



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

An Investment Advisory Service of  
PNC Wealth Management LLC

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October 17, 2025

This wrap fee program brochure ("Brochure") provides information about the qualifications and business practices of PNC Wealth Management, LLC with respect to the PNC Directions Wrap-Fee Advisory Program ("PNC Directions Program," "PNC Directions" or "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 Wealth Management 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 Wealth Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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| <ul style="list-style-type: none"><li>• <b>NOT FDIC INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY</b></li><li>• <b>NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, PNC BANK, N.A. OR ANY OF ITS AFFILIATES</b></li><li>• <b>SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED</b></li></ul> |
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## **MATERIAL CHANGES**

ADV Part 2A dated October 17, 2025

**The following change(s) have been made to the PNC Wealth Management PNC Directions Wrap Fee Program Brochure since the last Brochure dated July 16, 2025:**

On or about October 17, 2025, our firm's legal and business name will change from PNC Investments LLC to PNC Wealth Management LLC. This change is administrative in nature and does not affect the ownership, management, operation, services, or fees of the firm. All references to PNC Investments LLC within the Brochure will be updated to PNC Wealth Management LLC. No other material changes have been made since our last Form ADV 2A Brochure was filed on July 16, 2025.

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### **About PNC Wealth Management LLC**

PNC Wealth Management LLC (“PNC Wealth Management” 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 Wealth Management serves as the sponsor of, and in some cases as a portfolio manager for, wrap fee investment programs. PNC Wealth Management 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 Wealth Management,” “we,” “our,” “us” and “the firm” refer to PNC Wealth Management 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 Wealth Management, 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” means each brokerage and/or advisory account you open with us that is subject to the PNC Directions 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.

“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 PNC Directions Program. In addition to the Program, PNC Wealth Management offers a variety of investment advisory services. These include, but are not limited to, the Capital Directions Program, the Portfolio Solutions Program, the Portfolio Solutions Strategist Program, the Capital Directions Annuities Program, and the Guided Solutions Program. More information about these programs and services is contained in the applicable PNC Wealth Management brochure and is available upon request from PNC Wealth Management or through the SEC’s website at <https://adviserinfo.sec.gov/>. For more information about these or other services that are available from PNC Wealth Management, please contact your Financial Advisor. Other advisory services are offered by our affiliates.

### **The PNC Directions Program**

PNC Directions is a discretionary mutual fund and exchange traded fund (“ETF”) advisory program that provides an asset allocation strategy for investing in a portfolio of mutual funds and ETFs (together, “Funds”) based on your declared risk tolerance, asset levels, time horizons, and financial goals. Before you open an Account in the PNC Directions 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 are your preference for a fee-based versus a commission based

relationship, your preference 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 PNC Directions account, as described in more detail in the Financial Advisor Compensation section of this Brochure, and has a conflict of interest when recommending an advisory account to you.

When you open a PNC Directions account, your Financial Advisor<sup>1</sup> will help you complete an investor questionnaire that provides an understanding of your financial situation, investment objectives, investment time horizon and risk tolerance. Based on the information collected in the investor questionnaire, we will recommend an asset allocation strategy (“Allocation Model”) appropriate to your situation. Your Financial Advisor will help you understand the risk and return characteristics of the selected Allocation Model and help you evaluate the Allocation Model’s return potential in relation to your investment goals and objectives. We will present our recommendation to you in the form of a proposal (the “Proposal”), which will include the actual initial investment portfolio recommended to you, for your acceptance and approval. It is very important that you understand the risks associated with the Allocation Model you select and should discuss this with your Financial Advisor if you have any questions.

Five Allocation Models, each associated with a distinctive risk profile and comprised of a different mix of asset classes, have been developed by PNC Bank’s Private Bank (the “Private Bank”) and approved by PNCWM’s Investment Due Diligence Committee (IDD). Furthermore, PNC Wealth Management 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, PNCWM has sole discretion in approving Allocation Models for the program. As described above, working with your Financial Advisor, you can select a strategy based on your investment goals and financial circumstances. The five strategies 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 portfolio value. Although past performance is no guarantee of future results, generally 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. 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.

- **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 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.

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<sup>1</sup> We use the term “Financial Advisor” to refer to PNC Wealth Management’ branch-based and wealth Financial Advisors, as well as Advisor Direct Financial Advisors and Investment Services Consultants.

The portfolio's 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.

PNC Wealth Management will periodically adjust Allocation Models or remove Funds from our approved list. In all of these circumstances, PNC Wealth Management will update your Allocation Model and/or the Funds accordingly and, if necessary to align your Account to the new Allocation Model, will execute transactions in your Account. Note that you will not be sent a new Proposal in these circumstances, unless requested through your Financial Advisor. Your Financial Advisor may recommend you change your Allocation Model if they

determine your financial circumstances have changed. Additionally, you may direct us to change the Allocation Model for your Account once every 90 days, or more frequently as PNC Wealth Management may agree in its sole discretion.

