

Dividend Focus Equity

Quarterly Commentary

First Quarter 2019

Performance Summary

For the quarter ended March 31, 2019, the Dividend Focus Equity Composite underperformed its benchmark, the Russell 1000 Value Index, returning 11.00% gross of fees and 10.78% net of fees. This compares with a return of 11.93% for the Russell 1000 Value Index during the same period.

Performance Summary as of March 31, 2019 ¹		1Q19	YTD	1 Year	3 Year	5 Year	10 Year
Dividend Focus Equity Composite	Gross	11.00%	11.00%	5.00%	10.81%	8.20%	13.85%
	Net	10.78%	10.78%	4.22%	9.98%	7.39%	13.01%
Russell 1000 Value Index		11.93%	11.93%	5.67%	10.45%	7.72%	14.52%

¹Data as of March 31, 2019. Source: Advent Portfolio Exchange[®](APX). Performance returns are presented gross and net of fees and include the reinvestment of all income. Gross of fee performance returns do not reflect the payment of investment advisory fees and other expenses. Actual returns will be reduced by advisory fees and other expenses that may be incurred in the management of the account. Net of fee performance was calculated using the highest management fee of 0.75%, representing the maximum advisory fees charged to client accounts invested in the Dividend Focus Equity Composite during the respective period. **Past performance is no guarantee of future results.**

For information regarding the current investment advisory fees of PNC Capital Advisors, LLC, please refer to Form ADV, Part 2A, which is available at: <https://pnccapitaladvisors.com>. Please refer to our GIPS[®]-compliant Presentation, which includes additional important disclosures and is located at the end of this commentary.

Summary

During the quarter, large-cap growth equities outperformed large-cap value equities in a complete reversal from fourth quarter's trend, as the Russell 1000 Growth Index returned 16.10% versus the Russell 1000 Value Index return of 11.93%. While fourth quarter 2018 earnings for the Russell 1000 Value Index (reported during the first quarter of 2019) grew 16.1%, it marks a deceleration from strong year-over-year gains last quarter.

Market Commentary

Fourth quarter 2018 S&P 500 earnings growth (reported during the first quarter) was 17.1%, demonstrating a material slowdown from the previous quarter's 24.5% growth. Only five of the 11 GICS sectors reported double-digit earnings growth, versus nine in the fourth quarter of 2018. Additionally, approximately 69% of the companies within the S&P 500 reported positive earnings surprises, down significantly from the third quarter earnings season. Overall, the market continued to demonstrate positive bottom-up fundamentals throughout the quarter, but not to the same extent as recent periods.

Recent economic indicators within the U.S. and globally appear slightly less supportive of strong equity markets. During the first two months of the quarter, markets experienced a significant rebound from December's lows. It appeared investors favored companies with strong fundamentals during earnings season. Additionally, during this period, trade tensions began to abate, particularly between the U.S. and China. The market responded positively to the chance of the world's two largest economies reaching a trade agreement.

However, in March, markets appeared to retreat from the renewed focus on bottom-up, company-specific performance and shift toward top-down economic factors. Perhaps of greatest concern for investors during the first quarter was the Federal Reserve's decision to pause its monetary policy normalization plans. This was a sharp deviation from previously hawkish behavior. The Fed's about-face hurt the Financials and Industrials sectors in particular. Additionally, the move led to an inversion in the yield curve, causing significant discomfort among investors, as this is typically considered an early indicator of recession.

Although financial markets recovered from fourth quarter's lows, there was significant dispersion among stocks within the index. Additionally, several idiosyncratic events, such as the backlash against Boeing and its 737 Max model jets following the Ethiopian

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Airlines crash and the failure of Biogen's potential Alzheimer's therapy during Phase 3 drug trials, caused some disruption within the large-cap space. Despite macro or event-driven volatility, we remain confident in our belief that earnings drive stock prices over the long term and that our process identifies companies with the greatest potential earnings surprise upside. We believe that the earnings outlook for the remainder of 2019 is positive.

