

CITY NATIONAL ROCHDALE®

 AN RBC/CITY NATIONAL COMPANY



May 2021

Tax-Free Liquidity Management

Investment Methodology

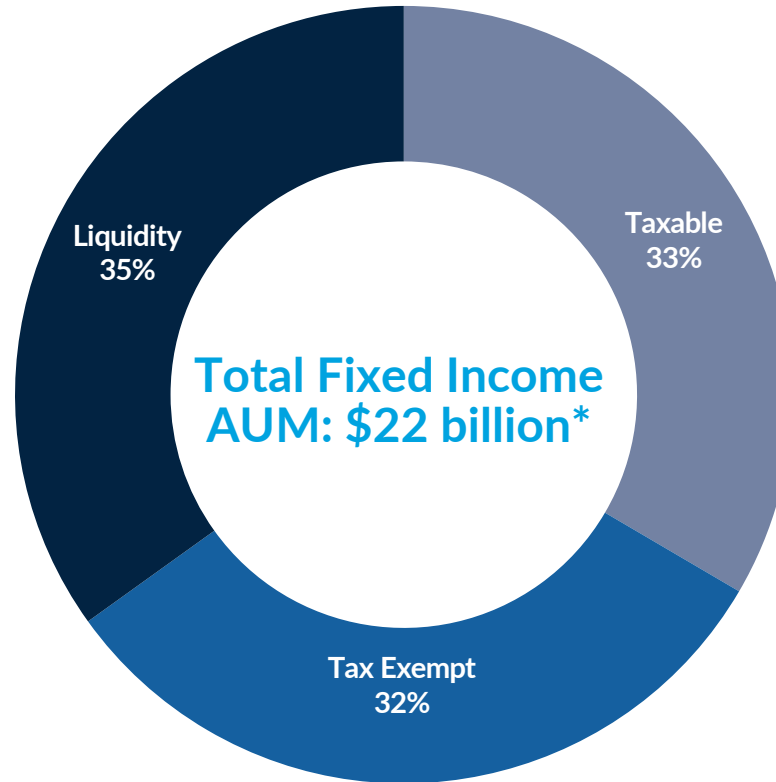
Who We Are

- Responsible for over \$20 billion in fixed income assets
- Senior management team with 28+ years average experience
- 18 dedicated fixed income professionals
 - 8 Municipal Portfolio Managers
 - 6 Taxable Portfolio Managers
 - 4 Credit & Market Analysts
- 11 CFA charterholders

What We Do

- Offer a full spectrum of fixed income solutions for varying needs
- Work directly with clients and advisors to meet their objectives
- Optimize risk-adjusted returns
- Provide deep industry experience in a wide variety of asset types and sectors

City National Rochdale Fixed Income



Fixed Income Offerings

	Municipal Strategies	Taxable Strategies
Total Return	Liquidity (0-3yrs)	Liquidity
	Short/Intermediate (1-5yrs)	Short/Intermediate
	Intermediate (1-10yrs)	Intermediate
	Intermediate-Long (1-20yrs)	N/A
Income Oriented	Customized	Customized
	Duration Targeted Strategies	Duration Targeted Strategies
High Yield	Municipal High Income Fund	Fixed Income Opportunities Fund



Tom Galvin

Chief Investment Officer,
Managing Director,
Senior Portfolio Manager

Municipal Investment Grade

Greg Kaplan, CFA (30 yrs. exp.)
Managing Director, Director of Fixed Income

Municipal High Yield

William D. Black, CFA (35 yrs. exp.)
Managing Director, Senior Portfolio Manager

Taxable Investment Grade

Charles Luke, CFA (13 yrs. exp.)
Managing Director, Senior Portfolio Manager

Paul Single (38 yrs. exp.)

