

CITY NATIONAL SECURITIES CNB DEPOSIT SWEEP PROGRAM DISCLOSURE

The Program Summary below highlights certain key features of the City National Securities CNB Deposit Sweep Program (the “CNB Sweep Program”). You should consult with your City National Securities (CNS) investment representative for more information. All capitalized terms in this section are defined in the Disclosure Document, which follows the Program Summary below.

Program Summary		
How the Program Works	The CNB Sweep Program is a Core Account Investment Vehicle, which will be used to hold your cash balance while awaiting reinvestment. The cash balance awaiting reinvestment in your eligible Brokerage Account(s) will be automatically deposited or “swept” into an interest-bearing, FDIC insurance eligible deposit account at City National Bank (the “Program Deposit Account”).	Page 4
Core Account Investment Vehicle Options	The CNB Sweep Program is the default Core Account Investment Vehicle for eligible accounts or account holders who do not elect the alternative Core Account Investment Vehicle on their account application. The alternative Core Account Investment Vehicle is the City National Rochdale Government Money Market Fund (the “CNR Government Fund”). You may obtain a prospectus and other information about the CNR Government Fund at no cost by calling (800) 280-1464 or at www.citynationalrochdalefunds.com . You may also elect to have available cash in your account held as a free credit balance, or swept into a linked City National Bank checking account. This means your available cash will not be invested (and therefore may not earn interest) unless you give your CNS investment representative direction to invest in other investments available through us.	Page 2
FDIC and SIPC Coverage	The Program Deposit Account at City National Bank will be eligible for FDIC insurance up to applicable limits, in the manner and to the extent more fully described herein. You need to review and understand how FDIC insurance will apply to the Program Deposit Account, taking into consideration any other deposits you have at City National Bank. Your cash balance is eligible for FDIC insurance up to applicable limits only while it is deposited in the Program Deposit Account. Your cash balance while held by NFS and/or CNS is not FDIC insured, but is covered by the Securities Investor Protection Corporation (the “SIPC”). This includes cash balances placed in your Brokerage Account that have not yet been deposited into the Program Deposit Account or which have been swept from City National Bank back to your Brokerage Account. SIPC currently protects these funds and securities up to \$500,000, including \$250,000 for claims for cash. Any securities held in your Brokerage Account, including money market mutual funds (as opposed to the Program Deposit Account), are investment products. NON-DEPOSIT INVESTMENT PRODUCTS ARE NOT INSURED BY THE FDIC, ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF CITY NATIONAL BANK AND ARE NOT GUARANTEED BY CITY NATIONAL BANK, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL INVESTED.	Pages 4 & 8
Rate of Return	The interest rate for the CNB Sweep Program may be obtained from your CNS investment representative or by calling (800) 280-1464. City National determines the interest rate earned on balances in the Program Deposit Account. Over any given period, the interest rates on the CNB Sweep Program may be lower than the rate of return on other Core Account Investment Vehicles which are not FDIC insured or on bank account deposits offered outside the CNB Sweep Program. The CNB Sweep Program should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, contact your CNS investment representative to discuss investment options that may be available outside of the CNB Sweep Program that may be better suited to your goals.	Pages 3 & 5
Changes	Circumstances may require a material change to the CNB Sweep Program or your Core Account Investment Vehicle. Generally, you will receive notification in advance of material changes to the CNB Sweep Program or to your Core Account Investment Vehicle. You may initiate a change to your Core Account Investment Vehicle by contacting your CNS investment representative or by calling (800) 280-1464.	Page 6
Duty to Monitor	You are responsible for monitoring the total amount of deposits that you have at City National Bank to determine the extent of FDIC insurance coverage available to you on your CNB Sweep Program balance. Considering such other deposits you have at City National Bank, you may elect to opt out of the CNB Sweep Program and have your funds be held in the CNR Government Fund.	Page 4
Benefits to CNS and Others	The CNB Sweep Program creates financial benefits for CNS, our affiliates and NFS. CNS will receive income from City National Bank in connection with the CNB Sweep Program. We will also pay a fee to NFS. The revenue generated by the CNB Sweep Program may be greater than revenues generated by sweep options at other brokerage firms, and may be greater than other Core Account Investment Vehicles currently available to you or possible Core Account Investment Vehicles that we have used in the past or may consider using in the future.	Page 7
Contact Information	For any questions about the CNB Sweep Program, contact your CNS investment representative or call (800) 280-1464.	

I. INTRODUCTION

City National Securities (“CNS”) offers certain investments to you in your brokerage account held with us in conjunction with National Financial Services, LLC (“NFS”) (your “Brokerage Account”). The terms “account owner,” “you” and “your” refer to the owner indicated on the account application. For joint accounts, these terms refer to all owners, collectively and individually. For trust accounts, these terms refer both to the entity and to all account owners. For corporate accounts these terms refer to the corporate entity.