Quantitative Overview

During the first quarter, we saw strength across all three primary factors of our proprietary multi-factor model—Momentum, Value, and Stability of Earnings—as the market appeared to refocus on company fundamentals. The model was most effective during January and February; however, we did see some pullback in March as investors turned their attention to macro factors. For the quarter, our Momentum and Stability of Earnings factors were most effective, while our Value factor declined in effectiveness during the month.

Overall, we are optimistic about our process and our model for 2019, and we are encouraged by the data that we have seen thus far. As markets continue to re-focus on earnings and fundamentals, we believe our process is poised to benefit.

Quarterly Attribution Analysis, March 31, 2019 ²												
Dividend Focus Equity Representative Account vs. Russell 1000 Value Index												
GICS Sector	Dividend Focus Equity			Russell 1000 Value			Variation			Attribution Analysis		
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection + Interaction	Total Effect
Communication Services	4.78	9.11	0.44	7.11	9.34	0.69	-2.33	-0.23	-0.25	0.06	-0.02	0.04
Consumer Discretionary	6.69	7.24	0.50	5.30	13.22	0.70	1.39	-5.98	-0.20	0.02	-0.39	-0.37
Consumer Staples	6.12	12.91	0.75	7.76	12.47	0.96	-1.65	0.45	-0.21	0.00	-0.01	-0.01
Energy	10.91	12.95	1.42	9.62	16.60	1.57	1.29	-3.66	-0.15	0.07	-0.38	-0.31
Financials	23.87	10.27	2.58	22.52	8.03	1.94	1.35	2.24	0.64	-0.05	0.56	0.50
Health Care	14.30	2.43	0.29	15.16	7.61	1.13	-0.86	-5.18	-0.84	0.01	-0.77	-0.76
Industrials	7.76	19.38	1.43	7.65	18.71	1.37	0.11	0.68	0.06	0.01	0.04	0.05
Information Technology	9.18	20.19	1.70	9.50	18.46	1.65	-0.32	1.73	0.05	-0.03	0.11	0.08
Materials	3.68	12.23	0.44	4.03	9.44	0.39	-0.35	2.79	0.05	0.01	0.09	0.10
Real Estate	3.77	14.10	0.52	5.06	16.52	0.82	-1.30	-2.42	-0.30	-0.06	-0.09	-0.14
Utilities	6.90	12.61	0.84	6.30	11.48	0.70	0.60	1.13	0.14	0.00	0.07	0.07
Cash	2.05	0.58	0.01	0.00	0.00	0.00	2.05	0.58	0.01	-0.23	0.00	-0.23
Total	100.00	10.94	10.94	100.00	11.93	11.93	0.00	-0.99	-0.99	-0.19	-0.80	-0.99

²Source: FactSet.® The attribution presented above reflects the results of the representative account of the Dividend Focus Equity Composite. Sectors are subject to change and may differ between clients based on investment objectives, restrictions and other specifics applicable to each account. It should not be assumed that investments in any of the sectors listed were or will prove profitable. Performance attribution is an analysis of the representative account's return relative to a selected benchmark and is calculated using the account's daily holding information within FactSet.®. FactSet.® calculates performance used in the attribution analysis based on the daily closing position and price. Performance calculations using daily closing positions may vary, sometimes significantly, from intraday-based performance calculations generated from Advent Portfolio Exchange.®(APX), the system of record for PNC Capital Advisors, LLC. Attribution analysis is based on gross of fee returns, which include the reinvestment of all income, and are not annualized for periods of a year or less. Actual returns will be reduced by investment advisory fees. Please refer to additional important disclosures located at the end of this report. FactSet.® is a registered trademark of FactSet.® Research Systems, Inc. and its affiliates. **Past performance is no guarantee of future results.**

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One-Year Attribution Analysis, March 31, 2019² Dividend Focus Equity Representative Account vs. Russell 1000 Value Index

