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CITY NATIONAL ROCHDALE
AN RBC/CITY NATIONAL COMPANY

November 2023

ECONOMIC & INVESTMENT MANAGEMENT PERSPECTIVES

QUARTERLY UPDATE

Market Update: Investing in Uncertain Times

Tom Galvin
Chief Investment Officer

Despite a U.S. economy that continues to shine with unexpected resilience, financial markets have found themselves under increasing pressure as we head toward year end.

From surging bond yields to government shutdown fears to geopolitical concerns, there's been plenty for investors to worry about — but there's also reason for optimism. **We suspect markets may remain volatile in the near term, prompted by temporary uncertainties as well as more structural challenges like the impact of higher interest rates on the economy and corporate profits.** But for long-term investors, the decline in stock and bond prices is creating more attractive buying opportunities if one is patient.

In recent months, stocks have largely taken their cues from the bond market, as the Fed's message of a higher-for-longer interest rate environment seems to have finally been absorbed by markets. The rapid move higher in government bond yields has increased volatility in both equities and bonds. Higher yields can increase the cost of borrowing, weigh on bond price returns and put downward pressure on stock valuations. Notably, mega-cap technology stocks, which have driven the

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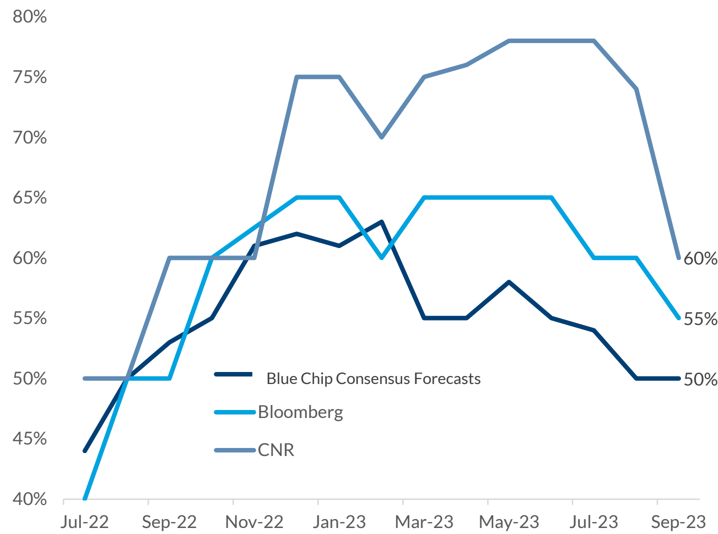
Chart 1: Recession Probability



Sources: Bloomberg, CNR Research, Blue Chip Economic Forecasts as of September 2023.

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

Outlook Scenarios	Prior	Current
Soft Landing/ Slow Growth	26%	40%
Mild Recession	66%	60%
Normal Recession	8%	0%

lion's share of equity gains since last October's low and often trade at a premium due to their growth prospects, find themselves particularly exposed.

Although it's been disappointing to not capture more of the upside concentrated portion of U.S. stock markets this year, with major U.S. equity indices now near correction territory, we believe that our mild defensive positioning is proving prudent. Near-term challenges should keep volatility elevated and perhaps vulnerable to additional pullbacks. We don't think that the impact of the prior Fed rate hikes has been completely felt by the economy. Higher borrowing costs are soon likely to show a more noticeable impact on the consumer spending and business investment. While a still-strong labor market and solid household finances will help mitigate a slowdown ahead, a short and mild recession will be hard to avoid in coming quarters, as will disappointments in corporate earnings.

Still, an approaching end to the Fed's rate hiking cycle now suggests that a more normal recession will be avoided and has given us reason to begin peeking over walls of worry.

Yields might overshoot in the near term, and rise above 5%, particularly given the outsized supply of Treasuries coming to market. But as economic growth decelerates, inflation moderates and the Federal Reserve steps to the sidelines, interested rates are expected to peak and over time gradually moderate, reducing pressure on equity valuations.

While on the surface valuations are still not cheap relative to current bond yields, with the recent pullback in stock prices many segments of the equity market are already now trading at what we believe are more compelling levels. **This is allowing us to start looking over an expected mild recessionary valley ahead to a recovery of corporate profit growth in the second half of 2024.** In fixed income, the recent sell-off in bonds is also creating a buying opportunity. Three years of negative bond returns would be unprecedented, but the upside of this historic decline is that with yields now at very attractive levels, the larger income component can better offset price decreases to produce overall higher total returns going forward.

