February 2021

Economic Outlook and Investment Strategy
# We Know a Lot More Now

<table>
<thead>
<tr>
<th>2020 High Uncertainty</th>
<th>2021 Improving Confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will policymakers respond quicker and more powerfully than in the past?</td>
<td>Policy response has been massive, timely and well targeted</td>
</tr>
<tr>
<td>How soon can effective vaccines be developed and distributed?</td>
<td>Projecting ~2/3 of U.S. to be vaccinated by mid-year, allowing for a return to more normal activity</td>
</tr>
<tr>
<td>How significant will COVID-19 economic restrictions be?</td>
<td>Repeated widespread lockdowns have been avoided</td>
</tr>
<tr>
<td>Which party will control Congress and the presidency?</td>
<td>Narrow Democrat congressional majorities mean significant policy shifts unlikely</td>
</tr>
</tbody>
</table>

Source: CNR Research.
CNR Progress Playbook

Investment Committee considering:

- Our confidence in the economic outlook has increased due to vaccine breakthroughs.
- In spring, expecting increased confidence to drive economic activity and rebuild inventories.
- Unemployment will decline throughout 2021, leading to positive income and spending trends.
- Narrow Democrat congressional control creates the potential for larger stimulus, without large tax increases.
- We have been increasing our exposure to growth investments, expecting a return to normalcy.
- Earnings for the S&P 500 look set to be at a record level in 2021 and 2022.
- Stock valuations high in many segments, but reasonable in high-dividend, select high-quality core equities.
- Potential volatility from COVID-19 increases could be used as investment opportunity.
- Equity returns in 2021 could be above average, but expect moderate longer-term returns.
- Returns in investment grade fixed income could be challenged when interest rates rise.

Source: CNR Research.
Rapid COVID-19 Downtrend

- Cases and hospitalizations have been trending downward for two weeks
- Downtrend expected for the next two to three months, though uncertainty remains with new strains

U.S. COVID-19 Cases, Hospitalizations and Fatalities

Hospitalization and fatality data source from the COVID Tracking Project and supplemented by estimated hospitalization data from IHME where no hospitalization data was officially reported.
Looking Ahead to the End of the Pandemic

- Vaccine process expected to speed up significantly, inoculating most of the U.S. by mid-May
- Infections expected to continue decline until near-zero levels reached in early summer
- Sources of uncertainty: new virus strains, vaccine administration hurdles, manufacturing

Lockdowns Continue to Gradually Ease

- Reduced hospitalizations and favorable forecasts drive decisions to loosen lockdown policies
- Gradual normalization expected as cases, hospitalizations continue downtrend in the coming weeks and months

Lockdown Policy Stringency

12/31/2020

2/8/2021

Recovery Back on an Upward Trajectory

- High frequency indicators picking up with states’ relaxing of restrictions
- Monetary and fiscal policy response has limited long-term scarring from the recession

OpenTable Restaurant Reservations vs. Pre-Pandemic

U.S. New Business Bankruptcy Filings

Source: Bloomberg.
Economic and Financial Indicators

Indicators Are Forward-Looking Six to Nine Months

Indicators are signaling a more entrenched and durable recovery from the COVID-19 crisis developing in the second half of 2021 as vaccine availability becomes widespread.

Source: City National Rochdale. As of February 2021.
Next Few Months Challenging, but More Durable Recovery Ahead

- Expect a sharper recovery to take hold in second half of 2021 as vaccine availability becomes widespread
- COVID-19 resurgence is leading near-term risk, but a return to widespread lockdowns is unlikely
- More stimulus to come, though narrow Democrat congressional majorities will limit legislative agenda
- Equity rally expected to continue, but pace of gains likely to moderate

<table>
<thead>
<tr>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential GDP Growth Range</td>
<td>-31%</td>
<td>33%</td>
<td>4%</td>
</tr>
</tbody>
</table>

2020e | 2021e | 2022e
---|---|---
-3.5% | 6.0% | 4.5%
6.0% | 4.0% | 2.5%

Percent Change From Preceding Period, Seasonally Adjusted at Annual Rates

<table>
<thead>
<tr>
<th>City National Rochdale Forecasts</th>
<th>2019</th>
<th>2020e</th>
<th>2021e</th>
<th>2022e</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Growth</td>
<td>2.3%</td>
<td>-3.5%</td>
<td>4.0%-6.0%</td>
<td>2.5%-4.5%</td>
</tr>
<tr>
<td>Corporate Profit Growth</td>
<td>1%</td>
<td>(15%) - (20%)</td>
<td>20%-30%</td>
<td>10%-20%</td>
</tr>
<tr>
<td>Interest Rates</td>
<td>Fed Funds Rate</td>
<td>1.625%</td>
<td>0%-0.25%</td>
<td>0%-0.25%</td>
</tr>
<tr>
<td></td>
<td>Treasury Note, 10-Yr.</td>
<td>1.90%</td>
<td>0.92%</td>
<td>0.80%-1.30%</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis, Standard & Poor's, Bloomberg. As of February 2021.
COVID-19 Wreaks Havoc on the Economy; the Rebound Has Begun

