

CITY NATIONAL ROCHDALE FUNDS
400 North Roxbury Drive
Beverly Hills, California 90210
1-888-889-0799

Dear Shareholder:

We are seeking your approval of the proposed reorganization of the City National Rochdale Diversified Equity Fund series (the “Diversified Fund”) of City National Rochdale Funds (the “Trust”) into the City National Rochdale U.S. Core Equity Fund series (the “Core Fund”) of the Trust. City National Rochdale, LLC (“CNR”) is the investment adviser for both Funds. You are being asked to approve the proposed reorganization at a Special Meeting of Shareholders to be held on March 20, 2014 (the “Meeting”).

This reorganization is being proposed, among other reasons, to reduce the annual operating expenses borne by shareholders of the Diversified Fund. CNR does not expect significant future in-flows to the Diversified Fund and anticipates the assets of the Diversified Fund may continue to decrease in the future. After considering the viability of the Diversified Fund in light of its current size and limited prospects for future asset growth, CNR believes that maintaining the status quo would not be in shareholders’ best interests. The Core Fund has significantly more assets than the Diversified Fund (\$125.9 million compared to \$49.2 million as of July 31, 2013). It also has a significantly lower annual expense ratio (0.49% compared to 0.74% for Institutional Class shareholders and 0.99% compared to 1.14% for Class N shareholders for the period ended July 31, 2013).

The Funds have similar investment objectives and strategies. The Diversified Fund seeks to provide long-term capital growth by investing primarily in common stocks of large-capitalization U.S. companies that are diversified among various industries and market sectors. The Diversified Fund may also invest a portion of its assets in equity securities of middle capitalization companies. The Core Fund seeks to provide long-term capital appreciation by investing primarily in common stock of large and middle capitalization corporations domiciled in the United States. Although the Diversified Fund and the Core Fund both use the S&P 500 Stock Index as their primary benchmark, the Diversified Fund attempts to provide exposure to both growth and value stocks. The Core Fund can own both growth and value stocks, but has no specific mandate to maintain exposure to each.

The proposed reorganization is intended to be a taxable transaction. A Diversified Fund shareholder who exchanges shares of the Diversified Fund for shares of the Core Fund in the reorganization is expected to recognize a gain or loss for federal income tax purposes on that exchange, generally in the same manner as if the Diversified Fund had liquidated its assets and distributed the net proceeds to the shareholder.

If the proposed reorganization is approved by shareholders, the Diversified Fund will liquidate its securities holdings to cash, and at the close of business on March 21, 2014, the Diversified Fund will transfer its cash to the Core Fund, and the Core Fund will assume the liabilities of the Diversified Fund. On that date, you will receive shares of the Core Fund of the same class and equal in aggregate net asset value to the value of your shares of the Diversified Fund. There will be no dilution of your investment.

CNR will bear the costs of the proposed reorganization other than transaction costs associated with the sale of the Diversified Fund’s investment portfolio, including legal,

accounting and transfer agent costs. Transaction costs associated with the sale of the Diversified Fund's investment portfolio are estimated to be approximately \$12,000. Enclosed are various materials, including a Combined Prospectus and Proxy Statement and proxy ballot for the Meeting. The materials will provide you with detailed information about the proposed reorganization. CNR and the Board of Trustees of the Trust believe the reorganization is in the best interests of the shareholders of both Funds. The Board of Trustees and I urge you to vote **in favor** of the proposed reorganization.

Your vote is important. Please take a moment now to sign and return your proxy card in the enclosed postage paid return envelope. If we do not hear from you after a reasonable amount of time you may receive a telephone call from us, reminding you to vote your shares.

Sincerely,

/s/ Garrett R. D'Alessandro

Garrett R. D'Alessandro

President

**CITY NATIONAL ROCHDALE FUNDS
DIVERSIFIED EQUITY FUND
400 North Roxbury Drive
Beverly Hills, California 90210
1-888-889-0799**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held on March 20, 2014**

A special meeting of Shareholders of the City National Rochdale Diversified Equity Fund series (the "Diversified Fund") of City National Rochdale Funds (the "Trust") will be held on March 20, 2014, at 10:00 a.m. Eastern Time, at 570 Lexington Avenue, New York, New York 10022. The meeting will be held for the following purposes:

1. Reorganization of the Diversified Fund. For the shareholders of the Diversified Fund to consider and vote on a proposed reorganization of the Fund into the City National Rochdale U.S. Core Equity Fund series of the Trust and the subsequent dissolution of the Diversified Fund.

2. Other Business. To consider and act upon such other business as may properly come before the meeting or any adjournments.

The Board of Trustees of the Trust has unanimously approved the proposed reorganization. Please read the accompanying Combined Prospectus and Proxy Statement for a more complete discussion of the proposal.

Shareholders of the Diversified Fund of record as of the close of business on January 9, 2014 are entitled to notice of, and to vote at, the special meeting or any adjournment thereof.

You are invited to attend the special meeting. If you cannot do so, please complete and return the accompanying proxy in the enclosed postage paid return envelope as promptly as possible. This is important for the purpose of ensuring a quorum at the special meeting. You may revoke your proxy at any time before it is exercised by signing and submitting a revised proxy, by giving written notice of revocation to the Trust at any time before the proxy is exercised, or by voting in person at the special meeting.

By Order of the Board of Trustees,

/s/ Garrett R. D'Alessandro
Garrett R. D'Alessandro
President

February 11, 2014

**CITY NATIONAL ROCHDALE FUNDS
COMBINED PROSPECTUS AND PROXY STATEMENT**

The Board of Trustees of City National Rochdale Funds (the “Trust”) is soliciting the enclosed proxies in connection with a special meeting (the “Meeting”) of shareholders of the City National Rochdale Diversified Equity Fund series (the “Diversified Fund”) of the Trust.

The Meeting will be held on March 20, 2014 at 10:00 a.m. Eastern Time at the office of the Trust at 570 Lexington Avenue, New York, New York 10022. The Meeting is being called to consider the proposed reorganization of the Diversified Fund into the City National Rochdale U.S. Core Equity Fund series (the “Core Fund”) of the Trust and the subsequent dissolution of the Diversified Fund, and to transact such other business as may properly come before the meeting or any adjournments thereof. Each of the Diversified Fund and the Core Fund is referred to herein as a “Fund” and they are collectively referred to as the “Funds.” Shareholders of record of the Diversified Fund as of January 9, 2014 will be entitled to vote at the Meeting.

This Combined Prospectus and Proxy Statement (the “Prospectus/Proxy Statement”) is furnished to the shareholders of the Diversified Fund on behalf of the Board of Trustees of the Trust in connection with the solicitation of voting instructions for the Meeting. It is being mailed to shareholders of the Diversified Fund on or about February 11, 2014. The prospectus for the Core Fund (the “Prospectus”) accompanies and is incorporated into this Prospectus/Proxy Statement. This Prospectus/Proxy Statement and the Prospectus set forth concisely the information about the Core Fund and the proposed reorganization that Diversified Fund shareholders should know before voting on the reorganization. You should retain them for future reference.

Additional information about the Diversified Fund and the Core Fund are included in their Prospectus and Statement of Additional Information, both dated January 31, 2014, which are incorporated by reference herein. (Additional information is also set forth in the Statement of Additional Information dated February 11, 2014 relating to this Prospectus/Proxy Statement, which is also incorporated by reference herein). The Commission file numbers for the Trust’s registration statement containing the current Prospectuses and Statement of Additional Information for the Funds, as described above, are Registration No. 811-07923 and Registration No. 333-16093. Additional information about the Funds may also be obtained for the Funds from the Trust’s Annual Report for the fiscal year ended September 30, 2013, which has been filed with the SEC. Copies of the Prospectus, Statement of Additional Information, and Annual Report for the Funds may be obtained without charge by writing to the Funds at 400 North Roxbury Drive, Beverly Hills, California, 90210, by calling the Funds at 1-888-889-0799, or on the Funds’ website, www.citynationalrochdalefunds.com.

The SEC has not approved or disapproved these securities or passed on the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Dated: February 11, 2014

TABLE OF CONTENTS

	Page
SUMMARY OF PROSPECTUS/PROXY STATEMENT	1
PROPOSED REORGANIZATION	14
VOTING AND MEETING PROCEDURES	20
GENERAL INFORMATION	23
FINANCIAL HIGHLIGHTS AND FINANCIAL STATEMENTS	23
INFORMATION FILED WITH THE SECURITIES AND EXCHANGE COMMISSION	24
APPENDIX A - AGREEMENT AND PLAN OF REORGANIZATION	A-1

SUMMARY OF PROSPECTUS/PROXY STATEMENT

Proposed Reorganization

The Trust is an open-end management investment company (referred to generally as a “mutual fund”). The Trust’s offices are located at 400 North Roxbury Drive, Beverly Hills, California 90210. The Trust’s phone number is 1-888-889-0799.

The Board of Trustees of the Trust (the “Board”) has called the Meeting to allow shareholders of the Diversified Fund to consider and vote on the proposed reorganization of the Diversified Fund into the Core Fund (the “Reorganization”). The Board met on September 17, 2013 to discuss the proposal, and approved the Reorganization, subject to the approval of the Diversified Fund’s shareholders. The independent trustees – *i.e.*, those trustees who are not “interested persons” of the Trust as that term is defined in the Investment Company Act of 1940, as amended (the “1940 Act”) – unanimously approved the Reorganization.

The proposed Reorganization involves the liquidation of the Diversified Fund’s securities holdings to cash and the transfer of substantially all of the assets and liabilities of the Diversified Fund to the Core Fund in exchange for shares of the Core Fund. Shares of the Core Fund to be issued to the Diversified Fund will be valued at their current net asset value, as determined in accordance with the Trust’s valuation procedures. Following this distribution, shares of the Core Fund will be distributed to shareholders of the Diversified Fund and the Diversified Fund will be dissolved.

The Diversified Fund has two classes of shares: Institutional Class and Class N. The Core Fund has three classes of shares: Institutional Class, Servicing Class and Class N. In the Reorganization, holders of each of the Institutional Class and Class N shares of the Diversified Fund will receive Institutional Class and Class N shares, respectively, of the Core Fund. As a result of the proposed Reorganization, each shareholder of the Diversified Fund will receive full and fractional shares of the same class of the Core Fund equal in aggregate value at the time of the exchange to the aggregate value of such shareholder’s shares of the Diversified Fund.

