February 2024

Market Update

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Strategy Update

Investment Strategy Committee Highlights

Economic Outlook

- **Probability of soft landing/slow growth has increased to 60%.**
- Inflation still elevated but continues its downward glide path. Wages and service inflation are declining more slowly.
- Expecting Fed to lower rates two to three times, beginning around mid-year.
- Consumer spending expected to slow but wealth effects, labor market strength and real income gains remain.
- Defaults by consumers and corporations expected to increase from historic lows but should be manageable.
- Investment spending should improve as businesses gain confidence around the outlook.
- U.S. economic outlook is more resilient than European and Asian economies.
- Elections in U.S. likely to be contentious; shouldn't impact domestic economic activity.
- Geopolitical risks unlikely to meaningfully impact U.S. economic activity, but remain watchful.

Investment Strategy

- **Expecting modest returns across asset classes in 2024; remain focused on high quality stocks and bonds.**
- **Staying focused on U.S. equities; we have been raising equity exposure as risks to the economic outlook diminish.**
- **History suggests dividend stock performance should rebound.**
- **For clients seeking additional capital appreciation, mid-small cap equities appear increasingly attractive.**
- Continue to avoid international equities for now, given less resilient outlook and geopolitical concerns.
- Potential rates cuts are a bullish sign for investors and signal that now is the time to take advantage of interest rates.
- Investment grade corporate and municipals may offer attractive yields, with less risk vs. high-yield markets.
- Maintaining focus on quality and looking to extend duration opportunistically across strategies.
- There are still excellent opportunities for short-term cash/liquidity management, in our view.
- Alternatives* can provide better risk adjusted returns diversification and private market exposure for those clients that can allocate to illiquid investments.

*Alternative investments are speculative, may entail substantial risks and may not be suitable for all investors.
Diversification does not ensure a gain or protect against a loss.
Sources: Bloomberg, CNR Research, as of February 2024. Information is subject to change and is not a guarantee of future results.

2024 Outlook

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

City National Rochdale Forecasts		2022	2023e	2024e
Real Annual GDP Growth		2.1%	2.5%	1.0% to 2.0%
Corporate Profit Growth		5.1%	-1.0% to 1.0%	6.0% to 12.0%
Headline CPI Year End		6.5%	3.3%	2.50% to 3.25%
Core CPI Year End		5.7%	3.9%	2.50% to 3.00%
Interest Rates	Federal Funds Rate	4.25% to 4.50%	5.25% to 5.50%	4.50% to 5.00%
	Treasury Note, 10-Yr.	3.88%	3.88%	4.00% to 4.50%

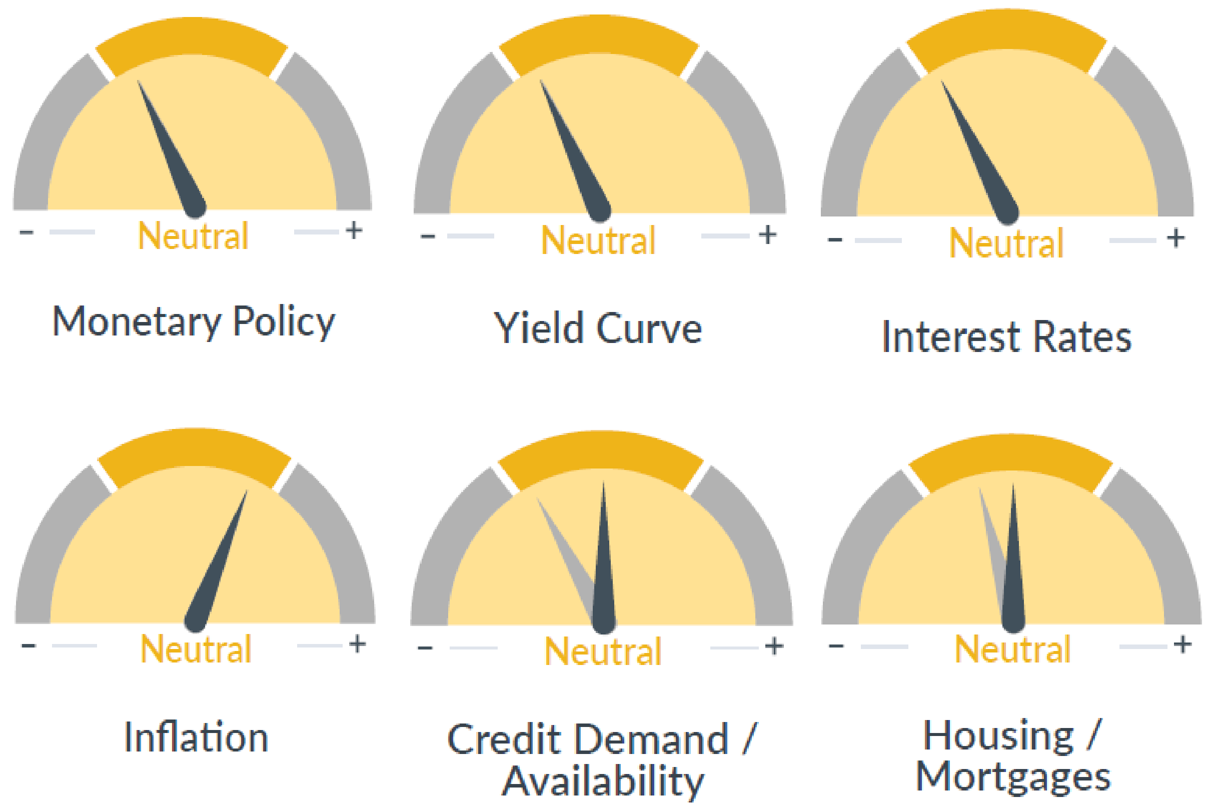
Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
The Consumer Price Index (CPI) measures the monthly change in prices paid by U.S. consumers.
e: estimate.
Sources: Bloomberg, proprietary opinions based on CNR Research, as of February 2024.
Information is subject to change and is not a guarantee of future results.

CNR Speedometers® –February 2024

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

- Indicators improving, as risks to outlook diminish.
- Fed rate hiking cycle over, policy headwinds expected to moderate.
- Interest rate outlook has stabilized.
- Disinflationary trends continue, service prices more sticky,
- Expecting improvements in credit conditions and housing.

Impact on Economy and Financial Markets

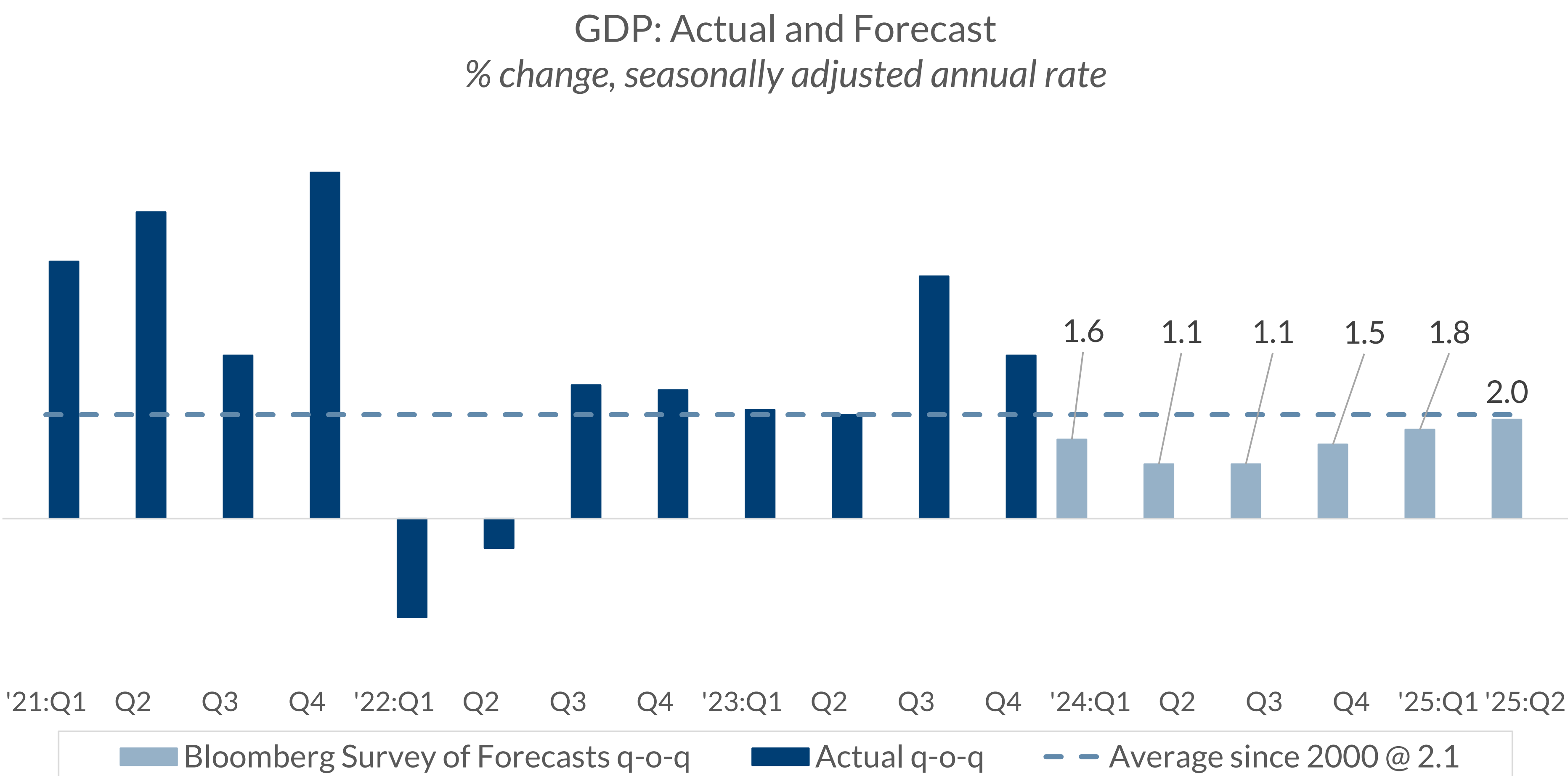


Impact on investment: ■ Positive ■ Neutral ■ Negative **Timeframe:** ■ Current ■ Change from last month

Source: Proprietary opinions based on CNR Research, as of February 2024. Information is subject to change and is not a guarantee of future results.

The Economic Outlook

- After several years of above-trend performance, GDP growth is expected to slow over the next few quarters.
- Moderating consumer spending and slower business investment are expected to cause below-trend growth.

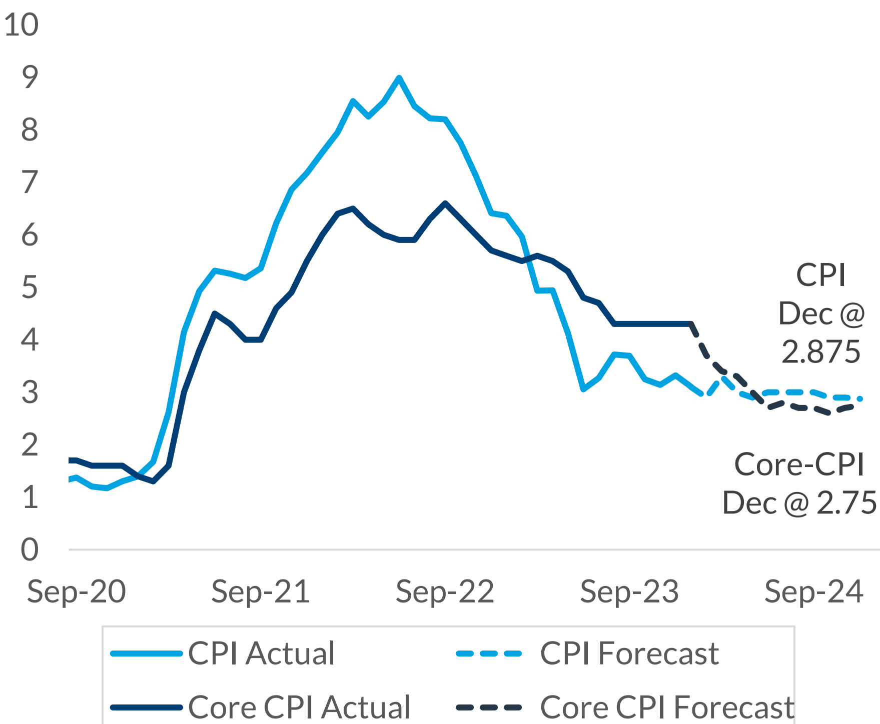


Data current as of February 28, 2024
Source: Bureau of Economic Analysis, Bloomberg Composite of Economic Forecasts
Information is subject to change and is not a guarantee of future results.

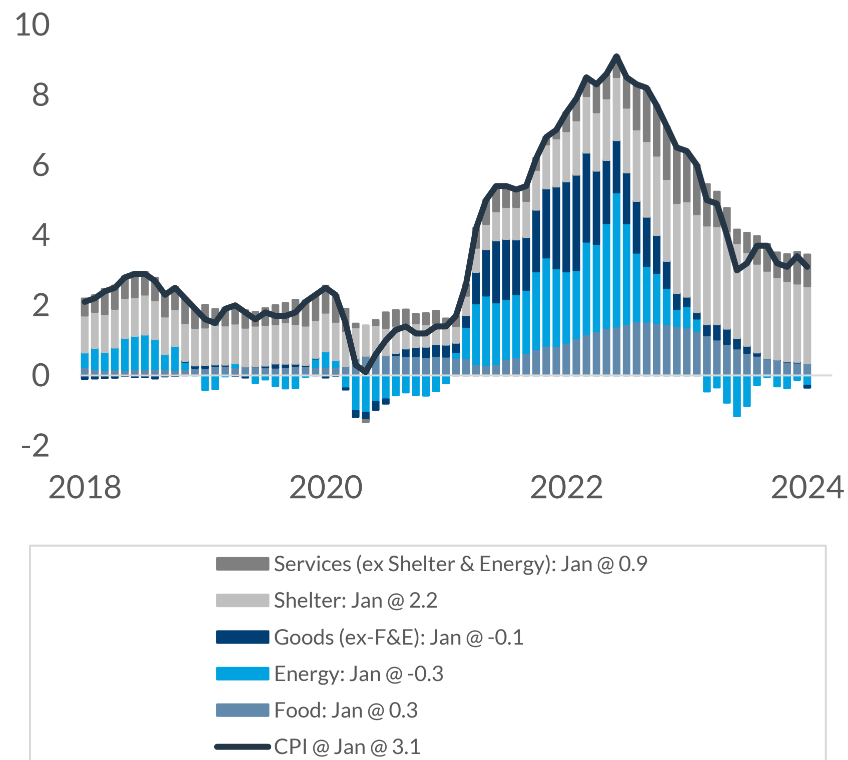
The Economic Outlook

- Inflationary pressures have retreated from 2022's multi-decade high.
- The "last mile" is always the hardest, which is what the economy is experiencing currently.
- Goods prices have returned to pre-pandemic levels, near zero percent change.
- Disinflation of housing and super-core inflation has stalled, preventing headline inflation from falling further.

