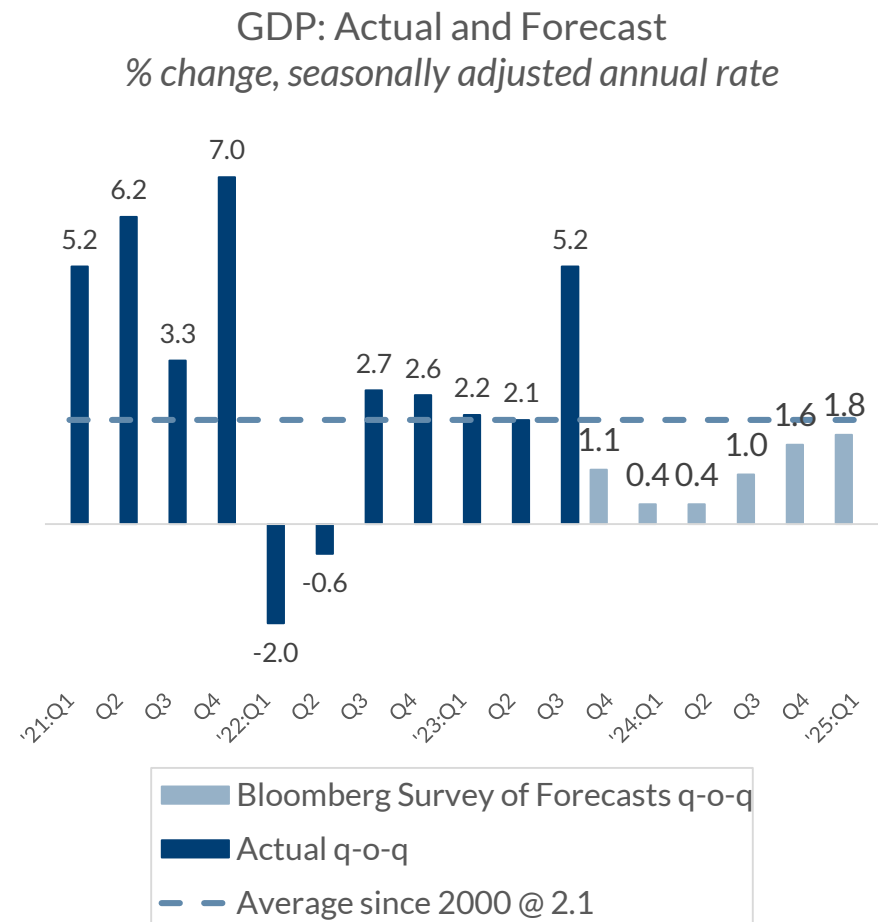
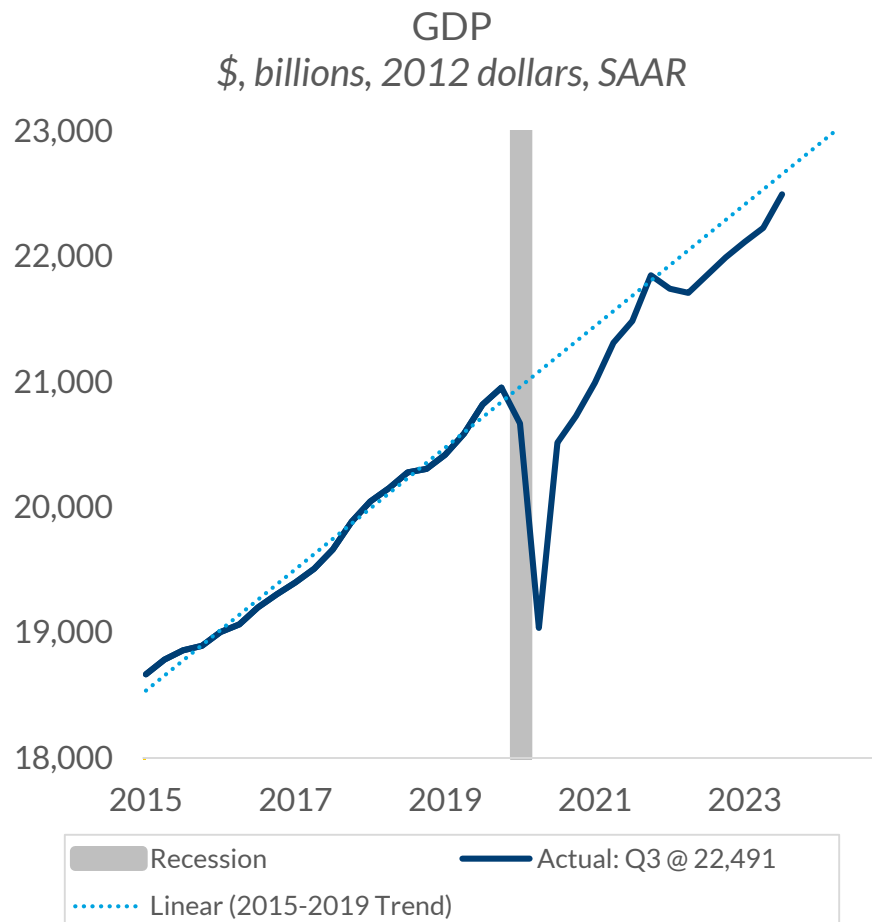


Economy/Fed



Economy: An Overview

- In the 3.25 years following the recession, the economy has almost fully recovered to the pace of growth it was on before the pandemic and recession.
- The pace of growth is expected to moderate in coming quarters under tight monetary policy.



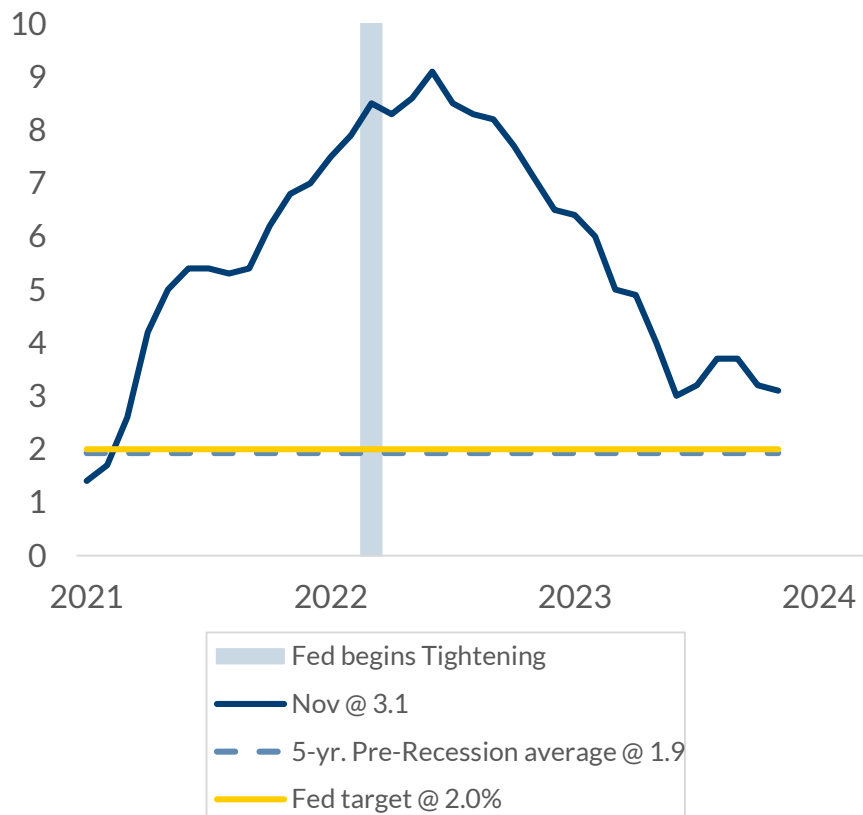
Data current as of December 12, 2023
 Source: Bureau of Economic Analysis, Bloomberg Composite of Economic Forecasts
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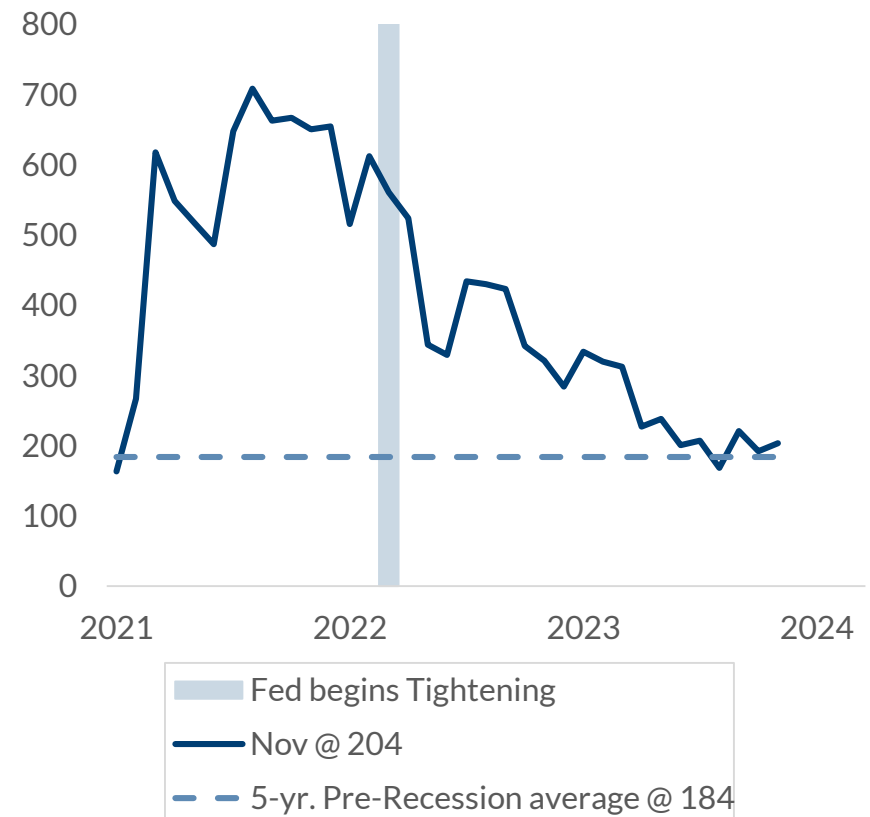
Economy: Current State

- Fed policy has helped cause a remarkable decline in the consumer price index.
- Despite the high level of federal funds, payroll growth has remained positive in this cycle
- The current state of the economy is enjoying lower inflationary pressures and continued economic growth.

Consumer Price Index
%, seasonally adjusted annual rate



Nonfarm Payrolls: Monthly Change
'000, 3-month rolling average, seasonally adjusted annual rate



Data current as of December 12, 2023

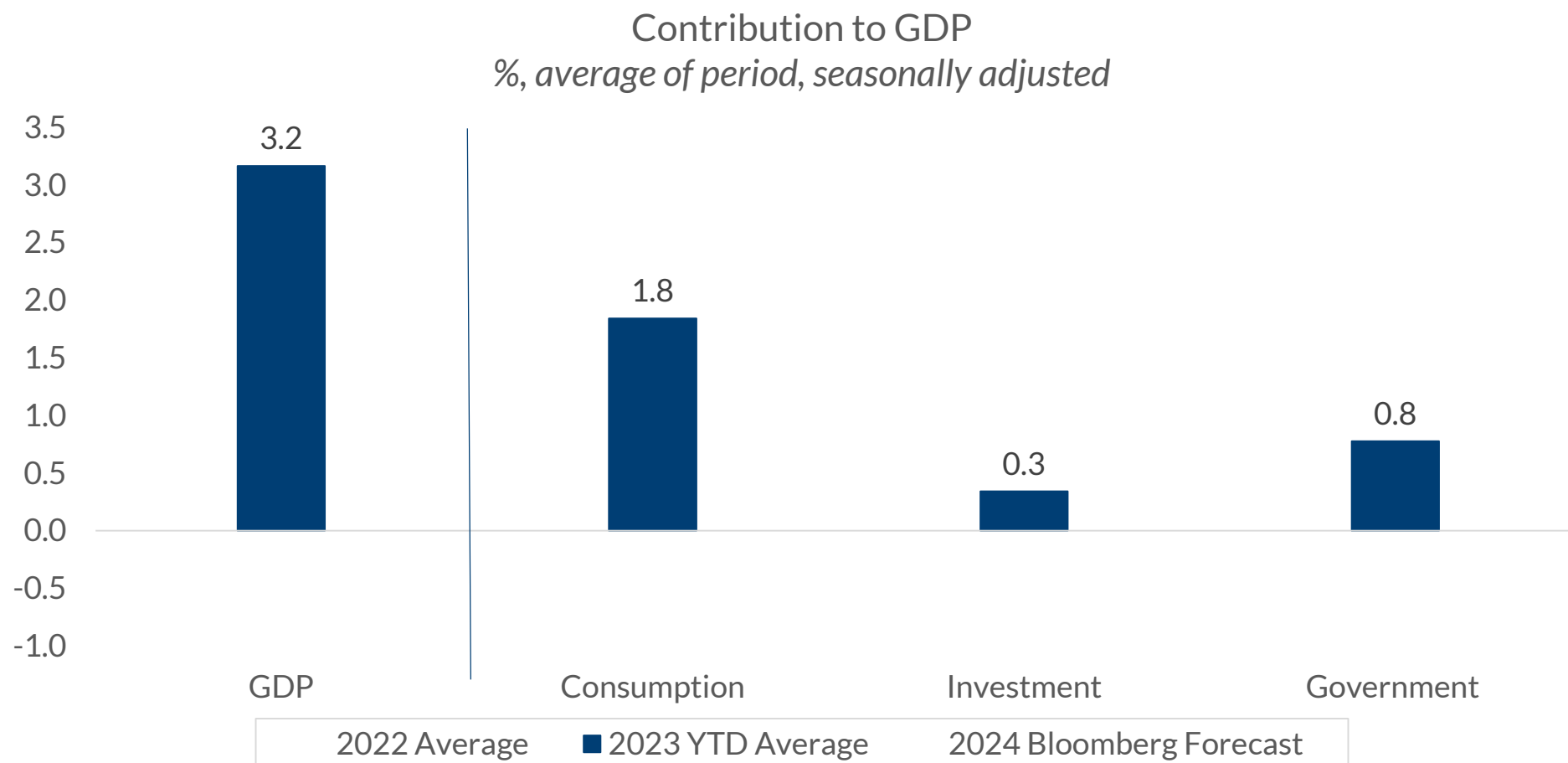
Source: Bureau of Labor Statistics

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Economy: The Driving Forces

- The strong pace of economic growth this year has been driven by robust consumer spending and increases in investment.
- We anticipate the pace of growth to moderate in the coming quarters, primarily due to a slowing in consumer spending.