The Reorganization is intended to be a taxable transaction. A Diversified Fund shareholder who exchanges shares of the Diversified Fund for shares of the Core Fund in the Reorganization will generally recognize a gain or loss for federal income tax purposes equal to the difference between the value of the Core Fund shares received and the shareholder’s adjusted tax basis in his or her Diversified Fund shares.

Diversified Fund shareholders may redeem shares of the Diversified Fund before the Reorganization or may redeem shares of the Core Fund after the Reorganization. Upon redemption, either before or after the Reorganization, shareholders will generally recognize substantially the same gain or loss for federal income tax purposes. A shareholder who redeems Diversified Fund shares before the Reorganization will generally recognize a gain or loss for federal income tax purposes equal to the difference between the amount realized and the shareholder’s adjusted tax basis in his or her Diversified Fund shares. A shareholder who redeems Core Fund shares after the Reorganization will generally recognize a gain or loss for federal income tax purposes equal to the difference between the amount realized and the shareholder’s adjusted tax basis in his or her Core Fund shares. Because such a shareholder will already have recognized gain or loss as a result of the Reorganization, the tax basis of his or her

Core Fund shares will generally be equal to the fair market value of those shares at the time of the Reorganization.

City National Rochdale, LLC (“CNR”) serves as the investment adviser for, and has identical responsibilities with respect to, each Fund. Each Fund is a diversified fund, which means that it is limited as to amounts of issuers it may own with respect to 75% of its assets.

The Funds have similar investment objectives and strategies. The Diversified Fund seeks to provide long-term capital growth by investing primarily in common stocks of large-capitalization U.S. companies that are diversified among various industries and market sectors. The Diversified Fund may also invest a significant portion of its assets in equity securities of mid-capitalization companies. The Core Fund seeks to provide long-term capital appreciation by investing primarily in common stock of large and middle capitalization corporations domiciled in the United States. Although the Diversified Fund and the Core Fund do not share precisely the same focus, each Fund invests primarily in large capitalization companies, and CNR uses the same methods of quantitative and fundamental analysis in selecting stocks for the two Funds.

The interests of the shareholders of the Funds will not be diluted as a result of the proposed Reorganization. The Board believes that the proposed Reorganization is in the best interests of each Fund and its shareholders for the reasons listed below:

- CNR expects that the Diversified Fund shareholders will pay lower management fees and lower gross and net total operating expenses after the Reorganization is completed, and the Core Fund shareholders will pay the same management fees and the same or lower gross and net total operating expenses after the Reorganization is completed.
- CNR believes that the combined Core Fund will be better positioned for growth than either the Diversified Fund or the Core Fund is prior to the Reorganization.
- The Reorganization will provide shareholders of the Diversified Fund with the opportunity to continue to utilize the services of CNR as manager of their equity portfolios on an uninterrupted basis.
- The investment objectives and principal strategies of the Diversified Fund are similar to those of the Core Fund.
- CNR, rather than the shareholders of the Diversified Fund, will bear the costs of the Reorganization other than transaction costs associated with the sale of the Diversified Fund’s investment portfolio, including legal, accounting and transfer agent costs.

Comparison of Investment Objectives and Principal Strategies

The investment objectives and principal strategies of each Fund are set forth in the following table.

	<u>Diversified Fund</u>	<u>Core Fund</u>
<u>Investment Objectives</u>	The Diversified Fund seeks to provide long-term capital growth.	The Core Fund seeks to provide long-term capital appreciation.

Principal Strategies

At least 80% of the Diversified Fund's net assets (including borrowings for investment purposes) consists of common stocks of large-capitalization U.S. companies that are diversified among various industries and market sectors. For this purpose, CNR, the Fund's investment adviser, considers a large-capitalization company to be a company with a market capitalization satisfying Standard & Poor's eligibility criteria for inclusion in the S&P 500 Index at the time of investment (currently \$4 billion or greater). This investment strategy may be changed at any time, with 60 days' prior notice to shareholders.

Up to 20% of the City National Rochdale Diversified Equity Fund's net assets may consist of equity securities, consisting primarily of common stock, of mid-capitalization companies. For this purpose, CNR considers a mid-capitalization company to be a company with a market capitalization satisfying Standard & Poor's eligibility criteria for inclusion in the S&P Midcap 400 Index at the time of investment (currently \$1 billion to \$4.4 billion). In addition to investing in U.S. corporations, the Diversified Fund invests in U.S. dollar denominated sponsored American Depositary Receipts of foreign corporations.

CNR manages a portion of the Diversified Fund's assets by replicating the holdings of the S&P 500 Index other than tobacco-related companies. The investments of the remainder of the Diversified Fund are typically equity securities that CNR believes have one or more of the following characteristics: a price significantly below the intrinsic value of the issuer; favorable

At least 80% of the Core Fund's net assets (including borrowings for investment purposes) consists of common stock of large and middle capitalization corporations domiciled in the United States. For this purpose, CNR, considers a large capitalization corporation and a middle capitalization corporation to be a corporation with a market capitalization satisfying Standard & Poor's eligibility criteria, at the time of investment, for inclusion in the S&P 500 Index (currently \$4 billion or greater) and the S&P Midcap 400 Index (currently \$1 billion to \$4.4 billion), respectively.

CNR uses a multifactor investment approach employing a combination of macroeconomic, quantitative and fundamental analyses to select companies with share price growth potential that may not be recognized by the market at large. Macroeconomic analysis evaluates investment themes, geopolitical events, monetary and fiscal policy and global economic trends.

prospects for earnings growth; above average return on equity and dividend yield; and sound overall financial condition of the issuer.

Quantitative analysis seeks to measure the value of securities by using mathematical and statistical modeling and research. Fundamental analysis of a security involves measuring its intrinsic value by examining related economic, financial and other factors, such as the overall economy and industry conditions, and the financial condition and management of the issuer.

In selecting securities for the Fund, CNR utilizes proprietary industry and stock selection models to determine which industries and companies it believes are likely to provide superior risk adjusted returns. CNR also employs a proprietary company analysis framework to evaluate individual securities by examining fundamental data such as management quality, revenue and earnings growth, profitability, market share, cash flow and balance sheet strength. CNR seeks the portfolio's risk characteristics to be similar to those of the S&P 500 Index. CNR constructs the portfolio to closely resemble the S&P 500 Index with respect to factors such as market capitalization, earnings per share growth rates, return on equity, price to earnings, price to book and other commonly recognized portfolio characteristics.

CNR may determine to sell a security when its target value is realized, its earnings deteriorate, changing circumstances affect the original reasons for the security's purchase, or more attractive investment alternatives are identified.

CNR may determine to sell a security under several circumstances, including but not limited to when its target value is realized, the company's earnings deteriorate, or more attractive investment alternatives are identified.

Comparison of Principal Investment Risks

As described further below, each of the Diversified Fund and the Core Fund is subject to the risks associated with equity securities, medium capitalization companies, management and defensive investments. In addition, the Diversified Fund is subject to index risk and foreign

investments risk. CNR primarily uses a core equity style in managing the Core Fund and therefore the Fund is also subject to the risks inherent in that investment style.

The non-overlapping risks to which investments in each Fund are subject are set forth in the following table.

Diversified Fund

Index Risk –The performance of the portion of the Diversified Fund designed by CNR to replicate the S&P 500 Index may not exactly match the performance of the Index. That portion of the Diversified Fund does not hold every stock contained in the Index and the performance of the stocks held in the Diversified Fund may not track exactly the performance of the stocks held in the Index. Furthermore, unlike the Index, the Diversified Fund incurs management fees, 12b-1 fees (for Class N shares only), administrative expenses and transaction costs in trading stocks.

Foreign Investments (American Depositary Receipts) – Foreign investments tend to be more volatile than domestic securities, and are subject to risks that are not typically associated with domestic securities (e.g., unfavorable political and economic developments and the possibility of seizure or nationalization of companies, or the imposition of withholding taxes on income). The Diversified Fund invests in U.S. dollar denominated American Depositary Receipts of foreign companies (“ADRs”) which are sponsored by the foreign issuers. ADRs are subject to the risks of changes in currency or exchange rates (which affect the value of the issuer even though ADRs are denominated in U.S. dollars) and the risks of investing in foreign securities.

Core Fund

Investment Style – CNR primarily uses a core equity style to select investments for the Fund and will often choose equities that it considers to be “growth at a reasonable price” (GARP). These styles may fall out of favor, may underperform other styles and may cause volatility in the Core Fund’s share price.

Comparison of Shareholder Rights

Because each Fund is a series of the Trust, the Reorganization will not affect the rights and privileges of shareholders of any class of the Diversified Fund. For instance, after the Reorganization shareholders of each class of the Core Fund will have the same exchange, purchase and redemption privileges as shareholders of the same class of the Diversified Fund prior to the Reorganization.

Comparison of Distribution

Because each Fund is a series of the Trust, shares of any class of the Core Fund are distributed in the same way as shares of the same class of the Diversified Fund, and the method of their distribution will not be affected by the Reorganization.

Comparison of Purchase and Redemption Procedures

Because each Fund is a series of the Trust, the Reorganization will not affect the purchase and redemption procedures of any class of the Diversified Fund. After the Reorganization, shareholders of the Core Fund will continue to be able to exchange their shares for shares of the same class of all other series of the Trust.

Comparison of Fees and Expenses

The types of fees and expenses of the Core Fund are the same as those of the Diversified Fund. CNR is entitled to receive investment advisory fees of 0.75% and 0.40% of average daily net assets of the Diversified Fund and Core Fund, respectively, for serving as their investment adviser. However, CNR has contractually agreed to waive a portion of its investment management fee from the Diversified Fund, thereby reducing the annual fee from 0.75% of the Diversified Fund's average daily net assets to 0.65% of the Diversified Fund's average daily net assets until January 31, 2015. The fees are accrued daily and paid monthly.

The following table shows the fees and expenses for the Diversified Fund and Core Fund, and the fees and expenses of the Core Fund on a pro forma basis after giving effect to the proposed Reorganization, as of September 30, 2013. As shown in the table, the annual fees and expenses of the Core Fund as a percentage of average daily net assets, on a pro forma basis after giving effect to the proposed Reorganization, are expected to stay the same as or be lower than the current fees of the Core Fund.

