

International Growth Equity Strategy

Third Quarter 2018 | Quarterly Update



As of September 30, 2018

Portfolio Management Team



MARTIN SCHULZ
Managing Director
Senior Portfolio Manager



CALVIN ZHANG
Portfolio Manager
Senior Analyst

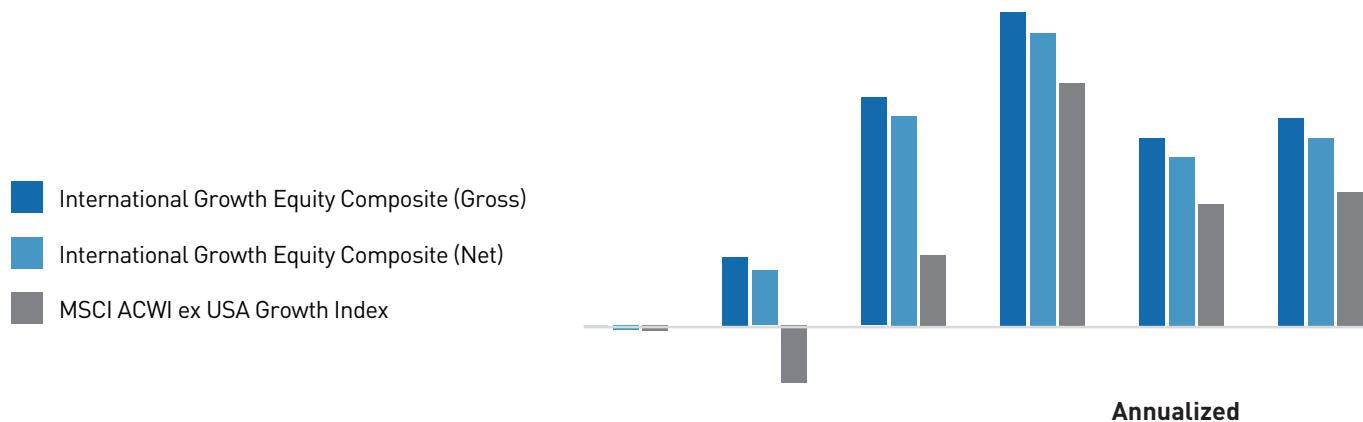
Investment Strategy

The PNC Capital Advisors **International Growth Equity Strategy** is based on a philosophy that earnings growth drives stock prices over the long term.

The investment team invests in countries that have reasonable valuations, low risk, and strong economic growth. Within those countries, the team seeks companies with robust, sustainable growth rates, high-quality balance sheets, and management teams with clearly defined growth strategies.

ASSETS UNDER MANAGEMENT*	\$737 MILLION
INCEPTION	9/30/1997
BENCHMARK	MSCI ACWI ex USA Growth Index ¹

*AUM totals in millions for the period ending September 30, 2018.



(all values in %)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year
International Growth Equity Composite (Gross)	0.00	2.98	9.95	13.68	8.20	9.04
International Growth Equity Composite (Net)	-0.19	2.40	9.13	12.76	7.35	8.20
MSCI ACWI ex USA Growth Index ¹	-0.26	-2.54	3.08	10.59	5.32	5.83
Relative Investment Results²	0.26	5.52	6.87	3.09	2.88	3.21

PERFORMANCE SUMMARY

For the quarter ended September 30, 2018, the PNC International Growth Equity Composite outperformed its benchmark, the MSCI ACWI ex USA Growth Index, returning 0.00% gross of fees and -0.19% net of fees. This compares with a return of -0.26% for the MSCI ACWI ex USA Growth Index during the same period.

¹ Effective March 1, 2016, the Firm changed the benchmark from the MSCI EAFE Growth Index to the MSCI ACWI ex USA Growth Index. Please see GIPS® compliant presentation for additional information.

² Relative Investment Results is defined as the difference between the International Growth Equity Composite relative to the benchmark, the MSCI ACWI ex USA Growth Index.

Data as of 9/30/18. 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 International Growth 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 presentation.

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Top 10 Holdings³

	% of Portfolio
Sony Corp Sponsored ADR	2.6
Wirecard AG	2.5
Tencent Holdings Ltd	2.4
Ping An Insurance Group Co- H	2.0
Alibaba Group Holdings Ltd Sponsored ADR	1.8
Nidec Corp	1.8
ASML Holding NV - NY Reg Shares	1.7
HDFC Bank Ltd ADR	1.6
AIA Group Ltd	1.6
Lululemon Athletica Inc.	1.6
Total	19.6%

“Despite heightened volatility, favorable unemployment trends and low inflation continue to support global growth expectations.”

MARKET COMMENTARY

The third quarter was characterized by the contrast between further gains in domestic equity markets and weakness among international equities, particularly in emerging markets. Underpinning these trends was strong economic data and corporate fundamentals in the U.S. versus less robust growth and foreign currency volatility internationally.

