



## **Disclosure Document for the Strategic Directions Program**

An Investment Advisory Service of  
PNC Investments LLC

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This wrap fee program brochure provides information about the qualifications and business practices of PNC Investments LLC and our Strategic Directions Wrap-Fee Advisory 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 broker-dealer and member of [FINRA](http://www.finra.org) and [SIPC](http://www.sipc.org), 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](http://www.adviserinfo.sec.gov).

<b>Not FDIC Insured • Not Bank Guaranteed • May Lose Value</b>
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## **Material Changes**

This brochure is a new document prepared in accordance with the 2010 amendments to SEC Form ADV. It is materially different from our previous filings, and includes certain new information that our previous filings did not require.

In the future, this item will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. It will also reference the date of the last annual update of our brochure.

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## Introduction

The PNC Financial Services Group, Inc. (“PNC”) is a diversified financial institution with assets of more than \$264 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 of PNC Bank, National Association (“PNC Bank”), PNC offers regional banking accounts and services in 14 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 the same 14 states and the District of Columbia. PNC Investments serves as the 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), institution(s) or organization(s) who contract with us for the services described here. “PNC Investments,” “we,” “our,” “us” and “the firm” refer to PNC Investments LLC, together 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. “Affiliate” means any entity that is controlled by, controls or is under common control with PNC Investments. 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 Fee” refers to an Account that charges a quarterly or annual fee based on the average assets under management. The “Wrap Fee” covers administrative, commission, execution and management expenses. “Business Day” means Monday through Friday, excluding New York Stock Exchange holidays.

## 1. Services, Fees and Compensation

PNC Investments sponsors a number of wrap fee advisory programs, including mutual fund wrap fee 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 and deals solely with our Strategic Directions Program.

### *The Strategic Directions Program*

The Strategic Directions Program is a unified investment advisory platform that provides an integrated set of diversified portfolios through a single brokerage Account. Professional investment managers can be selected from an approved list to manage your portfolios, which are available in a variety of investment types and styles. We will help you formulate an investment strategy, which will be implemented on your behalf by Lockwood Advisors, Inc. (“Lockwood”), a registered investment adviser not affiliated with PNC Investments. We have entered into an agreement with Lockwood to provide the portfolio optimization, manager selection and periodic client reporting that are a part of the Strategic Directions Program.

Five core asset allocation models, each associated with a distinctive expected risk profile and comprised of a unique mix of investment assets, have been approved by PNC’s Asset

Management Group. Each of the models is offered in a taxable, tax-sensitive and non-taxable variation. These 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 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, 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, 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 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 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 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 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 Strategic Directions Account with us, your Financial Advisor ("FA") will help you complete an investor questionnaire that provides us with a comprehensive understanding of your financial situation, investment objectives and risk tolerance. Based on the information collected in the questionnaire, we will recommend a flexible asset allocation model appropriate to your situation. We will present our recommendation to you in the form of an Investment Proposal for your acceptance and approval. In setting up the Account, you and your FA will be able to choose from among more than one hundred approved mutual funds and mutual fund families, 15 exchange traded funds ("ETFs") and 30 separately managed account ("SMA") managers. By accepting and signing the Investment Management Agreement, you grant discretion over your Account to PNC Investments and Lockwood, and you authorize them to invest and reinvest the assets in your Account in a combination of

equity securities, fixed income securities, mutual funds, ETFs and other financial instruments in accordance with the allocation model that you have selected.

The Strategic Directions Program is designed for investors who wish to give Lockwood full discretion to invest the assets in their Accounts according to the asset allocation model they have selected. Once you are approved for the Program, you will not have the ability to buy or sell individual securities in your Account, or to direct your FA or the selected investment manager to buy or sell securities in your Strategic Directions Account. You will not be able to obtain a margin loan using the securities in your Strategic Directions Account as collateral. You will retain, however, the ability to place restrictions on the types and classes of securities that may be purchased for or held in your Account, subject to the approval of the manager of the asset allocation model selected.

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

Lockwood and the investment manager for the allocation model 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. We will update this information whenever you notify us of changes to your financial status or goals.

