

# Advice and Planning

The Value of Working with a PNC Investments Financial Advisor



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# PNC Investments

## Working Together Toward Your Long-Term Financial Well-Being

PNC Investments offers clients access to both investment advisory services and brokerage services.

As a broker-dealer providing brokerage services, we offer an array of investment products and services, including stocks, bonds, mutual funds, exchange-traded funds, and more.<sup>1</sup> Whether you want to trade online (self-directed) or work with a PNC Investments professional (guided), we offer brokerage account options to match your personal investing style and service preferences.

As an investment adviser, we offer several advisory programs to actively work alongside you to achieve your financial goals.<sup>2</sup> This means you'll enjoy all the benefits of a professionally managed account, including ongoing account monitoring, periodic portfolio rebalancing, and personalized guidance and insight.

<sup>1</sup> When acting as your broker, any recommendation to purchase an investment product or service is limited to the time of the transaction and we have no obligation to advise you if our opinion of the investment changes in the future. We do not provide ongoing account monitoring services when we act as your broker. However, at your request, we may review your current investments at the time of your request and make recommendations to you as a result of that review. Please note that there is a cost to brokerage transactions. These fees are more fully described in our Client Relationship Summary and Overview of Products and Services available online at pnc.com.

<sup>2</sup> When PNC Investments acts as your investment advisor, you pay an ongoing fee based on the assets under management in your investment account(s). All of our advisory programs feature ongoing account monitoring services, in which we will monitor your account and may make investment recommendations or conduct transactions on your behalf.



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# Financial Planning

## The Strong Foundation From Which We Work

Just as you wouldn't contemplate starting a trip without a destination in mind, it's nearly impossible to chart your financial course without a plan. A PNC Investments (PNCI) Financial Advisor can help you identify your destination, and plan your route with care — that's the financial planning process. While there may be detours along the way, a PNCI Financial Advisor can help you develop a plan designed to help you reach your destination.

It starts by gaining a thorough understanding of what you need — and what it is you're looking to accomplish. With this strong foundation in place, a PNCI Financial Advisor will construct a comprehensive financial plan, tailored to you, that includes the following key elements:

- Retirement planning
- Investment management
- Protection planning
- Education planning
- Budgeting and debt management

**Important Investor Information: Brokerage and insurance products are:**

**Not FDIC Insured • Not Bank Guaranteed • Not A Deposit  
Not Insured By Any Federal Government Agency • May Lose Value**

# Discipline

## The Importance of Sticking to Your Financial Plan

Financial planning is a long-term process that can help prepare you for periods of market volatility. Human instincts — including a natural aversion to loss — may lead many investors to make reactionary decisions in the face of less-than-ideal market conditions.

This behavior may come at a substantial cost. PNC Investments utilizes a goals-based approach to financial planning. Your plan will be designed to help weather periods of volatility, and utilize strategies designed to help mitigate the impacts of market swings, allowing you to invest with confidence.

### INVESTORS CAN BE THEIR OWN WORST ENEMIES\*

Annualized Returns of Asset Classes vs. Returns of Average Investor 1999–2019



\*See back cover for index definitions.

Sources: Bloomberg; Informa Investment Solutions; DALBAR.

Past performance is no guarantee of future results. It is not possible to directly invest in an index. Average Investor is represented by DALBAR's average asset allocation investor return, which utilizes the net of aggregate mutual fund sales, redemptions, and exchanges each month as a measure of investor behavior.

# Value

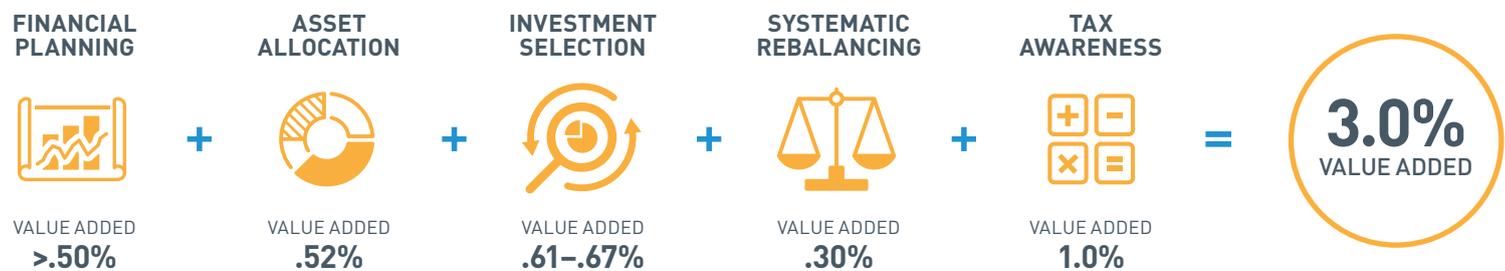
## The Value of Your PNC Investments Team

When you work with a PNCI Financial Advisor, you're not just receiving the financial knowledge and insight of a single individual. Rather, your PNCI Financial Advisor is supported by a team of professionals with extensive experience in the fields of banking, investing, financial planning, and more.

