City National Rochdale
AN RBC/CITY NATIONAL COMPANY

May 2024

Market Update

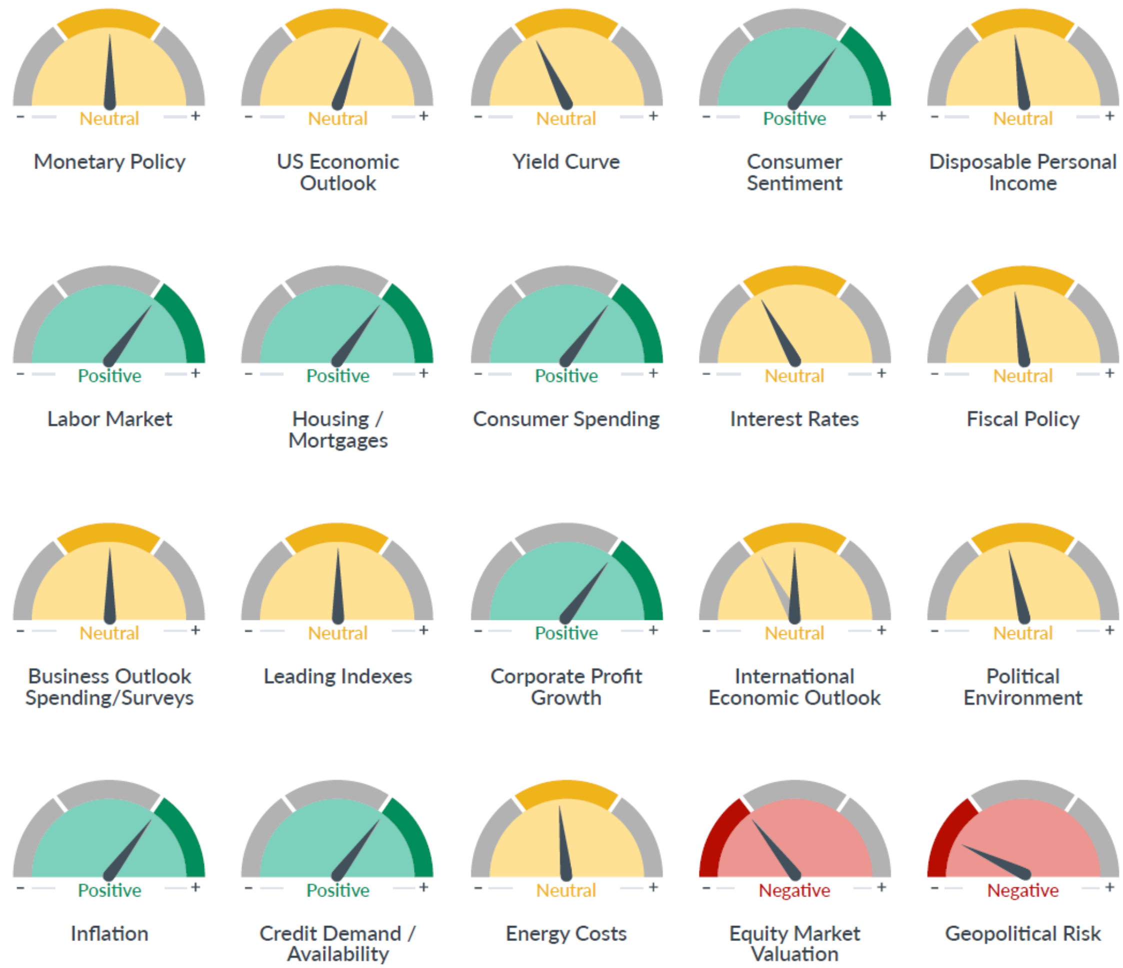
Strategy & Outlook Update

CNR Speedometers® – June 2024

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

- Global economic outlook improving, US growth prospects remain more positive.
- Fed rate hiking cycle most likely over, policy headwinds expected to moderate.
- Consumer remains resilient, job and wage growth supporting spending.
- Expecting improvements in corporate profits, inflation, credit conditions and housing.
- Geopolitical events remain key risk to outlook.

Impact on Economy and Financial Markets



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

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

Economic Forecasts

- GDP growth to moderate but economy should remain resilient and avoid recession.
- Corporate profits expected to show improving growth.
- Downward inflation glide path intact, but progress slower.
- Now expecting 0-2 Fed rate cuts in 2024.
- Sticky inflation and more patient Fed likely to put 4% floor on 10- year Treasuries.

City National Rochdale Forecasts		2023	2024e	2025e
Real Annual GDP Growth		2.5%	1.75% to 2.25%	1.5% to 2.25%
Corporate Profit Growth		1%	9.0% to 12.0%	8.0% to 12.0%
Headline CPI Year End		3.3%	2.75% to 3.50%	2.50% to 2.75%
Core CPI Year End		3.9%	2.50% to 3.00%	2.25% to 2.75%
Interest Rates	Federal Funds Rate	5.25% to 5.50%	4.75% to 5.50%	3.75% to 4.25%
	Treasury Note, 10-Yr.	3.88%	4.10% to 4.60%	4.00% to 4.50%

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

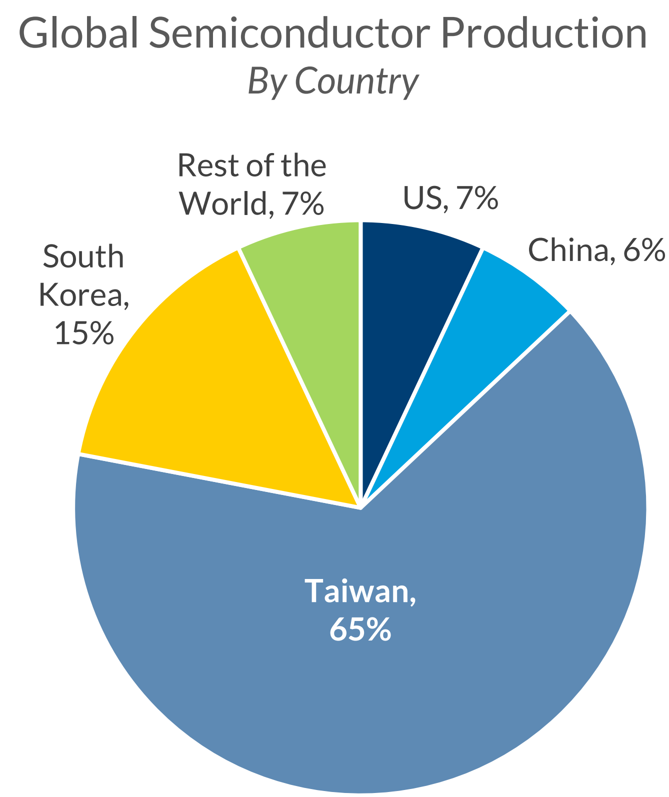
Today's Agenda

- What We Are Watching
  - Major global elections and China/Taiwan tensions
  - Potential long-term impacts from this election cycle – the "TTTs"
    - *Tariffs*
    - *Taxes*
    - *Treasury Debt*
  - Global Central Bank easing cycles
- Macro-Economic Update
  - Consumer Health
  - State of the Labor Market
  - Housing Impact on Inflation
- Fixed Income
  - Attractiveness of Yield
  - Bond market stability and new issuance
  - Municipal Bonds for High-Tax Investors
  - The Value of Extending Maturities
- Equities
  - The Rally Has Broadened
  - Check-up on Small & Mid-Cap Position
  - High Valuations & Returns
  - CNR Core Equity Sector Positioning
- Q&A

Geopolitical Risks Continue To Cloud The Outlook

- 2024 global elections and geopolitical tensions will continue to weigh on sentiment and may create volatility.
- Corporate investment decisions and U.S. economic and industrial policy will be influenced by global events.

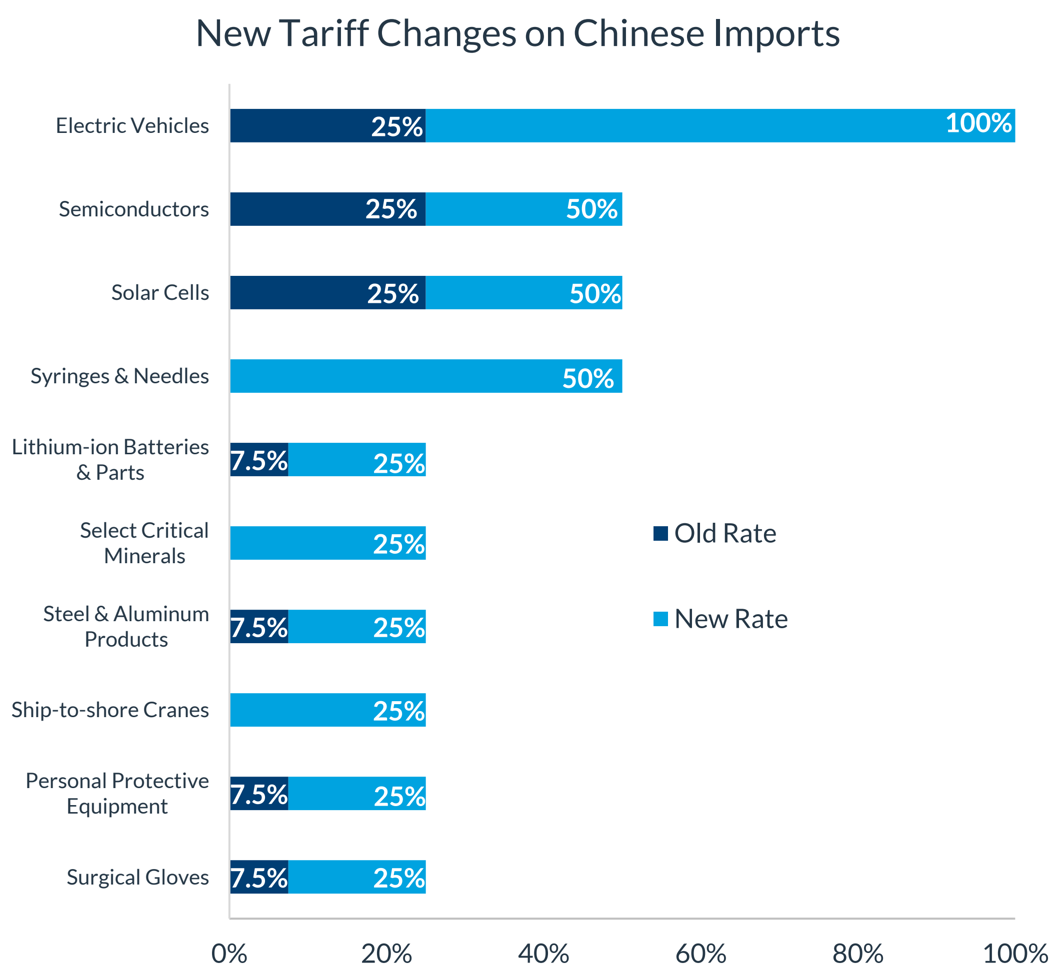
Region/ Events	Key Issues
Mexico Elections June 2	• Immigration/Border Security • US Trade relations (USCMA Review 2026) • China investment
European Parliament Elections June 7	• Trade relations (US & China) • EU control/influence over member states • Tech Regulations • Defense and security, Ukraine support
China-Taiwan Tensions	• Newly elected president • Military tension escalation • Global supply chain (Semiconductor)

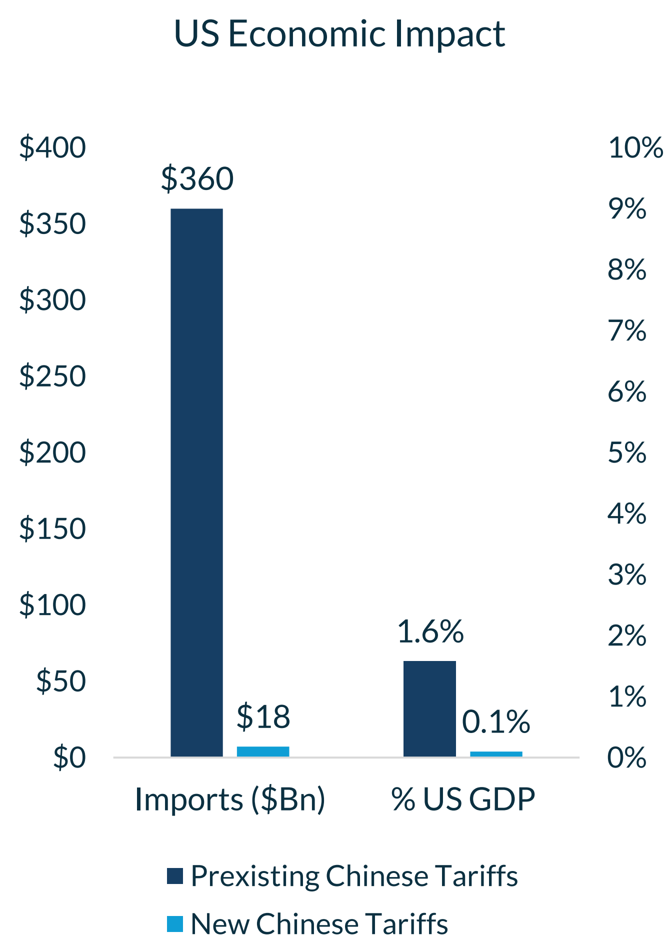


Source: Left: CNR Research, as of 2024. Right:TrendForce, as of 2022.

Election: Tariffs

- Tariffs will be key to each party's political agenda and will increase in importance as the election approaches.
- The extension of Section 301 and new tariffs on Chinese imports will have little immediate impact on GDP.
- Further political escalation could impede growth and create inflationary pressure in the long-run.

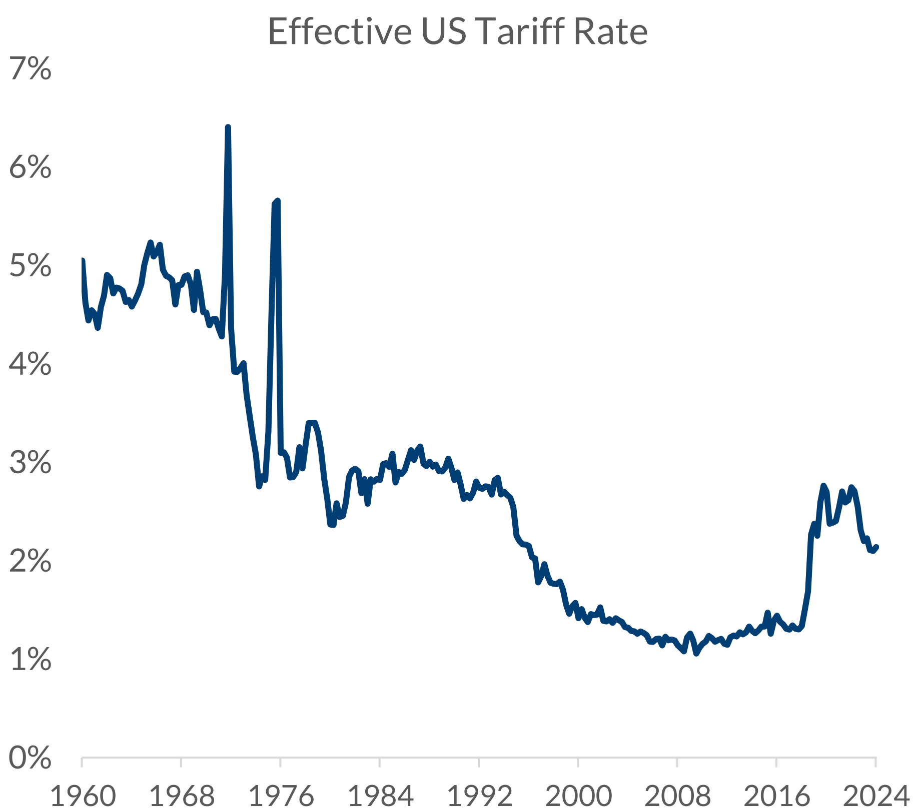


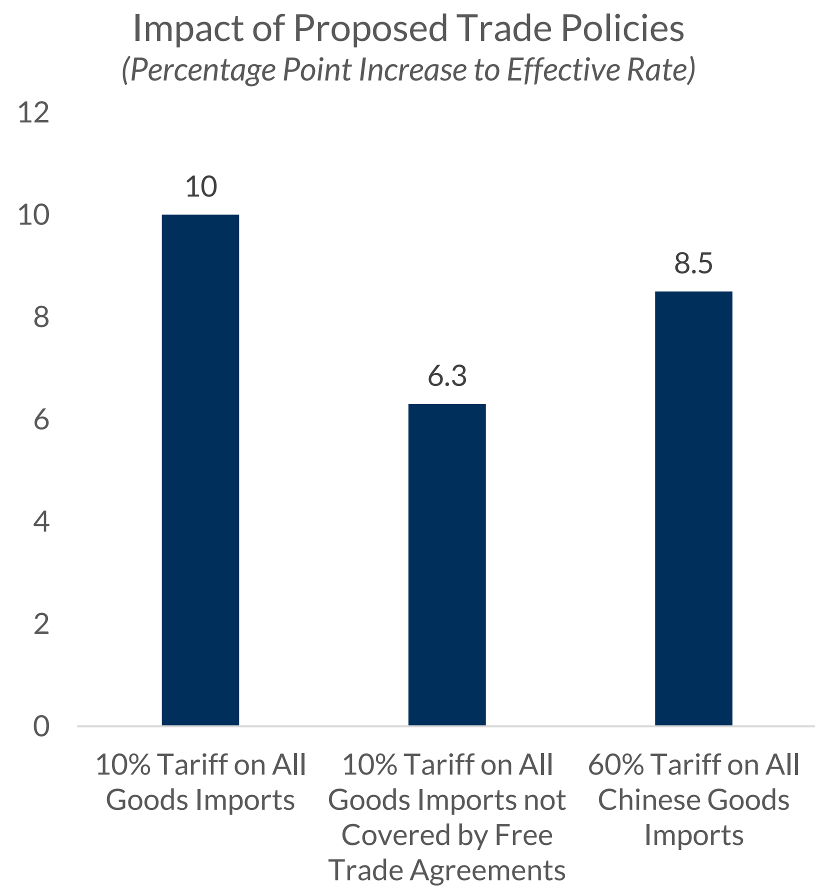


Source: Whitehouse.gov, St. Louis Fed, as of May 2024.
Information is subject to change.