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 managers. You will also receive a quarterly performance report, generated by Lockwood, tracking the performance of your portfolios against relevant benchmarks.

Your FA will meet with you annually, or more often as mutually agreed, to review your Account. You should inform your FA of any changes to your financial profile or investment objectives. Your FA will communicate any changes about you to Lockwood. You will have very limited, if any, direct contact with Lockwood or the money managers selected for your account. You should direct any inquiries about your Account, the allocation model or the investment manager to your FA. Therefore, it is very important that you maintain contact and communication with your FA.

Either party may terminate the Strategic Directions Agreement 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 Strategic Directions Account some, and possibly all, of the transferred securities may be liquidated upon, or shortly after, notification to the selected investment manager. You may incur adverse tax consequences, as well as additional transaction costs in connection with these transactions.

### ***Withdrawals from an Account***

You should also be aware that if you request a withdrawal from a Strategic Directions Account, Lockwood or the investment manager may need to liquidate a portion of the Account to cover the requested withdrawal amount. This will happen, for example, when the cash in your Account is insufficient to accommodate the requested withdrawal. You may incur adverse tax consequences as well as additional transaction costs in connection with these transactions.

### ***Fees and Expenses***

You will pay both a “Program Fee” and separate “Investment Manager Fees” for the services provided under the Strategic Directions Program. Each fee is calculated as a percentage of assets under management and will vary depending on the services provided to you.

The Program Fee is based on the total assets under advisement, 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:

<b>Assets Under Management</b>	<b>Standard Program Fee</b>
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 your personal circumstances and the total amount you have invested with PNC Investments, you may negotiate a Program Fee that varies from the standard schedule above. 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 the investment manager(s) of the allocation model 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, money market funds or other short-term vehicles. These fees are charged at the rates designated on Schedule A of your Investment Management Agreement



The Program Fee and all Investment Manager Fees are charged quarterly and payable in advance based on the prior quarter's ending market value. The annual fee will be calculated based on the average daily market value of the assets during the prior three-month period or portion thereof. If the Account is terminated, the fee for the 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 our standard fees for additional brokerage account services that are not included in the Strategic 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 cover the fees, we may sell other funds or securities as necessary to pay them. Selling securities to pay fees and expenses may incur transaction costs and could create tax consequences for you.

The Program and Investment Manager Fees for the quarter in which the Account is opened and assets are first deposited into the Account will be based on the value of the assets in the Account on the day your Investment Management Agreement is accepted by PNC Investments and prorated for the partial billing quarter. If the Account is accepted during the last business week of the initial quarter, the Fees will be based on the value of the assets in the Account on the last business day of the partial quarter.

After the initial billing period, your quarterly Program Fee and Investment Management Fees will be paid in advance at the end of each calendar quarter for the following initial quarter. The Program Fee will be based on the average daily market value balance of the total assets in your Account for the prior calendar quarter. The Investment Management Fees will be based on the average daily market value balance of the total assets in your Account invested with the applicable investment manager for the prior calendar quarter.

### ***Other Expenses***

Each of the mutual funds, including money market 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 investment company, but are 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 statement.

PNC Investments is expressly authorized to receive commissions and/or fees associated with your investments 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. As disclosed in the IRA application, we credit the amount of any 12b-1 fee we collect to IRA Accounts to offset a portion of the IRA client fees. 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 adviser or sub-adviser or administrator and receives a fee for such services.

The Strategic Directions Program may cost you more or less than purchasing the securities in an Account separately. Certain securities are also available for purchase through PNC Investment's broker-dealer services.

### ***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. 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 our 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.

## **2. Account Requirements and Types of Clients**

The minimum Account size for the Strategic Directions Program is \$250,000. Either PNC Investments or Lockwood may terminate any Account that falls below minimum account value guidelines established by the firm on 30-days' written notice to the Account holder. If we terminate an Account and issue a notice of termination, and if we receive no transfer instructions from you within the 30-day period, we or Lockwood 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 Strategic Directions Program. The sale or exchange of fund shares may create tax consequences, and the Account may incur redemption fees in some funds.