We continue to witness steady global growth, albeit at a slower rate; however, the global economic cycle may be close to peaking. The synchronized global growth we witnessed over the past several quarters has been tempered by continued trade frictions and various political uncertainties, as well as U.S. economic strength and high oil prices. Despite the heightened volatility, favorable unemployment trends and low inflation continue to support global growth expectations. Furthermore, most central bank policies remain accommodative, even as tightening measures are underway, led by the U.S. Federal Reserve.

During the quarter, the Fed raised its target interest rate range for the third time this year. It's the Fed's eighth move since it embarked on tightening initiatives in late 2015. Other key central banks, including the European Central Bank (ECB), the Bank of England (BOE), and the Bank of Japan (BOJ) have been less aggressive in pursuing monetary policy tightening, as economic growth among their markets is not on as solid a footing as the U.S. The ECB confirmed it would continue to taper; however, interest rates are expected to remain at record lows at least through the summer of 2019. The BOE actually raised rates during the quarter for only the second time in the last 10 years, but added the caveat that they're willing to lower rates again should the economy falter, particularly as the country continues to wrangle with Brexit. In stark contrast to the rest of the developed world, the BOJ remains ultra-accommodative, with target rates still set at -0.1%. Across many emerging economies, a sustained spate of rate hikes is in the offing, due to domestic economic conditions and currency weakness. Exceptions include China and Russia.

U.S. dollar strength persisted, as the dollar extended its year-to-date gains against most major currencies, particularly emerging markets. The Japanese yen declined slightly, although it is still strong on a year-to-date basis. The euro and British pound also declined during the quarter, a continuation of the trend in 2018. Emerging markets are generally under pressure and remain volatile, due to both strength in the dollar and rising energy prices, which squeeze corporate margins and dent consumer spending. While we do expect some continued near-term dollar recovery, we expect dollar weakness to reassert itself in the medium to long term.

In China, growth remains strong on an absolute basis. However, the rate of change appears to be slowing in line with the government's deleveraging push, which has raised concerns about the sustainability of global growth. China-U.S. trade tensions and the resulting headline risk weighed on investor sentiment, especially as the U.S. moved forward with tariffs on goods valued in the hundreds of billions of dollars. Escalating trade tensions are raising the downside risks to current economic growth, as uncertainty decreases the likelihood of global investment. It is mostly sentiment-related thus far, although investors are monitoring how this may affect future economic growth prospects.

In Korea, the effects of increased corporate taxes and minimum wages introduced in early 2018 are beginning to be felt, as weaker labor market conditions have induced lower consumption growth. Other major Southeast Asian Markets markets saw volatility in line with that of the broader emerging markets during the quarter. Most countries experienced capital outflows, which drove currency depreciation and, in some cases, interest rate hikes intended to stem the bleeding.

Continued on following page

³ Data as of 9/30/18. Source: Advent Portfolio Exchange® (APX). Top Ten Equity Holdings, which exclude cash, cash equivalents, and derivatives, do not represent all securities purchased, sold, or recommended for clients; individual account holdings will vary. Each individual security is calculated as a percentage of the aggregate market value of the securities held in strategy. There is no assurance that any of these securities will be purchased in the future and it should not be assumed that investments in the securities identified were or will be profitable. A complete list of holdings for previous 12 months is available upon request.

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The recent slowdown in European economic growth appears to have stabilized. The ECB confirmed it would continue to taper by slowing the expansion of its quantitative easing program and reducing monthly bond purchases from €30 billion to €15 billion from October until the end of the year. As of its latest meeting, the ECB expects growth in Europe of 2.0% in 2018, 1.8% in 2019, and 1.7% in 2020.

However, many European countries are still plagued by their own unique challenges. The United Kingdom continues to wrestle with Brexit negotiations. Political gridlock has now reached Sweden, as both main centrist coalitions failed to win a majority in the general elections. The far-right, anti-immigration party gained ground, providing a further example of the growth in populism across the globe. Italian borrowing costs hit a four-year high in August on the back of fears that Rome's new populist government will ignore European Union debt and deficit rules when the country unveils its 2019 budget in October. U.S. sanctions of Turkish officials and its central bank are placing pressure on the lira. Despite the lira's woes, Eastern Europe continues to experience good growth and stable inflation.

Saudi Arabia is growing a bit slower than other countries in the region. The United Arab Emirates maintained its growth trend from earlier in the year, although its property market weakened. Egypt continues its economic recovery thanks to recent reforms, but it is potentially facing international investor outflows.

Turning to Latin America, much of the focus at the beginning of the quarter was on the outcome of the elections in Mexico. Attention subsequently shifted to North American Free Trade Agreement negotiations and the implications for Mexico's economy. Uncertainty around the Brazilian presidential election and fears about Argentina's financing stoked tensions throughout the region. The Argentine peso continued its significant weakening on the back of uncertainty around timing of International Monetary Fund financing, stubborn inflation, and economic growth, which is expected to be negative in the second half of the year.

OUTLOOK AND POSITIONING

During the quarter, we reduced exposure to European Monetary Union (EMU) Europe and selectively added to markets in the Middle East and developed Asia. Looking forward, we will continue to selectively reduce our exposure to EMU Europe, non-EMU Europe, Canada, China, Korea, and Taiwan. We are looking to selectively add to Southeast Asia, Australia, Latin America, Eastern Europe, the Middle East, and Africa.

