



Disclosure Document for the Capital Directions Program

An Investment Advisory Service of
PNC Investments LLC

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This wrap fee program brochure ("Brochure") provides information about the qualifications and business practices of PNC Investments and the Program. If you have any questions about the contents of this Brochure, please contact us at (800) 762-6111. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

PNC Investments LLC, a registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"), is a wholly owned subsidiary of The PNC Financial Services Group, Inc. Registration does not imply a certain level of skill or training. Additional information about PNC Investments LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

<p>Not FDIC Insured • Not Bank Guaranteed • Not A Deposit • Not Insured By Any Federal Government Agency • May Lose Value</p>

Material Changes

Effective October 1, 2015, the Capital Directions wrap-fee advisory program converted to a single unified managed account program. The following changes have been made to the PNC Investments Capital Directions wrap fee program brochure to reflect the conversion to a flexible unified managed account program (each such change has been made since the annual amendment to the brochure dated March 12, 2015):

General: Effective as of October 1, 2015, the Capital Directions Program has converted into a “unified managed account” program. A description of the revised Program and the associated investment services and fees has been added to this Brochure.

Beginning on Page 5 – Services, Fees and Compensation: A description of the new Capital Directions Program has been provided.

Page 9 – Services, Fees and Compensation—*The Capital Directions Program*: Additional disclosure has been added regarding the receipt of revised Client Proposals. Specifically, the terms of the Investment Management Agreement do not require that an updated Proposal be sent to you to reflect (i) changes in fees for services provided under the Program; (ii) changes in investments, models, model providers or asset allocation; (iii) changes resulting from new information or elections provided by you with respect to the management of your Account.

Page 10 – Services, Fees and Compensation—*The Capital Directions Program*: Additional disclosure has been added about the ability of PNC Investments to limit the availability and/or change investment options under the Program. If a particular investment model, mutual fund or exchange traded fund is terminated, PNC Investments may select a replacement investment without any prior notice to you.

Page 11 – Services, Fees and Compensation—*Securities Transferred into an Account/Withdrawals from an Account*: Disclosure has been added regarding the transfer of securities into a Capital Directions Program Account and the withdrawal of assets from an Account. The disclosure addresses the fact that you may incur adverse tax consequences as well as additional transaction costs if you fund the Account with securities. Additionally, PNC Investments may need to liquidate a portion of the Account to cover requested withdrawals.

Pages 11-13 – Services, Fees and Compensation—*Fees and Expenses*: Account holders in the new Capital Directions Program that utilize an investment model will be subject to a “Model Provider Fee.” Please note that the Capital Directions Program did not previously offer clients investment models and therefore the Model Provider Fee is new, as well as separate from, and in addition to, the Program Fee (as described further herein).

Page 13—You may be eligible for reduced fees by Householding accounts. Householding is the aggregation of Eligible accounts (Capital Directions, PNC Directions and Portfolio Solutions accounts).

Page 13 – Householding of Account Fees: Disclosure has been added regarding the “householding” of Accounts in order to reduce fees paid by each applicable Account. Upon a client’s specific request, PNC Investments may household accounts with the same last name (or a different last

name, if a spouse) and the same address. PNC Investments is not responsible for identifying Accounts eligible for householding.

Page 15 – Services, Fees and Compensation—*Cash Balances*: Disclosure has been added regarding the handling of uninvested cash balances which may be invested in a money market fund, or other sweep vehicle, as selected by PNC Investments. Such sweep investments may include a fund managed by, or a deposit with, an affiliate of PNC Investments. A description of the investments, as well as the potential fees associated therewith, is provided further in the Brochure.

Page 16 – Account Requirements and Types of Clients: The disclosure has been revised to reflect the new minimum account size for the Capital Directions Program of \$50,000. Additionally, disclosure has been added to discuss investment minimums imposed by Model Providers.

Pages 19 – Proxy Voting: Disclosure has been added regarding PNC Investments' proxy voting policies and procedures. PNC Investments may retain a third-party service provider to receive proxy statements and vote shares according to instructions from PNC Investments.

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About PNC Investments LLC

PNC Investments LLC ("PNC Investments") is an investment advisor and also a registered broker-dealer and member of FINRA and SIPC. The firm offers retail brokerage and investment advisory services. PNC Investments serves as sponsor of, and in some cases as a portfolio manager for, wrap-fee investment programs. PNC Investments is a wholly owned subsidiary of PNC Bank, National Association ("PNC Bank") and is a part of The PNC Financial Services Group, Inc. ("PNC"), which is a diversified financial services institution with roots in commercial banking and investment management dating back to the early 1800s.

Throughout this document, the terms "client," "you," and "yours" are used to refer to the individual(s), institution(s) or organization(s) who contract with us for the services described here. "PNC Investments," "we," "our," "us" and "the firm" refer to PNC Investments LLC, together (as applicable) with our affiliates, including but not limited to, PNC and its agents with respect to any services provided by those agents. Each affiliate is a separate legal entity and not responsible for the obligations of any other affiliate.

"Account" means each brokerage and/or advisory account you open with us that is subject to the Capital Directions Program investment management agreement (the "Investment Management Agreement"), including any and all mutual funds, exchange traded funds, money, securities, financial instruments and/or other property you have funded in such accounts. "Business Day" means Monday through Friday, excluding New York Stock Exchange holidays. The term "sponsor" refers to any person who receives compensation for sponsoring, organizing or administering the Program, or for selecting, or providing advice to clients regarding the selection of, persons responsible for managing the client's Account in the Program. "Wrap" refers to an Account that charges a quarterly or annual fee based on the average assets under management, which "fee" covers administrative, commission, execution and management expenses.

SERVICES, FEES AND COMPENSATION

This Brochure is being provided pursuant to Section 204 of the Investment Advisers Act of 1940, as amended, and deals solely with our Capital Directions Program. In addition to the Capital Directions Program, PNC Investments offers a variety of investment advisory services. These include, but are not limited to, the Portfolio Solutions Program and the PNC Directions Program. More information about these programs and services is contained in the applicable PNC Investments brochure and is available upon request or through the SEC's website at http://www.adviserinfo.sec.gov/iapd_search.aspx. For more information about these or other services that are available from PNC Investments, please contact your Financial Advisor. Other advisory services are offered by our affiliates.

The Capital Directions Program

The Capital Directions Program is a unified investment advisory platform that provides clients an integrated set of diversified portfolios through a single brokerage account. Model investment strategies, which are available in a variety of investment types and styles, are provided by professional investment managers that we select from an approved list for management of your portfolios. We will help you formulate an investment strategy, which will be implemented through use of investment manager models, mutual funds and exchange traded funds ("ETFs") that are a part of the Program. Depending on the client's selection, we will invest the Account in all or a combination of equities, fixed-income securities, mutual funds, ETFs and other securities and investment products made available through the Program now or in the future. Six core asset allocation models, each associated with a distinctive risk profile and comprised of a unique mix of

investment assets have been developed by PNC Bank's Asset Management Group and approved by PNC Investments' Product Development and Oversight Committee. Each of the models is offered in taxable, tax-sensitive, domestic taxable, and domestic tax-sensitive variations. These models are summarized below:

- **Preservation.** The primary objective of this asset allocation model is the preservation of the purchasing power of the portfolio. A secondary objective is to generate a modest amount of current income to offset the effects of inflation. Capital appreciation is not an objective of this model.

