

**Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure (the “Brochure”)**

**Item 1      Cover Page**



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This Brochure provides information about the qualifications and business practices of City National Rochdale, LLC (the “Adviser” or “City National Rochdale”). If you have any questions about the contents of this Brochure, please contact us at by telephone at (212) 702-3500 or by email at Donald.Delano@cnr.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about City National Rochdale also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

City National Rochdale is a registered investment adviser with the SEC. Registration of an investment adviser with the SEC or with any state securities authority does not imply any level of skill or training

## **Item 2 Material Changes**

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### **MATERIAL CHANGES**

#### **Item 4 – Services, Fees and Compensation**

- In January 2021, added new language regarding cash sweep arrangements.
- In January 2021, added new disclosures regarding additional cost charged to wrap accounts.

The date of the last annual update to the Brochure was January 31, 2020.

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#### **Item 4 Services, Fees and Compensation**

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The Adviser's Comprehensive Investment Advisory Program ("Wrap Program") is an advisory program that bundles high net worth investment advisory services with brokerage services for a consolidated fee.

##### **Wrap Program Services**

The Wrap Program offers continuous management of client accounts ("Account(s)") on a fully discretionary basis making all security purchase and sale decisions. Securities transactions are executed through the Adviser's brokerage affiliate, CNR Securities LLC ("CNRS"), a member of the Financial Industry Regulatory Authority ("FINRA"). Clients participating in the Wrap Program are required to use CNRS as their broker-dealer. CNRS clears all of its transactions on a fully disclosed basis through Pershing LLC ("Pershing"), but separate commissions are not charged for securities transactions under the Wrap Program. Pershing also serves as the custodian for all client Accounts.

In addition to actively managing client accounts, the Wrap Program helps clients set investment objectives and determine appropriate asset allocations. A variety of investment styles may be employed, with client consultation, to establish the investment style most appropriate for the client's investment objectives. Nevertheless, there can be no guarantee that a client's objectives will be achieved.

The Wrap Program also offers the following services and reports:

- a) Meetings with the Adviser's portfolio managers;
- b) Confirmations of all purchases and sales in the Account;
- c) Monthly statements showing activity in the Account, securities held and month-end valuations;
- d) Detailed quarterly reports showing securities held and Account performance;
- e) A comprehensive year-end tax information statement (1099B, Div, Int.) and such other reports or information that clients may reasonably request.

##### **Fee Schedules for City National Rochdale Wrap Program**

The Adviser's fee for its services under the Wrap Program is based upon the market value of the assets in the Account determined as of the close of business on the last business day of the previous calendar quarter. The Wrap Program fees are set forth below.

<b>Annual Asset Value</b>	<b>*Advisory Fee Portion of Wrap</b>	<b>Annual Asset Value</b>	<b>**Transaction Fee Portion of Wrap</b>
First \$750,000 to \$1,000,000	1.00%	\$750,000 to \$1,000,000	0.19%

Next \$1,000,000 to	1.00%	\$1,000,000 to \$2,000,000	0.14%
Next \$2,000,000 to	0.80%	\$2,000,000 to \$3,000,000	0.14%
Next \$3,000,000 to	0.80%	\$3,000,000 to \$5,000,000	0.09%
Next \$5,000,000 to	0.60%	\$5,000,000 to \$10,000,000	0.07%
Next \$10,000,000 and above	0.50%	\$10,000,000 and above	0.05%

\*The advisory fee is based on a tiered schedule (cumulative). Therefore, the client at each level will be charged the respective fee listed (e.g. charged 1.00% on the first \$2 million of assets, charged 0.80% on the next \$3 million, etc.).

\*\*The transaction fee, although based on assets, is not based on a tiered schedule but fixed with respect to the aggregate assets in the Account. Therefore, if the Account value is under \$1 million, the transaction fee is 0.19%, if the Account value is \$1 million to \$2 million, the fee is 0.14% on the entire Account, and so forth.

Under certain circumstances, the fees shown may be negotiated on a case-by-case basis and may be different from, but not higher than, the above schedule.

Clients who participate in the Wrap Program will not be charged commissions on a transaction by transaction basis. Securities transactions are effected “net,” i.e., without transaction based commissions, and a portion of the Wrap Fee is generally considered as being in lieu of commissions. This program may cost the client more or less than if management fees and commissions were charged separately. Custody fees payable to Pershing are not separately charged to client Accounts. Clients are responsible, however, for miscellaneous administrative fees that Pershing may charge (e.g., retirement account custodial fees, safekeeping fees, wire transfer fees and any other administrative fees, a list of which is available upon request). Additionally, clients who are invested in any pooled investment vehicle or mutual fund will bear the expenses of that vehicle or fund. Fund expenses vary depending upon the fund selected. (See, “Types of Investments” below.)

### **Types of Investments**

In providing services under the Wrap Program, City National Rochdale may invest in a variety of asset classes including small-, mid-, and large-cap equities and fixed income securities in domestic and international markets. Depending on the objectives of a particular client, City National Rochdale may recommend the use of various investment funds managed by City National Rochdale or its affiliates (including Royal Bank of Canada Funds). These funds include the investment portfolios of the City National Rochdale Funds, an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), consisting of 10 mutual funds, (the “City National Rochdale Funds”). City National Rochdale is the investment adviser for and receives a management fee from each of the City National Rochdale Funds. City National Rochdale has retained sub-advisers for City National Rochdale Fixed Income Opportunities Fund and the City National Rochdale Short Term Emerging Markets Debt Fund, both series of City National Rochdale Funds.

