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CITY NATIONAL ROCHDALE
AN RBC/CITY NATIONAL COMPANY

OCTOBER 2022

ECONOMIC & INVESTMENT MANAGEMENT PERSPECTIVES

QUARTERLY UPDATE

What Lies Ahead

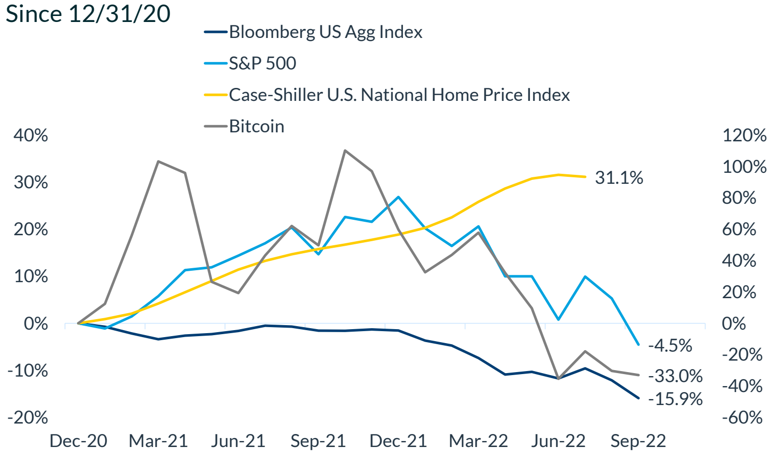
Garrett R. D'Alessandro, CFA, CPWA®, CAIA, AIF®
Chief Executive Officer

The Federal Reserve and the US government took extraordinary monetary and fiscal actions at the start of the COVID-19 outbreak that materially lessened the pandemic's harmful effects on individuals and businesses.

There was strong justification for these initial actions. However, as the pandemic progressed and it became increasingly likely that the economic threat was abating, more fiscal responsibility by the government would have been justified. The Fed also could have pre-empted the stimulative effects of excessive policy easing that were clearly driving prices higher across major sectors of the economy, including the stock market, housing, commodities, labor and bitcoin.

Chart 1: Asset Performance

Since 12/31/20



Source: FactSet, as of September 2022

KEY POINTS

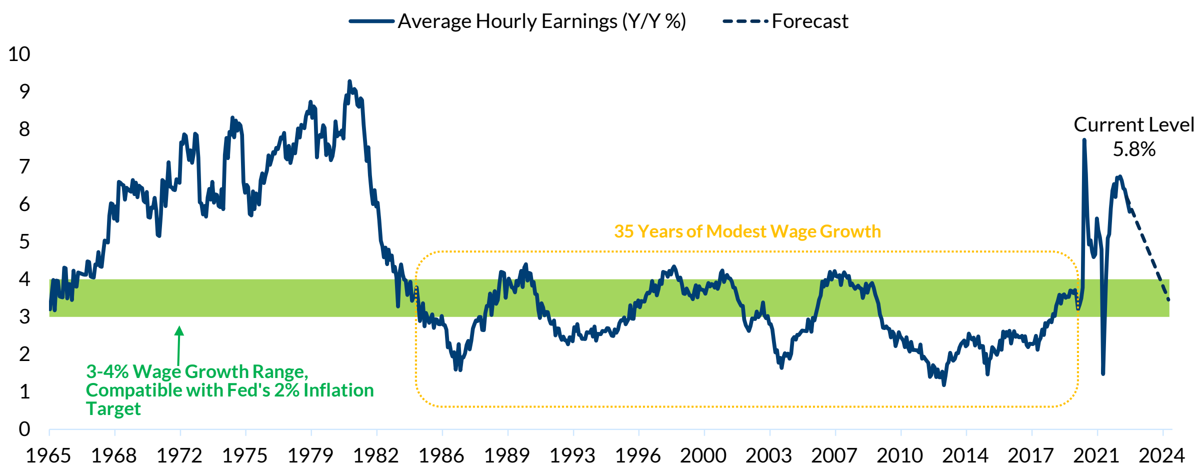
- US recession risk rises to 60%
- The Fed has a long way to go to meet inflation target
- Proactively adjusting portfolios to mitigate risk

The economy is now experiencing the inflationary outcomes of too much money stimulating prices combined with another consequence of the COVID-19 pandemic, a severe labor shortage that has caused wages to increase at rates not experienced in decades. The inflationary implications of this will require the Fed to raise interest rates until labor demand slows enough to reduce wage gains to a level compatible with Fed's 2% inflation target.

The impact of the Fed's belated response to inflation has been negatively felt across financial markets in 2022. We have now reversed two years of stock market appreciation and seen bond values experience one of their worst performances in our lifetime. What lies ahead? For some time now, CNR has maintained above-consensus views on recession probability, the upward path of interest rates and geopolitical risks. It is now clear that central banks around the world will raise interest rates even further than our above-consensus forecasts had implied, making the current tightening cycle the most aggressive in three decades. Given this, we now see the global economy entering recession next year and the probability of recession in the US rising to 60%.

The prospect for continued tight monetary policy leads us to be more concerned than consensus views of economic and corporate profit growth. Until consensus expectations better align with potential risks, we believe further downside in financial markets is possible. Over the last two quarters, CNR has taken proactive actions across our investment strategies to mitigate our concerns. This includes reducing exposure to economically sensitive US equities, eliminating European and Asian equities, and increasing allocations to investment grade and high yield municipal bonds. In the near term, we expect markets to remain volatile as investors gain greater clarity on the path of rate hikes and inflation, and weigh their implications for the economy and corporate profits. Nonetheless, our focus on holding high quality US stocks and bonds through this period continues to give us confidence in achieving your individual long-term goals.

Chart 2: Wage Pressures Remain Too Strong



Source: Federal Reserve Bank of St. Louis (FRED), as of September 2022

Market Update: Higher for Longer

Tom Galvin
Chief Investment Officer

Investors looking for relief from this year's volatility found nothing but more misery in Q3 as markets continue to validate our higher for longer outlook.

KEY POINTS

- Stay cautious for now; uncertainty remains elevated
- Near term markets likely to remain volatile
- Expect lower returns and higher volatility in financial markets
- Declines may be setting up markets for better long term returns

What began with a short-lived rally in equity prices and Treasury yields ended with the S&P 500 dropping to a new year-to-date low and Treasury yields surging to their highest levels in more than a decade. Declines in markets outside the US were worse still amid heightened geopolitical turmoil, aggressive policy tightening and the dollar's steep ascent. Even commodity prices, a rare bright spot earlier in the year, fell due to flagging global demand.