	<u>Diversified Fund</u>		<u>Core Fund</u>		<u>Pro Forma Core Fund</u>	
	<u>Class N Shares</u>	<u>Institutional Class Shares</u>	<u>Class N Shares</u>	<u>Institutional Class Shares</u>	<u>Class N Shares</u>	<u>Institutional Class Shares</u>
Annual Fund Operating Expenses (expenses that are deducted from Fund assets)						
Management Fee	0.75%	0.75%	0.40%	0.40%	0.40%	0.40%
Distribution (12b-1) Fee	0.25%	None	0.25%	None	0.25%	None
Other Expenses						
Shareholder Servicing Fee	0.25%	None	0.25%	None	0.25%	None
Other Fund Expenses [†]	0.09%	0.09%	0.09%	0.09%	0.14%	0.14%
Total Other Expenses	0.34%	0.09%	0.34%	0.09%	0.39%	0.14%
Total Annual Fund Operating Expenses	1.34%	0.84%	0.99%	0.49%	1.04%	0.54%
Fee Waiver and/or Expense Reimbursement*	(0.20)%	(0.10)%	N/A	N/A	N/A	N/A
Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement...	1.14%	0.74%	N/A	N/A	N/A	N/A

[†] The increase in Pro Forma Other Expenses is attributable to a re-allocation methodology of certain trust level expenses effective with the Funds' fiscal year beginning on October 1, 2013.

* CNR has contractually agreed to waive a portion of the annual management fee payable to it by the Diversified Fund, thereby reducing the annual management fee from 0.75% of average daily net assets to 0.65% of average daily net assets. This limitation will be in effect until January 31, 2015. Prior to that date, this arrangement may be terminated without penalty by the Trust's Board of Trustees upon 60 days' written notice to CNR, and it will terminate automatically upon the termination of the investment management agreement between CNR and the Diversified Fund. Any management fees waived by CNR pursuant to this arrangement will not be eligible for reimbursement by the Diversified Fund to CNR. CNR has also contractually agreed to limit shareholder servicing fees for Class N to 0.15% until January 31, 2015. Prior to that date, this arrangement may be terminated without penalty by the Trust's Board of Trustees upon 60 days' written notice to CNR, and it will terminate automatically upon the termination of the shareholder services agreement between CNR and the Diversified Fund. Any shareholder servicing fees waived by CNR pursuant to this arrangement will not be eligible for reimbursement by the Diversified Fund to CNR.

In addition, CNR has contractually agreed to limit its fees or reimburse the Diversified Fund for expenses to the extent necessary to keep the Class N and Institutional Class Total Annual Fund Operating Expenses (excluding taxes, interest, brokerage commissions, extraordinary expenses and acquired fund fees and expenses) through January 31, 2015 at or below 1.50% and 1.25%, respectively. Prior to that date, this arrangement may be terminated without penalty by the Trust's Board of Trustees upon 60 days' written notice to CNR, and it will terminate automatically upon the termination of the investment management agreement between CNR and the Diversified Fund. Any fee reductions or reimbursements may be repaid to CNR within three years after they occur if such repayments can be achieved within the Diversified Fund's expense limit in the effect at the time such expenses were incurred and if the Trust's Board of Trustees approves the repayment. To the extent the Diversified Fund incurs any expenses excluded from the contractual expense limitation, the Diversified Fund's total annual fund operating expenses will increase.

The examples set forth below are intended to help you compare the cost of investing in the Diversified Fund, in the Core Fund, and on a pro forma basis in the Core Fund after giving effect to the Reorganization, and also to help you compare these costs with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the relevant Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The examples also assume that your investment has a 5% return each year, that all dividends and other distributions are reinvested and that total operating expenses for the Fund are those shown in the tables above. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Institutional Class	1 Year	3 Years	5 Years	10 Years
Diversified Fund:	\$76	\$258	\$456	\$1,028
Core Fund:	\$50	\$157	\$274	\$616
Pro Forma Combined Core Fund:	\$55	\$173	\$302	\$677

Class N	1 Year	3 Years	5 Years	10 Years
Diversified Fund:	\$116	\$405	\$715	\$1,595
Core Fund:	\$101	\$315	\$547	\$1,213
Pro Forma Combined Core Fund:	\$106	\$331	\$574	\$1,271

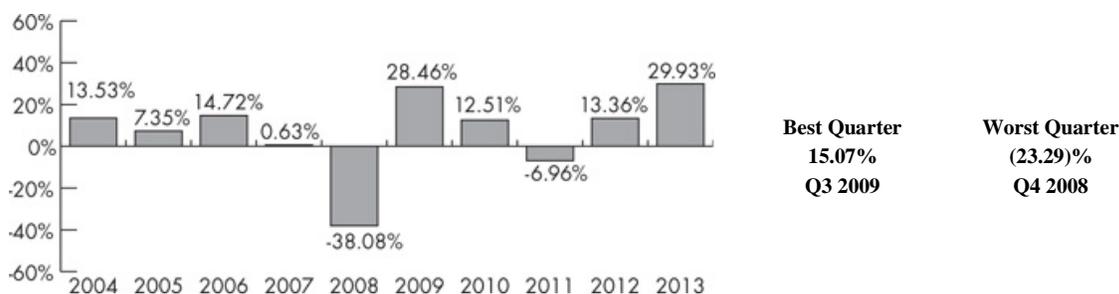
Comparison of Performance Information

The following past performance information for each Fund is set forth below: (1) a bar chart showing each Fund's performance for Institutional Class Shares from year to year for the last ten calendar years for the Diversified Fund and for 2013 for the Core Fund, and (2) a table detailing how the average annual total returns of each Fund, both before and after taxes, compared to those of a broad-based market index. The after-tax returns are shown for

Institutional Class Shares only and are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state or local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. The performance of Institutional Class shares does not reflect Class N shares' Rule 12b-1 fees and expenses. After-tax returns for Class N shares will vary from the after-tax returns shown for Institutional Class shares. The after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

The bar charts and the performance tables that follow illustrate some of the risks and volatility of an investment in each Fund by showing changes in a Fund's performance from year to year and by showing the Fund's average annual total returns for 1, 5 and 10 years, or since inception, as applicable. Of course, a Fund's past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future. Call (888) 889-0799 or visit www.citynationalrochdalefunds.com to obtain updated performance information.

This bar chart shows the performance of the Diversified Fund's Institutional Class shares based on a calendar year.



This table shows the average annual total returns of each class of the Diversified Fund for the periods ended December 31, 2013. The table also shows how the Fund's performance compares with the returns of an index comprised of companies similar to those held by the Fund.

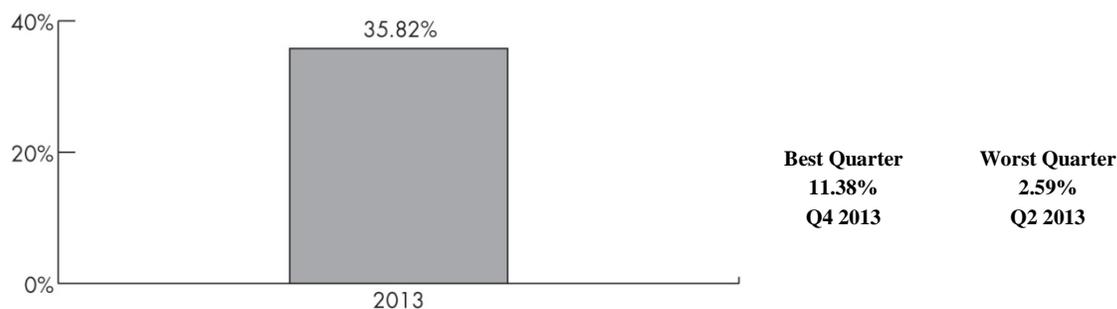
Average Annual Total Returns* as of December 31, 2013

	One Year	Five Years	Ten Years
Institutional Class			
Return Before Taxes	29.93%	14.65%	5.61%
Return After Taxes on Distributions	29.67%	14.51%	4.93%
Return After Taxes on Distributions and Distributions of Fund Shares	17.13%	11.81%	4.54%
Class N			
Return Before Taxes	29.59%	14.35%	5.34%
S&P 500 Index (Reflects no deduction for fees, expenses or taxes)	32.39%	17.94%	7.40%

* On September 30, 2005, the predecessor to the Diversified Fund (the "Predecessor Fund") reorganized into the Diversified Fund. The performance results for Institutional Class shares of the Diversified Fund before September 30, 2005 reflect the performance of the Predecessor Fund's Class I shares. The performance results for Class N

shares of the Diversified Fund before September 30, 2005 reflect the performance of the Predecessor Fund's Class A shares.

This bar chart shows the performance of the Core Fund's Institutional Class shares based on a calendar year.



This table shows the average annual total returns of Institutional Class and Class N shares of the Core Fund for the periods ended December 31, 2013. The table also shows how the Fund's performance compares with the returns of an index comprised of companies similar to those held by the Fund.

Average Annual Total Returns as of December 31, 2013

	One Year	Since Inception (12/3/2012)
Institutional Class		
Return Before Taxes	35.82%	33.22%
Return After Taxes on Distributions	34.46%	31.93%
Return After Taxes on Distributions and Distributions of Fund Shares	20.31%	24.78%
Class N		
Return Before Taxes	34.50%	31.86%
S&P 500 Index (Reflects no deduction for fees, expenses or taxes)	32.39%	31.44%

The Adviser

CNR is the investment adviser to each Fund. CNR is located at 570 Lexington Avenue, New York, New York, 10022-6837. As of June 30, 2013, CNR managed assets of approximately \$20 billion for individual and institutional investors.

CNR is a wholly owned subsidiary of City National, a federally chartered commercial bank founded in the early 1950s, with approximately \$27.4 billion in assets under management as of June 30, 2013. City National is itself a wholly owned subsidiary of City National Corporation, a New York Stock Exchange listed company. City National has provided trust and fiduciary services, including investment management services, to individuals and businesses for over 50 years. City National currently provides investment management services to individuals, pension

and profit sharing plans, endowments and foundations. As of June 30, 2013, City National and its affiliates had approximately \$59.1 billion in assets under management or administration.

