



July 2024

Sunset of the Tax Cuts and Jobs Act

Impact and Opportunities for Clients and Prospects

City National Rochdale's
Comprehensive Wealth Assessment Team

Comprehensive Wealth Assessment Team



Gerry Gaeta, J.D., MSFS, CEPA®

Managing Director

Senior Wealth Strategist

(213) 321-6897

Gerry.Gaeta@CNR.com



John Dwyer, CPA/PFS, CFP®, CEPA®

Director

Senior Wealth Strategist

(201) 563-7431

John.Dwyer@CNR.com



Pennie Dakis, CPA

Wealth Strategist

Pennie.Dakis@CNR.com



Agenda

- ◇ **Impact of the Tax Cuts and Jobs Act**
- ◇ **Opportunities for HNW, UHNW, and Business Owner Clients**
- ◇ **Competitive Advantage of CNR's Comprehensive Wealth Assessment Modeling Capabilities**



The Tax Cuts and Jobs Act



Introduction to the Tax Cuts and Jobs Act

The Tax Cuts and Jobs Act (TCJA) was signed into law in December 2017

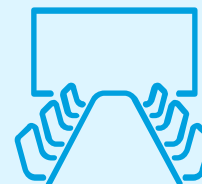
Most provisions went into effect on January 1, 2018

Which significantly impacted

Individual Taxpayers



Businesses



Note that the TCJA also effected other entities not outlined above



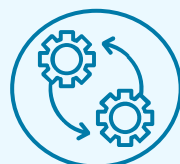
Key TCJA Provisions

Individuals



Reduced Federal
Income Tax Rates

Modified/Eliminated Individual
Deductions & Exemptions



Restricted Like-Kind
Exchanges

Introduced Qualified
Opportunity Zones



Increased Gift, GSTT ¹, and
Estate Lifetime Exemption

¹ Generation Skipping Transfer Tax



Key TCJA Provisions

Businesses



Reduced Corporate Tax Rate

Introduced Qualified Business Income Deduction



Eliminated/Limited Net Operating Loss (NOL) Carrybacks and Carryforwards

Amended or Eliminated Other Business Deductions



Sunset of the Tax Cuts and Jobs Act



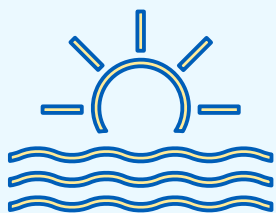
Since the TCJA was passed via Budget Reconciliation, many of its provisions are scheduled to expire (**sunset**) on December 31, 2025



Planning for All Possible Outcomes

Considerations

What can Financial Advisors do to ensure clients are prepared?



Under the Current Law

- Many key provisions of the Tax Cuts and Jobs Act are scheduled to sunset on December 31, 2025



Political Winds May Increase Potential for Future Legislation to

- Extend, reduce, or eliminate certain provisions of the law



Clients Are Going to Have Questions

- 2024 Election Results?
- Impact on Client's Financial Situation?
- What Actions Should Be Taken Today?



Sunset of the TCJA Individual Tax Provisions



Marginal Federal Income Tax Rates

Individual Tax Provisions

The TCJA reduced most marginal income tax rates

These changes are scheduled to expire and revert to prior law on 12/31/2025

| Current Tax Rates Under TCJA | Future Tax Rates Post-TCJA Sunset | Change |
|------------------------------|-----------------------------------|--------|
| 37% | 39.6% | + 2.6% |
| 35.0% | 35.0% | 0.0% |
| 32.0% | 33.0% | + 1.0% |
| 24.0% | 28.0% | + 4.0% |
| 22.0% | 25.0% | + 3.0% |
| 12.0% | 15.0% | + 3.0% |
| 10.0% | 10.0% | 0.0% |



Income Tax Brackets

Individual Tax Provisions

The TCJA restructured most of the seven individual income tax brackets
Many of these changes are scheduled to expire and revert to prior law on 12/31/2025

Top 3 Federal Income Tax Rates and Brackets

| | Current / Sunset Tax Rates | Current Tax Brackets Under TCJA | Future Tax Brackets Post-TCJA Sunset ¹ |
|------------------------|----------------------------|---------------------------------|---|
| Single | 37.0% / 39.6% | \$609,350 + | \$418,400 + |
| | 35.0% / 35.0% | \$243,726 - \$609,350 | \$416,701 - \$418,400 |
| | 32.0% / 33.0% | \$191,951 - \$243,725 | \$191,651 - \$416,700 |
| Married Filing Jointly | 37.0% / 39.6% | \$731,200 + | \$470,700 + |
| | 35.0% / 35.0% | \$487,451 - \$731,200 | \$416,701 - \$470,700 |
| | 32.0% / 33.0% | \$383,901 - \$487,450 | \$233,351 - \$416,700 |

¹ Amounts to be adjusted for inflation







Individual Deductions & Exemptions

Individual Tax Provisions

The TCJA altered certain individual tax deductions

Many of these changes are scheduled to expire and revert to prior law on 12/31/2025

| | Tax Provision | Current Law Under TCJA | Future Law Post-TCJA Sunset |
|--|--|--|---|
|  | Standard Deduction | Single: \$12,400 Married: \$24,800 | Single: \$6,500 ¹ Married: \$9,550 ¹ |
|  | State and Local Tax Deduction ² | Deduction is capped at \$10,000 | Unlimited Deduction |
|  | Mortgage Interest Deduction ² | Interest is deductible on first \$750k of debt | Interest is deductible on first \$1M of debt and first \$100k of home equity loan |
|  | Charitable Deduction ² | May deduct up to 60% of AGI | May deduct up to 50% of AGI |

¹ Amounts to be adjusted for inflation



² Applicable only if taxpayer is itemizing deductions



Individual Deductions & Exemptions

Individual Tax Provisions

The TCJA eliminated certain individual tax deductions & exemptions
 Many of these changes are scheduled to expire and revert to prior law on 12/31/2025

| Tax Provision | Current Law Under TCJA | Future Law Post-TCJA Sunset |
|---|------------------------|---|
|  Miscellaneous Deductions ² <i>(subject to 2% AGI floor)</i> | Eliminated | Legal fees, investment/advisory fees, etc. are deductible ³ |
|  Personal Exemption | Eliminated | \$4,050 per taxpayer & qualified dependent ¹ |

¹ Amounts to be adjusted for inflation

² Applicable only if taxpayer is itemizing deductions

³ To the extent these exceed 2% of Adjusted Gross Income (AGI)



Like-Kind Exchanges & Qualified Opportunity Zones

Individual Tax Provisions

Like-Kind Exchanges (IRC Section 1031)

The TCJA permanently eliminated like-kind exchanges of **personal & intangible property**

Intangible business assets, vehicles, equipment, machinery, artwork, collectibles, or patents and other intellectual property are no longer eligible for exchange

Like-kind exchanges of **real property** are still permitted

Qualified Opportunity Zones (IRC Section 1400Z)

The TCJA introduced **Qualified Opportunity Zones (QOZ)**

Initiative designed to preserve qualified capital gains & deliver potential tax benefits for reinvesting in designated communities