Global investors remain concerned about high relative levels of developed and developing market indebtedness, geopolitical considerations and populism, central bank policy, and the sustainability of global growth. We will closely monitor inflationary pressures, currency prices, and geopolitical and policy risks.

We continue to search for companies within attractive regions that have robust earnings growth, high-quality balance sheets, strong management teams, and clearly defined growth strategies.

Portfolio Characteristics⁴

	International Growth Equity	MSCI ACWI ex USA Growth Index
Weighted Average Market Cap	\$58,279	\$68,149
Median Market Cap	\$10,156	\$8,424
Price-to-Earnings (12 month forward)	18.0x	16.4x
Price-to-Earnings (12 month trailing)	20.1x	18.4x
Price-to-Earnings / Long-Term Earnings Growth	1.2x	1.5x
EPS Growth (Historical 5 Year)	16.5%	9.2%
EPS Growth (Projected 5 Year)	16.5%	11.5%
Price-to-Cash Flow	15.1x	12.1x
Price-to-Sales	2.9x	1.7x
Return on Equity	19.6%	19.8%
Dividend Yield	1.4%	2.0%
<i>Source: FactSet®</i>		
Turnover (12 month trailing)	40.9%	—
Number of Holdings	97	1,150
Alpha (5 Years)	3.26%	—
Beta (5 Years)	0.95	—
Sharpe Ratio (5 Years)	0.71	0.45
Standard Deviation (5 Years)	11.21%	10.80%
Information Ratio (5 Years)	0.69	—
Tracking Error (5 Years)	4.48%	—
Down Market Capture (5 Years)	79.72%	—
Up Market Capture (5 Years)	101.07%	—
Active Share (12 month trailing)	85.93%	—

Source: eVestment Alliance

⁴ Data as of 9/30/18. The information shown is derived from a representative account deemed to appropriately represent this investment strategy. Performance is not a consideration in the selection of the representative account. The characteristics shown are subject to change and should not be considered as investment recommendations. The characteristics of any particular client may vary based upon factors applicable to the account. There is no guarantee that holding securities with any of the characteristics represented will cause the portfolio to outperform the benchmark. **Past performance is no guarantee of future results.** See definitions page for additional information.

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Representative Account Top Contributors and Detractors, For the Quarter Ended September 30, 2018

Top Contributors				Top Detractors			
	Average Weight	Total Return	Contribution		Average Weight	Total Return	Contribution
Wirecard AG	2.62	34.64	0.79	Tencent Holdings Ltd	2.63	-17.71	-0.51
Sony Corporation	2.33	20.20	0.44	Agnico Eagle Mines Limited	1.26	-25.14	-0.44
Lululemon Athletica Inc	1.42	30.15	0.39	TAL Education Group Sponsored ADR Class A	0.78	-27.47	-0.28
Burford Capital Limited	1.43	28.35	0.34	TATERU, Inc	0.36	-55.93	-0.27
SoftBank Group Corp	1.00	40.57	0.33	Zalando SE	0.89	-30.36	-0.26
Total	8.80	29.90	2.29	Total	5.92	-25.38	-1.76

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

Wirecard AG is a German payment processing company. In our view, Wirecard is benefitting from continued organic growth along with additional help from recent acquisitions in strategic areas. We expect sustained e-commerce growth in Europe, as well as globally, to support earnings into the future.

Sony Corporation is a Japanese conglomerate with a wide range of operations in consumer electronics manufacturing, music, and motion picture entertainment. The company also has an industry-leading semiconductor business specializing in high-end image sensing technology. Driven by robust growth in its gaming software sales and music entertainment segments, the company reported revenue and earnings well ahead of market expectations. Management also increased its fiscal year revenue guidance to reflect its view of achieving higher expected growth, as positive trends continue to play out in key business segments, including gaming, music, and semiconductors.

Lululemon Athletica Inc. is a Canadian designer, manufacturer, and retailer of premium athletic apparel for various lifestyle activities. The company's investments in inventory innovation, supply chain logistics, and its online channel have driven solid like-for-like sales while maintaining a price premium versus its competitors. Simultaneously, overseas expansion has remained robust due to growth in consumers' desire for a healthy, active lifestyle. These factors supported 20% organic sales growth and an expansion of operating margins by 250 basis points in the most recent quarter. Going forward, we expect continued strategic investments in product innovation and logistics, as well as an increase in brand recognition across the globe, to provide a runway for sustainable long-term growth.

Burford Capital Limited is a UK financial services company that offers financing for corporate litigation and arbitration. It is the largest player in the relatively new litigation finance market. During the quarter, the company reported financial results that exceeded consensus expectations, due to higher investment, diversified fund management, more favorable legal judgments, and market share gains. Additionally, the company is benefitting from a raft of evidence that shows the addressable market for litigation finance continues to increase and become more mainstream in the legal profession.

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TOP CONTRIBUTORS (CONTINUED)

SoftBank Group Corp. is a Japanese holding company with principal operations in domestic telecommunication services. Through its \$100 billion equity investment fund, the company also maintains ownership of many ancillary businesses in leading emerging companies, such as ARM Holdings, Uber Technologies, NVIDIA Corporation, and WeWork. Share price appreciation has been supported by strong order flows of the new iPhone models and improving expectations of merger approval between Sprint (85% owned by Softbank) and T-Mobile.