This team-based approach extends to the investment advice your PNCI Financial Advisor may provide. For example, the asset allocation models your PNCI Financial Advisor might recommend are thoroughly researched and monitored by PNC's Investment Policy Committee to confirm that they meet strict standards of qualitative and quantitative performance.

## So How Could You Benefit?

According to a recent study of investment advisory accounts conducted by Envestnet, working with a financial advisor could add overall value of up to 3% to a portfolio.



Source: Envestnet, "Capital Sigma: The Advisor Advantage"

This report was based on research conducted by Envestnet in an effort to define and quantify the areas where advisors add value.

The research was based on an analysis conducted on the Envestnet platform and reported in the 2019 Capital Sigma: The Advisor Advantage report.

Results do not reflect the impact of fees as related to advisory accounts or commissions related to brokerage accounts.

## How Your PNCI Financial Advisor May Deliver Added Value on Their Advice and Guidance



Financial Planning	Asset Allocation	Investment Selection	Rebalancing	Tax Awareness
Developing a road map to help achieve an investor's goals, ranging from short-term income needs to long-term retirement planning	Implementing a risk-adjusted portfolio strategy to help meet an investor's personal financial objectives	Creating a diversified portfolio of specific investment vehicles customized to the individual investor	Adjusting portfolios over time to help manage risk and returns (commissions will apply to rebalancing transactions in brokerage accounts)	Incorporating strategies such as tax-loss harvesting (selling a security that has experienced a loss) to help investors keep more of what they earn

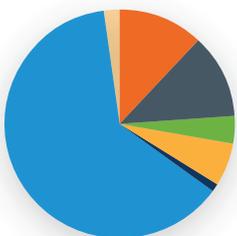
## The Strategies Behind the Value Your PNCI Financial Advisor Delivers

### The Key Elements of a Comprehensive Financial Plan

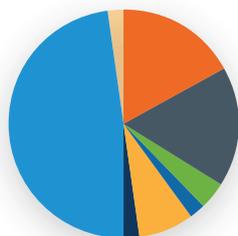
#### Asset Allocation<sup>3</sup>

The goal of asset allocation is to broadly diversify your investment portfolio. Your portfolio should generally hold a variety of asset classes, including stocks, bonds, and cash, and avoid being overly weighted in any one asset class in an effort to limit the impact of market volatility. Your PNCI Financial Advisor will help develop an asset allocation that creates a mix of investments that align with your long-term goals and tolerance for risk.

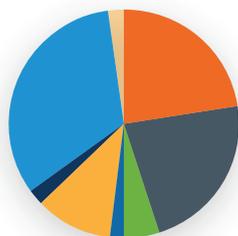
- Large Cap Growth
- Large Cap Value
- Mid Cap Blend
- Small Cap Blend
- International Equity
- Emerging Markets
- Core Bond
- Cash



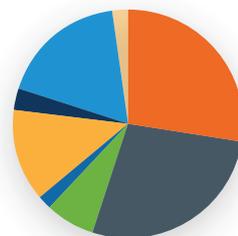
CONSERVATIVE



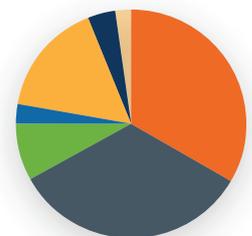
MODERATE



BALANCED



GROWTH



AGGRESSIVE

<sup>3</sup> Asset allocation does not guarantee profits or protect against loss.



## Investment Selection

Every stock, bond, and mutual fund your PNCI Financial Advisor might offer is carefully researched by PNCI’s Investment Due Diligence Committee to help confirm they meet PNCI’s standards of performance and risk. This research isn’t merely a “one-and-done” occurrence, either. Every investment product we offer is monitored to ensure it continues to meet our standards of quality.

PNC Investments believes that this team-based approach offers tangible value when it comes to the performance of your portfolio. Research has shown that investors who engaged a financial advisor to develop a financial plan, invest in a carefully screened and structured asset allocation profile, and adhere to an investment strategy over the long term were able to earn excess returns of up to 3% versus investors who did not.<sup>4</sup>



<sup>4</sup> Envestnet, “Capital Sigma: The Advisor Advantage”

This report was based on research conducted by Envestnet in an effort to define and quantify the areas where advisors add value. The research was based on an analysis conducted on the Envestnet platform and reported in the 2019 Capital Sigma: The Advisor Advantage report. There is no guarantee that any strategy implemented will yield the same results.

