

PNC Funds  
PNC Advantage Funds

November 30, 2016  
(Unaudited)

# Semi-Annual Report Money Market Funds

PNC Government Money Market Fund

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PNC Treasury Money Market Fund

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PNC Advantage Institutional Treasury Money Market Fund

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**PNC MONEY MARKET FUNDS  
SEMI-ANNUAL REPORT**

**MONEY MARKET FUNDS**

Government Money Market Fund  
Treasury Money Market Fund  
Advantage Institutional Treasury Money  
Market Fund

**OTHER PNC FUNDS**

**TARGET DATE FUNDS**

Retirement Income Fund  
Target 2020 Fund  
Target 2030 Fund  
Target 2040 Fund  
Target 2050 Fund

**EQUITY FUNDS**

Balanced Allocation Fund  
International Equity Fund  
International Growth Fund  
Large Cap Core Fund  
Large Cap Growth Fund  
Large Cap Value Fund  
Mid Cap Index Fund  
Multi-Factor Small Cap Core Fund  
Multi-Factor Small Cap Growth Fund  
Multi-Factor Small Cap Value Fund  
S&P 500 Index Fund  
Small Cap Fund  
Small Cap Index Fund

**FIXED INCOME FUNDS**

Bond Fund  
Government Mortgage Fund  
High Yield Bond Fund  
Intermediate Bond Fund  
Limited Maturity Bond Fund  
Total Return Advantage Fund  
Ultra Short Bond Fund

**TAX EXEMPT BOND FUNDS**

Intermediate Tax Exempt Bond  
Fund  
Maryland Tax Exempt  
Bond Fund  
Ohio Intermediate Tax Exempt  
Bond Fund  
Tax Exempt Limited Maturity  
Bond Fund

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This material must be preceded or accompanied by a prospectus.

You should consider the investment objectives, risks, charges and expenses of the PNC Money Market Funds (individually, a "Fund", collectively, the "Funds") carefully before investing. A prospectus and other information about the Funds may be obtained by calling your investment professional, calling 1-800-622-FUND (3863) or downloading one at pncfunds.com. Please read it carefully before investing.

**NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE**

PNC Capital Advisors, LLC ("PCA"), a subsidiary of The PNC Financial Services Group, Inc., serves as investment adviser and co-administrator to PNC Funds and PNC Advantage Funds and receives fees for its services. PNC Funds and PNC Advantage Funds are distributed by PNC Funds Distributor, LLC (the "Underwriter"), Three Canal Plaza, Suite 100, Portland, ME 04101. The Underwriter is not affiliated with PCA and is not a bank.

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An investment in the Funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Funds.

Dear Shareholders:

We are pleased to present this semi-annual report for PNC Money Market Funds for the six months ended November 30, 2016 (the “semi-annual period”).

Please note that in connection with the July 2014 amendments to Rule 2a-7 under the Investment Company Act of 1940 (the “Amended Rule”), which is the primary rule governing the operation of money market funds, the final deadline passed during the semi-annual period for money market funds to be compliant with certain requirements of the Amended Rule. As of October 14, 2016, PNC Money Market Funds are in compliance with all requirements. Further, PNC Capital Advisors, LLC (the “Adviser”) manages PNC Government Money Market Fund, PNC Treasury Money Market Fund and PNC Advantage Institutional Treasury Money Market Fund, so that on and after October 14, 2016, each qualifies as a “government money market fund” under the Amended Rule, enabling each to continue to seek to maintain a stable net asset value (“NAV”) per share of one dollar.

Before reviewing the financial statements and schedules of investments of your individual mutual fund investments, it may be useful to take a brief look at the major factors affecting the economy and the money markets during the semi-annual period.

### ***Economic Review***

The U.S. economy improved during the semi-annual period despite spikes of volatility in the capital markets. Indeed, in the third quarter of 2016, U.S. Gross Domestic Product (“GDP”) grew at an annualized pace of 3.5% after the second quarter’s modest 1.4% growth. The manufacturing side of the economy modestly improved. While fixed investment declined, personal consumption was strong and net exports increased. Government spending showed a modest uptick. Inventories were additive for the first time in five quarters. Employment was a strong positive for the economy. On average, non-farm payrolls increased 176,000 per month during the third quarter, and the unemployment rate declined to 4.6%, a nine-year low. As the semi-annual period drew to a close, November 2016 saw a recovery in housing construction and sales in large part due to low mortgage rates, improvement in median household income and low unemployment. Dollar strength in November 2016 was noteworthy given the near certainty of an interest rate hike in December 2016. *(After the semi-annual period, the U.S. Federal Reserve (the “Fed”) raised the targeted federal funds rate by 0.25% on December 14, 2016.)* Speculation over an acceleration in growth and prospects for fiscal stimulus took center stage upon the conclusion of the U.S. presidential election.

Elsewhere, Europe and the U.K. were working through the effects of the Brexit referendum, wherein the U.K. surprisingly voted at the end of June 2016 to withdraw its membership from the European Union. The European Central Bank indicated it would maintain its quantitative easing policy combined with negative interest rates. As the Brexit strategy unfolded, the British pound came under pressure. China’s breakneck growth has been decelerating for several years, yet its 6.7% year-over-year growth through the second quarter far outpaces the developed world’s pace. Additionally, China continued to let its currency depreciate relative to the U.S. dollar to help spur exports. By contrast, Japan was fighting an appreciating currency and was openly considering more monetary and targeted fiscal policy stimulus.

“The U.S. economy improved...despite spikes of volatility in the capital markets.”

*Commentary provided by  
PNC Capital Advisors, LLC  
as of November 30, 2016*

## LETTER TO SHAREHOLDERS

“Domestic interest rate sentiment has shifted post-presidential election to higher interest rates in 2017...”

*Commentary provided by  
PNC Capital Advisors, LLC  
as of November 30, 2016*

### **Money Markets**

Yields in the taxable and tax-exempt money markets remained extremely low throughout the semi-annual period but did edge higher as investors priced in the potential, and later the reality, of the Fed's interest rate hike in December 2016.

The first Fed meeting during the semi-annual period occurred in June 2016. Although the Fed's subsequent statement was marginally dovish, or implying lower interest rates for longer, and economic data estimates for GDP, inflation and unemployment, were largely unchanged, the fed funds forecasts shifted in a materially dovish way. Median projections for 2017-2018, as well as the long-term fed funds rate estimate, all came down. During the third calendar quarter, yields on traditional money market instruments rose, as Fed guidance and market expectations of future policy rates better aligned. The Fed's September 2016 meeting was a “close call,” marking the first time in five years that three members dissented on the no action decision. Despite the division in opinions and the hawkish tone of the statement, Fed chair Yellen suggested in her press conference that the labor market had continued room for improvement and that she did not feel the economy risked overheating. Overall, total money market assets remained unchanged during the semi-annual period, although assets streamed out of prime money market funds and into government money market funds ahead of the mid-October 2016 compliance date for implementation of the Amended Rule requirements.

### **Our View Ahead**

We expect U.S. economic growth in 2017 to accelerate from 2016's rate, primarily driven by income and wage gains, possible tax reforms and a boost from financial markets. In our view, fiscal policy, centered around corporate tax reform as well as infrastructure improvements, should be slightly positive looking to 2017 and beyond. However, the timing and magnitude of fiscal stimulus, as well as its impact on the deficit, remains uncertain. Further, poor productivity could act as a restraint on growth. We believe other developed and emerging markets will likely look to the U.S. to be the marginal force for world economic growth in the new year. In particular, we believe European economic growth is likely to stay in the modest 1% to 1.5% range unless there are more dynamic fiscal policy changes from the continental European Union members. While the European Central Bank is anticipated to continue its quantitative easing policy combined with negative interest rates, we feel further stimulus to generate faster European Union growth will need to come from fiscal stimulus and/or labor market reforms.

As for the capital markets, following an unexpected double-digit gain in 2016, it is our view that equity markets are likely to produce more modest, single-digit returns contingent on earnings following through during the coming year. We further believe fixed income markets remain vulnerable given monetary policy expectations and the outlook for rising inflation amidst the U.S. election result and the Fed's recent statements. With employment near the natural rate of unemployment and inflation gradually moving toward the Fed's target, we believe the Fed is poised to wind down its extraordinary measures over the past few years and to raise interest rates further in the new year. Domestic interest rate sentiment has shifted post-presidential election to higher interest rates in 2017 as many of the incoming administration's policy positions are deemed to be pro-growth and inflationary. Most economists forecast the policy rate moving higher by 50 to 75 basis points (a basis point is 1/100th of a percentage point) in 2017 at a measured pace, but we remain skeptical that longer-term rates will move considerably higher. If real interest rates increase, financial conditions

**LETTER TO SHAREHOLDERS**

should eventually tighten and act to temper economic enthusiasm. In our view, the Fed, as always, will be data-dependent in its decision-making and will need to see economic policies take hold before rates change materially from current levels. If the new administration carries through on its rhetoric, municipal securities could lose some relative attractiveness should personal tax rates be reduced.

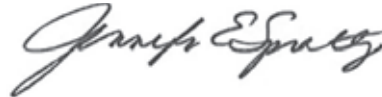
Vigilance remains paramount. We believe relative safety, diversification and liquidity will likely remain important and ongoing considerations for investors in the money markets. We therefore continue to believe that money market funds will continue to play a key role in investors' portfolios.

