



## **Disclosure Document for the Capital Directions Annuities Program**

An Investment Advisory Service of  
PNC Investments LLC

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This wrap fee program brochure ("Brochure") provides information about the qualifications and business practices of PNC Investments LLC and the Capital Directions Annuities Program ("the Program"). If you have any questions about the contents of this Brochure, please contact us at (800) 622-7086. 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 Value</b></p>
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### **About PNC Investments LLC**

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

Throughout this document, the terms “client,” “you,” and “yours” are used to refer to the individual(s), institution(s) or organization(s) who contract with us for the services described here. “PNC Investments,” “PNCI,” “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. Our affiliates include 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.

“Annuity,” “Annuity Account” or “Capital Directions Annuities” refers to the annuity PNCI recommended and you authorized PNC Investments to purchase on your behalf through the Capital Directions Annuities Program with an Insurance Carrier. You will complete a separate Insurance Carrier Application to establish the Annuity.

“Insurance Carrier” refers to a non-affiliated PNCI company that offers annuity products such as variable annuities, registered index-linked annuities and other insurance products that will maintain your Annuity in the form of an “Annuity Contract.” An Annuity Contract is a written agreement between the Insurance Carrier and you outlining each party’s obligations related to your Annuity.

“Investment Strategy” is our recommendation for structuring your Allocation Model (defined below), subaccounts and/or index segments (the “Investment Options”) within the Annuity.

“Brokerage Account” means each brokerage and/or advisory account you open with us that is subject to the Capital Directions Annuities Program investment management agreement (the “Investment Management Agreement”), including any and all mutual funds, exchange traded funds, money, securities, financial instruments and/or other property you have funded in such accounts. It does not include the Annuity Account.

“Account” or “Accounts” refers to both your Annuity Account and Brokerage Account.

“Business Day” means Monday through Friday, excluding New York Stock Exchange holidays.

“Wrap” refers to an Account that charges a quarterly 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 non-discretionary Capital Directions Annuities Program in which we recommend annuity contracts and provide investment advice to clients. In addition to the Capital Directions Annuities Program, PNC Investments offers a variety of investment advisory services. These include the Portfolio Solutions Program, the PNC Directions Program, the Portfolio Solutions Strategist Program, the Capital Directions Program and Pocket by PNC. 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 your Financial Advisor<sup>1</sup>. Other advisory services are offered by our affiliates.

### ***Capital Directions Annuities Program***

The Capital Directions Annuities Program is an advisory program offering clients the option to invest in annuity products through a selection of allocation models, subaccounts and/or index segments. We will help you formulate an Investment Strategy related to the Investment Options offered through the Insurance Carriers to be implemented through your Annuity Contract within the Capital Directions Annuities Program. Please consult your Annuity's prospectus and Annuity Contract for specific details, features and fees charged by your Annuity. Available annuity products for the Capital Directions Annuities Program include Investment Only Variable Annuity ("IOVA"), Traditional Variable Annuity with Living Benefit Rider ("Traditional VA") and Registered Indexed Linked Annuity ("RILA").

- IOVAs are tax deferred annuity products that provide a wide variety of subaccount investments with a simplified structure, featuring limited death benefit options and a lower cost than a Traditional VA.
- Traditional VAs feature the same tax deferred benefits of the IOVA, but include a return of premium death benefit and optional riders like death benefit enhancements and income features that can allow the client to build a guaranteed income stream without annuitization.
- RILAs are annuity products that provide investment returns based on the performance of a market-based index with downside protection generally, ranging between 5 – 30% depending on the index selected for the RILA.

As part of opening a Capital Directions Annuities Program, you will complete an investor questionnaire which will provide us with an understanding of your financial situation, investment objectives, risk tolerance and investment time horizon. Based on the information collected in the investor questionnaire and other information you share with your Financial Advisor, your Financial Advisor will recommend an Investment Strategy appropriate to your situation. Your Financial Advisor will help you understand the risk and return characteristics of the Investment Strategy and help you evaluate the Investment Strategy's return potential in relation to your investment goals and objectives. We will present our initial annuity subaccount and/or index segments recommendations to you in the form of a proposal (the "Proposal") for your acceptance and approval. It is very important that you understand the risks associated with the Investment Options (i.e., annuity subaccounts and/or index segments) that we recommend for you to select, and we encourage you to discuss any questions with your Financial Advisor.