A Preservation portfolio is constructed to provide stability of invested capital by allocating a higher percentage of the assets to money market investments and fixed income securities. A small percentage is allocated to funds focused primarily on large cap domestic equities to generate a modest amount of the asset's total return potential. The portfolio assumes reinvestment of all interest and dividend income to help maintain the portfolio's value. The recommended time horizon of the portfolio is one to three years.

You should be aware that over long time periods, the Preservation model is unlikely to grow in value, after accounting for the effect of inflation and advisory fees. Risks include the fact that fixed income securities may lose value in a rising interest rate environment, and are subject to credit risk if the issuer's ability to repay its debts should become doubtful.

- **Conservative.** The primary objective of the Conservative model is to generate a modest amount of current income, and secondarily to provide a modest amount of long-term capital growth, which should help offset some of the effects of inflation. Long-term growth of principal will be aided by income reinvestment. The minimum recommended time horizon for this portfolio is three to five years.

While the goal is to maintain a low-risk posture, investors should be willing to accept periodic declines in portfolio value. Although past performance is no guarantee of future results, any such decline should be less severe than declines in the broader equity markets. The portfolio's split allocation between equity and fixed income securities, with an allocation to cash and money market instruments, exposes it to both the risk of rising interest rates and falling equity prices.

- **Moderate.** The objective of the Moderate model is to generate a moderate amount of current income with the potential for longer-term capital growth. The portfolio is evenly split between equity and fixed income securities, with a small allocation to cash and money market instruments, and is constructed to provide both long-term capital appreciation in excess of inflation and a moderate amount current income. While the current income generated could be available to meet your day-to-day expenses, reinvestment of income will increase the portfolio's ability to exceed inflation over the long-term. The minimum recommended time horizon for this portfolio is five to ten years.

The portfolio's split allocation between equity and fixed income securities, with an allocation to cash and money market instruments, exposes it to both the risk of rising interest rates and falling equity prices. Your ability to keep your funds invested in the program and ride out market declines raises, but does not guarantee, the possibility of achieving the portfolio's long-term investment objective.

- **Balanced.** The primary objective of the Balanced model is to provide long-term capital appreciation in excess of inflation, with a modest amount of current income as a secondary objective. The portfolio is split between equities and fixed income securities, with a higher allocation to a variety of equity securities. The portfolio also contains a small allocation to cash and money market instruments. While the current income generated could be available to meet your day-to-day expenses, income reinvestment will increase the portfolio's ability to exceed inflation over the long-term. The minimum recommended time horizon for this portfolio is five to ten years.

This portfolio maintains a somewhat aggressive risk posture, and you should be willing to accept periodic declines in portfolio value. Because the portfolio is largely invested in equities, it can experience fluctuations – up or down – in value over short time periods. Your ability to keep your funds invested in the program and ride out market declines raises, but does not guarantee, the possibility of achieving the portfolio's long-term investment objective.

- **Growth.** The primary objective of the Growth model is long-term capital growth. It may secondarily generate a minimal amount of current income by including some fixed income securities. The portfolio is concentrated in equity investments in order to earn returns exceeding the rate of inflation over the long-term. A small allocation to fixed income securities, as well as cash and money market instruments, is included primarily to dampen volatility over the long-term. The minimum recommended time horizon for this portfolio is more than ten years.

This portfolio maintains an aggressive risk posture, and you should be willing to accept potentially significant declines in portfolio value that be similar to or exceed declines in the broader equity markets. Because the portfolio is predominantly invested in equities, it can experience sharp fluctuations – up or down – in value over short time periods. Your ability to keep your funds invested in the program and ride out market declines raises, but does not guarantee, the possibility of achieving the portfolio's long-term investment objective.

- **Aggressive.** The primary objective of the Aggressive model is long-term capital growth. An Aggressive portfolio is concentrated in equity investments for long-term growth. Returns in excess of the underlying rate of inflation are necessary to increase both principal and purchasing power. The minimum recommended time horizon for this portfolio is more than ten years.

This portfolio maintains a highly aggressive risk posture, and you should be willing to accept potentially significant declines in portfolio value, similar to or greater than declines in the broader equity markets. The portfolio may contain a small allocation to fixed income as well as cash and money market instruments. Because the portfolio is predominantly invested in equity securities, it can experience sharp fluctuations – up or down – in value over short time periods. Your ability to keep your funds invested in the program and ride out market declines raises, but does not guarantee, the possibility of achieving the portfolio's long-term investment objective.

In addition to the asset allocation models, the Program offers two income models that have been developed by PNC Investments' Investment Due Diligence Committee based on input from PNC's Investment Policy Committee. Each such income model is associated with a distinct risk profile and comprised of a unique mix of investment assets. As with the asset allocation models, each of the income models is offered in taxable, tax-sensitive, domestic taxable, and domestic tax-sensitive variations. These income models are summarized below:

- **Core Fixed Income.** The primary objective of this portfolio is total return comparable to a portfolio of investment grade domestic bonds. Capital preservation is a secondary objective. The minimum recommended time horizon for this portfolio is three to five years.

This portfolio has a strategic allocation to U.S. Investment Grade Bonds and tactical allocations to both Leveraged Loans and Global Bonds. The portfolio's allocation to 100% fixed income exposes it to the risk of rising interest rates. Any decline experienced in this portfolio should be significantly less severe than declines in a portfolio that has significant equity exposure.

- **Total Rate of Return.** The primary objective of this portfolio is total return incrementally higher than a portfolio of investment grade domestic bonds achieved through slightly more aggressive tactical decision making. A secondary objective is capital preservation. The minimum recommended time horizon for this portfolio is three to five years.

This portfolio invests in fixed income securities with an emphasis on total return. This model uses a broader range of credit quality securities which emphasizes slightly more tactical decision making. The portfolio's allocation to 100% fixed income exposes it to the risk of rising interest rates.

An alternative version of each model may also be available. When alternative models are selected, the traditional asset classes in each model will be reduced on a pro rata basis. The alternative models include an allocation to alternative strategy mutual funds that are registered with the SEC under the Investment Company Act of 1940 (the "Investment Company Act"). Alternative mutual funds can use one of many different strategies including, but not limited to, long/short, managed futures, or market neutral. PNC Investments will select the funds and allocation in the alternative models, and you will not have the ability to modify the funds or allocation selected.

Alternative strategy mutual funds are accompanied by risks that might be different from those associated with traditional investments, while providing additional diversification benefits to a stock and bond portfolio. When used as part of an overall solution, alternatives may help to meet a client's investment needs.

Because alternative mutual funds are regulated under the Investment Company Act, there are several ways in which they differ from unregistered hedge funds and other traditional alternative investments. Alternative mutual funds are subject to:

- Limits on illiquid investments including a maximum of 15% of assets in illiquid investments;
- Limits on leveraging of no more than 33% of assets;
- Diversification requirements including a maximum of 25% of assets invested in one issuer; and
- Daily pricing and redeemability of fund shares.

