



## **Disclosure Document for the Pocket by PNC Program**

An Investment Advisory Service of  
PNC Investments LLC

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Pittsburgh, Pennsylvania 15222  
(866)-444-4040  
[www.pnc.com](http://www.pnc.com)  
March 31, 2023

This wrap fee investment program brochure ("Brochure") provides information about the qualifications and business practices of PNC Investments and the Pocket by PNC Investment Advisory Program ("the Program" or "Pocket by PNC"). If you have any questions about the contents of this Brochure, please contact us at (866) 444-4040. 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 investment adviser and broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"), is a wholly owned subsidiary of The PNC Financial Services Group, Inc. Registration does not imply a certain level of skill or training.

Additional information about PNC Investments LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

<p><b>Not FDIC Insured • Not Bank Guaranteed • Not A Deposit • Not Insured By Any Federal Government Agency • May Lose</b></p>
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## **MATERIAL CHANGES**

ADV Part 2A dated Date xx, 2023

**The following changes have been made to the Pocket by PNC Investments Program Brochure since the initial Brochure dated May 25, 2022:**

*Page 7 – The Pocket by PNC Program* – The Brochure has been updated to provide additional information regarding our role as introducing broker for your account and the conflicts of interest that creates.

*Page 9 – Account Termination* – The Brochure has been updated to provide additional information regarding our practices at the termination of your Program account or upon the death of any account owner.

*Page 11 – Other Expenses* – The Brochure previously disclosed 12b-1 payments to the distributor of the Lord Abbett F share class. This share class is no longer available in the Program, and accordingly, this disclosure has been removed.

*Page 12 – Other Expenses* – The Brochure has been updated to provide additional information related to certain credits we receive from our Clearing Firm and the conflicts of interest they create.

Page 12 – Other Expenses – The Brochure has been updated to reflect information regarding termination fees applicable to our clearing agreement and the conflicts of interest they create.

*Page 13 – Cash Balances* – The Brochure has been updated to reflect additional information regarding our Bank Deposit Sweep Program and the conflicts of interest it creates.

Page 13 – Cash Balances – The Brochure has been updated to provide additional information regarding revenue earned by our affiliate, PNC Bank, in relation to our Bank Deposit Sweep Program.

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## ***About PNC Investments LLC***

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

Throughout this document, the terms “client,” “you,” and “yours” are used to refer to the individual(s), institution(s) or organization(s) who contract with us for the services described here. “PNC Investments,” “we,” “our,” “us” and “the firm” refer to PNC Investments LLC, together (as applicable) with our affiliates, including but not limited to, PNC and its agents with respect to any services provided by those agents.

“Affiliate” means any entity that is controlled by, controls or is under common control with PNC Investments, including but not limited to our parent company, The PNC Financial Services Group, Inc. Each affiliate is a separate legal entity and not responsible for the obligations of any other affiliate. “Account” or “Program Account” means each brokerage and/or advisory account you open with us that is subject to the Pocket by PNC investment management agreement (the “Investment Management Agreement”), including any and all mutual funds, exchange traded funds, money, securities, financial instruments and/or other property you have funded in such accounts. “Business Day” means Monday through Friday, excluding New York Stock Exchange holidays. In a “wrap fee investment program” like Pocket by PNC, your account is charged a monthly or annual fee based on the average assets under management, where such fee covers administrative, commission, execution and management expenses.

## ***Services, Fees and Compensation***

This Brochure is being provided pursuant to Section 204 of the Investment Advisers Act of 1940, as amended, and deals solely with our Pocket by PNC program (“Pocket by PNC” or “Pocket” or the “Program”). In addition to Pocket by PNC, PNC Investments offers a variety of investment advisory services. These services include the Capital Directions Program, Portfolio Solutions Program, Portfolio Solutions Strategist Program and PNC Directions Program. More information about these programs and services is contained in the applicable PNC Investments brochure and is available upon request or through the SEC’s website at <https://adviserinfo.sec.gov/>. For more information about these or other services that are available from PNC Investments, please contact us at (866)444-4040. Other advisory services are offered by our affiliates.

## ***The Pocket by PNC Program***

The Program is a mobile based investment advisory application which allows users to begin their investing journey by investing small dollar amounts in a professionally managed and monitored investment portfolio. The Program will be initially offered as part of an employee only pilot program (“Pilot Program”). Participation in the Pilot Program is by invitation only and will be offered exclusively to individuals employed by PNC. A public launch is anticipated to begin at the conclusion of the Pilot Program. Utilizing a mobile application (the “Application”), you will answer a few questions designed to help determine your investment objectives, risk tolerance, and investment time-horizon (collectively your “Investment Profile”). Based on this information, the Pocket by PNC Investment Advisory Program

Application will recommend an investment strategy for you implemented using mutual funds and/or ETFs (collectively “Funds”) that are part of the Program. PNC Investments, as the investment adviser to the Program, will exercise its discretion to invest your Account in a combination of Funds available through the Program, now or in the future.

PNC Investments has delegated certain overlay management services to Envestnet Asset Management, Inc., an unaffiliated investment adviser (the “Investment Delegate”) for Program Accounts. The Investment Delegate will facilitate the execution of trades in your Account as instructed by PNC Investments. National Financial Services LLC (“National Financial”) acts as custodian for Program assets.