Managing Director, Senior Portfolio Manager

Experienced Management Team

33+ years average industry experience



Portfolio Management

Municipal Fixed Income

Steven Petrovich, CFA
Associate Portfolio Manager

Terrence Loughran, CFA
Director, Senior Portfolio Manager

Tricia Filter
Associate Portfolio Manager /
Trader

Pam Nelson, CFA
Portfolio Manager

Chris Douglas
Associate Portfolio
Manager/Trader

Taxable Fixed Income

Alex Nelson, CFA
Portfolio Manager/Senior Analyst

Sam Melchiorre
Associate Portfolio Manager/Trader

David Krouth, CFA
Portfolio Manager/Senior Analyst

Christopher Martin, CFA
Portfolio Manager

Research & Analytics

Michael Korzenko, CFA
Director, Senior Muni Analyst

Brian Winters
Director, Portfolio Manager/Senior HY
Muni Analyst

Natalie Hughey
Portfolio Analyst

Douglas Gibbs
Director, Portfolio Manager
Senior HY Muni Analyst





Why Liquidity Management?

The Liquidity Management strategies are designed to meet short- term cash requirements while seeking enhanced returns relative to other short term options.

Our strategy may be beneficial for:

- Liquidity events
- Pending tax liabilities
- Proceeds from the sale of a business or real estate
- Cash positions of a broader allocation
- Other short-term needs



Strategy Overview

Liquidity Management Principles

- Every client is unique and dynamic, requiring a consultative approach to create a customized, transparent solution designed to help meet their goals and objectives
- Actively managed portfolio focused on issue selection and diversification that seeks to provide consistent, competitive risk-adjusted returns
- Proactive, independent credit research and emphasis on risk management are the foundation for seeking capital preservation, providing liquidity and generating competitive yield

Investment Objectives

- Capital Preservation
- Immediate liquidity
- Optimized yield
- Transparency

Portfolio Management Characteristics

- \$5,000,000 minimum account size
- One day to 3 years in maturity
- Custom Investment Policy Statement
- Periodic portfolio reviews



Security Selection



What We Buy



Tax- Exempt Securities

- Variable Rate Demand Notes (VRDNs)
- Municipal Commercial Paper
- Floating Rate Notes
- Tax-Exempt Bonds/Notes



Taxable Securities

- U.S. Treasuries and Agencies
- Commercial Paper
- Corporate Securities
- Certificates of Deposit



What We Avoid

- Auction Rate Securities
- Non-Investment Grade Bonds
- Derivatives
- Equities
- Leverage



Tax-Exempt Liquidity Strategy Examples

Portfolio Characteristics	1 Year Maximum Maturity	3 Year Maximum Maturity
Funding	\$10,000,000	\$10,000,000
Annual Income	\$15,900	\$19,850
Yield to Worst	0.16%	0.19%
Taxable Equivalent YTM**	0.28%	0.33%
Average Maturity	220 Days	1.6 Years
Average Quality	A1/AA-	A1/AA-

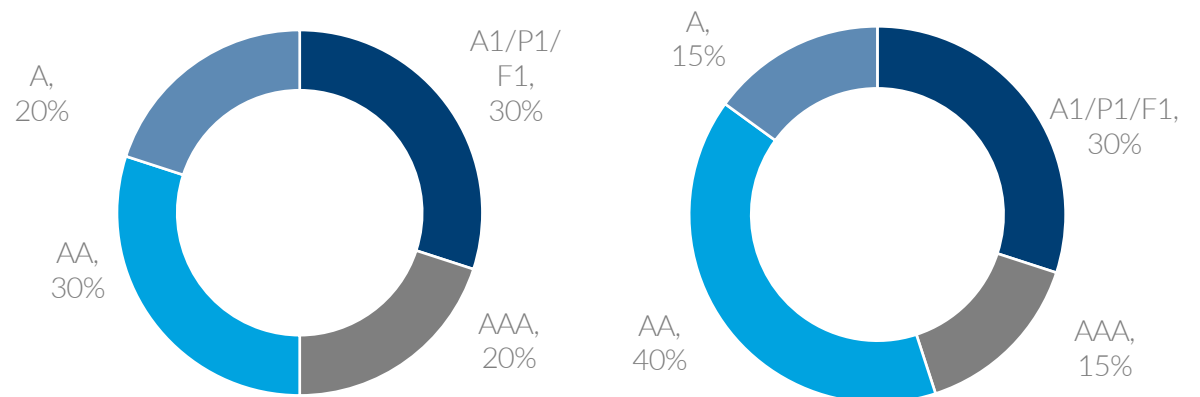
Sector Allocation

VRDN:		
Municipal	20%	20%
Notes:	70%	70%
Municipal CP:	10%	10%

Effective Maturity Schedule



Quality Ratings



Variable Rate Demand Note Key Features

Liquidity/Security

Contractual put and third party liquidity feature (Letter of Credit / Stand by Purchase Agreement)

