November 2021

Economic Outlook and Investment Strategy

CNR House Views

Economic Outlook

- Vaccine-driven return to normalcy kicks off a multiyear expansion
- Expect near term economic momentum to pickup, but watchful for a winter wave
- U.S., Emerging Asia best positioned for strong recovery; Europe likely to lag
- Pent-up demand, savings and stimulus expected to boost consumption as economy normalizes
- Reopening leading to temporary shortages, which may cap output for a short time
- Inflation high due to temporary disruptions, expected to ease in second half of 2022
- Fiscal spending support to continue, but likely funded through tax increases
- Fed set to begin tapering, but will remain highly accommodative for some time,

Investment Strategy

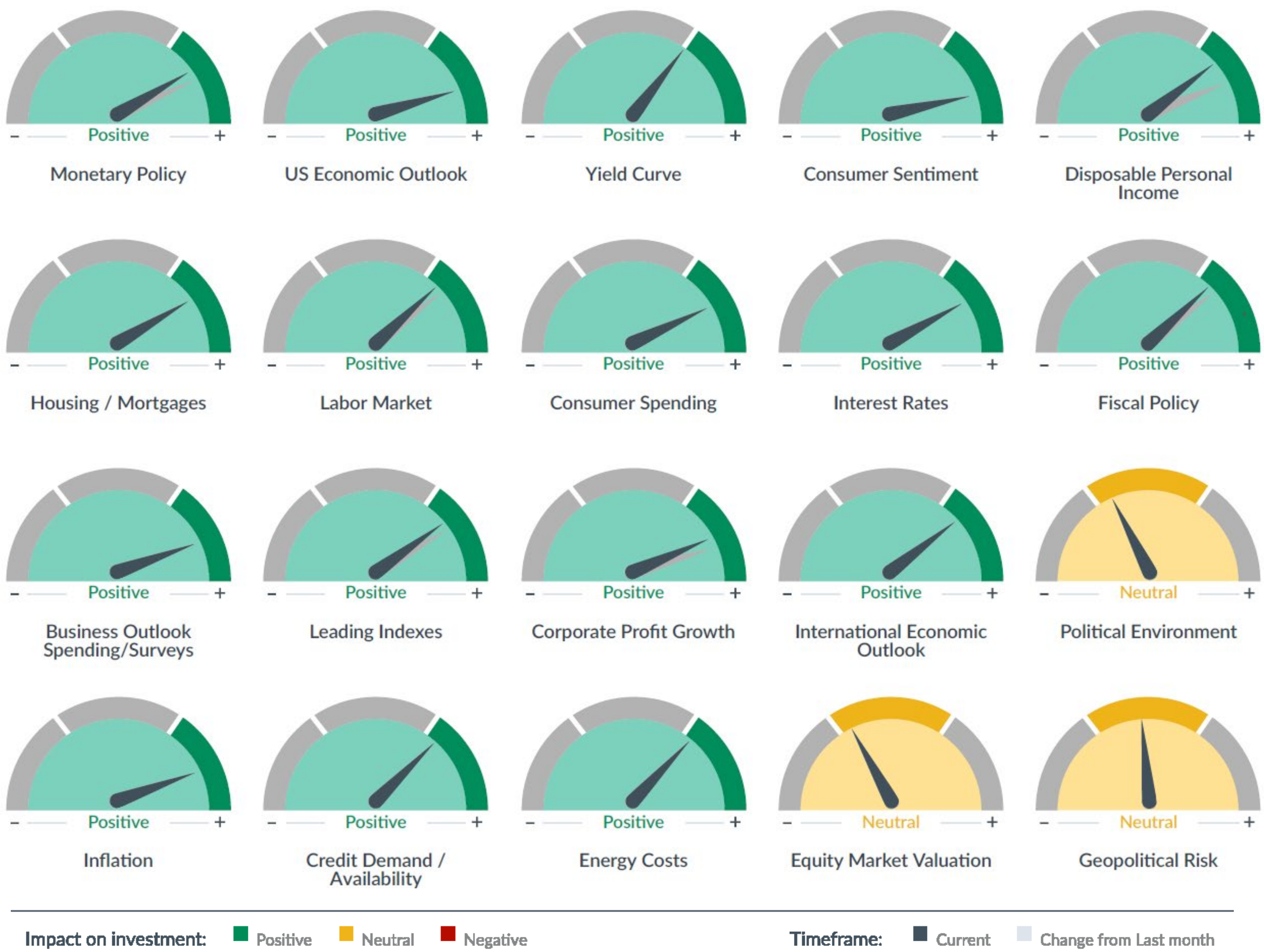
- Tactical asset allocation and security selection positioned for post-pandemic economic expansion
- Prefer U.S. stocks over non-U.S. developed markets
- Earnings for S&P 500 on track for strong growth in 2021 and 2022
- Focus on cyclical Large and Mid/Small Cap exposure; high quality companies selling at reasonable valuations
- Valuations suggest long-term equity returns should moderate
- Speculative and growth-oriented equities vulnerable to interest rate increases
- Long term EM Asia equity outlook remains positive, but near term sentiment vulnerable on China concerns
- Challenging environment for investment-grade fixed income going forward
- Preference for high-yield credit over core, high-grade bonds

Source: CNR Research.

Economic and Financial Indicators

Indicators Are Forward-Looking Six to Nine Months

Indicators support our multiyear economic expansion thesis. While growth rates are likely to slow, we see a durable expansion continuing into 2022 and beyond.



Source: City National Rochdale. As of November 2021.

Multiyear Expansion Ahead

- Growth expected to remain robust but moderate as economic activity begins to normalize
- Household and business fundamentals in strong shape
- Watchful for winter surge, but vaccination progress reducing severity of economic disruptions
- Inflation pressures still largely transitory, though likely to last longer and remain higher than initially anticipated
- Fed remains committed to accommodative policy until it reaches its employment goal
- More fiscal spending to come, spread out over many years
- Equity rally to continue, but expect higher volatility and the pace of gains to moderate

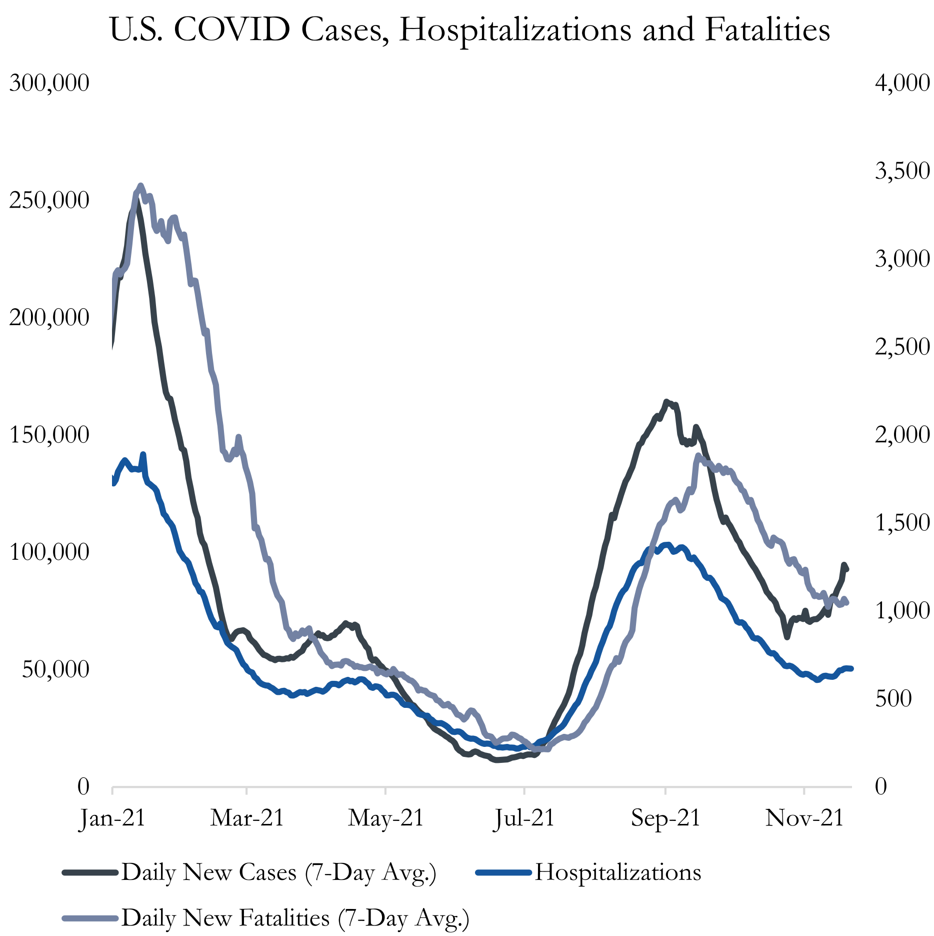
	Q1 2021	Q2 2021	Q3 2021	Q4e 2021	2020	2021e	2022e
Real GDP Growth Forecast Range	6.3%	6.7%	2.0%	5.5% 3.0%	-3.4%	6.0% 5.25%	4.5% 3.5%

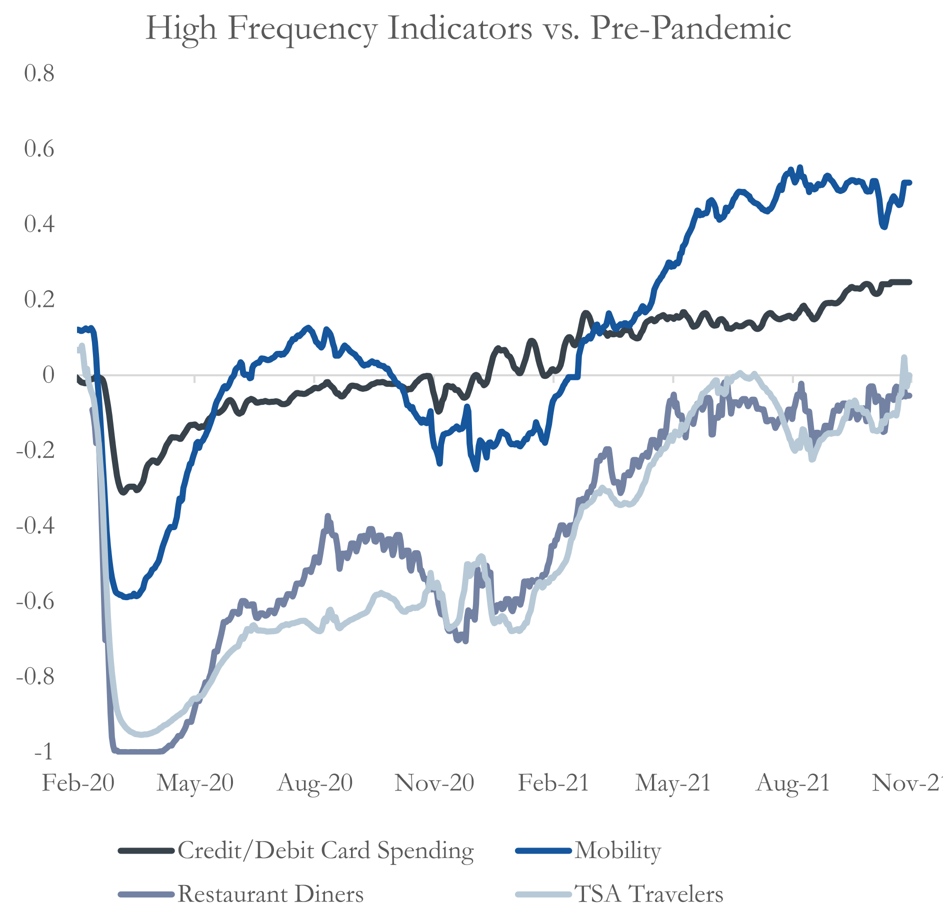
Percent Change from Preceding Period, Seasonally Adjusted at Annual Rates

City National Rochdale Forecasts		2019	2020	2021e	2022e
Real Annual GDP Growth		2.3%	(3.4%)	5.25%-6.0%	3.5%-4.5%
Corporate Profit Growth (full year)		1%	(14%)	35%-45%	6%-16%
Average Annual CPI		1.8%	1.2%	3.7%-4.1%	3.0%-3.5%
Interest Rates	Fed Funds Rate	1.625%	0%-0.25%	0%-0.25%	0%-0.25%
	Treasury Note, 10-Yr.	1.90%	0.92%	1.40%-1.90%	1.40%-1.90%

Winter Surge May Slow but Not Derail Momentum

- Uptick in cases, but more modest increase in hospitalizations suggests vaccines continue to be effective
- Too early to tell degree to which Omicron variant will spread and cause severe disease
- Expect disruptions to economic activity to be less severe because of vaccination and treatment progress

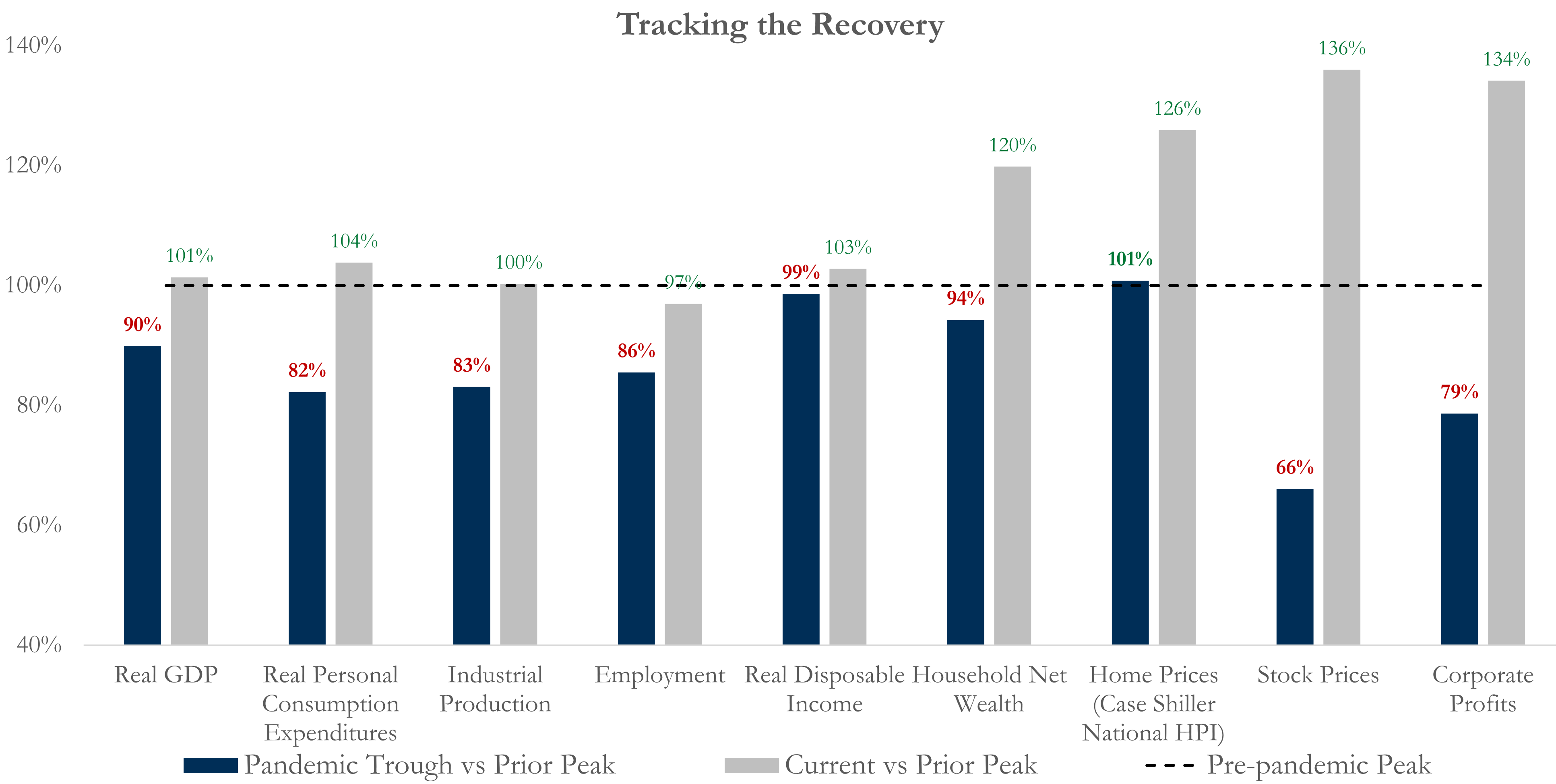




Source: CDC.

US Economy has Recovered Quickly and Strongly

- Most measures of economic and financial activity have now reached or surpassed pre-pandemic levels
- The recovery in the labor market is the one major part of the economy that continues to lag



Source: Johns Hopkins University School of Medicine

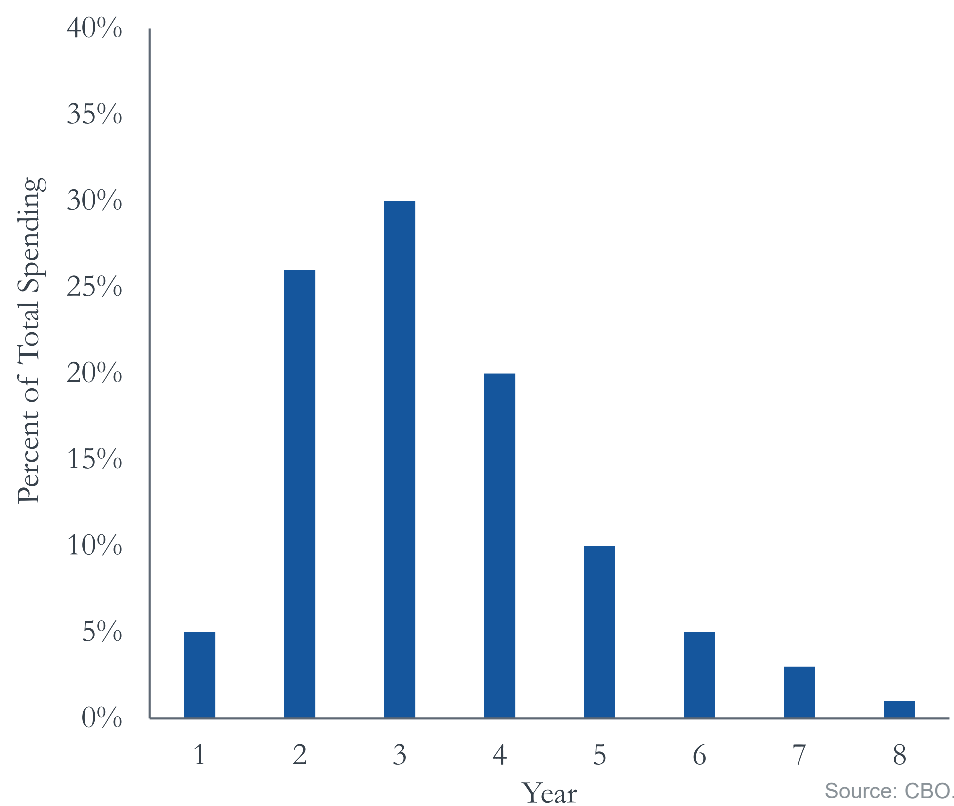
More Fiscal Spending Should Help Prolong Expansion

- Bipartisan agreement contains $579 billion in new physical infrastructure spending, and comes with no new taxes
- New spending would add modestly to GDP growth, with peak impact over 2023 - 2025
- Larger reconciliation bill focusing on social welfare still expected,

$579 Billion Bipartisan Infrastructure Framework	
Spending	**(Billions)**
Roads, Bridges, Waterways and Major Projects	$125
Public Transit	$49
Passenger and Freight Rail Repair and Expansion	$66
Cyber Resiliency; Environmental Management and Infrastructure	$47
Water Infrastructure	$55
Broadband	$65
Power Infrastructure	$73
Other Projects	$99
Revenue	**(Billions)**
Repurposed Unused COVID-19 Relief Funds	$125
Tougher IRS Tax Enforcement	$100
Sale of Spectrum and Strategic Oil Reserves	$71
Macroeconomic Impact/Dynamic Scoring	$58
Other Revenue Sources	$225

Source: CNR Research.

