



Erica B. Anderson | City National Bank  
Wealth Management Retirement Services

December 4, 2020

Daniel H. Chang, Chief Compliance Officer  
Greg Wood, Chief Business Officer  
El Camino Real Charter High School  
5440 Valley Circle Boulevard  
Woodland Hills, California 91367

RE: El Camino Real Alliance Public School Employee Retirement Healthcare Benefits Trust

Dear Daniel and Greg:

Thank you for meeting with us to discuss the El Camino Real Alliance Public School Employee Retirement Healthcare Benefits Trust Corporate Co-Trustee opportunity.

Enclosed is the Summary of Trustee Services and Document Package. City National utilizes an 'open architecture' custody and trust model. This facilitates both internal and external professional portfolio management, investment in unique and alternative assets, and consolidated transaction and investment reporting.

I look forward addressing any questions you may have, and working together to construct the service solution you envision. Please do not hesitate to reach out if require additional information or materials.

Best regards,

A handwritten signature in black ink, appearing to be "Erica B. Anderson", with a long horizontal line extending to the right.

Erica B. Anderson, CTFA, CEBS  
Vice President



Summary of Trustee Services for Other Post-Employment Benefits (OPEB) Plans

As Trustee, City National Bank shall hold principal of the Trust, and any earnings thereon, separate and apart from other Funds of El Camino Real Alliance (“ECRA”), to be used exclusively for the uses and purposes of the El Camino Real Alliance Public School Employee Retirement Healthcare Benefits Trust.

Accurate, detailed records of all investments, receipts, disbursements, and all other transactions required to be made shall be maintained on Trust, delivered to the ECRA Executive Director, Trustee(s), and/or Authorized Officer(s) following the close of each month and at year-end. Designated recipients can elect to receive statements, reports, and documents electronically through secure City National platforms. Reports include, but are not limited to:

- Holdings by asset class (market and cost);
- Individual asset holdings (market and cost);
- Asset purchases and divestments;
- Investment income (gross and net of fees);
- Trust deposits and withdrawals;
- Expenses paid on behalf of the Trust; and
- Commission expenses incurred, listed by broker (custom).

As Trustee, City National Bank can act as Paying Agent, if applicable. Services may include processing payments, withholding and submitting tax payments to the appropriate tax authorities, and reporting or determining that such amounts have been paid, withheld, and subsequently reported by the ECRA.

Documents and information required to engage City National as Corporate Co-Trustee are as follows:

	<b>Document</b>	<b>Description/Comments</b>
1	Plan Document (Copy)	Plan Benefit Services Agreement
2	Board Of Directors Resolution, Appointment, and Acceptance	Sample Resolution
3	Plan Administrator/Committee Appointment for ECRA or City National managed Trusts	Resolution, By-Laws, or Minutes might be substituted, or;
4	Appointment of Investment Manager for External, Professionally managed Trusts	Sample Appointment Contract, Agreement, or Resolution <i>and</i> Plan Administrator/Committee Appointment might be substituted
5	Business Trust Directed Fee Schedule	Non-profit, 501(c)(3), Foundation, or Charitable Organization discount of 10% may apply
6	Third Party Information and Online Access Authorization	Sample Attached
7	Appendix	Investment Management Fee Schedule(s) Trustee and Management Fee Illustration Investment Management Agreement Trade Settlement and Cash Management Forms

If there are additional factors City National Bank should consider in pricing the proposal, please provide a summary for that purpose.

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**S A M P L E**

**=====**

**BOARD OF DIRECTORS RESOLUTION**

**(SUBSTITUTION OF VOTING TRUSTEE )**

**(APPOINTMENT OF CORPORATE CO-TRUSTEE)**

The following Board of Directors resolution is suggested for use when City National Bank is appointed as Corporate Co-Trustee of an existing Plan and Trust.

**RESOLUTION OF THE BOARD OF DIRECTORS**

**OF**

El Camino Real Alliance  
(Employer-Corporation)

WHEREAS, El Camino Real Alliance (the "Company") has adopted and executed the Plan Benefit Services Agreement (the "Plan") and El Camino Real Alliance Public School Employee Retirement Healthcare Benefits Trust (the "Trust") effective June 1, 2015; and

WHEREAS, Marshall K. Mayotte and Melanie Diana Horton were appointed Co-Trustees of the Plan and the Trust effective June 1, 2015; and *[include the following paragraph for successor trustee, not for additional trustee]*

WHEREAS, \_\_\_\_\_ (has resigned) (has been removed) pursuant to the provisions of the Trust and effective \_\_\_\_\_; and

WHEREAS, the Board of Directors deems it desirable and in the best interests of the Company to appoint City National Bank as Corporate Co-Trustee of the Plan acting under El Camino Real Alliance Public School Employee Retirement Healthcare Benefits Trust (the "Trust Agreement") effective as of ; \_\_\_\_\_.

NOW, THEREFORE, BE IT RESOLVED, that City National Bank be and hereby is appointed Corporate Co-Trustee of the Plan and the Trust Agreement with no responsibility for the acts of its predecessor or any other trustee(s) and has no duty to investigate any such actions; and

RESOLVED FURTHER, that the duly authorized officers of the Company be, and they hereby are, authorized and empowered to do all things, perform all acts and execute all documents deemed by them to be necessary of appropriate to give effect to the purpose and intent of this resolution.

I, \_\_\_\_\_, Secretary of \_\_\_\_\_, hereby certify the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of said corporation at a duly held (regular) (special) meeting on \_\_\_\_\_, \_\_\_\_\_, and is still in full force and effect.

WITNESS my hand and the seal of this corporation this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_.

\_\_\_\_\_  
Secretary

(SEAL)

City National Bank hereby Accepts Appointment as Corporate Co-Trustee on this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_.

\_\_\_\_\_

Name:

Title:

**PLAN ADMIN/COMMITTEE APPOINTMENT**



El Camino Real Alliance, Sponsor that maintains an employee benefit plan titled the El Camino Real Alliance Public School Employee Retirement Healthcare Benefits Trust (the "Plan") and Trust (the "Trust") for its employees, pursuant to Plan and Trust instruments.

**RESOLVED**

That instructions pertaining to the Plan and Trust shall be signed with the respective Plan name followed by the signature of:

Authorized signatures required (Plan Changes):  One  Majority  All  Other: \_\_\_\_\_

Authorized signatures required (Daily Events):  One  Majority  All  Other: \_\_\_\_\_

The authorized signers are as set forth below under Specimen Signatures. All instructions issued by persons authorized to direct City National Bank (CNB) pursuant to the Plan and/or Trust, prior to the date of the adoption of this resolution, are hereby ratified and approved. With respect to the Plan's governing agreement with CNB, the Plan (including the Plan's Participant Loan Policy, if applicable) and the Trust, all such persons shall have authority to provide instructions to CNB; (i) on behalf of the Plan Sponsor, (ii) on behalf of the Plan Administrator, and (iii) on behalf of the Loan Fiduciary, unless specified otherwise. The signature authorizations shall be valid and binding upon the Plan Sponsor, the Trust, the Plan, all participants and all beneficiaries. This authorization shall supersede any and all prior authorizations and shall remain in effect until CNB receives a Resolution to the contrary, executed by a duly authorized representative of the Plan Sponsor, provided that any such revocation of authority shall not affect the validity of instructions by any person or persons who at the time were authorized to act.

CNB shall not be liable nor responsible for losses or unfavorable results arising from CNB's compliance with proper directions of the Plan Administrator/Committee which are made in accordance with the terms of the Plan and Trust and which are not contrary to the provisions of any applicable Federal or State statute regulating such investment and management of the assets of an employee benefit trust.

CNB shall, as promptly as possible, comply with any written direction given by the Plan Administrator/Committee hereunder. CNB shall not be liable in any manner or for any reason for the making or retention of any investment pursuant to such directions of the Plan Administrator/Committee.

PLAN ADMINISTRATOR/COMMITTEE MEMBERS		
SECTION I – These individuals may authorize both Plan Changes and Daily Events		
Name/Title	Signature	Authorization Restrictions
_____	_____	None
_____	_____	None
_____	_____	None

(To add additional line, press the <ALT + A> keys.)

SECTION II – These individuals may authorize Daily Events only		
_____	_____	_____

(To add additional line, press the <ALT + A> keys.)

Daily Event categories include: Participant distributions, payments to vendors, contribution submissions/transmittals, statement review/recipient, audit report review/recipient, or any other administrative function of the Plan Administrator that occurs on a regular basis and does not require Committee or Trustee approval pursuant to the Plan and Trust document(s).

**I hereby certify that the above resolutions were duly enacted.**

\_\_\_\_\_  
Print Name of Authorized Signer

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**S A M P L E**  
=====

FOR APPOINTMENT OF [ERISA SEC 3(38)]/SEC 3(32)] INVESTMENT MANAGER

TO: City National Bank as directed Corporate Co-Trustee for  
El Camino Real Alliance Public School Employee Retirement Healthcare Benefits Trust  
(Name of Plan/Trust)

Pursuant to Section(s) \_\_\_\_\_ of the El Camino Real Alliance Public School Employee Retirement Healthcare Plan Benefit Services Agreement and/or Section(s) 3.7 of the Benefits Trust Agreement, the Named Fiduciary hereby appoints the following as Investment Manager, as defined in Section 3(38) of ERISA with the authority to manage, acquire and dispose of assets of the above Plan:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

FAX: \_\_\_\_\_

Each \_\_\_\_\_ or any \_\_\_\_\_ of the following individuals (with their specimen signatures) authorized to give investment instructions to you.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
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The Trustee shall not be liable or responsible for losses or unfavorable results arising from the Trustee's compliance with directions of the Investment Manager which are made in accordance with the terms of the Plan and Trust and which are not contrary to the provisions of any applicable statute regulating such investment and management of the assets of an employee benefit trust.

The Trustee shall promptly comply with any written direction given by the Investment

Manager hereunder. The Trustee shall not be liable in any manner or for any reason for the making or retention of any investment pursuant to such directions of the Investment Manager.

The Trustee shall not be liable for any acts or omissions of the Investment Manager. The Trustee shall have no authority to invest or otherwise manage any asset of the above Plan, so long as the assets are subject to the management of the Investment Manager.

DIRECTING TRUSTEES AND AUTHORIZED OFFICERS, AS NAMED FIDUCIARIES

<u>Name</u>	<u>Title</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

COMPANY: El Camino Real Alliance

BY:

TITLE:

DATE:

*(Either Option 1 or Option 2 must be included)*

(Option 1)

The Investment Manager has acknowledged that it is a fiduciary with respect to the above Plan, as required by ERISA Section 3(38)(c) [or 3(32)]. A copy of that acknowledgment is enclosed.

(Option 2)

The Investment Manager hereby acknowledges that it is a fiduciary with respect to the above Plan, as required by ERISA Section 3(38)(c) [or 3(32)].

INVESTMENT MANAGER: \_\_\_\_\_

DATE: \_\_\_\_\_

**BUSINESS TRUST  
DIRECTED TRUST FEE SCHEDULE**

(City National Bank has no Investment Management Responsibility)



**Annual Fees on Average Market Value:**

Minimum Account Size: ..... \$ 1,000,000  
 Minimum Annual Fee: ..... 5,000

**Assets Held in Trust:**

.50% on the first:..... \$ 1,000,000  
 .30% on the next:..... 4,000,000  
 .20% in excess of: ..... 5,000,000

**Transaction Fees:**

Settlement of Securities ..... \$ 10.00  
 Dividend & Capital Gains Reinvestment ..... 7.50  
 Set Up/Close Out Unique Asset..... 200.00  
 Set Up/Renewal of a Note..... 50.00  
 Incoming/Outgoing Payment on Note ..... 7.50  
 Set Up/Maturity of Other Institution Certificate of Deposits..... 25.00  
 Disbursements (includes 1099R)..... 7.50  
 Option Related Transaction ..... 50.00  
 Insurance Policies (Holding Fee) ..... 7.50/yr  
 Sub-Account Fee ..... 150.00/yr  
 Capital Changes, Reorganization & Class Actions ..... 30.00

**Other Fees:**

Reasonable additional compensation will be charged for any unusual or extraordinary services rendered (e.g. litigation, review and/or preparation of special purpose documents, same day checks, outgoing wire transfers, delivery of securities, or other unique transactions).

This schedule constitutes the standard fees to be charged by City National Bank and shall supersede any fee clauses in the governing instrument for this account. It is understood and expressly agreed that City National Bank shall have the right to modify this fee schedule from time to time upon sixty (60) days prior written notice of any revisions to this fee schedule. All fees and out-of-pocket expenses may be charged to the account. City National may receive services and products for its own interest from service providers, mutual fund sponsors, brokers and others at no cost to the account. In addition to any other compensation it receives for this account, any earnings on float attributable to outstanding distribution and other payments made by check from the account will be retained by the Bank. If any fees under this schedule are not paid when due, it is agreed that City National Bank shall be reimbursed for all costs and expenses, including attorneys and other fees it incurs as a result of such non-payment, whether suit is filed or not.

Bank and its affiliates receive additional reasonable compensation through investment management and shareholder servicing fees from the City National Rochdale Funds. Bank may also receive additional reasonable compensation from other Mutual Funds ("12b-1" funds) for services to those 12b-1 funds in which account's assets are invested.

**City National Bank:** El Camino Real Alliance Public School  
Employee Retirement Healthcare Benefits Trust  
 Account Name

by: \_\_\_\_\_

\_\_\_\_\_  
 Authorized Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# AUTHORIZATION TO RELEASE INFORMATION TO THIRD PARTIES

The \_\_\_\_\_ (Plan/Trust) Committee authorizes City National Bank, Corporate Co-Trustee to release information, as selected in Column "A", to the below identified non-signer or third party individuals and/or service providers.

Individual/Business Name: _____	<input type="checkbox"/>	Financial Information
If Business, Contact Name: _____ (statements)	<input type="checkbox"/>	City National Online (CNO)
SSN/EIN*: _____	<input type="checkbox"/>	Plan and Trust Documentation
Address of Record: _____	<input type="checkbox"/>	BOX Secure Workspace Access
_____	<input type="checkbox"/>	Other: _____
_____		_____
Email Address: _____		_____
Phone Number: _____		

Individual/Business Name: _____	<input type="checkbox"/>	Financial Information (statements)
If Business, Contact Name: _____	<input type="checkbox"/>	City National Online (CNO)
SSN/EIN*: _____	<input type="checkbox"/>	Plan and Trust Documentation
Address of Record: _____	<input type="checkbox"/>	BOX Secure Workspace Access
_____	<input type="checkbox"/>	Other: _____
_____		_____
Email Address: _____		_____
Phone Number: _____		

Individual/Business Name: _____	<input type="checkbox"/>	Financial Information (statements)
If Business, Contact Name: _____	<input type="checkbox"/>	City National Online (CNO)
SSN/EIN*: _____	<input type="checkbox"/>	Plan and Trust Documentation
Address of Record: _____	<input type="checkbox"/>	BOX Secure Workspace Access
_____	<input type="checkbox"/>	Other: _____
_____		_____
Email Address: _____		_____
Phone Number: _____		

\* Full SSN is required for online access. Otherwise, only the last four characters of the SSN or EIN is required for identity verification purposes.

\_\_\_\_\_ (Plan/Trust)

By: \_\_\_\_\_

\_\_\_\_\_  
Signature

# APPENDIX

# CONSERVATIVE GROWTH & INCOME STRATEGY FEE SCHEDULE



**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

Minimum Annual Fee:..... \$ 3,000

Indicate if alternative minimum fee is appropriate:

- Minimum Annual Fee for unique or highly customized mandates or when City National serves as trustee:  
\$12,500 Client initial here \_\_\_\_\_.

Your assets invested in mutual funds will bear a proportionate share of the fees and expenses of the mutual funds. The mutual funds fees and expenses are in addition to the Management Fees. City National Bank ("CNB") or its affiliates may receive additional reasonable compensation from Affiliated Mutual Funds for investment management, administrative services and shareholder servicing to the mutual funds in which the Account's assets are invested. You are encouraged to read the prospectuses of the mutual funds in which the Account assets are invested for a more complete explanation of the fees and expenses.

**Affiliated Mutual Funds Management Fee Rebate:**

All assets invested in Affiliated Mutual Funds may receive a rebate of all or a portion of the Management Fees received by affiliated entities for the applicable fund as outlined in the account agreement. City National Bank will provide advance notification of any changes to the Affiliated Mutual Funds management fee rebate schedule. City National Bank or its affiliates may receive additional reasonable compensation from Affiliated Mutual Funds for investment management, administrative services or shareholder servicing.

**Qualified Retirement Plan and IRA 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

**Other Fees:**

The Account will be charged an additional 0.25% per annum on the first \$10 million, negotiable thereafter, when City National Bank serves as Trustee, with the exception of IRA Accounts and Individually Directed Accounts.

- Please check if City National Bank serves as Trustee.

Reasonable additional compensation will be charged for any unusual or extraordinary services rendered (e.g. litigation, review and/or preparation of special purpose documents, same day checks, outgoing wire transfer, delivery of securities, or other unique transactions).

This schedule constitutes the standard fees to be charged by City National Bank and shall supersede any fee clauses in the governing instrument for this Account. It is understood and expressly agreed that City National Bank shall have the right to modify this fee schedule from time to time upon sixty (60) days' prior written notice of any revisions to this fee schedule. All fees and out-of-pocket expenses may be charged to the Account. City National Bank may receive services and products for its own interest from service providers, mutual fund sponsors, brokers and others at no cost to the Account. In addition to any other compensation it receives for this Account, any earnings on float attributable to outstanding distribution and other payments made by check from the Account will be retained by City National Bank. Deposits by check and ACH are typically processed to the Account the day received. Distributions made via check are dependent on the length of time taken for the recipient to deposit and distributions via ACH are typically completed in two business days.

If any fees under this schedule are not paid when due, it is agreed that City National Bank shall be reimbursed for all costs and expenses, including attorneys' and other fees it incurs as a result of such non-payment, whether suit is filed or not.

The undersigned hereby acknowledges receipt of a copy of this agreement.

**City National Bank:**

El Camino Real Charter High School General Account

Account Name

by: \_\_\_\_\_

\_\_\_\_\_

Principal

Date: \_\_\_\_\_

\_\_\_\_\_

Principal

Date: \_\_\_\_\_

Shares of the Affiliated Mutual Funds or any mutual funds are not deposits or obligations of and are not guaranteed by City National Bank or any of its affiliates or any banking or financial institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency. Investing in mutual funds involves risks, including the possible loss of principal. Although the money market funds seek to preserve the value of your investment at \$1.00 per share, it is also possible to lose money by investing in the funds.

# INVESTMENT MANAGEMENT FEE SCHEDULE



**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

Minimum Annual Fee:.....\$ 3,000

Indicate if alternative minimum fee is appropriate:

- Minimum Annual Fee for unique or highly customized mandates or when City National serves as trustee:  
\$12,500 Client initial here \_\_\_\_\_.

Your assets invested in mutual funds will bear a proportionate share of the fees and expenses of the mutual funds. The mutual funds fees and expenses are in addition to the Management Fees. City National Bank ("CNB") or its affiliates may receive additional reasonable compensation from Affiliated Mutual Funds for investment management, administrative services and shareholder servicing to the mutual funds in which the Account's assets are invested. You are encouraged to read the prospectuses of the mutual funds in which the Account assets are invested for a more complete explanation of the fees and expenses.

**Affiliated Mutual Funds Management Fee Rebate:**

All assets invested in Affiliated Mutual Funds may receive a rebate of all or a portion of the Management Fees received by affiliated entities for the applicable fund as outlined in the account agreement. City National Bank will provide advance notification of any changes to the Affiliated Mutual Funds management fee rebate schedule. City National Bank or its affiliates may receive additional reasonable compensation from Affiliated Mutual Funds for investment management, administrative services or shareholder servicing.

**Qualified Retirement Plan and IRA 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

**Other Fees – Employee Benefit Trusts:**

The Account will be charged an additional 0.25% per annum on the first \$10 million, negotiable thereafter, when City National Bank serves as Trustee, with the exception of IRA and Individually Directed Employee Benefit Plan accounts.

Reasonable additional compensation will be charged for any unusual or extraordinary services rendered (e.g. litigation, review and/or preparation of special purpose documents, same day checks, outgoing wire transfer, delivery of securities, or other unique transactions).

This schedule constitutes the standard fees to be charged by City National Bank. It is understood and expressly agreed that City National Bank shall have the right to modify this fee schedule from time to time upon sixty (60) days' prior written notice of any revisions to this fee schedule. All fees and out-of-pocket expenses may be charged to the Account. City National Bank may receive services and products for its own interest from service providers, mutual fund sponsors, brokers and others at no cost to the Account. In addition to any other compensation it receives for this Account, any earnings on float attributable to outstanding distribution and other payments made by check from the Account will be retained by City National Bank. Deposits by check and ACH are typically processed to the Account the day received. Distributions made via check are dependent on the length of time taken for the recipient to deposit and distributions via ACH are typically completed in two business days.

If any fees under this schedule are not paid when due, it is agreed that City National Bank shall be reimbursed for all costs and expenses, including attorneys' fees and other fees it incurs as a result of such non-payment, whether suit is filed or not.

The undersigned hereby acknowledges receipt of a copy of this agreement.

**City National Bank:**

by: \_\_\_\_\_

Date: \_\_\_\_\_

El Camino Real Alliance Public School  
Employee Retirement Healthcare Benefits Trust

Account Name

Principal

Principal

Date: \_\_\_\_\_

Shares of the Affiliated Mutual Funds, or any mutual funds are not deposits or obligations of and are not guaranteed by City National Bank or any of its affiliates or any banking or financial institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency. Investing in mutual funds involves risks, including the possible loss of principal. Although the money market funds seek to preserve the value of your investment at \$1.00 per share, it is also possible to lose money by investing in the funds.

## EL CAMINO REAL ALLIANCE FEE ILLUSTRATION

	Standard	Proposed 10% Discount
<b>OPEB - TRUSTEE</b>		
Average Market Value	\$15,300,000.00	\$15,300,000.00
0.50% on the first \$1,000,000	\$5,000.00	\$5,000.00
0.30% on the next \$4,000,000	\$1,200.00	\$1,200.00
0.20% on balance in excess of \$5,000,000	\$20,600.00	\$20,600.00
Annual fees	\$26,800.00	\$26,800.00
Effective Rate	0.18%	0.18%
Discount %		10.00%
Discount Amount		\$2,680.00
Rate (BPs) After Discount		0.16%
<b>ANNUAL TRUSTEE (ONLY) FEE</b>		<b>\$24,120.00</b>
<b>OPEB - MANAGED TRUSTEE</b>		
Average Market Value	\$15,300,000.00	\$15,300,000.00
1.50% on the first \$1,000,000	\$15,000.00	\$15,000.00
1.25% on the next \$4,000,000	\$50,000.00	\$50,000.00
1.00% on the next \$5,000,000	\$50,000.00	\$50,000.00
0.50% on AUM in excess of \$10,000,000	\$26,500.00	\$26,500.00
Annual fees	\$141,500.00	\$141,500.00
Effective Rate	0.92%	0.92%
Discount %		10.00%
Discount Amount		\$14,150.00
Annual Management Fee after Discount		\$127,350.00
Rate (BPs) After Discount		0.83%
Trustee 'add on' Rate for Managed Accounts (1st 10MM)		0.25%
<b>ANNUAL TRUSTEE WITH MANAGEMENT FEE</b>		<b>\$127,350.00</b>
<b>OPERATIONAL ACCOUNT - MANAGED</b>		
Average Market Value	\$6,700,000.00	\$6,700,000.00
0.80% on the first \$1,000,000	\$8,000.00	\$8,000.00
0.65% on the next \$4,000,000	\$26,000.00	\$26,000.00
0.40% on the next \$5,000,000	\$6,800.00	\$6,800.00
Annual fees	\$40,800.00	\$40,800.00
Effective Rate	0.61%	0.61%
Discount %		10.00%
Discount Amount		\$4,080.00
Fee after Discount		\$36,720.00
Rate (BPs) After Discount		0.55%
<b>ANNUAL MANAGEMENT FEE</b>		<b>\$36,720.00</b>
<b>EL CAMINO REAL ALLIANCE MANAGED RELATIONSHIP</b>		
Average Market Value	\$22,000,000.00	\$22,000,000.00
Tier 1	\$23,000.00	\$23,000.00
Tier 2	\$76,000.00	\$76,000.00
Tier 3	\$56,800.00	\$56,800.00
Tier 4	\$26,500.00	\$26,500.00
Annual fees	\$182,300.00	\$182,300.00
Effective Rate	0.83%	0.83%
Discount %		10.00%
Discount Amount		\$18,230.00
Fee after Discount		\$164,070.00
Rate (BPs) After Discount		0.75%
Trustee 'add on' Rate for Managed Accounts		0.25%
<b>ANNUAL RELATIONSHIP FEE (MANAGER &amp; TRUSTEE)</b>		<b>\$164,070.00</b>

# INVESTMENT MANAGEMENT AGREEMENT



This Investment Management Agreement is made as of \_\_\_\_\_ between,

\_\_\_\_\_  
("Client") and City National Bank ("CNB"), a national banking association.