Data current as of December 12, 2023

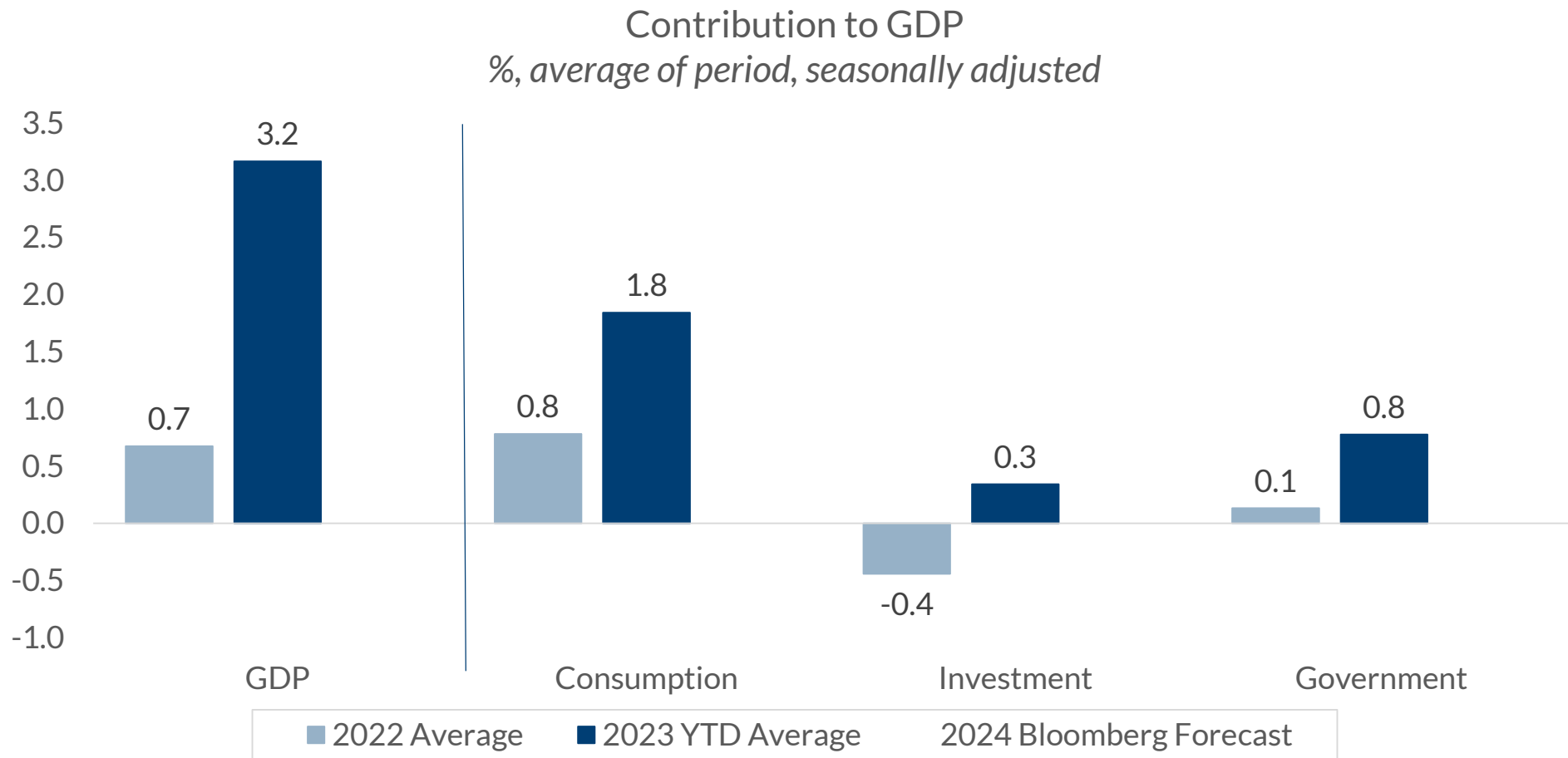
Source: Bureau of Economic Analysis, Bloomberg Composite of Economic Forecasts

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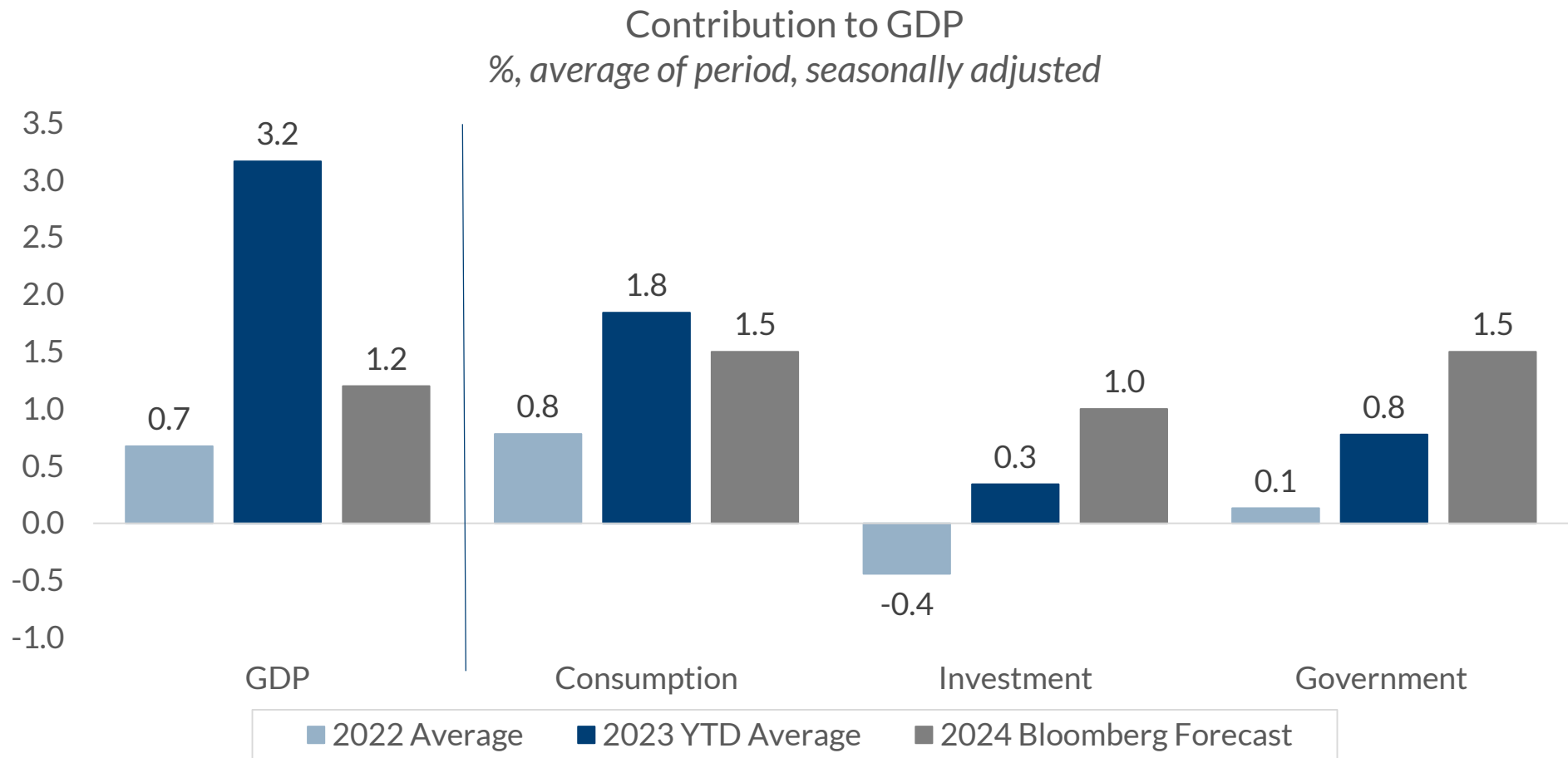


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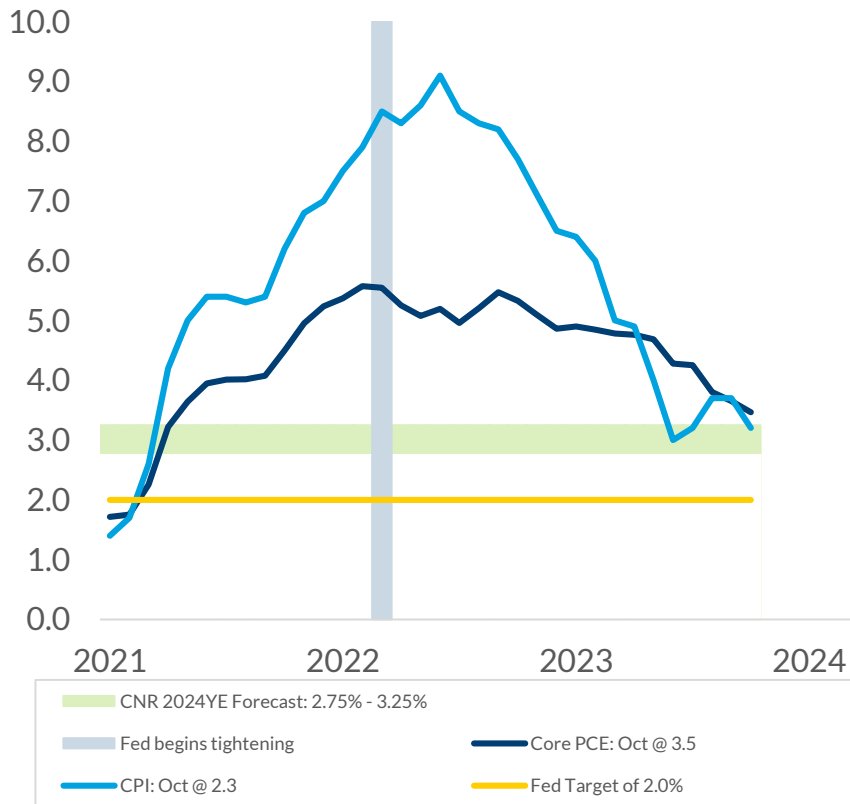
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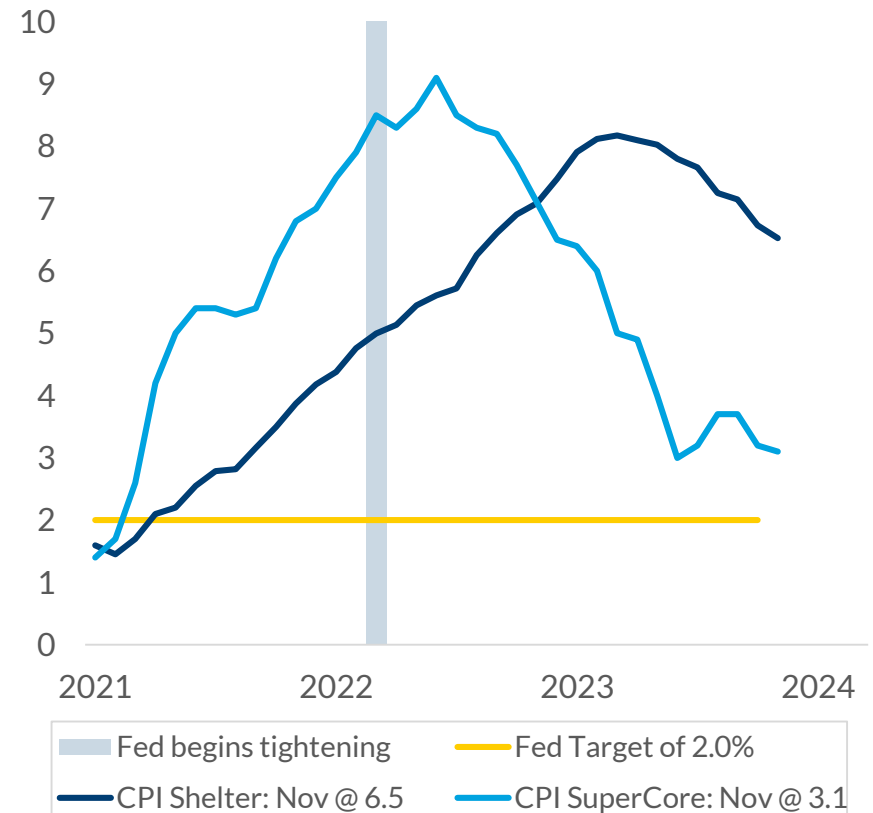
Inflation:

- Although CPI has retreated significantly, Core PCE, the Fed’s preferred inflation gauge, has not declined as much.
- The service portion of inflation has remained higher due to the stickiness of shelter and supercore inflation.
- The stubbornness of service inflation is the main reason we believe the Fed will have to keep interest rates higher for longer.

Inflation: Core PCE & CPI
% change y-o-y, seasonally adjusted



CPI Services: Shelter & Supercore
% change y-o-y, seasonally adjusted



Data current as of December 12, 2023

Supercore inflation is defined as service inflation without shelter.

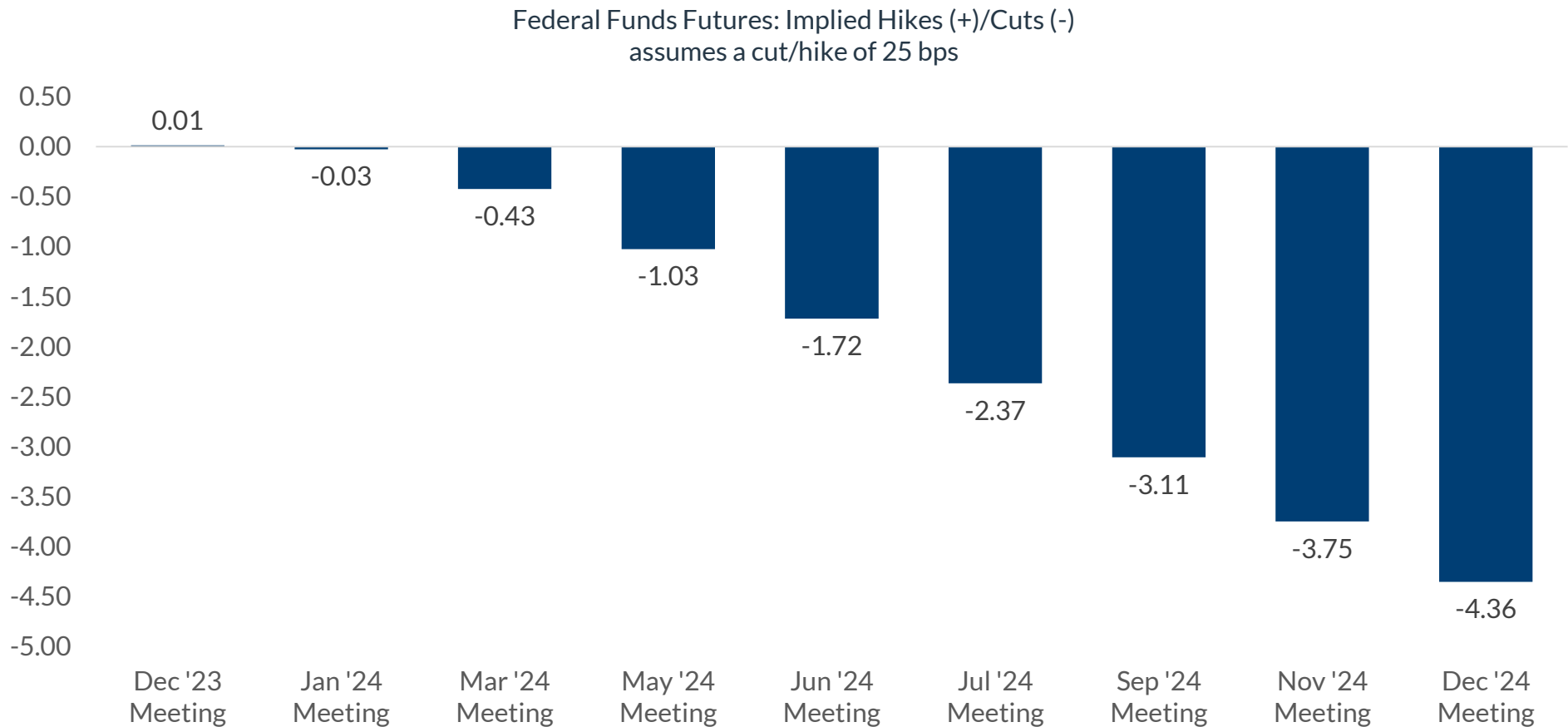
Source: Bureau of Economic Analysis, Bureau of Labor Statistics, CNR Research

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



Federal Reserve: Federal Funds Rate

- The market appears to believe the Fed will quickly pivot toward easing monetary policy.
- CNR is not in that camp.
- The pace of economic growth is still solid, inflationary pressures are still too high, and the recent decline in bond yields and oil prices are stimulative to economic growth.