Consumer Price Index - with CNR Forecast
% change y-o-y, seasonally adjusted



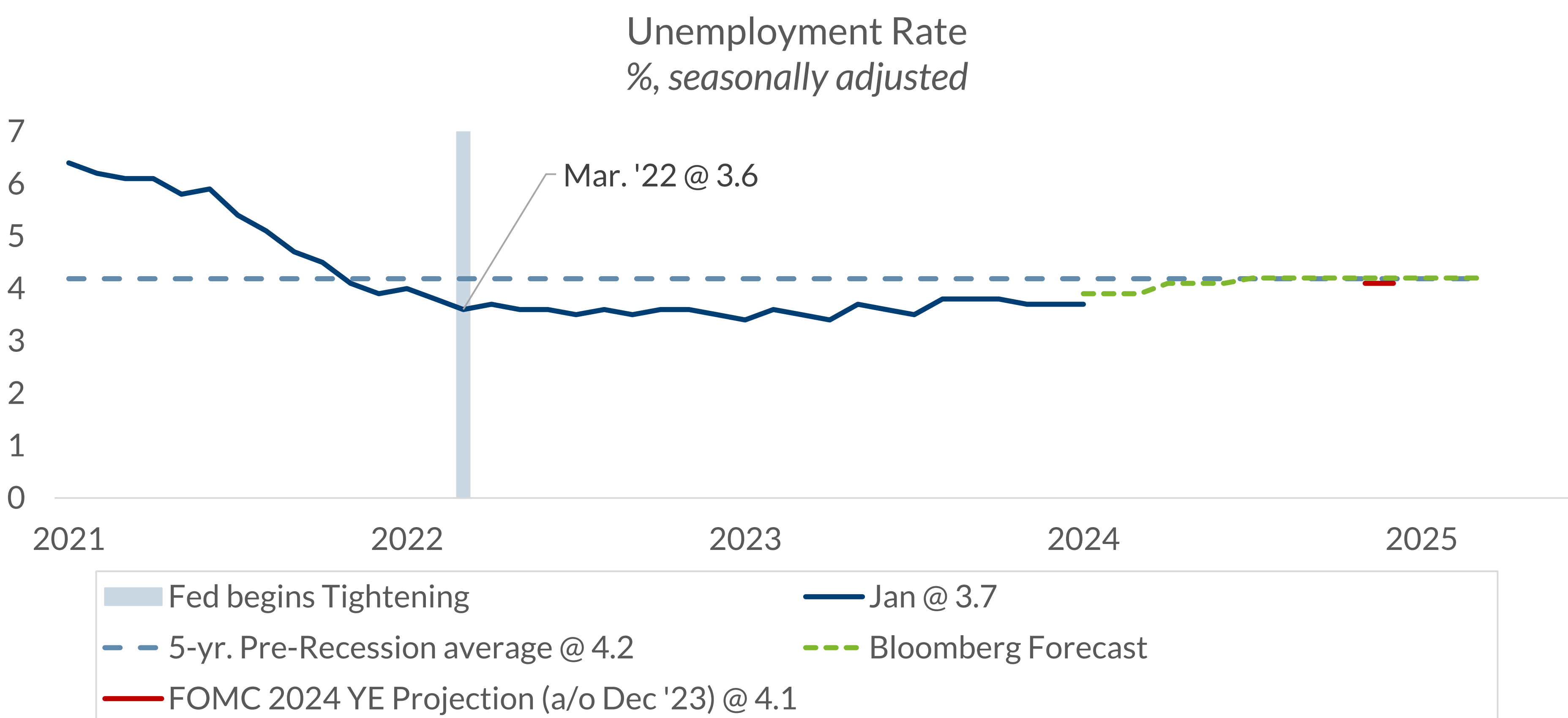
CPI: Contribution
% change y-o-y, seasonally adjusted



Data current as of February 28, 2024
Source: Bureau of Economic Analysis, CNR Research
Information is subject to change and is not a guarantee of future results.

The Economic Outlook

- After raising the federal funds rate by 525 bps, the Fed appears on track to achieve a soft landing.
- Inflation has declined, while the unemployment rate has increased by just 1/10 of a percentage point.
- The expectation is a slight increase in the unemployment rate over the next year.

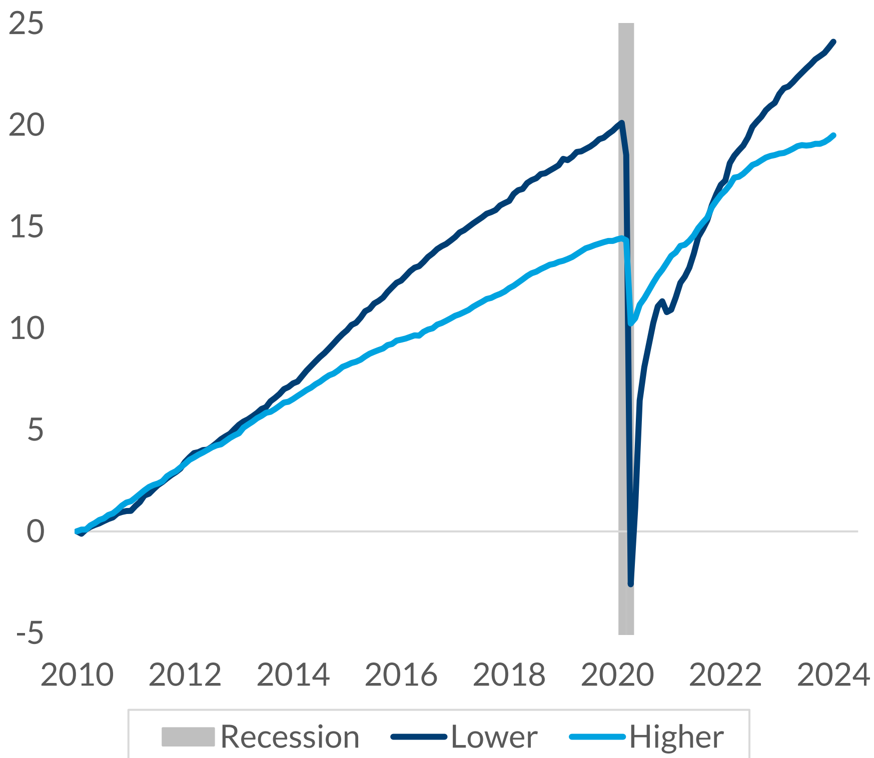


Data current as of February 28, 2024
Source: Bureau of Labor Statistics, Federal Reserve, Bloomberg Composite of Economic Forecasts
Information is subject to change and is not a guarantee of future results.

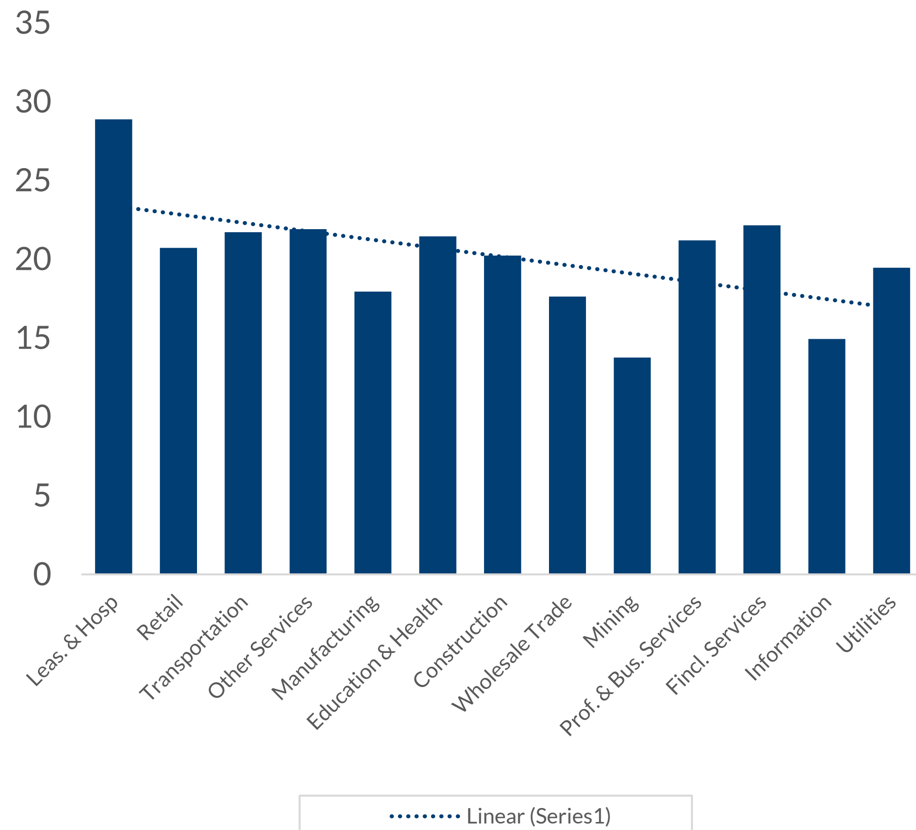
The Economic Outlook

- Job growth will continue, but the stronger growth is happening in lower-paying jobs.
- Lower-paying jobs have received more significant pay increases on a percentage basis.
- But, the dollar value of the increases are not as substantial, reducing economic impact.

Labor Growth:
Lower Paying Jobs vs. Higher Paying Jobs
indexed at 0.0 on January 2010



Wages: Percent Change Since January 2020% change
ranked left to right, lowest wage to highest wage



Lower paying jobs are defined as those occupations that earn below the average hourly wage, and higher paying jobs earn above the average.
Data current as of February 28, 2024
Source: Bureau of Labor Statistics, CNR Research
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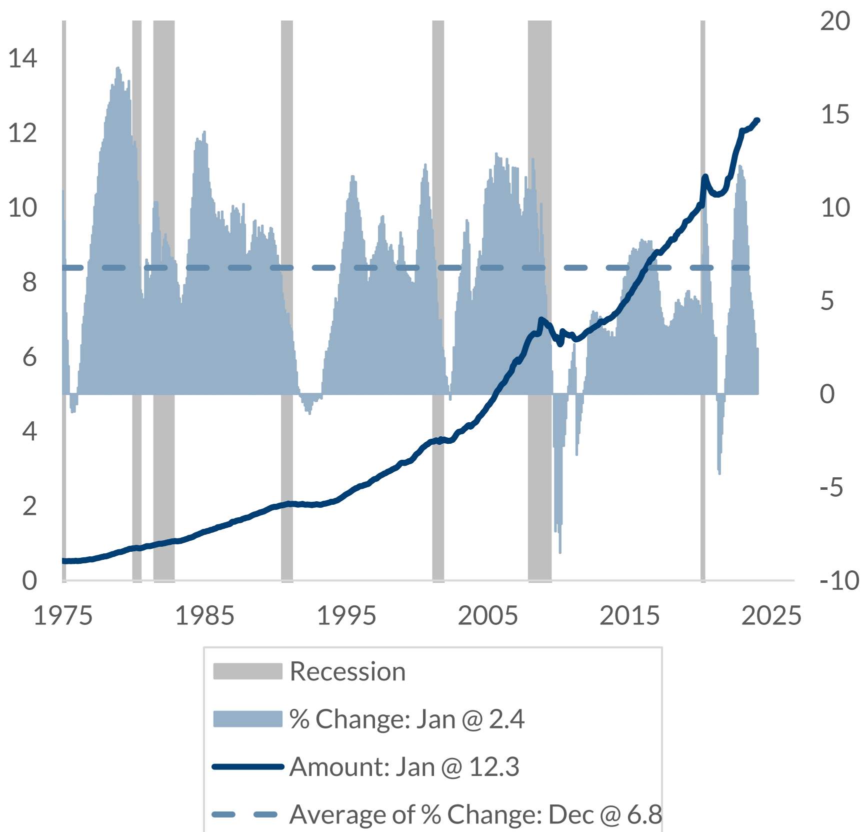
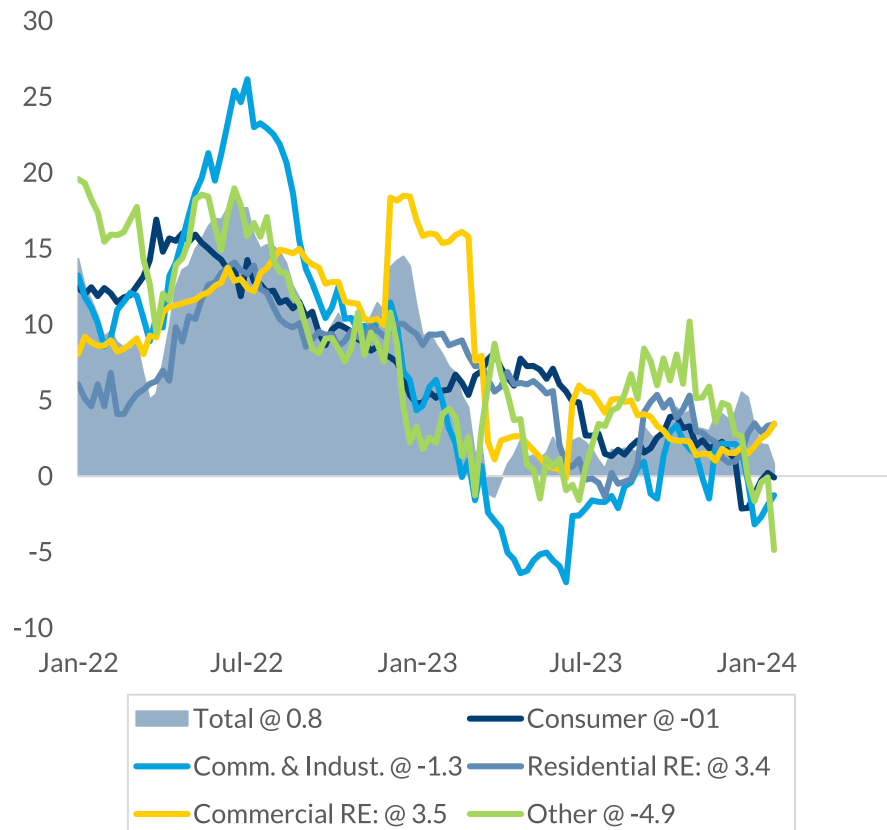
The Economic Outlook

- The growth rate of loans has fallen to just 2.4%, about one-third the pace of the long-term average.
- This economy runs on credit, slower credit growth quickly translates to slower economic growth.
- Credit growth is slowing in all the major categories.





Data current as of February 28, 2024
Source: Federal Reserve
Information is subject to change and is not a guarantee of future results.

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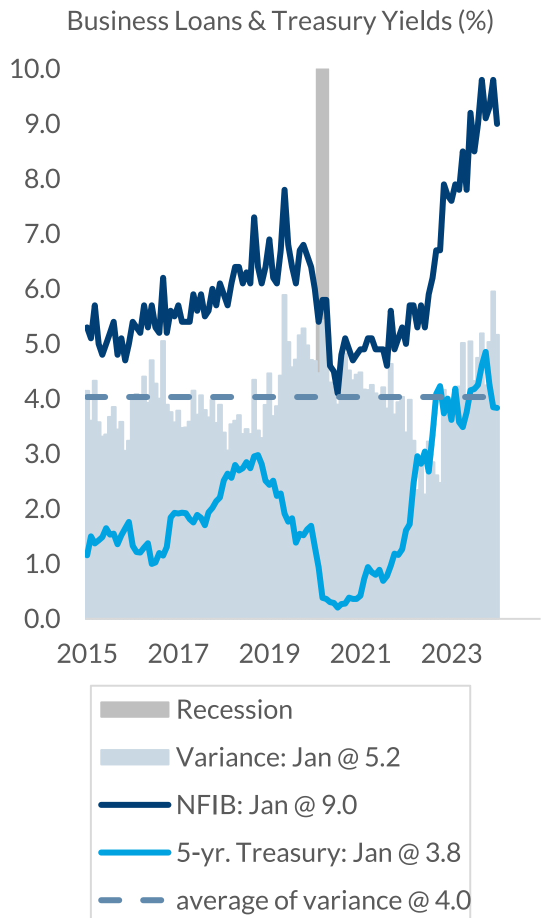
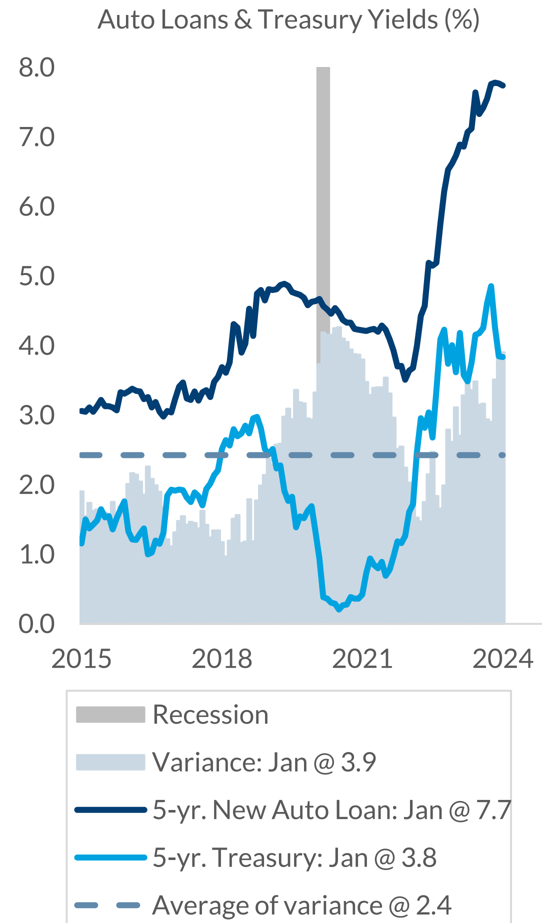
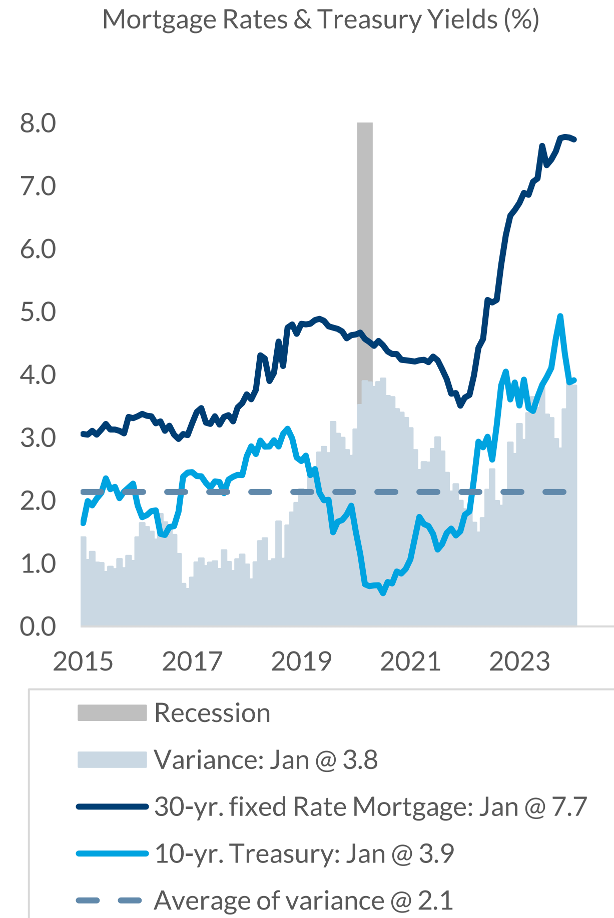
The Economic Outlook

- Interest rates have moved up, but loan rates have moved up more.
- This is making it more expensive for borrowers to access credit.
- This may slow the pace of consumption over the next few quarters.



