Item 1. Cover

PNC Capital Advisors, LLC
Form ADV Part 2A
Firm Brochure

November 21, 2018

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This brochure provides information about the qualifications and business practices of PNC Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (410) 237-5309. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Investment adviser registration does not imply any certain level of skill or training.

Additional information about PNC Capital Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure dated November 21, 2018 (“Brochure”) reflects the following material changes since the firm’s last annual updating amendment dated July 17, 2018:

- various provisions were added throughout the Brochure to reflect the addition of the Dividend Growth strategy;

- various provisions were added throughout the Brochure to reflect the addition of the International Small Cap Growth strategy;

- various provisions were added throughout the Brochure to reflect the addition of the Liability Driven investment LDI (LDI) capabilities; and

- various provisions were deleted throughout the Brochure to reflect the removal of the Mortgage Backed and High Yield Strategies.

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Item 4. Advisory Business

The Company

PNC Capital Advisors, LLC ("PNC Capital Advisors") is a wholly-owned direct subsidiary of PNC Bank, National Association ("PNC Bank"). PNC Bank is a wholly-owned subsidiary of The PNC Financial Services Group, Inc. ("PNC"), a financial holding company.

Investment Services

PNC Capital Advisors provides discretionary investment advisory services to registered investment companies, institutional accounts, and personal investment management accounts. PNC Capital Advisors is organized around six highly focused investment style teams. Each team functions with its own research, portfolio management and portfolio construction processes unique to its specialized investment style.

The four equity teams include:

- Large Cap Advantage Equity
- Select Equity
- Structured Equity
- International Equity

The two fixed income teams include:

- Taxable Fixed Income
- Municipal Fixed Income

Investment Strategies

PNC Capital Advisors offers the following strategies:

Equity Strategies

- Large Cap Value Advantage
- Large Cap Growth Advantage
- Large Cap Core Advantage
- Large Cap Core Advantage Socially Responsible
- Large Cap Core Advantage SRI – USCCB
- Large Cap Core Advantage SRI - TAG
- Large Cap Concentrated Advantage
- Dividend Focus
- Dividend Growth

- Multi-Factor All Cap
- Multi-Factor Large Cap Value
- Multi-Factor Large Cap Growth

- Small Cap

- Structured Small Cap Value
- Structured Small Cap Core
- Structured Small Cap Growth
- Structured Small/Mid Cap Core

- International Growth
- International Growth ADR
- International Emerging Markets
- International Small Cap Growth

- Indexed Equity

- Balanced

Taxable Fixed Income Strategies

- Core and Core Plus
- Intermediate Aggregate
- Intermediate Government/Credit
- Intermediate Government
- Short Duration 1-3 Year Government/Credit
- Ultra Short Duration
- Short Term Income
- Cash Management
- Liability Driven Investment ("LDI")

PNC Capital Advisors also provides custom fixed income management capabilities, based upon client specific investment policies, permissible investments, and other portfolio management parameters.

Municipal Fixed Income Strategies

Total Return Strategies:

- Intermediate Municipal
- Environmental and Social Impact Intermediate Municipal
- Short Intermediate Municipal
- Environmental and Social Impact Short Intermediate Municipal
- Short Municipal

Quality Income Strategies:

- Intermediate Municipal
- Environmental and Social Impact Intermediate Municipal
- Short Intermediate Municipal
- Environmental and Social Impact Short Intermediate Municipal
- Short Municipal

Enhanced Cash Municipal

(You can find more information about our investment strategies in Item 8 below).

Wrap Fee Programs

PNC Capital Advisors participates as a portfolio manager in one or more "wrap fee" programs sponsored by other financial services firms. PNC Capital Advisors receives a fee from the program sponsor in connection with advisory services provided to program participants. PNC Capital Advisors also provides investment models for use in wrap programs.

Non-Discretionary Advisory Services

While the primary business of PNC Capital Advisors is providing continuous, discretionary advisory services, PNC Capital Advisors may also provide non-discretionary advisory services to clients, including affiliates. In such cases PNC Capital Advisors provides services which may include model portfolios, investment research and recommendations regarding overall portfolio construction, and the purchase and sale of individual securities.

Administration of PNC Mutual Funds

PNC Capital Advisors serves as investment adviser and administrator to the PNC Funds.

Assets Under Management

As of September 30, 2018, PNC Capital Advisors had $53.9 billion in regulatory assets under management, all of which is discretionary.

Item 5. Fees & Compensation

The fees that we charge for investment advisory services are specified in the agreements between PNC Capital Advisors and each of its advisory clients. Generally, fees are based on a standard fee schedule according to the investment discipline selected (a description of the investment strategies available in separately managed accounts are set out in Item 8 below).

Equity Strategies		
Strategy	Breakpoints	Fee
Large Cap Value Advantage Large Cap Growth Advantage Large Cap Core Advantage Large Cap Core Advantage Socially Responsible Large Cap Core Advantage SRI – USCCB Large Cap Core Advantage SRI - TAG Large Cap Concentrated Advantage Dividend Focus Dividend Growth	Initial $5 million Next $10 million Next $35 Million Balance	0.75% 0.60% 0.50% 0.45%
Multi-Factor All Cap Multi-Factor Large Cap Value Multi-Factor Large Cap Growth	Initial $25 million Next $25 million Balance	0.50% 0.45% 0.40%
Small Cap Structured Small Cap Value Structured Small Cap Growth Structured Small Cap Core	Initial $25 million Next $25 million Balance	0.90% 0.80% 0.70%
Structured Small/Mid Cap Core	Initial $25 million Next $25 million Balance	0.85% 0.75% 0.65%

Equity Strategies (continued)		
Strategy	Breakpoints	Fee
International Growth / International Growth ADR	Initial $25 million Next $25 million Balance	0.75% 0.65% 0.55%
International Emerging Markets	Initial $25 million Next $25 million Balance	1.00% 0.90% 0.80%
International Small Cap Growth	Initial $25 million Next $25 million Balance	0.90% 0.80% 0.70%
Balanced Allocation	Initial $10 million Next $40 million Balance	0.65% 0.60% 0.55%
Indexed Equity	All assets	0.10%
Taxable Fixed Income Strategies		
Strategy	Breakpoints	Fee
Core Fixed Income	Initial $15 million Next $35 million Next $50 million Next $100 million Balance	0.35% 0.30% 0.25% 0.20% 0.15%
Core Plus Fixed Income	Initial $50 million Next $50 million Next $100 million Balance	0.35% 0.25% 0.20% 0.15%

Taxable Fixed Income Strategies (continued)		
Strategy	Breakpoints	Fee
Intermediate Aggregate Fixed Income and Intermediate Government/Credit Fixed Income	Initial $15 million Next $35 million Next $50 million Next $100 million Balance	0.35% 0.30% 0.25% 0.20% 0.15%
Intermediate Government Fixed Income	Initial $10 million Balance	0.25% 0.20%
Short Duration 1-3 Year Government/Credit Fixed Income	Initial $15 million Next $35 million Balance	0.25% 0.20% 0.15%
Ultra Short Duration Fixed Income	Initial $15 million Balance	0.20% 0.15%
Short Term Income Cash Management	All assets	0.15%
Liability Driven Investment (LDI) Fixed Income	Initial $15 million Next $35 million Next $50 million Next $100 million Balance	0.35% 0.30% 0.25% 0.20% 0.15%

Municipal Fixed Income Strategies		
Total Return Strategies	Breakpoints	Fee
Intermediate Municipal Environmental and Social Impact Intermediate Municipal	All Assets	0.25%
Short Intermediate Municipal Environmental and Social Impact Short Intermediate Municipal	All Assets	0.25%
Short Municipal	All Assets	0.25%
Quality Income Strategies	Breakpoints	Fee
Intermediate Municipal Environmental and Social Impact Intermediate Municipal	All Assets	0.20%
Short Intermediate Municipal Environmental and Social Impact Short Intermediate Municipal	All Assets	0.20%
Short Municipal	All Assets	0.20%
Enhanced Cash Municipal	All Assets	0.15%

In addition to the investment styles listed above, PNC Capital Advisors provides custom management services. Pricing is based upon the nature of such services as determined by each client's specific investment policies, permissible investments, and other portfolio management parameters.

Account fees may be negotiable on a case-by-case basis based on various factors, including, but not limited to, potential growth, account size, and services rendered.

As a result of mergers or acquisitions, PNC Capital Advisors also manages certain accounts on pre-existing legacy fee schedules that are different from those described above. In addition, PNC Capital Advisors provides investment management services for wrap products that have fee schedules based on the individual characteristics of the product and/or the sponsor.

PNC Capital Advisors may serve as sub-adviser to affiliates or third-parties. When PNC Capital Advisors serves as a sub-adviser, the primary adviser pays us directly for advisory services according to rates negotiated between the primary adviser and PNC Capital Advisors. Generally, fees paid to the primary adviser by its clients are governed by an agreement between such clients and the primary adviser.

Fees for separately managed accounts are generally payable quarterly in arrears and computed based on the value of the assets under management at the end of each relevant calendar quarter. Fees for partial periods are pro-rated.

Fee Payment Options

Clients of PNC Capital Advisors pay for our services by various methods, including:

- Direct debiting: If a client chooses this option, for each billing period, the client's custodian will be notified of the amount of the management fee due and payable to PNC Capital Advisors based on our fee schedule and contract. The custodian will deduct the fee from the account(s) or, if the client has more than one account, from the account designated to pay our advisory fees. The custodian does not validate or check our fee or its calculation on the assets on which the fee is based.

  If clients choose this method, generally they must provide written authorization to the custodian permitting our management fee to be paid directly from the account(s). Clients should ensure that they are receiving a periodic statement directly from their custodian that shows all transactions, positions and credits/debits into or from their account(s), including the advisory fee paid by the client to us.

- Client Invoicing: For each billing period, PNC Capital Advisors will send the client an invoice for our services. The invoice will show the amount of the fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated. Clients may pay us by check or wire transfer upon receipt of the invoice.