Before you may establish a PNC Directions Account, you must establish a brokerage account with PNC Wealth Management and agree to the terms and conditions of the PNC Wealth Management Brokerage Account Customer Agreement. By accepting and signing the Investment Management Agreement, you grant discretion over your Account to PNC Wealth Management and you authorize us to invest and reinvest the assets in your Account in a combination of Funds, and other financial instruments in accordance with the Allocation Model that you have selected. PNC Wealth Management has delegated certain portfolio 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 Wealth Management. The scope of any investment advisory relationship we have with you is defined in the Investment Management 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 Program 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 PNC Directions 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 Wealth Management 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 Investment Management Agreement with you are not intended as investment advice under the Investment Advisers Act and should not be relied on as such.

The PNC Directions Program is designed for investors who wish to give PNC Wealth Management full discretion to invest the assets in their Accounts according to the asset allocation model selected. Once you are approved for the Program, you will not have the ability to directly buy or sell individual securities in your Account, or to direct your Financial Advisor to buy or sell securities in your PNC Directions Account. You will not be able to obtain a margin loan using the securities in your Account as collateral.

You will have, subject to our approval, the ability to place certain reasonable investment restrictions on the types of Funds that may be purchased for your Account. For example, you may request that your Account not be invested in Funds with a primary focus on international securities. You should note, however, that Funds utilized in a domestic-only strategy may potentially maintain some exposure to international markets.

### ***Automatic Rebalancing***

The PNC Directions Program provides automatic rebalancing to ensure that the investments in your Account continue to conform to the selected allocation model. Asset allocations are monitored on a quarterly basis, and generally, we will rebalance an Account if any asset class varies by more than 3% from its target allocation within the model. In lieu of the Program's default practice of rebalancing on a quarterly basis, you may request that periodic rebalancing for your Account occur on a less frequent basis of either semi-annually or annually. You should consider, however, that less frequent periodic rebalancing, could cause your Account to diverge from the selected allocation percentages and such divergence could potentially negatively or positively impact performance.

In addition to periodic automatic rebalancing, we will also rebalance your Account if you change your investment model, or when additional contributions to or withdrawals from your Account cause the cash

balance to exceed 5%, or be less than 0.5%, respectively, of the portfolio value. Further, you may also request, subject to approval by PNC Wealth Management, that an ad hoc rebalance be executed.

In order to avoid the expense of inefficient rebalancing, we reserve the right, in our sole discretion, to from time to time change timeframes for effecting rebalances to your Account as well as the thresholds that must be exceeded before any rebalancing will occur. To rebalance an Account, we buy or sell, as relevant, shares of the individual Funds in an Account until its holdings match the Fund weight percentage specified for the applicable model. Rebalancing transactions are subject to short-term trading policies, described more fully below, of Funds held in your Account, and, if your account is taxable, will create tax consequences for your Account.

### ***Account Statements***

You will receive a monthly statement following any month in which there is investment activity in your Account, confirming all transactions in your Account, including additions, disbursements, purchases, sales, and advisory fees paid to PNC Wealth Management or fees paid to Model Providers. For periods in which there is no investment activity in your Account, statements will be provided quarterly. You will also receive a quarterly performance report that tracks the performance of your portfolios 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.

### ***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, 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 Investment Management Agreement, PNCWM will be under no obligation to provide advice on any holdings in your Account. Any transactions executed by you after the termination of the Investment Management Agreement will be subject to fees and commissions described in the PNC Wealth Management 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 your Financial Advisor, by contacting us at (800) 622-7086 or online at [www.pnc.com/investments-relationship-summary](http://www.pnc.com/investments-relationship-summary). In addition, upon learning of the death of any account owner, PNCWM 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 PNC Directions Program Account for more information.

The Investment Management Agreement will continue in effect until terminated by you or PNC Wealth Management upon 30 days' written notice to the other party.

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

When you open a PNC Directions Program Account, we review and must approve your investment objectives and strategy for consistency with Program guidelines. Thereafter, we will continuously monitor the Account including its performance, the appropriateness of the individual funds in it, and any 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 Account 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 Wealth Management. Finally, your Financial Advisor will be reasonably available to you for



consultation about the Account. We encourage you to please contact your Financial Advisor if you have any questions.

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

You should be aware that if you transfer securities into a PNC Directions Account, any transferred securities that are not part of the recommended investments for your Account will be liquidated upon or shortly after transfer. Typically, this means that we will liquidate all of the securities you transfer to your Account prior to investing to your Account in the recommended investments.

If your Account is not tax-exempt, you will incur tax consequences as a result of these transactions. You should consult with your tax adviser to review these consequences. Additionally, if you liquidate securities prior to transferring your account to PNC Wealth Management, or liquidate your securities prior to establishing your PNC Directions account, you will likely incur transaction costs for those transactions. PNC Wealth Management will not reimburse you for transactions executed at another firm. Please note that if you transfer illiquid securities into a PNC Directions Account, it will delay management of that Account until such securities are transferred out or otherwise removed.

You may, at your election, chose an optional Dollar Cost Averaging (“DCA”) feature when adding funds to your Program Account. With the DCA feature, you have the ability to deploy free cash to your Allocation Model over a defined period and in pre-determined amounts. The DCA feature can enable clients to slowly invest excess cash over time, rather than make one lump-sum investment. You have no obligation to complete scheduled DCA transactions and may terminate the DCA feature at any time, by providing notice to us, at least 5 business days prior to the next scheduled DCA transaction. You should know that if sufficient cash is not available in your Account at the time of a scheduled DCA transaction, that transaction, and all future scheduled DCA transactions will be canceled. You should also be aware that cash pending investment under an optional DCA plan will be treated as unallocated cash, and swept to a deposit account at our affiliate bank, as described below. The parameters of DCA requests are subject to our approval.