With investors of all stripes finding little place to hide, 2022 continues to be one of the most challenging years in memory. It is highly unusual to see both stocks and bonds decline in tandem so dramatically. In fact, the traditional 60/40 portfolio mix of stocks and bonds, designed to offer a degree of downside protection in turbulent markets, has now posted its worst first three quarters of performance in more than 50 years. Yet, **as painful as this current experience has been, history shows there is cause for optimism over the longer term.** Investors will first, though, likely need to exercise some more patience.

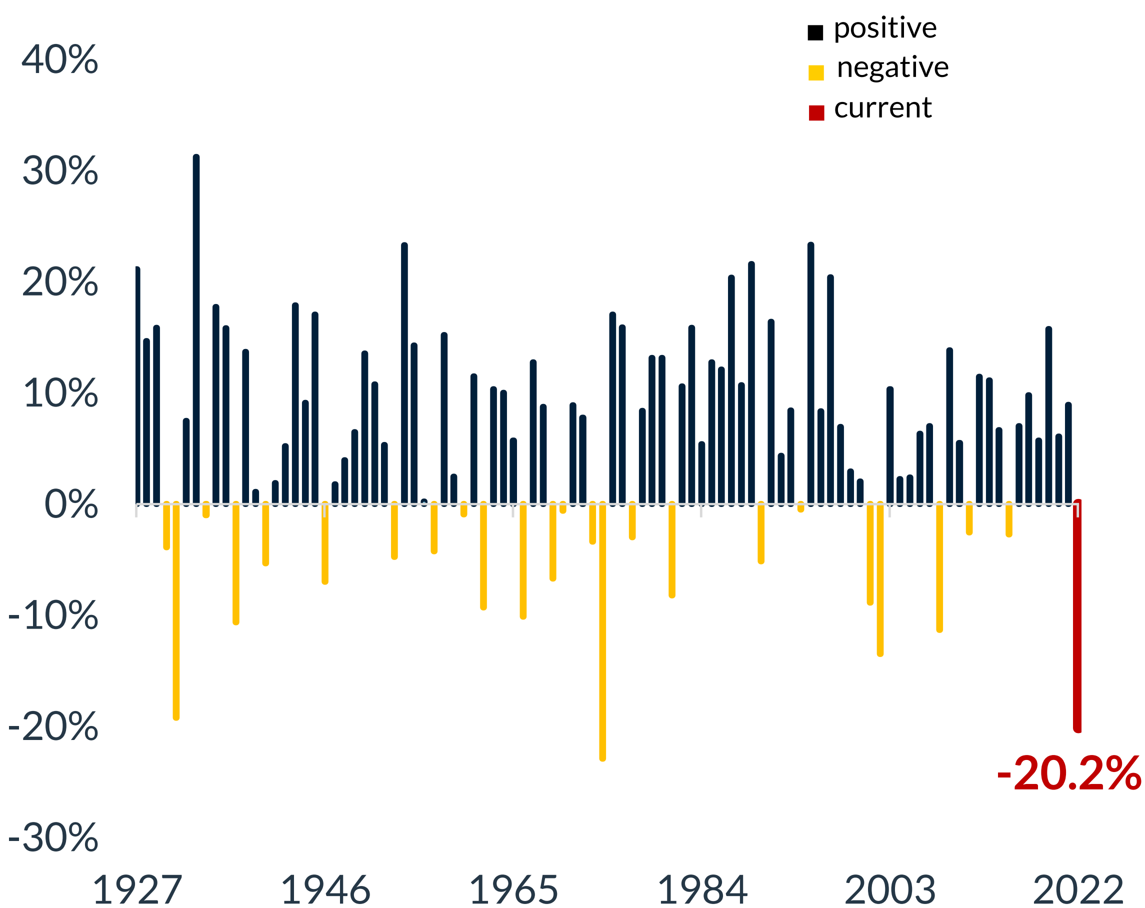
As we look across the waning months of 2022 and into 2023, many factors that have crushed markets this year – persistently strong inflation, slowing growth and hawkish central banks – are likely to continue, at least in the near term. From our perch, **the two biggest risks are that even more forceful tightening by the Fed might be required to dampen demand and rein in inflationary pressures, and that higher for longer interest rates cause problems in the financial system, which then seep into the real economy.** As the recent breakdown of the UK Gilt market illustrates, policymakers face an increasingly difficult trade-off between combating inflation, supporting economic growth and maintaining financial stability.

There are many other things that can go wrong, Russia's war with Ukraine is fueling a continuing crisis in global energy and food markets, with Europe likely already slipping into recession. Meanwhile, President Xi's consolidation of power in China signals a coming period of growing conflict with the West, as well as the continuation of its zero-COVID policy and increasing governmental control over the private sector that has already caused serious damage to the world's second-biggest economy. **We are in a risky environment, and though the US may be insulated to some degree from external crisis and shocks, as we've been repeatedly reminded over the past two years, what happens halfway around the world can have significant reverberations here at home.**

While the strong start to Q4 has been a welcome reprieve for investors, we are happy with the de-risking steps we've made in client portfolios and continue to maintain our cautious approach to asset allocation positioning. For now, **markets don't seem to be fully factoring in the extent of a potential slowdown ahead, nor the risks that geopolitical developments pose on inflation and the stress from policy tightening on the global financial system.** Relief rallies are a common feature of bear markets, and as a more challenging outlook for the economy and corporate earnings is discounted by markets, we believe there is further scope for stocks to grind lower, even if government bond yields do not rise any further.

Still, not all is doom and gloom. **Though US economic momentum is slowing, underlying fundamentals remain strong, which should keep any potential recession relatively mild by historical standards.** While we do see some similarities today to the tech bubble burst in 2000 and the inflation-induced bear markets of the 1970s, **the arguments against a harsher economic downturn and a more serious structural bear market development are strong.** Relative to the eve of prior recessions, US banks remain well-capitalized, consumer and corporate balance sheets are healthy, and the labor market is tight, all of which should help mitigate against shock factors with negative feedback loops that can turn a shallow recession into something deeper.