We thank you for being a part of the PNC Money Market Funds and for maintaining a long-term perspective as a basic tenet of your investment approach. We value your ongoing confidence in us and look forward to serving your investment needs in the years ahead.

Best Regards,



Mark McGlone  
President and Chief Investment Officer  
PNC Capital Advisors, LLC



Jennifer E. Spratley  
President  
PNC Funds  
PNC Advantage Funds

*This commentary may include statements that constitute "forward-looking statements" under the U.S. securities laws. Forward-looking statements include, among other things, projections, estimates, and information about possible or future results related to PNC Funds and PNC Advantage Funds, market or regulatory developments. The views expressed above are not guarantees of future performance or economic results and involve certain risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially from the views expressed herein. The views expressed above are subject to change at any time based upon economic, market, or other conditions and PNC Capital Advisors, LLC undertakes no obligation to update the views expressed herein. Any discussions of specific securities should not be considered a recommendation to buy or sell those securities. The views expressed above (including any forward-looking statement) may not be relied upon as investment advice or as an indication of PNC Funds and PNC Advantage Funds' trading intent.*

**ABBREVIATIONS AND DEFINITIONS FOR SCHEDULES OF INVESTMENTS  
AND FINANCIAL STATEMENTS**

***Schedules of Investments:***

*DN — Discount Note. The rate shown is the effective yield at purchase date.*

*FRN — Floating Rate Note. The rate shown is the rate in effect on November 30, 2016, and the date shown is the final maturity date, not the next reset or put date. The rate floats based on a predetermined index.*

*LLC — Limited Liability Company*

***Financial Statements:***

*— Amounts designated as “—” are either zero or rounded to zero.*

*See Notes to Financial Statements.*

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**SUMMARY OF PORTFOLIO HOLDINGS/YIELDS (Unaudited)**

The tables below present portfolio holdings as of November 30, 2016 as a percentage of total investments for each of the PNC Money Market Funds.

| Government Money Market Fund           |               |
|--|---------------|
| Repurchase Agreements                  | 29.0%         |
| Federal Home Loan Bank                 | 23.0          |
| Federal Farm Credit Bank               | 16.2          |
| Federal Home Loan Mortgage Corporation | 13.8          |
| U.S. Treasury Notes                    | 11.8          |
| Federal National Mortgage Association  | 3.3           |
| Money Market Funds                     | 1.6           |
| U.S. Treasury Bills                    | 1.3           |
|  | <b>100.0%</b> |

| Advantage Institutional Treasury Money Market Fund |               |
|--|---------------|
| Repurchase Agreements                              | 49.4%         |
| U.S. Treasury Notes                                | 41.1          |
| U.S. Treasury Bills                                | 8.1           |
| Money Market Fund                                  | 1.4           |
|  | <b>100.0%</b> |

| Treasury Money Market Fund |               |
|----------------------------|---------------|
| U.S. Treasury Notes        | 56.4%         |
| U.S. Treasury Bills        | 41.6          |
| Money Market Funds         | 2.0           |
|                            | <b>100.0%</b> |



The yields in the tables below represent the annualization of the Fund's declared dividends over the seven-day period ended November 30, 2016. For the seven-day period ended November 30, 2016, the Current Yield and the Effective Yield for each Fund were the same.

Current Yield is a measure of a Fund's yield earned if dividends are paid in cash and are not reinvested. Effective Yield is a measure of a Fund's yield that assumes that all dividends were reinvested in additional Fund shares instead of being paid in cash.

| 7-Day Current and Effective Yields as of November 30, 2016 |         |               |         |               |               |               |
|--|---------|---------------|---------|---------------|---------------|---------------|
| Fund   | Class I |               | Class A |               | Advisor Class |               |
|  | Net     | Unsubsidized* | Net     | Unsubsidized* | Net           | Unsubsidized* |
| Government Money   |         |               |         |               |               |               |
| Market Fund  | 0.24%   | 0.24%         | 0.24%   | 0.24%         | 0.24%         | 0.24%         |
| Treasury Money   |         |               |         |               |               |               |
| Market Fund  | 0.18%   | 0.18%         | 0.18%   | 0.18%         | -             | -             |

| 7-Day Current and Effective Yields as of November 30, 2016 |                      |               |                |               |                |               |
|--|----------------------|---------------|----------------|---------------|----------------|---------------|
| Fund   | Institutional Shares |               | Advisor Shares |               | Service Shares |               |
|  | Net                  | Unsubsidized* | Net            | Unsubsidized* | Net            | Unsubsidized* |
| Advantage Institutional                                    |                      |               |                |               |                |               |
| Treasury Money   |                      |               |                |               |                |               |
| Market Fund  | 0.10%                | 0.10%         | 0.00%**        | 0.00%**       | 0.00%**        | 0.00%**       |

\* Unsubsidized Yield reflects the yield without fee waivers and expense reimbursements in effect. There were no fee waivers or expense reimbursements for the seven-day period ended November 30, 2016.

\*\* Net assets of Advisor Shares and Service Shares at November 30, 2016 were comprised solely of seed capital of \$10 and \$13, respectively. Ratios for the seven-day period rounded to 0.00%.

*Performance quoted represents past performance and does not guarantee future results. Investment return will fluctuate, so current performance may be higher or lower than shown here. Current performance data is available at [pncfunds.com](http://pncfunds.com).*

**EXPENSE TABLES (Unaudited)**

*The expenses shown in the Expense Tables are meant to highlight your ongoing costs only and do not reflect any transactional costs. If these transactional costs were included, your costs would be higher.*

*The “Annualized Expense Ratio” reflects the actual expenses net of fee waivers, where applicable, for the six-month period (June 1, 2016 to November 30, 2016).*

*(1) Expenses are equal to each Class’ annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days (183) in the most recent fiscal half-year, then divided by 365.*

*(2) Assumes annual return of 5% before expenses.*

All mutual funds have operating expenses. As a shareholder of a Fund, you incur operating expenses, including investment advisory fees, distribution (12b-1) and shareholder services fees, where applicable, and other Fund expenses. Such expenses, which are deducted from a Fund’s gross income, directly reduce the investment return of a Fund. A Fund’s expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The Expense Tables provided below are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the six-month period shown and held for the entire six-month period (June 1, 2016 to November 30, 2016).

The Expense Table that appears for your Fund illustrates your Fund’s costs in two ways.

- Actual Expenses.** This section helps you to estimate the actual expenses after fee waivers that you paid over the period. The “Ending Account Value” shown is derived from the Fund’s actual return, and “Expenses Paid During Period” shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period. To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your Class of a Fund under the heading “Expenses Paid During Period.”
- Hypothetical Example for Comparison Purposes.** This section is intended to help you compare your Fund’s costs with those of other mutual funds. It is based on your Fund’s actual expense ratio and assumes that your Fund had an annual return of 5% before expenses during the period shown. In this case — because the return used is not your Fund’s actual return — the results may not be used to estimate your actual ending account value or expenses you paid during this period. The example is useful in making comparisons between your Fund and other funds because the U.S. Securities and Exchange Commission (the “SEC”) requires all mutual funds to calculate expenses based on an assumed annual 5% return. You can assess your Fund’s costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

|                                     | Beginning Account Value<br>06/01/16 | Ending Account Value<br>11/30/16 | Annualized Expense Ratio | Expenses Paid During Period <sup>(1)</sup> |
|-------------------------------------|-------------------------------------|----------------------------------|--------------------------|--|
| <b>Government Money Market Fund</b> |                                     |                                  |                          |  |
| <b>Actual</b>                       |                                     |                                  |                          |  |
| Class I . . . . .                   | \$1,000.00                          | \$1,000.94                       | 0.21%                    | \$1.03                                     |
| Class A . . . . .                   | 1,000.00                            | 1,000.93                         | 0.21                     | 1.04                                       |
| Advisor Class . . .                 | 1,000.00                            | 1,000.93                         | 0.20                     | 1.01                                       |
| <b>Hypothetical<sup>(2)</sup></b>   |                                     |                                  |                          |  |
| Class I . . . . .                   | 1,000.00                            | 1,024.04                         | 0.21                     | 1.05                                       |
| Class A . . . . .                   | 1,000.00                            | 1,024.03                         | 0.21                     | 1.05                                       |
| Advisor Class . . .                 | 1,000.00                            | 1,024.06                         | 0.20                     | 1.02                                       |

|                                   | Beginning Account Value<br>06/01/16 | Ending Account Value<br>11/30/16 | Annualized Expense Ratio | Expenses Paid During Period <sup>(1)</sup> |
|-----------------------------------|-------------------------------------|----------------------------------|--------------------------|--|
| <b>Treasury Money Market Fund</b> |                                     |                                  |                          |  |
| <b>Actual</b>                     |                                     |                                  |                          |  |
| Class I . . . . .                 | \$1,000.00                          | \$1,000.51                       | 0.24%                    | \$1.21                                     |
| Class A . . . . .                 | 1,000.00                            | 1,000.51                         | 0.24                     | 1.20                                       |
| <b>Hypothetical<sup>(2)</sup></b> |                                     |                                  |                          |  |
| Class I . . . . .                 | 1,000.00                            | 1,023.86                         | 0.24                     | 1.22                                       |
| Class A . . . . .                 | 1,000.00                            | 1,023.87                         | 0.24                     | 1.22                                       |

|   | Beginning Account Value<br>06/01/16 | Ending Account Value<br>11/30/16 | Annualized Expense Ratio | Expenses Paid During Period <sup>(1)</sup> |
|---|-------------------------------------|----------------------------------|--------------------------|--|
| <b>Advantage Institutional Treasury Money Market Fund</b> |                                     |                                  |                          |  |
| <b>Actual</b>   |                                     |                                  |                          |  |
| Institutional Shares . . . . .                            | \$1,000.00                          | \$1,000.38                       | 0.25%                    | \$1.25                                     |
| <b>Hypothetical<sup>(2)</sup></b>                         |                                     |                                  |                          |  |
| Institutional Shares . . . . .                            | 1,000.00                            | 1,023.82                         | 0.25                     | 1.27                                       |