CNS offers the “Hold Proceeds” option for handling account proceeds, cash balances, and for settling transactions. If you select this option, your account will include a core account that is used for settling transactions and holding credit balances (“Core Account”). The following cash sweep vehicles (each, a “Core Account Investment Vehicle”) are available to invest amounts credited to your account:

- A. The CNB Deposit Sweep Program (the “CNB Sweep Program”) is the subject of this disclosure and the default option for all eligible accounts and account holders that have selected the “Hold Proceeds” option.
- B. Accounts and account holders may also opt out of the CNB Sweep Program and select the City National Rochdale Government Money Market Fund (the “CNR Government Fund”)¹ either on your account application or by contacting your CNS investment representative.

Beginning on the date the CNB Sweep Program becomes effective, eligible account holders who have not opted out will be placed into the CNB Sweep Program as their Core Account Investment Vehicle by default. After the effective date, if your Core Account Investment Vehicle is the CNB Sweep Program by default or by your election, available cash in your Brokerage Account will be deposited through the CNB Sweep Program into an interest-bearing, FDIC insurance eligible deposit account (the “Program Deposit Account”) at City National Bank (“City National”). Once your cash balance has been swept to City National, it is referred to as your “Bank Deposit”. Note that, although your Bank Deposit is held at City National, you can only access your funds through CNS, as more fully described herein.

As more fully described in this Disclosure Document, your Brokerage Account with us is generally protected, up to applicable limits, by the Securities Investor Protection Corporation (the “SIPC”). However, while funds are deposited in the Program Deposit Account, your Bank Deposit will be eligible to be insured by the Federal Deposit Insurance Corporation, an independent agency of the U.S. government (the “FDIC”), up to the applicable limits, taking into consideration other deposits you have with City National and subject to the limitations described in this Disclosure Document. Funds in the Program Deposit Account are generally eligible for deposit insurance by the FDIC up to a total of \$250,000 principal and accrued interest per depositor held in the same insurable capacity (e.g., corporate, individual, joint, etc.) when aggregated with all other deposits, including bank accounts, certificates of deposit (“CDs”) and deposits held through other brokers. For example, funds deposited at City National and in the Program Deposit Account held by a company or an individual are insured up to \$250,000, and funds deposited at City National and in the Program Deposit Account held jointly by two or more individuals are insured up to \$250,000 per joint owner. Funds deposited in the Program Deposit Account are not eligible for coverage by the SIPC.

As noted above, any deposits (including CDs) that you maintain in the same capacity directly with City National, or through an intermediary (such as another broker), will be aggregated with deposits in the Program Deposit Account for purposes of the Maximum Applicable FDIC Deposit Insurance Amount (as defined below in Section VIII titled FDIC/SIPC Coverage). Funds deposited in excess of the applicable limits will not be insured. You should review carefully Section VIII of the Disclosure Document titled “FDIC/SIPC Coverage.”

Your funds deposited in the Program Deposit Account constitute a direct obligation of City National to you and are not directly or indirectly an obligation of NFS. NFS does not guarantee in any way the financial condition of City National or the accuracy of any publicly available financial information concerning City National. You can obtain publicly available financial information concerning City National at <https://www.ffiec.gov/NPW> or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at (703) 562-2200.

NFS, as your agent and custodian, will establish the Program Deposit Account at City National and will make deposits to and withdrawals from the Program Deposit Account. We will receive a fee from City National and we may pay a portion of that fee to NFS. The amount of the fee paid to us and NFS will affect the interest rate paid on your Bank Deposit. You

¹ City National Rochdale, LLC, a wholly-owned subsidiary of City National Bank, acts as Investment Manager for the CNR Government Fund. City National Rochdale, LLC receives compensation from the CNR Government Fund for investment advisory services. City National provides shareholder and distribution-related services to the CNR Government Fund and receives fees for such services. The prospectus for the CNR Government Fund details information about charges and fees and includes detailed descriptions of the risks associated with investing in the CNR Government Fund. Please read the prospectus for the CNR Government Fund before you invest. The CNR Government Fund is distributed by SEI Investments Distribution Co. City National Securities, City National and their affiliates are not associated with SEI Investments Distribution Co. You may obtain a prospectus and other information about the CNR Government Fund at no cost by calling (800) 280-1464 or by visiting www.citynationalrochdalefunds.com.
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should review carefully the section of the Disclosure Document titled “Information About Your Relationship with CNS and CNB.”

Interest rates on the CNB Sweep Program may be tiered. The rate paid by City National on the Program Deposit Account will vary based upon prevailing economic and business conditions. City National does not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds. By comparison, money market mutual funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses.

