



Disclosure Document for the Premier Directions Program

An Investment Advisory Service of
PNC Investments LLC

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April 1, 2014

This wrap program brochure ("Brochure") provides information about the qualifications and business practices of PNC Investments LLC and our Premier Directions 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 ("SEC") or by any state securities authority.

PNC Investments LLC, a registered broker-dealer and member of Financial Industry Regulatory Authority ("FINRA") and Securities Investor Protection Corporation ("SIPC"), is a wholly owned subsidiary of PNC Financial Services Group, Inc. 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>
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Material Changes

ADV Part 2A dated April 1, 2014

The following changes have been made to the PNC Investments Premier Directions wrap fee program brochure since the annual amendment to the brochure dated March 23, 2013:

Page 9— Other Expenses: Additional PNCI disclosure regarding revenue sharing, where PNCI and its affiliates may receive additional compensation and/or revenue sharing payments from mutual fund providers or their affiliates who compensate PNCI for assets invested in their Funds.

Page 10 -- Collateral Accounts. Under certain circumstances you may elect to pledge the assets in your Account as collateral for a general purpose loan; we wish to make you aware of certain information regarding the impact of a collateral call on your Account.

Page 13 - Disciplinary Information. On May 29, 2013 PNC Investments entered into a settlement with FINRA for conduct that occurred at NatCity Investments before it was acquired by PNC Investments' parent company.

Page 13 - Disciplinary Information; On September 11, 2013 PNC Investments entered into a settlement with FINRA in connection with the activities of one of PNC Investments' registered representatives who converted funds from a customer's accounts.

Page 13 - Disciplinary Information: On December 20, 2013, PNC Investments entered into a settlement with FINRA in connection with the Firm's sale of leveraged, inverse, and inverse-leveraged exchange-traded funds to certain customers during the period from January 2008 through June 2009.

Page 13 - Disciplinary Information: On December 31, 2013, PNC Investments entered into a settlement with FINRA in connection with certain unit investment trust purchases for customers during the period from about July 1, 2010 to June 30, 2012.

Pages 4, 6 and 7 - Services, Fees and Compensation, and Page 10 - Account Requirements and Types of Clients, Page 11 - Portfolio Manager Selection and Evaluation, Page 12 – Client Information Provided to Portfolio Managers, and Page 12 – Client Contact with Portfolio Managers: We have made revisions reflecting changes effective April 1, 2014 to the Premier Directions program, which involve PNC Investments taking over responsibility for duties previously performed by Lockwood Advisors, Inc. ("Lockwood"), and PNC Investments acting as sole sponsor of the Premier Directions program

Pages 4 and 6 - Services, Fees and Compensation, and Page 11 -- Portfolio Manager Selection and Evaluation: We have made revisions reflecting changes effective April 1, 2014 to the Premier Directions program which involve PNC Investments taking over responsibility from Lockwood for research and selection of investment managers and model providers for the Premier Directions Program. PNC Investments has engaged our affiliate, PNC Bank, N.A., via its Asset Management Group, to provide research and assistance in selecting and reviewing investment managers and model providers.

Page 14 - Other Financial Industry Activities and Affiliations: Updated PNCI disclosure regarding PNC Financial Services Group's relationship with BlackRock, Inc.

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About PNC Investments LLC

The PNC Financial Services Group, Inc. ("PNC") is a diversified financial institution with assets of more than \$309 billion. With roots in commercial banking and investment management dating back to the early 1800s, it is one of the nation's oldest and largest financial services companies. Through its wholly owned subsidiary, PNC Bank, National Association ("PNC Bank"), PNC offers regional banking accounts and services in 19 states and the District of Columbia. Through its wholly owned subsidiary, PNC Investments LLC ("PNC Investments"), a registered broker-dealer and member of FINRA and SIPC, the firm offers financial planning, retail brokerage and investment advisory services in connection with wrap fee programs in the same 19 states and the District of Columbia. PNC Investments serves as sponsor or portfolio manager of these wrap fee investment programs.

Throughout this document, the terms "client," "you," and "yours" are used to refer to the individual(s), institutions(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 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 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

PNC Investments sponsors a number of wrap advisory programs, including mutual fund wrap programs, financial advisor- and client-directed programs, as well as separately managed account programs. This Disclosure Document is being provided pursuant to Section 204 of the Investment Advisers Act of 1940, as amended, and deals solely with our Premier Directions Program.

The Premier Directions Program

The Premier Directions Program is a separately managed account platform that allows you, working with your financial advisor ("FA"), to open a professionally managed, discretionary wrap account utilizing an asset manager or investment strategy model chosen from a roster of investment advisers selected for participation in the Program. You will open and maintain a separate brokerage Account for each investment manager and/or model you select. The Premier Directions Program is designed for clients who wish to give the investment manager(s) they have selected full discretion over their Account(s) in order to implement an asset allocation-based investment strategy.