**FINANCIAL HIGHLIGHTS** (Unaudited)

Selected Per Share Data and Ratios  
For the Six Months Ended November 30, 2016,  
and for the Years Ended May 31,  
unless otherwise indicated

**Government Money Market Fund**

|   | Class I     |             |           |           |           |           | Class A   |           |           |           |          |           |
|---|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
|   | 2016*       | 2016        | 2015      | 2014      | 2013      | 2012      | 2016*     | 2016      | 2015      | 2014      | 2013     | 2012      |
| <b>Net Asset Value, Beginning of Period</b>   | \$ 1.00     | \$ 1.00     | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00  | \$ 1.00   |
| Net Investment Income†<br>Realized and Unrealized Gain (Loss) on<br>Investments   | 0.21%       | 0.19%       | 0.07%     | 0.07%     | 0.15%     | 0.12%     | 0.21%     | 0.16%     | 0.06%     | 0.02%     | 0.15%    | 0.12%     |
| <b>Total from Investment Operations</b>   | 0.19%       | 0.06%       | 0.02%     | 0.01%     | 0.01%     | 0.01%     | 0.19%     | 0.05%     | 0.02%     | 0.06%     | 0.01%    | 0.01%     |
| Dividends from Net Investment Income<br>Distributions from Net Realized Gains   | 0.21%       | 0.27%       | 0.35%     | 0.36%     | 0.36%     | 0.35%     | 0.21%     | 0.28%     | 0.35%     | 0.36%     | 0.36%    | 0.35%     |
| <b>Total Distributions</b>  | 0.19%       | 0.27%       | 0.35%     | 0.36%     | 0.36%     | 0.35%     | 0.21%     | 0.28%     | 0.35%     | 0.36%     | 0.36%    | 0.35%     |
| <b>Net Asset Value, End of Period</b>   | \$ 1.00     | \$ 1.00     | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00  | \$ 1.00   |
| <b>Total Return</b>   | 0.09%       | 0.05%       | 0.03%     | 0.01%     | 0.01%     | 0.02%     | 0.09%     | 0.05%     | 0.03%     | 0.01%     | 0.01%    | 0.02%     |
| <b>Ratios/Supplemental Data</b>   |             |             |           |           |           |           |           |           |           |           |          |           |
| Net Assets End of Period (000)  | \$9,094,511 | \$4,776,561 | \$720,219 | \$738,100 | \$809,229 | \$960,513 | \$405,464 | \$361,440 | \$321,524 | \$133,915 | \$79,789 | \$109,523 |
| Ratio of Expenses to Average Net Assets   | 0.21%       | 0.19%       | 0.07%     | 0.07%     | 0.15%     | 0.12%     | 0.21%     | 0.16%     | 0.06%     | 0.02%     | 0.15%    | 0.12%     |
| Ratio of Net Investment Income to Average<br>Net Assets   | 0.19%       | 0.06%       | 0.02%     | 0.01%     | 0.01%     | 0.01%     | 0.19%     | 0.05%     | 0.02%     | 0.06%     | 0.01%    | 0.01%     |
| Ratio of Expenses to Average Net Assets<br>(Before Fee Waivers and Reimbursement, as<br>applicable)                     | 0.21%       | 0.27%       | 0.35%     | 0.36%     | 0.36%     | 0.35%     | 0.21%     | 0.28%     | 0.35%     | 0.36%     | 0.36%    | 0.35%     |
| Ratio of Net Investment Income (Loss) to<br>Average Net Assets (Before Fee Waivers and<br>Reimbursement, as applicable) | 0.19%       | 0.02%       | 0.26%     | 0.28%     | 0.20%     | 0.22%     | 0.19%     | 0.07%     | 0.27%     | 0.28%     | 0.20%    | 0.22%     |

**Government Money Market Fund**

|   | Advisor Class |         |
|---|---------------|---------|
|   | 2016*         | 2016†   |
| <b>Net Asset Value, Beginning of Period</b>   | \$ 1.00       | \$ 1.00 |
| Net Investment Income†<br>Realized and Unrealized Gain (Loss) on<br>Investments   | 0.21%         | 0.18%   |
| <b>Total from Investment Operations</b>   | 0.19%         | 0.05%   |
| Dividends from Net Investment Income<br>Distributions from Net Realized Gains   | 0.21%         | 0.25%   |
| <b>Total Distributions</b>  | 0.19%         | 0.25%   |
| <b>Net Asset Value, End of Period</b>   | \$ 1.00       | \$ 1.00 |
| <b>Total Return</b>   | 0.09%         | 0.05%   |
| <b>Ratios/Supplemental Data</b>   |               |         |
| Net Assets End of Period (000)  | \$8,654       | \$ 875  |
| Ratio of Expenses to Average Net Assets   | 0.20%         | 0.18%   |
| Ratio of Net Investment Income to Average<br>Net Assets   | 0.21%         | 0.05%   |
| Ratio of Expenses to Average Net Assets<br>(Before Fee Waivers and Reimbursement, as<br>applicable)                     | 0.20%         | 0.25%   |
| Ratio of Net Investment Income (Loss) to<br>Average Net Assets (Before Fee Waivers and<br>Reimbursement, as applicable) | 0.21%         | (0.02)% |

\* For the six-month period ended November 30, 2016. All ratios for the period have been annualized. Total return for the period has not been annualized.

† Amount represents less than \$0.005 per share.

‡ Per share data calculated using average shares outstanding method.

(1) During the fiscal year ended May 31, 2014, the Underwriter committed to make a voluntary expense reimbursement to Class A Shares. This voluntary commitment represented a 0.05% impact to Class A ratios and represented shareholder services fees paid to the Underwriter in prior fiscal years in its role as default broker-dealer to certain Class A shareholders. Excluding this item, the expense ratio would have been higher and the net investment income ratio would have been lower.

(2) Advisor Class Shares commenced operations on September 14, 2015. All ratios for the period have been annualized. Total return for the period has not been annualized.

See Notes to Financial Statements.

**FINANCIAL HIGHLIGHTS (Unaudited)**

*Selected Per Share Data and Ratios  
For the Six Months Ended November 30, 2016,  
and for the Years Ended May 31,  
unless otherwise indicated*

**Treasury Money Market Fund**

|   | Class I |         |         |         |         |         | Class A |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2016*   | 2016    | 2015    | 2014    | 2013    | 2012    | 2016*   | 2016    | 2015    | 2014    | 2013    | 2012    |
| <b>Net Asset Value, Beginning of Period</b>                                     | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 |
| Net Investment Income†<br>Realized and Unrealized Gain (Loss) on<br>Investments | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       |
| <b>Total from Investment Operations</b>   | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       |
| Dividends from Net Investment Income<br>Distributions from Net Realized Gains   | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       |
| <b>Total Distributions</b>  | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       |
| <b>Net Asset Value, End of Period</b>   | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 |
| <b>Total Return</b>   | 0.05%   | 0.03%   | 0.02%   | 0.02%   | 0.01%   | 0.01%   | 0.05%   | 0.03%   | 0.02%   | 0.02%   | 0.01%   | 0.01%   |

**Ratios/Supplemental Data**

|   |             |             |           |           |           |           |           |           |           |                      |           |          |
|---|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|-----------|----------|
| Net Assets End of Period (000)  | \$1,045,602 | \$1,215,072 | \$225,196 | \$214,348 | \$289,839 | \$326,694 | \$217,292 | \$138,150 | \$144,448 | \$173,571            | \$120,798 | \$83,704 |
| Ratio of Expenses to Average Net Assets   | 0.24%       | 0.15%       | 0.02%     | 0.04%     | 0.08%     | 0.04%     | 0.24%     | 0.13%     | 0.02%     | 0.03% <sup>(1)</sup> | 0.08%     | 0.04%    |
| Ratio of Net Investment Income to Average Net Assets  | 0.10%       | 0.02%       | 0.01%     | 0.01%     | 0.01%     | 0.01%     | 0.11%     | 0.02%     | 0.01%     | 0.02% <sup>(1)</sup> | 0.01%     | 0.01%    |
| Ratio of Expenses to Average Net Assets (Before Fee Waivers and Reimbursement, as applicable)                     | 0.24%       | 0.31%       | 0.37%     | 0.36%     | 0.37%     | 0.36%     | 0.24%     | 0.32%     | 0.37%     | 0.36%                | 0.37%     | 0.36%    |
| Ratio of Net Investment Income (Loss) to Average Net Assets (Before Fee Waivers and Reimbursement, as applicable) | 0.10%       | (0.14)%     | (0.34)%   | (0.31)%   | (0.28)%   | (0.31)%   | 0.11%     | (0.17)%   | (0.34)%   | (0.31)%              | (0.28)%   | (0.31)%  |

\* For the six-month period ended November 30, 2016. All ratios for the period have been annualized. Total return for the period has not been annualized.