## Systematic Rebalancing<sup>5</sup>

Systematic rebalancing simply means returning your asset allocation back to its target percentages. Imagine a scenario in which your PNCI Financial Advisor determines that a portfolio consisting of 60% stocks and 40% bonds should generate the returns you need to fund your goals, while also adhering to your personal tolerance for risk. After months of stock market growth, your portfolio might grow to be more heavily weighted in equities, leaving you with 70% stocks and 30% bonds. Rebalancing your portfolio to its initial 60/40 target will restore your original risk–return relationship. Commission charges will apply in a brokerage account.

<sup>5</sup> Please note, unlike with our managed account programs, we do not provide ongoing account monitoring services when we act as your broker. Any brokerage account recommendation is limited to the time of the transaction, based on our current assessment of that investment product. As it concerns brokerage account investment recommendations, we have no obligation to advise you if our opinion of the investment changes in the future. Such service is limited to our managed account programs only.

PNC Investments does not guarantee the performance of any investment. Diversification and asset allocation do not assure a profit or prevent a loss of investment.

PNC Investments and its affiliates and vendors do not provide legal, tax or accounting advice.

## Tax Awareness

Your PNCI Financial Advisor can provide guidance that may help you to enhance your bottom line. Actions such as maximizing your contributions to a tax-advantaged investment account like an employer-sponsored 401(k) plan or a Health Savings Account may help to lower your overall taxable income, helping you keep more of your money.

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# Financial Advisor Commitment

## The Benefits of Working With a PNCI Financial Advisor

Take a moment and consider what it is you wish to achieve financially. Perhaps it's a long and prosperous retirement; perhaps you're planning for a child's future education; or maybe you value time spent with family and simply want to have a financial plan in place to help confirm that you can continue to maximize this priority.

Whatever it is you wish to accomplish, PNC Investments is here to help. Everything we do begins with you, and centers on the framework of your financial plans and aspirations. My role as your Financial Advisor is to add value to your investing experience, providing insight, education, and guidance. You can rely on me to:

- ✓ Help you identify and define your financial goals and priorities.
- ✓ Make your financial success my priority, placing your goals first and foremost.
- ✓ Help you understand the challenges you face by providing you with market research, commentary, and other relevant insight.
- ✓ Work alongside you to understand your personal circumstances, values, investing style, and more.
- ✓ Help you understand the fees and expenses associated with investing, and continually provide you with real value that exceeds these expenses.
- ✓ Place a personal priority on communication, and consistently remain open and accessible.
- ✓ Leverage new and novel investment tools and products, providing you with greater insight into your investment performance and returns.



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## About PNC Investments

PNC Investments serves the investing and retirement needs of our customers through multiple delivery channels — whether that’s face-to-face, phone-based, or digital. As part of a dynamic financial planning process, our Financial Advisors offer objective, personalized guidance to help customers achieve their financial goals.

Learn more about how PNC Investments does business, including our qualifications, business practices, fee schedules, and options for how you can work with us by reviewing our Client Relationship Summary, Overview of Products and Services, and more at [pnc.com](https://www.pnc.com).

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# PNC Investments

1-855-PNC-INVEST | [pnc.com](http://pnc.com)

**Start planning for the future you want,  
today, with PNC Investments.**

Wherever you want your money to take you, we have the Financial Advisors, planning tools, investment products and services, and experience to help you get there. We make it convenient for you by placing our Financial Advisors in your neighborhood at hundreds of PNC branches. You can also speak directly with a PNC Financial Advisor over the phone. If you'd like to take a disciplined approach to your future, and you prefer working with investment professionals you already know and trust, stop by a PNC branch or call us today.

\*Sources: Bloomberg; Informa Investment Solutions; DALBAR Inc. "Quantitative Analysis of Investor Behavior, 2020", [www.dalbar.com](http://www.dalbar.com). Past performance is no guarantee of future results. It is not possible to directly invest in an index. Homes are represented by the National Association of Realtors' (NAR) Existing One Family Home Sales Median Price Index. Stocks are represented by the S&P 500 Index, an unmanaged index that consists of the common stocks of 500 large-capitalization companies, within various industrial sectors, most of which are listed on the New York Stock Exchange. Bonds are represented by the Barclays US Aggregate Bond Index, an unmanaged market-weighted index that consists of investment-grade corporate bonds (rated BBB or better), mortgages and US Treasury and government agency issues with at least 1 year to maturity. International Stocks are represented by the MSCI EAFE Index, a broad-based measure of international stock performance. Inflation is represented by the Consumer Price Index. Average Investor is represented by DALBAR's average asset allocation investor return, which utilizes the net of aggregate mutual fund sales, redemptions, and exchanges each month as a measure of investor behavior. Returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/19 to match DALBAR's analysis.

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Securities products, brokerage services and managed account advisory services are offered by PNC Investments LLC, a registered broker-dealer and a registered investment adviser and member FINRA and SIPC. Annuities and other insurance products are offered through PNC Insurance Services, LLC, a licensed insurance agency.

PNC Investments and PNC Insurance Services do not provide legal, tax or accounting advice.

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