Data current as of December 12, 2023

Source: Bloomberg

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Municipal Fixed Income



2023 Report Card – Municipal Fixed Income Strategies

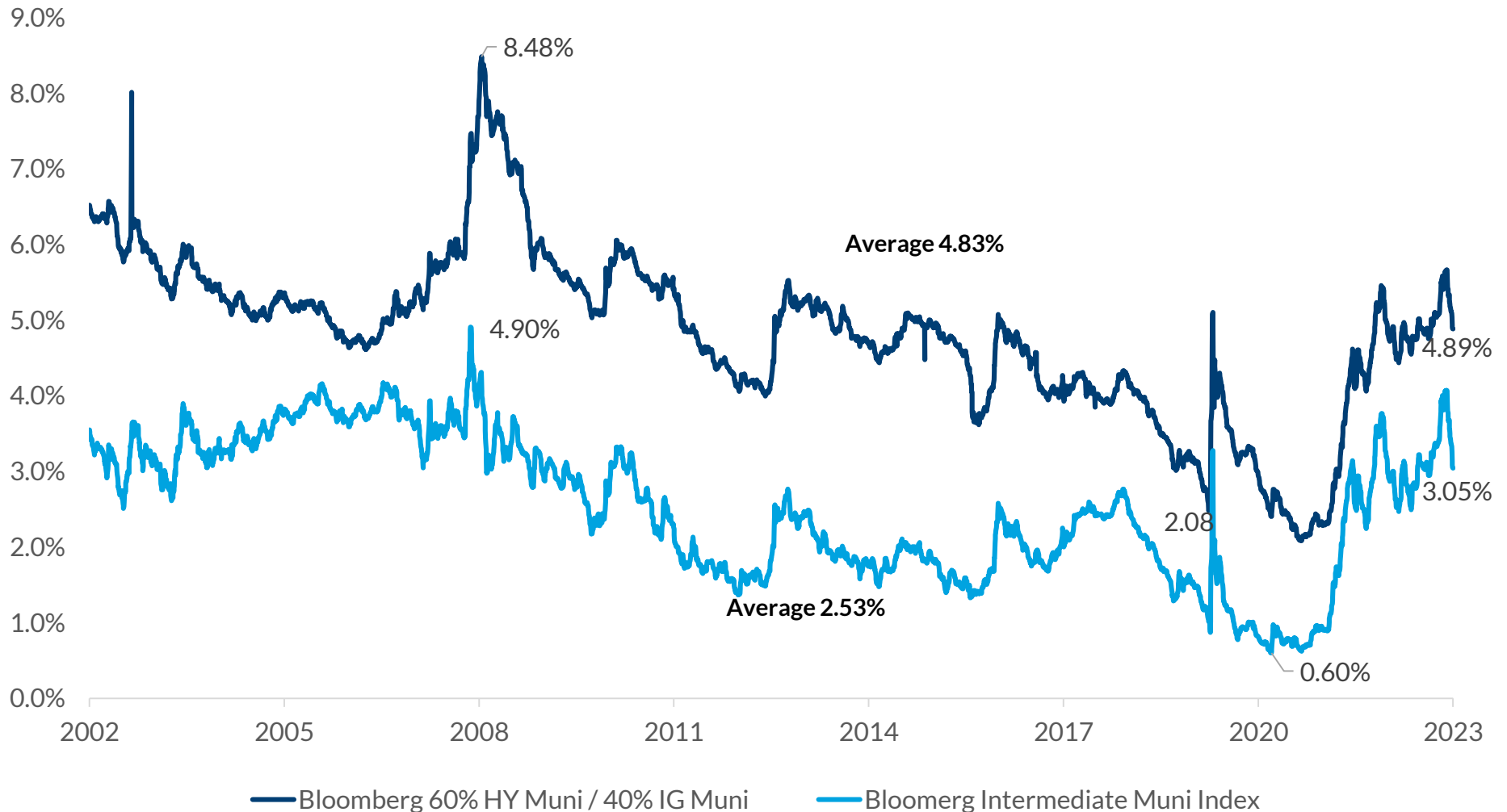
What We Got Right	What We Got Wrong
<ul style="list-style-type: none"> ▪ Despite volatility, on track for total expected returns 	<ul style="list-style-type: none"> ▪ Exposure to lower coupon bonds added volatility as rates moved higher
<ul style="list-style-type: none"> ▪ Duration underweight vs. benchmarks 	<ul style="list-style-type: none"> ▪ Curve positioning (underweight 22+ year maturities as long duration rallied)
<ul style="list-style-type: none"> ▪ Crossover Trade (Purchased US Treasuries when municipals overvalued) 	<ul style="list-style-type: none"> ▪ Underweight lower quality bonds as low quality has outperformed high quality
<ul style="list-style-type: none"> ▪ Credit spread compression allowed swaps into higher quality positions 	

Source: CNR Research, as of 11/30/2023
 Information is subject to change and is not a guarantee of future results.



Investment Grade and High Yield Municipal Yields

- Today's higher bond yields offer the most attractive opportunities for investors in over a decade.

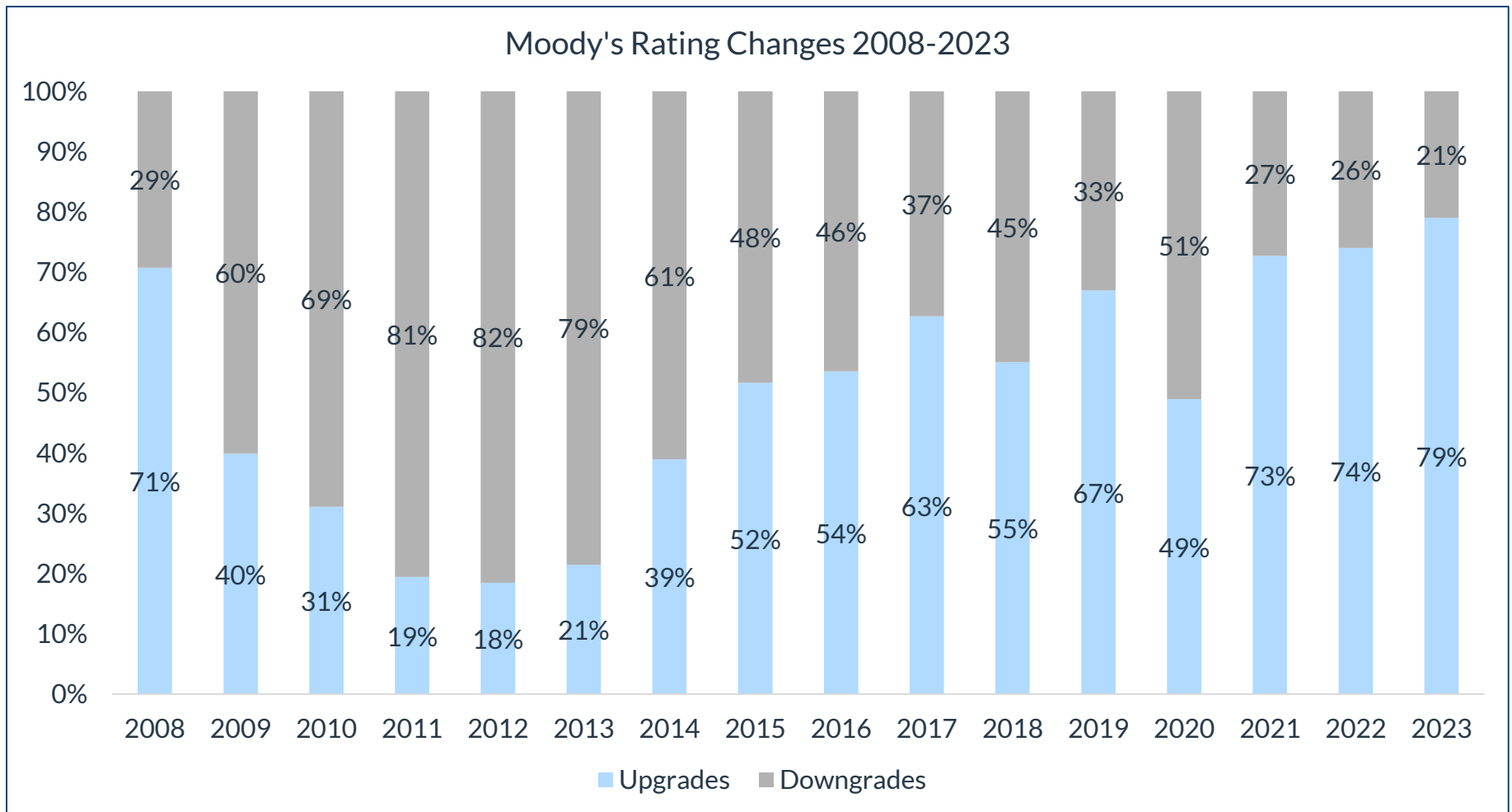


Sources: Bloomberg, as of December 2023.
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Municipal Credit Quality Remains Resilient

- Constructive on credit but with a guarded view



Source: Moody's as of December 2023; data through the first three quarters of 2023. Information is subject to change and is not a guarantee of future results.



Today's Municipal Yields vs Trailing 10- & 20-Yr Averages

Higher Starting Yields Should Point Towards Better Returns Going Forward

Index	Yield / TEY* 12/04/2023	Avg Yield / Total Return Trailing 10 Years	Avg Yield / Total Return Trailing 20 Years
BBG Muni Intermediate (5-10 Yr)	3.04% / 5.14%	1.93% / 2.45%	2.49% / 3.47%
BBG 60% Muni HY / 40% IG	4.89% / 8.26%	4.10% / 3.95%	4.75% / 4.48%

*Taxable Equivalent Yield (TEY): Assumes 37% Federal tax and 3.8% Net investment income tax. As of 12/04/2023. Bloomberg Municipal Intermediate (5-10 year) Index, Bloomberg 60% High Yield/40% Investment Grade Municipal Index. Information is subject to change and is not a guarantee of future results.



Taxable Fixed Income



2023 Report Card – Taxable Fixed Income Strategies

What we Got Right	What We got Wrong
<ul style="list-style-type: none"> Overweight opportunistic income 	<ul style="list-style-type: none"> The force of the rally in the bond market from the 5% 10-year treasury peak
<ul style="list-style-type: none"> Allocation to floating rate market sectors, i.e. loans and structured credit 	<ul style="list-style-type: none"> Underweight lower quality areas of the market
<ul style="list-style-type: none"> Short duration positioning, limiting portfolio volatility 	
<ul style="list-style-type: none"> Security Selection 	

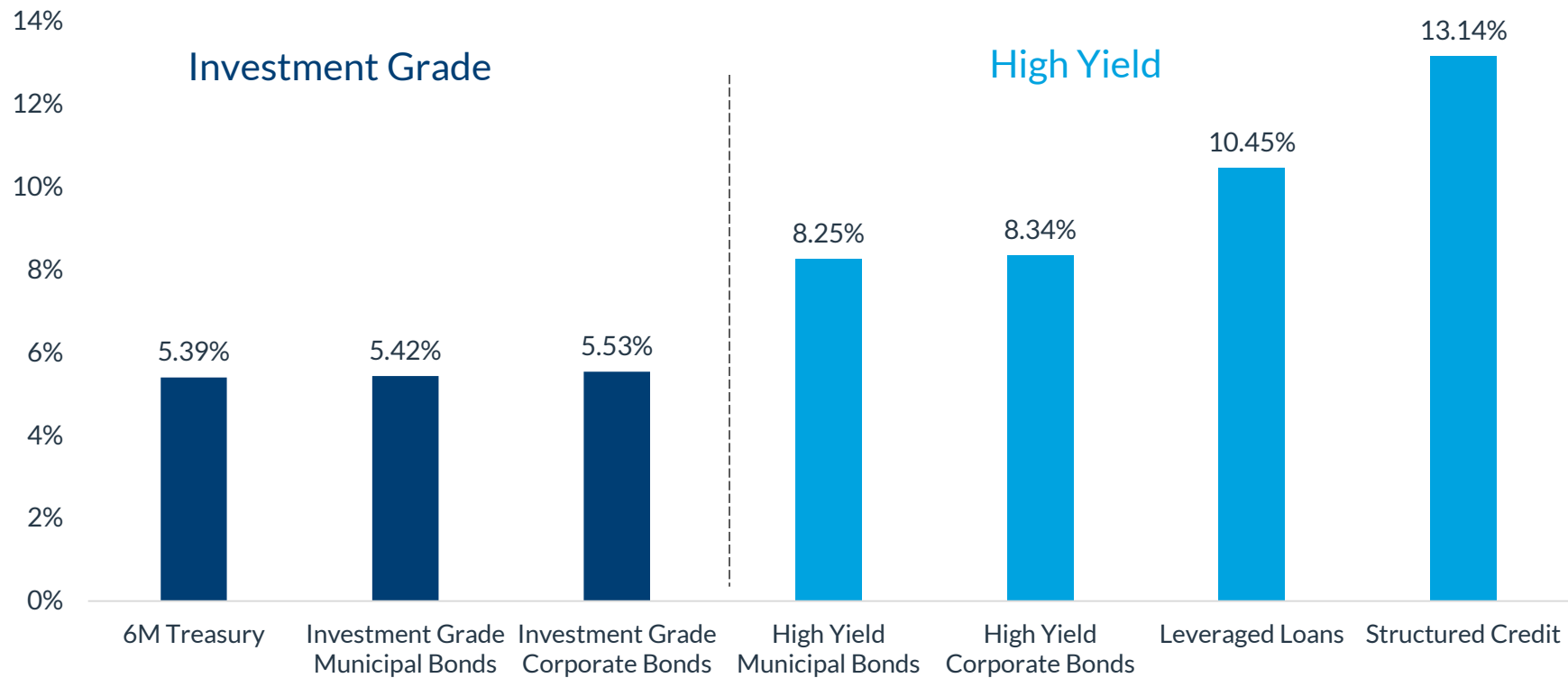
Source: CNR Research, as of 11/30/2023
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Yields Are Substantially Higher

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

Yield Levels Across Fixed Income Asset Classes



Municipal bond index yields are tax-adjusted at 37% federal and 3.8% Medicare surcharge rates.