City National Rochdale also offers its clients who satisfy certain suitability and eligibility requirements interests in registered closed-end funds managed by City National Rochdale. These include the City National Rochdale High Yield Alternative Strategies Master Fund, City National Rochdale High Yield Alternative Strategies Fund and City National Rochdale High Yield Alternative Strategies Fund TEI (collectively “RHYAS” or the “Closed-end Funds”) as well as City National Rochdale Select Strategies Fund (“CNRLX”) and City National Rochdale Strategic Credit Fund (“CNROX,” and together with CNRLX, the “City National Rochdale Interval Funds”). City National Rochdale has retained a sub-adviser for CNROX.

City National Rochdale also offers its clients, who satisfy certain suitability and eligibility requirements, interests in Special Opportunities Fund Ltd., an investment vehicle managed by City National Rochdale that is not registered under the Investment Company Act (the “Offshore Fund”). The Offshore Fund is domiciled in the British Virgin Islands.

City National Rochdale receives a management fee from each of the Funds.

City National Rochdale may organize other registered or nonregistered investment funds in the future.

The City National Rochdale Funds, the City National Rochdale Interval Funds, the Closed-end Funds, and Offshore Fund are collectively referred to as the “Funds.” City National Rochdale and/or its affiliates receive fees for advisory and others services to the Funds. All Funds are subject to an annual audit by an independent auditor and audited financial statements are sent to investors annually. **As discussed more fully below, clients who invest in the Funds will pay management fees, Rule 12b-1 fees and/or shareholder servicing fees to City National Rochdale and/or its affiliates, as well as other expenses of those Funds, in addition to the Wrap Program fees.**

#### **Mutual Fund and Interval Fund Fees and Compensation**

City National Rochdale will use the City National Rochdale Funds, City National Rochdale Interval Funds and Royal Bank of Canada (RBC) Funds (collectively, the “Affiliated Funds”) in the chart below for an Account if they are appropriate, unless the client requests otherwise. City National Rochdale believes the Affiliated Funds are appropriate investments because they offer a wide variety of investment strategies and objectives and provide professional investment management, investment diversification, and convenience. When City National Rochdale buys shares of Affiliated Funds for an Account, it earns a management fee, City National Rochdale and/or its affiliates receive shareholder servicing fees and, for the City National Rochdale Funds, its affiliates also earn distribution (12b-1) fees.

Using Affiliated Funds presents City National Rochdale with a conflict of interest, because City National Rochdale could buy similar unaffiliated funds for an Account that do not pay management fees, 12b-1 fees, shareholder servicing fees, or all of them, to City National Rochdale or its affiliates. Those unaffiliated funds sometimes have lower overall fees than similar Affiliated Funds. Some of the Affiliated Funds have share classes that do not charge 12b-1 fees, but those share classes are not available to City National Rochdale wrap fee program clients. They are available only to City National Rochdale clients whose accounts are maintained at CNB, advised by CNB or CNS and sub-advised by City National Rochdale. When City National Rochdale clients with accounts maintained at CNB invest in a 12b-1 fee paying class of an Affiliated Fund, CNB credits the 12b-1 fees back to those clients. Certain Affiliated Funds have a share class that does not charge 12b-1 fees or shareholder servicing fees, but that share class is not available to City National Rochdale wrap fee program clients. That class will be available only to certain accounts maintained at CNB that meet a minimum initial investment requirement of \$1,000,000 and certain tax-deferred retirement plans held in plan level or omnibus accounts.

***Taxable accounts:*** City National Rochdale seeks to mitigate its conflict of interest by crediting all or a portion of the fund-level management fees for the Affiliated Funds, with a few exceptions as shown in the chart below. City National Rochdale will continue to charge account-level fees on the assets in the Account, including on assets invested in Affiliated Funds. City National Rochdale or its affiliates also will keep the 12b-1 fees and the shareholder servicing fees received from Affiliated Funds. City National Rochdale credits fund-level management fees on a quarterly basis in arrears. These clients will also bear a proportionate share of the other fees and expenses of the Affiliated Funds in which their assets are invested.

**ERISA and other tax-deferred retirement accounts:** City National Rochdale seeks to mitigate its conflict of interest by crediting the entire fund-level management fee and 12b-1 fees, if applicable, on Affiliated Funds. City National Rochdale will continue to charge account-level fees on the assets in the Account, including on assets invested in Affiliated Funds. City National Rochdale and/or its affiliates will keep the shareholder servicing fees received from Affiliated Funds. City National Rochdale credits fund-level management fees and 12b-1 fees on a quarterly basis in arrears. These clients will also bear a proportionate share of the other fees and expenses of the Affiliated Funds in which their assets are invested.