PNC Investments has developed, six core asset allocation models, each associated with a distinct risk profile and comprised of a unique mix of investment assets. Our outcome-driven allocation models seek to provide risk-adjusted returns over a market cycle in a cost effective and efficient manner. Portfolios are constructed using a mix of domestic and foreign stock Funds, as well as fixed income Funds, with the inclusion of sub-asset classes and minimal required cash positions. The models range from conservative to aggressive and are summarized below:

- **Ultra-Conservative.** The primary objective of this asset allocation model is the preservation of the purchasing power of the portfolio. A secondary objective is to generate a modest amount of current income to offset the effects of inflation.

An Ultra-Conservative portfolio is constructed to provide stability of invested capital by allocating a higher percentage of assets to cash and fixed income securities. A small percentage is allocated to Funds focused primarily on large cap domestic equities to generate a modest amount of the model’s total return potential. The portfolio assumes reinvestment of all interest and dividend income to help maintain the portfolio’s value. The recommended time horizon of the portfolio is one to three years.

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

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

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

- **Moderate.** The objective of the Moderate model is to generate a moderate amount of current income with the potential for longer-term capital growth. The portfolio is evenly split between equity and fixed income securities, with a small allocation to cash, and is constructed to provide both long-term capital appreciation in excess of inflation and a moderate amount of current income. While the current income

generated could be available to meet your day-to-day expenses, reinvestment of income will increase the portfolio's ability to exceed inflation over the long-term.

The portfolio's split allocation between equity and fixed income securities, with an allocation to cash, exposes it to both the risk of rising interest rates and falling equity prices. Your ability to keep your funds invested in the Program throughout declining markets helps, but does not guarantee, the possibility of achieving the portfolio's long-term investment objective.

- **Balanced.** The primary objective of the Balanced model is to provide long-term capital growth 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. 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.

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

- **Growth.** The primary objective of the Growth model is long-term capital growth. It may secondarily generate a minimal amount of current income by including some fixed income securities. The portfolio is concentrated in equity investments in order to earn returns exceeding the rate of inflation over the long-term. A small allocation to fixed income securities, as well as cash, is included primarily to help dampen volatility over the long-term.

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

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

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 securities as well as cash. Because the portfolio is predominantly invested in equity securities, it can experience sharp fluctuations – up or down – in value over short time periods. Your ability to keep your funds invested in the Program throughout declining markets helps, but does not guarantee, the possibility of achieving the portfolio's long-term investment objective.

All investments are subject to the risk of loss. No asset allocation strategy or investment model can ensure a

profit or guarantee against the risk of loss. You should be aware that any assets invested in a Program Account are subject to the risk of loss and you should not invest in the Program if you are unable or unwilling to accept that risk.

The Program is designed to be a long-term investment solution. You should carefully consider whether the Program is appropriate for you given your own unique circumstances. If, for example, you have a large amount of debt, relative to your liquid savings or current income, you should consider whether you should reduce your debt prior to entering a long-term investment solution, including Pocket by PNC. Additionally, if you expect a large expenditure in the near-term, or have unstable or unreliable income, you should consider whether a long-term investment solution is appropriate for you. Before you open an Account in the Program, you should carefully review our Client Relationship Summary ("Form CRS") and consider whether an advisory relationship is right for your situation and circumstances. You may contact us regarding any questions you have on our Form CRS or whether an advisory account is right for you. Some things you may wish to consider are your preference for a fee-based versus a commission based relationship, your preference for on-going support and advice, how much trading activity you expect to take place in your account, and the anticipated total costs. You should know that we benefit when you open a Pocket by PNC account, as described in more detail throughout this Brochure.

Based on your Investment Profile, the Application will recommend one of the models described above (the "Allocation Model"). You will not have the option to select an Allocation Model other than the Allocation Model recommended by the Application.

Before you establish a Pocket Account, you must establish a brokerage account with PNC Investments and agree to the terms and conditions of the PNC Investments Brokerage Customer Agreement ("Brokerage Agreement"). When you agree to the Allocation Model recommended by the Application, you will open an account and accept and electronically sign the Brokerage Agreement and the Pocket by PNC Investment Management Agreement ("Advisory Agreement"). The Application will guide you through the account opening process. By electronically signing the Advisory Agreement, you grant discretion over your Account to PNC Investments and you authorize PNC Investments to invest and reinvest the assets in your Account in accordance with the Allocation Model. The scope of any investment advisory relationship we have with you is defined in the Advisory Agreement. When you are enrolled in the Program, we will act as your introducing broker and we will also act as your investment advisor, but only for your Account and not for any other assets or accounts, unless otherwise separately agreed to by us in writing. As discussed in more detail below, we earn certain fees and other revenue in connection to our capacity as introducing broker to your account. This is a conflict of interest because we would not earn such fees or revenue if we did not serve as your introducing broker. Our advisory relationship with you begins when we enter into an Advisory Agreement with you, which occurs at the later of the date of acceptance of the signed Advisory Agreement by PNC Investments or the date on which you have contributed the required minimum level of assets to your Account. Preliminary discussions or recommendations before we enter into an Advisory Agreement with you are not intended as investment advice under the Investment Advisers Act and should not be relied on as such.

You will retain the ability to place reasonable restrictions on the securities that may be purchased for or held in your Account, subject to the review and approval of PNC Investments as the manager of the Account. In general, you may impose individual security restrictions, including Funds. If an individual security restriction is reasonable, PNC Investments will generally allocate assets that would have been invested in a restricted security to cash or one or more substitute securities, which may include ETFs, on a pro rata basis. Any restrictions you impose will not apply to the underlying holdings of Funds.