GDP
\( \text{\$ billions, seasonally adjusted annual rate} \)

- A decline of 10.1% from peak
- 2.5% below previous peak

GDP - Contribution to GDP by Sector
\( \% \), seasonally adjusted, quarterly data unless noted otherwise

- Consumption: Dec @ 1.7
- Investment: Dec @ 4.1
- Government: Dec @ -0.2
- Net Trade: Dec @ -1.5
- GDP y-o-y: Dec @ -2.5

Source: Bureau of Economic Analysis as of December 2020.
The Labor Market Appears on the Path of Recovery

Unemployment Rate (%)
history of unemployment rate once recession began

Jan @ 6.3
2007

Nonfarm Payrolls ('000)
millions, monthly change

The Consumer Has Plenty of Cash to Keep Spending Strong in 2021

Household Savings, Earnings, Spending
*Change from 2019 to 2020 (Mar-Nov), $, billion*

- Savings: 1,560
- Earnings: 1,026
- Spending: -535

Personal Income
*Change from 2019 to 2020 (Mar-Nov), $, billion*

- Wages: -43
- Unemploy. Insurance: 499
- Stimulus Check: 276
- Proprietor’s Income: 29
- All other Income: 265

Personal Spending
*Change from 2019 to 2020 (Mar-Nov), $, billions*

- Durable Goods: -575
- Non Durable Goods: 39
- Services: 60
- Interest Payments: -59

Source: Bureau of Economic Analysis as of November 2020.
Financial Conditions Strongly Support Future Growth

The lower the number, the more accommodative financial conditions are.

Goldman Sachs Financial Conditions Index

<table>
<thead>
<tr>
<th>Source: Goldman Sachs, Bloomberg, Bloomberg Indices as of January 2021.</th>
<th>Jan-21</th>
<th>Dec-19</th>
<th>Feb-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds Rate (%)</td>
<td>0.125</td>
<td>1.625</td>
<td>0.125%</td>
</tr>
<tr>
<td>10-yr. Treasury (%)</td>
<td>1.07</td>
<td>1.44</td>
<td>2.67%</td>
</tr>
<tr>
<td>BBB Credit Spread (%)</td>
<td>1.21</td>
<td>1.20</td>
<td>6.43</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>3,714</td>
<td>3,231</td>
<td>735</td>
</tr>
<tr>
<td>U.S. Dollar</td>
<td>90.6</td>
<td>96.4</td>
<td>88</td>
</tr>
</tbody>
</table>
Demand Is Up, Supply Is Down, Prices Are Up

New & Existing Home Sales
units, millions, seasonally adjusted annual rate

- Recession
- Existing: Dec @ 6.8
- New: Dec @ 0.8


Source: Bureau of Economic Analysis, National Association of Realtors as of December 2020.

Home Prices: S&P CoreLogic Case Schiller
% change, y-o-y, not seasonally adjusted

- Recession
- Nov @ 9.1
- Period average @ 4.2


Source: S&P CoreLogic Case Schiller as of November 2020.

Inventory of Existing Homes
millions, not seasonally adjusted

- Recession
- Dec @ 1.1
- Period average @ 2.4
- Current level


Recovery Drives Modest Increase in Inflation Expectations

- Improved growth outlook has lead to a recovery in inflation expectations
- Inflation still projected to be modest, below 15-year average expectation

5-Year Inflation Expectations

- Recovery from Great Financial Crisis
- Recovery from Pandemic Recession

Source: Bloomberg.
Implication of New Fed Policy: Lower Rates for Years

- More discretion, less preemption
- New bias toward keeping rates on hold well after economic and inflation growth sets in
- Supportive of risk assets — equities and high-yield fixed income

ECONOMIC & MARKET OUTLOOK

Federal Funds Rate & FOMC Projections (%)

Source: Federal Reserve Bank as of November 2020.
Global Recovery Underway

- Prospects expected to vary regionally and by economies, according to success in responding to the pandemic
- While China and EM Asia continue to lead the global recovery, Europe has struggled more to contain the virus
We expect real returns to be moderate, with higher volatility over the next few quarters.
## Sector Performance

### S&P 500 Sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>YTD 1/31/21</th>
<th>S&amp;P Weight 1/31/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>3.79%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Health Care</td>
<td>1.42%</td>
<td>13.77%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>0.53%</td>
<td>2.38%</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>0.41%</td>
<td>12.85%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>-0.92%</td>
<td>27.76%</td>
</tr>
<tr>
<td>Utilities</td>
<td>-0.92%</td>
<td>2.76%</td>
</tr>
<tr>
<td>Communication Services</td>
<td>-1.29%</td>
<td>10.71%</td>
</tr>
<tr>
<td>Financials</td>
<td>-1.67%</td>
<td>10.34%</td>
</tr>
<tr>
<td>Materials</td>
<td>-2.38%</td>
<td>2.59%</td>
</tr>
<tr>
<td>Industrials</td>
<td>-4.30%</td>
<td>8.11%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>-5.17%</td>
<td>6.23%</td>
</tr>
</tbody>
</table>

