

## 2013 Important Tax-Exempt Fund Information

### Federal Tax Treatment

Federal tax law allows dividends from mutual funds that invest in municipal obligations to be considered tax exempt income. Any income distribution that qualifies as a tax exempt interest is reported on your Form 1099-DIV, Box 10. You must report this amount on Line 8b of your 2013 Form 1040. The amount reported in box 11 of Form 1099-DIV must be used in preparing Form 6251 to determine if you are subject to Alternative Minimum Tax. Any income distribution that is taxable income is reported on your Form 1099-DIV, Box 1a. This amount must be reported on Line 9a of Form 1040.

### State and Local Tax Treatment

Some of the Federal tax exempt dividends may also be exempt from state and local taxes, depending upon where you file your return. Listed below is the tax exempt percentage of income by state. As state and local tax regulations vary from state to state, not all permit such exclusion. For example, Illinois does not allow a taxpayer to exempt interest paid on Illinois state and local government obligations if the obligations are held by a shareholder in a mutual fund. For more information, please consult your tax advisor. If the tax law of your state provides for the exemption, multiply the amount in Box 10 of Form 1099-DIV by the appropriate percentage below. This amount can be excluded and the remaining balance should be reported on your state tax return.

State	CNR California Tax Exempt Money Market Fund	CNR California Tax Exempt Bond Fund
Alabama	0.00%	0.00%
Alaska	0.00%	0.00%
Arizona	0.00%	1.56%
Arkansas	0.00%	0.00%
California	95.44%	95.41%
Colorado	0.24%	0.00%
Connecticut	0.00%	0.30%
Delaware	0.00%	0.00%
District of Columbia	0.00%	0.00%
Florida	0.00%	0.00%
Georgia	0.00%	0.00%
Hawaii	0.00%	0.06%
Idaho	0.00%	0.00%
Illinois	0.00%	0.55%
Indiana	0.00%	0.00%
Iowa	0.00%	0.00%
Kansas	0.00%	0.00%
Kentucky	0.00%	0.00%
Louisiana	0.00%	0.00%
Maine	0.00%	0.00%
Maryland	0.00%	0.00%
Massachusetts	0.00%	0.00%
Michigan	0.00%	0.00%
Minnesota	0.00%	0.00%
Mississippi	0.00%	0.00%
Missouri	0.00%	0.00%

State	CNR California Tax Exempt Money Market Fund	CNR California Tax Exempt Bond Fund
Montana	0.00%	0.00%
Nebraska	0.00%	0.00%
Nevada	0.00%	0.00%
New Hampshire	0.00%	0.00%
New Jersey	0.00%	0.00%
New Mexico	0.00%	0.00%
New York	3.38%	0.77%
North Carolina	0.00%	0.00%
North Dakota	0.00%	0.00%
Ohio	0.00%	0.00%
Oklahoma	0.00%	0.00%
Oregon	0.00%	0.00%
Pennsylvania	0.00%	0.00%
Rhode Island	0.00%	0.00%
South Carolina	0.00%	0.00%
South Dakota	0.00%	0.00%
Tennessee	0.00%	0.00%
Texas	0.91%	0.00%
Utah	0.00%	0.00%
Vermont	0.00%	0.00%
Virginia	0.00%	0.00%
Washington	0.00%	0.00%
West Virginia	0.00%	0.00%
Wisconsin	0.00%	0.00%
Wyoming	0.00%	0.00%
US Territories & Other	0.03%	1.35%

For Minnesota residents all of the income distribution by these funds is subject to state income tax.

Note: each investor's tax situations are unique to their specific circumstances; therefore, City National Rochdale Fund representatives are not able to provide specific tax strategies or advice. Investors should contact their tax professional for clarification regarding such inquiries.

**2013 IMPORTANT TAX REPORTING INFORMATION**

This letter contains important tax information specific to your City National Rochdale Funds. Please consult your tax advisor and refer to this letter when preparing your 2013 tax return. We believe we have provided the detail necessary to complete your 2013 tax returns. However, if you require further information, please call our Investor Services Representatives toll free at 1-888-889-0799.

**Qualified Dividend Income**

Qualified dividend income (“QDI”) is taxed at the lower long-term capital gain rates. The mutual fund may pass through any QDI it receives from stocks in the fund’s portfolio. QDI is reported to you on Form 1099-DIV, Box 1b. The QDI amount in Box 1b will only apply to you if you have held the fund for more than 60 days during the 121-day period beginning 60 days before the fund’s ex-dividend date of the distribution. To assist you in determining whether you have met this holding period requirement, the ex -dividend dates for our equity funds are listed in the chart below.

Please keep in mind that due to the beneficial tax rate changes affecting both qualifying dividends and capital gains, you will need to complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 to compute your taxes.

<b>CITY NATIONAL ROCHDALE EQUITY FUND NAME</b>	<b>DATES FOR ORDINARY INCOME (OI) AND SHORT TERM CAPITAL GAIN DISTRIBUTIONS (ST)</b>
Multi-Asset Fund	(OI) March 28, June 28, September 25, December 26
Diversified Equity Fund	(OI) March 28, June 28, September 25, December 26
Dividend and Income Fund	(OI) March 21, June 28, September 25, December 26
Emerging Markets Fund	(QI) December 26;
Socially Responsible Equity Fund	(OI) March 28, June 28, September 25, December 26, (ST) December 13
U.S. Core Equity Fund	(OI) March 28, June 28, September 25, December 26, (ST) December 13

The reduced tax rate on dividends does not apply to bond, tax exempt or money market investments.

**United States Government Interest**

Please check with your state or local tax office or your tax advisor to determine whether your state allows you to exclude some or all of the income you earn from mutual funds that invest in direct U.S. government obligations. If so, multiply the income percentage listed in the chart below by the amount in box 1a of your Form 1099-DIV to determine the amount of exempt interest.

<b>CITY NATIONAL ROCHDALE FUND NAME</b>	<b>U.S. GOVERNMENT INTEREST</b>
Government Money Market Fund	63.47%
Prime Money Market Fund	0.55%
California Tax Exempt Money Market Fund	0.00%
Limited Maturity Fixed Income Fund	4.11%
Government Bond Fund	25.43%
Corporate Bond Fund	0.00%
California Tax Exempt Bond Fund	0.00%
Full Maturity Fixed Income Fund	15.24%
High Yield Bond Fund	0.00%
Intermediate Fixed Income Fund	3.18%
Fixed Income Opportunities Fund	0.00%
Multi-Asset Fund	3.07%
Diversified Equity Fund	0.00%
Dividend and Income Fund	0.00%
Emerging Markets Fund	0.00%
Socially Responsible Equity Fund	0.00%
U.S. Core Equity Fund	0.00%

Due to certain statutory limitations, shareholders of these funds that are residents of California, Connecticut or New York are not permitted to exclude the portion of ordinary income that represents direct U.S. Government obligations from their state income taxes. Please consult your tax advisor if you have any questions with this.

Note: each investor’s tax situations are unique to their specific circumstances; therefore, City National Rochdale Fund representatives are not able to provide specific tax strategies or advice. Investors should contact their tax professional for clarification regarding such inquiries.