Client hereby appoints CNB, to manage, supervise, and administer the cash, securities and other property transferred by Client to CNB and acceptable to CNB in an account ("Account"), along with income and proceeds thereon ("Assets"). In addition, Client authorizes CNB to allocate all or a portion of the management and supervision responsibility for Client's Account to one or more registered Investment Advisor who may be affiliated with CNB through common ownership ("Sub-Advisor") and which are determined to be suitable for Client by CNB. A copy of this Agreement may be provided to any Sub-Advisor for Client's Assets as evidence of CNB's authority under this Agreement.

## A. Investment Objectives

Client authorizes CNB and Sub-Advisor to manage and invest the Assets at CNB's and Sub-Advisor's sole discretion subject to any reasonable restrictions Client imposes in accordance with the Investment Objective set forth in the account's Investment Policy Statement (IPS). Client may amend the IPS from time to time in writing to CNB.

## B. Investment Authority

Unless otherwise instructed by Client, CNB and the Sub-Advisor are authorized to deal with the Assets in the same manner as an owner, including:

1. Vote any securities and execute proxies for that purpose.
2. Credit to and retain all income collected on the Assets to the Account and make disbursements as directed by Client.
3. Execute all instruments, of ownership or otherwise, required by any laws or regulations, incidental to the performance of its duties.
4. Retain funds in any of CNB's interest bearing accounts or money market mutual funds, including those to which CNB and its affiliates provide services, pending investment or distribution.
5. Select the cost basis method for sales of securities and tax reporting.
6. Determine which broker-dealers are used for transactions in the Account.
7. Settle all trades for the Account for which CNB receives confirmation, either electronic or hard copy. CNB is entitled to rely on the continuing nature of this directive until such time as revoked in writing.
8. CNB may hold the Assets in unregistered form, in Client's name, in the name of CNB as agent, in the name of CNB individually (without disclosing the agency relationship), in the name of CNB's depository, or in the name of a nominee of CNB or its depository.
9. CNB shall hold shares of Royal Bank of Canada ("RBC") securities received as part of the Assets, but shall have no investment responsibility with respect to the RBC securities. CNB shall hold the shares until directed as to their disposition by Client. If any RBC securities are held in the Account, the proxies will be forwarded to Client for voting.
10. If applicable, CNB shall file class action claims and make collections on your behalf unless CNB is otherwise notified to exclude the account for the class action.
11. Disclose to any company, whose securities are included in the Assets, Client's name and address, and the share position of that company's securities in this Account, unless Client directs CNB otherwise.  
 If checked, CNB will not disclose Client's information.
12. From time to time, CNB and Sub-Advisor may find it appropriate to invest in various open-end and closed-end management investment companies, or mutual funds. Among the mutual funds in which CNB and Sub-Advisor may invest are the City National Rochdale Funds and the RBC Funds ("Affiliated Mutual Funds"). With the exception of the Select Strategies Fund, the Affiliated Mutual Funds are open-end, management investment companies, offering several portfolios which are listed below. The City National Rochdale Select Strategies Fund is a closed-end fund offering limited liquidity. City National Rochdale, LLC, a wholly owned subsidiary of City National Bank, is the Investment Advisor to the City National Rochdale Funds. RBC Global Asset Management (U.S.), Inc., a wholly owned subsidiary of RBC USA Holdco Corporation, is the Investment Advisor to the RBC Funds. CNB acts as shareholder servicing agent. The City National Rochdale Funds are distributed by SEI Investments Distribution Co., which is unaffiliated with CNB. The RBC Funds are distributed by Quasar Distribution, LLC, which is unaffiliated with City National Bank or RBC USA Holdco.

CNB believes that the Affiliated Mutual Funds are appropriate investments for the Account because they offer a wide variety of investment strategies, and objectives and, among other benefits, professional investment management, investment diversification, daily liquidity, and convenience. Investment Management Fees on Affiliated Mutual Funds will be rebated to the Account on a monthly basis in accordance with the Account's fee schedule. Additionally, 12b-1 fees paid to the Bank will be rebated to the Account on a monthly basis.

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

\*The Investment Management fee rebate percentage reflected in the table above is applied against the net fee (net of fees paid to third party sub-advisors) paid by the fund to City National Rochdale or RBC Global Asset Management.

City National Rochdale or RBC Global Asset Management rebates all or a portion of the fund level management fees for the Affiliated Funds with the exception of the Select Strategies Fund, the Short Term Emerging Markets Debt Fund and the Strategic Credit Fund as outlined in the chart above. The fund level management fees are in addition to City National Bank's management fees charged for investment management services.

Periodically we intend to add additional Affiliated Funds. We will provide you with a summary prospectus of such fund upon the initial purchase of the fund.

If there is any increase in (i) the rates of asset-based fees paid to CNB and Sub-Advisor by or on behalf of the Account as described in Client's fee schedule, or (ii) the fees payable to CNB affiliates by the Affiliated Mutual Funds, CNB will notify Client and seek written approval of the continuation of the Account's investment in the Funds.

**Shares of the Affiliated Mutual Funds or any mutual funds are not deposits or obligations of and are not guaranteed by City National Bank, Royal Bank of Canada, or any of their affiliates or any banking or financial institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other governmental agency. Investing in mutual funds involves risks, including the possible loss of principal. Although the money market funds seek to preserve the value of Client's investment at \$1.00 per share, it is also possible to lose money by investing in the funds.**

### C. Important Information About Procedures For Opening A New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for the Client: Upon opening an account, CNB will ask for Client's name, address, date of birth, and other information that will allow CNB to identify the Client. CNB may also ask to see Client's driver's license (if an individual) or other identifying documents.

### D. Asset Cost and Acquisition Information

Client shall provide CNB with the cost basis and date of acquisition of each of the Assets transferred to CNB at the opening of the Account or thereafter, but not later than the time by which CNB requires the information for tax reporting purposes. If a cost basis is not provided in that time frame for any Asset, CNB shall record the cost basis as \$1.00 and CNB WILL NOT BE HELD RESPONSIBLE FOR THE ACCURACY OF FUTURE TAX REPORTING.

CNB or the Sub-Advisor may sell Assets transferred to the Account by Client in order to implement Client's investment program which may result in trading losses and may have tax ramifications.

Surrender Charges or CDSCs. If Client transfers a previously purchased investment into a City National Bank account, such as a mutual fund, annuity or alternative investment, or liquidates the previously purchased investment and transfers the proceeds into a City National Bank account, Client may incur a fee from the mutual fund, annuity or alternative investment (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 Client

does not hold the security for a minimum period of time. If CNB determines that any mutual fund, annuity, or alternative investment that was transferred into the account to be inconsistent with the Client's investment objectives and strategy, CNB will sell such holdings, and Client may be subject to a CDSC charge.

## **E. Reports/Communications**

1. CNB shall mail to Client a periodic, itemized statement which specifies the Assets on the last business day of the period and all receipts, disbursements, and transactions for the Account during the period. Client shall designate the frequency of statements and may designate others to receive statements on Exhibit B. Client will not receive separate statements from the Sub-Advisor.
2. Client assumes the duty to file any and all tax reports and returns as well as full responsibility for the payment of all taxes assessed on or with respect to the Assets and all taxes due with respect to any and all transactions involving the Assets.

## **F. Receipt of Instructions**

1. Client's directions regarding the Account shall be made in writing to CNB. Client may designate an agent who is authorized to give instructions with respect to the Account. Any directions by Client's agent shall be binding on Client. Initially, Client's agent is: \_\_\_\_\_. If an agent is designated, please complete Exhibit A, Specimen Signature, which exhibit is made a part of this Agreement by this reference.
2. If there are multiple account signers, each of the Clients agrees that each shall have authority to act alone to give instructions with respect to the Account.
3. CNB may accept and act in accordance with any instructions which CNB believes to be genuine, and to be from Client or Client's agent, but need not do so, if in its judgment following such instruction may subject CNB to any liability or expense.
4. Any party may give notice by actual delivery or by first class mail to such address as a party requests in writing. Notices given by Client shall be complete upon actual receipt by CNB in writing at the CNB office where the Account is administered.

## **G. Fees**

CNB's compensation if applicable shall be determined under CNB's standard fee schedules for investment advisory accounts, as in effect at the time ("Fee Schedules"), and shall be deducted from the Account. Client acknowledges receipt of the Fee Schedule applicable to the Account. If an external investment advisory solution is implemented, an additional cost will be assessed directly by that management company. Client acknowledges receipt of the Manager Sheet applicable to the external manager provided to client by CNB. Client authorizes CNB to deduct the fees and expenses for CNB's investment advisory fees, as well as any external manager's fees from the Account. In addition, CNB, the Sub-Advisor and any other affiliates may receive reasonable compensation through investment management and shareholder servicing fees from the City National Rochdale Funds and other funds in which Assets are invested. Management Fees on the City National Rochdale Funds may be rebated on a monthly basis to the account in accordance with the Account's fee schedule.

Client agrees that CNB shall have the right to modify the Fee Schedule from time to time upon prior written notice to Client, including the delivery to Client of any external Manager Sheets provided by CNB in the event there is a change to the external manager Client has selected.

If any fees under the Fee Schedule are not paid when due, it is agreed that CNB and the Sub-Advisor shall be reimbursed for all costs and expenses, including attorneys and other fees it incurs as a result of such non-payment, whether suit is filed or not.

## **H. Liability**

1. CNB and the Sub-Advisor shall use ordinary care and reasonable diligence in the exercise of its powers and in the performance of its duties and shall not be liable for any mistake of judgment nor for any action taken or omitted in good faith, nor for any loss unless directly resulting from its own willful misconduct or negligence. CNB and the Sub-Advisor shall not be responsible for any act of omission of any broker or similar agent, designated by Client the Sub-Advisor or CNB, to purchase, sell, or perform any act with respect to any Asset.

CNB and the Sub-Advisor are not liable for losses caused directly or indirectly by natural disasters, disturbances, and weather, government restrictions, exchange or market rulings, wars, nuclear events, strikes, interruptions in transportation, communications, or data processing services, suspensions of trading, or changes in law.

2. Client agrees to reimburse, indemnify and hold CNB and the Sub-Advisor, their directors, officers, employees, affiliates, and agents harmless from and against any and all liability, loss, claim, damage or expense, including reasonable attorneys' fees, resulting from CNB's or the Sub-Advisor's exercise of any authority or power granted under this Agreement (unless caused solely by CNB's or the Sub-Advisor's negligence or fraud), and from any taxes or other governmental charges, and any expenses related thereto, which may be imposed or assessed in respect to the Assets or any part thereof.
3. In the event of a dispute in connection with this agreement, including enforcement or collection proceedings, as



provided for by Civil Code §1717, the prevailing party will be entitled to attorneys' fees and costs incurred in litigation or arbitration proceedings.

**I. Information Sharing**

CNB is committed to safeguarding the confidentiality and privacy of the information maintained on all clients. We may share the information we collect about Client among CNB's affiliated companies to best provide service to Client's account. CNB does not sell information to anyone or share any Client information with non-affiliated third parties for marketing purposes unless Client agrees CNB may do so. By signing this agreement, Client authorizes CNB to share information about this Account, and all existing accounts Client maintains with CNB, other than irrevocable trusts, with CNB's affiliated companies for marketing and other purposes, unless instructed by Client not to share.

**J. Arbitration**

Any dispute between the parties arising out of or relating to this Agreement, including a breach of this Agreement, and whether this paragraph applies to the dispute, will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final. **EACH PARTY AGREES TO WAIVE ANY RIGHT TO A JURY TRIAL SECURED BY ARTICLE I, SECTION 16 OF THE CALIFORNIA CONSTITUTION.** Each party specifically agrees that any discovery relating to the dispute will be subject to the limitations on discovery of the Federal Rules of Civil Procedure.

**K. Taxpayer Identification Number and Certification**

Exemptions (See attached instructions)

Exempt Payee code (if any) \_\_\_\_\_

Exemption from FATCA reporting code (if any) \_\_\_\_\_

Client's Taxpayer Identification Number (Social Security number for an Individual or Employer Identification Number for Entity) is: \_\_\_\_\_

**TAXPAYER IDENTIFICATION CERTIFICATION – U.S. CITIZENS and U.S. RESIDENT ALIENS:**

(Section substitutes for W-9)

UNDER PENALTIES OF PERJURY, I CERTIFY THAT:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me) **and**
2. I am not subject to backup withholding, because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.
3. I am a U.S. person (including a resident alien).
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**NOTE: STRIKE OUT** item (2b) above if the IRS has notified you that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

**CHECK APPROPRIATE BOX FOR FEDERAL TAX CLASSIFICATION:**

- Individual/Sole Proprietor                       C Corporation     S Corporation     Partnership     Trust/estate
- Limited liability company. Enter the tax classification(C=C corporation, S=S corporation, P=partnership)
- Other

**TAXPAYER IDENTIFICATION CERTIFICATION – NON-RESIDENT ALIEN:**

Indicate which additional form is completed and attached.

- Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding. If you are a non-resident alien who has an individual or joint account, each account holder must complete Form W-8BEN.
- Form W-8ECI, Certificate of Foreign Person's Claim that Income is Effectively Connected with the Conduct of a Trade or Business in the United States.
- Form W-8EXP, Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding.
- Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-through Entity or Certain U.S. Branches for United States Tax Withholding.

**L. Termination/Withdrawal**

Either party may terminate this Agreement at any time by giving 30 days written notice to the other. Upon termination, CNB will deliver the Assets as directed by the client, but need not do so until all sums due CNB and the Sub-Advisor are paid and it is indemnified in a manner and amount satisfactory to CNB and the Sub-Advisor against liabilities incurred in the administration of this Account.

Client has the power to withdraw securities from Client's Account and to pledge as collateral securities held in the Account. The withdrawal of securities may be taxable. CNB reserves the right to require Client to withdraw any securities which the Client pledges as collateral.

**M. Governing Law**

This Agreement shall bind our successors in interest and assigns, and shall be interpreted under and subject to the laws of the State of California.

**N. Notice of Transfer of Unclaimed Property**

Please take notice that funds Client maintains in Client's account with CNB and other property of Client's in CNB's possession may be transferred to the appropriate state if no activity originated by Client occurs in the Account or Client makes no claim to the property within the time period specified by state law.

**O. Entire Agreement**

This Agreement shall bind the successors in interest and assign of Client and CNB. This Agreement, plus any contemporaneously executed schedules and amendments, is the entire agreement between us, and it can only be modified by an instrument in writing executed by both of us.

The Internal Revenue Service (IRS) does not require Client's consent to any provision of this document other than the certifications required to avoid backup withholding.

**Client:**

(Print Name): \_\_\_\_\_

(Signature): \_\_\_\_\_

By (if a business entity):

(Print Name): \_\_\_\_\_

(Signature): \_\_\_\_\_

**Client:**

(Print Name): \_\_\_\_\_

(Signature): \_\_\_\_\_

By (if a business entity):

(Print Name): \_\_\_\_\_

(Signature): \_\_\_\_\_

**Client:**

(Print Name): \_\_\_\_\_

(Signature): \_\_\_\_\_

By (if a business entity):

(Print Name): \_\_\_\_\_

(Signature): \_\_\_\_\_

**City National Bank**, a national banking association

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**INVESTMENT MANAGEMENT AGREEMENT  
EXHIBIT A**

**SPECIMEN SIGNATURE**

Account Name: El Camino Real Alliance Public School Employee Date: \_\_\_\_\_  
Retirement Healthcare Benefits Trust

Client has designated an agent who is authorized to give directions to the Sub-Advisor. Set forth below are the name, address, and specimen signature of the agent.

The following named individual is appointed as agent pursuant to Section F.1. of the Investment Management Agreement between Client and CNB:

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Signature: \_\_\_\_\_

**INVESTMENT MANAGEMENT AGREEMENT  
EXHIBIT B**

**REPORTS/STATEMENTS**

Client requests that Account statements be delivered to Client and other designated persons in the frequency noted below:

Client:  Monthly  Quarterly  Annually  
Agent (Section F):  Monthly  Quarterly  Annually  
Other: \_\_\_\_\_  Monthly  Quarterly  Annually

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**ACCOUNT SETUP OPTIONS**

Scientific Amortization/Accretion:  Yes  No

Business Accounts – Fiscal Year End: \_\_\_\_\_

Schedule D:  October and/or Fiscal Year End: \_\_\_\_\_  None

Will restricted or control securities be deposited?  Yes  No

## FATCA REPORTING

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting.

### Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the Exemptions box, any code(s) that may apply to you in the account registration (section K.) of the application. The following is an excerpt from the IRS Form W-9. For more information, visit [www.irs.gov/formspubs](http://www.irs.gov/formspubs).

**Exempt payee code.** Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.

The following codes identify payees that are exempt from backup withholding:

- A - An organization exempt from tax under Section 501(a), any IRA, or a custodial account under Section 403(b)(7) if the account satisfies the requirements of Section 401(f)(2).
- B - The United States or any of its agencies or instrumentalities.
- C - A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
- D - A foreign government or any of its political subdivisions, agencies, or instrumentalities.
- E - A corporation.
- F - A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
- G - A futures commission merchant registered with the Commodity Futures Trading Commission.
- H - A real estate investment trust.
- I - An entity registered at all times during the tax year under the Investment Company Act of 1940.
- J - A common trust fund operated by a bank under Section 584(a).
- K - A financial institution.
- L - A middleman known in the investment community as a nominee or custodian.
- M - A trust exempt from tax under Section 664 or described in Section 4947.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A - An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37).
- B - The United States or any of its agencies or instrumentalities.
- C - A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
- D - A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i).
- E - A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i).
- F - A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G - A real estate investment trust.
- H - A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.
- I - A common trust fund as defined in section 584(a).
- J - A bank as defined in section 581.
- K - A broker.
- L - A trust exempt from tax under section 664 or described in section 4947(a)(1).
- M - A tax exempt trust under a section 403(b) plan or section 457(g) plan.

# AUTOMATIC CASH MANAGEMENT DISCLOSURE AND AUTHORIZATION



Temporary cash balances may be invested automatically at the beginning of each business day in one of several short-term investments ("Cash Management Vehicles"). Income earned on balances in the Cash Management Vehicle selected will be computed daily and credited to your account monthly, at the beginning of the following calendar month.

The selection of the specific Cash Management Vehicle to be used in an account must be made by the party with the authority to direct the investments of the account. If a proper selection of a cash management fund is not made within a reasonable period of time and City National Bank has not been specifically directed NOT to temporarily invest uninvested cash balances by the account document, the party with investment authority or a proper court order, cash balances will be invested in the applicable City National Bank Deposit account (2TBSCNB).

### Cash Management Vehicle Deposit Account and Other Alternatives

- City National Bank Deposit Account:** a Bank deposit account which earns a daily rate of interest. Available for Non-Managed – Agency and Holding Escrow Sweep Accounts. The interest rate for this account is set to monthly to match the rate available on the CNR Government Money Market Fund - Servicing. (Ticker: 2TBSCNB)

### Cash Management Vehicle Money Market Mutual Fund Alternatives

- City National Rochdale Government (CNR) Money Market Fund - Servicing Class:** an open-end, diversified investment portfolio investing in liquid, high quality, short-term debt securities in U.S. Dollar denominated money market instruments. (Ticker: CNIXX)

- Do Not Automatically Invest Cash Balances.**

**I/we hereby authorize City National Bank to utilize the Cash Management Vehicle selected above for purposes of uninvested cash which may be held in the named account from time to time. I/we have read the disclosures on the attached pages, applicable to the Cash Management Vehicle selected. If a money market mutual fund was selected, by signing below, I/we also acknowledge receipt of a current prospectus for the fund selected and further acknowledge that the Bank provides services to and receives compensation from the fund as described herein.**

El Camino Real Alliance Public School  
Employee Retirement Healthcare Benefits Trust

Account Name

Account Number

Name, Title (please print)

Name, Title (please print)

Signature

Date

Signature

Date

**MUTUAL FUNDS ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF, GUARANTEED BY OR ENDORSED BY CITY NATIONAL BANK, ARE NOT INSURED BY THE FDIC OR OTHER GOVERNMENT ENTITY, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED. FURTHER DETAILS CONCERNING THESE MUTUAL FUNDS' INVESTMENT OBJECTIVES AND POLICIES, AS WELL AS OTHER INFORMATION, CAN BE FOUND IN THE CURRENT PROSPECTUS FOR EACH FUND, WHICH YOU SHOULD READ CAREFULLY BEFORE INVESTING.**

## Cash Management Vehicle Money Market Alternatives Disclosures

**City National Rochdale Government Money Market Fund - Servicing Class:** an open-end, diversified investment portfolio investing in liquid, high quality, short-term debt securities in U.S. Dollar denominated money market instruments. For its investment management services, City National Rochdale (CNR) may receive up to 0.26% of average daily net assets of the Fund. (Ticker: CNIXX)

This cash management vehicle is a mutual fund in which there are additional fees and charges that are assessed by the Fund and are more fully described in the prospectus. By signing above, I acknowledge receipt of a current prospectus for the fund selected and further acknowledge that the Bank provides services to and receives compensation from the fund as described herein.

*Investment Management Fees* – City National Rochdale, LLC (**CNR**) is the Fund's investment manager. **CNR** is a wholly-owned subsidiary of City National Bank and is registered with the Securities and Exchange Commission as an investment advisor. For its investment management services, **CNR** may receive the above fees for investment management services.

**City National Bank (CNB)** performs shareholder administration services for its clients that invest in the Fund. For these services, CNB may receive up to 0.25% of average daily net assets of the Fund.

The Fund is an integral part of the automated cash management program, which fully invests cash balances on a daily basis in shares of the Fund. **CNR** and CNB receive certain benefits from investments in the Fund. The greater the Fund assets, the greater opportunity for economies of scale and lower Fund expense ratios. To the extent these factors may help the Fund grow, **CNR** and CNB may benefit to the extent their fees from the Fund are based on the amount of its assets.

**MUTUAL FUNDS ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF, GUARANTEED BY OR ENDORSED BY CITY NATIONAL BANK, ARE NOT INSURED BY THE FDIC OR OTHER GOVERNMENT ENTITY, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED. FURTHER DETAILS CONCERNING THESE MUTUAL FUNDS' INVESTMENT OBJECTIVES AND POLICIES, AS WELL AS OTHER INFORMATION, CAN BE FOUND IN THE CURRENT PROSPECTUS FOR EACH FUND, WHICH YOU SHOULD READ CAREFULLY BEFORE INVESTING.**

## Cash Management Vehicle Deposit Account Alternatives Disclosures

### City National Bank Deposit Account(s): TICKER: 2TBSCNB

Balances in this account are insured up to the maximum permissible FDIC limits. Under federal law, whether an employee benefit plan deposit is entitled to per-participant (or "pass-through") deposit insurance coverage is based, in part, upon the capital status of the insured institution at the time each deposit is made. Specifically, "pass-through" coverage is not provided if, at the time an employee benefit plan deposit is accepted by an FDIC-insured bank or savings association, the institution may not accept brokered deposits under the applicable provisions of the Federal Deposit Insurance (FDI) Act. Whether an institution may accept brokered deposits depends, in turn, upon the institution's capital level. If an institution's capital category is either "well capitalized" or is "adequately capitalized" and the institution has received the necessary broker deposit waiver from the FDIC, then the institution may accept brokered deposits. If an institution is either "adequately capitalized" without a waiver from the FDIC or is in a capital category below "adequately capitalized" then the institution may not accept brokered deposits. The FDI Act and FDIC regulations provide an exception from this general rule on the availability of "pass-through" insurance coverage for employee benefit plan deposits when, although an institution is not permitted to accept brokered deposits, the institution is "adequately capitalized" and the depositor receives a written statement from the institution indicating that such deposits are eligible for insurance coverage on a "pass-through" basis. The availability of "pass-through" insurance coverage for employee benefit plan deposits also is dependent upon the institution's compliance with FDIC recordkeeping requirements.

City National Bank's capital category currently is well capitalized. Thus, in our best judgment, employee benefit plan deposits are currently eligible for "pass-through" insurance coverage under the applicable federal law and FDIC insurance regulations.

Under the FDIC's insurance regulations on employee benefit plan deposits, an insured bank or savings association must notify employee benefit plan depositors if new, rolled-over or renewed employee benefit plan deposits would be ineligible for "pass-through" insurance and must provide certain ratios on the institution's capital condition to employee benefit plan depositors who request such information.

The selection of the specific cash management fund option must be made by the party with the authority to direct the investments of the account. If a proper selection of a cash management fund is not made within a reasonable period of time and City National Bank has not been specifically directed NOT to temporarily invest uninvested cash balances by the account document, the party with investment authority or a proper court order, temporary cash balances will be invested in applicable City National Bank Deposit accounts - 2TBSCNB.





Re: El Camino Real Alliance Public School Employee Retirement Healthcare Benefits Trust

The Securities and Exchange Commission adopted Rule 14A, which was effective 12/28/86. This rule is designed to encourage direct communications between a company who issues securities and the shareholders who own them.

In reviewing our files, we have found that we are missing your direction to disclose, or not disclose, your name (or the name of the account), address, and share position to requesting companies whose stock you own. Unless you specifically communicate your objection to us, we are required to disclose the requested data. **For your protection, the Rule prohibits the requesting company from using your name and address for any purpose other than corporate communication.**

Please check one of the boxes below which will serve as our direction to disclose, or not disclose, this information, if requested. I have enclosed a postage paid envelope for your use in returning this document. **If we do not receive your response within 30 days, we will disclose this information, as required by law.**

If you have any questions or concerns, please contact me.

- 
- You are authorized to release my name (or my account name), address and share positions.
  - You are not authorized to release my name (or my account name), address or share positions.