From time to time PNC Investments may adjust Allocation Models or Funds available in the Program. In such

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circumstances, we will update your Allocation Model and will execute transactions to align your account to the new Allocation Model. If your Account is taxable, these transactions will create tax consequences for you.

With the Program, you will link your eligible PNC Bank checking account (“Linked Account”) to an investment account opened for you with PNC Investments. You may choose to fund your Program Account in one or more of three ways:

- One-Time Transfer – Through the Application, you may direct PNC Bank to transfer a specified dollar amount from your Linked Account to your Program Account. Funds transferred to the Program Account will be invested into the Allocation Model typically in three to five business days, subject to rebalancing rules defined more fully below.
- Periodic Transfers – Through the Application, you may direct PNC Bank to periodically transfer a specified dollar amount from your Linked Account to your Program Account on a regular basis. Funds transferred to the Program Account will be invested into the Allocation Model typically in three to five business days, subject to rebalancing rules defined more fully below.
- Round-up – Through our Round-up feature, you may elect to automatically round all transactions on the debit card tied to your Linked Account to the nearest whole dollar amount. PNC Bank will accumulate funds associated with round up transactions and will transfer the accumulated amount to your Program Account when a minimum of \$5.00 in round-up transactions is accumulated. You should know that if more than one debit card is tied to your Linked Account, transactions for each card tied to your Linked Account will round-up and sweep to your Program Account. You should also be aware, if more than one Pocket by PNC account is linked to the same debit card, all transactions on that debit card will Round-up to each linked Program Account. Funds transferred to the Program Account will be invested into the Allocation Model typically in three to five business days, subject to rebalancing rules defined more fully below.

You should be aware that when you fund your Program Account using the Linked Account, assets will be transferred out of your Linked Account and into your Program Account. If the balance of your Linked Account falls below zero as a result of transfers to your Program Account, you will be subject to the overdraft policies of PNC Bank. Please refer to the account agreement related to your Linked Account for details. PNC Bank also may reject transfers to the Program Account if your Linked Account does not meet minimum account balance thresholds. Finally, you should know that if your Linked Account is a joint account, the joint party on your Linked Account will lose access to funds that have been transferred to the Program Account.

You will receive a monthly statement following any month in which there is investment activity in your Account, confirming all transactions in your Program Account, including additions, disbursements, purchases, sales, and advisory fees paid to PNC Investments. For periods in which there is no investment activity in your Account, statements will be provided quarterly. You may monitor the investment performance of your account via the Application. Pocket by PNC is designed as an on-line investment program. All documents, including those described above, are delivered to you in an electronic format only. You should participate in the Program only if you have regular and reliable access to the internet.

### ***Review of Accounts***

When you open a Pocket by PNC account, the Application will use an algorithm to calculate a risk level believed to be appropriate for your Investment Profile. However, only your responses to the Application will be taken into account in this calculation. Other information provided by you, known by PNC Investments or any of our affiliates, or otherwise available to us, will not be considered in this calculation or in the recommended



Allocation Model.

We will contact you at least quarterly to remind you to review your account and inform us of any changes to your financial profile or investment objectives. You should review your Investment Profile at least annually and any time your financial situation has changed. You may review and update your Investment Profile through the Application any time you believe an update is necessary. Updating your Investment Profile may result in the recommendation of a new Allocation Model for your Account. This will result in transactions in your account. If your Account is taxable, these transactions will create tax consequences for you. You may update your investment profile at any time by calling us at 866-444-4040.

### ***Account Termination***

Either party may terminate the Advisory Agreement on 30 days' written notice to the other party. You are also entitled to terminate such agreement within five (5) business days of your execution of it without incurring a Program Fee, defined below; you may, however, be subject to certain other fees incurred with respect to the Account for the relevant period. Upon the termination of the Advisory Agreement, PNCI will be under no obligation to provide advice on any holdings in your Account. Any transactions executed by you after the termination of the Advisory Agreement will be subject to fees and commissions described in the PNC Investments Overview of Products and Services (the "Overview of Products and Services"). You may obtain a copy of our current Overview of Products and Services, at any time, by contacting us at (866) 444-4040 or online at <https://www.pnc.com/investments-relationship-summary>. In addition, upon learning of the death of any account owner, PNCI will immediately terminate the Investment Management Agreement. You should be aware that any transactions executed by your heirs or beneficiaries after your death will be subject to fees and commissions described in the Overview of Products and Services, unless waived by us in our sole discretion. Please see the agreement governing your Pocket by PNC Program Account for more information.

### ***Securities Transferred into an Account***

You should be aware that if you transfer securities into your Account, any transferred securities that are not part of the Allocation Model for your Account will be liquidated upon or shortly after transfer. This means that we will liquidate all of the securities you transfer into your account prior to investing your account in the Allocation Model. If your account is taxable you will incur tax consequences in connection with these transactions. In addition, liquidation transactions may be subject to redemption, short-term trading or other charges imposed by the funds. Refer to each fund's prospectus for details. Please note that if you transfer illiquid securities into an Account, it will 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 an Account, PNC Investments 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.

### ***Taxes***

You need to be aware that the Program operates in a manner that will likely cause non-retirement Accounts to more frequently experience taxable gains and losses than a brokerage account holding individual securities for

the same amount of time. When PNC Investments, at our discretion, sells securities to rebalance your asset allocation or to adjust your Allocation Model, the transaction will likely create a capital gain or loss for you. Additionally, any securities that you sell in order to raise cash to open and or be deposited into your Account will likely create a capital gain or loss. These capital gains and losses are in addition to dividends and capital gains paid by the Funds in the Account. All of these activities will create tax consequences for you, and you should consider and discuss the potential tax implications of opening and maintaining a Pocket by PNC account with your tax advisor.