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

You should also be aware that if you request a withdrawal from a PNC Directions Account, PNC Wealth Management as investment manager, may need to liquidate a portion of the Account to cover the requested withdrawal amount. This will happen, for example, when the cash in your Account is insufficient to accommodate the requested withdrawal. If your Account is taxable, you will incur tax consequences as a result. These transactions are subject to short-term trading policies of Funds held in your Account. Liquidation requests are processed according to our standard procedures and your liquidation request may not be completed on the day it was submitted. This is more likely if your request is submitted late in the day or during periods of severe market volatility. Cash is available for distribution three to five business days after the initial request is made, however, you should also be aware that liquidation transactions are at the discretion of the investment manager and could exceed this timeframe.

### ***Taxes***

You need to be aware that the Program operates in a manner that will likely cause non-retirement Program Accounts to more frequently experience taxable gains and losses than a brokerage account holding individual securities for the same amount of time. When we, at our discretion, sell securities to rebalance your asset allocation or to adjust your program 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 securities in the account. You should consider and discuss the potential tax implications of opening

and maintaining a PNC Directions account with your tax adviser.

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

The program fee you pay to PNC Wealth Management for the PNC Directions Program is charged quarterly in advance and is based on the average daily market value in your Account over the prior calendar quarter, including cash holdings, or portion thereof ("Program Fee"). However, cash holdings in excess of 7.5% (operational cash purposes i.e., trading and account maintenance needs) will be excluded from the average daily market value calculation when the Program Fee is calculated. You should be aware that your account is subject to the Program Fee whether you make or lose money on the investments. The Program Fee covers the cost of brokerage commissions and other transaction fees only for transactions executed through National Financial Services LLC ("National Financial") on an agency basis. The Investment Delegate will typically route trades to National Financial for execution. 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 incurred on transactions executed through other brokers, dealer markups, markdowns and spreads when the Investment Delegate trades away from National Financial. See the Trading Practices section below for details.

Generally, the Program Fee is non-negotiable. The Program fee for PNC Directions is in addition to any of the specific fund fees and expenses that are discussed in more detail below. Generally, you will be charged commissions or service charges for transactions executed prior to establishing your PNC Directions account; you should discuss your options for funding your account with your Financial Advisor. You may contact your Financial Advisor if you have any questions regarding the fees charged to your Account. Upon your request we will provide you with a detailed explanation of the fee calculation which will allow you to recalculate the fee should you so desire.

Generally, fees incurred by your Account will be paid from the cash balance in the Account. If your Account does not have a sufficient cash or money market mutual fund balance to pay the fees, we may sell Fund shares as necessary to pay the fees. As described previously, you may incur transaction costs and could create tax consequences by selling securities to pay fees and expenses.

The annual Program Fee for the PNC Directions Program is 1.00%. There is an annual minimum fee for the program of \$80.00. From time to time, we offer discounted pricing programs in our discretion.

For smaller accounts, a minimum account fee may apply to the Program Fee or fees charged by the Advisor or custodian. Minimum accounts fees are expressed in annual amounts, but are determined and assessed based on the account asset value each quarter. For example, if an account has a \$80 minimum annual account Program Fee, it will be assessed a minimum of \$20 every quarter. Therefore, if a Client has large asset inflows or outflows during the year that cross the minimum asset value threshold, it is possible for an account to be assessed a minimum fee for a particular quarter even if at the end of the year a look back over the account's average balance for the entire year would have placed it above the minimum asset value threshold.

If your Account is new, you will pay an initial fee after the date that National Financial, the custodian, receives the initial assets of your Account. An adjustment to the next quarterly fee will be made for any significant contributions or distributions that occur during the inception quarter of your Account. With your initial contribution 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 Account becomes subject to the Investment Management Agreement or that you

make the additional contribution or distribution, as applicable. This Program Fee will be based on the total market value of assets in your Account on that date.

If your Account is terminated by you or PNC Wealth Management during a calendar quarter, the fee for that quarter will be prorated over the number of days that the Account was open during the quarter. Any overpayment will be refunded to you after the Account is closed. Fees are not prorated for contributions or withdrawals made during a calendar quarter, except in the case of a new or terminated Account, as outlined above. If you terminate your PNC Directions account within 90 calendar days of initial investment, PNC Wealth Management reserves the right to charge you commissions, according to the Overview of Products and Services, for transactions executed on your behalf during the time your account was managed, less any pro-rated advisory fee paid by you.

#### ***Additional Fees for Brokerage Services***

PNC Wealth Management will charge its standard fees for additional brokerage account services that are not included in the Program. Such fees include, but are not limited to, ACAT (i.e., account transfer) fees, wire transfer fees, IRA fees and stop payment fees. You should be aware that in some cases, PNCWM retains this entire fee or marks up the fee National Financial, our clearing firm, charges to PNCWM for these services. This is a conflict of interest for us because PNCWM has an incentive to utilize a clearing firm that allows us to mark up designated fees. PNCWM also has incentive to recommend to you services that have been marked-up. Please refer to the Account Level Fees section of the Overview of Products and Services for details.