Subject to the oversight of the Trust's Board of Trustees, CNR has complete discretion as to the purchase and sale of investments for the Diversified Fund and the Core Fund, consistent with each Fund's investment objective, policies and restrictions.

Portfolio Managers

The following individuals are primarily responsible for the day to day management of the Funds.

Diversified Fund

Thomas Kuo is a Vice President and Portfolio Manager for CNR. He joined CNR in 2000. Mr. Kuo, a Chartered Financial Analyst, holds a bachelor's degree in business administration, with an emphasis in Finance, from California State Polytechnic University in Pomona.

Dimitry Kirtsman is a Vice President and Quantitative Research Analyst for CNR. He joined CNR in 2008. Mr. Kirtsman earned a Bachelor's degree in Business Economics from the University of California, Santa Barbara and a Master's Degree in Economics from the University of Texas, Austin.

Core Fund

Otis "Tres" Heald is Senior Vice President and Director – Equity Investments of CNR. He joined CNR in 2002. Mr. Heald, a Chartered Financial Analyst, holds a master's degree in business administration from the University of Southern California.

Thomas A. Galvin is Senior Vice President and Director of U.S. Equity Research of CNR. Prior to joining CNR in 2012, Mr. Galvin served as Managing Partner at Galvin Asset Management, which he founded in 2007. Mr. Galvin earned an M.B.A. in Finance and Investments from Fordham University and a B.A. in Economics with a minor in Accounting from Queens College.

Comparison of Investment Restrictions

The fundamental and non-fundamental limitations of each Fund are subject are set forth in the following table. The fundamental limitations may only be amended with shareholder approval.

Diversified Fund

Fundamental Limitations

The Diversified Fund may not purchase a security, other than government securities, if as a result of such purchase more than 5% of the value of the Diversified Fund's assets would be invested in the securities of any one issuer, or the Diversified Fund

Core Fund

Fundamental Limitations

The Core Fund may not, with respect to 75% of its total assets, (i) purchase the securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of its

would own more than 10% of the voting securities, or of any class of securities, of any one issuer, except that all of the investable assets of the Diversified Fund may be invested in another registered investment company having the same investment objective and substantially the same investment policies as the Diversified Fund. For purposes of this restriction, all outstanding indebtedness of an issuer is deemed to be a single class.

The Diversified Fund may not purchase a security, other than government securities, if as a result of such purchase 25% or more of the value of the Diversified Fund's total assets would be invested in the securities of issuers in any one industry or group of industries, except that all of the investable assets of the Diversified Fund may be invested in another registered investment company having the same investment objective and substantially the same investment policies as the Diversified Fund.

The Diversified Fund may not make loans of money or securities, except through the purchase of permitted investments (including repurchase and reverse repurchase agreements) and through the loan of securities (in an amount not exceeding one-third of total assets) by any Diversified Fund.

The Diversified Fund may not purchase or sell real estate or interests therein, or purchase oil, gas or other mineral leases, rights or royalty contracts or development programs, except that the Diversified Fund may invest in the securities of issuers engaged in the foregoing activities and may invest in securities secured by real estate or interests therein.

The Diversified Fund may not purchase or sell commodities or commodity contracts, except that the Fund may purchase and sell financial futures contracts and options on such contracts and may enter into forward foreign currency contracts and engage in the purchase and sale of foreign currency options and futures.

The Diversified Fund may not issue senior securities as defined in the 1940 Act or borrow money, except that the Diversified Fund may borrow from banks for temporary or emergency purposes (but not for investment) in an amount up to 10% of the value of its total assets (including the amount borrowed) less liabilities (not including the amount borrowed) at the time the borrowing was made. While any such borrowings exist for the

total assets would be invested in the securities of such issuer; or (ii) acquire more than 10% of the outstanding voting securities of any one issuer.

The Core Fund may not purchase any securities which the Core Fund would cause 25% or more of the total assets of the Fund to be invested in the securities of one or more issuers conducting their principal business activities in the same industry or group of industries, provided that this limitation does not apply to investments in obligations issued or guaranteed by the United States Government, its agencies or instrumentalities.

The Core Fund may not make loans if, as a result, more than 33 1/3% of its total assets would be loaned to other parties, except that the Core Fund may (i) purchase or hold debt instruments in accordance with its investment objective and policies; (ii) enter into repurchase agreements; and (iii) lend its securities.

The Core Fund may not purchase or sell real estate, physical commodities, or commodities contracts, except that the Core Fund may purchase (i) marketable securities issued by companies which own or invest in real estate (including real estate investment trusts), commodities, or commodities contracts; and (ii) commodities contracts relating to financial instruments, such as financial futures contracts and options on such contracts.

The Core Fund may not issue senior securities (as defined in the 1940 Act) except as permitted by rule, regulation or order of the SEC.

The Core Fund may not borrow money in an amount exceeding 33 1/3% of the value of its total assets, provided that, for purposes of this limitation, investment strategies which either obligate the Core

Diversified Fund, it will not purchase securities. However, the Diversified Fund may lend securities, enter into repurchase agreements and reverse repurchase agreements in an amount not exceeding 10% of its total assets, purchase securities on a when-issued or delayed delivery basis and enter into forward foreign currency contracts.

Fund to purchase securities or require the Core Fund to segregate assets are not considered to be borrowings. To the extent that the Core Fund's borrowings exceed 5% of its total assets, (i) all borrowings will be repaid before making additional investments and any interest paid on such borrowing will reduce income; and (ii) asset coverage of at least 300% is required.

The Diversified Fund may not engage in the underwriting of securities except insofar as the Diversified Fund may be deemed an underwriter under the 1933 Act in disposing of a security and except that all of the investable assets of the Diversified Fund may be invested in another registered investment company having the same investment objective and substantially the same investment policies as the Diversified Fund.

The Core Fund may not act as an underwriter of securities of other issuers except as it may be deemed an underwriter in selling a portfolio security.

The Diversified Fund does not have a corresponding fundamental limitation.

The Core Fund may not invest in interests in oil, gas, or other mineral exploration or development programs and oil, gas or mineral leases.

The Diversified Fund may not purchase the securities (other than government securities) of an issuer having a record, together with predecessors, of less than three years' continuous operations, if as a result of such purchase more than 5% of the value of the Diversified Fund's total assets would be invested in such securities, except that this shall not prohibit the Diversified Fund from investing all of its investable assets in another registered investment company having the same investment objective and substantially the same investment policies as the Diversified Fund.

The Core Fund does not have a corresponding fundamental limitation.

The Fund may not make short sales of securities or purchase securities on margin, except for such short-term loans as are necessary for the clearance of purchases of securities.

The Core Fund does not have a corresponding fundamental limitation.

The Diversified Fund may not invest more than 5% of the value of the Diversified Fund's total assets in warrants, including not more than 2% of such assets in warrants not listed on a U.S. stock exchange. (Rights and warrants attached to, received in exchange for, or as a distribution on, other securities are not subject to this restriction.)

The Core Fund does not have a corresponding fundamental limitation.

The Diversified Fund may not hypothecate, mortgage or otherwise encumber its assets, except as necessary to secure permitted borrowings.

The Core Fund does not have a corresponding fundamental limitation, but does have a similar non-fundamental limitation.

(Collateral arrangements and initial margin with respect to permitted options on securities, financial futures contracts and related options, and arrangements incident to other permitted practices, are not deemed to be subject to this restriction.)

Non-Fundamental Limitations

The Diversified Fund may not purchase or acquire securities that are illiquid or are otherwise not readily marketable (*i.e.*, securities that cannot be disposed of for their approximate carrying value in seven days or less, which term includes repurchase agreements and time deposits maturing in more than seven days) if, in the aggregate, more than 15% of its net assets would be invested in illiquid securities. (As a matter of non-fundamental policy, repurchase agreements maturing in more than seven days, certain time deposits and over-the-counter options are considered to be illiquid.)

The Diversified Fund may not invest for the purpose of exercising control or management of another company except that all the investable assets of a Fund may be invested in another registered investment company having the same investment objective and substantially the same investment policies as the Diversified Fund.

The Diversified Fund may not purchase the stock or bonds of companies identified by the tobacco service of the Risk Metrics Group Social Issues Services. This service identifies those companies engaged in growing, processing or otherwise handling tobacco. If the Diversified Fund holds any such securities of an issuer which is subsequently identified by Risk Metrics as engaged in such activities, the securities will be sold within a reasonable time period, consistent with prudent investment practice.

The Diversified Fund may not invest, under normal circumstances, less than 80% of the value of its net assets (plus borrowings for investment purposes) in a particular type of investment that is suggested by the Diversified Fund's name. The Diversified Fund will notify its shareholders at least 60 days prior to any change in such policy.

The Diversified Fund may not borrow money in an amount exceeding 10% of its total assets. The Diversified Fund will not borrow money for

Non-Fundamental Limitations

The Core Fund may not purchase or acquire securities that are illiquid or are otherwise not readily marketable (*i.e.*, securities that cannot be disposed of for their approximate carrying value in seven days or less, which term includes repurchase agreements and time deposits maturing in more than seven days) if, in the aggregate, more than 15% of its net assets would be invested in illiquid securities.

The Core Fund may not invest in companies for the purpose of exercising control.

The Core Fund may not purchase the stock or bonds of companies identified by the tobacco service of MSCI ESG Research. This service identifies those companies engaged in growing, processing or otherwise handling tobacco. If the Core Fund holds any such securities of an issuer which is subsequently identified by MSCI as engaged in such activities, the securities will be sold within a reasonable time period, consistent with prudent investment practice.

The Core Fund may not invest, under normal circumstances, less than 80% of the value of its net assets (plus borrowings for investment purposes) in a particular type of investment that is suggested by the Core Fund's name. The Core Fund will notify its shareholders at least 60 days prior to any change in such policy.

The Fund does not have a corresponding non-fundamental limitation.

leverage purposes. For the purpose of this investment restriction, the use of options and futures transactions and the purchase of securities on a when-issued or delayed delivery basis shall not be deemed the borrowing of money. The Diversified Fund will not make additional investments while its borrowings exceed 5% of total assets.

The Diversified Fund does not have a corresponding non-fundamental limitation.

