

# Playing the Long(er Duration) Game

## Driving consistent outcomes through a risk-focused approach

### PNC Capital Advisors Short Duration 1-3 Year Strategy Awarded PSN Top Guns **Manager of the Decade**

*PNC Capital Advisors was awarded PSN's Manager of the Decade for its Short Duration 1-3 Year Strategy. The award is based on the 10-year period ending December 31, 2023.*

While institutional investors view liquidity through a variety of business and investment lenses, there is a core emphasis on capital preservation and stability. Our goal is to optimize portfolios to balance their unique needs and objectives with appropriate return and volatility expectations.

As rapid normalization of monetary policy over the past two years drew extra attention to the short end of the yield curve, we have remained steadfast in our approach to liquidity investing. Since early 2023, higher yields on traditional cash allocations have been alluring. We have consistently highlighted the ability to capture more balanced risk-return opportunities further out the yield curve. The Short Duration 1-3 Year strategy is representative of that opportunity set.

Amid market volatility, the three pillars of our investment process — Fundamentals, Valuations and Technicals — help us both avoid investment pitfalls and identify opportunities. We continuously assess our market outlook against historical valuations in pursuit of sectors and securities with attractive risk-return characteristics.

Our focus on the balance between risk and return — what we refer to as return symmetry — is a natural extension of our investment process. The concept of symmetry considers the relationship between risk and the potential compensation for that risk. Is it balanced, or is it skewed in one direction? Being on the wrong side of an asymmetrical return-risk relationship usually leads to an undesirable outcome.

We believe the PSN award is a direct reflection of our risk-focused approach.

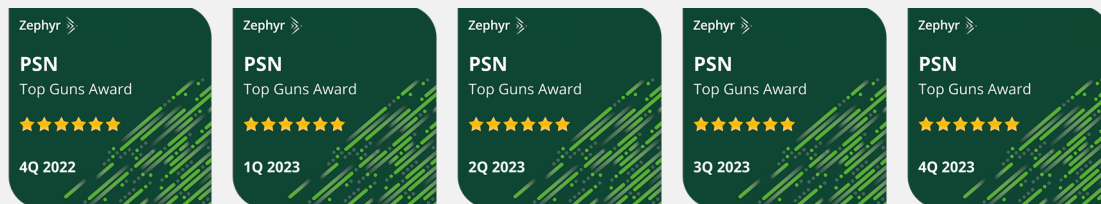


The PSN Top Guns award list, published by Zephyr, highlights top-performing separately managed account strategies, distilled through rigorous performance-based selection criteria.

The Manager of the Decade award is conferred to the top 10 strategies that meet the following:

- maintained an r-squared of 0.80 or greater relative to the style benchmark;
- exhibited returns greater than the style benchmark; and
- exhibited a standard deviation less than the style benchmark.

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In addition to the Manager of the Decade award for the Short Duration 1-3 Year Strategy, PNC Capital Advisors' Core and Core Plus strategies were awarded PSN's Six Star Top Guns award for fourth quarter 2023.

This is the fifth consecutive Six Star award for Core Plus, and the fourth Six Star award for Core.

**PSN Manager of the Decade Criteria:** The PSN universes were created using the information collected through the PSN investment manager questionnaire and use only gross of fee returns. Mutual fund and commingled fund products are not included in the universe. PSN Top Guns investment managers must claim that they are GIPS compliant. Products must have an r-squared of 0.80 or greater relative to the style benchmark for the ten-year period ending December 31, 2023. Moreover, products must have returns greater than the style benchmark for the ten-year period ending December 31, 2023 and also standard deviation less than the style benchmark for the ten-year period ending December 31, 2023. At this point, the top ten performers for the latest ten-year period ending December 31, 2023 become the PSN Top Guns Manager of the Decade. The PSN Short Maturity Universe is composed of 139 firms and 247 products.

**PSN Six Star Top Guns Criteria:** The PSN universes were created using the information collected through the PSN investment manager questionnaire and use only gross of fee returns. Mutual fund and commingled fund products are not included in the universe. PSN Top Guns investment managers must claim that they are GIPS compliant. Products must have an r-squared of 0.80 or greater relative to the style benchmark for the five-year period ending December 31, 2023. Moreover, products must have returns greater than the style benchmark for the three latest three-year rolling periods ending December 31, 2023. Products are then selected which have a standard deviation for the five-year period equal or less than the median standard deviation for the peer group. The top ten information ratios for the latest five-year period become the 6 STAR TOP GUNS. The PSN Core Fixed Income Universe is composed of 170 firms and 365 products. The PSN Core Plus Fixed Income Universe is composed of 96 firms and 133 products.

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