City National Rochdale Funds and City National Rochdale Interval Funds		City National Rochdale	Fund Investment Management Fee	Rule 12b-1 Fees	Shareholder Servicing Fees
Government Money Market Fund - Class N		0.26%	100%	0.30%	0.25%
CA Tax Exempt Bond Fund - Class N		0.27%	100%	0.25%	0.25%
Government Bond Fund - Class N		0.43%	100%	0.25%	0.25%
Corporate Bond Fund - Class N		0.40%	100%	0.25%	0.25%
Municipal High Income Fund - Class N		0.50%	50%	0.25%	0.25%
Intermediate Fixed Income Fund - Class N		0.40%	100%	0.25%	0.25%
Fixed Income Opportunities Fund - Class N		0.50%*	100%*	0.25%	0.25%
U.S. Core Equity Fund - Class N		0.40%	100%	0.25%	0.25%
Dividend and Income Fund - Class N		0.50%	100%	0.25%	0.25%
Select Strategies Fund		0.50%	0%	N/A	0.25%
Strategic Credit Fund		1.50%	0%	N/A	0.25%
Short Term Emerging Markets Debt Fund – Class Y		0.50%	0%	N/A	0.25%
RBC Funds	RBC Fund Investment Management Fee	Fund Investment Management Fee Credit %		Rule 12b-1 Fee	Shareholder Servicing Fee
Small Cap Value Fund - Institutional class.	0.80%	50%		N/A	0.15%

\*City National Rochdale applies the fund-level management fee credit to City National Rochdale's net management fee after paying the fund's third party sub-advisers.

Periodically City National Rochdale may add funds to the City National Rochdale Funds or introduce additional City National Rochdale Interval Funds and RBC Funds. Before investing the Account's assets in one of these additional funds, City National Rochdale will notify the client of its intent to add the fund and deliver the fund's prospectus or summary prospectus to the client. City National Rochdale's affiliated broker-dealer, CNR Securities, LLC, does also receive miscellaneous fees for transactions effected in the City National Rochdale Funds and RBC Funds.

Shareholder servicing fees compensate City National Rochdale, CNB, and City National Securities, Inc. ("CNS") for responding to client shareholder inquiries, processing shareholder purchases and redemptions, shareholder account maintenance, transmitting proxies/annual reports and other correspondence from the Funds to shareholders, and for providing office space, equipment, facilities and personnel to provide the aforementioned services. These and other fees are described in greater detail in the Funds' prospectuses, SAI or other offering documents.

Distribution (12b-1) fees compensate CNB, CNS and City National Rochdale Securities for paying their own personnel for distribution-related activities with respect to the applicable Affiliated Funds. CNS and CNR Securities also use 12b-1 fees they receive to pay other broker-dealers who sell Fund shares. These and other fees are described in greater detail in the Funds' prospectus or offering documents. These fees directly benefit CNB, CNS and CNR Securities.

### **Conflicts of Interest for Purchases of Affiliated Funds**

*City National Rochdale has discretion to purchase Affiliated Funds for clients. City National Rochdale earns management fees from Affiliated Funds, City National Rochdale and/or its affiliates earn shareholder servicing fees from Affiliated Funds and City National Rochdale's brokerage affiliates receive 12b-1 fees from Affiliated Funds. City National Rochdale at times will recommend or buy for clients Affiliated Funds, even when similar unaffiliated funds charge lower fees. City National Rochdale's and its affiliates' receipt of these fees is a conflict of interest. While City National Rochdale seeks to give clients unbiased, objective investment advice about the selection of funds and share classes for its clients, it also has an interest in earning more fees for itself and its affiliates by recommending or buying for clients Affiliated Funds. City National Rochdale seeks to mitigate this conflict by crediting some fees to clients, with a few exceptions, as we discuss above in "Mutual Fund and Interval Fund Fees and Compensation." Because City National Rochdale and/or its affiliates keep at least some of these fees, City National Rochdale continues to have a conflict of interest in recommend or buying Affiliated Funds for an Account.*

**A client's total cost to own some Affiliated Funds will be higher than the cost of owning other, similar unaffiliated funds that are equally appropriate for a client's account. Higher fees reduce fund performance and therefore account performance.**

### **Third Party Funds and Cash Sweep Arrangements**

City National Rochdale also receives revenue sharing payments from a third party when it invests its clients' assets in the third party's mutual fund. City National Rochdale credits these revenue sharing payments to ERISA and other tax-deferred retirement accounts, but not to taxable accounts.

CNR will automatically sweep cash balances into non-affiliated money market funds available to accounts custodied at Pershing ("Sweep Fund"). CNR receives compensation as part of a revenue sharing arrangement on CNR client assets invested in the Sweep Funds. Interest rates received on Sweep Funds may be lower than the interest rates available if clients make deposits directly with a bank or other depository institution or invests other money market funds or cash equivalents.

### **Fees Incurred from Unaffiliated Fund Transfers**

Surrender Charges or CDSCs. If a client transfers a previously purchased investment into a City National Rochdale account, such as a mutual fund, annuity or alternative investment, or liquidates the previously purchased investment and transfers the proceeds into a City National Rochdale account, clients may incur a fee (sometimes called a "surrender charge," "contingent deferred sales charge" or "CDSC") upon the sale or redemption in accordance with the investment product's prospectus. In many cases, the CDSC is only charged if a client does not hold the security for a minimum period of time. If a client transfers a previously purchased mutual fund into an account that is subject to a CDSC, then the client will pay that charge when the mutual fund is sold, unless the client instructs otherwise. These fees are disclosed in separate disclosure documents clients will receive.