GICS Sector	Dividend Focus Equity			Russell 1000 Value			Variation			Attribution Analysis		
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection + Interaction	Total Effect
Communication Services	4.20	5.64	0.23	6.42	13.35	0.79	-2.21	-7.72	-0.56	-0.15	-0.24	-0.39
Consumer Discretionary	7.10	0.03	0.05	5.29	-0.66	0.01	1.81	0.70	0.03	-0.12	0.07	-0.06
Consumer Staples	5.91	9.61	0.51	7.45	8.25	0.57	-1.54	1.35	-0.06	-0.06	0.09	0.03
Energy	11.07	7.05	0.72	10.49	2.23	0.35	0.59	4.83	0.36	-0.18	0.49	0.31
Financials	25.64	-11.60	-2.98	23.88	-5.91	-1.27	1.77	-5.69	-1.71	-0.21	-1.57	-1.78
Health Care	13.13	21.68	2.45	14.81	18.60	2.40	-1.68	3.08	0.05	-0.29	0.37	0.08
Industrials	8.11	6.08	0.31	7.82	0.67	0.08	0.29	5.41	0.23	-0.06	0.30	0.23
Information Technology	9.58	20.12	1.67	9.34	10.31	0.93	0.24	9.81	0.73	-0.04	0.82	0.78
Materials	3.84	-3.34	-0.23	3.76	-4.31	-0.14	0.08	0.97	-0.10	-0.08	0.02	-0.06
Real Estate	3.57	23.38	0.76	4.81	19.23	0.90	-1.24	4.15	-0.13	-0.15	0.11	-0.04
Utilities	5.78	24.98	1.25	5.94	20.30	1.05	-0.15	4.68	0.20	-0.05	0.23	0.18
Cash	2.06	2.17	0.05	0.00	0.00	0.00	2.06	2.17	0.05	-0.18	0.00	-0.18
Total	100.00	4.77	4.77	100.00	5.67	5.67	0.00	-0.90	-0.90	-1.58	0.68	-0.90

²Source: FactSet.® The attribution presented above reflects the results of the representative account of the Dividend Focus Equity Composite. Sectors are subject to change and may differ between clients based on investment objectives, restrictions and other specifics applicable to each account. It should not be assumed that investments in any of the sectors listed were or will prove profitable. Performance attribution is an analysis of the representative account's return relative to a selected benchmark and is calculated using the account's daily holding information within FactSet.®. FactSet.® calculates performance used in the attribution analysis based on the daily closing position and price. Performance calculations using daily closing positions may vary, sometimes significantly, from intraday-based performance calculations generated from Advent Portfolio Exchange®(APX), the system of record for PNC Capital Advisors, LLC. Attribution analysis is based on gross of fee returns, which include the reinvestment of all income, and are not annualized for periods of a year or less. Actual returns will be reduced by investment advisory fees. Please refer to additional important disclosures located at the end of this report. FactSet.® is a registered trademark of FactSet.® Research Systems, Inc. and its affiliates. **Past performance is no guarantee of future results.**

During the quarter we initiated five new investment positions across multiple sectors:

Allstate Corporation is a leading property and casualty insurer in the United States and Canada. The company's most recently reported earnings per share exceeded consensus expectations by 13%, and subsequent earnings per share revisions were positive following its earnings report. Allstate continues to be proactive in returning excess capital to shareholders in the form of stock buybacks and dividends. The stock scored in the top quintile of our multi-factor model.

BP Plc Sponsored ADR is a major integrated oil company with worldwide diversified operations. The company recently completed an acquisition of U.S. upstream assets from BHP Billiton, which we expect to be accretive to earnings. Additionally, BP plans to reduce debt through proceeds from divestitures. The stock scored above-average in our multi-factor model and has an attractive dividend yield.