Infrastructure Spending Takes Time to Implement
(CBO Spend Out Estimates)



Source: CBO.

Reconciliation Bill Provides Additional Spending

- The Reconciliation bill is close to moving into the Senate and has moderated from the initial $3.5 trillion proposal
- Tax proposals have moderated, with increases in corporate tax rate, personal income rate and capital gains removed

Spending and Tax Credits	$ billion	Taxes and Payfors	$ billion
Clean Energy and Climate Investments	569	International and Other Corporate Reforms (including GILTI)	371
Child Care and Preschool	390	15% Corporate Minimum Tax (for Income >	319
Home Care	150	1% Excise Tax on Stock Buybacks	124
Child Tax & Earned Income Tax Credits	203	5% Surcharge on AGI > $10m, additional 3% on AGI > $25m	228
ACA Credits, Including Medicaid	16	Apply 3.8% NIIT to Active Business Passthroughs	252
Medicare Hearing	28	Extend Limitation on Excess Business Losses	160
Housing	155	IRS Investments to Close the Tax Gap (estimate may drop)	400
Higher Ed and Workforce	70	Prescription Drug Pricing Reform + Repeal Drug Rebate Rule	250
Equity & Other Investments	100	Other Provisions	54
Immigration	100		
Paid Family Leave	194		
SALT Cap Increase to $80k	250	Offsetting SALT Cap Extension	250
Total	**2.3T**	**Total**	**2.4T**

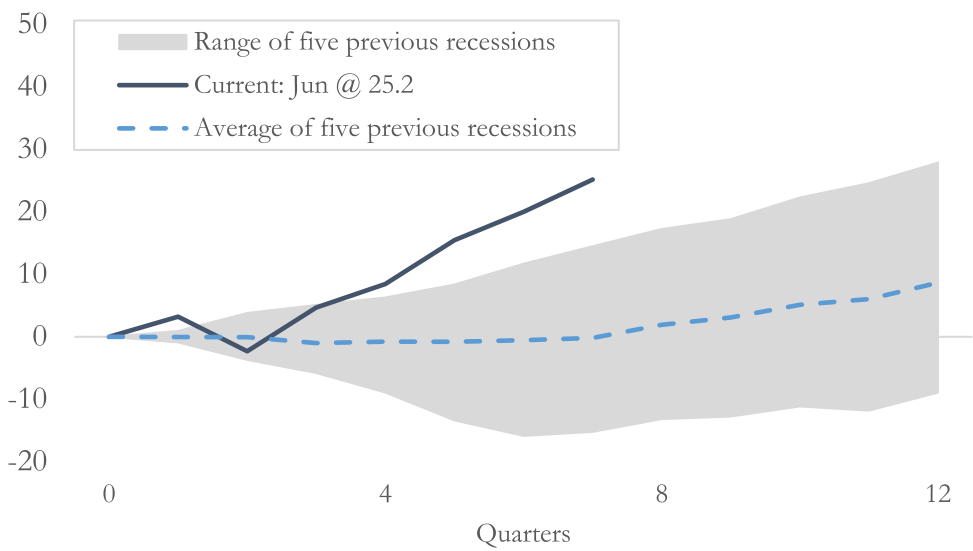
Source: CNR Research.

Consumers are Poised to Spend More Money

- Household balance sheets are very strong
- Asset values and cash balances are up, and liabilities are down
- When consumers feel safe again, they are apt to go out and spend, especially on service

Household Net Worth

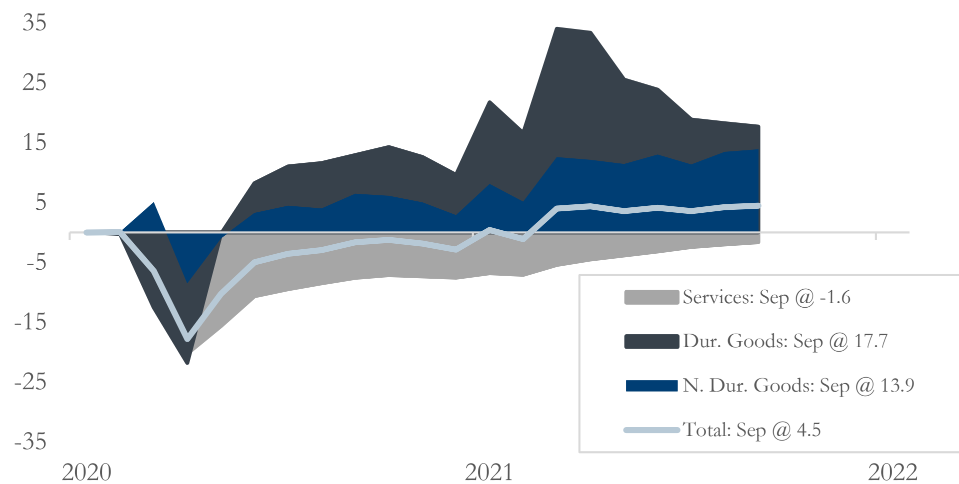
% cumulative change, indexed at 0 at pre-recession level, NSA



Source: Federal Reserve.

Personal Consumption

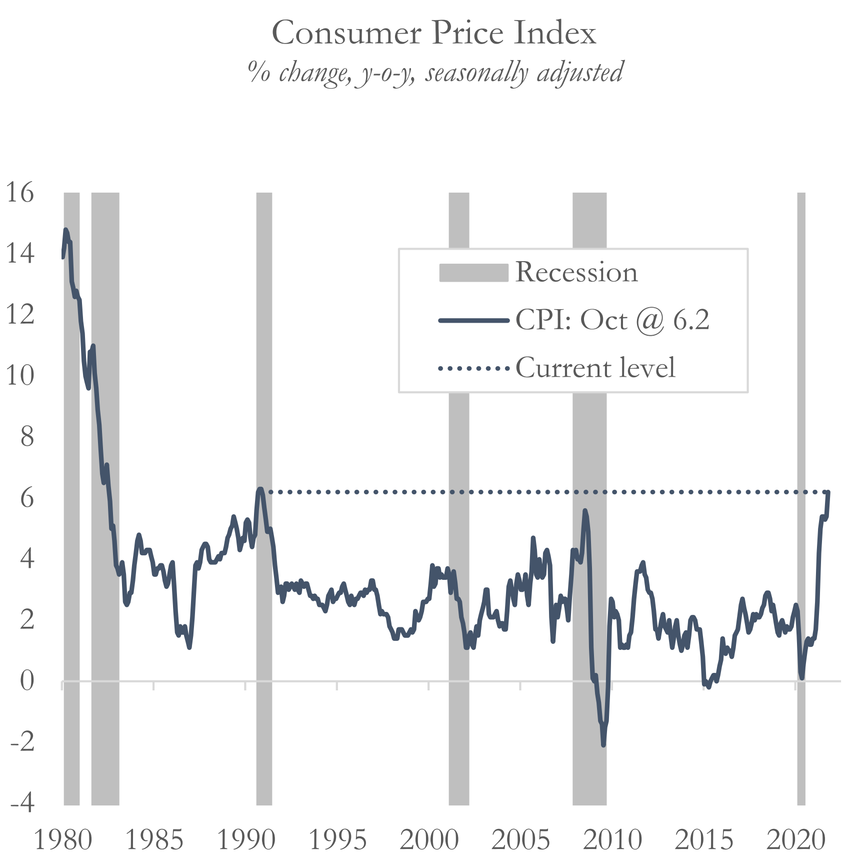
cumulative % change, seasonally adjusted

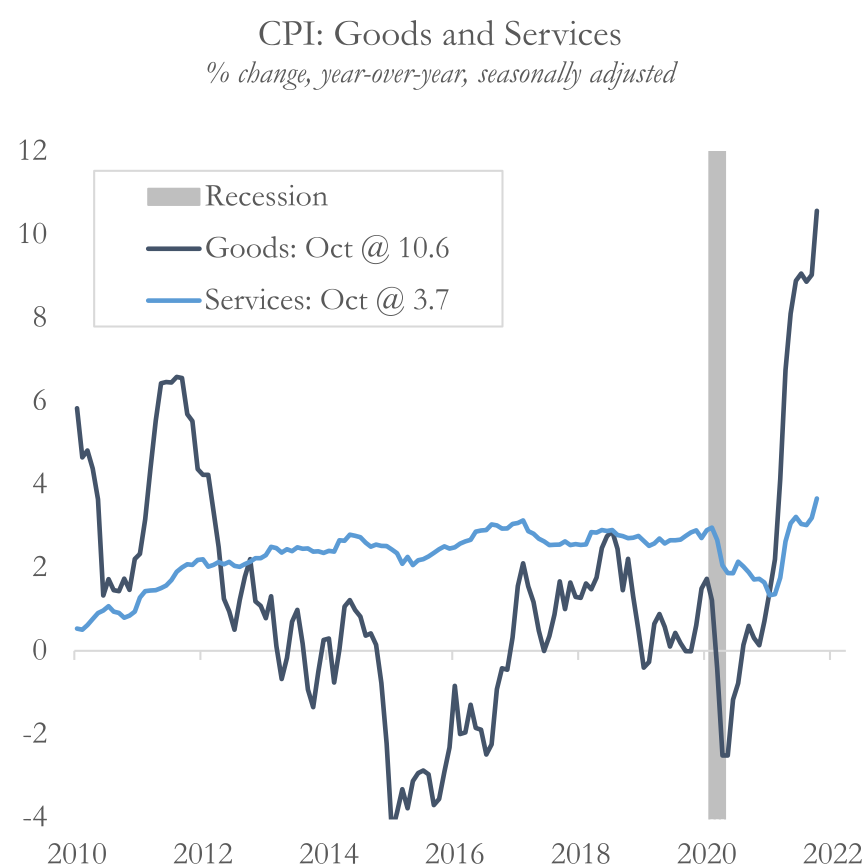


Source: Bureau of Economic Analysis.

"Transitory" Inflation Lasting Longer than First Thought

- At a 30-year high, price pressures continue to be largely driven by global supply bottlenecks and higher "Goods" buying.
- Inflation will likely remain elevated before supply-demand imbalances are brought into equilibrium in 2nd half of 2022.
- Continue to believe inflation is not a long-term problem. Past decade's secular disinflationary trends have not changed.

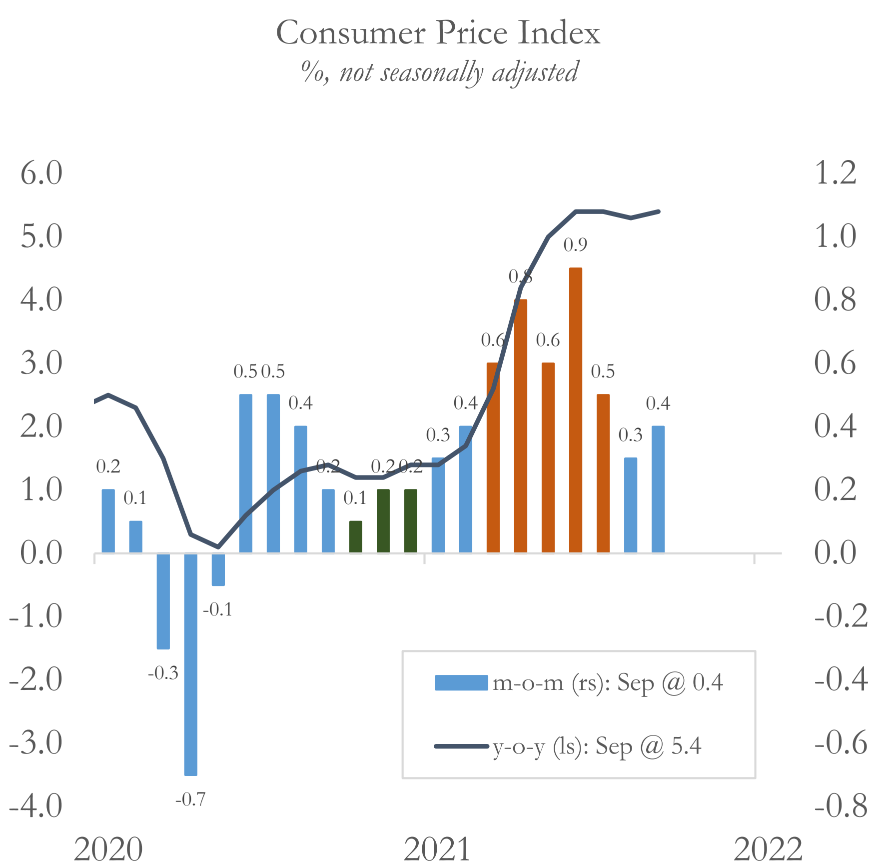


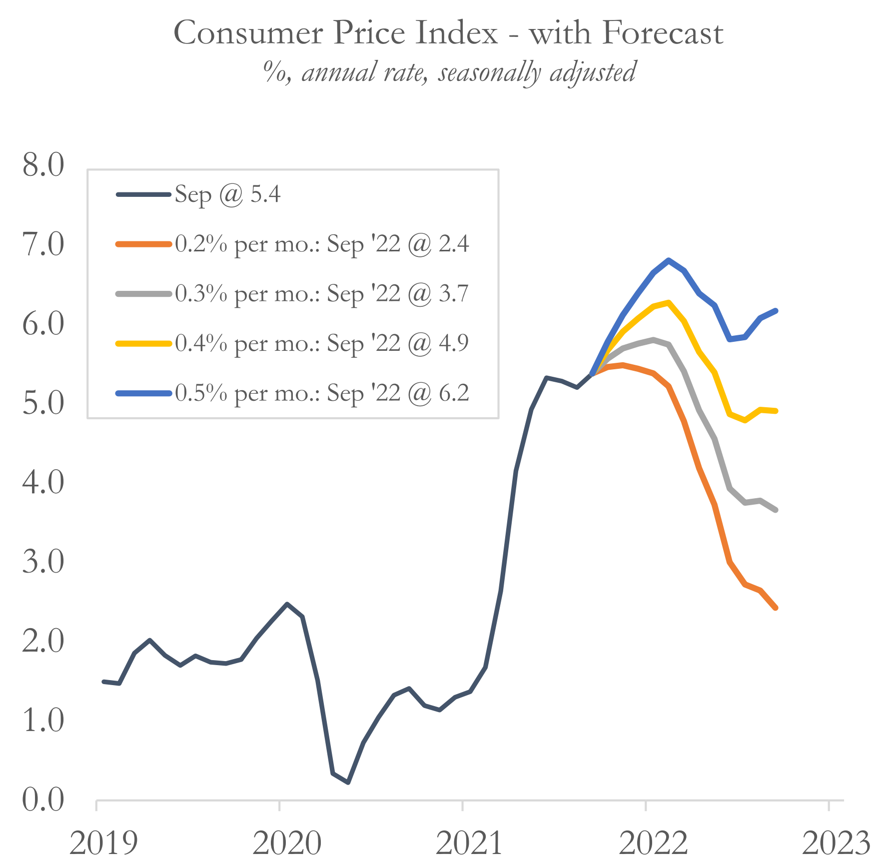


Source: Bureau of Labor Statistics

Inflation

The yearly change in CPI will stay elevated into 2022:Q2.