### Growth vs Value

<table>
<thead>
<tr>
<th>Growth vs Value</th>
<th>YTD 1/31/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500 Pure Growth</td>
<td>-0.6%</td>
</tr>
<tr>
<td>S&amp;P 500 Pure Value</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Focused Regional Allocations Can Enhance Returns

- U.S. better positioned than Europe for short-term recovery and long-term economic growth
- Emerging markets in Asia present a more positive growth outlook than other emerging markets

Regional Equity Market Performance: 5 Years as of 1/31/2021

Stocks Appear Fully Valued

S&P 500 Forward Price/Earnings Ratio

Equities Still Look Attractive vs. Bonds

Equity Risk Premium

Source: Bloomberg, FactSet.
Earnings Set to Reach Record Levels in 2021 & 2022

- 2020 earnings declines have been less than initially feared
- Vaccine rollout and expectations of more fiscal stimulus are boosting earnings growth forecasts

S&P Earnings Growth

Source: Factset, CNR Research.
Near Term Equity Outlook

*Market Appears Fully Valued; Expect More Modest Gains*

### 2021 S&P 500 EPS

<table>
<thead>
<tr>
<th>CNR Estimate</th>
<th>Y/Y Change</th>
<th>18.5</th>
<th>19</th>
<th>19.5</th>
<th>20.0</th>
<th>21</th>
<th>21.0</th>
<th>21.5</th>
<th>22</th>
<th>22.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>$163</td>
<td>20%</td>
<td>-17%</td>
<td>-15%</td>
<td>-12%</td>
<td>-10%</td>
<td>-8%</td>
<td>-6%</td>
<td>-4%</td>
<td>-1%</td>
<td>1%</td>
</tr>
<tr>
<td>$170</td>
<td>25%</td>
<td>-13%</td>
<td>-11%</td>
<td>-9%</td>
<td>-6%</td>
<td>-4%</td>
<td>-2%</td>
<td>0%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>$177</td>
<td>30%</td>
<td>-10%</td>
<td>-8%</td>
<td>-5%</td>
<td>-3%</td>
<td>0%</td>
<td>2%</td>
<td>4%</td>
<td>7%</td>
<td>9%</td>
</tr>
</tbody>
</table>

### 2021 S&P 500 EPS

<table>
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<tr>
<th>CNR Estimate</th>
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<th>20</th>
<th>20.0</th>
<th>21</th>
<th>21.0</th>
<th>21.5</th>
<th>22</th>
<th>22.5</th>
</tr>
</thead>
</table>

Focus on High-quality Companies, Reasonable Valuations

- Speculative emerging technology stocks are unprofitable but highly valued
- Preference for established, profitable companies expected to benefit from key trends

Profitability: Return on Equity

Valuations: Price to Earnings Ratio

Source: CNR Research, Bloomberg.
Slight Rise in Yields, But Interest Rates Expected to Remain Low

- Slightly higher inflation expectations have contributed to Treasury yields above 1%
- Rapid near-term increase in interest rates unlikely

10-Year U.S. Treasury Yield

Source: Bloomberg.
Bond Yields Not Expected to Cover Inflation

- Monetary policy has driven bond yields to record-low levels
- Yields not expected to cover even modest levels of inflation
- Investors should evaluate income goals and asset allocation in this ultra-low yield environment

Corporate Bond Yields

Investing in a Low Interest Rate Environment

- Low interest rates and high stock valuations → lower returns in the future
- Investors should consider how to adjust their investment tolerances to achieve their goals

<table>
<thead>
<tr>
<th></th>
<th>1975-2019</th>
<th>2009-2019</th>
<th>Long-Term Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Stocks</td>
<td>12%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>Investment Grade Bonds</td>
<td>8%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>60/40 Portfolio</td>
<td>10%</td>
<td>10%</td>
<td>5%</td>
</tr>
</tbody>
</table>


Long-term forecasts reflect City National Rochdale’s capital market assumptions, derived by CNR to reflect forecast returns across asset classes for use as inputs into CNR’s portfolio construction process. These model expected returns do not show actual performance and are for illustrative purposes only. They do not reflect actual trading, liquidity constraints, fees, expenses, taxes and other factors that could impact the future returns. 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.