Many tax incentives have **expired** since initial legislation went into effect

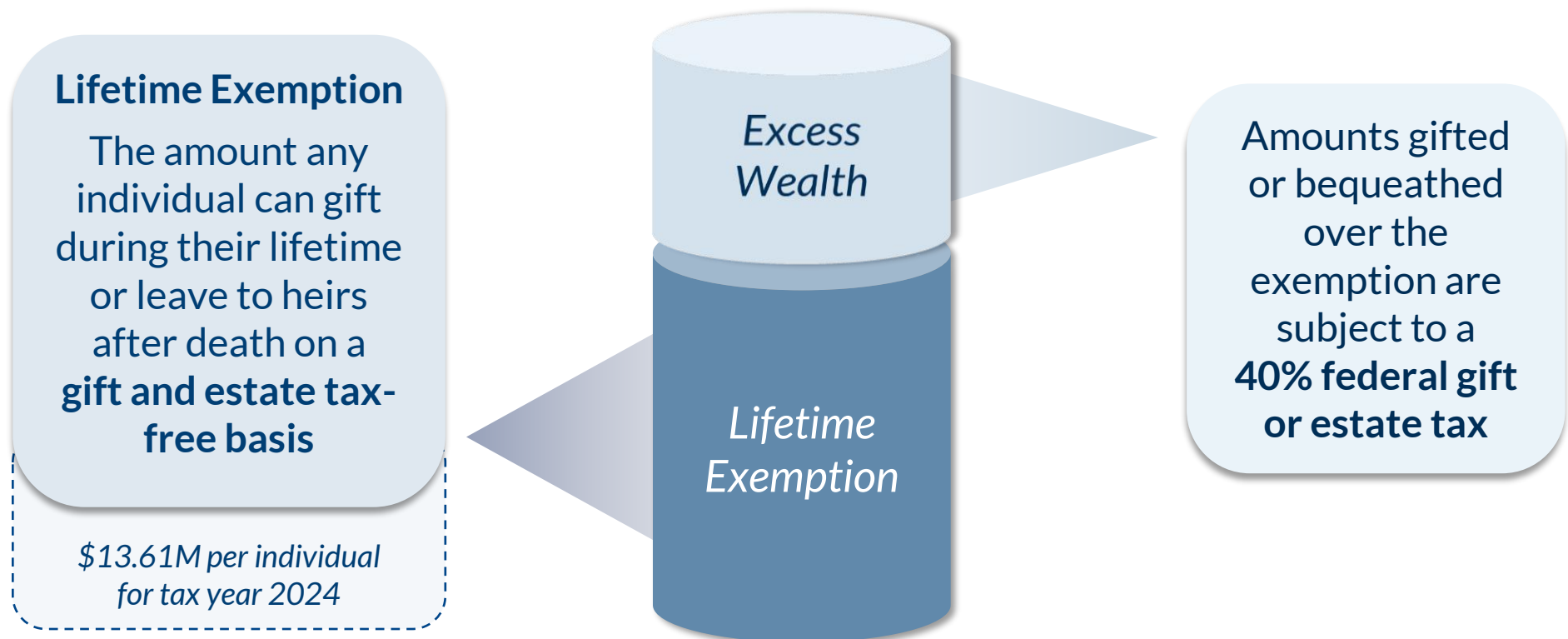
Deferral of gain by investing in a QOZ expires on **12/31/2026**



Generation Skipping, and Gift & Estate Tax Lifetime Exemptions

Individual Tax Provisions

The TCJA significantly increased the Lifetime Exemption



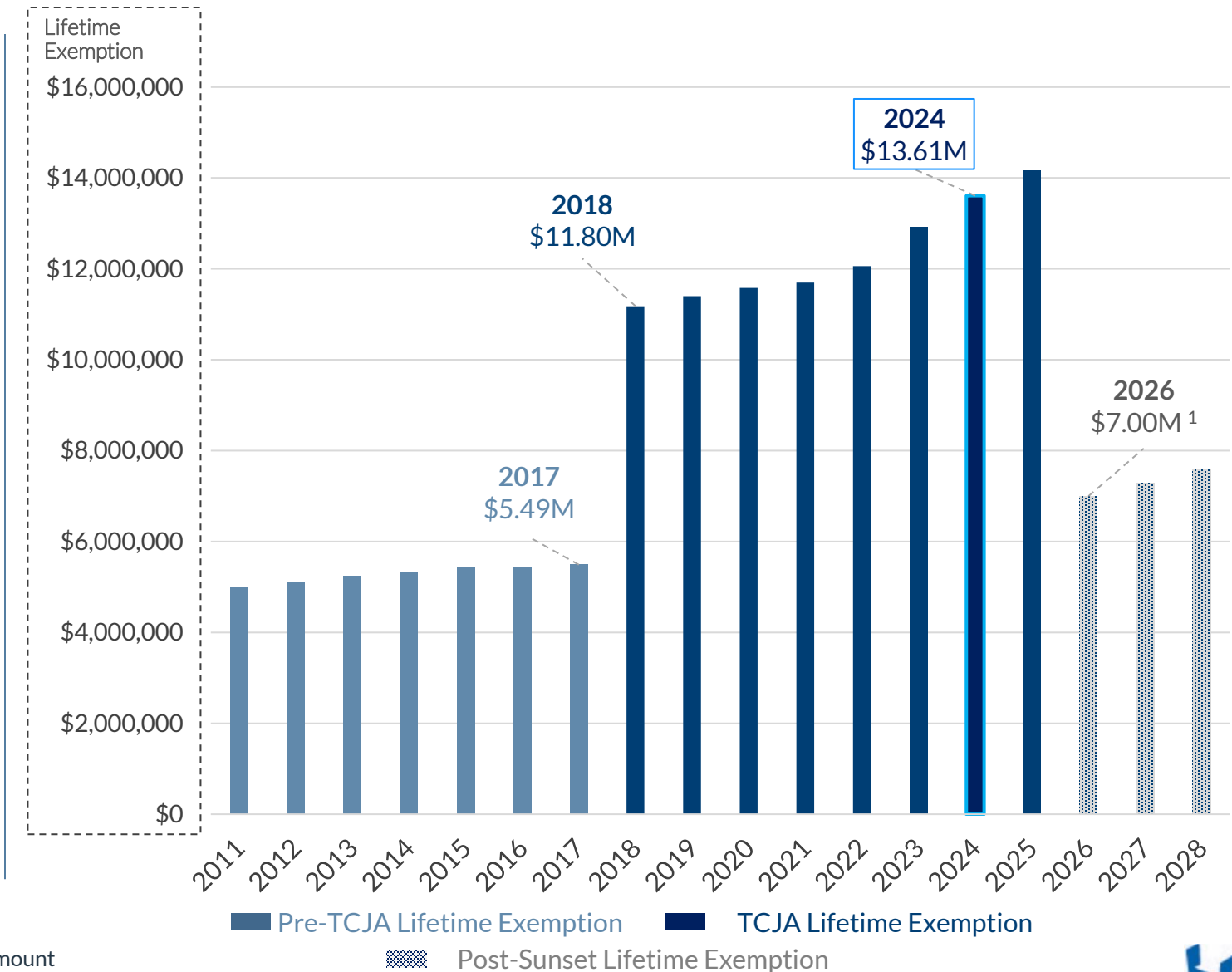
Generation Skipping, and Gift & Estate Tax Lifetime Exemptions

Individual Tax Provisions

TCJA Changes for Tax Years 2018 to 2025

- For tax year 2018, the **Lifetime Exemption** increased from \$5.49M per person to \$11.80M
- Annually adjusted for inflation through tax year 2025

These changes are scheduled to expire and revert to prior law on 12/31/2025



¹ Approximate inflation-adjusted amount



Summary of Key Provisions & Sunset

Individual Tax Provisions

| Tax Provision | TCJA Law | Sunset Date | Post-Sunset Law |
|---|--|------------------|--|
| Income Tax Rates | Reduced most marginal tax rates <i>Top marginal rate decreased from 39.6% to 37.0%</i> | 12/31/2025 | Revert to prior law <i>Top marginal rate will increase to 39.6%</i> |
| Income Tax Brackets | Restructured most tax brackets <i>Top tax bracket for Single: \$609,350 + Married: \$731,200 +</i> | 12/31/2025 | Revert to prior law <i>Top tax bracket for Single: \$426,700 + ¹ Married: \$480,050 + ¹</i> |
| Individual Deductions and Exemptions | Altered or eliminated many deductions <i>Standard Deduction: \$12k / \$24k (S / MFJ) ¹ State and Local Tax: \$10k cap Mortgage Interest: deductible up to first \$750k Charitable: deduct up to 60% of AGI Miscellaneous (2% AGI Floor): Eliminated Personal Exemption: Eliminated</i> | 12/31/2025 | Revert to prior law <i>Standard Deduction: \$6,350 / \$12,700 (S / MFJ) ¹ State and Local Tax: No cap Mortgage Interest: deductible up to first \$1M Charitable: deduct up to 50% of AGI Miscellaneous (2% AGI Floor): Reinstated Personal Exemption: \$4,050 ¹</i> |
| Like-Kind Exchange | Eliminated exchange of personal & intangible property | Permanent | N/A |
| Qualified Opportunity Zones | Introduced Qualified Opportunity Zones | 12/31/2026 | Program expires |
| Lifetime Exemption | Increased Exemption <i>\$5.49M to \$11.80M Adjusted annually for inflation</i> | 12/31/2025 | Revert to prior law <i>\$5.00M ¹ Adjusted annually for inflation</i> |