### **Closed-End and Private Investment Fund Fees and Compensation**

Clients invested in closed-end funds and private investment funds will bear a proportionate share of the fees and expenses of any fund in which their assets are invested. City National Rochdale or an affiliate advises and/or renders other services to the Closed-end Funds and the Offshore Fund. The fund fees and expenses are in addition to Wrap Program fees reflected in the above fee schedules. These closed-end and private fund fees and expenses typically include investment advisory, administrative, transfer agent, custodial, legal, audit and other customary fees and expenses. Certain Closed-end Funds also pay servicing fees to City National Rochdale or an affiliate. City National Rochdale has a material conflict of interest in



recommending to clients that they invest in closed-end and private funds that pay it and/or its affiliates fees, which are credited back in certain circumstances. This is because City National Rochdale has a financial incentive to recommend funds based on the fees its affiliates will earn rather than on a client's needs. The client is encouraged to read the prospectuses or offering documents of the funds in which the account assets are invested for a more complete explanation of these fees and expenses.

### **General Information Regarding "Wrap Fees" or "All-Inclusive Fees"**

In establishing the Wrap Program fee schedules set forth above, City National Rochdale has considered a variety of factors including costs to provide investment management services, direct communication with the portfolio managers, detailed client reporting, custody of client assets through Pershing, as well as trading and clearing costs for trades executed through CNRS. Depending, however, upon the level of the wrap fee, the amount of trading in the client's account, the value of custodial and other services in the Wrap Program, and other factors, the cost of participating in the Wrap Program can be higher than the aggregate cost of such services if they were to be separately purchased. In the Wrap Program, securities transactions will be executed through CNRS without commission. This means that City National Rochdale at times will receive higher investment advisory fees from clients in the Wrap Program whose accounts trade infrequently than from other clients whose accounts trade frequently, or than from clients who pay an investment advisory fee plus commissions. Similarly, CNRS's fees may also be higher than fees it receives under traditional commission based arrangements. This is because CNRS will receive a fee regardless of the number of trades in a client's account during the quarter. In evaluating any wrap fee arrangement, a client should recognize that City National Rochdale does not negotiate brokerage commissions or the execution terms of trades in the client's account.

City National Rochdale acquires clients in a variety of ways. The majority of clients, including clients that participate in the Wrap Program, are introduced to City National Rochdale by affiliated and unaffiliated third parties, including independent financial planners, investment advisors, consultants, CPAs, attorneys, and representatives of broker-dealers (sometimes referred to as "Referring Partners"). Referring Partners may or may not provide services directly to clients and clients may pay fees for such services. Any such services are provided solely by Referring Partners and not by, or on behalf of, City National Rochdale. Additionally, Referring Partners are compensated for introductions to City National Rochdale. (See, Item 9 in this Wrap Fee Brochure for further information about the activities of Referring Partners.)

Some clients may favor an asset-based fee arrangement because the fee sets their brokerage cost at a predetermined level. Other clients may favor a commission arrangement because they anticipate their accounts will have little trading activity. Clients who plan to follow a buy and hold strategy for the account, or do not wish to receive ongoing investment advice or management services, may consider opening a brokerage account rather than an advisory account. Please note that City National Rochdale does not offer a traditional brokerage arrangement, so clients will open such accounts elsewhere.

In a brokerage account, commissions are charged for each transaction. When assessing a wrap fee program's cost, a client should consider the amount of anticipated trading activity and factors such as commission rates. City National Rochdale makes no guarantees that the aggregate cost of a particular program is lower than other programs. Clients should evaluate whether an advisory (asset-based fee) or brokerage (transaction-based fee) arrangement is appropriate for their needs.

### **Trading Away and other Associated Costs**

Clients will generally not pay additional trading costs when CNRS is the broker-dealer that executes a trade order in a Wrap Program account. However, portfolio managers may trade away if such portfolio manager reasonably believes that another broker-dealer will provide a more favorable execution under the circumstances, notwithstanding any additional costs that may be incurred. When a portfolio manager trades away, the trades are executed at a broker-dealer other than CNRS. If a portfolio manager executes trade

orders with a broker-dealer other than CNRS, the client will incur trading costs in addition to the fees charged by City National Rochdale for the client's participation in the Wrap Program. The broker-dealer executing the trade-away transaction may charge fees that may include commissions, markups, markdowns or "spreads" paid to market makers, which the client will bear. Those fees are embedded in the price paid or received and not shown separately in the trade confirmation.

City National Rochdale's fixed income portfolio managers trade away. Accordingly, clients should expect that all fixed income trades in the Wrap Program will be executed by broker-dealers other than CNRS and that the client will pay transactional costs for these trades. Fixed income securities are primarily traded in dealer markets. These securities are directly purchased from or sold to a financial services firm acting as a dealer (or principal). A dealer may charge a commission, a markup (on securities it sells), a markdown (on securities it buys) or a spread (the difference between the price it will buy or "bid" for the security and the price at which it will sell or "ask" for the security) in the net price at which transactions are executed. The bid and ask are prices quoted by the dealer, so the client should understand that a dealer's bid price would be the price at which a client is selling their security, and the dealer's ask price would be the price at which a client is buying the security. As a result, fixed income managers and their strategies could be more costly to a client than managers that primarily place client trade orders with CNRS for execution.