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

Pocket by PNC accounts opened as part of the Pilot Program (“Pilot Accounts”) will not be charged an annual management fee (“Program Fee”).

The Program Fee, if applicable, 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. From time to time, the Investment Delegate will trade through broker dealers other than National Financial when the Investment Delegate determines, in its sole discretion, that this is in your best interest. Trades executed away from National Financial are described as “trading away” or “step-out trades.” You will bear the cost of any brokerage commissions or other transaction costs incurred on transactions effected through other brokers (sometimes referred to as dealer markups, markdowns and spreads) when the Investment Delegate trades away from National Financial. See the Trading Practices section below for details.

The Program Fee (not charged to Pilot Accounts) is defined in the table below (the “Fee Schedule”);

Under \$2,500	Non-Qualified	\$12/year
	Qualified	\$24/year
\$2,500.01 and Over	First \$250k	1.00%
	Next \$250k	0.89%
	Next \$500k	0.74%
	Next \$1mm	0.64%
	Next \$2mm	0.49%
	Over \$4mm	0.35%

The Fee Schedule defined above may be changed upon 30-days written notice to you. Participants in the Pilot Program will be given notice prior to the conclusion of the Pilot Program, at which time Pilot Accounts will be treated as ordinary Accounts, subject to the Program Fee.

### ***Calculation of Account Fees***

PNC Investments reserves the right to charge its standard fees for the following additional brokerage account services that are not included in the Program Fee (collectively, “Additional Fees”). Additional Fees are summarized in the table below:

Item	Fee
Account Termination/Account Transfer Fee*	\$125
Nonqualified (Taxable Account) Domestic Wire Transfer*	\$25
Qualified (Tax-Advantaged) Domestic Wire Transfer Fee*	\$15
Stop Payment on Issued Check*	\$31

\* PNC Investments retains all or a portion of this fee. This is a conflict of interest for us because PNCI has an incentive to utilize a clearing firm that allows us to mark up designated fees.

Other fees that could apply to your Program Account, such as mail/postage fees and other miscellaneous fees will be at the rates listed under “Account Level Fees” in the Overview of Products and Services. In the event of a conflict between the fees set forth in this Pocket by PNC Fee Schedule and the Overview of Products and Services, the fees included in this Pocket by PNC Fee Schedule will apply to your Pocket by PNC Account. PNC Investments reserves the right to modify or amend this schedule, or the Overview of Products and Services in our sole discretion.

### ***Deduction of Account Fees***

All fees incurred by the Account will be paid from the cash balance or by selling shares of a money market mutual fund. If the Account does not have a sufficient cash balance or enough money market mutual fund shares to cover the fees, we will liquidate other securities as necessary to pay them. Selling securities to pay fees may incur transaction costs and could create tax consequences for you. You may contact us at (866) 444-4040 if you have any questions regarding the fees charged to your Account.

### ***Other Expenses***

Each Fund in which your Account is invested charges its own separate fund-level fees and operating expenses, including, for example, administrative, custody, transfer agent, legal and audit fees and expenses, investment advisory or management fees, shareholder servicing fees, omnibus accounting fees, fees for sub-administration, recordkeeping, print mail services and other expenses. These fees and operating expenses are ultimately borne by the shareholders invested in the Fund, including you. Other classes of mutual funds have lower fund-level fees than those used in this Program. Please review the relevant Funds’ prospectuses for a full explanation of fund expenses and charges.

PNC Investments includes in the Program only “Approved Share Classes” of mutual funds. Approved Share Classes are share classes eligible for no-transaction fee trading available through our custodian’s Institutional No-Transaction Fee program (“INTF Eligible” share classes) or, if no INTF Eligible share class is available, the least expensive non-INTF Eligible share class eligible for inclusion in the Program. PNC Investments uses INTF Eligible share classes in order to reduce PNC Investments’ overall program trading costs. This represents a conflict of interest for us because the INTF Eligible share class of a fund that we include in the Program may be more expensive than other share classes of the same fund that you may be eligible to purchase.

INTF Eligible share classes do not typically charge shareholders 12b-1 fees or pay those fees to us or our custodian, which reduces costs to you, as compared to share classes that do pay 12b-1 fees.

As described more fully below, money market funds held in your Account typically charge 12b-1 fees, but we will rebate any such fees we receive. Please note that the mutual funds included in the Program may provide compensation such as fees for omnibus accounting, sub-administration, shareholder services, recordkeeping,

print mail services or other related fees (“Mutual Fund Compensation”). While we do not expect to receive such fees, PNC Investments will credit to your Account any Mutual Fund Compensation or 12b-1 fees paid to us in connection with the holdings in your Account. Our custodian or other entities not affiliated with PNC Investments may receive Mutual Fund Compensation. PNC Investments is not a party to such arrangements and we will not credit your Account for Mutual Fund Compensation received by such entities.

PNC Investments receives an annual credit from National Financial (the “Business Development Credit”). The Business Development Credit is contingent on the fully disclosed clearing agreement with National Financial remaining in effect. The Business Development Credit is not related to the sale or offer of any specific products or services, nor is it dependent upon assets under management. If received, we will retain the Business Development Credit in its entirety, and we will not pass along any portion of it to you. Your Financial Advisor does not receive any portion of the Business Development Credit.