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Authorized Signature

Printed Name

Date

---

Member FDIC

To: City National Bank  
400 N. Roxbury Drive, Suite 600  
Beverly Hills, CA 90210

From:

RE: **EI Camino Real Alliance Public School Employee Retirement Healthcare Benefits Trust  
AUTOMATIC SETTLEMENT OF SECURITIES**

Dear City National Bank:

Concerning the automatic settlement of securities trades in trust and custody accounts, I/we hereby grant to City National Bank upon inception of the account and continuing thereafter, the authority to proceed with settlement of any securities trades for my/our account(s) for which City National Bank may receive confirmations, either electronic or hard copy.

City National is entitled to rely upon the continuing nature of this directive until such time as it is revoked in writing by the undersigned.

Very truly yours,

Date:

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Authorized Signature(s) Trustor, Grantor,  
Principal/Depositor or Member(s) of the  
Directing Committee, Investment Manager  
as Appropriate



December 4, 2020

El Camino Real Alliance  
5440 Valley Circle Boulevard  
Woodland Hills, CA 91367

Dear Investment Committee,

On behalf of City National Bank and City National Rochdale, we are formally submitting our response to the Request for Proposal for Investment Management Services that we received on December 1, 2020.

City National Rochdale has over 30 years of experience as a boutique investment management firm serving the City National Bank's investment management clientele. As a fiduciary, we act in the client's best interest and provide a foundation for a prudent investment process. We presently have over \$45 billion in assets under management and our asset allocation committee members have over 30 years of investment experience.

Based on the depth of our research, the tenure of our expertise, and our ability to customize our portfolio within your Investment Policy Statement guidelines, we are confident that we can meet the investment management needs of your organization.

We look forward to the final presentation should we be selected.

Sincerely,

*Brian Hsieh*

Brian Hsieh, CFA  
Director, Senior Investment Strategist  
City National Rochdale



*December 4, 2020*

## REQUEST FOR PROPOSAL

### **El Camino Real Alliance**



**Tom Galvin**

Managing Director  
Chief Investment Officer

**Charles Boettcher**

Southwest Divisional Managing Director  
Senior Portfolio Manager

**Brian Hsieh, CFA**

Director  
Senior Investment Strategist

**Robert Harder**

Director  
Senior Portfolio Manager

400 North Roxbury Drive  
Beverly Hills, CA 90210  
[www.cnr.com](http://www.cnr.com)

## **I. Company information**

### **a. Year organized.**

**City National Rochdale** (“CNR”, “We”, “Our”) has been in business since 1986. Please see a timeline of our history below:

**1986** – Rochdale Investment Management Inc. (“Rochdale”) formed as an independent legal entity serving as an investment advisor registered with the SEC, and broker dealer registered with FINRA.

**2012** – Rochdale Investment Management is acquired by City National Bank.

**2013** – Rochdale Investment Management and City National Asset Management, the investment management department of City National Bank, were reorganized to form a new entity called City National Rochdale.

**2015** – Royal Bank of Canada completed its acquisition of City National Corporation.

### **b. General description of your firm.**

City National Rochdale is a relationship-driven investment management firm that prides itself on a collaborative, tailored investment approach and white-glove customer service. For over 30 years, CNR has managed the investments of high-net-worth individuals and families, non-profit organizations, endowments, and foundations.

While boutique in the personalized level of attention provided to clients, CNR is a full-service investment firm with a seasoned research staff and a complete set of proprietary and third-party investment strategies spanning the equity, fixed income, and alternative markets. Our clients work directly with a dedicated portfolio manager and a team of support professionals to implement an investment plan designed to match specific objectives, cash flow needs, risk tolerances, and time horizons. Our clients have direct access to all members of the CNR senior management and investment teams. We recommend regular in-person meetings and ongoing communication to ensure changing circumstances are appropriately addressed in the portfolio. CNR currently manages \$45.4 billion in assets (as of July 31, 2020) and has 289 employees.

## **Ownership Structure and Affiliates**

We are a wholly owned subsidiary of City National Bank. City National Rochdale and City National Bank are wholly-owned subsidiaries of RBC USA Holdco Corporation, which is a wholly-owned indirect subsidiary of Royal Bank of Canada.

CNR’s affiliated companies include: CNR Securities LLC, City National Securities and Symphonic Securities LLC, FINRA registered broker-dealers; the City National Rochdale Funds, a registered investment company; Symphonic Financial Advisors LLC, an SEC Registered Investment Advisor; and Symphonic Insurance, an insurance agency.

- c. Location of corporate headquarters and contact person for this account.

CNR's headquarters is located in 400 North Roxbury Drive, Beverly Hills, CA 90210.

Additionally we also have office locations in the below listed cities:

- New York, New York\*
- La Jolla, California\*\*
- Irvine, California
- San Francisco, California
- Lake Mary, Florida
- Chicago, Illinois
- Houston, Texas

\*Additional Principal Office

\*\*Investment Advisory Office

Investment professionals across all office locations are in frequent, regular contact with senior leadership, Asset Allocation Committee ("AAC") members, asset class specialists and research.

## II. Fiduciary Responsibility

We take special care to adhere to seven major fiduciary requirements outlined by the Accredited Investment Fiduciary (AIF®) Global Precepts, including:

- Leveraging our 30 years of experience managing assets for clients and remaining highly knowledgeable in standards, laws, and trust provisions
- Utilizing intelligent personalization and three levels of portfolio risk management to diversify assets to specific risk/return profiles
- Collaborating with clients to build investment policy statements and using these as guides when building client portfolios
- Employing "prudent experts" – over 80% of our investment consultants and portfolio managers are CFA charterholders
- Offering transparent and competitive fees as part of our efforts to control and account for investment expenses
- Conducting periodic reviews with portfolio managers and clients to monitor the activities of the "prudent experts"
- Employing robust internal compliance and control systems, with accountability across all levels of the organization

*Please refer to the Appendix – Fiduciary Responsibilities*

## III. Qualifications of Firm and Relationship Managers

- a. Key staff who would be involved in serving your account. Biographical data on these individuals.

Garrett D'Alessandro, Chief Executive Officer has the overall responsibility for CNR's operations. For this relationship, Tom Galvin, Brian Hsieh, Charles Boettcher, Robert Harder and team would be responsible for overseeing your account. CNR operates as a team such that if one person leaves, we have fully trained, experienced, highly educated people backing up their responsibilities.

*Please refer to the Appendix – Team Bios*

## **Senior Management Biographies:**

**Garrett R. D'Alessandro, CFA, CPWA, CAIA, AIF®**

**Chief Executive Officer, Head of Wealth Management**

Mr. D'Alessandro joined City National Rochdale in 1986 and is the Chief Executive Officer. In addition to setting the strategic direction of the firm, he plays a key role in the firm's portfolio management and investment research functions. In this capacity he assists in determining the macroeconomic outlook and strategic asset allocations for the firm's strategies. In January 2017, Mr. D'Alessandro joined the Executive Committee of City National Bank where he represents the Wealth Management Division. Prior to joining the firm, Mr. D'Alessandro was a Certified Public Accountant and an Audit Manager with KPMG Peat Marwick.

Mr. D'Alessandro received his MBA in Finance from the Stern School of Business at New York University. He holds the Chartered Financial Analyst® designation, the Certified Private Wealth Advisor® designation, the Chartered Alternative Investments Analyst designation, and is a member of the New York Society of Security Analysts and the CFA Institute. He also is an Accredited Investment Fiduciary. Mr. D'Alessandro makes presentations on current investment issues to financial professionals throughout the country and has been featured in various media outlets including CNBC, The Financial Network, Barron's, Practical Accountant, CPA Wealth Provider, and New Jersey CPA. Mr. D'Alessandro is an Ironman tri-athlete and has been selected multiple times to compete in the world championship in Kona, Hawaii. He is also a supporter of numerous charitable and civic organizations.

**Tom Galvin**

**Chief Investment Officer, Managing Director, Senior Portfolio Manager**

Mr. Galvin joined City National Rochdale in 2012. As Chief Investment Officer, he is responsible for developing the firm's investment philosophy, overseeing the firm's asset allocation and investment strategies, and managing the investment teams. In addition, he is the Portfolio Manager for the City National Rochdale U.S. Large Cap Core Equity Strategy and leads the research and management of this strategy for client accounts.

Mr. Galvin has over 30 years of equity investment experience from financial services organizations such as Lehman Brothers, Smith Barney, Forstmann-Leff and UBS. Most recently, he was Managing Partner at Galvin Asset Management, where he managed accounts for high-net-worth individuals. At UBS, he was a Senior Portfolio Manager and Director of Research where he co-managed \$8 billion in large-cap growth, core institutional, and mutual fund portfolios. Prior to UBS, he was a Senior Managing Director with Forstmann-Leff Associates where he was responsible for \$3.8 billion in large-cap, mid-cap, asset allocation, and long/short equity hedge fund products as well as held numerous positions including Chief Investment

Officer and Director of Research.

Mr. Galvin earned his BA in Economics from Queens College and his MBA in Finance and Investments from the Gabelli Business School of Fordham University. He is the Founder of the Fordham Wall Street Council and a former board member of the McCaddin-Quirk Foundation, The Lavelle Fund for the Blind and The Maryknoll Society. He is also a member of the New York Society of Security Analysts. In his free time, Mr. Galvin enjoys spending time with his family and dogs, performing numerous outdoor activities, and doing community service as a Knight of Malta.

**Your local team:**

Brian Hsieh will serve as your primary local client contact for the ECRCHS investment management relationship.

**Brian Hsieh, CFA**

**Director, Senior Investment Strategist**

Mr. Hsieh joined City National Rochdale in 2019 and has 25 years of experience in the investment management industry. Based in Beverly Hills, he is responsible for working with City National's Private Banking division to lead and facilitate the investment business development efforts for high-net-worth private clients and institutions.

Prior to joining the firm, Mr. Hsieh was most recently employed at Wells Fargo Private Bank. As a Senior Investment Strategist and Senior Vice President, he was a portfolio manager for high-net-worth clients, trust estates and charitable foundations. He was responsible for goal-based asset allocation, investment research and portfolio implementation.

Mr. Hsieh earned his BA from National Cheng-Chi University in Taipei, Taiwan with a major in Banking. He also earned an MBA in Finance from UCLA Anderson School of Business. He holds the Chartered Financial Analyst® designation and is a member of the CFA Society Los Angeles.

**Charles Boettcher**

**Southwest Divisional Managing Director, Senior Portfolio Manager**

Mr. Boettcher joined City National Rochdale in 2007 and has nearly 25 years of professional experience in investment management. He manages portfolios totaling over \$2.5 billion in client assets, specializing in portfolio construction designed to fit clients' personalized needs and risk/return parameters. Mr. Boettcher has extensive experience managing assets for individuals, foundations, and various types of trusts, including



charitable, special needs, and socially responsible trusts.

Mr. Boettcher is a member of the Senior Management Team where he is responsible for cross-functional leadership, decision-making, and implementation of strategic mandates and policies for City National Rochdale. Further, he is a member of the Portfolio Manager Council leading efforts in all aspects of portfolio management as well as managing equity and balanced portfolio managers.

Prior to City National, he worked as a Portfolio Manager and Senior Investment Officer at Northern Trust, where he was responsible for the management of client portfolios, as well as the portfolio managers and investment staff in the Westwood office.

Mr. Boettcher holds a BA in Political Science, with Honors, from the University of California, Berkeley. He has appeared on Bloomberg television, as well as, the KNX radio "Business News Hour," in Los Angeles providing insight on the markets and economy. In addition, Mr. Boettcher regularly speaks at conferences and events. Mr. Boettcher has volunteered his time to Habitat for Humanity and the Greater Los Angeles Zoo Association.

## **Robert Harder**

### **Director, Senior Portfolio Manager**

Mr. Harder joined City National Rochdale in 2005 and has over 25 years of experience in the field of investment management. He manages client relationships with an emphasis on fixed income management and he also specializes in the research, analysis, selection, and trading of fixed income securities for both the City National proprietary City National Rochdale Funds and individual fixed income portfolios.

Prior to joining City National, he was with Wells Fargo Bank for over 10 years where he served as Portfolio Manager and Relationship Manager at Wells Capital Management. While there, he was one of six mutual fund and separate account fixed income managers responsible for a combined portfolio of over \$12 billion where he performed risk analysis and in-depth research on both individual fixed income sectors and mutual funds. Other past positions include Supervisor of Investment Performance for Wilshire Associates Inc.

Mr. Harder holds a BA from the University of California at Los Angeles. He is an active member of the CFA Institute and the CFA Society of Los Angeles. Committed to philanthropic endeavors, Mr. Harder holds memberships with the UCLA Alumni Association, UCLA Chancellor's Associates, Board of Directors – The Order of the Blue Shield/UCLA, the Surfrider Foundation, and is a member of the California Highway Patrol 11-99 Foundation. He also acts as a mentor through the Riordan Scholars Program at UCLA's Anderson School of Business. Mr. Harder enjoys spending time in the ocean and traveling with his son snow skiing.

Your local team as described above has over 25 years of experience in investment management on average.

<b>Brian Hsieh, CFA</b>	Over 25 years of experience
<b>Charles Boettcher</b>	Over 25 years of experience
<b>Robert Harder</b>	Over 25 years of experience

#### **IV. Investment Philosophy**

CNR delivers a complete set of highly customized and personalized financial solutions to a wide base of non-profits, foundations, and financially successful individuals. We collaborate with clients and their financial advisors to seek growth of each client's wealth over the long-term. Each client is at the center of a unique investment plan, developed using investment strategies based on our proprietary research competencies and designed to achieve each client's unique objectives and build an enduring relationship.

From its roots as an investment research boutique to a global investment management firm today, CNR has remained focused on providing clients with integrity, intelligence, and innovation in investment management.

Our investment philosophy is guided by our fiduciary responsibility to prudently manage assets in a manner consistent with the client's objectives and tolerance for risk. We would meet with your investment committee to discuss your objectives, cash flow needs, risk tolerances and time horizons to refine your existing Investment Policy Statement ("IPS"). An open discussion around the spending policy is of critical concern since the portfolio should be structured to optimally fund the expected withdrawals.

CNR's investment philosophy is predicated on our Research Team performing rigorous, disciplined, value-added research to identify the leading companies across each major industry group. CNR's Research Team is independent of our Portfolio Management Team. We require each company selected for a client's portfolio to meet the unique criteria established for each asset class. This research is performed on a continual basis.

Using this research, the Portfolio Management Team then implements investment decisions for each client's account. Proprietary portfolio management software and portfolio optimization techniques are used by the Portfolio Manager with the goal of controlling portfolio volatility while providing sufficient diversification across industries and asset classes.

*Please refer to the Appendix – Asset Allocation Committee*

At the core, we take an analytically driven and research focused approach. All investment professionals want to deliver intelligent personalization, but many are limited by the nature of large money managers' business models. We built our business to deliver true customization and one-on-one personal service. We focus on people. It is hard to differentiate yourself when the data used to craft a financial strategy is accessible by everyone. That is why we keep our focus on the employees who interpret it. Our firm requires high levels of education and professional experience for all consultants and portfolio managers. These individuals are selected and trained to provide clients with intelligent customization based on our proprietary economic outlook and strategy. Our ability to attract and retain these investment professionals with impressive credentials stems from the dynamism promoted across all levels of our organization.

Intelligently Customized Portfolios incorporate: (1) monitoring both industry group and stock price movements; (2) client-specific customization; (3) volatility management; and (4) monitoring of style bias and risk attributes.

CNR's primary approach to investment strategy and philosophy is based on the belief that changes in the economy and capital markets have a significant influence on asset prices. CNR's investment decision making body - the Asset Allocation Committee ("AAC") - spends significant time and resources evaluating and projecting the direction, magnitude, and ultimate influence a number of economic and capital market factors will have on various asset prices.

#### **a. Competitive advantage**

As described above, each client portfolio is managed to a unique, personalized benchmark which can include meeting different objectives such as income, growth and downside protection. Traditional market benchmarks, or blends of market benchmarks, are not selected as the primary means of assessing performance. Results are assessed over intermediate and long-term time period based upon the portfolios ability to meet client-specific objectives

#### **b. Customer service philosophy**

Client service is a top priority. CNR also maintains a knowledgeable client service department with the capacity to answer a wide range of inquiries relating to the clients' accounts.

The CNR Client Service team provides highly consultative white glove service to internal and external clients. We base our activities on timely and effective communications as well as delivery of efficient and accurate services. We believe in the concept of teams and providing a solutions-oriented way of doing business.

Each client benefits from our commitment to being client-centered, whether in developing investment strategies, managing their portfolio, or seeking to provide outstanding personal service. As experienced investment professionals, we are dedicated to understanding each client's unique needs, providing the resources to formulate an appropriate investment strategy, and helping protect and grow wealth.

## V. Investment Policy Statement

We take our clients' investment objectives and policies very seriously. We strive to provide complete customization to each client's unique circumstances based on their goals, investment policy statement, tax situation, cash flow needs, time horizon, risk tolerance, and more.

As part of our disciplined investment practice, the team would work with your organization to review, refine and when necessary, help formulate and update a clear, disciplined and enforceable IPS. The IPS provides clear guidelines of the investment risk/return objectives, time horizon, income needs, legal and/or tax considerations and any other portfolio preferences. An effective investment policy minimizes risk and provides the Portfolio Manager with the appropriate flexibility to take advantage of market opportunities. We would work closely with your board to adhere to your organization's customized benchmark as defined in the investment policy statement.

## VI. Asset Allocation Process

CNR's investment process is a disciplined approach. We assess financial and economic conditions in developing our market views. Our strategic framework highlights market opportunities and guides our investment decisions. Our selection and trading processes enable us to closely monitor a broader array of securities. We use analytical tools and quantitative modeling, however, client goals and needs ultimately determine strategy.



CNR's investment committee and team of portfolio managers conducts proprietary fundamental research to inform our active management approach. We focus on the outlook for the global economy, as well as the stock and bond markets, to set the near-term and long-term asset allocation. That allocation determines the volatility exposure in portfolios, while seeking to limit the downside and also take advantage of potential opportunities.

CNR's team of portfolio managers employs proprietary techniques to monitor changing market conditions and, through real-time action, strives to both limit the downside and take advantage of opportunities. Actively managing to market conditions can help limit the negative results of volatility in the long term, while proactively rebalancing away from low-performing or risky asset classes can potentially limit participation in a decline. Actively monitoring may help pinpoint market inefficiencies and take advantage of potential pricing opportunities. Institutional trading networks help CNR to generally trade at a wholesale level, and tax-sensitive investing seeks to optimize after-tax income and total return.

By investing in individual securities, we are able to customize each portfolio. Examples of this are managing for tax harvesting opportunities throughout the year, or creating a specific duration target for a fixed income portfolio when managing interest rate risk. We also have situations where individual securities also allow for our portfolio managers to add a social component to your portfolio by excluding certain types of investments based on your convictions.

CNR uses a proprietary modeling system to design asset allocation models specific to each client's risk return requirements. Asset allocation decisions are unique to each client. At the beginning of each client relationship, we assess the objectives of each client based (broadly) on their assets, liabilities, and income goals. In this process, your Portfolio Management team utilizes a Monte Carlo analysis which is a modeling technique used to approximate the probability of certain outcomes by running multiple trial runs (called simulations) using random variables on several different allocation profiles.

The projected return on investment for the portfolio is based on a combination of broad historic index returns, risks, and correlations, and current outlook. While this methodology is not perfect, a Monte Carlo simulation allows the Portfolio Management team to view probabilities of success with thousands of simulations. Under long timeframes, we believe this tool is a good source in helping select an individual client's allocation. Past performance is no guarantee of future results. Our proprietary model gives us the flexibility to control our own capital market assumptions and provides daily feeds from institutional software such as Bloomberg and Morningstar Direct.

CNR's primary approach to asset allocation is based on the belief that changes in the economy and capital markets have a significant influence on asset prices. As a result, the AAC spends significant time and resources to analyze and project the direction, magnitude, and ultimately the influence that a number of economic and capital market factors will have on various asset prices.

Risk management is one of the most critical elements to successful long-term investing. CNR has developed and utilizes three distinct levels of risk management: Strategic Asset Allocation (“SAA”), Tactical Asset Allocation (“TAA”), and Dynamic Equity Risk Management (“DERM”).

SAA develops an asset allocation based on a client’s long-term goals. Many investment managers conduct SAA and stop at this point. While SAA is a great starting point, it assumes investment risks (changes in the economy and capital markets) are constant. To mitigate this risk CNR utilizes TAA, a proactive strategy which implements modest changes to strategic asset weightings (known as tactical over/under weights) to capitalize on the AAC’s economic.

Finally, during periods of excessive and extreme market risk, CNR clients can benefit from DERM. DERM is a customized risk management technique used to help preserve wealth. During periods of extreme market volatility, there can be no assurance that portfolio losses will be avoided.

The portfolio parameters are client-specific. In general, clients with an allocation to the respective asset class hold the following:

<b>Large Cap</b>	50 – 60 holdings
<b>Mid/Small Cap</b>	25 – 50 holdings
<b>Fixed Income</b>	10 or more holdings, or mutual fund solution
<b>High Dividend &amp; Income</b>	30 – 50 holdings
<b>Alternative Investments</b>	Strategy specific based

The Portfolio Management team receives reports detailing any client portfolio that falls outside of their target allocation. Factors considered are expected contribution to growth, desired diversification, and the current gains or losses on each holding.

*Please refer to the Appendix – Three Levels of Portfolio Risk Management*

## **VII. Investment Strategies**

An overview of the strategies we offer to our clients is as follows:

### **Equities**

The precise stock selection process CNR has developed employs both quantitative and qualitative analysis to help identify what we believe are the most attractive companies within sectors. The three pillars of the equity investment philosophy encompass: macro and industry research, fundamental company analysis, and risk management. The pillars are continuously monitored for an actively managed portfolio process. The

portfolio management team leverages the resources of CNR's internal equity research team to provide a broad array of equity strategies:

- Domestic Equities
- International and Emerging Markets
- High Dividend Strategies

### **Core Fixed Income**

CNR also has developed a long history investing in the bond markets, allowing us to offer diversified taxable and tax-exempt strategies. We actively manage fixed income portfolios and seek to enhance the total portfolio's outcome across varying interest rate environments. Portfolio construction takes into account maturity structure, sector weightings and credit quality and is customized to the client-specific situation. Credit analysis and market sentiment drive the individual bond security decisions. The seasoned bond professionals are in the market daily to find the best opportunities and institutional pricing, while this institutional trading network gives clients access to a broad range of municipal, government and corporate securities, as well as other segments of the market:

- Taxable Strategies
- Tax-Exempt Strategies
- Liquidity Management

### **Opportunistic Income**

CNR offers clients access to investment strategies in a wide range of non-traditional fixed income markets. Through a combination of unique strategy design and creative implementation, we attempt to capture competitive yields with minimal interest rate sensitivity:

- High Yield Strategies
- Inflation Protection Strategies
- Hedged Strategies
- Structured Credit

### **Alternatives**

CNR has had exposure to various alternative investment allocations for over 10 years. We look at this space differently than most investment firms and focus on opportunities from unique situations, rather than a dedicated asset class. For example, we are currently allocated to a diversified set of yield-based investments due to our belief that inefficiencies exist in the asset class.

Once an asset class or sub-strategy segment is identified as attractive, the committee determines whether

the specific opportunity will be best exploited through either an active or passive investment approach.

Research responsibility is then delegated to one or more analysts (depending on asset class and complexity) to further explore the opportunity set and construct a list of viable investment options.

CNR has had exposure to various alternative investment allocations for over 10 years. We look at this space differently than most investment firms and focus on opportunities from unique situations, rather than a dedicated asset class. For example, we are currently allocated to a diversified set of yield-based investments due to our belief that inefficiencies exist in the asset class. (Note: Alternative investments are speculative, may entail substantial risks, offer limited or no liquidity and may not be suitable for all investors. These investments have limited transparency to the funds' investments and may involve leverage, which magnifies both losses and gains, including the risk of loss of the entire investment. Alternative investments have varying, and lengthy lockup provisions).

*Please refer to the Appendix – Investment Strategies Overview*

From an investment perspective, CNR offers a proven set of investment capabilities and in-house strategies. Each client is at the center of a unique investment plan, developed using investment strategies based on our proprietary research competencies and designed to achieve each client's unique objectives and build an enduring relationship.

### **VIII. Recommended Asset Allocation**

We created an initial recommended allocation for each account based on the Investment Policy Statements provided. The General Account portfolio objective has the goal to achieve a balance between income and growth while preserving capital. The allowed IPS portfolio allocation aligns with the CNR Diversified Fixed Income strategy and the CNR Conservative Growth and Income strategy. For a lesser risk portfolio with more liquidity, the CNR Diversified Fixed Income strategy would be a suitable allocation. This allocation increases income by \$92,177 annually while maintaining a high level of safety. The difference is the CNR Conservative Growth and Income allocation has a minimal allocation to equities which can provide for growth over the long term resulting in an additional \$150,000 growth annually. Below is the recommended allocation.

The investment objective for the OPEB account is to achieve growth equal to the actuarial return on assets assumption while preserving capital. Based on the IPS, this portfolio has a higher level of growth expectations with a strategic target allocation of 55% Equities, 40% Fixed Income and 5% Alternative Investments. This allocation aligns with the CNR Growth and Income strategy. The objective of this allocation is to achieve both growth and income with a moderate level of risk.