The Core Fund may not purchase securities on margin or effect short sales, except that the Core Fund may (i) obtain short-term credits as necessary for the clearance of security transactions; (ii) provide initial and variation margin payments in connection with transactions involving futures contracts and options on such contracts; and (iii) make short sales “against the box” or in compliance with the SEC’s position regarding the asset segregation requirements imposed by Section 18 of the 1940 Act.

The Diversified Fund does not have a corresponding non-fundamental limitation.

The Core Fund may not invest its assets in securities of any investment company, except as permitted by the 1940 Act or an order of exemption therefrom.

The Diversified Fund does not have a corresponding non-fundamental limitation.

The Core Fund may not pledge, mortgage or hypothecate assets except to secure borrowings permitted by the Fund’s fundamental limitation on borrowing.

PROPOSED REORGANIZATION

The Board of Trustees of the Trust has approved a plan to reorganize the Diversified Fund into the Core Fund. To proceed, we need the approval of the shareholders of the Diversified Fund. The following pages outline the important details of the proposed Reorganization.

Why Do We Want to Reorganize the Funds?

CNR proposed the Reorganization to the Board, and the Board is recommending the Reorganization to you, because, among other reasons, CNR does not expect significant future inflows to the Diversified Fund and anticipates the assets of the Diversified Fund may decrease significantly in the future. After considering the viability of the Diversified Fund in light of its current size and the limited prospects for future asset growth, CNR and the Board believe that maintaining the status quo would not be in shareholders’ best interests.

The Core Fund has significantly more assets than the Diversified Fund and a significantly lower annual expense ratio than the Diversified Fund.

Because CNR’s investment advisory fee with respect to the Core Fund (0.40% of average net assets) is less than its fee with respect to the Diversified Fund (0.75% of average net assets, reduced to 0.65% pursuant an agreement to waive a portion of this fee which expires on January 31, 2015, and because certain operating expenses of the Core Fund are shared across a larger pool

of assets), CNR and the Board anticipate that if the Reorganization is approved, shareholders of the Diversified Fund will bear lower expense ratios as shareholders of the Core Fund than they did as shareholders of the Diversified Fund. Further, CNR has voluntarily agreed to limit its fees or reimburse the Core Fund for expenses to the extent necessary to keep the Class N and Institutional Class total annual fund operating expenses at or below 1.05% and 0.55%, respectively, which are lower than CNR's expense limits of 1.10% and 0.85% for the Class N and Institutional Class shares of the Diversified Fund.

Based upon their evaluation of the relevant information presented to them, and in light of their fiduciary duties under federal and state law, the Board has determined that the Reorganization is in the best interests of shareholders of the Diversified Fund and the Core Fund. In approving the Reorganization, the Board considered the terms and conditions of a proposed Agreement and Plan of Reorganization between the Trust on behalf of the Diversified Fund and the Trust on behalf of the Core Fund (the "Reorganization Agreement") and the following factors, among others:

(1) The assets of the Diversified Fund are small (\$47.7 million as of June 30, 2013) and its prospects for further growth are not good. CNR expects that after the consummation of the Reorganization, the combined Core Fund will be better positioned for growth than the Diversified Fund is on its own.

(2) CNR expects that the total operating expenses of the Diversified Fund (as a percentage of the Fund's average net assets) will increase as fixed costs are spread over a shrinking asset base. Because the Core Fund's investment advisory fee will be lower and certain operating expenses at the combined Funds will be shared across a larger pool of assets, CNR expects that as a result of the Reorganization shareholders of the Diversified Fund will bear lower expense ratios as shareholders of the Core Fund.

(3) The investment objectives, policies and strategies of the Core Fund are similar to those of the Diversified Fund, and accordingly the reorganization will provide shareholders of the City National Rochdale Diversified Equity Fund with the continued opportunity to utilize the services of CNR as manager of their equity portfolios.

(4) The interests of the Diversified Fund's shareholders will not be diluted as a result of the Reorganization. The assets and liabilities of the Diversified Fund will be transferred to the Core Fund in exchange for shares of beneficial interest of the Core Fund having a total value equal to the value of the assets the Diversified Fund transferred to the Core Fund (net of any liabilities). However, all known liabilities of the Diversified Fund will be paid before the closing of the Reorganization, and it is therefore anticipated that no liabilities of the Diversified Fund will be transferred to the Core Fund. The exchange will take place at net asset value and there will be no sales charge or other charge imposed as a result of the Reorganization. The Diversified Fund and the Core Fund are subject to the same pricing and valuation procedures.

(5) The shareholders of the Diversified Fund will incur transaction and tax costs in connection with the sale of all of its investment portfolio prior to its Reorganization. However, similar costs would be incurred in connection with the liquidation of the Diversified Fund. CNR will pay the Funds' Reorganization expenses.

(6) The Core Fund and the Diversified Fund are managed by the same investment adviser, CNR. Furthermore, the other services and privileges available to the shareholders of the Core Fund will be the same as those available to Diversified Fund shareholders.

(7) CNR will bear the costs of the Reorganization other than transaction costs associated with the sale of the Diversified Fund's investment portfolio, including legal, accounting and transfer agent costs.

After consideration of the factors mentioned above and other relevant information, at a meeting held on September 17, 2013 the Board determined that the Reorganization is in the best interests of the Funds and their shareholders, and that the interests of the Diversified shareholders will not be diluted as a result of the Reorganization, and unanimously approved the Reorganization Agreement and directed that it be submitted to shareholders for approval. **The Board unanimously recommends that shareholders vote "FOR" approval of the Reorganization.**

How Will We Accomplish the Reorganization?

The Reorganization Agreement, a copy of which is attached to this Prospectus/Proxy Statement as Exhibit A, spells out the terms and conditions of the Reorganization. If the shareholders of the Diversified Fund approve the Reorganization, the Reorganization essentially will involve the following steps, which will occur substantially simultaneously:

- First, the Diversified Fund will liquidate all of its securities holdings to cash.
- Second, the Diversified Fund will transfer all of its assets and liabilities to the Core Fund.
- Third, in exchange for the assets transferred to the Core Fund, the Diversified Fund will receive shares of beneficial interest of the Core Fund having a total value equal to the value of the assets the Diversified Fund transferred to the Core Fund (net of any liabilities).
- Fourth, the Diversified Fund will distribute the shares of the Core Fund which it receives to its shareholders and the Diversified Fund will dissolve.
- Fifth, the Core Fund will open an account for each shareholder of the Diversified Fund and will credit the shareholder with shares of the Core Fund of the same class and having the same total value as the Diversified Fund shares that he or she owned on the date of the Reorganization. Share certificates will not be issued.

Pursuant to the Reorganization Agreement, the number of Core Fund shares to be issued to the Diversified Fund will be computed as of 4:00 PM Eastern time on the date preceding the closing date of the Reorganization in accordance with the regular practice of the Funds. The effectiveness of the Reorganization is contingent upon, among other things, obtaining approval of the shareholders of the Diversified Fund.

CNR will bear the Funds' costs of the proposed Reorganization, including legal, accounting and transfer agent costs. These costs will not be borne by the shareholders of either Fund.

If the Reorganization is approved by the Diversified Fund's shareholders, it will take place as soon as feasible. Management of the Trust believes this should be accomplished in the first quarter of 2014. However, at any time before the closing the Board may decide not to proceed with the Reorganization if, in the judgment of the Board, termination of the Reorganization would not have a material adverse effect on the shareholders of the Diversified Fund or the Core Fund. At any time prior to or after approval of the Reorganization by the Diversified Fund's shareholders, with Board approval, the President of the Trust may by written agreement amend any provision of the Reorganization Agreement, including substantive as well as ministerial changes, without the approval of shareholders, so long as such approval is not required by law and any such amendment will not have a material adverse effect on the benefits intended under the Reorganization Agreement to the shareholders of the Diversified Fund or the Core Fund. Similarly, any of the terms or conditions of the Reorganization Agreement may be waived by the Board if, in its judgment such action or waiver will not have a material adverse effect on the benefits intended under the Reorganization Agreement to the shareholders of the Diversified Fund or the Core Fund. In approving any such amendment, granting any such waiver or terminating the Reorganization, the Board will be subject to its fiduciary duties to, and will consider the best interests of, the Funds' shareholders.

Federal Income Tax Consequences of the Reorganization

The Reorganization is intended to be a taxable transaction. When shareholders of the Diversified Fund become shareholders of the Core Fund pursuant to the Reorganization, each shareholder is expected to recognize a gain or loss for federal income tax purposes. The amount of such gain or loss recognized by a Diversified Fund shareholder is expected to equal the difference between (a) the fair market value of the Core Fund shares received by the shareholder in connection with the Reorganization plus any cash received by the shareholder in certain distributions made in advance of the Reorganization and (b) the tax basis of the Diversified Fund shares surrendered in exchange therefor. Such gain or loss will be a capital gain or loss to the extent that the shareholder in question held the Diversified Fund shares as a capital asset. For noncorporate taxpayers, the applicable tax rate on such capital gain or loss will generally depend on the shareholder's holding period of the Diversified Fund shares.

The Diversified Fund will, when it reduces its assets to cash, recognize gain or loss to the extent of any appreciation or depreciation inherent in such assets. As of the date hereof, based on the Diversified Fund's available capital loss carryforwards and current realized and unrealized gains, it is estimated that there will not be net capital gains to distribute to shareholders of the Diversified Fund in connection with the Reorganization. As of January 15, 2014, the Diversified Fund may have an ordinary income distribution of approximately \$14,677, which is approximately \$0.005 per share. Conditions, such as a change in ownership or results from holding and/or liquidating the Diversified Fund assets prior to the reorganization, could limit the Diversified Fund's ability to offset capital losses with current period capital gain and hence create a distribution requirement.

Immediately prior to the Reorganization, the Diversified Fund will pay a dividend or dividends that, together with previous dividends, will exhaust all of the Diversified Fund's investment company taxable income for taxable years ending on or prior to the effective time of

the Reorganization (computed without regard to any deduction for dividends paid) and all of its net capital gains, if any, realized in taxable years ending on or prior to the effective time, including any net gains recognized when the Diversified Fund reduces its assets to cash (after reduction for any available capital loss carryforward, if any). The proceeds from any such distribution will be automatically reinvested in shares of the Core Fund, unless the shareholders have previously elected to receive payment for dividends and capital gains in cash. For tax purposes, the Diversified Fund intends to report any such dividends as distributions in liquidation of Diversified Fund shares. Such distributions generally are not taxable to a shareholder, except to the extent the distributions received by a shareholder exceed the shareholder's basis in his or her shares. Any such distributions received by a shareholder in excess of the shareholder's basis are generally treated as a gain on the sale or exchange of shares.