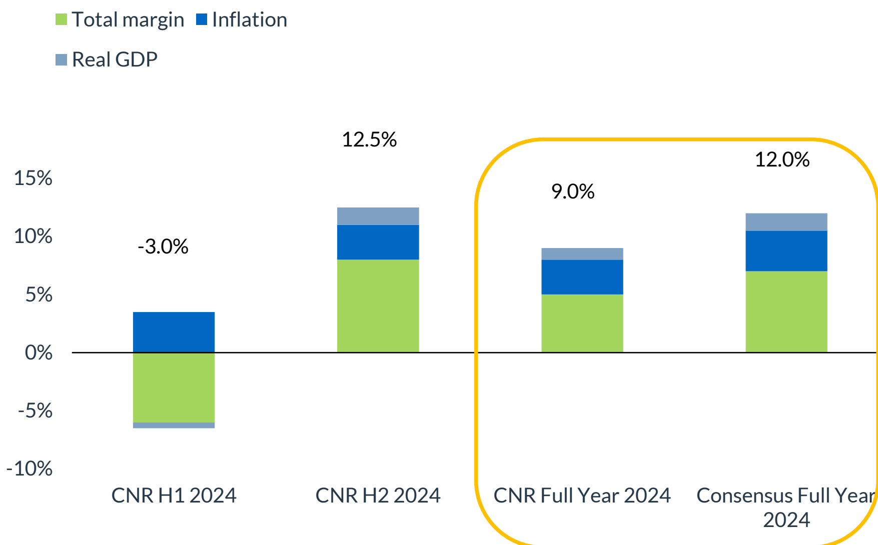
As uncertainties subside, we believe that we have a

disciplined game plan in place to take advantage of these opportunities and increase equity exposure. For now though, it appears premature to give the all-clear sign. Given the risks of a short and shallow recession, falling corporate earnings, and a correction of a narrow and expensive stock market, **we continue to think our mildly defensive portfolio positioning is a smart way to stay fully invested until clearer signs of the economy's direction develop.** Our fundamentally driven investment process has navigated several market cycles over the last 30 years, and today it is calling for continued patience, while our focus on holding high-quality and income-producing U.S. stocks and bonds can help provide client portfolios with relative stability as the investment environment grows more challenging.

KEY POINTS

- CNR maintaining modest defensive positioning.
- Normal recession now likely to be avoided, but still expect mild recessionary period in early 2024.
- Equity prospects becoming more attractive, but too early to give the all-clear signal.
- Continue to see better risk-reward opportunities in fixed income.

Chart 2: S&P 500 EPS Growth 2024 Estimates



Sources: FactSet, CNR Research, as of October 6, 2023.

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Core Equity – Investing in Volatile Times

Tom Galvin
Chief Investment Officer

Amy Chen, CFA
Director, Senior Equity Analyst

2023 has proven to be a challenging year for successful equity investing. While the S&P 500 has returned 13.1%, the S&P 500 Equally Weighted Index has returned 1.8%, the S&P 400 has returned 4.3% and the Russell 2000 has returned 2.5% through September.

The pattern of quarterly returns has been volatile as well. Returns for the S&P 500 were 6.0% in Q1 and 10.3% in Q2. In Q3, the S&P 500 declined 3.3%, as concerns about Fed policy supporting our "higher for longer" thesis accompanied by a rise in yields was embraced by the market, negatively impacting equity returns. **Our strategy modestly outperformed, narrowing the performance gap we experienced earlier this year.** Should the two tech titans we didn't own, NVDA and TSLA, have been excluded from the benchmark, our strategy would have outperformed year to date.

KEY POINTS

- Quarterly returns have been volatile this year.
- Focused on quality.
- Defensively positioned for mild recession.

During Q3, strategy outperformance came from Industrials, where our stock selection in capital goods and transportation contributed positively. In Consumer Staples, our holdings in club warehouse and an Every Day Low Prices (EDLP) retailer benefited from late-cycle consumer value-seeking behaviors. In Financials, underweights in banks continued to serve us well. Underperforming sectors were Tech, particularly in semiconductors, and Utilities, as the sector was negatively affected by rates and concerns about growth potential for renewable projects.

A few portfolio adjustments were made to address recent events and take advantage of market dislocation. We established a new position in a leading energy company with expertise in offshore oil exploration and international markets. Within our Digital Revolution theme, we bought a cellular tower company that provides critical internet-related services after the stock declined 40% significantly from its peak. Additionally, we took profits in a few tech stocks that had appreciated and upside appeared limited, and added to other high-quality names in