The information in this Disclosure Document applies, unless otherwise indicated, to each eligible Brokerage Account for which you are an owner, whether as a corporation, an individual, joint tenant, trustee, executor, custodian or in any other capacity.

Customers Affected by the CNB Deposit Sweep Program

Only eligible Brokerage Accounts that utilize the CNB Sweep Program as their Core Account Investment Vehicle will be subject to the information discussed in this Disclosure Document. Your CNS investment representative can provide you with more information concerning the accounts and programs for which the Core Account Investment Vehicle options do and do not apply.

Options to Having a Core Account Investment Vehicle

You may elect not to have available cash swept into a Core Account Investment Vehicle. If you make this election, your Brokerage Account will not have a sweep investment feature. If you do not have a sweep investment feature, cash in your account is referred to as a “free credit balance” and will be available for withdrawal on demand. You may also elect the “DBSX Proceeds” option, as more fully outlined in the CNS Account Agreements and Disclosures, to have available cash swept into a linked City National account. This means your available cash will not be invested (and therefore may not earn interest) unless you give your investment representative direction to invest a specific amount of your funds in other investments available through us.

If you would like to elect not to have your cash swept into a Core Account Investment Vehicle, you may do so at any time by contacting your CNS investment representative or by calling (800) 280-1464.

Rates of Return

Information about the CNB Sweep Program (including interest rates and annual percentage yield) and current yields on the CNR Government Fund may be obtained from your CNS investment representative. The interest rate will vary, may be tiered and may be higher or lower than other potential investment options. You should review carefully the section of the Disclosure Document entitled “Interest.”

You May Continue to Invest in Money Market Mutual Funds

Even if you select the CNB Sweep Program as your Core Account Investment Vehicle, you may still purchase shares in money market mutual funds outside of your Core Account Investment Vehicle. Depending on which money market mutual fund you invest, such investments may be subject to customary commissions or fees. Additional cash balances in your Brokerage Account will not be automatically swept into these money market mutual funds.

No Impact on Your Annual Brokerage Account Fees

The changes in our Core Account Investment Vehicle options discussed above and within this Disclosure Document will not affect your Brokerage Account fees.

No Impact on the Timing of Sweep

Generally, the frequency and timing of deposits into the CNB Sweep Program as a Core Account Investment Vehicle will be the same as under the other Core Account Investment Vehicle options.

Access to Funds in the Deposit Accounts

As required by federal banking regulations, City National has reserved the right to require seven (7) calendar days prior notice before permitting a withdrawal of any deposits from the Program Deposit Account. So long as this right is not exercised, and there is not a bank failure that would require FDIC intervention, your ability to access funds should not be impacted. Notwithstanding the foregoing, you will remain obligated for all obligations arising from your account, including, but not limited to, margin balances, settlement of transactions, checks and wires.

Tax Information

For most clients with non-retirement brokerage accounts, interest earned from the CNB Sweep Program will be taxed as ordinary income in the year it is received. For applicable account types, a Form 1099 will be sent to you by NFS each year showing the amount of interest income you have earned on deposits in the CNB Sweep Program. You should consult with your tax advisor about how the CNB Sweep Program affects you.

II. DETAILS

This Disclosure Document contains key information about the CNB Sweep Program which is offered by us in conjunction with NFS, a New York Stock Exchange (“NYSE”) and Financial Industry Regulatory Authority (“FINRA”) member, whom we have engaged to provide custody and clearing services to us. Additional terms, conditions, and disclosures applicable to your Brokerage Account held with us are included in other documents, including your account application, the CNS Account Agreements and Disclosures, and applicable City National/CNS privacy notice (“Other Agreements”) and are hereby incorporated by reference into this Disclosure Document. In the event of a conflict between the terms of this Disclosure Document and the Other Agreements, this Disclosure Document will control. Review the Other Agreements for important information governing your Brokerage Account.

A. Program Eligibility

Eligibility for the CNB Sweep Program is based on your account type and the ownership of your Brokerage Account. The CNB Sweep Program is available to individuals, trusts (so long as all beneficiaries of the trust are eligible), and entities such as corporations, partnerships, associations, business trusts, and other organizations. Custodial accounts are eligible for the CNB Sweep Program if each beneficiary is eligible. Please consult your CNS investment representative for details concerning eligibility. CNS or NFS may in its discretion deem a person to be ineligible for the CNB Sweep Program if it becomes aware that the person is prohibited by banking regulations from participating in the CNB Sweep Program. Eligibility is subject to the limitations described herein and as determined by us and NFS from time to time.