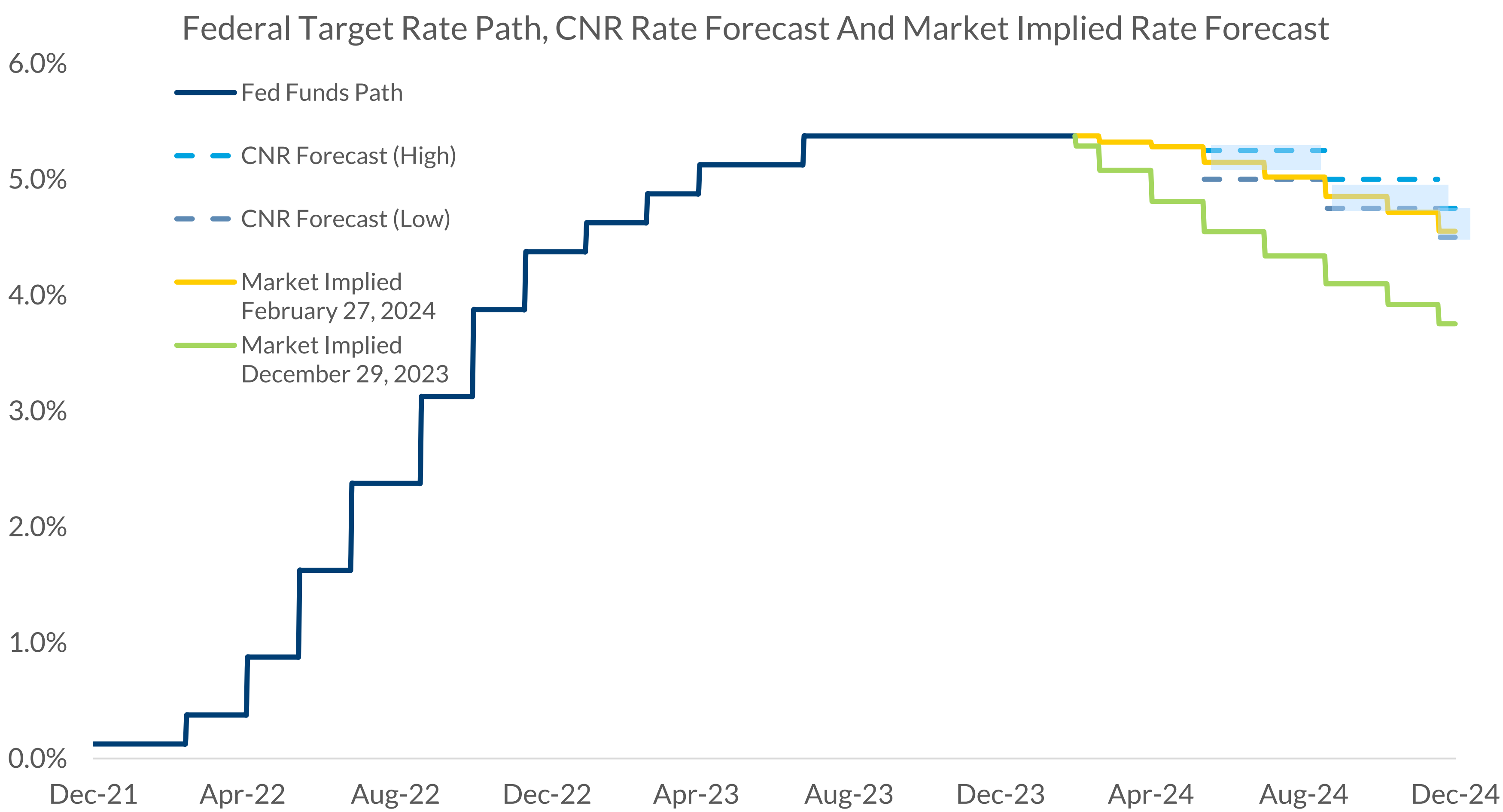




Data current as of February 28, 2024
Source: National Federation of Independent Businesses, Bankrate.com, Bloomberg
Information is subject to change and is not a guarantee of future results.

The Federal Reserve Will Keep Policy Rates High

- The stickiness of inflation and wages will continue to keep policy rates high.
- This year, the Fed expects to lower the federal funds rate by 75 basis points to 4.625%.

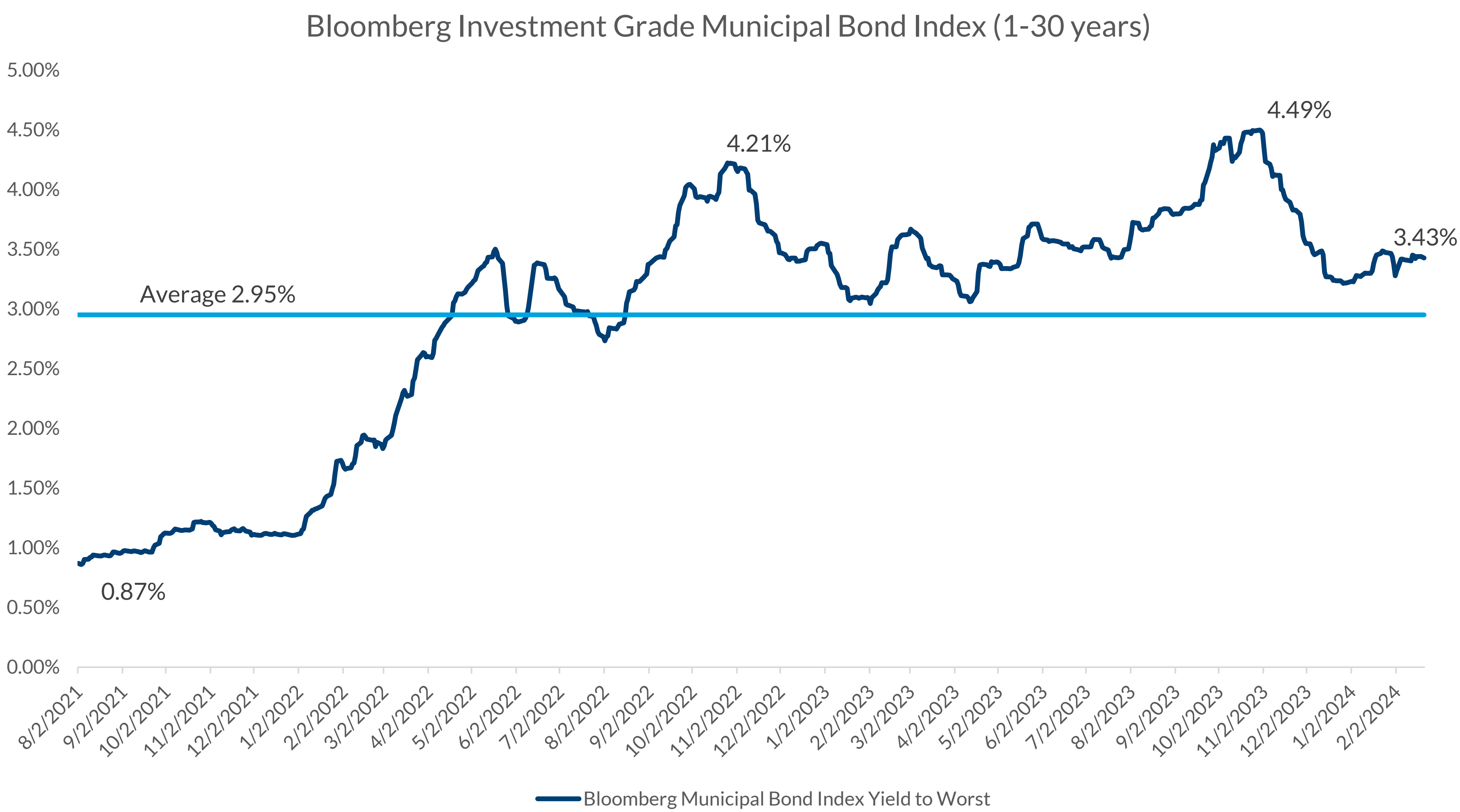


Sources: Bloomberg, CNR Research, as of February 27, 2023.
Information is subject to change and is not a guarantee of future results

Tax-Exempt Fixed Income

Municipal Yields Historically Attractive

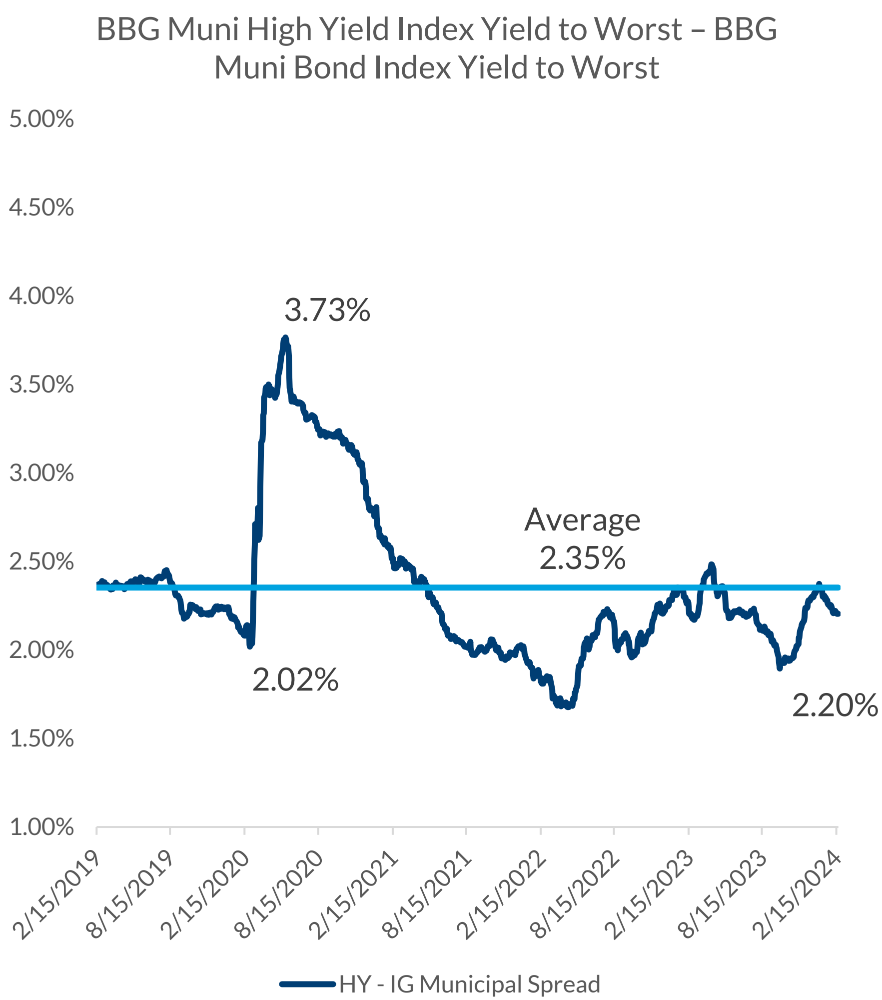
- A tax-exempt yield of 3.43% equals a taxable equivalent yield of 5.79%.



Sources: Bloomberg Municipal Bond Index, Taxable equivalent yield assumes 37% Federal Tax Bracket and 3.8% Medicare surcharge, as of 2/21/2024. Information is subject to change and is not a guarantee of future results.

High Yield Municipal Bonds Appear Fairly Valued

- The yield advantage of high yield over investment grade municipal bonds is in line with its historical average.
- Tax-exempt yields for the asset class remain compelling, especially when adjusted for taxes.

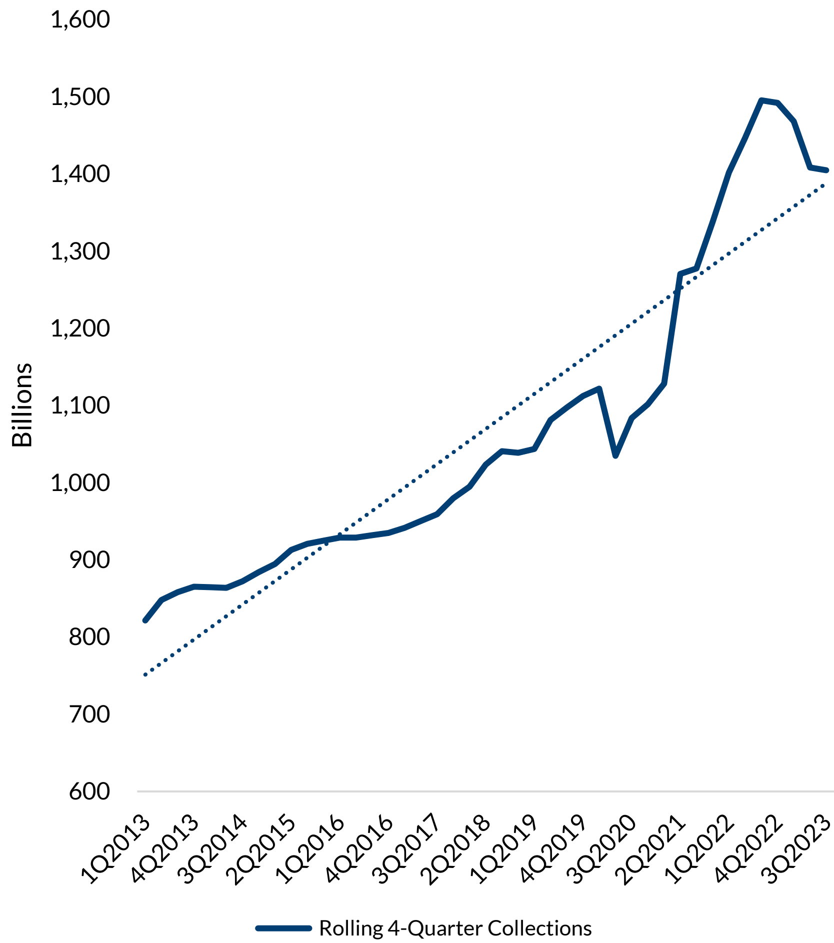


Source: "BBG" = Bloomberg, as of 2/21/2024. Spread = Yield to worst of Bloomberg Municipal High Yield Index – Yield to Worst of Bloomberg Municipal Bond Index. Information is subject to change and is not a guarantee of future results.