Chart 1: 60/40 Total Return (After First 3 Quarters)

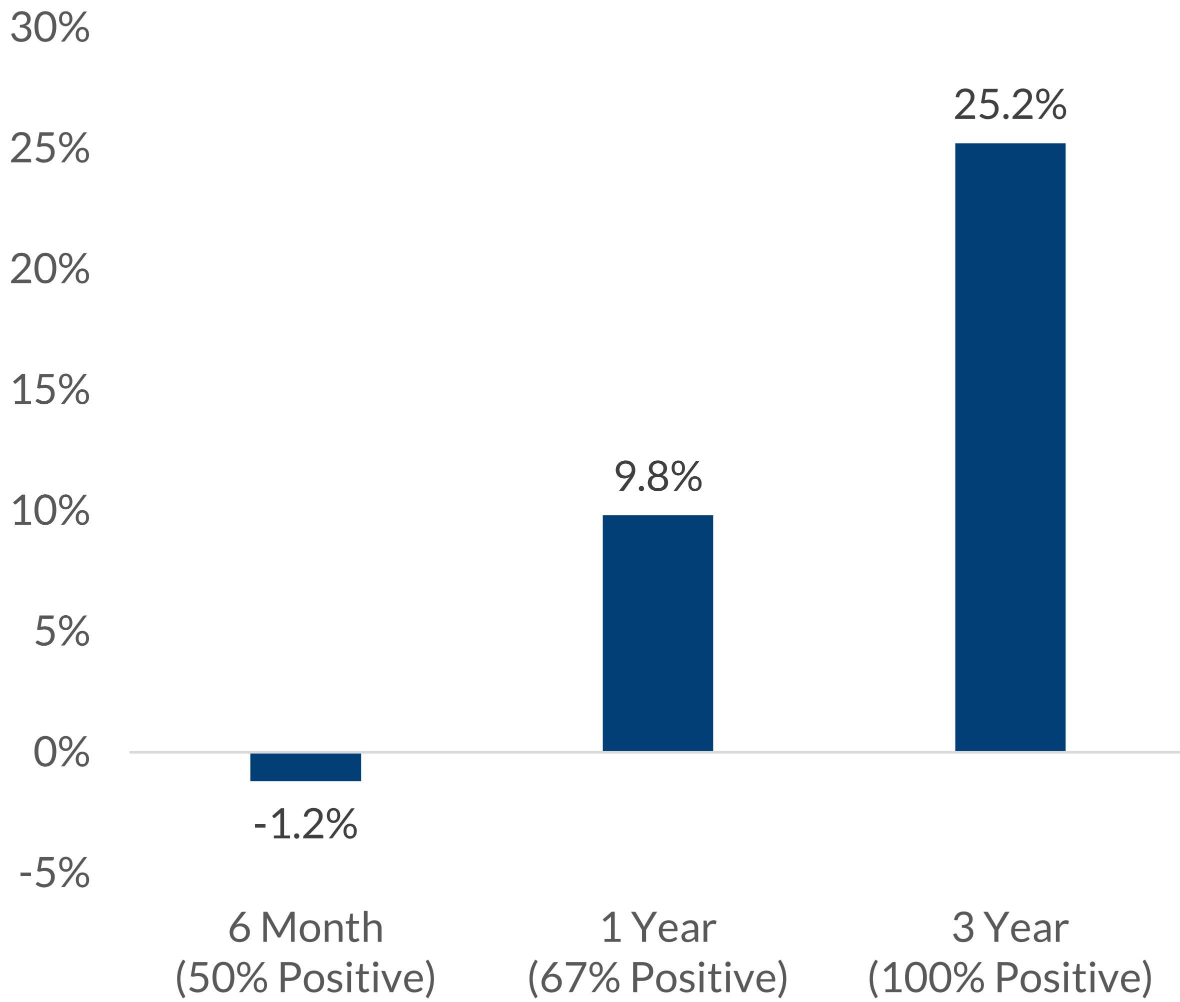


Source: Ibbotson Associates Index Data via Morningstar Direct, as of September 2022.

If we are right about all this, then we are likely closer now to the end of the painful reset in asset prices than we are to the beginning. The current bear market is now nine months old, more than half as long as the cyclical post-war average for bear markets. There's likely more volatility to come, and it's not certain that we've seen the low for financial markets, but we think it is increasingly probable that the bruising start to 2022 has set the market up for somewhat better long-term performance. **In the meanwhile, we think our focus on holding high quality and income producing US stocks and bond can provide client portfolios with relative stability until ongoing market turbulence subsides.**

Since 1927, there have been six instances where the 60/40 portfolio mix has declined by 10% or more after nine months. While returns on average were more negative six months later, cumulative returns after one and three years were 9.8% and 25% respectively. Bonds may continue to struggle with rising rates in the months ahead, but as investor concerns shift to slowing growth, there is scope for yields to fall. Likewise, **stocks may face additional downside as earnings expectations are revised down, but significant repricing has already occurred.** Though it can be difficult, we think this is a good reminder for investors that **it is important to focus not on where returns have been, but on where they could go in the quarters and years ahead.**

Chart 2: Asset Classes –60/40 Average Cumulative Returns (After Greater Than -10% YTD Decline)



Source: FactSet, as of September 2022.

Staying Focused on High-Quality Stocks

Tom Galvin
Chief Investment Officer

Macro developments remain supportive of CNR's view of higher for longer in the battle against inflation, unprecedented geopolitical macro uncertainty, higher than consensus forecasts for the Fed Funds rate and recession risks and below consensus forecasts for GDP and corporate profits.

KEY POINTS

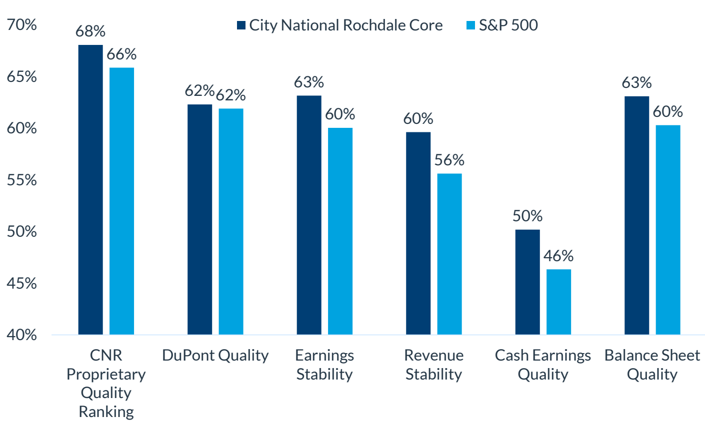
- Focusing on quality
- Remaining overweight US stocks
- Our higher for longer thesis intact

The bear market in equities is likely to continue until these headwinds abate. Given this, we continue to believe that the most prudent and fiduciarily prudent path is to stay focused on high-quality stocks, especially those with higher exposure to the US economy.