#### ***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 is subject to the short-term trading policies of Funds and, if your account is taxable, will create tax consequences for you. You may contact your Financial Advisor if you have any questions regarding the fees charged to your Account.

#### ***Fund-Level Fees and Expenses Received by Us***

**Mutual Fund Models.** Each mutual 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, and will reduce your investment returns. Other classes of mutual funds have lower fund-level fees and expenses than those used in this Program. Please review the relevant mutual funds' prospectuses for a full explanation of fund expenses and charges.

PNC Wealth Management includes in the Program only "Approved Share Classes" of mutual funds, which are share classes that generate revenue sharing payments, as described below, to PNCWM. PNCWM will select Approved Share Classes that are either (i) share classes that trade on our custodian's Institutional No-Transaction Fee platform ("INTF Eligible" share classes); or (ii) if no such INTF Eligible share class is available, the least expensive non-INTF Eligible share class eligible for inclusion in the Program. PNC Wealth Management uses INTF Eligible share classes in order to reduce PNC Wealth Management's overall program trading costs, which costs would otherwise be payable by PNC Wealth Management. These selection criteria represent a conflict of interest for us because they enable PNC Wealth Management to avoid costs, but also may result in you

purchasing a share class that is more expensive than other share classes of the same fund for which you are eligible. You acknowledge that when you establish a Program Account, you authorize and direct PNC Wealth Management to purchase for your Account only Approved Share Classes using the criteria described above and you waive any obligation of PNC Wealth Management, if applicable, to purchase any other share classes for your Account, even if less expensive share classes are available. A higher cost share class will adversely affect the investment performance of your account. 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 Wealth Management 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 Wealth Management may receive Mutual Fund Compensation. PNC Wealth Management is not a party to such arrangements and we will not credit your Account for Mutual Fund Compensation received by such entities. You should be aware that any Mutual Fund Compensation paid to entities not affiliated with PNC Wealth Management increases Fund expenses and, consequently, reduces the investment performance of your account.

**ETF Models.** Exchange-traded funds, or ETFs, are similar to mutual funds in that they invest in a basket of securities, such as stocks, bonds, or other asset classes. Unlike mutual funds, however, ETFs trade on an exchange and their price can change throughout the day and may vary from the value of the underlying assets in the investment portfolio. There are three different types of ETFs: Index based or Passive – which track a specified index such as the S&P 500 or NASDAQ Composite Index, Smart beta – which invest in factors through a rules-based index (low-volatility, equal-weight, etc.), and actively managed – which are not tied to an index and offer portfolio manager flexibility and security selection with the intent to outperform a benchmark. Most ETFs publish their holdings daily. ETFs have internal operating expenses that reduce investment returns. Active ETFs generally, have higher internal operating expenses than other ETF types. ETFs typically have lower expenses than mutual funds that are actively managed. However, even though a mutual fund in the same asset class as an ETF may be more expensive, other factors such as ETFs that trade less frequently could make a mutual fund more advantageous. Each ETF charges its own separate fund-level fees and operating expenses. These fees and operating expenses are ultimately borne by the shareholders invested in the ETF, including you.

PNC Wealth Management receives an annual credit from National Financial (the "ETF Revenue Share Credit"). The ETF Revenue Share Credit is projected based on future sales of actively managed ETFs through National Financial. PNCWM's receipt of the ETF Revenue Share Credit is dependent on National Financial sharing a portion of its actively managed ETF revenue. With the receipt of the ETF Revenue Share Credit, we are incentivized to recommend actively managed ETFs over other ETFs and products in which we either receive less or no revenue share as compared to the ETF Revenue Share Credit. We are also incentivized to select and continue our relationship with National Financial to receive the ETF Revenue Share Credit, which is contingent on the fully disclosed clearing agreement with National Financial remaining in effect. We will retain the ETF Revenue Share 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 ETF Revenue Share Credit. You should be aware that any ETF Revenue Share Credit paid to entities not affiliated with PNC Wealth Management increases Fund expenses and, consequently, reduces the investment performance of your account.

PNC Wealth Management receives an annual credit from National Financial (the “Business Development Credit”). PNCWM 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, PNCWM is subject to certain contractual fees and penalties (collectively, the “Termination Fee”). The Termination Fee creates a strong disincentive for PNCWM 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, PNCWM 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 Wealth Management 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 and ETFs for our investment advisory programs is designed so that products are selected based on objective, investment related criteria and does not take into account compensation to PNC Wealth Management. **However, only funds 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 or certain ETFs 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 Wealth Management. In addition, we receive a higher revenue share amount on mutual funds than ETFs. This is a conflict of interest for us when there are similar products offered in both product categories as we will be paid more revenue share when recommending mutual funds than if an ETF is recommended. We will not credit your Accounts for any revenue sharing payments we receive.** Although we include only mutual funds and certain ETFs whose sponsors pay PNCWM revenue sharing, we believe this conflict is mitigated by the large and diverse universe of Funds we make available in our programs which meet our clients’ needs. Your Financial Advisor is not paid any part of the revenue sharing arrangements. You should also be aware that we will liquidate mutual funds and or certain ETFs held in your Account if the advisors or distributors of those funds discontinue their participation in our revenue sharing program. If your Account is taxable, you will have tax consequences as a result of such liquidations. PNC Wealth Management offers other advisory programs that include Funds whose advisors and distributors do not participate in revenue sharing. You can discuss our other advisory program options with your Financial Advisor if you wish to invest in Funds outside our revenue sharing program. We will not credit your Account for any revenue sharing payments we receive. For details on revenue sharing received by PNC Wealth Management from mutual fund and certain ETF advisors or distributors, please see the following link: <https://www.pnc.com/content/dam/pnc-com/pdf/personal/wealth-management/Additional-Compensation-Disclosure.PDF>