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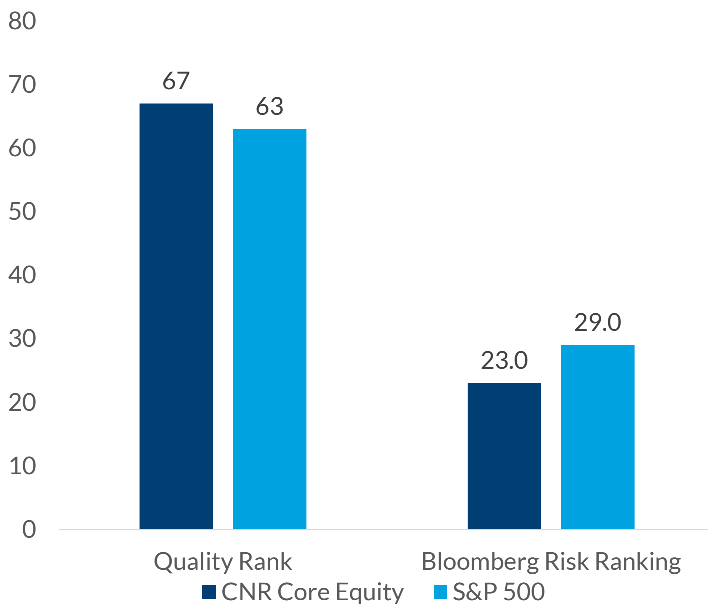
an effort to lower our tracking error. Following our Healthcare Innovators theme, we added a biopharma company with, in our view, a promising weight loss drug under development. To bolster our Clean Climate theme, we added a global leading EV maker. Lastly, we increased weights in what we believe is an undervalued stock in media and entertainment.

These changes resulted in a lower tracking error and what we believe is better return potential from individual stocks, while maintaining our quality emphasis, higher expected EPS growth and lower risk profile versus the benchmark. They also match up nicely with our lowered recession risk forecast, which together **gives us confidence the portfolio is properly positioned for the long term.**

Chart 1: Higher Quality, Lower Risk

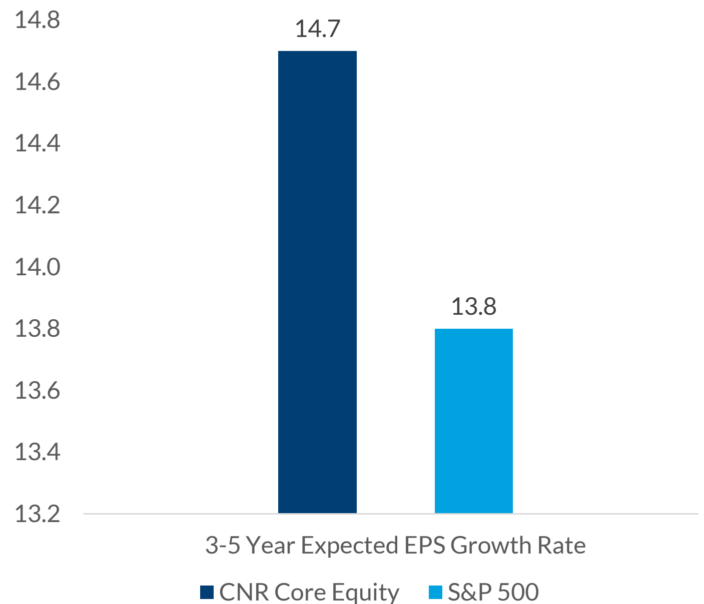


Source: CNR Research, Bloomberg, Factset, October 2023.

Information, including expected EPS, is subject to change and is not a 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.

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).

Chart 2: Higher Expected EPS Growth



Source: CNR Research, Bloomberg, Factset, October 2023.

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Dividend Stocks – A Deeper Dive Into a Year Below Water

David Shapiro
Senior Portfolio Manager, Equity Income

Tony Hu, CFA, FRM
Senior Portfolio Manager, Equity Income

It is no secret that a confluence of events, including **a shift in the macroeconomic outlook, concentrated and AI-fueled tech stock gains, and rising rates and their knock-on effects on regional banks, have buffeted the universe of attractive dividend stocks this year.**

KEY POINTS

- Year-to-date dividend stock underperformance vs. the broader market is a full reversal of outperformance in 2022, but has stabilized in the last quarter.
- Relative pressure seen from both key non-dividend payer outperformance, and key dividend payer underperformance.
- Relatively unchallenging valuations for key dividend sectors suggest that should we enter into a material economic slowdown, they are primed to outperform.

Through 9/29/23, we have seen a drawdown of -7.8% in our dividend universe. That is -21% behind the broader market, a full reversal from the +21% outperformance dividend stocks posted in 2022. That is also essentially unchanged from where we stood in relative terms at the end of 2Q23 when we wrote about how these ebbs and flows in relative performance tend to correct, or at least shift, over time.

But the **relative impact has been felt not just in sectors like IT, or Consumer Discretionary, where non-dividend payer mega-caps have outperformed, but also in the more defensive, income-heavy sectors that have underperformed.** Let's look at two of the most significant sectors that constitute defensive income – Consumer Staples (10% weight) and Utilities (27% weight). They are both among the worst performing sectors this year, down -15% and -13%, respectively.

