

## INVESTMENT PHILOSOPHY

We believe quantitative methods can be developed to capture fundamental insights and capitalize on systematic market inefficiencies. Therefore, stock selection needs to be based upon sound scientific evidence, and the key drivers of future stock performance which are company valuation, fundamentals and investor interest. Technology enables us to identify attractive stocks in a systematic, disciplined and timely manner, resulting in consistent excess performance over time.

## INVESTMENT PROCESS

### Multi-Factor Model Development

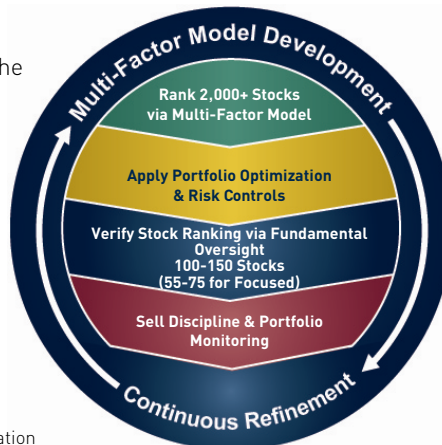
Multi-factor models are developed to Actively and Objectively seek alpha based on:

- Academic and Market Research
- Economic Principles
- Statistical Validity
- Fundamental Analysis
- Multi-Scenario Analysis

### Portfolio Construction

Systematic stock evaluation, portfolio optimization, fundamental oversight and continual evaluation drive the structured equity process.

- 1. Rank stocks (\$200 million-\$3 billion) via multi-factor model:**
  - Improving fundamentals
  - Attractive valuations
  - Improving sentiment
- 2. Applying portfolio optimization & risk controls:**
  - Top 20% of stocks
  - Diversified by security
  - Industry constrained
- 3. Verify stock ranking via fundamental oversight and construct portfolio:**
  - Forward-looking fundamentals
  - Nonbalance sheet items
  - Integration of highly ranked stocks, optimization and validation
- 4. Sell discipline & portfolio monitoring:**
  - Inverse of purchase criteria
  - Risk management
  - Iterative process



*We continually test and refine our investment management process through automated means at each stage including the model, portfolio and individual stock level.*

## FIRM OVERVIEW

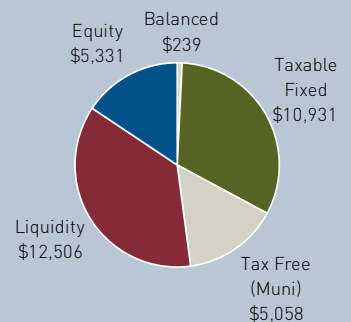
PCN Capital Advisors, LLC<sup>1</sup> is an established provider in institutional asset management with over a 10-year history. Our investment team approach allows portfolio managers to do what they do best – manage money. Each team follows a disciplined process with a focus on style purity, consistency 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>Structured Small Cap Value:</b>	\$69.4 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.

## TEAM

Our team applies substantial experience and expertise to managing structured equity portfolios.

- Structured to ensure maximum interaction, meeting constantly each day
- Cross-functional collaboration
- Credentialed team of four, holding three master's degrees, two PhDs and one CFA

PORTFOLIO MANAGEMENT	
<b>Hitesh Patel, PhD</b> Managing Director, Structured Equity Strategies	<b>Paul Kleinaitis, CFA</b> Senior Portfolio Manager
QUANTITATIVE & EQUITY RESEARCH	
<b>Chen Chen, PhD</b> Senior Analyst	<b>Jonathan Toerber</b> Quantitative Systems Analyst

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

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