The Funds intend to treat the Reorganization as a taxable liquidation of the Diversified Fund in which each shareholder will recognize gain or loss equal to the difference between the value of the Core Fund shares received, and the shareholder's basis in his or her Diversified Fund shares, and following which each Diversified Fund shareholder will have a basis in the combined Fund shares equal to the fair market value of those shares at the time of the Reorganization and a holding period that begins on the date of the Reorganization. The gain or loss that a Diversified Fund shareholder recognizes on the exchange of his or her Diversified Fund shares for Core Fund shares will be long-term capital gain if the Diversified Fund shares were held for longer than one year and otherwise will be short-term capital gain. After the Reorganization, the combined Fund will not be able to offset its capital gains with any capital loss carryforwards of the Diversified Fund or any capital losses recognized when the Diversified Fund reduces its assets to cash. It is expected that approximately \$8,240,000 of the Diversified Fund's capital loss carryforwards will be eliminated as a result of the Reorganization, although a regulated investment company's ability to use capital losses to offset gains also depends on other factors, such as the future realization of capital gains or losses.

The Funds have not obtained a ruling with respect to the tax treatment of the Reorganization, and the Internal Revenue Service might disagree with the Funds' tax treatment of the Reorganization. If the Internal Revenue Service were to treat the Reorganization as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), rather than as a liquidation, then the Funds and the Diversified Fund shareholders generally would not be subject to the treatment described above. In such a case, Diversified Fund shareholders would not recognize gain or loss on the Reorganization, and distributions declared prior to the Reorganization would generally be taxable as ordinary dividends, qualified dividend income, and capital gain dividends, depending on the composition of the Fund's income. Moreover, each Diversified Fund shareholder would generally have a basis in the shares in the combined Fund equal to the shareholder's basis in the Diversified Fund shares exchanged therefor, and each Diversified Fund shareholder's holding period in the combined Fund shares would include the period during which the shareholder held the Diversified Fund shares.

This discussion assumes that a shareholder holds the shares of the Diversified Fund as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of federal income tax that may be relevant to the shareholder in light of its particular circumstances, or that may apply to a shareholder that is subject to special treatment under the federal income tax laws (including, for example, insurance companies, dealers in securities or foreign currencies, traders in securities who elect the mark-to market method of accounting for their securities, holders subject to the

alternative minimum tax, persons that have a functional currency other than the U.S. dollar, tax-exempt organizations, financial institutions, regulated investment companies, partnerships or other pass-through entities for federal income tax purposes, controlled foreign corporations, passive foreign investment companies, certain persons subject to the rules applicable to expatriates, corporations that accumulate earnings to avoid federal income tax, and shareholders who hold shares through a tax-qualified employee benefit plan or retirement account). In addition, this discussion does not address any tax considerations under state, local or foreign tax laws, or federal laws other than those pertaining to the federal income tax that may apply to shareholders. Each shareholder should consult his or her own tax adviser regarding the tax consequences of the Reorganization.

How Will the Capitalization of the New Fund Compare with the Corresponding Existing Funds?

The following table sets forth as of December 31, 2013: (i) the capitalization of each Fund and (ii) the pro forma capitalization of the Core Fund, as adjusted to give effect to the Reorganization.

Diversified Fund	Class N Shares	Institutional Class Shares	Total of All Class Shares	
Aggregate Net Assets	\$3,139,698	\$51,134,291	\$54,273,989	
Shares Outstanding	175,997	2,875,062	3,051,059	
Net Asset Value Per Share	\$17.8395	\$17.7855	\$17.7886	
Core Fund	Class N Shares	Institutional Class Shares	Servicing Class Shares	Total of All Class Shares
Aggregate Net Assets	\$79,680,623	\$136	\$82,355,666	\$162,032,425
Shares Outstanding	6,051,595	10	6,248,790	12,300,395
Net Asset Value Per Share	\$13.1669	\$13.2564*	\$13.1795	\$13.1733

* Net assets divided by shares do not calculate to the stated net asset value per share because net assets and shares amounts are shown rounded.

Combined Pro forma Core Fund	Class N Shares	Institutional Class Shares	Servicing Class Shares	Total of All Class Shares
Aggregate Net Assets	\$82,820,321	\$51,134,427	\$82,355,666	\$216,310,414
Shares Outstanding	6,290,049	3,857,329	6,248,790	16,396,168
Net Asset Value Per Share	\$13.1669	\$13.2564	\$13.1795	\$13.1927

Description of the Securities to be Issued

The Trust is registered with the SEC as an open-end management investment company and its Trustees are authorized to issue an unlimited number of shares of beneficial interest in each separate series, including the Core Fund. Shares of each series of the Trust represent equal proportionate interests in the assets of that series only and have identical voting, dividend, redemption, liquidation, and other rights. All shares issued are fully paid and non-assessable, and shareholders have no preemptive or other rights to subscribe to any additional shares.

VOTING AND MEETING PROCEDURES

How to Vote

This proxy is being solicited by the Board of Trustees of the Trust. You can vote by mail or in person at the Meeting.

To vote by mail, sign and send us the enclosed Proxy voting card in the postage paid return envelope provided. If you vote by Proxy, you can revoke your Proxy by notifying the Secretary of the Trust in writing, or by returning a Proxy with a later date. You also can revoke a Proxy by voting in person at the Meeting. Even if you plan to attend the Meeting and vote in person, please return the enclosed Proxy card. This will help us ensure that an adequate number of shares are present at the Meeting.

**THE BOARD OF TRUSTEES OF THE TRUST RECOMMENDS THAT YOU VOTE
“FOR” THE PROPOSED REORGANIZATION.**

Proxy Solicitation

In addition to the solicitation of proxies by mail, officers and employees of the Trust and CNR, without additional compensation, may solicit proxies in person or by telephone. CNR will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for the costs of forwarding soliciting materials to beneficial owners of shares entitled to vote at the Meeting.

Quorum Requirements

The presence in person or by proxy of one third of the outstanding shares of the Diversified Fund entitled to vote will constitute a quorum for the Meeting. If a quorum is not present, sufficient votes are not received by the date of the Meeting, or the holders of shares present in person or by proxy determine to adjourn the Meeting for any other reason, a person named as proxy may propose one or more adjournments from time to time to permit further solicitation of proxies. The Fund will count all shares represented by proxies that reflect abstentions and “broker non-votes” (i.e., shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or the person entitled to vote, and the broker or nominee does not have discretionary voting power on the matter) as shares that are present and entitled to vote for purposes of determining a quorum. A majority of shares represented at the meeting can adjourn the meeting. The persons named as proxies will vote “FOR” adjournment with respect to a proposal those proxies which they are entitled to vote in favor of the proposal, and will vote those proxies they are required to vote against the proposal “AGAINST” such an adjournment. Abstentions and “broker non-votes” will have no effect on the outcome of a vote on adjournment.

Vote Required

Approval of the Reorganization requires the affirmative vote of the lesser of (i) 67% or more of the Diversified Fund shares present or represented at the meeting, if shareholders of more than 50% of all shares of the Diversified Fund are present or represented by proxy, or (ii) more than 50% of all shares of the Diversified Fund.

The Fund will count the number of votes cast “for” approval of the Reorganization to determine whether sufficient affirmative votes have been cast. Assuming the presence of a quorum, abstentions and broker non-votes have the effect of negative votes.

If the shareholders of the Diversified Fund do not approve the Reorganization or the Reorganization is not completed for any other reason, the Diversified Fund will continue its current form of operation until the Board determines what further action, if any, to recommend to the shareholders of the Fund.

Shareholders Entitled to Vote

Shareholders of the Funds at the close of business on January 9, 2014 will be entitled to be present and vote at the Meeting. Shareholders are entitled to one vote for each share held and fractional votes for fractional shares held. As of that date, 3,039,049 shares of the Diversified Fund (175,288 Class N shares and 2,863,761 Institutional Class shares) were outstanding.

As of December 31, 2013, National Financial Services LLC may be deemed to control the Diversified Fund by virtue of owning 85.46% of the outstanding shares of the Diversified Fund. As of that date, National Financial Services, FEBO LLC on behalf of City National Bank (“CNB”), which is affiliated with CNR, owned of record 47.04% of the outstanding shares of the Core Fund. CNB is a national banking association located at 400 North Roxbury Drive, Beverly Hills, California 90210 and is a wholly-owned subsidiary of City National Corporation. These control relationships will continue to exist until such time as each of the above-described share ownerships represents 25% or less of the outstanding shares of the respective Fund. Through the exercise of voting rights with respect to shares of the Fund, the controlling person set forth above

may be able to determine the outcome of shareholder voting on matters for which approval of shareholders is required.

The following table shows, to the knowledge of management of the Trust, the percentage of the total shares of each class of the Diversified Fund and the Core Fund owned of record at the close of business of December 31, 2013 by persons owning of record more than 5% of the outstanding shares of the respective class. The table also shows each such shareholder's estimated percentage ownership of the same class of the combined Core Fund, as adjusted to give effect to the Reorganization, based on such shareholder's present holdings.

<u>Diversified Fund Shareholder</u>	<u>Class</u>	<u>Percentage of Outstanding Shares in Class</u>	<u>Percentage of Outstanding Shares in Class of Combined Fund</u>
National Financial Services LLC 1 World Financial Center 200 Liberty Street New York, NY 10281-1003	I	87.66%	87.66%
Wells Fargo Bank NA FBO Dearborn County P.O. Box 1533 Minneapolis, MN 55480	I	12.34%	12.34%
National Financial Services LLC 1 World Financial Center 200 Liberty Street New York, NY 10281-1003	N	49.55%	1.40%
William Greene & Nancy Greene JTWROS	N	12.08%	0.34%
<u>Core Fund Shareholder</u>	<u>Class</u>	<u>Percentage of Outstanding Shares in Class</u>	<u>Percentage of Outstanding Shares in Class of Combined Fund</u>
SEI Corporation C/O SEI Escrow PO Box 110 Oaks, PA 19456-1100	I	100%	0%

Assetmark Trust Company FBO Assetmark Inc. and Mutual Clients and FBO Other Custodial Clients	N	6.23%	6.05%
---	---	-------	-------

The Trustees and officers of the Trust as a group owned beneficially less than 1% of each of the Diversified Fund's and the Core Fund's outstanding shares as of December 31, 2013.