Ingersoll-Rand Plc designs, manufactures, and sells climate control solutions for homes and buildings, refrigerated transportation solutions, and industrial machinery. We expect strong residential and non-residential markets should continue to drive solid revenue growth and margin expansion for the company's Climate segment. The stock scored in the top decile of the multi-factor model and has attractive dividend growth characteristics.

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M&T Bank Corp. is a financial services provider to retail and commercial customers in the U.S. M&T is well-capitalized and has a strong deposit-gathering franchise. From 1983 to March 31, 2019, M&T has grown its dividend by a 13.6% compounded annual rate. The stock had an above-average score in our multi-factor model and has experienced favorable earnings revision trends.

Marsh & McLennan Companies, Inc. is a professional services firm that offers clients advice and solutions in risk, strategy, and people. We believe the company has a consistent track record of revenue and earnings growth with improving operating margins. The stock scored in the top quintile of our multi-factor model and has attractive dividend growth characteristics.

During the quarter we sold four positions across multiple sectors:

Apple Inc. is a leading designer and manufacturer of mobile phones, personal computers, tablets, and related services. We sold the stock with the intent to improve the portfolio's overall multi-factor model scores and dividend yield.

Caterpillar Inc. manufactures construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives. We sold the stock with the intent to improve the portfolio's overall multi-factor model scores and dividend growth rate.

Morgan Stanley provides investment banking products and services to corporations, governments, financial institutions, and individuals. We sold the stock with the intent to improve the portfolio's overall near-term multi-factor model scores.

Occidental Petroleum Corporation is an integrated oil company with major upstream operations in the Permian Shale, as well as some international upstream operations. We sold the stock with the intent to improve the portfolio's overall multi-factor model scores.

Positioning

Our multi-factor model not only defines the candidate pool for fundamental analysis and provides sell signals for current holdings, but it also determines the portfolio's sector positioning. After the multi-factor model ranks the investible universe, we construct a portfolio by equally weighting the top quintile of stocks. The resulting sector overweights and underweights relative to the benchmark are used as the parameters to construct the Dividend Focus Equity portfolio. As of the end of the quarter, the portfolio was overweight in the Financials, Consumer Discretionary, Energy, Utilities, and Industrials sectors. The portfolio was underweight in the Communication Services, Consumer Staples, Real Estate, Health Care, Materials, and Information Technology sectors.

Outlook

Our investment process is focused on bottom-up, fundamental analysis guided by our multi-factor model, with particular attention paid to earnings and a company's ability to surprise on the upside. We are optimistic about our process and our model for 2019, which saw clear signs of strength in January and February. We believe that much of the pullback we experienced in March had to do with macro factors driving the markets, which we do not expect to persist. Our portfolio was also negatively affected by idiosyncratic events, which impacted some of our holdings in the biotech and aerospace industries.

Historically, dividend growth and price appreciation have been highly correlated. By targeting a dividend growth rate at or above the major indices and focusing on companies that grow earnings above expectations, we believe that the Dividend Focus Equity portfolio is positioned to outperform over the long term. We expect dividend growth for the major indices to increase by a mid-single-digit rate in 2019, and expect dividend growth for the Dividend Focus Equity portfolio to be above the major indices.

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Representative Account Top Contributors and Detractors for the Quarter Ending March 31, 2019

Top Contributors	Avg. Weight	Contribution	Top Detractors	Avg. Weight	Contribution
Cisco Systems, Inc.	3.85	0.90	AbbVie, Inc.	1.09	-0.16
TransCanada Corporation	2.02	0.51	Bristol-Myers Squibb Company	0.97	-0.09
SunTrust Banks, Inc.	2.41	0.44	Pfizer Inc.	2.79	-0.07
Honeywell International Inc.	1.98	0.39	Apple Inc.	0.10	-0.04
Bank of America Corp	2.77	0.36	Amgen Inc.	1.97	-0.04

The holdings identified above do not represent all of the securities purchased, sold, or recommended for advisory clients. Average Weight is determined by averaging the daily weights of each holding in the representative account. The weight is the day's market value for each holding divided by the total value of all account holdings. Contribution is the contribution of each representative account holding determined by multiplying the Average Weight for each holding by the rate of return for that holding during the quarter. The result shows each holding's contribution to the account's overall return during the quarter. **Past performance does not guarantee future results.**

To obtain the calculation methodology, a list showing each holding's contribution to the overall performance during the measurement period, or for the complete list of all securities in the strategy that were recommended during the previous year, please contact pcacompliancegroup@pnc.com.