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<sup>1</sup> We use the term "Financial Advisor" to refer to PNC Investments' branch-based and centralized Financial Advisors, as well as Advisor Direct Financial Advisors and Investment Services Consultants.

### ***Account and Related Program Details***

Before opening a Capital Directions Annuities Account, you must establish a Brokerage Account with PNC Investments and agree to the terms and conditions of the PNC Investments Brokerage Account Customer Agreement. Additionally, your Financial Advisor will recommend and assist you in establishing an Annuity Contract directly with an Insurance Carrier to facilitate the purchase of your Annuity. By accepting and signing the Investment Management Agreement, you authorize the Insurance Carrier to invest and reinvest the Investment Options in your Annuity Account in accordance with the Allocation Model or Investment Strategy that you have selected. The scope of any investment advisory relationship we have with you is defined in the Investment Management Agreement. As discussed in more detail below, we also earn certain fees and other revenue in connection to our capacity as introducing broker to your Accounts. This is a conflict of interest because we would not earn such fees or revenue if we did not serve as your introducing broker for the Accounts.

Our Capital Directions Annuities Program advisory relationship with you begins when we enter into an Investment Management Agreement with you, which occurs at the later of the date of acceptance of the signed Investment Management Agreement by PNC Investments or the date on which you have contributed the required minimum account value to your Annuity. Preliminary discussions or recommendations before we enter into an Investment Management Agreement with you are not intended as investment advice under the Investment Advisers Act and should not be relied on as such. As a direct owner for the Annuity Contract, it is your obligation to review all contract materials at the time of purchase. Contract materials will include, but are not limited to, the entire Annuity Contract, the product prospectus and any additional product disclosures provided by the Insurance Carrier. For more information regarding fees earned by the Insurance Carrier, please review your Annuity Contract and the Insurance Carrier's prospectus.

Within the Annuity Contract, you will not have the ability to directly buy or sell individual securities or to direct your Financial Advisor to buy or sell securities. You will not be able to obtain a margin loan using the securities in your Annuity Account as collateral. When invested in a Capital Directions Annuities Account, you will not have the ability to impose restrictions on any specific Investment Options, or any specific securities within subaccounts.

PNC Investments will be responsible for monitoring and maintaining the Allocation Models available through the Capital Directions Annuities Program and will have the ability through the Insurance Carrier to reallocate the Investment Options within your Annuity Account. PNC Investments will not retain discretion to buy or sell annuities directly with the carrier on your behalf. PNC Investments may, at its discretion, remove an Allocation Model from the schedule of available models and replace it with another model, without any prior notice to you.

Before you open an Account in the Capital Directions Annuities 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 discuss any questions you have regarding our Form CRS or whether an advisory account is right for you with your Financial Advisor. Some things you may wish to consider include: your preference for a fee-based versus a commission-based relationship; your desire for on-going support and advice from your Financial Advisor; how much trading activity you expect to take place in your Account; and the anticipated total costs. You should know that your Financial Advisor benefits when you open a Capital Directions Annuities Program and has a conflict of interest when recommending an advisory account to you, as described in more detail in the Financial Advisor Compensation section of this Brochure.

### ***Allocation Models (IOVA Products Only)***

PNC Investments uses five core asset allocation models (“Allocation Models”). References to Allocation Models throughout this Brochure will apply only to IOVA products.

Each Allocation Model is associated with a distinct risk profile and comprised of a unique mix of investment assets that have been developed by PNC Bank’s Private Bank and approved by PNCI’s Investment Due Diligence Committee. PNC Investments may also conduct its own research, including gaining insights from non-affiliated third parties, to be used in making asset allocation decisions for the Allocation Models, which from time-to-time may diverge from models developed by the Private Bank. In all cases, PNC Investments has sole discretion in approving and modifying the Allocation Models for the Program. 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.