Alternative mutual funds are also prohibited from charging the types of management and performance based fees (e.g., a "2/20" fee) typically charged by hedge funds.

Before you open an Account in the Capital Directions Program, your Financial Advisor ("FA") will help you complete an investor questionnaire that provides us with a comprehensive understanding of your financial situation, investment objectives and risk tolerance. Based on the information collected in the questionnaire, we will recommend a flexible asset allocation model appropriate to your situation. We

will present our recommendation to you in the form of a proposal (the “Proposal”) for your acceptance and approval. In setting up the Account, your FA, in consultation with you, will be able to select from a variety of approved mutual funds, ETFs and investment models offered by professional asset managers (“Model Providers”), available through the Program.

After the initial Proposal is reviewed and approved by you, the terms of the Investment Management Agreement do not require that an updated Proposal be sent to you, including in the following circumstances:

- You will not be sent an updated Proposal to reflect changes in the fees for services provided under the Program;
- You will not be sent an updated Proposal to reflect a change we make to a particular asset allocation model, or to Model Providers or investment selections;
- You will not be sent an updated proposal to reflect changes you request, or PNC Investments recommends, with respect to the management of your Account, including a change in Model Providers or investment selections.

Certain of these changes may result in an increase/decrease to the fees discussed further herein (see Services, Fees and Compensation – *Fees and Expenses*). Although you will not be sent an updated Proposal, any changes to the Account’s fees will be reflected in the next Account statement summarizing the activity in your Account. Although the terms of the Investment Management Agreement do not require an updated Proposal to be sent to you, certain changes to information included in your Proposal may, from time to time and at our discretion, be provided to you in an updated Proposal or in another document provided or made available by PNC Investments or our affiliates.

By accepting and signing the Investment Management Agreement, you grant discretion over your Account to PNC Investments and you authorize us to invest and reinvest the assets in your Account in a combination of equity securities, fixed income securities, mutual funds, ETFs and other financial instruments in accordance with the allocation model that you have selected. The scope of any investment advisory relationship we have with you is defined in the Investment Management Agreement. When you are enrolled in the Program, we act as your investment adviser only for your Account and not for any other assets or accounts, unless otherwise separately agreed to by us in writing. Our Capital Directions Program advisory relationship with you begins when we enter into an Investment Management Agreement with you, which occurs at the later of the date of acceptance of the signed Investment Management Agreement by PNC Investments or the date on which you have contributed the required minimum level of assets to your Account. Preliminary discussions or recommendations before we enter into an Investment Management Agreement with you are not intended as investment advice and should not be relied on as such.

If your Capital Directions Account is an Individual Retirement Account (“IRA”), a Roth IRA or an account subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), the Account will not be permitted to invest in mutual funds advised by affiliates of BlackRock, Inc. or by PNC Capital Advisors, LLC. This prohibition does not restrict purchases of iShares, which are ETFs advised by an affiliate of BlackRock, Inc. Nevertheless, there may be periods during which we will not recommend investments in certain additional iShares due to restrictions related to PNC Investments’ affiliation with BlackRock, Inc. We may also, at our discretion, change the asset allocation in any model or the funds available with respect to particular asset allocation strategies.

The Capital Directions Program is designed for investors who wish to give PNC Investments full discretion to invest the assets in their Accounts according to the asset allocation model selected. Once you are approved for the Program, you will not have the ability to directly buy or sell individual securities in your Account, or to direct your FA or any Model Provider to buy or sell securities in your Capital Directions Account. You will not be able to obtain a margin loan using the securities in your Account as collateral. You will retain, however, the ability to place reasonable restrictions on the securities that may be purchased for or held in your Account, subject to the review and approval of PNC Investments as the manager of the Account and based on the investment model selected. There are two types of investment restrictions that you may impose: (1) individual security restrictions, including mutual funds, EFTs and specific equity securities; and (2) industry restrictions. PNC Investments will determine which specific securities fall within an industry restriction and will implement any industry restrictions in a manner it determines in its sole discretion from time to time. If an individual security restriction is reasonable, PNC Investments will generally allocate assets that would have been invested in a restricted security to cash or one or more substitute securities, which may include ETFs, on a pro rata basis. Any restrictions you impose on individual securities will not apply to mutual fund or ETF holdings.

PNC Investments will be responsible for monitoring and maintaining the asset allocation models available through the Capital Directions Program and will have the discretion to buy and sell securities for your Account. Depending on the asset allocation model chosen, PNC Investments will make investments in, without limitation, equity securities, fixed income securities, cash (and/or short-term investments including, but not limited to, money market funds), mutual funds, ETFs and other financial instruments. PNC Investments will also be responsible for rebalancing your Account to keep it within the acceptable allocation ranges for the specified model. PNC Investments may, at its discretion, remove an asset allocation model from the schedule of available models and replace it with another model, without any prior notice to you.

PNC Investments retains the authority to limit the availability of a particular investment model offered by a Model Provider, mutual fund or ETF and/or to terminate or change investment models, mutual funds and ETFs when circumstances are such that PNC Investments believes a change is in your best interest. If an investment model, mutual fund or ETF is terminated, PNC Investments will select a replacement investment without any prior notice to you.

You will receive a monthly statement following any month in which there is investment activity in your Account, confirming all transactions in your Account, including additions, disbursements, purchases, sales, and advisory fees paid to PNC Investments or fees paid to Model Providers. For periods in which there is no investment activity in your Account, statements will be provided quarterly. You will also receive a quarterly performance report which tracks the performance of your portfolios against relevant benchmarks.

Your FA will attempt to contact you at least annually, or more often as you and your FA may arrange, to review your Account and any changes to your financial profile or investment objectives. You should inform your FA of any changes to your financial profile or investment objectives. Your FA will communicate any changes about you to PNC Investments. If you elect to utilize an investment model offered by a Model Provider, you will have very limited, if any, direct contact with the Model Provider selected for your Account. Therefore, it is very important that you maintain contact and communication with your FA. You should direct any inquiries about your Account, the allocation model or any Model Providers to your FA.

The Investment Management Agreement will continue in effect until terminated by you or PNC

Investments upon 30 days' written notice to the other party.

Securities Transferred into an Account

You should be aware that if you transfer securities into a Capital Directions Account, some and possibly all, of the transferred securities will be liquidated upon, or shortly after, transfer to the extent such securities do not comprise a portion of the Account's recommended investments under the Program. You may incur adverse tax consequences as well as additional transaction costs in connection with these transactions. Please note that if you transfer illiquid securities into a Capital Directions Account, it may delay management of that Account until such securities are transferred out or otherwise removed.

Withdrawals from an Account

You should also be aware that if you request a withdrawal from a Capital Directions Account, PNC Investments as investment manager, may need to liquidate a portion of the Account to cover the requested withdrawal amount. This will happen, for example, when the cash in your Account is insufficient to accommodate the requested withdrawal. You may incur adverse tax consequences as well as additional transaction costs in connection with these transactions. In addition, you should be aware that liquidation transactions are at the discretion of the investment manager, and cash may not be available for distribution until several days after the initial request is made.