Space constraints limit our ability to show the historic levels of underperformance and unusual action recently in terms of defensive behavior. And there are legitimate considerations that have driven this result, most importantly higher long-term rates and the prospects for more. There are currently more alternatives for yield. It is an environment where other concerns, such as the potential secular impact of GLP-1[1] drugs on food consumption, loom larger and drive outsized stock reactions. But we can see that the **relative valuation of these two sectors paints a similar picture to that of the attractive dividend universe as a whole, and suggests that we might be at a point of pessimism that is more likely than not, in our view, to lead to outperformance moving forward.**

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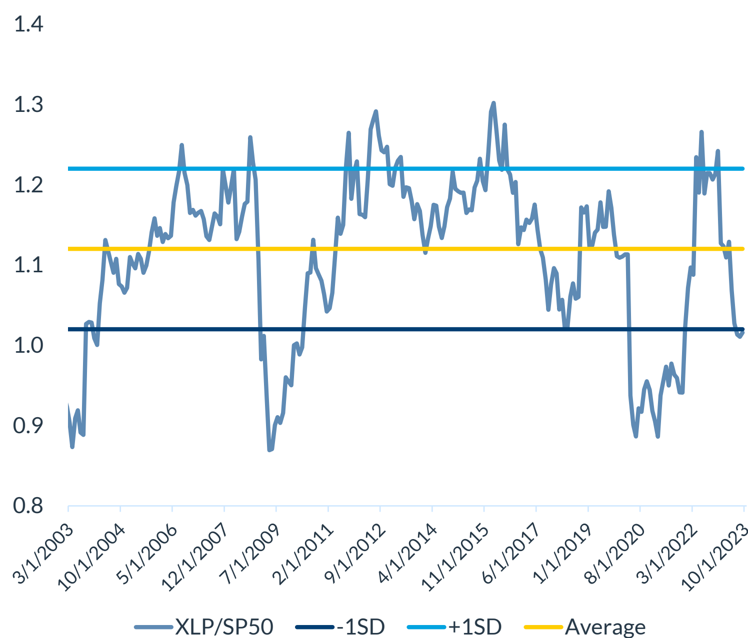
As the two charts below show, both of these sectors are trading at or below one standard deviation below the long-term average relative valuation. Seldom have they been much lower, suggesting that **we may be reaching the end of this period of underperformance.** When we juxtapose this observation with that of the attractive dividend universe as a whole, we see further confirmation of how we got here, and where the potential for reversal, and dividend stock outperformance, may emerge. It seems evident that **should we enter into a material economic slowdown, defensive sectors are primed to outperform.**

Chart 1: Relative Fwd P/E Staples vs. S&P 500



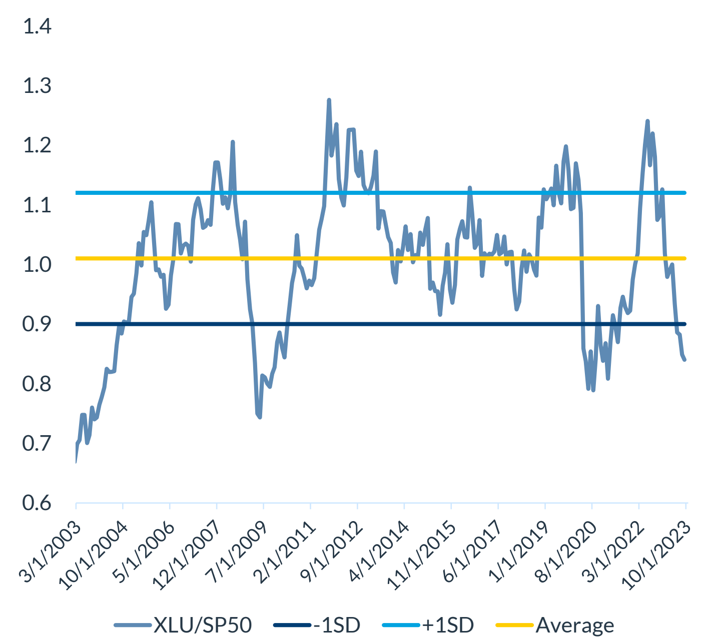
Source: Factset, as of 9/29/23.

Past performance 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.

[1]GLP-1 Drug: GLP-1 agonists are a class of medications that mainly help manage blood sugar (glucose) levels in people with Type 2 diabetes.

Chart 2: Relative Fwd P/E Utilities vs. S&P 500



Source: Factset, as of 9/29/23.

Past performance is no guarantee of future results.

Utilities Select Sector SPDR ETF Fund - The Fund is an ETF that trades on the US Stock exchange and seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Utilities Select Sector Index. The Fund has a gross expense ratio of .10%.

Consumer Staples Select Sector SPDR ETF Fund - The Fund is an ETF that trades on the US Stock exchange and seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Consumer Staples Select Sector Index. The Fund has a gross expense ratio of .10%.