Structure

Municipal security issued with a long final maturity and effective maturity of 1 or 7 days

Price

Bonds are purchased and sold at par (100) plus accrued, mitigating principal risk

Yield

Yield is variable and changes every 1 or 7 days

Sample Liquidity Providers

JP Morgan, US Bank, Citi, Wells Fargo, Bank of Montreal, etc.

Meets SEC requirements for highly regulated money market mutual funds

In rare cases, liquidity on a called security may be temporarily delayed due to clearing from the transfer agent

Relative safety and liquidity

of the VRDN structure was demonstrated through various market conditions and economic cycles, most notably during the 2008 financial crisis

Sample Issuers

California General Obligation, Los Angeles Department of Water and Power, University of California. General Market issuers include New York City Water, Harvard University, Port of Seattle



Sample Variable Rate Demand Note

- California State General Obligation VRDN
- Issue size of deal is \$200 million
- VRDN has daily liquidity and yield resets daily
- Letter of Credit Provided by State Street
- CA has a AA- issuer rating. Combined with LOC long term rating improves to AAA
- Yield as of 04/30/21: 0.01
- For a CA resident in highest tax bracket this is a taxable equivalent yield of 0.02

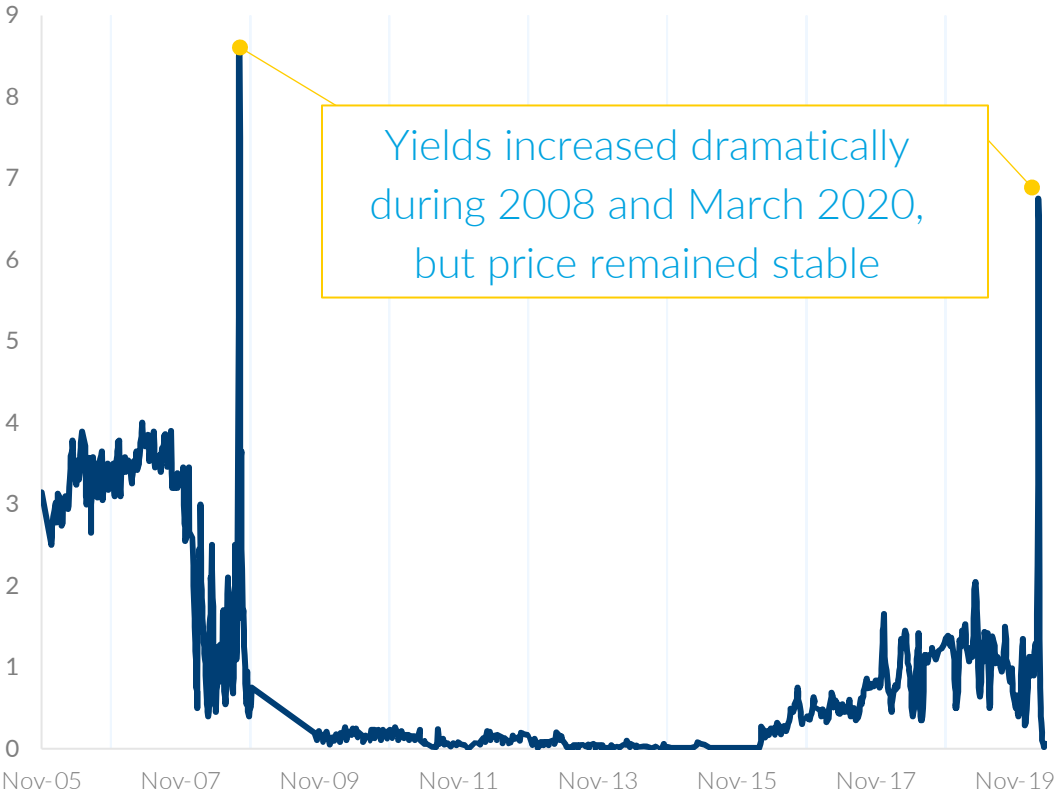
13063A5W Muni		Report	Alert	Settings	Page 1/11	Security Description: Muni
CALIFORNIA ST						94) No Notes
VAR-KINDERGARTEN-A2-RMKT-11/13/13						CUSIP 13063A5W0
91) CALLED IN PART ... Ticker CAS Cpn ADJ Maturity 05/01/2034 Dated 10/21/2004 State CA						