Additionally, if under certain circumstances our clearing arrangement with National Financial is terminated prior to the expiration of our agreement, PNCI is subject to certain contractual fees and penalties (collectively, the “Termination Fee”). The Termination Fee creates a strong disincentive for PNCI to consider clearing relationships other than National Financial. This creates a conflict of interest for us as we expect to benefit from the continued recommendation of National Financial as our clearing firm. Additionally, PNCI is further incentivized to continue the relationship with National Financial as we may not receive the same incentives from other clearing firm arrangements, such as receiving particular credits from National Financial or having the ability to mark-up certain fees to clients.

PNC Investments receives additional compensation, referred to as revenue sharing, from the advisors or distributors of the mutual funds offered in the Program, which compensates us for administrative services we provide to them and is based on the level of assets invested in the mutual funds they advise or distribute. Our independent due diligence process for selecting mutual funds for our investment advisory programs is designed so that mutual funds are selected based on objective, investment related criteria and does not take into account compensation to PNC Investments. However, only funds for which we receive revenue sharing are considered for inclusion in this due diligence process. This means that mutual funds that would meet our investment criteria are not included in the Program because their advisors or distributors do not offer revenue sharing to PNC Investments. We will not credit your Account for any revenue sharing payments we receive. For details on revenue sharing received by PNC Investments from advisors or distributors, please see the following link: <https://www.pnc.com/content/dam/pnc-com/pdf/personal/wealth-investments/PNCI/0316%20Rev%20Share%20Disclosure%20Ranges.pdf>

For more information around the compensation a particular mutual fund provider may pay, please refer to the mutual fund’s prospectus and/or Statement of Additional Information. Additionally, some Funds impose redemption fees depending on the share class, if they are redeemed within a specified time period after purchase, to discourage short-term trading or for other reasons. The relevant Fund company retains these redemption charges from the proceeds of the redemption for the benefit of the remaining shareholders of the Fund. Refer to the prospectus or Statement of Additional Information of relevant Funds for details on each Funds’ short-term trading policies. The amount of such fees and charges retained will be reflected on your account trade confirmations.

Purchasing securities in the Program may cost you more or less than purchasing the securities directly from the Funds or through agents of the Funds without enrolling in the Program, including through a brokerage account at PNC Investments. By purchasing mutual funds outside of the Program, you may invest in a single fund family and obtain “breakpoints” that could lower the cost of the Funds. However, if you purchase mutual fund shares Pocket by PNC Investment Advisory Program

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directly, you may not receive the asset allocation and account monitoring services available via the Program and may not qualify to invest in share classes available to investors through the Program. In addition, mutual funds purchased outside the Program may charge commissions, front-end or back-end sales charges, and redemption fees, depending on the share class.

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

### ***Cash Balances***

Unallocated cash will be automatically swept through the Bank Deposit Sweep Program (“BDSP”) into an interest-bearing deposit account (“Deposit Account”) at our affiliate, PNC Bank (and, as noted above, are included in the assets on which Management Fees are charged). BDSP is the only cash sweep option available to your Program Account. The only exception is in very limited situations where your account type is not eligible for BDSP (such as participant accounts of employer sponsored qualified plans). You should be aware that although assets held in the Deposit Account are protected by FDIC insurance neither PNC Investments nor PNC Bank will monitor whether BDSP deposits, individually or in combination with other deposits you hold at PNC Bank, exceed FDIC insurance limitations. You should review your cash balance held in the Deposit Account and other PNC Bank accounts to ensure that cash balances do not exceed FDIC insurance coverage levels, or alternatively, in the event your cash balance exceeds FDIC insurance limitations, that you are comfortable with the risks associated with having uninsured cash. The rate of return you receive on cash balances will, in certain market conditions, be less than the Management Fees attributable to such cash balances.

PNC Bank uses the BDSP program assets to fund its lending activities, allowing PNC Bank to earn revenue based on the difference between the rate paid to you and the higher rate of interest earned by lending the assets to its customers. Moreover, PNC Investments receives revenue from PNC Bank based on the assets in the BDSP, this revenue amount varies depending on market conditions, but will not exceed the current Federal Funds Target Rate Range – Upper Limit rate (available online at <https://fred.stlouisfed.org/series/DFEDTARU>) plus 0.50%. This means PNC Investments benefits in two ways from placing assets in the BDSP (*i.e.*, the Management Fee and the revenue share from our affiliate). We will not credit any portion of this revenue to your Program Account. Note that the revenue earned by PNC Investments and our affiliate PNC Bank will significantly exceed the interest credited to your Program Account from the allocation to BDSP. The revenue we receive is a conflict of interest for us, because we, and our affiliate, PNC Bank, obtain a financial benefit when your unallocated cash is held through the BDSP in a Deposit Account. This financial benefit is greater than the financial benefit we would receive if your unallocated cash was invested through a different cash sweep vehicle such as a money market fund.

For information pertaining to the interest rate spread earned by PNC on all loans, including those generated from BDSP assets, please see the Net Interest Margin discussion in the most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q for The PNC Financial Services Group, Inc., available at, <https://thepncfinancialservicesgroupinc.gcs-web.com/financial-information/quarterly-results>.

Account assets invested through the BDSP typically will pay you less interest – and in some market conditions, much less interest – than they would if invested in alternative cash sweep vehicles that are available to PNC Investments such as a money market fund. **Accordingly, you should not participate in the Program if you wish to hold your unallocated cash in another sweep vehicle.** (Please note that while BDSP is used as the sweep option to hold unallocated cash, if your account has an investment allocation to cash, that allocation will typically be held in money market mutual funds or other short duration securities.)