Other Fees or Expenses

Clients may incur expenses in addition to the fees paid to PNC Capital Advisors. For example, client accounts may incur costs such as: brokerage commissions; transaction fees; custodial fees (including any applicable sub-custodian or depository fees); exchange or similar fees (such as for American Depositary Receipts ("ADRs")); dealer spreads, mark-ups or other charges by executing broker-dealers (including on fixed-income, non-U.S. securities, ADRs or other over- the-counter transactions); odd-lot differential fees or expenses; transfer taxes; wire transfer or other transfer fees; and other fees and taxes assessed to brokerage accounts and securities transactions. Clients will bear all such transaction and transfer related fees, taxes, or expenses, which are typically charged directly to the account or reflected in the price paid or received for a particular security.

Mutual funds, exchange traded funds ("ETFs") and other pooled investment vehicles charge internal management fees and other fees, which are disclosed in a fund's or other pooled vehicle's prospectus, offering documents and/or financial filings. Such fees are borne by all investors in the funds or vehicles. We may invest client assets in mutual funds or other pooled investment vehicles, including those managed by us (referred to as a "PNC Capital-Advised Fund") or our affiliates (referred to as an "Affiliated Fund"). When we invest clients' assets in Affiliated Funds, we, or our affiliate, will receive internal fund fees paid by the funds and vehicles, and we may also collect our account-level advisory fees to the extent permitted by applicable law and if consistent with the client's contract.

As a service provider to the PNC Funds, PNC Capital Advisors receives administration and investment advisory fees which are set out in the prospectus and fund documents and/or financial filings of those funds.

Termination of Advisory Services

Generally, a client may terminate an investment management agreement upon 30 days written notice unless otherwise mutually agreed upon. If an agreement is terminated, fees are prorated based on the date of termination.

Additional Compensation

Neither PNC Capital Advisors nor its employees accept compensation, including asset-based sales charges or service fees, for the sale of securities or other investment products.

Item 6. Performance-Based Fees and Side-by-Side Management

PNC Capital Advisors does not charge performance-based advisory fees.

Item 7. Types of Clients

PNC Capital Advisors provides investment management services to high net worth individuals and institutional investors, including mutual funds, private investment funds, charitable institutions, foundations, municipalities, endowment funds, corporations, public pension funds, corporate pension and profit-sharing plans and Taft-Hartley plans.

Unless they have executed an investment advisory agreement with PNC Capital Advisors, shareholders in mutual funds advised by PNC Capital Advisors will not be advisory clients of PNC Capital Advisors (with respect to their investment in such fund(s)), and PNC Capital Advisors will not provide investment advice or recommendations with respect to the merits and suitability of the particular investment and investment decision for these particular investors. Investors in such mutual funds are encouraged to consult their own financial, tax and legal advisors regarding any investment, purchase, or sale of an investment, in such funds.

Account Minimums

PNC Capital Advisors may, on a case-by-case basis, negotiate minimum account sizes based on various factors, including but not limited to potential growth, account size, and services rendered. Minimum account sizes vary, depending primarily on the investment style and other factors.

Domestic Equity. For separately managed accounts invested in its domestic equity strategies, PNC Capital Advisors generally requires a minimum account size of $2 million in assets. Exceptions include the Small Cap Equity strategy which generally requires a minimum account size of $5 million and the Multi-Factor All Cap, Large Cap Value and Large Cap Growth strategies which generally require a minimum account size of $25 million.

International Equity. For separately managed accounts invested in its international equity strategies, PNC Capital Advisors generally requires a minimum account size of $10 million.

Taxable Fixed Income. For separately managed accounts invested in its taxable fixed income strategies, PNC Capital Advisors generally requires a minimum account size of $10 million in assets. Short Term Income and Cash Management portfolios generally require a minimum of $25 million in assets. Certain custom accounts may require a $50 million minimum.

Municipal Fixed Income. For separately managed accounts invested in its municipal fixed income strategies, PNC Capital Advisors generally requires a minimum account size of $1 million in assets, except that the municipal enhanced cash management strategy generally requires a minimum of $5 million in assets.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Equity Investment Strategies

PNC Capital Advisors approaches equity investment management with a team orientation. Each team functions with its own research, portfolio management and portfolio construction processes unique to its specialized investment style.

The firm's equity strategy offerings include:

<u>Large Cap Advantage Strategies</u>
The Large Cap Advantage strategies invest in common stocks of publicly traded U.S. companies with a minimum stock market capitalization of $2 billion. The investment process integrates both quantitative and fundamental analysis within a rigorous decision-making framework that encompasses multi-factor modeling, and portfolio construction. Our multi-factor modeling focuses on earnings growth, earnings surprise, price momentum, stability of earnings and valuation factors. Fundamental analysis is performed to identify a potential reward-to-risk ratio for every security in the portfolio, with a focus on identifying opportunities for earnings upside potential. We seek to construct portfolios invested in equity securities that will participate in market advances, but also protect against market declines. We offer the following strategies based on this approach:

- **Large Cap Value Advantage Strategy** gives more weight to value factors such as price-to-earnings and price-to-book ratios in its analysis of investment opportunities.

- **Large Cap Growth Advantage Strategy** gives more weight to growth factors such as earnings growth and momentum in its analysis of investment opportunities.

- **Large Cap Core Advantage Strategy** gives approximately equal weight to stability of earnings, growth and value factors in its analysis of investment opportunities.

- **Large Cap Core Advantage Socially Responsible Strategy** begins with the Large Cap Core Advantage portfolio. The strategy invests in common stocks with large market capitalizations while excluding those companies that derive three percent or more of their revenue from alcohol, tobacco, or gambling. The strategy also invests in accordance with the investment policies adopted by the U.S. Conference of Catholic Bishops.

- **Large Cap Core Advantage SRI - USCCB Strategy** begins with the Large Cap Core Advantage portfolio. The strategy invests in common stocks with large market capitalizations and in accordance with the investment policies adopted by the U.S. Conference of Catholic Bishops.

- **Large Cap Core Advantage SRI - TAG Strategy** begins with the Large Cap Core Advantage portfolio. The strategy invests in common stocks with large market capitalizations while excluding those companies that derive three percent or more of their revenue from alcohol, tobacco, or gambling.

- **Large Cap Concentrated Advantage Strategy** invests in the 30 highest ranked stocks according to the multi-factor model which are held in the Value, Core or Growth portfolios. The equally weighted portfolio is constructed without sector level constraints.

- **Dividend Focus Strategy** gives approximately equal weight to earnings stability, growth and valuation factors to construct a portfolio of equity securities which provide a relatively attractive dividend yield with the potential for aggregate dividend income growth.

- **Dividend Growth Strategy** seeks to provide a growing stream of dividend income by investing in publicly-traded equity securities of high quality companies which have both the ability and commitment to grow their dividends over the long-term.

Multi-Factor All and Large Cap Strategies

The Multi-Factor strategies employ a systematic multi-factor model to identify companies that are believed to have the potential to produce earnings in excess of market expectations. A variety of quantitative measures, referred to as "factors" drive the decision making process with fundamental analysis being focused on corporate events and other anomalies that are not captured by the multi-factor model. This is a material distinction from the Large Cap Advantage strategies, which employ a relatively equal balance between the multi-factor model and sector-based fundamental analysis.

The multi-factor model incorporates quality factors, such as a company's stability of earnings; momentum factors, such as movements in both price and earnings and earnings surprises; and value factors, such as price to earnings, price to book, and price to cash flow ratios. Investment weighting in any one sector will change over time based on how the multi-factor process assesses each sector's relative attractiveness. The strategies do not apply any sector-based limits and the process may result in the strategies being invested significantly in one or more sectors.

The strategies will normally invest primarily in securities of U.S. companies. The securities in which the strategies may invest include common stock, ADRs, preferred stock, warrants and rights. Strategies are expected to be rebalanced on a quarterly basis and each portfolio may actively trade based on its respective multi-factor model in an attempt to achieve its investment objective. Active trading will cause the strategies to have an increased portfolio turnover rate, which may generate short-term gains which are taxed at a higher rate than long-term gains for investors. Actively trading portfolio securities increases the strategies' trading costs and may have an adverse impact on performance.

Strategy-specific distinctions include:

- **Multi-Factor All Cap Strategy** gives approximately equal weight to stability of earnings, growth and value factors in its analysis of investment opportunities. The investment universe is the 3000 largest publicly traded companies in the U.S. Liquidity criteria include maintaining an average 60-day trading volume of at least $1 million daily and a share price in excess of $3.50. Additionally, all stocks must maintain a minimum of five earnings estimates.

- **Multi-Factor Large Cap Value Strategy** gives more weight to value factors such as price-to-earnings and price-to-book ratios in its analysis of investment opportunities. The components of the Russell 1000® Value Index serves as the investment universe. The strategy employs the same liquidity and earnings estimates minimums as the Multi-Factor All Cap strategy.

- **Multi-Factor Large Cap Growth Strategy** gives more weight to growth factors such as earnings growth and momentum in its analysis of investment opportunities. The components of the Russell 1000® Growth Index serves as the investment universe. The strategy employs the same liquidity and earnings estimates minimums as the Multi-Factor All Cap strategy.

Select Equity Team Strategies

Our investment process is primarily a bottom-up approach to equity selection, focused on an analysis of a company's cash flow return on investment. We believe that wealth is created through the long-term ownership of profitable, growing businesses. We seek to identify companies trading at a discount to their current cash flow value and apply a discount rate using economic variables such as taxes, inflation, risk, real return, and regulations and make adjustments for size, leverage, and volatility. The outcome of this process is an overall value for the business, very much a "private market valuation" approach. In addition, we look for companies that are part of a strong or growing industry, whose management understands how to create value for shareholders and deploy capital, that generally have low debt, and that are market leaders with respect to the product or service they provide.

- **Small Cap Equity Strategy** generally invests in equity securities with stock market capitalizations between $100 million and $3 billion. Market capitalization is measured when a security is initially purchased in its respective strategy. The strategy invests in a diversified portfolio of common stocks of publicly traded U.S. companies.