\*\* Amount represents less than \$0.005 per share.

† Per share data calculated using average shares outstanding method.

(1) During the fiscal year ended May 31, 2014, the Underwriter committed to make a voluntary expense reimbursement to Class A Shares. This voluntary commitment represented a 0.01% impact to Class A ratios and represented shareholder services fees paid to the Underwriter in prior fiscal years in its role as default broker-dealer to certain Class A shareholders. Excluding this item, the expense ratio would have been higher and the net investment income ratio would have been lower.

See Notes to Financial Statements.

**FINANCIAL HIGHLIGHTS** (Unaudited)

Selected Per Share Data and Ratios  
For the Six Months Ended November 30, 2016,  
and for the Years Ended May 31,  
unless otherwise indicated

**Advantage Institutional Treasury Money Market Fund**

|   | Institutional Shares |           |           |           |           |           | Advisor Shares      |                     |          |          |         |         | Service Shares      |                     |         |         |         |          |
|---|----------------------|-----------|-----------|-----------|-----------|-----------|---------------------|---------------------|----------|----------|---------|---------|---------------------|---------------------|---------|---------|---------|----------|
|   | 2016*                | 2016      | 2015      | 2014      | 2013      | 2012      | 2016*               | 2016                | 2015     | 2014     | 2013    | 2012    | 2016*               | 2016                | 2015    | 2014    | 2013    | 2012     |
| <b>Net Asset Value, Beginning of Period</b>   | \$ 1.00              | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00             | \$ 1.00             | \$ 1.00  | \$ 1.00  | \$ 1.00 | \$ 1.00 | \$ 1.00             | \$ 1.00             | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00  |
| Net Investment Income†  | ---                  | ---       | ---       | ---       | ---       | ---       | ---                 | ---                 | ---      | ---      | ---     | ---     | ---                 | ---                 | ---     | ---     | ---     | ---      |
| Realized and Unrealized Gain (Loss) on Investments  | ---                  | ---       | ---       | ---       | ---       | ---       | ---                 | ---                 | ---      | ---      | ---     | ---     | ---                 | ---                 | ---     | ---     | ---     | ---      |
| <b>Total from Investment Operations</b>   | ---                  | ---       | ---       | ---       | ---       | ---       | ---                 | ---                 | ---      | ---      | ---     | ---     | ---                 | ---                 | ---     | ---     | ---     | ---      |
| Dividends from Net Investment Income  | ---                  | ---       | ---       | ---       | ---       | ---       | ---                 | ---                 | ---      | ---      | ---     | ---     | ---                 | ---                 | ---     | ---     | ---     | ---      |
| Distributions from Net Realized Gains   | ---                  | ---       | ---       | ---       | ---       | ---       | ---                 | ---                 | ---      | ---      | ---     | ---     | ---                 | ---                 | ---     | ---     | ---     | ---      |
| <b>Total Distributions</b>  | ---                  | ---       | ---       | ---       | ---       | ---       | ---                 | ---                 | ---      | ---      | ---     | ---     | ---                 | ---                 | ---     | ---     | ---     | ---      |
| <b>Net Asset Value, End of Period</b>   | \$ 1.00              | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00   | \$ 1.00             | \$ 1.00             | \$ 1.00  | \$ 1.00  | \$ 1.00 | \$ 1.00 | \$ 1.00             | \$ 1.00             | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00  |
| <b>Total Return</b>   | 0.04%                | 0.02%     | 0.01%     | 0.01%     | 0.01%     | 0.01%     | 0.00%               | 0.02%               | 0.01%    | 0.01%    | 0.01%   | 0.00%   | 0.02%               | 0.01%               | 0.01%   | 0.01%   | 0.01%   | 0.01%    |
| <b>Ratios/Supplemental Data</b>   |                      |           |           |           |           |           |                     |                     |          |          |         |         |                     |                     |         |         |         |          |
| Net Assets End of Period (000)  | \$495,322            | \$453,917 | \$112,304 | \$174,871 | \$115,062 | \$111,735 | \$ - <sup>(1)</sup> | \$ - <sup>(1)</sup> | \$34,829 | \$10,980 | \$8,412 | \$3,619 | \$ - <sup>(1)</sup> | \$ - <sup>(1)</sup> | \$3,401 | \$1,601 | \$2,711 | \$11,149 |
| Ratio of Expenses to Average Net Assets   | 0.25%                | 0.17%     | 0.05%     | 0.05%     | 0.12%     | 0.08%     | 0.00%               | 0.16%               | 0.05%    | 0.05%    | 0.13%   | 0.07%   | 0.00%               | 0.10%               | 0.05%   | 0.05%   | 0.14%   | 0.09%    |
| Ratio of Net Investment Income to Average Net Assets  | 0.07%                | 0.02%     | 0.01%     | 0.01%     | 0.01%     | 0.01%     | 0.00%               | 0.02%               | 0.01%    | 0.01%    | 0.01%   | 0.01%   | 0.00%               | 0.02%               | 0.01%   | 0.01%   | 0.01%   | 0.01%    |
| Ratio of Expenses to Average Net Assets (Before Fee Waivers and Reimbursement, as applicable)                     | 0.25%                | 0.24%     | 0.28%     | 0.26%     | 0.28%     | 0.30%     | 0.00%               | 0.25%               | 0.29%    | 0.27%    | 0.32%   | 0.32%   | 0.00%               | 0.26%               | 0.29%   | 0.27%   | 0.29%   | 0.31%    |
| Ratio of Net Investment Income (Loss) to Average Net Assets (Before Fee Waivers and Reimbursement, as applicable) | 0.07%                | (0.05)%   | (0.22)%   | (0.20)%   | (0.15)%   | (0.21)%   | 0.00%               | (0.07)%             | (0.23)%  | (0.21)%  | (0.15)% | (0.24)% | 0.00%               | (0.14)%             | (0.23)% | (0.21)% | (0.14)% | (0.21)%  |

\* For the six-month period ended November 30, 2016. All ratios for the period have been annualized. Total return for the period has not been annualized.

\*\* Amount represents less than \$0.005 per share.

† Per share data calculated using average shares outstanding method.

(1) At November 30, 2016 and May 31, 2016, net assets of the Advisor and Service Shares represented seed capital.

See Notes to Financial Statements.

**SCHEDULE OF INVESTMENTS**

November 30, 2016 (Unaudited)