You may choose from approximately 65 different investment managers approved by PNC Investments' Product Development and Oversight Committee. Each manager adheres to one of several investment objectives. Examples of investment objectives include domestic large cap value, international large cap equity or intermediate taxable fixed income. You will work with your advisor to select one of five core asset allocation models that match your risk profile. With the aid of your FA, you will then select one or several approved investment managers to manage your account(s). The five allocation models have been developed by PNC Bank, N.A.'s Asset Management Group and approved by PNC Investments' Product

Development and Oversight Committee and 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. Although past performance is no guarantee of future results, any such decline should be significantly 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. Although unlikely, a decline in portfolio value exceeding 10% in a single year cannot be excluded. Your ability to ride out such temporary declines raises the possibility of achieving the portfolio's long-term investment objective.

- **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, and is constructed to provide both long-term capital appreciation in excess of inflation and a moderate amount current income, which 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. Although this split will temper periodic declines in portfolio values, a decline exceeding 15% in a year cannot be excluded. Your ability to ride out such declines raises the probability 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. Although past performance is no guarantee of future results, these declines should be modestly less severe than declines in the broader equity markets. Because the portfolio is largely invested in equities, it can experience fluctuations – up or down – in value over short time periods. Declines exceeding 25% in a 12-month period, while not common, cannot be ruled out. Your ability to ride out such declines raises the probability 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 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. Although past performance is no guarantee

of future results, declines exceeding 30% in a 12- month period, while uncommon, cannot be ruled out. Your ability to ride out such declines raises 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. Although past performance is no guarantee of future results, declines exceeding 35% in a 12-month period should not be ruled out. Your ability to ride out such declines raises the possibility of achieving the portfolio's long-term investment objective.

Before you open a Premier Directions 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, we will recommend an asset allocation model and identify investment managers appropriate for your investment Account. We will present our recommendations to you in the form of an Investment Proposal for your acceptance and approval. By accepting these recommendations and signing the Investment Management Agreement, you authorize PNC Investments to delegate discretionary trading authority over your Account, or a portion of your Account, to the investment manager(s) you have selected. You will not have the ability to directly buy or sell securities in your Account, or to direct your FA or the selected investment manager to buy or sell securities in your Account. You will not be able to obtain a margin loan using the securities in your Program Account as collateral. You will retain, however, the ability to place reasonable restrictions on the types and/or classes of securities that may be purchased for your Account, subject to the approval of the investment manager.

The investment manager(s) selected for your Account(s) will have the discretion to invest and reinvest the assets in the relevant Account in a combination of equity securities, fixed income securities, mutual funds, exchange traded funds ("ETFs") and other financial instruments in accordance with the allocation model that you have selected. The manager chosen for each Account will be responsible for rebalancing the Account to keep it within the acceptable allocation ranges for the specified model.

The investment manager(s) you have selected will be given information about your financial circumstances, investment goals and objectives and any special written instructions you may wish to provide regarding your Account.

PNC Investments retains the authority to put an investment manager's services on hold and to terminate or change investment managers when circumstances are such that PNC Investments believes a change is in your best interest. If a manager is terminated, PNC Investments will select a replacement manager. PNC Investments is responsible for advising you about any material changes to the Program, including investment manager changes.

You will receive a monthly statement confirming all transactions in your Account, including additions, disbursements, purchases, sales, and advisory fees paid to either PNC Investments or your investment manager. You will also receive a quarterly performance report, tracking the performance of your portfolios against relevant benchmarks.

Your FA will contact you at least annually, or more often as you and your FA may arrange, to review your Account. You should, however, promptly inform your FA of any changes to your financial profile or

investment objectives. PNC Investments will communicate any changes about you to the investment manager(s) you selected. You will have very limited, if any, ability to have direct contact with the investment manager(s). You should direct any inquiries regarding your investment manager(s) to your FA. Therefore, it is very important that you maintain contact and communication with your FA.

Either party may terminate the Premier Directions Agreement as provided in the relevant governing investment management agreement, but generally on thirty (30) days' written notice to the other party.

Securities Transferred into an Account

You should be aware that if you transfer securities into a Premier Directions Account, some, and possibly all, of the transferred securities might be liquidated upon, or shortly after, notification to the investment manager. 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 Premier 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 Premier Directions Program Account, your investment manager may need to sell securities in 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 tax consequences as well as additional transaction costs in connection with these transactions. In addition, you should know that liquidation transactions are at the discretion of the investment manager, and cash may not be available for distribution until several business days after the request is made.

