

# International Growth Equity

Third Quarter 2018

## Investment Philosophy

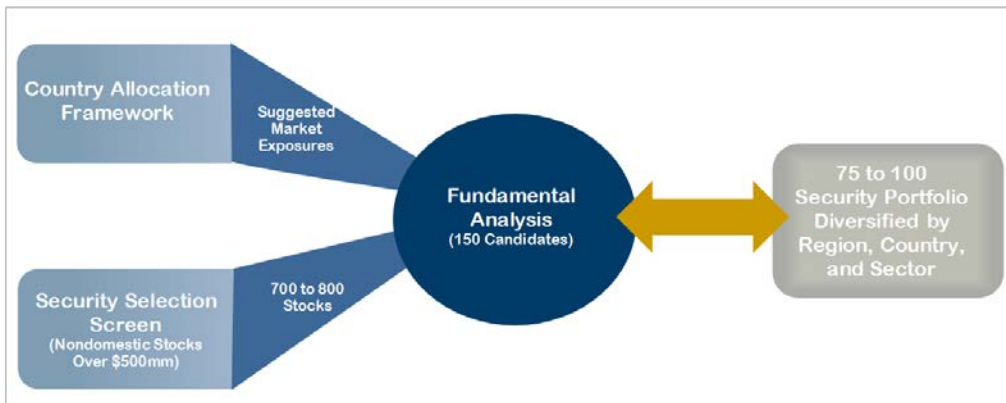
We believe stock prices are driven primarily by earnings growth within those international markets poised to outperform. We buy companies we believe:

- Exhibit sustainable and, ideally, accelerating earnings growth
- Possess high-quality balance sheets
- Are managed by experienced teams that have a clearly defined growth strategy

All positions fit within our top-down country allocation framework.

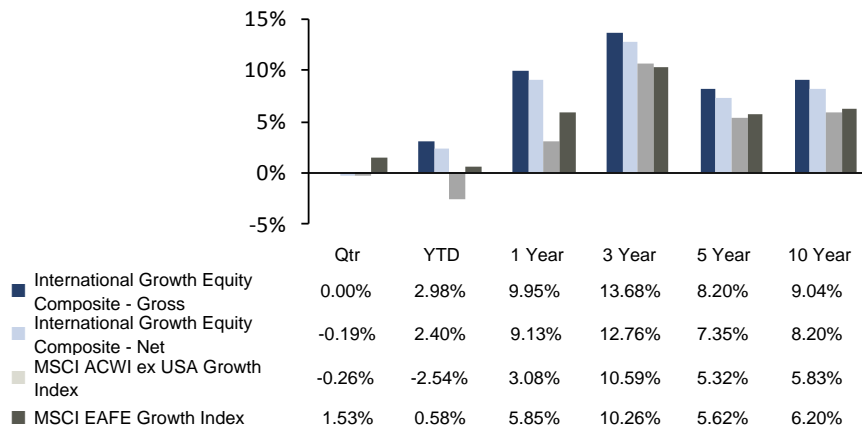
## Investment Process

A top-down/bottom-up approach results in a diversified portfolio that is flexible to market conditions.



## Performance Summary<sup>1</sup>

(Annualized as of 9/30/18)



<sup>1</sup> 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. 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>. Effective March 1, 2016, the Firm changed the benchmark from the MSCI EAFE Growth Index to the MSCI ACWI ex USA Growth Index. Benchmark results are presented for both indices for comparative purposes. Please refer to our GIPS®-compliant presentation, which includes additional information and important disclosures and is located at the end of this presentation. **Past performance is no guarantee of future results.**

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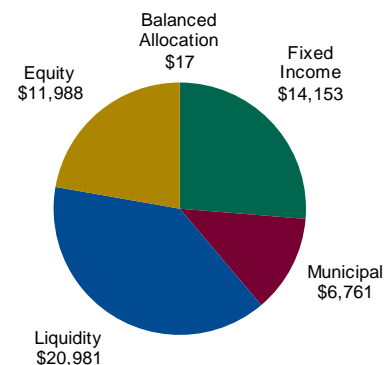
## FIRM OVERVIEW