As discussed in in the *Mutual Fund and Interval Fund Fees and Compensation* section above, City National Rochdale will use Affiliated Funds for client accounts if they are appropriate, unless the client requests otherwise. Accounts may also be invested in the Closed-end Funds and the Offshore Fund. When City National Rochdale buys shares of such Funds for client accounts, the firm earns a management fee, the firm and/or its affiliates receives shareholder servicing fees and, for the City National Rochdale Funds, its affiliates also earn distribution (12b-1) fees. These costs are in addition to the wrap fees charged to the client's account.

## **Item 5 Account Requirements and Types of Clients**

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City National Rochdale's clients consist primarily of the Funds. Other clients include institutional clients, such as pensions and profit sharing plans, charitable organizations and a limited number of municipalities. City National Rochdale generally requires a minimum of \$1,000,000 of assets under management for a separately managed account relationship but may waive this minimum in its sole and absolute discretion. If the account size falls below the minimum requirement due to market fluctuations only, a client will not be required to invest additional funds with City National Rochdale to meet the minimum account size. The Funds' initial and additional investment minimums are disclosed in the offering documents of such Funds.

Clients are offered the choice of using the Wrap Program or having their Account managed as a separately managed account with commissions charged for each purchase and sale executed in the Account. City National Rochdale does not specifically recommend the Wrap Program to clients but rather allows the client and/or the client's financial advisor to determine whether to have their Account managed in the Wrap Program or as a separately managed account.

City National Rochdale may request that clients provide proof of authority, directed trading letters, qualified client or qualified purchaser status, accredited investor certifications, and/or other information.

## **Item 6 Portfolio Manager Selection and Evaluation**

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All of the portfolio managers responsible for client Accounts that participate in the Wrap Program are City National Rochdale professionals. Portfolio managers are selected to handle Accounts based on City National Rochdale's assessment of the client's individual circumstances, taking into consideration such factors as the type of client, age of the client, time horizon for investments, investment goals, cash flow needs, tax concerns and sensitivity to risk.

Clients receive regular and continuous communications concerning the activity and status of their Accounts. Clients receive trade confirmations for every security transaction that occurs as well as a monthly summary Account statement showing all activity in the Account during the previous month as well as the month-end market value. Clients also receive a quarterly evaluation report that details the cost basis and current market value for each security in the portfolio and each asset class. This quarterly report also summarizes gains, losses, income and expenses, and provides the time-weighted net return of the portfolio. Clients also have the ability to view their Accounts at City National Rochdale's website, [www.cnr.com](http://www.cnr.com). Various other reports may also be made available through the website from time to time. In appropriate cases, and as directed by clients, Referring Partners may receive copies of confirmations, statements, and quarterly performance reports, and they may also be afforded access to portfolio managers assigned to specific client Accounts.

In-person or telephonic conferences with clients are generally conducted at least annually. Clients are strongly encouraged to contact their portfolio manager directly. City National Rochdale also maintains a knowledgeable client service department with the capacity to answer a wide range of inquiries relating to the clients' Accounts. Clients are also encouraged to notify City National Rochdale immediately, either through the client service department or by contacting their portfolio manager, if there is any change in their investment objectives or financial condition.

In general, City National Rochdale hires professionals internally as portfolio managers on client Accounts. City National Rochdale generally requires that portfolio managers hold an MBA (or equivalent advanced degree) and/or the Chartered Financial Analyst designation (in most cases both) and have substantial industry experience. Portfolio managers are trained in all areas of a client's portfolio (e.g., stocks, bonds, alternatives). A critical part of the portfolio manager selection process is based on individual style and compatibility with the client. The performance of client portfolios is evaluated against appropriate benchmarks and Lipper averages for their specific asset class. Additionally, adherence to client established risk parameters are factors in performance expectations.

Securities positions are subject to constant re-evaluation and Accounts are reviewed frequently, on at least a quarterly basis. Review of portfolio management assignments and the handling of a client Account may be triggered by any one of a number of events including, but not limited to: 1) changes in general economic or investment market conditions; 2) a change in City National Rochdale's portfolio strategy or its outlook regarding the prospects of a particular portfolio holding or the consideration of the purchase of a new portfolio holding; 3) changes in the client's investment objectives or financial condition; and/or 4) the deposit or withdrawal of funds from a client's Account. Consideration will be given to replacing a portfolio manager if it is determined that the client is not satisfied with the performance of the Account or level of service provided by the existing portfolio manager.

### **Other Aspects of City National Rochdale's Investment Advisory Business**

City National Rochdale provides investment management programs other than the Wrap Program. Portfolio managers responsible for Wrap Program Accounts are also involved in providing investment management services to Accounts that are outside of the Wrap Program. Advisory programs available through City National Rochdale are described below. In managing Accounts in the Wrap Program and in providing

services in connection with the advisory programs noted below, City National Rochdale seeks to intelligently personalize and customize client portfolios, based upon the individual circumstances and requirements of the client and taking into consideration such factors as the type of client, age of the client, time horizon for investments, investment goals, cash flow needs, tax concerns and sensitivity to risk. Each is described in more detail in the Adviser's "Firm Brochure."

