

Investment Advisory Program

Disclosure Statement

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This investment advisory program brochure provides information about the qualification and business practices of City National Securities, Inc. If you have any questions about the contents of this brochure, please contact us at 800-750-5471. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about the City National Securities, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

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INTRODUCTION

City National Securities, Inc. (“CNS”) offers the City National Securities Investment Advisory Program (the “Program”) designed to help individuals organize and manage their wealth in pursuit of their specific financial goals. The Program is sponsored by CNS a registered investment advisor and broker/dealer. CNS is a wholly owned subsidiary of City National Bank (the “Bank”).

The Program provides clients with access to professional investment management services. Specific features of the Program include goal assessment and risk profiling, asset allocation strategies, money management, performance reporting and ongoing monitoring with a dedicated financial advisor (“Financial Advisor”).

CNS has retained the investment management division of the Bank to provide investment advisory and portfolio management services for the Program’s clients. In addition, CNS will establish a custodial account on behalf of each Program client in the Bank’s Trust Division. Neither CNS nor any of CNS’ advisory personnel act as portfolio managers of Program Accounts.

SERVICES, FEES AND COMPENSATION

Advisory Services

A core component of the Program is an evaluation of each client’s current financial position, financial goals, investment timeframes and risk profile, which information the Financial Advisors will obtain through discussion with and records gathered from each client. The information collected from Program clients provides the foundation for the recommendation of an investment strategy for each Program client’s account (“Account”). The recommendation is developed by understanding a client’s risk tolerance and time horizon and applying asset allocation techniques, combined with the Bank’s assumptions regarding the future performance of various asset classes, future inflation rates and other relevant data.

CNS may use the information provided by the client to develop and provide to the client a financial evaluation. This evaluation will be incidental to the advisory services and will not be a separate fee based service.

Once the client’s investment strategy has been determined, the Financial Advisor establishes the client’s overall asset allocation recommendation. The optimal allocation seeks to achieve the maximum return for a given level of risk.

Based on information provided by each client during the analysis process and the overall investment strategy for the Account, CNS and the Bank will recommend a specific asset allocation strategy and various investment options to a client. Investment options offered within the Program may include proprietary or third party separately managed accounts (“SMAs”), mutual funds and/or exchange traded funds.

The investment strategy to which the client agrees will be documented in an investment policy statement (“IPS”). The purpose of the IPS is to foster a clear understanding of a client’s overall investment objectives, policies, and guidelines. The IPS will remain in effect until modified by the client as conditions warrant.

As part of its investment management responsibilities under the Program, the Bank develops and maintains the asset allocation

strategies that form the basis for its investment advice. Asset allocation strategies offered under the Program reflect a continuum of risk characteristics ranging from conservative to aggressive growth. Each asset allocation strategy will be fulfilled with mutual funds, exchange traded funds and, in some cases, individual securities/ SMAs. The mutual funds in which client Accounts may be invested include the CNI Charter Funds (“Funds”) from which CNS, the Bank and their affiliates receive compensation (see the discussion below under “Participation or Interest in Client Transactions”).

The Bank periodically reviews the asset allocation strategies, including the portfolio securities, in which client Accounts are invested in connection with the Program. Generally, the Bank has the authority to manage the Accounts in a manner consistent with a client’s overall investment strategy including the discretion to make changes to the allocation weightings and the portfolio holdings within the strategies without the prior approval of clients.

Custody Services

CNS will establish a custodial account in the Bank’s Trust Division for each of the Program clients. As custodian, the Bank shall hold the Accounts’ assets in safekeeping, settle all trades, and provide statements to clients, among other custodial services. CNS will advise each client when the client’s custodial account has been opened. If a client opens a Program Account in the name of an Individual Retirement Account (“IRA”) or qualified retirement plan (“Plan”), the trust or custody account at the Bank in the name of the IRA or Plan will be deemed to be the custodial account for purposes of this Disclosure Statement.

Investment Restrictions

A client may impose reasonable restrictions on the management of his or her Account, including that particular securities should not be purchased, but the client may not require that particular securities be purchased. Any client-imposed restriction must be described in reasonable detail and documented in the client’s IPS.