For more information around the compensation a particular mutual fund or ETF provider may pay, please refer to the Fund’s prospectus and/or Statement of Additional Information.

#### ***Other Expenses and Costs***

Additionally, some Funds impose redemption fees depending on the share class, if they are redeemed within a

specified time period, 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 Wealth Management. 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 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.

### ***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 Program Fees are charged). The interest rate ("BDSP interest rate") for BDSP assets held in the Deposit Account is determined by PNC Bank with input from PNC Wealth Management such as objective competitive market data.

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) and your funds will be invested in a money market mutual fund selected by us. You should be aware that although assets held in the Deposit Account are protected by FDIC insurance neither PNC Wealth Management 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 Program 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 Wealth Management 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 Wealth Management benefits in two ways from placing assets in the BDSP (*i.e.*, the Program 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 Wealth Management 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://investor.pnc.com/financial-information/financial-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 Wealth Management 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 PNCWM 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/>

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

A portion of the fees charged for Program services generally will be paid to your Financial Advisor in connection with opening your Account, as well as for providing client-related services within the Program. This compensation may be more or less than a Financial Advisor would receive if you transacted in a brokerage account, rather than a managed account in the PNC Directions Program, and paid separately for investment advice, brokerage and other services covered by the Program Fee. Therefore, your Financial Advisor may have greater financial incentive to offer a managed product over a brokerage product. As disclosed above, certain of our Programs charge a negotiable Program Fee and others charge a negotiable Program Fee plus a Model Provider Fee, which in certain circumstances may be waived but is not negotiable. Differences in fees for Model Providers in Programs with a third-party manager, or the absence of such fees in any Program, create a conflict of interest as such differences provide an opportunity for Financial Advisors to negotiate a higher Fee for a strategy with lower or no separate Model Provider Fees than they would for strategies that charge a higher Model Provider Fee. The opportunity to negotiate a higher fee also creates a financial incentive for Financial Advisors to recommend such Programs and/or Model Providers. The ability of the Financial Advisor to negotiate a higher Program Fee in these circumstances also provides a financial benefit to PNC Wealth Management, which retains a portion of the Program Fee. Occasionally, Program 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 Wealth Management has established policies and procedures reasonably designed to ensure that any recommendation made is suitable for your unique circumstances. PNC Wealth Management may advance to Financial Advisors a portion of the first year’s estimated fees for clients who invest in the Program. In addition, certain Financial Advisors who typically work with higher net worth clients can earn enhanced upfront compensation when customers establish a new advisory account or add new assets into an existing advisory account with us. This compensation creates a conflict of interest because these Financial Advisors have an additional incentive to encourage clients to place their funds in investment advisory accounts.

From time to time, PNC Wealth Management 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.

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 investment required for the PNC Directions Program is \$5,000. We may terminate, on thirty days' written notice to the Account holder, the advisory services on any Account that falls below minimum account value guidelines established by us. To avoid account 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. We may also limit the maximum new account size allowable for the Program. We reserve the right to reject contributions to the Account that may result in Account balances greater than \$100,000.

### ***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 Wealth Management 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 or your Financial Advisor may not be provided with prior notice of the liquidation of the securities in the Account. Furthermore, you and your Financial Advisor may not be entitled to choose the securities 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 PNC Directions Program and the Account may be subject to termination as described above.

You may wish to discuss with your Financial Advisor how a collateral call could impact you if your pledged Account makes up all, or substantially all, of your overall net worth or investible assets. Any action taken by us, or an affiliate, 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 PNC Directions Program.

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 adviser 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. PNC Wealth Management does not provide legal, tax or accounting advice.

You are encouraged to speak with your Financial Advisor to the extent you have questions about the Program, the Lending Arrangements and how they may impact the management of your Account. **You should be aware that PNC Wealth Management and your Financial Advisor have a conflict of interest because PNC Wealth Management and your Financial Advisor's 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. In addition, you should be aware that PNC Wealth Management and your Financial Advisor will be compensated based on the amounts you draw on the credit line.** This is a conflict of interest for your Financial Advisor because he or she has an incentive to recommend Lending Arrangements as opposed to other potential funding sources, because your Financial Advisor 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 Wealth Management.