After reviewing the current portfolio allocation, the present portfolio is significantly over-weighted in equities and under-weighted in fixed income. We recommend a rebalancing back to the IPS ranges, which will reduce risk by an estimated 26%. This amount of risk reduction can significantly reduce downside volatility during turbulent market cycles. Below is the recommended allocation.

### General Account

Asset Class	General Account	Diversified Fixed Income Allocation		Cons. Growth & Income Allocation	
	% Value	% Value	% Change	% Value	% Change
<b>Total Equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.0</b>	<b>10.0</b>
Dividend & Inc	0.0	0.0	0.0	2.0	2.0
US Core	0.0	0.0	0.0	3.5	3.5
Int'l Developed	0.0	0.0	0.0	0.0	0.0
US Mid/Small Cap	0.0	0.0	0.0	2.5	2.5
Int'l Emerging	0.0	0.0	0.0	2.0	2.0
<b>Total Core Fixed Income</b>	<b>74.5</b>	<b>75.0</b>	<b>0.5</b>	<b>54.0</b>	<b>-20.5</b>
Taxable	74.5	75.0	0.5	54.0	-20.5
Tax-Exempt	0.0	0.0	0.0	0.0	0.0
<b>Total Opportunistic Income</b>	<b>0.0</b>	<b>25.0</b>	<b>25.0</b>	<b>31.0</b>	<b>31.0</b>
Taxable	0.0	25.0	25.0	31.0	31.0
<b>Total Real Assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Real Estate	0.0	0.0	0.0	0.0	0.0
Inflation Protected	0.0	0.0	0.0	0.0	0.0
<b>Total Alternative Investments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>	<b>5.0</b>
Collateralized Debt	0.0	0.0	0.0	3.0	3.0
Reinsurance/ILWs	0.0	0.0	0.0	2.0	2.0
<b>Total Cash</b>	<b>25.5</b>	<b>0.0</b>	<b>-25.5</b>	<b>0.0</b>	<b>-25.5</b>
<b>Total Portfolio</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>100.0</b>	<b>0.0</b>
Estimated Rate of Return (%)	0.8	1.7	1.0	2.9	2.2
Standard Deviation (%)	2.5	3.6	1.1	4.7	2.2

### OPEB Account

Asset Class	OPEB Account	Growth & Income Allocation	
	% Value	% Value	% Change
<b>Total Equity</b>	<b>81.4</b>	<b>55.0</b>	<b>-26.4</b>
Dividend & Inc	8.6	10.0	1.4
US Core	32.1	17.0	-15.1
US Mid/Small Cap	16.6	12.0	-4.6
Int'l Developed	19.6	13.0	-6.6
Int'l Emerging	4.4	3.0	-1.4
<b>Total Core Fixed Income</b>	<b>6.0</b>	<b>30.0</b>	<b>24.0</b>
Taxable	6.0	30.0	24.0
Tax-Exempt	0.0	0.0	0.0
<b>Total Opportunistic Income</b>	<b>8.1</b>	<b>10.0</b>	<b>1.9</b>
Taxable	8.1	10.0	1.9
<b>Total Real Assets</b>	<b>2.0</b>	<b>0.0</b>	<b>-2.0</b>
Real Estate	1.9	0.0	-1.9
Inflation Protected	0.2	0.0	-0.2
<b>Total Alternative Investments</b>	<b>0.0</b>	<b>5.0</b>	<b>5.0</b>
Collateralized Debt	0.0	3.0	3.0
Reinsurance/ILWs	0.0	2.0	2.0
<b>Total Cash</b>	<b>2.4</b>	<b>0.0</b>	<b>-2.4</b>
<b>Total Portfolio</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
Estimated Rate of Return (%)	6.3	5.1	-1.2
Standard Deviation (%)	12.5	9.2	-3.3

In comparison to the current portfolio for the General Account and the OPEB account, the CNR recommended allocations provide for improved return or risk reduction characteristics. Most importantly, the recommended allocations are aligned to their respective Investment Policy Statements.

*Please refer to the Appendix – Recommended Allocation – General Account*

*Please refer to the Appendix – Recommended Allocation -OPEB*

## IX. Performance Metrics

The recommended asset allocation for the General Account is the CNR Conservative Growth and Income strategy. The OPEB account is the CNR Growth and Income strategy. The composite performance through Q3 of 2020 for Conservative Growth and Income has returned +3.3%, +4.2% and +4.0% on average annualized over 1 Year, 5 Year and 10-Year, respectively.

The investment performance for the Growth and Income has returned +4.9%, +6.4% and +7.6% on average annualized over a 1 Year, 5 Year, and 10-Year, respectively. Both strategies have resulted in strong performance over the long term.

## **V. Performance Reporting**

CNR provides a personalized reporting, evaluation, and review plan as determined by your organization's specific needs and expectations. Performance reports are typically available monthly, however, the frequency can be increased based on your preference/needs.

CNR provides a summary report that shows all of the activity in the account during the month. A quarterly evaluation report provides the cost basis and current market value for each security in the portfolio and each asset class, summarizes gains, losses, income and expenses, and provides the time-weighted, net-of-fee return for the portfolio. Our clients also have the ability to view their accounts on our website: [www.cnr.com](http://www.cnr.com).

Online Portfolio Review offers clients the opportunity to view and download multiple reports detailing holdings and activity information for all portfolios, on a daily basis. It also provides direct connectivity with your administrative officer via email while viewing your accounts. Portfolio Review is available through City National's website, [www.cnr.com](http://www.cnr.com), via a secure Internet connection, and is updated nightly to reflect holdings and balances as of the close of the previous business day.

### **a. Custom benchmark capabilities**

Each client portfolio is managed to a unique, personalized benchmark which can include meeting different objectives such as income, growth and downside protection. Traditional market benchmarks, or blends of market benchmarks, are not selected as the primary means of assessing performance. Results are assessed over intermediate and long-term time period based upon the portfolios ability to meet client-specific objectives. Each asset class is matched up to an appropriate benchmark and we typically have a weighted benchmark for each portfolio to compare both risk and

and return.

## **b. Portfolio Reviews**

Portfolio reviews are typically performed quarterly but they can be arranged more or less frequently depending on your availability and in a manner of your choosing. During the portfolio review meeting the agenda usually includes the following:

- Any updates from the your organization that could affect cash needs, risk tolerance, or time horizon
- CNR Market & Economic Outlook
- Portfolio performance
- Noteworthy transactions
- Strategic recommendations and policy alignment (current allocation vs. target)
- Additional discussions as needed
- Annual Investment Policy Statement review

Performance reporting is comprehensive and thorough, including detailed Time Weighted Return data available as frequently as every two weeks during the period under which we are managing assets. Performance attribution, trade data, and individual holding details are readily available and comprehensive in nature.

Periodically, but at least annually, the Portfolio Manager meets with the client and compares the client's current asset allocation to the proposed and alternative asset allocations to ensure the client's unique investment objectives align with the client's current asset allocation. Periodic reviews are done for all accounts to identify style drift within the accounts along with a monthly performance audit. During the periodic administrative review, fee calculations are reviewed for correctness against the fee schedule. Client information is reviewed and updated as necessary during the administrative review process. Annually an investment review is initiated, completed and approved to evaluate the holdings and asset allocation to ensure they are consistent with the provisions of the client's governing instrument, local law, regulations, court orders, and sound fiduciary principles.

Statements are mailed either monthly or quarterly, no later than the fifth business day following month-end/quarter-end, and are also available online. Statements include market value, securities transactions, gains/losses, asset appreciation/depreciation, income, yield etc.

### c. Online and Mobile Reporting

Our clients have the ability to view their accounts on our website: [www.cnr.com](http://www.cnr.com). In addition, day-to-day investment questions, concerns or administrative requests (including customized reports) are handled by the CNR personnel team.

### d. Samples of Key/Exec Summary Reports

CNR provides clients with regular and ongoing communication reports giving our economic and market outlook. We publish these reports monthly and quarterly.

## X. Fees

Proposal of fees to be paid by your company for the services identified in the RFP. The trustee and/or investment management fees presented below are based on the capacity of which CNB provides its services. The fees are assessed based on the market value of the portfolio. For the figures below we are assuming \$6.7 million for the General Account and \$15.7 million for the OPEB account. The services provided will be based on various fee schedules which will include a 10% discount

*Please refer to the Appendix – Investment Management Fee Schedules*

*The estimated fees are as follows:*

<i>CNB Capacity</i>	<i>Market Value</i>	<i>Est. Fees</i>	<i>Fee Schedule</i>
<i>OPEB Trustee Only Fee</i>	<i>\$15.7MM</i>	<i>\$24,120</i>	<i>Business Trust – Directed Trust Fee Schedule</i>
<i>OPEB Managed Trustee</i>	<i>\$15.7MM</i>	<i>\$127,350</i>	<i>Investment Management Fee Schedule</i>
<i>General Account Managed</i>	<i>\$6.3MM</i>	<i>\$36,720</i>	<i>Conservative Growth and Income Fee Schedule</i>
<i>Combined Relationship</i>	<i>\$22MM</i>	<i>\$164,070</i>	<i>Blended (OPEB Trustee and both Managed)</i>

The estimate annual cost on the current portfolios based the statements provided are \$18,847 for the General Account and \$236,950 for the OPEB account. The total fees amount to \$255,797. In comparison, the CNB fees would be \$167,070 to act as corporate co-trustee for the OPEB account and for investment management services both the OPEB account and the General Account. This would result in a \$72,880 cost savings annually.

The investment fees include, but are not limited to, the following services:

- Active risk management and downside risk protection
- Asset allocation framework analysis: access to both proprietary and external institutional investment management
- Custom investment strategies, including owning individual equities and fixed income
- Objective advice with full fiduciary responsibility and accountability
- Institutional research; frequent market and investment commentary
- Team of analysts and economists for each portfolio
- Customized portfolios designed based off of goals, such as minimum cash flow, risk management, aspirations, etc.
- Customized benchmark comparison and reporting
- Personal portfolio manager and PM team

Additionally, there is a per-share transaction fee of \$0.03 in individual equity trade. This trading commission is paid to the unaffiliated broker dealer executing the trade. The commission is itemized in the trade description in the transactions section of the monthly statement.

There are no fees for travel and miscellaneous expenses included in the standard basic fee schedule. CNR does not bill clients outside of the communicated fee for these services.

## **X. References**

We value our clients' privacy and our regulatory and compliance policies limit the dissemination of nonpublic client information. As such, three referrals may be provided once El Camino Real Alliance elects to conduct its due diligence of City National Rochdale.



## Appendix

- Introduction & Overview
- Investment Recommendation
  - Galaxy Analysis - General Investment Account
  - Galaxy Analysis - Endowment Account
  - Galaxy Analysis - Building Reserve Account
- Investment Strategy Overview Executive
- Executive Summary Reports & Publications
- Investment Performance
- Fee Schedule
- Sample Client Statement
- Sample Portfolio Review Book
- Team Biographies
- Disclosures



## Introduction & Overview



# City National Rochdale Overview

## Our Experience

- Over 30 years as a boutique investment management firm serving high-net-worth clients, families, and non-profit organizations.
- As a fiduciary, we act in the client's best interest and provide a foundation for a prudent investment process
- Over \$45 billion\* in assets under management
- 30+ years average professional experience of asset allocation committee members

## Clients We Serve

- We specialize in intelligently personalized portfolio management for high-net-worth individuals, families, and institutions.

## Our Philosophy

- Each client has a unique portfolio and personal benchmark, as well as direct access to a private Portfolio Manager
- Long-term investment management approach designed to seek competitive performance within a strong risk management framework
- Strategic asset allocation based on our proprietary research insights
- Broad array of investment strategies across traditional and alternative asset classes

## Investment Strategies

- Equities
- Core Fixed Income
- Opportunistic Income
- Real Assets
- Alternative Investments<sup>+</sup>

# What Distinguishes City National Rochdale?

## Private Portfolio Manager

Direct and ongoing relationship with a private portfolio manager and team.

## Differentiated Investment Advice

Investment approach guided by proprietary, forward-looking macroeconomic and capital markets research.

## Asset Allocation Discipline

Top-down asset allocation guidance coupled with the experience and insight of the portfolio manager.

## Proprietary Technology

Proprietary tools for portfolio analysis, portfolio management, and risk management.



## Intelligently Personalized Portfolios

Every portfolio is customized to seek the client's **investment objectives and performance goals**, not a "one-size-fits-many" model portfolio.

## Risk

Portfolio is actively managed by strategically rebalancing assets and adjusting allocations.

## Tax Management

Tax-saving strategies help to maximize the portfolio's after-tax returns.

## Experienced Investment Professionals

80+% of our investment consultants and portfolio managers are CFA charterholders.

# Fiduciary Responsibilities

City National Rochdale adheres to the seven major fiduciary requirements outlined by the Accredited Investment Fiduciary (AIF<sup>®</sup>) Global Precepts

AIF <sup>®</sup> Global Fiduciary Precepts	City National Rochdale	
<b>Know standards, laws, and trust provisions</b>	✓	Over 30 years of experience managing assets for HNW clients
<b>Diversify assets to specific risk/return profile</b>	✓	Intelligent personalization, three levels of portfolio risk management
<b>Prepare investment policy statement</b>	✓	Advisor and City National Rochdale collaborate around the Investment Policy Statement and use it as a guide when building portfolios
<b>Use “prudent experts” (for example, an Investment Manager) and document due diligence</b>	✓	80+% of our investment consultants and portfolio managers are CFA charterholders
<b>Control and account for investment expenses</b>	✓	Disclosure of fees and expenses
<b>Monitor the activities of “prudent experts”</b>	✓	Periodic reviews with Portfolio Managers, advisor and client
<b>Avoid prohibited transactions and avoid or manage other conflicts of interest in favor of the portfolio</b>	✓	Robust internal compliance and control systems, accountability across all levels of the organization

# Asset Allocation Committee



Tom Galvin  
Chief Investment Officer  
36 Years of Experience



Garrett D'Alessandro  
Chief Executive Officer  
38 Years of Experience



David Abella, CFA  
Managing Director  
Senior Portfolio Manager  
25 Years of Experience



Paul Single  
Managing Director  
Senior Portfolio Manager  
37 Years of Experience



Greg Kaplan, CFA  
Managing Director  
Director of Fixed Income  
29 Years of Experience



Charles Luke, CFA  
Managing Director  
Senior Portfolio Manager  
12 Years of Experience

The Asset Allocation Committee is responsible for:

- Capital Market Expectations
- Asset Class Constraints
- Optimized Reference Portfolios
- Tactical Allocation Guidelines
- Economic and Market Forecasts
- Liquidity Restrictions
- Firm-wide Risk Management

# Tailoring Your Portfolio

A personalized portfolio allocation depends on:

## **Tolerance for risk and volatility**

## **Unique situation, goals, and expectations**

- Time horizon for investment
- Cash flow requirements
- Relationship of macroeconomic environment to long-term policy ranges

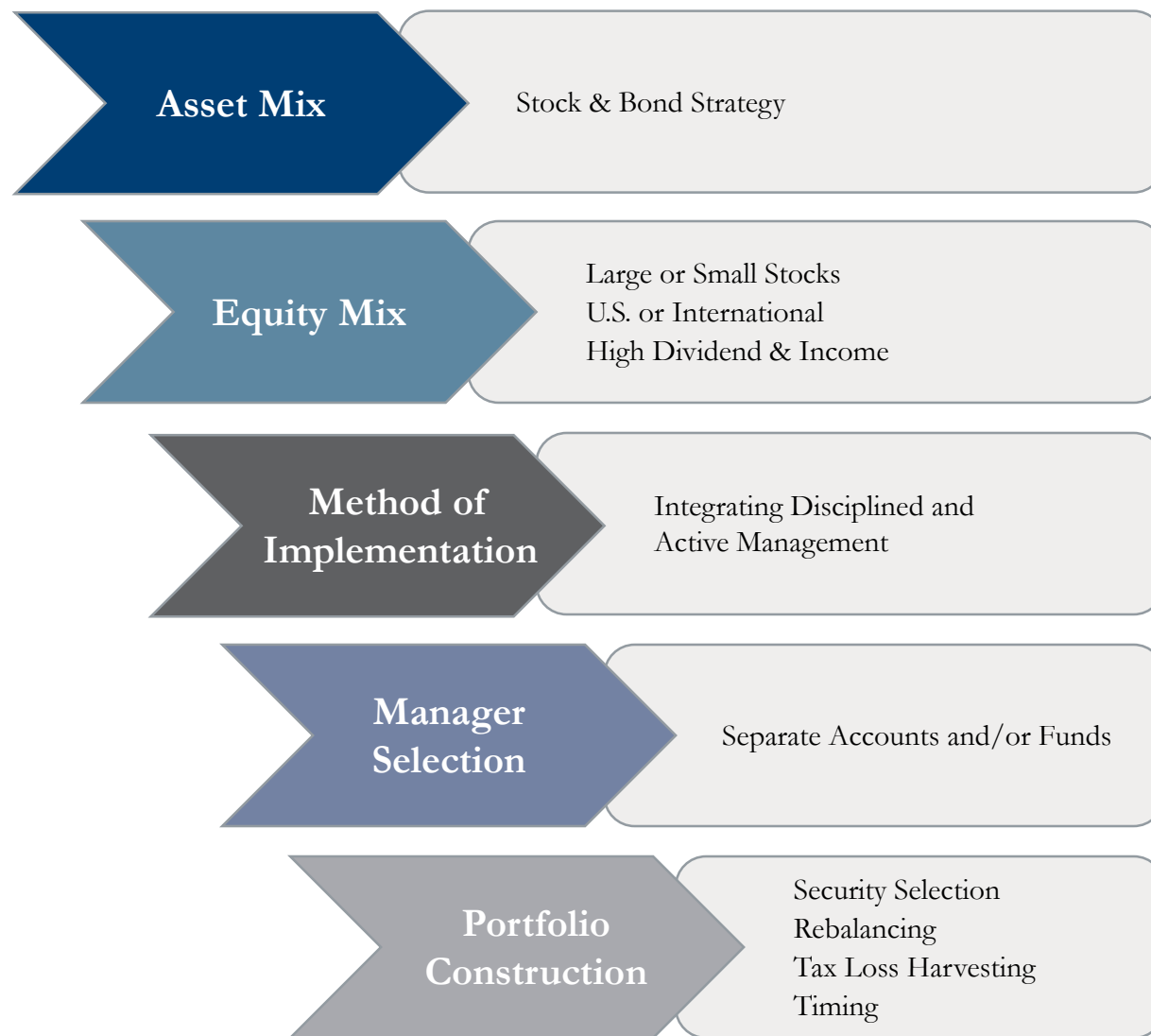
## **Personal investment policy**

- In conjunction with the client's professional advisors, the client's portfolio manager reviews, coordinates, and implements the investment policy and manages the portfolio

## **The economic and financial landscape**

- Perspective on the economic and financial markets
- Stock and bond market potential returns

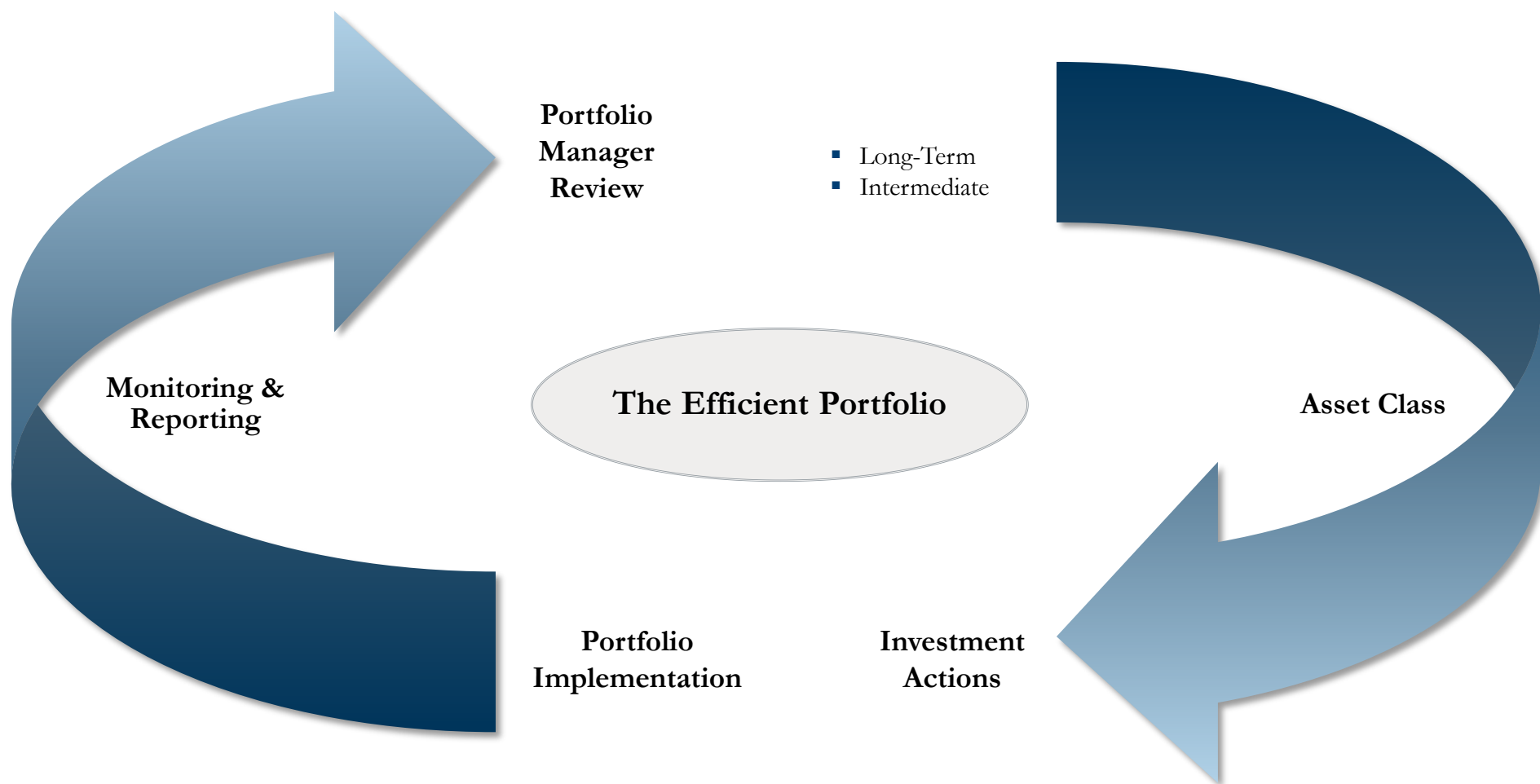
# Framework for Portfolio Development



**Asset Allocation** is the most critical initial step in the process of the **Portfolio Construction**

# Integrated Process

Client and Portfolio Manager Quarterly Communication



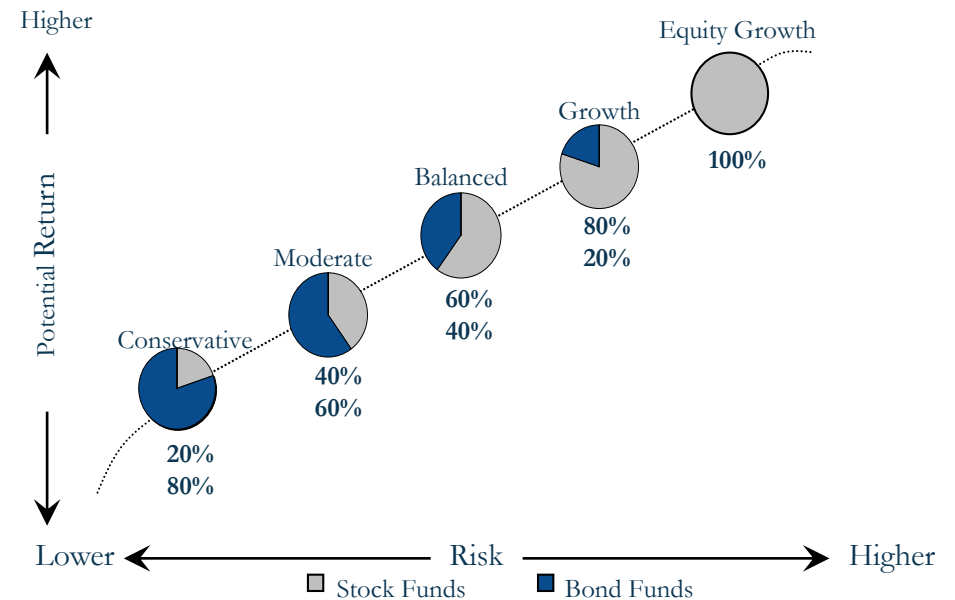
Source: Brinson, Singer, and Beebower (1991), Financial Analysts Journal, May/June 1991; Ibbotson and Kaplan, "How much performance does asset allocation really explain," Journal of Financial Analysis, Winter 2000.