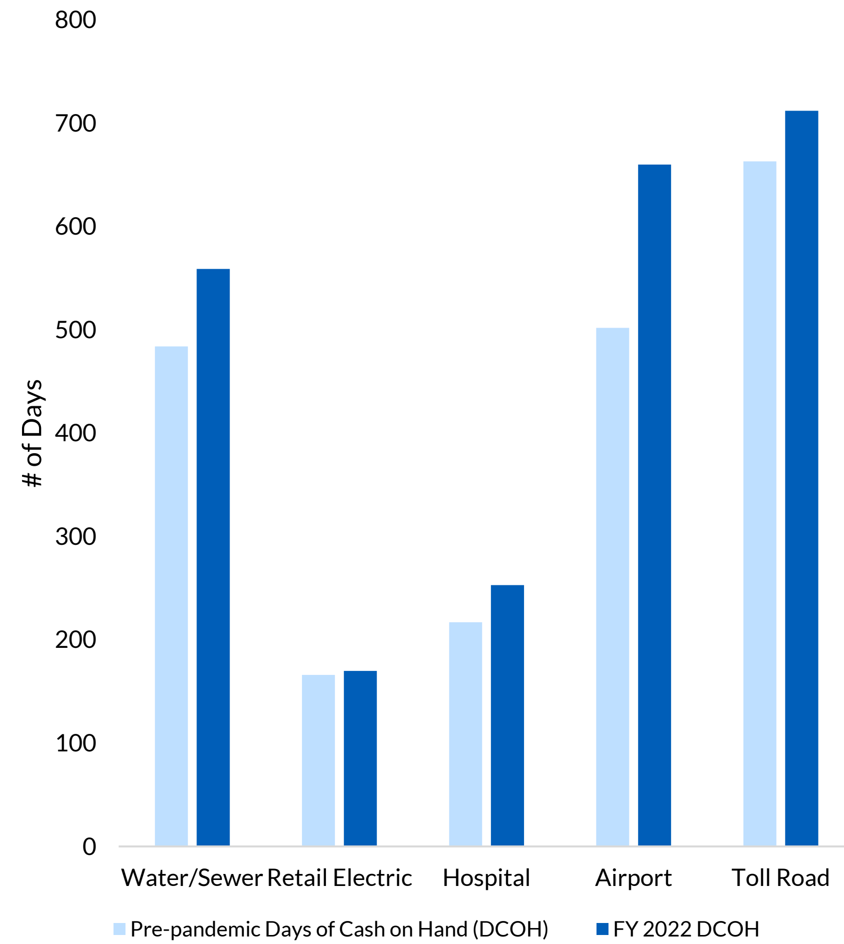
Municipal Bond Credit Quality on Firm Ground This Year

- State and local government reserves are healthy and provide a cushion against budget volatility.
- Revenue bond sector quality is mostly stable with good balance sheet liquidity .

Historical State Tax Collection Trends



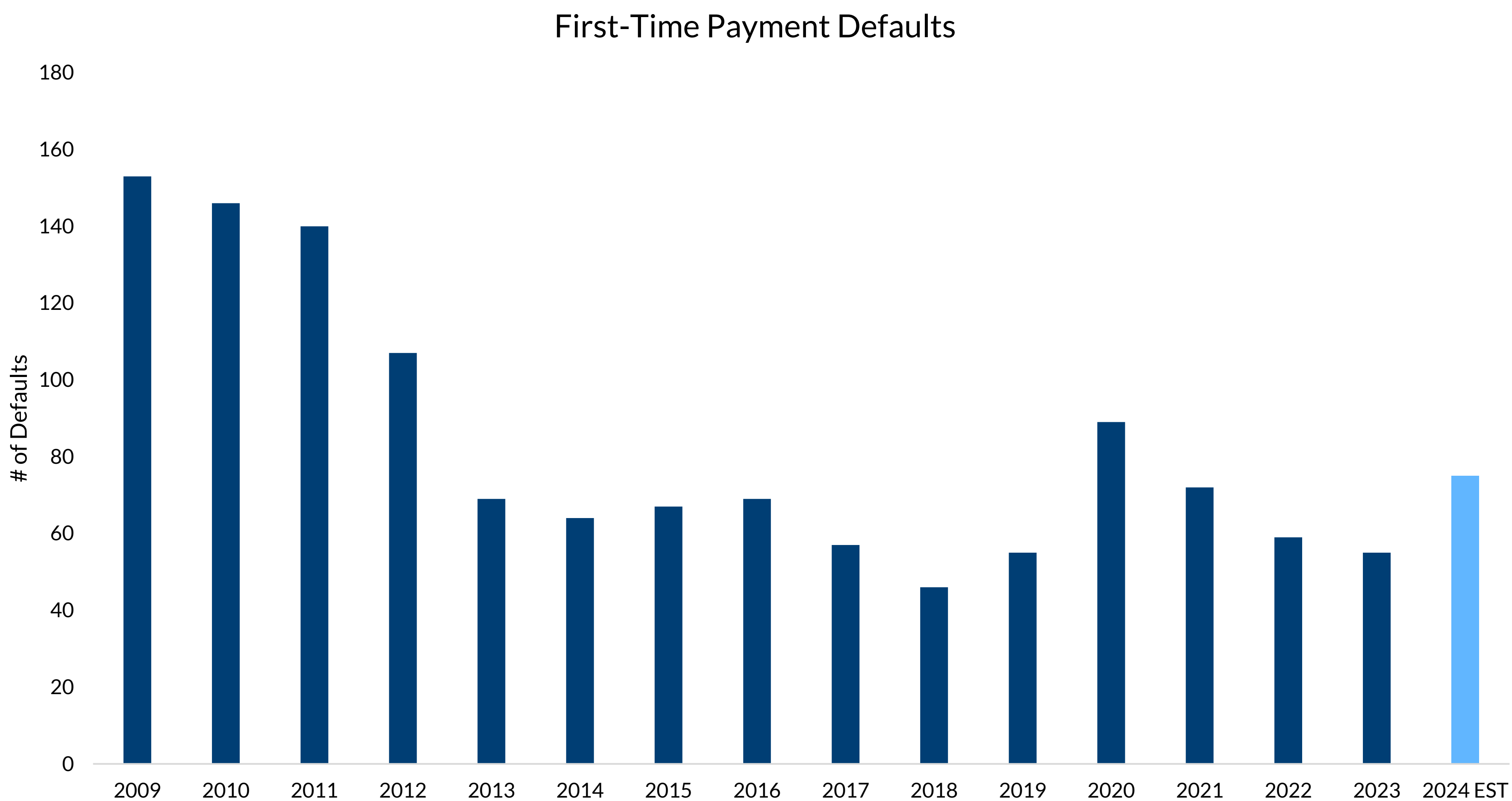
Various Revenue Bond Sector Liquidity is Healthy



Source: US Census Bureau as of February 2023; CreditScope/Merritt as of February 2023; sector liquidity represents investment grade-rated issuers in the sample. Information is subject to change and is not a guarantee of future results.

Municipal Market Distress Remains Relatively Low

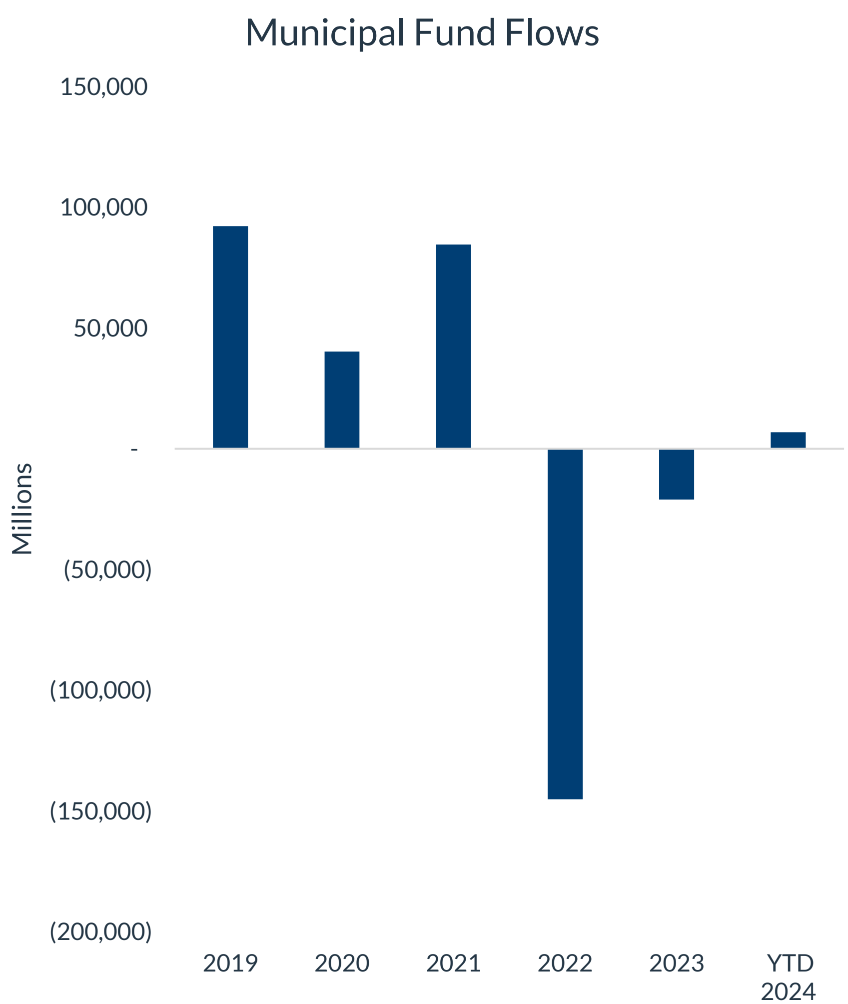
- Baseline defaults year-over-year represent a small share of the high yield and broader asset class.
- Most default experience remains isolated to few sectors that investors can avoid to mitigate statistical risk.

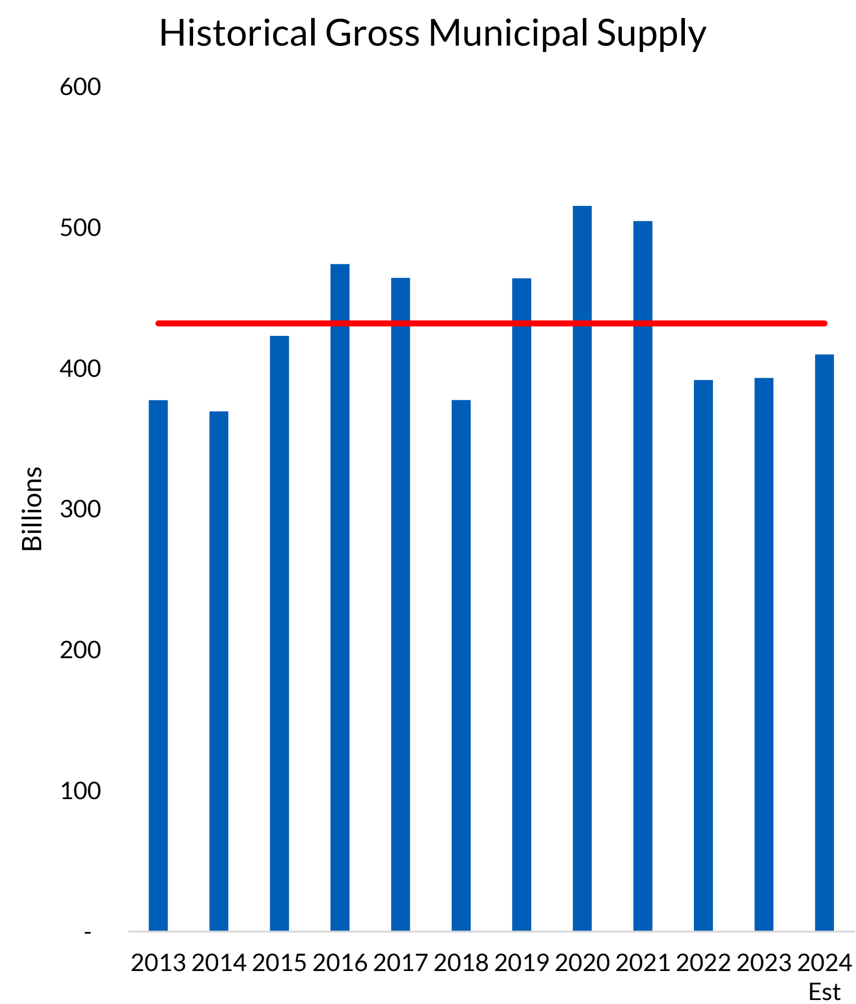


Source: Municipal Market Analytics (MMA) as of February 2024. Information is subject to change and is not a guarantee of future results.

Market Technicals Are Supportive

- Positive fund flows and supply falling short of demand provide support to the market.

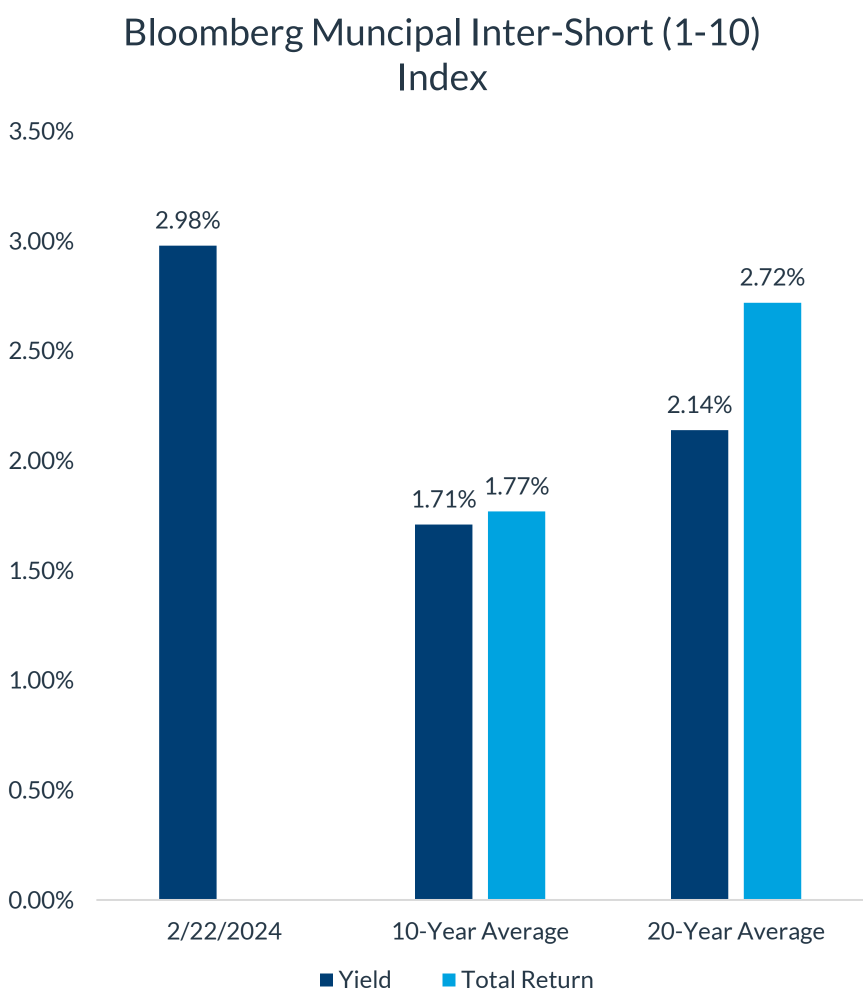


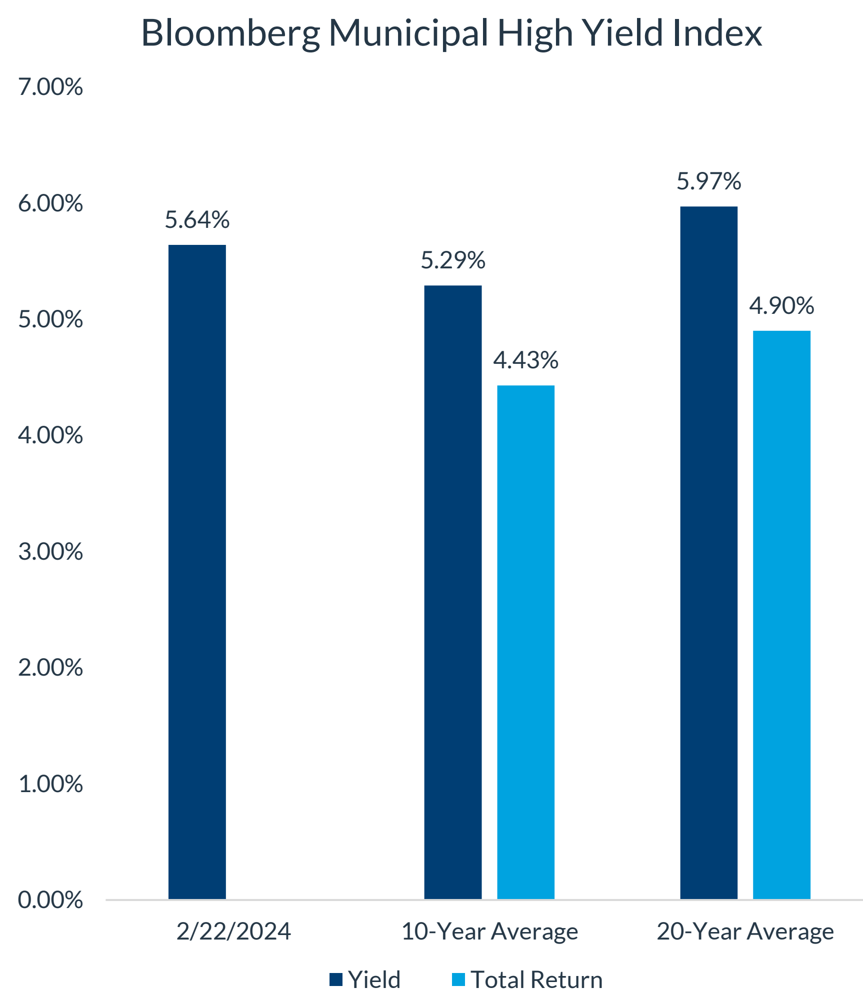


Source: Bloomberg as of February 2024, ICI Fund Flows. Information is subject to change and is not a guarantee of future results.

