



Disclosure Document for the Portfolio Solutions Program

An Investment Advisory Service of
PNC Investments LLC

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March 30, 2016

This wrap program Brochure provides information about the qualifications and business practices of PNC Investments LLC and our Portfolio Solutions Wrap-Fee Advisory Program ("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 or by any state securities authority.

PNC Investments LLC, a registered investment adviser and broker-dealer and member of the Financial Industry Regulatory Authority ("[FINRA](http://www.finra.org)") and the Securities Investor Protection Corporation ("[SIPC](http://www.sipc.org)"), is a wholly owned subsidiary of The PNC Financial Services Group, Inc. Additional information about PNC Investments LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Important Investor Information: Securities and insurance products:

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

Material Changes

ADV Part 2A dated March 30, 2016 Exhibit

The following changes have been made to the PNC Investments Portfolio Solutions wrap fee program brochure since the annual amendment to the brochure dated March 12, 2015:

Page 6—Clarification of the obligation PNC Investments has to demonstrate value for the Advisory Fee you pay us, and as a result, accounts without Qualifying Transactions over an extended period, generally 12-months or more, may be terminated, with 30-days written notice to you.

Page 6-- Clarification that the advisory relationship begins with the client at the later of the date of acceptance of the signed Non-Discretionary Advisory Services Agreement by PNC Investments or the date on which you have contributed the required minimum level of assets to your Account.

Page 8—Description of share class selection within the Portfolio Solutions program.

Page 9—Description of householding eligible accounts which may qualify for reduced fees.

Page 11—Identification of your PNC Investments Financial Advisor acting as the sole investment advisor to your account.

Page 11—Description of limitations to the number of model changes you may make per calendar quarter and notification that frequent or excessive trading in Portfolio Solutions accounts may be grounds for account termination, with 30 days' written notice, by PNC Investments.

Table of Contents

Services, Fees and Compensation	4
The Portfolio Solutions Program	4
Account Termination	7
Fees and Expenses	7
Other Expenses	8
Financial Advisor Compensation	9
Account Requirements and Types of Clients	9
Account Minimums and Types of Clients	9
Collateral Accounts	10
Portfolio Manager Selection and Evaluation	10
PNC Investments and Other Service Providers to the Program	11
Risks of Investing in the Program	11
Proxy Voting	12
Client Information Provided to Portfolio Managers	12
Client Contact with Portfolio Managers	12
Additional Information	
Disciplinary Information	12
Other Financial Industry Activities and Affiliations	13
Affiliate Transactions	14
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	15
Review of Accounts	15
Client Referrals and Other Compensation	15
Financial Information	16

PNC Investments LLC ("PNC Investments") is an investment adviser 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 the 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. "We," "our," "us" and "the firm" refer to PNC Investments, together (as applicable) with our affiliates, including but not limited to, The PNC Financial Services Group, Inc. 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 any brokerage and/or advisory account you open with us, including any and all mutual funds, exchange traded funds, money, securities, financial instruments and/or other property you have deposited with us. "Wrap" refers to an Account that charges a quarterly or annual fee based on the average assets under management. The fee covers administrative, commission, execution and management expenses. "Business Day" means Monday through Friday, excluding New York Stock Exchange holidays.

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 the Program. In addition to the Program, PNC Investments offers a variety of investment advisory services. These include, but are not limited to, the Capital Directions 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 ("FA" or "Financial Advisor"). Other advisory services are offered by our affiliates.

The Portfolio Solutions Program

The Program is a non-discretionary wrap fee investment advisory program through which PNC Investments and your FA make investment recommendations to you, and provide continuous supervision over the assets in your Account. Our recommendations are based on your individual financial position and investment objectives. You retain full discretion over your Account and make all investment decisions for it.

You will select one of five core asset allocation models, each associated with a distinctive risk profile and comprised of a unique mix of investment assets. The models have been developed by PNC Bank's Asset Management Group and approved by PNC Investments' Product Development Oversight Committee (PDOC). The models are summarized below.

- **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. The model can be invested up to 40% in equity securities. 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, but not guarantee, 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 will most likely be similar to or may 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.