|   | Par<br>(000) | Value<br>(000) |                             | Par<br>(000) | Value<br>(000) |
|---|--------------|----------------|-----------------------------|--------------|----------------|
| <b>U.S. GOVERNMENT AGENCY OBLIGATIONS — 56.8%</b> |              |                |                             |              |                |
| <b>Federal Farm Credit Bank — 16.3%</b>           |              |                |                             |              |                |
| Federal Farm Credit Bank                          |              |                | 0.470%, 01/25/17            | \$ 25,000    | \$ 24,998      |
| 0.570%, 12/14/16 (FRN)                            | \$ 10,000    | \$ 10,000      | 0.582%, 01/27/17 (FRN)      | 30,000       | 30,000         |
| 0.637%, 01/30/17 (FRN)                            | 20,000       | 20,001         | 0.506%, 02/14/17 (FRN)      | 17,000       | 16,998         |
| 0.637%, 02/21/17 (FRN)                            | 17,000       | 17,004         | 0.656%, 02/22/17 (FRN)      | 25,000       | 25,015         |
| 0.617%, 04/20/17 (FRN)                            | 25,000       | 25,002         | 0.680%, 02/27/17            | 25,000       | 24,998         |
| 0.714%, 04/24/17 (FRN)                            | 10,000       | 10,011         | 0.442%, 03/16/17 (FRN)      | 85,000       | 85,001         |
| 0.593%, 04/26/17 (FRN)                            | 60,000       | 60,000         | 0.550%, 03/17/17 (FRN)      | 40,000       | 40,010         |
| 0.629%, 05/24/17 (FRN)                            | 12,000       | 12,007         | 0.702%, 04/25/17 (FRN)      | 25,000       | 25,009         |
| 0.582%, 05/25/17 (FRN)                            | 40,000       | 40,000         | 0.589%, 04/25/17 (FRN)      | 52,000       | 51,998         |
| 0.650%, 05/30/17 (FRN)                            | 49,890       | 49,937         | 0.414%, 05/01/17 (FRN)      | 40,000       | 39,996         |
| 0.650%, 06/14/17 (FRN)                            | 10,300       | 10,309         | 0.766%, 05/16/17 (FRN)      | 20,000       | 19,999         |
| 0.582%, 06/20/17 (FRN)                            | 70,000       | 70,001         | 0.625%, 05/30/17            | 74,000       | 74,013         |
| 0.500%, 07/03/17 (FRN)                            | 14,200       | 14,197         | 1.000%, 06/09/17            | 32,025       | 32,089         |
| 0.530%, 07/13/17 (FRN)                            | 17,000       | 17,009         | 1.000%, 06/21/17            | 40,185       | 40,264         |
| 0.568%, 07/14/17 (FRN)                            | 15,000       | 15,002         | 0.580%, 07/03/17 (FRN)      | 28,500       | 28,521         |
| 0.570%, 07/28/17 (FRN)                            | 100,000      | 100,027        | 0.461%, 07/27/17 (FRN)      | 50,000       | 49,999         |
| 0.505%, 08/18/17 (FRN)                            | 30,000       | 29,998         | 0.570%, 08/03/17 (FRN)      | 75,000       | 75,000         |
| 0.590%, 08/21/17 (FRN)                            | 30,000       | 30,010         | 0.506%, 08/07/17 (FRN)      | 25,000       | 25,000         |
| 0.540%, 08/24/17 (FRN)                            | 45,000       | 44,997         | 0.565%, 08/08/17 (FRN)      | 25,000       | 25,001         |
| 0.540%, 08/28/17 (FRN)                            | 25,000       | 25,000         | 0.515%, 08/17/17 (FRN)      | 25,000       | 25,000         |
| 0.510%, 09/01/17 (FRN)                            | 55,000       | 55,000         | 0.552%, 08/21/17 (FRN)      | 15,000       | 15,002         |
| 0.588%, 09/13/17 (FRN)                            | 50,000       | 50,010         | 0.750%, 09/08/17            | 25,000       | 25,012         |
| 0.730%, 09/14/17 (FRN)                            | 63,600       | 63,688         | 0.797%, 10/10/17 (FRN)      | 45,000       | 45,000         |
| 0.663%, 09/14/17 (FRN)                            | 18,000       | 17,999         | 0.637%, 10/20/17 (FRN)      | 50,000       | 50,000         |
| 0.673%, 09/28/17 (FRN)                            | 40,000       | 39,997         | 0.609%, 11/02/17 (FRN)      | 25,000       | 25,000         |
| 0.663%, 10/06/17 (FRN)                            | 20,000       | 19,998         | 0.707%, 11/13/17 (FRN)      | 25,000       | 25,001         |
| 0.550%, 10/23/17 (FRN)                            | 25,000       | 24,998         | 0.496%, 11/22/17 (FRN)      | 75,000       | 74,993         |
| 0.871%, 11/27/17 (FRN)                            | 15,000       | 15,022         | 0.575%, 05/17/18 (FRN)      | 25,000       | 25,000         |
| 0.741%, 12/18/17 (FRN)                            | 30,000       | 30,000         | Federal Home Loan Bank (DN) |              |                |
| 0.600%, 12/22/17 (FRN)                            | 15,000       | 14,998         | 0.250%, 12/02/16            | 32,150       | 32,150         |
| 0.510%, 03/14/18 (FRN)                            | 40,000       | 39,995         | 0.350%, 12/07/16            | 15,000       | 14,999         |
| 0.600%, 05/14/18 (FRN)                            | 50,000       | 50,007         | 0.491%, 12/12/16            | 50,000       | 49,993         |
| 0.650%, 08/10/18 (FRN)                            | 28,000       | 27,986         | 0.260%, 12/20/16            | 21,552       | 21,549         |
| Federal Farm Credit Bank (DN)                     |              |                | 0.278%, 12/21/16            | 90,000       | 89,986         |
| 0.363%, 12/05/16                                  | 63,470       | 63,467         | 0.290%, 12/23/16            | 50,000       | 49,991         |
| 0.522%, 12/21/16                                  | 20,000       | 19,994         | 0.370%, 12/27/16            | 20,000       | 19,995         |
| 0.315%, 12/23/16                                  | 27,270       | 27,265         | 0.372%, 12/28/16            | 42,100       | 42,088         |
| 0.366%, 12/27/16                                  | 15,500       | 15,496         | 0.390%, 12/29/16            | 25,000       | 24,992         |
| 0.492%, 02/16/17                                  | 10,000       | 9,990          | 0.383%, 01/04/17            | 10,650       | 10,646         |
| 0.461%, 02/24/17                                  | 24,725       | 24,698         | 0.361%, 01/05/17            | 25,000       | 24,991         |
| 0.471%, 03/20/17                                  | 25,000       | 24,964         | 0.361%, 01/06/17            | 10,900       | 10,896         |
| 0.492%, 04/11/17                                  | 10,000       | 9,982          | 0.446%, 01/13/17            | 25,000       | 24,987         |
| 0.562%, 05/01/17                                  | 15,000       | 14,965         | 0.373%, 01/17/17            | 90,000       | 89,956         |
| 0.573%, 05/24/17                                  | 15,000       | 14,959         | 0.421%, 01/18/17            | 25,000       | 24,986         |
| 0.583%, 05/26/17                                  | 20,000       | 19,943         | 0.471%, 01/20/17            | 30,000       | 29,980         |
| 0.603%, 06/12/17                                  | 15,000       | 14,952         | 0.441%, 01/25/17            | 94,496       | 94,432         |
| 0.603%, 06/29/17                                  | 42,000       | 41,853         | 0.451%, 01/27/17            | 16,590       | 16,578         |
| 0.634%, 07/03/17                                  | 25,000       | 24,906         | 0.467%, 02/01/17            | 117,300      | 117,206        |
| 0.614%, 07/06/17                                  | 25,000       | 24,908         | 0.501%, 02/06/17            | 20,000       | 19,981         |
| 0.553%, 07/07/17                                  | 25,000       | 24,917         | 0.501%, 02/09/17            | 13,000       | 12,987         |
| 0.603%, 07/11/17                                  | 20,000       | 19,926         | 0.461%, 02/17/17            | 18,760       | 18,741         |
| 0.683%, 07/18/17                                  | 25,000       | 24,892         | 0.486%, 03/08/17            | 12,900       | 12,883         |
| 0.634%, 07/25/17                                  | 25,000       | 24,897         | 0.509%, 03/10/17            | 49,000       | 48,932         |
| 0.644%, 07/28/17                                  | 25,000       | 24,894         | 0.524%, 03/24/17            | 35,400       | 35,342         |
| 0.634%, 08/04/17                                  | 15,000       | 14,935         | 0.481%, 04/21/17            | 37,000       | 36,930         |
| 0.684%, 08/10/17                                  | 15,000       | 14,929         | 0.587%, 04/26/17            | 60,750       | 60,606         |
|   |              | 1,551,942      | 0.600%, 05/12/17            | 48,000       | 47,871         |
|   |              |                | 0.632%, 05/19/17            | 25,000       | 24,926         |
|   |              |                |                             |              | 2,203,517      |
| <b>Federal Home Loan Bank — 23.2%</b>             |              |                |                             |              |                |
| Federal Home Loan Bank                            |              |                |                             |              |                |
| 0.562%, 12/20/16 (FRN)                            | 50,000       | 50,000         |                             |              |                |

See Notes to Financial Statements.

|  | Par<br>(000) | Value<br>(000) |
|--|--------------|----------------|
| <b>U.S. GOVERNMENT AGENCY OBLIGATIONS — continued</b>          |              |                |
| <b>Federal Home Loan Mortgage Corporation — 13.9%</b>          |              |                |
| Federal Home Loan Mortgage Corporation                         |              |                |
| 1.000%, 03/08/17   | \$ 10,280    | \$ 10,293      |
| 0.406%, 05/04/17 (FRN)   | 40,000       | 40,000         |
| 0.750%, 07/14/17   | 58,925       | 58,961         |
| 0.692%, 07/21/17 (FRN)   | 18,500       | 18,515         |
| Federal Home Loan Mortgage Corporation (DN)                    |              |                |
| 0.531%, 12/01/16   | 25,000       | 25,000         |
| 0.401%, 12/05/16   | 30,000       | 29,999         |
| 0.364%, 12/06/16   | 120,000      | 119,994        |
| 0.361%, 12/07/16   | 25,000       | 24,998         |
| 0.348%, 12/14/16   | 100,000      | 99,987         |
| 0.441%, 12/16/16   | 30,000       | 29,994         |
| 0.436%, 12/20/16   | 171,300      | 171,261        |
| 0.401%, 12/22/16   | 40,000       | 39,991         |
| 0.417%, 12/28/16   | 40,000       | 39,988         |
| 0.366%, 01/03/17   | 67,387       | 67,364         |
| 0.401%, 01/04/17   | 17,259       | 17,252         |
| 0.350%, 01/09/17   | 25,000       | 24,991         |
| 0.390%, 01/18/17   | 48,300       | 48,275         |
| 0.391%, 01/19/17   | 25,000       | 24,987         |
| 0.411%, 02/03/17   | 15,000       | 14,989         |
| 0.453%, 02/07/17   | 33,500       | 33,471         |
| 0.451%, 02/10/17   | 17,021       | 17,006         |
| 0.483%, 02/15/17   | 35,000       | 34,964         |
| 0.421%, 02/21/17   | 15,000       | 14,986         |
| 0.521%, 02/23/17   | 32,500       | 32,461         |
| 0.441%, 02/28/17   | 25,000       | 24,973         |
| 0.421%, 03/21/17   | 60,000       | 59,923         |
| 0.547%, 03/27/17   | 45,000       | 44,921         |
| 0.482%, 03/29/17   | 25,000       | 24,961         |
| 0.566%, 04/06/17   | 40,000       | 39,921         |
| 0.592%, 04/21/17   | 40,000       | 39,908         |
| 0.602%, 05/05/17   | 18,000       | 17,953         |
| 0.521%, 05/17/17   | 30,000       | 29,928         |
|  |              | 1,322,215      |
| <b>Federal National Mortgage Association — 3.4%</b>            |              |                |
| Federal National Mortgage Association                          |              |                |
| 1.250%, 01/30/17   | 24,973       | 24,998         |
| 0.750%, 04/20/17   | 31,421       | 31,446         |
| 0.552%, 08/16/17 (FRN)   | 19,770       | 19,774         |
| 0.543%, 10/05/17 (FRN)   | 50,000       | 49,986         |
| Federal National Mortgage Association (DN)                     |              |                |
| 0.572%, 01/05/17   | 35,000       | 34,981         |
| 0.391%, 01/17/17   | 14,000       | 13,993         |
| 0.436%, 02/01/17   | 25,000       | 24,981         |
| 0.381%, 02/03/17   | 15,000       | 14,990         |
| 0.451%, 02/15/17   | 45,000       | 44,957         |
| 0.391%, 03/01/17   | 20,000       | 19,980         |
| 0.396%, 03/20/17   | 25,000       | 24,970         |
| 0.401%, 03/31/17   | 15,000       | 14,980         |
|  |              | 320,036        |
| Total U.S. Government Agency Obligations<br>(Cost \$5,397,710) |              | 5,397,710      |