Tax-Exempt Yields Attractive vs. Long-Term Averages

- Yield is the major driver of tax-exempt returns over the long run.



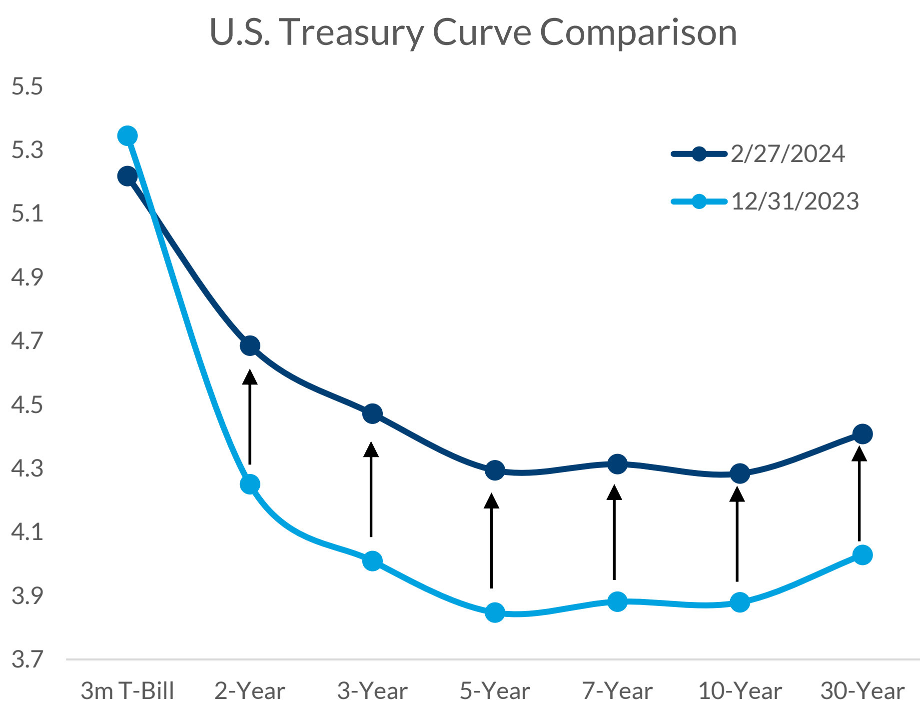


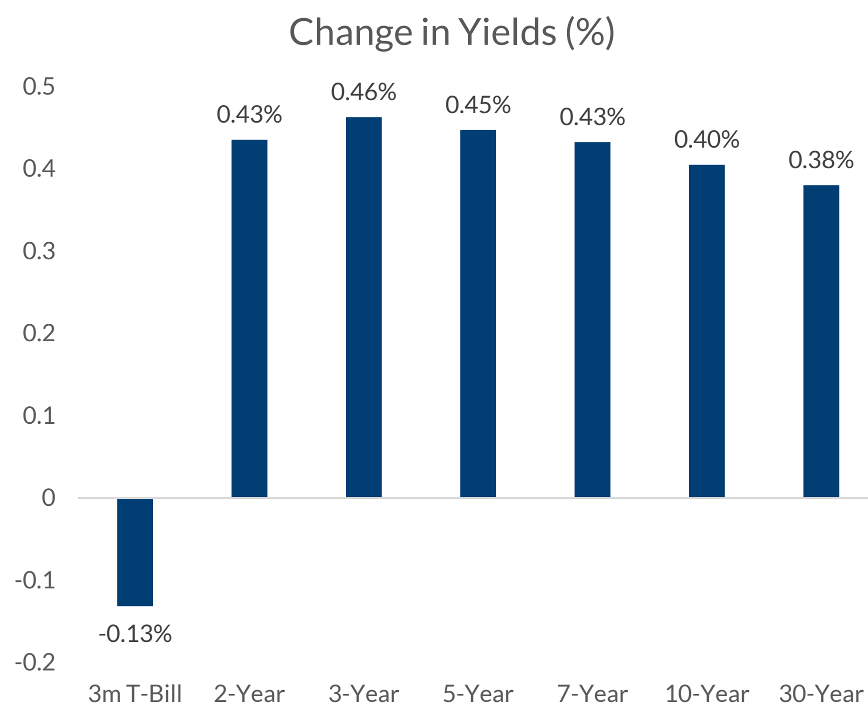
Source: Bloomberg Municipal Inter-Short (1-10 Index) and Bloomberg Municipal High Yield Index, as of 2/22/2024. Information is subject to change and is not a guarantee of future results.

Taxable Fixed Income

Interest Rate Volatility Remains High

- Despite falling substantially from last year's peaks, interest rates have risen back above 4%.
- Volatility remains high but will create opportunities for fixed income investors.

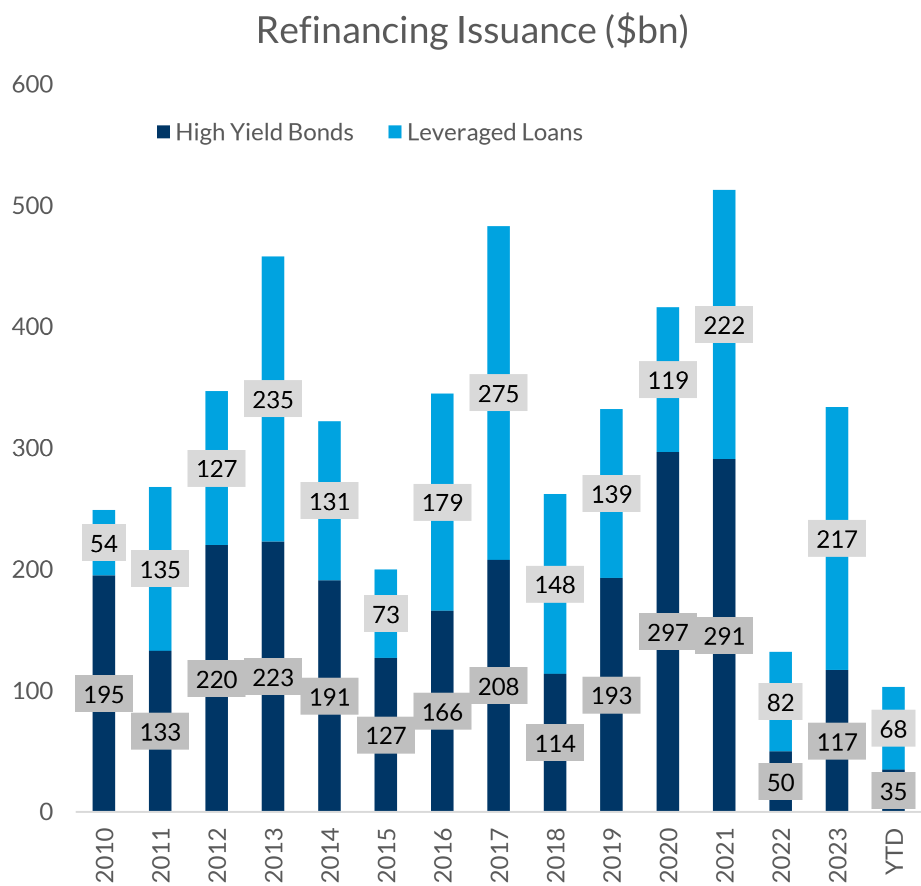


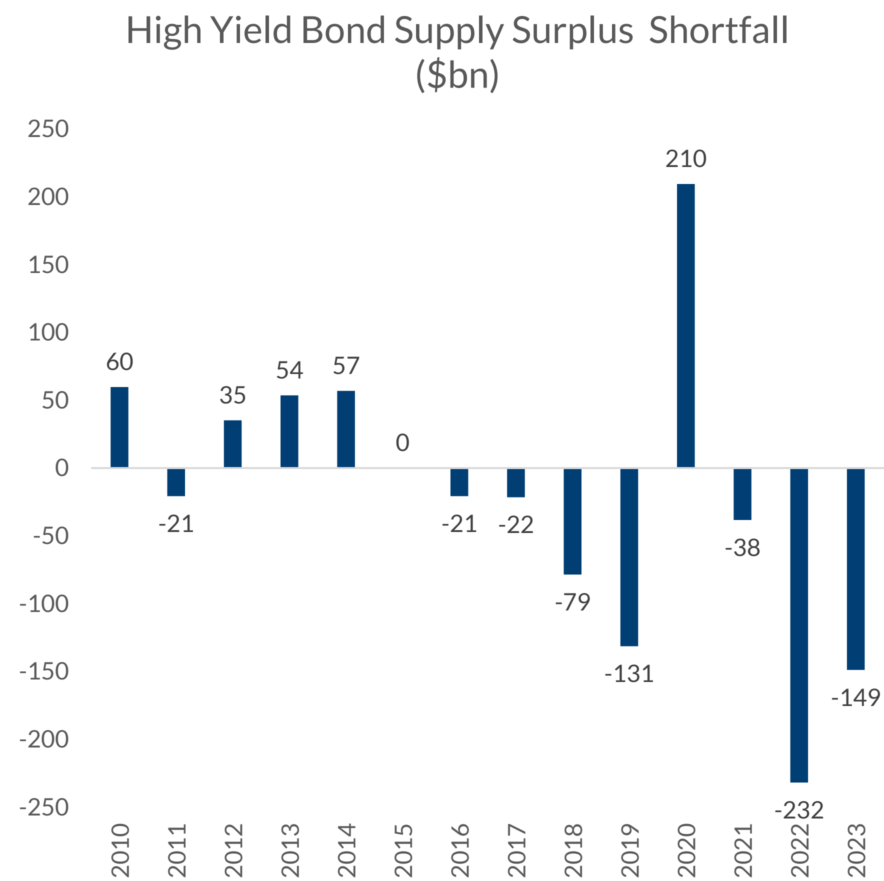


Source: Bloomberg, CNR Research, as of February 2024. Information is subject to change and is not a guarantee of future results.

High Yield Bonds and Loan Refinancing Activity

- Despite higher interest rates, refinancing trends in high yield appear to be positive.
- Given contained default rates, refinancing activity bodes well for market stability.

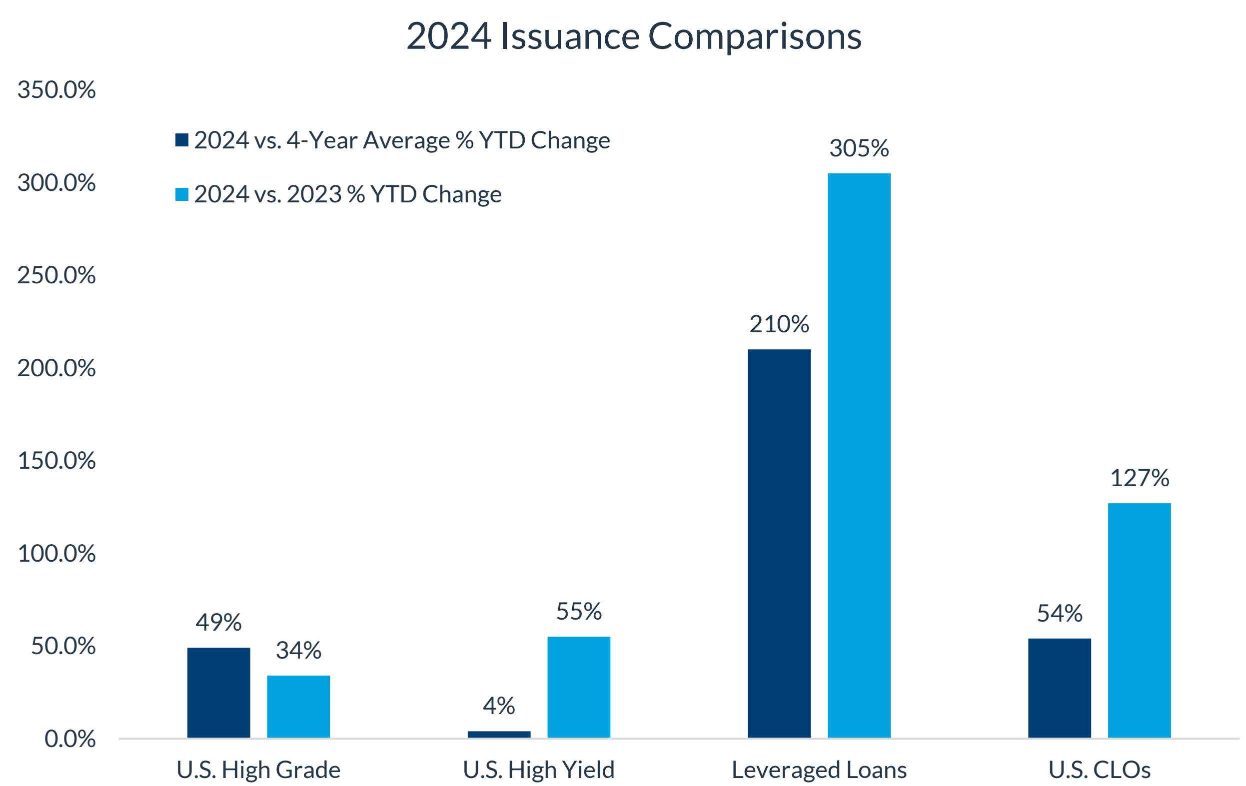




Source: JP Morgan, CNR Research, as of 2/9/2024. Information is subject to change and is not a guarantee of future results.

2024 U.S. Bond Issuance Is Setting Records

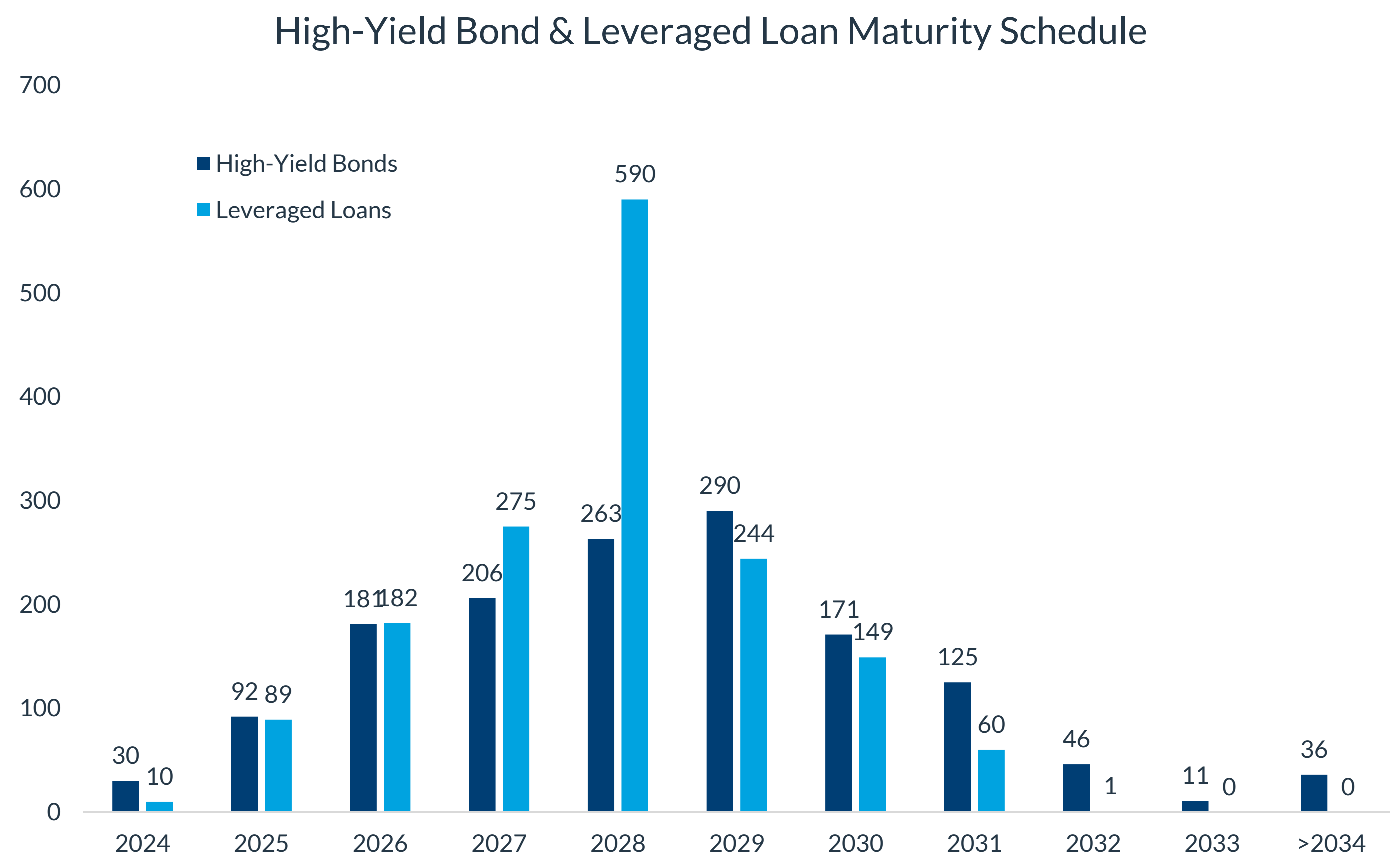
- $194B hit the market in January for the fifth highest month on record, up 49% overall versus the 4-year average[1].
- High yield issuance soared to $31B and was the highest month since November 2021, led by $25.7B in refinancings.