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**

### ***Selection of Funds***

PNC Directions was previously an affiliated mutual fund and ETF wrap program, utilizing mutual funds and ETFs advised by investment managers affiliated with PNCWM. In November 2019, PNC Capital Advisors sold components of its business, including the PNC Funds, to Federated Investors, Inc. ("Federated"). Subsequently, on May 18, 2020, PNC divested its entire holding of BlackRock, Inc. ("BlackRock") and accordingly, BlackRock is no longer an affiliate of PNC Wealth Management. As a result of these transactions, the mutual fund and ETF selection criteria for PNC Directions no longer focuses on any specific investment manager, including BlackRock mutual funds, iShares or Federated mutual funds, and any eligible fund approved by PNC Wealth Management may be included in the Program. Going forward, we will evaluate BlackRock and Federated mutual funds and iShares for continued and future use in Program accounts in the same manner as we evaluate all investment managers. It is anticipated that BlackRock and Federated funds will continue to represent a significant portion of PNC Directions mutual fund accounts and that iShares will comprise all or nearly all of PNC Direction ETF accounts since we will typically not remove approved funds from the program until our research process indicates there is a reason to do so.

The factors influencing the inclusion of a Fund on our list of recommended Funds include, among other things, the Fund's past performance, management style, quality of its investment process, the number and continuity of investment professionals, and its client servicing capabilities. We receive research and assistance in selecting and reviewing mutual funds and ETFs from the Private Bank division (the "Private Bank") of our affiliate PNC Bank and Morningstar, Inc. Expenses for these services are paid by PNC Wealth Management. We or our research partners may ask a relevant investment manager to provide a completed questionnaire, database information on the firm and statistical analysis of the mutual fund/ETF manager's track record. We or our research providers may also conduct interviews with members of the Fund's management. This process is an

ongoing one, and Funds are added or removed from the PNC Directions Program based on many factors, either internal or external to the Fund's management. Returns reported are derived from sources believed to be reliable; however, we make no representations or warranties as to the accuracy of performance information.

The PNC Directions Program includes investments in Funds advised or serviced by affiliates of PNC Wealth Management, who receive compensation for their investment advisory and other services to such Funds. As described above, PNC Wealth Management and our Affiliates also receive additional compensation in the form of revenue sharing payments from mutual fund and certain ETF providers or their affiliates who compensate us for assets invested in their Funds. These payments create incentives to select those mutual funds and or certain ETFs for which we receive revenue sharing and other compensation over Funds from providers that do not compensate us through revenue sharing.

We also seek to mitigate conflicts of interest with respect to mutual funds and ETFs by utilizing a robust due diligence process for selecting mutual funds and ETFs for the Program. This process is designed with the intent that Funds be selected on criteria other than the compensation that may be derived by PNC Wealth Management, and our Affiliates. Each of the Funds considered for use in the Program is subject to the same review and selection process.

PNC Wealth Management offers a variety of investment advisory services. Advice provided to clients of the PNC Directions Program, or action taken in PNC Directions Program accounts may be the same as or different from advice provided to or actions taken in the accounts of clients in other advisory programs. It is expected that funds recommended for this Program may or may not be recommended for our other advisory programs and vice versa.

#### ***PNC Wealth Management and Other Service Providers to the Program***

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

PNC Wealth Management 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 Program. National Financial carries client Accounts, is the custodian for the investments in your Account, reports all the trades in your Account and effects many such trades. National Financial will provide you with trade confirmations, monthly statements, and income tax reporting.

PNC Wealth Management has also engaged a service provider to perform certain support services in connection with the Program, including account rebalancing for the asset allocation models. This service provider is also responsible for calculating and preparing quarterly performance reports for client accounts.

#### ***Risks of Investing in the PNC Directions 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, selection of investment manager models and/or research recommendations will protect against such loss. Other risks include:

- **Market Risk.** Market risk is the risk that the price of securities will fall over short or extended periods of time. Historically, the prices of equity securities have moved in cycles, and the value of an Account's investments 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.** A client Account is subject to the risk that asset allocation decisions will not anticipate market trends correctly. For example, weighting an Account too heavily in equities during a stock market decline may cause a loss of value. Conversely, investing too heavily in fixed income securities during a period of stock market appreciation may result in lower total returns.
- **Concentration/Diversification Risk.** Concentration risk occurs when a client Account holds significant positions in certain securities, sectors or geographic regions. Concentrated positions can be more volatile and present a greater risk of loss, especially over the short term.
- **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 will typically fall.
- **Interest Rate Risk.** The value of fixed-income investments 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.
- **Liquidity Risk.** The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in unusually wide bid-ask spreads or large price movements (especially to the downside)
- **Stock-Specific (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.

The Program is intended to be a long-term investment program and does not support market-timing or frequent trading. You will be limited to one model change per calendar quarter, except as warranted by changes to your financial situation as agreed by you and PNC Wealth Management. In addition, you will be limited to one investment manager model change per asset class per quarter, except as may be agreed by you and PNC Wealth Management. Frequent or excessive trading in PNC Directions accounts are grounds for account termination, with 30 days' written notice, by PNC Wealth Management, even if the rules above are not violated. The determination of frequent and/or excessive trading is solely at the discretion of PNC Wealth Management.