If we or NFS determine that your Brokerage Account is not eligible for the CNB Sweep Program or the CNB Sweep Program eligibility requirements change, we may change your Core Account Investment Vehicle, as that term is defined in the Brokerage Account documentation, or any amendments thereto, including but not limited to the CNS Account Agreements and Disclosures, from the CNB Sweep Program to an alternative Core Account Investment Vehicle made available by us and NFS, which may or may not be eligible for FDIC insurance.

B. How the CNB Sweep Program Works

Through the CNB Sweep Program, cash balances in your Brokerage Account (resulting from sales of securities, deposits, dividend and interest payments and other activities) will be automatically deposited or “swept” into a Program Deposit Account. Once your cash balance has been swept to the Program Deposit Account, it is referred to as your “Bank Deposit”. Note that, although your Bank Deposit is held at City National, you can only access your funds in the Bank Deposit through CNS, as more fully described herein.

Your Bank Deposit (including principal and accrued interest) is eligible for insurance by the FDIC, up to the Maximum Applicable FDIC Deposit Insurance Amount set by the FDIC for all deposits held in the same insurable capacity at City National as more fully explained below. Your funds become eligible for FDIC deposit insurance immediately upon placement into the Program Deposit Account. Generally, any accounts or deposits (including CDs) that you may maintain with City National, directly or through any other intermediary, in the same insurable capacity in which the Bank Deposit is maintained will be aggregated with the Bank Deposit for purposes of the Maximum Applicable FDIC Deposit Insurance Amount.

Funds swept into the Program Deposit Account at City National in excess of the Maximum Applicable FDIC Deposit Insurance Amount, taking into consideration other deposits you have at City National, will not be eligible for FDIC insurance.

You are responsible for monitoring the total amount and insurable capacity of deposits that you have at City National, both as part of and outside of the CNB Sweep Program, for the purpose of determining the FDIC insurance coverage for those deposits.

See “FDIC/SIPC Coverage” below for more detailed information on insurance coverage of a Bank Deposit vs. a Brokerage Account.

III. CITY NATIONAL BANK

A. General Information About City National

Your funds will be deposited in the Program Deposit Account in accordance with the terms and conditions in this Disclosure Document. To the extent your deposits at City National exceed the Maximum Applicable FDIC Deposit Insurance Amount, such excess funds are ineligible for FDIC Insurance. **You are responsible for monitoring the total amount and insurable capacity of deposits both as part of and outside of the CNB Sweep Program that you have at City National, including any CDs, or other deposits made directly with City National or indirectly through us or through any other intermediary, for the purpose of determining the FDIC insurance coverage for those deposits.**

B. Program Deposit Account

The cash balances awaiting reinvestment in your Brokerage Account will be automatically swept from your Brokerage Account into the Program Deposit Account on the business day following the day your Brokerage Account reflects a cash balance. For purposes of the CNB Sweep Program, business day generally means a day on which City National is open for business. Available cash balances will not begin to earn interest or be eligible for FDIC insurance until swept into the Program Deposit Account.

If City National is unable to accept your funds on a day you have funds to deposit in the CNB Sweep Program, your funds will be held as a free credit balance until City National is able to accept your funds, or we are able to change your Core Account Investment Vehicle to the CNR Government Fund, as described above. Funds invested in the CNR Government Fund are not eligible for FDIC insurance protection, but will be eligible for SIPC coverage.

Your Bank Deposit will be combined with the deposits of other customers of CNS that participate in the CNB Sweep Program, and will be deposited at City National into the Program Deposit Account maintained by NFS for your benefit and the benefit of the other customers of CNS that participate in the CNB Sweep Program. Records of individual account ownership shall be maintained by NFS.

For bank regulatory reporting and reserve purposes, your Bank Deposit will consist of two sub-accounts (collectively referred to herein as the "Program Deposit Account"): (1) an interest-bearing transaction sub-account to which all financial transactions are posted; and 2) an interest-bearing savings sub-account from which funds are transferred to the transaction sub-account as necessary. Due to federal regulatory limitations, after the 5th debit transaction within a month, all funds in the savings sub-account will be transferred to the transaction sub-account for the remainder of the month, then returned to the savings sub-account at the beginning of the following month. The sub-accounts are maintained only in City National and NFS internal records. The combined sub-accounts are treated as a single account for purposes of deposits, withdrawals, statements, and tax reporting. The CNB Sweep Program interest rate applies to the combined balances of the sub-accounts and will appear as a single interest rate on your account statement.

C. Withdrawals – Access to Your Bank Deposit

When funds are needed to cover transactions in your Brokerage Account, we will use on the same day the debit is applied, the following sources, in the order listed, to satisfy the debit: (i) available cash balances, including money added to your Brokerage Account (such as checks, interest, or transaction proceeds) and not yet moved to the Program Deposit Account; (ii) your Bank Deposit; and (iii) if you have a margin account, any margin credit available.