[1]4-year average excludes 2020
Source: JP Morgan, CNR Research, as of 2/2/2024.
See index definitions for more information. Information is subject to change and is not a guarantee of future results.

Corporate High-Yield Bond and Loan Maturity Schedule

- 2024 High-Yield Bond and Leveraged Loan maturities remain very low, despite picking up in 2025.
- Time remains on the side of bond issuers, but this will not last forever.

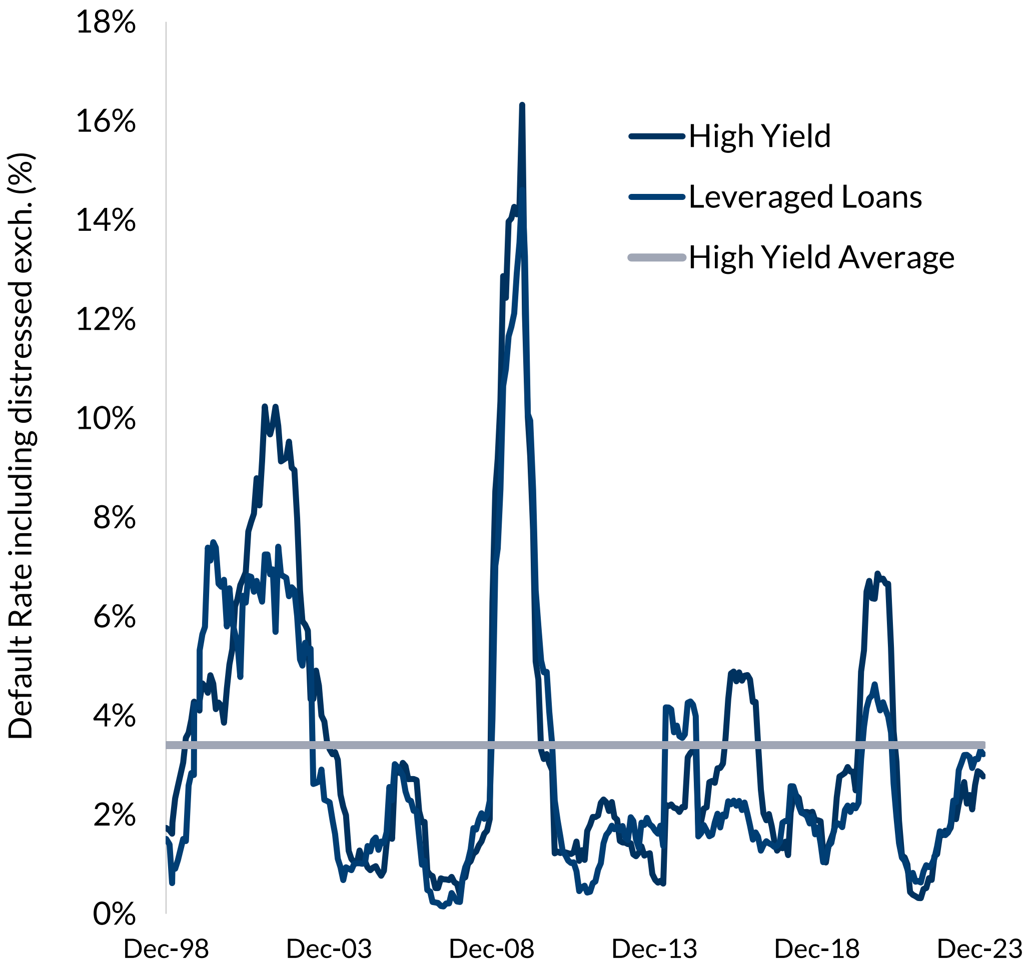


Source: JP Morgan, CNR Research, as of 2/20/2024.
See index definitions for more information. Information is subject to change and is not a guarantee of future results.

High Yield Corporate Bond and Loan Default Rates

- Corporate defaults have risen to slightly below the 20-year average from a very low base in 2020.
- The defaults are heavily concentrated in four sectors, which collectively represent 25.3% of the outstanding market.

Historical Default Rates



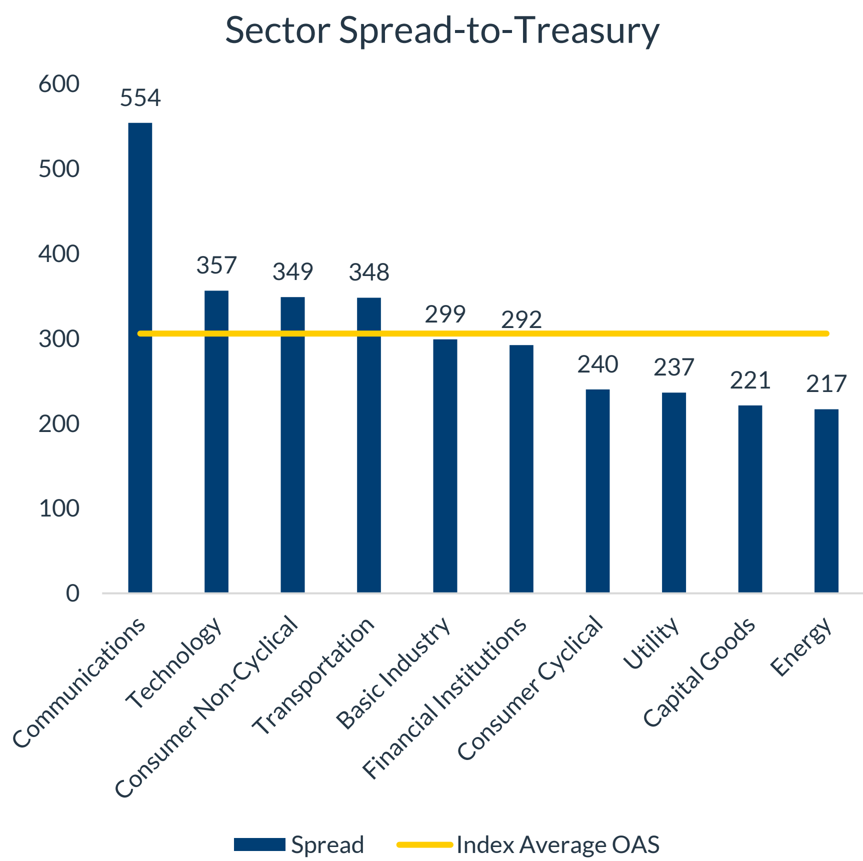
Sector Distressed[1] Exposure

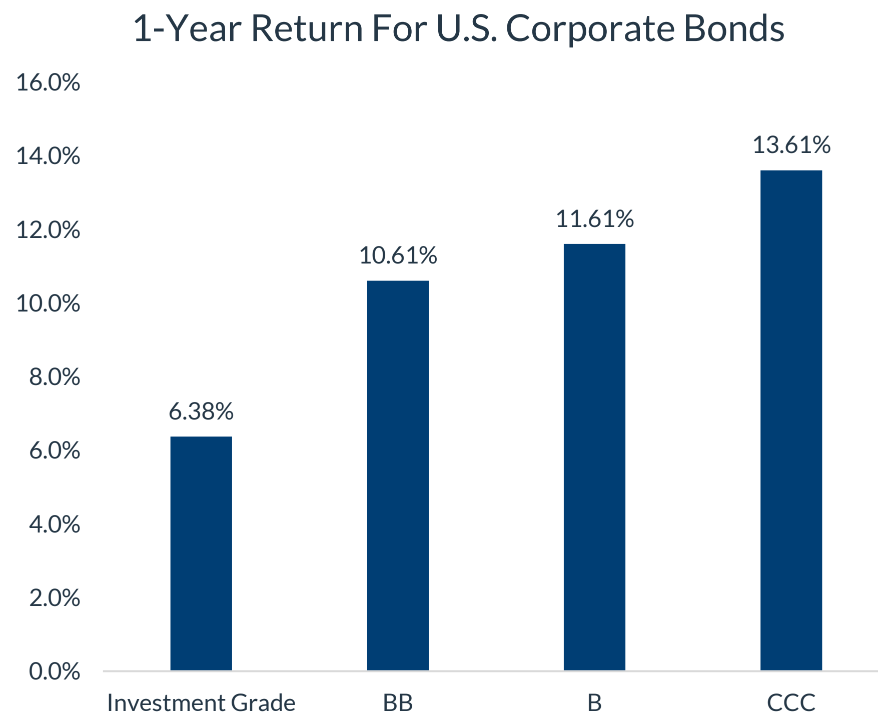
	Volume ($bn)	% Distressed	% Average Sector Distress
Automotive	0.6	0.7%	1.4%
Broadcasting	3.5	4.0%	10.8%
Cable and Satellite	**21.8**	**25.0%**	**23.7%**
Chemicals	2.7	3.1%	7.9%
Consumer Products	0.6	0.7%	2.2%
Diversified Media	0.8	1.0%	5.0%
Energy	0.8	0.9%	0.5%
Financial	3.3	3.7%	2.8%
Food and Beverages	0.9	1.0%	1.7%
Gaming Lodging Leisure	2.7	3.1%	2.3%
Healthcare	**16.3**	**18.7%**	**14.2%**
Housing	0	0.0%	0.0%
Industrials	2.5	2.8%	4.0%
Metals and Mining	0.2	0.3%	0.9%
Paper and Packaging	0.8	0.9%	2.2%
Retail	4	4.6%	8.0%
Services	2.3	2.6%	2.9%
Technology	**9.6**	**11.0%**	**10.9%**
Telecommunications	**12.3**	**14.1%**	**34.3%**
Transportation	1.1	1.3%	3.4%
Utility	0.4	0.5%	1.1%
Totals	**87.2**	**4.8%**	**6.7%**

[1] Distressed securities are defined as those with prices below $70.
Sources: JP Morgan, CNR Research. Historical Default Rates Chart as of 1/31/2024; Sector Distressed Exposure as of 2/9/2024. See index definitions for more information.
Information is subject to change and is not a guarantee of future results.

Sector and Rating Attractiveness

- Spread dispersion across U.S. high yield has risen, creating opportunities between individual positions.
- Lower quality securities have performed the best over the past 12 months.
- However, we prefer higher quality debt in the BB range given the absolute level of yields.



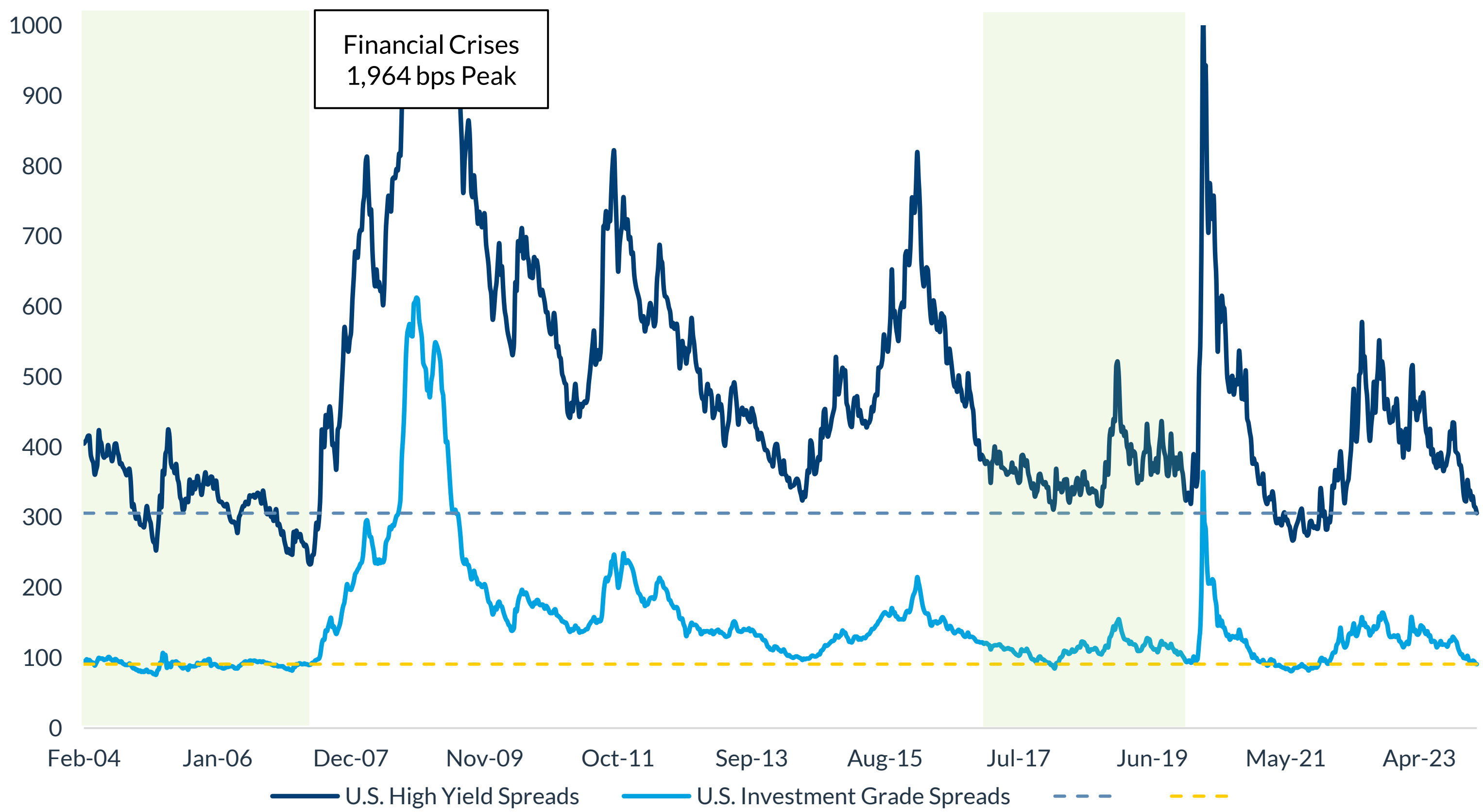


Source: JP Morgan, Bloomberg, CNR Research, as of February 2024. Information is subject to change and is not a guarantee of future results.

Are Corporate Bond Spreads Too Tight?

- Spreads are low relative to history but compare favorably to pre-2008 levels when interest rates where comparable.
- The absolute level of yields is key to relative valuation, which will influence portfolio positioning.