Election: Tariffs

- Effective U.S. Tariff rates spiked during Trump's presidency.
- Under proposed policies, effective tariff rates could jump substantially impacting prices and the availability of goods.





Source: St. Louis Fed. Goldman Sachs Research, as of May 2024.
Information is subject to change and is not a guarantee of future results.

Election: Tariffs

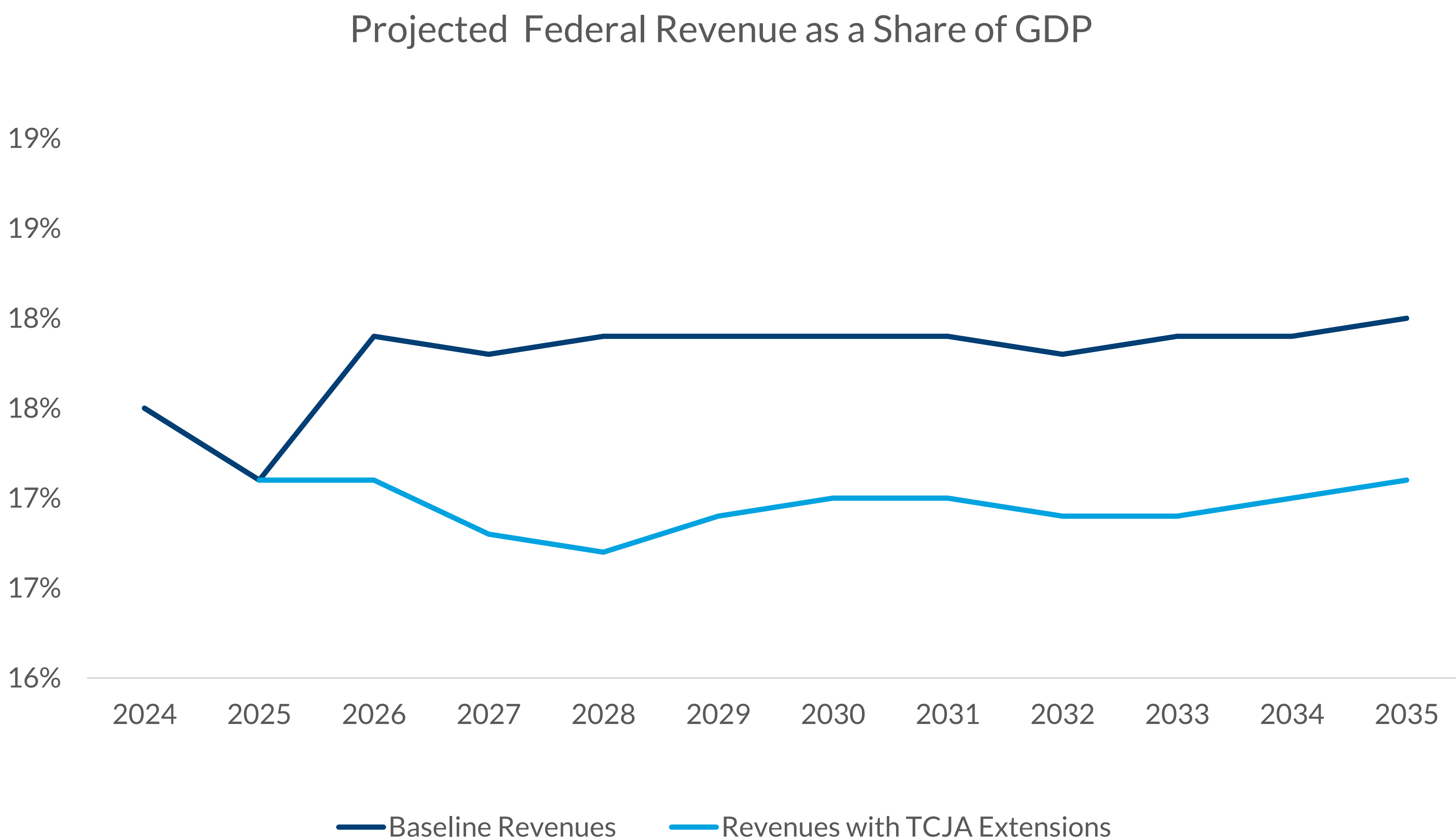
- The direct impact of tariffs will come through increased consumer prices, which could impact consumption.
- Depending on the political environment, business sentiment and the supply chain could face heightened pressure.

Direct Impacts		Indirect Impacts	
Consumer Prices	Higher	Financial Conditions	Likely Tighter
Real Income	Lower	Policy Uncertainty	Modestly Negative
Consumption	Lower	Business Sentiment	Modestly Negative
Net Trade	Higher, though retaliatory tariffs could lower export volumes	Global Supply Chain	Likely Negative

Source: CNR Research, as of May 2024.

Election: Taxes

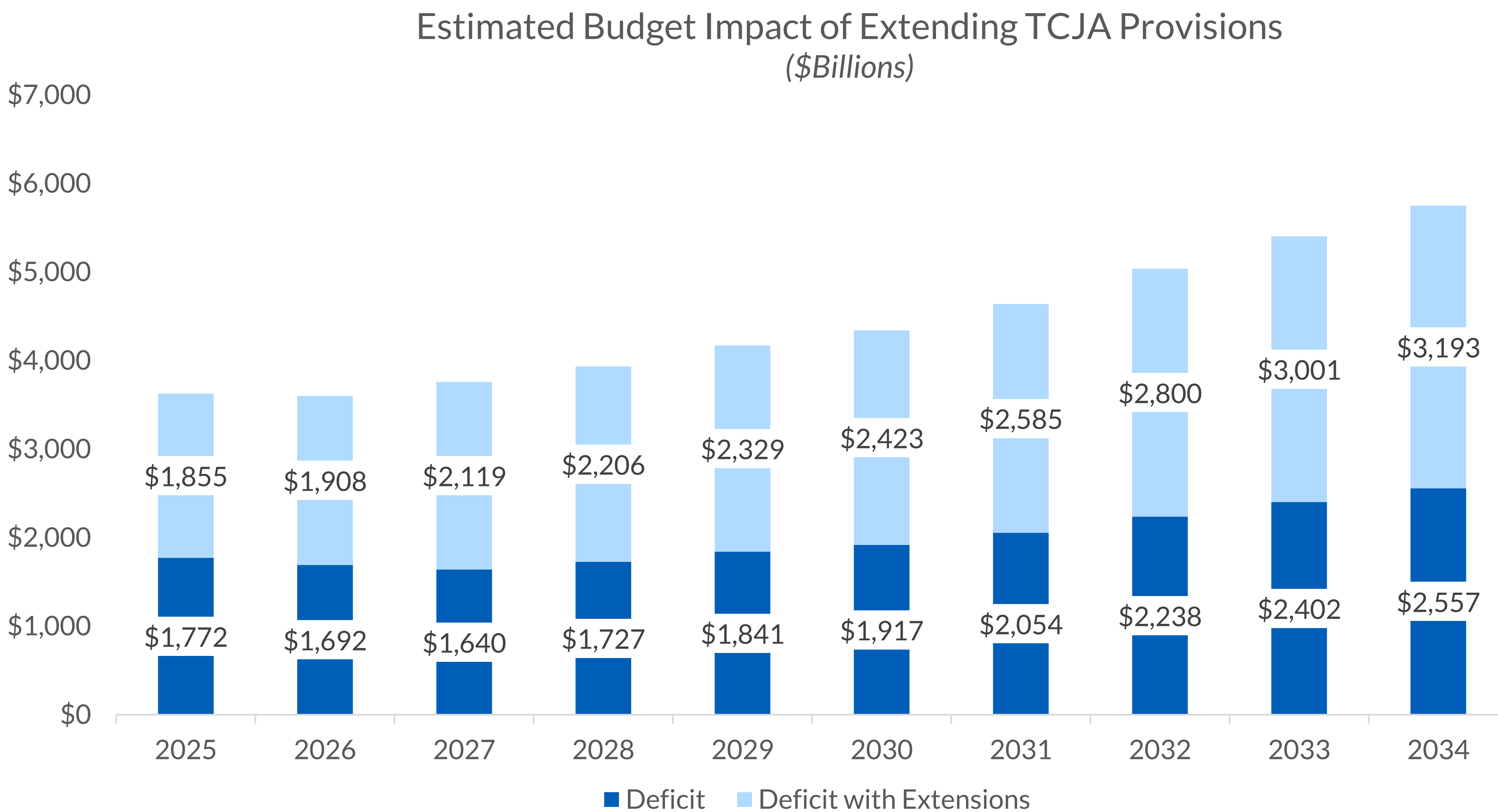
- Portions of the Tax Cuts and Jobs Act (“TCJA”) is up for extension in 2025.
- Extension is likely despite election outcome, but fiscal austerity and lack of off-setting revenue may hinder efforts.



Source: Committee for a Responsible Federal Budget, as of May 2024.
Information is subject to change and is not a guarantee of future results.

Election: Taxes

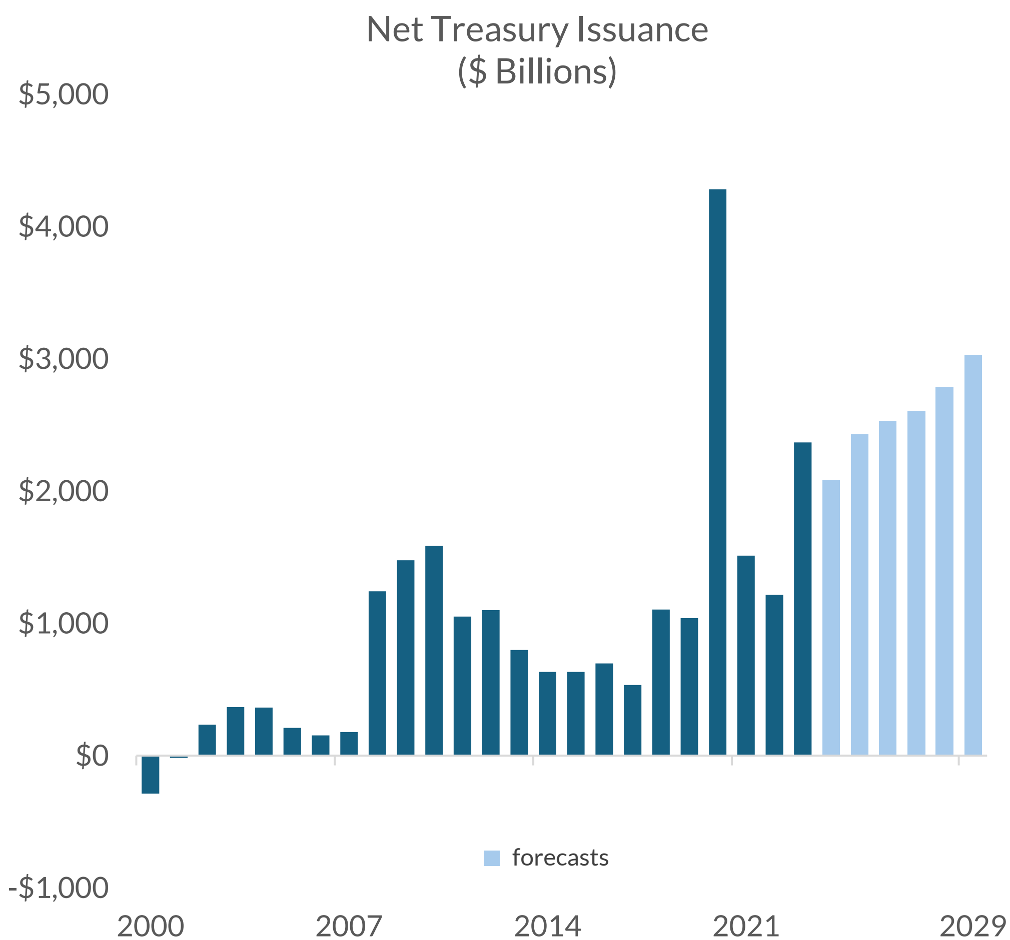
- A full extension of the TCJA will create a substantial increase in the deficit over time.
- Continued deficit growth is likely to lead to upward pressure on interest rates.



Source: Congressional Budget Office, as of May 2024.
Information is subject to change and is not a guarantee of future results.

Election: Treasuries

- Treasury issuance is projected to increase to over $3T by 2029.
- Increased issuance of longer-term maturities will continue to put pressure on the level of interest rates.

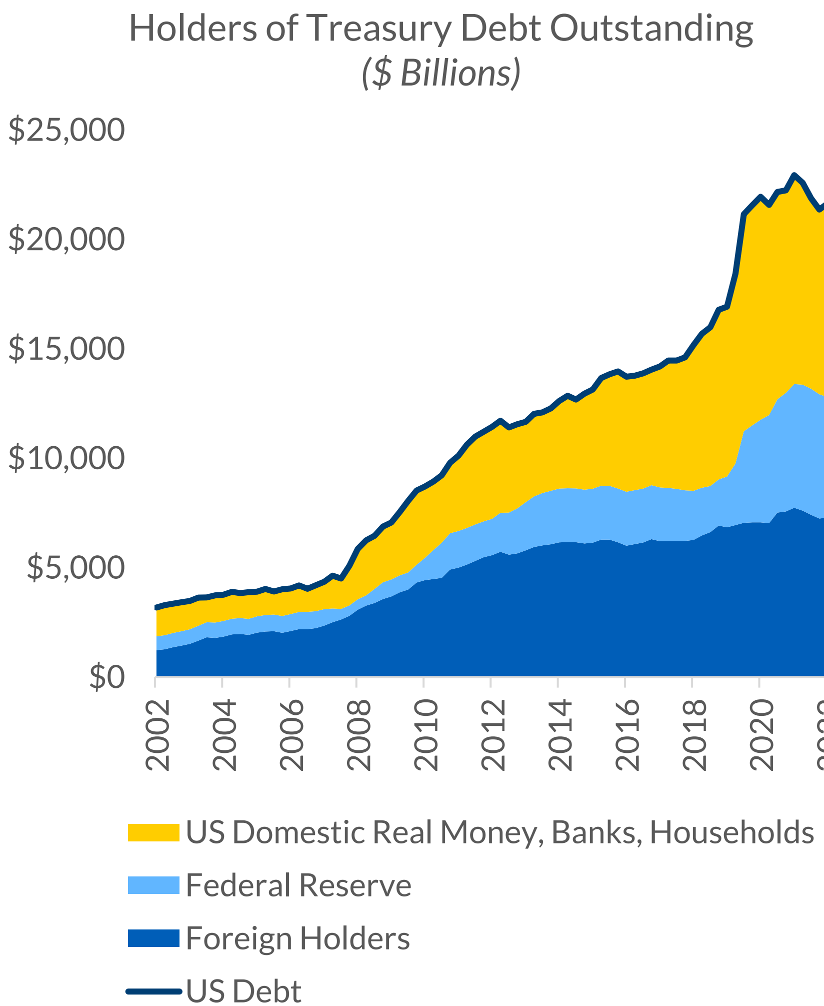


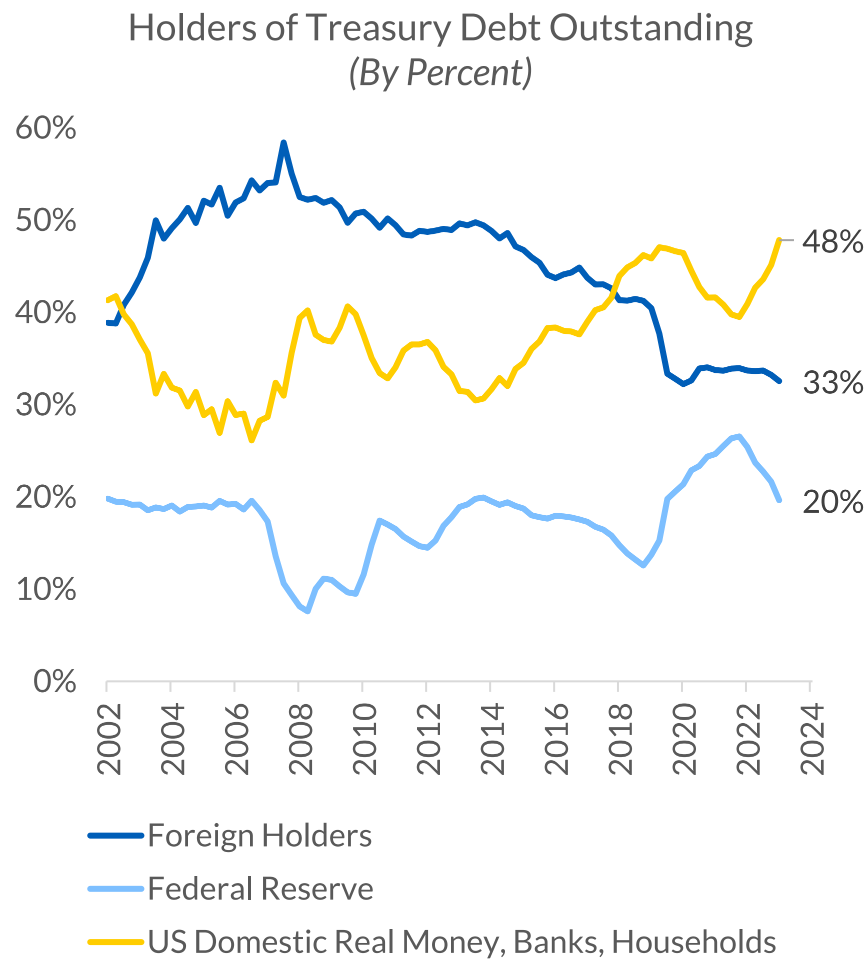
Estimated Net Issuance ($Bn)					
Year	Total	Bills/ Floaters	Notes	Bonds	TIPs
2024	2084	208	1116	834	63
2025	2429	243	1141	971	73
2026	2532	253	1190	1013	76
2027	2605	261	1225	1042	78
2028	2789	279	1311	1116	84
2029	3031	303	1424	1212	91

Sources: Congressional Budget Office, Treasury Borrowing Advisory Committee, Securities Industry and Financial Markets Association. MetLife Investment Management,..
Information is subject to change and is not a guarantee of future results.