Fees and Expenses

You will pay both a "Program Fee" and, if you elect to utilize an investment model offered by a Model Provider, a separate "Model Provider Fee" for the services provided under the Capital Directions Program. The Program Fee and Model Provider fee, if applicable, will be reflected on your account statement as the "Portfolio Services Fee". Each fee is calculated as a percentage of assets under management and will vary depending on the services provided to you. A commission or service charge per trade may be charged to your brokerage account when liquidating assets to establish the Capital Directions Account.

The Program Fee is based on the total assets under management, including any portion of the Account maintained in cash or in short-term vehicles including, but not limited to, money market funds. As the market value of the Program Account reaches a higher breakpoint, as shown in the table below, the assets within that higher breakpoint category are charged a lower rate. Our standard Program Fee schedule is as follows:

Assets Under Management	Standard Program Fee
First \$250,000	2.00%
Next \$250,000	1.75%
Next \$500,000	1.50%
Next \$1,000,000	1.25%
Next \$2,000,000	1.00%
Over \$4,000,000	Negotiable
Minimum Annual Fee	\$350

Current employees and retirees of PNC and their immediate family members, as well as certain participants in PNC Bank's Workplace Banking Program, may be eligible for Employee and Workplace Banking pricing.

Depending on certain factors, including the type and size of your Account, the range of services provided and the total amount you have invested with PNC Investments, you may negotiate a Program Fee that varies from the standard schedule above. The Program Fee for your Account is referenced in the fee schedule included as part of the Proposal completed and accepted by you. The Program Fee you pay to PNC Investments for the Capital Directions Program is charged quarterly in advance and will be based on the average daily balance in your Capital Directions Account over the prior calendar quarter or portion thereof except in the case of a new account, as outlined below. For each quarter during which your Account is subject to the minimum annual Program Fee set forth above, your Account will be charged the lesser of $\frac{1}{4}$ of the minimum annual Program Fee or 2% of the average daily balance in your Capital Directions Account over the prior calendar quarter or portion thereof.

The Program Fee covers the cost of brokerage commissions and other transaction fees only for transactions effected through National Financial Services LLC ("National Financial") on an agency basis. You will bear the cost of brokerage commissions on transactions effected through other brokers, dealer markups, markdowns and spreads (whether charged by National Financial or another broker-dealer for transactions effected on a principal basis), and any other transaction or account fees that are charged to the Account.

In addition to the Program Fee, if you elect to utilize an investment model offered by a Model Provider, you will pay a separate Model Provider Fee for the services provided by the investment manager(s) that provide of the investment model(s) you have selected. The Model Provider Fee is based on the average daily balance of assets under advisement invested pursuant to the applicable investment model(s), including any portion of the Account maintained in cash, money market funds or other short-term vehicles, over the prior calendar quarter, or portion thereof. Fees and styles for each Model Provider you have selected are designated in your Proposal. Currently Model provider fees range from 50 bps to 75 bps.

Calculation of Account Fees

The Program Fee and the Model Provider Fee will be paid in advance to Advisor at the end of each calendar quarter for the following quarter and will be calculated on the last business day of the quarter as follows. The Program Fee is calculated based upon the average daily market value of the total assets in the Account over the prior calendar quarter. The Model Provider Fee is calculated based on the average daily market value of assets in the Account invested pursuant to the applicable investment model(s), including any portion of such assets maintained in cash, money market funds or other short-term vehicles pursuant to the applicable investment model(s), over the prior calendar quarter. Because the Model Provider Fee may differ based upon the investment options selected for the Account, the actual aggregate fees charged to the Account will be based upon the fees attributable to the investment options included in the Account at the time of the fee calculation (i.e. the last business day of the calendar quarter). Accordingly, it is important to note that changes in the Account's asset allocation caused by rebalancing, as well as changes among the types of investment options, during a particular calendar quarter may cause the aggregate of the Program Fee and the Model Provider Fee to be higher or lower than such aggregate amount would have been if calculated based on the composition of the investment options actually held in the Account during the relevant calendar

quarter. Upon your request, we will provide you with a detailed explanation of the fee calculation which will allow you to recalculate the fees should you so desire.

If your Account is new, you will pay an initial fee after the date that the custodian receives the initial assets of your Account. An adjustment to the next quarterly fee will be made for any significant contributions or distributions that occur during the inception quarter of your Account. With your initial contribution and for any additional contribution or distribution adjustments, your fee will be calculated for that portion of the ongoing quarterly Program Fee that relates to the number of days remaining in the calendar quarter as of the date your Account becomes subject to the Investment Management Agreement or that you make the additional contribution or distribution, as applicable. This Program Fee will be based on the total market value of assets in your Account on that date.

Fees are not prorated for contributions or withdrawals made during a calendar quarter, except in the case of a new Account, as outlined above, or account termination. If your Account is terminated by you or PNC Investments during a calendar quarter, the fee for that quarter will be prorated over the number of days that the Account was open during the quarter. Any overpayment will be refunded to you after the Account is closed. PNC Investments reserves the right to charge its standard fees for additional brokerage account services that are not included in the Program. Such fees may include, but are not limited to, ACAT (i.e., account transfer) fees, wire transfer fees, IRA fees and stop payment fees.

Householding of Account Fees

You may qualify for lower Program Fees by combining or “householding” accounts held in your household, including Capital Directions Program Accounts, PNC Directions program accounts, and Portfolio Solutions program accounts. For purposes of this Brochure and the Investment Management Agreement, “householding” shall mean aggregating Eligible Accounts (as defined below) in order to qualify for more favorable fees. Upon your request, we will make a reasonable effort to household accounts of persons with the same last name (or a different last name, if a spouse) and the same address. Eligible Accounts shall include accounts held with PNC Investments by (i) spouses and (ii) dependent children. We are not responsible for identifying Eligible Accounts for householding consolidation and will household accounts only upon your specific request. Certain PNC Investments accounts may not be eligible for householding consolidation, in the discretion of PNC Investments. The assets of accounts that are part of a household are not commingled and retain account ownership rights and responsibilities.

Deduction of Account Fees

All fees incurred by the Account will be paid from the cash balance or by selling shares of a money market mutual fund. If the Account does not have a sufficient cash balance or enough money market mutual fund shares to cover the fees, we may liquidate other funds or securities as necessary to pay them. Selling securities to pay fees may incur transaction costs and could create tax consequences for you. You may contact your Financial Advisor if you have any questions regarding the fees charged to your Account.

Clients who opened accounts in the Capital Directions Program prior to January 2, 2015 and who have not previously authorized PNC Investments to adjust your Program Fee may be subject to a Legacy Fee Arrangement which varies from the schedule above (“Legacy Fee Arrangement”). Please note that the authorization to adjust the Program Fee may have been obtained via negative consent. The Legacy Fee Arrangement, if applicable, is outlined in your investment management agreement. At the sole

discretion of PNC Investments, certain other Accounts converted from the Strategic Directions or Premier Directions Programs as of October 1, 2015 may also be subject to a Legacy Fee Arrangement.