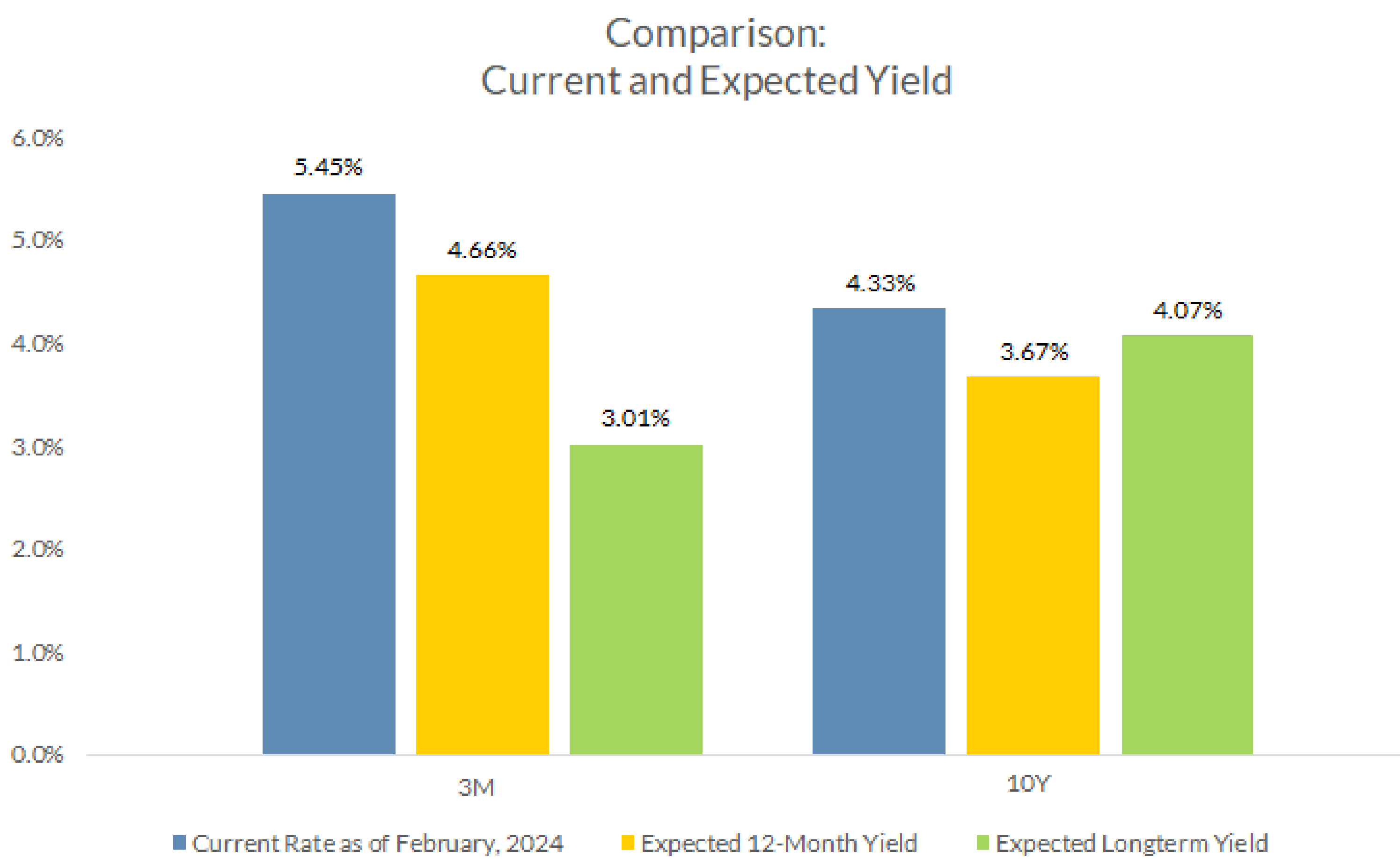
High Yield & Investment Grade Corporate Bond Spreads



Sources: Bloomberg, CNR Research, as of 2/26/2024. Information is subject to change and is not a guarantee of future results.

Cash Rates and Extending Maturities

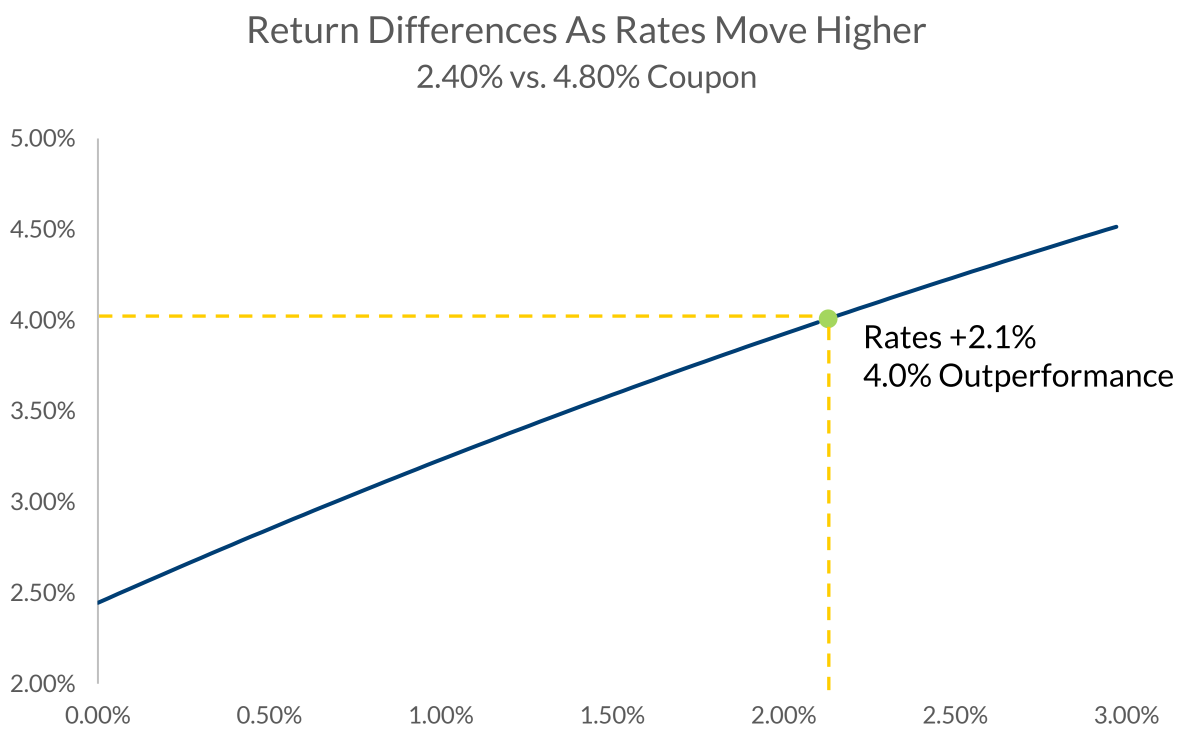
- We project 10-Year U.S. Treasury interest rates to trade between 4 - 4.5% over 2024.
- Timing aspect of maturity extension is difficult, especially with re-adjustment of Fed expectations for their target rate.



Sources: The St. Louis and Cleveland Federal Reserve Branches, U.S. Treasury, CNR Research, as of 2/22/2024
Expected returns are not a guarantee of future returns. All information is subject to change.

Return Differences Between High and Low Coupon Environments

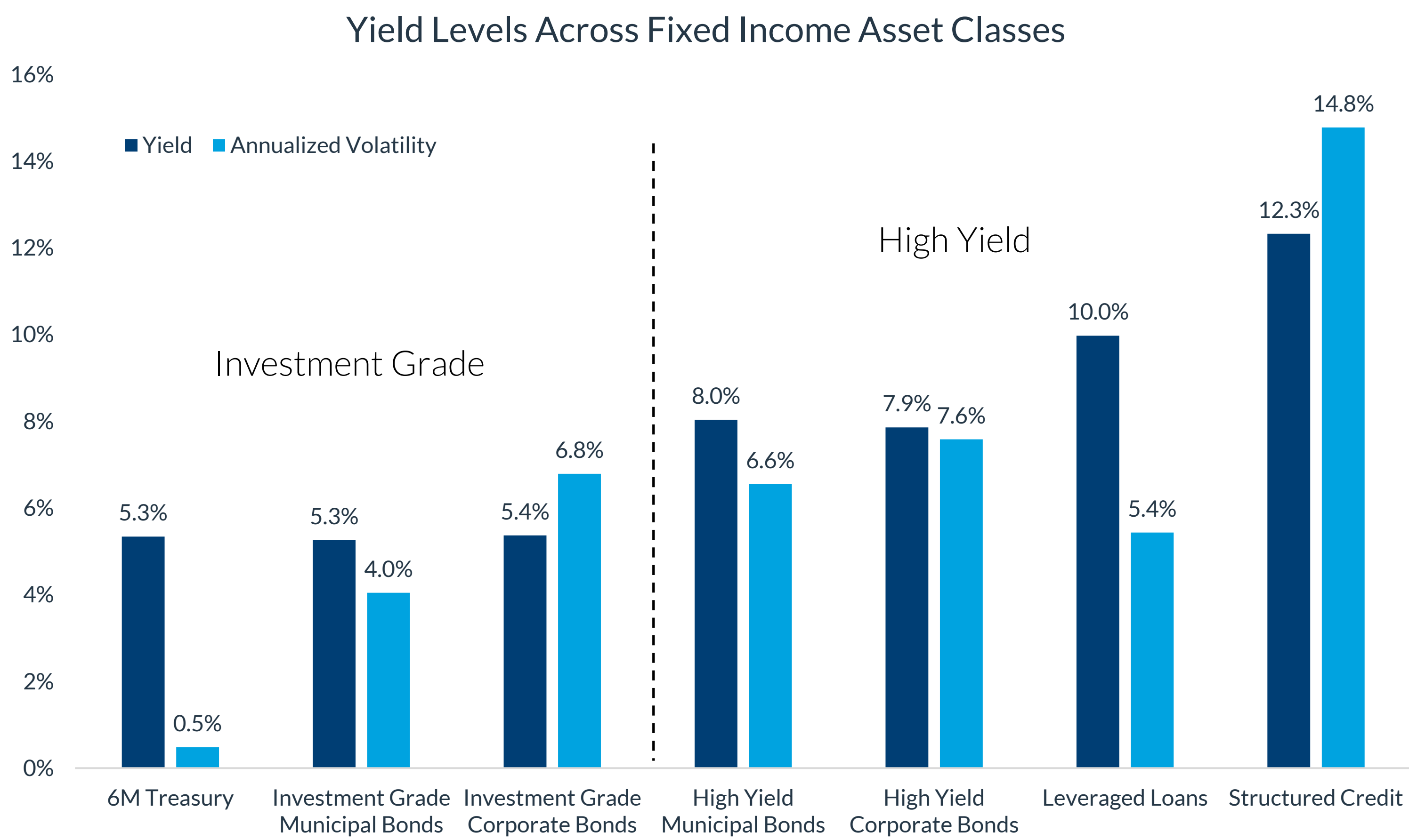
- Higher rates are likely to give investors an advantage versus the past 20-years of ultra low interest rates.



Source: CNR Research, as of 2/22/2024.
The graph represents different bond prices with starting yields of 2.40% vs. 4.80% and how they change as interest rates increase. The bond prices given the rate changes are calculated into total cumulative return based on the indicated change in market yields. Information is subject to change and is not a guarantee of future results.

Fixed Income Yield Levels

- Fixed income yield levels have increased significantly and now bonds offer the best risk-adjusted returns in years.
- Underlying yield volatility has risen, but higher yield levels reduce volatility over time.



** Assumes the highest marginal federal tax rate of 37%, plus the 3.8% Medicare surcharge*
***Volatility is standard deviation calculated on monthly total returns from 1/31/2014 to 1/31/2024*

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

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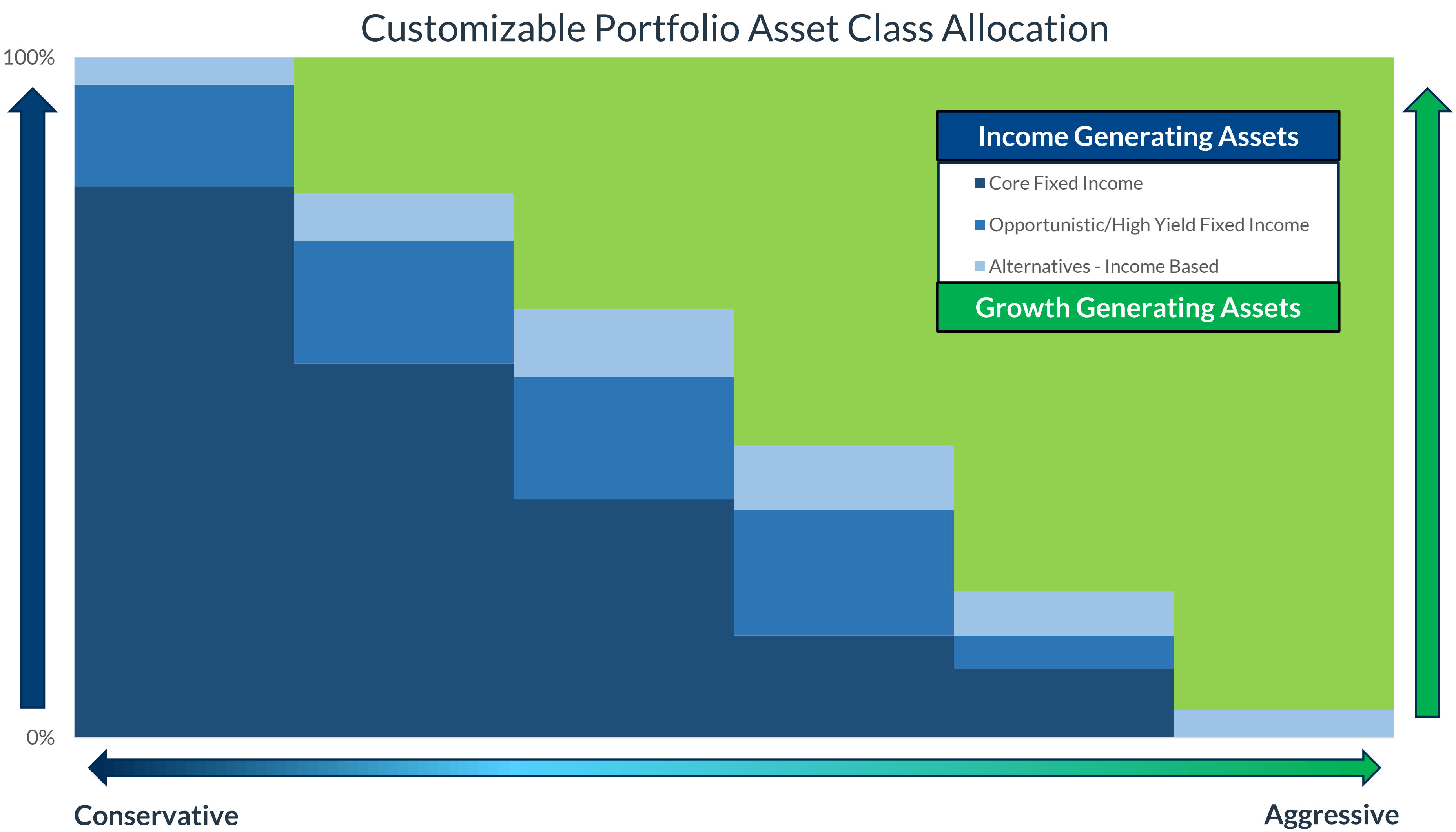
Goals

Growth vs Income vs Capital Preservation
Intelligent Personalization to Achieve Goals



Source: CNR Research, January 2024. Past performance is no guarantee of future results.
Information is subject to change and is not a guarantee of future results.

Role of Fixed Income in Intelligently Personalized Portfolios

Cash Flow	Manage investments to reach a specific Cash Flow target specific to client goals
Optimize After-Tax Cash Flow	Benefits to total return on an after-tax basis specific to client's unique tax scenario. Determine the break-even analysis of tax exempt vs. taxable income
Capital Preservation	Fixed Income historically has contributed to reducing volatility in portfolios to avoid portfolio losses
Inflation Mitigation	Benefits of adding opportunistic fixed income with the potential to generate income above inflation
Impact on Probabilities of Success of Client Goals	Increases the probabilities of success, increases after tax return, predictable income and downside volatility

There is in guarantee that a fixed income investment strategy will be profitable. The loss of principal is possible.

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Cash Flow: Achieving Client Specific Goals

- Fixed income creates a predictable cash flow from interest
- Increases the probability of meeting client goals.

Goals

Portfolio starting value $5,000,000

Goals	Cash	Investment Grade	IG - Opp Inc Optimized
Retirement Spending	High; $150K; 100%; 2024–2043	High; $150K; 100%; 2024–2043	High; $150K; 100%; 2024–2043
Charitable Giving	High; $25K; 100%; 2024–2043	High; $25K; 100%; 2024–2043	High; $25K; 100%; 2024–2043
Travel	High; $25K; 100%; 2024–2043	High; $25K; 100%; 2024–2043	High; $25K; 100%; 2024–2043
Education - Grandchildren	High; $60K; 100%; 2028–2032	High; $60K; 100%; 2028–2032	High; $60K; 100%; 2028–2032
Bequest	High; $1M; 99%; 2043	High; $1M; 99%; 2043	High; $1M; 99%; 2043

See Goals & Solutions Disclosure.