TOP DETRACTORS

Tencent Holdings Ltd. is a diversified Chinese technology company that provides value-added services in numerous segments, including social network platforms, mobile gaming, online books, music streaming, and over-the-top media services. The company reported lower than expected quarterly earnings results following a recent regulatory agency restructuring and a temporary suspension of licensing approvals of both new games and monetization of existing free games. Timing uncertainties around the resumption of the licensing approvals in conjunction with lowered earnings projections has driven the stock price lower.

Agnico Eagle Mines Limited is a Canadian gold producer with operations in eight mines located in Canada, Mexico, and Finland. Although the company has registered strong revenue and earnings growth over the last five years and is expected to increase production growth by 50% by 2020, the company's share price over the last quarter was negatively impacted by weaker gold prices resulting from a stronger dollar and higher global bond yields.

TAL Education Group is a Chinese holding company with various subsidiaries that provide comprehensive K-12 after-school tutoring services across the country. Despite reporting solid quarterly results, growing regulatory restrictions to limit student time spent on after-school tutoring services have reduced longer-term growth expectations. Additionally, as companies shift gears to less-regulated businesses, such as online education, the intensifying competition may exert pressure on future profit margins.

TATERU, Inc. is a Japanese online technology platform provider, offering services in real estate brokerage and rental property management. During the quarter, news surfaced that an employee of the firm had inflated a customer's bank savings to help secure a loan for an investment property. Management has attempted to correct the situation by announcing an internal investigation. However, similar incidents involving larger-scale financial institutions in recent years have exacerbated the sell-off.

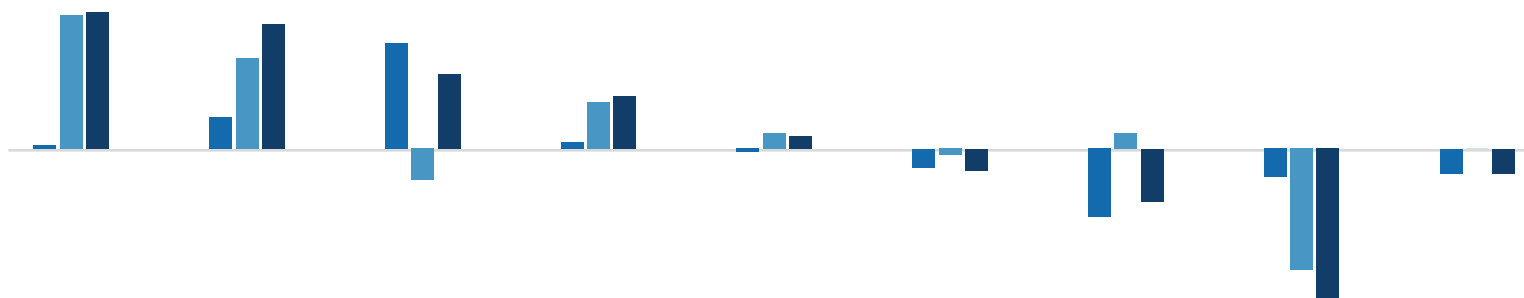
Zalando SE is a German online fashion retailer offering a wide assortment of apparel, accessories, and beauty products to consumers across Europe. As a result of delayed inventory transitions due to an extended hot summer period, management lowered its 2018 revenue and operating profit projections by approximately 3% and 23%, respectively. Because this revision followed a previous 10% reduction in earnings guidance just a month before, the stock price corrected more severely.

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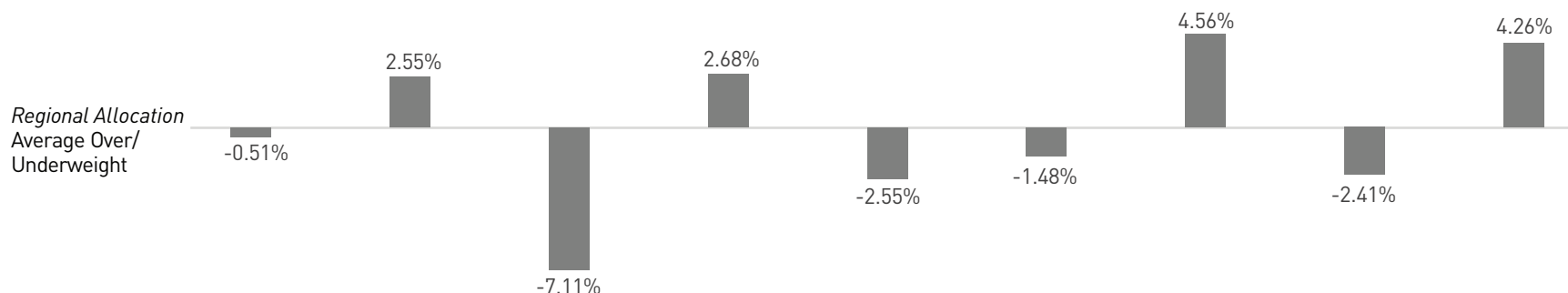
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International Growth Equity Representative Account vs. MSCI All Country World Ex-United States Growth Index Regional Attribution Analysis for the Quarter Ended September 30, 2018