Other Expenses

Each of the mutual funds, including money market mutual funds, in which Program assets are invested pays separate operating expenses, management fees and distribution fees. As a shareholder of these funds, you, along with other shareholders of the funds, will bear a proportionate share of the fund's expenses, including, as permitted by applicable law, certain management and other fees which may be payable to PNC Investments or our affiliates. Each fund's prospectus or other disclosure document contains a description of its fees and expenses. Some mutual funds may also impose redemption fees to discourage short-term trading. Redemption charges are retained from the proceeds of the sale by the fund company for the benefit of the remaining shareholders. These charges are in addition to the Program Fee paid to us and are reflected on your monthly statement.

PNC Investments is expressly authorized to receive commissions and/or fees associated with your investments in mutual funds as described in the applicable funds' prospectuses. These fees may include distribution and marketing fees (12b-1 fees), omnibus accounting fees, and/or fees for sub-administration, shareholder services, recordkeeping, print mail services or other related fees ("Mutual Fund Compensation"). Mutual Fund Compensation is generally calculated as a percentage of the fund's net assets and is used to compensate financial advisors and other investment professionals for services provided to the shareholder's account on behalf of the fund company. If you open your Account as an IRA, or your Account is otherwise subject to ERISA, we will credit to your Account the amount of any Mutual Fund Compensation received back to your Account as disclosed in the IRA application or applicable Investment Management Agreement. Mutual Fund Compensation is not, however, used to offset fees in non-IRA/non-ERISA accounts.

PNC Investments and our affiliates may also receive additional compensation and/or revenue sharing payments from mutual fund providers or their affiliates who compensate us for assets invested in their funds. These payments can create incentives for PNC Investments or our affiliates to promote those funds for which we receive revenue sharing payments over funds from mutual fund providers that do not compensate us through revenue sharing. We mitigate this potential conflict of interest through our due diligence process for selecting mutual funds for the Program's platform which is designed to select mutual funds on criteria other than compensation. Assets in IRA accounts or accounts subject to ERISA are not included in revenue sharing calculations; accordingly, we do not receive any revenue sharing payments with respect to these account types.

The Capital Directions Program may cost you more or less than purchasing the securities directly from the funds or through agents of the funds without enrolling in the Program. PNC Investments will attempt to purchase the lowest cost share class eligible for no-transaction fee trading ("NTF Eligible") with our custodian. Please note that the lowest cost NTF Eligible share class may not be the lowest cost share class of any particular fund. PNC Investments uses NTF eligible share classes in order to reduce overall program trading costs which helps to mitigate costs to Capital Directions clients. In addition, you should know that our custodian may periodically modify the NTF Eligible list, which may change the lowest cost NTF Eligible share class. Certain securities are also available for purchase through PNC Investments' broker-dealer services. If you purchased funds in this manner, you would not pay Program Fees for such assets and you may obtain "breakpoints" that could lower the cost of the funds. However, if you purchase shares in this manner, you will not receive the asset allocation and account monitoring services provided as part of the Capital Directions Program and you may not be eligible to purchase the same share class for each of the funds available through the Capital Directions Program.

The purchase of a different share class may be subject to additional sales charges, such as front-end or back-end sales charges or a redemption fee, depending on the share class, if they are redeemed within a specified period of time. If you were to terminate your Program Account, these investments may be liquidated or exchanged for a share class corresponding to the size of the client's individual investment in the fund.

Finally, your Account may be invested in funds for which PNC Investments or one of our affiliates acts as an adviser, sub-adviser, or administrator, and receives a fee for such services. Therefore, PNC Investments or an affiliate may receive a fee for the services provided to the funds. The level of advisory or sub-advisory fees paid to PNC Investments or its affiliates by such funds, including the BlackRock or PNC Funds, is disclosed in the Prospectus and/or Statement of Additional Information of such funds. The maximum amount of your Account assets that may be invested in funds, including the BlackRock or PNC Funds, which pay advisory or sub-advisory fees to PNC Investments or its affiliates will depend on many factors, but in certain circumstances may reach 100% of your Account assets. You should ask your FA about these advisory or sub-advisory fees, and you may terminate your Investment Management Agreement with PNC Investments at any time if you have any concerns about the level of these fees or the incentives that they may create. PNC Investments has an obligation to invest your assets in a manner that considers your best interests first. To that end, PNC Investments will take steps to minimize potential conflicts of interest that arise from investing with funds that pay PNC Investments or its affiliates advisory or sub-advisory fees, to the extent required by applicable federal or state laws. PNC Investments evaluates the appropriateness of investing your assets in funds managed by affiliates of PNC Investments, such as BlackRock or PNC Funds, in the same manner as it evaluates all other funds available through the Program.

Cash Balances

Uninvested cash balances may be invested in a money market fund, bank deposit or other investment vehicle as selected by PNC Investments, including, but not limited to, a fund managed by, or a deposit with, an affiliate of PNC Investments. As discussed above, assets held in a money market fund are subject to the fund's management, distribution, transfer agent and other expenses. If cash balances are invested in a money market fund that is managed by PNC Investments or one of our affiliates, certain of these fees and expenses may be payable to PNC Investments or our affiliates. These fees and expenses are described in the applicable money market fund prospectus and are paid by the money market fund but are ultimately borne by the shareholder. These fees are in addition to, and will not reduce, the Account's fees, except as required by applicable law.

Financial Advisor Compensation

A portion of the fees charged for Program services may be paid to your FA in connection with opening your Account, as well as for providing client-related services within the Program. This compensation may be more or less than an FA would receive if you transacted in a brokerage account, rather than a managed account in the Capital Directions Program, and paid separately for investment advice, brokerage and other services covered by the Program Fee. Therefore your FA may have greater incentive to offer a managed product than a brokerage product. PNC Investments may advance to FAs a portion of the first year's estimated fees for clients who invest in a particular program.

From time to time, PNC Investments initiates incentive programs for its employees including FAs. These programs include, but are not limited to, programs that compensate them for attracting new assets and clients, or for referring business to our affiliates (such as referrals for mortgages, trusts, or insurance services); programs that reward them for promoting investment advisory services, for

participating in advanced training, and for improving client service; and programs that reward FAs who meet total production criteria.

FAs who participate in these incentive programs may be rewarded with cash and/or non-cash compensation, such as deferred compensation, bonuses, training symposiums and recognition trips. These programs may be partly subsidized by external vendors or our affiliates, such as mutual fund companies, insurance carriers or money managers. Therefore, our FAs and other associates may have a financial incentive to recommend the programs and services included in these incentive programs over other available products and services that we offer.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Account Minimums and Types of Clients

The minimum account size for the Capital Directions Program is \$50,000. We may terminate the advisory services on any Account that falls below minimum account value guidelines established by the firm on 30 days' written notice to the Account holder. To avoid termination, you may be required to deposit additional assets in your Account to remain in the Capital Directions Program. Under certain limited circumstances, we may waive the minimum account size requirement. If your Account was opened prior to October 1, 2015, the minimum account size for your Account prior to October 1, 2015 will continue to apply to your Account.