Sources: Bloomberg, CNR Research, as of November 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.

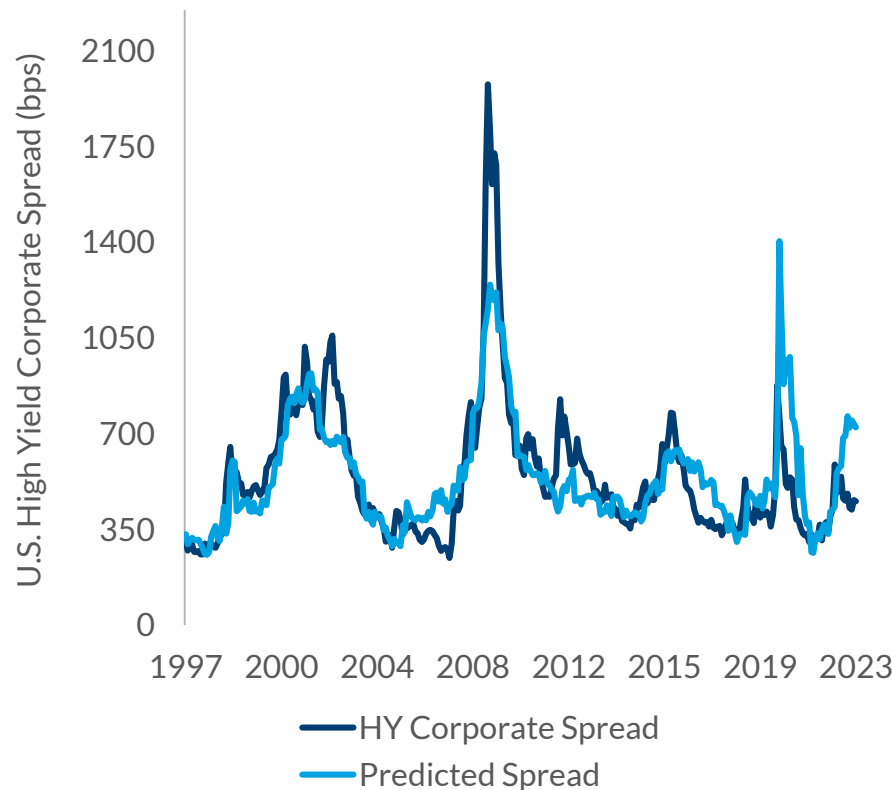
Index information: 6M Treasury: Bloomberg U.S. 6M Treasury Bill Index. Investment Grade Municipal Bonds: Bloomberg U.S. 1-15 Yr. Municipal Bond Index. Investment Grade Corporate Bonds: Bloomberg U.S. Intermediate Corporate Bond Index. High Yield Municipal Bonds: Bloomberg 60% Tax-Exempt HY/40% LB Municipal Bond Index. High Yield Corporate Bonds: Bloomberg U.S. High Yield Corporate Bond Index. Leveraged Loans: Morningstar LSTA US Leveraged Loan Index. Structured Credit: Palmer Square CLO BB Index.



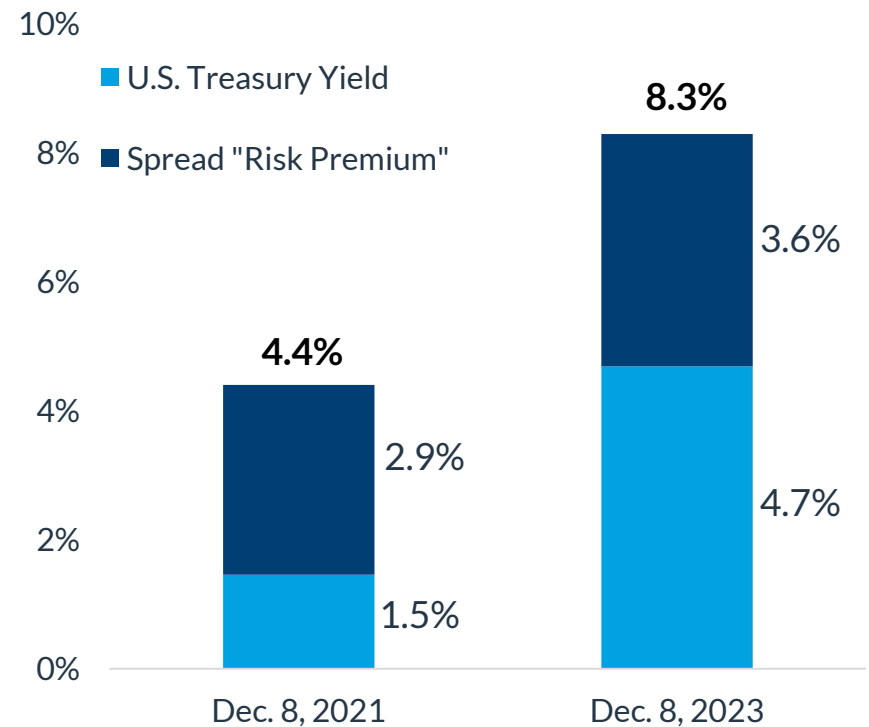
High Yield Bonds May Be Mispriced

- Our fair value model for high yield spreads is showing that risk may be mispriced.
- Currently, the model is showing a predicted spread of 723 bps vs. and actual spread of 453 bps.
- Gross yields remain high.

High Yield Spreads vs. Predicted Model Spreads



Yield Composition

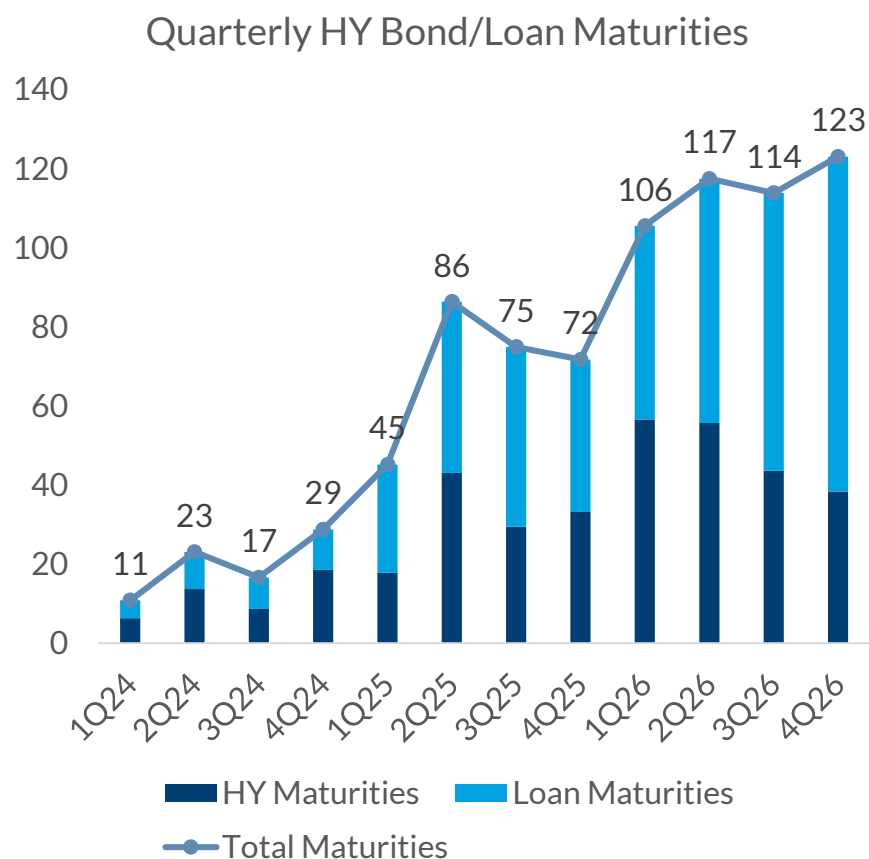
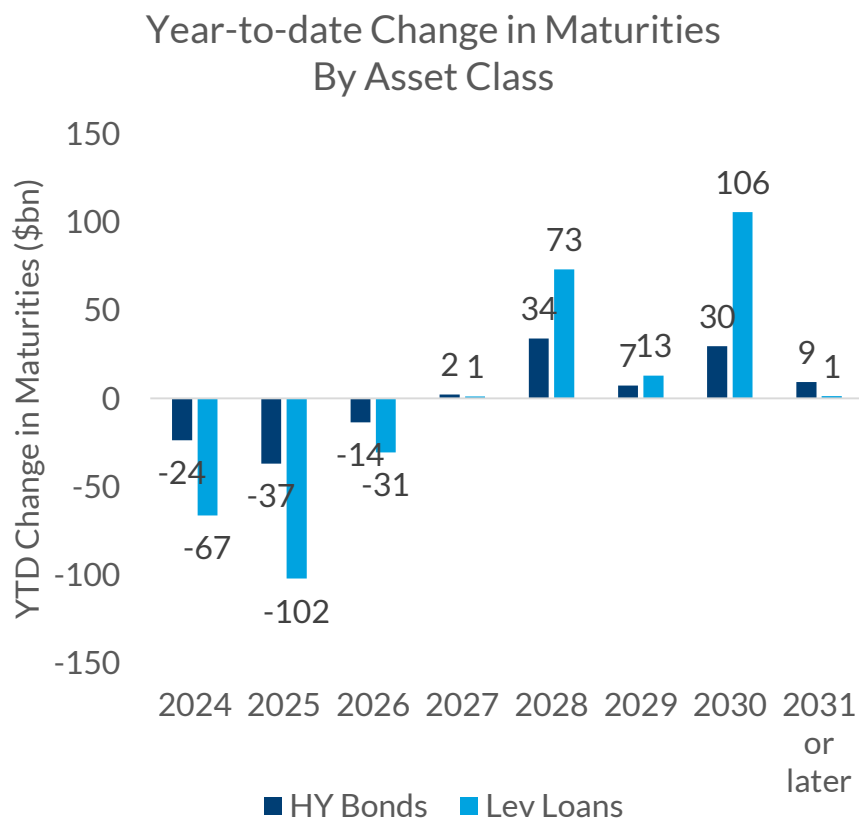


Sources: Bloomberg, CNR Research as of Nov. 2023. High Yield Corporate Spread is derived from the Bloomberg U.S. High Yield Corporate Index. Indices are unmanaged, and one cannot invest directly in an index. Information is subject to change and is not a guarantee of future results.



Maturities Remain Subdued Until 2025

- Default rates have remained low in part due to the lack of corporate maturities.
- Higher interest rates do not impact corporations that do not refinance bonds.



Lev Loans: Leveraged Loans.

Sources: JPMorgan, as of November 2023. High Yield Index: JPM High Yield Bond Index. Leveraged Loan Index: JPM Leveraged Loan Index.



Alternatives



2023 Report Card – Alternative Investment Strategies

What We Got Right	What We Got Wrong
<ul style="list-style-type: none"> Income based Alternative Investments performed ahead of expectations 	<ul style="list-style-type: none"> Growth based Alternative Investments did not perform ahead of expectations
<ul style="list-style-type: none"> Structured Credit asset classes like CLOs led most income markets with returns greater than 15% 	<ul style="list-style-type: none"> Private Equity had challenges from a funding perspective and slightly lagged Publicly traded stocks in the US
<ul style="list-style-type: none"> Private Credit solutions like Direct Lending returned greater than 10% with limited volatility 	<ul style="list-style-type: none"> While still positive, Capital Leasing returns were slightly lower than expectations relative to other asset classes
<ul style="list-style-type: none"> Reinsurance solutions rebounded considerably from a flat 2022 with returns greater than 10% 	

Source: Bloomberg (Palmer Square Indices, Cliffwater Associates Indices), SwissRe Catastrophe Bond Indexes, as of December 2023
Information is subject to change and is not a guarantee of future results.



2024 Outlook for Alternative Investments

Outlook Highlights

- Public market diversification
- Higher current income levels versus traditional core fixed income
- Potential risk reduction and return enhancement
- Defensive versus volatile rates and an inflation hedge

Income Based Alternative Investments

- Current yield levels range from 8% to 14%
- Potential for capital appreciation
- Overall higher return expectations versus core fixed income, with greater potential volatility



Reinsurance (7-10% 2024 return expectation)	Direct Lending (8-12% 2024 return expectation)	Capital Leasing (8-12% 2024 return expectation)	Structured Credit (8-14% 2024 return expectation)
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Source: Bloomberg (Palmer Square Indices, Cliffwater Associates Indices), City National Rochdale as of December 2023.

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Return expectations derived from discussions within the CNR Investment Strategy Committee (ISC) and is not a guarantee of future results



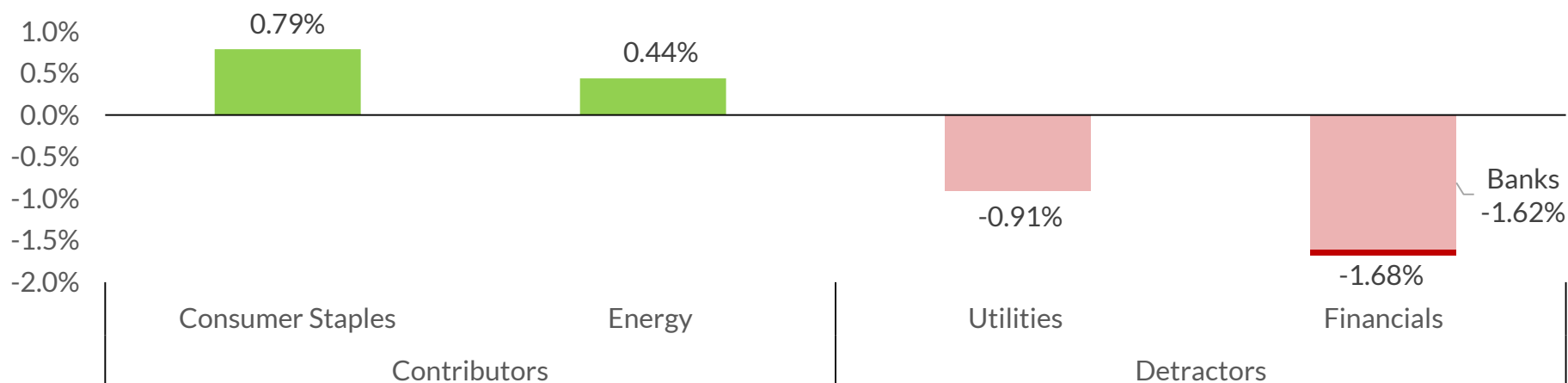
CNR Equity Income Strategy



2023 Report Card – Equity Income Strategy

What We Got Right	What We Got Wrong
<ul style="list-style-type: none"> Quality drove stock selection in key sectors 	<ul style="list-style-type: none"> Rapid rise in interest rates to multi-year highs
<ul style="list-style-type: none"> Maintained Energy Overweight 	<ul style="list-style-type: none"> Defensive tilt vs. Risk-On market
<ul style="list-style-type: none"> Dividend yield of 4.5% with YTD plus 6% growth 	<ul style="list-style-type: none"> March regional bank turmoil and Utilities stock selection
	<ul style="list-style-type: none"> Lagged benchmark

Equity Income Sector Relative Performance YTD
(As of 11/30/23)



Source: FactSet, as of November 30, 2023. Past performance is no guarantee of future results. Please refer to the Appendix for the full GIPS-compliant performance presentations.