	<u>UK</u>	<u>Japan</u>	<u>Asia ex Japan</u>	<u>EMU Europe</u>	<u>Canada</u>	<u>Latin America</u>	<u>Africa & Middle East</u>	<u>Non-EMU Europe</u>	<u>Cash</u>	Total
Allocation	0.01	0.10	0.34	0.02	-0.01	-0.06	-0.22	-0.09	-0.08	0.00
Selection	0.43	0.29	-0.10	0.15	0.05	-0.02	0.05	-0.39	—	0.47
Total	0.44	0.40	0.24	0.17	0.04	-0.07	-0.17	-0.49	-0.08	0.48



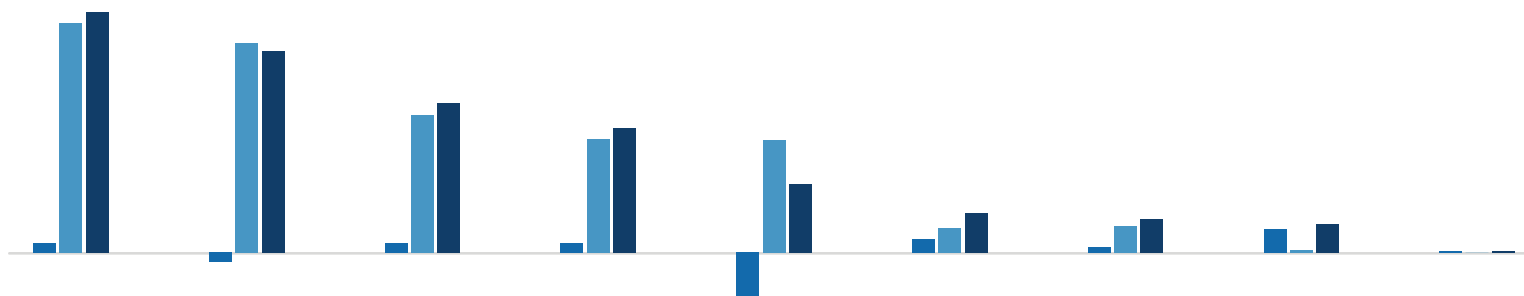
Source: Factset®. The attribution presented above reflects the results of the representative account of the International Growth Equity Composite. Performance attribution is an analysis of the strategy's representative account return relative to a selected benchmark and is calculated using daily holding information within Factset® for the representative account. Please refer to the performance attribution disclosure located at the end of this report for additional attribution information. The regions, sectors or industries reflected herein are subject to change and securities within a region, sector or industry may no longer be held in an account's portfolio. Region, sector and industry weights of any particular client may vary based on investment restrictions applicable to the account. It should not be assumed that investments in any of the regions, sectors or industries listed were or will prove profitable. Regions defined by PNC Capital Advisors, LLC. FactSet® is a registered trade mark of FactSet® Research Systems, Inc. and its affiliates. **Past performance is no guarantee of future results.**

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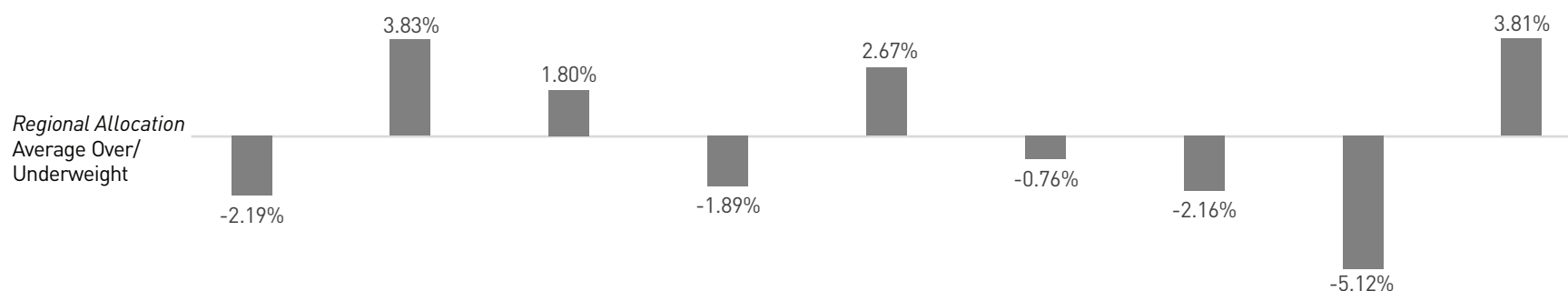
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International Growth Equity Representative Account vs. MSCI All Country World Ex-United States Growth Index Regional Attribution Analysis for the One Year Ended September 30, 2018