In addition, Model Providers utilized for the Program may impose their own investment minimums and may limit or terminate the availability of their model for Accounts that fall below this minimum with 30 days' notice to PNC Investments. Upon receipt of such account minimum notices from a Model Provider, PNC Investments will use commercially reasonable efforts to identify another Model Provider that is consistent with or substantively similar to the model and/or Model Provider that has terminated the availability of their model and resume a continuous investment program for the Account. PNC Investments will have limited or no ability to waive Model Provider minimums.

PNC Investments generally provides investment advice to individuals, high-net-worth individuals, and corporations.

Collateral Accounts

Under certain circumstances you may elect to pledge the assets in your non-IRA/ERISA Account as collateral for a general purpose loan with our affiliate PNC Bank or other financial institution ("the Lending Arrangements"). You should be aware of certain information regarding the impact of a collateral call on your Account.

Where your Account assets are pledged or otherwise used as collateral in connection with Lending Arrangements, the lender may exercise certain rights and powers over the assets in the Account, including the disposition and sale of any and all assets pledged as collateral for the loan, which may be contrary to your interests and the investment objective of your Account under the Program. In the event of a collateral call on the Account, securities will be liquidated from the Account and, as a result, the investment strategy for the Program may become disrupted because positions may be redeemed more rapidly (and/or at significantly lower prices) than might otherwise be desirable. You or your FA may not be provided with prior notice of the liquidation of the securities in the Account. Furthermore, you and your FA may not be entitled to choose the securities which are to be liquidated by the lender (securities will be liquidated at the direction of PNC Bank, PNC Investments, or their designee). After the execution of a collateral call, any remaining securities in the Account may be lower in value than

the investment minimums required for the Capital Directions Program, and the Account may no longer qualify for the Capital Directions Program after.

Further, the costs associated with the Lending Arrangements are not included in the fees you pay under the Capital Directions Program and may result in additional compensation to us, our affiliate PNC Bank, and/or our FAs. Your transaction costs may rise as a result of a collateral call, because securities may be liquidated under unfavorable market conditions. You should consult with your own independent tax advisor in order to fully understand the tax implications associated with the Lending Arrangements. The securities subject to the collateral call may not be liquidated in a manner that is tax efficient or that is in accordance with the investment strategy of the Capital Directions Program. PNC Investments does not provide legal, tax or accounting advice.

You are encouraged to speak with your FA to the extent you have questions about the Capital Directions Program, the Lending Arrangements and how they may impact the management of your Account. You should refer to the Lending Arrangements and associated documents for the specific terms governing the Lending Arrangements. You may also wish to discuss with your FA how a collateral call could impact you if your pledged Account makes up all, or substantially all, of your overall net worth or investible assets. Any action taken by us, or an affiliate, against the assets held in your Account pursuant to the Lending Arrangements will not constitute a breach of our fiduciary duties as an investment adviser to you under the Program.

PORTFOLIO MANAGER SELECTION AND EVALUATION

Mutual Fund, ETF and Model Provider Selection and Evaluation

The Capital Directions Account is managed to diversify your investments and may include investments in equity and fixed-income securities, options, mutual funds, ETFs and money market instruments. Accounts are managed on an individual basis, and our asset allocation and investment recommendations are determined by and based on our understanding of your financial situation, investment objectives and risk tolerance. You may impose further reasonable restrictions and guidelines on your Account, but these may affect the composition and performance of your portfolio.

We select the investments and Model Providers that are available in the program. The factors influencing the inclusion of any investment model, mutual fund or ETF on our list of recommended investments may include, among other things, past performance, management style, quality of the relevant Model Provider or mutual fund/ETF manager, its investment process, the number and continuity of investment professionals, and its client servicing capabilities. While PNC Investments is sponsor of the Program, we rely on the Asset Management Group (“AMG”) of our affiliate PNC Bank for research and assistance in selecting and reviewing investment models, mutual funds and ETFs for the Program. We or AMG may ask a relevant Model Provider to provide us with a completed questionnaire, database information on the firm and statistical analysis of the Model Provider or mutual fund/ETF manager’s track record. We may also conduct interviews with members of the Model Provider or mutual fund/ETF manager’s management. This process is an ongoing one, and investment models, mutual funds and ETFs may be added or removed from the Program based on many factors, either internal or external to a Model Provider or mutual fund/ETF manager’s management. Returns reported by Model Providers are derived from sources believed to be reliable, but we make no representations or warranties as to the accuracy of such performance information.

The Capital Directions Program and other wrap programs we recommend may include investment

management affiliates of, or fund products affiliated with, PNC Investments including BlackRock, Inc. and PNC Capital Advisors, LLC, which receive compensation for their investment advisory and other services. The services provided by our affiliates and the fees they collect for these services vary and generally are disclosed in each fund's prospectus. These fees are paid directly by the fund and affect the total return of a shareholder's investment. We will not treat those entities and funds any differently from investment managers and funds that are not affiliated with PNC Investments, except that if your Account is an IRA or subject to ERISA, you are not able to purchase for the Account mutual funds advised by BlackRock, Inc. or PNC Capital Advisors, LLC, as discussed above.

PNC INVESTMENTS AND OTHER SERVICE PROVIDERS TO THE PROGRAM

PNC Investments was formed in 2003, and is direct, wholly owned subsidiary of PNC Bank. PNC Bank is a wholly owned subsidiary of The PNC Financial Services Group, Inc., a financial holding company. PNC Investments is registered with the SEC as an investment adviser and a broker-dealer. PNC Investments is a member of FINRA and SIPC and serves as the sponsor of the Capital Directions Program.

PNC Investments does not receive performance-based fees calculated as a share of capital gains on, or capital appreciation of, the funds or any portion of the funds or other investments in a client's Account.

National Financial provides trading, custody and operational services for the Capital Directions Program. National Financial carries client Accounts, is the custodian for the investments in your Account, and effects and reports all the trades in your Account. National Financial will provide you with trade confirmations, monthly statements, and income tax reporting.

PNC Investments has also engaged a service provider to perform certain support services in connection with the Program, including account rebalancing for the asset allocation models. This service provider is also responsible for calculating and preparing quarterly performance reports for client accounts and may calculate the Program Fees and Model Provider Fees.

RISKS OF INVESTING IN THE CAPITAL DIRECTIONS PROGRAM

Investing in securities, including the investments offered through the Capital Directions Program, involves risk of loss that you should be prepared to bear. There is no guarantee that the elements of the Capital Directions Program, including the asset allocation models, selection of investment manager models and/or research recommendations will protect against such loss. Other risks include:

- **Market Risk.** Market risk is the risk that the price of securities will fall over short or extended periods of time. Historically, the prices of equity securities have moved in cycles, and the value of an Account's investments may fluctuate from day to day. Individual companies may report poor results or be negatively affected by industry or economic trends or developments. The price of securities issued by these companies may decline in response. These factors contribute to price volatility.
- **Allocation Risk.** A client Account is subject to the risk that asset allocation decisions will not anticipate market trends correctly. For example, weighting an Account too heavily in equities during a stock market decline may cause a loss of value. Conversely, investing too heavily in fixed income securities during a period of stock market appreciation may result in lower total returns.
- **Credit Risk.** The value of debt securities may be affected by the ability of issuers to make principal and interest payments. If an issuer cannot meet its payment obligations or if its credit rating is lowered, the value of its debt securities may fall.
- **Interest Rate Risk.** The value of fixed-income investments may decline because of an increase in

market interest rates.