Structured Strategies

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

- **Structured Small Cap Value Strategy** invests in common stocks of U.S. companies with stock market capitalizations approximately equivalent to those that fall in the lowest 15% of publicly-traded companies that are represented in the Russell 2000 Value Index that are believed to be conservatively valued relative to the securities of comparable companies.

- **Structured Small Cap Growth Strategy** invests in common stocks of U.S. companies with stock market capitalizations approximately equivalent to those that fall in the lowest 15% of publicly traded companies that are represented in the Russell 2000 Growth Index and have prospects for accelerated earnings or revenue growth.

- **Structured Small Cap Core Strategy** invests in common stocks of U.S. companies with stock market capitalizations approximately equivalent to those that fall in the lowest 15% of publicly traded companies that are represented in the Russell 2000 Index that possess both value and growth characteristics.

- **Structured Small/Mid Cap Core Strategy** invests in common stocks of U.S. small to mid-sized companies with stock market capitalizations approximately equivalent to those represented in the Russell 2500 Index.

Index Equity Strategies

The **Indexed Equity Strategy** seeks investment results that, before expenses, approximate the aggregate price and dividend performance of the securities included in a selected index by investing in securities contained within the selected index. The team also provides customized index portfolios. Examples include socially responsible screens, stratified sampling, and enhanced index portfolios based upon tracking error corridors.

International Strategies

The International strategies take an active approach to asset management, believing that there are persistent structural inefficiencies in the market for international equity securities. The International strategies investment process is a function of bottom-up security scoring within a top-down country allocation framework. The risk managed investment process focuses on high quality growth-oriented stocks available at attractive relative valuations. The fundamental research effort applied to each selected stock draws on a wide variety of data sources, including macro-economic, industry and company sources, as well as street research information gained from company visits and company financial statements. The country allocation model provides data for the underlying factors including valuation, economic growth, risk and momentum. This process serves as a guideline for the country and regional weights of the portfolio. ETFs may be utilized to gain portfolio exposures to certain geographic regions, sectors or industries where ADR exposures may not be available or illiquid.

We offer various strategies based on this approach:

- **International Growth Equity Strategy** invests directly in equity securities of foreign issuers in developed and emerging markets with long-term growth potential.

- **International Growth ADR Strategy** invests in ADRs (or other dollar-denominated securities/instruments) that are economically tied to international markets. ADRs are receipts that are typically issued by an American bank or trust company that evidence ownership of underlying securities issued by a foreign corporation. The securities underlying ADRs are usually quoted in currencies other than the U.S. dollar. Changes in foreign currency exchange rates affect the value of ADRs and, therefore, the value of portfolio assets invested using the International Growth ADR Strategy.

- **International Emerging Markets Equity Strategy** invests directly in equity securities of foreign issuers in emerging markets with long-term growth potential.

- **International Small Cap Growth Equity Strategy** invests directly in equity securities of foreign issuers with stock market capitalizations between $500 million and $5 billion in developed and emerging markets with long-term growth potential.

<u>Balanced Allocation Strategy</u>

The Balanced Allocation strategy applies a blended investment style and invests in a diversified portfolio of common stocks, fixed income securities, and cash equivalents with varying asset allocations depending on our assessment of market conditions. This strategy may also invest in mutual funds and ETFs. Generally, we will invest 45% to 75% in equity securities, such as common stocks and convertible securities, 25% to 55% in fixed income securities, such as corporate bonds, U.S. government and agency securities, mortgage-backed securities and asset-backed securities, and up to 30% of its net assets in cash, cash equivalents, or other types of short-term money market instruments. The strategy may invest in international, emerging markets and small capitalization stocks. The dollar-weighted average maturity of the fixed income allocation is normally expected to range from four to twelve years, but may vary in response to market conditions.

The equity strategies described above may use derivatives as a substitute for taking a position in an underlying asset, to increase returns, to manage risk or as a part of a hedging strategy. Although we may invest in derivatives of any kind, we generally use futures contracts and options on futures contracts for the purpose of managing exposure to the securities markets, or to movements in interest rates or currency values.

Taxable Fixed Income Investment Strategies

PNC Capital Advisors approaches fixed income management with a team orientation.

Each of the firm's Taxable Fixed Income strategy offerings is led by a designated lead portfolio manager who is responsible for implementing the team's consensus portfolio strategy with respect to duration positioning, sector weighting and other portfolio structure parameters. Additionally, the lead portfolio manager is responsible for the day-to-day management of the strategy, which includes specific security selection and portfolio cash flow management.

Role of Lead Portfolio Managers

Working with the Taxable Fixed Income team's analysts and leadership, portfolio managers are responsible for deriving consensus on relative weights for each fixed income market sector, including US Treasury, Agency, Credit, Mortgages, ABS and CMBS sectors. In this way, decisions to overweight and underweight specific sectors are consistent across all fixed income strategies. A similar approach is used to establish the targeted duration, expressed as a percentage of the relevant benchmark, so that portfolios are similarly positioned with respect to the team's outlook for the direction of interest rates in general.

At the individual portfolio level, lead portfolio managers have discretion to structure portfolios under their leadership within a range around the team's consensus duration. Additionally, lead portfolio managers have the flexibility to construct the portfolios' maturity structure to achieve the team's consensus duration.

Role of the Analysts/Sector Specialists

Sector specialists monitor the issuers and issues across all portfolios and work directly with the portfolio managers in offering relative value trading ideas. Typically, sector allocations are reviewed at weekly strategy meetings, and the team's sector specialists provide an update on market activity, new issue supply, rating agency actions and outlook for their respective market sectors. Sector specialists continually update their recommended over- and under-weighting of their respective sectors, and work closely with portfolio managers to implement these recommendations through security selection and relative value trading.

Role of the Traders

Traders are charged with responsibilities relative to trade execution and trade sourcing. Specifically, the traders work closely with portfolio managers to identify specific security trades that serve to implement overall portfolio strategy directives and portfolio structure adjustments. Additionally, traders are responsible for initiating and completing the trade, as well as meeting the firm's best execution obligations.

Typically, members of the team meet formally on a weekly basis. Portfolio managers review performance, portfolio duration, yield curve positioning, sector allocations and current market activity, along with sector and credit updates from the team's analytical staff. Additionally, relevant economic data releases and FOMC announcements are discussed.

However, activity within the portfolios may occur daily. As a result, informal discussion, analysis and proposals for relative value trading recommendations occur on a daily basis. Trade ideas and recommendations are made across all portfolios whether it is a new issue in the market, a swap between securities or an addition/deletion to the portfolios.

With respect to communication within the team regarding specific credit recommendations and issues, securities under consideration are formally reviewed and the analysis is presented during a weekly credit meeting. For structured products, new transactions (either through the primary or "new issue" market or secondary purchases for deals not currently held in the model portfolios) are formally reviewed and stress-tested. Formal reports are prepared and presented to the full team for discussion.

<u>Investment Philosophy</u>

The Taxable Fixed Income team believes that active sector rotation, combined with disciplined risk management, results in consistent value added portfolio returns. The team's investment philosophy is approached with an orientation toward:

- Team Based Management
- Top Down Financial Market Analysis
- Focus on Risk Adjusted Returns

Fundamental credit research is the foundation of the firm's approach to fixed income investment. The team's philosophy is to construct portfolios designed to earn strong risk adjusted returns over a full market cycle, while maintaining a prudent risk profile, as reflected in tracking error, standard deviation of return, and other portfolio risk measures. Investment returns are evaluated by benchmarking information and Sharpe ratios relative to stated benchmark and industry peers.

Our approach to fixed income management is distinguished by three key elements:

Style Purity

We are very aware of benchmark characteristics across all fixed income style offerings. This understanding of benchmark characteristics is intended to help maintain portfolios that remain “style pure” with respect to maturity, duration and quality, as well as other key portfolio structure characteristics.

Duration Limits
A key component of our portfolio construction and ongoing management process is our active duration management discipline. The targeted duration of fixed income portfolios is limited to a range of +/- 20% relative to benchmark duration. We believe this duration constraint is critical in that excessive shifts in portfolio duration have the potential to add undesired volatility to portfolio performance.

Risk Management
We maintain a dedicated quantitative and risk analytics function. The team’s responsibility is to quantify and present to the portfolio management staff a detailed risk assessment of securities and portfolio structures. As part of this analysis, the quantitative & risk analytics team models and monitors portfolio structure, quantifying the duration, sector allocation and yield curve risk associated with the current and proposed structures.

Investment Process
The fixed income strategies combine comprehensive top-down financial market analysis with a bottom-up approach to security selection. The team is focused on managing a portfolio’s sector exposure through fundamental financial market and security research.

The team’s investment process utilizes portfolio management software which offers comprehensive analytics across an extensive fixed income securities database. This software allows the team to compute option-adjusted risk measures, which enables the team to understand the risk/return profile of individual securities and portfolios. This technology, coupled with the experience of individual team members, enables the team to concentrate its effort on investments which offer the greatest potential value.

There are four key steps in the investment process:

The first step is to formulate our market outlook to derive yield curve positioning and duration targets.

The second step, driven by the security research teams, is to determine sector weightings based on relative value and sector and subsector outlook.

The third step, constructed by the portfolio management teams, is to conduct extensive analysis on each security, including fundamental analysis, structural analysis, relative valuation, and risk/reward profile

The fourth step, constructed by the portfolio management teams and monitored by the quantitative & risk analytics team, is to construct the portfolio using the following strategic framework:

- Determining sector and sub-sector weights based upon relative valuation

- Selecting securities in support of the portfolio risk/reward profile
- Determining duration limits and managing yield curve based on macroeconomic outlook

Strategies Offered

The fixed income strategy offerings include:

- **Core Fixed Income Strategy** seeks current income and preservation of capital by investing in a portfolio of high- and medium-grade fixed income securities of all types, including obligations of corporate and U.S. and foreign governmental issuers and mortgage-backed and asset backed securities, with portfolio duration and structure characteristics benchmarked to the Bloomberg Barclays Capital U.S. Aggregate Bond Index. The dollar-weighted average maturity of the investments in this strategy is normally expected to range from four to twelve years, but may vary in response to market conditions.