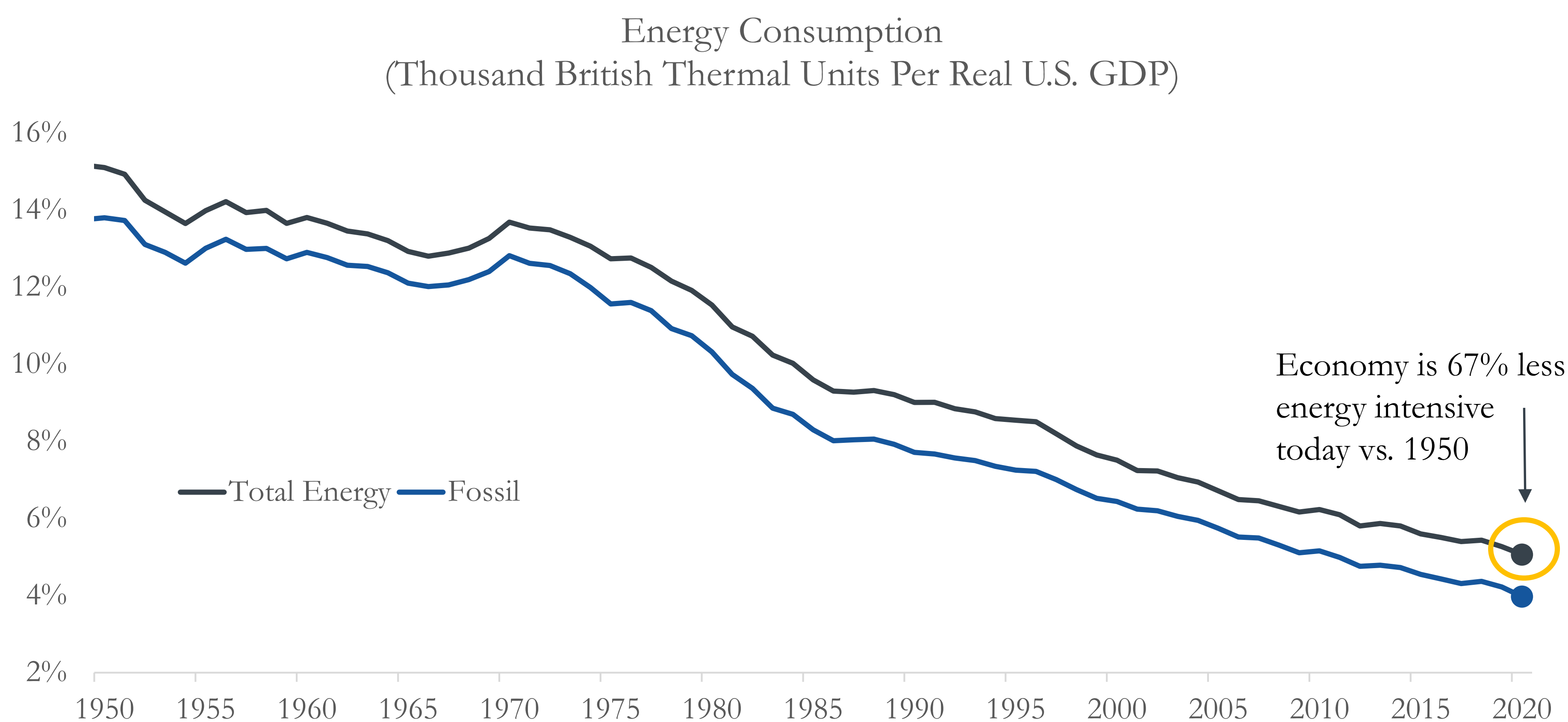




Source: Department of Labor, CNR Research

Economic Impact of Higher Energy Costs is Manageable

- The U.S. economy is less reliant on oil than in the past due to significant energy efficiency gains
- Energy intensity has fallen by more than half since the early 1970s

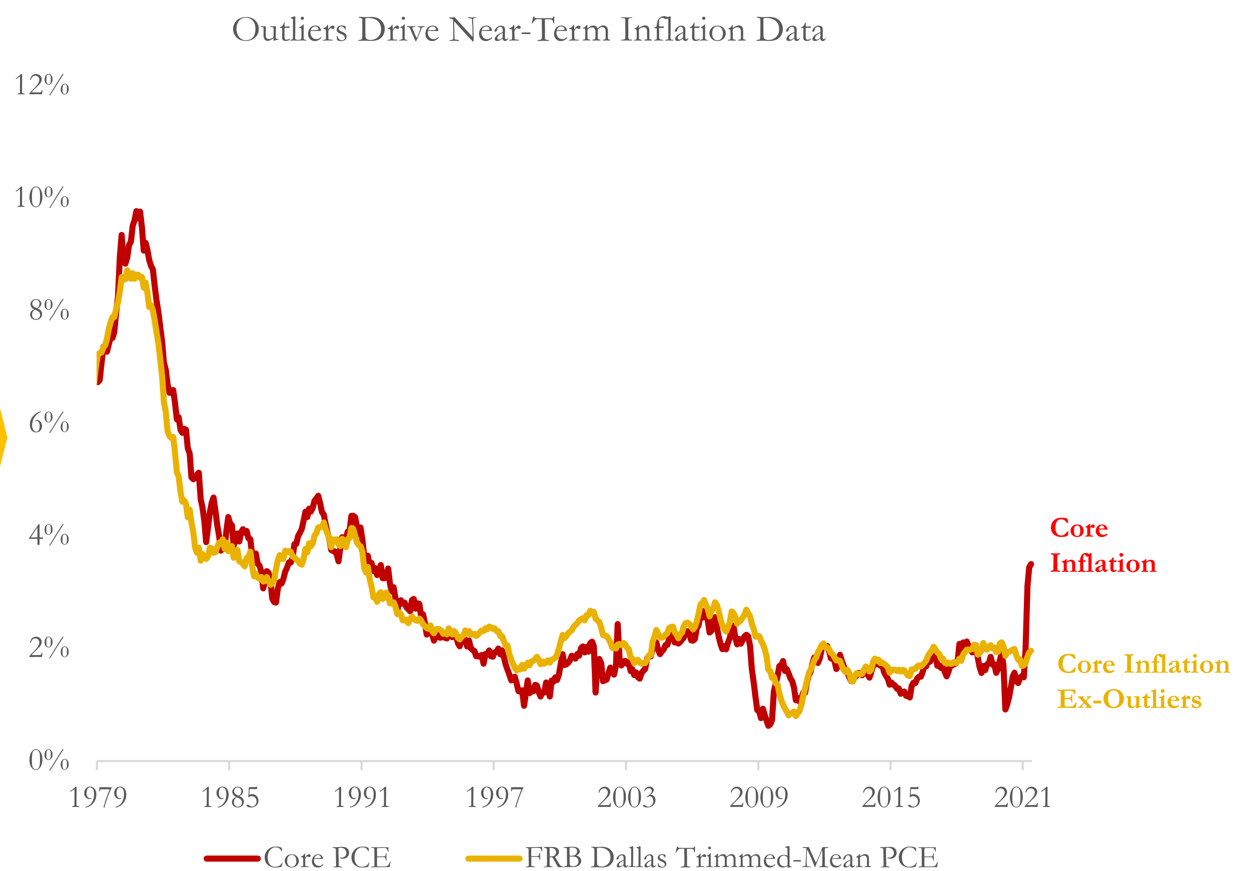


Source: EIA, Federal Reserve Bank of St. Louis..

Long-Term Secular Trends to Keep Inflation Contained

- Higher inflation in the coming months appears transitory, driven by supply challenges from reopening
- Outliers tied to pandemic/reopening: price increases for auto, travel, hospitality and food industries
- Structural forces have been putting downward pressure on inflation for decades

- Flexible and Competitive Labor Markets
- Globalization
- Technological Development
- "Amazon Effect"
- Policymaking Improvements
- Anchored Inflation Expectations
- Demographics



Source: CNR Research.

Inflation

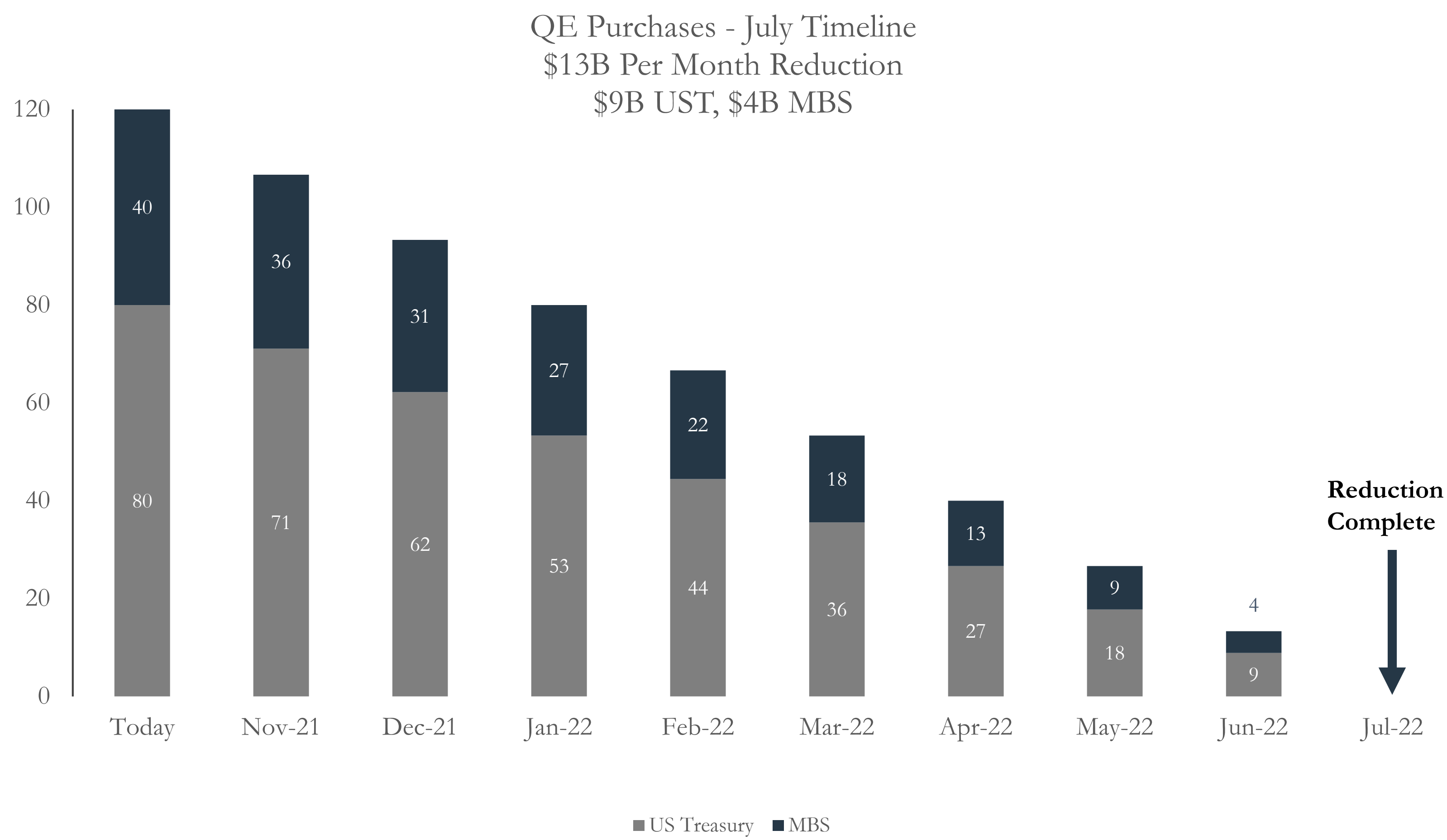
Powell's dashboard for inflation

	Lack of broad-based price pressures
	Lower Moves in high inflation items (e.g. used car prices having slower growth).
	Low wage pressures
	Tepid inflation expectation
	Long lasting forces that have kept inflation low globally (demographics, free trade, etc.)

Source: Jerome Powell, August 2021

Federal Reserve Tapering Speed

- Powell has indicated that the tapering could be complete by mid-2022
- July 2022 is a quick timeline and it is likely that adjustments will be made after tapering begins

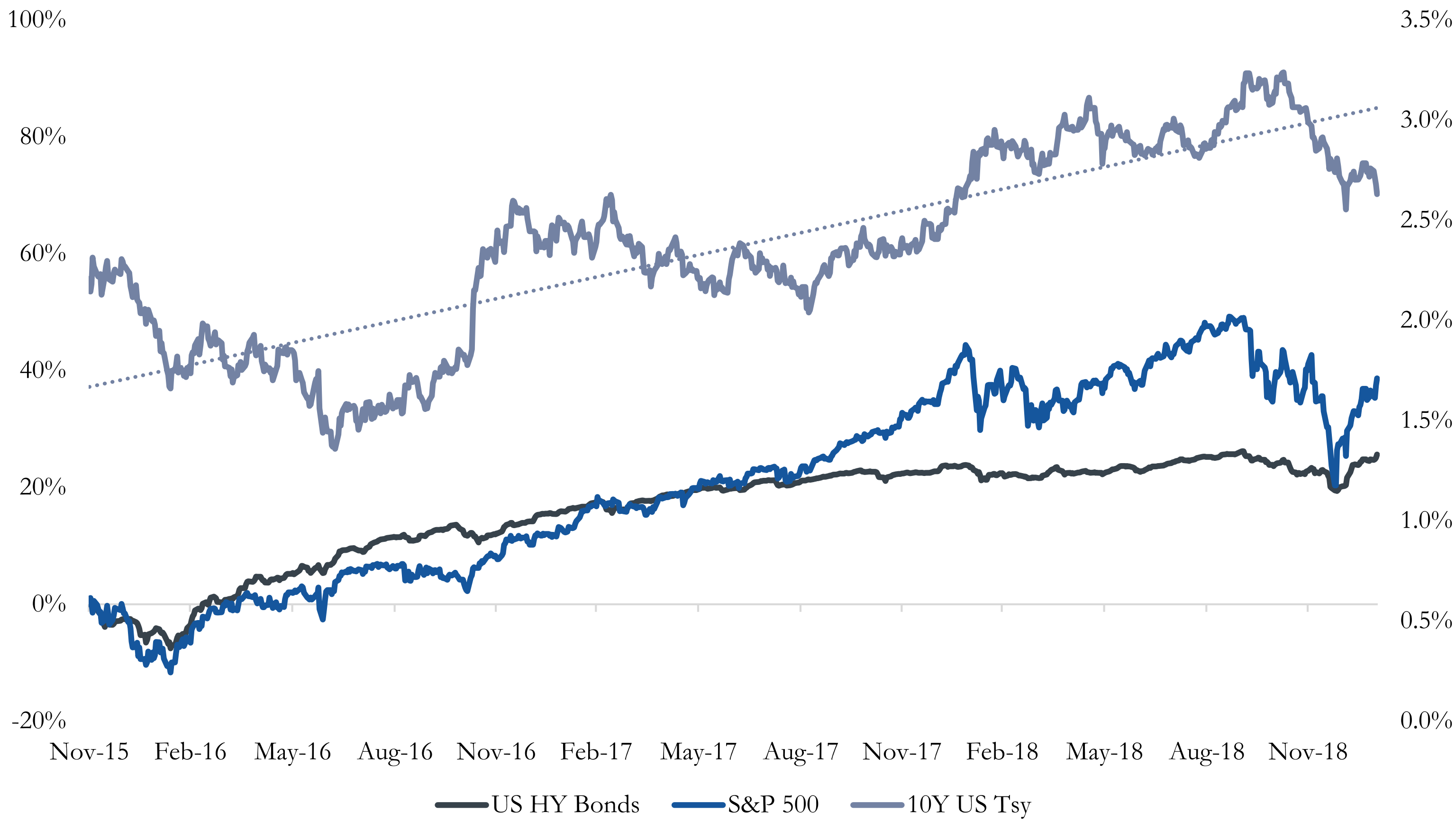


Source: CNR Research

Concern Over Fed Tightening is Overstated

- Over the last Fed tightening, the S&P 500 and U.S. High Yield returned 10.8% and 7.5%, annualized
- Rates between 1.0% - 2.5% support rising risk markets, economic expansion is key

10-Year Treasury Yield vs. Stock and High Yield Bond Returns
(Nov 2015 - Jan 2019, Fed Hiking Cycle)

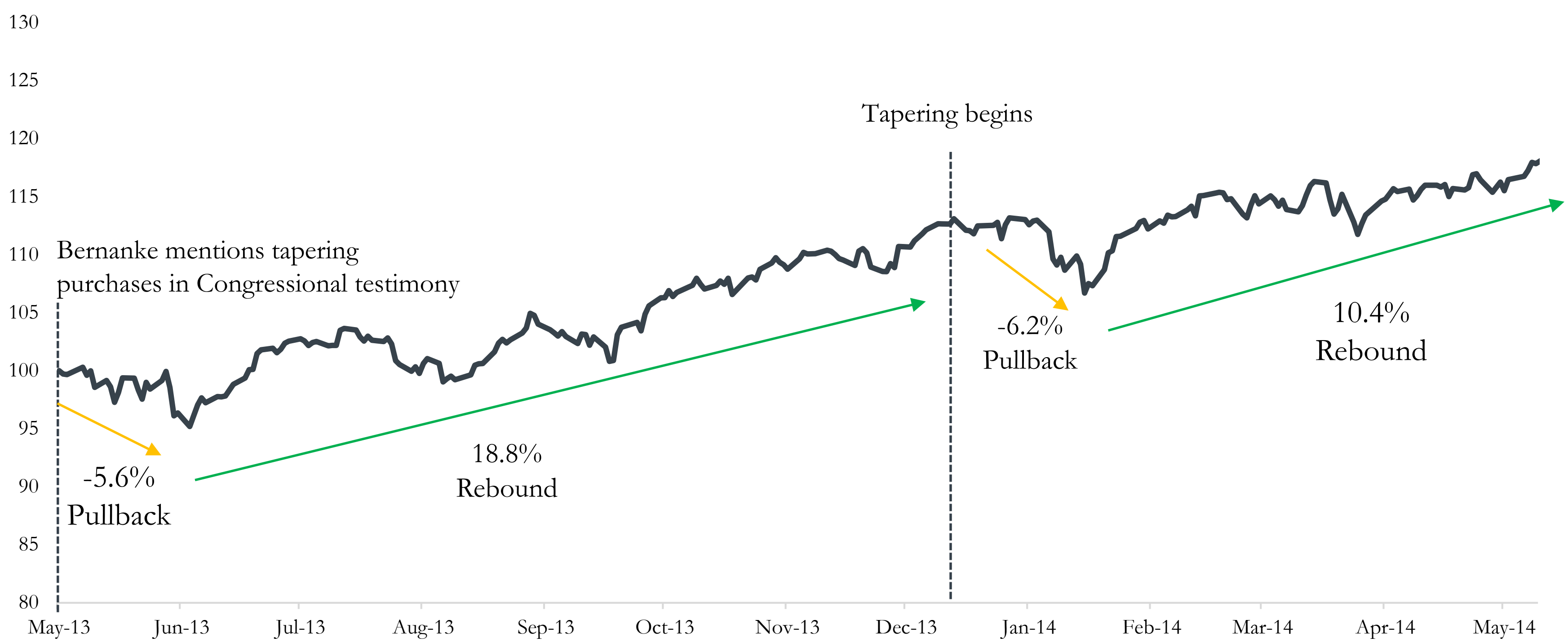


Source: Bloomberg

The Last Taper Didn’t Stop the Equity Rally

- Pullbacks in equities were short lived
- The S&P 500 was 18% higher one year after Bernanke's initial Tapering comments

S&P 500 Performance During 2013 “Taper Talk” and 2014 Taper
Indexed to May 22, 2013