Top Contributors

Cisco Systems, Inc. is a leading supplier of networking systems and services. The stock recovered, due principally to impressive results during its most recently reported quarter, after faltering late in 2018. Revenue momentum continues to improve, driven by a number of product groups, and operating margins have continued to trend up.

TransCanada Corp. is an energy infrastructure company. During the quarter, investors renewed favorable expectations for the company's Keystone XL Pipeline extension project, which buoyed investor optimism on the stock.

SunTrust Banks, Inc. is a bank and financial services company. The company reported strong fourth quarter earnings that exceeded the consensus estimate. Additionally, the company also announced that it will be acquired by BB&T Corporation, which benefited stock price performance.

Honeywell Intl. Inc. is an industrial company that offers a broad range of solutions to multiple industries. Solid fundamentals and profitability in the company's chemical and building materials segments benefited the stock during the quarter.

Bank of America Corp. is a major financial services company. The company reported positive fourth quarter earnings results that were viewed favorably by investors. Positive metrics included solid revenue growth, good expense control, and stable credit quality.

Top Detractors

AbbVie, Inc. is a global biopharmaceutical company. Guidance for 2019 sales and earnings were strong, but slightly below expectations, with concerns in particular over market share losses from biosimilar competition in Europe for Humira, one of its leading therapies.

Bristol-Myers Squibb Company is a global pharmaceutical company with a focus on oncology and other therapeutic areas. In January, the company proposed an acquisition of Celgene using cash and stock. The company's share price reacted negatively, due to the size of the deal, as well as some uncertainty over the attractiveness of Celgene's pipeline and the timing of generic competition for its largest drug Revlimid.

Pfizer Inc. provides pharmaceuticals, vaccines, and consumer health care products. Shares were down slightly following strong appreciation in the second half of 2018 and guidance for 2019 sales and earnings that was slightly below expectations. The change in guidance was partly due to a worsened foreign currency outlook and the patent expiration of one of its key drugs. The company continues to expect long-term growth reacceleration.

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Apple Inc. is a leading designer and manufacturer of mobile phones, personal computers, tablets, and related services. The stock recovered after an initial downturn, which was prompted by a negative earnings pre-announcement. Prior to the stock price recovery, valuations had contracted to their lowest levels over the past two years, while the company's earnings visibility stabilized. A slump in iPhone demand has shown some indications that it is reaching a bottom, and the services and wearables groups have continued to grow.

Amgen Inc. is a large biotechnology company. Earnings guidance for 2019 was below expectations and roughly flat with 2018, as growth from newer products for high cholesterol and migraines is expected to be offset by generic competition for two older products, Neulasta and Sensipar.

MANAGEMENT TEAM

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Firm Description: As of September 29, 2009, PNC Capital Advisors, Inc. and its affiliate Allegiant Asset Management Company each merged into and with PNC Capital Advisors, LLC (“PNC Capital Advisors” or “the Firm”). PNC Capital Advisors, a registered investment adviser and direct wholly owned subsidiary of The PNC Financial Services Group, Inc. (“PNC”), provides investment advice with respect to equity and fixed income securities for a variety of clients, including institutional accounts and registered investment companies.