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 MANAGEMENT<sup>2</sup>

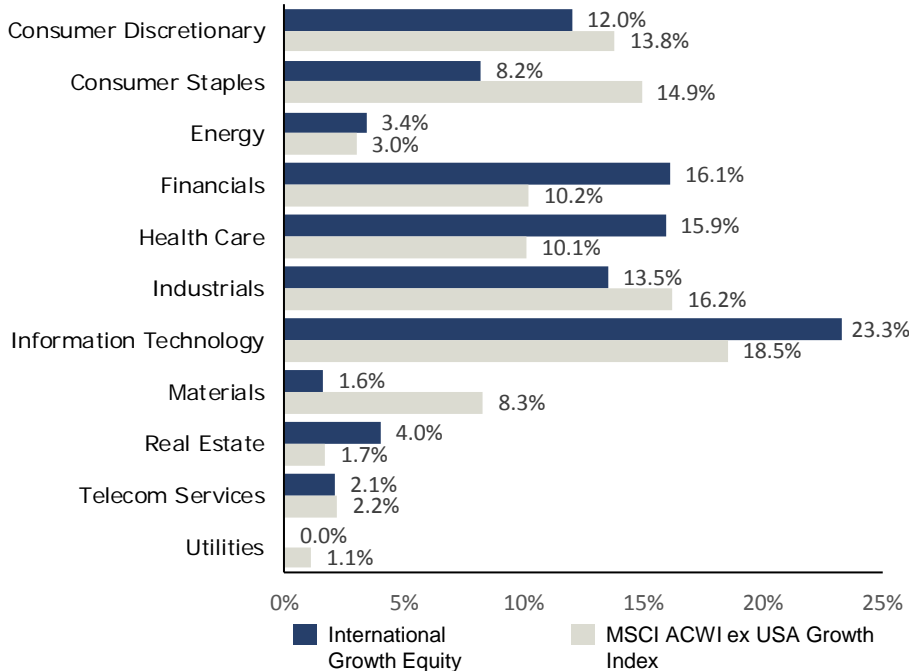
Total Firm:	\$53,900 million
Total Equity:	\$11,988 million
International Growth Equity:	\$737 million
Inception Date:	9/30/97

## BY ASSET CLASS<sup>2</sup>



<sup>2</sup> AUM totals in millions for the period ending September 30, 2018.

## Sector Allocation<sup>3</sup>



## MANAGEMENT TEAM

Our International Equity investment team consists of experienced investment management professionals:

**Martin C. Schulz**  
 Managing Director  
 International Equity  
 23 years industry experience

**Calvin Y. Zhang**  
 Senior Analyst/Portfolio Manager  
 14 years industry experience

**Robert Zhang**  
 Senior Analyst  
 12 years industry experience

**Scott Camp**  
 Analyst/Trader  
 15 years industry experience

**Michael Czekaj, CFA**  
 Analyst  
 7 years industry experience

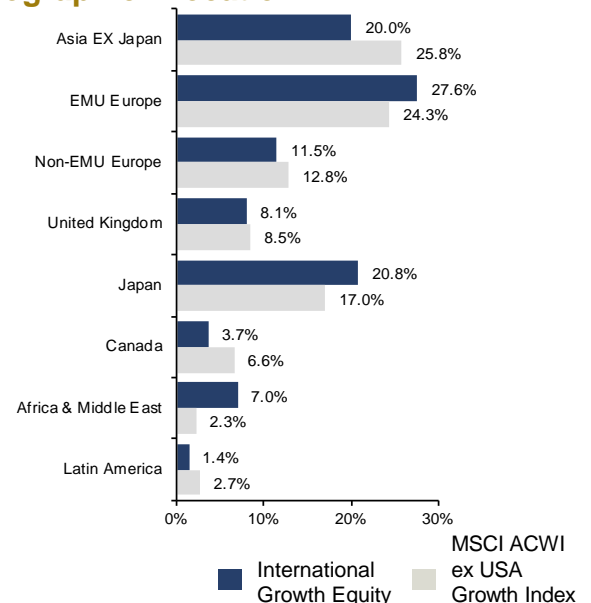
**Robert Szeles, CFA**  
 Analyst  
 6 years industry experience

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## Characteristics<sup>3</sup>

	International Growth Equity	MSCI ACWI ex USA Growth Index
Weighted Average Market Cap (\$MM)	\$58,279	\$68,149
Median Market Cap (\$MM)	\$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 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%
Turnover (12-month Rolling)	40.9%	N/A
EPS Growth 5 Year Hist	16.5%	9.2%
EPS Growth 5 Year Projected	16.5%	11.5%
P/E Y + 1/LT Growth Rate	1.2	1.5
# of Equity Holdings	97	1,150

## Geographic Allocation<sup>3</sup>



<sup>3</sup> Supplemental information. Data as of 9/30/18. Source: FactSet®. It should not be assumed that investments in any of the sectors listed were or will prove profitable. The sectors discussed herein should not be perceived as investment recommendations and securities within a sector may no longer be held in an account's portfolio. Sector allocations are subject to change. The information shown is derived from a representative account deemed to appropriately represent this investment strategy. Sector weights of any particular client may vary, sometimes significantly, based upon factors applicable to the account such as investment restrictions. It should not be assumed that investments in any of the countries listed were or will prove profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the countries listed. Geographic allocations are subject to change. The information shown is derived from a representative account deemed to appropriately represent this investment strategy. Each client's portfolio is individually managed and may vary, sometimes significantly, from the information shown based upon factors applicable to the account such as investment restrictions. Portfolio characteristics are based on a representative account within the composite that we believe most closely reflects current portfolio management style for this strategy. Performance is not a consideration in the selection of the representative account. Characteristics are subject to change and should not be considered as investment recommendations. There is no guarantee that holding securities with relatively high (or low) price to earnings, price to sales, price to cash, return on equity, or dividend yield will cause the portfolio to outperform its benchmark index. Indexes are unmanaged and not available for direct investment. **Past performance is no guarantee of future results.**

**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.

**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.

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