We have a proprietary approach to defining quality stocks, including factors such as ROE, revenue and earnings stability and cash flow conversion, among others. As illustrated in the chart, the weighted average quality rank of stocks in our US Core Equity Strategy is higher than those in the S&P 500. Additionally, **we seek out companies with strong management teams, high market share, durable franchises, selling at reasonable prices.**

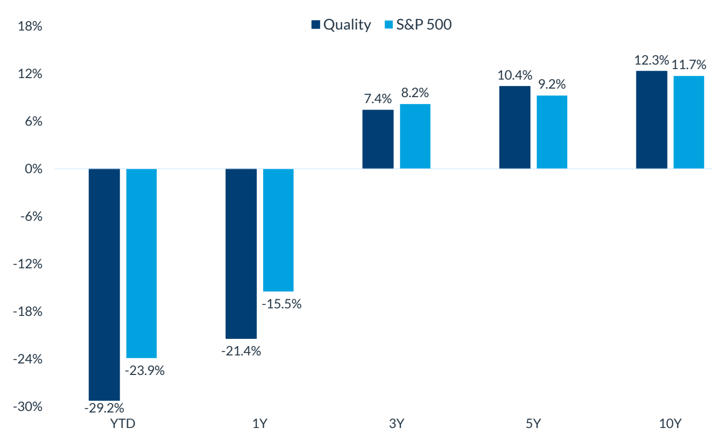
The stocks we hold have the right blend of offense and defense. That is to say, regardless of the level of slowdown in the economy in coming months these companies should do better than most and can be expected to come out on the other side with a stronger outlook for superior revenue and earnings growth relative to their industry group peers and the broader market. Examples of high-quality companies include AMZN, COST, UNH, CTAS, ADBE, among others. High-quality stocks do not always outperform the broader market averages, with 2022 being a case in point, but over the longer term they historically do. Given this, **we think staying focused on high-quality stocks is the best course of action during these turbulent times.**

Chart 1: Emphasis on Quality



Source: FactSet, as of September 2022
See Quality Ranking in index definitions.

Chart 2: Performance: Quality vs S&P 500



Source: MSCI Barra, as of September 30, 2022

Process in Action: Adapting to Higher for Longer

David Shapiro
Senior Portfolio Manager

Tony Hu, CFA, FRM
Senior Portfolio Manager

Despite starting with a rally, the third quarter saw the bear market strengthen and lengthen, making new lows shortly before quarter's end. **Dividend stocks continue to hold up much better overall**, although their margin over the broader market narrowed modestly as the stocks digested new information about rates, inflation and geopolitical events, and processed the macro implications sector by sector.

As we look ahead to year-end and beyond, it is worth discussing how we incorporate observations about the evolving macro and market outlook into our process. How information is acquired and conclusions are drawn both position by position as well as through the lens of CNR's Investment Strategy Committee. From our bottom-up, quantitative and qualitative-driven stock selection process to our more macro-informed, more top-down portfolio construction, both inform how we adapt and evolve the portfolio through a very dynamic environment.

Both combine to facilitate our goal of **protecting the downside, retaining future upside**, and crucially, **ensuring that our portfolio of dividend income remains intact and growing throughout the economic cycle.** It is a tenet of our investment philosophy that **value derives from portfolio income, and that over the long term, if income grows, value will grow with it**, even if temporarily dislocated from current stock prices by market volatility.

From a bottom-up basis, in addition to free cash flow, we focus on liquidity and leverage even during the best of times, and examine what could go wrong when such metrics move in the wrong direction. **While balancing turnover and client tax considerations, we trim and sell stocks where we see eroding fundamentals on the horizon**, most recently within the consumer discretionary and real estate sectors. And we draw from our rising rate playbook, adding more dividend growth as an offset to rates and inflation.

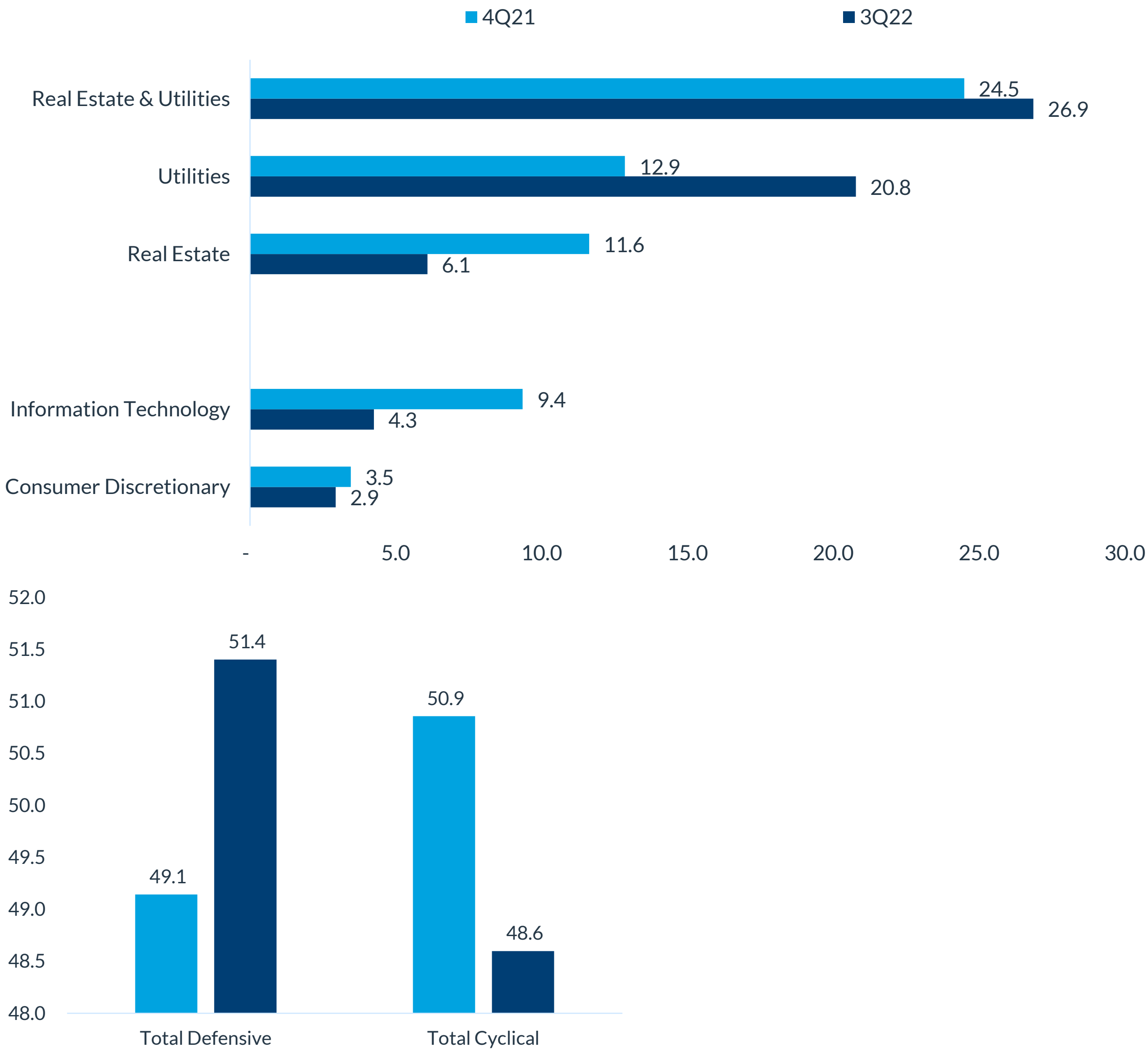
As macroeconomic conditions have evolved this year, leading to the CNR outlook determining that a recession has become likely over the next year, we have adjusted our relative sector exposures and tilted