CNR Equity Income Strategy - Repositioned For a Better 2024

Goal	2023 Actions	2024 Outlook/Positioning
Maintain Relative Growth & Quality	<ul style="list-style-type: none"> ▪ Increased return potential ▪ Upgraded Quality Ranks 	<ul style="list-style-type: none"> ▪ Expecting Higher For Longer inflation, ongoing risk of modest recession
Moderate Defensive Tilt Towards Neutral	<ul style="list-style-type: none"> ▪ Added exposure to select Industrials, Consumer Discretionary, and Tech 	<ul style="list-style-type: none"> ▪ Tilted modestly defensive, lower risk, with bias towards quality
Reduce Risk	<ul style="list-style-type: none"> ▪ Lowered tracking error and increased diversification ▪ Better balanced sector under-/ overweights 	<ul style="list-style-type: none"> ▪ Dividend growth prioritized over yield given higher rates ▪ Key Overweight Sectors: REITs, Energy, Consumer Staples, Industrials ▪ Key Underweight Sectors: Utilities, Materials, Consumer Discretionary

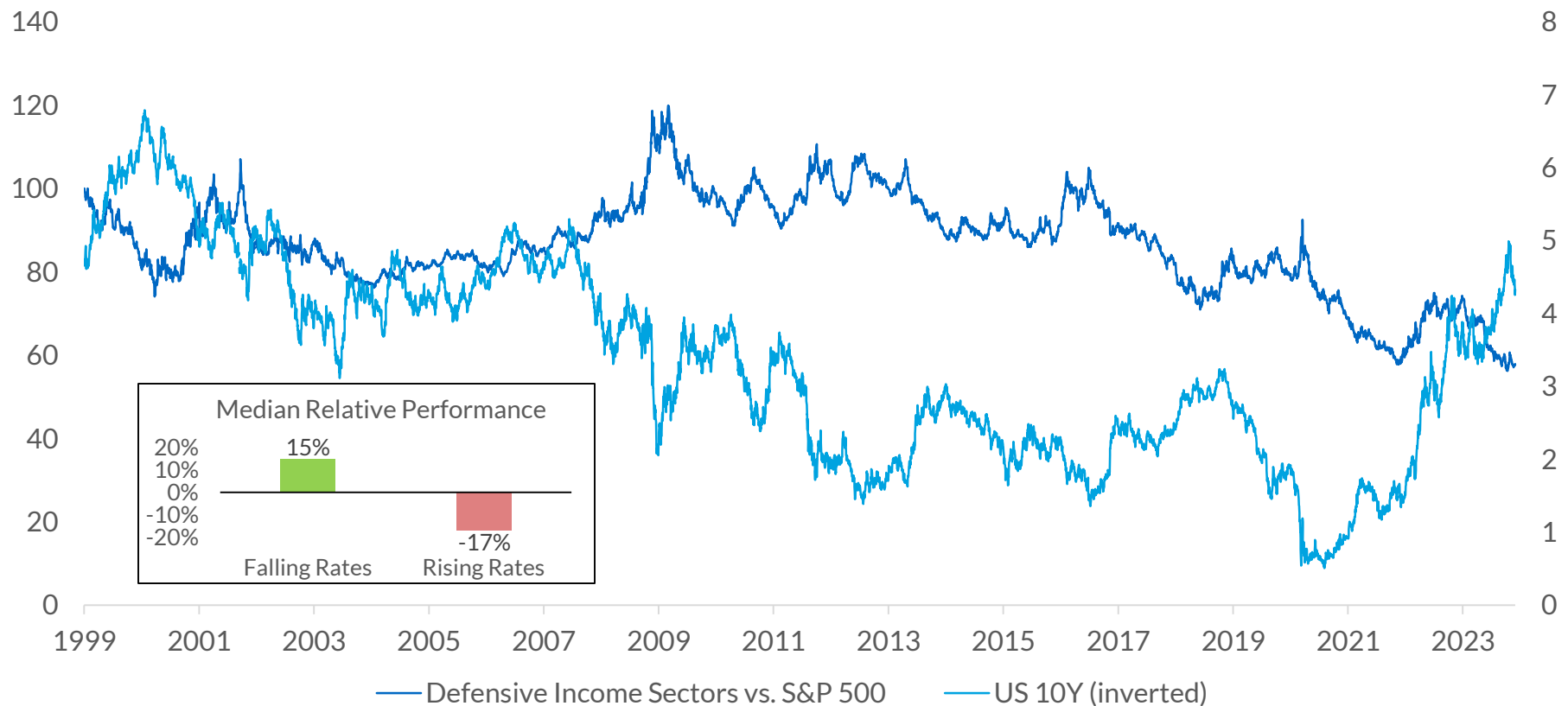
Source: Bloomberg, FactSet, as of November 30, 2023. Tracking error lowered from 3.67 to 2.98 from 5/31/23 (implementation of MAC3 Bloomberg Risk Model) to 11/30/23. Better balanced sector weightings refers to reduction in Industry Rick Comparison (from 11.3 to 7.6 from 5/31/23 to 11/30/23).



Key Defensive Income Sectors Under Historical Pressure

- Historic pace of Fed rate increases.
- Incrementally less negative macro outlook has been another defensive sector headwind.
- Even if Higher for Longer, stable rates should pose less of a headwind from here.
- Utilities, Staples and Telecom account for ~40% of the Dividend Universe.

Defensive Income Sectors/S&P 500 vs. US 10Y Yield



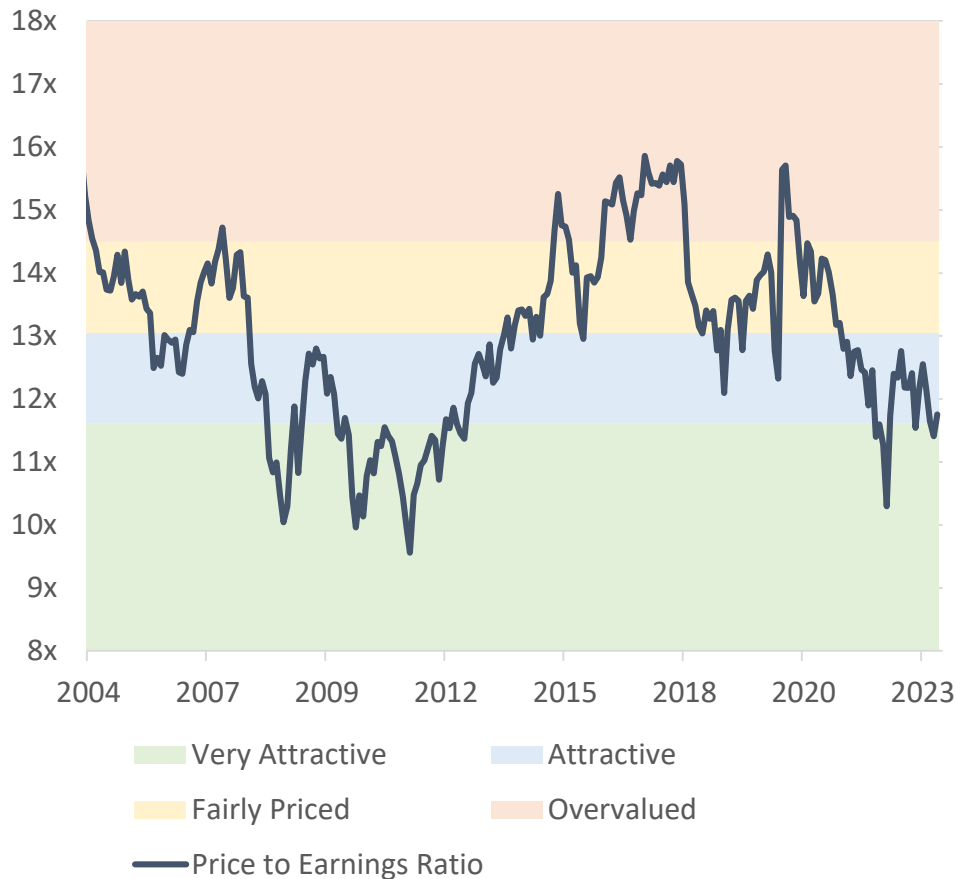
Source: FactSet, as of November 30, 2023. Defensive sectors reflect a composite of the S&P 500 Consumer Staples (Sector) Net Total Return Index, S&P Telecommunications Services Industry Group Total Return Index, and the S&P 500 Utilities Total Return Index. Past performance is not a guarantee of future results. This is not representative of the performance of any CNR product or service.



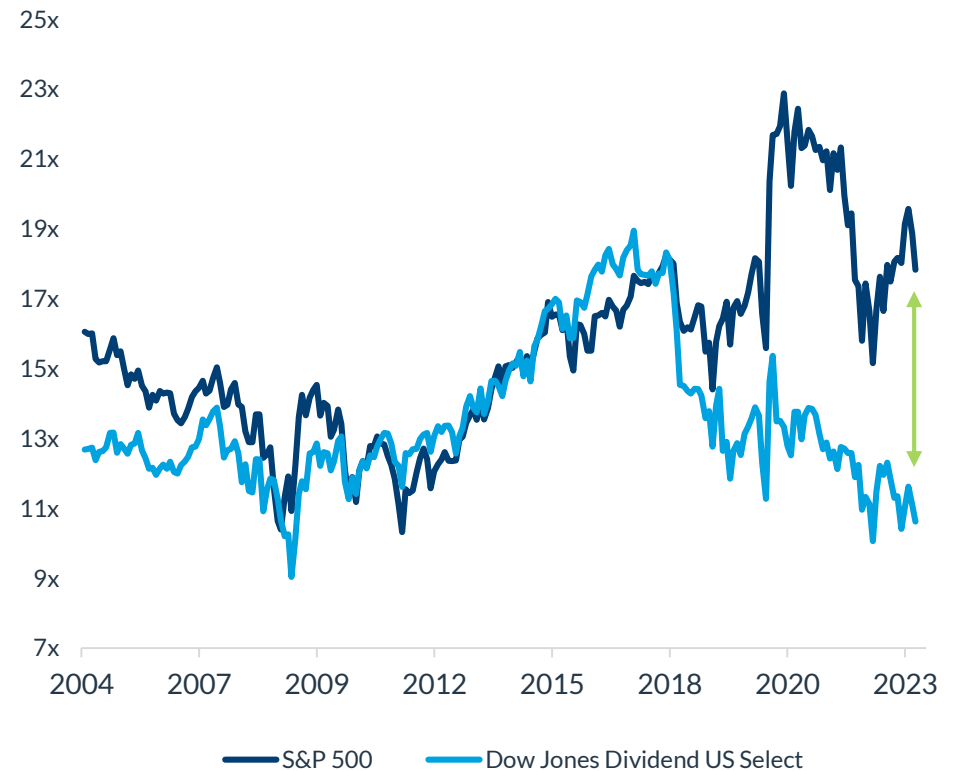
Attractive Valuation – Absolute and Relative

- Dividend stock valuation back to very attractive level.
- Valuation spread at near a historic discount.

DJ US Select Dividend Index
Forward Price to Earnings Ratio



Valuation Comparison: Forward P/E



Source: FactSet, as of November 30, 2023.

Past performance is no guarantee of future results. This is not representative of the performance of any CNR product or service.



Dividend Stock 2024 Return Framework

- After challenging year, we see potential total return improvement trending back towards historic return trends



Source: FactSet, as of November 30, 2023. Information is subject to change and is not a guarantee of future results. Expected returns shown represent CNR's forecast of each respective asset class based on market indices, and not for any CNR products for services. There is no assurances that any of the expected returns may be realized, and actual returns may be lower given market conditions. CNR actual strategy returns in these asset classes may be considerably lower. Dividend stocks represented by the Dow Jones US Select Dividend.



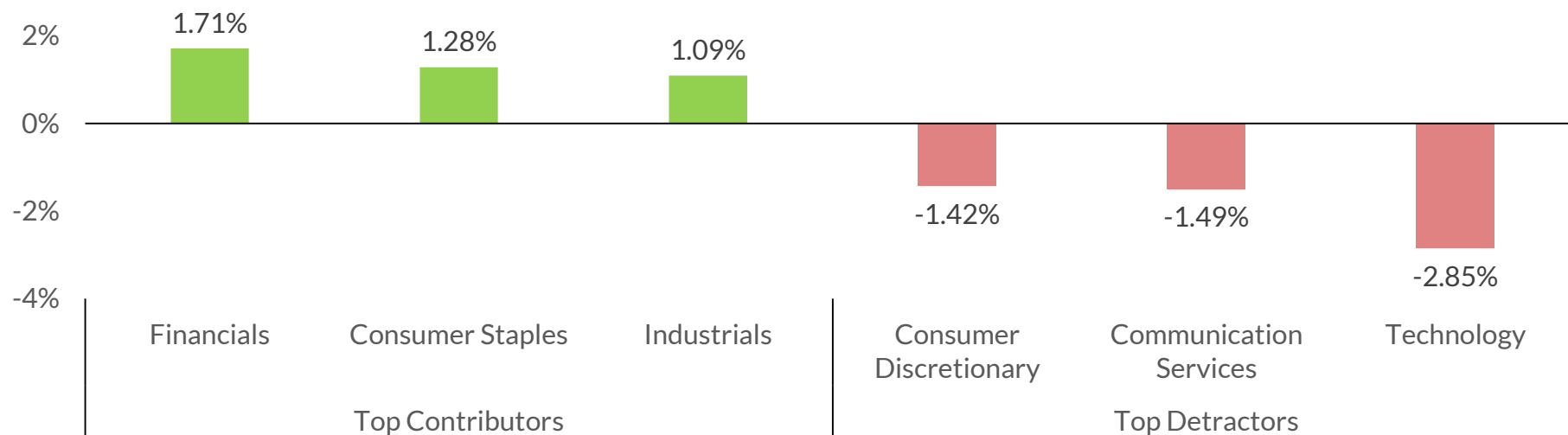
CNR Large Cap Core Equity Strategy



2023 Report Card – CNR Large Cap Core Equity Strategy

What We Got Right	What We Got Wrong
<ul style="list-style-type: none"> Strong stock selection 	<ul style="list-style-type: none"> Lagged index
<ul style="list-style-type: none"> Outperformance in staples, financials and industrials 	<ul style="list-style-type: none"> Underweight tech titans (TSLA/NVDA)
<ul style="list-style-type: none"> Proactive adjustments made as year unfolded 	

CNR Large Cap Core Equity Strategy Sector Relative Performance YTD
(As of 11/30/23)