For more information regarding BDSP, including information about FDIC insurance limitations, please see the PNCI BDSP Disclosure Document, you may also review the current BDSP interest rate at the following link: <https://www.pnc.com/en/personal-banking/investments-and-retirement/sweep-program-rates.html>.

Additionally, information about FDIC insurance can be found on <https://www.fdic.gov/resources/deposit-insurance/>

## ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

### *Account Minimums and Types of Clients*

There is no minimum account size for the Program, however, your Program Account will not be invested in the Allocation Model until it reaches at least \$50. Additionally, your account will not be subject to the Program Fee until it reaches at least \$50. We may terminate the advisory services on any Account that falls below minimum account value guidelines established by the firm with written notice to the Account holder. To avoid termination, you may be required to deposit additional assets in your Account to remain in the Program. Under certain limited circumstances, we may waive the minimum account size requirement.

PNC Investments principally provides investment advice to US-based individuals and high-net-worth individuals.

### *Collateral Accounts*

Under certain circumstances you may elect to pledge the assets in your non-IRA/ERISA Account as collateral for a general purpose loan with our affiliate, PNC Bank, or other financial institution (collectively the “Lending Arrangements”).

When your Account assets are pledged or otherwise used as collateral in connection with Lending Arrangements, you give the lender certain rights and powers over the assets in the Account. Importantly, lenders have the right to direct PNC Investments to sell or redeem any and all assets pledged as collateral for the loan. In the event of a collateral call on the Account, securities will be liquidated from the Account, which may be contrary to your interests and/or inconsistent with the investment strategy for the Account because positions may be redeemed or liquidated more rapidly (and/or at significantly lower prices) than might be desirable. You may not be provided with prior notice of the liquidation of the securities in the Account. Furthermore, you will not be entitled to choose the securities to be liquidated. After the execution of a collateral call, any remaining securities in the Account may be lower in value than the investment minimums required for the Program and

the Account may be subject to termination as described above.

The costs associated with the Lending Arrangements are not included in the Program Fee you pay under the Program. 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 will not be liquidated in a manner that considers tax efficiency. Any action taken by us, or an affiliate, with respect to the assets held in your Account pursuant to the Lending Arrangements will not constitute a breach of our fiduciary duties as an investment adviser to you under the Program. PNC Investments does not provide legal, tax or accounting advice.

You are encouraged to contact us at (866) 444-4040 to the extent you have questions about the Program, the Lending Arrangements and how they may impact the management of your Account. You should be aware that PNC Investments has a conflict of interest because PNC Investments' compensation is based on the assets held in your account and benefits if you enter into a Lending Arrangement instead of withdrawing funds from your account. You should be aware that PNC Investments will be compensated based on the amounts you draw on the credit line. This is a conflict of interest because PNC Investments has an incentive to recommend the Lending Arrangements as opposed to other potential funding sources, because PNC Investments is not compensated for other options. In addition, PNC Bank generates revenue by charging interest on any loan underwritten by PNC Bank, which represents a further conflict of interest for PNC Investments.

Qualification criteria and requirements, including but not limited to, approval criteria, underwriting standards, loan to value requirements, maintenance requirements and asset eligibility vary by program. You should refer back to the Lending Arrangements and associated documents for the specific terms governing the Lending Arrangements.

### ***Portfolio Manager Selection and Evaluation***

### ***Fund Selection and Evaluation***

The Pocket by PNC Account is managed to diversify your investments and may include investments in equity and fixed-income securities, options, Funds and money market instruments. PNCI produces a series of portfolio asset allocations that are designed to meet a client's particular risk suitability based on their investment time horizon and feelings towards market risk. Asset allocations used in the Program are produced using advanced statistical techniques combined with professional judgment.

We select the investments that are available in the Program. The factors influencing the inclusion of any Fund on our list of recommended investments may include, among other things, past performance, management style, quality of the relevant Fund manager, its investment process, the number and continuity of investment professionals, and its client servicing capabilities.

While PNC Investments is the sole sponsor of the Program, we receive research and assistance in selecting and reviewing investment models, mutual funds and ETFs from the PNC Private Bank ("PB"), a division of our affiliate PNC Bank, and Morningstar, Inc. Expenses for these services are paid by PNC Investments and do not impact the advisory fees paid by your account. We also rely on PB for research and assistance in selecting and reviewing investment models for the Program. We or PB may ask a relevant Fund manager to provide us with a completed questionnaire, database information on the firm and statistical analysis of the Fund manager's track record. We, Morningstar or PB may also conduct interviews with members of the Fund manager's management. This process is an ongoing one, and Funds are added or removed from the Program based on many factors, either internal or

external to a Fund manager's management.

The Program and other wrap fee investment programs we recommend includes products managed by investment management affiliates of PNC Investments which receive compensation for their investment advisory and other services. The services provided by our affiliates and the fees they collect for these services vary and generally are disclosed in each Fund's prospectus. These fees are paid directly by the Fund and affect the total return of a shareholder's investment. We will not treat those entities and Funds any differently from investment managers and Funds that are not affiliated with PNC Investments.