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Interest Rates Aren't Done Moving Higher

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

The third quarter was characterized by a resumption in the higher-for-longer trend. **The U.S. 10-Year Treasury Note moved higher by 1.05%,** ending the quarter at 4.8% and putting last October's interest rate peak of 4.2% in the rear-view mirror[1].

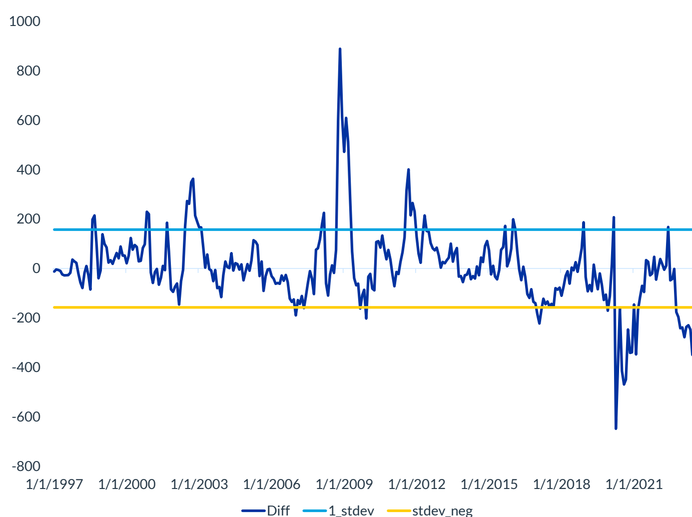
KEY POINTS

- The 10-Year U.S. Treasury Yield set a new high of 4.8%.
- Floating rate high yield has benefited from a stronger economy and is out-performing.
- Portfolios should be positioned conservatively in strong companies.

While high starting yields helped offset disruptive price moves, it wasn't enough to keep returns positive and high-quality bond markets gave back most of the 2023 gains. The Bloomberg U.S. Government/Credit Intermediate Index fell -0.8% over the quarter, pushing YTD returns from as high as 3.5% in early May to just 0.7% by September[2]. While the bond market is experiencing a surge in interest given the rise in yields, **investors should remain cautious on the overall level of rates** and the economic factors, such as inflation, tight labor markets and geopolitical events, that continue to put pressure on yields.

While interest rates have been volatile, high yield credit markets continued to perform as high starting yields overwhelmed price movement. Over the quarter, spreads, which measure risk levels in credit, ended where they started at 3.9%[3] over comparable U.S. Treasuries and the broad market finished up 0.5%[4]. **Performance began to significantly diverge between floating rate securities and fixed rate securities.** High Yield Bank Loans rose 3.43% and are now up 10.2% for the full year, 4.3% above U.S. High Yield Corporate Bonds[5]. Lower than expected default rates and the increased probability of an economic slowdown as opposed to a recession have fueled high yield returns.

Chart 1: HY FV Spread: January 1997 – August 2023



Source: Bloomberg, CNR Research, as of September 30, 2023. Indexes are unmanaged and do not reflect a deduction for fees or expenses. Investors cannot invest directly in an index.

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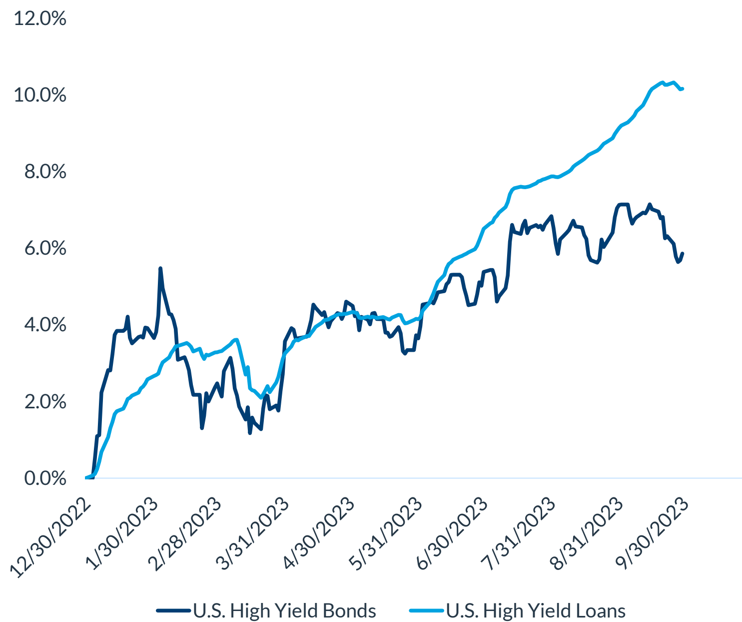
Despite the positive performance of higher yielding debt and the attractiveness of yield levels, **we believe now is the time to ensure portfolios are invested in stronger credits** that generate free cash flow and can cover rising interest rate costs. Our credit models show that high yield markets could move up by 3% or more [6] and we expect volatility as we move into 2024.

