

Fixed Income

Fourth Quarter 2018

Investment Philosophy

We believe that active sector rotation combined with disciplined risk management results in consistent, value-added returns.

- Formulate strategic intent of portfolio to meet client needs
- Team-driven strategy and execution
- Opportunistic to provide competitive returns
- Seek to manage downside risk

Investment Process

Our fixed income strategies follow a team-oriented, disciplined, top-down investment process.

1. Formulate market outlook to derive:

- Yield curve positioning
- Duration targets

2. Determine sector weightings based on:

- Relative value
- Sector and subsector outlook

3. Conduct extensive analysis on each security:

- Fundamental and structural analysis
- Relative valuation
- Risk/reward profile

4. Construct portfolio within strategic framework:

- Verify strategic intent
- Sector and sub-sector weights
- Security selection in support of portfolio risk/reward profile
- Duration and yield curve management

Emphasis on Risk Management

Our portfolios are constructed with an emphasis on risk management through diversification, exposure limits, and duration range.

Integrated Approach:

- Validate duration and yield curve positioning
- Ensure sector weightings are consistent with portfolio strategy
- Apply portfolio quality and diversification guidelines on a per security basis
- Evaluate risk on absolute and relative-to-benchmark (tracking error) basis
- Verify strategic intent as market conditions change



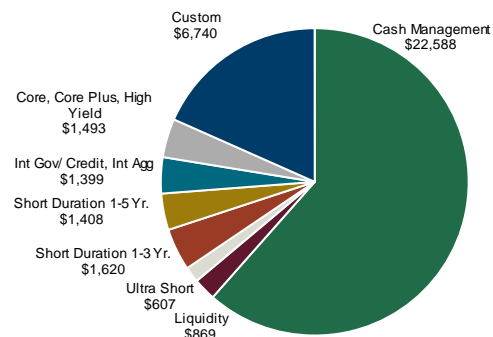
FIRM OVERVIEW

PNC Capital Advisors, LLC and its predecessors have provided institutional asset management services for over two decades. Our investment team approach allows portfolio managers to do what they do best – manage money. Each team follows a disciplined process with a focus on style purity, consistency, and risk management. The teams are supported by centralized sales, client service, performance measurement, and compliance capabilities. PNC Capital Advisors offers a comprehensive array of investment strategies across both equity and fixed income classes to serve the investment requirements of corporate, insurance, public, multi-employer, foundations, endowments, and other tax-exempt clients, as well as select individual clients.

ASSETS UNDER MANAGEMENT¹

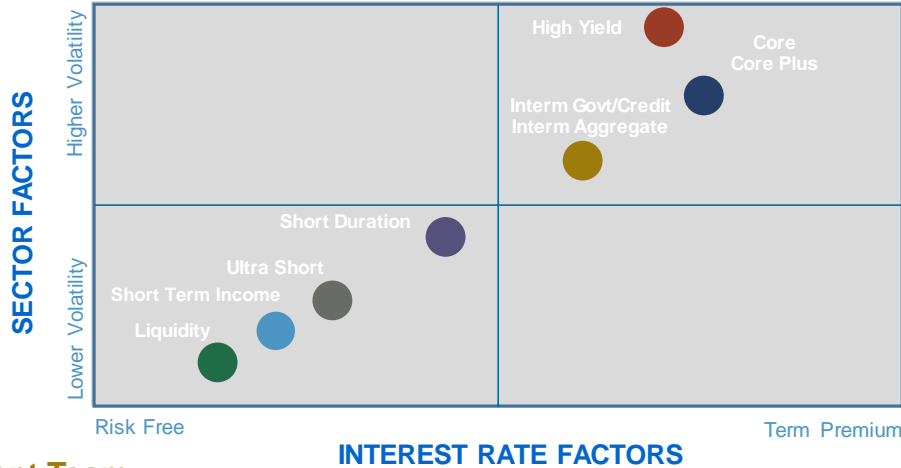
Total Firm:	\$53.5 billion
Total Fixed Income:	\$36.7 billion