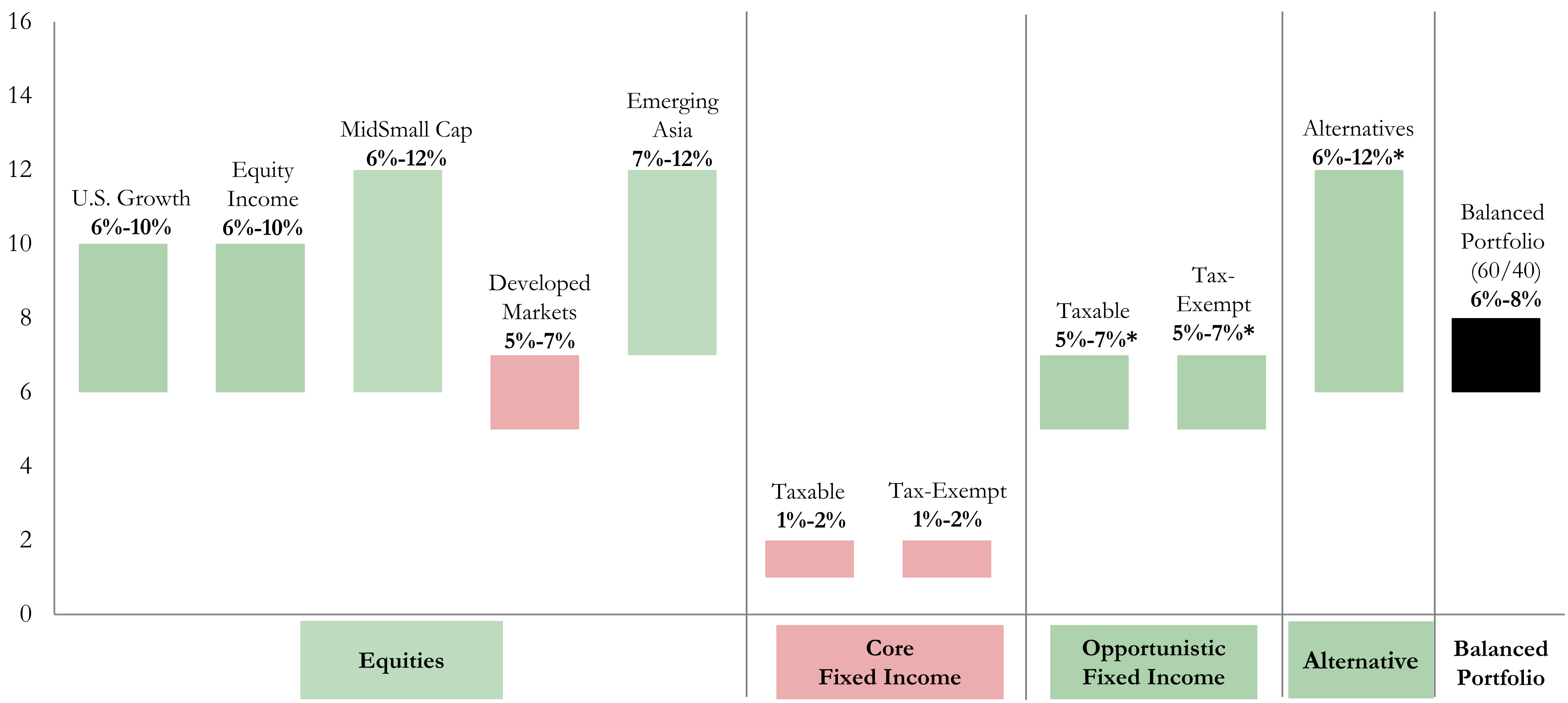


Source: Bloomberg.

Market Outlook

Positive but Moderate Portfolio Returns Expected

Near Term Forecast Expected Returns (%)

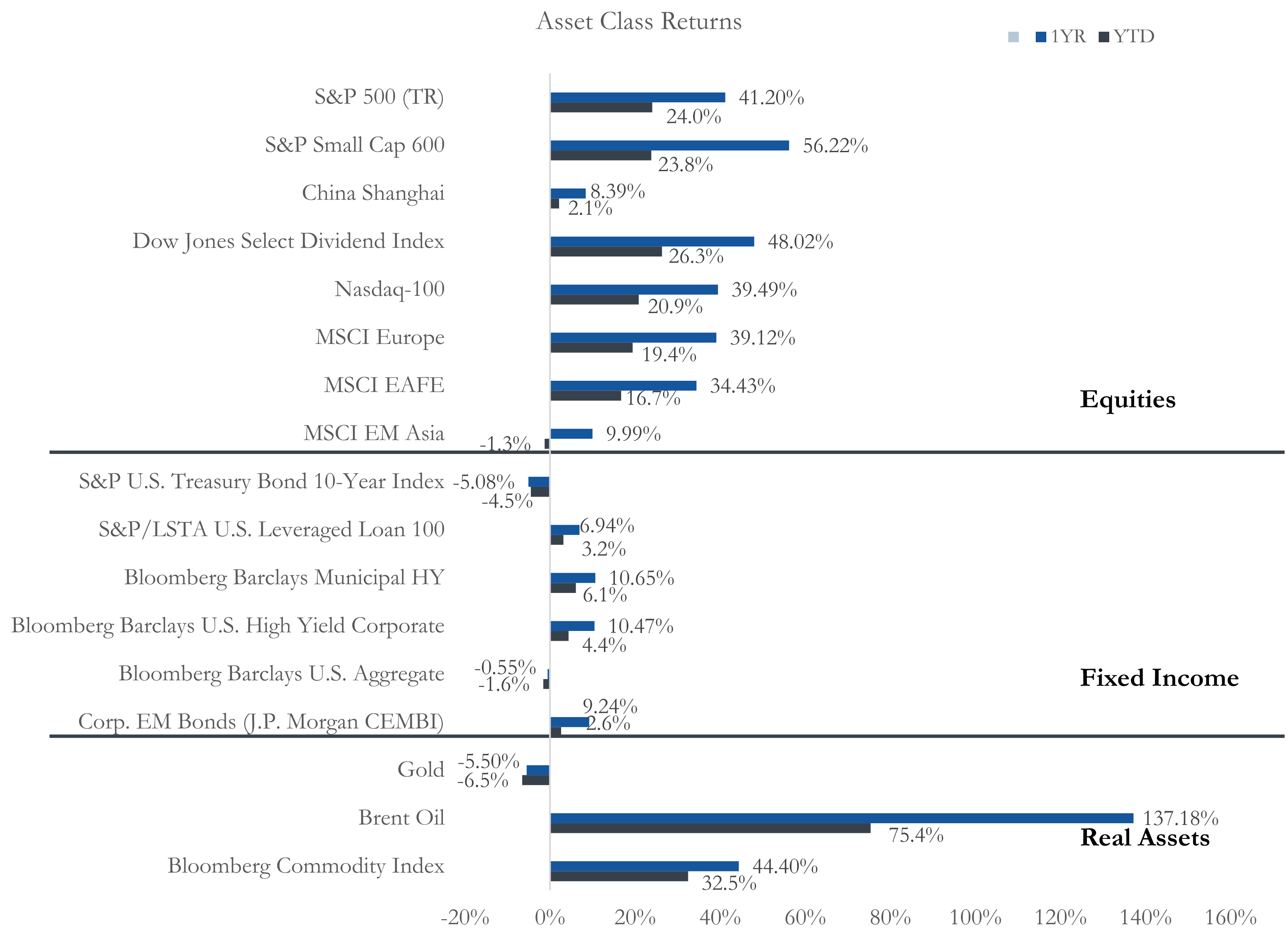


Source: City National Rochdale. As of September 2021. Forecast expected returns represent City National Rochdale's opinion for these asset classes, are for illustrative purposes only, and do not represent client returns. The expected returns presented for these asset classes do not reflect any deductions for City National Rochdale fees or expenses. Actual client portfolio and investment returns will vary.

*Forecast expected returns for HY Municipal and Municipal FI represent the taxable equivalent return at a 43.4% tax rate.

Asset Class Performance

We expect real returns to be moderate, with higher volatility over the next few quarters.



Source: FactSet. As of October 31, 2021. Total returns include dividends reinvested.

Sector Performance

Asset Class	2016	2017	2018	2019	2020	YTD 10/31/21
S&P 500	12.0%	21.8%	-4.4%	31.5%	18.4%	24.0%
S&P 500 Growth	6.9%	27.5%	0.0%	31.1%	33.5%	27.0%
S&P 500 Value	17.4%	15.4%	-9.0%	31.9%	1.4%	20.6%

S&P 500 Sectors	2016	2017	2018	2019	2020	YTD 10/31/21	S&P Weight 10/31/21
Communication Services	23.49%	-1.25%	-12.53%	32.69%	23.61%	25.02%	10.83%
Consumer Discretionary	6.03%	22.98%	0.83%	27.94%	33.30%	22.34%	12.82%
Consumer Staples	5.38%	13.49%	-8.38%	27.61%	10.75%	8.76%	5.60%
Energy	27.36%	-1.01%	-18.10%	11.81%	-33.68%	58.07%	2.86%
Financials	22.80%	22.18%	-13.03%	32.13%	-1.69%	38.56%	11.41%
HealthCare	-2.69%	22.08%	6.47%	20.82%	13.45%	19.31%	13.02%
Industrials	18.86%	21.03%	-13.29%	29.37%	11.06%	19.15%	8.03%
Information Technology	13.85%	38.83%	-0.29%	50.29%	43.89%	24.70%	27.94%
Materials	16.69%	23.84%	-14.70%	24.58%	20.73%	18.91%	2.49%
Real Estate	3.39%	10.85%	-2.22%	29.01%	-2.17%	33.77%	2.60%
Utilities	16.29%	12.11%	4.11%	26.35%	0.48%	9.13%	2.40%

Source: S&P as of October 31, 2021.
Indices are unmanaged and one cannot invest directly in an index. Index returns do not reflect a deduction for fees or expenses.
Past performance is not a guarantee of future results.

Critical Factors Impacting Equity Returns

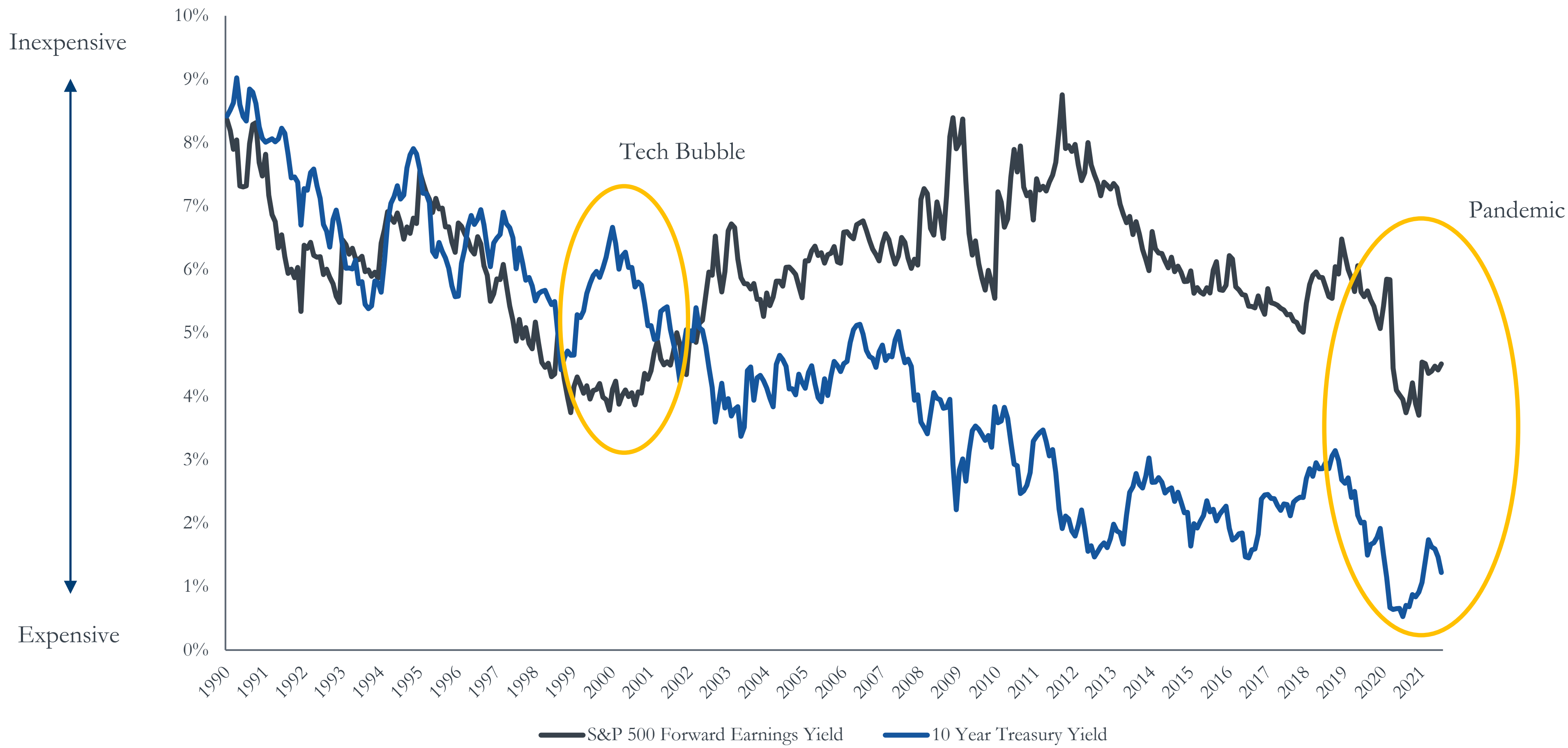
Tailwinds	Headwinds
High levels of confidence in outlook	High valuations
Upward earnings trajectory continues	Rising interest rates
More fiscal stimulus	Potential tax increases
Supportive monetary policy	Pockets of speculation

Source: City National Rochdale estimates. As of April 30, 2021.
Near-term indicates a 3 to 6-month view.

Stocks Appear Attractive vs. Investment Grade Bonds

- Stock valuations have risen (earnings yield has fallen), but bond yields have fallen farther
- Relative attractiveness of stocks supports equity valuations

S&P 500 Earnings Yield vs. 10 Year Treasury Yield

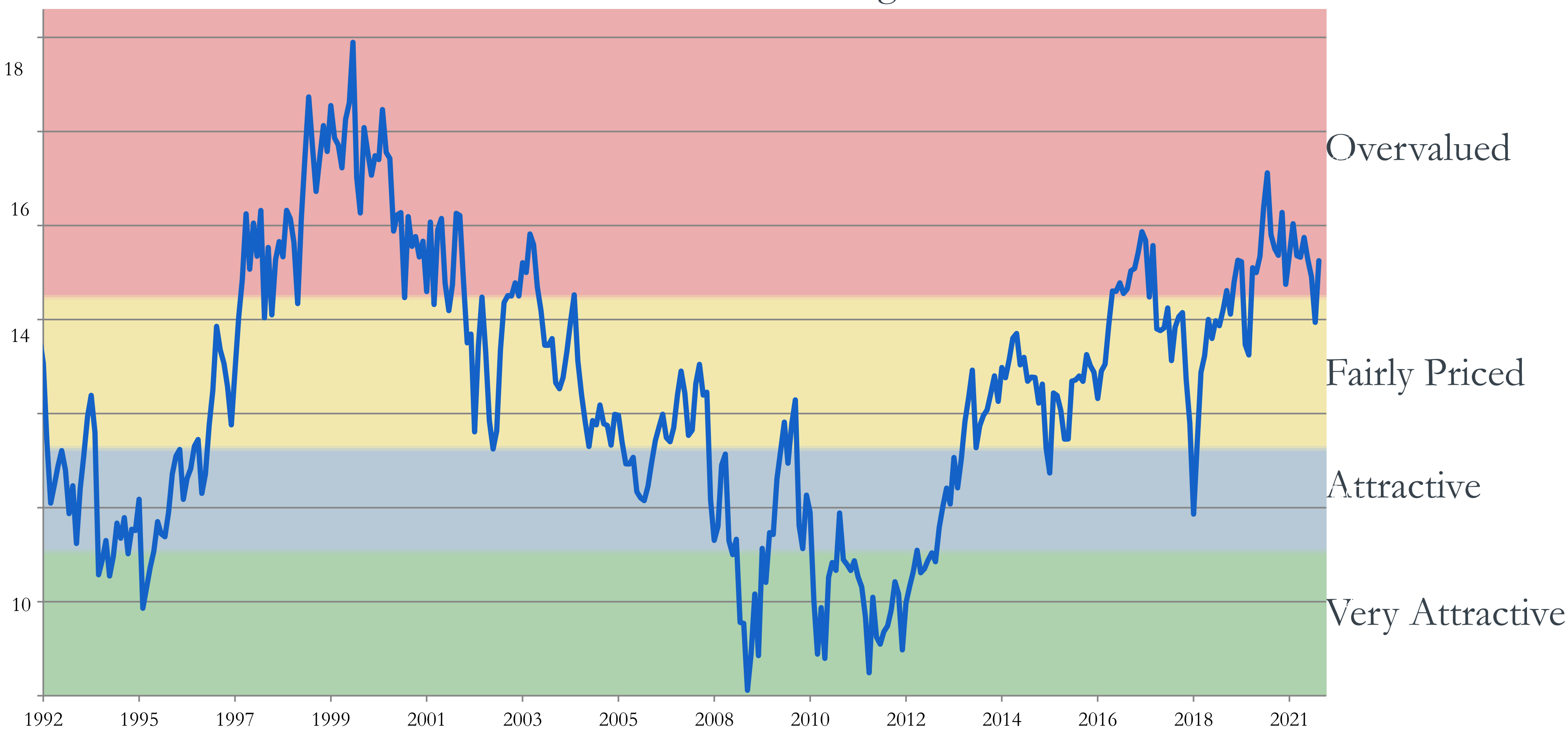


Source: Bloomberg.