CITY NATIONAL ROCHDALE, LLC  NON-DEPOSIT INVESTMENT PRODUCTS ARE: □ NOT FDIC INSURED □ NOT BANK GUARANTEED □ MAY LOSE VALUE
Higher Return Asset Classes Preferable to Investment Grade Bonds
Where suitable, higher-return asset classes can help to achieve investment goals

<table>
<thead>
<tr>
<th></th>
<th>2009-2019</th>
<th>Long-Term Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Dividend Stocks</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>Emerging Markets Stocks</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>High Yield Bonds</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>10%-15%</td>
<td>8%-12%</td>
</tr>
</tbody>
</table>

Source: CNR Research, Bloomberg. High Dividend Stocks: Dow Jones U.S. Select Dividend Index. Emerging Markets Stocks: MSCI Emerging Markets Index. High Yield Bonds: Bloomberg Barclays US Corporate High Yield Index. Alternatives historical and projected returns reflect estimated performance across a range of alternative investment strategies and are intended for illustrative purposes only. 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.
Targeting Consistent Income and Strong Total Return

- Potential to benefit from a high current dividend yield, strong dividend growth, and price appreciation – now with increased confidence in the result
- Qualified income and long-term strong total returns – could end up higher back half of 2021
High Dividend Stocks Relatively Attractive

- Growth stocks have seen a dramatic increase in valuations
- High dividend stocks are priced attractively relative to history
- **Vaccine believed to hold value/dividend stocks with some return to normalcy**

![Valuations: High Dividend Stocks vs. Growth Stocks](image)

Potential for Reversion of High Dividend Equities

- Valuation difference similar to the tech bubble
- Historically, underperformance of recent magnitude has been followed by outperformance

Rolling 5 Year Relative Returns
High Dividend Stocks vs. S&P 500

Source: Bloomberg. High dividend stocks: Dow Jones U.S. Select Dividend Index.
Targeting Consistent Income and Strong Total Return

- High Dividend and Income Strategy performance has historically achieved long-term goals
- Seeks to provide strong income in a low interest rate environment with potential for capital appreciation

CNR High Dividend and Income Composite Annual Performance

Average Calendar Year Return: 9%

Please refer to the composite disclosure slide at the end of this presentation for further detail.
Monetary Stimulus Drives Yields Lower

- Investment grade bond yields ended the year near 1% – not enough to cover expected inflation
- Non-investment grade yields also fell, but still appear to be relatively attractive

Yields vs. Pre-Crisis

High Yield Bonds Attractive Relative to Investment Grade

While interest rates have fallen to record lows, high yield bond spreads remain elevated

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 Tax-free Income in a Low-yield World

- Central Bank rate repression creates tailwinds for higher-yielding alternatives
- While U.S. Treasury yields hit all-time lows, HY taxable-equivalent municipal yields are above average

HY Muni Yields Remain Favorable vs. High Quality Bonds

## Income Alternatives

Focus is on differentiated strategies that provide uniquely high income and diversification

<table>
<thead>
<tr>
<th>What we look for</th>
<th>What we avoid</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅ Unique, differentiated and uncorrelated</td>
<td>✗ Can be easily replicated</td>
</tr>
<tr>
<td>✅ Tax efficiencies</td>
<td>✗ Unrewarded illiquidity</td>
</tr>
<tr>
<td>✅ Income generation</td>
<td>✗ Unjustified fees</td>
</tr>
<tr>
<td>✅ Capital preservation</td>
<td>✗ Limited downside protection</td>
</tr>
</tbody>
</table>

Source: CNR Research.
Examples of Attractive Alternative Investments
Where suitable, CNR seeks out unique strategies that can help clients achieve goals

<table>
<thead>
<tr>
<th></th>
<th>Potential Income</th>
<th>Diversification Benefits</th>
<th>Tax Efficiency</th>
<th>Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail Car Leasing</td>
<td>7%-10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLO Equity</td>
<td>8%-12%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reinsurance</td>
<td>5%-7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare Royalties</td>
<td>10%-15%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CNR Research.

Alternative investment potential income reflects estimated performance across a sample of alternative investment strategies. 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.
## 2021 Market Outlook
Positive, but Moderate Portfolio Returns Expected

### 2021 Forecasted Expected Returns (%)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Core Fixed Income</th>
<th>Emerging Asia</th>
<th>MidSmall Cap</th>
<th>Equities</th>
<th>U.S. Growth</th>
<th>Dividend &amp; Income</th>
<th>Developed Markets</th>
<th>Alternatives</th>
<th>Taxable</th>
<th>Tax-Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toy Fixed Income</td>
<td></td>
<td>5%-7%</td>
<td>6%-12%</td>
<td>6%-10%</td>
<td>6%-10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternatives</td>
<td></td>
<td>5%-7%*</td>
<td>6%-12%*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

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

Source: City National Rochdale. As of January 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.
# Capital Market Assumptions