GENERAL INFORMATION

The persons named in the accompanying Proxy will vote in each case as directed in the Proxy, but in the event an executed Proxy without instructions is received by the Trust, they intend to vote **FOR** the proposed Reorganization and may vote in their discretion with respect to other matters that may be presented to the Meeting.

Litigation

Neither the Diversified Fund nor the Core Fund is involved in any litigation or proceeding that management believes is likely to have any material adverse financial effect upon the ability of CNR to provide investment advisory services or any material adverse effect upon either the Diversified Fund or the Core Fund.

Other Matters to Come Before the Meeting

Management of the Trust does not know of any matters to be presented at the Meeting other than those described in this Prospectus/Proxy Statement. If other business should properly come before the Meeting, the Proxy holders will vote on them in accordance with their best judgment.

Shareholder Proposals

The Meeting is a special meeting of shareholders of the Diversified Fund. The Trust is not required, nor does it intend, to hold regular annual meetings of the Fund's shareholders. If such a meeting is called, any shareholder who wishes to submit a proposal for consideration at the meeting should submit the proposal promptly to the Secretary of the Trust. Any proposal to be considered for submission to shareholders must comply with applicable federal and state laws.

FINANCIAL HIGHLIGHTS AND FINANCIAL STATEMENTS

The audited annual financial statements and financial highlights of the Diversified Fund and Core Fund for the year ended September 30, 2013 are incorporated by reference into the Statement of Additional Information to this Combined Prospectus and Proxy Statement. The audited annual financial statements and financial highlights of the Diversified Fund and Core Fund have been audited by KPMG LLP, independent registered public accountants, to the extent indicated in their report thereon, and have been incorporated by reference in reliance upon such report given upon the authority of such firm as an expert in accounting and auditing.

**INFORMATION FILED WITH THE
SECURITIES AND EXCHANGE COMMISSION**

Additional information about the Diversified Fund and the Core Fund is included in their Prospectus and Statement of Additional Information, both dated January 31, 2014, which are incorporated by reference herein. The Commission file numbers for the Trust's registration statement containing the Funds' current Prospectus and Statement of Additional Information dated January 31, 2014, are Registration No. 811-07923 and Registration No. 333-16093. Additional information about the Funds may also be obtained from the Trust's Annual Report for the fiscal year ended September 30, 2013, which has been filed with the SEC. Copies of the Prospectus, Statement of Additional Information, and Annual Report for the Funds may be obtained without charge by writing to the Funds at 400 North Roxbury Drive, Beverly Hills, California, 90210, by calling the Funds at 1-888-889-0799, or on the Funds' website, www.citynationalrochdalefunds.com. The Funds are subject to certain informational requirements of the Securities Exchange Act of 1934 and the 1940 Act, and in accordance with such requirements file reports, proxy statements, and other information with the SEC. Once available, these materials may be inspected and copied:

- At the Public Reference Facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549;
- At the SEC's Regional Offices at 233 Broadway, New York, New York, 10279, and 175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604;
- By e-mail request to publicinfo@sec.gov (for a duplicating fee); and
- On the SEC's EDGAR database on the SEC's Internet Web site at <http://www.sec.gov>.

SHAREHOLDERS ARE REQUESTED TO DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE.

APPENDIX A

AGREEMENT AND PLAN OF REORGANIZATION

This Agreement and Plan of Reorganization (this “Agreement”) is made as of this [] day of March 2014, by and among City National Rochdale Funds, a Delaware statutory trust (the “Trust”), on behalf of the City National Rochdale U.S. Core Equity Fund, a separate series thereof (the “Core Fund”), the Trust, on behalf of the City National Rochdale Diversified Equity Fund, a separate series thereof (the “Diversified Fund”), and, solely for purposes of Section 4.4, City National Rochdale, LLC (“CNR”).

WHEREAS, the parties wish to effect a reorganization (the “Reorganization”) which will consist of the transfer of all of the assets of the Diversified Fund to the Core Fund in exchange for the assumption by the Core Fund of all of the liabilities of the Diversified Fund and the issuance by the Core Fund of the number of shares of the Core Fund (the “Shares”) described in Section 1.1, and the distribution of the Shares by the Diversified Fund to its shareholders in complete liquidation and dissolution of the Diversified Fund, all as more fully set forth in this Agreement.

WHEREAS, the Board of Trustees of the Trust, including a majority of the Trustees who are not “interested persons” of the Trust, as defined in the Investment Company Act of 1940, as amended (the “1940 Act”), has determined that the Reorganization is in the best interests of the shareholders of the Diversified Fund and the Core Fund, respectively, and that their interests would not be diluted as a result of the transactions contemplated thereby.

NOW THEREFORE, in consideration of the agreements contained in this Agreement, the parties agree as follows;

Article 1 **Transfer of Assets and Liabilities**

1.1 Transfer of Assets and Liabilities. Subject to the terms and conditions set forth herein, on the Closing Date (as hereafter defined) the Diversified Fund shall transfer all of its assets to the Core Fund. In exchange therefor, the Core Fund shall assume all of the liabilities of the Diversified Fund and deliver to the Diversified Fund a number of Class N and Institutional Class Shares which is equal to (i) the aggregate net asset value attributable to each such Class of shares of the Diversified Fund at the close of business on the business day preceding the Closing Date, divided by (ii) the net asset value per share of such Class of shares of the Core Fund outstanding at the close of business on the business day preceding the Closing Date.

1.2 Liquidation of Diversified Fund. Subject to the terms and conditions set forth herein, on the Closing Date the Diversified Fund shall liquidate and shall distribute pro rata to each Class of its shareholders of record in proportion to their respective numbers of shares of each Class held by such shareholders, determined as of the close of business on the business day preceding the Closing Date, the same Class of Shares received by the Diversified Fund pursuant to Section 1.1.

1.3 No Issuance of Share Certificates. The Diversified Fund shall accomplish the liquidation and distribution provided for herein by opening accounts on the books of the Core Fund in the names of its shareholders and transferring to its shareholders the Shares

credited to the account of the Diversified Fund on the books of the Core Fund. No certificates evidencing Shares shall be issued.

1.4 Time and Date of Valuation. The number of Shares to be issued by the Core Fund to the Diversified Fund shall be computed as of 4:00 p.m. (Eastern time) on the business day preceding the Closing Date in accordance with the regular practices of the Diversified Fund, the Core Fund and the Trust.

1.5 Closing Time and Place. The Closing Date shall be March 21, 2014, or such later date as the parties may mutually agree. All acts taking place on the Closing Date shall be deemed to be taking place simultaneously as of the commencement of business on the Closing Date, unless otherwise provided. The closing of the Reorganization (the “Closing”) shall be held at 5:00 PM (Eastern Time) at the offices of CNR, 570 Lexington Avenue, New York, New York 10022, or such other time and/or place as the parties may mutually agree.

1.6 Delay of Valuation. If on the business day preceding the Closing Date (a) the primary trading market for portfolio securities of either party is closed to trading or trading thereon is restricted, or (b) trading or the reporting of trading is disrupted so that an accurate appraisal of the value of the net assets of either party and an accurate calculation of the number of shares held by each shareholder is impracticable, the Closing Date shall be postponed until the first business day after the day when trading shall have been fully resumed and reporting shall have been restored.

1.7 Termination of Diversified Fund. As promptly as practicable after the Closing, and in any event no later than 12 months following the Closing, the Diversified Fund shall dissolve.

Article 2

Conditions Precedent to the Effectiveness of the Reorganization

The respective obligation of each party to effect the reorganization contemplated by this Agreement is subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

2.1 Shareholder Approval. On or prior to the Closing Date, the shareholders of the Diversified Fund shall have approved the transactions contemplated by this Agreement in accordance with the provisions of Delaware law and the 1940 Act.

2.2 No Injunctions or Restraints. On the Closing Date, no action, suit or other proceeding shall be pending before any court or government agency which seeks to restrain or prohibit or obtain damages or other relief in connection with this Agreement or the transactions contemplated hereby.

2.3 Consents. All consents of the other party and all other consents, orders and permits of Federal, state and local regulatory authorities deemed necessary by the Trust to permit consummation, in all material respects, of the transactions contemplated herein shall have been obtained, except where failure to obtain any such consent, order or permit would not involve a risk of a material adverse effect on the assets or properties of either party or the Trust.

2.4 Effective Registration Statement. The Form N-1A Registration Statement of the Trust and the Form N-14 Registration Statement of the Trust with respect to the Shares shall continue to be effective and no stop orders suspending the effectiveness thereof shall have been issued and, to the best knowledge of the parties hereto, no investigation or proceeding for that purpose shall have been instituted or be pending, threatened or contemplated.

2.5 Covenants, Representations and Warranties. Each party shall have performed all of its covenants set forth in Article 4, and its representations and warranties set forth in Article 3 shall be true and correct in all material respects on and as of the Closing Date as if made on such date, and the President of the Trust shall have executed a certificate to such effect.

2.6 Statement of Assets and Liabilities. The Diversified Fund shall have delivered to the Trust on the Closing Date a statement of its assets and liabilities, prepared in accordance with generally accepted accounting principles consistently applied, and all of the assets of the Diversified Fund as of the Closing Date shall consist of cash.

Article 3 Representations and Warranties

The parties represent and warrant as follows:

3.1 Structure and Standing. Each party represents and warrants that it is duly organized as a series of a statutory trust, validly existing and in good standing under the laws of the State of Delaware, and has the power to own all of its properties and assets and conduct its business.