¹ Amounts to be adjusted for inflation



Sunset of the TCJA Business Tax Provisions



Corporate Tax Rate & Net Operating Losses


Business Tax Provisions


The TCJA modified certain business tax provisions
These changes were made permanent or not anticipated to expire


Tax Provision

Current Law Under TCJA

Future Law Post-TCJA Sunset

| | | | |
|--|--|-----|-----|
|  | Federal Corporate Income Tax Rate | 21% | N/A |
|--|--|-----|-----|

| | | | |
|--|---------------------------------|---|-----------------------|
|  | Net Operating Loss (NOL) | Limited to 80% of taxable income and can only be carried forward indefinitely | No change anticipated |
|--|---------------------------------|---|-----------------------|

| | | | |
|--|------------------------------|--|-----------------------|
|  | Section 179 Deduction | Deduction cap raised to \$1M with phase-out beginning at \$2.5M ^{1,2} | No change anticipated |
|--|------------------------------|--|-----------------------|

¹ Amounts to be adjusted for inflation
² Further expanded by the Small Business Jobs Act



Business Tax Deductions

Business Tax Provisions

The TCJA modified certain business tax provisions

Many of these changes are scheduled to expire and revert to prior law on 12/31/2025

Tax Provision

Current Law Under TCJA

Future Law Post-TCJA Sunset



Qualified Business Income (QBI) Deduction

Deduction up to 20% of QBI for owners of certain types of businesses

Set to expire 12/31/25



Section 163(J)

Limit on business interest deduction for certain taxpayers and removed certain addbacks to adjusted taxable income (ATI)

Add-backs to ATI set to expire 12/31/25



Bonus Depreciation

60% bonus depreciation in 2024, 40% in 2025 and 20% for 2026

0% bonus depreciation beginning in 2027



Opportunities for HNW, UHNW, & Business Owner Clients



Awareness & Education

Opportunities for Clients

With only **six quarters** left until many critical provisions of the Tax Cuts and Jobs Act expire...



HNW, UHNW, & Business Owner Clients should be educated on

- The potential impact this may have on their wealth
- Opportunities still available to help meet their financial goals & objectives



Income Tax Planning Opportunities



Income Tax Planning

All Clients



Consider the Timing of Certain Income and Deduction Items

- › Timing of charitable donations
- › Delaying payment of certain expenses that may not be deductible under current law



Review Current Portfolio Holdings with Your Investment Manager

- › Consider accelerating income recognition prior to the sunset
- › Consider Roth conversions



Advanced Planning Strategies

Income & Capital Gain Tax Mitigation

- › Donor Advised Funds (DAF)
- › Charitable Remainder Trust (CRT) & Charitable Lead Trust (CLT)
- › Qualified Opportunity Zones

Income Shifting

- › Family Limited Partnership (FLP)
- › Irrevocable Non-Grantor Trust (ING)



Income Tax Planning

2024 Federal Tax Rates and Brackets

| Single | Capital Gains Tax Rate |
|----------------------|------------------------|
| \$0 - \$47,025 | 0% |
| \$47,026 - \$518,900 | 15% |
| \$518,900 + | 20% |

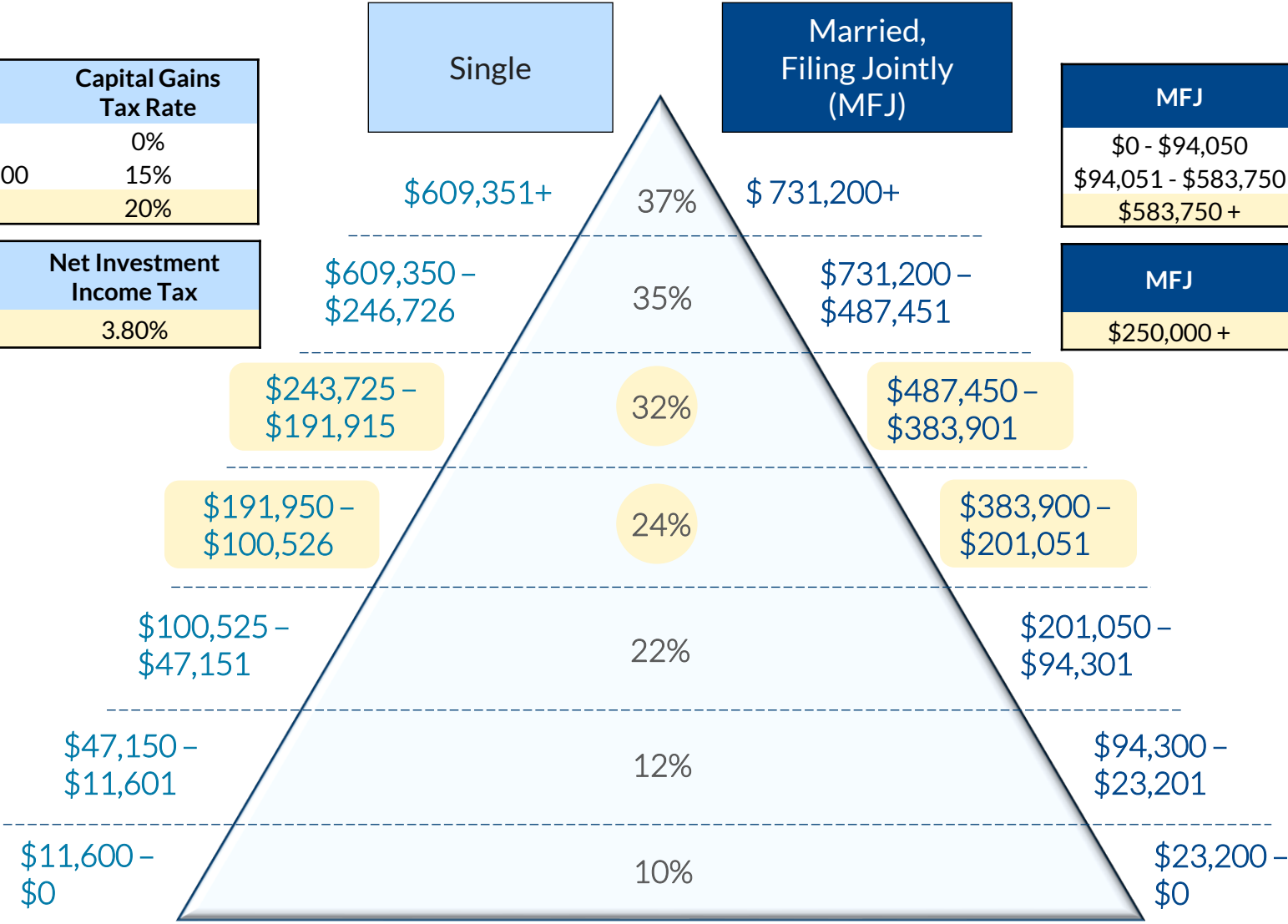
| Single | Net Investment Income Tax |
|-------------|---------------------------|
| \$200,000 + | 3.80% |

Single

Married, Filing Jointly (MFJ)

| MFJ | Capital Gains Tax Rate |
|----------------------|------------------------|
| \$0 - \$94,050 | 0% |
| \$94,051 - \$583,750 | 15% |
| \$583,750 + | 20% |

| MFJ | Net Investment Income Tax |
|-------------|---------------------------|
| \$250,000 + | 3.80% |



Source: Tax Foundation, November 2023, <https://taxfoundation.org/data/all/federal/2024-tax-brackets/>
 Information is subject to change and is not a guarantee of future results.