Fees and Expenses

You will pay both a "Program Fee" and a separate "Investment Manager Fee" for the services of each investment manager selected under the Premier Directions Program. Each fee is calculated as a percentage of assets under management by that particular manager. The fees 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 Premier 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. Our standard Program Fee schedule is as follows:

Assets Under Management	Standard Program Fee
First \$249,999	2.00%
\$250,000 -- \$499,999	1.75%
\$500,000 -- \$999,999	1.50%
\$1,000,000 -- \$1,999,999	1.25%
\$2,000,000 -- \$3,999,999	1.00%
Over \$3,999,999	Negotiable
Minimum Fee	\$1,750

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. Program assets may be grouped for members of the same household for fee

calculation purposes, as described in the Client Agreement. Minimums may be waived in appropriate circumstances. Therefore, the Program Fee detailed on Schedule A of your Investment Management Agreement will supersede the fee schedule set forth above.

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, you will pay a separate Investment Manager Fee for the services provided by each of the individual investment managers you have selected. The Investment Manager Fee is based on the total assets under advisement with the applicable Investment Manager(s), including any portion of the account maintained in cash or in short-term vehicles including, but not limited to, money market funds. Investment Manager Fees range from 30 to 75 basis points, depending on the investment style of that particular manager. For example, a fixed income manager usually charges a lower fee than a small cap equity manager. Fees and styles for each manager you have selected are designated on Schedule A of your Premier Directions Advisory Services Agreement.

Both the Program Fee and the Investment Manager Fees are charged quarterly and payable in advance and will be based on the average daily balance of your Account over the prior calendar quarter or portion thereof except in the case of a new account, as outlined below. If your account is new, you will pay an initial fee after the date that the Custodian receives the initial assets of your account(s). If you contribute net contributions greater than \$25,000 to your account you will also pay an initial fee. With your initial contribution and for any additional net contributions greater than \$25,000, you will pay 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(s) becomes subject to the Agreement or that you make the relevant additional net contribution, as applicable. This Program Fee will be based on the total market value of Assets in your account(s) on that date, or the amount and date of the net contribution greater than \$25,000, as applicable. 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 Premier Directions 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.

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 funds to pay the Fees, we may sell securities as necessary to pay them. Selling securities to pay fees and expenses may incur transaction costs and could create tax consequences for you.

Other Expenses

Each of the mutual funds or ETFs, including money market funds, in which Program assets may be invested, pays separate operating expenses, management fees and distribution fees. All of these fees and expenses are paid by the investment company, 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 you pay to us and are reflected on your monthly statement.

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 the Account on behalf of the fund company. If you open your account as an IRA, we will credit the amount of any 12b-1 fee we collect to your IRA Account to offset a portion of the IRA client fees, as disclosed in the IRA application. 12b-1 fees are not, however, used to offset other fees in non-IRA accounts. 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.

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 due diligence process for selecting mutual funds for our platform is designed so that mutual funds are selected on criteria other than compensation.

The Premier Directions Program may cost you more or less than purchasing securities in an account separately. Certain securities are also available for purchase through our broker-dealer services.

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 will depend on many factors, but in certain circumstances may reach 100% of your account assets. You should ask your financial consultant 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 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 affiliate's 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 the Blackrock or PNC Funds in the same manner as it evaluates all other funds available through the program. As such, the Blackrock or PNC Funds affiliation with PNC Investments does not provide it any preferential treatment versus the other funds.

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 paid separately for investment advice, brokerage services and other services. Certain FAs may be compensated on a salary and incentive basis, some FAs may be compensated on a salary and commission basis, while some FAs may be compensated solely on a commission basis. Therefore some FAs may have greater incentive to offer a managed product than another FA. PNC Investments may also pay a portion of the first year's estimated fees from your Account to your FA.

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 Premier Directions Program is \$100,000, but it typically takes between \$500,000 and \$700,000 to build a fully diversified investment portfolio in this type of account. Each individual investment manager in the Program will also have its own minimum which may be more or less than the Program minimum. PNC Investments or the investment manager selected may terminate any Account that falls below a specific minimum account value on 30-days written notice to the Account holder. To avoid termination, you may be required to deposit additional assets in your Premier Directions account to remain in the Program. If an Account is terminated, we issue a notice of termination. If we receive no transfer instructions from you within the 30-day period, we may, at our discretion, direct the liquidation of the assets in the Account and/or transfer those assets to a PNC Investments regular brokerage account. Such a transfer may result in the sale or exchange of mutual fund shares that are not eligible to be held outside the Premier Directions Program. The sale or exchange of fund shares may create tax consequences and the Account may also incur redemption fees in some funds.

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

Collateral Accounts

Under certain circumstances you may elect to pledge the assets in your Account as collateral for a general purpose loan with our affiliate, PNC Bank, N.A. or other financial institution ("the Lending Arrangements"). As the Investment Advisor for your Account, we wish to make you 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 at significantly lower prices) than might otherwise be desirable. You or your Financial Advisor may not be provided with prior notice of the liquidation of the securities in the Account. Furthermore, you and your Financial Advisor 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 Program and the Account may not qualify for the Program after a collateral call.