KEY POINTS

- **Dividend stocks continue to hold up better than the broader market**
- **Focus on downside protection and adjusting overall portfolio tilt defensively to help ride out volatility**
- **Attractive income and compounded growth drives long-run portfolio value**

more defensively. Painting with a broad brush, the nearby chart shows the overall portfolio tilt since the beginning of the year, as well as for some key sectors. In response to changing conditions, the portfolio has shifted from a modest cyclical bias to a modest defensive one, while remaining balanced across exposures overall.

Equity Income Select Sector and Defensive vs. Cyclical Exposure



Defensive includes Communications Services ex-Media, Consumer Staples, Health Care, Real Estate and Utilities, and special situations. Cyclical includes Consumer Discretionary, Energy, Financials, Industrials, IT and Materials.

Source: FactSet, as of September 30, 2022

Rate Increases Generate Fixed Income Volatility

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

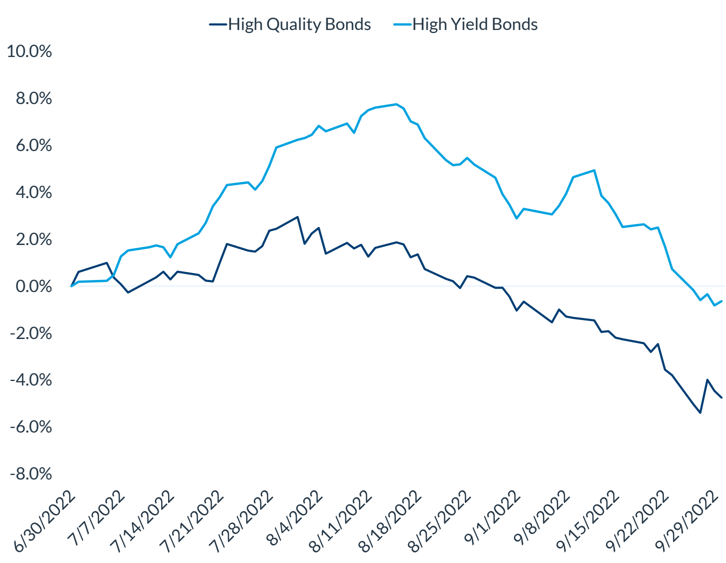
Taxable bond markets experienced volatility in the third quarter associated with previous recessionary environments. The key was and is the historically large increases in the Fed Funds target rate and a Federal Reserve shift to data dependency, as opposed to clear forward guidance.

KEY POINTS

- **The taxable US bond market is experiencing high levels of volatility**
- **Low, post-pandemic yields left the bond market defenseless against rising interest rates**
- **Forward returns for US High Yield and US High Quality bonds are balanced for the first time in a decade**

A fast-paced rally in US Treasuries bled through to July, eventually bottoming at 2.52%, which set the stage for a rapid increase of 1.5% by quarter's end.[1] **Bond volatility was 55% higher relative to Q1 2020 and 63% of the Q3 2008 average.[2]**

Chart 1: Q3 2022 High Quality vs. High Yield Cumulative Return



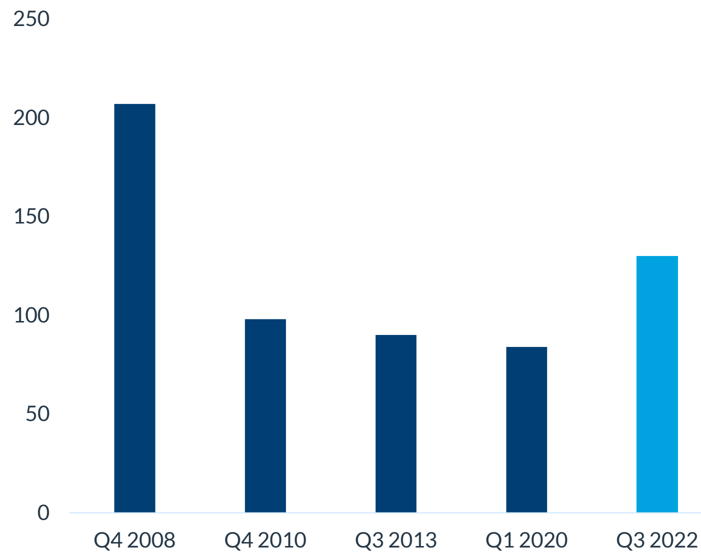
Source: Bloomberg, as of September 30, 2022

Absolute returns, which measure YTD performance across fixed income, are the worst on record, including the 1970s, but economic stress is not the culprit for the negative returns. Instead, the largest impact is coming from higher interest rates and the rapid removal of liquidity. Ultra-low post-pandemic interest rates sapped the bond market's ability to defend against the sharp rise in yields. The counter-argument is that the U.S. bond market is now yielding 4.7% and offers the best outlook for returns in more than a decade.[3] Yields are 2.7% over the 10-year trailing average.[4]

High yield sectors of the market outperformed high quality, especially sectors with low interest rate sensitivity such as structured credit and leveraged loans. Relative to high quality, structured credit, high yield and leveraged loans outperformed by +3.3%, +4.1% and +6.1%, respectively.[5] Also, credit stress usually associated with a slow growth environment was absent. **We estimate 60% of the pullback in the latter half of the quarter was due to interest rates, not credit.[6]** Despite the benefits of holding opportunistic income in portfolios in 2022 so far, we believe the forward return profile is now balanced between high quality and low quality bonds.