Before you open a Portfolio Solutions Account with us, your 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 and ongoing discussions with you about your income, financial resources and investment goals, your FA will recommend an investment strategy that is designed to meet your investment objectives. Your FA's recommendation will be based on one of the five core allocation models defined above and may incorporate any off the following: equity securities, fixed income securities, certain options strategies, mutual funds, exchange traded funds ("ETFs") and/or unit investment trusts ("UITs") for purchase or sale, subject to your approval.

We will not include in our recommendations securities issued by any of our affiliates, including The PNC Financial Services Group, Inc. or Blackrock, Inc. and, you will not be able to purchase those securities directly or own them in your Portfolio Solutions Account. If your Portfolio Solutions Account is an IRA or a Roth IRA, you are not able to purchase for the Account, mutual funds advised by Blackrock, Inc. or its affiliates or by PNC Capital Advisors, LLC. This prohibition does not restrict purchases of iShares, which are ETFs advised by an affiliate of BlackRock, Inc. Finally, our recommendations to you will be limited to those securities, ETFs and mutual funds that have been approved by PNC Investments for sale under the Program.

The Portfolio Solutions Program is designed for investors who would like advice but wish to retain full discretion over the assets in their Account. Neither PNC Investments nor your FA will make investment decisions on your behalf. We will contact you with recommendations, but any trading in the Account will require your prior approval. Transactions resulting from our recommendations will be "Qualifying Transactions." PNC Investments has an obligation to demonstrate value for the Advisory Fee you pay us and, as a result, accounts without Qualifying Transactions over an extended period, generally 12-months or more, may be terminated, with 30-days written notice to you. Although you will retain discretion to approve purchases or sales recommended by PNCI you will not have the ability to direct purchases in your Account but will retain the right to direct any sales from your Account. The Portfolio Solutions Program is not intended for market timing or excessive trading. We may limit the number of trades you can place in your account in a calendar quarter or year. We retain the right to terminate any account that is engaging in market timing or excessive trading activities with 30 days written notice. PNC Investments may define at its sole discretion the terms "market timing" and "excessive trading."

Our Portfolio Solutions advisory relationship with you begins when we enter into a Non-Discretionary Advisory Services Agreement with you, which occurs at the later of the date of acceptance of the signed Non-Discretionary Advisory Services 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 a Non-Discretionary Advisory Services Agreement with you are not intended as investment advice and should not be relied on as such. Portfolio Solutions accounts must meet minimum standards for portfolio diversification at the security and asset class level. If your account does not meet these minimum standards, your FA or another PNC Investments representative may contact you to recommend corrective action. If you choose not to accept this recommendation, we may terminate your Account, with 30-days written notice to you.

You will not be able to purchase securities on margin under the Program.

You will receive monthly or quarterly statements, depending on the activity in your Account. The statements will provide details of all transactions in your Account, including additions, disbursements, purchases, sales and advisory fees you have paid us. We will also provide you with comprehensive quarterly performance reports including performance analysis, asset allocation and comparisons to benchmark indices.

Your FA will contact you semi-annually or more often as mutually agreed, to review your Account. Your FA will monitor the investments in your Account in light of your current investment objectives, and will recommend changes to maintain consistency with them. You should promptly inform your FA of any changes to your financial profile or investment objectives.

Account Termination

Either party may terminate the Portfolio Solutions Non-Discretionary Advisory Services Agreement on 30-days' written notice to the other party.

Fees and Expenses

The fee you pay to PNC Investments for the Portfolio Solutions Program ("Program Fee") covers administrative, commission, execution and management expenses for your Account, is charged quarterly in advance and will be based on the average daily market value in your Portfolio Solutions Account over the prior calendar quarter or portion thereof. In certain circumstances, the Program Fee may be negotiable. The Program Fee for Portfolio Solutions is in addition to any of the specific mutual fund portfolio fees and expenses that are discussed in more detail below. A commission or service charge per trade may be charged to your brokerage account when liquidating assets to establish the Portfolio Solutions Account.

You may contact your FA if you have any questions regarding the fees charged to your account. Upon your request we will provide you with a detailed explanation of the fee calculation which will allow you to recalculate the fee should you so desire.

All of the fees incurred by your Account will be paid from the cash balance in the Account. If your Account does not have a sufficient cash or money market mutual fund balance to pay the fees, we may sell securities as necessary to pay the fees. You may incur transaction costs and could create tax consequences by selling securities to pay fees and expenses.