Election: Treasuries

- Foreign buyers now represent a much smaller percentage of outstanding treasury debt.
- U.S. buyers are stepping in to fill the gap, but are more price sensitive, which may increase interest rate volatility.

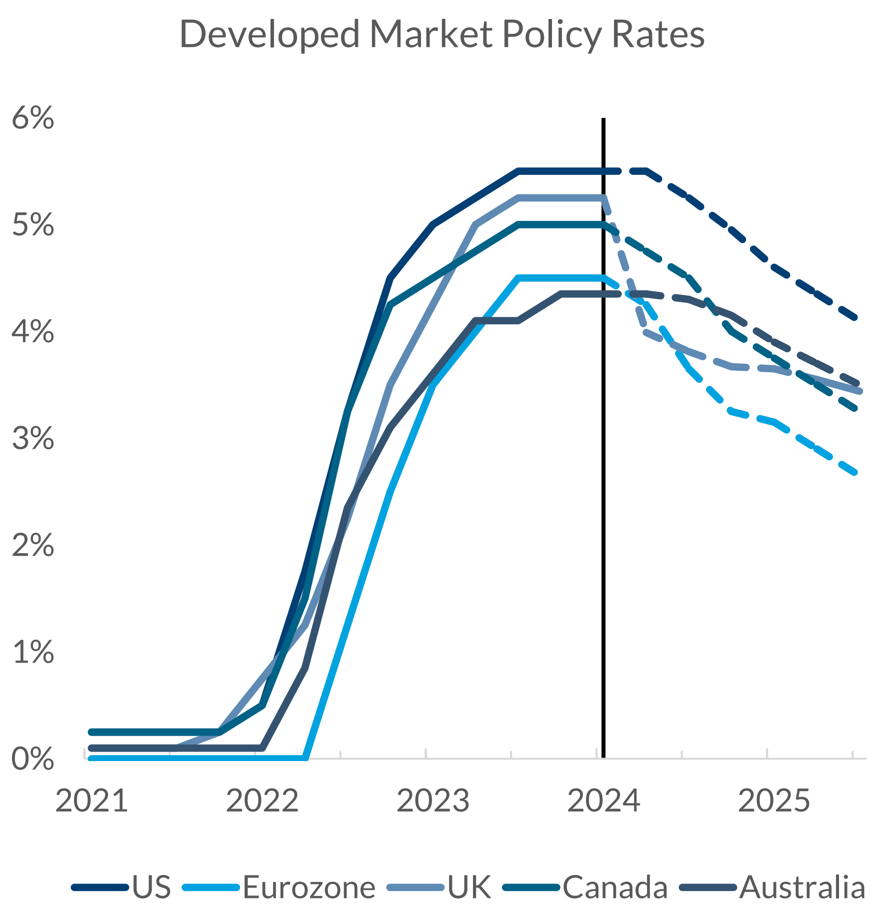


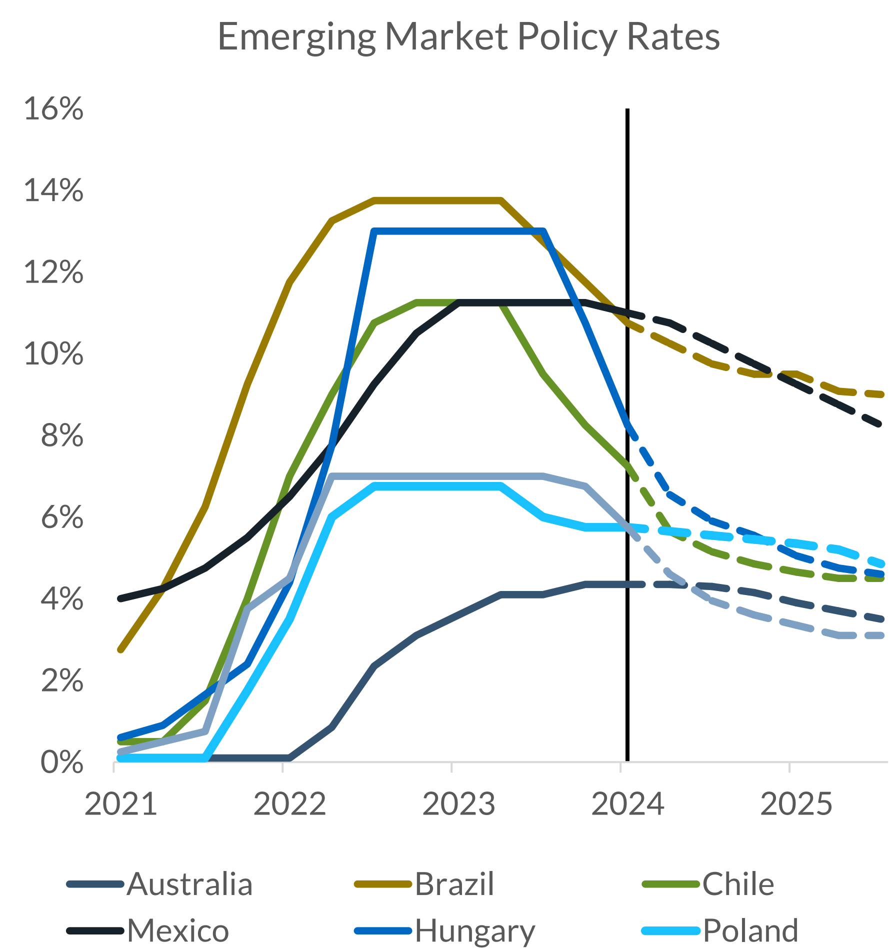


Source: Bloomberg, as of May 2024.
Information is subject to change and is not a guarantee of future results.

Global Central Bank Divergence

- Global central banks will likely ease before we see the first cut by the U.S. Federal Reserve.
- Emerging Market central banks have already started easing policy.
- Quicker cuts could have stimulative effect, increasing the return profile of non-U.S. investments.

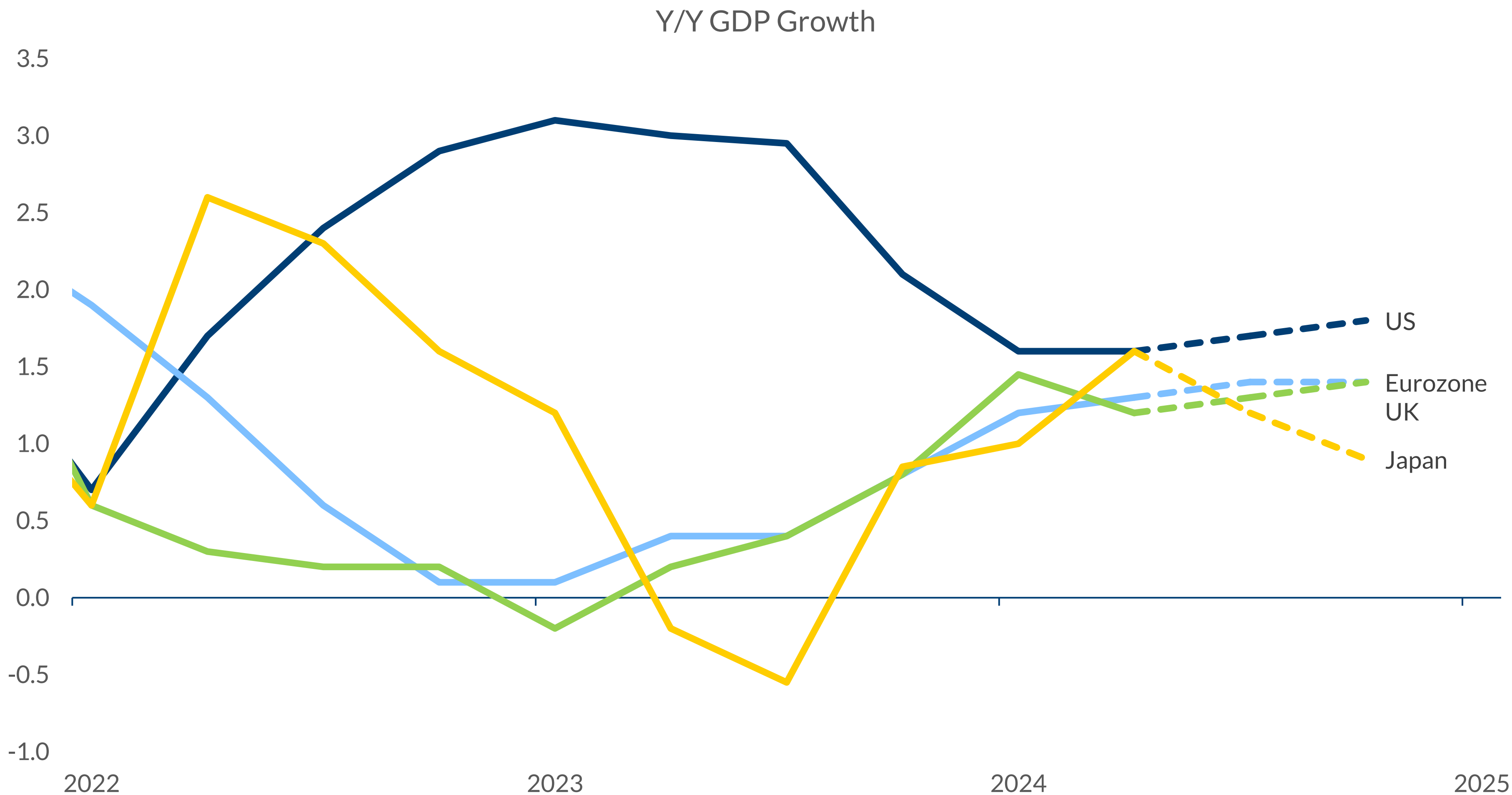




Source: Bloomberg, as of May 2024.
Information is subject to change and is not a guarantee of future results.

International Growth Converging With U.S. Growth

- As the U.S. economy slows, international developed markets are poised to accelerate from recent lows.
- U.S. growth is likely to outperform, but non-U.S. markets may shift toward more sustainable growth rates.
- Conditions for non-U.S. investment include stable growth, stable currencies and an improving geopolitical backdrop.



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

Key Takeaways

- Global elections and Geopolitics will continue to impact the outlook – We believe CNR is well positioned to weather the impact of the China/Taiwan situation.

- The U.S. Election's long-term market impact revolves around the "TTTs".
  - Tariffs may create inflationary pressure and could escalate global tensions.
  - Taxes will be impacted by "TCJA" policy and under both administrations will impact the deficit.
  - Treasury issuance will be key to the long-run sustainable level of interest rates.

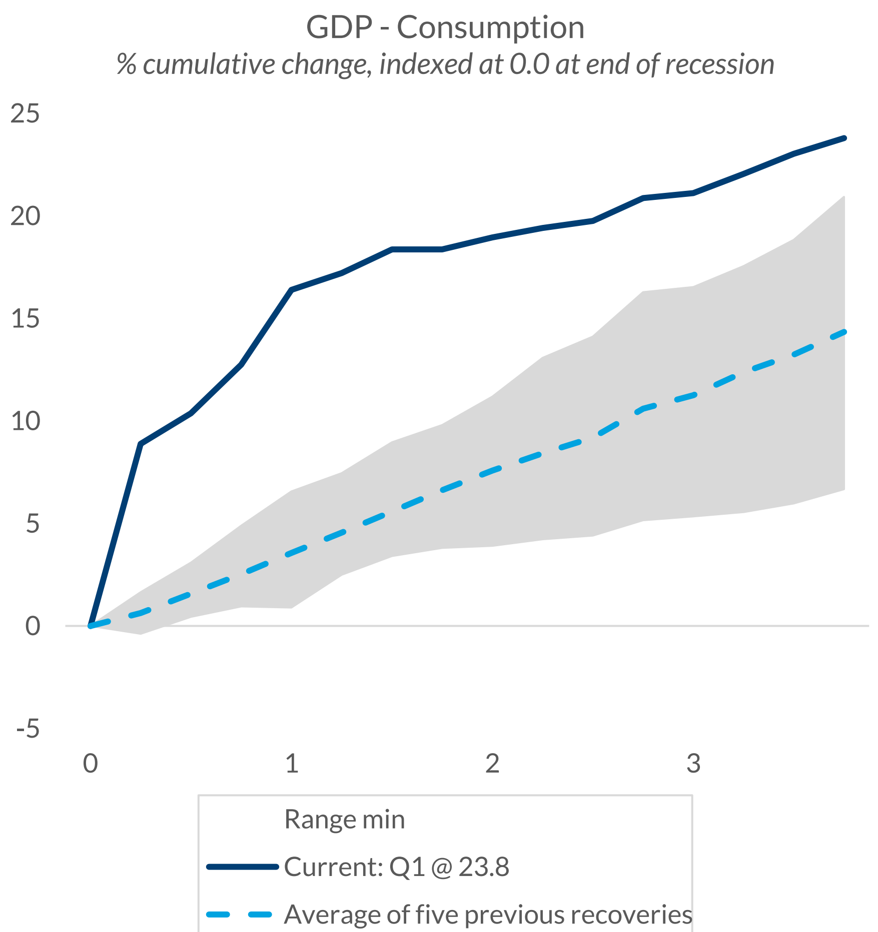
- Global Central Bank Policy may impact international growth rates, increasing the attractiveness of international markets.

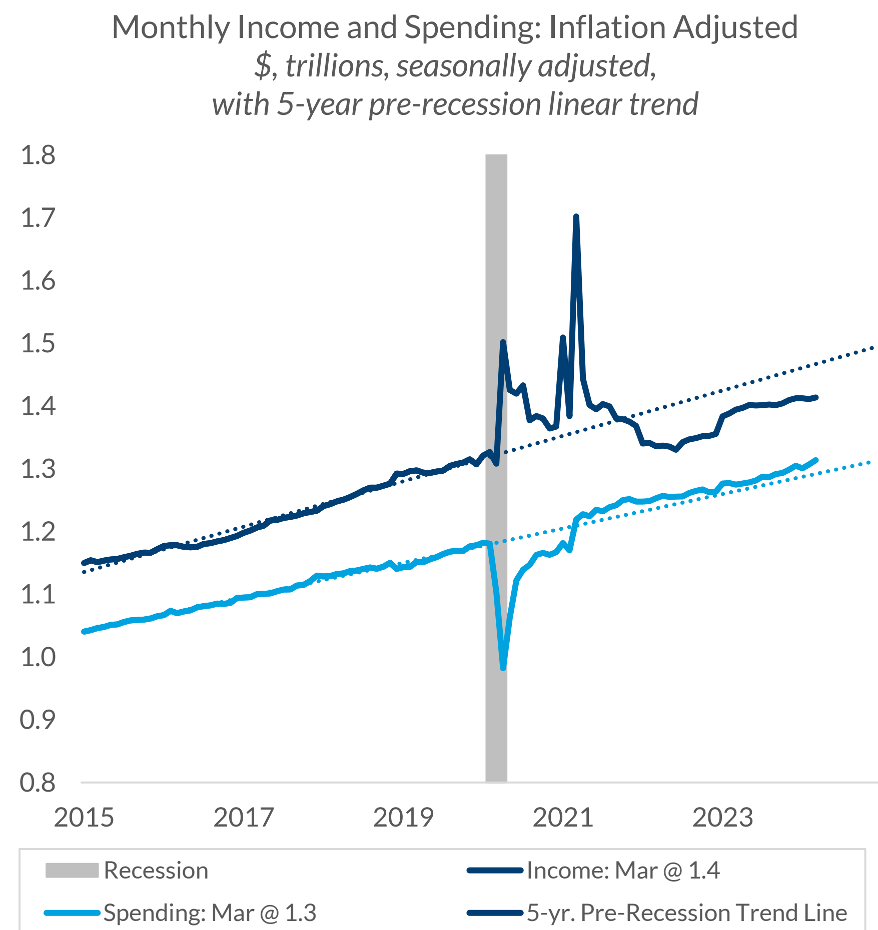
Source: CNR Research, as of May 2024.
Information is subject to change and is not a guarantee of future results.

Economy

Income & Spending

- Consumer spending continues to be the driving force behind the country's solid economic growth.
- Spending is expected to moderate over the coming quarters as higher interest rates will take their toll.
- That is expected to help return the income/spending relationship to the long-term trend.