- **Core Plus Fixed Income Strategy** seeks current income and appreciation of capital by investing primarily in a portfolio of investment grade fixed income securities of all types, including obligations of corporate and U.S. and foreign governmental issuers and mortgage-backed and asset backed securities. This strategy may invest a significant percentage of the portfolio (currently no more than 20%) in high yield debt securities (i.e., those with ratings below investment grade).

- **Intermediate Aggregate Fixed Income Strategy** seeks to provide current income and preservation of capital by investing primarily in a portfolio of high- and medium-grade fixed income securities of all types, including obligations of corporate and U.S. and foreign governmental issuers and mortgage-backed and asset backed securities, with portfolio duration and structure characteristics benchmarked to the Bloomberg Barclays Intermediate Capital U.S. Aggregate Bond Index. The dollar weighted average maturity of the investments in this strategy is normally expected to range from three to ten years, but may vary in response to market conditions.

- **Intermediate Government/Credit Fixed Income Strategy** seeks current income and preservation of capital by investing in a portfolio of high- and medium-grade fixed income securities, with portfolio duration and structure characteristics benchmarked to the Bloomberg Barclays Intermediate U.S. Government/Credit Bond Index.

- **Intermediate Government Fixed Income Strategy** seeks current income as well as preservation of capital by investing in a portfolio of high-grade fixed income securities consisting of US Treasury, Agency and mortgage-backed securities, with portfolio duration and structure characteristics benchmarked to the Bloomberg Barclays Capital Intermediate U.S. Government Index.

- **Short Duration 1-3 Year Government/Credit Fixed Income Strategy** seeks current income and preservation of capital by investing in a diversified portfolio of high and medium grade fixed income securities, with portfolio duration and structure characteristics benchmarked to the ICE BofA Merrill Lynch 1-3 Year U.S. Corporate/Government Index. The dollar-weighted average maturity of the investments in this strategy is normally expected to range from one to five years, but may vary in response to market conditions.

- **Ultra Short Duration Fixed Income Strategy** seeks current income and preservation of capital by investing in a diversified portfolio of high- and medium-grade fixed income securities, with portfolio duration characteristics benchmarked to the ICE BofA Merrill Lynch 1-Year Treasury Index. Portfolio dollar-weighted average maturity is normally expected to be less than 18 months, but may vary in response to market conditions.

- **Short Term Income Strategy** seeks current income while preserving capital and liquidity by investing in a diversified portfolio of investment grade fixed income securities, with portfolio duration characteristics benchmarked to the BofA Merrill Lynch U.S. 3-6 Month Treasury Index. Portfolio dollar-weighted average maturity is normally expected to be less than 1 year, but this may vary in response to market conditions.

- **LDI Fixed Income Strategy** is focused on client-specific, liability-centric fixed income portfolio management. These liabilities, and associated cash flows, may be defined benefit pension obligations, insurance payments, or any other anticipated liability stream. A central tenet to liability-centric fixed income portfolio management is the development of a custom, liability-based benchmark that is a direct 1:1 cash flow match to a client's specific liability cash flows. Asset-liability matching capabilities include effective duration matching, key rate duration matching, yield curve factor duration matching and full cash flow matching. In most situations, the employed asset-liability matching strategy evolves as certain key funding thresholds are met i.e., is adaptive in nature. Typically, there is a risk/reward trade off (yield vs. asset-liability mismatch) as the fixed income portfolio is sequentially de-risked from effective duration matching to key rate or yield curve factor duration matching to full cash flow match.

We also provide custom fixed income management capabilities, based upon a client's specific investment policies, permissible investments, and other portfolio management parameters.

Cash Management Capabilities

PNC Capital Advisors will work with clients with cash management needs to customize a separately managed portfolio based specifically on the client's tax structure, liquidity needs and cash flows, investment policy, business strategy and risk tolerance.

Municipal Fixed Income Investment Strategies

The Municipal Fixed Income strategies' investment process integrates portfolio management with fundamental credit research and quantitative risk analysis. The establishment of a transparent agreement between the investment management team and the client is the basis for managing the portfolio exposures. Fundamental credit research utilizes both top-down and bottom-up processes. Top down focuses on national economic analysis for regional and state specific recommendations, while bottom up analysis is performed to generate credit opinions on over 100 focus list issuers. The result of these analyses provides the portfolio managers with proprietary credit opinions to develop relative value trading ideas across states, sectors, rating categories and obligors.

In the total return strategies, the quantitative research group generates interest rate profiles for each security in addition to each portfolio every day. This active management strategy involves examining each maturity on the curve, or the "key rate" duration measure. In this manner, we do not express an interest rate view, but dynamically maintain equivalent interest rate sensitivity across the maturity spectrum. The quantitative group also monitors portfolio performance attribution to evaluate security and portfolio structure for their contribution to investment return.

In the quality income strategies, portfolios are structured in a laddered style, with the same underlying credit analysis as our total return strategies. In these strategies we 'buy and hold' securities on behalf of portfolios that seek a predictable income stream with low price volatility. Typically, in these strategies, cash flows are invested to align the portfolio more closely with its target mandate. In order to control interest rate risk in the portfolio, the investment manager will ordinarily maintain an equal weighting, by market value, across all calendar years.

Within the total return and quality strategies, there is the option to select certain strategies that include an Environmental and Social Impact (ESI) assessment. In these ESI strategies, the team applies its internal, proprietary research and assessment methodology to determine an ESI profile for securities in the portfolio and manages the portfolio with the aim to meet the applicable strategy objectives while focusing on issuers and projects with an above average ESI profile.

Portfolios are constructed to express our view on the municipal market. Based on experience in the municipal market, the portfolio managers/traders synthesize the credit and quantitative research with current market conditions to execute the most advantageous transitions for investor portfolios with the goal that the client risk-adjusted returns exceed those available from the benchmark.

PNC Capital Advisors offers the following municipal strategies:

- **Total Return Intermediate Municipal Strategy** seeks to maximize total return and current income exempt from federal income tax consistent with the preservation of capital. To achieve this objective, the actively managed strategy focuses on investing in intermediate-term municipal securities with maturities ranging from 3 to 15 years.

- **Total Return Environmental and Social Impact Intermediate Municipal Strategy** seeks to maximize total return and current income exempt from federal income tax consistent with the preservation of capital. To achieve this objective, the actively managed strategy focuses on investing in intermediate-term municipal securities with maturities ranging from 3 to 15 years. The strategy focuses on investing in securities from issuers and projects with above average environmental and social impact profiles as defined by PNC Capital Advisors.

- **Total Return Short Intermediate Municipal Strategy** seeks to maximize total return and current income exempt from federal income tax consistent with the preservation of capital. To achieve this objective, the actively managed strategy focuses on investing in short-to-intermediate term municipal securities with maturities ranging from 1 to 8 years.

- **Total Return Environmental and Social Impact Short Intermediate Municipal Strategy** seeks to maximize total return and current income exempt from federal income tax consistent with the preservation of capital. To achieve this objective, the actively managed strategy focuses on investing in short-to-intermediate term municipal securities with maturities ranging from 1 to 8 years. The portfolio invests in securities from issuers and projects with above average environmental and social impact profiles as defined by PNC Capital Advisors.

- **Total Return Short Municipal Strategy** seeks to maximize total return and current income exempt from federal income tax consistent with the preservation of capital. To achieve this objective, the actively managed strategy focuses on investing in short-term municipal securities with maturities ranging from 6 months to 4 years.

- **Quality Income Intermediate Municipal Strategy** seeks to provide a predictable annual income stream of tax-exempt income with low price volatility, while maintaining a high-grade credit profile. To achieve this objective, the passively managed strategy focuses on investing in intermediate-term municipal securities with maturities not exceeding 15 calendar years.

- **Quality Income Environmental and Social Impact Intermediate Municipal Strategy** seeks to provide a predictable annual income stream of tax-exempt income with low price volatility, while maintaining a high-grade credit profile. To achieve this objective, the passively managed strategy focuses on investing in intermediate-term municipal securities with maturities not exceeding 15 calendar years. The strategy invests in securities from issuers and projects with above average environmental and social impact profiles as defined by PNC Capital Advisors.

- **Quality Income Short Intermediate Municipal Strategy** seeks to provide a predictable annual income stream of tax-exempt income with low price volatility, while maintaining a high-grade credit profile. To achieve this objective, the passively managed strategy focuses on investing in short-to-intermediate term municipal securities with maturities not exceeding 10 full calendar years.

- **Quality Income Environmental and Social Impact Short Intermediate Municipal Strategy** seeks to provide a predictable annual income stream of tax-exempt income with low price volatility, while maintaining a high-grade credit profile. To achieve this objective, the passively managed strategy focuses on investing in short-to-intermediate term municipal securities with maturities not exceeding 10 full calendar years. The portfolio invests in securities from issuers and projects with above average environmental and social impact profiles, as defined by PNC Capital Advisors.

- **Quality Income Short Municipal Strategy** seeks to provide a predictable annual income stream of tax-exempt income with low price volatility, while maintaining a high-grade credit profile. To achieve this objective, the passively managed strategy focuses on investing in short-term municipal securities with maturities not exceeding 5 full calendar years.

- **Enhanced Cash Municipal Strategy** seeks to maximize current income exempt from federal income tax consistent with the preservation of capital. To achieve this objective, the actively managed strategy focuses on investing in short-term municipal securities, with maturities ranging from 0 to 2 years.

State specific mandates may be available for California, Kentucky, Maryland, New Jersey, New York, Ohio Pennsylvania, and Virginia depending on the strategy. Our state specific mandates invest only in securities issued in states and jurisdictions that are exempt from that chosen state's state income tax.

Risk Management

Risk is an inevitable component of investments. At the same time, so-called "riskless" investments typically do not garner attractive returns over longer investment horizons so controlling risks is a primary responsibility of any investment manager.