The Program Fees are summarized in the tables below:

	Non-IRA	IRA
First \$249,999	2.50%	2.35%
\$250,000 – \$499,999	2.25%	2.10%
\$500,000 – \$999,999	2.00%	1.85%
\$1,000,000 – \$1,999,999	1.60%	1.45%
\$2,000,000 – \$3,999,999	1.25%	1.10%
Over \$3,999,999	Negotiable	
Minimum Fee	\$1,000	

Fees are not prorated for contributions or withdrawals made during a calendar quarter, except in the case of account termination. If your Account is terminated by you or PNC Investments during a calendar quarter, the Program 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 Portfolio Solutions 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.

Program Fees that vary from the standard schedule above may be negotiated depending on the size of your overall relationship with PNC, including other assets, anticipated activity, types of securities and other factors. The Program Fee for your account is referenced on the proposal that will be provided to you by your FA and

completed and accepted by you. The minimum account size is generally \$50,000, and the typical minimum annual fee is \$1,000; \$250 per quarter. The minimum may be waived in certain circumstances. We may also charge a fee of \$35 for IRA accounts with a market value under \$25,000.

The Program Fee includes non-discretionary investment advice and services, custody and brokerage commissions, except as described below. The fee covers the cost of brokerage commissions and other transaction fees only for those transactions effected through PNC Investments on an agency basis. The cost of dealer markups, markdowns and spreads charged by other broker dealers, plus any other transaction or account fees (other than brokerage commissions charged for effecting agency transactions through PNC Investments) are borne by the Account.

In addition to the cost of investment advice provided to you, the Program Fee covers the costs of brokerage commissions for transactions executed through PNC Investments. We will not, however, negotiate brokerage fees or charges (including commissions) for transactions executed through PNC Investments, and volume discounts may not be obtained. Depending on the number of transactions that occur in your Account, the Program Fee may be more or less than commissions you would pay if commissions were negotiated and paid separately.

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. All of these fees and expenses are paid by the fund, but ultimately borne by investors. 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 in the trade confirmations on your monthly or quarterly statement. Your FA will attempt to recommend the most appropriate share class available for purchase within your account based on his or her understanding of your investment objectives and profile. In some cases, the amount of funds you have to invest will determine whether you can purchase a share class with lower overall expenses and in some cases there will be funds with lower expenses that are not available for purchase within the Program. Your Financial Advisor is available to discuss fund costs and expenses and review the fund's prospectus with you. You retain the discretion to not authorize a transaction recommended by your Financial Advisor for any reason including, but not limited to, a fund's associated costs and expenses.

PNC Investments is expressly authorized to receive commissions and/or fees associated with your investment in mutual funds as described in the funds' prospectuses. These fees may include sub-administration fees, omnibus accounting fees and/or 12b-1 fees. 12b-1 fees are annual distribution and shareholder servicing fees, generally calculated as a percentage of the fund's net assets, which are used to compensate financial advisors and other investment professionals for services provided to your Account on behalf of the fund company. If you open your Account as an IRA, we will credit to your Account the amount of any 12b-1 fees we collect in connection with assets held in your Account, as described in the IRA application

PNC Investments and our affiliates may 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 to promote those funds for which we receive revenue sharing over funds from mutual fund providers that do not compensate us through revenue sharing. Our independent due diligence process for selecting mutual funds for our investment advisory programs is designed so that mutual funds are selected based on criteria other than compensation to PNC Investments.

The Program Fee includes advisory services and brokerage commissions, but does not include account servicing fees including, but not limited to, account transfer fees, termination fees, securities registration and/or transfer fees, IRA fees or fees separately assessed by mutual fund companies such as short-term redemption fees. The Portfolio Solutions Program may cost you more or less than purchasing each of these services separately.

Finally, your Account may be invested in funds in 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 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 provide you with investment advice 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.

Financial Advisor Compensation

A portion of the Program Fee may be paid to your FA in connection with opening your Account and 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 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 account.

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.