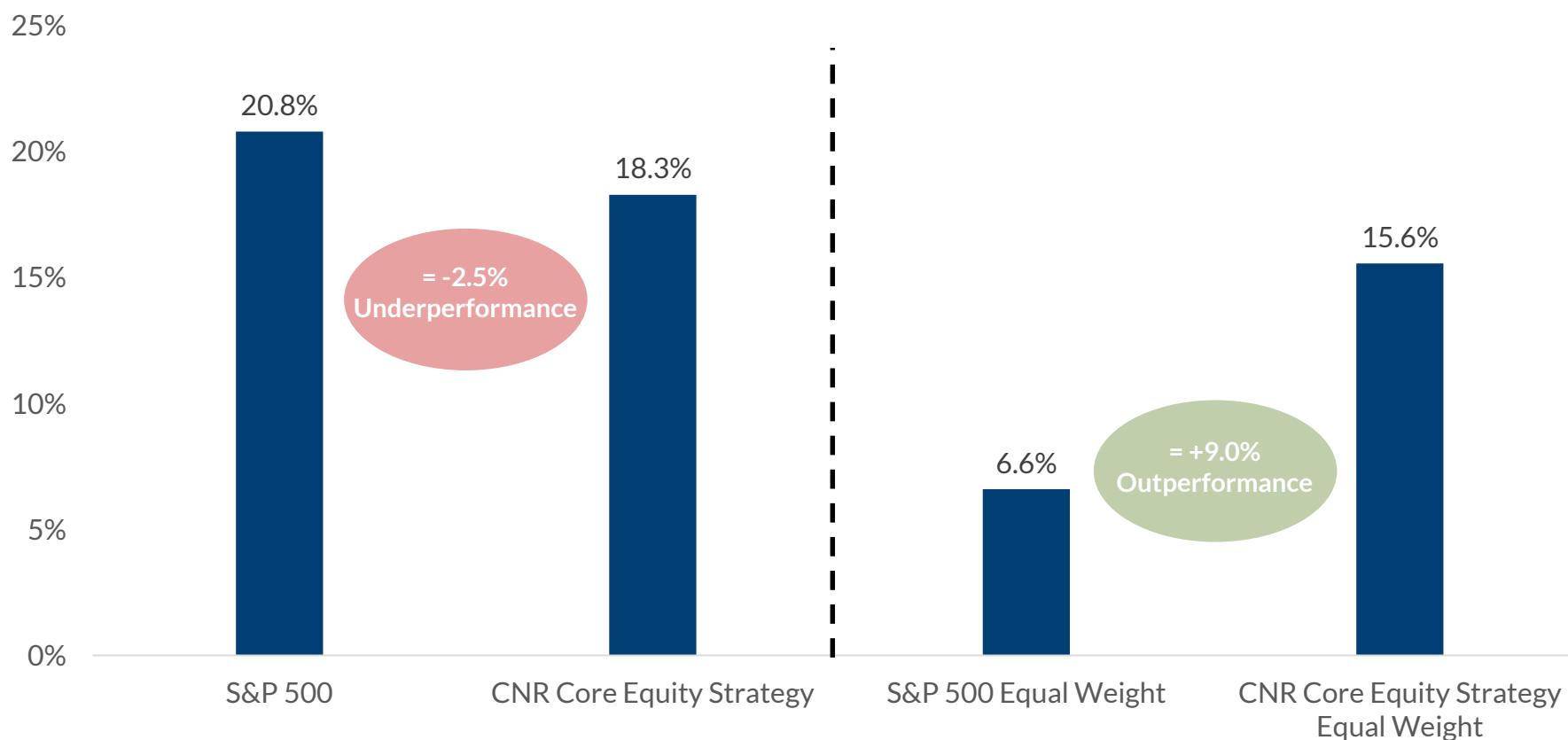
Source: FactSet, as of November 30, 2023. Past performance is no guarantee of future results. Please refer to the Appendix for the full GIPS-compliant performance presentations.



Strong Stock Selection

- Underperformance year to date driven by not owning a few tech titans.
- On an equal weight basis, the average stock in the strategy outperformed the S&P 500.
- Had 17 stocks up more than 25%, only one down more than 25%.

2023 CNR Large Cap Core Equity Strategy Relative Performance
(As of 11/30/23)

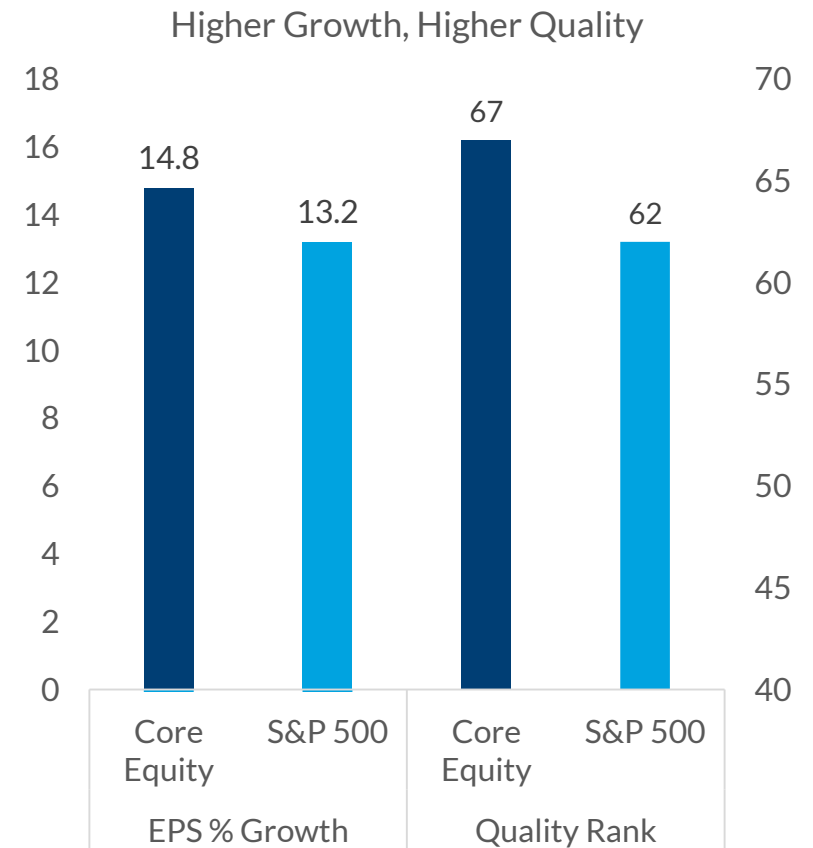
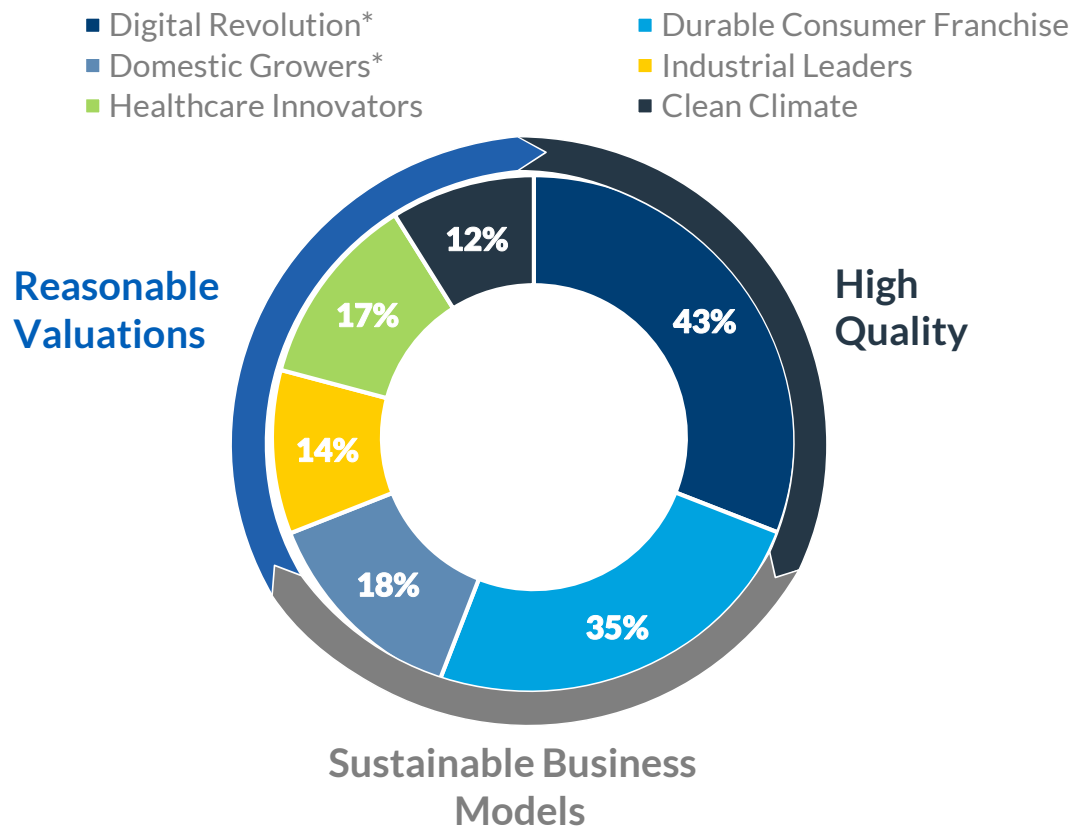


Source: FactSet, as of November 30, 2023. CNR performance is net of fees. Past performance is no guarantee of future results. Please refer to the Appendix for the full GIPS-compliant performance presentations.



2024 Core Equity Positioning

- Staying focused on favorite themes, higher EPS growth and quality versus benchmark.
- Expanded exposure to AI, while staying underweight tech titans given high valuations.
- Proactive steps to lower tracking error.
- Strong pipeline of new stock ideas.



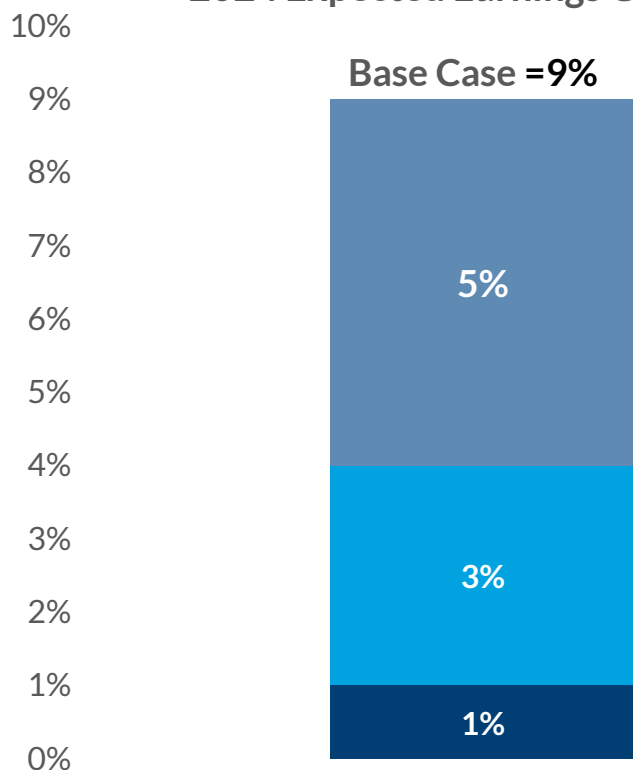
Source: CNR Research, FactSet, Bloomberg, as of November 30, 2023. Past performance is no guarantee of future results. Please refer to the Appendix for the full GIPS-compliant performance presentations.



Modest Returns Expected for S&P 500 in 2024

- Expect earnings growth to range 6-12% in 2024.
- Consensus appears to high in first half of year, expect recovery in earnings in second half of 2024.
- EPS growth foundational for expected returns.
- Given high current valuations declines in multiples likely to be a headwind to total return.

2024 Expected Earnings Growth



■ Real GDP Growth ■ Inflation ■ Margins

2024 Expected Returns Scenarios					
EPS Growth		Yield		Multiples	Expected Return
6%	+	1.50%	+	-3.50%	= 4.00%
9%	+	1.50%	+	-4.50%	= 6.00%
12%	+	1.50%	+	-5.50%	= 8.90%

Source: CNR Research, as of December 2023. Information is subject to change and is not a guarantee of future results. Expected returns shown represent CNR’s forecast of each respective asset class based on market indices, and not for any CNR products for services. There is no assurances that any of the expected returns may be realized, and actual returns may be lower given market conditions. CNR actual strategy returns in these asset classes may be considerably lower.



Conclusion



2024 Expected Asset Class Returns

- Forecasting more moderate equity returns, timing and extent of EPS growth is key
- Equity income attractive in a uncertain environment
- Fixed income returns expected to be mostly positive
- Investment grade corporate and municipals offer attractive yields with lower volatility
- High yield corporates and municipals, while volatile, appear to offer attractive yield
- Alternatives may provide diversifying benefits and attractive opportunities