Risk management is a cornerstone of our investment process and is integrated throughout the portfolio management process. Risk profiles are monitored routinely by our portfolio management team, aided by quantitative portfolio metrics linked to the respective benchmark.

Risks Related to Investments in Equity Securities

The primary risks in equity investment strategies are:

Active Trading Risk - To the extent that the Multi-Factor All and Large Cap strategies buy and sell securities actively, they could have higher transaction costs expenses and higher taxable distributions.

Allocation Risk – A strategy's performance could be hurt if our asset allocation decisions prove to be incorrect.

Concentration Risk – A concentrated investment strategy may invest a large portion of its net assets in a small number of issuers, in a particular industry or geographic region, or may use a specific investment style. A relatively high concentration of assets in or exposure to a single issuer, or a small number of issuers, may reduce the diversification of an account managed in this strategy. The returns and net asset value of an account with such positions may be more greatly impacted by increases or decreases in the value of a single security held in the portfolio. Issuer concentration may also decrease the liquidity in an account if there is a shortage of buyers willing to purchase those securities held in the account. An investment strategy may concentrate on a style or sectors either to provide investors with more certainty about how the portfolio will be invested, or because the portfolio manager believes that specialization increases the potential for improved returns. If companies in the particular style or sector face difficult economic times or if the investment approach used by the strategy is out of favor, the strategy may not perform as well as it would if it had diversified its investments or style. If an investment strategy's objectives require concentration, it may continue to suffer poor returns over a prolonged period of time.

Derivatives Risk - Investments in derivatives involve risks different from the risks associated with investing directly in the underlying assets. Derivatives can be volatile, illiquid and difficult to value, and an imperfect correlation may exist between changes in the value of a derivative and the other investments.

Emerging Market Risk - The risk of foreign investments typically are greater in emerging and less developed markets.

Foreign Risk - Investing in foreign countries poses additional risks since political and economic events unique to a country or region will affect those markets and their issuers. For example, investments in securities of foreign issuers may involve risks such as adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks may be more pronounced for investments in developing countries. Additionally, foreign companies are generally not subject to uniform accounting, auditing, and financial reporting standards comparable to those applicable to domestic U.S. companies.

Changes in foreign currency exchange rates affect the value of securities economically tied to foreign markets, including ADRs. Generally, when the U.S. dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. dollars. Conversely, when the U.S. dollar decreases in value against a foreign currency, a security denominated in that currency gains value because the currency is worth more U.S. dollars.

Foreign securities markets generally have less trading volume and less liquidity than U.S. markets. Although ADRs are listed on major U.S. exchanges, there can be no assurance that a market for such ADRs will be made or maintained or that any such market will be or remain liquid. If that happens, we may have difficulty selling securities or selling them quickly and efficiently at the then current prices.

Foreign Market Risk - Foreign securities, including the securities underlying ADRs, trade on foreign exchanges at times when the U.S. markets are not open for trading. Accordingly, the value of the ADRs representing those underlying securities may change materially at times when the U.S. markets are not open for trading.

Growth Investing Risk - The strategy is subject to the risk that growth stocks may fall out of favor with investors and underperform other asset types.

Investment Selection Risk - Judgments about the attractiveness, value and potential appreciation of particular asset class or individual security may prove to be incorrect and there is no guarantee that individual securities will perform as anticipated.

Investment models, such as quantitative and algorithmic models, may prove to be unsuccessful and may not perform as expected for a variety of reasons. For example, human judgment plays a role in building, utilizing, testing and modifying the financial algorithms and formulas used in these models. In addition, the data, which is typically supplied by third parties, can be imprecise or become stale due to new events or changing circumstances. The success of models or factor-driven processes that are predictive in nature is dependent largely upon the accuracy, predictive value and reliability of the supplied data, including historical data. Certain low probability events or factors that are assigned little weight may occur or prove to be more likely or more relevant than expected, for short or extended periods of time. Market performance can be affected by non-quantitative factors (for example, investor fear or over-reaction or other emotional considerations) that are not easily integrated into quantitative analysis. Investment models also involve the risk that construction and implementation (including, for example, data problems and/or software issues) may create errors or limitations that might go undetected or are discovered only after the errors or limitations have adversely impacted the strategies. Investment models may use simplifying assumptions that can limit their effectiveness.

Market Risk – Equity investments are subject to the risk that the securities markets may decrease in value, including the possibility that the markets may decrease sharply and unpredictably.

Small Companies Risk - Small capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small companies may have limited product lines and financial resources.

Value Investing Risk - The strategy is subject to the risk that value stocks might fall out of favor with investors and underperform other asset types.

PNC Capital Advisors' Equity Investment teams address these risks through their rigorous fundamental analysis of the securities in which it invests, through portfolio diversification, and by attempting to purchase investments at an attractive valuation, which is intended to provide a measure of risk control in the form of downside protection.

Risks Relating to Investments in Taxable Fixed Income Securities

While risk is an inevitable component of investments, in particular, with regard to fixed income investing, risk is asymmetric. Bond prices normally will not have the potential to double or triple in price, as do stocks, but they can certainly fall in price dramatically. This results in limited upside potential and significant downside risk. Therefore, an integral component of the firm's fixed income investment philosophy lies in risk management and risk analysis.

The primary risks in taxable fixed income investment strategies are:

Interest Rate Risk - Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed income securities generally declines. On the other hand, if rates fall, the value of the fixed income securities generally increases.

Investment Selection Risk - Judgments about the attractiveness, value and potential appreciation of a particular sector or security may prove to be incorrect and there is no guarantee that individual securities will perform as anticipated.

Credit Risk - There is a possibility that the issuer of a security, or counterparty, will not be able to make payments of interest and principal when due. The value of an investment may decline if its issuer or the associated counterparty defaults or if its credit quality deteriorates.

Government Securities Risk - Some strategies invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as securities issued by the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("Freddie Mac") and Federal Home Loan Banks ("FHLBs")). Unlike GNMA securities, securities issued or guaranteed by U.S. government related organizations such as FNMA, Freddie Mac and FHLBs are not backed by the full faith and credit of the U.S. government and have no assurance that the U.S. government would provide ongoing or future financial support.

Prepayment/Extension Risk - The individual mortgages underlying mortgage-backed securities may be paid off earlier or later than anticipated, which makes it difficult to determine their actual maturity and therefore calculate how they will respond to changes in interest rates. Portfolios may have to reinvest prepaid amounts at lower interest rates. Alternatively, mortgage-backed securities may not pay as quickly as anticipated and therefore may have a longer maturity profile than originally expected. This risk of principal prepayment is an additional risk of mortgage-backed securities.

Market Risk - Debt security prices fluctuate with market conditions and prices may fall over short or extended periods of time.

Risks Relating to Investments in Municipal Securities

The primary risks in municipal fixed income investment strategies are:

Municipal Obligations Risk - An investment in municipal obligations is subject to municipal securities risk. Changes in the local or national economy, and business or political conditions relating to a particular municipal project, municipality, or state may make it difficult for the municipality to make interest and principal payments when due and thus could decrease the value of a portfolio's investments in municipal bonds. Municipal obligations also may be more susceptible to downgrades or defaults during recessions or similar periods of economic stress, which could have an adverse effect on the market prices of bonds and thus the value of a portfolio's investments.

Interest Rate Risk - Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed income securities generally declines. On the other hand, if rates fall, the value of the fixed income securities generally increases.

Credit Risk – The risk that interest and/or principal on the securities will not be paid on time and in full which may decline the value of the investment. Credit risk encompasses the possibility that an issuer could be downgraded given changes in local or national economies or business or political conditions. Additionally, the repayment source either by a single tax source or revenue stream source may challenge the ability of any one particular issuer to be able to repay its outstanding debt.

Liquidity Risk – Certain debt securities may not be able to be traded quickly enough in the market to prevent a loss (or make the required profit).

Tax Risk - Municipal portfolios are subject to the risk that the issuer of the securities will fail to comply with certain requirements of the Internal Revenue Code, which would cause adverse tax consequences. Changes or proposed changes in federal or state tax laws could cause the prices of tax-exempt securities to fall or could affect the tax-exempt status of the securities in which the portfolios invest.

Single State Risk – When a portfolio focuses on investments in securities of issuers located in a single state and the portfolio may be subject to the particular economic, political and regulatory events relating to such securities to a greater extent than if its assets were not so concentrated.

Prepayment/Extension Risk - Certain debt obligations, such as callable bonds, may be prepaid. Additionally, the loans collateralizing certain mortgage- and asset-backed securities may be prepaid, affecting the value of the mortgage or asset-backed securities to which they relate. The level of interest rates and other factors affect the frequency of such prepayments. In periods of rising interest rates, prepayment rates tend to decrease, which lengthens the average life of callable bonds or mortgage- and asset-backed securities. The market values of securities with longer average lives (longer maturities) tend to be subject to greater interest rate risk and their values are more volatile as a result. In periods of falling interest rates, prepayment rates tend to increase, shortening the average life of a pool of mortgage-backed securities. This leads to the risk that a portfolio may lose any potential price appreciation above the bond's call price and have to reinvest the proceeds from prepayments at lower interest rates because prepayments often occur after interest rates have decreased or when interest rates are falling.

Investment Selection Risk - Judgments about the attractiveness, value and potential appreciation of particular asset class or individual security may prove to be incorrect and there is no guarantee that individual securities will perform as anticipated.

Portfolio Income Risk – The risk that portfolio income may decline based on falling interest rates or declining credit risk premium.

Measures to Control Management Risk and Interest Rate Risk

In our actively managed strategies, interest rate risk is monitored routinely by quantitative portfolio metrics linked to the respective benchmarks. A matrix-based approach is used to granularly measure credit exposure compared to the benchmark.

Portfolios in the Total Return Intermediate investment style are benchmarked against the S&P Intermediate Municipal Bond Index, made up of bonds that mature from 3 to 15 years. Portfolios in the Total Return Short-Intermediate investment style are benchmarked against the S&P Short-Intermediate Municipal Bond Index, made up of bonds that mature from 1 to 8 years. Portfolios in the Total Return Short investment style are benchmarked against the S&P Short Municipal Bond Index, made up of bonds that mature from 6 months to 4 years.