# Three Levels of Portfolio Risk Management

## Level I: Strategic Asset Allocation

### Risk Management at the Portfolio Design Level

- Undertake extensive review of each portfolio's holdings to determine how they may fit within overall target portfolio with regard to contribution to growth and desired diversification, taking into account the current gains or losses of each holding
- Determine which stocks or funds to hold or sell, and, at the same time, manage the tax impact
- Establish how level III actions will be implemented by the portfolio manager through discussions with client to determine the number of metrics ("floors") that will be used to trigger monetization of assets to preserve wealth



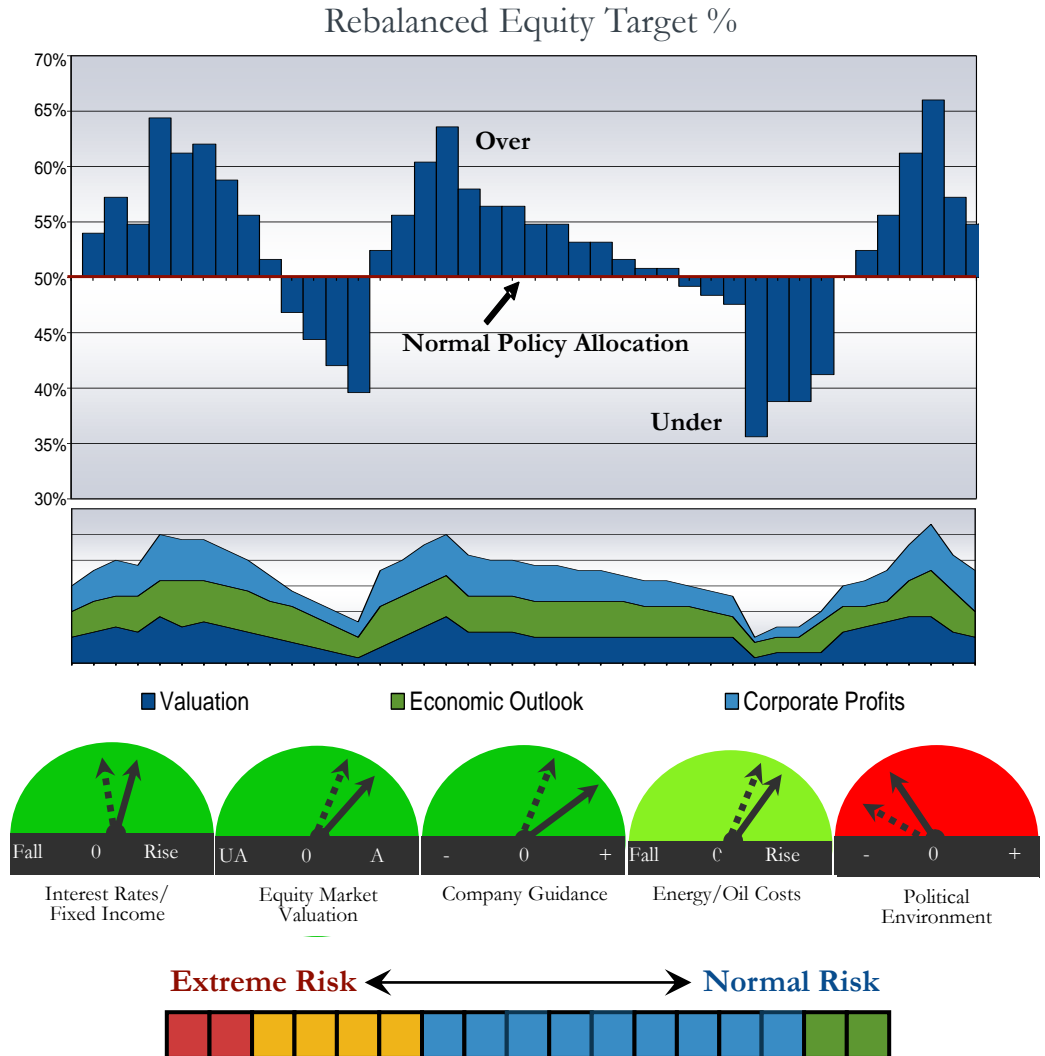


# Three Levels of Portfolio Risk Management

## Level II: Personalized Dynamic Asset Allocation

### Risk Management Driven by Fundamental and Economic Research

- Determine risk budget by establishing dynamic risk management parameters that reduce equity exposure at various levels of market decline
- Utilize proprietary capital markets outlook and economic & financial models to adjust financial allocations
- Tactically overweight/underweight risk exposures

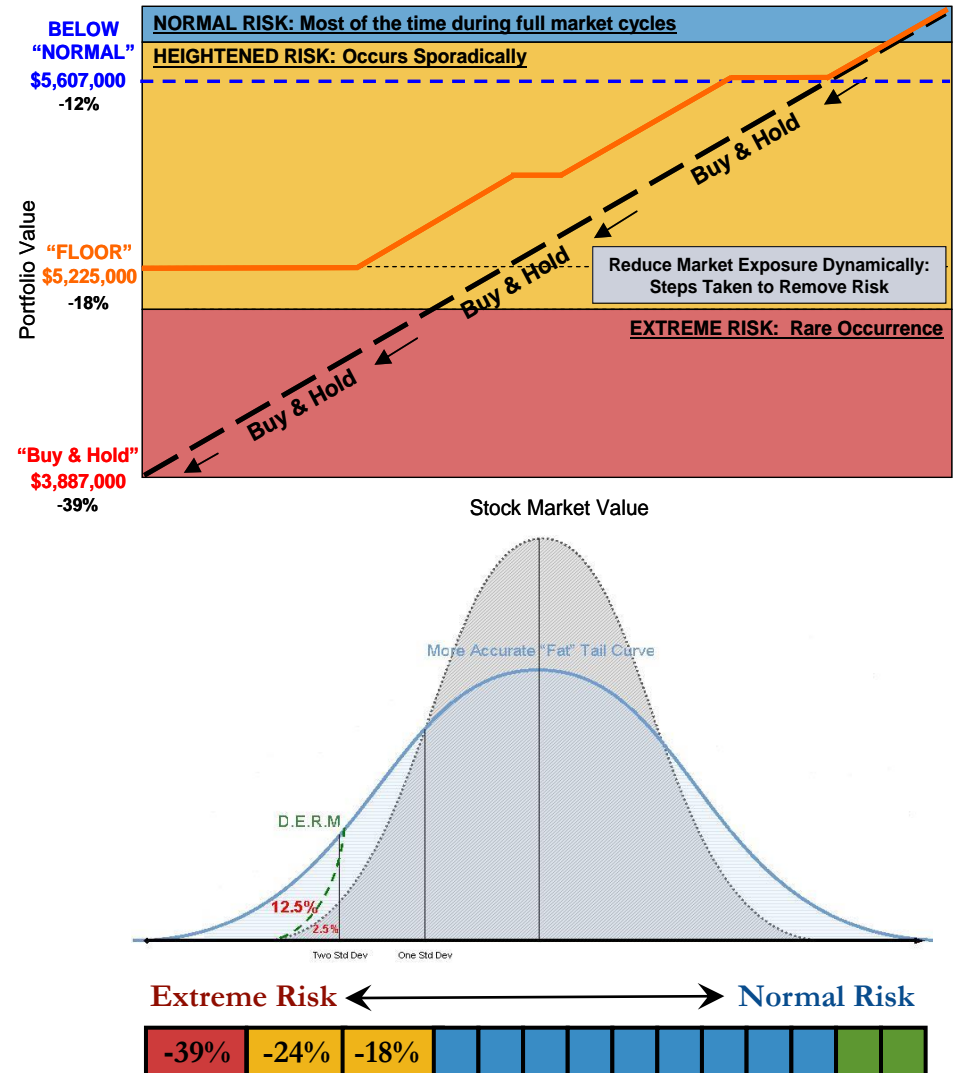


# Three Levels of Portfolio Risk Management

## Level III: Personalized Downside Risk Management

### Risk Management Focused on Non-Normal Periods & Client's Personal Downside Limits

- Monetize assets as established “floors” are approached and begin reinvesting
- Provide limit/control on overall volatility and downside potential of portfolio during severe market declines
- Through communication with client continually evaluate whether the risk of each investment portfolio is consistent with the client's risk tolerance and/or risk budget and whether additional risk mitigation steps are required





## Investment Strategies Overview

# Equity Strategies

	Investment Vehicle	Type	Rationale
<b>Equity</b>			
Dividend & Income	CNR High Dividend & Income Strategy	Individual Securities	Provides a significant and steady income from dividends and long-term capital appreciation. Higher dividend yield can provide downside protection in volatile mkts.
US Core	CNR Core Equity Strategy	Individual Securities	Utilized to provide long term capital appreciation and outperform the S&P 500 over a market cycle via full participation in rising markets and capital preservation in declining markets.
International Emerging	Fiera Capital Emerging Markets Fund	Mutual Fund	Pursues long term capital appreciation by investing in companies located in developing countries. Our focus is centered on Emerging Asia where higher GDP growth is facilitating greater consumer buying power as more people move up into the middle class.

# Core Fixed Income Strategies

	Investment Vehicle	Type	Rationale
<b>Core Fixed Income</b>			
Investment Grade Taxable	Taxable Intermediate FI Strategy	Individual Securities	Provides a high level of current income and capital appreciation through investment in corporate bonds & notes, as well as debt securities issued by Fed government & its agencies.
Investment Grade Tax-Exempt	Tax-Free Intermediate FI Strategy	Individual Securities	Provides a high level of current income and capital preservation through investment in tax exempt municipal fixed income

# Opportunistic Income Strategies

	Investment Vehicle	Type	Rationale
<b>Opportunistic Income</b>			
Taxable	CNR Fixed Income Opportunities Fund	Mutual Fund	Generates a high level of current income by investing in sectors that offer opportunities to earn higher returns, and in some cases diversify risk, than traditional investment grade fixed income.
High Yield (Municipals)	CNR Municipal High Income Fund	Mutual Fund	Generates a high level of tax exempt current income by utilizing proprietary credit research to invest in non-investment grade and non-rated municipal bonds. Provides diversification due to low correlation with other fixed income and equities.

# Alternative investments: what do we look for?

- We look for strategies that provide unique return, diversification, and tax characteristics
- We avoid strategies that do not provide exceptional rewards relative to their risk and liquidity

Investment Criteria Checklist			
✓	Unique, Differentiated & Uncorrelated Asset Classes	✗	Broader Market, Beta Play
✓	Durability/Structural Persistence	✗	Untested Strategy and/or Manager
✓	Fundamental Economic Underpinning	✗	Unsustainable “Trade”/Limited Opportunity Set
✓	Tax Efficiencies	✗	“Fund of Funds” Structures/ Fees Not Commensurate with Excess Return
✓	Income Generation	✗	Unjustified/Unrewarded Illiquidity
✓	Capital Preservation	✗	Limited to Zero Downside Protection

# Alternative Strategies

	Investment Vehicle	Type	Rationale
<b>Alternative Investments</b>			
Collateralized Debt	CNR Strategic Credit Fund	Mutual Fund	Generates a higher level of return in the credit market through a combination of illiquidity premiums, mispricing premiums and market inefficiencies.
Capital Leasing	ITE Railcar Fund	L.P. Fund	Provides a high level of returns, that are tax advantageous, through the use of accelerated depreciation on rail cars. Multi year leases expiring on a staggered basis generally reset at higher rates in an inflationary environment.
Aircraft Leasing	Corrum Capital Aviation Fund	L.P. Fund	Provides high level of returns, that are tax advantageous, through the use of accelerated depreciation on aircraft. Attractive inflation & interest rate hedge; data reflects stable leasing over the risk-free rate when measured over longer-term periods.
Reinsurance/ILWs	CNR Select Strategies Fund	Mutual Fund	Aims to generate attractive, uncorrelated returns through the selling of insurance contracts customizable in terms of location, peril, size of event and time period.





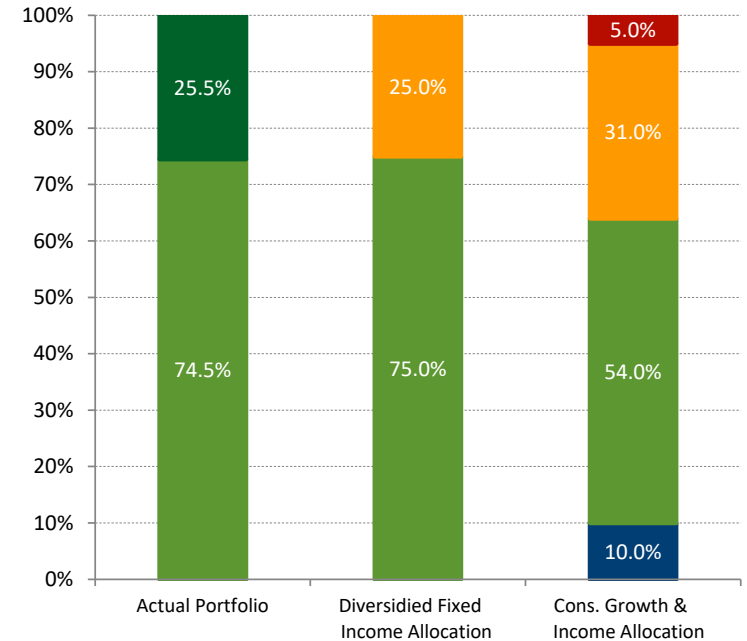
## Recommended Allocation - General Investment Account

## Current Portfolio Overview

Asset Class	El Camino Real General Account Cetera x3344		Total Portfolio	
	\$	% of Account	\$	%
<b>Total Equity</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Total Core Fixed Income</b>	<b>5,044,757</b>	<b>74.5</b>	<b>5,044,757</b>	<b>74.5</b>
Taxable	5,044,757	74.5	5,044,757	74.5
<b>Total Opportunistic Income</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Total Real Assets</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Total Alternative Investments</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Total Cash</b>	<b>1,725,879</b>	<b>25.5</b>	<b>1,725,879</b>	<b>25.5</b>
<b>Total Portfolio</b>	<b>6,770,636</b>	<b>100.0</b>	<b>6,770,636</b>	<b>100.0</b>

## Portfolio Comparison By Asset Group Graph

Asset Class	Actual Portfolio	Diversified Fixed Income Allocation		Cons. Growth & Income Allocation	
	% Value	% Value	% Change	% Value	% Change
<b>Total Equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.0</b>	<b>10.0</b>
Dividend & Inc US	0.0	0.0	0.0	2.0	2.0
Core	0.0	0.0	0.0	3.5	3.5
US Mid/Small Cap	0.0	0.0	0.0	2.5	2.5
Int'l Emerging	0.0	0.0	0.0	2.0	2.0
<b>Total Core Fixed Income</b>	<b>74.5</b>	<b>75.0</b>	<b>0.5</b>	<b>54.0</b>	<b>-20.5</b>
Taxable	74.5	75.0	0.5	54.0	-20.5
<b>Total Opportunistic Income</b>	<b>0.0</b>	<b>25.0</b>	<b>25.0</b>	<b>31.0</b>	<b>31.0</b>
Taxable	0.0	25.0	25.0	31.0	31.0
<b>Total Real Assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Alternative Investments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>	<b>5.0</b>
Collateralized Debt	0.0	0.0	0.0	3.0	3.0
Reinsurance/ILWs	0.0	0.0	0.0	2.0	2.0
<b>Total Cash</b>	<b>25.5</b>	<b>0.0</b>	<b>-25.5</b>	<b>0.0</b>	<b>-25.5</b>
<b>Total Portfolio</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>100.0</b>	<b>0.0</b>
Estimated Rate of Return (%)	0.8	1.7	1.0	2.9	2.2
Standard Deviation (%)	2.5	3.6	1.1	4.7	2.2



Monte Carlo simulations are hypothetical, for illustrative purposes only, do not reflect actual investment results and are not guarantees of future performance.

## Portfolio Analysis - Overview

Beginning Portfolio Value (\$)

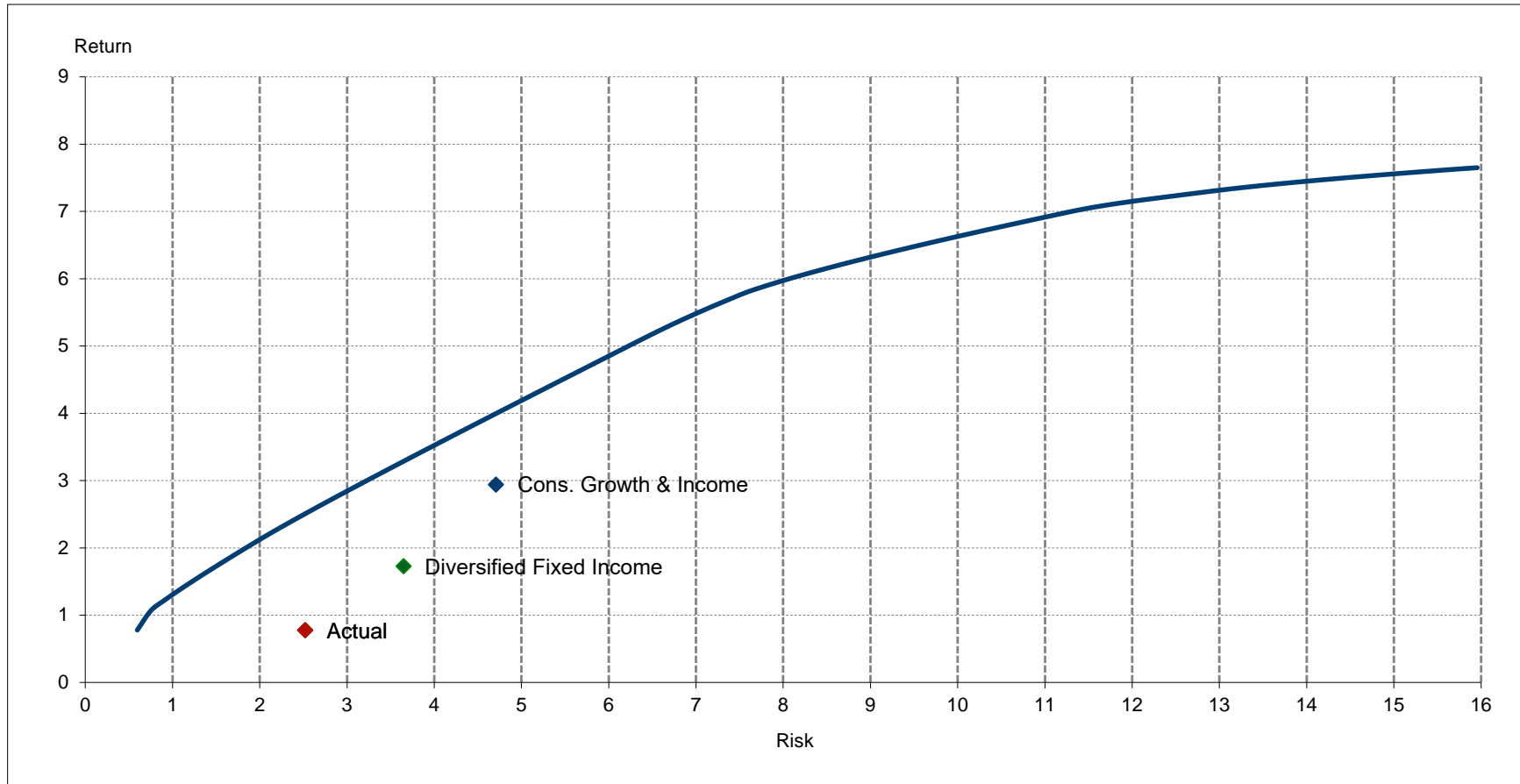
6,770,636

	Actual Portfolio		Diversified Fixed Income Allocation		Cons. Growth & Income Allocation	
Asset Allocation	%		%		%	
Equity/Core FI/Opp. Inc./Alt. Inv./Cash	0 / 75 / 0 / 0 / 25		0 / 75 / 25 / 0 / 0		10 / 54 / 31 / 5 / 0	
Risk & Return	%		%		%	
Annualized Return Forecast (Long Term / Near Term)	0.8 / 0.3		1.7 / 1.7		2.9 / 3.0	
Annualized Risk Forecast (Normal, +/-1 Stdev Range)	2.5 (-1.7, +3.3)		3.6 (-1.9, +5.4)		4.7 (-1.8, +7.7)	
Annualized Risk Forecast (Excessive, +/-2 Stdev Range)	5.0 (-4.3, +5.8)		7.3 (-5.6, +9.0)		9.4 (-6.5, +12.4)	
Annualized Risk Forecast (Extreme, +/-3 Stdev Range)	7.6 (-6.8, +8.3)		*10.9 (-9.2, +12.7)		*14.1 (-11.2, +17.1)	
* Dynamic Risk Management seeks to mitigate this risk exposure.						
Return Attributes	Yield %	Growth %	Yield %	Growth %	Yield %	Growth %
	0.8	0.0	1.7	0.0	2.1	0.8
Hypothetical Future Real Portfolio Value (20 yrs simulated, real amount before tax)	\$MMs		\$MMs		\$MMs	
50% confidence level, at least	5.2		6.2		7.8	
70% confidence level, at least	4.9		5.7		7.0	
Potential Decline (Drawdown) - Probability Forecast	Decline (%)	(\$)	Decline (%)	(\$)	Decline (%)	(\$)
75% confidence level, not more	-3.3	-225,064	-4.3	-289,151	-4.9	-334,537
85% confidence level, not more	-4.4	-299,169	-5.6	-378,979	-6.4	-433,644
95% confidence level, not more	-6.6	-447,255	-8.5	-575,781	-9.6	-652,046
Historical Performance – Extreme Case Scenario	Year	Return (%)	Year	Return (%)	Year	Return (%)
One year	2013	-1.7	2008	-3.0	2008	-9.4
Two years cumulative	2012 - 2013	2.5	2007 - 2008	2.8	2007 - 2008	-4.0
Historic Maximum Drawdown		-5.0		-11.0		-16.0

Monte Carlo simulations are hypothetical, for illustrative purposes only, do not reflect actual investment results and are not guarantees of future performance. The analysis of your Current Portfolio characteristics is derived from the approximate asset class mix of your existing holdings and does not exactly match the actual portfolio characteristics (e.g., return, risk) of your existing holdings, which in some instances differs materially. Drawdown is the percentage decline in a portfolio before it recovers. The expected drawdown shown represents the difference between the original portfolio value prior to decline and the portfolio value at its lowest point using expected return and Monte Carlo simulations.

## Portfolio Analysis - Investment Strategy Graph

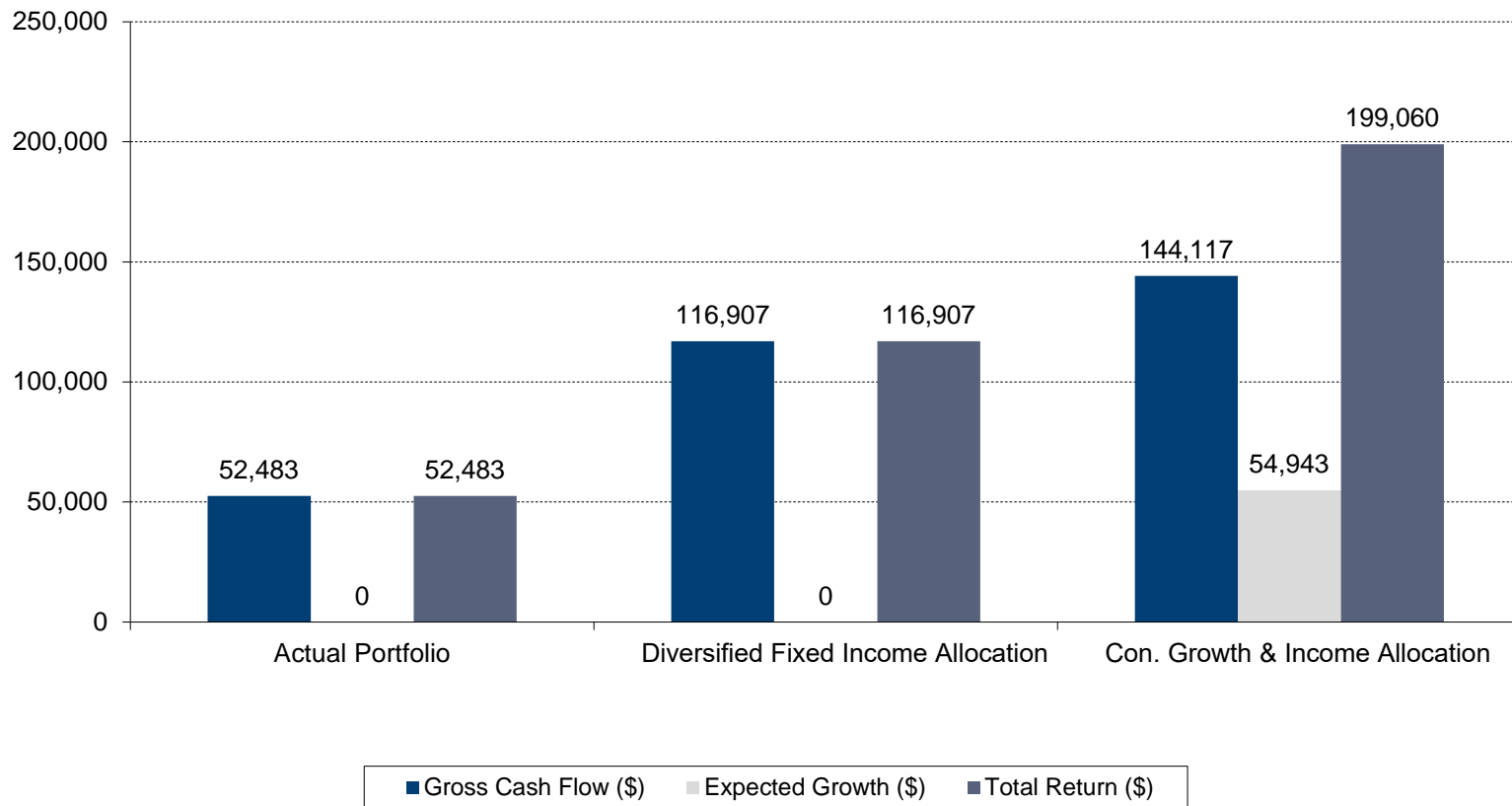
The Investment Strategy curve represents portfolio combinations with the highest possible expected return for each level of risk (standard deviation), given the capital market assumptions and constraints being used. The Actual and Target Portfolios are displayed in the graph.