	Canada	EMU Europe	Japan	UK	Africa & Middle East	Latin America	Non-EMU Europe	Asia Ex Japan	Cash	Total
Allocation	0.08	-0.08	0.08	0.08	-0.39	0.11	0.05	0.20	0.01	0.15
Selection	1.94	1.77	1.16	0.96	0.95	0.21	0.22	0.02	—	7.23
Total	2.03	1.70	1.26	1.05	0.58	0.33	0.28	0.24	0.01	7.47



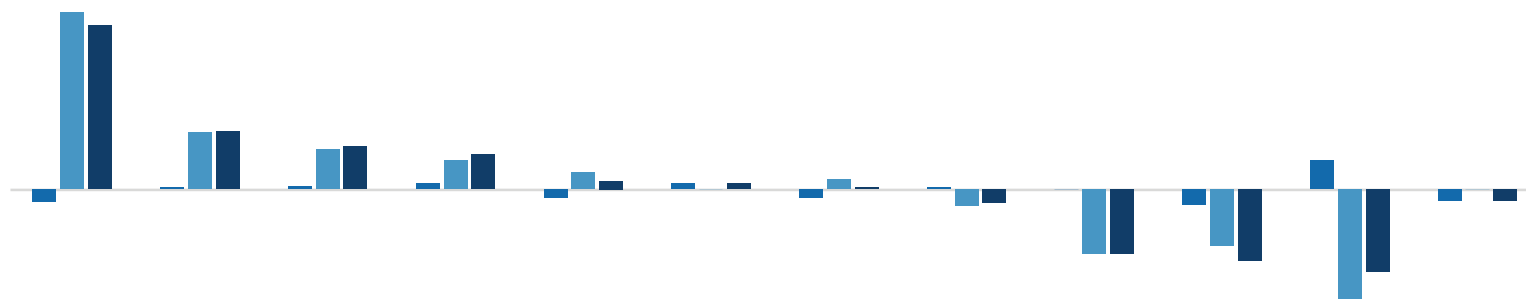
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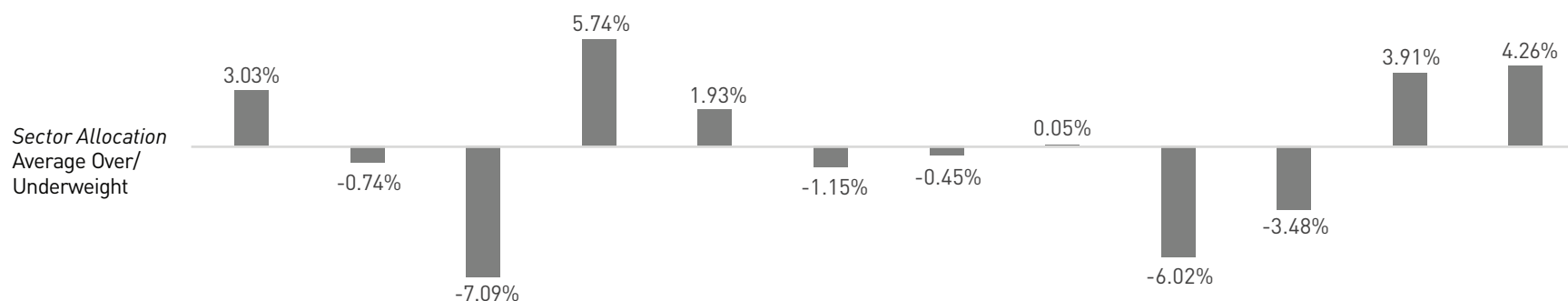
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International Growth Equity Representative Account vs. MSCI ACWI ex USA Growth Index Sector Attribution Analysis for the Quarter Ended September 30, 2018



	Information Technology	Consumer Discretionary	Consumer Staples	Financials	Real Estate	Utilities	Telecommunication Services	Energy	Materials	Industrials	Health Care	Cash	Total
Allocation	-0.09	0.01	0.02	0.04	-0.06	0.04	-0.06	0.01	0.00	-0.11	0.21	-0.08	-0.07
Selection	1.28	0.41	0.29	0.21	0.12	—	0.07	-0.12	-0.47	-0.41	-0.81	—	0.57
Total	1.19	0.42	0.31	0.25	0.06	0.04	0.01	-0.10	-0.47	-0.52	-0.60	-0.08	0.51