For Global Investment Performance Standards (GIPS®) purposes, PNC Capital Advisors, LLC includes:

- 1) Assets under management of PNC Bank, N.A. that were previously attributed to a predecessor firm, Mercantile, which prior to September 14, 2007 was defined to include the assets of Mercantile-Safe Deposit and Trust Company and its subsidiary, Mercantile Capital Advisors, Inc. Effective September 14, 2007, Mercantile-Safe Deposit and Trust Company was merged into PNC Bank, N.A., and in conjunction with such merger, PNC Capital Advisors, Inc. became a subsidiary of PNC Bank, N.A. PNC Capital Advisors, Inc. commenced serving as subadvisor to certain clients of PNC Bank, N.A. effective February 11, 2008.
- 2) Assets under management of PNC Municipal Investment Group, formerly a part of PNC Bank, N.A., now a business unit of PNC Capital Advisors.
- 3) Assets under management of the Advantage Equity Portfolio Management Team, formerly a part of PNC Institutional Investment Group (“PNC IIG”), a part of PNC Bank, N.A., now a business unit of PNC Capital Advisors.
- 4) Wrap program assets managed by Allegiant Advisory Services, formerly a part of Allegiant Asset Management Company.
- 5) Assets under management of Allegiant Asset Management Company (excluding Allegiant Advisory Services), formerly a wholly owned subsidiary of National City Corporation, now an institutional subsidiary of the PNC Financial Services Group, Inc. and part of PNC Capital Advisors.

PNC Capital Advisors Dividend Focus Equity Composite

Composite Inception Date: May 31, 2008 | Composite Creation Date: May 31, 2008

Year	Gross of Fees Return %	Net of Fees Return %	3 Yr Ex-Post Std Dev Comp %	Benchmark Return %	3 Yr Ex-Post Std Dev Benchmark %	Number of Portfolios (Year-end)	Composite Dispersion (Std Dev %)	Composite Assets (\$ millions)	Firm Assets (\$ millions)
2017	19.47	18.57	9.07	13.66	10.20	1,639	0.15	1,013.1	50,300
2016	13.28	12.43	9.72	17.34	10.77	1,608	0.14	937.2	48,659
2015	0.06	(0.68)	10.09	(3.83)	10.68	1,561	0.12	817.5	41,592
2014	10.35	9.52	9.02	13.45	9.20	1,530	0.14	837.2	41,062
2013	31.43	30.45	11.22	32.53	12.70	1,095	0.18	616.7	36,882
2012	16.98	16.12	14.02	17.51	15.51	636	0.19	320.1	34,425
2011	3.78	3.01	17.84	0.39	20.69	402	0.22	213.8	35,113
2010	14.99	14.14		15.51		269	0.28	133.4	33,318
2009	11.39	10.56		19.69		200	0.16	86.7	32,318
2008	-29.22 *	-29.55 *		-33.93 *		7	—	27.9	13,190

*represents return from 6/1/2008 (date of inception) through 12/31/2008

Compliance Statement: PNC Capital Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. PNC Capital Advisors, LLC has been independently verified for the period beginning September 29, 2009 through December 31, 2016 by Ashland Partners and Company, LLP, and for the periods January 1, 2017 through December 31, 2017 by ACA Performance Services, LLC. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Dividend Focus Equity Composite has been examined by Ashland Partners & Company LLP for the period June 1, 2008 through December 31, 2016, and for the periods January 1, 2017 through December 31, 2017 by ACA Performance Services, LLC. The verification and performance examination reports are available upon request.

Verification: Compliance with the GIPS standards for the predecessor firm (PNC Capital Advisors, Inc.) was verified by Ashland Partners & Company LLC for the period February 11, 2008, through September 29, 2009. Copies of the verification reports as well as policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. A list of composite descriptions is also available upon request.