While the goal is to maintain a low-risk posture, investors should be willing to accept periodic declines in the Annuity’s value. Although past performance is no guarantee of future results, any such decline generally, should be less severe than declines in the broader equity markets. The allocation between subaccounts with equity and fixed income objectives exposes this model 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 model is evenly allocated between subaccounts with equity and fixed income objectives 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 ability to exceed inflation over the long-term.

The allocation between subaccounts with equity and fixed income objectives exposes the model 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 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 model is allocated between subaccounts with equity and fixed income objectives, with a higher allocation to a variety of equity subaccounts. While the current income generated could be available to meet your day-to-day expenses, income reinvestment will increase the ability to exceed inflation over the long-term.

This model maintains a somewhat aggressive risk posture, and you should be willing to accept periodic declines in the Annuity’s value. Because the model is largely invested in equity subaccounts, 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 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 subaccounts with equity and fixed income objectives. The model is concentrated in equity subaccounts in order to earn returns exceeding the rate of inflation over the long-term. A small allocation to fixed income subaccounts is included primarily to help dampen volatility over the long-term.

This model maintains an aggressive risk posture, and you should be willing to accept potentially significant declines in the Annuity's value that may be similar to or exceed declines in the broader equity markets. Because the model is predominantly invested in equity subaccounts, 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 long-term investment objective.

- **Aggressive.** The primary objective of the Aggressive model is long-term capital growth. An Aggressive model is concentrated in subaccounts with equity objectives 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 the Annuity's value, similar to or greater than declines in the broader equity markets. The model may contain a small allocation to fixed income subaccounts. Because the Annuity is predominantly invested in equity subaccounts, 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 long-term investment objective.

#### ***Liquid Alternative Allocation Model***

An alternative version of select asset allocation models is also available. The liquid alternative allocation model ("alternative model") includes an allocation to alternative strategy subaccounts. The alternative model can use one of many different strategies including, but not limited to, long/short, managed futures, or market neutral. PNC Investments will select the available subaccounts for the Financial Advisor to recommend to clients in the alternative models, based on the availability of the subaccounts offered by the Insurance Carrier. When alternative models are selected, the traditional asset classes in each model will be reduced on a pro rata basis.

An alternative model seeks to provide additional diversification benefits beyond those of traditional models. However, alternative models are accompanied by risks that might be different from those associated with traditional subaccounts. When used as part of an overall solution, alternative subaccounts may help to meet a client's investment needs. You should carefully review the prospectus for any alternative subaccounts you are considering for details on liquidity and other risks associated with them.

#### ***Model/Investment Options Adjustments***

From time-to-time your Financial Advisor may recommend changes to your Allocation Model and/or Investment Options you have selected. You may also request changes to your Allocation Model and/or Investment Options subject to certain restrictions described in this Brochure or described in your product's prospectus. Additionally, PNC Investments will periodically exercise its discretion to adjust Allocation Models. Your Financial Advisor will consult with you before directing the Insurance Carrier to execute transactions updating your Investment Options to align your Annuity Account to the new Allocation Model. Note that you may not be sent a new

Proposal in these circumstances, unless requested through your Financial Advisor.

### ***Automatic Rebalancing/Reinvesting***

The Insurance Carrier is responsible for rebalancing and reinvesting (applicable to RILAs) Investment Options within your Annuity Account. You authorize the Insurance Carrier to rebalance and/or reinvest your investments in the Investment Options periodically if the Investment Options' weighting is greater or less than the weighted percentage specified for each Investment Option within the Investment Strategy. Generally, the Insurance Carrier may rebalance and/or reinvest your Annuity Account based on your Annuity Contract, however, you may request, via your annuity application, a less frequent timeframe for affecting rebalances/reinvestments. You may also request, subject to approval by the Insurance Carrier, that an ad hoc rebalance and/or reinvestment be affected. You also understand and acknowledge that rebalancing/reinvesting may involve fees depending on your Annuity Contract requirements. For more information regarding rebalance and/or reinvestment frequency and product specific rules, please review the Annuity's prospectus and/or your Annuity Contract.