Stocks Appear Fully Valued

- Higher valuations point to more limited stock gains going forward
- Strong earnings growth has allowed stocks to grow into elevated valuations

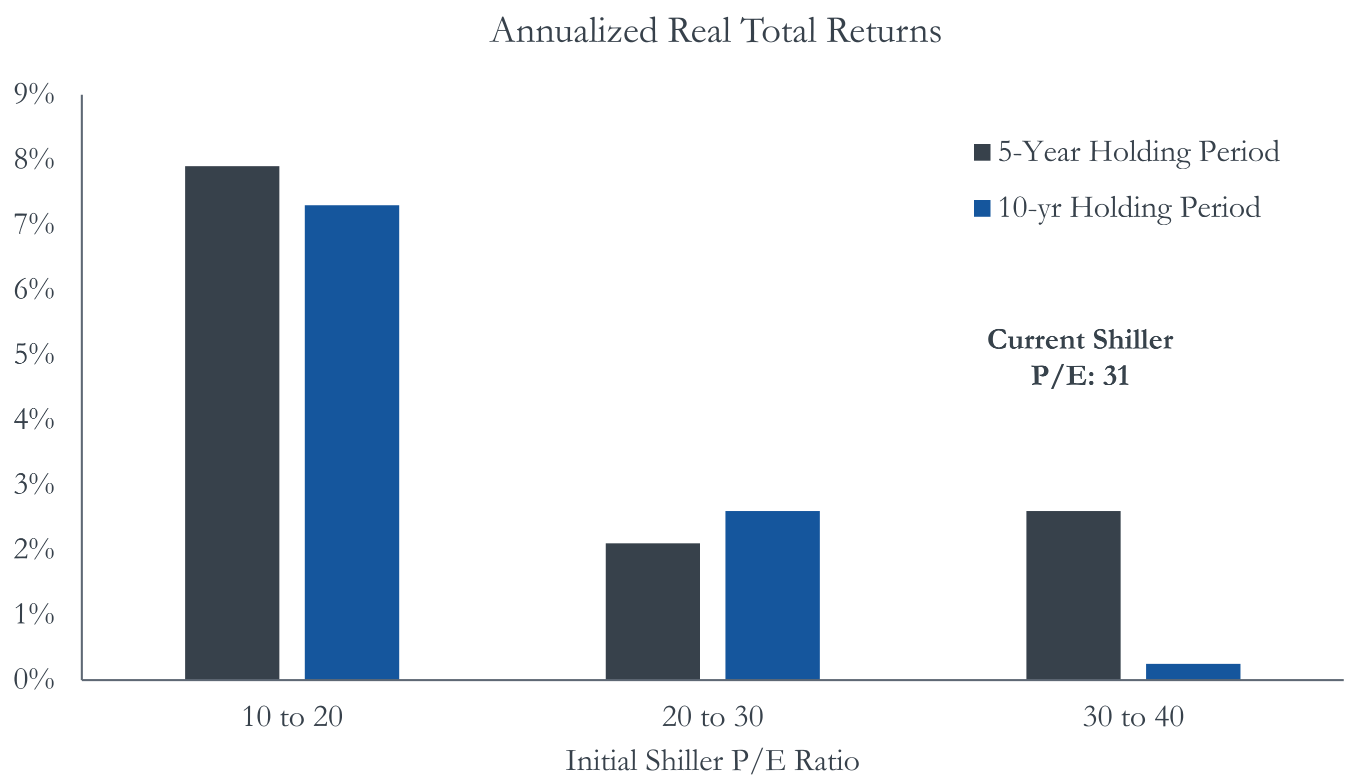
S&P 500 Forward Price/Earnings Ratio



Sources: FactSet, CNR Research as of October 2021.

Stay Invested, but Prepare for More Moderate Returns

- Current positive factors such as the state of the economy, sentiment, and momentum tend to be more important in relation to one-year equity returns
- However, history shows that at current levels of valuation, overall average annual returns will likely be lower over the next several years

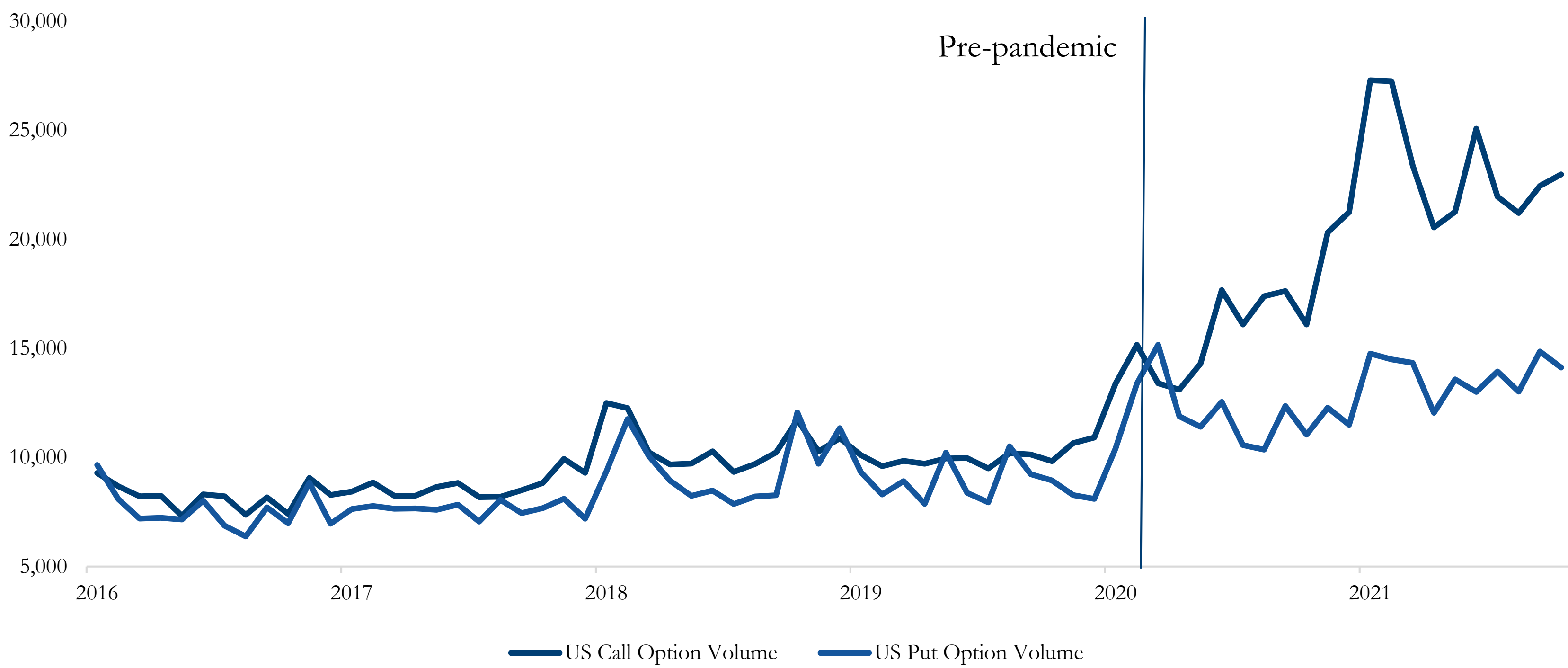


Source: BCA Research. As of December 2016. Based on S&P 500 data since 1881.
Shiller P/E Ration is a valuation measure usually applied to the U.S. S&P 500 equity market. It is defined as price divided by the average of ten years of earnings (moving average), adjusted for inflation.

Speculative Retail Investment Helping to Drive Rally

- Options trading volumes, particularly bullish call-options, have surged since the pandemic
- Retail investor involvement the key driving force, margin debt has increased as well
- Increased margin and option volumes can exacerbate stock moves, leading to bigger rallies but also sharper pullbacks

U.S. Options Volume
Avg. Daily Volume, Monthly

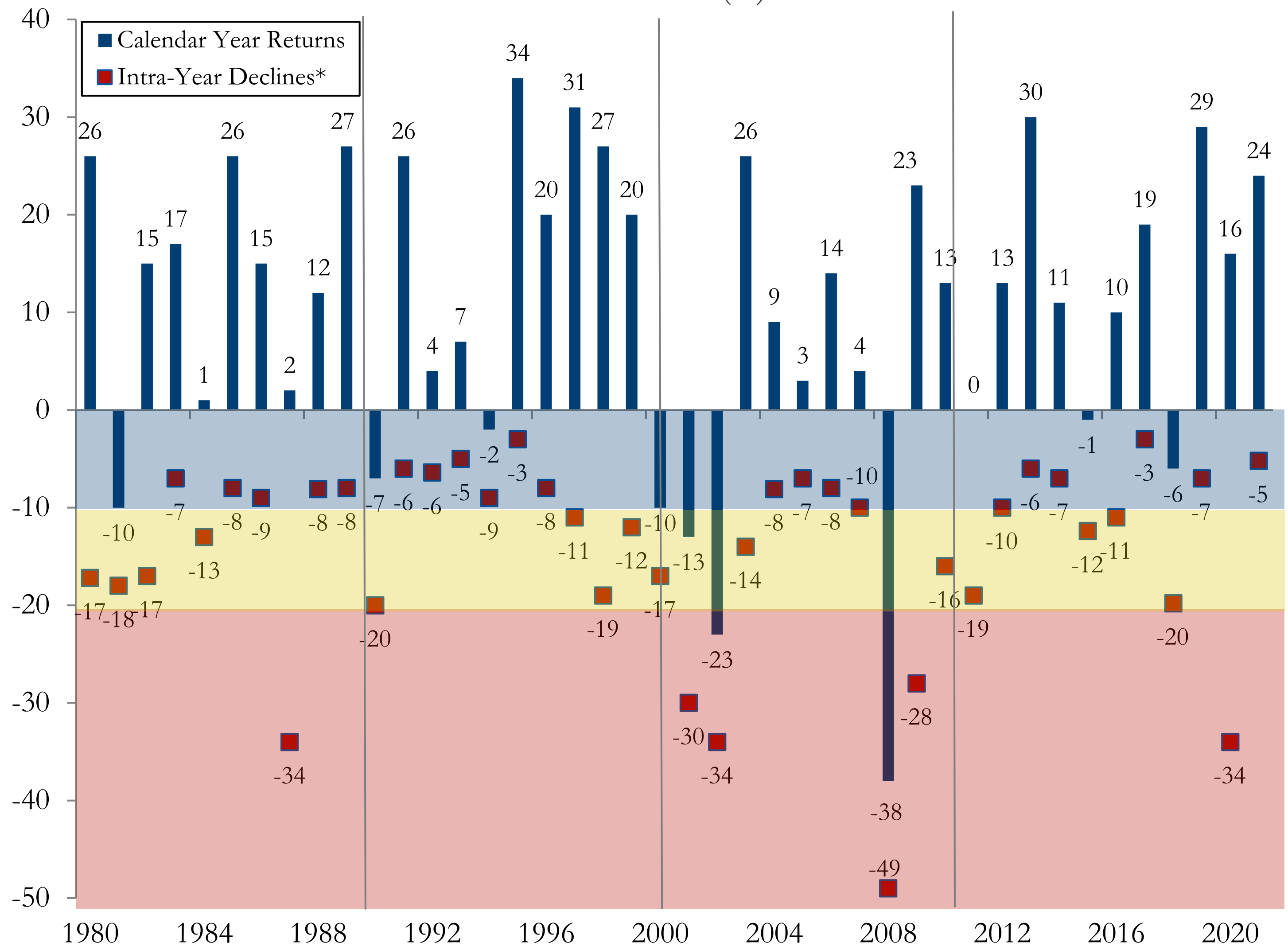


Source: Bloomberg.

Short-Term Volatility Is Normal

Corrections are a normal part of market movements, which should encourage clients to stay the course when markets get choppy.

S&P 500 Return (%)

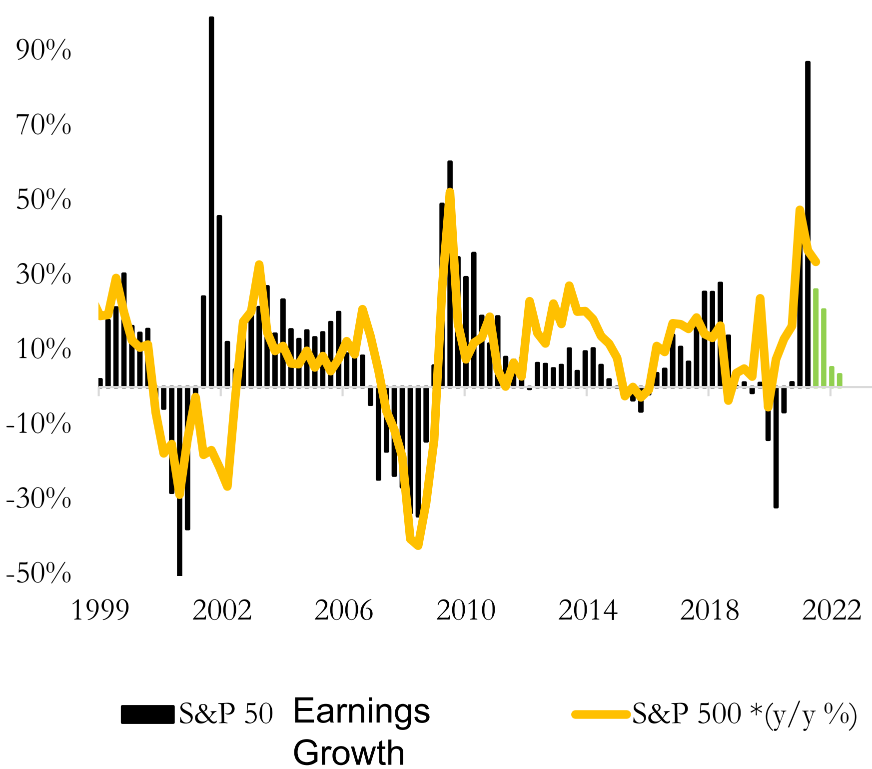


Source: FactSet. As of October 2021.
*Intra-year declines are the largest declines within the calendar year.

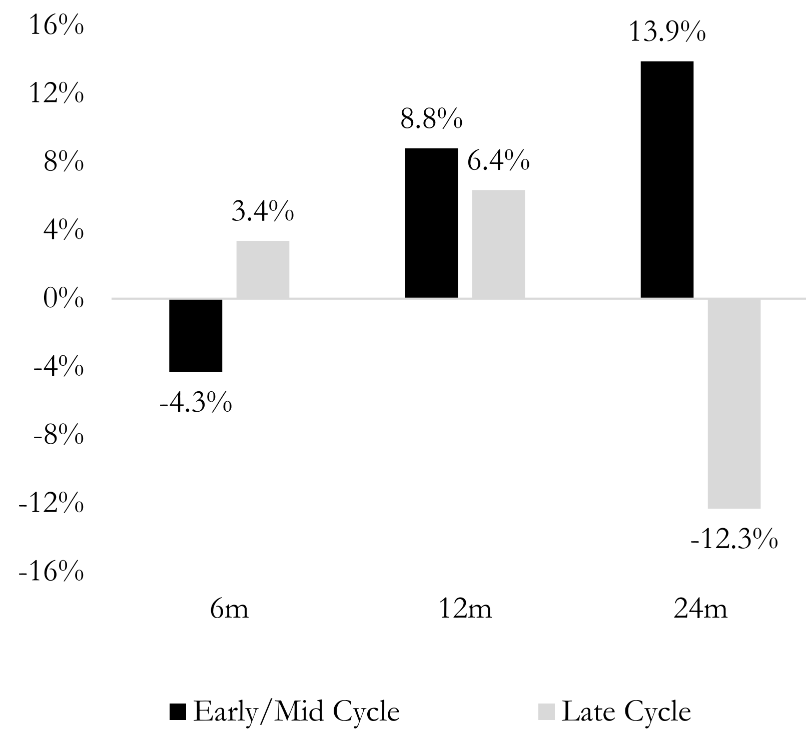
Earnings Growth Point to Moderating but Positive Returns

- Multi year expansion supports still robust earnings outlook
- Early/mid cycle earnings peaks have historically been followed by stronger gains than late cycle peaks
- Higher volatility likely

S&P 500 Returns Historically Track Earnings Growth



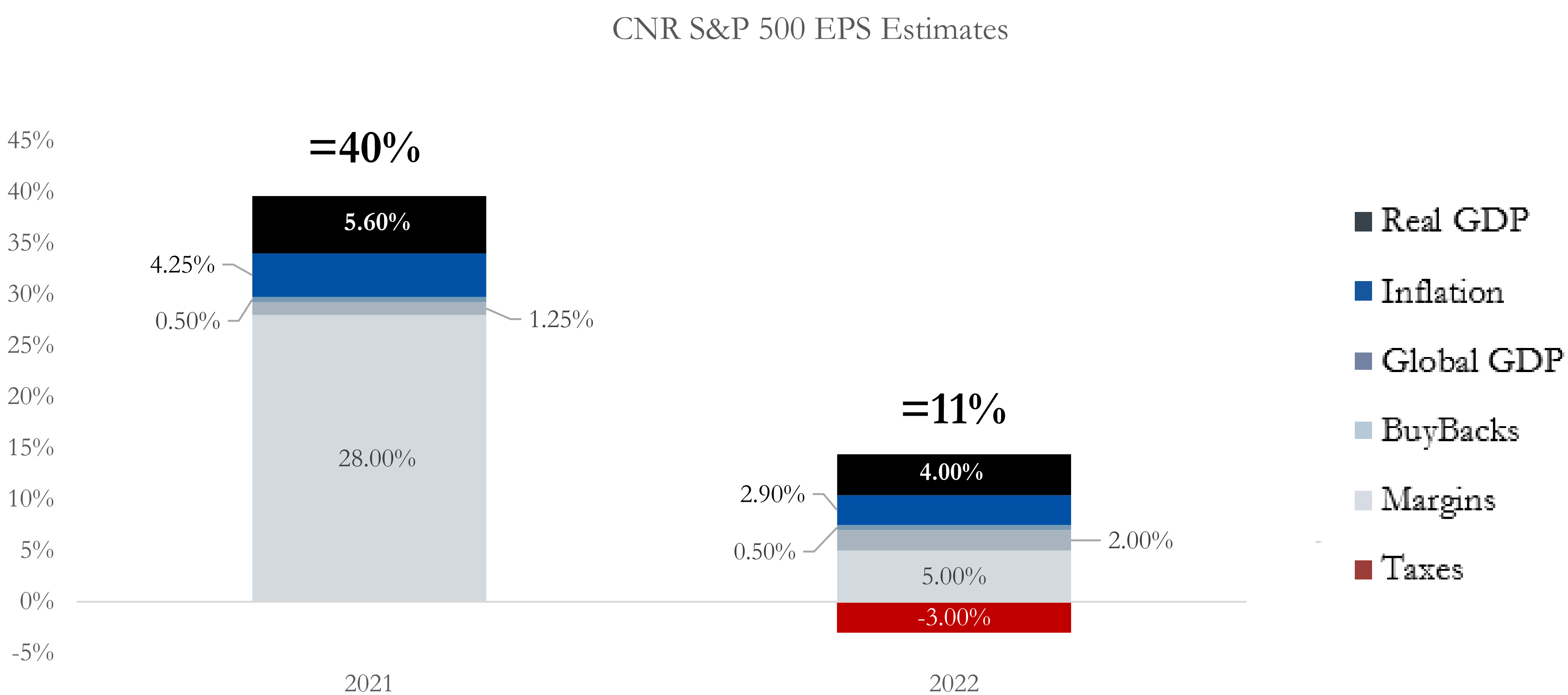
S&P 500 Performance After Earnings Growth Peaks



Source: FactSet

U.S. Earnings Outlook Continues to Be Robust

- Increased input costs being passed along, should subside over time
- Operating margin expansion is expected to continue in 2022
- Assuming a 23% corporate tax rate in 2022



Source: CNR Research.