### ***Trading Practices***

PNC Wealth Management is an introducing broker-dealer, clearing transactions related to the Program Accounts through National Financial. PNC Wealth Management has a best execution committee ("BEC") that meets regularly to rigorously review data for equity orders executed by National Financial including those orders that are sent by the Investment Delegate. Such data includes, among other things, speed of execution and price improvement provided by the execution venues selected by National Financial. PNC Wealth Management does not receive any payment for order flow from the execution venues. The BEC also reviews data for fixed income trades executed through trading systems used by PNC Wealth Management to ensure that the net prices obtained are reasonable under the circumstances.

The Program Fee includes the costs of trades executed only for transactions executed through National Financial on an agency basis. The Program Fee does not include any additional trading expenses incurred when the Investment Delegate determines to trade away from National Financial or for transactions where National Financial acts as principal. 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 Wealth Management. 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. These trades will incur additional costs per bond or on a per transaction basis. These costs are embedded in the net price you receive and are not separately disclosed by the executing broker in your confirmation or statement. PNCWM does not receive any benefit when the Investment Delegate elects to trade away.

It is important that you understand that you will pay any commissions, mark-ups or mark-downs incurred, in addition to the Program Fee when the Investment Delegate elects to trade away from National Financial or for transactions where National Financial acts as principal. 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/PNCWM/Trade-Practice-Disclosure.pdf>. Information regarding Investment Delegate 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. You should also review the Form ADV Part 2 for the Investment Delegate for additional information regarding that firm's execution practices.

### ***Proxy Voting***

You will retain the right to vote any and all proxies associated with securities held in the PNC Directions program. Neither PNC Wealth Management nor your Financial Advisor take any action or give advice regarding the voting of proxies to the issuers of securities on the assets in your Program Account. You will retain proxy-voting authority and are responsible for voting proxies over securities held in your Accounts. Our custodian, National Financial, will forward annual reports, shareholder and proxy information to you received by National Financial on the applicable assets in your Program Account.

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

The PNC Directions Program involves the allocation of client assets among mutual fund or ETF portfolios, rather than among particular third-party investment advisers or portfolio managers. Thus, PNC Wealth Management acts as the portfolio manager for the Program and obtains client information directly from you. We do not provide information about clients participating in the PNC Directions Program to the Funds or Fund companies, except to the extent such information may be required to maintain or service an Account with the Funds.

## **CLIENT CONTACT WITH PORTFOLIO MANAGERS**

The PNC Directions Program does not involve the allocation of client assets among third-party investment advisers or portfolio managers. Instead the Program involves investment in Funds. As such, we do not expect clients to contact the Funds or Fund companies directly. PNC Wealth Management acts as the portfolio manager for the Program and clients may contact the Firm, including via their financial Advisor or other PNC Wealth Management representative.

## **ADDITIONAL INFORMATION**

### ***Disciplinary Information***

- On April 11, 2016, PNC Wealth Management entered into a settlement (an “AWC”) with FINRA. Without admitting or denying the findings, PNC Wealth Management 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 Wealth Management 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 Wealth Management 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 Wealth Management entered into a settlement (“Order”) with the Securities and Exchange Commission (“SEC”). Without admitting or denying the findings, PNC Wealth Management consented to the findings that, as a result of the conduct described below, PNCWM 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 PNCWM: (1) PNCWM, 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) PNCWM did not disclose a conflict of interest regarding marketing support payments paid on such mutual fund share classes that charged 12b1 fees; (3) PNCWM improperly charged advisory fees to client accounts where the investment adviser representative departed the firm (“Orphaned Accounts”) and where PNCWM failed to assign a new investment adviser representative within thirty days; and (4) PNCWM 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 PNCWM 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 PNCWM; and requires PNCWM 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. PNCWM 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, PNCWM will pay a civil monetary penalty of \$900,000.

- On April 22, 2024, PNC Wealth Management signed a Final Order with the State of North Carolina Department of the Secretary of State Securities Division. Without admitting or denying the findings,

PNCWM was ordered to pay civil penalties in the amount of \$7,500 and costs of investigation in the amount of \$1,000 resulting from the following conduct: (1) PNCWM and one investment adviser representative (“IAR”) failed to comply with North Carolina’s IAR registration requirements in violation of N.C.G.S. §78C-16(a1) in which the IAR transacted advisory business in North Carolina from on or about December 2021 through on or about October 2023 without being IAR registered; (2) PNCWM was in violation of N.C.G.S. §78C-18(b) and 18 NCAC 06A .1801(a)(18) by employing the IAR in North Carolina without the appropriate registration and by not furnishing this information to the IAR’s PNCWM advisory clients; and (3) PNCWM failed to supervise the IAR’s acts, practices and conduct to ensure adherence with North Carolina’s IAR registration provisions in violation of N.C.G.S. §78C-19(a)(2)(j) and 18 NCAC 06A .1808.