FIXED INCOME BY ASSET CLASS¹



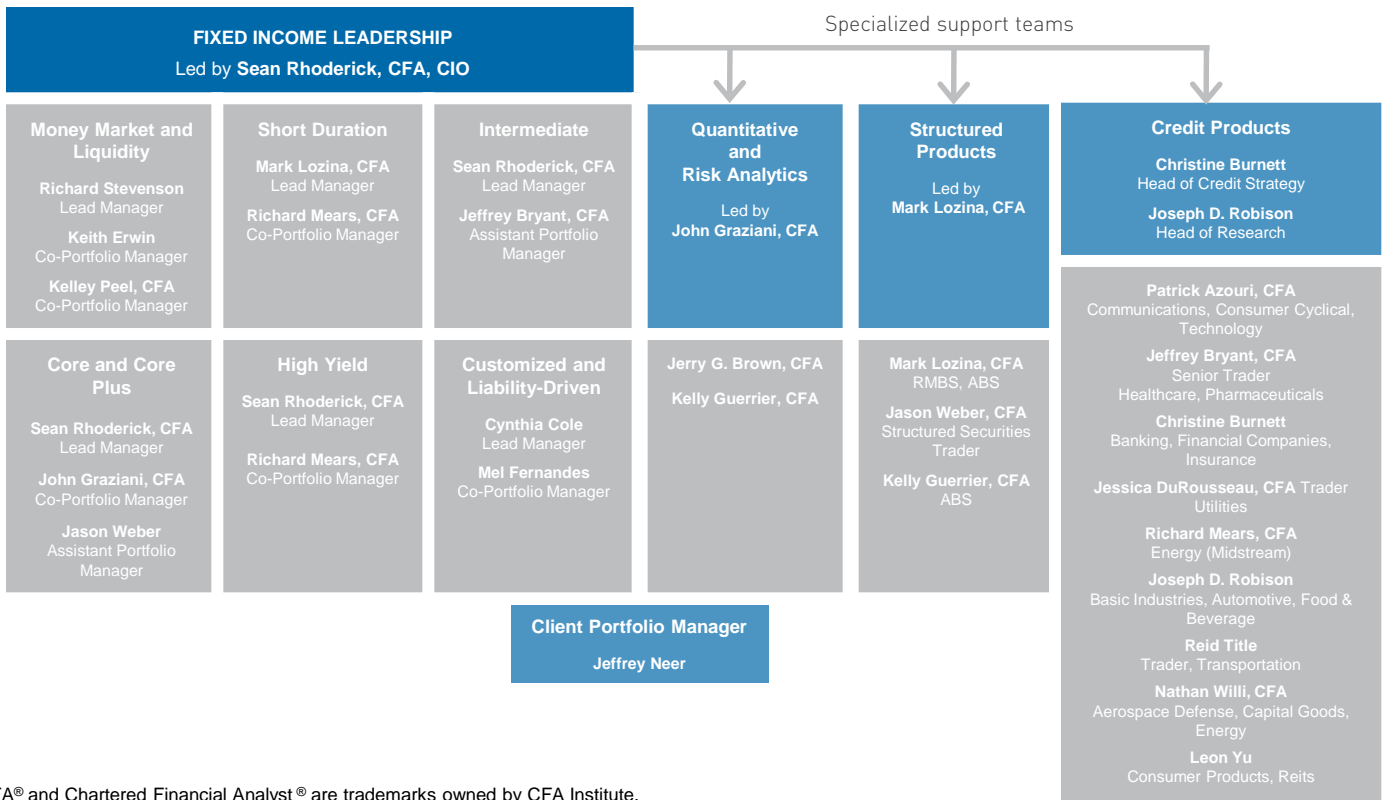
¹ AUM totals in millions for the period ending 12/31/18

A Wide Range of Fixed Income Strategies



Management Team

The Fixed Income investment team consists of 20 members averaging 18 years of investment management experience.



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