Chart 2: U.S. High Yield Fixed Rate vs. Floating Rate Markets



Source: Bloomberg, as of September 30, 2023

U.S. High Yield Bonds: Bloomberg: LF98YW Index: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded. "YW" is the ticker to pull the yield-to-worst on the index.

U.S. High Yield Loans: Bloomberg: LF98TRUU Index: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded. This is the total return index level.

[1] U.S. 10-Year Treasury, Source: Bloomberg, Ticker: GT10 Govt., Closing Levels

[2] Bloomberg Government/Credit Intermediate Index, Source: Bloomberg, Ticker: LF97TRUU

[3] Bloomberg High Yield Corporate Bond Index, Source: Bloomberg, Ticker: LF98TRUU

[4] Bloomberg High Yield Corporate Bond Spread Index, Source: Bloomberg, Ticker: LF98OAS

[5] Leveraged Loans: Morningstar LSTA Leveraged Loan Index, Source: Bloomberg, Ticker: SPBDAL

[6] Proprietary Fair Value Spread Model, Source: CNR

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Index performance is provided as a benchmark. It is not illustrative of any particular investment. Indices are unmanaged, and one cannot invest directly in an index. Index returns do not reflect a deduction for fees or expenses.

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As Munis Tiptoe Into Year-End, Yields Are Becoming Hard to Ignore

Michael Taila
Managing Director, Co-Director, Fixed Income

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

Municipal bonds seemingly ran the gauntlet during the third quarter as the Fed remains steadfast in its mission to achieve its dual mandate while embracing a "higher for longer" bias, per the dot plot.

Elevated volatility resulted in 10-year benchmark municipal bond yields rising about 90 bps, compared to 73 bps in comparable Treasuries, leading to underperformance. According to Bloomberg, investment grade (IG) and high yield (HYM) municipal bond returns flipped red through the year's first nine months. However, the price pressure has markedly improved buying opportunities in municipal bonds. For example, **the yield-to-worst (YTW) on IG and HYM bond Bloomberg indices increased by approximately 80 bps (to 4.4%, or 7.25% tax-adjusted) and 55 bps (to 6.25%, or 10.5% tax-adjusted), respectively, during the quarter, settling nominal yields at their cyclical highs and well-positioning investors with a longer-term horizon to lock in attractive tax-efficient income streams.**

Chart 1: Municipal Index YTW Reach Cyclical Highs

Source: Bloomberg, as of September 30, 2023
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The municipal bond yield curve's upward shift improved the relative value versus comparable Treasuries. The **10- and 30-year AAA municipal/ Treasury ratios increased to 75% (from 67%) and 92% (from 90%) during the quarter, suggesting the tax benefit of owning municipal bonds is more valuable to an investor.** The shape of the yield curve is notably less inverted, further signaling the current attractiveness of municipal bonds. From a technical perspective, the summer is typically a seasonally demand-driven period of the year as maturities and redemptions exceed issuance. Gross

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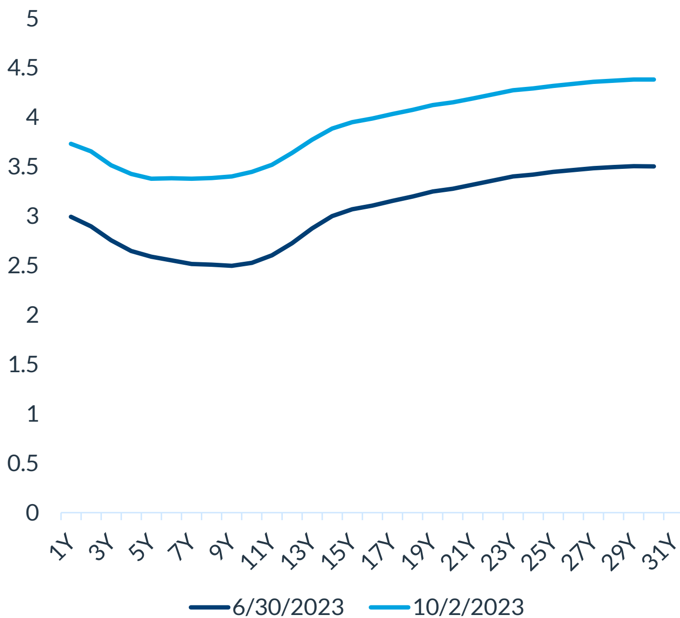
Chart 2: AAA Benchmark Municipal Yields Increased Sharply During 3Q2023



Source: Bloomberg, as of September 30, 2023
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supply is down nearly 15% YoY, partly attributable to the fiscal strength of state and local governments (SLGs) and the cost of borrowing and carrying charges on new money and refunding issuance. While issuance is likely to pick up during 4Q2023, based on previous patterns, continued unpredictability and volatility in the market are likely to temper any meaningful supply. **The outflows within municipal bond mutual funds have yet to reverse YTD, but retail and strategic asset managers continue to take advantage of the generational yields available.** Once additional clarity is achieved in regards to the end of the rate cycle and Treasuries stabilize within a narrower range, municipal bond demand from institutional accounts should return.