NON-DEPOSIT INVESTMENT PRODUCTS ARE: • NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE



Income Tax Planning

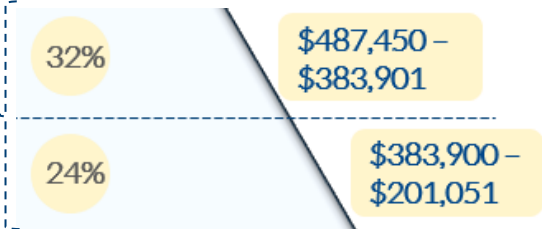
Illustrations

“Generational” Roth-to-the-Line

Married couple (G2) has taxable income of \$283,900



\$100k of additional income needed to reach the 32% marginal bracket



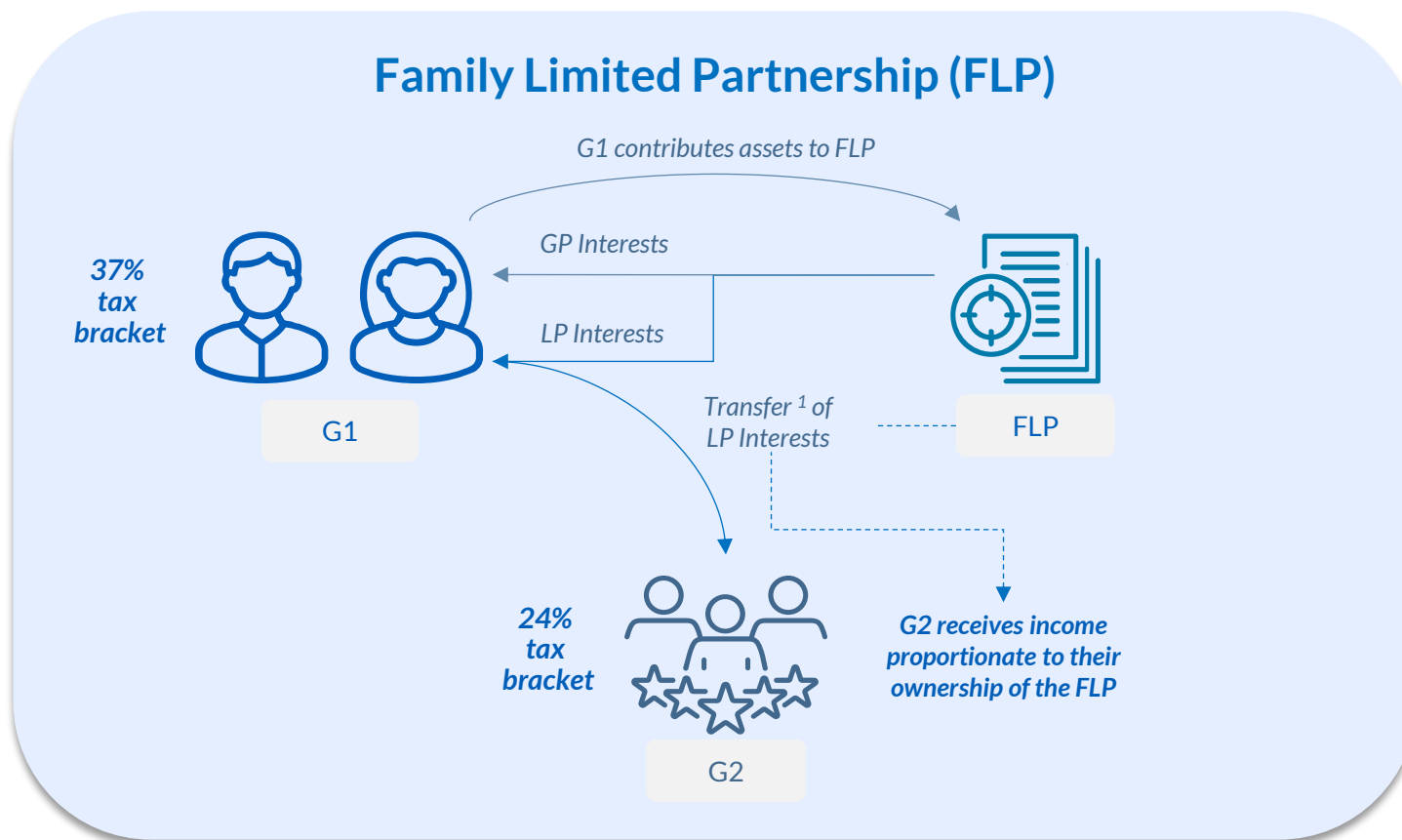
Converting \$100k to Roth results in additional income tax liability of approximately \$24k

Parents (G1) may gift this amount to the couple (G2) to cover the tax

G1 – Generation 1
G2 – Generation 2



Income Tax Planning Illustrations



¹ Transfer may mean gift, sale, or loan



Gift & Estate Planning Opportunities



Gift & Estate Planning

HNW and UHNW Clients



Utilizing Annual Exclusion Gifts

- › \$18k per person / \$36k per married couple for 2024
 - Outright to heirs
 - Advanced planning alternatives



Utilize Current Lifetime Exemption

- › For married couples – feasible to max out both spouse’s exemptions?
- › Decision to “lock-in” one spouse’s exemption vs. reduced gifts from both
- › Valuation Discounts
- › Control and access considerations



Consider Advanced Planning Strategies

- › Spousal Lifetime Access Trust (SLAT)
- › Intentionally Defective Grantor Trust (IDGT)
- › Family Limited Partnership (FLP)
- › “Wait and See” Approach



Additional Considerations if Lifetime Exemption Depleted

- › Loans / Sales to Irrevocable Trusts
- › Grantor Retained Annuity Trust (GRAT)
- › Tax Basis Planning with “Swaps”¹
- › Life insurance
- › Lifetime and testamentary charitable giving

¹with Irrevocable Grantor Trust(s)



Gift & Estate Planning

Illustrations

Annual Exclusion Gifts

Married couple with 3 children makes annual exclusion gifts each year for 20 years

\$36,000 x 3 children x 20 years equals \$2,160,000 total amount gifted

\$2,160,000
x 40% estate tax rate
\$864,000 additional to heirs ¹

“Lock-In” Lifetime Exemption

| | |
|--------------------------------|--------------------|
| Lifetime Exemption As of Today | \$13,610,000 |
| Lifetime Exemption Post-Sunset | \$7,000,000 |
| “Bonus” Exemption | \$6,610,000 |

One Exemption

\$6.61M
x 40% estate tax rate
\$2.65M additional to heirs ¹

Two Exemptions

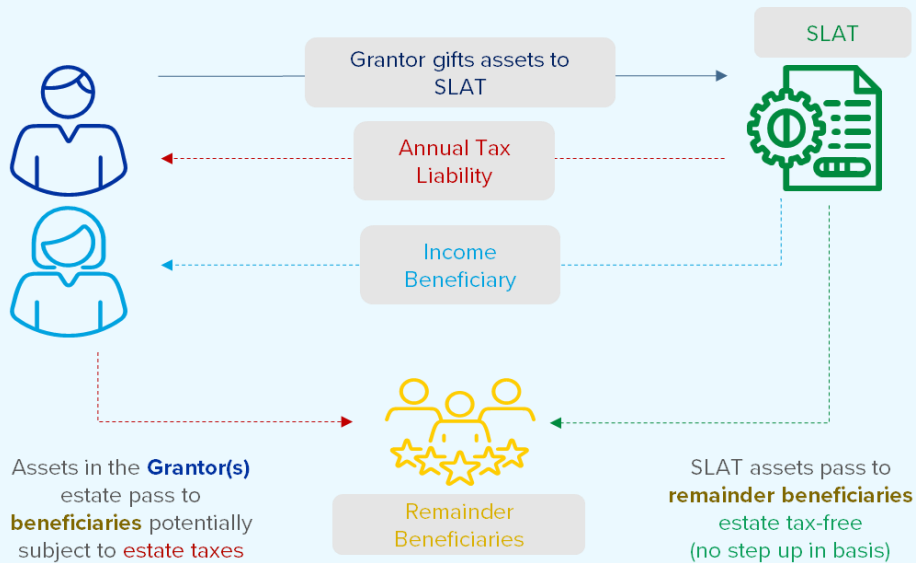
\$6.61M x 2
x 40% estate tax rate
\$5.3M additional to heirs ¹

1 - Assumes the taxpayer has a taxable estate.
2 - Please note this illustration does not include inflationary adjustments to the annual exclusion gifts.

