

# PNC Capital Advisors, LLC

## Small Capitalization Core Equity Management

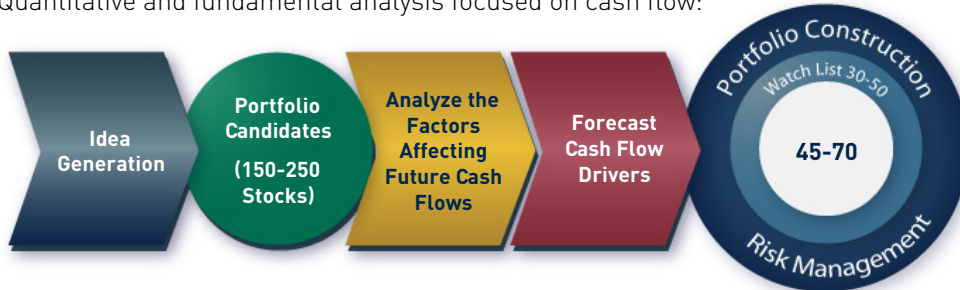
### INVESTMENT PHILOSOPHY

We believe that cash flow is a better predictor of performance than reported earnings. Therefore, our investment process focuses on companies that are trading at a discount to their cash flow value. Our analysis focuses on:

- Increasing cash flow
- Valuation, using a discounted cash flow methodology
- Forecasting cash flow drivers

### INVESTMENT PROCESS

Quantitative and fundamental analysis focused on cash flow:



#### 1. Identify Ideas

- Market Cap (\$100 million-\$3 billion)
- Average Daily Trading \$750,000
- Increasing Cash Flow and/or >20% upside potential
- Turnaround Events
- Historical Accuracy

#### 2. Analyze the Factors Affecting Future Cash Flows

- Management Strength and Commitment
- Financial Strength
- Market Position
- Industry Outlook
- Cash Utilization

#### 3. Forecast Cash Flow Drivers

- Sales
- Margins
- Asset Utilization
- Fade Rate
- Discount Rate
- Target Price

#### 4. Construct Portfolio

- >20% Upside Potential
- Fully Invested
- Single Security < 5%
- Sector Weighting: Max +10%

*Our process has been consistently applied since 1994.*

### TEAM

The Portfolio Team: Longevity & Consistency

- Three of five team members in place since 1994
- Experienced team with an average 14 years of industry experience
- Generalist approach where “everyone is an analyst” provides coverage of small cap universe
- Daily/weekly team meetings review macroeconomic outlook, stock price movements and company news
- Constant communication regarding portfolio positioning, performance and risk



### FIRM OVERVIEW

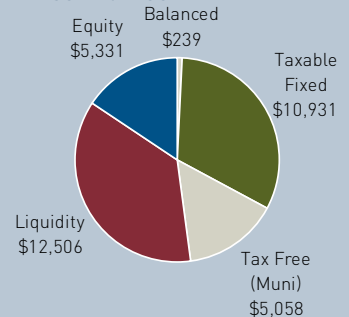
PCN Capital Advisors, LLC<sup>1</sup> is an established provider in institutional asset management with over a 10-year history. Our investment team approach allows portfolio managers to do what they do best – manage money. Each team follows a disciplined process with a focus on style purity, consistency and risk management. The teams are supported by centralized sales, client service, performance measurement and compliance capabilities. PNC Capital Advisors offers a comprehensive array of investment strategies across both equity and fixed income classes to serve the investment requirements of corporate, public, multi-employer, foundations, endowments and other tax-exempt clients, as well as select individual clients.

### ASSETS UNDER MANAGEMENT

(as of 12.31.09)

<b>Total Firm:</b>	\$34,066 million
<b>Total Equity:</b>	\$5,331 million
<b>Small Cap Core:</b>	\$258.4 million

### BY ASSET CLASS<sup>2</sup>



<sup>2</sup> AUM totals in millions for the period ending December 31, 2009. PNC Capital Advisors is an SEC-registered investment adviser and a subsidiary of The PNC Financial Services Group, Inc.

<sup>1</sup> PNC Capital Advisors is an SEC-registered investment adviser and a subsidiary of The PNC Financial Services Group, Inc.

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.