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

You may, at your election, chose an optional Dollar Cost Averaging ("DCA") feature investing in your Annuity. With the DCA feature, the Insurance Carrier will hold a portion of your premium in a conservative account, generally a Cash Account, Fixed Account, or Money Market Account, and deploy the premium over a defined period and in pre-determined amounts. The DCA feature can enable clients to slowly invest into the Investment Options over time, rather than make one lump-sum investment. DCA may not be available in all annuity contracts offered by PNCI, and features of the program will vary between Insurance Carriers. Please refer to your Annuity Contract and product prospectus for details regarding the DCA availability within your Annuity.

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

All withdrawals from your Annuity are completed at the Insurance Carrier and may be subject to additional requirements prior to distribution. All transaction requests are subject to Insurance Carrier rules and requirements. Disbursements made from your Annuity Account may take longer than a standard brokerage account. For more information on disbursements, please contact your Financial Advisor.

### ***Taxes***

Annuity Accounts are invested in tax-deferred annuity products. Transactions that occur within the Annuity Contract will not be subject to taxation until the assets are removed from the Annuity Contract. Depending on whether it is a qualified or nonqualified annuity, you may have to pay income taxes on the entire amount or you may only pay taxes on the money your annuity has earned. You should consider and discuss the potential tax implications of purchasing an Annuity and maintaining an Annuity Account with your tax adviser.

### ***Program Fees***

You will pay a program fee (the "Program Fee") for the services provided under the Capital Directions Annuities Program. The Program Fee will be reflected on your Brokerage Account statement as the management fee (the "Management Fee"). Your Brokerage Account and Annuity Account are subject to the Management Fee whether you make or lose money on the investments. The Program Fee is calculated as a percentage of assets under management based on the value of the Brokerage Account and Annuity Account and will vary depending on the services provided to you. Generally, you will be charged commissions or service charges for transactions executed prior to establishing your Accounts; you should discuss your options for funding your Accounts with your Financial Advisor.



The Program Fee is based on the total assets under management of your Annuity and Brokerage Account, including any portion maintained in cash or in short-term vehicles. As the market value of the Accounts reaches a higher tier, as shown in the table below, the assets within that higher tier are charged a lower rate. Our standard Program Fee schedule is as follows:

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

From time-to-time, we offer discounted pricing programs at our discretion. For example, current employees of PNCI and their immediate family members are eligible for employee pricing.

Your Financial Advisor has discretion to negotiate a Program Fee that varies from the standard schedule above. This can depend on certain factors, including the type and size of your Annuity, the range of services provided and the total amount you or other members of your household have invested with PNC Investments. The Program Fee is referenced in the fee schedule included as part of the Proposal completed and accepted by you. The Program Fee you pay to PNC Investments for the Capital Directions Annuities Program is charged quarterly in advance and will be based on the combined average daily balance held in your Annuity Account with the Insurance Carrier and your PNCI Brokerage Account over the prior calendar quarter or portion thereof (except in the case of a new Capital Directions Annuities Account).

#### ***Calculation of Program Fees***

The Program Fee will be paid in advance following the end of each calendar quarter for the upcoming quarter and will be calculated on the last business day of the quarter. The Program Fee is calculated based upon the average daily market value of the total assets in the Annuity and your Brokerage Account over the prior calendar quarter, including cash holdings. Upon your request, we will provide you with a detailed explanation of the fee calculation which will allow you to recalculate the fees should you so desire.

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

If your Annuity is terminated by you or PNC Investments during a calendar quarter, the fee for that quarter will

be prorated over the number of days that the Annuity was held during the quarter. Any overpayment will be refunded to you after the Annuity is closed. Fees are not prorated for contributions or withdrawals made during a calendar quarter, except in the case of a new or terminated Annuity, as outlined above. If you terminate your Annuity within 90 calendar days of initial investment, your Insurance Carrier reserves the right to charge you commissions and fees according to its policies. For more information regarding these commissions and fees please consult your Annuity's prospectus or your Annuity Contract.