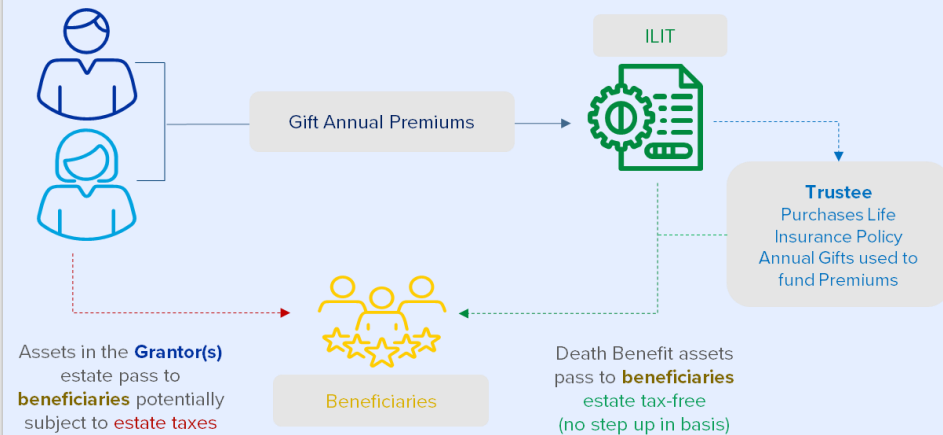


Gift & Estate Planning Illustrations

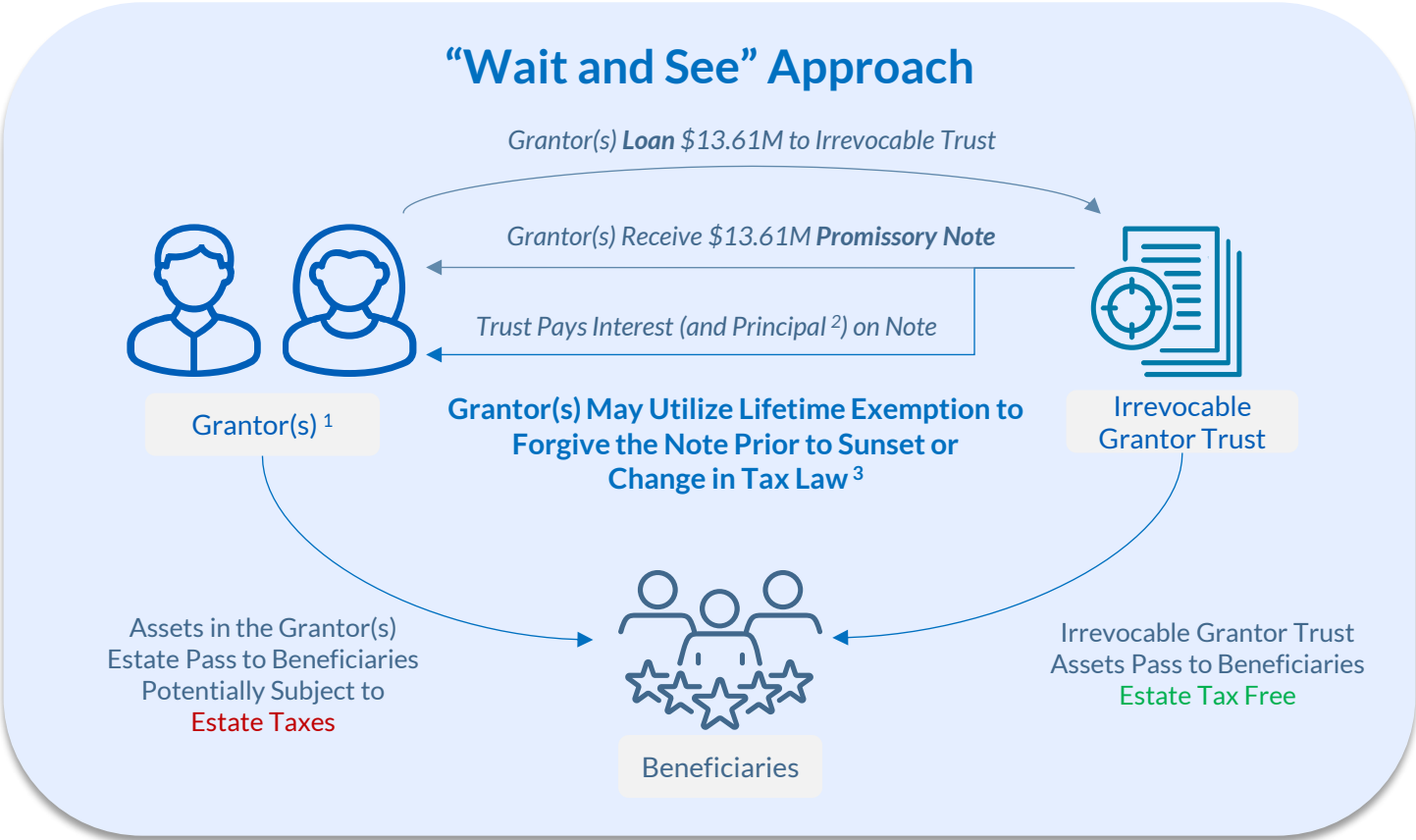
Spousal Lifetime Access Trust



Irrevocable Life Insurance Trust



Gift & Estate Planning Illustrations



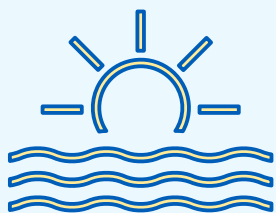
1 - Note that in this illustration, the grantor is responsible for annual tax liability after loan is forgiven
 2 - Depending on how loan is structured interest must be paid on the note. It may be structured as interest-only or include principal
 3 - Please note that there is a possibility of retroactive application of the law



Planning for All Possible Outcomes

Considerations

What can Financial Advisors do to ensure clients are prepared?



Under the Current Law

- Many key provisions of the Tax Cuts and Jobs Act are scheduled to sunset on December 31, 2025



Political Winds May Increase Potential for Future Legislation to

- Extend, reduce, or eliminate certain provisions of the law



Clients Are Going to Have Questions

- 2024 Election Results?
- Impact on Client's Financial Situation?
- What Actions Should Be Taken Today?