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. “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.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Account Minimums and Types of Clients

The minimum account size for the Portfolio Solutions Program is \$50,000. PNC Investments may terminate any

Account that falls below minimum account value guidelines established by the firm on 30-days' written notice to the Account holder. You have the right to object to this termination, however, you may be required to deposit additional assets in your Account to remain in the program. Under certain limited circumstances, we may waive the minimum account size requirement.

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. 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 Account may become disrupted because positions may be redeemed or liquidated 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, the other financial institution to which the assets are pledged, 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 Program and the Account may be subject to termination as described above.

Further, the costs associated with the Lending Arrangements are not included in the Program Fee and may result in additional compensation to us, our affiliate, PNC Bank, and/or our FA. 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 Portfolio Solutions 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 Lending Arrangements and how they may impact the management of your Account. You should refer back 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, with respect to 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 Portfolio Solutions Program.

PORTFOLIO MANAGER SELECTION AND EVALUATION

Your Portfolio Solutions Account is individually managed to diversify your investments and may include investments in equity and fixed income securities, certain options, ETFs, mutual funds and money market instruments. Investments and allocations are determined by and based on our understanding of your financial situation, investment objectives and risk tolerance. You may impose further restrictions and guidelines, which will affect the composition and performance of your portfolio.

Your PNC Investments Financial Advisor will act as the sole investment advisor to your account. He or she will be solely responsible for recommending individual securities to you. As such, your account will not be managed by a separate portfolio manager.

Except in IRAs and Roth IRAs, the mutual funds recommended under the Portfolio Solutions Program may include mutual fund portfolios advised by investment management affiliates of PNC Investments, including BlackRock, Inc. and PNC Capital Advisors, LLC, who receive compensation for their investment advisory and other services. The services provided by our affiliates and the fees they earn vary by fund and/or fund company. These fees are generally disclosed in each fund's prospectus. They are paid directly by the fund and affect the total return of the fund.

PNC Investments & 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 Securities and Exchange Commission as an investment adviser and a broker-dealer. PNC Investments is a member of FINRA and SIPC, and serves as the sponsor of the Portfolio Solutions Program.

PNC Investments does not receive performance-based fees in connection with the wrap programs it offers.

National Financial Services LLC ("National Financial"), provides trading, custody and operational services for the Portfolio Solutions 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 and/or quarterly statements and income tax reporting.

PNC Investments has also engaged a service provider to perform certain support services in connection with the Program. This service provider is responsible for calculating and preparing quarterly performance reports for client accounts and may calculate Program Fees.

Risks of Investing in the Portfolio Solutions Program

Investing in securities, including the investments offered through the Portfolio Solutions Program, involves risk of loss that you should be prepared to bear. There is no guarantee that the elements of the Portfolio Solutions Program, including the asset allocation models, selection of individual investments 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 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. Frequent or excessive trading in Portfolio Solutions 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.

Proxy Voting

You will retain proxy-voting authority over securities held in your Accounts.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

This item is not applicable to the Portfolio Solutions Program because portfolio managers are not used in administration of the Program. Your FA will recommend an allocation of equity securities, fixed income securities, certain options strategies, mutual funds, exchange traded funds or unit investment trusts in an effort to meet your investment objectives and financial goals. You retain full discretion over the Account.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

Your PNC Investments Financial Advisor will act as the sole investment advisor to your account. He or she will be solely responsible for recommending individual securities to you. As such, your account will not be managed by a separate portfolio manager. You may contact your Financial Advisor during normal business hours to discuss your account or to notify him or her of any changes to your financial profile or investment objectives.

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 Investment's 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 Investment 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 U.S. Securities and Exchange Commission ("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, N.A.

("Dual FAs"), may discuss and 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, 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 to their clients' 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 Financial Advisor 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 Portfolio Solutions Program Account, we review and must approve your investment objectives and strategy for consistency with Program guidelines. Thereafter, we will review the Account with you on a transaction, monthly, quarterly or semiannual basis, as applicable, to monitor its performance, the appropriateness of the individual securities and funds in it, and any restrictions that might apply.

Your FA or one of our other representatives will contact you at least semiannually 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 monitor the investments in your Program Account in light of your current investment objectives, and will recommend changes to the investments in your account to keep them consistent with your investment objectives.

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 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

Portfolio Solutions Program

March 30, 2016

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.