#### ***Additional Fees for Annuity/Insurance Carrier***

If an annuity is purchased, additional fees may be charged by the Insurance Carrier, including trading and operational service fees. Certain annuity contract charges, including a Mortality, Expense & Administration (sometimes referred to as M&E or M&E&A) fees and other fees assessed by the Insurance Carrier. Any additional riders to an annuity contract are subject to additional fees. These charges are assessed against the Annuity Contract's account value. M&E fees and other fees related to an annuity contract are explicitly outlined in each product's prospectus. Investment Options are also subject to additional fund expense fees by the Insurance Carrier. The annuity's prospectus should be thoroughly reviewed for a full explanation of the assessment of all fees and expenses. All fees assessed by the Insurance Carrier for your Annuity are in addition to any Program Fees charged by PNC Investments and subject to the Insurance Carrier's policies. Additional fees assessed by the Insurance Carrier for your Annuity will reduce your investment returns.

#### ***Deduction of PNCI Fees***

PNCI fees such as Program Fees or Brokerage Account fees, are unable to be paid directly from your Annuity. Through the PNCI Advisory Annuity Billing Agreement, you will authorize the payment of the Program Fee directly from a Brokerage Account listed on the Billing Agreement. Cash held in this Brokerage Account will be categorized as unallocated cash described in Cash Balances section below. You should be aware that this unallocated cash will be included in calculating the Program Fee. If the Brokerage 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 is subject to the securities' short-term trading policies and, if your Brokerage Account is taxable, will create tax consequences for you. Additionally, if you are unable to pay the Program Fee, PNCI has the right to terminate your Investment Management Agreement within 30 days of when that fee was to be paid. You may contact your Financial Advisor if you have any questions regarding the fees charged to your Brokerage Account.

#### ***Other Expenses***

Within the Capital Directions Annuities Program, PNC Investments will only offer "I-Shares" or "ADV Shares" of variable annuities. This share class features annuity products that do not have a contingent deferred sales charge and a lowered mortality and expense fee schedule.

Each Investment Option in which your Annuity 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 Investment Options, including you, and will reduce your investment returns. Other share classes offered by mutual fund Investment Options have lower fund-level fees and expenses than those used in this Program. Please review the relevant fund prospectuses for a full explanation of fund expenses and charges.

PNC Investments receives additional compensation, referred to as revenue sharing, from the advisors or distributors of the mutual funds and annuity carriers offered in the Program, which compensates us for administrative services we provide to them and is based on the amounts our customers invest in those mutual funds and/or annuities in our Programs. Our independent due diligence process for selecting mutual funds and annuities for the Program is designed so that mutual funds and annuities are selected based on objective, investment related criteria and does not take into account compensation to PNC Investments. **However, only funds or annuities for which we receive revenue sharing are considered for inclusion in this due diligence process. This is a conflict of interest for us because mutual funds and annuities that may otherwise 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 Accounts for any revenue sharing payments we receive.** Although we include only mutual funds and annuities whose sponsors pay PNCI revenue sharing, we believe this conflict is mitigated by the large and diverse universe of mutual funds and annuities we make available in our programs which meet our clients' needs. However, you should be aware that we will not liquidate your annuity contract if an insurance carrier's participation in our Program is discontinued, PNCI has the option to instead resign as broker-dealer and terminate the Investment Management Agreement. If this occurs, PNCI will notify you and direct you to contact the Insurance Carrier for on-going services related to your Annuity. For details on revenue sharing received by PNC Investments from mutual fund advisors or distributors, please see the following link: <https://www.pnc.com/content/dam/pnc-com/pdf/personal/wealth-investments/PNCI/Additional-Compensation-Disclosure.PDF>

For more information on the compensation a particular mutual fund provider may pay, please refer to the mutual fund's or annuity's prospectus and/or Statement of Additional Information.