|   | Par<br>(000)                | Value<br>(000) |
|---|-----------------------------|----------------|
| <b>U.S. TREASURY OBLIGATIONS — 13.2%</b>  |                             |                |
| <b>U.S. Treasury Bills† — 1.3%</b>  |                             |                |
| 0.330%, 12/08/16  | \$ 25,000                   | \$ 24,998      |
| 0.300%, 12/15/16  | 75,000                      | 74,992         |
| 0.320%, 01/12/17  | 25,000                      | 24,990         |
|   |                             | 124,980        |
| <b>U.S. Treasury Notes — 11.9%</b>  |                             |                |
| 0.625%, 12/15/16  | 70,000                      | 70,006         |
| 0.575%, 01/31/17 (FRN)  | 125,000                     | 125,016        |
| 0.875%, 01/31/17  | 60,000                      | 60,040         |
| 0.625%, 02/15/17  | 55,000                      | 55,020         |
| 0.875%, 02/28/17  | 110,000                     | 110,113        |
| 0.750%, 03/15/17  | 75,000                      | 75,045         |
| 0.500%, 03/31/17  | 75,000                      | 75,001         |
| 0.875%, 04/15/17  | 75,000                      | 75,115         |
| 0.565%, 04/30/17 (FRN)  | 150,000                     | 150,015        |
| 0.875%, 04/30/17  | 30,000                      | 30,046         |
| 0.875%, 05/15/17  | 105,000                     | 105,168        |
| 0.750%, 06/30/17  | 100,000                     | 100,055        |
| 0.875%, 07/15/17  | 25,000                      | 25,037         |
| 0.568%, 07/31/17 (FRN)  | 45,000                      | 45,009         |
| 0.659%, 10/31/17 (FRN)  | 25,000                      | 25,028         |
|   |                             | 1,125,714      |
| Total U.S. Treasury Obligations<br>(Cost \$1,250,694)   |                             | 1,250,694      |
|   | <b>Number<br/>of Shares</b> |                |
| <b>MONEY MARKET FUNDS — 1.6%</b>  |                             |                |
| Invesco Government & Agency Portfolio,<br>Institutional Class 0.290% (A)                                | 1,000,000                   | 1,000          |
| Morgan Stanley Institutional Liquidity Funds<br>Government Portfolio,<br>Institutional Class 0.300% (A) | 154,569,038                 | 154,569        |
| Total Money Market Funds<br>(Cost \$155,569)  |                             | 155,569        |

See Notes to Financial Statements.

**SCHEDULE OF INVESTMENTS**

November 30, 2016 (Unaudited)

|   | Par<br>(000) | Value<br>(000) |   | Par<br>(000) | Value<br>(000) |
|---|--------------|----------------|---|--------------|----------------|
| <b>REPURCHASE AGREEMENTS†† — 29.2%</b>  |              |                |   |              |                |
| Credit Suisse Securities LLC  |              |                |   |              |                |
| 0.270% (dated 11/30/16, due 12/01/16, repurchase price \$200,001,500, collateralized by U.S. Treasury Note, 1.750%, due 03/31/22, total value \$204,001,486)  | \$200,000    | \$200,000      |   |              |                |
| Deutsche Bank Securities Inc.   |              |                |   |              |                |
| 0.260% (dated 11/30/16, due 12/01/16, repurchase price \$100,000,722, collateralized by U.S. Treasury Note, 2.250%, due 11/15/25, total value \$102,000,081)  | 100,000      | 100,000        |   |              |                |
| Goldman Sachs & Co.   |              |                |   |              |                |
| 0.280% (dated 11/30/16, due 12/01/16, repurchase price \$625,004,861, collateralized by Federal Home Loan Mortgage Corporation Bond and Federal National Mortgage Association Bonds, 3.000% to 5.000%, due 02/01/27 to 12/01/46, total value \$637,500,000) | 625,000      | 625,000        |   |              |                |
| HSBC Securities USA   |              |                |   |              |                |
| 0.260% (dated 11/30/16, due 12/01/16, repurchase price \$500,003,611, collateralized by U.S. Treasury Notes, 0.125% to 0.625%, due 04/15/21 to 07/15/26, total value \$510,004,618) (B)   | 500,000      | 500,000        |   |              |                |
| 0.270% (dated 11/30/16, due 12/01/16, repurchase price \$150,001,125, collateralized by Federal National Mortgage Association Bonds, 3.000% to 6.500%, due 08/01/22 to 07/01/46, total value \$153,003,345) (B)   | 150,000      | 150,000        |   |              |                |
| Merrill Lynch Pierce Fenner & Smith   |              |                |   |              |                |
| 0.280% (dated 11/30/16, due 12/01/16, repurchase price \$100,000,778, collateralized by Government National Mortgage Association Bond, 3.500%, due 04/20/46, total value \$102,000,001)   | 100,000      | 100,000        |   |              |                |
| Mitsubishi UFJ Securities Inc.  |              |                |   |              |                |
| 0.220% (dated 11/30/16, due 12/01/16, repurchase price \$50,000,306, collateralized by Federal Home Loan Mortgage Corporation Bonds and Federal National Mortgage Association Bonds, 2.500% to 4.000%, due 05/01/28 to 12/01/46, total value \$51,000,312)  | 50,000       | 50,000         |   |              |                |
|   |              |                | RBC Capital Markets LLC   |              |                |
|   |              |                | 0.260% (dated 11/30/16, due 12/01/16, repurchase price \$200,001,444, collateralized by Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds and Government National Mortgage Association Bond, 2.000% to 7.500%, due 01/01/19 to 12/01/46, total value \$204,001,474) | \$200,000    | \$ 200,000     |
|   |              |                | Royal Bank of Scotland  |              |                |
|   |              |                | 0.260% (dated 11/30/16, due 12/01/16, repurchase price \$500,003,611, collateralized by U.S. Treasury Notes, 0.125% to 2.625%, due 01/15/17 to 07/15/24, total value \$510,005,001)   | 500,000      | 500,000        |
|   |              |                | Toronto Dominion Securities LLC   |              |                |
|   |              |                | 0.270% (dated 11/30/16, due 12/01/16, repurchase price \$355,002,663, collateralized by Federal National Mortgage Association Bonds, Government National Mortgage Association Bonds, U.S. Treasury Bill and U.S. Treasury Note, 0.000% to 4.500%, due 12/15/16 to 11/01/46, total value \$362,100,070)      | 355,000      | 355,000        |
|   |              |                | Total Repurchase Agreements<br>(Cost \$2,780,000)   |              | 2,780,000      |
|   |              |                | <b>TOTAL INVESTMENTS — 100.8%</b>   |              |                |
|   |              |                | (Cost \$9,583,973)*   |              | 9,583,973      |
|   |              |                | Other Assets & Liabilities – (0.8%)   |              | (75,344)       |
|   |              |                | <b>TOTAL NET ASSETS — 100.0%</b>  |              | \$9,508,629    |

\* Also cost for Federal income tax purposes.

† The rate shown is the effective yield at purchase date.

†† As of November 30, 2016, the total value of repurchase agreements was \$2,780,000 (000) and the value of collateral received, excluding excess, was \$2,780,000 (000). See Note 2 in Notes to Financial Statements.

(A) The rate quoted is the annualized seven-day effective yield of the fund at period end.

(B) As of November 30, 2016, the total value of HSBC Securities USA Repurchase Agreements is \$650,000 (000) (collateral value of \$ 663,008 (000)).

See Notes to Financial Statements.