- On April 24, 2024, PNC Wealth Management signed a Consent Agreement and Order with the Pennsylvania Department of Banking and Securities. The Department alleged that from on or about December 2018 until December 2023, PNCWM failed to register at least one employee as an investment adviser representative in Pennsylvania in violation of Section 301(c.1)(1)(ii) of the Pennsylvania Securities Act of 1972 (“the 1972 Act”), 70 P.S. § 1-301(c.1)(1)(ii). Without admitting or denying the findings in the Order, PNCWM agreed to pay a monetary fine of \$100,000 and to comply with the relevant provision of the 1972 Act.
- On September 3, 2024, PNC Wealth Management signed a Settlement Order with the Commonwealth of Virginia Division of Securities and Retail Franchising. The Division alleged that from on or about February 2019 to June 2024, PNCWM failed to register an investment advisor representative in Virginia in violation of § 13.1-504 C (ii) of the Virginia Securities Act. Without admitting or denying the findings in the Order, PNCWM paid \$10,000 in monetary penalties and \$1,000 in investigation costs.
- On September 18, 2024 PNC Wealth Management entered into an Administrative Consent Agreement and Order with the District of Columbia’s Department of Insurance, Securities and Banking alleging that from on or about August 2012 through February 2024, PNCWM failed to register three investment advisor representatives in D.C. in violation of D.C. Official Code §§ 31-5602(b)(2) and 31-5605.01(4). PNCWM paid \$162,500 as a civil penalty and \$1,080 in unpaid registration fees.
- On June 16, 2025, PNC Wealth Management entered into an agreement (an “AWC”) with FINRA. Without admitting or denying the findings, PNC Wealth Management consented to the entry of findings that from at least June 2021, it violated FINRA rules by failing to establish and maintain a reasonably designed supervisory system, including written supervisory procedures, for the surveillance and supervision of rates of deferred variable annuity exchanges. PNC Wealth Management was required to pay a \$200,000 fine and to implement a supervisory system and written supervisory procedures reasonably designed to achieve compliance in surveilling registered representatives’ rates of deferred variable annuity exchanges consistent with applicable securities laws and regulations, and with applicable FINRA rules.

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

PNC Wealth Management’ 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 Wealth Management 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 Wealth Management' or a related person's interests to diverge from the best interests of our clients.

Through its parent company, The PNC Financial Services Group, Inc., PNC Wealth Management is affiliated with the following financial services entities with whom it may have material business arrangements:

- **PNC Bank, National Association** ("PNC Bank") 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 Wealth Management and a licensed insurance agency. It provides a variety of insurance products and advice.

Selected conflicts of interest that exist between PNC Wealth Management and its affiliates are discussed below.

Although PNC Wealth Management 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 Wealth Management 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 Wealth Management has adopted policies and procedures that it believes are reasonably designed to help mitigate these conflicts of interest.

Affiliates of PNC Wealth Management provide advice to their clients with respect to investment strategies that are similar to or the same as strategies offered by PNC Wealth Management. Those Affiliates may purchase on behalf of their clients the same securities that PNC Wealth Management may purchase for our clients. As a result, the interests of PNC Wealth Management' clients may conflict with the interests of the clients of these Affiliates. For example, if an investment adviser Affiliate implements a portfolio management decision for its client ahead of, or contemporaneously with, a decision PNC Wealth Management makes for its client(s), the market impact of the decision made by the Affiliate could result in one or more of PNC Wealth Management' clients receiving less favorable trading results than they otherwise would. PNC Wealth Management' trade allocation and trade aggregation procedures do not typically apply to portfolio management decisions and trading executed by Affiliates on behalf of such Affiliates' clients that are not clients of PNC Wealth Management.

#### ***Funds Advised by Affiliates***

The potential conflicts of interest involved in recommending mutual funds or ETFs advised by Affiliates of PNC Wealth Management and the methods of mitigation employed by PNC Wealth Management with respect to

such conflicts are addressed at length previously in this Brochure, specifically in the sections relating to Fees and Selection of Funds. Please refer to those sections for more information.

### ***Affiliate Transactions***

PNC Wealth Management or its affiliates may from time to time recommend to their clients' investments in transactions in which PNC Wealth Management or its affiliates act as financial advisor or a broker-dealer or in securities which are underwritten, issued, packaged or serviced by an affiliate. Moreover, PNC Wealth Management may act as a broker in executing your purchase or sale for your account of a debt security from or to PNC Capital Markets, a brokerage affiliate. Additionally, your Financial Advisor may recommend you purchase a mutual fund advised by PNC Capital Advisors, an affiliated registered investment adviser. These affiliates receive compensation as a result of these transactions, if these transactions were to occur.

### ***Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

PNC Wealth Management 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 Wealth Management personnel may accept training, business entertainment or gifts of de minimis value from product vendors. PNC Wealth Management 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.

### ***Client Reports***

As part of the PNC Directions Program, we will provide periodic reports to assist you in monitoring and assessing the performance of your Account. These reports will contain information regarding trades, investment return, and selected benchmark comparisons. These reports may also contain letters, notices and other important information regarding the Model Managers and any changes to the Account during the period.

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

Your Financial Advisor may refer you to PNC Bank or other PNC Wealth Management affiliates for additional products or services and will generally receive compensation for such referrals. A portion of the fees charged for the Program services described in this Brochure may be 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 who are registered with PNC Wealth Management receive compensation in connection with securities transactions that result from referrals to a PNC Wealth Management Financial Advisor.

PNC Wealth Management has related persons who are investment advisers who act as general partners in partnerships in which our clients may be solicited. PNC Wealth Management, however, does not recommend such investments and thus, would generally 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 Wealth Management would be required to provide you with financial information or disclosures about our financial condition. Currently, no such circumstances exist for PNC Wealth Management.

PNC Wealth Management 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.