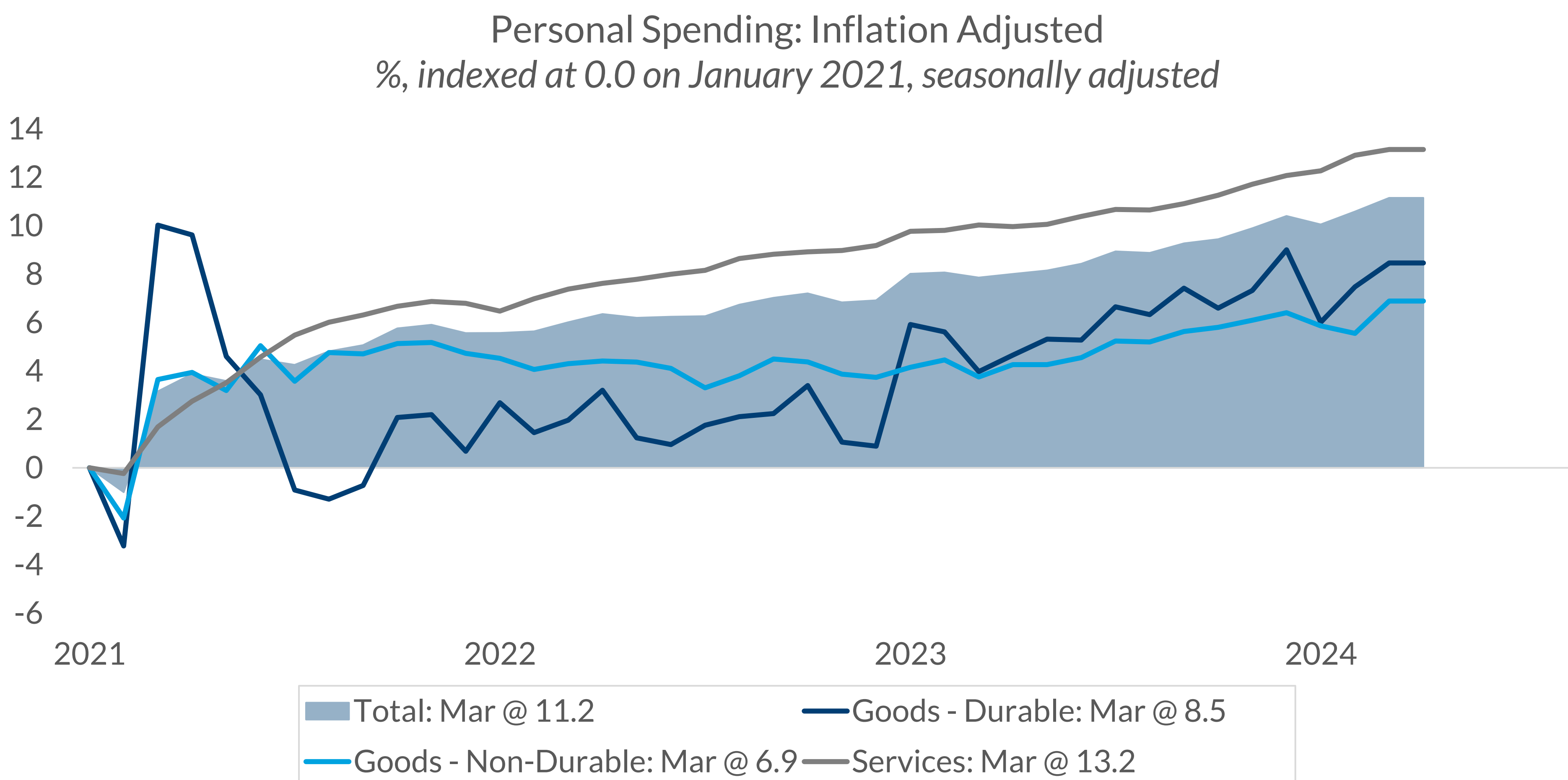




Data current as of May 30, 2024
Source: Bureau of Economic Analysis
Information is subject to change and is not a guarantee of future results.

Income & Spending

- The growth rate of service spending (65% of all spending) is beginning to moderate.
- Durable goods spending (13%) is below the recent peak, probably due to higher interest rates.
- Non-durable goods (22%) are less cyclical and continue to grow at their long-term trend rate.



Data current as of May 30, 2024
Source: Bureau of Economic Analysis
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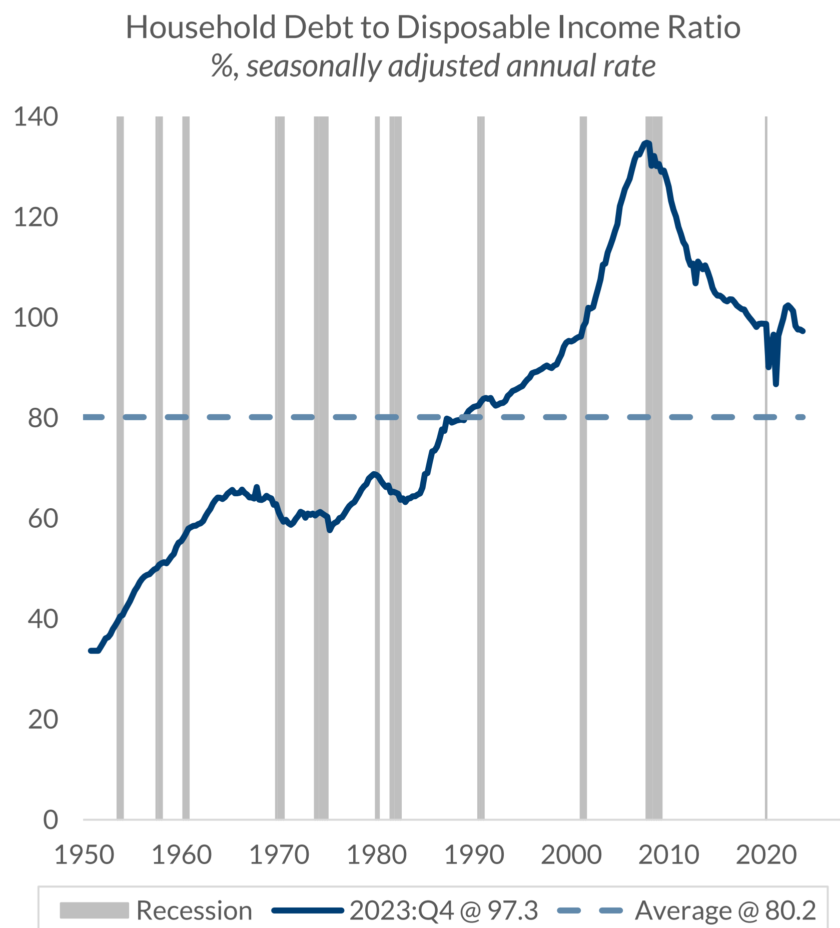
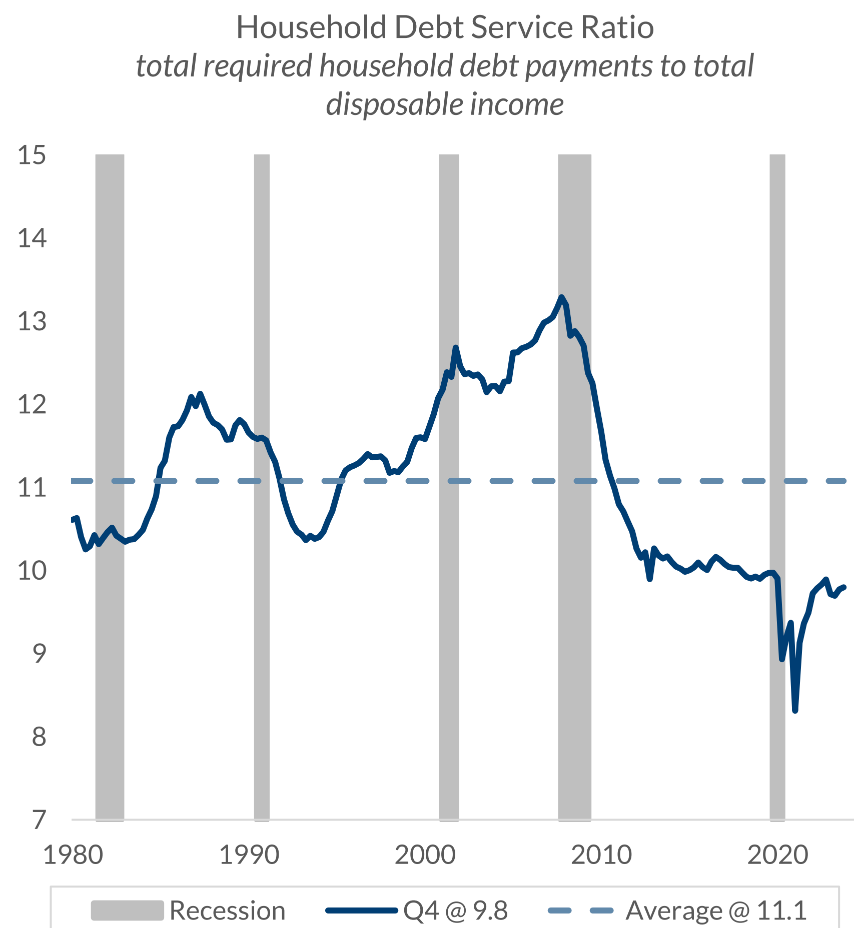
Income & Spending

- Access to credit is still an option for most households.
- Although total household debt relative to income is above the long-term average, required payments are not.

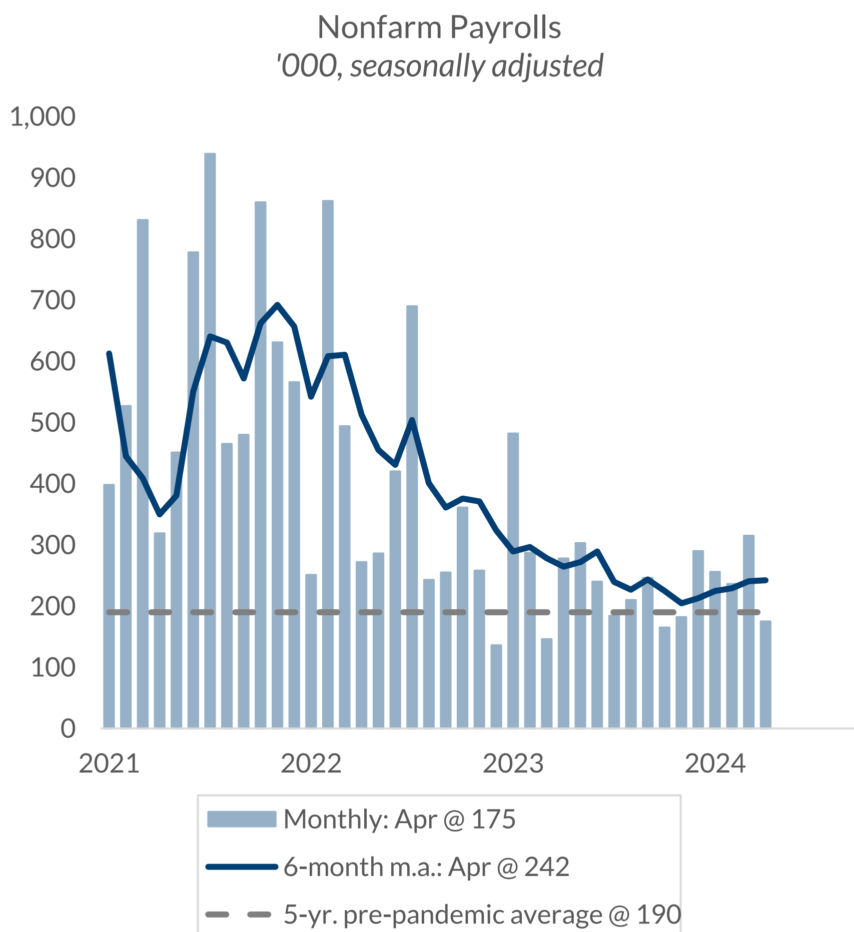


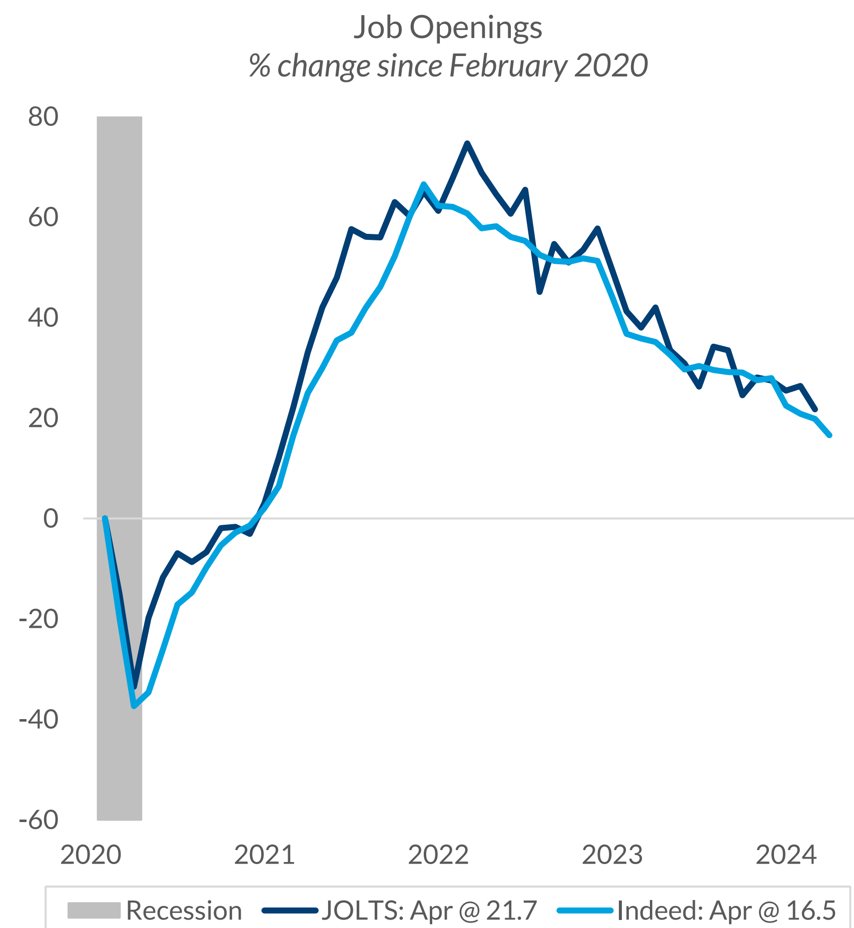


Data current as of May 30, 2024
Source: Federal Reserve Bank, Bureau of Economic Analysis
Information is subject to change and is not a guarantee of future results.

Labor

- Growth in the labor market is moderating, which is what the Fed wants it to do.
- Nonfarm payroll growth is returning to a sustainable pace, much like pre-recession levels.

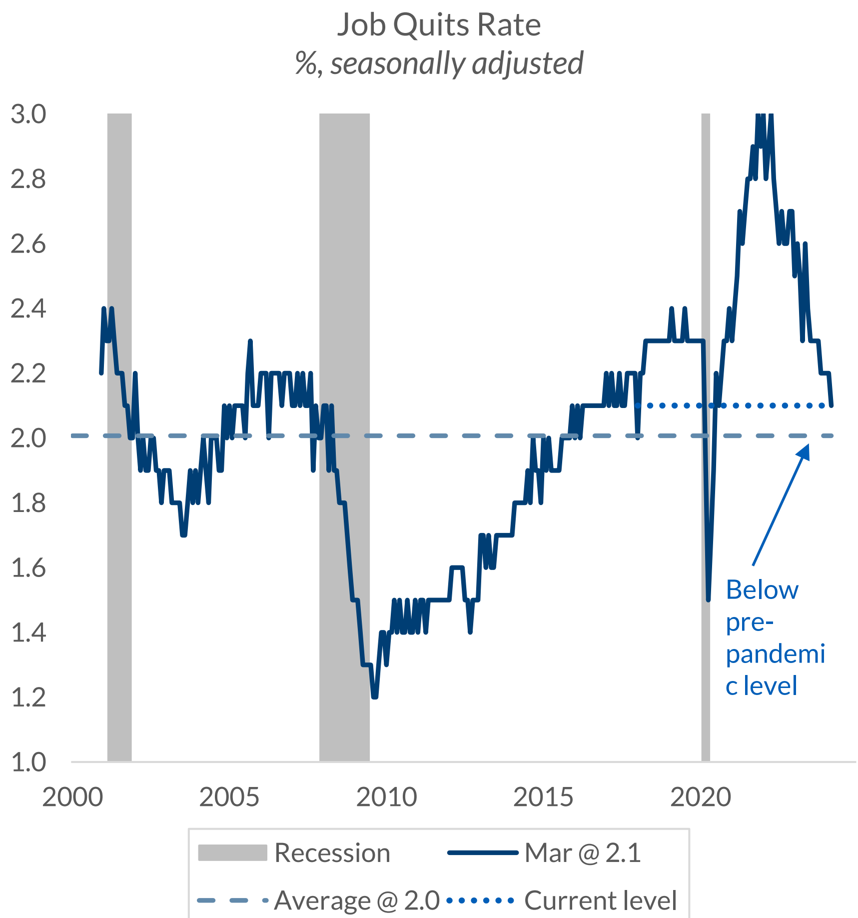


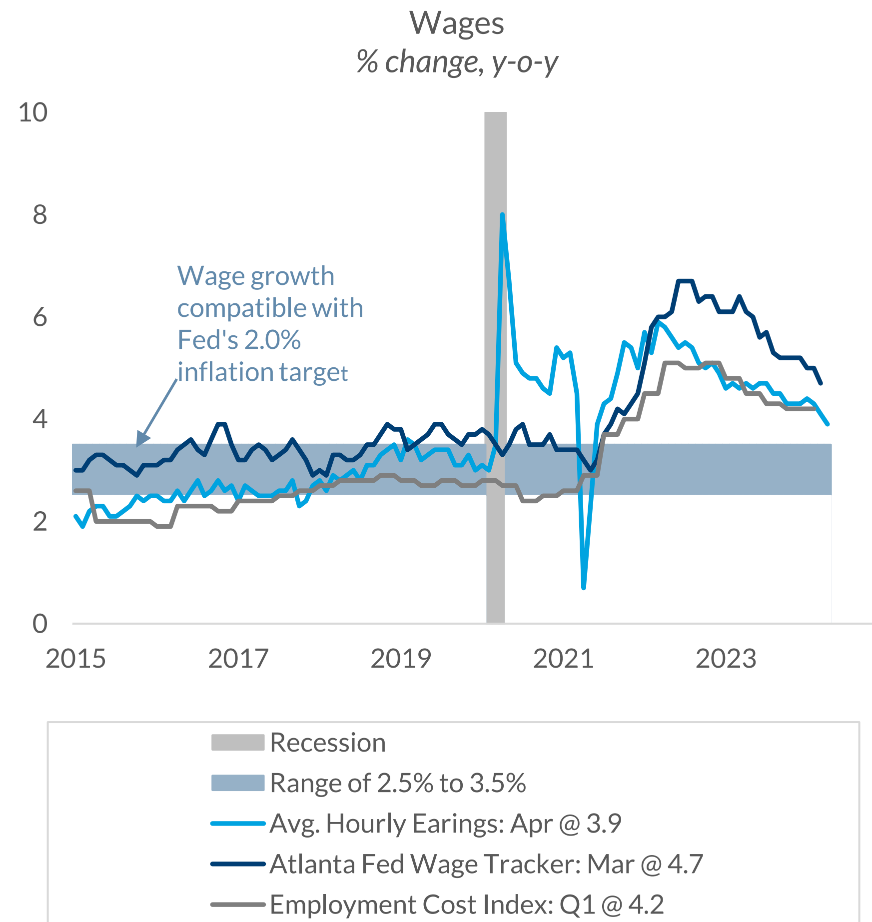


Data current as of May 30, 2024
Source: Bureau of Labor Statistics, Indeed, Inc.
Information is subject to change and is not a guarantee of future results.