**Valuation Hierarchy:**

A summary of inputs used to value the Fund's investments as of November 30, 2016 is as follows (See Note 2 in Notes to Financial Statements).

|   | Level 1<br>Quoted Prices<br>(000) | Level 2<br>Other Significant<br>Observable Inputs<br>(000) | Level 3<br>Significant<br>Unobservable Inputs<br>(000) | Total<br>Value<br>(000)    |
|---|-----------------------------------|--|--|----------------------------|
| <b>Assets:</b>                                  |                                   |  |  |                            |
| Money Market Funds                              | \$ 155,569                        | \$ -   | \$ -   | \$ 155,569                 |
| Repurchase Agreements                           | -                                 | 2,780,000  | -  | 2,780,000                  |
| U.S. Government Agency Obligations              | -                                 | 5,397,710  | -  | 5,397,710                  |
| U.S. Treasury Obligations                       | -                                 | 1,250,694  | -  | 1,250,694                  |
| <b>Total Assets - Investments in Securities</b> | <b><u>\$ 155,569</u></b>          | <b><u>\$ 9,428,404</u></b>                                 | <b><u>\$ -</u></b>                                     | <b><u>\$ 9,583,973</u></b> |

*There were no transfers between Levels during the six-month period ended November 30, 2016.*

*See Notes to Financial Statements.*

**SCHEDULE OF INVESTMENTS**

November 30, 2016 (Unaudited)

|   | Par<br>(000) | Value<br>(000) |
|---|--------------|----------------|
| <b>U.S. TREASURY OBLIGATIONS — 99.4%</b>              |              |                |
| <b>U.S. Treasury Bills† — 42.2%</b>                   |              |                |
| 0.228%, 12/01/16                                      | \$ 80,000    | \$ 80,000      |
| 0.330%, 12/08/16                                      | 80,000       | 79,995         |
| 0.300%, 12/15/16                                      | 90,000       | 89,992         |
| 0.320%, 12/22/16                                      | 83,000       | 82,988         |
| 0.346%, 12/29/16                                      | 30,000       | 29,992         |
| 0.320%, 01/12/17                                      | 25,000       | 24,991         |
| 0.426%, 01/19/17                                      | 10,000       | 9,995          |
| 0.322%, 01/26/17                                      | 20,000       | 19,990         |
| 0.385%, 02/02/17                                      | 40,000       | 39,973         |
| 0.480%, 02/09/17                                      | 20,000       | 19,981         |
| 0.429%, 02/16/17                                      | 10,000       | 9,991          |
| 0.466%, 03/02/17                                      | 25,000       | 24,971         |
| 0.468%, 04/27/17                                      | 10,000       | 9,981          |
| 0.575%, 05/25/17                                      | 10,000       | 9,972          |
|   |              | 532,812        |
| <b>U.S. Treasury Notes — 57.2%</b>                    |              |                |
| 0.625%, 12/15/16                                      | 52,000       | 52,004         |
| 0.750%, 01/15/17                                      | 25,000       | 25,011         |
| 0.500%, 01/31/17                                      | 47,000       | 47,005         |
| 0.575%, 01/31/17 (FRN)                                | 117,000      | 117,013        |
| 0.625%, 02/15/17                                      | 50,000       | 50,021         |
| 0.875%, 02/28/17                                      | 18,000       | 18,019         |
| 0.750%, 03/15/17                                      | 33,000       | 33,026         |
| 0.565%, 04/30/17 (FRN)                                | 130,000      | 130,023        |
| 0.875%, 05/15/17                                      | 20,000       | 20,028         |
| 0.625%, 05/31/17                                      | 17,000       | 17,000         |
| 0.568%, 07/31/17 (FRN)                                | 135,000      | 135,038        |
| 0.625%, 07/31/17                                      | 10,000       | 9,995          |
| 0.625%, 08/31/17                                      | 10,000       | 9,991          |
| 0.659%, 10/31/17 (FRN)                                | 58,000       | 58,058         |
|   |              | 722,232        |
| Total U.S. Treasury Obligations<br>(Cost \$1,255,044) |              | 1,255,044      |

|   | Number<br>of Shares | Value<br>(000)      |
|---|---------------------|---------------------|
| <b>MONEY MARKET FUNDS — 2.0%</b>            |                     |                     |
| BlackRock Treasury Trust Fund               |                     |                     |
| Institutional Class,<br>0.240%†† (A)        | 500,000             | \$ 500              |
| Dreyfus Treasury Prime Cash Management      |                     |                     |
| Institutional Shares,<br>0.240% (A)         | 25,348,672          | 25,349              |
| <hr/>                                       |                     |                     |
| Total Money Market Funds<br>(Cost \$25,849) |                     | 25,849              |
| <hr/>                                       |                     |                     |
| <b>TOTAL INVESTMENTS — 101.4%</b>           |                     |                     |
|   |                     | (Cost \$1,280,893)* |
|   |                     | 1,280,893           |
| Other Assets & Liabilities – (1.4%)         |                     | (17,999)            |
| <b>TOTAL NET ASSETS — 100.0%</b>            |                     | \$1,262,894         |

\* Also cost for Federal income tax purposes.

† The rate shown is the effective yield at purchase date.

†† Affiliated Holding. See Note 3 in Notes to Financial Statements.

(A) The rate quoted is the annualized seven-day effective yield of the fund at period end.

See Notes to Financial Statements.

**Valuation Hierarchy:**

A summary of inputs used to value the Fund's investments as of November 30, 2016 is as follows (See Note 2 in Notes to Financial Statements).

|   | Level 1<br>Quoted Prices<br>(000) | Level 2<br>Other Significant<br>Observable Inputs<br>(000) | Level 3<br>Significant<br>Unobservable Inputs<br>(000) | Total<br>Value<br>(000)    |
|---|-----------------------------------|--|--|----------------------------|
| <b>Assets:</b>                                      |                                   |  |  |                            |
| Money Market Funds                                  | \$ 25,849                         | \$ -   | \$ -   | \$ 25,849                  |
| U.S. Treasury Obligations                           | <u>-</u>                          | <u>1,255,044</u>   | <u>-</u>   | <u>1,255,044</u>           |
| <b>Total Assets - Investments in<br/>Securities</b> | <b><u>\$ 25,849</u></b>           | <b><u>\$ 1,255,044</u></b>                                 | <b><u>\$ -</u></b>                                     | <b><u>\$ 1,280,893</u></b> |

*There were no transfers between Levels during the six-month period ended November 30, 2016.*

*See Notes to Financial Statements.*

**SCHEDULE OF INVESTMENTS**

November 30, 2016 (Unaudited)

|   | Par<br>(000)        | Value<br>(000) |
|---|---------------------|----------------|
| <b>U.S. TREASURY OBLIGATIONS — 50.3%</b>                      |                     |                |
| <b>U.S. Treasury Bills† — 8.3%</b>                            |                     |                |
| 0.300%, 12/15/16  | \$ 4,000            | \$ 4,000       |
| 0.320%, 12/22/16  | 3,000               | 2,999          |
| 0.346%, 12/29/16  | 9,000               | 8,998          |
| 0.426%, 01/19/17  | 20,000              | 19,988         |
| 0.480%, 02/09/17  | 5,000               | 4,995          |
|   |                     | <u>40,980</u>  |
| <b>U.S. Treasury Notes — 42.0%</b>                            |                     |                |
| 0.625%, 12/15/16  | 9,000               | 9,001          |
| 0.750%, 01/15/17  | 5,000               | 5,002          |
| 0.500%, 01/31/17  | 10,000              | 10,001         |
| 0.575%, 01/31/17 (FRN)  | 19,000              | 19,002         |
| 0.500%, 02/28/17  | 4,000               | 4,001          |
| 0.750%, 03/15/17  | 18,000              | 18,015         |
| 0.565%, 04/30/17 (FRN)  | 43,000              | 43,005         |
| 0.875%, 05/15/17  | 10,000              | 10,014         |
| 0.625%, 05/31/17  | 13,000              | 13,003         |
| 0.568%, 07/31/17 (FRN)  | 30,000              | 30,003         |
| 0.625%, 07/31/17  | 9,000               | 8,995          |
| 0.625%, 08/31/17  | 5,000               | 4,995          |
| 0.659%, 10/31/17 (FRN)  | 30,000              | 30,024         |
| 0.763%, 01/31/18 (FRN)  | 3,000               | 3,007          |
|   |                     | <u>208,068</u> |
| Total U.S. Treasury Obligations<br>(Cost \$249,048)           |                     | 249,048        |
|   | Number<br>of Shares |                |
| <b>MONEY MARKET FUND — 1.4%</b>                               |                     |                |
| Invesco Treasury Portfolio,<br>Institutional Class 0.260% (A) | 7,083,450           | 7,083          |
| Total Money Market Fund<br>(Cost \$7,083)                     |                     | 7,083          |