The gradual compression of credit spreads is an interesting dynamic in both IG and HYM bonds. Estimates for economic growth to stall and potentially experience a recession did not occur as widely expected. **Despite an aggressive Fed, the economy has exhibited resiliency, which has benefitted the fundamental quality of municipal bond issuers.** SLGs enjoyed back-to-back double-digit fiscal performance during FYs 2021 and 2022. Many issuers closed the books in FY 2023 in a position of strength as reserves sit near record highs. YTD troubled borrower statistics in HYM are low, per Municipal Market Analytics, but with isolated stress seen within senior living and rural hospital sectors. Nevertheless, the overall quality of municipal bonds is favorable, but we will continue to monitor issuers' plans for guarding against a slowdown in the economy.

KEY POINTS

- Rising rates pressure performance but set up long-term investors.
- Valuations are improving as curve inversion diminishes.
- Credit spreads are buoyed by delayed expectations for economic softening.

Will Skyrocketing Bond Yields Influence the Economy?

Paul Single

Managing Director, Senior Economist,
Senior Portfolio Manager

The new "monkey wrench" of possible factors influencing the economy's trajectory is the rapid rise of long-term interest rates.

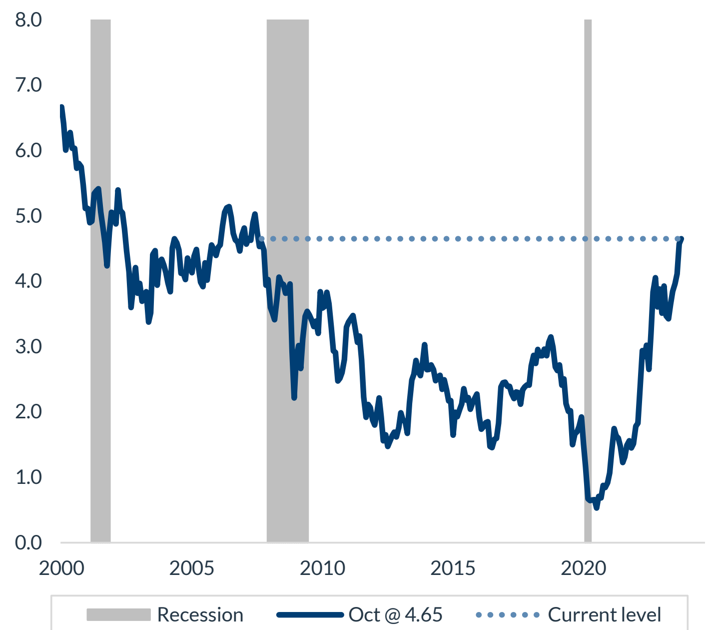
The benchmark ten-year Treasury note currently yields 4.5%. In the past few weeks, it has been hovering at levels not seen since 2007. There are many theories for this rapid upward movement in yield, which include Fed Chair Jerome Powell's press conference following the September FOMC meeting with the Fed's improved outlook for a more vigorous pace of growth. The other is the massive $2.2 trillion increase in Treasury debt since June, when the debt ceiling was extended. Bond investors are growing concerned about the quasi-infinite deficit spending.

The yield on a long-term bond is based on what investors think short-term interest rates will average over that period plus something called term premium. The Fed defines this as "the compensation that investors require for bearing the risk that interest rates may change over the life of the bond." That compensation can be driven by many factors, such as expected inflation or, in this case, the fear of massive supply that the market cannot easily absorb, pushing yield up higher.

Supply and increased term premium are not the only factors impacting bond yields; demand has changed. For more than a year, the Fed has stopped buying bonds under its quantitative easing policy, and it is now

Chart 1: 10-Year Treasury Note

%, yield to maturity



Source: Bloomberg, October 2023

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letting Treasury bonds mature out of its portfolio in its quantitative tightening policy. Since May 2022, when Treasury holdings hit a peak of $5.8 trillion, the Fed has allowed $860 billion mature without reinvesting. This means the Treasury needs to find another buyer of its debt. With fewer buyers, there is more supply. Prices go down, and yields go up.