City National Rochdale provides money management services to clients with portfolios of \$1 million and above, primarily on a discretionary basis. City National Rochdale works with each client to determine their portfolio needs and limitations, and designs an asset allocation and investment objective plan to meet their goals. Thereafter, City National Rochdale portfolio managers implement each plan, working directly with the client and their financial advisor, on a one-on-one basis. A typical client relationship will also have a third-party financial advisor to assist the client through the implementation process and work with City National Rochdale on the on-going portfolio management of the client's assets. This includes working with a client's already existing portfolio to efficiently build out what City National Rochdale believes to be an appropriate portfolio (i.e. utilizing existing securities where appropriate), managing across multiple types of accounts (IRA, trust, personal, joint, etc.), allowing clients to place restrictions on securities (industry, sector, etc.), types of securities (options, derivatives, etc.), and investment strategies (large cap, international, alternative, etc.), and managing a client's portfolio in seeking to meet a client's specific distribution needs and tax goals. To the extent the client elects to invest in pooled vehicles to implement an asset allocation program, such restrictions may not be appropriate. Except for the portion of each client's account that is invested in pooled vehicles, the account is managed separately from other clients of City National Rochdale (i.e., not commingled, securities are purchased for each client's personal accounts).

- Money Management Program. Intelligently personalized and customized portfolio implementation and management for clients that meet City National Rochdale's minimum net worth requirements (\$1 million portfolio value and above across all accounts managed). Clients pay a commission for security trades in a separately managed account.
- Galaxy Asset Allocation Program ("GAAP"). Clients electing to participate in this program will have their accounts managed by way of City National Rochdale's proprietary Galaxy Asset Allocation Program ('GAAP'). These are clients that generally do not meet the dollar threshold Wrap Program or Money Management Program (with some exceptions). GAAP enables risk profiling, target asset class allocation, standard mutual fund implementation of target asset class allocation, customization of mutual fund implementation, proposal generation, portfolio implementation based on implementation model, and portfolio management through periodic and/or event driven rebalancing. City National Rochdale may utilize GAAP directly with its mid net worth clients for which it has entered into an investment advisory relationship directly through City National Rochdale, an affiliated adviser, or through access provided by another broker-dealer or registered investment adviser that has entered into an agreement with City National Rochdale to offer GAAP on their platform. City National Rochdale charges a flat platform fee of between 25 and 35 basis points, depending on the account value, for use of this service.
- Sub-advisory Services. Where City National Rochdale acts as a sub-advisor, City National Rochdale is retained by an investment adviser who, in turn, has entered into an investment management agreement directly with the client. Under a sub-advisory arrangement, City National Rochdale may have limited contact with clients and will manage accounts according to the instructions of the investment adviser who has retained City National Rochdale to act in a sub-advisory capacity.

City National Rochdale's investment advisory programs do not pay City National Rochdale or its employees performance fees or other incentive compensation. Accordingly, City National Rochdale does not believe that these arrangements give rise to any conflict of interest or offer any incentive for any of the firm's investment personnel, including the portfolio manager responsible for managing client Accounts in the Wrap Program, to favor any vehicle over any other Account.

#### **Methods of Analysis, Investment Strategies and Risk of Loss**

City National Rochdale uses a variety of methods and strategies to make investment decisions and recommendations in connection with client Accounts in the Wrap Program, as well as in connection with other investment advisory programs. These methods entail an evaluation of investment opportunities using fundamental, technical, quantitative, and qualitative analyses to determine the intrinsic value of securities and other types of instruments. These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire contribution/investment. City National Rochdale employs the following investment strategies that may be constructed as a separately managed account or using proprietary or non-proprietary pooled investment vehicles.

***Equity.*** City National Rochdale's equity strategy focuses on a broad range of equity investment styles, including growth, core, and value, as well as portfolios designed to be "style-neutral." Some client accounts focus on specific ranges on the capitalization scale, from micro-cap, through small-cap, mid-cap and large-cap, to mega-cap. Other client accounts will focus on investment opportunities in more than one capitalization category or across all capitalization levels.

***US Large Cap Core Equities.*** City National Rochdale pursues capital appreciation strategies by taking long positions in quality companies with above average growth potential in highly ranked industries.

***U.S. Large Cap Select Core Equities.*** City National Rochdale seeks to provide aggressive capital appreciation, with current income as a secondary objective, through investments in the equity securities of companies with large and middle capitalizations.

***High Dividend and Income.*** City National Rochdale pursues high dividend and income strategies by taking long positions in companies with high dividend growth potential.

***Emerging Markets.*** City National Rochdale pursues investment strategies by taking long positions in quality companies located in emerging Asian and Indian markets. The Advisor seeks to invest in quality companies with a focus on locally listed large, medium, and small cap companies that are broadly inaccessible to U.S. investors. On-the-ground research is conducted to provide direct insight and domain expertise.

***Municipal High Income.*** City National Rochdale pursues an investment strategy that seeks to provide a high level of current income that is not subject to federal income tax.

***Opportunistic Fixed Income.*** City National Rochdale pursues investment strategies by investing in fixed income securities of any credit rating. The Adviser may seek to invest client assets across a spectrum of income yielding securities and primarily focuses on investments in high yield bonds (commonly known as "junk" bonds) issued by corporate and municipal issuers, in fixed and floating rate loans made to U.S. and foreign borrowers, and in domestic and foreign corporate bonds including asset backed securities and bank loans. The Adviser also invests in life insurance policies. The Adviser's foreign investments include investments in companies that are operating principally in emerging market or frontier market countries.