Withdrawals from your Bank Deposit will normally be made on the business day following transactions in your Brokerage Account; however, your Brokerage Account is credited on the day of the debit. This process might result in you having an obligation to make us or NFS whole for the sum of the debits in your Brokerage Account if there is a delay withdrawing funds from your Bank Deposit or you otherwise fail to sufficiently fund your Brokerage Account for the full amount of your daily debits. Review your Brokerage Account agreement for important information regarding your unsatisfied obligations owed to us and/or NFS.

NFS will automatically transfer funds from your Bank Deposit back to your Brokerage Account in order to satisfy any obligation you have to us or NFS or to settle a securities transaction or other debit transaction (including, but not limited to, checks, wires or margin balances) in any account you have with us or NFS. Your Bank Deposit is also subject to legal process such as a levy or a garnishment delivered to us, City National or NFS to the same extent as if those funds were in your Brokerage Account.

IV. INTEREST

A. Interest Rates

The current interest rate for the CNB Sweep Program may be obtained from your CNS investment representative or by calling (800) 280-1464. Interest on your Bank Deposit is accrued daily, compounded monthly and is reflected on your Brokerage Account statement as of the last business day of the statement period. Interest on your Bank Deposit begins to accrue on the business day funds are received by City National, which will typically be the business day following the day your Brokerage Account reflects a cash balance. Generally, interest will accrue to your Bank Deposit balance through the business day preceding the date of withdrawal from your Bank Deposit at City National (which will typically be the day on which a withdrawal of funds is made from your Brokerage Account). Non-business days occurring between the day your cash balance is moved from your Brokerage Account and deposited with City National will be included in the interest accrual. Interest rates may change at any time and may be based on a number of factors including general economic, market and business conditions. City National determines the interest rate earned on balances in the Program Deposit Account.

Over any given period, the interest rates on your Bank Deposit may be lower than the rate of return on other Core Account Investment Vehicles or on other deposit products offered by City National outside of the CNB Sweep

Program. City National does not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds. By comparison, money market mutual funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. The CNB Sweep Program should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, contact your CNS investment representative to discuss investment options that may be available outside of the CNB Sweep Program that may be better suited to your goals.

You should compare the terms, interest rates, required minimum amounts, and other features of the CNB Sweep Program with other accounts and alternative investments.

B. Interest Credited to Your Brokerage Account

While interest will generally be credited to your Brokerage Account at month-end, intra-month interest credits to your CNB Sweep Program balance may occur. Intra-month interest credits may occur in the following instances: (i) where you close your account intra-month; (ii) when you change the Core Account Investment Vehicle from the CNB Sweep Program to a different Core Account Investment Vehicle intra-month; or (iii) where City National is not able to accept deposits intra-month. Intra-month interest credits will appear on your Brokerage Account statement to reflect interest accrued in the CNB Sweep Program through such intra-month events. Adjustments made to your Brokerage Account which can be caused by transactions entered for a prior date (e.g., a fee reimbursement or a debit adjustment) may result in an interest credit or debit to your Brokerage Account. The interest rate used to credit or debit adjustments may not be made at the current rate, but should reflect interest rates applicable at the time of the event. Interest rates applied to credit adjustments are not expected to be lower but could be less than those applied to your balances on the day in which the credit adjustment is made. Interest amounts on adjustments are rounded to the penny and for interest amounts of less than half a cent, you will receive no interest and you also will not be debited.

V. CHANGES

A. Material Changes to Your Core Account Investment Vehicle

From time to time, circumstances, such as described in this Disclosure Document or otherwise, may require that we or NFS modify the CNB Sweep Program to the extent that such modifications result in changing the Core Account Investment Vehicle for your Brokerage Account. If we make any changes, there is no guarantee that such change will provide an equal or greater rate of return to you during any given period, and the rate of return may be lower. Generally, you will receive notification in advance of any such material change. If advance notice of such a material change is not practical due to the circumstances, you will be notified as soon as is reasonably practical of the change in the Core Account Investment Vehicle for your Brokerage Account. Unless you object within the time period specified, we will change your Core Account Investment Vehicle and transfer the balances from your prior Core Account Investment Vehicle into the new Core Account Investment Vehicle. If you object to the Core Account Investment Vehicle that we select, or, if the Core Account Investment Vehicle no longer meets your needs due to the modifications that we made to the CNB Sweep Program, your CNS investment representative can assist you in finding an alternative Core Account Investment Vehicle or in transferring your Brokerage Account to another provider or another program.

If we need to change your Core Account Investment Vehicle under the circumstances set forth in this Disclosure Document, or for other circumstances as may be necessary, the Core Account Investment Vehicle that we choose for you may receive a lower effective rate of return than is available on funds swept into the CNB Sweep Program. We cannot guarantee any rate of return, including a return that is equal to or greater than your current return.