Revising 2022 Earnings Estimates Upward

2022 S&P 500 EPS										
CNR Estimate	Y/Y Change	18.5	19	19.5	20	20.5	21	21.5	22	22.5
$210	6%	-10%	-8%	-6%	-3%	-1%	1%	4%	6%	9%
$220	11%	-6%	-4%	-1%	1%	**4%**	**6%**	9%	11%	14%
$230	16%	-2%	1%	3%	6%	**8%**	**11%**	14%	16%	19%

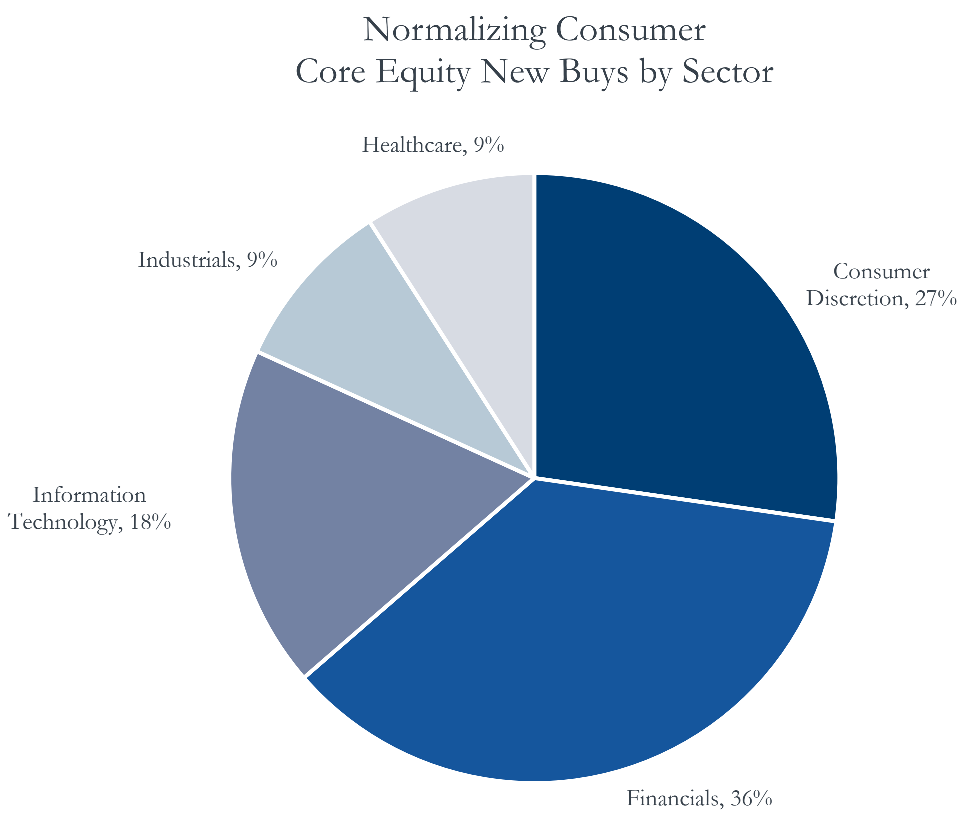
2022 S&P 500 EPS										
CNR Estimate	Y/Y Change	18.5	19	19.5	20	20.5	21	21.5	22	22.5
$210	6%	3,885	3,990	4,095	4,200	4,305	4,410	4,515	4,620	4,725
$220	11%	4,070	4,180	4,290	4,400	**4,510**	**4,620**	4,730	4,840	4,950
$230	16%	4,255	4,370	4,485	4,600	**4,715**	**4,830**	4,945	5,060	5,175

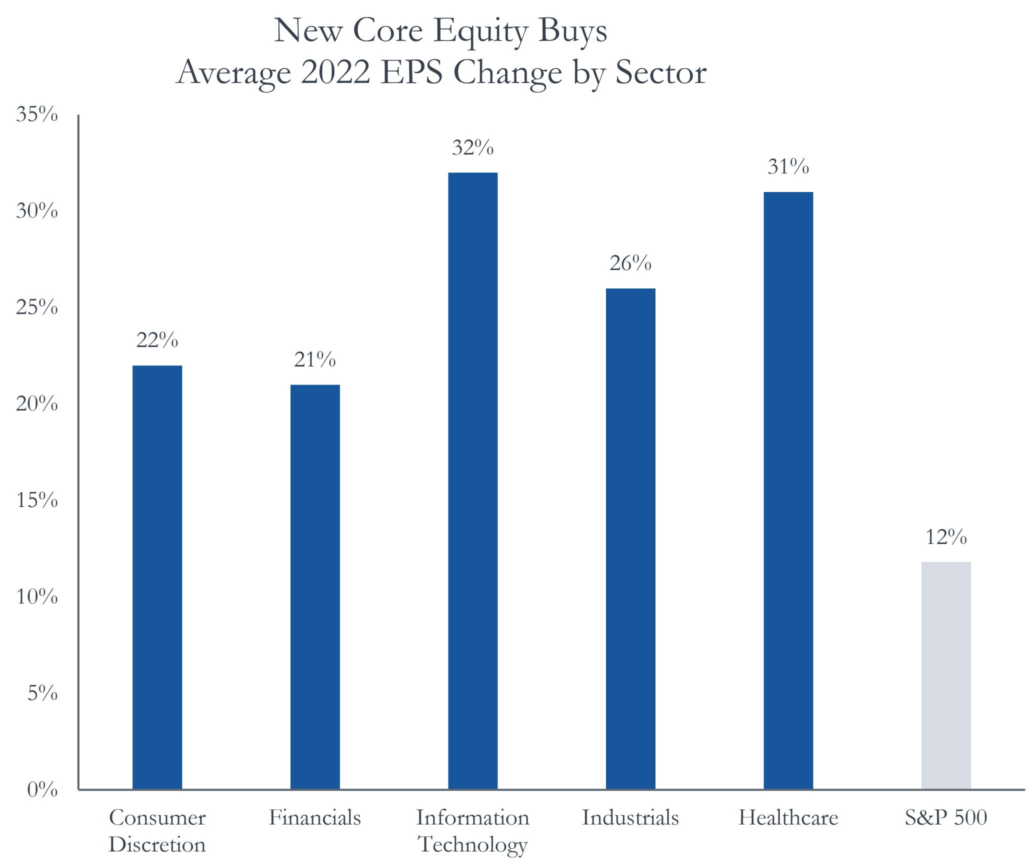
25%	Downside Risk
50%	Base Case
25%	Upside Potential

Source: CNR Research.

Favored Sectors Have Strong Earnings Expectations

- Return to normalcy especially in services, such as travel, shopping and restaurants
- Rebuilding of inventories, easing of global supply constraints

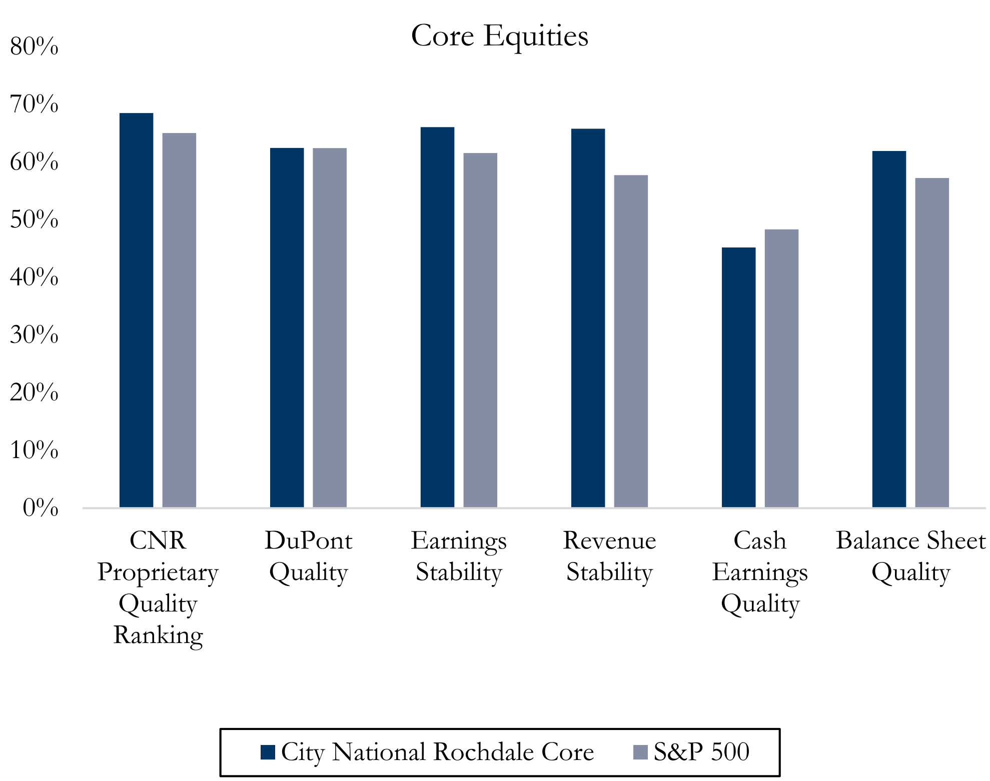


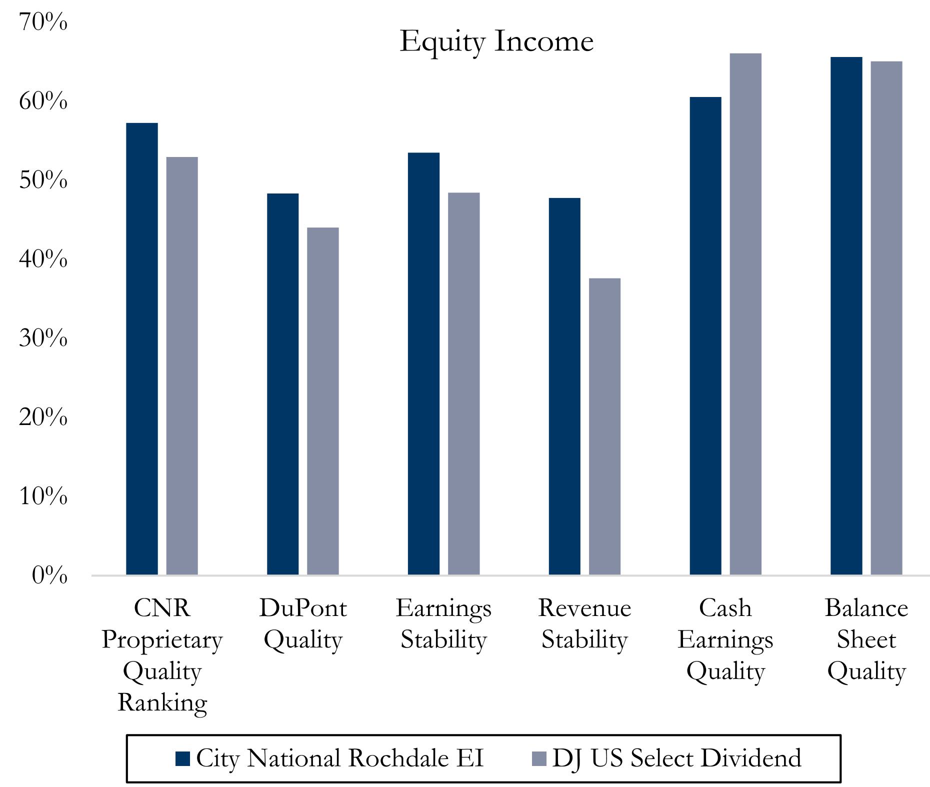


Sources: CNR Research, FactSet.

U.S. Equities – Emphasis on Quality

- CNR's proprietary quality ranking approach is designed to select high quality companies and sectors that we believe will outperform the S&P 500 over the long term.
- This system incorporates five different quality measures which CNR believes best measure the quality characteristics of a particular security.





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. As of June 30, 2021.

Mid/Small Cap Stocks Have Outperformed in Recoveries

- Small companies tend to benefit disproportionately from an improved growth outlook
- More exposure to cyclical industries, bigger potential for upside earnings surprises

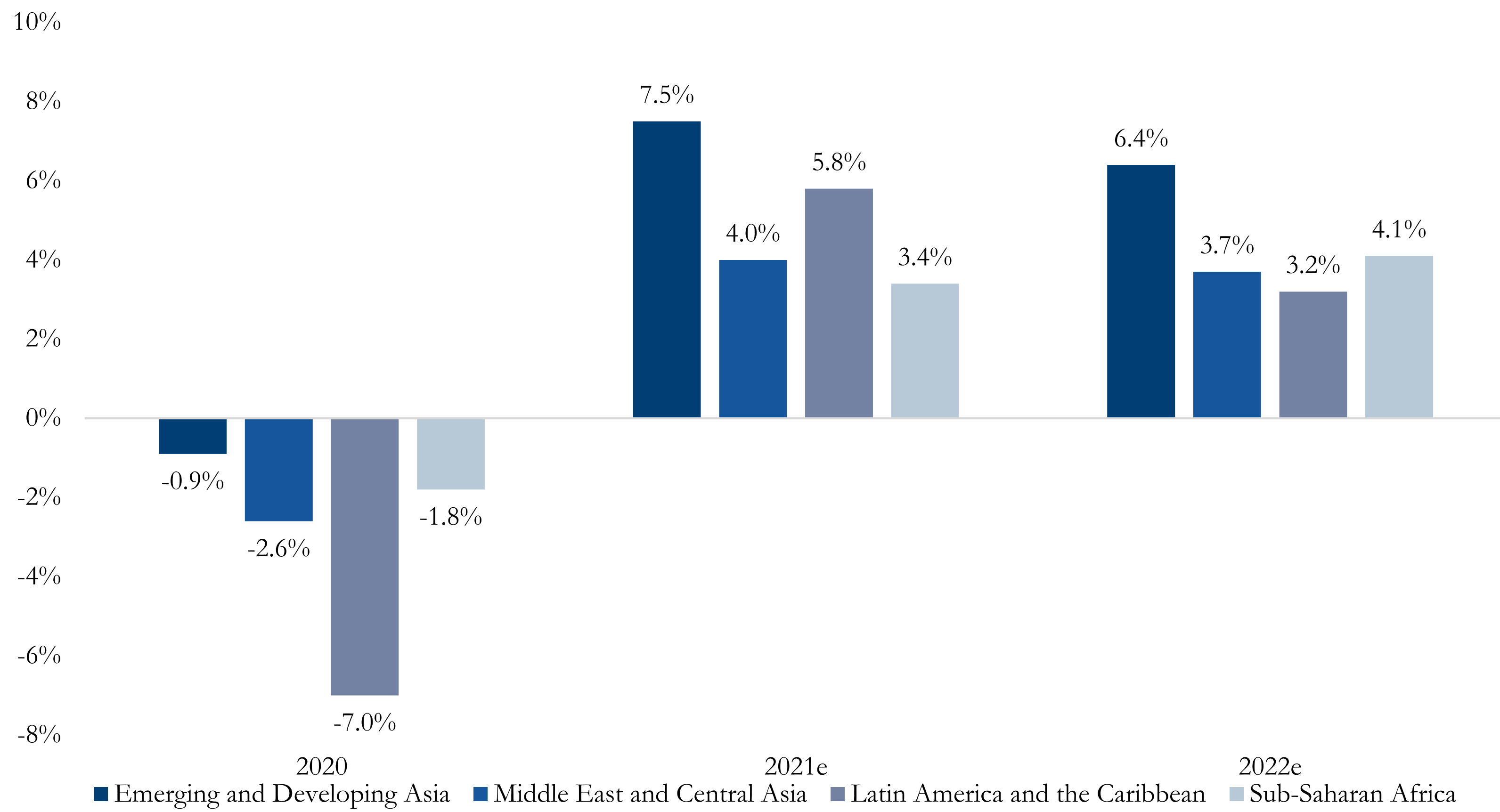
Recession Trough	U.S. Large Cap Performance: Next 3 Years	U.S. Small Cap Performance: Next 3 Years
July 1980	16%	24%
November 1982	12%	18%
March 1991	9%	14%
November 2001	3%	13%
June 2009	16%	18%

Source: Bloomberg. U.S. Large Cap: S&P 500 Index. U.S. Small Cap: Russell 2000 Index. Performance reflects price returns.
Past performance is no guarantee of future results.