Purchasing your Annuity in the Program may cost you more or less than purchasing an annuity directly through an agent of the Insurance Carrier without enrolling in the Program, including through a brokerage account at PNC Investments. If you purchase an annuity 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, annuities purchased outside the Program may charge commissions and back-end sales charges depending on the share class.

PNC Investments receives an annual credit (the "Business Development Credit") from National Financial Services LLC ("National Financial"). PNCI is incentivized to select and continue its relationship with National Financial to receive the Business Development Credit, which 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.

### **Cash Balances**

You will only be able to hold cash in your Brokerage Account, this cash will be considered unallocated cash. 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 Brokerage 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 Brokerage or Annuity Account. Note that the revenue earned by PNC Investments and our affiliate PNC Bank will significantly exceed the interest credited to your Brokerage 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, which could pay you a higher rate of interest.

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>.

Brokerage 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 Brokerage 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 online at: <https://www.fdic.gov/resources/deposit-insurance/>

### ***Account Termination***

Either party may terminate the Investment Management 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; you may, however, be subject to certain other fees incurred with respect to the Annuity for the relevant period. Upon the termination of the Investment Management Agreement, PNCI will be under no obligation to provide advice on any holdings in your Annuity. If this occurs, you will need to contact the Insurance Carrier directly for on-going services related to your Annuity. Any transactions executed by you after the termination of the Investment Management Agreement will be subject to fees and commissions described by Insurance Carrier's Annuity Contract and/or prospectus and PNC Investment's Overview of Products and Services (the "Overview of Products and Services"). You will want to refer to your Annuity Contract or the Insurance Carrier's prospectus for information about fees and commissions. You may obtain a copy of our current Overview of Products and Services, at any time, by contacting your Financial Advisor, by contacting us at (800) 622-7086 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 by the Insurance Carrier and in the Overview of Products and Services, unless waived by us in our sole discretion. Please see the Investment Management Agreement governing your Capital Directions Annuities Program for more information.

### ***Financial Advisor Compensation***

A portion of the fees charged for Program services will be paid to your Financial Advisor in connection with purchasing and providing on-going investment advice to your Annuity, as well as for providing client-related services within the Program. This compensation may be more or less than a Financial Advisor would receive if you invested in a brokerage annuity, rather than a managed annuity in the Capital Directions Annuities Program, and paid separately for investment advice, brokerage and other services covered by the Program Fee. In circumstances where the managed annuity would generate higher fees for the Financial Advisor than a brokerage annuity, your Financial Advisor will have greater financial incentive to offer a managed product over a brokerage product. Occasionally, Accounts may be reassigned from the originating Financial Advisor to a new Financial Advisor because the originating Financial Advisor leaves our firm, takes a new position, or for other reasons. Financial Advisors receive less compensation for accounts reassigned to them ("Reassigned Accounts") than accounts they originated and therefore have a conflict of interest because they have a financial incentive to provide better service to accounts that they have originated versus Reassigned Accounts. Financial Advisors receive additional compensation when clients add funds to Reassigned Accounts and have incentive to encourage additional deposits to Reassigned Accounts. PNC Investments has established policies and procedures reasonably designed to ensure that any recommendation made is suitable for your unique circumstances. PNC Investments typically will advance to Financial Advisors a portion of the first year's estimated fees for clients who invest in the Program.

From time-to-time, PNC Investments initiates incentive programs for its employees including Financial Advisors. 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, in some circumstances by enhancing revenue credits paid to them in connection with new advisory accounts or additions to existing advisory

accounts, for participating in advanced training, and for improving client service; and programs that reward Financial Advisors who meet total production criteria. Annuity and insurance products are restricted from incentive programs.

Financial Advisors who participate in these incentive programs are 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 Financial Advisors have a financial incentive to recommend the programs and services included in these incentive programs over other available products and services that we offer.