### ***Risks of Investing in the Pocket by PNC Program***

Investing in securities, including the investments offered through the Program, involves risk of loss that you should be prepared to bear. There is no guarantee that the elements of the Program, including the asset allocation models or selection of Funds 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 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 typically will 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 will cause a loss of value. Conversely, investing too heavily in fixed income securities during a period of stock market appreciation will result in lower total returns.
- **Credit Risk.** The value of debt securities is 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.
- **Cybersecurity Risk.** With the increased use of technologies to conduct business, the Program is susceptible to information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and arise from internal or external sources.

### ***Trading Practices***

The Program Fee includes the costs of trades executed through National Financial. The Program Fee does not include any additional trading expenses incurred when the Investment Delegate determines to trade away from National Financial. The Investment Delegate will trade away from National Financial when the Investment Delegate determines it is in your best interest to do so. This can occur when the Investment Delegate is implementing a model change simultaneously across accounts with many different introducing firms, such as PNC Investments. In these instances, the Investment Delegate may group together trades from several different introducing firms and execute those trades through a single broker-dealer. This process is known as Block Trading ("Block Trading"). Block Trading is intended to reduce the market impact of executing large transactions in a particular security and can allow clients to get better overall execution prices than if the trades were placed



individually. The Investment Delegate may also trade away from National Financial when it determines that a broker-dealer other than National Financial is capable of obtaining a better execution price for the trade. This can typically occur in thinly traded securities or in fixed-income securities.

It is important that you understand that you will pay any commissions or dealer mark-ups or mark-downs incurred, in addition to the Program Fee when the Investment Delegate elects to trade away from National Financial. For additional information on the trading practices of the Investment Delegate, please see the following link: <https://www.pnc.com/content/dam/pnc-com/pdf/personal/wealth-investments/PNCI/Trade-Practice-Disclosure.pdf>. Information regarding the Investment Delegate's trading practices is based upon data provided to us by the Investment Delegate. We make no representations regarding the accuracy of the information presented and cannot guarantee that the trading practices reflected in the information presented will be followed by the Investment Delegate in the future.

### ***Proxy Voting***

PNC Investments will vote all proxies for securities held in the Program on your behalf, unless you direct otherwise. PNC Investments will retain a third-party service provider to receive proxy statements and to vote shares according to our instructions. We will not vote proxies in accordance with voting instructions received from you. PNC Investments has adopted policies and procedures to address any conflicts that 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 calling PNC Investments at (866) 444-4040.

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

PNC Investments will not advise or act for you with respect to any legal matters for securities held in your Account, including class actions or bankruptcies. Documents received with respect to such matters will be forwarded directly to you for your consideration.

### ***Client Information Provided to Portfolio Managers and Client Contact with Portfolio Managers***

We will manage your Account in accordance with the Allocation Model recommended by the Application and accepted by you. Except in the case of reasonable investment restrictions, as previously described, we will not manage your Account in accordance with information specific to you. As a result, it is not expected that portfolio managers will receive any information about you, other than information supplied in the Investment Profile. Additionally, it is not expected that you will have any direct contact with individuals responsible for making investment decisions for the Program. You may direct any inquiries regarding your Account to PNC Investments at (866) 444-4040.

### ***Additional Information Disciplinary Information***

- In 2009, FINRA cited PNC Investments for failure to have supervisory systems and procedures reasonably

designed to achieve compliance with its suitability obligations relating to the sale of variable annuity contracts under FINRA rules. FINRA found that PNC Investments failed to (1) collect or record all the information necessary to assess suitability of variable annuity transactions; (2) give adequate guidance to supervisors regarding factors it identified as relevant to the suitability analysis; and (3) identify or investigate patterns of transactions involving guaranteed minimum income benefit riders. Without admitting or denying these findings, PNC Investments consented to a fine of \$250,000, to undertaking a comprehensive review of its policies and procedures concerning suitability of variable annuity transactions and to certify in writing to FINRA that we had conducted the review and put in place policies and procedures adequate to ensure compliance.

- On May 29, 2013, PNC Investments entered into a settlement (an "AWC") with FINRA. Without admitting or denying the findings in the AWC, PNC Investments consented to the entry of findings that between April 2007 and December 2008, the firm failed to maintain a supervisory system and procedures reasonably designed to achieve compliance with the registration requirements of federal securities laws, in violation of NASD rules. All of the conduct described in the AWC occurred at NatCity Investments ("NatCity") before it was acquired by PNC Investments' parent company. The AWC found that a customer of NatCity engaged in the unregistered distribution of over-the-counter securities, and that the firm's supervisory system and written supervisory procedures were inadequate to make necessary inquiry into the registration or exemption status of securities in the customer's account. Without admitting or denying these findings, PNC Investments consented to a censure and a fine of \$100,000.
- On September 11, 2013, PNC Investments entered into a settlement (an "AWC") with FINRA. Without admitting or denying the findings in the AWC, PNC Investments consented to an AWC finding that, during the period from October 2011 through January 2013, PNC Investments failed to establish, maintain and enforce a supervisory system that was reasonably designed to implement the firm's procedures to monitor transmittals of customer funds to locations other than the customer's primary residence, and customer changes of address, in violation of NASD Rules 3012(a)(2)(B)(i) and 3012(a)(2)(B)(ii). During this period, one of PNC Investments' registered representatives established a PNC Investments branch office as the mailing address for a customer's account and converted approximately \$128,000 from the customer's account. Without admitting or denying these findings, PNC Investments consented to a censure and a fine of \$100,000.
- On December 20, 2013, PNC Investments entered into a settlement (an "AWC") with FINRA in connection with the firm's sale of leveraged, inverse, and inverse-leveraged exchange-traded funds ("Non-Traditional ETFs") during the period from January 2008 through June 2009. Without admitting or denying the findings in the AWC, PNC Investments consented to findings that the firm failed to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with applicable NASD and/or FINRA rules and failed to provide adequate formal training to its registered representatives and supervisors regarding Non-Traditional ETFs in violation of NASD Rules 3010 and 2110 and FINRA Rule 2010. PNC Investments also consented to a finding that the firm made unsuitable recommendations to certain customers by allowing registered representatives to recommend a Non-Traditional ETF without performing reasonable diligence to understand the associated risks and features in violation of NASD Rules 2310(a) and 2110 and FINRA Rule 2010. PNC Investments consented to the imposition of a censure, a fine in the amount of \$275,000, and restitution in the amount of \$33,183.72, plus interest.