B. Terminations

You may terminate your participation in the CNB Sweep Program by contacting your CNS investment representative or by calling (800) 280-1464. CNS may also terminate the CNB Sweep Program for any reason, including if City National stops accepting deposits. You will receive notification in advance of CNS terminating the CNB Sweep Program, and if advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. In either case, your funds in the CNB Sweep Program will be transferred to another Core Account Investment Vehicle which, as noted above, may receive a lower effective rate of return than is available on funds swept into the CNB Sweep Program. We cannot guarantee any rate of return, including a return that is equal to or greater than your current return.

C. Notices

All notices described in this Disclosure Document may be made by means of a letter, an entry on or insert with your Brokerage Account statement, or by electronic or other form of notification if available to you by us which may include, but is not limited to, electronic alerts or email.

VI. ACCOUNT INFORMATION

A. Statements and Confirmations

The statement for your Brokerage Account will: (i) indicate your beginning and ending Bank Deposit balance at City National as of the last business day of each monthly statement period (however, if your Brokerage Account was established on the last business day of a month, your statement will not include a CNB Sweep Program detail section); (ii) detail sweeps to and from the CNB Sweep Program during the statement period; and (iii) reflect interest credited to your Brokerage Account. This information is provided in lieu of separate confirmations for each sweep to and from the CNB Sweep Program during the statement period. Transfers between the Program Deposit Account's savings sub-account and transaction sub-account will not be reflected in your Brokerage Account statements.

B. Tax Information

For most clients with non-retirement Brokerage Accounts, interest earned on deposits in the CNB Sweep Program will be taxed as ordinary income in the year it is received. For applicable account types, a Form 1099 will be sent to you by NFS each year showing the amount of aggregate interest income you have earned on your CNB Sweep Program balance. You should consult with your tax advisor about how the CNB Sweep Program affects you.

VII. INFORMATION ABOUT YOUR RELATIONSHIP WITH CNS AND CNB

A. Relationship with CNS and City National Bank

As your agent, NFS establishes the Program Deposit Account at City National Bank, deposits funds into the Program Deposit Account, withdraws funds from Program Deposit Account and transfers funds between the Program Deposit Account's savings and transaction sub-accounts. The Program Deposit Account's ownership will be evidenced by a book entry on the account records of City National showing the Program Deposit Account as an agency account held by NFS for the benefit of you and other customers and by records maintained by NFS, as your agent and custodian. No evidence of ownership, such as a passbook or certificate, will be issued to you. Your Brokerage Account statements will reflect the balances in your Bank Deposit at City National. You should retain the Brokerage Account statements for your records. Once established on your behalf, the Program Deposit Account is an obligation solely of City National and not of CNS, NFS or any other entity other than City National. You may at any time obtain information about your Bank Deposit by contacting your CNS investment representative.

You may access cash in the CNB Sweep Program only through your Brokerage Account. You cannot access or withdraw the money on deposit through the CNB Sweep Program by contacting City National directly. If either you or we terminate your use of the CNB Sweep Program as a Core Account Investment Vehicle, you may establish a direct depository relationship with City National, subject to its rules with respect to maintaining deposit accounts.

Establishing a deposit account directly in your name at City National will be separate from the Program Deposit Account established with City National in connection with your Brokerage Account. If you have or establish a direct depository relationship with City National, and you remove funds from your Brokerage Account to deposit into City National, such funds and deposit accounts opened directly with City National will not be reflected on your Brokerage Account statement, and we will have no responsibility concerning such funds or deposits.

B. Benefits to CNS, its Affiliates and Others

The CNB Sweep Program may create financial benefits for CNS, City National, CNS affiliates and NFS. CNS may, from time to time, include an additional affiliated bank in the CNB Sweep Program. CNS and the affiliated bank may receive additional benefits, as described below, under the CNB Sweep Program. CNS will notify you of any such bank's inclusion by one of the methods described herein.

We and NFS will receive a fee from City National in connection with the CNB Sweep Program (equal to a percentage of all participants' average daily deposits at City National). Amounts will vary, but in no event will the total fee be more than 3.50% on an annualized basis as applied to the Program Deposit Account. In our and NFS' discretion, the fee may be reduced and the amount of the reductions may be factored into the rate of interest earned on your Bank Deposit. The amount of the fees will affect the interest rate paid by City National on balances in the Program Deposit Account, which in turn may affect the interest rate paid to you for your Bank Deposit. The fee paid to NFS is for recordkeeping and other services with respect to amounts invested in the CNB Sweep Program. Both we and NFS

may receive more revenue with respect to amounts in the CNB Sweep Program than with respect to other sweep products. The fees received from City National may be modified. If the maximum fee amount as described above increases, you will receive notification of any such change. In addition to these fees, other service providers with respect to the CNB Sweep Program may receive fees from us, NFS, and City National (collectively, with the fees paid to us and/or NFS, the "Program Fees").