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Near-Term Return Estimate*</th>
<th>Long-Term Annual Return Estimate</th>
<th>Historical Annual Return**</th>
<th>Long-Term Annual Risk Estimate</th>
<th>Historical Annual Risk</th>
<th>Max Historic Drawdown***</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Domestic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Cap Core</td>
<td>6.3</td>
<td>7.3</td>
<td>9.3</td>
<td>14.0</td>
<td>15.5</td>
<td>-50.0</td>
</tr>
<tr>
<td>Mid/Small Cap</td>
<td>6.4</td>
<td>8.0</td>
<td>10.7</td>
<td>16.0</td>
<td>17.0</td>
<td>-58.0</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>6.6</td>
<td>6.5</td>
<td>8.1</td>
<td>13.0</td>
<td>13.5</td>
<td>-40.0</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developed Markets</td>
<td>5.7</td>
<td>6.8</td>
<td>5.6</td>
<td>16.5</td>
<td>17.0</td>
<td>-57.0</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>7.4</td>
<td>8.2</td>
<td>9.5</td>
<td>20.0</td>
<td>22.5</td>
<td>-60.0</td>
</tr>
<tr>
<td><strong>Core Fixed Income/Cash</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government/Agency</td>
<td>0.2</td>
<td>0.80</td>
<td>5.7</td>
<td>2.5</td>
<td>3.5</td>
<td>-4.0</td>
</tr>
<tr>
<td>Investment-Grade Corporate</td>
<td>1.3</td>
<td>1.4</td>
<td>6.8</td>
<td>5.0</td>
<td>5.0</td>
<td>-9.0</td>
</tr>
<tr>
<td>Tax-Exempt</td>
<td>0.75</td>
<td>1.1</td>
<td>5.1</td>
<td>2.5</td>
<td>2.8</td>
<td>-2.0</td>
</tr>
<tr>
<td>Cash and Equivalents</td>
<td>0.0</td>
<td>0.5</td>
<td>3.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Opportunistic Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Bonds</td>
<td>1.1</td>
<td>1.5</td>
<td>5.6</td>
<td>5.5</td>
<td>5.5</td>
<td>-10.0</td>
</tr>
<tr>
<td>Global High Yield</td>
<td>3.8</td>
<td>4.6</td>
<td>8.2</td>
<td>9.0</td>
<td>10.0</td>
<td>-34.0</td>
</tr>
<tr>
<td>Bank Loans</td>
<td>3.6</td>
<td>3.9</td>
<td>7.1</td>
<td>7.0</td>
<td>7.0</td>
<td>-30.0</td>
</tr>
<tr>
<td>Preferred Stock</td>
<td>4.5</td>
<td>4.0</td>
<td>5.7</td>
<td>12.5</td>
<td>13.0</td>
<td>-55.0</td>
</tr>
<tr>
<td>High-Yield – Taxable</td>
<td>3.5</td>
<td>4.3</td>
<td>7.2</td>
<td>7.5</td>
<td>8.0</td>
<td>-34.0</td>
</tr>
<tr>
<td>High-Yield – Tax-Exempt</td>
<td>3.9</td>
<td>4.4</td>
<td>5.9</td>
<td>7.5</td>
<td>8.0</td>
<td>-30.0</td>
</tr>
<tr>
<td><strong>Alternative Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reinsurance</td>
<td>7.0</td>
<td>7.0</td>
<td>9.0</td>
<td>13.0</td>
<td>16.0</td>
<td>-20.0</td>
</tr>
<tr>
<td>Collateralized Loan Obligations</td>
<td>10.0</td>
<td>9.0</td>
<td>8.4</td>
<td>14.0</td>
<td>15.0</td>
<td>-75.0</td>
</tr>
<tr>
<td>Railcar Leasing</td>
<td>6.0</td>
<td>7.0</td>
<td>10.0</td>
<td>12.0</td>
<td>13.0</td>
<td>-15.0</td>
</tr>
<tr>
<td>Healthcare Royalties</td>
<td>8.0</td>
<td>9.0</td>
<td>11.0</td>
<td>10.0</td>
<td>12.0</td>
<td>-8.0</td>
</tr>
<tr>
<td>Aviation Leasing</td>
<td>6.0</td>
<td>8.0</td>
<td>10.0</td>
<td>12.0</td>
<td>13.0</td>
<td>-15.0</td>
</tr>
<tr>
<td>Private Equity Secondaries</td>
<td>9.5</td>
<td>10.0</td>
<td>13.0</td>
<td>16.0</td>
<td>18.0</td>
<td>-34.0</td>
</tr>
<tr>
<td><strong>Real Assets</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>U.S. Real Estate</td>
<td>6.0</td>
<td>6.0</td>
<td>8.9</td>
<td>23.0</td>
<td>23.0</td>
<td>-70.0</td>
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<td>Diversified Commodities</td>
<td>2.0</td>
<td>4.5</td>
<td>5.9</td>
<td>14.5</td>
<td>14.5</td>
<td>-60.0</td>
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<td>Precious Metals</td>
<td>3.0</td>
<td>4.5</td>
<td>4.7</td>
<td>20.0</td>
<td>17.5</td>
<td>-68.0</td>
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<tr>
<td>Inflation-Protected Fixed Income</td>
<td>0.3</td>
<td>1.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.5</td>
<td>-13.0</td>
</tr>
</tbody>
</table>