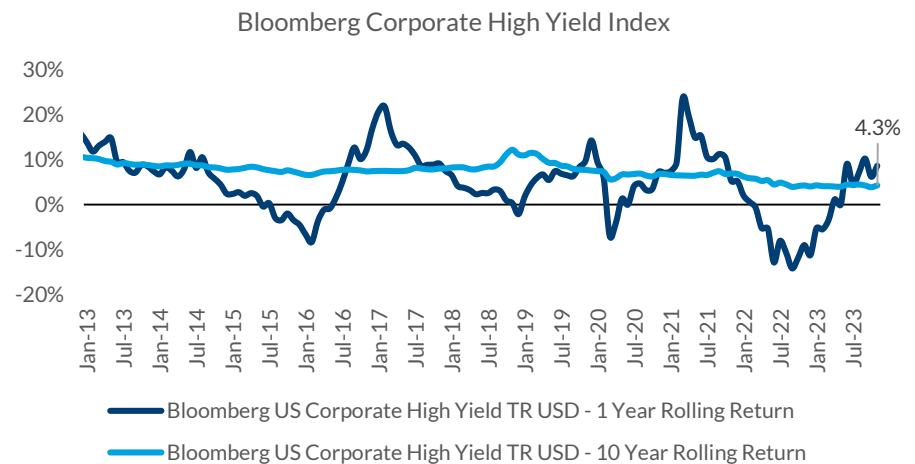
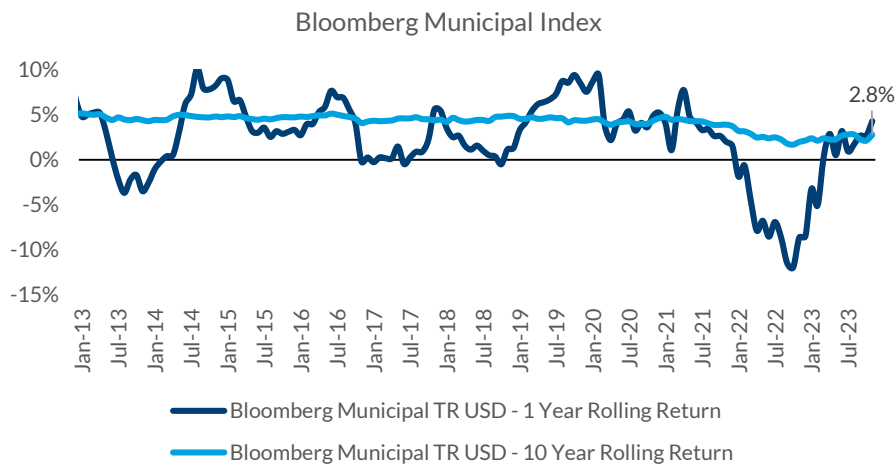
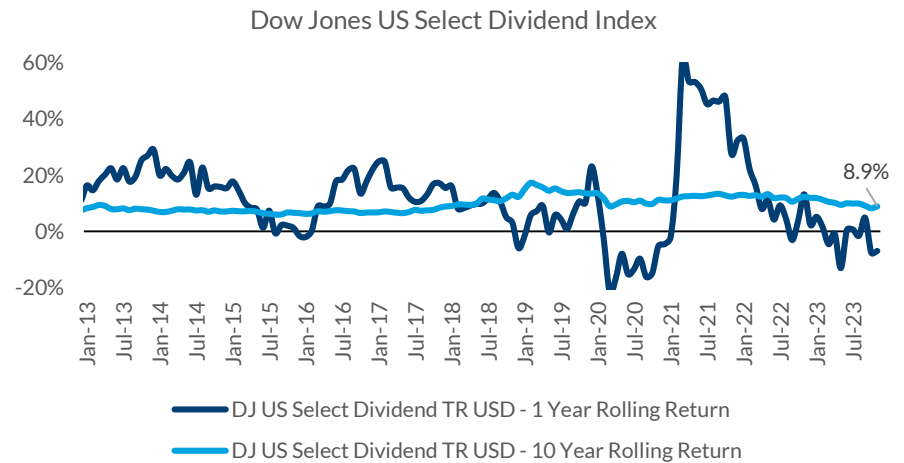
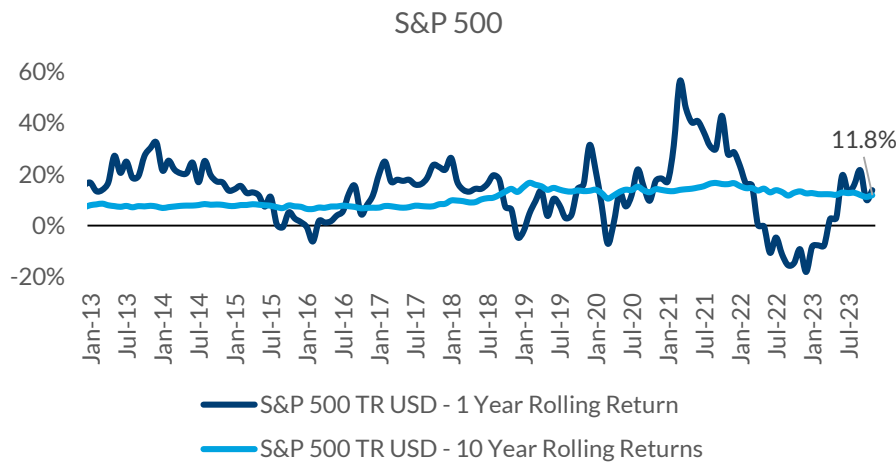
Asset Classes	2024 Return Expectation (%)	Long Term Return Expectation (10 + Years)
S&P 500	5 – 7	7.7
DJ Select Dividend	6 – 8	7.0
Taxable IG FI	5 – 6	4.6
Taxable HY FI	6 – 8	6.4
Muni IG	3 – 4	3.5
Muni HY	4 – 5	5.2
Opportunistic Income	6 – 8	6.0
CLO	8 – 13	8.5
Reinsurance	7 – 10	6.5

Source: CNR Research, as of December 2023. *Before tax returns. Information is subject to change and is not a guarantee of future results. Expected returns shown represent CNR's forecast of each respective asset class based on market indices, and not for any CNR products for services. There is no assurances that any of the expected returns may be realized, and actual returns may be lower given market conditions. CNR actual strategy returns in these asset classes may be considerably lower.



Asset Returns Grow More Stable Over Market Cycles

- Market downturns often lead to emotional decision making which can negatively impact portfolio returns.
- Achieving expected long-term returns requires staying disciplined.



Source: Bloomberg, as of November 30, 2023. Expected returns shown represent CNR’s forecast of each respective asset class based on market indices, and not for any CNR products for services. There is no assurances that any of the expected returns may be realized, and actual returns may be lower given market conditions. CNR actual strategy returns in these asset classes may be considerably lower.

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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 more developed 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.

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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.

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.

The Russell 2000® Index: is a market capitalization-weighted index measuring the performance of the small-cap segment of the US equity universe and includes the smallest 2,000 companies in the Russell 3000® Index.

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.

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

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.

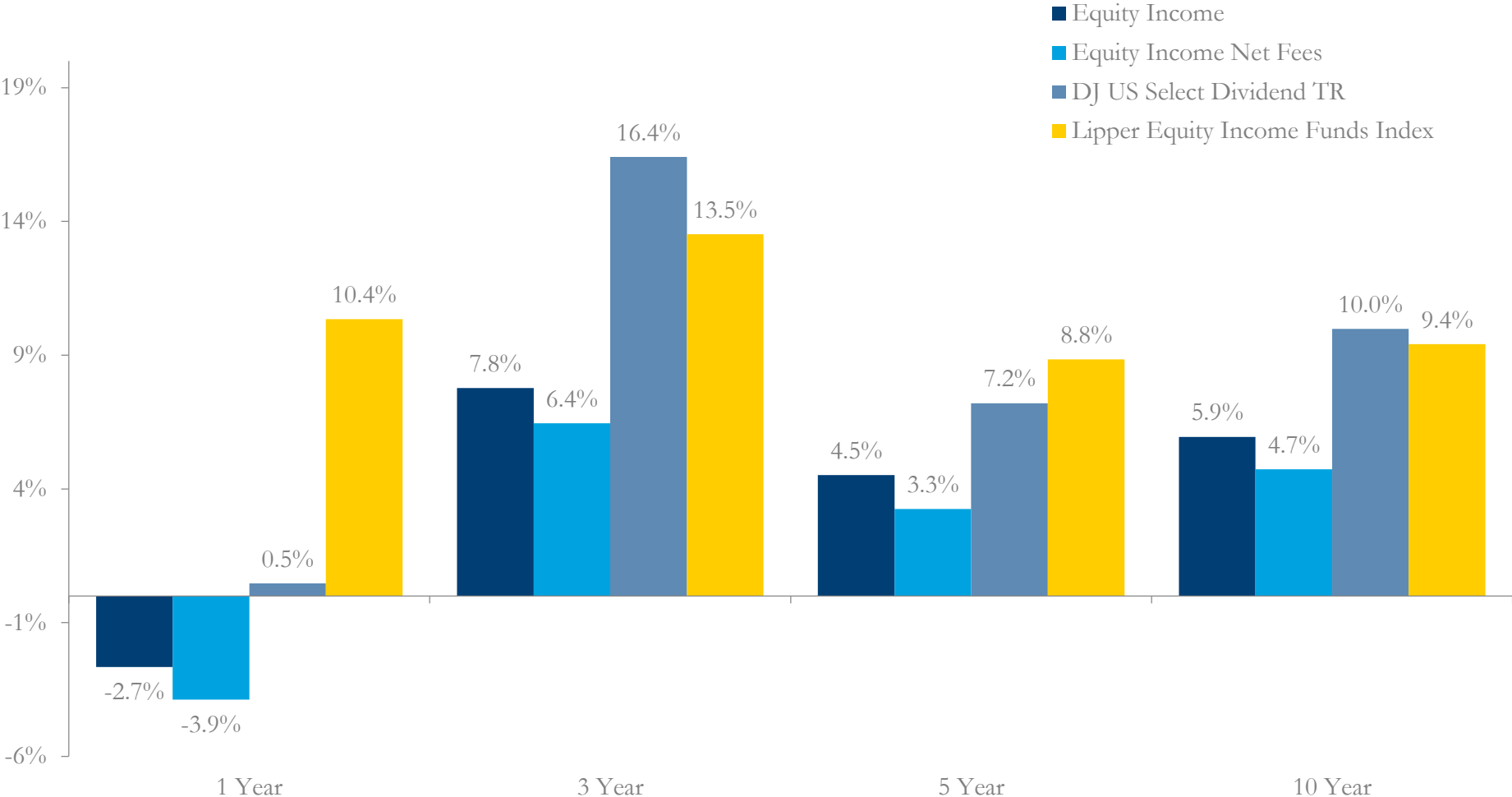
The Consumer Price Index (CPI) measures the monthly change in prices paid by US consumers.

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.



Equity Income

Annualized Returns

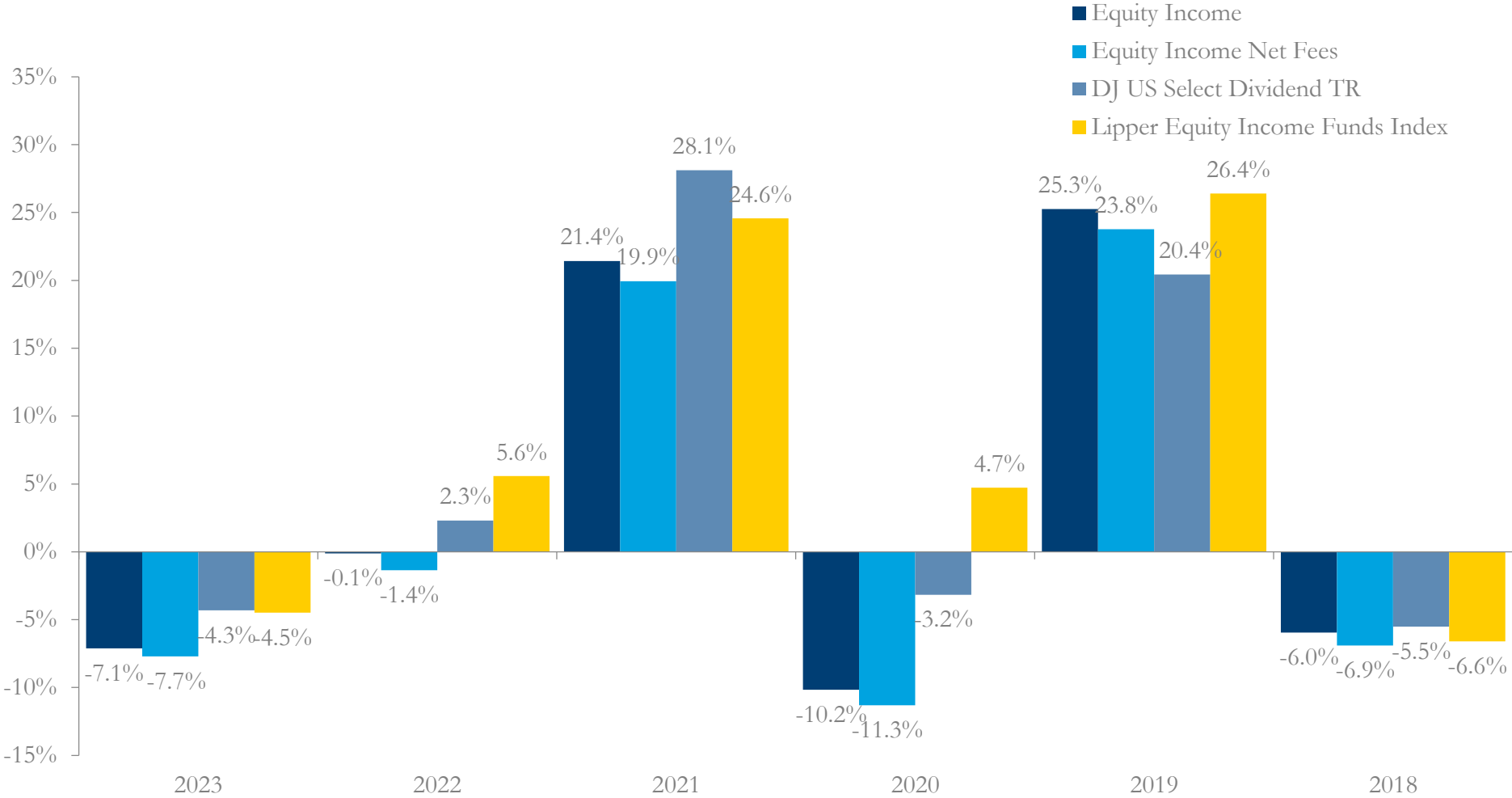


Past performance is not an indication of future results. Please refer to the Equity Income Composite Annual Disclosure Presentation. As of 10/1/21, the benchmark and composite name changed. Equity Income was formerly known as High Dividend and Income Equities.



Equity Income

Calendar Year Returns



Past performance is not an indication of future results. Please refer to the Equity Income Composite Annual Disclosure Presentation. As of 10/1/21, the benchmark and composite name changed. Equity Income was formerly known as High Dividend and Income Equities.



Equity Income

GIPS Report

	2022	2021	2020	2019	2018
Composite Gross Return (%)	-0.1	21.4	-10.2	25.3	-6.0
Composite Net Return (%)	-1.4	20.0	-11.3	23.8	-6.9
Benchmark One Return (%)	-4.9	25.4	-3.2	20.4	-5.5
Benchmark Two Return (%)	2.3	32.3	4.7	26.4	-6.6
Internal Dispersion (%)	1.6	1.7	3.1	2.3	1.3
Composite 3-Year Standard Deviation (%)	18.6	16.0	16.0	8.5	9.5
Benchmark One 3-Year Standard Deviation (%)	20.3	18.3	18.1	8.4	7.8
Benchmark Two 3-Year Standard Deviation (%)	22.3	20.4	17.5	10.8	9.8
Number of Portfolios	209	258	111	134	116
Composite Assets at Year-End (\$M)	499	572	82	129	80
Firm Assets at Year-End (\$ M)	53,106	55,027	46,025	42,715	34,339
	2017	2016	2015	2014	2013
Composite Gross Return (%)	7.2	16.0	-1.8	18.4	16.8
Composite Net Return (%)	6.1	14.9	-2.7	16.9	15.3
Benchmark One Return (%)	10.5	14.2	-1.9	17.2	15.7
Benchmark Two Return (%)	16.4	14.3	-3.0	10.7	16.5
Internal Dispersion (%)	1.4	1.7	2.7	2.3	2.6
Composite 3-Year Standard Dev (%)	8.7	9.8	10.2	9.2	9.4
Benchmark One 3-Year Standard Deviation (%)	7.1	8.2	8.3	7.3	9.4
Benchmark Two 3-Year Standard Deviation (%)	9.4	10.1	10.2	8.4	8.5
Number of Portfolios	159	138	138	100	75
Composite Assets at Year-End (\$M)	139	128	114	89	63
Firm Assets at Year-End (\$ M)	32,862	26,272	22,584	20,073	15,461

City National Rochdale, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. City National Rochdale, LLC has been independently verified for the periods January 1, 2000 through December 31, 2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Diversified Fixed Income Composite has had a performance examination for the periods January 1, 2014 through December 31, 2020. The verification and performance examination reports are available upon request.