Source: City National Rochdale.
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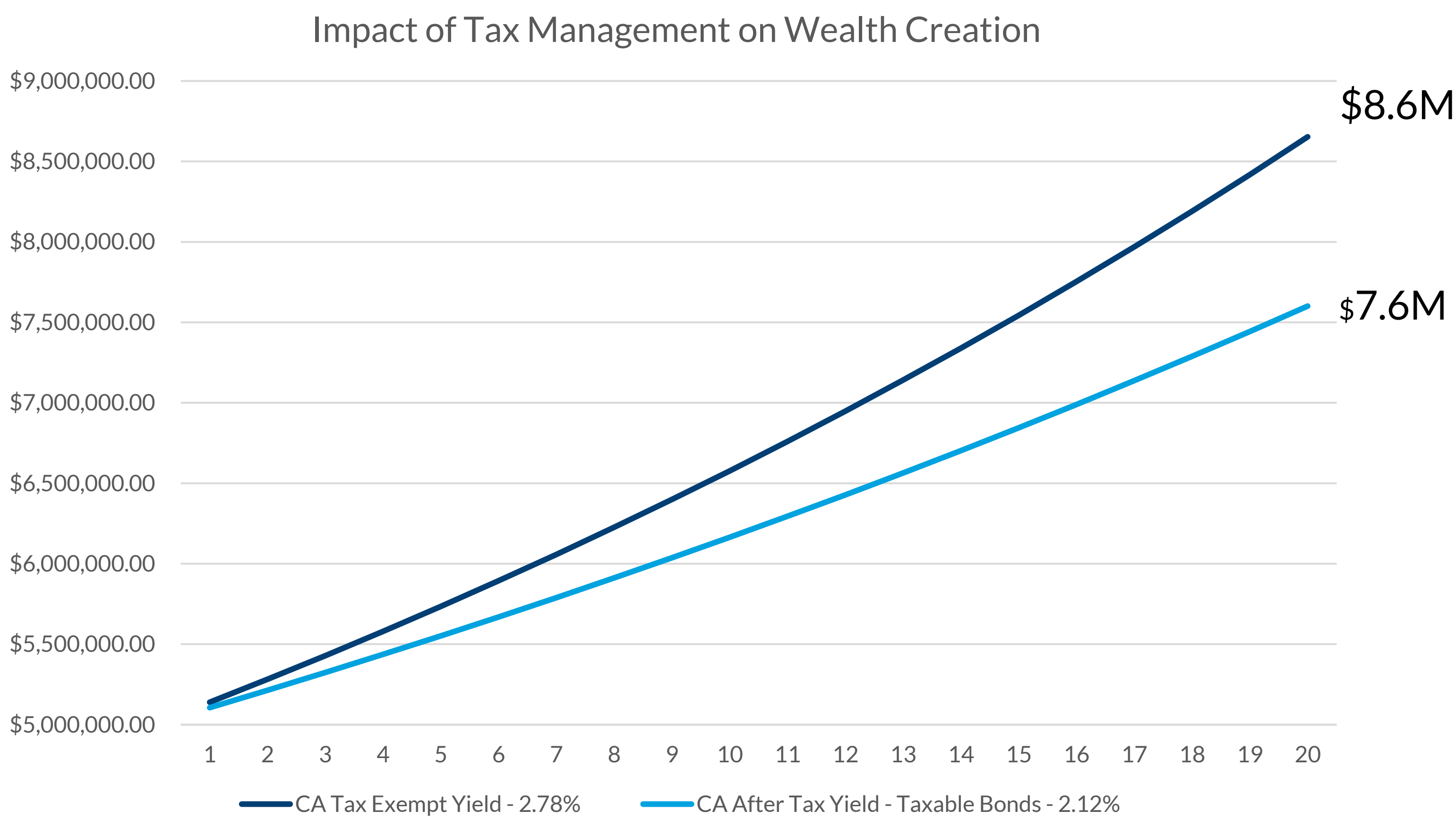
Information is subject to change and is not a guarantee of future results.

Cash Flow on an After-Tax Basis

- Clients in high federal tax brackets who also reside in states with high state tax rates may find their after-tax cash flow to be not optimized.
- Over a 20-year time horizon, the wealth creation impact increases by $1M if using tax-exempt fixed income vs. taxable fixed income.

Portfolio Starting Value- $5,000,000



Source: CNR Research. 37% Fed, 13.3% CA state and 3.8% Medicare surcharge. Information is subject to change and is not a guarantee of future results.

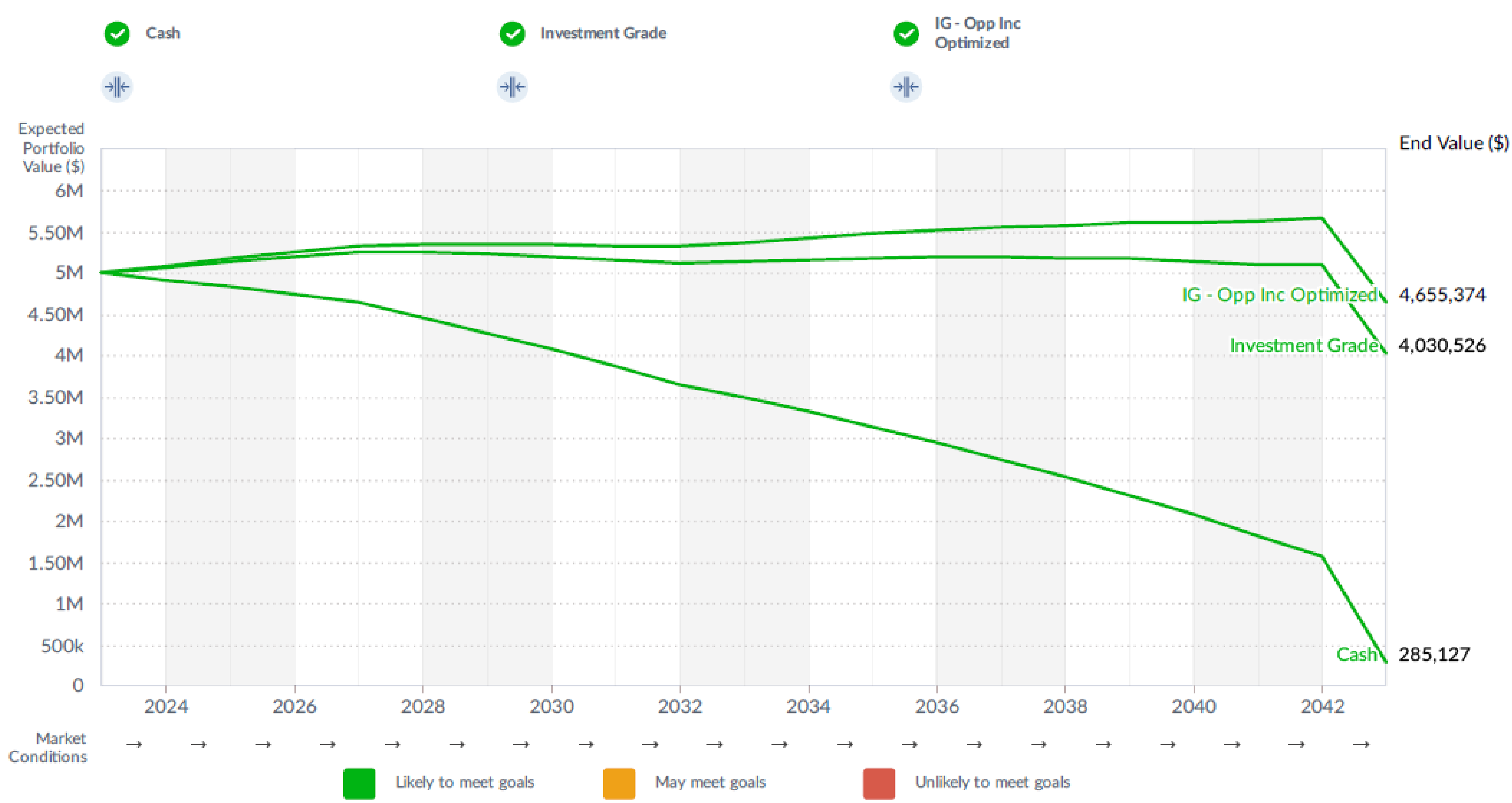
Value of Optimizing Fixed Income on Client Goals

- 60% Investment Grade Bonds + 40% Opportunistic Fixed Income leads the potential for the highest portfolio value after a 20-year time horizon

Goal Analysis

Portfolio Value

Portfolio Value Confidence Level: 50%



Source: City National Rochdale.
See Goals & Solutions Disclosure and Goal Analysis Disclosure
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Information is subject to change and is not a guarantee of future results.

Top 5 Takeaways

- Downward inflation glide path is positive for fixed income.
- Positive economic outlook minimizes credit risk.
- Optimistic about returns; see plenty of opportunities.
- Portfolios appropriately positioned.
- Active management expected to be increasingly important as we navigate Fed policy.

Fixed Income Asset Classes	Current Yield (%)	2024 Return Expectation (%)	Long Term Annual Return Expectation (%)	Long-Term Annual Risk Estimate (%)
Taxable Investment Grade	5.4	5 – 6	4.8	4.7
Taxable High Yield	7.9	6 – 8	6.4	8.4
Tax-exempt Investment Grade	5.3	3 – 4	3.4	3.8
Tax-exempt High Yield	8.0	4 – 5	5.2	6.0
Opportunistic Income	8.0	6 – 8	6.0	8.0

Source: CNR Research, January 2024.
*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. 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. Current 5-year Yield to Worst (YTW) is used to estimate near-term expectations for Core Fixed Income, the fixed income segments of Opportunistic Income, and Inflation Protected Fixed Income. Near-term return expectation indicates a 12- to 24-month view. Equities: S&P 500, S&P 1000, DJ Select Dividend; Core Fixed Income/Cash: MSCI EAFE, MSCI EM, Bloomberg Intermediate Government (LUGITRUU), Bloomberg Intermediate Corporate (LD06TRUU), Bloomberg Municipal Bond Index (LMBITR); Opportunistic Income: Bloomberg Global Aggregate (LEGATRUU), Bloomberg Global HY (LG30TRUU), S&P/LSTA U.S. Leveraged Loan Index (SPBDAL), S&P Preferred Index (SPPREF), Bloomberg US Corporate HY (LF98TRUU), Bloomberg High Yield Municipal (I05669US), Swiss Cat Bond (SRCATTRR); Alternative Investments: Palmer Square CLO BB (PCLOBBTR), Cambridge Associates LLC U.S. Private Equity Index, Dow Jones US Real Estate (DJUSRET), Cliffwater Direct Lending Index (CDLI); Real Assets: Bloomberg Commodity Index (BCOM), Dow Jones Precious Metals Index (DJGSP), Bloomberg US TIPs Index (LBUTTRUU). Information is subject to change and is not a guarantee of future results. This is not representative of the future performance of any CNR product or service.

Q&A

Important Information

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

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

Investing in international markets. There are inherent risks with international investing. These risks include, but are not limited to, risks such as currency fluctuation, regulatory risks, and economic and political instability. Emerging markets involve heightened risks related to the same factors, as well as increased volatility, lower trading volume and less liquidity. In addition, emerging markets can have greater custodial and operational risks and less developed legal and accounting systems than developed markets. Investments in emerging markets bonds may be substantially more volatile, and substantially less liquid, than the bonds of governments, government agencies, and government-owned corporations located in moredeveloped foreign markets.

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

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

Municipal securities. The yields and market values of municipal securities may be more affected by changes in tax rates and policies than similar income-bearing taxable securities. Certain investors' incomes may be subject to the Federal Alternative Minimum Tax (AMT), and taxable gains are also possible.

Investments in the municipal securities of a particular state or territory may be subject to the risk that changes in the economic conditions of that state or territory will negatively impact performance. These events may include severe financial difficulties and continued budget deficits, economic or political policy changes, tax base erosion, state constitutional limits on tax increases and changes in the credit ratings.

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

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

City National Rochdale Proprietary Quality Ranking formula: 40% Dupont Quality (return on equity adjusted by debt levels), 15% Earnings Stability (volatility of earnings), 15% Revenue Stability (volatility of revenue), 15% Cash Earnings Quality (cash flow vs. net income of company) 15% Balance Sheet Quality (fundamental strength of balance sheet). *Source: City National Rochdale proprietary ranking system utilizing MSCI and FactSet data. **Rank is a percentile ranking approach whereby 100 is the highest possible score and 1 is the lowest. The City National Rochdale Core compares the weighted average holdings of the strategy to the companies in the S&P 500 on a sector basis.

4P Analysis Framework: The 4P analysis is a proprietary framework for global equity allocation. Country rankings are derived from a subjective metrics system that combines the economic data for such countries with other factors including fiscal policies, demographics, innovative growth and corporate growth. These rankings are subjective and may be derived from data that contain inherent limitations.

Returns include the reinvestment of interest and dividends.

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

Important Information

Goals & Solutions Disclosure

Results are based on the accuracy of the information provided by the client. While every effort is made to ensure the validity of the information received, CNR cannot be responsible for any inaccuracies that may occur.

Each category is based on subjective criteria discussed between you and your Financial Advisor. How you describe yourself will have an impact on your investment allocation.

We recommend adjustments which are designed to help increase the likelihood of obtaining your investment goals. However, there is no guarantee that these outcomes will be realized.

Goal Analysis Disclosure

The Portfolio Value section contains forward-looking statements regarding intent, beliefs, or current expectations which are used for informal purposes only. Readers are cautioned that such forward-looking statements are not a guarantee of future performance, involve risks and uncertain es, and actual results may differ materially from those statements as a result of various factors, including market conditions and changes of investment objectives and changes in goals. These results are valid as of the date of this document and subject to change.

Certain statements contained herein may constitute projections, forecasts and other forward looking statements. These hypothetical results are based on assumptions applied to historical financial data and do not reflect the actual results. Certain Information has been provided by third-party sources and, although believed to be reliable, it has not been independently verified and its accuracy or completeness cannot be guaranteed.

The expected results have many inherent limitations and no representation is made that any investor will or is likely to achieve returns similar to those shown. Changes in the assumptions used may have a material impact on the expected performance presented. Past performance or performance based upon assumptions is no guarantee of future results.
There is no guarantee that the investment objective, strategy and/or goals will be met.
Results are based on the accuracy of the information provided by the client. While every effort is made to ensure the validity of the information received, CNR cannot be responsible for any inaccuracies that may occur.

Dynamic Asset Allocation is based on hypothetical models and assumptions. There is no guarantee that the investment strategy or goals will be met. An asset allocation program cannot guarantee profits. Clients may lose principal.
The proposed investment allocation is based on the portfolio presented to CNR and is not impacted by any other account or information you may have.
Results are based on the accuracy of the information provided by the client. While every effort is made to ensure the validity of the information received, CNR cannot be responsible for any inaccuracies that may occur.

Monte Carlo (aka Wealth Simulation) is a simulation based forecast method, which explicitly accounts for the impact of volatility predictions associated with expected returns. The simulation attempts to replicate the uncertainty associated with financial markets with an illustration of potential outcomes.
Monte Carlo simulation uses inputs from expected return, volatility, cash flow, and (applicable) tax information, based on the facts and assumptions provided in each analysis. Covering a broad range of outcomes, the analysis generates 10,000 iterations for each calendar year.

Projections or other information generated by Monte Carlo analysis regarding investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future performance. Results will vary with each use and over me. The expected returns include the reinvestment of capital gains, dividends, and interest income and are computed net of City National Rochdale management fees of 1.00%. Expected returns do not include transaction cost (i.e., brokerage commissions) or any fee charged by your financial advisor.

Important Information

Monte Carlo simulations could prove incorrect based on the nature of forecasting, and cannot guarantee an outcome. Monte Carlo simulations can be an important tool to help understand how adjustments can impact your long term financial health, but should only be used as a guide to help make informed investment decisions. Market volatility may be more extreme than what is represented by the simulation. The accuracy of the simulation may be reduced in periods of market crisis. The simulation does not consider all investments, and those not considered might have characteristics similar or than those analyzed in this report. City National Rochdale's Capital Market Assumptions may change over me.

All personal information, including, but not limited to, investment horizon, risk preferences and current investment holdings, utilized in this analysis is provided by you, the client. Although deemed reliable, the accuracy of this information has not been verified.
The projections are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future performance.

Important Information

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

All investing is subject to risk, including the possible loss of the money you invest. As with any investment strategy, there is no guarantee that investment objectives will be met and investors may lose money. Diversification does not ensure a profit or protect against a loss in a declining market. Past performance is no guarantee of future performance.

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

Index Definitions

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

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

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

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

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

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

Bloomberg Municipal Bond Index. The Bloomberg US Municipal Bond Index measures the performance of investment grade, US dollar-denominated, long-term tax-exempt bonds.

Bloomberg Municipal High Yield Bond Index. The Bloomberg Municipal High Yield Bond Index measures the performance of non-investment grade, US dollar-denominated, and non-rated, tax-exempt bonds.

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

Bloomberg US Investment Grade Corporate Bond Index: The Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

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

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

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

The Bloomberg Investment Grade Corporate Bond Index . The Bloomberg US Investment Grade Corporate Bond Index measures the performance of investment grade, corporate, fixed-rate bonds with maturities of one year or more.

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

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

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

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

Definitions

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

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

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

Yield to Worst (YTW) is the lower of the yield to maturity or the yield to call. It is essentially the lowest potential rate of return for a bond, excluding delinquency or default.

A leveraged loan is a type of loan that is extended to companies or individuals that already have considerable amounts of debt or poor credit history.

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

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