Labor

- Reduction in the number of workers switching jobs may help reduce wage pressures.
- A more moderate pace of wage increases should help lower service inflation.

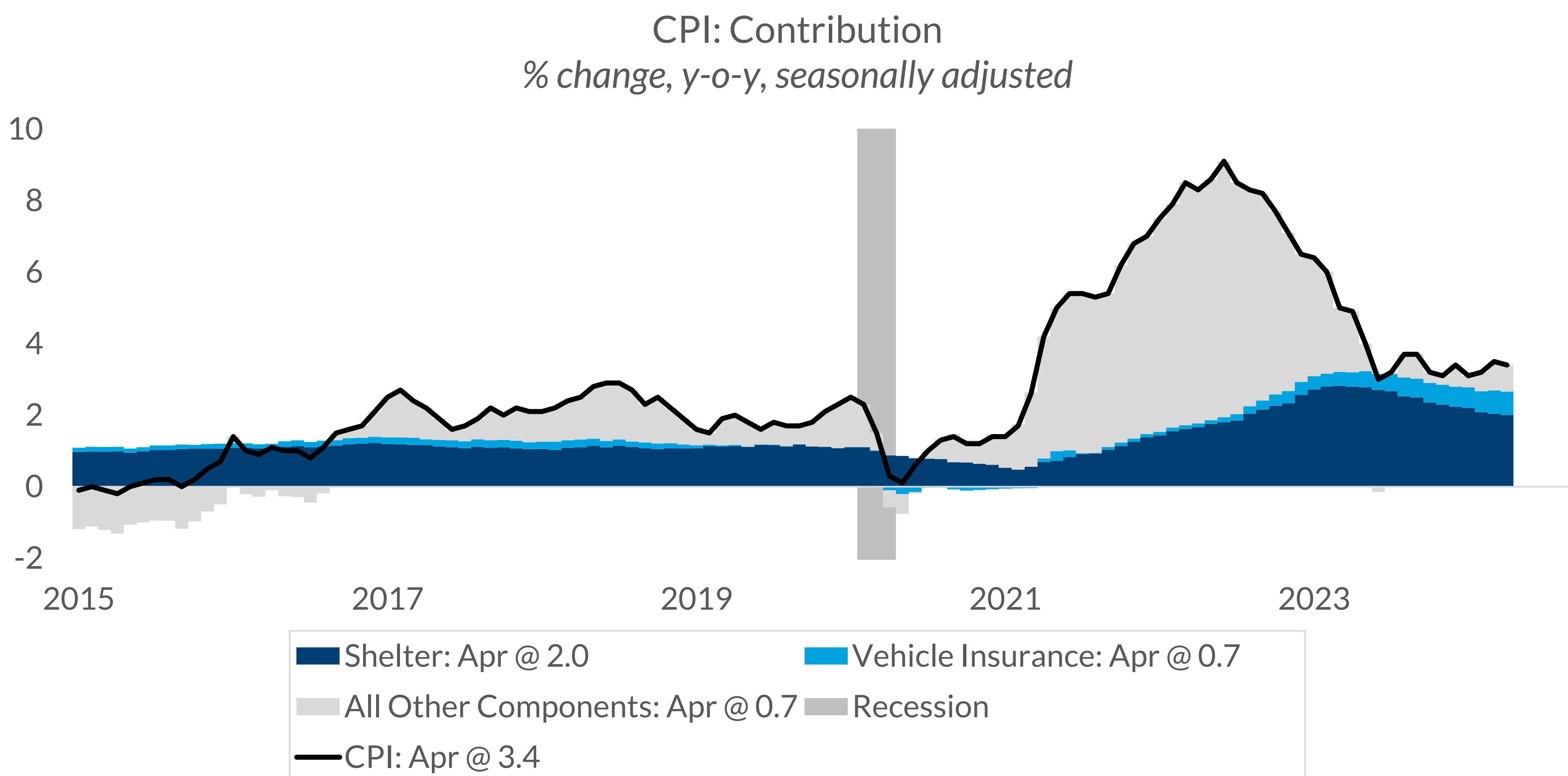




Data current as of May 30, 2024
Source: Bureau of Labor Statistics, Federal Reserve Bank of Atlanta
Information is subject to change and is not a guarantee of future results.

Inflation

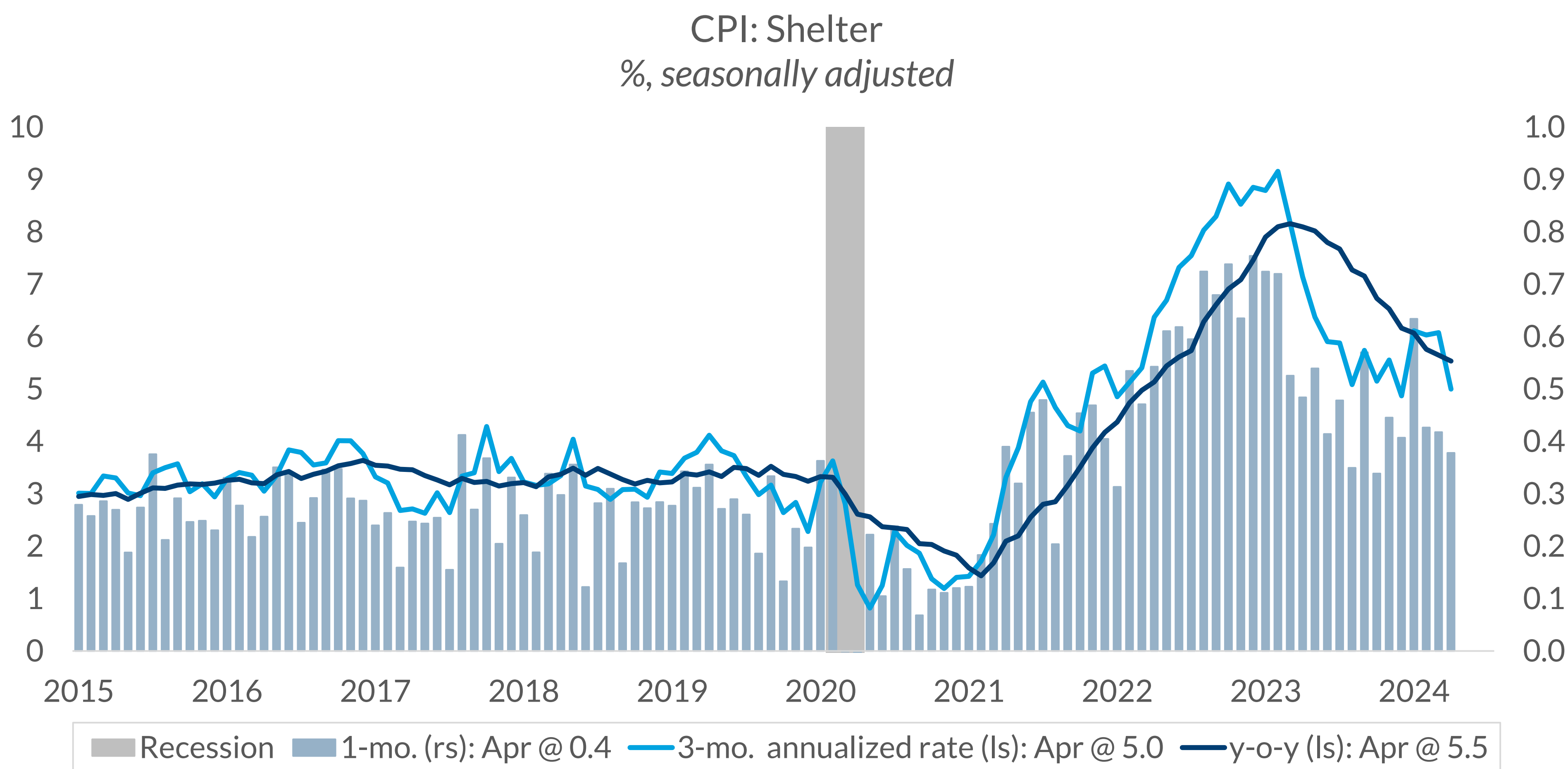
- Inflation (3.4% y-o-y) remains well above the Fed's target of 2.0%.
- 80% of inflationary pressure comes from housing (shelter) and auto insurance.



Data current as of May 30, 2024
Source: Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.

Inflation

- Shelter inflation has been holding steady around 5.0% to 5.5% for the past year.
- The pre-pandemic rate of shelter inflation hovered around 3.5%
- Although an improving story, shelter inflation is on a slow path toward pre-pandemic levels.



Data current as of May 30, 2024
Source: Bureau of Labor Statistics
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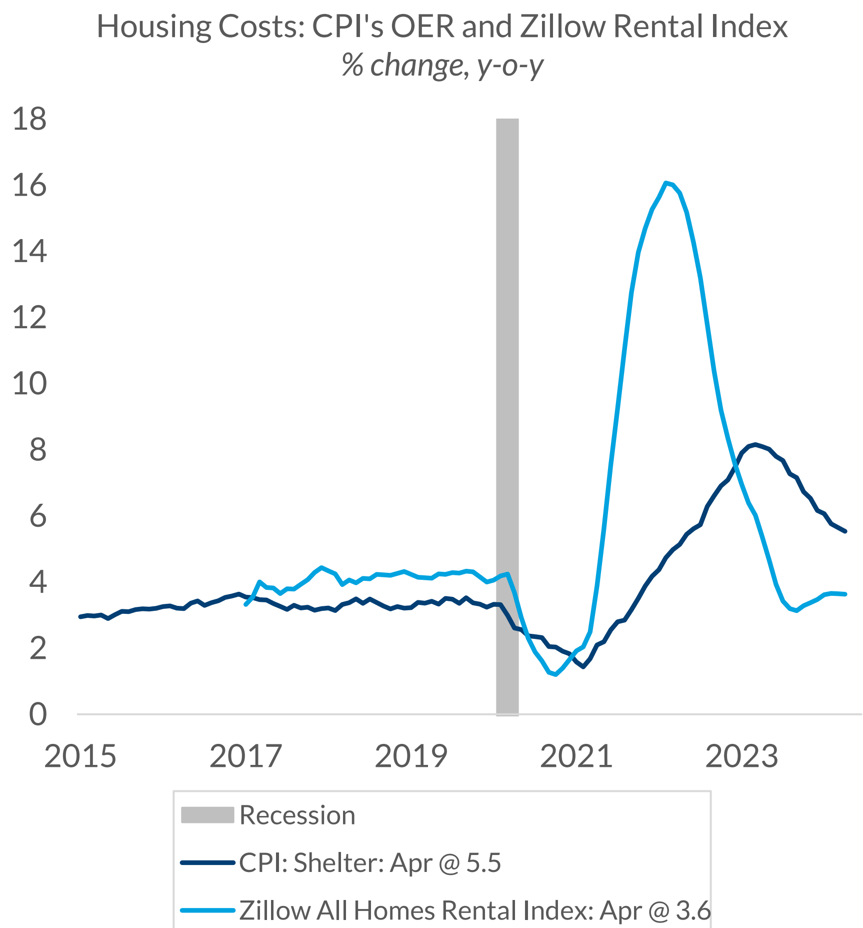
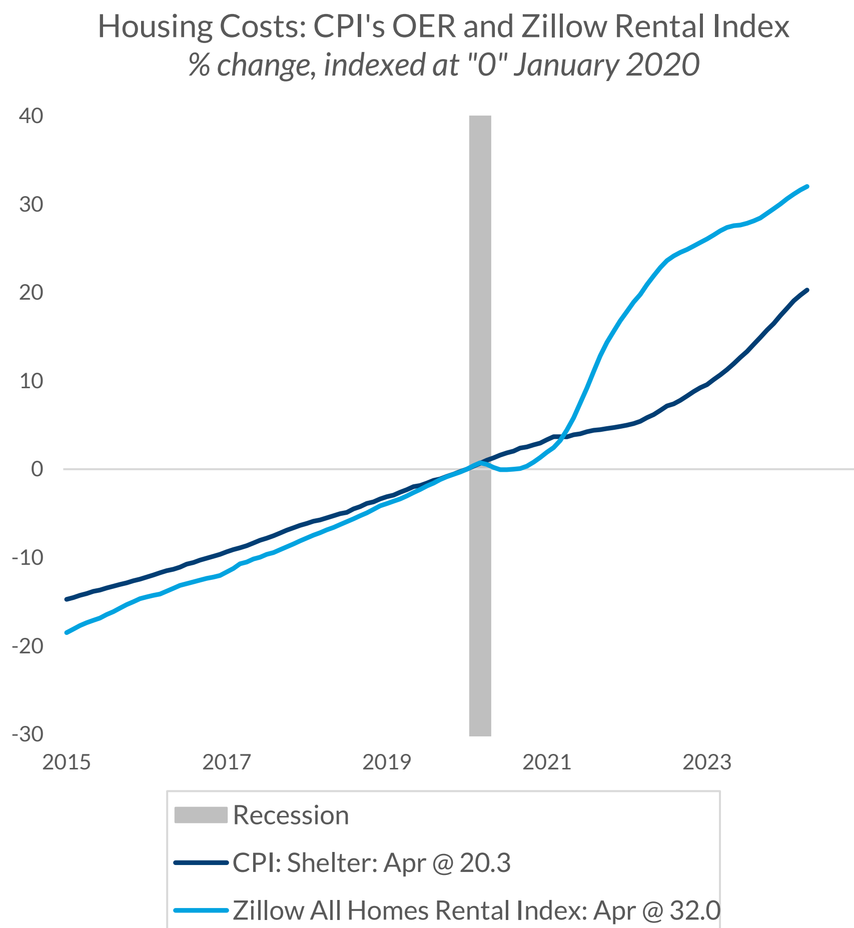
Inflation

- Shelter inflation is based heavily on the rental costs for housing.
- The strong economy and low unemployment rate has kept demand for housing very strong.
- Although supply of apartments has increased, to reduce price pressures, CPI's calculation of shelter inflation has yet to catch up to past increases.

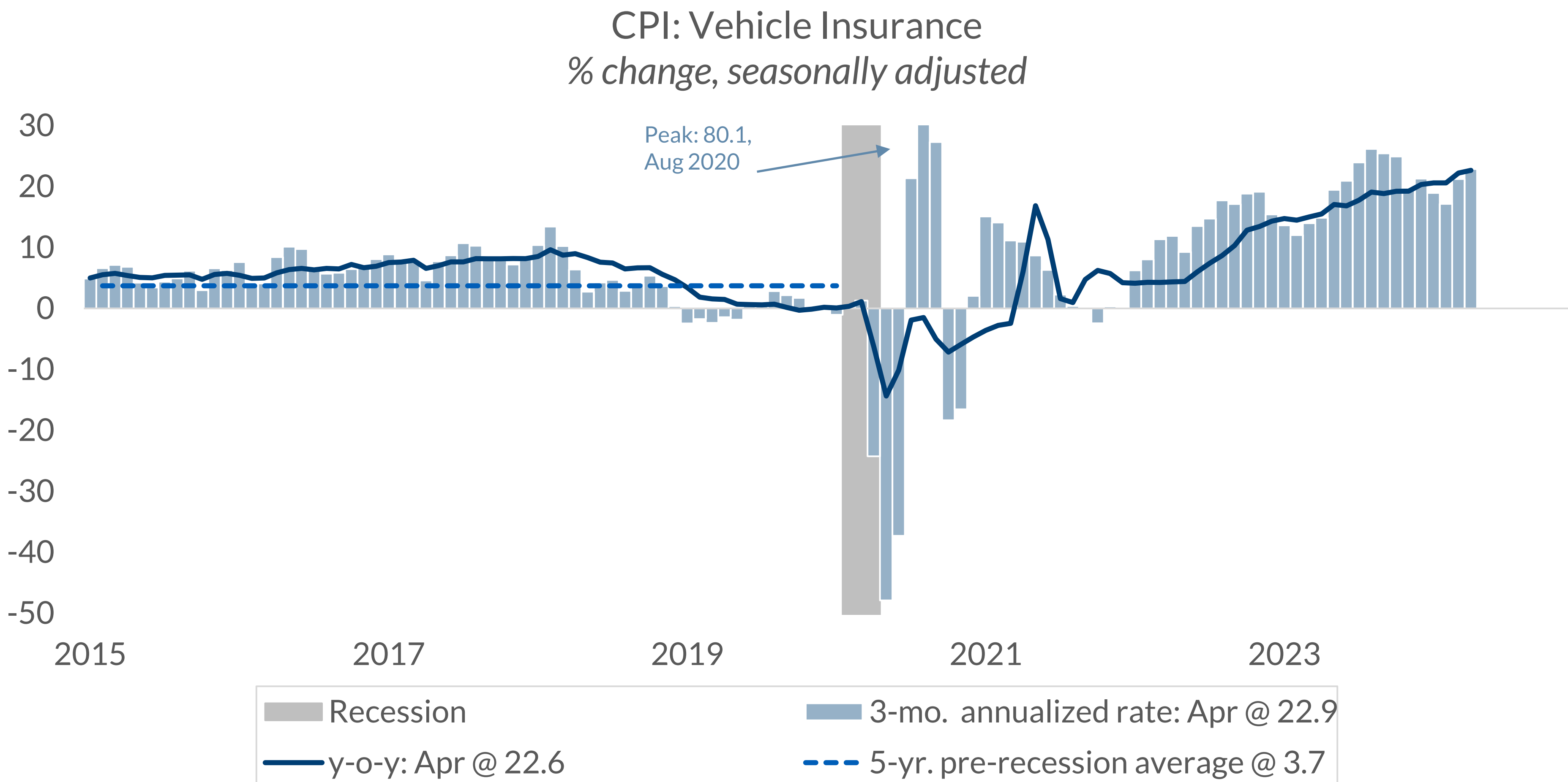




Data current as of May 30, 2024
Source: Bureau of Labor Statistics, Zillow Group, Inc.
Information is subject to change and is not a guarantee of future results.