25) Municipal Bond		26) Series		27) Issuer Description		
Pages		Municipal Bond Information			Trading Information	
11) Bond Info	Issue Type			GENERAL OBLIGATION U...		CALLED IN PA... 05/01/2021 9,400,0...
12) Addtl Info	Ult Borrower			State of California		1st Settle Dt 11/13/2013
13) Involved Parties	Maturity Type			CALL/PUT/SINK		Next Settle Dt 05/03/2021
14) Adj Cpn Info	Ext Redemption			YES (Type: MANDATORY)		Int Accrual Dt 11/01/2013
15) Credit Enhance	Coupon			ADJUSTABLE 0.010		1st Coupon Dt 12/02/2013
16) Credit Ratings	Prc/Yld @ Iss			100.000/N.A.		Next Par Call 05/03/2021@Par
17) Call Sched & ERP	Coupon Freq			MONTHLY		Next Opt Put 05/03/2021@Par
18) Put Schedule	Tax Provision			FED & ST TAX-EXEMPT		Next Sink 05/01/2022@Par
19) Sink & Est Sink	Credit Enhancement			LOC - STATE STREET B&T CO 01/16/2024		For \$ 2.7MM
20) Refunding Info	Bond Ratings			Moody's(Enh) Aa1/VMIG1		Piece/Inc/Par 100,000/5,000/5,000
21) DES Notes	Underlying			Aa2		Variable Rate Information
Quick Links	S&P(Std)			AAA/A-1+		Last Reset Dt 05/03/2021
31) TDH MSRB Trade	SPUR			AA-		Next Reset Dt 05/04/2021
32) CACS Material Evt	Fitch			AA/F1+		Current Coupon 0.010
33) CF Filings	Underlying			AA		Prev Accrual Dt 05/03/2021
34) CN Sec News						Next Accrual Dt 06/01/2021
35) HDS Holders						Current Mode DAILY
36) SL Sell-Back						
66) Send Bond						

Source: Bloomberg. As of April 2021.

Sample Price and Yield History



13063A6H2 Rate History



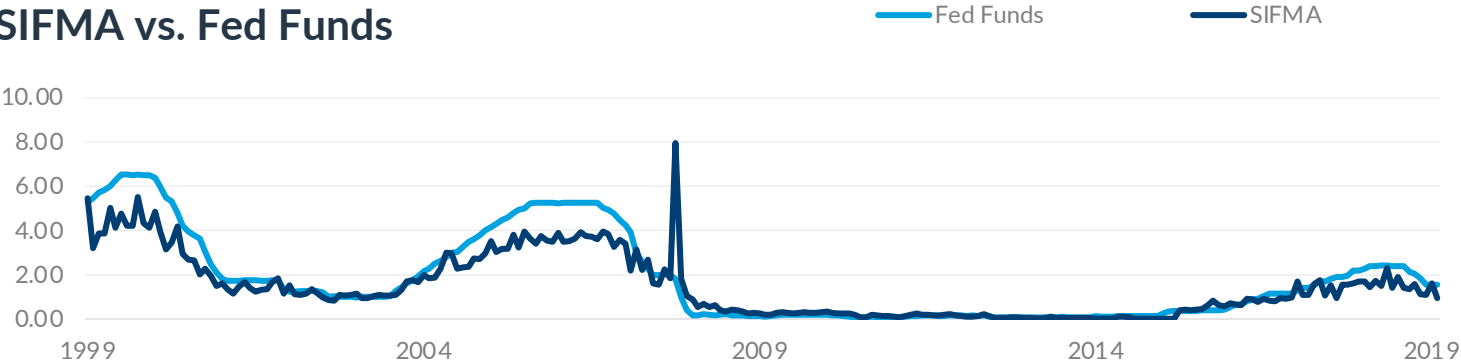
Source: Bloomberg. As of May 2020.