CNS and the Bank will consider the client’s investment objectives in determining if a restriction is reasonable, but will not accept restrictions that are inconsistent with the Program or the client’s overall investment strategy. Other factors that bear on whether a particular restriction is reasonable are the difficulty in complying with the restriction, the specificity of the restriction and the number of other restrictions imposed by the client. If any restriction is deemed unreasonable, the client will be notified. If a reasonable alternative is not agreed upon, the client will be removed from the Program or, if the client’s Account has not been established, the client will not be accepted into the Program.

When deciding whether to impose reasonable restrictions on an Account, clients should be aware that performance of restricted Accounts may differ from Accounts without restrictions, possibly producing lower overall results. Clients are encouraged to contact and consult with their Financial Advisors if they are considering imposing any investment restrictions.

Clients may fund Accounts by transferring marketable securities already owned into their Program custody account. The Bank will have the discretion to hold or sell such securities as it manages the client’s Account.

FEES

Under the Program, each client pays an asset-based fee in accordance with the fee schedules shown below calculated on the daily average asset value, and is charged monthly in arrears. In computing the asset value of an Account, a security listed on a national securities exchange will be valued, as of the valuation date, at the closing price on the principal exchange on which it is traded. Any other security in an Account will be valued in a manner determined by the Bank or its agents in good faith to reflect fair market value. The Bank may rely on valuations furnished by Program vendors and/or their independent pricing services. Clients authorize the Bank as custodian to deduct the asset-based fees from their custody Account. CNS compensates the Bank for investment advisory and custody services it provides to clients in connection with the Program in the amount of 30% of the fees paid by clients.

The client should consider that, depending upon a number of factors, including the level of the Program fee charged and the amount of activity in the client's Account, the Program may cost the client more or less than purchasing the Program services separately. However, the client may not obtain investment advisory services from CNS other than through the Program. The Program fees may be more or less than fees charged by sponsors of similar programs.

Clients may be able to purchase individual securities and shares of the mutual funds outside of the Program directly without purchasing the services of the Program or paying the Program fees (but subject to any applicable sales charges). The specific shares of mutual funds offered through the Program may not be available to the general public; however, other shares of the same mutual funds may be available with different fee structures. In the case of those mutual funds that are offered generally to the public, the prevailing sales charge or other fees (as described in the mutual fund's prospectus) may be more or less than the expenses of classes of shares utilized in the Program.

Program fees are negotiable in certain circumstances and may differ from client to client based upon a number of factors, including the amount of the assets, the client-related services to be provided to the Account, the overall relationship with CNS and its affiliates and other relevant criteria. Fees also may differ as a result of the application of prior fee schedules depending upon a Client's Program inception date. Accounts that begin or terminate within a month are billed on a pro rata basis.

Financial Advisors' Compensation

Financial Advisors will receive salary and incentives based in part on the fees charged to clients in the Program. Such payments may be made for the duration of a client's participation in the Program. The compensation paid to a Financial Adviser relating to a client's participation in the Program may be more than the Financial Adviser would receive if the client paid separately for brokerage and other services from CNS. As a result, Financial Advisors may have a financial incentive to recommend an advisory fee program over other non-advisory services offered by CNS. A Program client may also have other accounts with CNS in which advisory fees are not charged. The payment of commissions in these accounts is negotiated on an entirely separate basis from the payment of fees in the Program.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

The Program is available to individuals, trusts, estates, charitable and not-for-profit organizations and corporations with a minimum of approximately \$250,000 to invest, although CNS may waive this minimum at its sole discretion. The Program is also available to individual retirement accounts and qualified retirement plans (pension and profit sharing plans) established under the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

PORTFOLIO MANAGER SELECTION AND EVALUATION

In engaging the Bank to provide investment advisory services to Program clients, CNS has reviewed the background and experience of the Bank's investment professionals as well as the investment process used by the Bank. On at least an annual basis, CNS shall conduct a review of the Bank for the purpose of evaluating the Bank's performance and compliance with the terms of its appointment as advisor. The review shall include consideration of the Bank's investment performance relative to appropriate benchmarks and its adherence to Account guidelines, investment style and quality of securities. CNS may consider replacing or recommend replacing the Bank with another manager when appropriate. Potential conflicts of interest caused by this arrangement are discussed under "Participation or Interest in Client Transactions" below.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As discussed above under "Advisory Services" information obtained from a client regarding the client's current financial position, financial goals, investment timeframes and risk profile, which information the Financial Advisors will obtain through discussion with and records gathered from each client, will be shared with the Bank and will become the foundation for the recommendation of an investment strategy for each Program Account.