Inflation

- The cost of auto insurance has exploded in the past two-years.
- It has stabilized around 23%, well above the pre-recession average of under 4.%.
- Higher repair costs and making up for past losses has been the major cause of higher insurance costs.



Data current as of May 30, 2024
Source: Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.

Key Takeaways

- Economic growth is expected to be driven by the continuation of personal spending.
    - However, spending is expected to be more measured as higher interest rates, a slower pace of job gains, and depletion of savings will reduce available funds for expenditures.

- The increase in the number of workers getting a job appears to be returning to a more sustainable pace.
    - This should help to bring down labor costs, especially in the service sector.
    - This is a goal of the Fed's monetary policy.
    - The pace of job hiring is still above 100,000 per month, a threshold generally considered to provide positive economic growth.

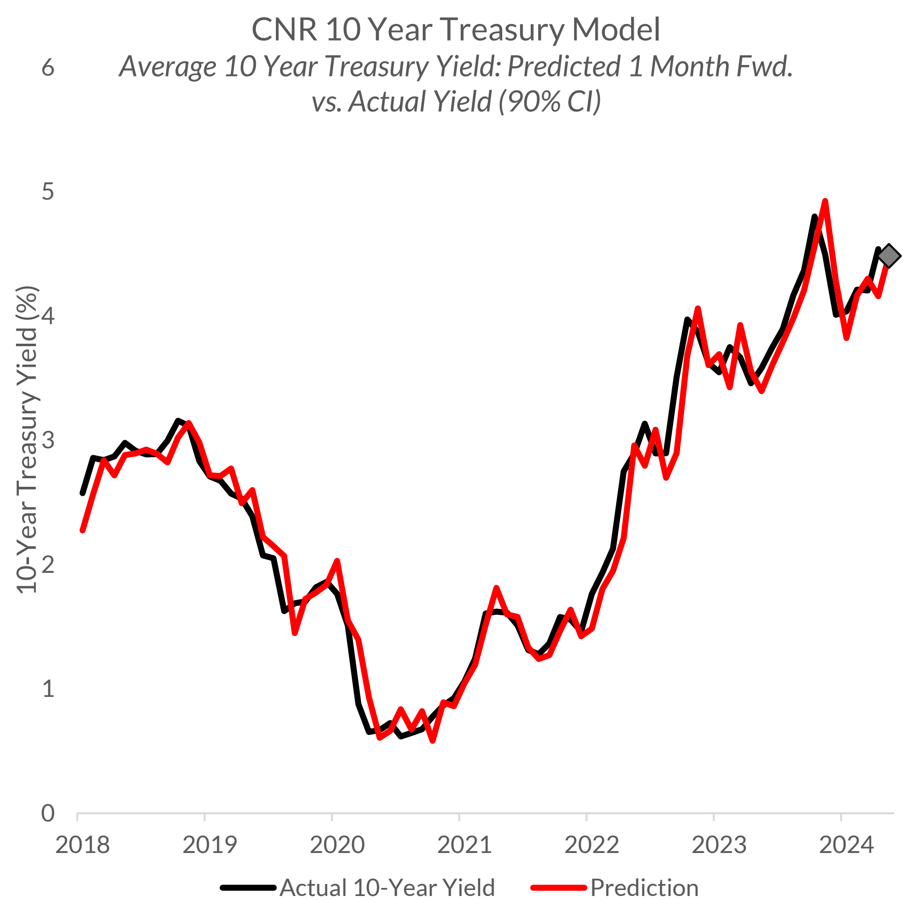
- Inflationary pressures remain well above the Fed's target of 2.0%
    - 80% of inflation can be attributed to housing and car insurance.
        - If there were no inflation in those two categories, CPI would be just 0.7% y-o-y.
    - This is a tough battle for the Fed. Restrictive monetary policy is a slow-moving tool for bringing down shelter costs in a post-pandemic strong economy. Furthermore, it has minimal impact on auto insurance.

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

Fixed Income

Attractive Yields and Volatility Lure Investors

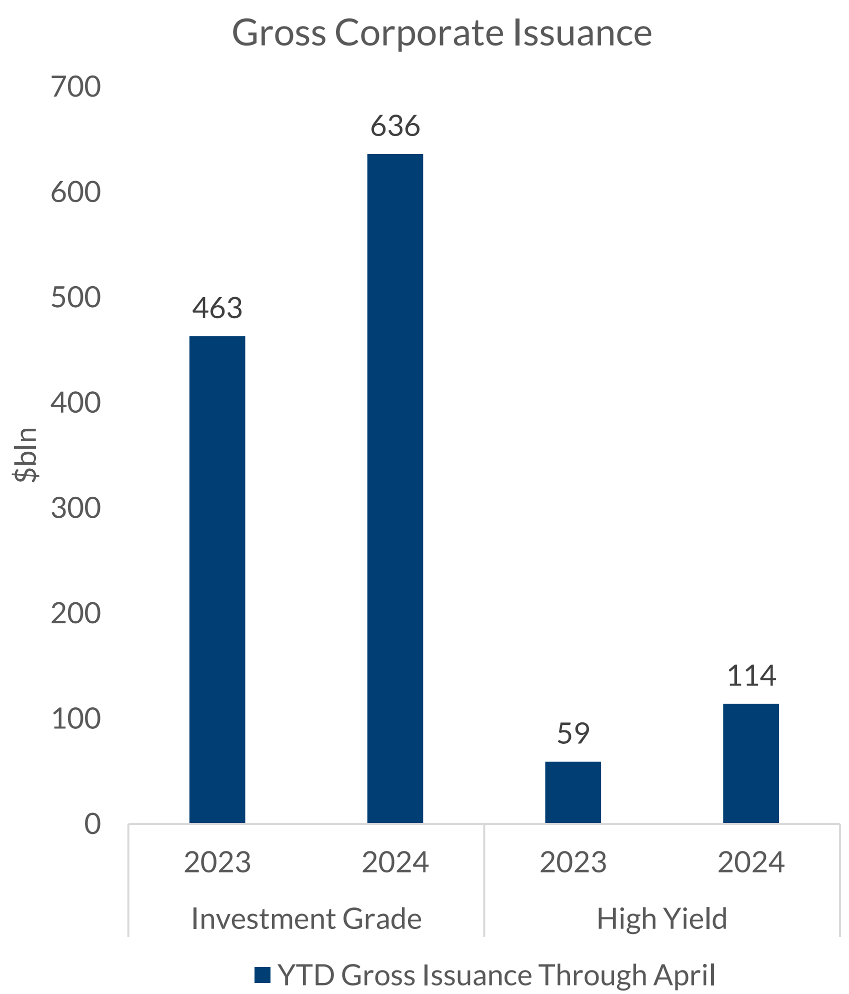
- The higher for longer thesis is playing out, which should keep demand in check.
- Forward issuance and potential price fluctuations may challenge prices, but open entry points.

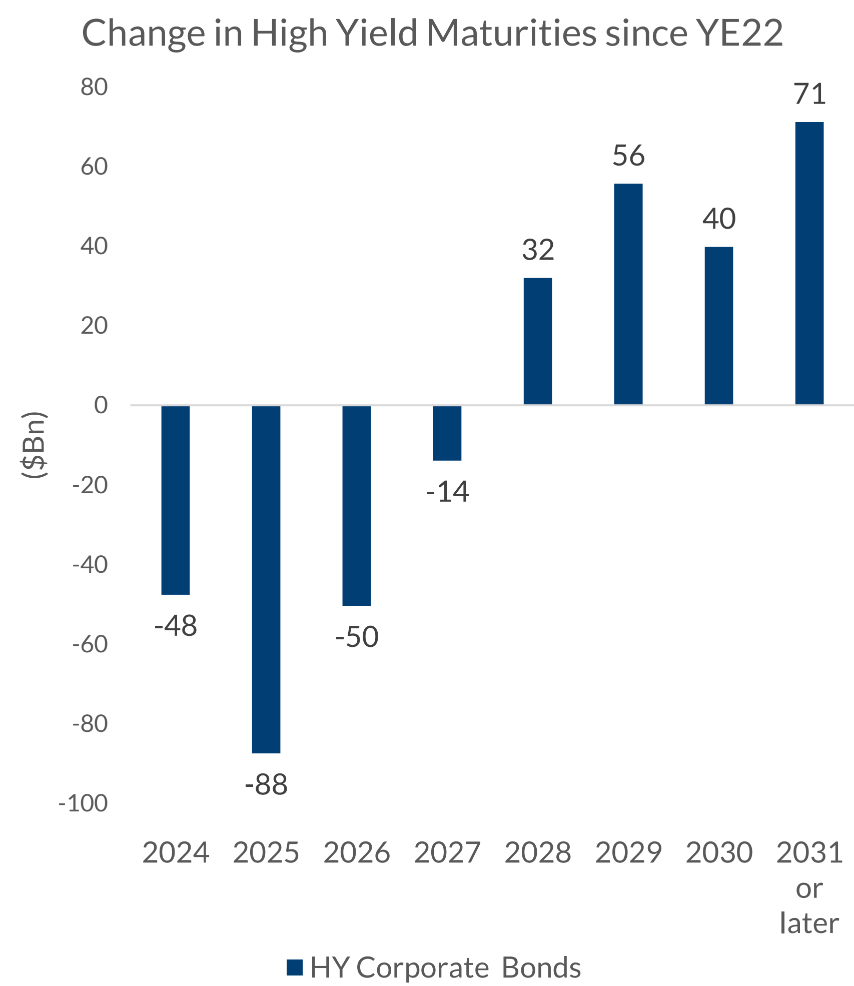


Source: Bloomberg, Federal Reserve, CNR. As of May 2024.
We model the average forward 10-year interest rate using an ARIMAX model of order (0,1,1) with exogenous variables term premium1 and inflation risk2. We train the ARIMAX model on a rolling window of 60 months and predict the average change in the 10-year interest rate over the next month. The data displayed in the figure shows the out-of-sample performance of the model.
Information is subject to change and is not a guarantee of future results.

Corporate Issuance Has Pushed Out Maturities

- Despite higher interest rates, borrowers continue to issue debt at a rapid pace.
- Refinancing more expensive debt has helped issuers manage changing economic conditions.

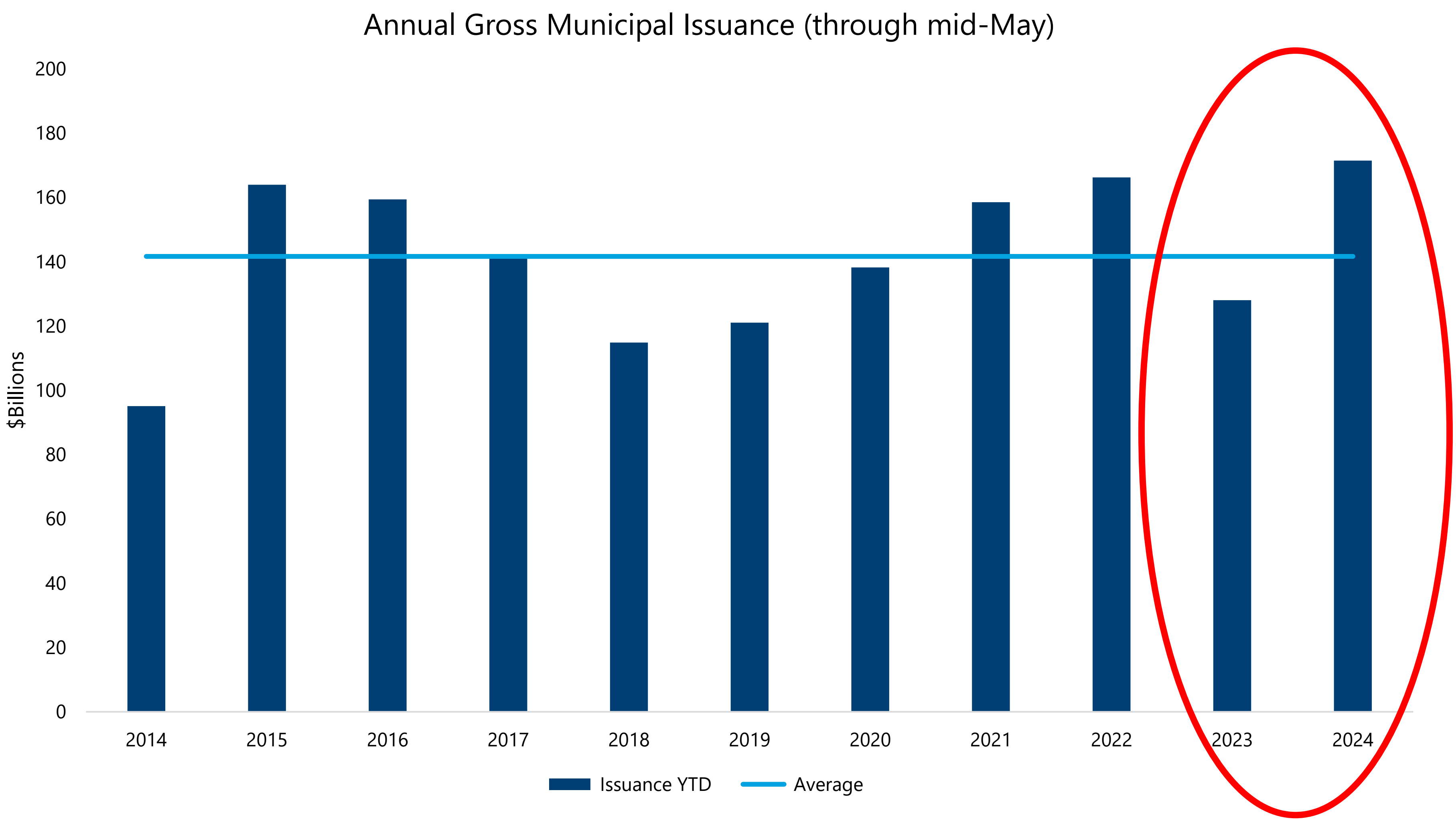




Source: JP Morgan, as of 5/2/2024
Information is subject to change and is not a guarantee of future results.

Municipal Issuance is Roaring Ahead

- Year-to-date gross supply is the most the market has observed in at least a decade.
- The election, interest rate stability, and capital needs continue to contribute to higher supply this year.

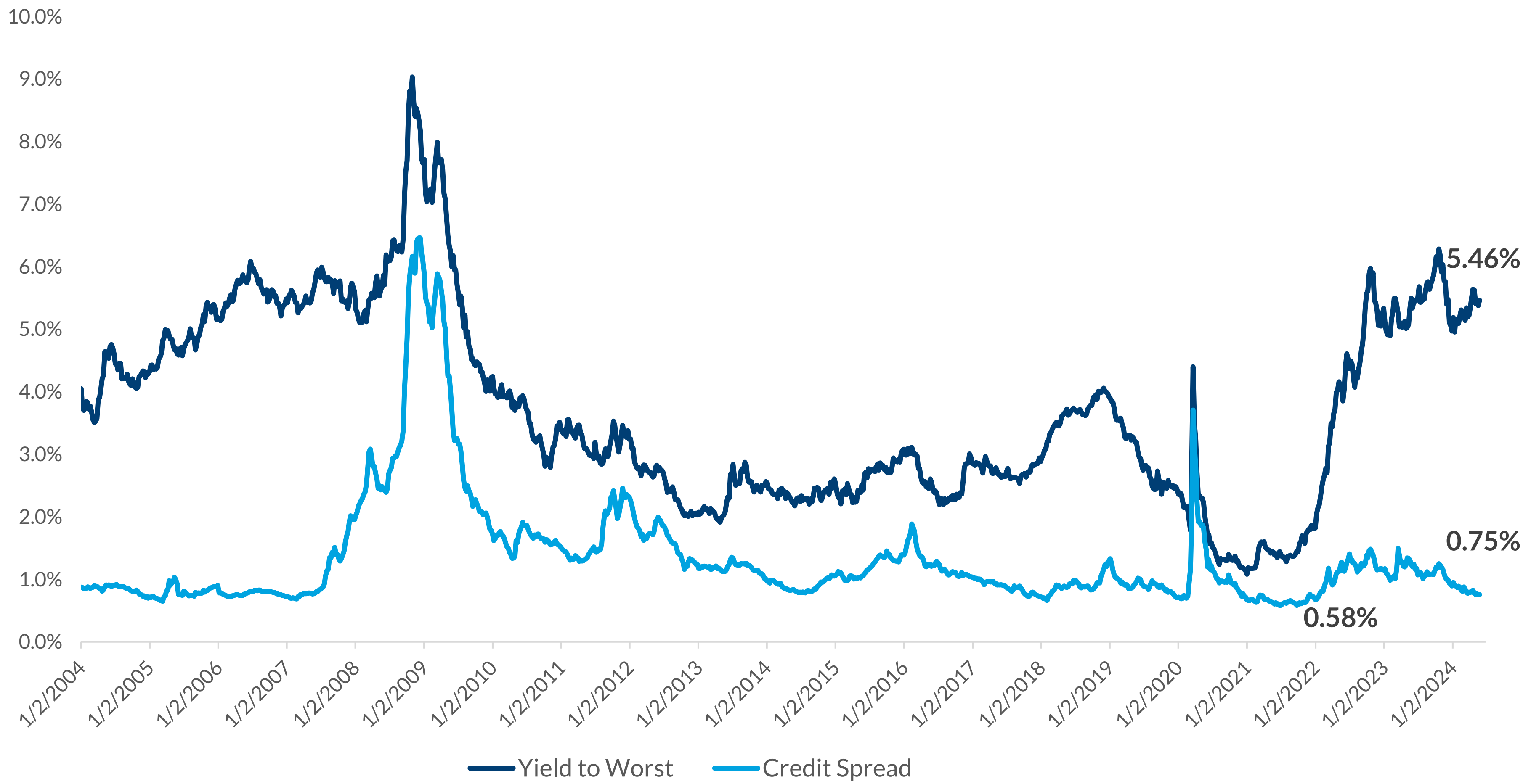


Source: Bloomberg as of 5/24/2024.
Information is subject to change and is not a guarantee of future results.