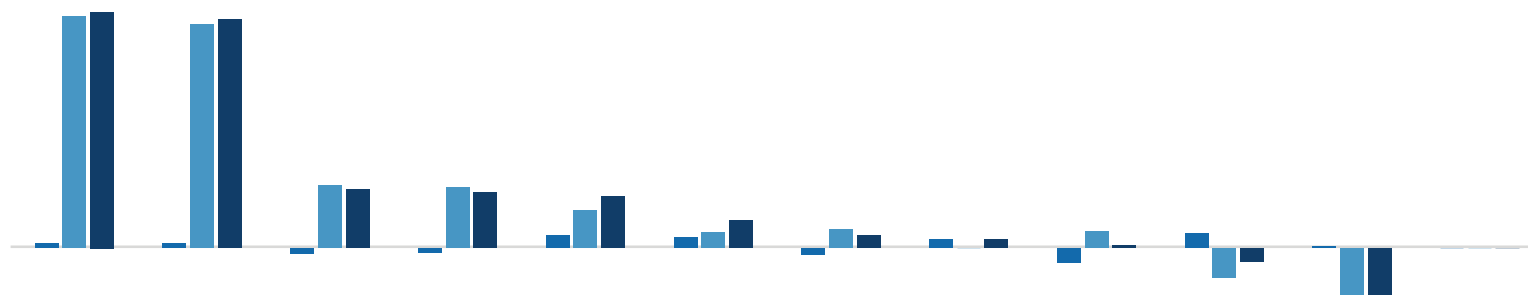
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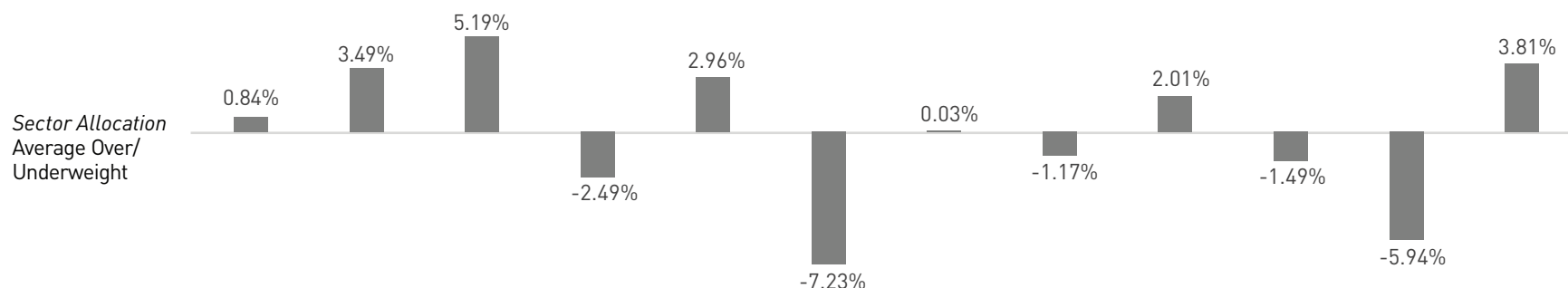
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International Growth Equity Representative Account vs. MSCI ACWI ex USA Growth Index Sector Attribution Analysis for the One Year Ended September 30, 2018



	Consumer Discretionary	Information Technology	Financials	Industrials	Health Care	Consumer Staples	Telecommunication Services	Utilities	Real Estate	Energy	Materials	Cash	Total
Allocation	0.05	0.05	-0.07	-0.06	0.15	0.13	-0.08	0.10	-0.17	0.18	0.02	0.00	0.32
Selection	2.80	2.71	0.76	0.73	0.46	0.19	0.22	—	0.20	-0.36	-0.60	—	7.10
Total	2.86	2.77	0.71	0.67	0.62	0.33	0.15	0.10	0.03	-0.16	-0.57	0.00	7.52



Source: Factset®. The attribution presented above reflects the results of the representative account of the International Growth Equity Composite. Performance attribution is an analysis of the strategy's representative account return relative to a selected benchmark and is calculated using daily holding information within Factset® for the representative account. Please refer to the performance attribution disclosure located at the end of this report for additional attribution information. The regions, sectors or industries reflected herein are subject to change and securities within a region, sector or industry may no longer be held in an account's portfolio. Region, sector and industry weights of any particular client may vary based on investment restrictions applicable to the account. It should not be assumed that investments in any of the regions, sectors or industries listed were or will prove profitable. Regions defined by PNC Capital Advisors, LLC. FactSet® is a registered trade mark of FactSet® Research Systems, Inc. and its affiliates. **Past performance is no guarantee of future results.**

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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.

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 International Growth Equity Composite has been examined by Ashland Partners & Company LLP for the period January 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 (Allegiant Asset Management Company) was verified by Ashland Partners & Company LLC for the period January 1, 2008 through September 29, 2009 and by a previous verifier for the period January 1, 1998 through December 31, 2007. In addition, a performance examination was conducted on the International Growth Equity Composite for the period January 1, 1998 through December 31, 2007 by a previous verifier. 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.

PNC Capital Advisors International Growth Equity Composite											
Composite Inception Date: September 30, 1997						Composite Creation Date: September 30, 1997					
Year	Gross of Fees Return %	Net of Fees Return %	3 Yr Ex-Post Std Dev Comp %	MSCI ACWI ex US Growth		MSCI EAFE Growth		Number of Portfolios (Year-end)	Composite Dispersion (Std Dev %)	Composite Assets (\$ millions)	Firm Assets (\$ millions)
				Benchmark Return %	3 Yr Ex-Post Std Dev Benchmark %	Benchmark Return %	3 Yr Ex-Post Std Dev Benchmark %				
2017	42.72	41.65	11.85	32.01	11.57			2	N/A	631.1	50,300
2016	(5.69)	(6.40)	11.45	0.12	12.02	(3.04)	12.17	2	N/A	428.0	48,659
2015	4.01	3.23	11.10	(1.25)	11.39	4.09	11.76	1	N/A	364.3	41,592
2014	(4.96)	(5.67)	12.20	(2.65)	12.06	(4.43)	12.24	1	N/A	298.0	41,062
2013	30.73	29.74	16.47	15.49	16.04	22.55	15.70	1	N/A	245.2	36,882
2012	16.28	15.42	18.51	16.67	19.10	16.86	18.85	1	N/A	141.1	34,425
2011	(12.54)	(13.21)	20.45	(14.21)	21.74	(12.11)	20.96	1	N/A	120.4	35,113
2010	18.11	17.24		14.45		12.25		1	N/A	149.4	33,318
2009	37.59	36.59		38.67		29.36		1	N/A	121.6	32,318
2008	(43.79)	(44.23)		(45.61)		(42.70)		2	N/A	173.3	27,606