**Stock Options.** City National Rochdale may use individual stock options to manage concentrated stock positions in a client portfolio. City National Rochdale may utilize a covered call option strategy as a means to manage concentrated stock positions and to potentially generate premium income for the client. Long put options may also be used to limit the potential decline of an individual stock held in a client portfolio.

**Hedging.** The Adviser utilizes a variety of financial instruments such as derivatives and options for risk management purposes.

### **Voting Client Securities**

City National Rochdale has adopted proxy voting policies and procedures. These policies and procedures require City National Rochdale to vote proxies received in a manner consistent with the best interests of its clients.

In the client's investment advisory agreement, clients are given the option to delegate proxy voting to City National Rochdale. City National Rochdale will only vote proxies where clients give City National Rochdale discretionary authority to vote on their behalf. Proxy voting services are not offered to clients participating in the International Custody & Asset Protection Solutions program.

The policies and procedures also require City National Rochdale to vote proxies in a prudent and diligent manner intended to enhance the economic value of client assets. City National Rochdale has hired a neutral, third-party, proxy advisory firm (the "Proxy Advisory Firm") to vote proxies on its behalf for equity securities. In most instances, City National Rochdale casts clients' votes in accordance with the Proxy Advisory Firm's recommendation. However, in the event City National Rochdale believes that the recommended vote is not in the clients' best interest it may vote against such recommendation. CNR has established a Proxy Voting Oversight Committee charged with monitoring the effectiveness of CNR's proxy voting process, and to address potential conflicts of interest as they arise. The Proxy Voting Committee, which meets periodically as needed, includes personnel of CNR consisting of executive, investment, compliance, legal, and operations.

For these purposes, a conflict of interest is deemed to occur when City National Rochdale or an affiliated person has a financial interest in a matter presented by a proxy to be voted on behalf of the fund, which may compromise City National Rochdale's independence of judgment and action in voting the proxy. When a proxy proposal raises a material conflict of interest between City National Rochdale's interests and those of City National Rochdale Funds or City National Rochdale's clients, City National Rochdale will seek to resolve the conflict in accordance with its adopted procedures.

For client accounts over which City National Rochdale has proxy voting authority and that hold shares of a Fund, City National Rochdale will vote Fund proxies in the best interests of the applicable clients. If City National Rochdale's Proxy Voting Committee determines that a Fund proxy proposal presents a material conflict of interest for City National Rochdale, City National Rochdale will "echo vote" the Fund shares held by the relevant client accounts. This means that City National Rochdale will seek voting instructions from applicable clients, and will vote those Fund shares attributable to clients for which it does not receive voting instructions in the same proportion as other clients that have submitted voting instructions to City National Rochdale.

Clients may obtain a copy of City National Rochdale's proxy voting policies and procedures and information about how City National Rochdale voted a client's proxies by contacting Donald Delano (Chief Compliance Officer) by email at [Donald.delano@cnr.com](mailto:Donald.delano@cnr.com) or by telephone at (212) 702-3500.

**Item 7 Client Information Provided to Portfolio Managers**

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Each client must fill out a comprehensive questionnaire and provide proof of financial means prior to opening an Account with City National Rochdale. Portfolio managers use information regarding each client's risk tolerance, investment objectives, and financial condition to construct a customized investment portfolio for the client. As indicated above, in-person or telephonic conferences with clients are generally conducted at least annually. Clients are strongly encouraged to contact their portfolio manager directly and to notify City National Rochdale immediately if there is any change in their risk tolerances, investment objectives or financial condition.



**Item 8 Client Contact with Portfolio Managers**

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Clients are strongly encouraged to contact their portfolio managers directly when needed. Portfolio managers are available during normal business hours. City National Rochdale imposes no additional restriction or limitation on a client's access to their portfolio manager. Clients are also encouraged to notify City National Rochdale immediately, either through the client service department or by contacting their portfolio manager, if there is any change in their investment objectives, risk tolerances or financial condition.

## **Item 9 Additional Information**

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**Disciplinary Information** -- Neither City National Rochdale nor any of its management persons have been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

**Other Financial Industry Activities and Affiliations** -- Certain officers and/or directors associated with City National Rochdale serve as officers, directors, analysts and/or portfolio managers of one or more the following entities: City National Rochdale, an SEC registered investment adviser; Symphonic Financial Advisors LLC, an SEC registered investment adviser; Symphonic Securities LLC, a FINRA registered broker-dealer; Symphonic Insurance LLC, a state registered insurance agency; and/or CNR Securities LLC, a FINRA registered broker-dealer. City National Rochdale's relationship as an investment adviser to the City National Rochdale Funds, the City National Rochdale Interval Funds, the Closed-end Funds, and Offshore Funds are material to City National Rochdale's advisory business. As described above, certain clients may invest in the City National Rochdale Funds, the City National Rochdale Interval Funds, the Closed-end Funds, Offshore Funds, and/or affiliated mutual funds. City National Rochdale and/or its officers, employees and directors may also be investors in these vehicles.

Although there is some potential for conflicts of interest, City National Rochdale believes these are not material in light of the requirements of the Code of Ethics adopted by City National Rochdale and in light of the fact that, to the extent that City National Rochdale or any employee, director or officer is an investor in the Funds, each shares in any gains or losses proportionally with all other investors.