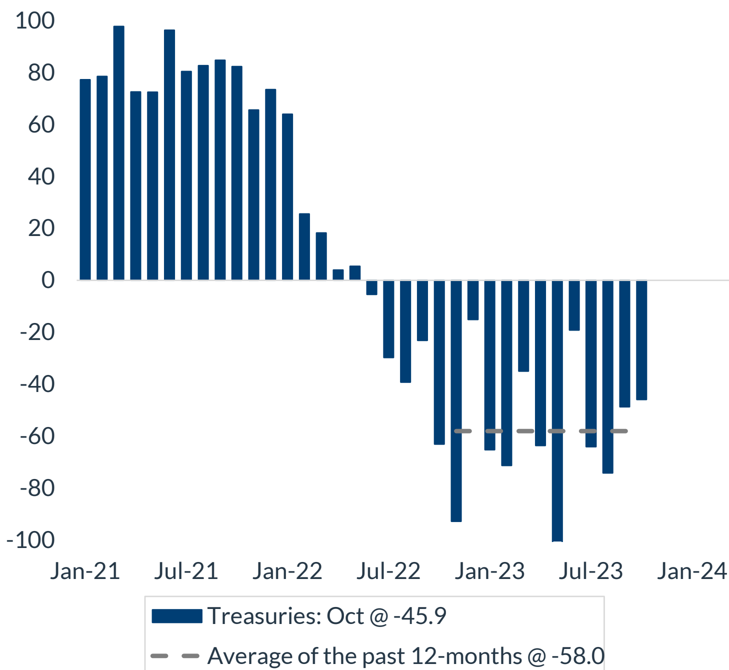
The higher long-term yields are restrictive to economic growth, something the Fed wants. It is another factor consistent with our belief that the Fed will not need to raise interest rates at its next meeting on December 13.

KEY POINTS

- Bond yields been hovering at levels not seen since 2007.
- Term premium is the compensation that investors require for bearing the risk that interest rates may change over the life of the bond.
- Supply and the increased term premium are not the only factor impacting bond yields; demand has changed.
- The higher long-term yields are restrictive to economic growth, something the Fed wants.

Chart 2: Fed Treasury Bond Portfolio - Monthly Change

$, billions



Source: Federal Reserve, October 2023

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Important Information

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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 may not protect against market risk or loss. Past performance is no guarantee of future performance.

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.

There are inherent risks with fixed income investing. These risks may include interest rate, call, credit, market, inflation, government policy, liquidity, or junkbond. When interest rates rise, bond prices fall.

Bloomberg risk is the weighted average risk of total volatilities for all portfolio holdings. Total Volatility per holding in Bloomberg is ex-ante (predicted) volatility that is based on the Bloomberg factor model.

Index Definitions

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

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

GT10: US Government Treasury Yield

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.

S&P Leveraged Loan Indexes (S&P LL indexes) are capitalization-weighted syndicated loan indexes based upon market weightings, spreads and interest payments. The S&P/LSTA Leveraged Loan 100 Index (LL100) dates back to 2002 and is a daily tradable index for the US market that seeks to mirror the market-weighted performance of the largest institutional leveraged loans, as determined by criteria. Its ticker on Bloomberg is SPBDLLB.

Bloomberg US Corporate Bond Index: The Bloomberg Barclays 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.

Bloomberg US 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: LF98TRUU Index: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded. This is the total return index level.

Morningstar SPBDLLY Index: Yield to maturity time series of the Morningstar LSTA US Leveraged Loan 100 Index. The Morningstar LSTA US Leveraged Loan Index is a market-value weighted index designed to measure the performance of the US leveraged loan market.

Bloomberg Investment Grade 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 Municipal Bond Index: measures the performance of investment grade, US dollar denominated, long term tax exempt bonds.
Bloomberg US Treasury Index: includes all publicly issued, U.S. Treasury securities that are rated investment grade, and have $250 million or more of outstanding face value.

Investment Grade (IG) Municipal Bond Index: The Bloomberg US Municipal Bond Index measures the performance of investment grade, US dollar-denominated, long-term tax-exempt bonds.
High Yield (HY) Municipal 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.

Definitions

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.

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).

City National Rochdale Proprietary Quality Ranking formula: 40% Dupont Quality (return on equity adjusted by debt levels), 15% Earnings Stability (volatility of earnings), 15% Revenue Stability (volatility of revenue), 15% Cash Earnings Quality (cash flow vs. net income of company) 15% Balance Sheet Quality (fundamental strength of balance sheet).
*Source: City National Rochdale proprietary ranking system utilizing MSCI and FactSet data. **Rank is a percentile ranking approach whereby 100 is the highest possible score and 1 is the lowest. The City National Rochdale Core compares the weighted average holdings of the strategy to the companies in the S&P 500 on a sector basis. As of September 30, 2022. City National Rochdale proprietary ranking system utilizing MSCI and FactSet data.

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Non-deposit Investment Products: ■ are not FDIC insured ■ are not Bank guaranteed ■ may lose value