3.2 Power. Each party represents and warrants that it has full power and authority to enter into and perform its obligations under this Agreement; the execution, delivery and performance of this Agreement has been duly authorized by all necessary action of the Board of Trustees of the Trust; this Agreement does not violate, and its performance will not result in violation of, any provision of the Declaration of Trust of the Trust, or any agreement, instrument or other undertaking to which it is a party or by which it is bound; and this Agreement constitutes its valid and binding contract enforceable in accordance with its terms, subject to the effects of bankruptcy, moratorium, fraudulent conveyance and similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto.

3.3 Litigation. Each party represents and warrants that no litigation or administrative proceeding or investigation of or before any court or governmental body is currently pending against it and, to the best of its knowledge, none is threatened against it or any of its properties or assets, which, if adversely determined, would materially and adversely affect its financial condition or the conduct of its business; it knows of no facts which might form the basis for the institution of such proceedings; and it is not a party to or subject to the provisions of any order, decree or judgment of any court or governmental body which materially and adversely affects its business or its ability to consummate the transactions herein contemplated.

3.4 Fund Assets. The Diversified Fund represents and warrants that on the Closing Date the assets received by the Core Fund from the Diversified Fund will be delivered to the Core Fund as provided in Section 1.1 free and clear of all liens, pledges, security interests, charges or other encumbrances of any nature whatsoever created by the Diversified Fund and without any

restriction upon the transfer thereof, except for such liabilities assumed as provided in Section 1.1.

3.5 The Shares. The Core Fund represents and warrants that on the Closing Date (a) the Shares to be delivered to the Diversified Fund as contemplated in this Agreement will be duly authorized, validly issued, fully paid and nonassessable; (b) no shareholder of the Core Fund or any other series of the Trust has any preemptive right to subscription or purchase in respect thereof; (c) the Diversified Fund will acquire the Shares free and clear of all liens pledges, security interests, charges or other encumbrances of any nature whatsoever created by the Trust and without any restriction on the transfer thereof; and (d) the Shares will be duly qualified for offering to the public in all of the states of the United States in which such qualification is required or an exemption from such requirement shall have been obtained.

3.6 Tax Status and Filings. Each party represents and warrants that it is treated as a corporation separate from the other series of the Trust under Section 851(g) of the Code; it has satisfied the requirements of Subchapter M of the Code for treatment as a regulated investment company for each taxable year since its formation and has elected to be treated as such; it has filed or furnished all federal, state, and other tax returns and reports required by law to have been filed or furnished, and it has paid or made provision for payment of, so far as due, all federal, state and other taxes, interest and penalties; that no such return is currently being audited; and that no assessment has been asserted with respect to any such returns or reports.

3.7 Accuracy of Information. Each party represents and warrants that all information furnished by it to the other party for use in any documents which may be necessary in connection with the transactions contemplated by this Agreement will be accurate and complete and will comply in all material respects with federal securities and other laws and regulations applicable thereto.

3.8 Acquisition of the Shares. The Diversified Fund represents and warrants that the Shares it acquires pursuant to this Agreement are not being acquired for the purpose of making any distribution thereof, except in accordance with the terms of this Agreement.

3.9 Financial Statements. Each party represents and warrants that its Statement of Assets and Liabilities as of September 30, 2013 provided to the other party has been prepared in accordance with generally accepted accounting principles consistently applied, and fairly reflects the financial condition of such party as of such date, and there are no known contingent liabilities of such party as of such date not disclosed therein.

3.10 No Adverse Changes. Each party represents and warrants that since September 30, 2013, there has not been any material adverse change in its financial condition, assets, liabilities or business other than changes occurring in the ordinary course of business except as otherwise disclosed in writing to and accepted by the other party (for the purposes of this paragraph, a decline in net asset value per share of a party shall not constitute a material adverse change).

3.11 Proxy Statement. Each party represents and warrants that the Combined Proxy Statement and Prospectus contained in the Registration Statement on Form N-14 to be used in connection with the transaction contemplated hereby (only insofar as it relates to such party) will, on its effective date and on the Closing Date, not contain any untrue statement of material fact with respect to such party or omit to state a material fact required to be stated therein with respect

to such party or necessary to make the statements therein with respect to such party, in light of the circumstances under which such statements were made, not materially misleading.

3.12 Tax Distribution. The Diversified Fund shall have distributed to its shareholders, in a distribution or distributions qualifying for the deduction for dividends paid under Section 561 of the Code, all of the Full Maturity Fund's investment company taxable income (as defined in Section 852(b)(2) of the Code determined without regard to Section 852(b)(2)(D) of the Code) for its taxable year ending on the Closing Date, all of the excess of (i) its interest income excludable from gross income under Section 103(a) of the Code over (ii) its deductions disallowed under Sections 265 and 171(a)(2) of the Code for its taxable year ending on the Closing Date, and all of its net capital gain (as such term is used in Sections 852(b)(3)(A) and (C) of the Code), after reduction by any available capital loss carryforwards, for its taxable year ending on the Closing Date.

Article 4 Covenants

4.1 Conduct of Business. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement or the Closing Date, each party shall operate its business in the ordinary course except as contemplated by this Agreement.

4.2 Shareholder Meeting. The Diversified Fund shall call a special meeting of its shareholders as soon as possible for the purpose of considering the reorganization contemplated by this Agreement.

4.3 Preparation of Combined Prospectus and Proxy Statement. As soon as reasonably practicable after the execution of this Agreement, the Core Fund shall prepare and file a combined prospectus and proxy statement with respect to the reorganization with the United States Securities and Exchange Commission in form and substance satisfactory to both parties, and shall use its best efforts to provide that the combined prospectus and proxy statement can be distributed to the shareholders of the Diversified Fund as promptly as thereafter as practicable. As soon as a reasonably practicable, the parties shall also prepare and file any other related filings required under applicable state securities laws.

4.4 Fees and Expenses. Whether or not this Agreement is consummated, CNR shall bear the costs and expenses of the Core Fund and the Diversified Fund incurred in connection with this Agreement and the transactions contemplated hereby; provided, however, that the Diversified Fund shall bear the costs and expenses associated with the liquidation of its investment portfolio.

4.5 Provision of Documents. Each party agrees that it will, from time to time as and when reasonably requested by the other party, provide or cause to be provided to the other party such information, execute and deliver or cause to be executed and delivered to the other party such documents, and take or cause to be taken such further action, as the other party may deem necessary in order to carry out the intent of this Agreement.

4.6 Diversified Fund Liabilities. The Diversified Fund will use its best efforts to liquidate its investment portfolio and discharge all of its financial liabilities and obligations prior to the Closing Date.

4.7 Tax Treatment. The Diversified Fund and the Core Fund hereby adopt this Agreement as a plan of complete liquidation of the Diversified Fund within the meaning of Section 331 of the Code. The transactions contemplated by this Agreement are intended to effect a taxable liquidation of the Diversified Fund consisting of the reduction of the Diversified Fund's assets to cash as contemplated by Section 2.6, the discharge by the Diversified Fund of its financial liabilities and obligations pursuant to Section 4.6, the assumption of any remaining liabilities of the Diversified Fund by the Core Fund pursuant to Section 1.1, the distribution of the Shares pursuant to Section 1.2, and the termination of the Diversified Fund pursuant to Section 1.7, all as set forth in this Agreement. The Trust, on behalf of the Diversified Fund and the Core Fund, agrees to report the tax consequences of the transactions contemplated by this Agreement in conformity with this Section 4.7.

Article 5 Termination, Amendment and Waiver

5.1 Termination. This Agreement may be terminated by resolution of the Board of Trustees of the Trust at any time prior to the Closing Date, if

- (a) either party shall have breached any material provision of this Agreement; or
- (b) circumstances develop that, in the opinion of such Board, make proceeding with the Reorganization inadvisable; or
- (c) any governmental body shall have issued an order, decree or ruling having the effect of permanently enjoining, restraining or otherwise prohibiting the consummation of this Agreement.

5.2 Effect of Termination. In the event of any termination pursuant to Section 5.1, there shall be no liability for damage on the part of either party to the other party.

5.3 Amendment. This Agreement contains the entire agreement of the parties with respect to the Reorganization and may be amended prior to the Closing Date by the parties in writing at any time; provided, however, that there shall not be any amendment that by law requires approval by the shareholders of a party without obtaining such approval.

5.4 Waiver. At any time prior to the Closing Date, any of the terms or conditions of this Agreement may be waived by the Board of Trustees of the Trust if, in its judgment after consultation with legal counsel, such action or waiver will not have a material adverse effect on the benefits intended under this Agreement to the shareholders of the Diversified Fund or the Core Fund, respectively.

Article 6 General Provisions

6.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

6.2 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but no assignment or transfer hereof or of any rights or obligations hereunder shall be made by either party without the written consent of the other party. Nothing herein expressed or implied is intended or shall be construed to confer

upon or give any person other than the parties hereto and their respective successors and assigns any rights or remedies under or by reason of this Agreement.

6.3 Recourse. All persons dealing with the Core Fund or the Diversified Fund must look solely to the property of the Core Fund or the Diversified Fund for the enforcement of any claims against the Core Fund or the Diversified Fund, respectively, as neither the trustees, officers, agents nor shareholders of the Trust, the Core Fund or the Diversified Fund assume any personal liability for obligations entered into on behalf of the Core Fund or the Diversified Fund, respectively.

6.4 Notices. Any notice, report, statement or demand required or permitted by any provisions of this Agreement shall be in writing and shall be given by prepaid telegraph, telecopy or certified mail addressed to either party at:

City National Rochdale Funds
400 North Roxbury Drive
Beverly Hills, CA 90210
Attn: Garrett R. D'Alessandro

with a copy to:

Bingham McCutchen LLP
355 S. Grand Avenue, Suite 4400
Los Angeles, CA 90071
Attn: Michael Glazer

*** *Signature Page Follows****

IN WITNESS WHEREOF, each party has caused this Agreement to be executed and attested on its behalf by its duly authorized representatives as of the date first above written.

CITY NATIONAL ROCHDALE FUNDS, on behalf of the City National Rochdale U.S. Core Equity Fund

By: _____
Garrett R. D'Alessandro
President & Chief Executive Officer

CITY NATIONAL ROCHDALE FUNDS, on behalf of the City National Rochdale Diversified Equity Fund

By: _____
Garrett R. D'Alessandro
President & Chief Executive Officer

Solely for purposes of Section 4.4

CITY NATIONAL ROCHDALE, LLC

By: _____