Asia Has Strongest EM Growth Outlook

- EM Asia continues to be the largest source of expected GDP growth
- Sources of uncertainty in China, including regulatory environment and Evergrande situation

IMF Real GDP Growth Projections

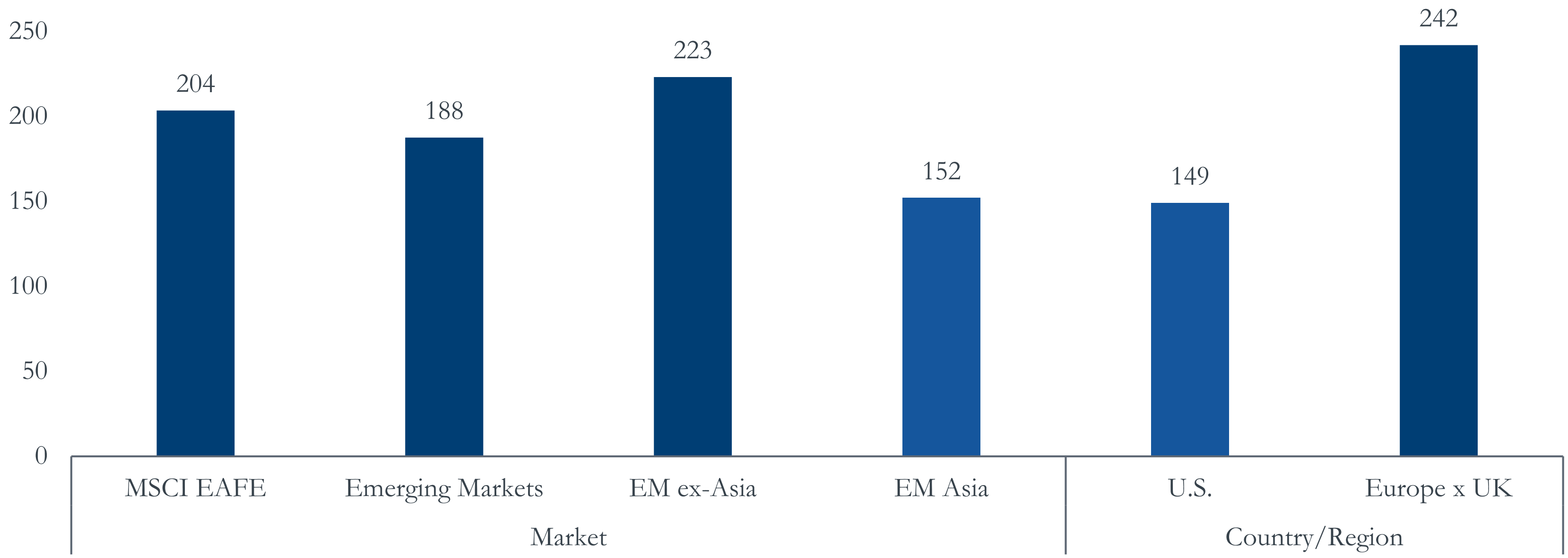


Source: IMF.

EM Asia Remains Relatively Attractive

- We have updated our 4Ps analysis to reflect recent developments in China
- Result is a modest shift in EM Asia's score, showing that long-term trends remain in place

Global Equity Markets
Summary Score Analysis
(Lower=Better)



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.
Source: CNR Research.

China's Regulatory Shift to Address Domestic Issues

- Chinese officials taking a harsher tone toward certain industries to address societal and economic concerns

Income Inequality	• Crackdown on large technology companies, real estate, healthcare • Ongoing actions to curb corruption
Declining Population	• High cost of raising children impacting demographic outlook • Actions to address the cost of education
Monopolistic Practices	• Use of consumer data, other issues with technology companies • Stricter regulations on ecommerce
Misalignment with Development Agenda	• Crackdown on social media, streaming videos, gaming
Cybersecurity and National Interests	• Crackdown on variable interest entities and foreign ownership

Source: CNR Research.

Yields Are Climbing

- Yields have increased by 20 bps since mid-September
- Global negative yielding debt is lower by $1.5 Trillion

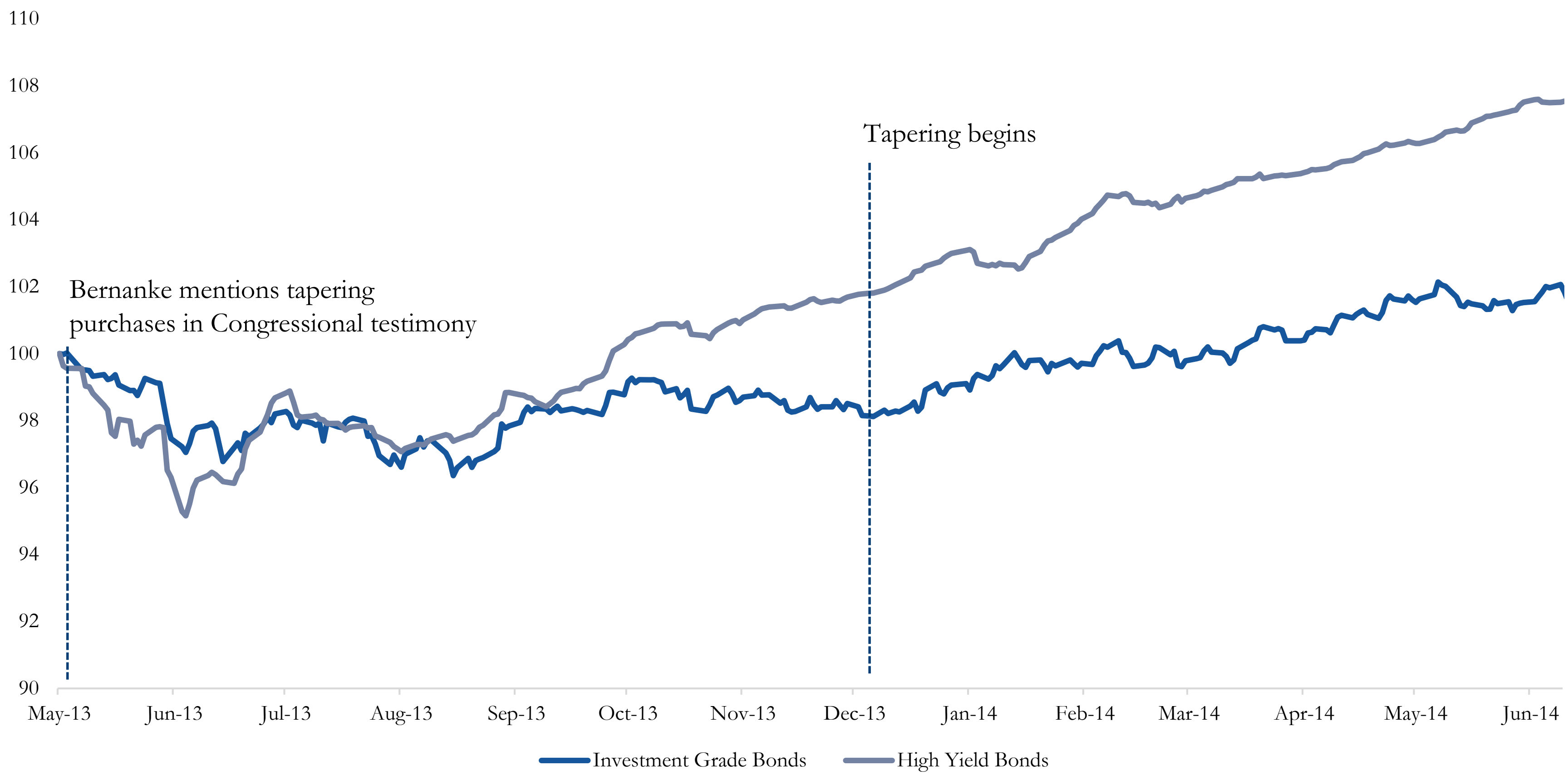
US 10-Year Treasury Yield vs. Global Developed Market Yields

Source: Bloomberg

What Happened During The Last Taper?

- High Yield Bonds outperformed in the year after “Taper Talk” started in 2013
- Investment Grade Bonds performed relatively poorly during this period

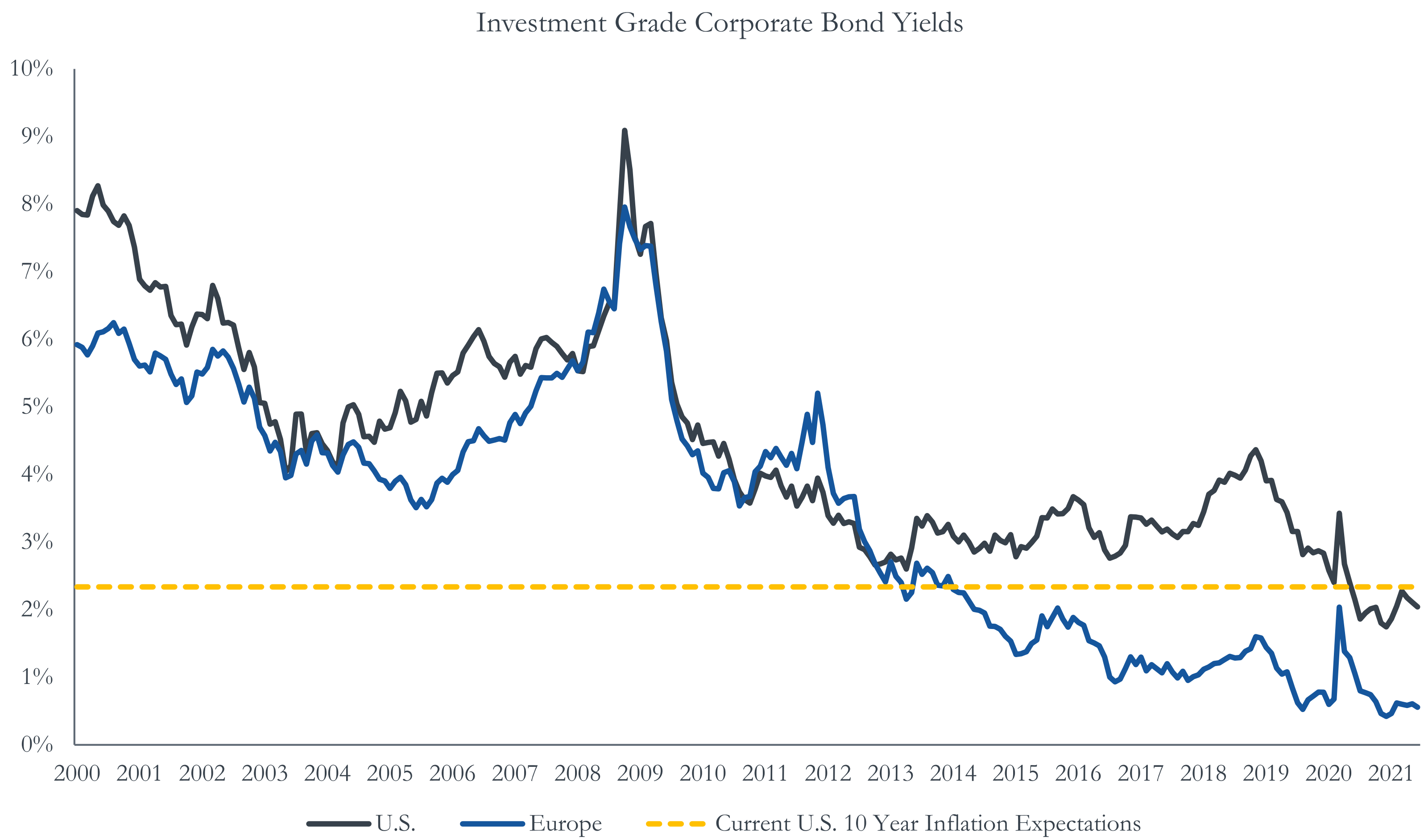
Selected Asset Class Performance During 2013 “Taper Talk” and 2014 Taper
Indexed to May 22, 2013



Source: Bloomberg. Investment Grade Bonds: Bloomberg Barclays U.S. Aggregate Bond Index, High Yield Bonds: Bloomberg Barclays U.S. Corporate High Yield Index.

Challenging Environment for Bond Investors

- Investment grade bond yields not expected to beat inflation in the coming years
- Traditional balanced portfolio (60/40) investors unlikely to achieve historical average returns



Source: Europe: Bloomberg Barclays Pan-European Aggregate Corporate Bond Index. U.S.: Bloomberg Barclays U.S. Corporate Bond Index.

Favorable Environment for Opportunistic Income

- Investment grade bond returns will be low as rates rise and will not beat inflation
- Opportunistic income is resilient to rate increases and offers better protection from rising prices

Performance During Periods of Increasing Interest Rates

	Duration (Months)	Change in 10Y Treasury Yield	Investment Grade Bonds	TIPS	US High Yield	US Senior Secured Loans	EM High Yield
8/29/1986 - 10/30/1987	14	2.0%	2.8%		2.6%		
9/30/1993 - 11/30/1994	14	2.5%	-3.5%		2.0%		3.6%
12/29/1995 - 7/31/1996	7	1.2%	-0.9%		3.9%		13.6%
10/5/1998 - 1/21/2000	16	2.6%	-2.3%	0.4%	3.7%	6.5%	42.8%
6/13/2003 - 6/28/2006	37	2.1%	4.3%	7.1%	27.7%	19.0%	33.9%
12/30/2008 - 4/5/2010	15	1.9%	6.8%	9.8%	67.3%	59.8%	52.2%
7/24/2012 - 12/31/2013	18	1.6%	-1.7%	-7.7%	14.7%	9.4%	10.8%
7/8/2016 - 10/5/2018	27	1.9%	-2.4%	-1.6%	16.3%	13.9%	7.1%

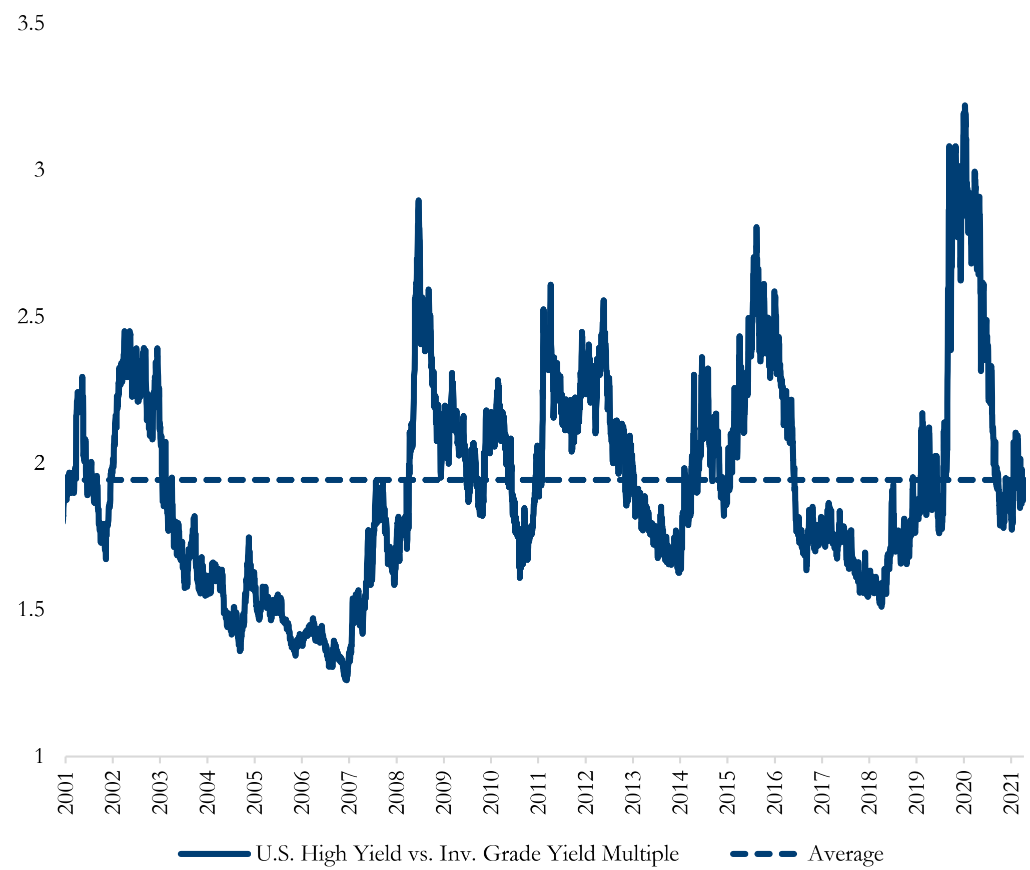
Source: Bloomberg. Investment Grade Bonds: Bloomberg US Aggregate Index, US High Yield: Bloomberg US Corporate High Yield Index, Senior Secured Loans: S&P LSTA Leveraged Loan Index, CLO Debt: Palmer Square CLO Debt Index, EM High Yield: Bloomberg Emerging Markets High Yield Index

Opportunistic Investing Continues to Appear Attractive

- High yield bonds have performed well since the peak of the crisis
- Significant yield improvement vs. investment grade, more favorable credit environment than pre-crisis
- Over the past 20 years, high-yield versus investment grade yield ratio is at its average and far from its all-time low

Yield to Worst: Investment Grade vs. High Yield

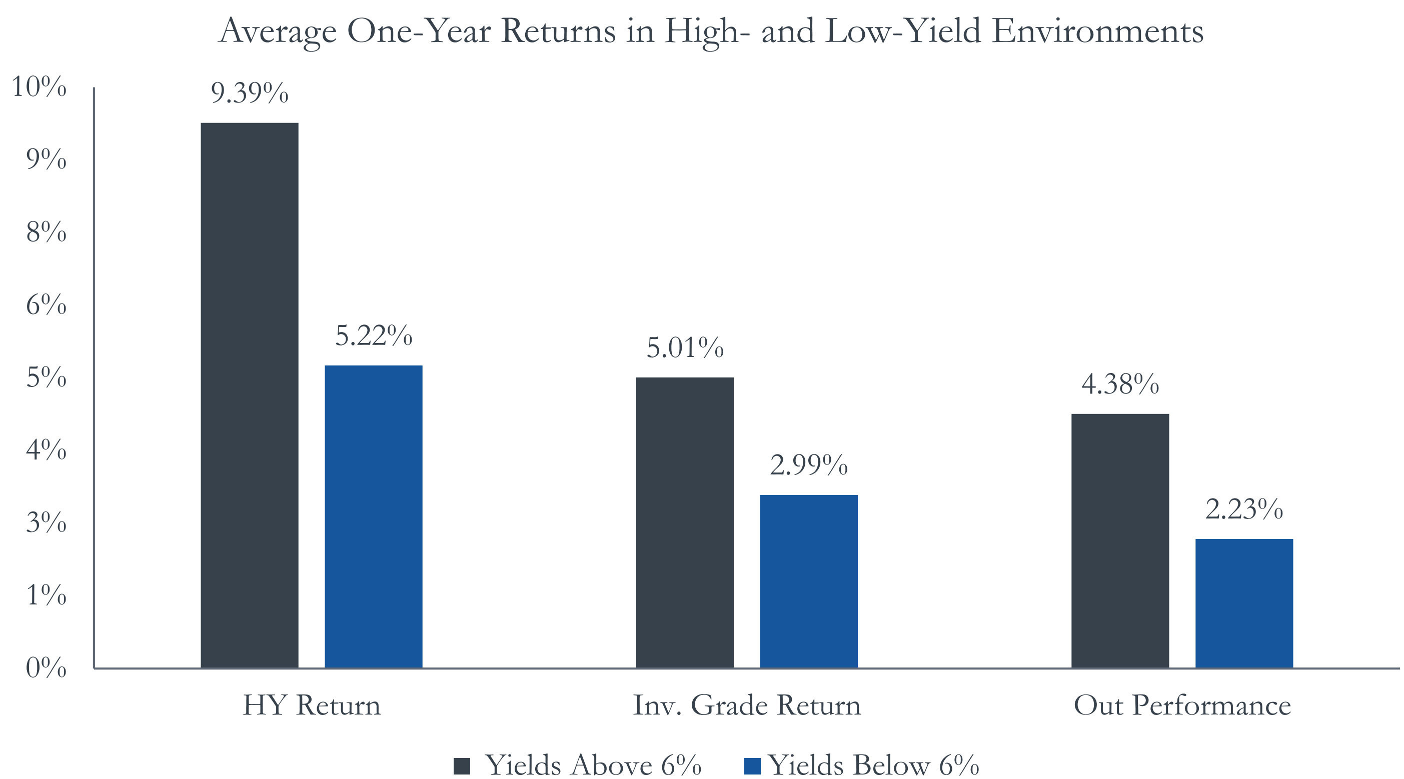
Relative U.S. Corporate Yields: High-Yield vs. Inv. Grade



Source: Bloomberg.

