

## **2016 IMPORTANT TAX REPORTING INFORMATION**

This letter contains important tax information specific to your City National Rochdale Funds. Please consult your tax advisor and refer to this letter when preparing your 2016 tax return. We believe we have provided the detail necessary to complete your 2016 tax returns. However, if you require further information, please call our Investor Services Representatives toll free at 1-888-889-0799.

### **Qualified Dividend Income**

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

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

<b>City National Rochdale Fund</b>	<b>Dates for Ordinary Income (OI) and Short Term Capital Gain Distribution (ST)</b>
Intermediate Fixed Income Fund	(OI) March 24, June 24, September 26, December 23
Multi-Asset Fund*	(OI) March 24, June 24, August 12
Dividend and Income Fund	(OI) March 24, June 24, September 26, December 23
Emerging Markets Fund	(OI) December 23
Fixed Income Opportunities Fund	(OI) March 24, June 24, September 26, December 23
U.S. Core Equity Fund	(OI) March 24, June 24, September 26, December 23

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

\*The Multi-Asset Fund liquidated on September 29, 2016.

### **Foreign Tax Credit and Foreign Source Income**

The Emerging Markets Fund qualified for and elected to pass through foreign tax credits to its shareholders. Accordingly, you are entitled to claim a foreign tax credit or take an itemized deduction on your federal income tax return for your share of the taxes indicated in Box 6 of your 2016 Form 1099-DIV. Refer to IRS Publication 514, Foreign Tax Credit for Individuals, for additional information.

To be eligible to claim a foreign tax credit, you must have held your shares for more than 15 days within a 31-day period. The 31-day period begins 15 days before the shares become ex-dividend date. The ex-dividend date for the fund potentially impacted by this provision is December 23, 2016. Thus the 31-day period began on December 8, 2016 and ended on January 7, 2017. If you are unable to use the foreign tax credit, you still may be able to claim the amount as an itemized deduction.

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

The following information is provided to assist you when preparing your 2016 state tax return.

**Important State Tax Information**

**United States Government Interest**

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

<b>City National Rochdale Fund</b>	<b>U.S. Government Interest</b>
Government Money Market Fund	73.18%
Prime Money Market Fund <sup>1</sup> *	2.80%
California Tax Exempt Money Market Fund <sup>1**</sup>	0.00%
Government Bond Fund <sup>1</sup>	52.48%
Corporate Bond Fund <sup>1</sup>	0.00%
California Tax Exempt Bond Fund <sup>1</sup>	0.00%
Municipal High Income Fund <sup>1</sup>	0.00%
High Yield Bond Fund <sup>1</sup>	0.00%
Intermediate Fixed Income Fund <sup>1</sup>	4.26%
Fixed Income Opportunities Fund <sup>1</sup>	0.00%
Multi-Asset Fund <sup>1***</sup>	13.76%
Dividend and Income Fund <sup>1</sup>	0.00%
Emerging Markets Fund <sup>1</sup>	0.00%
U.S. Core Equity Fund <sup>1</sup>	0.00%

<sup>1</sup>Due to certain statutory limitations, shareholders of these funds that are residents of California, Connecticut or New York are not permitted to exclude the portion of ordinary income that represents direct U.S. Government obligations from their state income taxes. Please consult your tax advisor if you have any questions with this.

\* The Prime Money Market Fund liquidated on August 31, 2016.

\*\* The California Tax Exempt Money Market Fund liquidated on October 3, 2016.

\*\*\* The Multi-Asset Fund liquidated on September 29, 2016.

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