Composite Description: The investment objective of the Dividend Focus Equity Composite is to seek capital appreciation by investing in a diversified portfolio of large-capitalization equity securities that provide relatively high dividend yield and increasing dividend income. For comparison purposes the Dividend Focus Equity Composite is measured against the Russell 1000® Value Index. The Dividend Focus Equity Composite was created May 31, 2008. The composite was named the PNC Large Cap Value Dividend Focus Composite from June 1, 2008 through December 31, 2009 and the Large Cap Value Dividend Focus Equity Composite from January 1, 2010 to September 27, 2012. Effective September 28, 2012, the name was changed to Dividend Focus Equity to better reflect the portfolio management team’s focus on identifying dividend paying stocks with the potential for growth in the income stream. Results from all accounts have been continuous from the first full month under management to present or last full month under management.

Benchmark: The benchmark for the composite is the Russell 1000® Value Index. The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes companies with lower price-to-book ratios and lower expected growth values and is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment.

Minimum Account Size: All discretionary accounts in excess of \$100,000 have been included in the PNC Capital Advisors Dividend Focus Equity Composite.

Calculation of Results: Accounts are valued using trade date accounting and are denominated in U.S. dollars. Performance results reflect the reinvestment of interest, dividends, and realized capital gains and include cash, cash equivalents, convertible securities, and preferred securities, if applicable. Dividends and interest are recorded on an accrual basis and are gross of all applicable foreign withholding taxes, if any. The net results reflect the deduction of 0.75%, representing the maximum advisory fees charged to client accounts during the respective periods in the Large Cap Value Dividend Focus Equity Composite. All returns are net of execution costs and exclude the effect of any income taxes. Past performance is no guarantee of future results.

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Significant Cash Flows: As of January 1, 2012, PNC Capital Advisors, Inc. defines a significant cash flow for the portfolios of the Dividend Focus Equity Composite as one or more external cash outflows equaling an absolute value greater than 20%, or one or more external cash inflows equaling an absolute value greater than 50% of the portfolio's assets at the beginning of the month.

Dispersion: The dispersion of annual return is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for a full year. Prior to October 1, 2009, the dispersion of annual return was calculated across equal-weighted portfolio returns.

Fee Schedule: The management fee schedule is as follows: 0.75% of amounts up to \$5 million, 0.60% on next \$10 million, 0.50% on next \$35 million, and 0.45% on amounts over \$50 million. The actual fees paid by a client may vary based on assets under management and other factors.

The **S&P 500 Index** is an unmanaged cap-weighted index of 500 publicly traded stocks generally representative of the large-cap U.S. stock market performance and includes a representative sample of leading companies in leading industries. An investor cannot invest in the S&P 500 Index.

The **Russell 1000 Growth Index** is an unmanaged index representative of large-cap growth stocks that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Investments cannot be made in an index.

The **Russell 1000 Value Index** is an unmanaged index representative of large-cap value stocks that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. Indexes are unmanaged. It is not possible to invest directly in an index.

Performance attribution is an analysis of the representative account's return relative to its benchmark and is calculated using daily holding information within FactSet® for the representative account. It does not reflect the payment of transaction costs, fees and expenses of the portfolio. Total Returns are presented gross of fees and do not reflect the deduction of investment advisory fees, which will reduce returns.

Attribution is broken down into two primary effects: Allocation Effect (the portion of the representative account's excess return that is attributable to over- or under-weighting a sector relative to the benchmark) and Selection Effect (the portion of the representative account's excess return that is derived from choosing different securities from the benchmark).

Portfolio Contribution to Return measures the impact that each security has on the portfolio's total return and is calculated using daily holding information within FactSet® by multiplying the beginning weight for a given security by its total return on a daily basis, and geometrically linked for any given period. Accordingly, the Contribution to Return shown could differ from actual returns when there is a significant difference between the trade price and the closing price of a given security.

Portfolio holdings that are included in the benchmark index are assigned to the same sectors to which they are assigned by the index provider. Portfolio holdings that are not assigned by the index provider, but included in the FactSet® database are assigned to the index provider's sectors by PNC Capital Advisors, LLC. Attribution is not exact, but should be considered an approximation of the relative contribution of each of the factors considered.

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