Estate Planning Example

“Right-Sizing” Gifts to SLATs

NON-DEPOSIT INVESTMENT PRODUCTS ARE: • NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE



Assumptions

John & Joanne Smith are both retired and are exploring certain strategies to decrease their overall estate tax exposure before the 2026 Sunset.

| 2024 Balance Sheet | |
|-------------------------------|---------------------|
| Non-Qualified Investments | \$30,000,000 |
| Qualified Retirement Accounts | \$8,000,000 |
| Primary Residence | \$2,000,000 |
| Total Net Worth | \$40,000,000 |

| General Assumptions | |
|---|--|
| Ages | John – age 65 Joanne – age 65 |
| End of Plan | Year 2049 (John & Joanne's ages 90) |
| State of Residence | Florida |
| Annual Personal Living Expenses <i>*adjusted annually for inflation*</i> | \$400,000 |
| Inflation | 2.49% |
| Assumed Rate of Return on All Portfolio Assets | 6.75% |

Estate Planning Strategies for Consideration

Prior to 2026 Sunset:

- 1) Two Max SLATs – Gift \$13.61M of Taxable Investments to Each (\$27.22M Total)
- 2) Two Smaller SLATs – Gift \$12M of Taxable Investments to Each (\$24M Total)

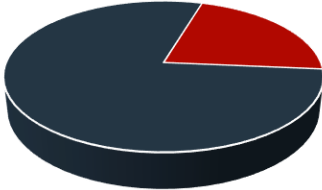
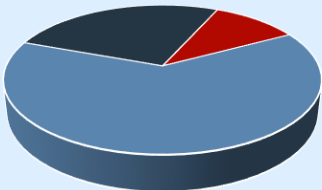
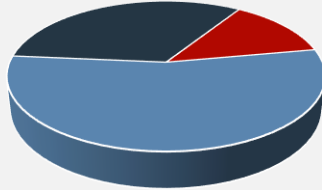
FOR ILLUSTRATIVE PURPOSES ONLY

All decisions regarding the tax/legal implications of your investment/estate planning should be made in consultation with your independent tax or legal advisor.

NON-DEPOSIT INVESTMENT PRODUCTS ARE: • NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE



Summary of Results – Year 2026

| Baseline | 1) Two Max SLATs | 2) Two \$12M SLATs |
|---|--|---|
| | \$7,527,601 Additional to Heirs | \$5,958,701 Additional to Heirs |
| In-Estate Portfolio \$44,634,716 | In-Estate Portfolio \$11,526,576 | In-Estate Portfolio \$15,440,166 |
| Estate Tax Liability \$ 12,995,147 | Estate Tax Liability \$5,471,891 | Estate Tax Liability \$7,037,327 |
| Total to Heirs \$33,792,720 | Total to Heirs \$41,320,321 | Total to Heirs \$32,062,921 |
|  |  |  |

- In-Estate Assets
- Estate Tax Liability
- Out-of-Estate Assets

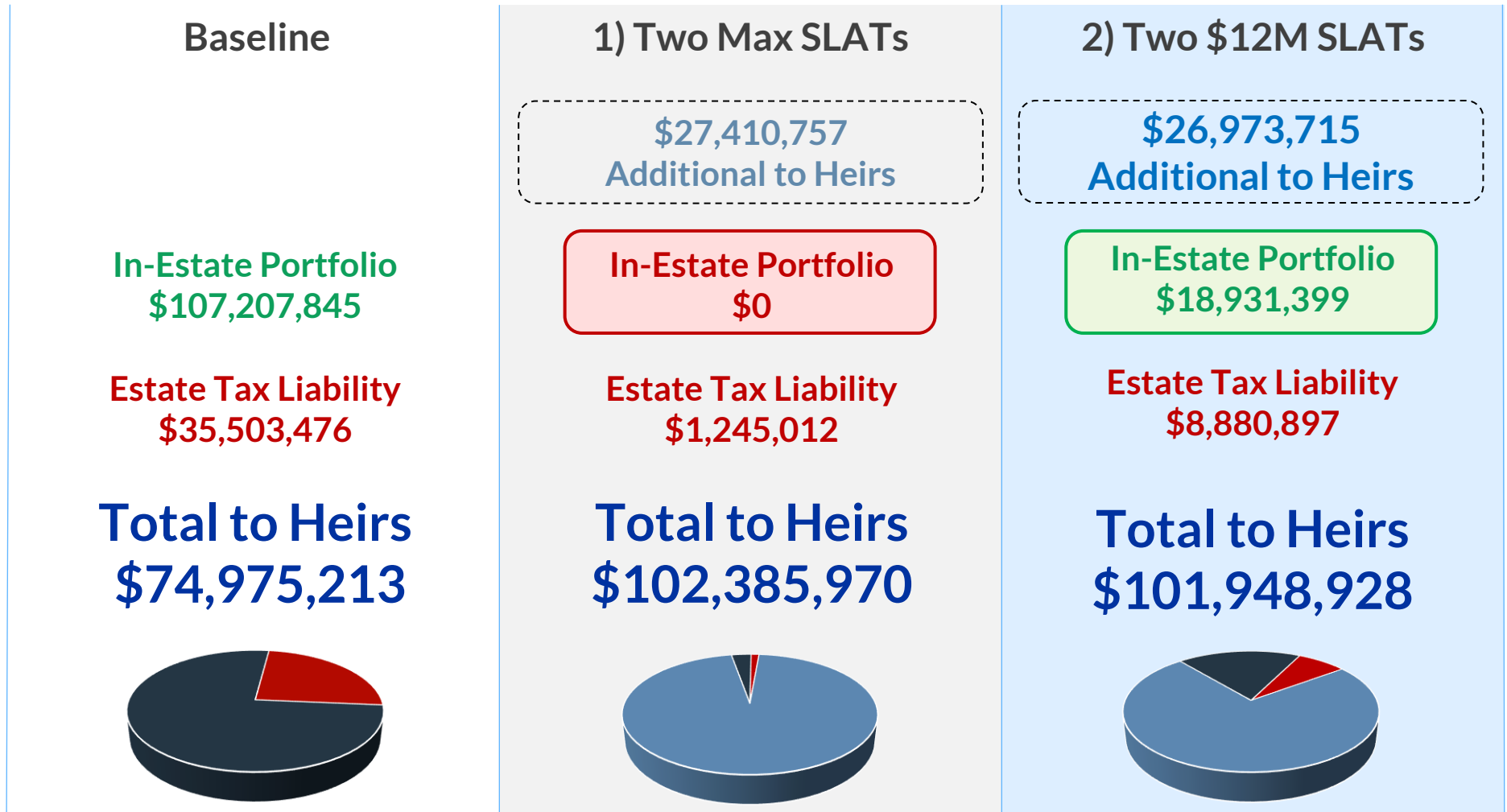
Please refer to the appendix for supporting reports.

FOR ILLUSTRATIVE PURPOSES ONLY

All decisions regarding the tax/legal implications of your investment/estate planning should be made in consultation with your independent tax or legal advisor.



Summary of Results – Year 2048



- In-Estate Assets
- Estate Tax Liability
- Out-of-Estate Assets

Please refer to the appendix for supporting reports.

FOR ILLUSTRATIVE PURPOSES ONLY

All decisions regarding the tax/legal implications of your investment/estate planning should be made in consultation with your independent tax or legal advisor.