Investment Grade Corporate Spreads Signal Optimism

- The ability to earn attractive nominal yields in corporate bonds continues to support investor demand.
- Compressed spreads reflect underlying fundamentals and lower default experience for the cycle.

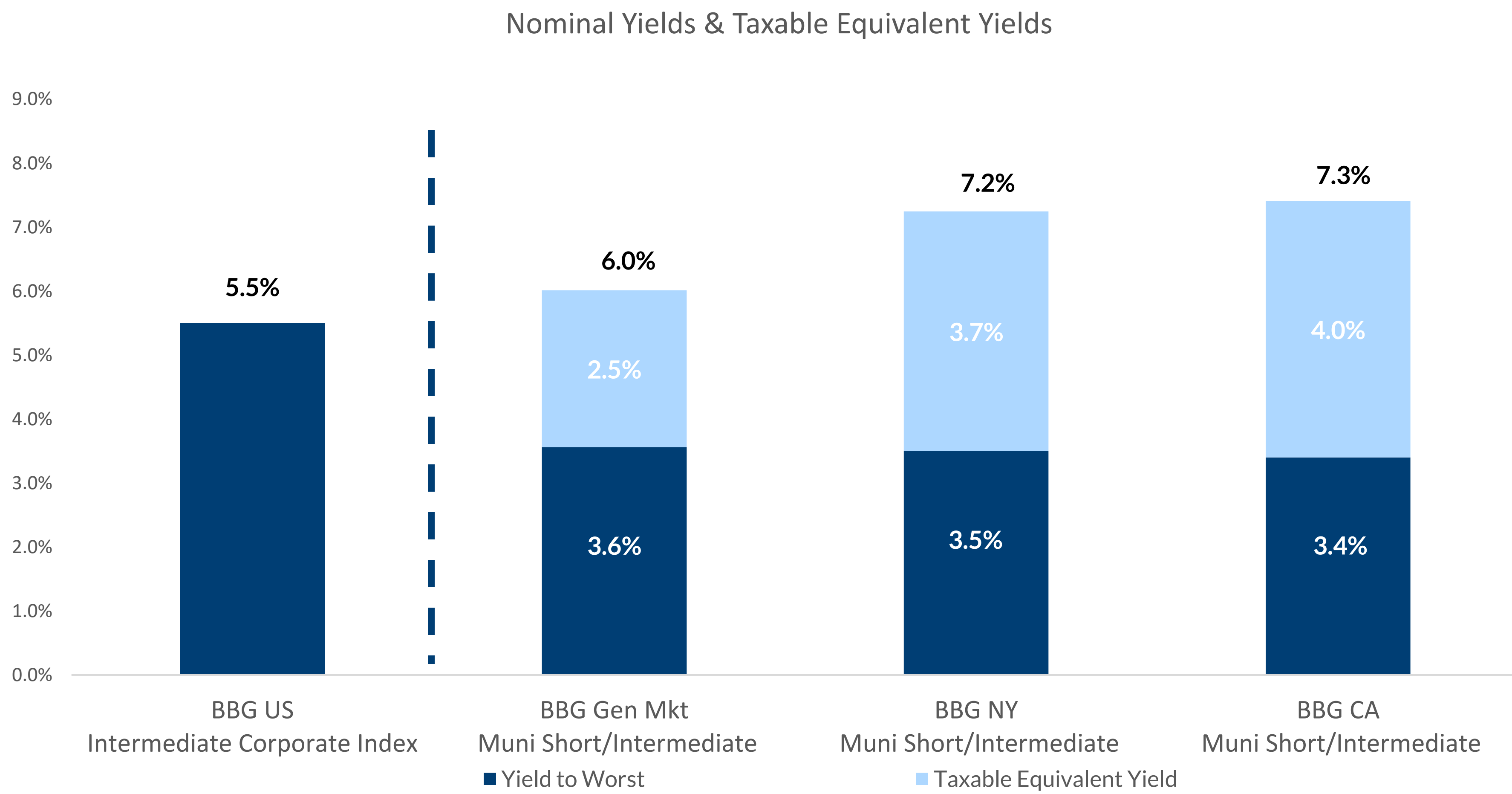
Investment Grade Corporate Credit Spreads



Source: Bloomberg as of 5/24/2024, Bloomberg Intermediate Corporate Index.
Information is subject to change and is not a guarantee of future results.

Taxable-Equivalent Yields Offer Compelling Value

- High nominal yields may increase the tax-efficient income earned by municipal investors.
- CA and NY domiciled investors stand to benefit further given the tax structures of the states.



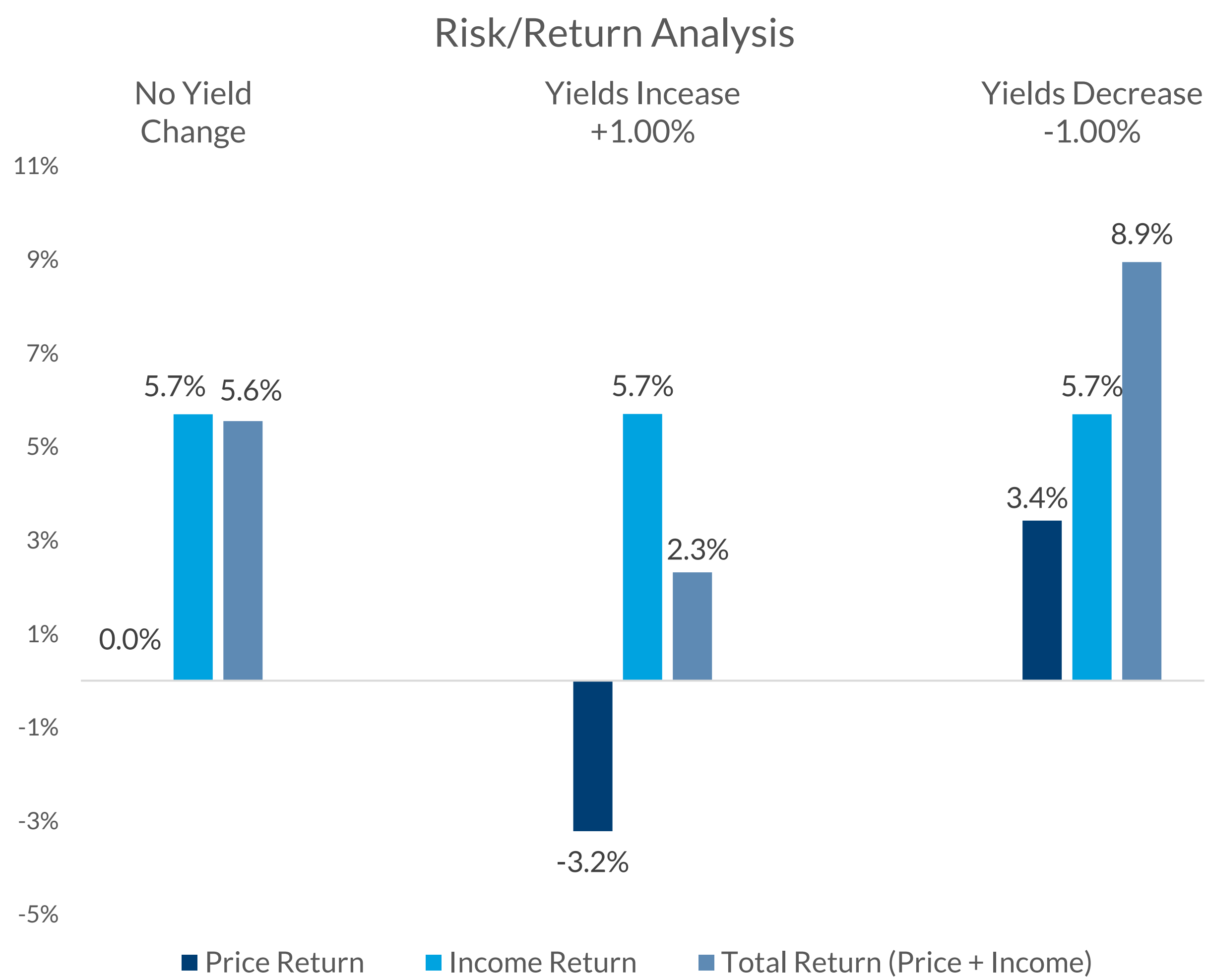
Source: Bloomberg as of 5/24/2024. BBG = Bloomberg, Bloomberg Intermediate Corporate Index, Bloomberg Muni Short/Intermediate (1-10), Bloomberg California Inter-Short, Bloomberg NY Inter-Short. Taxable equivalent yield assumes 37% Federal, 3.8% Medicare surcharge, and 13.3% CA, 10.9% NY tax rates.

Extending Duration Cushioned by Income Accrual

- Attractive levels of income should mostly blunt the impact of interest volatility.
- Scenario analysis supports the extension of duration on potential forward return outcomes.

Bloomberg Intermediate Corporate Bond Index:

- Investment Grade
- Maturity band: 1-10yrs
- Yield to worst: 5.7%
- Avg Maturity: 4.7yrs
- Duration: 4.0



Source: Bloomberg as of 4/30/2024, Bloomberg Intermediate Corporate Index, Investortools Perform.
Information is subject to change and is not a guarantee of future results.

Key Take Aways

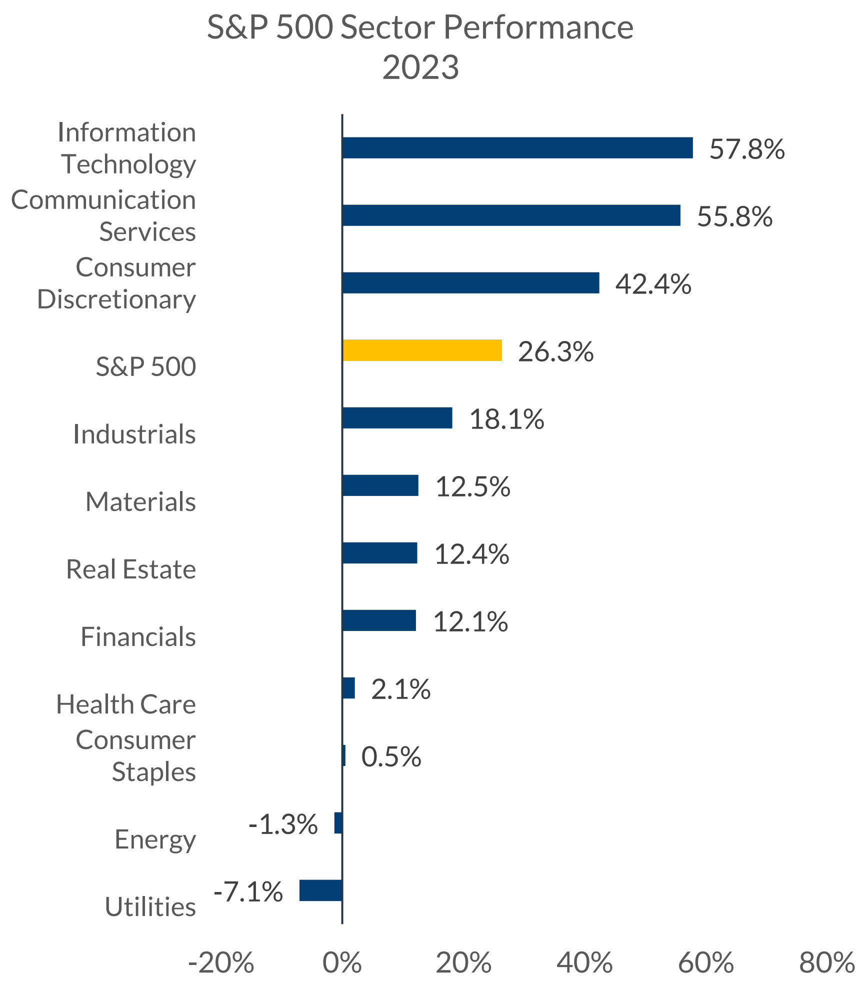
- The higher for longer these continues to play out with 10-year Treasury rates at fair value between 4.1%-4.6%.
- Attractive yields offer opportunities for investors across the curve.
- Increasing supply and narrow spreads across both investment grade and high yield sectors has been met with robust demand, providing a strong vote of confidence for the market.
- Municipal bonds offer compelling value for investors in both high tax brackets and high tax states.
- High levels of income suggest the risk/reward of extending maturities is well balanced.

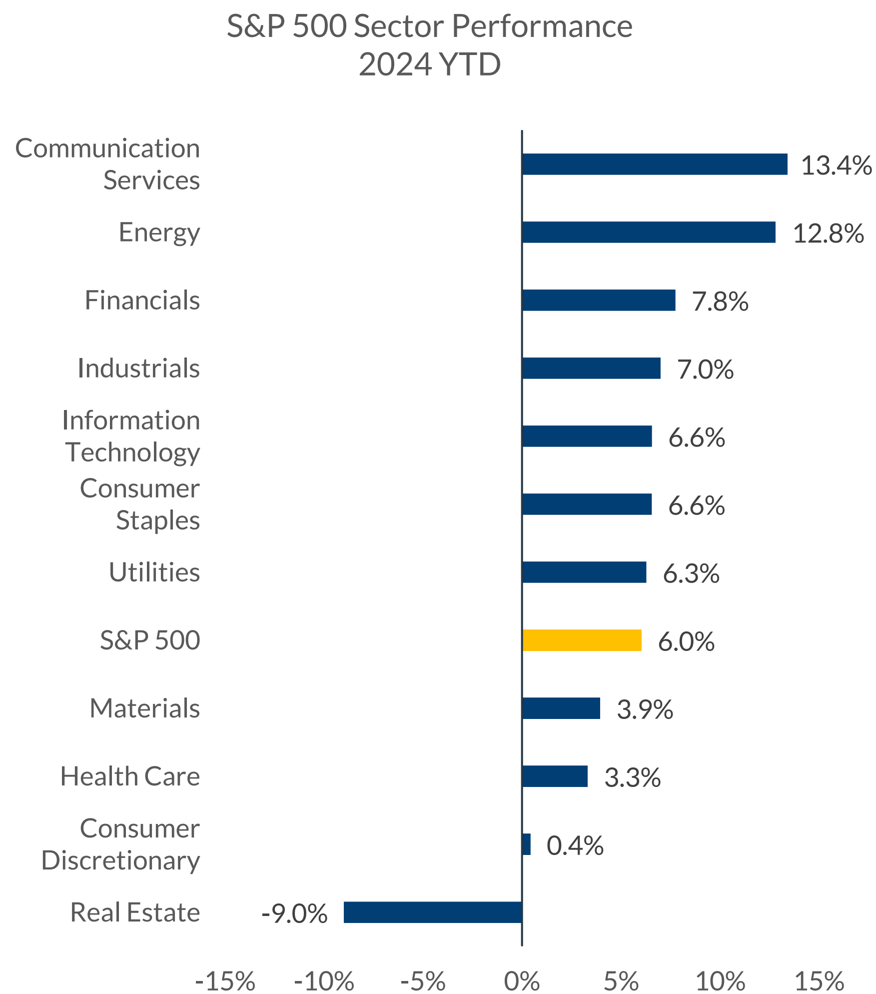
Source: CNR Research, as of May 2024.
Information is subject to change and is not a guarantee of future results.

Equities

Market Participation Has Broadened in 2024

- Performance of the S&P 500 in 2023 was driven largely by a few growth sectors, particularly tech related.
- More sectors have contributed to the market's advance this year as confidence in the outlook has improved.

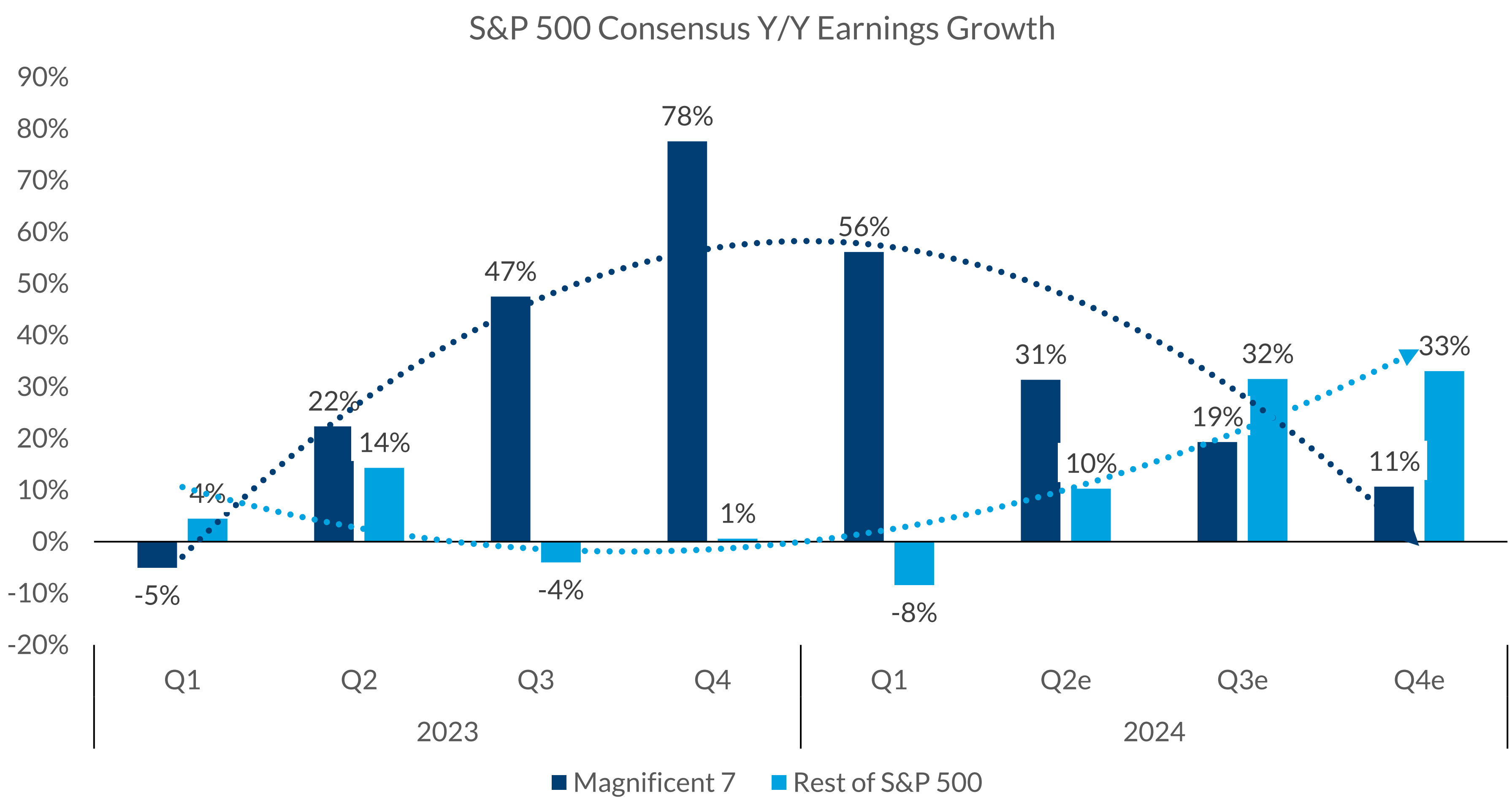




Source: FactSet, as of April 30, 2024.
Past performance is no guarantee of future results.