We wish to inform you further that the costs associated with the Lending Arrangements are not included in the fees you pay under the Program and may result in additional compensation to us, our affiliate, PNC Bank, N.A., and our Financial Advisors. 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 Program. PNC Investments does not provide legal, tax or

accounting advice.

You are encouraged to speak with your Financial Advisor to the extent you have questions about the Program, the 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 Financial Advisor 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

Manager Selection

The factors influencing the inclusion of an investment manager on our list of recommended investment managers may include, among other things, past performance, management style, quality of its investment process, the number and continuity of investment professionals, and its client servicing capabilities. While PNC Investments is the Program's sponsor, we rely on our affiliate, PNC Bank N.A.'s Asset Management Group ("AMG") for research and assistance in selecting and reviewing investment managers for the Program. We or AMG may ask the investment manager to provide us with a completed questionnaire, database information on the firm and statistical analysis of the firm's track record. We may also conduct interviews with members of the firm's management. This process is an ongoing one, and investment managers may be added or removed from the Program based on many factors, either internal or external to the firm's management. Returns reported are derived from sources believed to be reliable; however, we make no representations or warranties as to the accuracy of performance information.

The Premier Directions Program and other wrap programs we recommend may include investor management affiliates of PNC Investments including BlackRock and PNC Capital Advisors. We will not treat those entities any differently from investment managers that are not affiliated with PNC Investments.

PNC Investments and Other Service Providers to the Program

PNC Investments was formed in 2003, and is an indirect, wholly owned subsidiary of The PNC Financial Services Group, Inc. PNC Bank N. A. is also 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 sponsor of the Premier 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 Premier 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 will calculate the quarterly Program Fee and Investment Manager Fees.

Risks of Investing in the Program

Investing in securities, including the investments offered through the Premier Directions Program, involves

risk of loss that you should be prepared to bear. There is no guarantee that the elements of the Premier Directions Program, including the asset allocation models, selection of investment managers 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.

Proxy Voting

The investment manager(s) selected will vote all proxies for securities held in your Premier Directions Account(s), unless you direct otherwise. Where PNC Investments acts as investment manager, it will vote all proxies for securities held in the Premier Directions Program on your behalf, unless you direct otherwise. 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.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As part of the acceptance and approval process, and by signing the Investment Management Agreement, you authorize PNC Investments to delegate discretionary trading authority over your Account, or a portion of your Account, to the investment manager(s) you have selected. Investment managers with responsibility for your assets are sent information on your financial circumstances, investment goals and objectives and any special written instructions you may wish to give them regarding your account.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

PNC Investments will communicate any changes about you to the investment manager that you selected. You will have very limited, if any, direct contact with any investment manager you 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, PNCI consented to an AWC finding that, during the period from October 2011 through January 2013, PNCI 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, 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, including private placements of the aforementioned securities.

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, N.A.** is a wholly owned subsidiary of The PNC Financial Services Group, Inc., and provides regional banking accounts and services in 19 states and the District of Columbia.

Certain FAs of PNC Investments, who are also employed by PNC Bank, N.A. ("Dual FAs"), may be licensed and qualified to sell (i) PNC Bank, N.A. products, such as deposit products and loans ("Bank Products"), and (ii) managed account products of PNC Investments, such as Capital Directions ("Managed Account Products") simultaneously. PNC Bank, N.A. may receive compensation from sales of Bank Products by Dual FAs. Dual FAs may be compensated for their sale of Bank Products. Dual FAs will be supervised for their sale of Managed Account Products by PNC Investments and will be supervised for their sale of Bank Products by PNC Bank, N.A.

- **PNC Capital Advisors, LLC** is a wholly owned subsidiary of PNC Bank N. A., 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 and advisory services, securities underwriting and trading, private placements, asset securitizations and merger and acquisition advisory 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.

In addition, as of December, 31, 2013, The PNC Financial Services Group, Inc., together with its subsidiaries, owned approximately 21.9% of the total capital stock of **BlackRock Inc.** ("BlackRock") and approximately 20.9% of BlackRock's voting common stock. 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 Investments, LLC, BlackRock Execution Services, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock International Limited, BlackRock Investment Management LLC, BlackRock (Hong Kong) Limited, BlackRock (Singapore) Limited, BlackRock Asset Management North Asia Limited, BlackRock Kelso Capital Advisors, LLC, BlackRock Private Equity Partners, AG and, BlackRock Realty Advisors LLC.

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 financial advisor or a broker-dealer for securities for which an affiliate may act as an appointed agent. 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 Premier Directions Program Account, we review and must approve your investment objectives and strategy for consistency with 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

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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 and any other representatives responsible for making investment decisions for your Account 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 Referrals and Other Compensation

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.

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.