Each client portfolio in our actively managed strategies is constructed to match the key rate duration exposure of its chosen benchmark. A fully-invested portfolio will be key rate duration neutral across the full term structure dictated by the benchmark and will be actively managed to maintain that exposure. The portfolio management team does not express an interest rate or yield curve view in the portfolio, but strives to add incremental performance through security selection and execution.

Quantitative analytics also allow for the team to account for the performance of their decisions. Frequent analysis of trades and holdings monitors portfolio performance attribution to evaluate security and portfolio structure for their contribution to investment return.

Measures to Control Default, Credit and Liquidity Risk

As previously noted, all of the municipal strategies utilize fundamental credit research and routine monitoring to diminish credit risk.

Additionally, each client portfolio is constructed with a minimum of 25% exposure to what the investment team determines are core positions. Depending on the market climate, the portfolio manager could add positions leading to 100% core exposure in the portfolio. Market and credit conditions dictate the portfolio's liquidity profile and exposure to core bonds over a given time period.

Item 9. Disciplinary History

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of the firm's management. PNC Capital Advisors has no legal or disciplinary events to report.

Item 10. Other Financial Industry Activities & Affiliations

Broker-Dealer Registrations

PNC Capital Advisors is not registered nor does it have an application pending to register as a broker-dealer. Certain of PNC Capital Advisors' personnel are registered representatives of PNC Funds Distributor, LLC, an unaffiliated broker-dealer that has been retained as distributor of certain securities products, including shares of the PNC Funds.

Arrangements with Affiliates

PNC Capital Advisors is part of a financial services organization and is therefore affiliated with other entities engaged in a variety of financial services businesses. In some cases, PNC Capital Advisors may have certain directors/trustees, officers and supervised persons in common with its affiliates. In some cases, the firm has business arrangements with its affiliates that are material to its advisory business or to its clients. In certain circumstances, PNC Capital Advisors may have an incentive to operate in a manner that will benefit the organization as a whole, even potentially, to the detriment of our clients; however, we have adopted procedures that are designed to mitigate these conflicts.

The following entities are affiliated with PNC Capital Advisors through its parent, PNC:

PNC Investments, LLC

PNC Investments, LLC ("PNC Investments"), a wholly owned subsidiary of PNC Bank, is a registered broker-dealer and investment adviser which provides full service brokerage and wrap fee programs to its clients. PNC Capital Advisors does not execute client transactions through PNC Investments or participate as an investment manager in PNC Investments-sponsored wrap fee programs. PNC Investments representatives may sell shares of PNC Funds and may receive a fee, compensation, or other benefit for such services. Additionally, certain PNC Funds are available through one or more PNC Investments-sponsored wrap fee programs.

PNC Realty Investors, Inc.

PNC Realty Investors, Inc. ("PNC Realty") an indirect, wholly owned subsidiary of PNC provides investment supervisory services to institutional investors in connection with investments in commercial real estate throughout the United States. PNC Capital Advisors and PNC Realty share certain management personnel.

PNC Capital Markets, LLC

PNC Capital Markets, LLC ("PNC Capital Markets"), an indirect, wholly owned subsidiary of PNC, offers loan syndication, public finance underwriting and advisory services, securities underwriting and trading, private placements, asset securitizations and merger and acquisition advisory services PNC Capital Markets and PNC Capital Advisors may share certain sales personnel.

If permitted by a client's investment objectives, and subject to compliance with applicable law, regulations and exemptions, PNC Capital Advisors may purchase securities for client accounts during an underwriting or other offering of such securities in which PNC Capital Markets acts as a manager, co-manager, underwriter, placement agent, or in another similar capacity. PNC Capital Markets may receive a benefit in the form of management, underwriting or other fees. PNC Capital Markets may also act in other capacities in such offerings and may receive a fee, compensation, or other benefit for such services.

BlackRock Inc.
BlackRock, Inc. is a publicly traded financial company. At December 31, 2017, PNC held 21.2% of BlackRock's voting common stock and 21.7% of BlackRock's capital stock, which includes outstanding common and non-voting preferred stock.

If permitted by a client's investment objectives, and subject to compliance with applicable law, regulations and exemptions, PNC Capital Advisors may purchase securities for client accounts during an underwriting or other offering of such securities in which BlackRock subsidiaries act as a manager, co-manager, underwriter, placement agent, or in another similar capacity. BlackRock subsidiaries may receive a benefit in the form of management, underwriting or other fees. BlackRock subsidiaries may also act in other capacities in such offerings and the affiliate may receive a fee, compensation, or other benefit for such services.

Trout Capital, LLC
Trout Capital, LLC, a wholly-owned subsidiary of PNC Bank, provides financial advice in connection with merger and acquisition transactions, restructurings, spinoffs, recapitalizations, buy-outs and similar transactions in which Trout Capital may receive transaction based compensation.

PNC Bank, National Association
PNC Bank, National Association, a member of the Federal Deposit Insurance Corporation, is a full service bank engaged in traditional lending, cash and/or treasury management and other services. PNC Capital Advisors is a wholly owned subsidiary of PNC Bank. In addition to having certain directors/trustees, officers and supervised persons in common, PNC Capital Advisors' Chief Executive Officer and Chief Investment Officer report directly to the Chief Investment Officer for PNC Bank.

PNC Bank has retained PNC Capital Advisors to provide investment advisory services pursuant to a sub-advisory agreement. PNC Capital Advisors has entered into a separate agreement with PNC Bank to provide model portfolios, investment research and investment recommendations.

PNC Capital Advisors' clients may retain PNC Bank to serve as a custodian for client assets.

In addition, PNC Capital Advisors' clients may also retain PNC Bank to provide trust and fiduciary services including, but not limited to: management of distributions, compliance, fiduciary tax preparation, reporting and record keeping in accordance with the trust documents and the needs of the beneficiaries and investment support services.

<u>Solicitation Agreement</u>
PNC Capital Advisors has entered into a separate agreement with PNC Bank to solicit advisory business on its behalf. Solicitation agreements are more specifically discussed in Item 14 below.

Investment Decisions

PNC Capital Advisors is committed to acting in the best interests of our clients, however, in some situations there may be conflict of interest between the firm's interests and a client's interests or there may be conflicts in the interests of multiple clients. Many of these conflicts of interest are inherent in operating an investment advisory business. For example, PNC Capital Advisors may have an incentive to resolve a matter in favor of clients that are affiliates of the firm over clients that are not affiliates of the firm. PNC Capital Advisors has adopted policies and procedures that it believes are reasonably designed to help mitigate these conflicts of interest.

Affiliates of PNC Capital Advisors may provide advice to their clients with respect to investment strategies that are similar to or the same as strategies offered by PNC Capital Advisors. These affiliates may purchase on behalf of their clients the same securities that PNC Capital Advisors may purchase for our clients. As a result, the interests of PNC Capital Advisors' clients may conflict with the interests of the clients of these affiliates. For example, if an affiliate implements a portfolio management decision for its client ahead of, or contemporaneously with, a decision PNC Capital Advisors makes for its client(s), the market impact of the decision made by the firm's affiliate could result in one or more of PNC Capital Advisors' clients receiving less favorable trading results than they otherwise would. PNC Capital Advisors' trade allocation and trade aggregation procedures do not typically apply to portfolio management decisions and trading executed by affiliates on behalf of such affiliates' clients that are not clients of PNC Capital Advisors.

Furthermore, certain bank and other regulatory requirements, applicable to PNC Capital Advisors, the firm's parent company PNC Bank and certain of its affiliates, as well as to BlackRock, may impact its investment process and parameters, potentially including restrictions on investment in certain securities.

Mutual Funds

PNC Capital Advisors serves as the investment adviser and administrator to the PNC Funds, which are open-end registered investment companies. Certain PNC Capital Advisors' directors/trustees, officers, and supervised persons also may be directors/trustees or officers of the PNC Funds. PNC Capital Advisors or its affiliates receive fees in connection with advisory, administrative and/or distribution services provided to the Funds. The advisory services and the administrative services agreements between PNC Capital Advisors and the PNC Funds are subject to the supervision of the Board of Trustees of the PNC Funds. All of the members of the Board are independent of PNC Capital Advisors and its affiliates.

PNC Capital Advisors may become aware of information with respect to a PNC Fund that is not available to other investors in such fund. PNC Capital Advisors is not permitted to communicate or act upon such information in a way that advantages its own clients. If such information is material, non-public information, PNC Capital Advisors may be unable to make purchases or sales for its clients in securities of the PNC Fund to which the material, non-public information pertains.

From time to time, if permitted by the relevant investment guidelines and applicable law, PNC Capital Advisors may invest or recommend that clients invest in shares or other interests in the PNC Funds. A conflict of interest may exist because PNC Capital Advisors and/or its affiliates may receive additional economic benefits (e.g., management fees as investment adviser to the Funds and/or fees as administrator to the Funds) when a client account is invested in such fund.

Mutual funds, ETFs and other pooled investment vehicles charge internal management fees and other fees, which are disclosed in a fund's or other pooled vehicle's prospectus, offering documents and/or financial filings. Such fees are borne by all investors in the funds or vehicles. We may invest client assets in mutual funds or other pooled investment vehicles, including the PNC Funds. When we invest clients' assets in funds or vehicles managed by us or our affiliates, we, or our affiliate, will receive internal fund fees paid by the funds and vehicles, and we may also collect our account-level advisory fees to the extent permitted by applicable law and if consistent with the client's contract.

To the extent that PNC Capital Advisors invests assets of ERISA clients in a PNC Fund, PNC Capital Advisors may either waive its investment advisory fee with respect to the employee benefit plan assets invested in such fund for the entire period of such investment, or charge an investment advisory fee based on total plan assets if a waiver or credit representing the employee benefit plan's pro rata share of investment advisory fees paid by the fund has been provided to the client.