The Capital Directions Program is intended to be a long-term investment program and does not support market-timing or frequent trading. You will be limited to one model change per calendar quarter, except as warranted by changes to your financial situation as agreed by you and your FA. In addition, you will be limited to one investment manager model change per asset class per quarter, except as may be agreed by you and your FA. Frequent or excessive trading in Capital Directions accounts may be grounds for account termination, with 30 days' written notice, by PNC Investments, even if the rules above are not violated. The determination of frequent and/or excessive trading is solely at the discretion of PNC Investments.

You should be aware that certain Model Providers may provide their model portfolio updates to PNC Investments after they make changes to accounts that they manage directly. This may impact execution prices for your Account relative to other accounts in the same investment strategy that are managed directly by the Model Provider. Depending on various factors, including price movements and variations in trade execution, the performance of your Account may differ from, and be better or worse than, the performance of such other accounts managed directly by the Model Provider.

PROXY VOTING

PNC Investments will vote all proxies for securities held in the Program on your behalf, unless you direct otherwise. PNC Investments will retain a third-party service provider to receive proxy statements and to vote shares according to our instructions. We will not vote proxies in accordance with voting instructions received from you. PNC Investments has adopted policies and procedures to address conflicts which may arise in connection with voting proxies. PNC Investments may depart from its stated guidelines in order to avoid voting decisions believed to be contrary to the best interests of its clients. More information regarding our policies and procedures regarding proxies can be obtained by contacting your FA or by calling PNC Investments at (800) 762-6111.

If you choose, you may request to vote your own proxies by providing us with written instructions to deliver all proxy related materials directly to you for consideration and execution. If you choose this option, proxy materials typically will be forwarded to you by the custodian for your Account. If this option is selected, PNC Investments, or its third-party service provider, will no longer be in a position to vote proxies for any securities for your Account, including securities over which PNC Investments has investment discretion.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As part of the acceptance and approval process, and by signing the Investment Management Agreement, you grant PNC Investments discretionary trading authority over your Account. PNC Investments utilizes information regarding your financial circumstances, investment goals and objectives and any special written instructions you may wish to give regarding your Account.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

Your FA will communicate any changes about you to PNC Investments. You will have very limited, if any, direct contact with any investment manager, and will have no direct contact with the provider of any Manager Model you might select. You should direct any inquiries regarding the investment manager to your FA.

ADDITIONAL INFORMATION

Disciplinary Information

- In 2009, FINRA cited PNC Investments for failure to have supervisory systems and procedures reasonably designed to achieve compliance with its suitability obligations relating to the sale of variable annuity contracts under FINRA rules. FINRA found that PNC Investments failed to (1) collect or record all the information necessary to assess suitability of variable annuity transactions; (2) give adequate guidance to supervisors regarding factors it identified as relevant to the suitability analysis; and (3) identify or investigate patterns of transactions involving guaranteed minimum income benefit riders. Without admitting or denying these findings, PNC Investments consented to a fine of \$250,000, to undertaking a comprehensive review of its policies and procedures concerning suitability of variable annuity transactions and to certify in writing to FINRA that we had conducted the review and put in place policies and procedures adequate to ensure compliance.
- On May 29, 2013, PNC Investments entered into a settlement (an "AWC") with FINRA. Without admitting or denying the findings in the AWC, PNC Investments consented to the entry of findings that between April 2007 and December 2008, the firm failed to maintain a supervisory system and procedures reasonably designed to achieve compliance with the registration requirements of federal securities laws, in violation of NASD rules. All of the conduct described in the AWC occurred at NatCity Investments ("NatCity") before it was acquired by PNC Investments' parent company. The AWC found that a customer of NatCity engaged in the unregistered distribution of over-the-counter securities, and that the firm's supervisory system and written supervisory procedures were inadequate to make necessary inquiry into the registration or exemption status of securities in the customer's account. Without admitting or denying these findings, PNC Investments consented to a censure and a fine of \$100,000.
- On September 11, 2013, PNC Investments entered into a settlement (an "AWC") with FINRA. Without admitting or denying the findings in the AWC, PNC Investments consented to an AWC finding that, during the period from October 2011 through January 2013, PNC Investments failed to establish, maintain and enforce a supervisory system that was reasonably designed to implement the firm's procedures to monitor transmittals of customer funds to locations other than the customer's primary residence, and customer changes of address, in violation of NASD Rules 3012(a)(2)(B)(i) and 3012(a)(2)(B)(ii). During this period, one of PNC Investments' registered representatives established a PNC Investments branch office as the mailing address for a customer's account and converted approximately \$128,000 from the customer's account. Without admitting or denying these findings, PNC Investments consented to a censure and a fine of \$100,000.
- On December 20, 2013, PNC Investments entered into a settlement (an "AWC") with FINRA in connection with the Firm's sale of leveraged, inverse, and inverse-leveraged exchange-traded funds ("Non-Traditional ETFs") during the period from January 2008 through June 2009. Without admitting or denying the findings in the AWC, PNC Investments consented to findings that the firm failed to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with applicable NASD and/or FINRA rules and failed to provide adequate formal training to its registered representatives and supervisors regarding Non-Traditional ETFs in violation of NASD Rules 3010 and 2110 and FINRA Rule 2010. PNC Investments also consented to a finding that the firm made unsuitable recommendations to certain customers

by allowing registered representatives to recommend a Non-Traditional ETF without performing reasonable diligence to understand the associated risks and features in violation of NASD Rules 2310(a) and 2110 and FINRA Rule 2010. PNC Investments consented to the imposition of a censure, a fine in the amount of \$275,000, and restitution in the amount of \$33,183.72, plus interest.

- On December 31, 2013, PNC Investments entered into a settlement (an “AWC”) with FINRA. Without admitting or denying the findings in the AWC, PNC Investments consented to a finding that, during the period from about July 1, 2010 to June 30, 2012, the firm failed in 313 instances to apply a rollover or breakpoint discount to eligible unit investment trust (“UIT”) purchases for customers in violation of FINRA Rule 2010. Prior to entering into the settlement, PNC Investments voluntarily made restitution to all affected customers in the amount of \$52,040.12. PNC Investments also consented to a finding that during this same period the firm failed to adequately enforce its existing written supervisory procedures concerning rollover and breakpoint discounts to ensure proper application to all eligible purchases of UITs by customers in violation of NASD Rule 3010 and FINRA Rule 2010. PNC Investments consented to the imposition of a censure and a fine in the amount of \$90,000.

Other Financial Industry Activities and Affiliations

PNC Investments’ principal business is that of a full-service, general securities broker-dealer and investment adviser, registered with the SEC and as a member of FINRA. Our primary retail brokerage activities include the sale of corporate equities, corporate debt, municipal securities and funds, mutual funds, ETFs and annuities.