[Additional Disclosures continued on following page.](#)



Equity Income

GIPS Report (Continued)

1 City National Rochdale, LLC is a global multi-asset manager that invests in U.S.-based, International Developed, International Emerging and Alternative securities. City National Rochdale, LLC is a registered investment adviser and is an affiliate of City National Bank, its parent company. City National Bank is an affiliate of Royal Bank of Canada, its parent company. On July 2, 2012, Rochdale Investment Management was acquired by City National Bank and combined with City National Asset Management, a division of the bank. For GIPS compliance purposes, Rochdale Investment Management and City National Asset Management continued to operate separate firms through September 10, 2013.

2 As of 10/1/21 The High Dividend and Income Equities Composite has been renamed Equity Income Composite. This composite contains fully discretionary equity accounts primarily invested in common and preferred stocks, MLPs, REITs, and other income securities, with the objective to generate income and long-term capital appreciation. The focus is on high-quality companies with a stable dividend history, potential for dividend growth, and attractive valuation. The portfolio's income stream is a significant component of total return and may result in lower volatility and increased downside protection versus a broad-market portfolio. The minimum account size for composite inclusion is \$100,000. The composite was created and incepted on June 30, 2002. Prior to January 1, 2015, performance history represents only Rochdale Investment Management portfolios and starting January 1, 2015, performance represents the combined City National Rochdale portfolios. A complete list of composite descriptions and broad distribution pooled funds is available upon request.

3 Benchmark One as of 10/1/2021 is Dow Jones US Select Dividend Index. From 12/31/13 – 9/30/21: 50% DJ US Select Dividend / 15% MSCI US REIT Index / 25% BofA Merrill Lynch Preferred Index / 10% Alerian MLP. The change was made because this index is more aligned with the current investment strategy. Prior to 12/31/13: Dow Jones US Select Dividend Index. Benchmark Two is the Lipper Equity Income Funds Index. The benchmarks are rebalanced monthly.

4 Gross of fee returns include the cost of brokerage commissions, but excludes the impact of management, custodial and other fees. The impact of any income taxes an investor might have incurred as a result of taxable ordinary income and capital gains realized by the accounts. Net of fee performance was calculated using actual management fees for periods through 12/31/14. Starting 1/1/15, fees are modeled at 1.00%, the highest tier. (Fee schedule: 1.00% first \$2 million; 0.80% next \$3 million; 0.60% next \$5 million and 0.50% in excess of \$10 million.) Starting 1/1/19, fees are modeled at 1.25%, the highest tier. (Fee schedule: 1.25% first \$1 million, 1.00% next \$4 million, 0.75% next \$5 million and 0.50% in excess of \$10 million.) Returns include the reinvestment of income.

5 Internal dispersion is calculated using the asset-weighted standard deviation of the monthly gross returns of those portfolios that were included in the composite for the entire year.

6 The 3-Year Annualized Ex-post Standard Deviation measures the variability of composite gross returns and the benchmark returns over the preceding 36-month period. For periods through 12/31/14, this was derived from the STDEVP function and starting 1/1/2015, STDEV is used.

7 Policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request.

8 Valuations are computed and performance is reported in U.S. dollars.

9 Any composite account that has a cash flow of 10% or greater in a single transaction is eliminated from the composite for the current valuation period. The excluded account is eligible for the composite again at the next valuation period. This policy is effective as of the composite inception date to present.

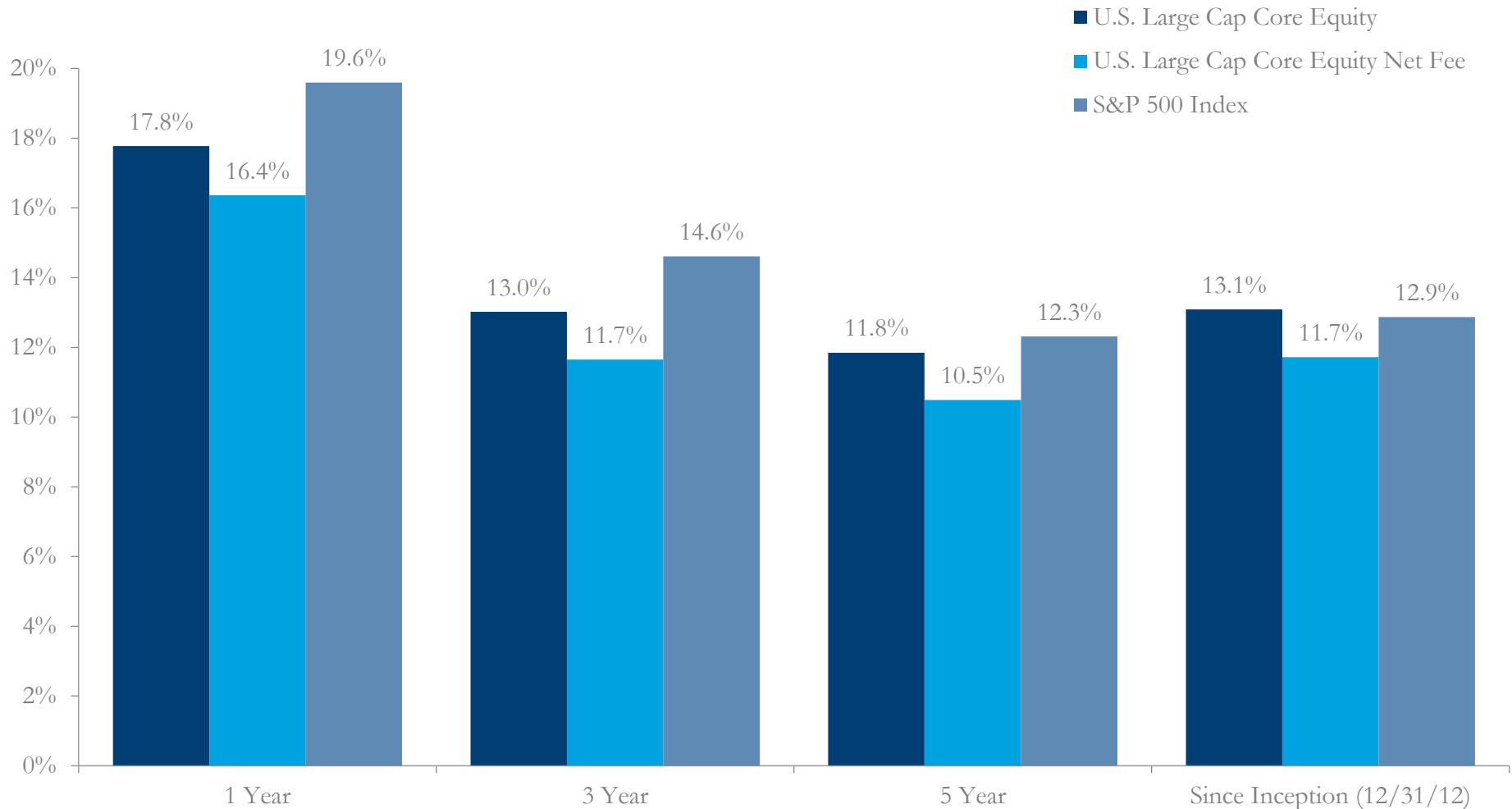
10 Past performance is not an indication of future results.

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U.S. Large Cap Core Equity

Annualized Returns

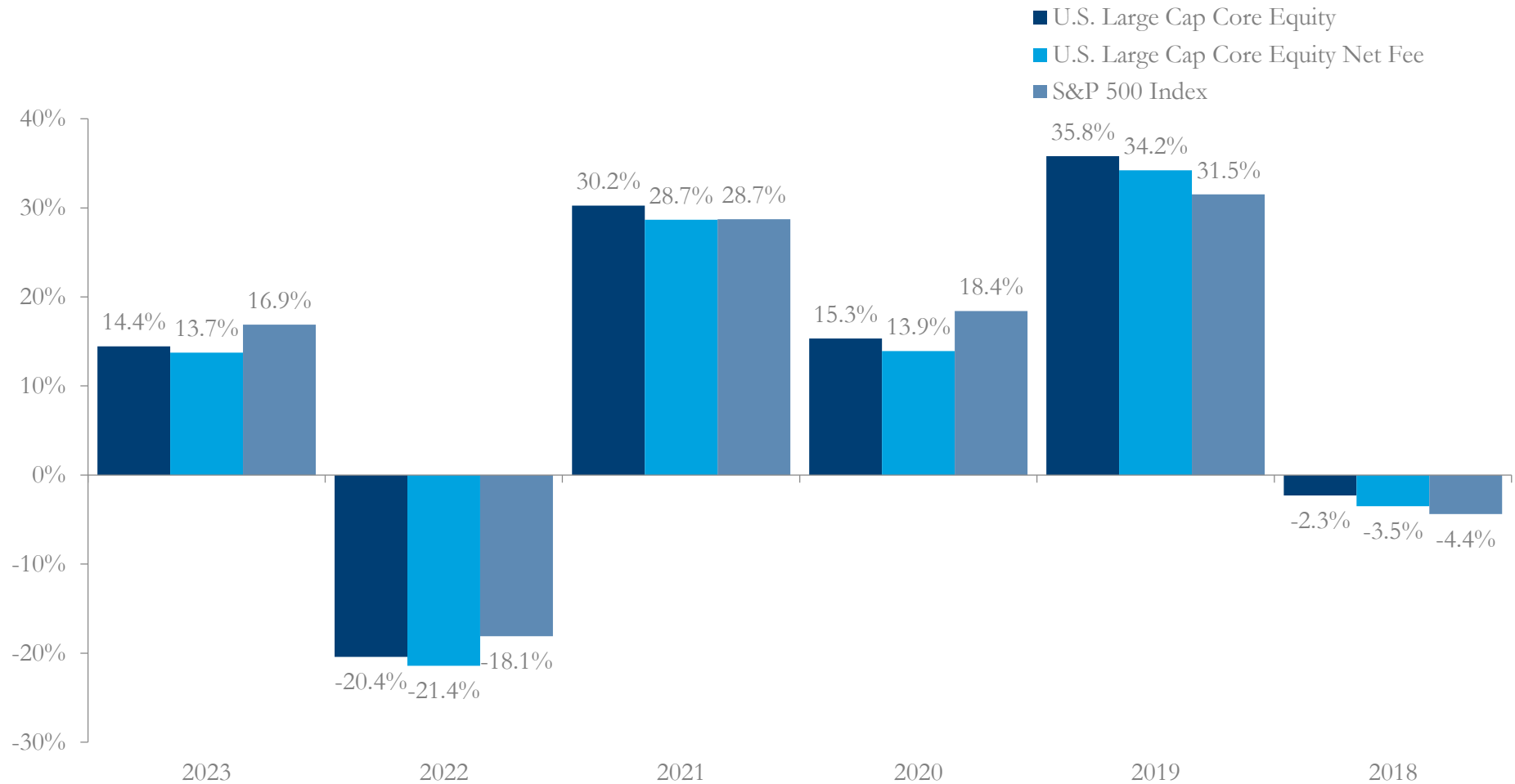


Past performance is not an indication of future results. Please refer to the U.S. Large Cap Core Equity Composite Annual Disclosure Presentation.



U.S. Large Cap Core Equity

Calendar Year Returns



Past performance is not an indication of future results. Please refer to the U.S. Large Cap Core Equity Composite Annual Disclosure Presentation.



U.S. Large Cap Core Equity

GIPS Report

	2022	2021	2020	2019	2018	2017	2016	2015
Composite Gross Return (%)	-20.4	30.2	15.3	35.8	-2.3	26.2	6.7	3.6
Composite Net Return (%)	-21.5	28.7	13.9	34.2	-3.5	24.7	5.4	2.4
Benchmark Return (%)	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	1.4
Internal Dispersion (%)	1.4	1.0	0.9	1.9	0.7	0.0	0.0	1.2
Composite 3-Year Standard Deviation (%)	20.5	16.2	16.9	10.7	10.6	10.1	11.0	11.1
Benchmark 3-Year Standard Deviation (%)	21.2	17.4	18.8	12.1	11.0	10.1	10.7	10.6
Number of Portfolios at Year-End	18	22	14	11	6	≤5	≤5	≤5
Composite Assets at Year-End (\$ M)	368	496	444	357	273	287	219	222
Firm Assets at Year-End (\$ M)	53,106	55,027	46,025	42,715	34,339	32,862	26,272	22,584

City National Rochdale, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. City National Rochdale, LLC has been independently verified for the periods January 1, 2000 through December 31, 2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The U.S. Large Cap Core Equity Composite has had a performance examination for the periods January 1, 2013 through December 31, 2020. The verification and performance examination reports are available upon request.

1 City National Rochdale, LLC is a global multi-asset manager that invests in U.S.-based, International Developed, International Emerging and Alternative securities. City National Rochdale, LLC is a registered investment adviser and is an affiliate of City National Bank, its parent company. City National Bank is an affiliate of Royal Bank of Canada, its parent company. On July 2, 2012, Rochdale Investment Management was acquired by City National Bank and combined with City National Asset Management, a division of the bank. For GIPS compliance purposes, Rochdale Investment Management and City National Asset Management continued to operate separate firms through September 10, 2013.

2 The U.S. Large Cap Core Equity Composite includes all fully discretionary fee-paying portfolios that seek to provide capital appreciation, with current income as a secondary objective, through investment of 55-65 recommended equity securities of companies with large capitalization. The minimum account size for composite inclusion is \$500,000. The composite was created and inception on December 31, 2012. As of November 1, 2017 the U.S. Core Equity Composite has been renamed the U.S. Large Cap Core Equity Composite. A complete list of composite descriptions and broad distribution pooled funds and broad distribution pooled funds is available upon request.

3 The benchmark used is the S&P 500 TR Index which is a commonly recognized, market capitalization weighted index of 500 widely held equity securities, designed to measure broad U.S. equity performance.

4 Gross of fee returns include the cost of brokerage commissions, but excludes the impact of management, custodial and other fees and the impact of any income taxes an investor might have incurred as a result of taxable ordinary income and capital gains realized by the accounts. Net of fee returns are calculated by deducting the highest annual fee of 1.25% applied to the quarterly gross returns. The management fee is as follows: up to 1.25% on the first \$1 million; 1.00% on the next \$4 million; 0.75% on the next \$5 million and 0.50% thereafter. Returns include the reinvestment of income.

5 Internal dispersion is calculated using the equal-weighted standard deviation of the monthly gross returns of those portfolios that were included in the composite for the entire year.

6 The 3-Year Annualized Ex-post Standard Deviation measures the variability of composite gross returns and the benchmark returns over the preceding 36-month period. The Standard Deviation is not represented prior to 2015 because 36 monthly returns of the composite are not available since the creation date is 12/31/2012.

7 Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

8 Valuations are computed and performance is reported in U.S. dollars.

9 Any composite account that has a cash flow of 50% or greater in a single transaction is eliminated from the composite for the current valuation period. The excluded account is eligible for the composite again at the next valuation period. This policy is effective as of 1/1/2014 and from inception through 12/31/2013 the maximum was 10%.

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