*Investment projections are hypothetical, for illustrative purposes only, do not reflect actual investment results and are not guarantees of future performance.*

# Cash Flow Analysis

	Actual Portfolio	Diversified Fixed Income Allocation	Cons. Growth & Income Allocation
Gross Cash Flow (\$)	52,483	116,907	144,117
Expected Growth (\$)	0	0	54,943
Total Return (\$)	52,483	116,907	199,060



*Investment projections are hypothetical, for illustrative purposes only, do not reflect actual investment results and are not guarantees of future performance.*



## Recommended Allocation - OPEB Account

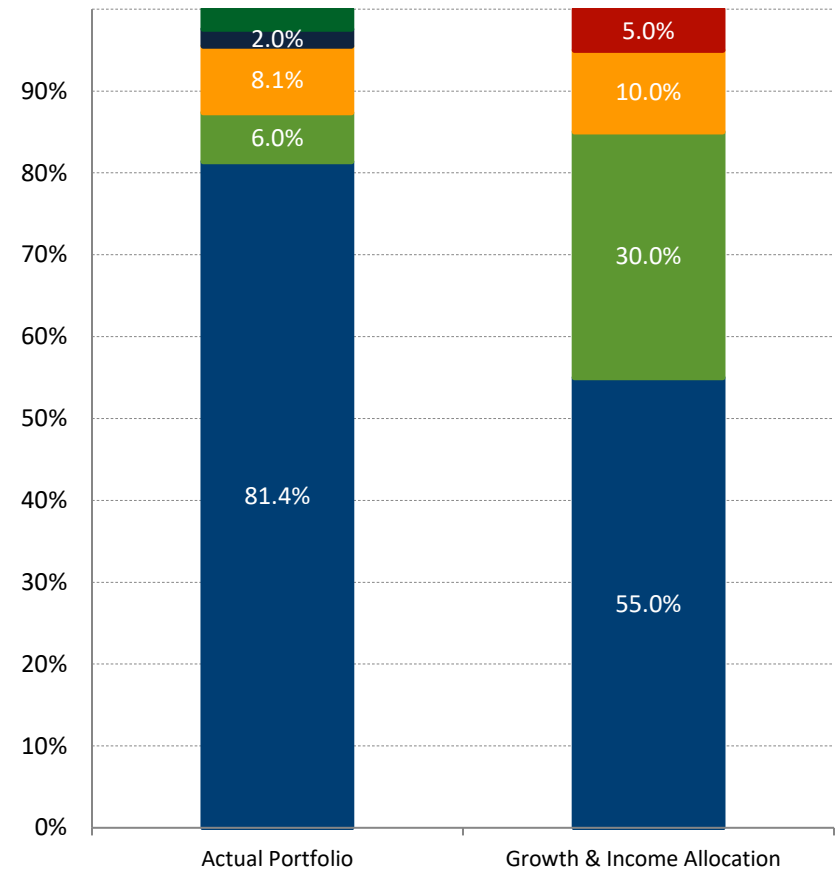
## Current Portfolio Overview

Asset Class	El Camino Real OPEB Account Cetera x4925		Total Portfolio	
	\$	% of Account	\$	%
<b>Total Equity</b>	<b>13,770,104</b>	<b>81.4</b>	<b>13,770,104</b>	<b>81.4</b>
Dividend & Inc US	1,462,481	8.6	1,462,481	8.6
Core	5,438,759	32.1	5,438,759	32.1
US Mid/Small Cap	2,803,480	16.6	2,803,480	16.6
Int'l Developed Int'l	3,324,209	19.6	3,324,209	19.6
Emerging	741,174	4.4	741,174	4.4
<b>Total Core Fixed Income</b>	<b>1,015,944</b>	<b>6.0</b>	<b>1,015,944</b>	<b>6.0</b>
Taxable	1,015,323	6.0	1,015,323	6.0
Tax-Exempt	621	0.0	621	0.0
<b>Total Opportunistic Income</b>	<b>1,377,796</b>	<b>8.1</b>	<b>1,377,796</b>	<b>8.1</b>
Taxable	1,377,796	8.1	1,377,796	8.1
<b>Total Real Assets</b>	<b>346,757</b>	<b>2.0</b>	<b>346,757</b>	<b>2.0</b>
Real Estate Inflation	317,698	1.9	317,698	1.9
Protected	29,059	0.2	29,059	0.2
<b>Total Alternative Investments</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Total Cash</b>	<b>412,939</b>	<b>2.4</b>	<b>412,939</b>	<b>2.4</b>
<b>Total Portfolio</b>	<b>16,923,540</b>	<b>100.0</b>	<b>16,923,540</b>	<b>100.0</b>



## Portfolio Comparison By Asset Group Graph

Asset Class	Actual Portfolio	Growth & Income Allocation	
	% Value	% Value	% Change
<b>Total Equity</b>	<b>81.4</b>	<b>55.0</b>	<b>-26.4</b>
Dividend & Inc	8.6	10.0	1.4
US Core	32.1	17.0	-15.1
US Mid/Small Cap	16.6	12.0	-4.6
Int'l Developed	19.6	13.0	-6.6
Int'l Emerging	4.4	3.0	-1.4
<b>Total Core Fixed Income</b>	<b>6.0</b>	<b>30.0</b>	<b>24.0</b>
Taxable	6.0	30.0	24.0
Tax-Exempt	0.0	0.0	0.0
<b>Total Opportunistic Income</b>	<b>8.1</b>	<b>10.0</b>	<b>1.9</b>
Taxable	8.1	10.0	1.9
<b>Total Real Assets</b>	<b>2.0</b>	<b>0.0</b>	<b>-2.0</b>
Real Estate	1.9	0.0	-1.9
Inflation Protected	0.2	0.0	-0.2
<b>Total Alternative Investments</b>	<b>0.0</b>	<b>5.0</b>	<b>5.0</b>
Collateralized Debt	0.0	3.0	3.0
Reinsurance/ILWs	0.0	2.0	2.0
<b>Total Cash</b>	<b>2.4</b>	<b>0.0</b>	<b>-2.4</b>
<b>Total Portfolio</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
Estimated Rate of Return (%)	6.3	5.1	-1.2
Standard Deviation (%)	12.5	9.2	-3.3



Monte Carlo simulations are hypothetical, for illustrative purposes only, do not reflect actual investment results and are not guarantees of future performance.

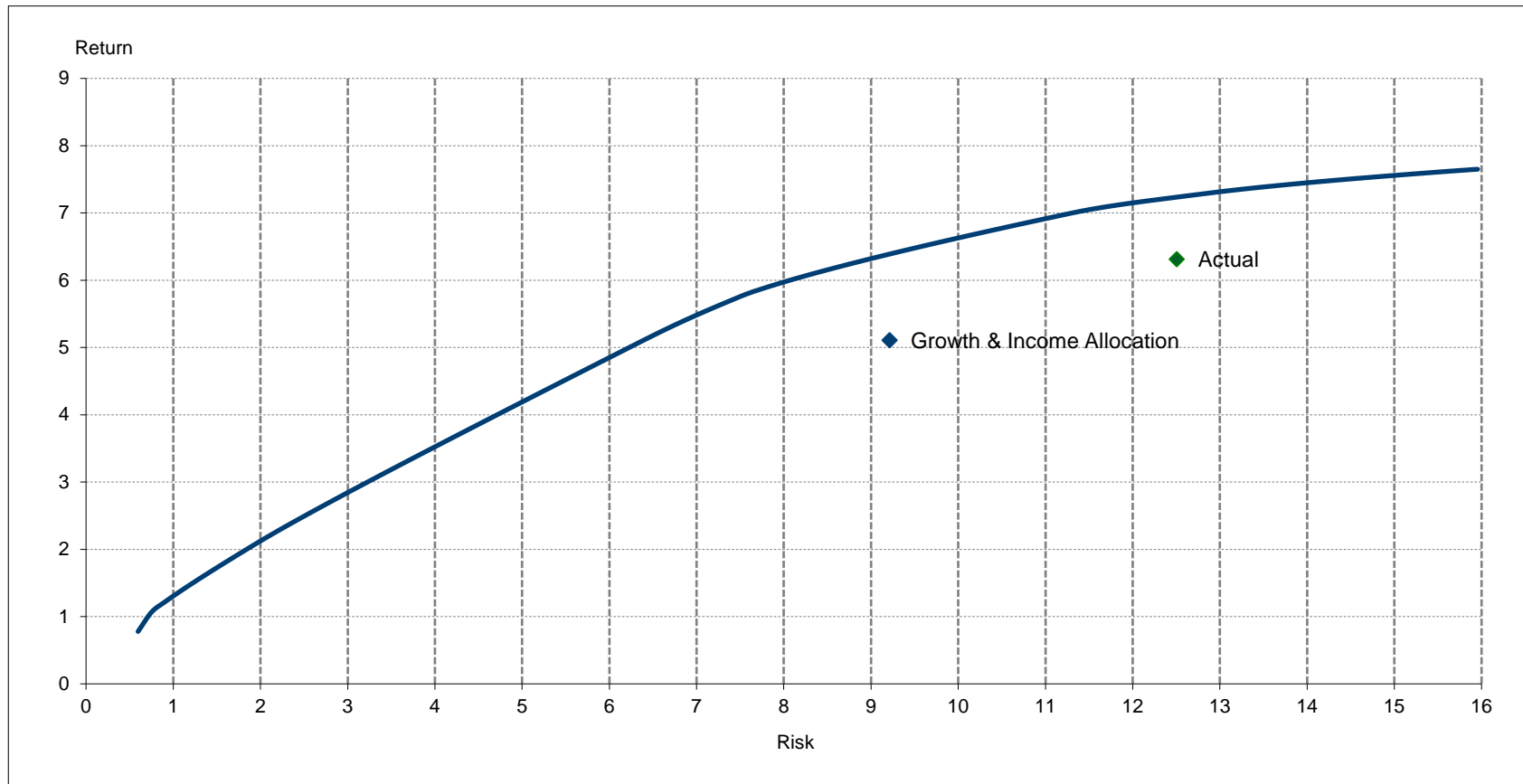
## Portfolio Analysis - Overview

Beginning Portfolio Value (\$)	16,923,541			
	<b>Actual Portfolio</b>		<b>Growth &amp; Income Allocation</b>	
<b>Asset Allocation</b>	<b>%</b>		<b>%</b>	
Equity/Core FI/Opp. Inc./Real Assets/Alt. Inv./Cash	82 / 6 / 8 / 2 / 0 / 2		55 / 30 / 10 / 0 / 5 / 0	
<b>Risk &amp; Return</b>	<b>%</b>		<b>%</b>	
Annualized Return Forecast (Long Term / Near Term)	6.3 / 5.5		5.1 / 4.6	
Annualized Risk Forecast (Normal, +/-1 Stdev Range)	12.5 (-6.2, +18.8)		9.2 (-4.1, +14.3)	
Annualized Risk Forecast (Excessive, +/-2 Stdev Range)	25.0 (-18.7, +31.3)		18.4 (-13.3, +23.5)	
Annualized Risk Forecast (Extreme, +/-3 Stdev Range)	37.5 (-31.2, +43.8)		*27.6 (-22.5, +32.7)	
* Dynamic Risk Management seeks to mitigate this risk exposure.				
<b>Return Attributes</b>	<b>Yield %</b>	<b>Growth %</b>	<b>Yield %</b>	<b>Growth %</b>
	2.6	3.8	1.8	3.3
<b>Hypothetical Future Real Portfolio Value (20 yrs simulated, real amount before tax)</b>	<b>\$MMs</b>		<b>\$MMs</b>	
50% confidence level, at least	32.8		27.9	
70% confidence level, at least	24.5		22.5	
<b>Potential Decline (Drawdown) - Probability Forecast</b>	<b>Decline (%)</b>	<b>(\$)</b>	<b>Decline (%)</b>	<b>(\$)</b>
75% confidence level, not more	-15.1	-2,559,679	-10.6	-1,790,189
85% confidence level, not more	-19.2	-3,254,089	-13.5	-2,286,132
95% confidence level, not more	-27.6	-4,674,513	-19.7	-3,342,391
<b>Historical Performance – Extreme Case Scenario</b>	<b>Year</b>	<b>Return (%)</b>	<b>Year</b>	<b>Return (%)</b>
One year	2008	-31.8	2008	-23.4
Two years cumulative	2007 - 2008	-26.6	2007 - 2008	-18.4
Historic Maximum Drawdown		-46.0		-35.0

Monte Carlo simulations are hypothetical, for illustrative purposes only, do not reflect actual investment results and are not guarantees of future performance. The analysis of your Current Portfolio characteristics is derived from the approximate asset class mix of your existing holdings and does not exactly match the actual portfolio characteristics (e.g., return, risk) of your existing holdings, which in some instances differs materially. Drawdown is the percentage decline in a portfolio before it recovers. The expected drawdown shown represents the difference between the original portfolio value prior to decline and the portfolio value at its lowest point using expected return and Monte Carlo simulations.

## Portfolio Analysis - Investment Strategy Graph

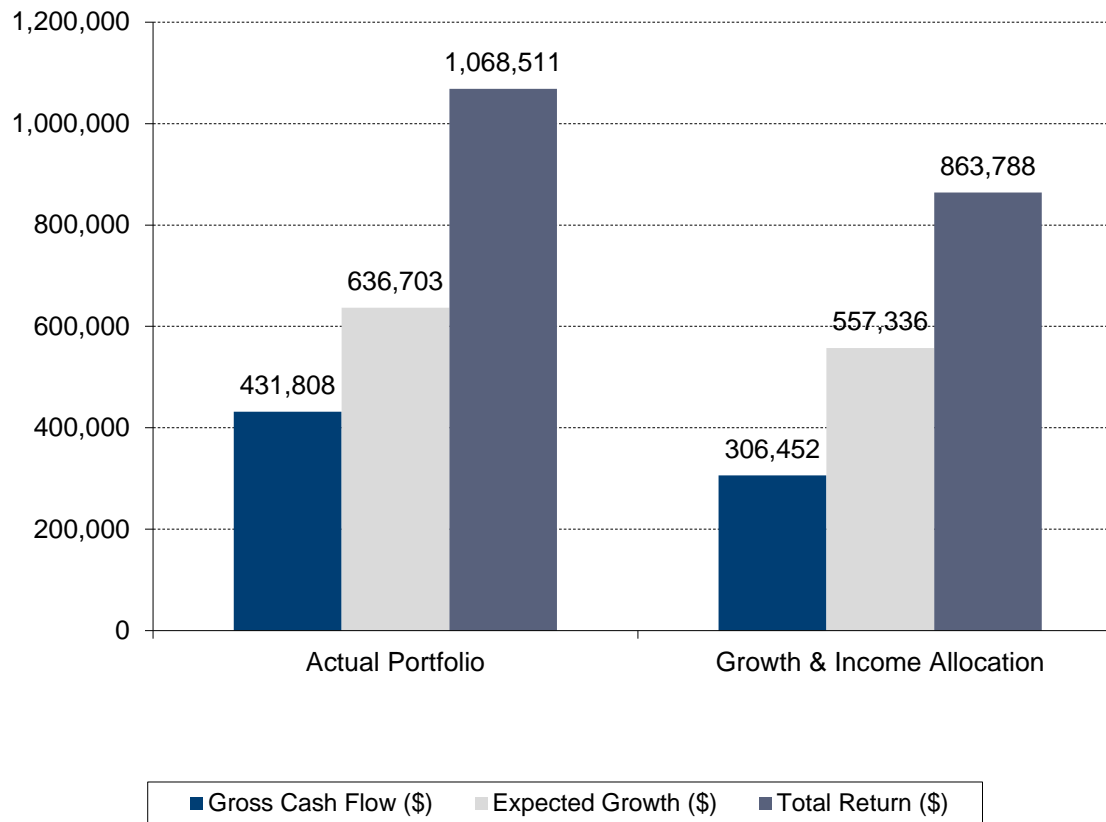
The Investment Strategy curve represents portfolio combinations with the highest possible expected return for each level of risk (standard deviation), given the capital market assumptions and constraints being used. The Actual and Target Portfolios are displayed in the graph.



*Investment projections are hypothetical, for illustrative purposes only, do not reflect actual investment results and are not guarantees of future performance.*

## Cash Flow Analysis

	Actual Portfolio	Growth & Income Allocation
Gross Cash Flow (\$)	431,808	306,452
Expected Growth (\$)	636,703	557,336
Total Return (\$)	1,068,511	863,788



*Investment projections are hypothetical, for illustrative purposes only, do not reflect actual investment results and are not guarantees of future performance.*

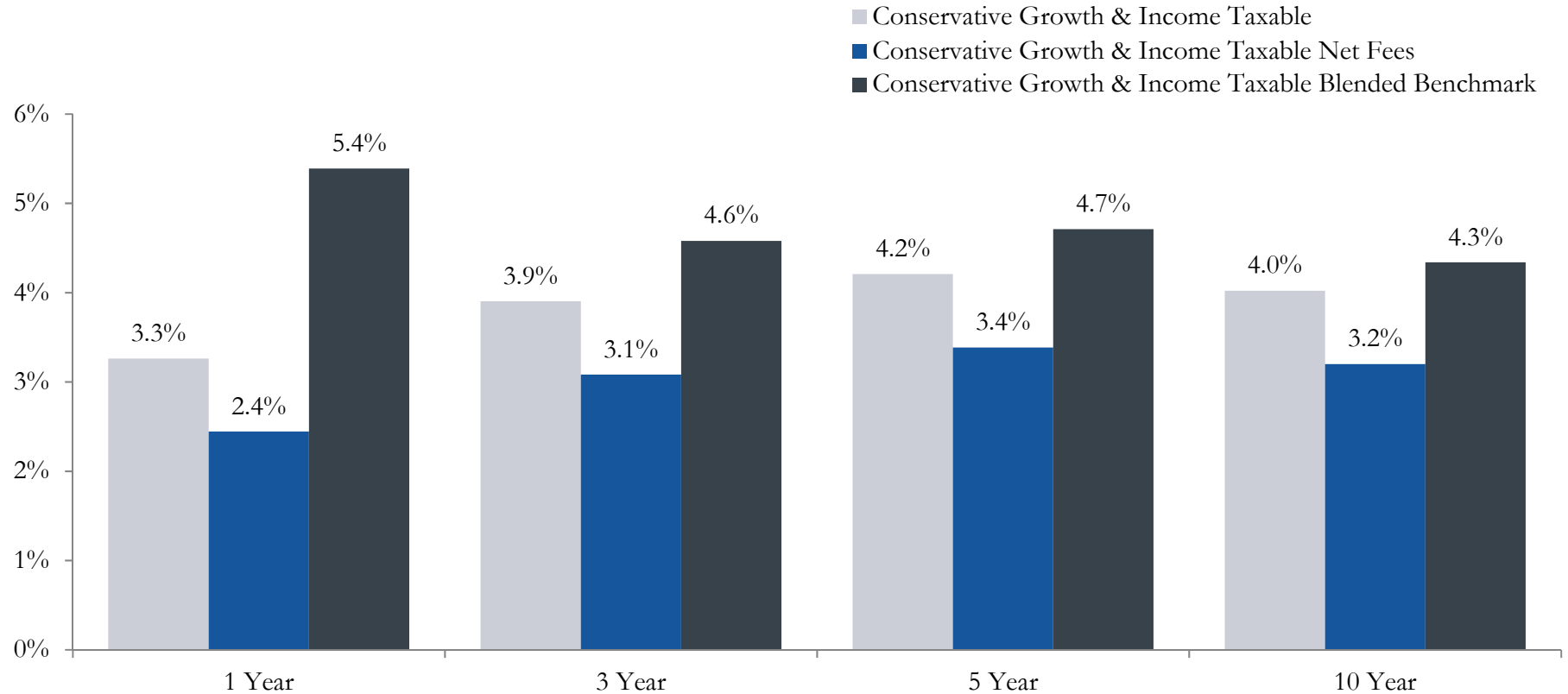


Third Quarter 2020

# Investment Performance

# Conservative Growth and Income Taxable

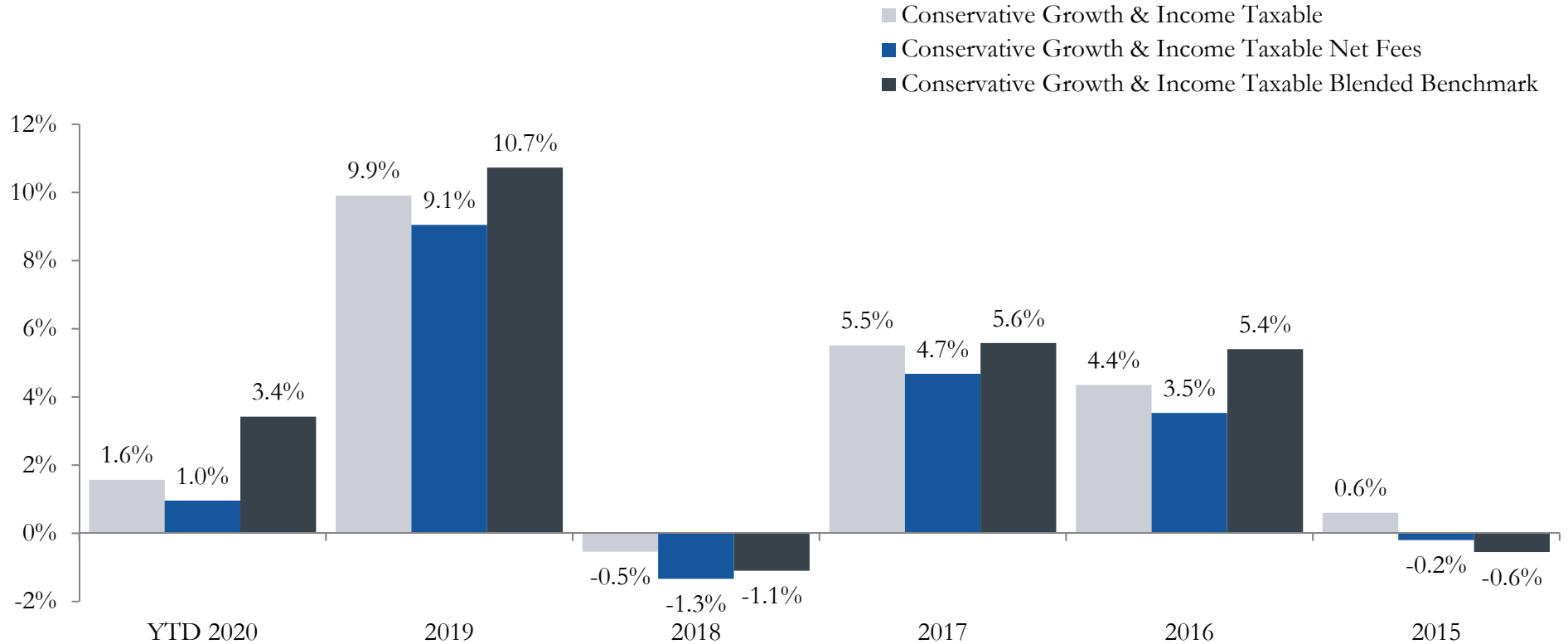
Annualized Returns



Past performance is not an indication of future results.  
Please refer to the Conservative Growth and Income Taxable Composite Annual Disclosure Presentation.

# Conservative Growth and Income Taxable

Calendar Year Returns



Past performance is not an indication of future results.  
Please refer to the Conservative Growth and Income Taxable Composite Annual Disclosure Presentation.

# Conservative Growth and Income Taxable

## Annual Disclosure Presentation

	2019	2018	2017	2016	2015
Composite Gross Return (%)	9.9	-0.5	5.5	4.4	0.6
Composite Net Return (%)	9.1	-1.3	4.7	3.5	-0.2
Blended Benchmark Return (%)	10.7	-1.1	5.6	5.4	-0.6
Internal Dispersion (%)	1.3	0.6	1.0	0.6	0.6
Composite 3-Year Standard Deviation (%)	2.3	2.2	2.2	2.6	2.7
Benchmark 3-Year Standard Deviation (%)	2.6	2.5	2.6	3.0	3.1
Number of Portfolios at Year-End	79	70	69	47	29
Composite Assets at Year-End (\$ M)	127	100	102	66	39
Firm Assets at Year-End (\$ M)	42,842	34,339	32,862	26,272	22,584
	2014	2014	2013	2012	2011
Composite Gross Return (%)	2.9	5.4	7.1	2.1	6.0
Composite Net Return (%)	2.1	4.6	6.3	1.3	5.2
Blended Benchmark Return (%)	3.5	3.6	7.1	5.3	8.0
Internal Dispersion (%)	1.2	2.0	1.1	0.5	1.2
Composite 3-Year Standard Deviation (%)	2.9	3.4	3.7	N/A	N/A
Benchmark 3-Year Standard Deviation (%)	3.0	3.2	3.2	N/A	N/A
Number of Portfolios at Year-End	57	66	18	22	32
Composite Assets at Year-End (\$ M)	68	71	33	34	55
Firm Assets at Year-End (\$ M)	20,073	15,461	8,508	7,940	8,057

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

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

2 The Conservative Growth and Income Taxable Composite includes all fully discretionary fee-paying portfolios that seek to provide a high level of current income through investments in taxable fixed income instruments and an opportunity capital appreciation through modest investment in equity securities. The minimum account size for composite inclusion is \$500,000. The composite was created on December 31, 1999. A complete list of composite descriptions is available upon request.