Sources: Morningstar Direct, Bloomberg, City National Rochdale. As of January 2020. 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%).
Economy Recovery Underway, but Headwinds Remain
City National Rochdale U.S. Economic Monitor

COVID-19 resurgence likely to weigh on near-term growth, but outlook brightening on prospects of widely available vaccines allowing a return to more normal economic activity.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Status</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading Indicators</td>
<td>Leading indexes suggesting the U.S. economic recovery has broadened and become more entrenched.</td>
<td>6.5</td>
</tr>
<tr>
<td>Labor Market</td>
<td>As state economies reopen, we expect the unemployment rate to drop back faster than it would in a normal recovery, since many workers will be recalled from temporary layoffs, but a full recovery of job losses may take several years.</td>
<td>6.5</td>
</tr>
<tr>
<td>Consumer Spending</td>
<td>Spending has rebounded quickly as economies reopen due to pent-up demand and higher savings. Household balance sheets are strong, which should allow for a faster and stronger recovery than the last recession.</td>
<td>6.5</td>
</tr>
<tr>
<td>Global Economic Growth</td>
<td>The world economy is set to accelerate later this year, but prospects are expected to vary regionally and by economies, according to success in responding to the COVID-19 pandemic.</td>
<td>5.5</td>
</tr>
<tr>
<td>Monetary Policy</td>
<td>Swift and decisive action by the Fed has been unprecedented in scale, helping to improve liquidity and stabilize markets.</td>
<td>9.0</td>
</tr>
<tr>
<td>Fiscal Policy</td>
<td>Democrat control of government raises prospects for greater fiscal stimulus ahead, while narrow congressional majorities will likely limit the potential for significant tax increases.</td>
<td>7.0</td>
</tr>
<tr>
<td>Consumer Sentiment</td>
<td>Although still depressed, confidence has begun to improve, particularly forward-looking expectation measures. Full recovery in confidence is unlikely until health and safety concerns around COVID can be fully addressed.</td>
<td>6.5</td>
</tr>
<tr>
<td>Credit Availability/Demand</td>
<td>Latest Fed data indicates loosening of standards for most consumer loans, though C&amp;I loans remain a bit tighter. Demand remains subdued outside autos and housing, but should improve as economic activity begins to normalize.</td>
<td>5.5</td>
</tr>
<tr>
<td>Geopolitical Risks/Contagion</td>
<td>Biden administration expected to pursue a more cooperative approach to foreign policy. Still, the COVID-19 pandemic has accelerating and exacerbating trends that preceded it, particularly geopolitical fragmentation across trade and technology, and a move away from globalization.</td>
<td>4.0</td>
</tr>
<tr>
<td>Business Investment</td>
<td>Momentum improving. Despite uncertainties about the economy’s progress, businesses are deciding to push ahead with expansion plans that had been on hold to be prepared for the eventual recovery.</td>
<td>5.5</td>
</tr>
<tr>
<td>Service Sector</td>
<td>Social distancing measures and recent infection resurgence will likely continue to weigh on activity in near term, but outlook brightening on prospects of widespread vaccines allowing return to more normal economic activity.</td>
<td>6.5</td>
</tr>
<tr>
<td>Manufacturing Sector</td>
<td>Production remains below pre-pandemic levels, but output has further scope for improvement as producers catch up with the resurgence in goods demand.</td>
<td>6.5</td>
</tr>
<tr>
<td>Housing</td>
<td>Sector has been one of the bright spots of recovery, supported by strong fundamentals, including low mortgage rates.</td>
<td>7.5</td>
</tr>
<tr>
<td>Inflation</td>
<td>Core inflation is likely to remain muted for the next several years with output remaining below potential, but as the pandemic ends, some prices that had been depressed will start to reassert themselves.</td>
<td>7.5</td>
</tr>
<tr>
<td>Energy</td>
<td>Prices of most energy commodities expected to rise in 2021, as demand revives in line with the global economic recovery</td>
<td>5.5</td>
</tr>
<tr>
<td>Total Score</td>
<td></td>
<td>6.4</td>
</tr>
</tbody>
</table>

Positive 6.0 to 10 Improving outlook, confluence of positive indicators, recession probability low
Neutral 4.0 to 5.9 Steady but sluggish growth, mixed economic signals
Negative 0 to 3.9 Weak economic growth, decelerating trends, recession a distinct possibility

Source: City National Rochdale. As of January 2021.
Recovery Underway, but Full Recovery Will Take Time

Probability of Recession in the Next 12 Months

Source: City National Rochdale. As of February 2021.
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.