Non-Tech Earnings Should Help Support Further Market Gains

- Market performance was powered by blockbuster tech earnings over 2023.
- As high comparisons begin to impact tech stocks, broader market earnings estimates are accelerating.

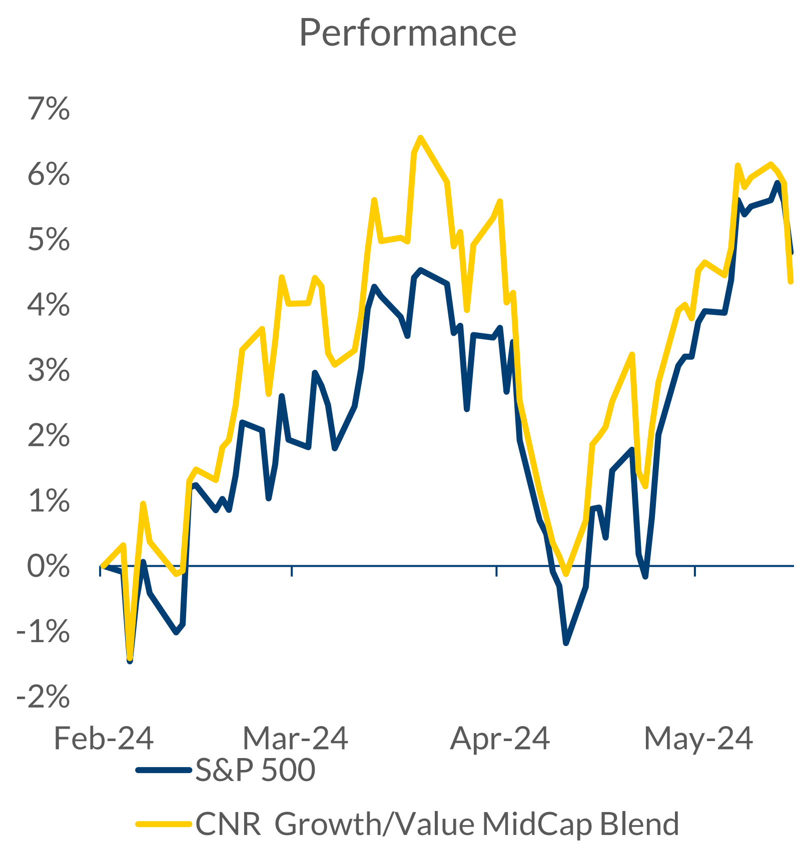


Source: FactSet, as of May 2024.
Information is subject to change and is not a guarantee of future results.

Mid Cap Stocks Becoming More Attractive

- CNR's recommendation to own Mid-Cap stocks has performed in-line with the S&P500.
- Attractive valuations, U.S. centric exposure, Fed rate cuts and earnings sensitivity are keys to the position.

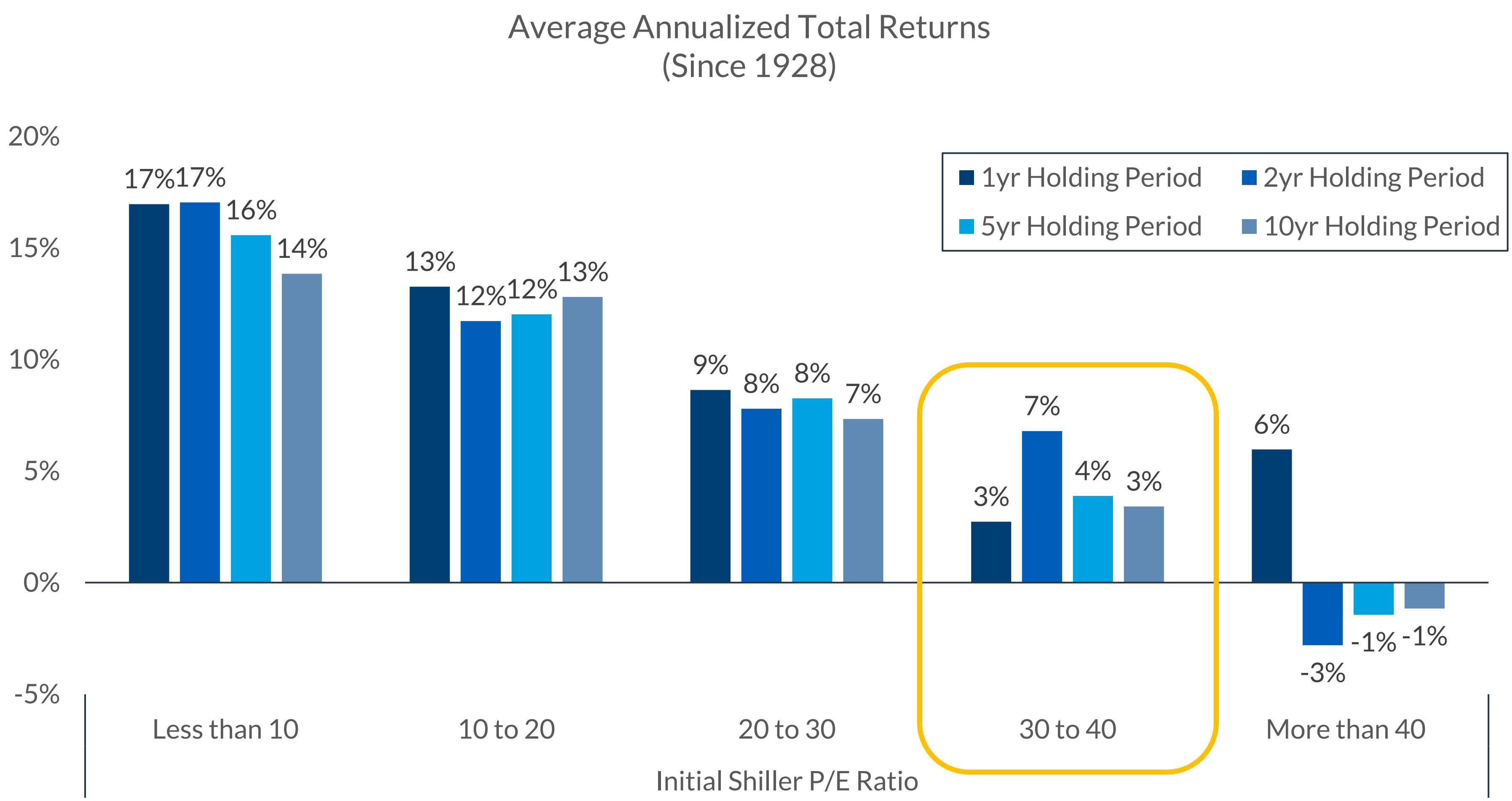
Case for Mid Cap is Building
• Relative valuations are historically attractive
• Greater domestic focus and economic sensitivity
• Lower/more stable expected interest rate environment
• Earnings growth likely to accelerate faster



FOR ILLUSTRATIVE PURPOSES ONLY. A City National Rochdale Growth/Value MidCap Blended portfolio assumes a 50/50 split between Vanguard Mid-Cap Growth Index Fund (VOT ETF) and Vanguard Mid-Cap Value Index Fund (VOE ETF). For illustrative purposes only. These do not represent actual City National Rochdale client portfolios. Client portfolios will not perform in the same manner as the ones depicted in this chart. Clients should not interpret this to indicate how City National Rochdale will manage their investment accounts. Cash allocation targets from a portfolio strategy perspective could be significantly lower. Past performance is no guarantee of future performance. The information above represents A recommended allocation. Data has many inherent limitations, does not reflect actual trading, and may not reflect the impact that material economic and market factors may have had on City National Rochdale's (CNR) decision-making when managing client funds. Information is subject to change and is not a guarantee of future results.
Source: FactSet, as of May 2024. Information is subject to change and is not a guarantee of future results.

Valuations Can Remain High for Long Periods

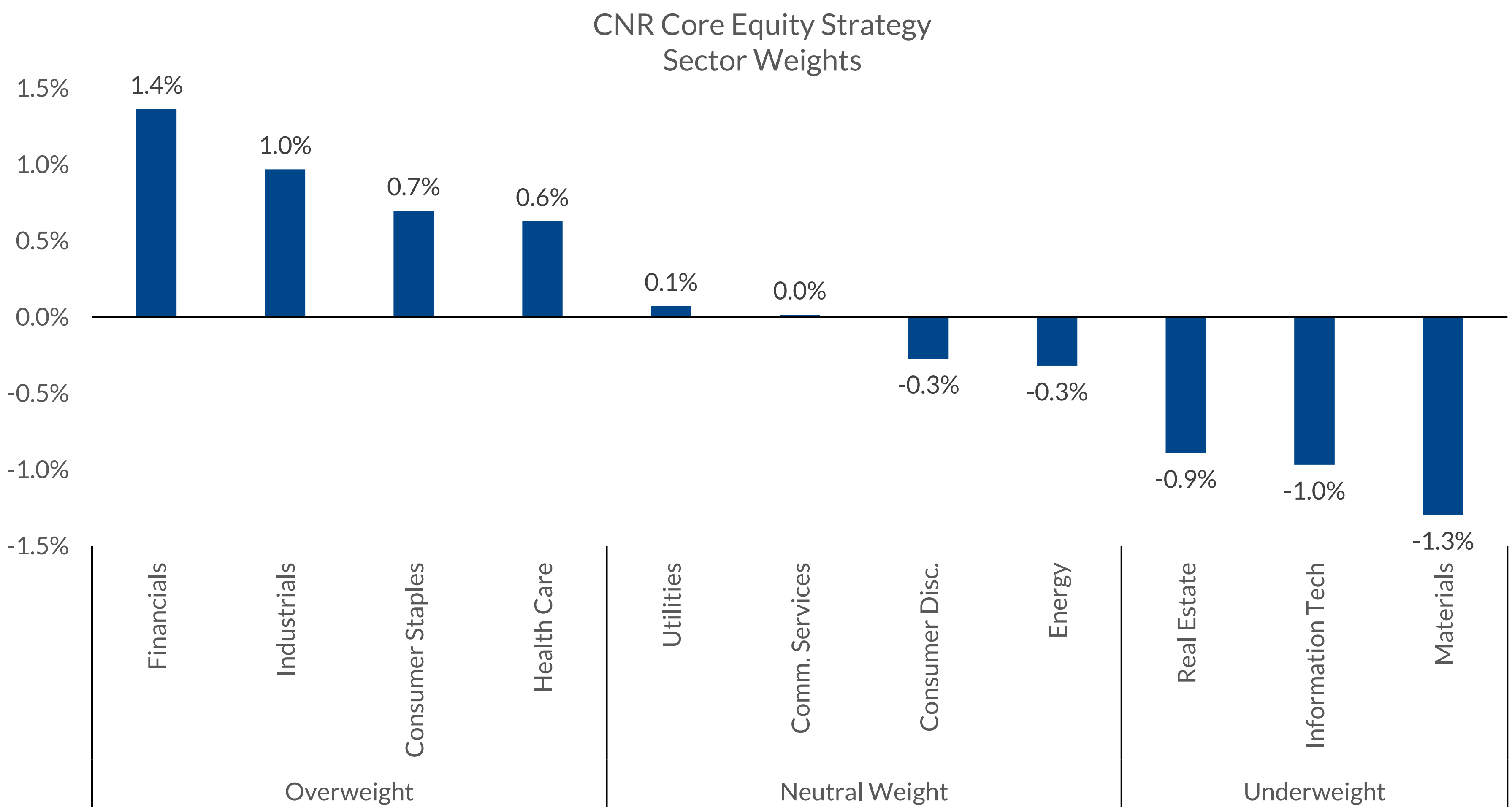
- Price-to-earnings valuation is correlated to absolute performance, but it is not a good indicator of market direction.
- Historical forward returns from today's level reflect our assumptions for lower, but positive performance.



Source: FactSet, shillerdata.com, as of May 2024.
Information is subject to change and is not a guarantee of future results.

CNR Equity Positioning

- Sector positioning is key to long-term performance in addition to individual security selection.
- Our relative positioning emphasizes quality, competitive market position and financial strength.



Source: FactSet, as of May 2024.
Information is subject to change and is not a guarantee of future results.

Key Takeaways

- The stock rally is broadening and becoming less reliant on the magnificent 7.
- Earnings estimates reflect a "catch-up" as tech stocks now face difficult period comparisons.
- CNR's mid-cap stock recommendation has performed in line with the S&P500 and the elements driving the allocation remain.
- Valuations alone are not good predictors of market direction, but they can help frame return expectations.
- CNR's Core Equity Sector positioning reflects the following:
  - Our financials overweight is due to prior reclassifications of technology stocks to financials, primarily in digital payment systems.
  - We believe domestic infrastructure and energy investments will spark industrial activity as local sourcing reduces operational risk.
  - While we are underweight the tech sector broadly, we have a 1.7% overweight to semiconductor companies, which is diversified across AI, equipment and the automative sector.
  - We continue to underweight the real estate market and materials given interest rate and commodity exposure, which can create high volatility.

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

Q&A

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.

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 Shiller P/E ratio, also known as the CAPE ratio, is a valuation measure that helps investors assess whether the stock market or individual stocks are overvalued or undervalued.

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 US Intermediate Corporate Bond Index is a measure of 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 that have between 1 and up to, but not including, 10 years to maturity. The maturity range of the bonds included in the index is between 1 to 9.9999 years.

The Dow Jones U.S. Select Dividend Index aims to represent the U.S.'s leading stocks by dividend yield.

Bloomberg Municipal Bond Inter-Short 1-10 year – Subset of the Bloomberg Municipal Bond Index and measures the performance of investment grade municipal bonds with the effective maturity between 1 and 10 years

Bloomberg Municipal Bond California Inter-Short: Subset of the Bloomberg Municipal Bond Index and measures the performance of California state investment grade municipal bonds with the effective maturity between 1 and 10 years

Bloomberg Municipal Bond New York Inter-Short: Subset of the Bloomberg Municipal Bond Index and measures the performance of New York state investment grade municipal bonds with the effective maturity between 1 and 10 years

Definitions

6M T-Bills: The 6 Month Treasury Bill Rate is the yield received for investing in a US government issued treasury bill that has a maturity of 6 months.

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

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

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

A high-yield bond, or junk bond, is a corporate bond that represents debt issued by a firm with the promise to pay interest and return the principal at maturity. Junk bonds are issued by companies with poorer credit quality.

Muni Bond: A municipal bond is a debt security issued by a state, municipality or county to finance its capital expenditures, including the construction of highways, bridges or schools. These bonds can be thought of as loans that investors make to local governments.

Liquidity Management: The liquidity index calculates the days required to convert a company's trade receivables and inventory into cash.

Investment Grade Municipal Bonds: Investment-grade municipal bonds are debt securities, issued by state and local governments carrying the lowest credit risk that a bond issuer may default. Investment Grade Municipal Bonds: Bloomberg Municipal Bond Inter-Short 1-10 Year Total Return Index.

Investment Grade Corporate Bonds: Investment grade corporate bonds are low-risk bonds. Because they are bonds, they are not tied to equity. Instead, they are like debt notes issued by a corporation. Investment Grade Corporate Bonds: Bloomberg Intermediate Corporate Bond Index.

The “core” Personal Consumption Expenditures (PCE) price index is defined as 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.

Municipal bonds (or “munis”) are a fixture among income-investing portfolios. Investors who want higher returns can invest in high yield municipal bonds.

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

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.

CNR Speedometers® are indicators that reflect forecasts of a 6 to 9 month time horizon. The colors of each indicator, as well as the direction of the arrows represent our positive/negative/neutral view for each indicator. Thus, arrows directed towards the (+) sign represents a positive view which in turn makes it green. Arrows directed towards the (-) sign represents a negative view which in turn makes it red. Arrows that land in the middle of the indicator, in line with the (0), represents a neutral view which in turn makes it yellow. All of these indicators combined affect City National Rochdale’s overall outlook of the economy.

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

Quality ranking: 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).

Important Information

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

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

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

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

Bonds are subject to interest rate risks and will decline in value as interest rates rise.

HY: Investing in securities that are not investment grade offers a higher yield but also carries a greater degree of risk of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments.

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

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

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

Municipal securities. The yields and market values of municipal securities may be more affected by changes in tax rates and policies than similar income-bearing taxable securities. Certain investors' incomes may be subject to the Federal Alternative Minimum Tax (AMT), and taxable gains are also possible. Investments in the municipal securities of a particular state or territory may be subject to the risk that changes in the economic conditions of that state or territory will negatively impact performance. These events may include severe financial difficulties and continued budget deficits, economic or political policy changes, tax base erosion, state constitutional limits on tax increases and changes in the credit ratings.

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