CLIENT CONTACTS AND COMMUNICATIONS

Financial Advisors will be the primary point of contact for Program clients. Every Financial Advisor will be a Registered Representative and Investment Advisor Representatives of CNS. Financial Advisors will be responsible for meeting with clients to discuss their financial goals and objectives.

At least quarterly, clients will be reminded via a message on their statements received from the Bank to notify their Financial Advisors if there have been any changes in their financial situation or investment objectives or if they wish to impose or modify any reasonable restrictions on the management of their Account. If a client wishes to contact CNS or the Bank about his or her Account, the client should contact his or her Financial Advisor, who will respond to client questions or coordinate communications with a member of the Bank who is knowledgeable about the client's Account and its management.

Financial Advisors will contact clients at least annually in writing to determine whether there have been any material changes in a client's financial situation, including risk tolerances, investment objectives and time horizons, and whether the client wishes to impose any reasonable restrictions on the management of the Account or reasonably modify existing restrictions and to revalidate the client's

investment strategy. The Financial Advisor, in consultation with the client, will determine if any information provided by the client dictates a change in the client's investment strategy. CNS and the Bank will periodically review client Program Accounts.

In the course of normal business, CNS, and the Bank will have access to confidential client information, including but not limited to information provided by the client, copies of clients' monthly statements and on-line access to client account information. CNS and the Bank have adopted codes of ethics and implemented procedures to ensure the integrity of client information and the uses to which such information may be put. In addition, CNS and the Bank have adopted privacy policies which will be provided to clients at the time Program Accounts are established.

Reports and Documents

The Bank, as custodian, will provide Program clients with monthly account statements, reflecting all activity occurring during the period covered by the statement and a list of all securities held in the Account at the end of the period.

As the owner of the securities held in your Account, you have the right to receive documents related to the securities, including mutual fund prospectuses. Under the Terms & Conditions of the Program, you agree to waive your right to receive any security related documents, except as specifically set forth in the Terms & Conditions.

CNS will promptly forward to you all class action elections that are received from issuers of securities which constitute all or any portion of the assets. The Bank will not have any authority to agree on behalf of you or, CNS to participate, nor render advice, in any class action lawsuit with respect to which you may otherwise be entitled to participate through an investment held in your account.

DISCIPLINARY INFORMATION

CNS consented to FINRA AWC that it violated NASD Rules 2110, 2210, 2211, 3010 and MSRB Rules G-17, G-21 and Gg-27 in that CNS' communications with the public, including customers and prospective customers, in its marketing and sale of auction rate securities (ARS) was not fair and balanced, did not provide a sound basis for evaluating the facts in regards to the purchase of ARS and did not disclose the potential for illiquidity with an ARS in the event of an unsuccessful auction. Also, FINRA found that CNS failed to provide adequate training to its registered representatives regarding the features and characteristics of ARS and the differences between ARS and other investments.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

CNS is an investment adviser and broker-dealer registered with the Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority ("FINRA").

The primary business of CNS is providing brokerage services to its clients. As a broker-dealer and member of FINRA, CNS is a member of the State of California's Underwriters Pool and, in that capacity, offers new issue municipal securities to its clients; in addition CNS provides advice on a variety of fixed income securities, approved mutual funds and 529 plans. CNS also provides equity execution

services. CNS currently has more than 100 registered representatives providing brokerage services to individuals, investment companies, pension and profit sharing plans, trusts, estates and charitable organizations and businesses. CNS and its principal executive officers spend approximately 75% of their time on broker-dealer matters.