You should carefully review the information included in this paragraph as it applies to City National, and may apply if and when CNS includes an additional affiliated bank in the CNB Sweep Program. City National uses funds in the Program Deposit Account to fund current and new lending and for investment activities. City National earns net income from the difference between the interest they pay on funds in the Program Deposit Account and the fees paid to us and the income they earn on loans, investments and other assets. As noted above, City National may pay rates of interest on funds in the Program Deposit Account that are lower than the prevailing market interest rates that may have been paid on accounts you opened directly with City National. City National does not have a duty to provide the highest rates available, and may instead seek to pay a low rate. Lower rates may be more financially beneficial to City National. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market mutual fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus.

The revenue generated by us and/or NFS may be greater than revenues generated by sweep options at other brokerage firms, and may be greater than other Core Account Investment Vehicles currently available to you or possible Core Account Investment Vehicles that we have used in the past or may consider using in the future.

As a result of the fees and benefits described above, the CNB Sweep Program may be significantly more profitable to us and/or NFS than other available sweep options. NFS may also benefit from the possession and temporary investment of cash balances prior to the deposit of such balances in the CNB Sweep Program.

C. Sharing of Your Information with CNB

The Program Deposit Account is an omnibus account maintained at City National. NFS will not provide City National with your information during the normal running and maintenance of the CNB Sweep Program. Pursuant to an agreement between NFS and City National, however, City National reserves the right to obtain your information pursuant to audit and regulatory requests to ensure that proper recordkeeping is taking place. If your information is provided, the information could consist of the name, address (including city, state, postal code, and, if applicable, foreign country), date of birth, either a Social Security number or a taxpayer identification number, and any other information as would normally be required to open a deposit account directly at City National.

For additional information on what is shared, review the City National Bank/CNS Privacy Notice, and the National Financial Services Privacy Notice, copies of which can be obtained by contacting your CNS investment representative or by calling (800) 280-1464.

D. Questions/Comments Regarding this CNB Sweep Program

You may contact your CNS investment representative to determine the current interest rate on the CNB Sweep Program. You may also contact your CNS investment representative for the current yields on the CNR Government Fund or other money market mutual funds.

VIII. FDIC/SIPC COVERAGE

A. Deposit Insurance

At the time your funds are deposited in the Program Deposit Account, your Bank Deposit is eligible to be insured by the FDIC, up to the applicable FDIC limits and subject to the limitations described herein. Currently, Bank Deposits in the Program Deposit Accounts are generally eligible for deposit insurance by the FDIC up to a total of \$250,000 per depositor, per insured depository institution for each account ownership category (the "Maximum Applicable FDIC Deposit Insurance Amount"), when aggregated with all other deposits held in the same ownership capacity at such depository institution. For example, your Bank Deposit, including principal and accrued interest, is eligible for insurance by the FDIC up to the Maximum Applicable Deposit Insurance Amount for all deposits held by you in the same insurable capacity at City National. Any accounts or deposits that you may maintain directly with City National, or through any other intermediary in the same insurable capacity, are aggregated with your Bank Deposit for purposes of the Maximum Applicable FDIC Insurance Amount. Your funds become eligible for deposit insurance immediately when City National accepts your deposits into the Program Deposit Account. To the extent that your deposits at City National are in one ownership capacity, either through the CNB Sweep Program or otherwise, including other bank accounts, CDs and deposits held through us or through other brokers, exceed the FDIC insurance limits applicable to that ownership capacity, deposits in excess of the limits will not be insured.

In the event that City National fails, your Bank Deposit at City National is insured for principal and interest accrued to the day City National is closed, up to applicable FDIC limits. Neither CNS nor NFS is responsible for any insured or uninsured portion of your Bank Deposit. You are responsible for monitoring the total amount of deposits that you have with City National in order to determine the extent of deposit insurance coverage available to you. Depending on the amount of deposits that you have at City National apart from the Bank Deposit, you may wish to contact your CNS investment representative to discuss other investment options available to you.

Under certain circumstances, if you become the owner of deposits at City National because another depositor dies, beginning six (6) months after the death of the depositor the FDIC will aggregate those deposits for purposes of the \$250,000 limit or such other applicable limit, as applicable, with any other deposits, including bank accounts, CDs, and deposits held through other brokers, that you own in the same insurable capacity at City National. Examples of accounts that may be subject to this FDIC policy include joint accounts, and certain trust accounts including transfer upon or payable on death accounts. The FDIC provides the six (6)-month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you through NFS. There is no specific time period during which the FDIC must make insurance payments available and therefore you may not have access to your funds during this time. Furthermore, you may be required to provide certain documentation to the FDIC and NFS before insurance payments are made. For example, if you hold deposits as trustee or in other fiduciary capacities for beneficiaries, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Bank Deposit or other deposits, including bank accounts, CDs, and deposits held through other brokers, at City National are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquirer until (i) the maturity date of the CDs or other time deposits which were assumed, or (ii) with respect to deposits which are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits, including other bank accounts, CDs and deposits held through us or through other brokers, with the acquirer held in the same capacity for purposes of federal deposit insurance. Any deposit opened at the acquirer after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance.