Partnering with Private Wealth Solutions

NON-DEPOSIT INVESTMENT PRODUCTS ARE • NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE

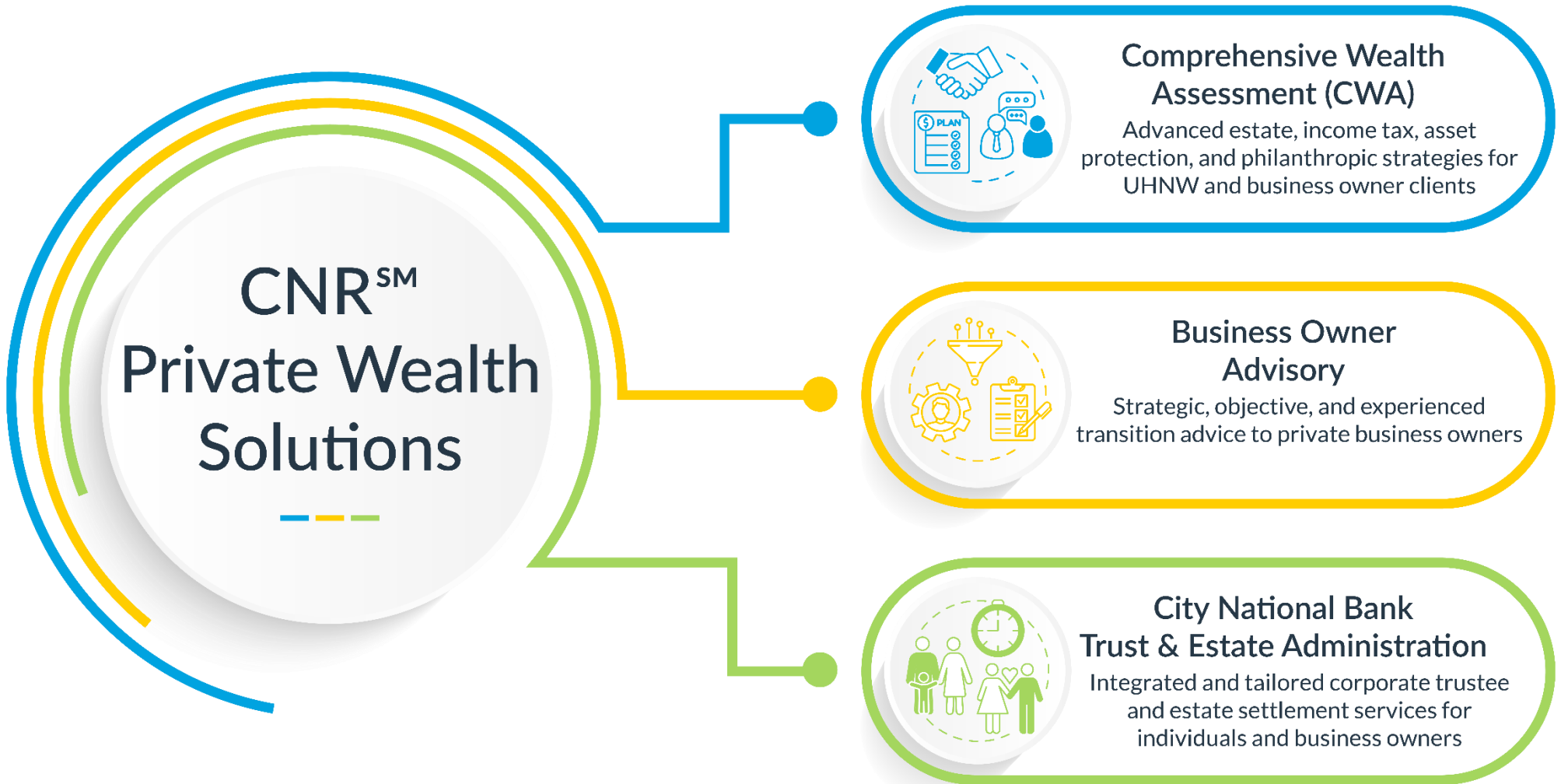
CAS00011919

39



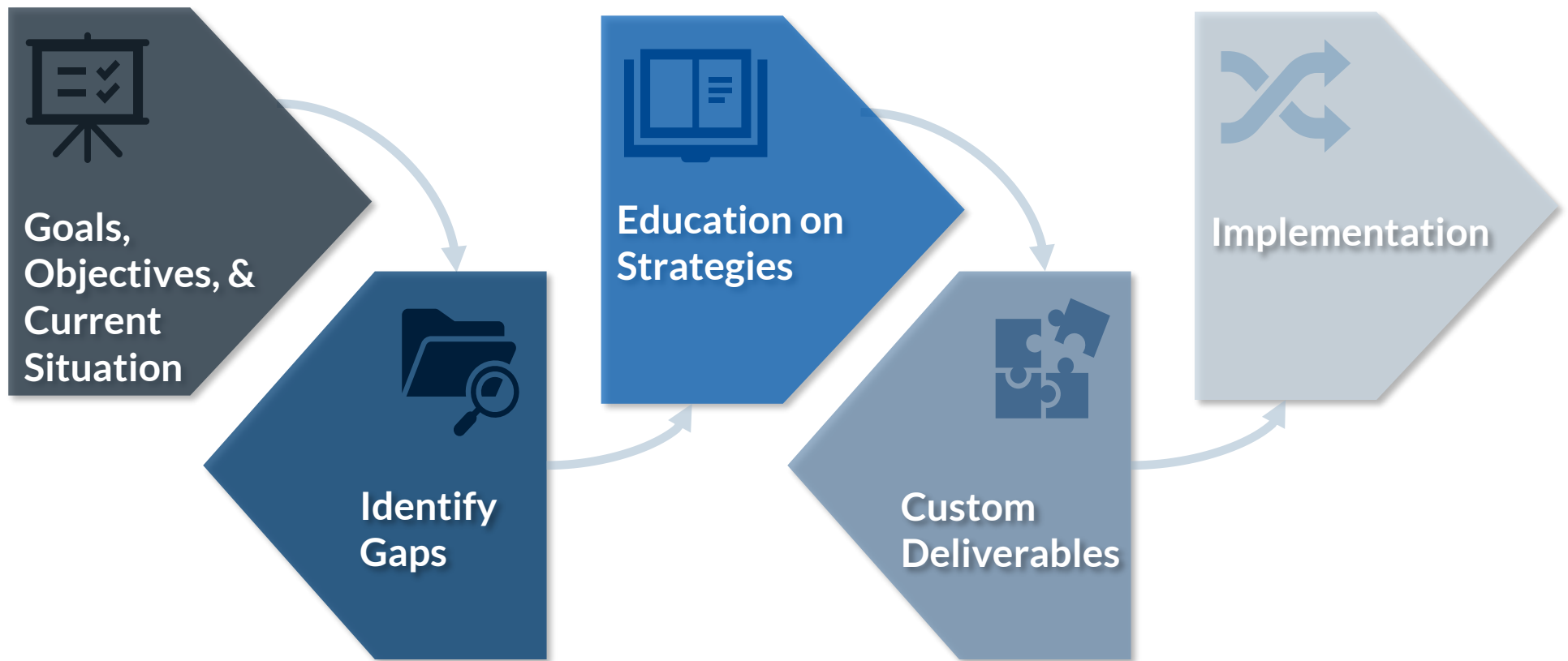
Private Wealth Solutions

Intelligently personalized services offered in collaboration with your advisor to support you with the more complex issues you face when your investable assets exceed \$10mm.



Comprehensive Wealth Assessment (CWA)

A complimentary, holistic service offered in collaboration with financial advisors to supplement their existing value proposition



Strategic Pillars of Wealth

CWA
Specializes in
Advanced
Planning
within the
Strategic
Pillars of
Wealth



CITY NATIONAL ROCHDALE, LLC NON-DEPOSIT INVESTMENT PRODUCTS ARE:
• NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE

FOR INVESTMENT
PROFESSIONAL USE ONLY



Awareness & Education

Opportunities for Clients

With only **six quarters** left until many critical provisions of the Tax Cuts and Jobs Act expire...



HNW, UHNW, & Business Owner Clients should be educated on

- The potential impact this may have on their wealth
- Opportunities still available to help meet their financial goals & objectives



Next Steps



Identify your top UHNW & Business Owner clients and prospects.



Review your book of business and engage with Centers of Influence (COI).



Reach out to SIC to schedule meeting with the Private Wealth Solutions Team.