PNC Investments is part of a broad financial services organization and is therefore affiliated with other entities engaged in a variety of financial services businesses. In some cases, the firm has business arrangements with its affiliates that are material to its advisory business or to its clients. These are described in more detail below and, in some cases, may cause PNC Investments’ or a related person’s interests to diverge from the best interests of our clients.

PNC Investments is affiliated with the following financial services entities through its parent, The PNC Financial Services Group, Inc.:

- **PNC Bank, National Association (“PNC Bank”)** is a wholly owned subsidiary of The PNC Financial Services Group, Inc., and provides regional banking accounts and services.

Certain registered representatives of PNC Investments, who are also employed by PNC Bank (“Dual FAs”), may discuss or sell PNC Bank, N. A. products, such as deposit products and loans (“Bank Products”), as well as brokerage and advisory products. PNC Investments supervises Dual FAs’ securities activities and PNC Bank supervises Dual FAs’ banking activities.

- **PNC Capital Advisors, LLC** is a wholly owned subsidiary of PNC Bank and provides discretionary investment advisory services to registered investment companies, institutional accounts, and personal investment management accounts.
- **PNC Capital Markets LLC** is an indirect, wholly owned subsidiary of The PNC Financial Services Group, Inc. and offers loan syndication, public finance underwriting services, securities underwriting and trading, private placements, and asset securitization services.
- **PNC Insurance Services, LLC** is a wholly owned subsidiary of PNC Investments and a licensed

insurance agency. It provides a variety of insurance products and advice.

As of December, 31, 2015, The PNC Financial Services Group, Inc., together with its subsidiaries, owned approximately 22% of BlackRock, Inc. PNC Investments may be deemed to have a material relationship with BlackRock's investment adviser and broker-dealer subsidiaries. BlackRock offers investment management, risk management and advisory services for institutional and retail clients worldwide, managing assets through a variety of equity, fixed income, balanced, cash management, and alternative investment products. BlackRock's subsidiaries which are registered investment advisers or registered broker-dealers include: BlackRock Advisors LLC, BlackRock Capital Management, Inc., BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock International Limited, BlackRock Investment Management LLC, BlackRock (Singapore) Limited, BlackRock Asset Management North Asia Limited, operates an Internet-based investment advisory., Xulu Inc. (operated under the name FutureAdvisor), BlackRock Investments, LLC and, BlackRock Execution Services.

Possible conflicts of interest that may exist between PNC Investments and its affiliates are discussed below.

Although PNC Investments is committed to acting in the best interests of our clients, in some situations there may be conflicts of interest between the firm's interests and a client's interests, or there may be conflicts in the interests of multiple clients. Many of these conflicts of interest are inherent in operating an investment advisory business. For example, PNC Investments may have an incentive to resolve a matter in favor of clients that are affiliates of the firm over clients that are not affiliates of the firm. PNC Investments has adopted policies and procedures that it believes are reasonably designed to help mitigate these conflicts of interest.

Affiliates of PNC Investments may provide advice to their clients with respect to investment strategies that are similar to or the same as strategies offered by PNC Investments. Those advisory affiliates may purchase on behalf of their clients the same securities that PNC Investments may purchase for our clients. As a result, the interests of PNC Investments' clients may conflict with the interests of the clients of these affiliated advisers. For example, if an investment adviser affiliate implements a portfolio management decision for its client ahead of, or contemporaneously with, a decision PNC Investments makes for its client(s), the market impact of the decision made by the firm's advisory affiliate could result in one or more of PNC Investments' clients receiving less favorable trading results than they otherwise would. PNC Investments' trade allocation and trade aggregation procedures do not typically apply to portfolio management decisions and trading executed by investment advisory affiliates for their clients that are not clients of PNC Investments.

Affiliate Transactions

PNC Investments or its affiliates may from time to time recommend investments in transactions in which PNC Investments or its affiliates act as financial advisor or a broker-dealer, or in securities which are underwritten, issued, packaged or serviced by an affiliate.

Moreover, PNC Investments may act as a broker in executing your purchase or sale for your account of a debt security from or to PNC Capital Markets, a brokerage affiliate. Additionally, your FA may recommend you purchase a mutual fund advised by PNC Capital Advisors, an affiliated registered investment advisor. These affiliates may receive compensation as a result of these transactions, if these transactions were to occur.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

PNC Investments has adopted a Code of Ethics, which consists of certain general principles, including the following:

- Advisory personnel must place client interests before their own.
- The personal securities transactions of our personnel must avoid even the appearance of a conflict with client interests.
- Our personnel must avoid actions or activities that allow, or appear to allow, them to profit or benefit from their position with respect to clients, or that would otherwise bring into question their independence or judgment.

In addition, the Code of Ethics requires our employees to report their personal securities transactions and holdings. A copy of our Code of Ethics will be provided to any client or prospective client upon request.

Our employees are also subject to the PNC Employee Conduct Policies, which cover matters including compliance with law, conflicts of interest, insider trading, outside activities and safeguarding confidential information.

Review of Accounts

When you open a Capital Directions Program Account, we review and must approve your investment objectives and strategy for consistency with Capital Directions Program guidelines. Thereafter, the Account is reviewed on a monthly, quarterly or annual basis, as applicable, to monitor its performance, the appropriateness of the individual securities in it, and any investment restrictions that might apply.

Your FA or one of our other representatives will contact you at least annually to determine whether there have been any material changes in your financial situation, investment objectives or instructions. We will also notify you in writing quarterly to contact us if there have been any changes in your financial situation, investment objectives or instructions, and you agree to inform us in writing of any such changes that might affect the manner in which your assets should be invested. Your FA will act on any changes deemed material or appropriate as soon as practicable after we become aware of them.

Finally, your FA will be reasonably available to you for consultation about the Account. We encourage you to please contact your FA if you have any questions.

Client Reports

As part of the Capital Directions Program, we will provide periodic reports to assist you in monitoring and assessing the performance of your Account. These reports will contain information regarding trades, investment return, and selected benchmark comparisons. These reports may also contain letters, notices and other important information regarding the Model Managers and any changes to the Account during the period.

Client Referrals and Other Compensation

Your FA may also receive compensation for referring you to PNC Bank or other PNC Investments affiliates.

A portion of the fees charged for the Capital Directions Program services described in this Brochure

may be paid to your FA in connection with the introduction of Accounts as well as for providing client-related services within the Programs. This compensation may be more or less than an FA would receive if you paid separately for investment advice, brokerage and/or other services.

Certain employees of PNC Bank's Wealth Management and or Private Client Group who are registered with PNC Investments receive compensation in connection with securities transactions that result from referrals to a PNC Investments FA.

PNC Investments has related persons who are investment advisers who may act as general partners in partnerships in which our clients may be solicited. PNC Investments would not have knowledge of such solicitations should they occur, and consequently, would not be a participant in them, nor would we receive any compensation for them.

Financial Information

In certain circumstances, registered investment advisers are required in this Item to provide you with financial information or disclosures about their financial condition.

PNC Investments has no financial commitments that impair our ability to meet our contractual and fiduciary commitments to our clients and has never been the subject of a bankruptcy proceeding.