**Code of Ethics, Participation or Interest in Client Transaction and Personal Trading** -- City National Rochdale has adopted a Code of Ethics (the "Code") expressing the firm's commitment to ethical conduct. City National Rochdale's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth the practice of supervising personal securities transactions of employees. Individuals associated with City National Rochdale may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of City National Rochdale that no person employed by City National Rochdale shall place his or her own financial interest over that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with the Code, City National Rochdale requires that employees with access to advisory recommendations ("Access Persons") or other inside information provide quarterly securities holdings reports and quarterly transactions reports to the Compliance Department. City National Rochdale also requires all such employees receive prior approval from the Compliance Department prior to effecting transactions meeting certain criteria. All individuals employed by City National Rochdale must sign, no less than annually, an attestation confirming their receipt and comprehension of the Code.

City National Rochdale requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisers. Certain employees are also subject to the ethics rules for broker-dealers, professional designation practices and other ethics rulemaking bodies. City National Rochdale's Code further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the Code may be subject to discipline. City National Rochdale will provide a complete copy of its Code of Ethics to any client upon request.

**Client Transactions in Securities where Adviser has a Material Financial Interest** -- City National Rochdale has discretionary authority over its clients' Accounts and initiates the transactions in such Accounts. CNR Securities acts as an introducing broker for many client Accounts and CNR Securities charges a commission rate of \$29 per trade executed for Accounts not managed in the City National Rochdale Wrap Program.

Transaction charges present potential conflicts of interest. The more transactions a client enters into, the more compensation City National Rochdale's brokerage affiliate receives. Further, such transaction fees will have an impact on the Account's investment performance.

City National Rochdale and CNRS may facilitate the purchase and sale of a security between two or more clients without either City National Rochdale or CNRS being the seller or the buyer. This is known as an "internal cross" transaction and is only performed under client authorization. Prior to engaging in an internal cross transaction, City National Rochdale and CNRS will ensure that the transaction is in the best interest of all client parties involved by ensuring the price is fair and properly disclosing all known potential conflicts. Neither City National Rochdale nor its affiliates will receive compensation for effecting internal cross transactions.

City National Rochdale and CNRS do not enter into transactions where client securities are purchased from or sold to brokerage customers of CNRS in what is known as an "agency cross" transaction.

**Investing in Securities Recommended to Clients** -- City National Rochdale and/or related persons may purchase, sell or hold positions in certain investments that are recommended to, or implemented for, any of its clients. If City National Rochdale holds securities for itself that it also recommends to or implements for clients, the following restrictions and disclosure procedures are maintained for the protection of clients:

- City National Rochdale will recommend to or implement for its clients the purchase or sale of the same securities held, purchased or sold by City National Rochdale or any associated person only if such transaction is consistent with the objectives of the client.
- The clients' interest will be placed before City National Rochdale in such purchases and sales to assure that, on any given day, (a) the timing of the transaction will not put the client at a disadvantage, and (b) the price obtained for the client will be the same or more advantageous than that obtained for City National Rochdale or any associated person.
- Employees deemed to have knowledge of client trading activities will be regarded as Access Persons and will be required to gain approval for all personal securities transactions.

**Review of Accounts** -- Each client Account is reviewed by the Account's portfolio manager or his or her designee on an ongoing and regular basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account. Factors prompting an immediate review of Accounts include significant market events affecting the prices of one or more securities in clients' Accounts, changes in the investment objectives or guidelines of a particular client, or specific arrangements with particular clients may trigger reviews of a client's Accounts on an immediate basis.

Clients receive regular and continuous communications concerning the activity and status of their Accounts. Clients receive trade confirmations for every security transaction that occurs, as well as a monthly summary account statement, showing all activity in the account during the previous month as well as the month-end market value. In addition to this brokerage information, City National Rochdale provides a quarterly evaluation report that details the cost basis and current market value for each security in the portfolio and each asset class. This quarterly report also summarizes gains, losses, income and expenses, transactions and provides the time-weighted net total return of the portfolio. Clients also have the ability to view their Accounts at City National Rochdale's website, [www.cnr.com](http://www.cnr.com). Various other reports may also be made available through the website from time to time. In appropriate cases, and as directed by clients, Referring Partners may receive copies of confirmations, statements, and quarterly performance reports and may also be afforded access to portfolio managers assigned to specific client Accounts.

**Client Referrals and Other Compensation** -- City National Rochdale makes cash payments to third-party solicitors for client referrals. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, and related SEC staff interpretations.

The majority of clients are introduced to City National Rochdale by affiliated and unaffiliated third parties including independent financial planners, investment advisors, consultants, CPAs, attorneys, and representatives of broker-dealers (previously referred to in this Wrap Fee Brochure as “Referring Partners”). Clients referred to City National Rochdale by a Referring Partner, enter into an investment advisory contract directly with City National Rochdale. Referring Partners may provide to clients (but are not required by City National Rochdale to do so) other services such as researching money management services, assisting clients with financial planning and investment objective-setting, coordinating communications between the client and the manager, and monitoring performance and other such services to insure that clients’ needs are being met. Referring Partners may or may not provide these services, and clients should review with Referring Partners those additional services and their fees, which may be deducted by City National Rochdale for remittance to Referring Partners. Any such services are provided solely by Referring Partners and not by, or on behalf of, City National Rochdale. Referring Partners charge a fee in addition to City National Rochdale fees.

**Financial Information** – Not applicable.

**Item 10 Requirements for State-Registered Advisers**

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Not applicable.