

High Yield Fixed Income

Third Quarter 2018

Investment Philosophy

We believe high yield bonds represent a higher risk/reward opportunity within the fixed income investment spectrum.* High yield offers:

- Potential for more “equity-like” returns, while generating higher current income
- Less sensitivity to interest rates versus long-term U.S. Treasury bonds
- Diversification benefits within an overall investment or fixed income portfolio given lower correlations to other asset classes

Investment Process

Our high yield investment strategy follows a disciplined approach to portfolio construction that balances quantitative methods and qualitative analysis with stringent risk controls.

1. High Yield Universe

- BB+ and below
- Approximately 1,500 issues
- New issuance

2. Systematic Screening

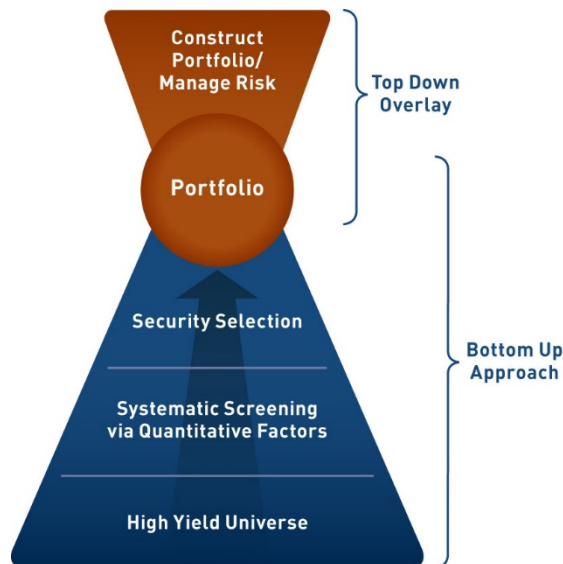
- Cash flow
- Operating strength
- Valuation

3. Security Selection

- Quantitative credit analysis
- Qualitative credit factors
- Capital structure
- Determination of relative value

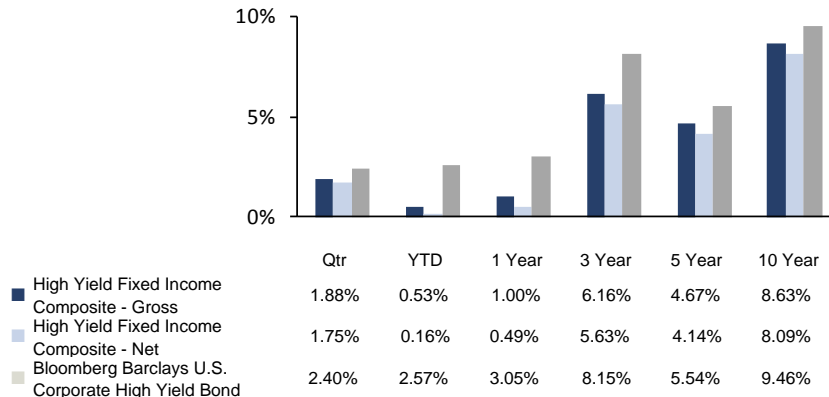
4. Construct Portfolio/Manage Risk

- Diversification by issuer and industry
- Consistent sell discipline



Performance Summary¹

(Annualized as of 9/30/18)



¹ 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 .50%, representing the maximum advisory fees charged to client accounts invested in the High Yield Fixed Income Composite during the respective period. 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.

*High yield lower-rated bonds generally entail greater market, credit/default, and liquidity risks and may be more volatile than investment-grade securities. **Past performance is no guarantee of future results.**

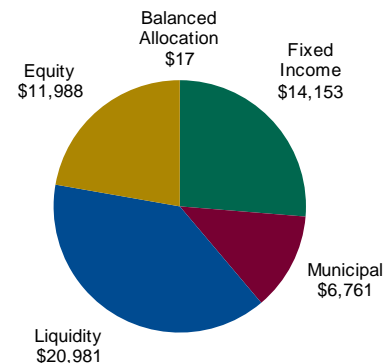
FIRM OVERVIEW

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, public, multi-employer, foundations, endowments, and other tax-exempt clients, as well as select individual clients.