- Securities Industry and Financial Markets Association Index (SIFMA) reflects the average coupon of weekly VRDNs
- SIFMA Index resets every Wednesday
- Supply and demand also impact rates
- Since 2000 SIFMA resets have averaged 77% of Fed Funds
- Outstanding VRDN market is approximately \$150 billion

VRDN Market Statistics

SIFMA vs. Fed Funds



Institutional Market Rates

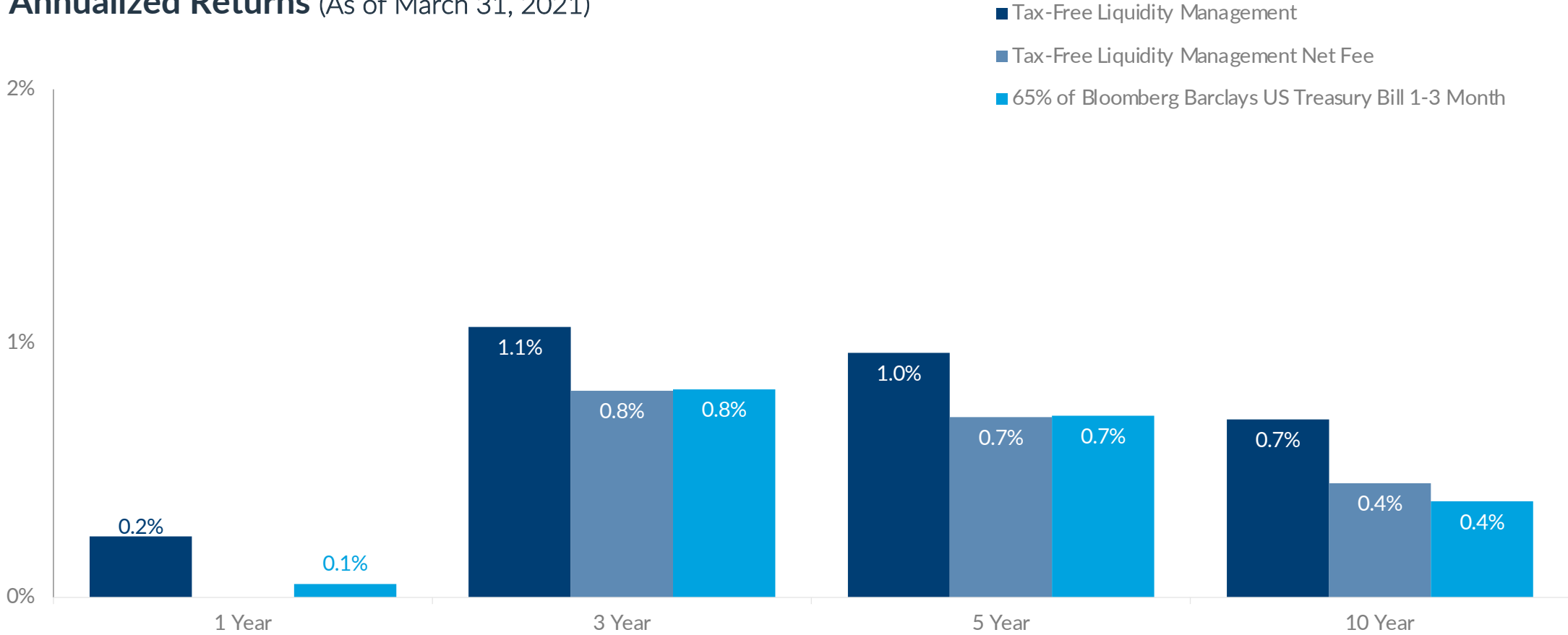
	Daily VRDN CA	Daily VRDN National	Weekly VRDN CA	Weekly VRDN National	1 Yr AAA	2 Yr AAA	3 Yr AAA
Current	0.02	0.03	0.04	0.05	0.08	0.10	0.19
-1 Month	0.02	0.03	0.04	0.06	0.07	0.13	0.22
1 Mo. Avg	0.02	0.03	0.04	0.06	0.06	0.09	0.17