- On December 31, 2013, PNC Investments entered into a settlement (an “AWC”) with FINRA. Without admitting or denying the findings in the AWC, PNC Investments consented to a finding that, during the period from about July 1, 2010 to June 30, 2012, the firm failed in 313 instances to apply a rollover or breakpoint discount to eligible unit investment trust (“UIT”) purchases for customers in violation of FINRA Rule 2010. Prior to entering into the settlement, PNC Investments voluntarily made restitution to all affected customers in the amount of \$52,040.12. PNC Investments also consented to a finding that during this same period the firm failed to adequately enforce its existing written supervisory procedures concerning rollover and breakpoint discounts to ensure proper application to all eligible purchases of UITs by customers in violation of NASD Rule 3010 and FINRA Rule 2010. PNC Investments consented to the imposition of a censure and a fine in the amount of \$90,000.
- On April 11, 2016, PNC Investments entered into a settlement (an “AWC”) with FINRA. Without admitting or denying the findings, PNC Investments consented to the entry of findings that it failed to reasonably supervise the application of sales charge waivers to eligible mutual fund sales and failed to apply such waivers to mutual fund purchases by certain retirement plan customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge. The findings also stated that PNC Investments failed to maintain adequate written policies and procedures or to provide adequate training to assist financial advisors in determining when sales charge waivers were available for retirement plan customers. PNC Investments was not required to pay a fine, but consented to be censured and to pay restitution to eligible customers who did not receive sales charge waivers for fund purchases since July 1, 2009.
- On April 6, 2018, PNC Investments entered into a settlement (“Order”) with the Securities and Exchange Commission (“SEC”). Without admitting or denying the findings, PNC Investments consented to the findings that, as a result of the conduct described below, PNCI willfully violated Sections 206(2), 206(4) and 207 of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 206(4)-7 thereunder. The Order finds that the violations resulted from the following conduct of PNCI: (1) PNCI, without adequate disclosure of the associated conflicts of interest, invested advisory clients in mutual fund share classes with 12b-1 fees instead of available lower-cost share classes of the same funds without 12b-1 fees; (2) PNCI did not disclose a conflict of interest regarding marketing support payments paid on such mutual fund share classes that charged 12b1 fees; (3) PNCI improperly charged advisory fees to client accounts where the investment adviser representative departed the firm (“Orphaned Accounts”) and where PNCI failed to assign a new investment adviser representative within thirty days; and (4) PNCI failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices and treatment of Orphaned Accounts.

The Order requires PNCI to cease and desist from committing or causing any violations and any future violations of Advisers Act Sections 206(2), 206(4), and 207 and Rule 206(4)-7; censures PNCI; and requires PNCI to pay disgorgement of \$5,234,856, and prejudgment interest of \$612,344, to compensate advisory clients who were affected by certain conduct detailed in the Order. PNCI will pay, in addition to the disgorgement and prejudgment interest described above, disgorgement of \$497,144 in marketing support fees and prejudgment interest thereon of \$63,426 to the SEC for the transfer to the general fund of the United States Treasury. Lastly, PNCI will pay a civil monetary penalty of \$900,000.

### ***Other Financial Industry Activities and Affiliations***

adviser, registered with the SEC and as a member of FINRA. Our primary retail brokerage activities include the sale of corporate equities, corporate debt, municipal securities and funds, mutual funds, ETFs and annuities.

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

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

- **PNC Bank, National Association** is a wholly owned subsidiary of The PNC Financial Services Group, Inc., and is a full-service bank engaged in traditional lending, cash and/or treasury management and other services.
- **PNC Managed Account Solutions, Inc.** is a wholly owned subsidiary of PNC Investments and provides discretionary investment advisory services exclusively to non-US persons.
- **PNC Capital Advisors, LLC** is a wholly owned subsidiary of PNC Bank and provides discretionary investment advisory services to registered investment companies, institutional accounts, and personal investment management accounts.
- **PNC Capital Markets LLC** is an indirect, wholly owned subsidiary of The PNC Financial Services Group, Inc. and offers loan syndication, public finance underwriting 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.

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 advisors. For example, if an investment advisor 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 Pocket by PNC Investment Advisory Program

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investment advisory affiliates for their clients that are not clients of PNC Investments.

### ***Affiliate Transactions***

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

### ***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
- From time to time, PNC Investments personnel may accept training, business entertainment or gifts of de minimis value from product vendors. PNC Investments has adopted policies and procedures reasonably designed to ensure any such activity does not impact our personnel's ability to act in the best interests of our clients
- 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.

### ***Financial Information***

In certain circumstances, PNC Investments would be required to provide you with financial information or disclosures about our financial condition. Currently, no such circumstances exist for PNC Investments.

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.