The application of a \$250,000 federal deposit insurance limitation is illustrated by several common factual situations discussed below.

B. Information on Deposit Insurance for Specific Types of Accounts

Individual Customer and Agency Accounts. Funds owned by an individual and held in an account in the name of the individual or an agent or nominee of such individual (such as the Program Deposit Account held through NFS) are not treated as owned by the agent or nominee, but are added to other deposits of such individual held in the same capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate.

Custodial Accounts. Funds in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the custodian, but are added to other deposits of the minor or other beneficiary held in the same insurable capacity and are insured up to \$250,000 in the aggregate.

Joint Accounts. An individual's interest in funds in all qualified accounts held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interest in other deposit accounts at City National. Joint Accounts will be "qualified" and insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners. Nonqualified joint accounts are not insured separately and are added to individual accounts for the purposes of the individual maximum coverage of \$250,000 in the aggregate at City National.

Irrevocable Trust Accounts. Funds in an account established pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at City National created by the same grantor will be aggregated and insured up to \$250,000.

Revocable Trust Accounts. Revocable trusts include informal revocable trust accounts where the owner has designated the names of beneficiaries to whom the funds in the account will pass upon the owner's death (referred to as transfer upon or payable on death accounts ("POD Accounts")) and formal revocable trusts usually established for estate planning purposes (referred to as living or family trusts). Revocable trusts will be insured as to each named

beneficiary separately from another account of the owner or the beneficiary provided the beneficiaries are natural persons, and for POD Accounts, NFS' account records disclose the names of all trust beneficiaries. For each trust owner with combined revocable trust account deposits of \$1.25 million or less at City National, the maximum coverage will be determined by multiplying the number of different beneficiaries by \$250,000. If an owner has in excess of combined revocable trust account deposits of \$1.25 million at City National and has named more than five beneficiaries there is a limitation on the maximum coverage.

Individual Retirement Accounts. Individual retirement accounts as described in the Internal Revenue Code Sections 408(a) and 408A are insured up to \$250,000 per depositor. Each person's deposits in self-directed retirement accounts at City National are added together and insured up to \$250,000, separately from any retirement accounts that are not self-directed and any non-retirement accounts.

C. Questions about FDIC Deposit Insurance Coverage

If you have questions about basic FDIC insurance coverage, contact your CNS investment representative. You may wish to seek advice from your own attorney or tax advisor concerning FDIC insurance coverage of deposits held in more than one capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone [(877) 275-3342 or (800) 925-4618 (TDD)], by visiting the FDIC website at www.fdic.gov/deposit/index.html, or by email using the FDIC's Online Customer Assistance Form available on its website.

D. SIPC Coverage

Your cash balance awaiting reinvestment is only eligible for FDIC insurance once it becomes a Bank Deposit at City National. Your cash balance while held by NFS and/or CNS is not FDIC insured, but is covered by SIPC. This includes amounts in the cash balances placed in your Brokerage Account that have not yet been received by City National or which have been swept from City National back to your Brokerage Account. SIPC currently protects these funds and securities up to \$500,000, including \$250,000 for claims for cash. SIPC coverage does not cover fluctuations in the market value of your investments. Any securities held in your Brokerage Account (as opposed to the Bank Deposit held by City National) are investment products. **INVESTMENT PRODUCTS ARE NOT INSURED BY THE FDIC, ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF CITY NATIONAL BANK AND ARE NOT GUARANTEED BY CITY NATIONAL BANK, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL INVESTED.**

If, due to CNB Sweep Program limitations, your cash balance is placed into a Core Account Investment Vehicle other than the CNB Sweep Program, your cash balance will not be eligible for FDIC insurance, but may be protected by SIPC in accordance with applicable legal requirements and limitations.

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, like NFS, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment, nor does SIPC protection insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's Brokerage Account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$250,000 may be cash) per customer in each separate capacity under SIPC rules. Money market mutual fund shares are considered to be securities for purposes of SIPC coverage. The Program Deposit Account and your Bank Deposit are not eligible for SIPC coverage.

If you have questions about SIPC coverage and additional SIPC-like coverage, contact your CNS investment representative. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at www.sipc.org.