SIFMA Municipal Swap index is a 7-day high-grade market index comprised of tax-exempt VRDOs reset rates that are reported to the Municipal Securities Rule Making Board's (MSRB's) SHORT reporting system. Source: Bloomberg. As of April 2021.



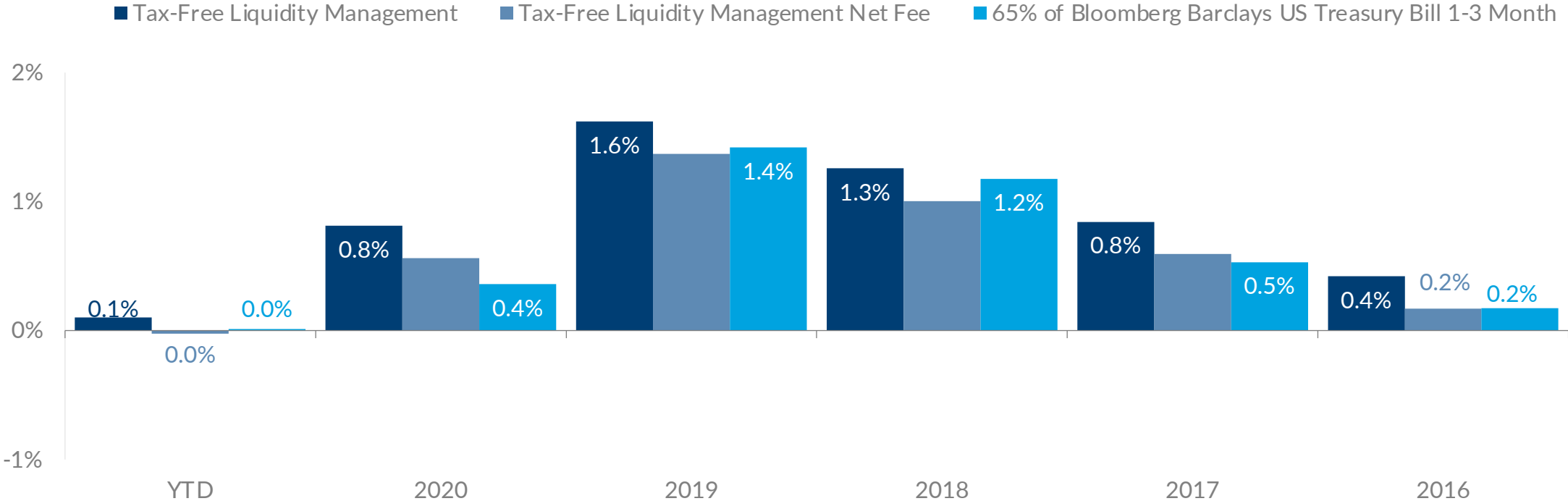
Tax-Free Liquidity Management

Annualized Returns (As of March 31, 2021)



Tax-Free Liquidity Management

Calendar Year Returns (As of March 31, 2021)



Past performance is not an indication of future results.
 Please refer to the Tax-Free Liquidity Management Composite Annual Disclosure Presentation.