Given these dynamics, we recommend a reduction in high yield exposure. **The increased probability of a recession and historical correlation between high yield and equity markets is likely to result in negative returns.** We also continue to recommend investments in short-term pockets of the market for investors focused on capital preservation.

Chart 2: Bond Volatility Quarterly Averages



Source: Bloomberg, as of September 30, 2022

1. U.S. 10-Year Treasury Yield (Bloomberg: GT10).

2. Bank of America/Merrill Move Index, Q3 2022 average (130) compared to Q1 2020 average (84) and Q4 2008 average (207), (Bloomberg: MOVE).

3. Bloomberg U.S. Aggregate Bond Index Yield-to-Worst on 9/30/2022 (Bloomberg: LBUSTRUU).

4. Bloomberg U.S. Aggregate Bond Index Yield-to-Worst on 9/30/2022 compared to 10-Year trailing average from 9/30/2012-9/30/2022 (Bloomberg: LBUSTRUU).

5. Palmer Square BB CLO Index (Bloomberg: PCLOBBTR), Bloomberg U.S. High Yield Corporate Index (Bloomberg: LF98TRUU), S&P LSTA Leveraged Loan Index (Bloomberg: SPBDAL). Q3 2022 total return.

6. Bloomberg U.S. High Yield Corporate Index (Bloomberg: LF98TRUU) duration multiplied by 1.16% increase in the 5-year treasury yield (Bloomberg: GT5) divided by LF98TRUU total return from 8/15 through 9/30.

Municipals Look to Flip the Script

Michael Taila
Managing Director, Co-Director, Fixed Income

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

Municipal bonds confronted an unsettled market during 3Q2022 as a continuation of aggressive monetary policy and a lack of clarity surrounding the economic trajectory gained prominence. A determined Fed will likely expose the broader financial markets to additional interest rate pressure as inflation risk lingers. The back-to-back rate hikes in July and September jolted yields higher in shorter Treasury maturities, with municipals moving in sympathy.

While more subtle shifts occurred further along the curve, the price declines led municipal bond yields towards levels not seen in at least a decade. On the one hand, market participants naturally acknowledge performance challenges YTD. However, investment grade (IG) and high yield municipal (HYM) investors can acquire attractive tax-exempt income at a lower cost. **As we enter the year's final stretch, liquidity mandates continue offering a competitive advantage while portfolios with more maturity flexibility (e.g., HYM and intermediate strategies) can unlock value across the curve.**

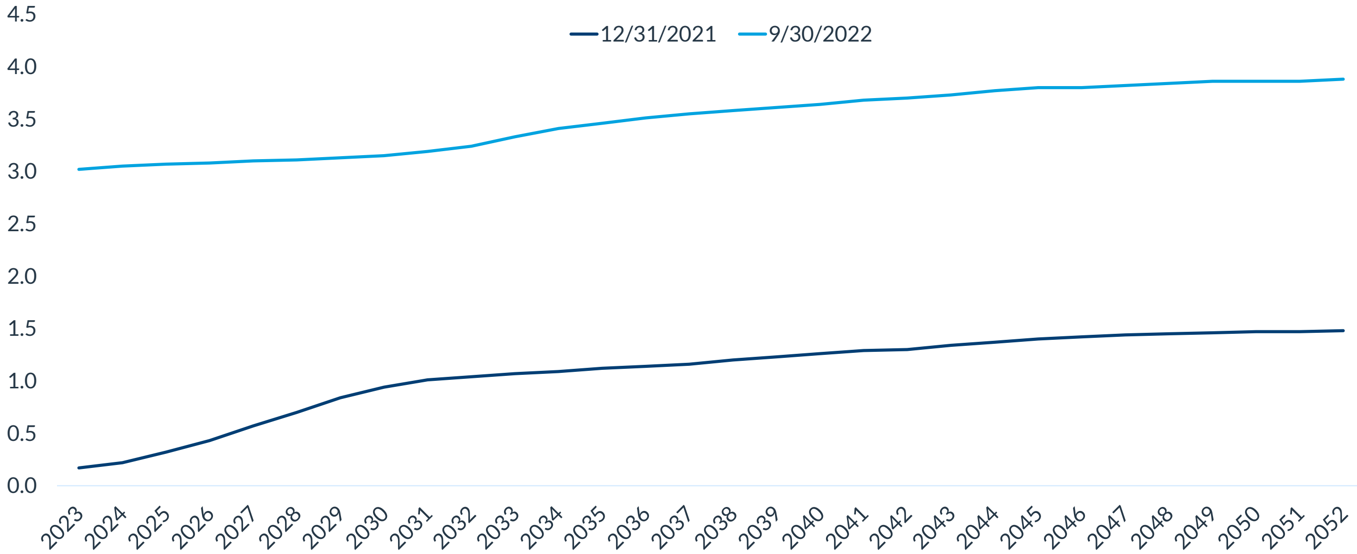
The old financial market adage "let volatility be your friend" is an appropriate tactic as opportunities arise out of dislocation. **Despite the inconsistent behavior of the municipal bond market this year, staying engaged and capitalizing on periods of weakness can significantly improve portfolio risk/reward outcomes.** For example, the AAA benchmark yield curve experienced an upward move of approximately 220 bps to 300 bps YTD. Conversely, the yield-to-worst on the Bloomberg HYM index ended the quarter at 6%-the highest level in at least five years. Technical indicators, such as municipal fund flows, influence the market's direction. According to Lipper, municipal funds experienced more than $90 billion in redemptions YTD. While these large outflows contribute to price volatility, in some cases, bond valuations improve buying opportunities that may enhance forward-looking return potential and income generation.

As the market digests the potential for an economic slowdown, municipal investors will likely scrutinize the credit quality of IG and HYM issuers. We believe careful security selection and sector positioning will contribute significantly to portfolio resiliency and performance. Direct and indirect federal pandemic aid and strong revenue performance over the past two fiscal years have benefited many IG and HYM issuers. **Healthy balance sheets and ample enterprise resources reasonably position many issuers to absorb near-term headwinds from high inflation and economic weakening.** Nevertheless, we will continue to monitor credit trends and identify those issuers with a long-term focus on budget balance, as quality is seemingly at a peak for the cycle.