3 The Blended Benchmark from 1/1/2000 – 12/31/2011 was 20% S&P 500 / 80% BbgBarc Govt-Cred Interm. From 1/1/2012 to present the benchmark is 7.5% Russell 3000 / 3% iShares Div Select / 3% MSCI EAFE NR / 1.5% MSCI EM NR / 2.25% Bloomberg Commodity / 2% DJ Gbl RE / 0.75% BbgBarc US TIPS 1-10 / 70% BbgBarc Gov/Cred Int / 10% Citi HYB. The change was made due to tactical and strategic allocation changes at the firm level and in order to maintain appropriate composite-to-benchmark comparisons. The benchmark is rebalanced monthly.

4 Gross of fee returns include the cost of brokerage commissions, but excludes the impact of management, custodial and other fees and the impact of any income taxes an investor might have incurred as a result of taxable ordinary income and capital gains realized by the accounts. Net of fee returns are calculated by deducting the highest annual fee of 0.80% applied to the quarterly gross returns. The management fee is as follows: up to 0.80% on the first \$1 million; 0.65% on the next \$4 million; 0.40% on the next \$5 million and 0.30% thereafter. Returns include the reinvestment of income.

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

6 The 3-Year Annualized Ex-post Standard Deviation measures the variability of composite and the benchmark returns over the preceding 36-month period. The Standard Deviation is not represented prior to 2012 because 36 monthly returns of the composite are not available due to the composite being calculated quarterly.

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

8 Valuations are computed and performance is reported in U.S. dollars.

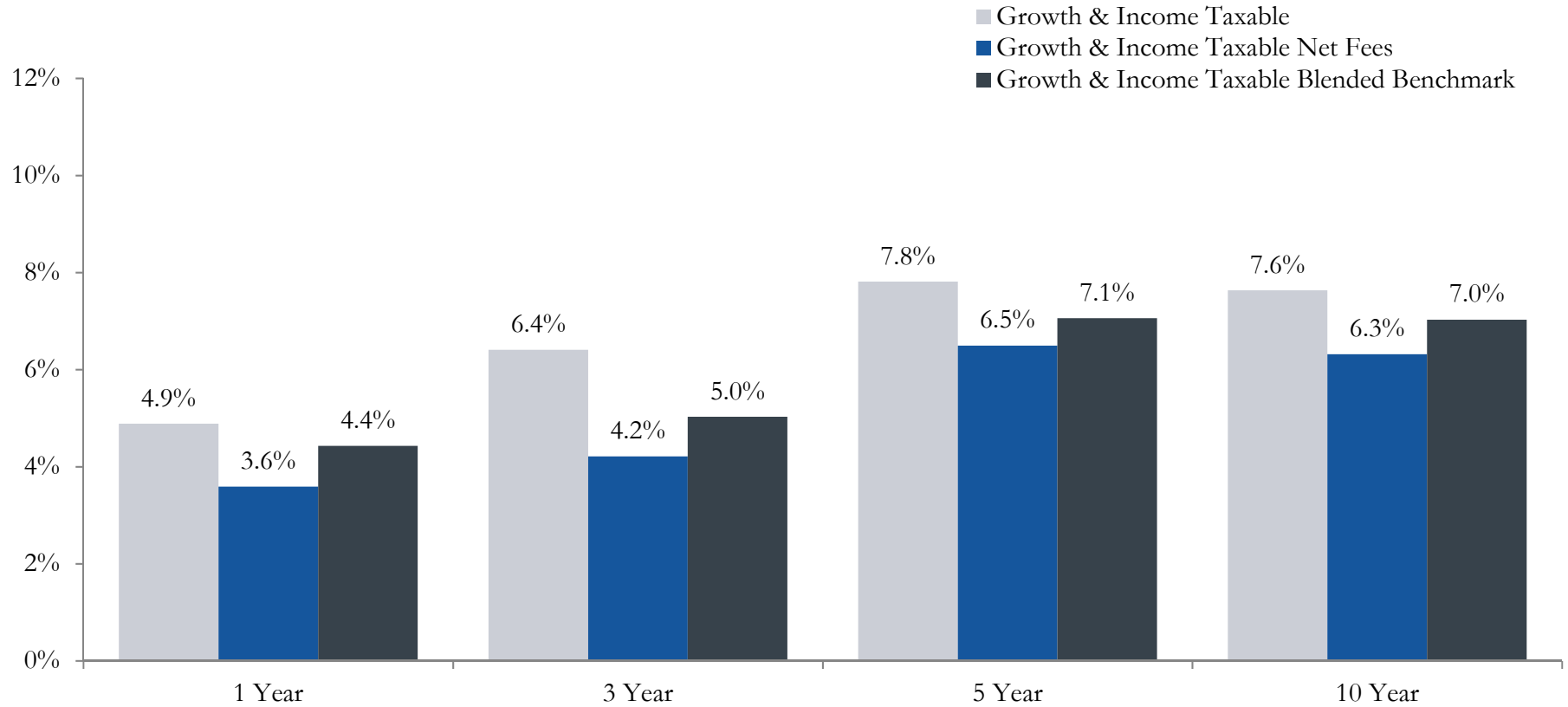
9 Any composite account that has a cash flow of 10% or greater in a single transaction is eliminated from the composite for the current valuation period. The excluded account is eligible for the composite again at the next valuation period. This policy is effective as of the composite inception date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

10 Past performance is not an indication of future results.



# Growth and Income Taxable

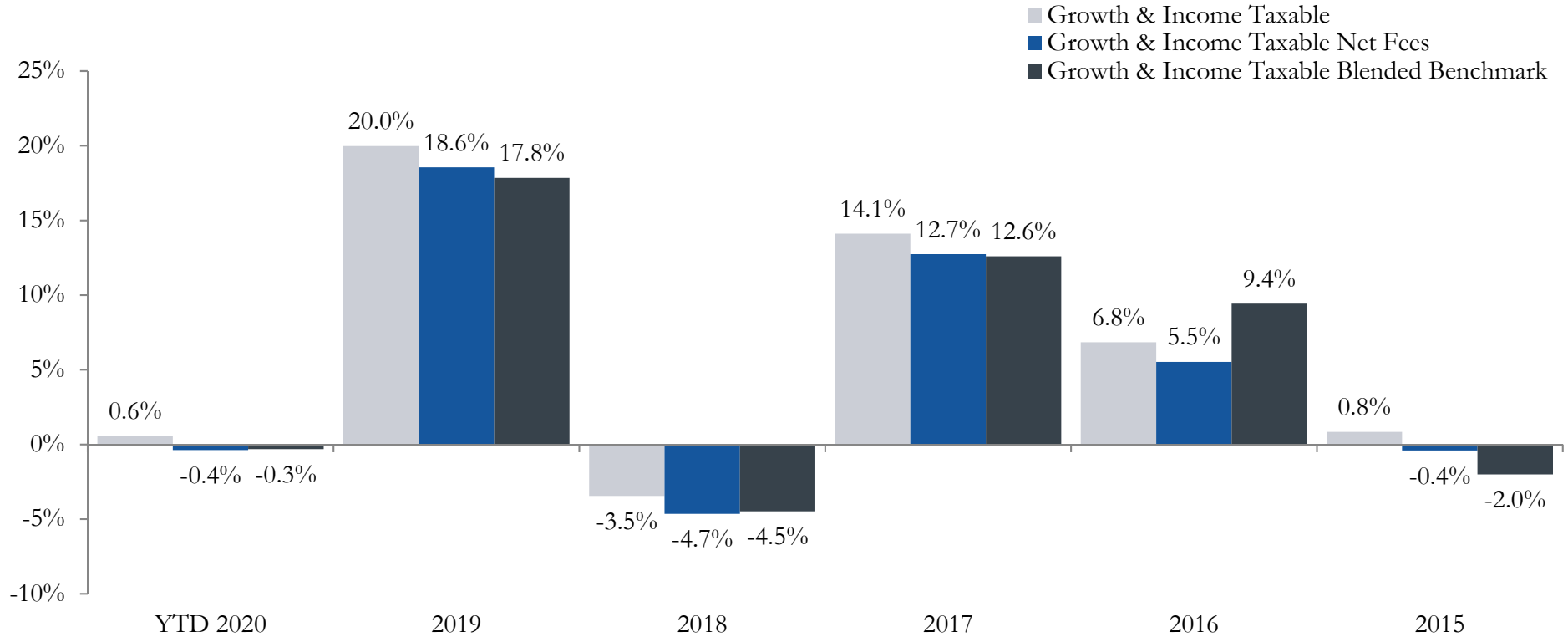
## Annualized Returns



Past performance is not an indication of future results.  
Please refer to the Growth and Income Taxable Composite Annual Disclosure Presentation.

# Growth and Income Taxable

## Calendar Year Returns



Past performance is not an indication of future results.  
Please refer to the Growth and Income Taxable Composite Annual Disclosure Presentation.

# Growth and Income Taxable

## Annual Disclosure Presentation

	2019	2018	2017	2016	2015
Composite Gross Return (%)	20.0	-3.5	14.1	6.8	0.8
Composite Net Return (%)	18.6	-4.7	12.7	5.5	-0.4
Blended Benchmark Return (%)	17.8	-4.5	12.6	9.4	-2.0
Internal Dispersion (%)	1.9	0.8	2.1	1.3	0.8
Composite 3-Year Standard Deviation (%)	6.1	6.0	6.0	6.7	6.6
Benchmark 3-Year Standard Deviation (%)	6.4	5.9	5.7	6.4	6.3
Number of Portfolios at Year-End	354	305	295	213	183
Composite Assets at Year-End (\$ M)	745	585	529	346	309
Firm Assets at Year-End (\$ M)	42,842	34,339	32,862	26,272	22,584
	2014	2013	2012	2011	2010
Composite Gross Return (%)	5.8	16.4	10.8	0.4	11.6
Composite Net Return (%)	4.5	15.0	9.4	-0.9	10.2
Blended Benchmark Return (%)	5.1	12.9	11.7	3.9	11.8
Internal Dispersion (%)	1.6	2.6	1.2	1.2	2.1
Composite 3-Year Standard Deviation (%)	6.1	7.8	9.5	N/A	N/A
Benchmark 3-Year Standard Deviation (%)	6.0	7.4	9.1	N/A	N/A
Number of Portfolios at Year-End	211	175	48	45	53
Composite Assets at Year-End (\$ M)	394	356	163	168	196
Firm Assets at Year-End (\$ M)	20,073	15,461	8,508	7,940	8,057

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3 The Blended Benchmark from 1/1/2000 – 12/31/2011 was 60% S&P 500 / 40% BbgBarc Govt-Cred Intern. From 1/1/2012 to present the benchmark is 25% Russell 3000 / 10% iShares Div Select / 10% MSCI EAFE NR / 5% MSCI EM NR / 3.6% Bloomberg Commodity / 3.2% DJ Gbl RE / 1.2% BbgBarc US TIPS 1-10 / 30% BbgBarc Gov/Cred Int / 12% Citi HYB. The change was made due to tactical and strategic allocation changes at the firm level and in order to maintain appropriate composite-to-benchmark comparisons. The benchmark is rebalanced monthly.

4 Gross of fee returns include the cost of brokerage commissions, but excludes the impact of management, custodial and other fees and the impact of any income taxes an investor might have incurred as a result of taxable ordinary income and capital gains realized by the accounts. Net of fee returns are calculated by deducting the highest annual fee of 1.25% applied to the quarterly gross returns. The management fee is as follows: up to 1.25% on the first \$1 million; 1.00% on the next \$4 million; 0.75% on the next \$5 million and 0.50% thereafter. Returns include the reinvestment of income.

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

6 The 3-Year Annualized Ex-post Standard Deviation measures the variability of composite and the benchmark returns over the preceding 36-month period. The Standard Deviation is not represented prior to 2012 because 36 monthly returns of the composite are not available due to the composite being calculated quarterly.

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

10 Past performance is not an indication of future results.



## Investment Management Fee Schedule

**BUSINESS TRUST  
DIRECTED TRUST FEE SCHEDULE**

(City National Bank has no Investment Management Responsibility)



**Annual Fees on Average Market Value:**

Minimum Account Size: ..... \$ 1,000,000  
 Minimum Annual Fee: ..... 5,000

**Assets Held in Trust:**

.50% on the first:..... \$ 1,000,000  
 .30% on the next:..... 4,000,000  
 .20% in excess of: ..... 5,000,000

**Transaction Fees:**

Settlement of Securities ..... \$ 10.00  
 Dividend & Capital Gains Reinvestment ..... 7.50  
 Set Up/Close Out Unique Asset..... 200.00  
 Set Up/Renewal of a Note..... 50.00  
 Incoming/Outgoing Payment on Note ..... 7.50  
 Set Up/Maturity of Other Institution Certificate of Deposits..... 25.00  
 Disbursements (includes 1099R)..... 7.50  
 Option Related Transaction ..... 50.00  
 Insurance Policies (Holding Fee) ..... 7.50/yr  
 Sub-Account Fee ..... 150.00/yr  
 Capital Changes, Reorganization & Class Actions ..... 30.00

**Other Fees:**

Reasonable additional compensation will be charged for any unusual or extraordinary services rendered (e.g. litigation, review and/or preparation of special purpose documents, same day checks, outgoing wire transfers, delivery of securities, or other unique transactions).

This schedule constitutes the standard fees to be charged by City National Bank and shall supersede any fee clauses in the governing instrument for this account. It is understood and expressly agreed that City National Bank shall have the right to modify this fee schedule from time to time upon sixty (60) days prior written notice of any revisions to this fee schedule. All fees and out-of-pocket expenses may be charged to the account. City National may receive services and products for its own interest from service providers, mutual fund sponsors, brokers and others at no cost to the account. In addition to any other compensation it receives for this account, any earnings on float attributable to outstanding distribution and other payments made by check from the account will be retained by the Bank. If any fees under this schedule are not paid when due, it is agreed that City National Bank shall be reimbursed for all costs and expenses, including attorneys and other fees it incurs as a result of such non-payment, whether suit is filed or not.

Bank and its affiliates receive additional reasonable compensation through investment management and shareholder servicing fees from the City National Rochdale Funds. Bank may also receive additional reasonable compensation from other Mutual Funds ("12b-1" funds) for services to those 12b-1 funds in which account's assets are invested.

**City National Bank:**

El Camino Real Alliance Public School  
 Employee Retirement Healthcare Benefits Trust

Account Name

by: \_\_\_\_\_

Authorized Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# INVESTMENT MANAGEMENT FEE SCHEDULE



**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

Minimum Annual Fee: .....\$ 3,000

Indicate if alternative minimum fee is appropriate:

- Minimum Annual Fee for unique or highly customized mandates or when City National serves as trustee:  
\$12,500 Client initial here \_\_\_\_\_.

Your assets invested in mutual funds will bear a proportionate share of the fees and expenses of the mutual funds. The mutual funds fees and expenses are in addition to the Management Fees. City National Bank ("CNB") or its affiliates may receive additional reasonable compensation from Affiliated Mutual Funds for investment management, administrative services and shareholder servicing to the mutual funds in which the Account's assets are invested. You are encouraged to read the prospectuses of the mutual funds in which the Account assets are invested for a more complete explanation of the fees and expenses.

**Affiliated Mutual Funds Management Fee Rebate:**

All assets invested in Affiliated Mutual Funds may receive a rebate of all or a portion of the Management Fees received by affiliated entities for the applicable fund as outlined in the account agreement. City National Bank will provide advance notification of any changes to the Affiliated Mutual Funds management fee rebate schedule. City National Bank or its affiliates may receive additional reasonable compensation from Affiliated Mutual Funds for investment management, administrative services or shareholder servicing.

**Qualified Retirement Plan and IRA 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

**Other Fees – Employee Benefit Trusts:**

The Account will be charged an additional 0.25% per annum on the first \$10 million, negotiable thereafter, when City National Bank serves as Trustee, with the exception of IRA and Individually Directed Employee Benefit Plan accounts.

Reasonable additional compensation will be charged for any unusual or extraordinary services rendered (e.g. litigation, review and/or preparation of special purpose documents, same day checks, outgoing wire transfer, delivery of securities, or other unique transactions).

This schedule constitutes the standard fees to be charged by City National Bank. It is understood and expressly agreed that City National Bank shall have the right to modify this fee schedule from time to time upon sixty (60) days' prior written notice of any revisions to this fee schedule. All fees and out-of-pocket expenses may be charged to the Account. City National Bank may receive services and products for its own interest from service providers, mutual fund sponsors, brokers and others at no cost to the Account. In addition to any other compensation it receives for this Account, any earnings on float attributable to outstanding distribution and other payments made by check from the Account will be retained by City National Bank. Deposits by check and ACH are typically processed to the Account the day received. Distributions made via check are dependent on the length of time taken for the recipient to deposit and distributions via ACH are typically completed in two business days.

If any fees under this schedule are not paid when due, it is agreed that City National Bank shall be reimbursed for all costs and expenses, including attorneys' fees and other fees it incurs as a result of such non-payment, whether suit is filed or not.

The undersigned hereby acknowledges receipt of a copy of this agreement.

**City National Bank:**

by: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Account Name

\_\_\_\_\_  
Principal

\_\_\_\_\_  
Principal

\_\_\_\_\_  
Date:

Shares of the Affiliated Mutual Funds, or any mutual funds are not deposits or obligations of and are not guaranteed by City National Bank or any of its affiliates or any banking or financial institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency. Investing in mutual funds involves risks, including the possible loss of principal. Although the money market funds seek to preserve the value of your investment at \$1.00 per share, it is also possible to lose money by investing in the funds.

# CONSERVATIVE GROWTH & INCOME STRATEGY FEE SCHEDULE



**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

Minimum Annual Fee:..... \$ 3,000

Indicate if alternative minimum fee is appropriate:

- Minimum Annual Fee for unique or highly customized mandates or when City National serves as trustee:  
\$12,500 Client initial here \_\_\_\_\_.

Your assets invested in mutual funds will bear a proportionate share of the fees and expenses of the mutual funds. The mutual funds fees and expenses are in addition to the Management Fees. City National Bank ("CNB") or its affiliates may receive additional reasonable compensation from Affiliated Mutual Funds for investment management, administrative services and shareholder servicing to the mutual funds in which the Account's assets are invested. You are encouraged to read the prospectuses of the mutual funds in which the Account assets are invested for a more complete explanation of the fees and expenses.

**Affiliated Mutual Funds Management Fee Rebate:**

All assets invested in Affiliated Mutual Funds may receive a rebate of all or a portion of the Management Fees received by affiliated entities for the applicable fund as outlined in the account agreement. City National Bank will provide advance notification of any changes to the Affiliated Mutual Funds management fee rebate schedule. City National Bank or its affiliates may receive additional reasonable compensation from Affiliated Mutual Funds for investment management, administrative services or shareholder servicing.

**Qualified Retirement Plan and IRA 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

**Other Fees:**

The Account will be charged an additional 0.25% per annum on the first \$10 million, negotiable thereafter, when City National Bank serves as Trustee, with the exception of IRA Accounts and Individually Directed Accounts.

- Please check if City National Bank serves as Trustee.

Reasonable additional compensation will be charged for any unusual or extraordinary services rendered (e.g. litigation, review and/or preparation of special purpose documents, same day checks, outgoing wire transfer, delivery of securities, or other unique transactions).

This schedule constitutes the standard fees to be charged by City National Bank and shall supersede any fee clauses in the governing instrument for this Account. It is understood and expressly agreed that City National Bank shall have the right to modify this fee schedule from time to time upon sixty (60) days' prior written notice of any revisions to this fee schedule. All fees and out-of-pocket expenses may be charged to the Account. City National Bank may receive services and products for its own interest from service providers, mutual fund sponsors, brokers and others at no cost to the Account. In addition to any other compensation it receives for this Account, any earnings on float attributable to outstanding distribution and other payments made by check from the Account will be retained by City National Bank. Deposits by check and ACH are typically processed to the Account the day received. Distributions made via check are dependent on the length of time taken for the recipient to deposit and distributions via ACH are typically completed in two business days.

If any fees under this schedule are not paid when due, it is agreed that City National Bank shall be reimbursed for all costs and expenses, including attorneys' and other fees it incurs as a result of such non-payment, whether suit is filed or not.

The undersigned hereby acknowledges receipt of a copy of this agreement.

**City National Bank:**

El Camino Real Charter High School General Account  
Account Name

by: \_\_\_\_\_

Principal

Date: \_\_\_\_\_

Principal

Date: \_\_\_\_\_

Shares of the Affiliated Mutual Funds or any mutual funds are not deposits or obligations of and are not guaranteed by City National Bank or any of its affiliates or any banking or financial institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency. Investing in mutual funds involves risks, including the possible loss of principal. Although the money market funds seek to preserve the value of your investment at \$1.00 per share, it is also possible to lose money by investing in the funds.



## Team Biographies





**Garrett R. D'Alessandro,**  
**CFA, CPWA®, CAIA, AIF®**

*Chief Executive Officer*  
*City National Rochdale*

Mr. D'Alessandro joined City National Rochdale in 1986 and is the Chief Executive Officer. In addition to setting the strategic direction of the firm, he plays a key role in the firm's portfolio management and investment research functions. In this capacity he assists in determining the macroeconomic outlook and strategic asset allocations for the firm's strategies. In January 2017, Mr. D'Alessandro joined the Executive Committee of City National Bank where he represents the Wealth Management Division. Prior to joining the firm, Mr. D'Alessandro was a Certified Public Accountant and an Audit Manager with KPMG Peat Marwick.

Mr. D'Alessandro received his MBA in Finance from the Stern School of Business at New York University. He holds the Chartered Financial Analyst® designation, the Chartered Alternative Investments Analyst designation, and is a member of the New York Society of Security Analysts and the CFA Institute. He also is an Accredited Investment Fiduciary. Mr. D'Alessandro makes presentations on current investment issues to financial professionals throughout the country and has been featured in various media outlets including CNBC, The Financial Network, Barron's, Practical Accountant, CPA Wealth Provider, and New Jersey CPA. Mr. D'Alessandro is an Ironman tri-athlete and has been selected multiple times to compete in the world championship in Kona, Hawaii. He is also a supporter of numerous charitable and civic organizations.


**Thomas Galvin**

*Chief Investment Officer  
Sr Portfolio Manager  
City National Rochdale*

Mr. Galvin joined City National Rochdale in 2012. As Chief Investment Officer, he is responsible for developing the firm's investment philosophy, overseeing the firm's asset allocation and investment strategies, and managing the investment teams. In addition, he is the Portfolio Manager for the City National Rochdale U.S. Large Cap Core Equity Strategy and leads the research and management of this strategy for client accounts.

Mr. Galvin has over 30 years of equity investment experience from financial services organizations such as Lehman Brothers, Smith Barney, Forstmann-Leff and UBS. Most recently, he was Managing Partner at Galvin Asset Management, where he managed accounts for high-net-worth individuals. At UBS, he was a Senior Portfolio Manager and Director of Research where he co-managed \$8 billion in large-cap growth, core institutional, and mutual fund portfolios. Prior to UBS, he was a Senior Managing Director with Forstmann-Leff Associates where he was responsible for \$3.8 billion in large-cap, mid-cap, asset allocation, and long/short equity hedge fund products as well as held numerous positions including Chief Investment Officer and Director of Research.

Mr. Galvin earned his BA in Economics from Queens College and his MBA in Finance and Investments from the Gabelli Business School of Fordham University. He is the Founder of the Fordham Wall Street Council and a former board member of the McCaddin-Quirk Foundation, The Lavelle Fund for the Blind and The Maryknoll Society. He is also a member of the New York Society of Security Analysts. In his free time, Mr. Galvin enjoys spending time with his family and dogs, performing numerous outdoor activities, and doing community service as a Knight of Malta.


**Brian Hsieh, CFA**

*Director, Senior Investment Strategist  
City National Rochdale*

Mr. Hsieh joined City National Rochdale in 2019 and has 25 years of experience in the investment management industry. Based in Beverly Hills, he is responsible for working with City National's Private Banking division to lead and facilitate the investment business development efforts for high-net-worth private clients and institutions.

Prior to joining the firm, Mr. Hsieh was most recently employed at Wells Fargo Private Bank. As a Senior Investment Strategist and Senior Vice President, he was a portfolio manager for high-net-worth clients, trusts estates and charitable foundations. He was responsible for goal-based asset allocation, investment research and portfolio implementation.

Mr. Hsieh earned his BA from National Cheng-Chi University in Taipei, Taiwan with a major in Banking. He also earned an MBA in Finance from UCLA Anderson School of Business. He holds the Chartered Financial Analyst® designation and is a member of the CFA Society Los Angeles. He resides in Los Angeles, where he enjoys cycling and swimming. He is also fluent in Mandarin.