MSCI Emerging Markets Asia Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Asian emerging markets.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada. As of June 2007, the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

The MSCI Europe Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. As of September 2002, the MSCI Europe Index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

The MSCI World is a market cap weighted stock market index of 1,655[1] stocks from companies throughout the world. The components can be found here.[2] It is maintained by MSCI, formerly Morgan Stanley 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. Treasury Index is an unmanaged index of prices of U.S. Treasury bonds with maturities of one to 30 years.

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 Bloomberg Barclays Emerging Markets USD Aggregate Index tracks total returns for external-currency-denominated debt instruments of the emerging markets. Countries covered are Argentina, Brazil, Bulgaria, Ecuador, Mexico, Morocco, Nigeria, Panama, Peru, the Philippines, Poland, Russia, and Venezuela.

The Bloomberg Barclays U.S. Agency Bond Index is a rules-based, market-value-weighted index engineered to measure investment-grade agency securities publicly issued by U.S. government agencies. Mortgage-backed securities are excluded.

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 U.S. 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.
Index Definitions (continued)

The Dow Jones Select Dividend Index seeks to represent the top 100 U.S. stocks by dividend yield. The index is derived from the Dow Jones U.S. Index and generally consists of 100 dividend-paying stocks that have five-year non-negative Dividend Growth, five-year Dividend Payout Ratio of 60% or less, and three-month average daily trading volume of at least 200,000 shares.

The Bloomberg Commodity Total Return Index, formerly known as Dow Jones-UBS Commodity Index Total Return (DJUBSTR), is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 13-week (three-month) U.S. Treasury Bills.

The Corporate Emerging Market Bond Index (CEMBI) is J.P. Morgan's index of U.S.-dollar-denominated debt issued by emerging market corporations.

The Standard & Poor’s Small Cap 600 Index (S&P 600) measures the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

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

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.

The Shanghai Stock Exchange (SSE) composite is a market composite made up of all the A shares and B shares that trade on the Shanghai Stock Exchange.

Brent Crude is a major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide. This grade is described as light because of its relatively low density, and sweet because of its sulfur content.

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.

The “core” PCE price index is defined as personal consumption expenditures (PCE), prices excluding food and energy prices. The core PCE price index measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy prices to reveal underlying inflation.

The S&P/Case-Shiller Home Price Indexes are a group of indexes that track changes in home prices throughout the United States. The indexes are based on a constant level of data on properties that have undergone at least two arm's length transactions.

The ISM Manufacturing Index is based on surveys of more than 300 manufacturing firms by the Institute for Supply Management (ISM). The ISM Manufacturing Index monitors employment, production, inventories, new orders and supplier deliveries. A composite diffusion index monitors conditions in national manufacturing and is based on the data from these surveys.

The ISM Non-Manufacturing Index is an index based on surveys of more than 400 non-manufacturing firms’ purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys, that monitors economic conditions of the nation.

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

The information presented does not involve the rendering of personalized investment, financial, legal, or tax advice. This presentation is not an offer to buy or sell, or a solicitation of any offer to buy or sell, any of the securities mentioned herein.

The material contains forward-looking statements regarding intent, beliefs, or current expectations which are used for informational purposes only and do not reflect actual results. These statements are based primarily upon a hypothetical set of assumptions applied to certain historical financial information that has been provided by third-party sources and, although believed to be reliable, the information has not been independently verified and its accuracy or completeness cannot be guaranteed. The opinions, projections, forecasts, and forward-looking statements expressed are also valid as on the date of this document and are subject to change based on market and other conditions.

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.

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.

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.
Important Disclosures (continued)

Investments in commodities can be very volatile, and direct investment in these markets can be very risky, especially for inexperienced investors.

Returns include the reinvestment of interest and dividends.

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.

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

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.

This information is not intended as a recommendation to invest in a particular asset class, strategy or product.

The information presented is for illustrative purposes only and based on various assumptions which may not be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used have been stated or fully considered.

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.

This document may contain forward-looking statements relating to the objectives, opportunities, and the future performance of the U.S. market generally. Forward-looking statements may be identified by the use of such words as; “expect,” “estimated,” “potential” and other similar terms. Examples of forward-looking statements include, but are not limited to, estimates with respect to financial condition, results of operations, and success or lack of success of any particular investment strategy. All are subject to various factors, including, but not limited to general and local economic conditions, changing levels of competition within certain industries and markets, changes in interest rates, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors affecting a portfolio’s operations that could cause actual results to differ materially from projected results. Such statements are forward-looking in nature and involve a number of known and unknown risks, uncertainties and other factors, and accordingly, actual results may differ materially from those reflected or contemplated in such forward-looking statements. Prospective investors are cautioned not to place undue reliance on any forward-looking statements or examples. None of City National Rochdale or any of its affiliates or principals nor any other individual or entity assumes any obligation to update any forward-looking statements as a result of new information, subsequent events or any other circumstances. All statements made herein speak only as of the date that they were made.
Important Disclosures (continued)

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

References to indexes and benchmarks in hypothetical illustrations of aggregate returns do not reflect the performance of any actual investment. Investors cannot invest in an index and such returns do not reflect the deduction of the advisor's fees or other trading expenses. There can be no assurance that current investments will be profitable. Actual realized returns will depend on, among other factors, the value of assets and market conditions at the time of disposition, any related transaction costs, and the timing of the purchase. Indexes and benchmarks may not directly correlate or only partially relate to portfolios as they have different underlying investments and may use different strategies or have different objectives than our strategies or funds.