Forward Returns Likely Lower, but Also Volatility

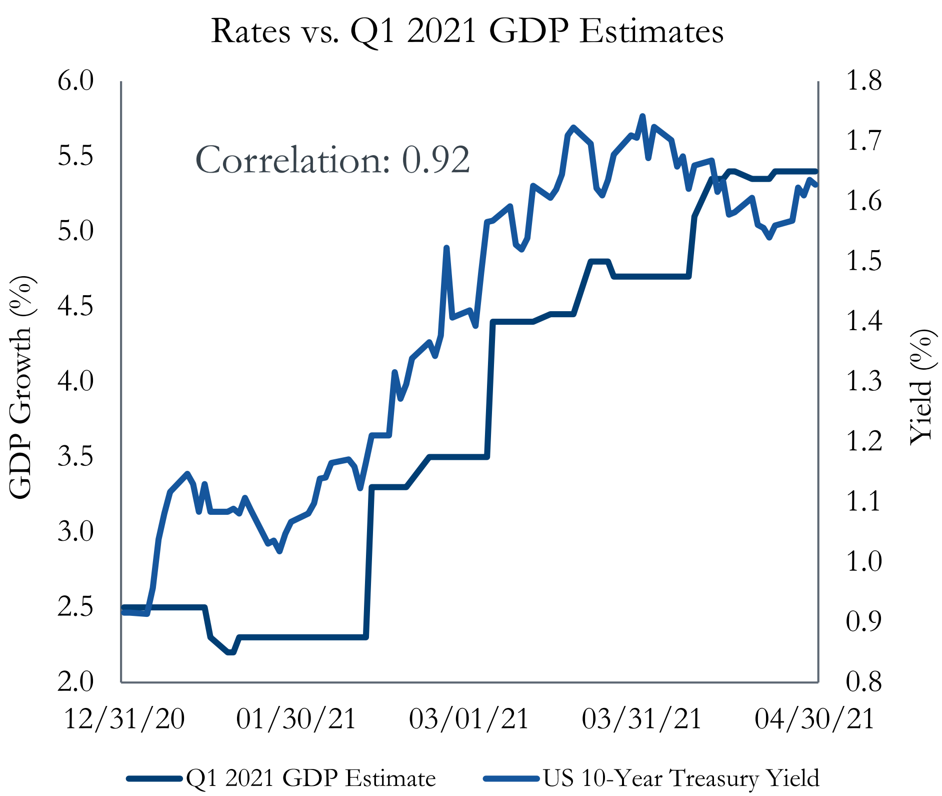
- U.S. high-yield performs 2x better when yields are 6% or higher, on average
- 1-year returns have fallen over the last decade versus the prior decade
- Fed intervention, market access, low rates and foreign flows will combine to lower volatility

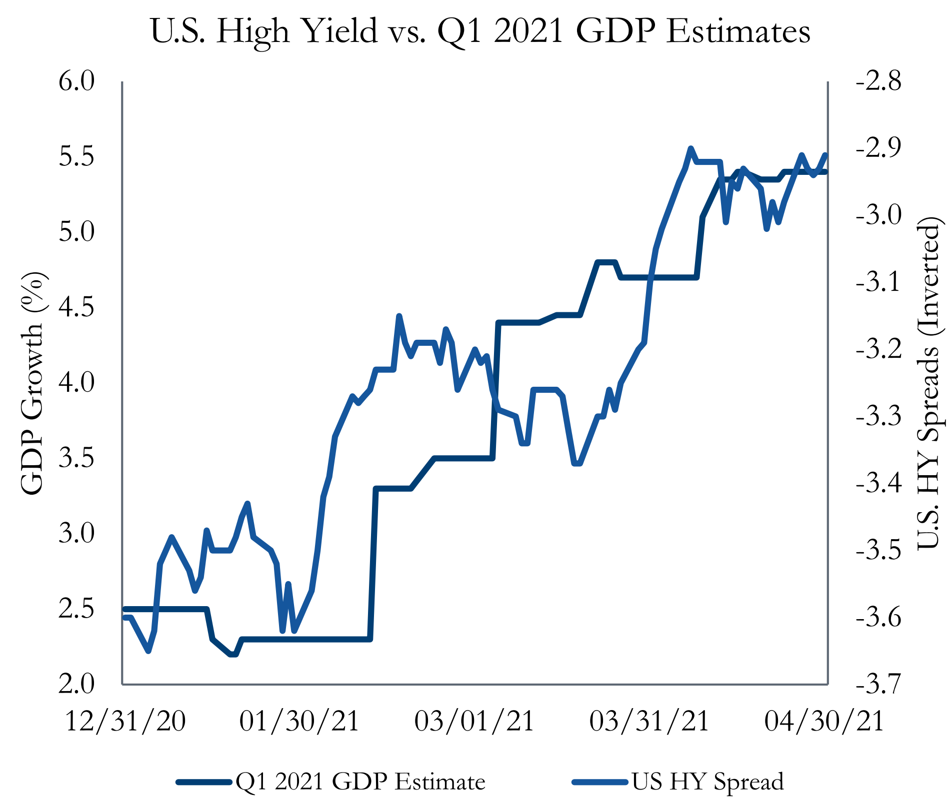


Source: Bloomberg.

Rates and Credit Have Been Highly Correlated to Growth

- Rates & credit sector returns rose in conjunction with growth estimates over Q1
- As revisions have slowed, rates have stabilized and credit sector returns continue to be strong





Source: Bloomberg.

Opportunities and Risks in the Municipal Markets

Investment Grade Muni

What we like:

- High-quality state governments
- Essential service revenue bonds
- Cities supported by CARES Act

What we don't like:

- States with severely underfunded pensions
- Higher education reliant on foreign students
- Bonds backed by user fees (e.g., dorms, parking facilities, stadiums, toll roads)

High-Yield Muni

What we like:

- Regional hospital systems deemed "essential"
- Tobacco settlement bonds
- Certain community development districts

What we don't like:

- Certain senior living facilities
- Small private higher education
- Alternative energy

Source: CNR Research.

High-Yield Munis Appear Attractive Amid Low Rates

- As interest rates have remained low, high-yield municipals have continued to provide attractive income
- Credit profile appears relatively strong, with low historical defaults and positive outlook

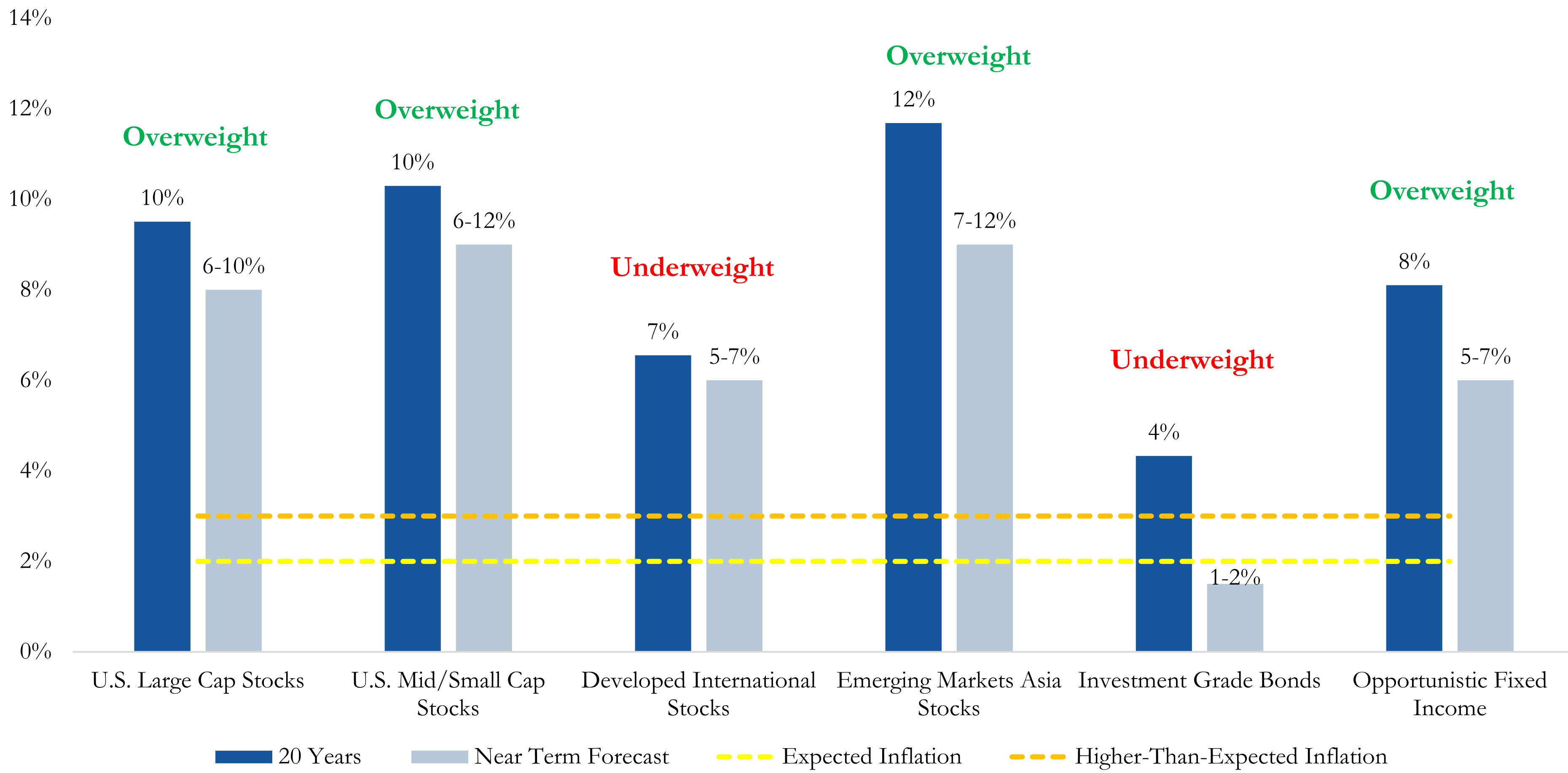
HY Muni Yields Remain Favorable vs. High Quality Bonds

Source: Bloomberg.

Market Outlook

- Positive but Moderate Portfolio Returns Expected
- In environments of more elevated inflation, stocks have tended to perform well, bonds more poorly

Historical vs. Near-Term Forecast Returns



Source: City National Rochdale. As of October 2021. Historical returns through 9/30/2021. Forecasted expected returns represent City National Rochdale's opinion for these asset classes, are for illustrative purposes only, and do not represent client returns. The expected returns presented for these asset classes do not reflect any deductions for City National Rochdale fees or expenses. Actual client portfolio and investment returns will vary. U.S. Large Cap Stocks: S&P 500 Index, U.S. Mid/Small Cap Stocks: Russell 2000 Index, Developed International Stocks: MSCI EAFE Index, Emerging Markets Asia Stocks: MSCI EM Asia index, Investment Grade Bonds: Bloomberg Barclays U.S. Aggregate Bond Index, Opportunistic Fixed Income: Bloomberg Barclays U.S. Corporate High Yield Index.

Capital Market Assumptions

Asset Class		Near-Term Return Estimate*	Long-Term Annual Return Estimate	Historical Annual Return**	Long-Term Annual Risk Estimate	Historical Annual Risk	Max Historic Drawdown***
Equities	**Domestic**						
	Large Cap Core	6.3	7.2	9.3	14.0	15.2	-50.0
	Mid/Small Cap	6.4	8.3	10.7	18.1	19.1	-58.0
	Dividend Income	6.6	6.5	8.1	14.0	14.9	-40.0
	International						
	Developed Markets	5.7	6.8	5.6	15.1	16.8	-57.0
	Emerging Markets	7.4	8.2	9.5	17.7	21.5	-60.0
Core Fixed Income/Cash	Government/Agency	0.2	0.80	5.7	2.0	4.4	-4.0
	Investment-Grade Corporate	1.3	1.4	6.8	5.2	7.0	-15.4
	Tax-Exempt	0.75	1.1	5.1	3.7	6.6	-11.0
	Cash and Equivalents	0.0	0.5	3.0	0.0	0.0	0.0
Opportunistic Income	Global Bonds	1.1	1.5	5.6	4.5	5.3	-10.0
	Global High Yield	3.8	4.6	8.2	8.2	9.8	-34.0
	Bank Loans	3.6	3.9	7.1	5.0	7.0	-30.0
	Preferred Stock	4.5	4.0	5.7	6.0	11.3	-55.0
	High-Yield – Taxable	3.5	4.3	7.2	7.0	8.4	-34.0
	High-Yield – Tax-Exempt	3.9	4.4	5.9	6.6	7.3	-30.0
Alternative Investments	Reinsurance	7.0	7.0	9.0	13.0	16.0	-20.0
	Collateralized Loan Obligations	10.0	9.0	8.4	19.0	19.0	-75.0
	Railcar Leasing	6.0	7.0	10.0	12.0	13.0	-15.0
	Healthcare Royalties	8.0	9.0	11.0	10.0	12.0	-8.0
	Aviation Leasing	6.0	8.0	10.0	12.0	13.0	-15.0
	Private Equity Secondaries	9.5	10.0	13.0	16.0	18.0	-34.0
Real Assets	U.S. Real Estate	6.0	6.0	8.9	23.0	23.0	-70.0
	Diversified Commodities	2.0	4.5	5.9	13.9	14.5	-66.0
	Precious Metals	3.0	4.5	4.7	19.0	17.5	-68.0
	Inflation-Protected Fixed Income	0.3	1.0	5.0	4.4	5.5	-13.0

Sources: Morningstar Direct, Bloomberg, City National Rochdale. As of September 2021. Past performance is not a guarantee of future results. The expected returns are net of any City National Rochdale management fees; however, other fees may apply. The expected returns do not include fees for trading costs (e.g., commissions) or any fees charged by your financial advisor. Please speak to your financial advisor for a complete understanding of all fees. Drawdown: The measure of decline from a historical peak.
*Current 5-year YTW is used to estimate near-term expectations for Core Fixed Income, Fixed Income segments of Opportunistic Income, and Inflation Protected Fixed Income. Near-term return expectation indicates a 12- to 24-month view. **Historical returns begin in January 1989. If an asset class index was not in existence during that time, a similar proxy was used.
***Max drawdown not illustrated for 1928-1932 for U.S. High Yield (-57%), Large Cap (-83%), and Small Cap (-90%).

Index Definitions

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

Capital International, and is used as a common benchmark for 'world' or 'global' stock funds intended to represent a broad cross-section of global markets.

The Michigan Consumer Sentiment Index (MCSI) is a monthly survey of U.S. consumer confidence levels conducted by the University of Michigan. It is based on telephone surveys that gather information on consumer expectations regarding the overall economy.

The Barclays Aggregate Bond Index is composed of U.S. government, mortgage-backed, asset-backed, and corporate fixed income securities with maturities of one year or more.

The Barclays High Yield Municipal Index covers the high yield portion of the U.S.-dollar-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

The Bloomberg Barclays U.S. Corporate Bond Index is an unmanaged market-value-weighted index of investment-grade corporate fixed-rate debt issues with maturities of one year or more.

The Bloomberg Barclays U.S. Corporate High Yield Index is an unmanaged, U.S.-dollar-denominated, nonconvertible, non-investment-grade debt index. The index consists of domestic and corporate bonds rated Ba and below with a minimum outstanding amount of $150 million.

The U.S. Treasury 10-year Note is a debt obligation issued by the United States government that matures in 10 years. A 10-year Treasury Note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity.

Employment Index: U.S. jobs with the exception of farmwork, unincorporated self-employment, and employment by private households, the military, and intelligence agencies.

A consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households. The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically.

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

The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in the first quarter of 1966.

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Investing in international markets carries risks such as currency fluctuation, regulatory risks, and economic and political instability. Emerging markets involve heightened risks related to the same factors, as well as increased volatility, lower trading volume, and less liquidity. Emerging markets can have greater custodial and operational risks, and less developed legal and accounting systems than developed markets.

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.

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.

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.

Yield to Worst – 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.

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. Emerging markets bonds can have greater custodial and operational risks, and less developed legal and accounting systems than developed markets.

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Please see the Offering Memorandum for more complete information regarding the Fund's investment objectives, risks, fees and other expenses.

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Estimated returns are based on multiple sources of historical market index data input into proprietary quantitative models specific to each asset class (e.g., equity, fixed income, etc.), then adjusted for fundamental inputs such as yield, earnings growth, risk premiums, valuation, historical reversion, and market implied expectations. Finally, we further adjust the estimated returns with our economic forecasts on market conditions and long-term expectations (which include economic growth, inflation, interest rates, among other important inputs).

Performance does not represent the results of actual trading, but was achieved by means of retroactive application of a model designed with the benefit of hindsight. Results may not reflect the impact that material economic and market factors might have on the adviser's decision-making if adviser were actually managing client assets.

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