Visit our website for additional information

<https://www.cnr.com/content/cnr/en/what-we-do/private-wealth-solutions.html>



Appendix



Terms & Definitions

1. Grantor(s) – an individual who establishes a trust.
2. Trustee(s) – a person or firm that holds and administers property or assets held by a trust for the benefit of a third party.
3. Beneficiary(ies) – individual(s) for whom a trust is created.
4. CRT – Charitable Remainder Trust – an irrevocable trust where the grantor generally contributes appreciated assets or cash and the CRT provides payments to an initial income beneficiary(s). At the end of the trust term, any remaining assets will pass to one or more charitable remainder beneficiaries, which may include a private family foundation
5. CRUT – Charitable Remainder Unitrust - an irrevocable trust where the grantor generally contributes appreciated assets or cash and the CRUT provides fixed payments to an initial income beneficiary(s). The income is set at a fixed percentage of the annually appraised value of the assets held.
6. SLAT – Spousal Lifetime Access Trust – an irrevocable trust where one spouse (grantor) makes a gift into a trust to benefit the other spouse (income beneficiary) and other family members (remainder beneficiaries) while removing the assets from their taxable estate.
7. CLAT – Charitable Lead Annuity Trust – a split-interest irrevocable trust with two or more beneficiaries. The “lead” income beneficiary is the charity(ies) named under the terms of the CLAT and the “remainder” beneficiary(ies) is generally either the Grantor (Grantor CLAT) or the Grantor’s heirs (Non-Grantor CLAT).
8. IDGT – Intentionally Defective Grantor Trust – an irrevocable trust set up by an individual (grantor) to benefit another person(s) (beneficiaries). Any assets gifted to the trust are removed from the individual’s taxable estate for gift and estate tax purposes, but the grantor assumes any income tax liability on all income generated by assets held in the trust.
9. Basic Exclusion Amount – aka “Lifetime Exemption” – the amount of property that an individual can give away over the course of their lifetime without having to pay a gift tax
 - a) Current Law^a – this amount is \$13,610,000 for tax year 2024
 - b) 2026 Law^b – this amount is approximately \$7,000,000 for tax year 2026. This is an estimate of what the lifetime exemption will be after the Estate and Gift Tax Provision in the Tax Cuts & Jobs Act of 2018 (TCJA) sunsets on December 31, 2025 – the provision states that this amount will revert to its pre-2018 level of \$5,000,000, as adjusted for inflation.
10. FLP – Family Limited Partnership – a business or holding company owned by two or more family members within a partnership structure.
11. DAF – Donor Advised Fund – a vehicle that allows current tax deductions for irrevocable charitable gifts, without first identifying the specific qualified nonprofit organization(s) who will ultimately receive the funds. A DAF is considered to be a “public charity” and provides an immediate income tax deduction of up to 60% of donor’s adjusted gross income (AGI) for gifts of cash and up to 30% of AGI for gifts of appreciated assets.
12. GRAT – Grantor Retained Annuity Trust – an irrevocable trust that provides for annual payments to the grantor for a fixed term of years. At the end of the term, the remainder of the trust can be transferred to named beneficiaries. The payout rate is chosen by the grantor and the amount of the gift is based on the term of the trust and the Section 7520 Rate for that month. The value of the remainder, which can be zero, is reported as a taxable gift to the beneficiaries.

a – source: <https://www.irs.gov/businesses/small-businesses-self-employed/estate-tax>

b – source: <https://www.irs.gov/newsroom/estate-and-gift-tax-faqs>



Important Information

This information is presented for general illustrative, educational and discussion purposes only and is not intended to be investment, tax, accounting, or legal advice and should not be relied upon as such. All decisions regarding the tax and legal implications of your investment and estate planning should be made in consultation with your independent tax and legal advisors. This presentation is not an offer to buy or sell, or a solicitation of any offer to buy or sell any security.

Results are based on the accuracy of the information provided by the prospect/client. While every effort is made to ensure the validity of the information received, City National cannot be responsible for any inaccuracies that may occur. City National does not warrant its accuracy or appropriateness for client's goals and objectives, and City National has no duty to keep the information current. Any opinions, projections, forecasts, and forward-looking statements presented herein are valid as of the date of this document and are subject to change.

A significant portion of the information used by City National is provided by external sources and has been adapted for use in the analytical and risk management systems. This report has been created using information believed to be reliable but we do not warrant its accuracy or completeness. This presentation should not be viewed as a final governing investment or estate planning guideline.

The information herein should be used as a component to a broader due diligence process. Exclusive reliance on the information provided is not advised. Results are generated by analyzing the prospective client's (i) current financial situation and (ii) investment and estate planning goals and objectives, based on inputs provided by the prospective client.

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. Readers are cautioned that such forward-looking statements are not a guarantee of future results, involve risks and uncertainties, and actual results may differ materially from those statements as a result of various factors. The views expressed are also subject to change based on market and other financial conditions.

Long-term forecasts, derived by City National are model expected return, do not show actual performance and are for illustrative purposes only. The expected results have many inherent limitations and no representation is made that any investor or estate planner will or is likely to achieve returns similar to those shown. Changes in the assumptions used may have a material impact on the expected results presented.

As with any investment or estate planning strategy, there is no guarantee that objectives, strategy and/or goals will be met. All investing and estate planning is subject to risk.

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.

Past performance or performance based upon assumptions is no guarantee of future results



Important Information

This presentation is for general information and education only. City National makes no representations or warranties in respect of this presentation and is not responsible for the accuracy, completeness or content of information contained in this presentation. City National is not responsible for, and expressly disclaims all liability for, damages of any kind arising out of use, reference to, or reliance on any information contained in the presentation. The information in this presentation should not be used to obtain credit or for any other commercial purpose nor should it be construed as tax, accounting, regulatory or legal advice. Rules in the areas of law, tax and accounting are subject to change and open to varying interpretations and you should seek professional advice from your advisor. Nothing in this presentation should be construed as an offer, or solicitation of an offer, to buy or sell any financial instrument. It should not be relied upon as specific investment advice directed to the viewer's specific investment objectives. Any financial instrument discussed in this presentation may not be suitable for the viewer. Each viewer must make his or her own investment decision, using an independent advisor if prudent, based on his or her own investment objective and financial situation. City National (and its clients or associated persons) may, at times, engage in transactions in a manner inconsistent with this presentation and, with respect to particular securities and financial instruments discussed, may buy from or sell to clients or others on a principal basis.

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. Readers are cautioned that such forward-looking statements are not a guarantee of future results, involve risks and uncertainties, and actual results may differ materially from those statements as a result of various factors. The views expressed are also subject to change based on market and other conditions. 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.

Assumptions and Limitations: The material includes several methods of calculating results, each of which provides one outcome from a wide range of possible outcomes. All results presented herein are hypothetical in nature, do not reflect actual results, and are not guarantees of future results. All results use simplifying assumptions that do not completely or accurately reflect your specific circumstances. As investment returns, inflation, taxes, and other economic conditions vary from the assumptions used, your actual results will vary (perhaps significantly) from those presented in this material.



Important Information

All investing is subject to risk, including the possible loss of the money you invest. As with any investment strategy, there is no guarantee that investment objectives will be met and investors may lose money. Diversification does not ensure a profit or protect against a loss in a declining market. Past performance is no guarantee of future performance.

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. Before implementation, you should consult with your other advisors on the tax, accounting, and legal implications of any proposed strategies, based on your particular circumstances.

City National Rochdale, LLC, is a SEC-Registered Investment Adviser and a wholly-owned subsidiary of City National Bank. City National Bank is a subsidiary of Royal Bank of Canada.

Deposit products and services are provided by City National Bank Member FDIC.

City National, its managed affiliates and subsidiaries, as a matter of policy, do not give tax, accounting, regulatory, or legal advice, and any information provided should not be construed as such.

© 2024 City National Rochdale, LLC.





For More Information:

New York Headquarters

400 Park Avenue
New York, NY 10022

Beverly Hills Headquarters

400 North Roxbury Drive
Beverly Hills, CA 90210

citynationalrochdale@cnr.com

www.cnr.com



For More Information:

New York Headquarters

400 Park Avenue
New York, NY 10022

Beverly Hills Headquarters

400 North Roxbury Drive
Beverly Hills, CA 90210

citynationalrochdale@cnr.com

www.cnr.com