CNS is a wholly owned subsidiary of the Bank. The Bank will provide the custody, clearance and settlement services provided under the Program. All securities will be held for the Accounts in the name of the Bank or its nominees for the benefit of the clients. The Bank will maintain records, on a client-by-client basis, reflecting securities beneficially owned by Program clients.

Convergent Wealth Advisers LLC, a registered investment adviser, is an affiliate of CNS, provides investment advisory services to the Bank.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

CNS has adopted a written Code of Ethics (the "Code") that establishes various procedures with respect to investment transactions in which CNS' related persons have a beneficial interest that are designed to reduce the potential for conflicts of interest. CNS' employees, officers and directors are dual employees of the Bank, and are also subject to the Bank's Code of Ethics.

In order to monitor compliance with its personal trading policy, CNS has adopted a securities transaction policy for all of its Access Persons. For purposes of the policy, an Access Person's "personal account" generally includes any account (a) in the name of the Access Person, his/her spouse, his/her minor children or other dependents residing in the same household, b) for which the Access Person is a trustee or executor, or c) which the Access Person controls and in which the Access Person or a member of his/her household has a direct or indirect beneficial interest.

The CNS Code generally sets the standard of business that CNS requires of all colleagues associated with the Program, requires these colleagues to comply with applicable federal securities laws, and sets forth provisions regarding personal securities transactions by Access Persons. Additionally, the Code sets forth CNS policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that CNS and each of its colleagues whose responsibilities include the Program has to its clients. The Code is circulated at least annually to all colleagues whose responsibilities include the Program, and each of these colleagues at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. CNS shall provide a copy of its Code to any client or potential client upon request.

Participation Or Interest In Client Transactions

CNS is a registered broker dealer and its principal business is acting as an introducing broker for its clients. CNS has established policies and procedures for CNS employees and related persons in order to ensure that it meets its fiduciary responsibilities and to prevent improper conduct wherever potential conflicts of interest may exist with respect to a client.

CNS offers the Funds to its brokerage clients and may use the Funds for its advisory clients. CNS receives 12b-1 distribution fees from the Funds for sales of these funds to its non-Program clients. City National Asset Management, Inc., a wholly owned subsidiary of the Bank and registered investment adviser acts as the investment adviser to the Funds. The Funds also pay shareholder servicing fees to the Bank, which allocates a portion of these fees (based on asset balances in both advisory and brokerage accounts) to CNS.

The Bank may invest its clients' accounts in portfolios that are similar to the Program strategies and that invest in the same securities in which Accounts are invested under the Program. As a result, the Bank may place trades for its other client accounts before Program client Accounts. In this circumstance, the prior trading of the Bank may cause trades ultimately placed by the Bank for Program clients to be subject to price movements, particularly with large orders or where securities are thinly traded, that may result in Program clients receiving prices that are less favorable than the prices obtained by Bank for its other client accounts. Because CNS does not control Bank's execution of transactions for its other client accounts, CNS cannot control the market impact of such transactions.

Brokerage Practices

The Bank has arrangements with certain brokers through which Program trades may be executed, under which a portion of the amount of commissions paid is used to purchase research or brokerage services. The research received includes advice regarding the value or advisability of investing in or selling securities, providing analyses or reports concerning issuers, industries, securities, economic trends and portfolio strategy. Such research furnished by brokers or dealers may be used to service any or all of the Bank's or Adviser's clients and may be used in connection with accounts other than those that pay commission to the broker or dealer providing the research. The brokerage services include effecting securities transactions and performing incidental functions such as clearance, settlement and custody.

REVIEW OF ACCOUNTS

The Bank conducts an initial and annual investment review of all Program accounts. In addition, the Bank, acting as the custodian, conducts a periodic review of all Program accounts for administrative purposes. These reviews are written, however, they are not provided to customers.

CLIENT REFERRALS AND OTHER COMPENSATION

CNS does not compensate for referrals.

FINANCIAL INFORMATION

Registered investment advisers are required to provide you with certain financial information or disclosures about CNS financial condition. CNS has no financial commitment that impairs its ability to meet contractual commitments to clients.