Composite Description: The investment objective of the International Growth Equity Composite is to seek capital appreciation by investing in a portfolio of equity securities of foreign issuers. Effective September 1, 2005, the Firm changed the composite name from International Equity to International Growth Equity to reflect the portfolio’s focus on growth stocks. Results from all accounts have been continuous from the first full month under management to present or last full month under management. The International Growth Equity Composite was created September 30, 1997.

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Benchmark: Effective March 1, 2016, the Firm changed the benchmark from the MSCI EAFE Growth (net) Index to the MSCI ACWI ex USA Growth Index. The Firm changed the benchmark in order to better reflect the Composite's history of exposure to emerging markets. The benchmark was changed retroactively back to September 1, 2005. Benchmark results are presented for both indices for comparative purposes. Prior to September 1, 2005, the name of the Composite was the International Equity Composite and the benchmark was the MSCI EAFE (net) Index. The MSCI ACWI ex USA Growth Index is an unmanaged standard foreign securities index that captures large- and mid-cap securities exhibiting overall growth style characteristics across both Developed Markets (DM) countries and Emerging Markets (EM) countries outside North America. The MSCI EAFE Growth (net) Index captures large and mid cap securities exhibiting overall growth style characteristics across Developed Markets (DM) countries around the world, excluding the U.S. and Canada.

Minimum Account Size: All discretionary accounts in excess of \$2 million have been included in the 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. Performance results are presented on a gross and net basis and include the reinvestment of all income. The net results reflect the deduction of 1.00% for the period prior to January 1, 2004, and 0.75% thereafter, representing the maximum advisory fees charged to client accounts during the respective periods in the International Growth Equity Composite. The actual fees paid by a client may vary based on assets under management and other factors. Past performance is no guarantee of future results.

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 2007, the dispersion of annual return was calculated across equal-weighted portfolio returns. For periods during which five or fewer accounts were included in the composite for a full year, standard deviation is not disclosed because it is not considered meaningful.

Fee Schedule: The management fee schedule is as follows: 0.75% on amounts up to \$25 million, 0.65% on next \$25 million, and 0.55% on amounts over \$50 million. The actual fees paid by a client may vary based on assets under management and other factors.

Definitions

- **Active share** is the measure of the percentage of stock holdings in the portfolio that differs from the benchmark index.
- **Alpha** measures risk-adjusted performance, factoring in the risk due to the specific manager rather than the overall market.
- **Beta** shows the volatility of a manager as compared to the volatility of the benchmark.
- **Downside Market/Upside Market Capture Ratios** – measures an investment manager's overall performance in down- and up-markets.
- **Tracking Error** is the divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark.
- **Information Ratio** measures the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark and dividing it by the standard deviation of excess return.
- **Sharpe Ratio** measures risk-adjusted return, i.e., how much return earned for unit of risk taken.
- **Standard Deviation** – measures volatility, indicates the "risk" associated with a return series.
- **eVestment Alliance** is a global provider of institutional investment data intelligence and analytic solutions.
- **FactSet®** is a registered trademark of FactSet Research Systems, Inc. and its affiliates.

The **MSCI ACWI ex USA Growth Index** is an unmanaged standard foreign securities index that captures large and mid cap securities exhibiting overall growth style characteristics across both Developed Markets (DM) countries and Emerging Markets (EM) countries outside North America.

The **MSCI EAFE Growth Index** is a subset of the MSCI EAFE Index, and represents securities from Europe, Australasia and the Far East. The index generally represents approximately 50% of the free float-adjusted market capitalization of the MSCI EAFE Index, and consists of those securities classified by MSCI, as most representing the growth style, such as higher forecasted growth rates, lower book value-to-price ratios, lower forward earnings-to-price ratios and lower dividend yields than securities representing the value style.

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Performance Attribution

Performance attribution is an analysis of the representative account return relative to a selected 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. Attribution is broken down into two primary effects: sector or region allocation (that portion of the representative account's excess return that is attributable to over- or under-weighting a sector or industry or region relative to the benchmark) and security selection (the portion of the representative account's excess return that is derived from choosing different securities from the benchmark).

Total Returns are calculated using the closing price of any given security and do not necessarily reflect the actual trading price of such security. Accordingly, Total Returns shown above may differ from actual portfolio returns. 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 above 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 industries and sectors to which they are assigned by the index provider. Portfolio holdings that are not assigned by the index provider but that are included in the Factset® database are assigned to the index providers, industries, and 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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