CNR is free from any political affiliation and does not support any political party or group over another.
### IMPORTANT DISCLOSURES

**High Dividend & Income Equities – Annual Composite Disclosures**

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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Composite Gross Return (%)</td>
<td>25.3</td>
<td>-6.0</td>
<td>7.2</td>
<td>16.0</td>
<td>-1.8</td>
</tr>
<tr>
<td>Composite Net Return (%)</td>
<td>23.8</td>
<td>-6.9</td>
<td>6.1</td>
<td>14.9</td>
<td>-2.7</td>
</tr>
<tr>
<td>Benchmark One Return (%)</td>
<td>20.4</td>
<td>-5.5</td>
<td>10.5</td>
<td>14.2</td>
<td>-1.9</td>
</tr>
<tr>
<td>Benchmark Two Return (%)</td>
<td>26.4</td>
<td>-6.6</td>
<td>16.4</td>
<td>14.3</td>
<td>-3.0</td>
</tr>
<tr>
<td>Composite 3-Yr St Dev (%)</td>
<td>8.5</td>
<td>9.5</td>
<td>8.7</td>
<td>9.8</td>
<td>10.2</td>
</tr>
<tr>
<td>Benchmark One 3-Yr St Dev (%)</td>
<td>8.4</td>
<td>7.8</td>
<td>7.1</td>
<td>8.2</td>
<td>8.3</td>
</tr>
<tr>
<td>Benchmark Two 3-Yr St Dev (%)</td>
<td>10.6</td>
<td>9.8</td>
<td>9.4</td>
<td>10.1</td>
<td>10.2</td>
</tr>
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<td>116</td>
<td>159</td>
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<td>138</td>
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<tr>
<td>Non-Fee Accounts (%)</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Internal Dispersion (%)</td>
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<td>1.3</td>
<td>1.4</td>
<td>1.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Composite Assets ($M)</td>
<td>42,824</td>
<td>34,339</td>
<td>32,862</td>
<td>26,272</td>
<td>22,584</td>
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<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm Assets ($M)</td>
<td>20,073</td>
<td>15,261</td>
<td>4,874</td>
<td>4,210</td>
<td>3,577</td>
</tr>
</tbody>
</table>

City National Rochdale, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. City National Rochdale, LLC has been independently verified for the periods January 1, 2000 through December 31, 2018. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The High Dividend and Income Equities Composite has been examined for the periods January 1, 2014 through December 31, 2018. The verification and performance examination reports are available upon request.

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

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

3 Benchmark One as of 12/31/2013 is 50% DJ US Select Dividend / 15% MSCI US REIT Index / 25% ICE BAML Core Fixed Rate Preferred Securities Index / 10% Allianz MLP. Prior to 12/31/13 Benchmark One was the Dow Jones Select Dividend Index. The change was made due to tactical and strategic allocation changes at the firm level and in order to maintain appropriate composite-to-benchmark comparisons. Benchmark Two is the Lipper Equity Income Index. The benchmarks are rebalanced monthly.

4 Gross of fee returns include the cost of brokerage commissions, but excludes the impact of management, custodial and other fees. The impact of any income taxes an investor might have incurred as a result of taxable ordinary income and capital gains realized by the accounts. Net of fee performance was calculated using actual management fees for periods through 12/31/14. Starting 1/1/15, fees are modeled at 1.00%, the highest tier. (Fee schedule: 1.26% first $1 million, 1.00% next $4 million, 0.75% next $5 million and 0.50% in excess of $10 million.) Starting 1/1/19, fees are modeled at 1.25%, the highest tier. (Fee schedule: 1.26% first $1 million, 1.00% next $4 million, 0.75% next $5 million and 0.50% in excess of $10 million.) Returns include the reinvestment of income.

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

6 The 3-Year Annualized Ex-post Standard Deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. For periods through 12/31/14, this was derived from the STDEV function and starting 1/1/2015, STDEV is used. The Standard Deviation is not represented prior to 2011 as this was not a requirement before January 1, 2011.

7 Policies for valuing portfolios, calculating performance and preparing compliance presentations are available upon request.

8 Valuation is computed and performance is reported in U.S. dollars.

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

10 Past performance is not an indication of future results.

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**CITY NATIONAL ROCHDALE, LLC**  **NON-DEPOSIT INVESTMENT PRODUCTS ARE: [NOT FDIC INSURED] [NOT BANK GUARANTEED] [MAY LOSE VALUE]**
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