KEY POINTS

- **Higher rates bring bilateral focus to the market**
- **Investment opportunities surface amid volatility**
- **Emphasis on issuer and sector selectivity**

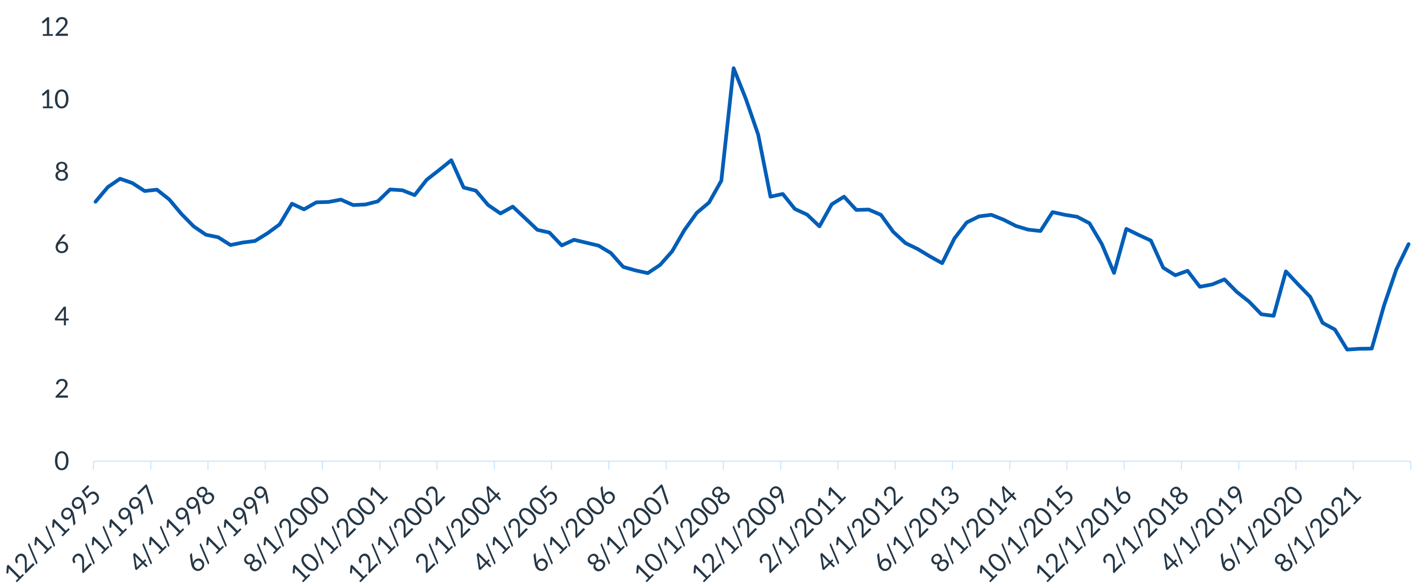
Chart 1: Bloomberg BVAL AAA Callable Curve



Source: Bloomberg, as of September 30, 2022

BVAL's AAA callable curve is a standard market scale with non-call yields up to year 10 and callable yields thereafter.

Chart 2: Bloomberg Municipal High Yield Index Yield to Worst



Source: Bloomberg, as of September 30, 2022

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

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

The Fed's New Motto Seems to Be: Supersize It!

Paul Single
Managing Director, Senior Economist, Senior Portfolio Manager

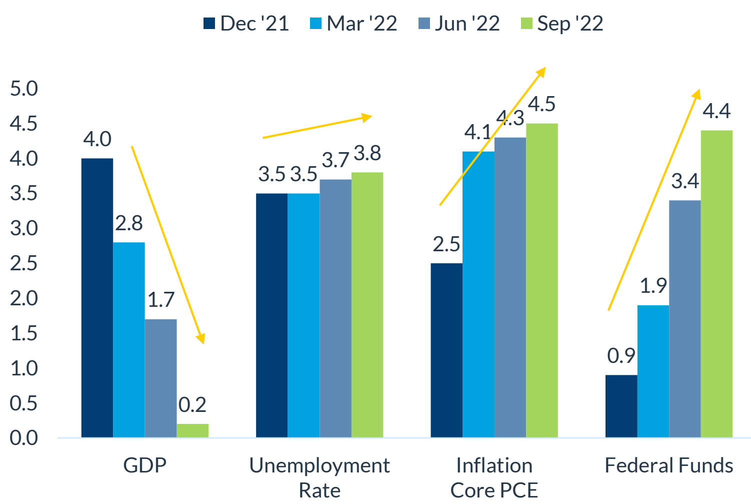
Since the end of last year, the Fed's view on the economy has evolved. Despite the significant slowing in the pace of economic growth, there has not been much of a change in the unemployment rate.

And despite the central bank raising the overnight Fed Funds rate from the near-zero level back in March to today's 3.875% (with plans to raise it further), inflationary pressures have continued to increase (see chart 1).

At its recent meeting in early-November, the Fed made a very hawkish move. It barreled ahead with a fourth rate hike of 75 bps. Its plan in the future appears to slow the size of future hikes, but the Fed is hinting that it may end up with a higher terminal rate than previously thought, which was 4.6%. The reason for the slowing pace of future hikes is to buy time to see what economic impact the hike has on the economy, and the economic impact tends to be delayed.

The Fed continues to believe it will be able to arrange a soft landing for the economy. But it will be a bumpier ride than previously thought. The economy's growth rate should crater this year at 0.2%. However, the Fed expects the pace next year to rise to 1.2%, this despite the significant jump in financing costs for households and businesses and a higher unemployment rate.

Chart 1: Federal Open Market Committee (FOMC) - Summary of Economic Projections - 2022 Year End