## **ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

### ***Account Minimums and Types of Clients***

The minimum account size for the Capital Directions Annuities Program is \$50,000. We may terminate the advisory services on any Annuity Account that falls below minimum account value guidelines established by the Firm on 30 days' written notice to the Account holder. To avoid termination, you may be required to deposit additional assets in your Annuity Account to remain in the Capital Directions Annuities Program, as allowable under your Annuity Contract. Please review your Annuity Contract and/or prospectus for specific requirements for subsequent contributions. 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.

## **PORTFOLIO MANAGER SELECTION AND EVALUATION**

The Program does not engage Portfolio Managers.

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

PNC Investments was formed in 2003, and is a direct, wholly owned subsidiary of PNC Bank. PNC Bank is a wholly owned subsidiary of The PNC Financial Services Group, Inc., a financial holding company.

PNC Investments is registered with the SEC as an investment adviser and a broker-dealer. PNC Investments is a member of FINRA and SIPC and serves as the sponsor of the Program.

PNC Investments does not receive performance-based fees calculated as a share of capital gains on, or capital appreciation of, the funds or any portion of the funds or other investments in a client's Account. National Financial provides trading, custody and operational services for the Brokerage Account. National Financial carries client Brokerage Accounts, is the custodian for the investments in your Brokerage Account, reports all the trades in your Brokerage Account and affects many such trades. National Financial will provide you with trade confirmations, monthly statements, and income tax reporting.

For annuities purchased in the Capital Directions Annuities Program, the Insurance Carrier is the custodian for the assets in the annuity contract and will report and affect all trades in your Annuity Account. Your Insurance Carrier will provide all transaction confirmations, periodic statements as noted in the product's prospectus and income tax reporting.

### ***Risks of Investing in the Capital Directions Annuities Program***

Investing in annuities, including the Investment Options offered through the Program, involves risk of loss that Capital Directions Annuities Program

you should be prepared to bear. There is no guarantee that the elements of the Program, including the asset allocation models, selection of annuity subaccounts and/or index segments will protect against such loss. Other risks include:

- **Annuity Risk.** Annuity investment returns are based on performance of the Investment Options. Annuities are not FDIC insured and are subject to federal income tax penalties for withdrawals prior to age 59 ½. Future income from the annuity depends on the Insurance Carrier remaining financially sound. Review the Annuity Contract's prospectus for features, risks, costs and benefits.
- **Market Risk.** Market risk is the risk that the price of your subaccount and/or index segment will fall over short or extended periods of time. Historically, the prices of equity securities have moved in cycles, and the value of an annuity's investments will fluctuate from day to day. When individual companies are negatively impacted by industry or economic trends or report poor operating results, the price of securities issued by those companies will typically decline in response. These factors contribute to price volatility.
- **Allocation Risk.** An Annuity is subject to the risk that Investment Option decisions will not anticipate market trends correctly. For example, weighting an annuity subaccount and/or index segment too heavily in equities during a stock market decline may cause a loss of value. Conversely, investing too heavily in fixed income Investment Options during a period of stock market appreciation may result in lower total returns.
- **Credit Risk.** The value of your Investment Options within your Annuity is affected by the ability of issuers to make principal and interest payments. If an Insurance Carrier cannot meet its payment obligations or if its credit rating is lowered, the value of its debt securities will typically fall.
- **Interest Rate Risk.** The value of your Investment Options within your Annuity will typically decline because of an increase in market interest rates. In addition, in certain low-yield interest rate environments, some short-term investments may produce negative yield, after accounting for fees, inflation and other expenses.
- **Unsystematic Risk.** Unsystematic risk is unique to a specific company or industry. Also known as "nonsystematic risk," "specific risk," "diversifiable risk" or "residual risk," in the context of an investment portfolio, unsystematic risk can be reduced through diversification.
- **Mortality Risk.** With the risk of if you die too soon after buying an annuity, your beneficiaries may not receive the benefit of the future payments you had expected, depending on the death benefits chosen on the contract.
- **Inflation Risk.** Consider how rising inflation can reduce the spending power of those payments. You may want to look at options with your Financial Advisor to adjust your annuity benefit for inflation.