ASSETS UNDER MANAGEMENT²

Total Firm:	\$53,900 million
Total Fixed Income:	\$35,134 million
High Yield Fixed Income:	\$14 million
Inception Date:	3/31/08

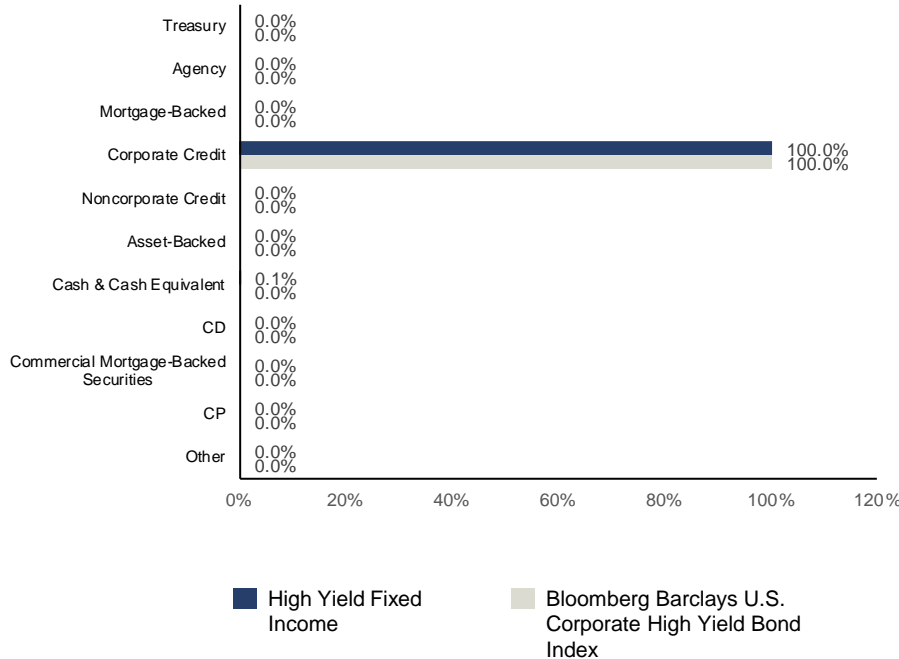
BY ASSET CLASS²



² AUM totals in millions for the period ending September 30, 2018.

Portfolio Characteristics & Allocations³

Sector Allocation



MANAGEMENT TEAM

Our Fixed Income investment team consists of experienced investment management professionals:

Sean T. Rhoderick, CFA
 Chief Investment Officer
 Taxable Fixed Income
 24 years industry experience

Richard P. Mears, CFA
 Portfolio Manager
 21 years industry experience

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Characteristics

Duration Distribution

Quality Allocation

	High Yield Fixed Income	Bloomberg Barclays U.S. Corporate High Yield Bond Index		High Yield Fixed Income	Bloomberg Barclays U.S. Corporate High Yield Bond Index		High Yield Fixed Income	Bloomberg Barclays U.S. Corporate High Yield Bond Index
Weighted Average Life (Years)	6.4	6.0	<1 Year	6.3%	7.6%	AAA	0.10%	0.00%
Effective Duration (Years)	4.7	4.0	1-3 Years	9.7%	25.8%	AA	0.00%	0.00%
Average Quality	Ba2	B1	3-4 Years	17.6%	18.8%	A	0.00%	0.00%
Yield to Maturity	5.7%	6.2%	4-6 Years	44.5%	35.1%	BBB	15.90%	0.00%
Turnover (12-month trailing)	33.9	N/A	6-8 Years	19.9%	8.8%	BB	62.00%	43.30%
Number of Holdings	67	1,974	>8 Years	2.1%	3.9%	B	22.00%	41.50%
						CCC	0.00%	14.40%
						CC or Lower	0.00%	0.80%