FEE SCHEDULES

Following are the standard fees for the Program:

INVESTMENT MANAGEMENT

**Annual Fees on Market Value:
Assets Under Management:**

1.25% on the first:	\$ 1,000,000
1.00% on the next:	\$ 4,000,000
0.75% on the next:	\$ 5,000,000
0.50% in excess of:	\$ 10,000,000

Account Minimums:

Minimum Annual Fee:	\$ 3,000
Minimum Annual Fee for unique or highly customized mandates:	\$ 12,500

CONSERVATIVE GROWTH & INCOME

**Annual Fees on Market Value:
Assets Under Management:**

0.80% on the first:	\$ 1,000,000
0.65% on the next:	\$ 4,000,000
0.40% on the next:	\$ 5,000,000
0.30% in excess of:	\$ 10,000,000

Account Minimums:

Minimum Annual Fee:	\$ 3,000
Minimum Annual Fee for unique or highly customized mandates:	\$ 10,000

TAX MANAGED EQUITY

**Annual Fees on Market Value:
Assets Under Management:**

0.75% on all assets – Passive
0.85% on all assets – Active

Account Minimums:

Minimum Annual Fee:	\$ 3,000
Minimum Annual Fee for unique or highly customized mandates:	\$ 10,000

FIXED INCOME

Annual Fees on Market Value:

Assets Under Management:

0.50% on the first:	\$ 5,000,000
0.40% on the next:	\$ 5,000,000
0.30% on excess of:	\$ 10,000,000

Account Minimums:

Investment Type	Investment Strategy	Minimum Fee	Minimum Account Size
Taxable or Tax Exempt	Multi Strategy	\$ 3,000.....	\$ 250,000
Taxable	Short Intermediate – Standard	\$ 3,000.....	\$ 500,000
Tax Exempt	Short Intermediate – Standard	\$ 6,000.....	\$ 1,000,000
Taxable or Tax Exempt	Intermediate – Standard	\$ 6,000.....	\$ 1,000,000
Taxable or Tax Exempt	Any Strategy – Customized	\$ 12,000.....	\$ 2,000,000

LIQUIDITY MANAGEMENT

Annual Fees on Market Value:

Assets Under Management:

0.25% on the first:	\$ 7,500,000
0.15% on the next:	\$ 17,500,000
0.10% in excess of:	\$ 25,000,000

Account Minimums:

Minimum Account Size:	\$ 5,000,000
Minimum Annual Fee:	\$ 12,500

CNI Charter Fund Management Fee Rebate:

All assets invested in CNI Charter Funds held in the Investment Advisory Program will receive a rebate of the Management Fees charged by the funds and received by City National Asset Management, Inc. for the applicable fund.

Qualified Retirement Plans and IRAs: -

Shareholder Servicing Fees: In accordance with rules established by the Department of Labor regarding accounts governed by ERISA, an additional rebate is provided for the shareholder servicing fees received with respect to assets held in the CNI Charter Funds.

Transaction Fees:

Set-Up/Renewal of a Note:	\$ 50.00
Incoming or Outgoing Payment on Note:	\$ 7.50
Set-Up/Close Out of Unique Asset:	\$ 200.00
Disbursements (includes 1099R):	\$ 7.50
Insurance Policies (Holding Fee):	\$ 7.50/yr

Mutual Funds Expenses:

Clients invested in mutual funds through this Program will bear a proportionate share of the fees and expenses of any mutual fund in which their assets are invested. The mutual fund fees and expenses are in addition to the Program fees. These fees and expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses charged by mutual funds. The client is encouraged to read the prospectuses of the mutual funds in which the Account assets are invested for a more complete explanation of these fees and expenses.

CNS and its affiliates may have a variety of banking, financial, or service relationships with mutual funds in which Accounts are invested. These relationships include acting as investment advisor or shareholder servicing agent. CNS may receive compensation from such funds in addition to the Program fee. Program Accounts will not be invested in mutual funds which pay CNS, the Bank or their affiliates a front end, back end or contingent sales charge.