Other Financial Industry Affiliations

PNC Capital Advisors, its parent PNC, and several of its affiliates may from time to time enter into significant financial and business relationships with unaffiliated financial institutions because these financial institutions purchase products and/or services from the firm and/or its affiliates. When a financial institution is a client, it could be perceived as presenting a conflict of interest for the firm. However, in reality, whether a financial institution is a client is not a factor considered in determining whether or not to recommend that financial institution's advisory service and/or investment products to clients, or to invest in securities issued, sponsored or underwritten by that financial institution. Note that PNC Capital Advisors provides its discretionary investment advisory services consistent with applicable law, and the firm follows procedures that are reasonably designed to treat clients fairly.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics & Personal Trading

PNC Capital Advisors has adopted a Code of Ethics which consists of certain general principles, including: (i) advisory personnel must place client interests before their own, (ii) the personal securities transactions of personnel must avoid even the appearance of a conflict with client interests and (iii) personnel must avoid actions or activities that allow, or appear to allow, them to profit or benefit from their position with respect to clients, or that would otherwise bring into question their independence or judgment. In addition, the Code of Ethics includes provisions relating to the reporting of personal securities holdings and trading activity. All personnel must acknowledge the terms of the Code of Ethics annually. A copy of the Code of Ethics will be provided to any client or prospective client upon request.

PNC Capital Advisors personnel are also subject to the PNC Employee Conduct Policies which cover matters including compliance with law, conflicts of interest, insider trading, outside activities, and safeguarding confidential information.

Participation in Client Transactions

While PNC Capital Advisors will generally not purchase securities from or sell securities to its affiliates on behalf of client accounts, if PNC Capital Advisors were to purchase securities from or sell securities to its affiliates, the affiliated broker-dealer would receive compensation for such transactions, including commissions, if effected on an agency basis. PNC Capital Advisors may participate in transactions where an affiliate is part of an underwriting syndicate. Any purchases of affiliate-underwritten securities for mutual fund clients are performed in accordance with Rule 10f-3 under the Investment Company Act of 1940.

Generally, PNC Capital Advisors does not act as principal or broker with respect to transactions effected on behalf of its clients. PNC Capital Advisors may, however, engage in cross transactions for its clients' accounts. In such transactions, PNC Capital Advisors (not acting as a broker) trades securities between client accounts as permitted by the Investment Advisers Act of 1940.

PNC Capital Advisors may, when appropriate, invest or recommend that clients invest in shares of mutual funds for which PNC Capital Advisors or its affiliates provide advisory or other services.

PNC Capital Advisors, its personnel and its affiliates may buy or sell securities that PNC Capital Advisors recommends to its clients. To avoid conflicts which may arise in that context, PNC Capital Advisors has adopted policies and procedures regarding personal securities trading for its personnel. Advisory personnel are required to receive approval before trading in certain securities. In order to prevent advisory persons from personally benefiting from investment recommendations that are under consideration for, or which have been made for PNC Capital Advisors' clients, approval will generally not be granted to trade if the security is then being or has been recently traded, subject to certain exceptions as provided in PNC Capital Advisors' policies and procedures regarding personal securities trading. To help enforce the preclearance requirement, personnel are required to hold securities accounts with certain approved broker-dealers that provide electronic transmission of securities transactions and holdings, unless an exemption applies or a waiver has been granted.

Item 12. Brokerage Practices

Broker Selection & Best Execution

In executing portfolio transactions and selecting brokers or dealers, PNC Capital Advisors seeks the best overall terms available on behalf of a client's account. In assessing the best overall terms available for any transaction, PNC Capital Advisors considers the full range and quality of a broker's services including execution capability, trading expertise, accuracy of execution, commission rates, research, reputation and integrity, fairness in resolving disputes, financial responsibility and responsiveness. The firm utilizes analytic software to analyze transaction costs. The software enables the firm to assess a variety of factors such as liquidity, bid ask spread, volatility, and market impact. Based on this data, PNC Capital Advisors can more effectively prioritize trading and appropriately select trading venues and strategies that reduce transaction costs.

PNC Capital Advisors has established a committee to oversee and approve the selection of brokers and dealers, the allocation of brokerage commissions and to assist with the monitoring of best execution.

PNC Capital Advisors has also entered into a number of commission sharing arrangements in an effort to unbundle research from execution. PNC Capital Advisors uses commission management systems, allowing the firm to concentrate trading activity with alternative trading services and other sell-side brokerage firms that have meaningful order flow. The commission management system allocates a portion of the commission to pay for execution services, and a portion is allocated to pay for research. Commissions allocated to research are used to pay for research services provided by independent third parties as well as research provided by non-core brokerage firms.

Research and Other Soft Dollar Benefits

PNC Capital Advisors may also consider the research services provided by the brokers with whom trades are placed or other third party research providers. These services assist the firm in the decision-making process, and may include, but are not limited to, industry and company reports, economic forecasts, strategy, and quotation services. Certain brokers through whom PNC Capital Advisors executes trades may provide unsolicited proprietary research (research created or developed by the broker) to us. PNC Capital Advisors may also, subject to best execution and in accordance with applicable law, generate commission credits pursuant to commission sharing arrangements with executing brokers and use these credits to obtain eligible research from providers other than the executing broker. The research could include a wide variety of reports, charts, publications and proprietary data on such matters as economic strategy, credit analysis, or market conditions and projections. It may also include attendance at conferences and meetings with management representatives of issuers and with other analysts and specialists. Research obtained is used for the benefit of all applicable client accounts, and we believe that each client generally benefits from our access to research because these services permit us to more effectively serve as investment manager. We do not typically attempt to allocate the costs or benefits of our use of research or other soft dollar benefits to individual client accounts, however, our procedures are designed to allocate access to research among our investment teams in a reasonably equitable manner.

Receipt of research from brokers who execute client trades involves conflicts of interest. Where PNC Capital Advisors utilizes client brokerage commissions to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the research, products or services itself. Consequently, PNC Capital Advisors may have an incentive to select or recommend a broker based on its interest in receiving research or other products or services, rather than on its clients' interests.

Brokers providing research services, even on an unsolicited basis, may charge commissions for executing portfolio transactions that are higher than the amount of commissions that other brokers would charge for effecting the same transactions. PNC Capital Advisors will execute portfolio transactions through these brokers only if it has determined that such brokers provide best execution.

Directed Brokerage, Aggregated Trades & Trade Rotation

In some circumstances, clients may instruct the firm to direct all trades, or a predetermined percentage of trades, in their advisory accounts to particular broker-dealers. PNC Capital Advisors reserves the right to not accept accounts requiring directed brokerage arrangements. In the event that we do accommodate a request to direct brokerage for a percentage of trades in a client's account, our standard operating procedure is to place the requested percentage of directed trades with an executing broker on our approved broker list with instructions to complete such trades through the client-directed broker. Certain wrap programs are established in such a manner that transactions for a client account are typically executed through the broker-dealer sponsoring the program.

When a client has given us full investment discretion, PNC Capital Advisors generally has authority to select brokers for the client's accounts. Trades in discretionary accounts are aggregated together to the extent practical. Conversely, for directed brokerage accounts, because PNC Capital Advisors does not have authority to freely direct trades, we may not be able to aggregate orders, or may only be able to aggregate a portion of a particular order, for such accounts. In some circumstances, the non-aggregated portion of a trade for a directed brokerage account may take place after other accounts that do not require a trade to be directed to a particular broker. As a result, in some cases directed brokerage clients may pay higher brokerage commissions to (or may otherwise receive less favorable execution from) their selected broker-dealer than clients with non-directed accounts.

All blocked or grouped trades are allocated to the participating accounts at average cost. When a trade is partially filled, the shares are allocated on a pro-rata basis to the appropriate client accounts. At times, a partial fill may potentially consist of a number of shares, or result in a position, so small as to not make a meaningful impact for any client if the order was distributed on pro rata basis. In such cases, PNC Capital Advisors may evaluate the order to determine a fair and equitable alternate manner of allocation. For example, in the case of a sale, an account with particular liquidity needs may take precedence over one without such concerns.

Fixed income investment teams seek to purchase securities in quantities sufficient to fill target allocations for each account of a particular investment style based on each account's needs. If the quantity needed is unavailable to fill the target, the investment team may select other securities that have the same or substantially similar risk and return characteristics, such as rating, sector, credit quality, duration and maturity, to fulfill the target allocations.

PNC Capital Advisors has developed a trade rotation policy establishing rotation schedules generally used to determine the order both for executing trades for discretionary accounts and directed brokerage accounts, and for communicating investment model changes. Trade rotations utilized by PNC Capital Advisors are designed for use with clients within particular investment strategies and may incorporate either a predetermined or a randomly-generated rotation schedule. Use of a trade rotation may result in trade orders for some clients (or categories of clients) being placed after completion of orders for other clients (or categories of clients) so as to avoid conflicts in the trading marketplace. Depending on its relative place in the rotation for any given transaction, and other factors including price movements and variations in trade execution, the performance of each client's account may differ from, and be better or worse than, the performance of other accounts following the same investment strategy.

To the extent that PNC Capital Advisors may provide investment recommendations (including in the form of model portfolios) to other managers ("Third Party Managers"), who may utilize such recommendations in connection with their management of accounts, conflicts in the trading marketplace could potentially occur in circumstances where PNC Capital Advisors does not have visibility to determine when a Third Party Manager has concluded its trading based on a given recommendation. For example, PNC Capital Advisors may have already commenced trading before a Third Party Manager has received or had the opportunity to evaluate or act on PNC Capital Advisors' recommendations. Conversely, a Third Party Manager may initiate trading based on PNC Capital Advisors' recommendations before, or at the same time PNC Capital Advisors is also trading for its own client accounts. In either case, trades ultimately placed by PNC Capital Advisors or a Third Party Manager, respectively, may be subject to price movements, particularly with respect to preceding or contemporaneous large orders or orders in thinly traded securities, which may result in the other party's clients receiving prices that are less favorable than the prices that might otherwise have been obtained absent the earlier or contemporaneous trading activity. A similar result could also occur when directed brokerage accounts trade earlier or later in the rotation than either PNC Capital Advisors' discretionary accounts or than the accounts of Third Party Managers. Where PNC Capital Advisors does not control execution of transactions for certain accounts, PNC Capital Advisors cannot affect the market impact of such transactions to the same extent that it may be able to for its discretionary client accounts.