Source: Federal Reserve, as of September 2022

KEY POINTS

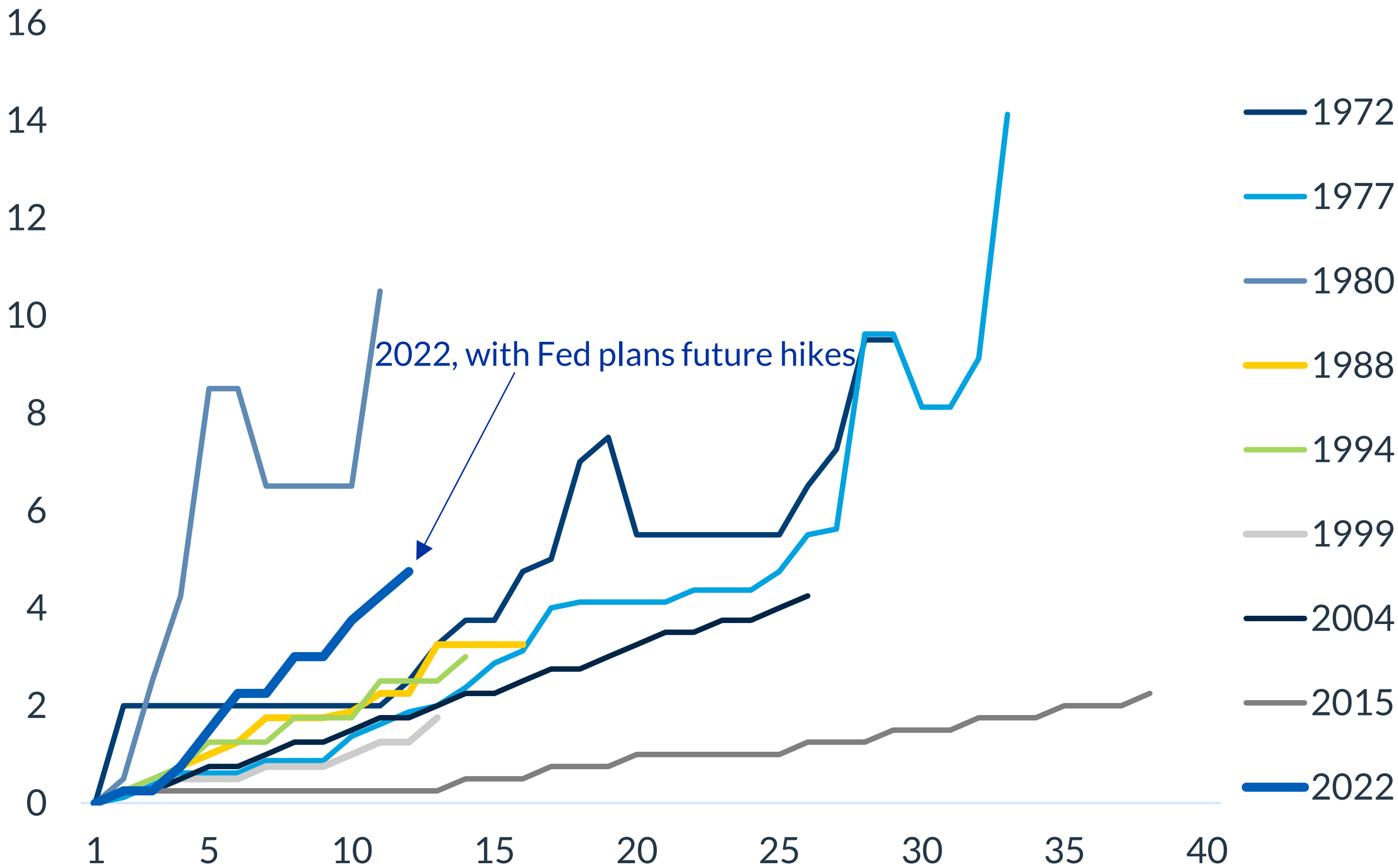
- The Fed has moved to a very hawkish stance against inflation
- The Fed is willing to allow weaker economic growth in order to reduce inflationary pressures
- The Fed is committed to returning inflation to the target rate of 2.0%

The expected rate increases reflect the Fed's determination to quell the highest bout of inflation since the early 1980s. This pace of interest rate increases is the fastest since 1980 (see chart 2). The Fed made it clear: "The committee [FOMC] is strongly committed to returning inflation to its 2% objective." That is consistent with their previous messages that inflation is public enemy number one.

Fed Chair Jerome Powell had previously asserted that the Fed could raise interest rates enough to tame inflation without causing a recession (the so-called "soft landing"). But recently he altered that message a bit, acknowledging that higher interest rates and a slower pace of economic growth "will bring some pain to households and businesses. These are the unfortunate costs of reducing inflation."

Chart 2: Federal Funds Rate Across Tightening Cycles

change in percentage points, months



Source: Federal Reserve, as of September 2022

Important Information

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

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

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

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

There are inherent risks with equity investing. These risks include, but are not limited to, stock market, manager or investment style. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Investing in international markets carries risks such as currency fluctuation, regulatory risks, and economic and political instability. Emerging markets involve heightened risks related to the same factors, as well as increased volatility, lower trading volume and less liquidity. Emerging markets can have greater custodial and operational risks and less developed legal and accounting systems than developed markets.

There are inherent risks with fixed-income investing. These risks may include interest rate, call, credit, market, inflation, government policy, liquidity or junk bond. When interest rates rise, bond prices fall. This risk is heightened with investments in longer-duration fixed-income securities and during periods when prevailing interest rates are low or negative. The yields and market values of municipal securities may be more affected by changes in tax rates and policies than similar income-bearing taxable securities. Certain investors' incomes may be subject to the Federal Alternative Minimum Tax (AMT), and taxable gains are also possible. Investments in below-investment-grade debt securities, which are usually called "high yield" or "junk bonds," are typically in weaker financial health and such securities can be harder to value and sell, and their prices can be more volatile than more highly rated securities. While these securities generally have higher rates of interest, they also involve greater risk of default than do securities of a higher-quality rating.

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.

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Index Definitions

S&P 500 Index: The S&P 500 Index, or Standard & Poor's 500 Index, is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S. It is not an exact list of the top 500 U.S. companies by market cap because there are other criteria that the index includes.

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

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

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

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

P/E Ratio: The price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS).

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

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

Quality Ranking: City National Rochdale Proprietary Quality Ran king is the weighted a verage sum of securities held in the strategy versus the S&P 500 at the sector le vel using the below formula.

City National Rochdale Proprietary Quality Ranking formula: 40% Dupont Quality (return on equity adjusted b y debt levels), 15% Earnings Stability (v olatility of earnings), 15% Re venue Stability (volatility of revenue), 15% Cash Earnings Quality (cash flow vs. net income of compan y) 15% Balance Sheet Quality (fundamental strength of balance s heet). *Source: City National Rochdale proprietary r anking system utilizing MSCI and FactSet data. **Rank is a perc entile ranking approach whereby 100 is the highest possible score and 1 is the lowest. The Ci ty National Rochdale Core compares the weighted average holdings of the str ategy to the companies in the S&P 500 on a sector basis. As of September 30, 2022. City National Rochdale proprietary ranking system utilizing MSCI and FactSet data.

Rank is a percentile ranking approach whereby 100 is the highest possible score and 1 is the lowest. The City National Rochdale Core compares the weighted average holdings of the strategy to the companies in the S&P 500 on a sector basis. As of June 2022.

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

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