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

discretion of PNC Investments.

### ***Proxy Voting***

PNCI will not vote or instruct the Insurance Carrier on proxies (or give clients advice on how to vote proxies) relating to the Annuity. PNCI will not be responsible or liable for failing to notify a client of proxies or failing to send to a client, as applicable, proxy materials or annual reports where PNCI have not received proxies or related client communications on a timely basis or at all. For more information regarding proxy voting, please see your Annuity Contract and/or prospectus.

## **CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Not applicable as this Program does not involve engagement of Portfolio Managers.

## **CLIENT CONTACT WITH PORTFOLIO MANAGERS**

The Program does not engage Portfolio Managers. Your Financial Advisor will communicate any changes about you to PNC Investments. You should direct any inquiries regarding your Annuity to your Financial Advisor.

## **ADDITIONAL INFORMATION**

### ***Disciplinary Information***

- 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 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***

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

PNC Investments is part of a broad financial services organization and is therefore affiliated with other entities engaged in a variety of financial services businesses. In some cases, the firm has business arrangements with its affiliates that are material to its advisory business or to its clients. These are described in more detail below and, in some cases, 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 Capital Advisors, LLC** is a wholly owned subsidiary of PNC Bank and provides discretionary fixed income investment advisory services to institutional 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.
- **PNC Managed Account Solutions, Inc.** is a wholly owned subsidiary of PNC Investments and provides investment advisory services to non-US based individuals and high-net worth individuals.

Selected conflicts of interest that 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 are conflicts of interest between the firm's interests and a client's interests, or there are 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 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 investment advisory affiliates for their clients that are not clients of PNC Investments.

### ***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.

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

When you open a Capital Directions Annuities Program Account, we review and must approve your investment objectives and strategy for consistency with Capital Directions Annuities Program guidelines. Thereafter, we will monitor the Annuity on an ongoing basis, including its performance, the appropriateness of the individual subaccounts and/or indexed segments in it, and any investment restrictions that might apply.

We will attempt to contact you at least annually, including by mail or email (if you have authorized us to send you electronic communications), to request that you review your Annuity and inform us of any changes to your financial profile or investment objectives. You should inform your Financial Advisor of any changes to your financial profile or investment objectives as they occur. Your Financial Advisor will communicate any changes about you to PNC Investments. Therefore, it is very important that you maintain contact and communication with your Financial Advisor. You should direct any inquiries about your Annuity, the Allocation Model, and/or Investment Options to your Financial Advisor. Your Financial Advisor will be reasonably available to you for consultation about the Annuity. We encourage you to contact your Financial Advisor with questions. You will receive a monthly statement following any month in which there is activity in your Annuity or Brokerage Account, reflecting the value of your Annuity and advisory fees paid to PNC Investments. For periods in which

there is no investment activity, statements will be provided quarterly. You will also receive a quarterly performance report that tracks the performance of your Annuity against relevant benchmarks. You will be reminded quarterly to contact your Financial Advisor if you should have any questions, or if there have been material changes in your financial goals or needs that would affect your Investment Strategy.

In regard to your Annuity, your Insurance Carrier will provide transaction confirmations for any financial transactions that occur in the Annuity Account (re-balancing, subaccount transfers, withdrawals, contributions, etc.). The Insurance Carrier will provide you with annual or quarterly statements of the Annuity Contract values, along with change confirmations and tax notifications, depending on the frequency required for the annuity type purchased.

#### ***Client Referrals and Other Compensation***

Your Financial Advisor may refer you to PNC Bank or other PNC Investments affiliates for additional products or services and will generally receive compensation for such referrals.

A portion of the fees charged for the Capital Directions Annuities Program services described in this Brochure are paid to your Financial Advisor 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 a Financial Advisor would receive if you paid separately for investment advice, brokerage and/or other services.

Certain employees of PNC Bank's Wealth Management and or Private Client Group receive compensation in connection with referrals to PNC Investments.

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

#### ***Financial Information***

In certain circumstances, 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.