PNC Capital Advisors may from time to time choose to alter, or choose not to engage in the above described arrangements to varying degrees, without notice to clients, to the extent permitted by applicable law and the applicable client agreement.

Trade Errors

It is the policy of PNC Capital Advisors that trade errors be identified and resolved promptly, and resolved in a manner consistent with PNC Capital Advisors' fiduciary duty to its clients. Consistent with this duty, the overriding goal in trade error resolution is to seek to place the client in the same position that the client would have been in had the error not occurred.

PNC Capital Advisors considers trade errors to include: (i) purchasing securities not legally permitted for an account, or not within an account's investment guidelines; (ii) purchasing or selling the wrong securities for a client account; (iii) purchasing or selling securities for the wrong client account; (iv) allocating the wrong number of securities to a client account; (v) failing to purchase or sell securities as intended for a particular client account; or, (vi) unreasonably delaying the investment of client assets. The following types of errors shall not constitute a trade error: (i) a good faith error in judgment in making an investment decision on behalf of a client; (ii) an error that is caught and corrected before execution; or, (iii) a ticket rewrite or similar mistake that incorrectly describes a properly executed trade. These examples are not an exhaustive list of what does, or does not, constitute a trade error.

There is no single method of calculating gains, losses or compensation due as a result of a trade error. The determination of which method is most appropriate is highly dependent on the facts and circumstances of an error. PNC Capital Advisors will determine the most appropriate calculation methodology on a case-by-case basis in light of the specific facts and circumstances of each trade error. Compensation due may include: (i) payment for losses on positions; (ii) payment of interest for loss of use of funds; (iii) payment for transaction costs incurred as a result of a trade error; or (iv) any other amount that PNC Capital Advisors believes puts the client in the same position that the client would have been had the trade error not occurred.

PNC Capital Advisors will notify clients of trade errors only if PNC Capital Advisors concludes that the error warrants client notification unless the client has requested PNC Capital Advisors to notify the client of all Trade Errors. In no circumstances will PNC Capital Advisors use soft dollar credits to offset Trade Errors

Item 13. Review of Accounts

We review our client accounts on an ongoing basis. The process generally includes a review of specific securities held, the asset mix of the portfolio, the availability of cash for investment, the performance of the portfolio, and major market and economic developments and their effect on the portfolio. In addition, certain portfolios follow a model portfolio technique. Portfolios are reviewed for compliance with client imposed restrictions and investment guidelines as well as strategy guidelines. Portfolio managers and their research teams meet regularly to discuss market developments and economic outlooks, and review individual securities and credit ratings, if applicable. PNC Capital Advisors' Account Review Committee is responsible for reviewing the performance of client portfolios, within six months of an account opening and quarterly thereafter, to determine whether accounts are being managed consistently within each investment strategy.

Item 14. Client Referrals and Other Compensation

PNC Capital Advisors may enter into written agreements with affiliated and third party solicitors (“Solicitors”) to refer potential clients to PNC Capital Advisors as permitted by applicable laws. A potential client referred to PNC Capital Advisors by a Solicitor who becomes a client of PNC Capital Advisors will not pay higher investment management fees as a result of the referral.

PNC Capital Advisors also has entered into a number of agreements where it agrees to make additional cash payments out of its own resources to financial intermediaries that sell or offer shares of mutual funds advised by PNC Capital Advisors. Such payments are in addition to any distribution (Rule 12b-1) and/or shareholder service fees paid by the funds. These additional payments may be made to financial intermediaries, including affiliates that provide shareholder servicing, sub-administration, record-keeping and/or sub-transfer agency services, marketing support and/or access to sales meetings for the investment companies. Cash compensation also may be paid to financial intermediaries for inclusion of the PNC Funds on a sales list, including a preferred or select sales list or in other sales programs, to the extent permitted by applicable laws and regulators. These payments are sometimes referred to as "revenue sharing."

Item 15. Custody

PNC Capital Advisors does not maintain physical custody or any client assets or provide custodial services to its clients. However, PNC Capital Advisors may be deemed to have custody in certain circumstances pursuant to the Investment Advisers Act Rule 206(4)-2. Client funds and securities are held with banks or registered broker-dealers that are “qualified custodians”. These may include PNC Bank, other affiliates of PNC Capital Advisors, or unaffiliated third parties. PNC Capital Advisors undergoes an annual surprise examination by an independent public accountant for any accounts where PNC Capital Advisors or an affiliate is deemed to have custody of client assets.

Clients should receive at least quarterly statements sent by the qualified custodians directly to the clients. We urge you to carefully review those statements and compare the custodial records to the reports that we may provide you. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16. Investment Discretion

PNC Capital Advisors usually receives discretionary authority from the client at the outset of an advisory relationship. The firm's authority is set out in the investment advisory agreement. In all cases, we seek to observe investment limitations and restrictions that are set out in the investment management agreement.

Item 17. Voting Client Securities

Proxy Voting

PNC Capital Advisors will vote proxies for client accounts if designated by written agreement. The general principle of the firm's Proxy Voting Policy is to vote securities prudently in the best long-term economic interest of its clients considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote.

PNC Capital Advisors has a proxy voting committee responsible for voting proxies for which the firm has authority to vote. The committee has engaged Institutional Shareholder Services ("ISS"), an independent third party, to assist with the voting, research and record-keeping associated with the firm's proxy voting responsibilities and has adopted general guidelines for voting proxies. Although these guidelines are to be followed as a general policy for routine matters, in all cases each proxy will be considered based on the relevant facts and circumstances.

The committee also monitors for material conflicts of interest that may arise when voting a proxy between the interest of clients and the interests of PNC Capital Advisors and its affiliates. If the Committee believes a material conflict of interest exists, the committee may vote in accordance with the guidelines on routine matters, defer to the recommendations of ISS on non-routine matters, or take other action to protect the interests of the firm's clients.

A copy of the Proxy Voting Policy will be provided to any client or prospective client upon request.

Litigation, Class Actions and Bankruptcies

As an investment manager, we may be asked to decide whether to participate in litigation, including by filing claims in class actions, or bankruptcy proceedings for assets held in a client's account. It is the client's responsibility to monitor and analyze its portfolio and consult with its own advisers about whether it may have claims that it should consider pursuing. As a general matter, PNC Capital Advisors cannot, without client written authorization, exercise any rights a client may have in participating in, commencing or defending suits or legal proceedings such as class actions for assets held or previously held in a client's account, although we may do so for the PNC Funds. In the case of separate accounts, upon express written agreement of PNC Capital Advisors and the client as well as receipt of a Power of Attorney, we may assist such clients or their custodian in assembling transaction information to file a litigation claim (such as a class action or bankruptcy claim). Generally, a separate account's custodian should receive all documents for these matters and the separate account client should direct its custodian as to the manner in which such matters should be handled.

Item 18. Financial Information

In certain circumstances, registered investment advisers are required in this Item to provide you with financial information or disclosures about their financial condition. PNC Capital Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

Privacy Policy

Rev. June 2018

FACTS	WHAT DOES PNC DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ▪ Social Security number and income ▪ Account balances and account transactions ▪ Credit scores and payment history
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons PNC chooses to share, and whether you can limit this sharing.

Reasons we can share your personal information	Does PNC share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), conduct portfolio analysis, respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	Yes
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For nonaffiliates to market to you	No	We don't share

To limit our sharing	▪ Call 1-800-762-2118 — our menu will prompt you through your choice(s) ▪ Visit us online: www.PNC.com/privacy (Online Banking customers only) **Please note:** If you are a *new* customer, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.
Questions?	Call 1-800-762-2118

Who we are	
Who is providing this notice?	PNC Bank, National Association; PNC Investments, LLC; PNC Capital Advisors, LLC; PNC Capital Markets, LLC; Harris Williams, LLC; PNC Delaware Trust Company; PNC Ohio Trust Company

What we do	
How does PNC protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Additionally, PNC requires and trains its employees to comply with its privacy standards and policies, which are designed to protect customer information.
How does PNC collect my personal information?	We collect your personal information, for example, when you ▪ open an account or deposit money ▪ pay your bills or apply for a loan ▪ use your credit or debit card We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only ▪ sharing for affiliates' everyday business purposes — information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ▪ *Our affiliates include companies with the PNC name, and financial companies such as Harris Williams, LLC.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ▪ *PNC does not share with nonaffiliates so they can market to you.*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ▪ *Our joint marketing partners include mortgage and lending companies, insurance companies, and other companies that provide financial products and services.*

Other important information

U.S. Privacy laws apply. California and Vermont Residents Only: We will not share your information except for our everyday business purposes, for marketing our products and services to you or as required or permitted by law or with your consent. **Vermont Residents Only:** We will not share your credit information with other members of the PNC family without your consent. **Nevada Residents Only:** This notice is provided to you pursuant to state law. To stop marketing calls from us follow the directions in the section "To limit our sharing" to be placed on the PNC do not call list. Nevada law requires that we also provide you with the following contact information: Nevada Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington Ave., Ste 3900, Las Vegas, NV 89101; telephone: 702-486-3132; email: aginfo@ag.nv.gov. PNC Information Sharing Options, P.O. Box 96066, Pittsburgh, PA 15226; telephone: 1-888-762-2265; email: service1@pnc.com. **Important information about phone calls, texts, prerecorded and email messages:** If, at any time, you provide to PNC Bank, its affiliates or designees (PNC) contact numbers that are wireless telephone number(s) including, but not limited to, cell or VoIP numbers, you are consenting to PNC using an automated dialing system to call or text you, or to send prerecorded messages to you, in order to service, and collect on, any PNC personal account(s) and business account(s) (for which you are an authorized signer, guarantor or designated contact person) but not to market to you. For any type of phone calls with PNC, you consent that the call may be monitored or recorded for quality control and training purposes. By providing your email address, you consent to receive electronic mail from PNC.