³ Supplemental information. Source: Analytics provided by The Yield Book® Software and Services. Sector and quality distributions for both the portfolio and the benchmark are calculated using the Bloomberg Barclays index methodology. Data reflect the characteristics of the representative portfolio managed under the fixed income investment style as of 9/30/18 and is for illustration purposes only. Characteristics are subject to change and should not be considered as investment recommendations. It should not be assumed that investment in the sectors listed and account quality ratings or duration ranges were or will prove profitable, or that investment decisions we make in the future will be profitable. Characteristics, sector weights, account quality ratings or duration ranges with regard to any particular client account may vary based on any investment restrictions applicable to the account. **Past performance is no guarantee of future results.**

High Yield Fixed Income Composite

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 High Yield

**PNC Capital Advisors
High Yield (Unrestricted) Fixed Income Composite**

Composite Inception Date: March 31, 2008
Composite Creation Date: March 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	7.21	6.68	4.66	7.50	5.57	1	N/A	10.7	50,300
2016	14.23	13.66	5.12	17.13	6.00	2	N/A	26.3	48,659
2015	(5.51)	(5.98)	4.69	(4.47)	5.26	2	N/A	26.5	41,592
2014	4.57	4.05	4.20	2.45	4.50	2	N/A	39.2	41,062
2013	5.91	5.38	5.56	7.44	6.41	2	N/A	39.2	36,882
2012	15.58	15.01	6.11	15.81	7.08	1	N/A	12.5	34,425
2011	5.97	5.44	10.43	4.98	11.09	1	N/A	7.2	35,113
2010	14.66	14.10		15.12		1	N/A	5.2	33,318
2009	44.97	44.27		58.21		1	N/A	12.8	32,318
2008	(20.62)*	(20.94)*		(23.86)*		1	N/A	6.6	27,606

*Represents return from 3/31/08 (date of inception) through 12/31/08

(Unrestricted) Fixed Income Composite has been examined by Ashland Partners & Company LLP for the period September 29, 2009 through December 31, 2014. 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. Performance presented prior to September 29, 2009 occurred while the investment team was affiliated with a prior firm (Allegiant Asset Management Company). In addition, a portability exam was conducted on the High Yield (Unrestricted) Fixed Income Composite by Ashland Partners & Company LLC for the period April 1, 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 High Yield (Unrestricted) Fixed Income Composite is to seek current income as well as capital appreciation by primarily investing in a portfolio of U.S. non-investment-grade fixed income securities. Effective February 17, 2015, Sean Rhoderick, CFA, assumed the role of Chief Investment Officer for Taxable Fixed Income from Andrew Harding. Mr. Harding had served as Chief Investment Officer for Taxable Fixed Income of PNC Capital Advisors, LLC, and its predecessor firms since 2000. Results from all accounts have been continuous from the first full month under management to present or last full month under management. The High Yield (Unrestricted) Fixed Income Composite was created March 31, 2008.

Benchmark: The benchmark for the composite is the Barclays Capital U.S. Corporate High Yield Index. The U.S. Corporate High-Yield Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt.

Minimum Account Size: All discretionary accounts in excess of \$5 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 0.50%, representing the maximum advisory fees charged to client accounts in the High Yield (Unrestricted) Fixed Income 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. 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: 0.50% on first \$50 million, 0.40% on next \$50 million, and 0.35% on over \$100 million. The actual fees paid by a client may vary based on assets under management and other factors.

High Yield Fixed Income Composite

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PNC Capital Advisors, LLC is an SEC-registered investment adviser, offering an array of investment strategies. Registration with the SEC does not imply any level of skill or training. PNC Capital Advisors, LLC is an indirect subsidiary of The PNC Financial Services Group, Inc. PNC Capital Advisor's strategies and the investment risks and advisory fees associated with each strategy can be found within Part 2A of the firm's Form ADV, which is available at <https://pnccapitaladvisors.com>.

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