Tax-Free Liquidity Management

Annual Disclosure Presentation¹

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Composite Gross Return (%)	0.8	1.6	1.3	0.8	0.4	0.4	0.2	0.2	0.7	0.9
Composite Net Return (%)	0.6	1.4	1.0	0.6	0.2	0.2	-0.1	0.0	0.5	0.7
65% of Bloomberg Barclays U.S. Treasury Bill 1-3 Month Return (%)	0.4	1.4	1.2	0.5	0.2	0.0	0.0	0.0	0.1	0.0
Internal Dispersion (%)	0.3	0.2	0.1	0.1	N/A*	N/A*	0.1	0.2	0.2	0.0
Composite 3-Year Standard Deviation (%)	0.2	0.1	0.2	0.1	0.1	0.1	0.2	0.2	0.2	N/A
Benchmark 3-Year Standard Deviation (%)	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	N/A
Number of Portfolios at Year-End	38	28	82	27	7	≤ 5	6	7	10	8
Composite Assets at Year-End (\$ M)	873	690	1,240	262	90	55	69	66	168	292
Firm Assets at Year-End (\$ M)	46,257	42,824	34,339	32,862	26,272	22,584	20,073	15,461	8,508	7,940



Investment Team



Michael Taila
*Managing Director,
Senior Portfolio Manager*

Mr. Taila joined City National Rochdale in 2004 and has nearly 20 years of experience in the investment industry. He is responsible for the management of tax-free fixed income portfolios and bond selection strategies, and specializes in the research, analysis, and selection of fixed income securities. Mr. Taila also serves as a member of the fixed income team responsible for the management of the City National Rochdale Charter California Tax-Exempt Money Market Fund.

Prior to joining City National, he served as Portfolio Officer at Mellon Private Wealth Management, where he assisted in the management of high-net-worth client portfolios through portfolio risk analysis, asset allocation, equity research, and trading. Other past positions include Operations Specialist for Hotchkis and Wiley Capital Management.

Mr. Taila holds an MBA with a focus in Finance from the Anderson Graduate School of Management from the University of California at Los Angeles, a MA in International Affairs from Ohio University, and a BA in Anthropology from the University of California San Diego.



Pam Nelson, CFA
Portfolio Manager

Ms. Nelson joined City National Rochdale in 2006 and has over 20 years of professional experience in the investment industry. She is responsible for the management of tax-free fixed income portfolios and bond selection strategies. She also serves as a member of the fixed income team responsible for the management of the City National Rochdale California Tax-Exempt Money Market Fund.

Prior to joining City National, she was responsible for asset allocation research at U.S. Trust Company. Other past positions include Equity Trader at Hotchkis and Wiley Capital Management and Farmer's Insurance Company as well as Performance Analyst at TSA Capital Management.

Ms. Nelson holds a BA in Economics from the University of California at Berkeley. Additionally, she holds the Chartered Financial Analyst® designation and is a member of the CFA Institute.



IMPORTANT DISCLAIMERS

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, 2016. 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 Tax-Free Liquidity Management Composite has been examined for the periods January 1, 2000 through December 31, 2016. The verification and performance examination reports are available upon request.

* Internal Dispersion is not available due to no accounts present for the entire year.

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 Tax-Free Liquidity Management Composite includes all fully discretionary fee-paying portfolios that seek to provide a competitive return with a limited array of fixed income securities focusing primarily on short-term instruments that exhibit low degrees of principal volatility, through investments in government securities, corporate notes and bonds, as well as other short-term obligations such as commercial paper and certificates of deposits. The minimum account size for composite inclusion is \$2,000,000. The composite was created on December 31, 1999. A complete list of composite descriptions is available upon request.

3 The blended benchmark is calculated by multiplying 65% times the 1-Month return of the Barclays U.S. Treasury Bill 1-3 Month Index which tracks the after-tax performance of short-term U.S. government debt securities..

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 0.25% applied to the quarterly gross returns. The management fee is as follows: up to 0.25% on the first \$7.5 million; 0.15% on the next \$17.5 million; 0.10% in excess of \$25 million. 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 40% 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 1/1/2016 and from inception through 12/31/2015 the maximum was 10%.

10 Past performance is not an indication of future results.



IMPORTANT DISCLAIMERS

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.

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.

Because the Liquidity Management strategy will subject investors to principal risk, the strategy shouldn't be viewed as a substitute for a money market fund. The strategy's income will decline because of falling interest rates. Income risk is generally high for this strategy, so investors should expect monthly income to fluctuate. In rare circumstances a bond's liquidity may be delayed due to clearing from transfer agent.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek 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.

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

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

Past performance is no guarantee of future performance.

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