PNC Investments generally provides investment advice to individuals, high-net-worth individuals, banks and thrift institutions, pension and profit-sharing plans, charitable organizations and corporations.

### **3. Portfolio Manager Selection and Evaluation**

#### ***Manager Selection***

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

#### ***PNC Investments and Other Service Providers to the Program***

PNC Investments was formed in 2003, and is a wholly owned subsidiary of The PNC Financial Services Group, Inc. PNC Bank 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 the principal sponsor of the Portfolio Solutions Program.

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. If a program has more than one sponsor, one person shall be designated the principal sponsor of the program.

Lockwood, a wholly owned subsidiary of The Bank of New York Mellon Corporation, serves as co-sponsor of the Strategic Directions Program. In that capacity Lockwood maintains the asset allocation models, selects and monitors the participating investment managers and provides back office support for services such as client billing and investment performance reporting. Lockwood also provides quarterly performance reports, including performance analysis, asset allocation and rebalancing and comparison to relevant benchmark indices.

Neither PNC Investments nor Lockwood 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 Services LLC (“National Financial”), provides trading, custody and operational services for the Strategic 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.

#### ***Risks of Investing in the Program***

Investing in securities, including the investments offered through the Strategic Directions Program, involves risk of loss that you should be prepared to bear. There is no guarantee that the elements of the Strategic 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***

Lockwood will vote all proxies for securities held in the Strategic Directions Program.

## **4. Client Information Provided to Portfolio Managers**

As part of the acceptance and approval process, and by signing the Investment Management Agreement, you grant Lockwood discretionary trading authority over your Account and the investment manager(s) selected for the Program. 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. Lockwood updates this information when we notify them of changes to your financial status.

## **5. Client Contact with Portfolio Managers**

Your FA will communicate any changes about you to Lockwood. You will have very limited, if any, direct contact with Lockwood or any the investment manager you might select. You should direct any inquiries regarding the investment manager to your FA.

## **6. 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.

## **7. 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 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 affiliated with a number of other investment advisers and registered broker-dealers through our parent, The PNC Financial Group, including our parent's ownership interest in BlackRock Inc. Our Affiliates include:

- **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 Realty Investors, Inc.** is an indirect, wholly owned subsidiary of The PNC Financial Services Group, Inc. and provides investment supervisory services to institutional investors regarding commercial real estate throughout the United States.
- **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.
- **Harris Williams LLC** is a subsidiary of The PNC Financial Services Group, Inc., and is one of the largest mergers and acquisitions advisory firms in the country focused exclusively on the middle market.
- **BlackRock Inc.** (BlackRock) is the largest publicly traded investment management firm in the United States. BlackRock manages assets on behalf of institutions and individuals worldwide through a variety of equity, balanced, fixed income, cash management and alternative investment products. The PNC Financial Services Group, Inc. owns approximately 20% of BlackRock, and PNC Investments is indirectly affiliated with a significant number of BlackRock investment adviser and broker-dealer subsidiaries.

BlackRock's subsidiaries include State Street Research & Management Company, BlackRock Realty Advisors, BlackRock Advisors LLC, BlackRock Financial Management, Inc., BlackRock Institutional Management Corp., BlackRock International, Limited, BlackRock Capital Management, Inc., BlackRock Investments, Inc., BlackRock Investment Management LLC, BlackRock Capital Markets LLC, BlackRock Fund Advisors, BlackRock Execution, BlackRock Fund Distribution and BlackRock Kelso Capital Advisors.

- **PNC Insurance Services LLC** is a wholly owned subsidiary of PNC Bank and a licensed insurance agency. It provides a variety of insurance products and advice.

PNC Investments or our Affiliates may from time to time recommend transactions in which we or our affiliates act as a financial adviser or a broker-dealer, or recommend investment in securities that are underwritten, issued, packaged or serviced by one of our Affiliates.

## **8. 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.

## **9. Review of Accounts**

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

Finally, your FA and any other representatives responsible for making investment decisions for your Account will be reasonably available to you for consultation about the Account.

## **10. 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.

## **11. 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.