**Charles Boettcher**

*Managing Director,  
Senior Portfolio Manager  
City National Rochdale*

Mr. Boettcher joined City National Rochdale (formerly City National Asset Management) in 2007 and has over 20 years of professional experience in investment management. He manages portfolios totaling almost \$2 billion in client assets, specializing in portfolio construction designed to fit clients' personalized needs and risk/return parameters. Mr. Boettcher has extensive experience managing assets for individuals, foundations, and various types of trusts, including charitable, special needs, and socially responsible trusts. Further, he is responsible for managing the equity and balanced portfolio managers.

Prior to City National, he worked as a Portfolio Manager and Senior Investment Officer at Northern Trust, where he was responsible for the management of client portfolios, as well as the portfolio managers and investment staff in the Westwood office.

Mr. Boettcher holds a BA in Political Science, with Honors, from the University of California, Berkeley. He has appeared on Bloomberg television, as well as, the KNX radio "Business News Hour," in Los Angeles providing insight on the markets and economy. In addition, Mr. Boettcher regularly speaks at conferences and events. Mr. Boettcher has volunteered his time to Habitat for Humanity and the Greater Los Angeles Zoo Association.


**Robert Harder, CFA**

*Director, Sr Portfolio Manager  
City National Rochdale*

Mr. Harder joined City National Rochdale in 2005 and has over 20 years of experience in the field of investment management. He manages client relationships with an emphasis on fixed income management and he also specializes in the research, analysis, selection, and trading of fixed income securities for both the City National proprietary City National Rochdale Funds and individual fixed income portfolios.

Prior to joining City National, he was with Wells Fargo Bank for over 10 years where he served as Portfolio Manager and Relationship Manager at Wells Capital Management. While there, he was one of six mutual fund and separate account fixed income managers responsible for a combined portfolio of over \$12 billion where he performed risk analysis and in-depth research on both individual fixed income sectors and mutual funds. Other past positions include Supervisor of Investment Performance for Wilshire Associates Inc.

Mr. Harder holds a BA from the University of California at Los Angeles. He is an active member of the CFA Institute and the CFA Society of Los Angeles. Committed to philanthropic endeavors, Mr. Harder holds memberships with the UCLA Alumni Association, UCLA Chancellor's Associates, Board of Directors – The Order of the Blue Shield/UCLA, the Surfrider Foundation, and is a member of the California Highway Patrol 11-99 Foundation. He also acts as a mentor through the Riordan Scholars Program at UCLA's Anderson School of Business. Mr. Harder enjoys spending time in the



## Disclosures

# Monte Carlo Assumptions

A Monte Carlo Analysis is a simulation based forecast method, which explicitly accounts for the impact of volatility predictions associated with expected returns. The simulation attempts to replicate the uncertainty associated with financial markets with an illustration of potential outcomes.

This Monte Carlo simulation uses inputs from expected return, volatility, cash flow, and (applicable) tax information, based on the facts and assumptions provided in each analysis. Covering a broad range of outcomes, the analysis generates 1,000 iterations for each calendar year.

Projections or other information generated by Monte Carlo analysis regarding investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results will vary with each use and over time. The expected returns include the reinvestment of capital gains, dividends, and interest income and are computed net of City National Rochdale management fees of 1.00%, and do not include transaction cost (i.e., brokerage

## Limitations of the Monte Carlo Simulation

Monte Carlo simulations could prove incorrect based on the nature of forecasting, and cannot guarantee an outcome. Monte Carlo simulations can be an important tool to help understand how adjustments can impact your long term financial health, but should only be used as a guide to help make informed investment decisions. Market volatility may be more extreme than what is represented by the simulation. The accuracy of the simulation may be reduced in periods of market crisis. The simulation does not consider all investments, and those not considered might have characteristics similar or than those analyzed in this report. City National Rochdale's Capital Market Assumptions may change over time.

All personal information, including, but not limited to, investment horizon, risk preferences and current investment holdings, utilized in this analysis is provided by you, the client. Although deemed reliable, the accuracy of this information has not been verified.

The projections are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

# Important Disclosures

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

Certain statements contained herein may constitute projections, forecasts and other forward looking statements, which do not reflect actual results and are based primarily upon a hypothetical set of assumptions applied to certain historical financial information. Certain information has been provided by third-party sources and, although believed to be reliable, it has not been independently verified and its accuracy or completeness cannot be guaranteed.

Any opinions, projections, forecasts, and forward-looking statements presented herein are valid as on the date of this document and are subject to change.

**Equity Investing Risks:** 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. Investments in small cap stocks may be more volatile than those of larger ones, and they are also often less liquid than those of larger companies because there is a limited market for small-cap securities. Investments in large cap stocks may grow more slowly than the overall market. Value stocks may perform differently from the market as a whole and may be undervalued by the market for a long period of time. Due to the relatively high valuations of growth stocks which are generally a function of expected earnings growth, growth stocks will be more volatile than value stocks and such earnings growth may not occur or be sustained. Investing in international markets carries risks such as currency fluctuation, regulatory risks, economic and political instability. Emerging markets involve heightened risks related to the same factors as well as increased volatility, lower trading volume, less liquidity, greater custodial and operational risks, less developed legal and accounting systems than developed markets.

Concentrating assets in a particular industry, sector of the economy, or markets may increase volatility because the investment will be more susceptible to the impact of market, economic, regulatory, and other factors affecting that industry or sector compared with a more broadly diversified asset allocation.

Concentrating assets in the real estate sector or REITs may disproportionately subject a portfolio to the risks of that industry, including the loss of value because of adverse developments affecting the real estate industry and real property values. Investments in REITs may be subject to increased price volatility and liquidity risk; concentration risk is high.

Investments in Master Limited Partnerships (MLP) are susceptible to concentration risk, illiquidity, exposure to potential volatility, tax reporting complexity, fiscal policy and market risk. Investors of MLPs are subject to increased tax reporting requirements. MLP investors typically receive a complicated Schedule K-1 form rather than Form 1099. MLPs may not be appropriate investments for tax-advantaged accounts because of potential negative tax consequences (Unrelated Business Tax Income).

# Important Disclosures

**Fixed Income Investing Risks:** There are inherent risks with fixed income investing. These risks may include interest rate, call, credit, market, inflation, government policy, liquidity, or junk bond. When interest rates rise, bond prices fall. Investments in below-investment-grade debt securities and unrated securities of similar credit quality, commonly known as "junk bonds" or "high-yield securities," may be subject to increased interest, credit, and liquidity risks. Floating rate loan securities generally trade in the secondary market and may have irregular trading activity, wide bid/ask spreads and extended trade settlement periods. The value of collateral, if any, securing a floating rate loan can decline, may be insufficient to meet the issuer's obligations in the event of non-payment of scheduled interest or principal or may be difficult to readily liquidate. Bank loans do not typically trade on an organized exchange making them relatively illiquid and difficult to value. Consequently, the fund manager may have difficulty liquidating a position at a favorable price. 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. Investments in emerging markets bonds may be substantially more volatile, and substantially less liquid, than the bonds of governments, government agencies, and government-owned corporations located in more developed foreign markets. Frontier market countries generally have smaller economies and even less developed capital markets than traditional emerging markets, and, as a result, the risks are magnified in frontier market countries. Restricted and illiquid securities may fall in price because of an inability to sell the securities when desired. Investing in restricted securities may subject the portfolio to higher costs and liquidity risk.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

If a fund owning life settlement policies is unable to make premium payments on a life policy, the policy will lapse and the fund will lose its ownership interest in the policy. There may be a mismatch of cash flows related to the fund's investment in life policies. There is currently no established secondary market for life policies, and are not considered liquid investments. If the fund must sell a life policy to meet redemptions or other cash needs, the fund may be forced to sell at a loss. The longer the insured lives, the lower the fund's rate of return on the life policy. The underwriter's estimate of the insured's life expectancy may be incorrect. An insurance company may be unable or refuse to pay benefits on a life policy.

City National Rochdale Funds are distributed by SEI Investments Distribution Co., which is not affiliated with City National Bank or any of its affiliates.

Certain alternative investments are open only to investors who meet certain "accredited investor" criteria. An Accredited Investor is any natural person (individually or with spouse) with \$1 million net worth (excluding personal residence) or with individual income of more than \$200,000 in each of the last 2 years, or \$300,000 in joint income with spouse and the reasonable expectation of reaching the same income level in the current year. This also includes institutions with \$5,000,000 or more in assets. Please see the Offering Memorandum for more complete information regarding an alternative fund's investment objectives, risks, fees and other

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

Certain statements contained herein may constitute projections, forecasts and other forward looking statements, which do not reflect actual results and are based primarily upon a hypothetical set of assumptions applied to certain historical financial information. Certain information has been provided by third-party sources and, although believed to be reliable, it has not been independently verified and its accuracy or completeness cannot be guaranteed.

Any opinions, projections, forecasts, and forward-looking statements presented herein are valid as on the date of this document and are subject to change.

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

As with any investment strategy, there is no guarantee that investment objectives will be met and investors may lose money.

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

Investing in international markets carries risks such as currency fluctuation, regulatory risks, economic and political instability. Emerging markets involve heightened risks related to the same factors as well as increased volatility, lower trading volume, and less liquidity. Emerging markets can have greater custodial and operational risks, and less developed legal and accounting systems than developed markets.

There are inherent risks with fixed income investing. These risks may include interest rate, call, credit, market, inflation, government policy, liquidity, or junk bond. *When interest rates rise, bond prices fall.* This risk is heightened with investments in longer duration fixed-income securities and during periods when prevailing interest rates are low or negative.

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

The yields and market values of municipal securities may be more affected by changes in tax rates and policies than similar income-bearing taxable securities. Certain investors' incomes may be subject to the Federal Alternative Minimum Tax (AMT) and taxable gains are also possible.

Returns include the reinvestment of interest and dividends.

Diversification may not protect against market loss or risk.

Past performance is no guarantee of future performance.



# Important Disclosures

Alternative investments are speculative, may entail substantial risks and may not be suitable for all investors.

Private investments often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, and may involve complex tax structures and delays in distributing important tax

Certain closed-end fund distributions may come from a return of principal or capital rather than dividends, interest, or capital gains.

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

Client account investment returns include the reinvestment of interest and dividends. Investment returns are computed net of management fees and exclude transaction costs associated with trading securities in the account.

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 loss or risk.

All investing is subject to risk, including the possible loss of the money you invest.

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

Past performance is no guarantee of future performance.

# Important Information

All analyses in this proposal are for illustrative purposes only and are based on information you have provided which is assumed to be accurate and complete. Nothing in this proposal is an express or implied guarantee of actual performance.

This investment planning analysis has been prepared to assist you in formulating a long-term investment strategy by allocating your assets over a spectrum of asset classes. The analysis takes into consideration, among other variables, your existing portfolio, investment objectives, tolerance for risk, time horizon, cash inflows/outflows and the uncertainty of future returns among the various asset classes. It is not possible to predict actual future results and City National Rochdale's assessment of future returns may not prove accurate, as these returns are subject to an assortment of economic, market and political variables.

The **Investment Strategy** illustration, commonly referred to as the efficient frontier, represents the set of asset class combinations that provide the maximum expected return for each level of risk. This is calculated by using expected returns and volatility for the different asset classes (as derived from historical returns or as provided by your advisor) as well as historical asset class correlations (a measure of the extent to which asset classes move in tandem).

Your **Proposed Portfolio** is determined from generally accepted investment theories. You should view your Proposed Portfolio Allocation only as a broad guideline on how you might invest your savings. The Proposed Portfolio does not represent your actual future portfolio value and is intended as a guideline only.

The **Sensitivity Analysis** represents simulated future values of an allocated portfolio utilizing hypothetical returns and volatility for the different asset classes derived from the weightings shown in the asset allocation.

The **Probability** represents the statistical likelihood that the portfolio value will be within the given ranges (from below average to above average). For example, 68% represents the expectation that the portfolio forecast value range shown will hold true 68% of the time. The advisor/client can select any confidence interval from 1 to 99%. A higher confidence interval provides a wider range of return possibilities.

Volatility is a measure of dispersion of expected returns around the average.

The **Volatility Analysis** graphs represent the volatility of individual equity holdings, as defined by Barra's Total Risk. These charts are designed to show how much price fluctuation your portfolio has experienced historically. When compared with its benchmark, the client can see in which volatility zones the clients' current portfolio lies. The volatility zones ranging from moderate to excessive were derived through City National Rochdale's proprietary investment methodology.

**Dynamic Risk Management (DRM)** represents a customized risk mitigation strategy. DRM is designed to actively adjust the risk of an investment portfolio, given economic and market conditions, to be consistent with the risk tolerance of each individual investor. This strategy can result in dynamic adjustments to asset allocations and individual holdings within your investment portfolio. DRM may cause the actual allocation of your portfolio to vary from that of your initial target asset

City National Rochdale's planning analysis is derived from an array of technical and analytic assumptions regarding the future behavior of the financial markets. A description of these assumptions is available upon request.

# The Importance of Asset Allocation

Of all the elements that are controllable by an investor, few can affect one's long term rate of return more than selecting the appropriate asset allocation. Empirical studies have demonstrated that asset allocation determines more than 90% of the variation in returns experienced by a portfolio, with little contribution from security selection or market timing. Thus it is far more important over the long term to come up with the right proportion of asset classes than it is to pick the "best" stocks or mutual funds. By focusing on asset allocation, you significantly increase your ability to achieve your long-term wealth accumulation goals.

The level of volatility acceptable to you over the investment period is the key factor in setting asset allocation. The assessment of an investor's tolerance for portfolio volatility should focus on a minimum investment planning horizon of five years, especially when equity investments are involved. The reward for accepting higher levels of volatility is the potential for higher average annual returns.

Once your comfort level for volatility has been identified, we set out to find an optimal mix of asset classes. Through a series of sophisticated calculations, your risk tolerance is matched with the best combination of the asset classes that generates the highest expected long-term average annual rate of return for the given level of volatility.

The portfolio to be developed can be comprised of several major asset classes, such as large company stocks, small company stocks, international stocks, fixed income, and cash. Each asset class will have a different degree of return variation. A well-diversified portfolio is attained through understanding the degree of common movement among asset classes. A portfolio of a combination of asset classes is less risky, or less volatile, than one consisting of a single asset class, because the components of the portfolio will not move in tandem.

The future performance of individual stocks or bonds is unknown and difficult to predict. However, in a well-diversified aggregate, securities within an asset class will exhibit the risk and return characteristics of that asset class. Armed with this information, you can make intelligent decisions based on the probability of reaching your goals.

# The Importance of Asset Allocation

Asset Class	Frequently Used Benchmarks
Cash US (Domestic)	BBA Libor 1 Month USD
Cash International Euro	BBA Libor 1 Month Euro
Cash International Yen	BBA Libor 1 Month JPY
Cash International Other	BBA Libor 1 Month CHF (Switzerland)
Core Fixed Income Tax Exempt	Barclays Municipal TR USD
Core Fixed Income Taxable US Government	Barclays US Government TR USD
Core Fixed Income Taxable Corporate	Barclays US Credit TR USD
Opportunistic Income Global Bonds (\$ Denominated)	Barclays Global Aggregate TR USD
Opportunistic Income Global Bonds (Local)	Barclays Global Aggregate TR USD
Opportunistic Income Bank Loans	Credit Suisse Leveraged Loan USD
Opportunistic Income Mortgage Backed Securities	Barclays US Credit/Mortgage TR USD
Opportunistic Income Preferred Stock	BofAML Preferred Stock Fixed Rate TR USD
Opportunistic Income High Yield (Taxable)	Barclays US Corporate High Yield TR USD
Opportunistic Income High Yield (Muni)	Barclays HY Muni TR USD
Opportunistic Income Global High Yield Bonds	Barclays Global High Yield TR USD
Opportunistic Income EM Debt (Local)	Barclays EM TR USD
Opportunistic Income Diversified	Barclays Global Aggregate TR USD
Equity US Core Large Value	S&P 500 Value TR
Equity US Core Large Growth	S&P 500 Growth TR
Equity US Core Mid Value	S&P MidCap 400 Value TR
Equity US Core Mid Growth	S&P MidCap 400 Growth TR
Equity US Small Value	S&P SmallCap 600 Value TR
Equity US Small Growth	S&P SmallCap 600 Growth TR
Equity US HDI	DJ US Select Dividend TR USD
Equity US Opportunistic	Russell 3000 TR USD
Equity International Developed	MSCI EAFE NR USD
Equity International Emerging	MSCI EM NR USD
Equity International HDI	DJ Global Select Dividend TR USD
Equity International Opportunistic	MSCI ACWI Ex USA NR USD
Real Assets Real Estate US	DJ US Real Estate TR USD
Real Assets Real Estate International	DJ Global World Real Estate TR USD
Real Assets Inflation Protected Fixed Income	Barclays Gbl Infl Linked US TIPS TR USD
Real Assets Agriculture (Non-Energy)	S&P GSCI Agricultural TR
Real Assets Commodities Energy	S&P GSCI Energy TR
Real Assets Commodities Precious Metals	S&P GSCI Precious Metal TR

# The Importance of Asset Allocation

Alternative Investments Opportunistic Collateralized Debt	HFRX RV: FI-Asset Backed
Alternative Investments Opportunistic RMBS	HFRX RV: FI-Asset Backed
Alternative Investments Opportunistic Distressed Convertibles	HFRX RV: FI-Convertible Arbitrage Index
Alternative Investments Opportunistic Distressed Debt	HFRX RV: FI-Asset Backed
Alternative Investments Opportunistic Royalties	HFRX RV: Yield Alternative Index
Alternative Investments Opportunistic Life Settlements	HFRX ED: Special Situations Index
Alternative Investments Opportunistic International Trade Finance	HFRX RV: FI-Sovereign Index
Alternative Investments Opportunistic Structured Annuities	HFRX RV: FI-Asset Backed
Alternative Investments Opportunistic Long Biased Equities	HFRX Equity Hedge Index
Alternative Investments Multi Strategy Low Vol	HFRX Equity Hedge Index
Alternative Investments Multi Strategy High Vol	HFRX Equity Hedge Index
Alternative Investments Market Driven Event Driven	HFRX Event Driven Index
Alternative Investments Market Driven Long/Short	HFRX Equity Hedge Index
Alternative Investments Market Driven Macro	HFRX Relative Value Arbitrage Index
Alternative Investments Market Driven Arb/Relative Value	HFRX Macro/CTA Index
Alternative Investments Market Driven Absolute Return	HFRX EH: Equity Market Neutral Index
Alternative Investments Market Driven Market Neutral	HFRX EH: Equity Market Neutral Index
Alternative Investments Futures Equity	HFRX Macro: Discretionary Thematic Index
Alternative Investments Futures Currency	HFRX Macro: Currency Index
Alternative Investments Futures Interest Rate	HFRX Macro: Currency Index
Alternative Investments Futures Commodity	HFRX Macro/CTA Index
Alternative Investments Private Equity US	Cambridge Associates US Private Equity
Alternative Investments Private Equity Asia Lat/Am	Cambridge Associates US Private Equity
Alternative Investments Private Equity European	Cambridge Associates US Private Equity
Alternative Investments Venture Capital	Cambridge Associates US Venture Capital

Please note that results might be different from a full financial plan that considers information such as financial net worth analysis, insurance requirements, detailed tax situations, and estate planning. Recognizing that past performance does not guarantee future results and that indices differ from actual portfolios, data presented is based on the relationship of various indices representing asset classes. There may be a low correlation between the index and a client's portfolio consisting of securities. The market indices do not contain management fees or transaction costs.

# Client Profile

## Capital Market Assumptions

The following is a review of the data being used to generate wealth and return assumptions for Actual and Target Portfolios based on a combination of historical returns and risk and current outlook.

Asset Class	Annualized Return (%)	Annualized Risk (%)	Monthly Return (%)	Monthly Risk (%)
Equity US HDI	7.50	14.00	0.60	4.04
Equity US Core Large Value	8.00	16.50	0.64	4.76
Equity US Core Large Growth	8.00	16.50	0.64	4.76
Equity US Mid Value	8.00	16.50	0.64	4.76
Equity US Mid Growth	8.00	16.50	0.64	4.76
Equity US Small Value	9.00	19.00	0.72	5.48
Equity US Small Growth	9.00	19.00	0.72	5.48
Equity US Opportunistic	8.50	19.00	0.68	5.48
Equity International Developed	7.50	19.00	0.60	5.48
Equity International Emerging	12.00	23.00	0.95	6.64
Equity International HDI	7.00	17.00	0.57	4.91
Equity International Opportunistic	8.50	20.00	0.68	5.77
Core Fixed Income Tax Exempt	3.30	3.30	0.27	0.95
Core Fixed Income Taxable US Government	3.00	3.10	0.25	0.89
Core Fixed Income Taxable Corporate	3.80	4.30	0.31	1.24
Opportunistic Income Global Bonds (\$ Denominated)	5.50	6.00	0.45	1.73
Opportunistic Income Global Bonds (Local)	5.50	6.00	0.45	1.73
Opportunistic Income Bank Loans	5.00	6.00	0.41	1.73
Opportunistic Income Mortgage Backed Securities	5.00	5.00	0.41	1.44
Opportunistic Income Preferred Stock	6.00	10.00	0.49	2.89
Opportunistic Income High Yield (Taxable)	5.50	11.00	0.45	3.18
Opportunistic Income High Yield (Muni)	5.00	9.00	0.41	2.60
Opportunistic Income Global High Yield Bonds	8.50	12.50	0.68	3.61
Opportunistic Income EM Debt (Local)	9.00	12.50	0.72	3.61
Opportunistic Income Reinsurance	9.00	15.00	0.72	4.33
Real Assets Real Estate US	7.50	18.00	0.60	5.20
Real Assets Real Estate International	7.00	19.00	0.57	5.48
Real Assets Inflation Protected Fixed Income	3.00	6.50	0.25	1.88
Real Assets Commodities Diversified	8.00	18.50	0.64	5.34
Real Assets Commodities Energy	8.00	24.00	0.64	6.93
Real Assets Commodities Precious Metals	7.50	16.00	0.60	4.62
Alternative Investments Opportunistic Collateralized Debt	9.00	14.00	0.72	4.04
Alternative Investments Opportunistic RMBS	8.00	14.00	0.64	4.04
Alternative Investments Opportunistic Distressed Convertibles	9.00	13.50	0.72	3.90
Alternative Investments Opportunistic Distressed Debt	8.00	14.00	0.64	4.04
Alternative Investments Opportunistic Royalties	9.00	12.00	0.72	3.46
Alternative Investments Opportunistic Life Settlements	12.00	20.00	0.95	5.77

# Client Profile

## Capital Market Assumptions

The following is a review of the data being used to generate wealth and return assumptions for Actual and Target Portfolios based on a combination of historical returns and risk and current outlook.

Asset Class	Annualized Return (%)	Annualized Risk (%)	Monthly Return (%)	Monthly Risk (%)
Alternative Investments Opportunistic International Trade Finance	3.50	3.50	0.29	1.01
Alternative Investments Opportunistic Structured Annuities	7.00	5.00	0.57	1.44
Alternative Investments Opportunistic Long Biased Equities	11.00	20.00	0.87	5.77
Alternative Investments Multi Strategy Low Vol	7.00	8.00	0.57	2.31
Alternative Investments Multi Strategy High Vol	10.00	14.00	0.80	4.04
Alternative Investments Market Driven Event Driven	8.00	12.00	0.64	3.46
Alternative Investments Market Driven Long/Short	8.00	15.00	0.64	4.33
Alternative Investments Market Driven Macro	6.00	16.00	0.49	4.62
Alternative Investments Market Driven Arb/Relative Value	9.00	14.00	0.72	4.04
Alternative Investments Market Driven Absolute Return	6.00	14.00	0.49	4.04
Alternative Investments Market Driven Market Neutral	6.00	12.00	0.49	3.46
Alternative Investments Futures Equity	6.00	15.00	0.49	4.33
Alternative Investments Futures Currency	4.00	11.00	0.33	3.18
Alternative Investments Futures Interest Rate	5.00	12.00	0.41	3.46
Alternative Investments Futures Commodity	7.00	15.00	0.57	4.33
Alternative Investments Private Equity US	11.00	18.00	0.87	5.20
Alternative Investments Private Equity Asia Lat/Am	12.00	19.00	0.95	5.48
Alternative Investments Private Equity European	9.00	20.00	0.72	5.77
Alternative Investments Venture Capital*	13.00	24.00	1.02	6.93
Cash US (Domestic)	1.00	0.50	0.08	0.14
Cash International Euro	0.00	0.00	0.00	0.00
Cash International Yen	0.00	0.00	0.00	0.00
Cash International Other	0.00	0.00	0.00	0.00

Annualized Return is the expected increase in value of an asset class, adjusted to reflect a rate based on a full year.

Annualized Risk is the quantifiable likelihood of loss or less-than-expected returns of an asset class, adjusted to reflect a rate based on a full year.

The data is based on an annualized standard deviation calculation.

*Past performance is not indicative of future results. There can be no guarantee of future performance.*

*Future return and downside risk are City National Rochdale's forecasts for a particular asset class and not any individual security. They are not a representation by City National Rochdale that they will actually be realized. City National Rochdale can not predict future results. Future rates of return and downside risk may be greater or less than City National Rochdale's forecast. Your actual returns will vary and loss of principal is a possibility.*

*\* Certain Annualized Returns may appear abnormally high and/or excessive. These returns are generally not the case, and most likely will not be repeated.*

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Any opinions, projections, forecasts, and forward-looking statements presented herein are valid as on the date of this document and are subject to change.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

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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 loss or risk.

All investing is subject to risk, including the possible loss of the money you invest.

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

Past performance is no guarantee of future performance.



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