|   | Par<br>(000) | Value<br>(000) |
|---|--------------|----------------|
| <b>REPURCHASE AGREEMENTS†† — 50.5%</b>  |              |                |
| Goldman Sachs & Co.   |              |                |
| 0.250% (dated 11/30/16, due 12/01/16,<br>repurchase price \$35,000,243, collateralized by<br>U.S. Treasury Bills, U.S. Treasury Bonds and<br>U.S. Treasury Notes, 0.000% to 9.000%, due<br>12/31/16 to 08/15/27, total value<br>\$35,700,053)   | \$35,000     | \$ 35,000      |
| HSBC Securities USA   |              |                |
| 0.260% (dated 11/30/16, due 12/01/16,<br>repurchase price \$50,000,361, collateralized by<br>U.S. Treasury Note, 0.125%, due 04/15/20,<br>total value \$51,002,998)   | 50,000       | 50,000         |
| Merrill Lynch Pierce Fenner & Smith   |              |                |
| 0.250% (dated 11/30/16, due 12/01/16,<br>repurchase price \$50,000,347, collateralized by<br>U.S. Treasury Bond, 3.750%, due 08/15/41,<br>total value \$51,000,058)   | 50,000       | 50,000         |
| Mitsubishi UFJ Securities Inc.  |              |                |
| 0.210% (dated 11/30/16, due 12/01/16,<br>repurchase price \$25,000,146, collateralized by<br>U.S. Treasury Bills, U.S. Treasury Bond, U.S.<br>Treasury Notes, U.S. Treasury Inflation<br>Adjusted Notes and U.S. Treasury Inflation<br>Bond, 0.000% to 3.875%, due 12/15/16 to<br>08/15/43, total value \$25,500,223) | 25,000       | 25,000         |
| Royal Bank of Canada Capital Markets LLC  |              |                |
| 0.250% (dated 11/30/16, due 12/01/16,<br>repurchase price \$50,000,347, collateralized by<br>U.S. Treasury Bonds and U.S. Treasury Notes,<br>1.000% to 8.125%, due 03/31/17 to 08/15/23,<br>total value \$51,000,360)   | 50,000       | 50,000         |
| Toronto Dominion Securities LLC   |              |                |
| 0.260% (dated 11/30/16, due 12/01/16,<br>repurchase price \$40,000,289, collateralized by<br>U.S. Treasury Bond and U.S. Treasury Note,<br>1.750% and 4.375%, due 02/28/22 and<br>11/15/39, total value \$40,800,055)   | 40,000       | 40,000         |
| Total Repurchase Agreements<br>(Cost \$250,000)   |              | 250,000        |
| <b>TOTAL INVESTMENTS — 102.2%</b>   |              |                |
| (Cost \$506,131)*   |              | 506,131        |
| Other Assets & Liabilities — (2.2)%   |              | (10,809)       |
| <b>TOTAL NET ASSETS — 100.0%</b>  |              | \$495,322      |

\* Also cost for Federal income tax purposes.

† The rate shown is the effective yield at purchase date.

†† As of November 30, 2016, the total value of repurchase agreements was \$250,000 (000) and the value of collateral received, excluding excess, was \$250,000 (000). See Note 2 in Notes to Financial Statements.

(A) The rate quoted is the annualized seven-day effective yield of the fund at period end.

See Notes to Financial Statements.

**Valuation Hierarchy:**

A summary of inputs used to value the Fund's investments as of November 30, 2016 is as follows (See Note 2 in Notes to Financial Statements).

|   | Level 1<br>Quoted Prices<br>(000) | Level 2<br>Other Significant<br>Observable Inputs<br>(000) | Level 3<br>Significant<br>Unobservable Inputs<br>(000) | Total<br>Value<br>(000) |
|---|-----------------------------------|--|--|-------------------------|
| <b>Assets:</b>                                      |                                   |  |  |                         |
| Money Market Fund                                   | \$ 7,083                          | \$ -   | \$ -   | \$ 7,083                |
| Repurchase Agreements                               | -                                 | 250,000  | -  | 250,000                 |
| U.S. Treasury Obligations                           | -                                 | 249,048  | -  | 249,048                 |
| <b>Total Assets - Investments in<br/>Securities</b> | <b><u>\$ 7,083</u></b>            | <b><u>\$ 499,048</u></b>                                   | <b><u>\$ -</u></b>                                     | <b><u>\$506,131</u></b> |

*There were no transfers between Levels during the six-month period ended November 30, 2016.*

*See Notes to Financial Statements.*

**STATEMENTS OF ASSETS AND LIABILITIES (000)**

November 30, 2016 (Unaudited)

|   | Government<br>Money Market<br>Fund | Treasury<br>Money Market<br>Fund | Advantage<br>Institutional Treasury<br>Money Market |
|---|------------------------------------|----------------------------------|---|
| <b>ASSETS</b>                                       |                                    |                                  |   |
| Investments in non-affiliates at value              | \$6,803,973                        | \$1,280,393                      | \$256,131   |
| Investments in affiliates at value                  | –                                  | 500                              | –   |
| Investments in repurchase agreements at value       | 2,780,000                          | –                                | 250,000   |
| Total Investments at value <sup>(1)</sup>           | <u>9,583,973</u>                   | <u>1,280,893</u>                 | <u>506,131</u>                                      |
| Receivable for shares of beneficial interest issued | 49                                 | 14                               | –   |
| Dividends and interest receivable                   | 3,270                              | 737                              | 184   |
| Prepaid expenses                                    | 26                                 | 35                               | 30  |
| Other assets  | 218                                | 96                               | 37  |
| Total Assets  | <u>9,587,536</u>                   | <u>1,281,775</u>                 | <u>506,382</u>                                      |
| <b>LIABILITIES</b>                                  |                                    |                                  |   |
| Payable for shares of beneficial interest redeemed  | 75,280                             | 18,300                           | 10,793  |
| Dividends payable                                   |                                    |                                  |   |
| Class I   | 1,682                              | 138                              | –   |
| Class A   | 73                                 | 21                               | –   |
| Institutional Shares                                | –                                  | –                                | 40  |
| Investment advisory fees payable                    | 1,169                              | 153                              | 64  |
| Administration fees payable                         | 268                                | 51                               | 30  |
| Custodian fees payable                              | 41                                 | 6                                | 5   |
| Transfer agent fees payable                         | 7                                  | 3                                | 5   |
| Trustees' deferred compensation payable             | 218                                | 96                               | 37  |
| Trustees' fees payable                              | 35                                 | 30                               | 22  |
| Other liabilities                                   | 134                                | 83                               | 64  |
| Total Liabilities                                   | <u>78,907</u>                      | <u>18,881</u>                    | <u>11,060</u>                                       |
| <b>TOTAL NET ASSETS</b>                             | <u>\$9,508,629</u>                 | <u>\$1,262,894</u>               | <u>\$495,322</u>                                    |
| Investments in non-affiliates at cost               | \$6,803,973                        | \$1,280,393                      | \$256,131   |
| Investments in affiliates at cost                   | –                                  | 500                              | –   |
| Investments in repurchase agreements at cost        | 2,780,000                          | –                                | 250,000   |
| <sup>(1)</sup> Total Investments at cost            | <u>\$9,583,973</u>                 | <u>\$1,280,893</u>               | <u>\$506,131</u>                                    |

See Notes to Financial Statements.

|  | Government<br>Money Market<br>Fund | Treasury<br>Money Market<br>Fund | Advantage<br>Institutional Treasury<br>Money Market |
|--|------------------------------------|----------------------------------|---|
| <b>NET ASSETS:</b>   |                                    |                                  |   |
| Paid-in Capital (Unlimited Authorization — No Par Value)         | \$ 9,508,767                       | \$ 1,262,965                     | \$ 495,332  |
| Undistributed (Distributions in Excess of) Net Investment Income | (90)                               | (59)                             | (10)  |
| Accumulated Net Realized Gain (Loss) on Investments              | (48)                               | (12)                             | —   |
| Total Net Assets   | <u>\$ 9,508,629</u>                | <u>\$ 1,262,894</u>              | <u>\$ 495,322</u>                                   |
| <b>NET ASSET VALUE (In unrounded dollars and shares):</b>        |                                    |                                  |   |
| Net assets applicable to Class I                                 | \$9,094,510,771                    | \$1,045,602,286                  | N/A   |
| Class I shares outstanding                                       | 9,094,759,741                      | 1,045,658,932                    | N/A   |
| Net Asset Value, Offering and Redemption Price Per Share         | <u>\$ 1.00</u>                     | <u>\$ 1.00</u>                   | <u>N/A</u>  |
| Net assets applicable to Class A                                 | \$ 405,464,310                     | \$ 217,291,682                   | N/A   |
| Class A shares outstanding                                       | 405,463,067                        | 217,314,129                      | N/A   |
| Net Asset Value, Offering and Redemption Price Per Share         | <u>\$ 1.00</u>                     | <u>\$ 1.00</u>                   | <u>N/A</u>  |
| Net assets applicable to Institutional shares                    | N/A                                | N/A                              | \$495,321,757                                       |
| Institutional shares outstanding                                 | N/A                                | N/A                              | 495,336,722   |
| Net Asset Value, Offering and Redemption                         | <u>N/A</u>                         | <u>N/A</u>                       | <u>\$ 1.00</u>                                      |
| Net assets applicable to Advisor Class <sup>(1)</sup>            | \$ 8,654,240                       | N/A                              | N/A   |
| Advisor Class shares outstanding                                 | 8,654,596                          | N/A                              | N/A   |
| Net Asset Value, Offering and Redemption Price Per Share         | <u>\$ 1.00</u>                     | <u>N/A</u>                       | <u>N/A</u>  |
| Net assets applicable to Advisor shares <sup>(1)</sup>           | N/A                                | N/A                              | \$ 10.00  |
| Advisor shares outstanding                                       | N/A                                | N/A                              | 10.00   |
| Net Asset Value, Offering and Redemption Price Per Share         | <u>N/A</u>                         | <u>N/A</u>                       | <u>\$ 1.00</u>                                      |
| Net assets applicable to Service shares <sup>(1)</sup>           | N/A                                | N/A                              | \$ 13.00  |
| Service shares outstanding                                       | N/A                                | N/A                              | 13.00   |
| Net Asset Value, Offering and Redemption Price Per Share         | <u>N/A</u>                         | <u>N/A</u>                       | <u>\$ 1.00</u>                                      |

<sup>(1)</sup> At November 30, 2016, net assets of the Advisor and Service Shares of Advantage Institutional Treasury Money Market Fund represented initial seed capital.

**STATEMENTS OF OPERATIONS (000)**

For the Six-Month Period Ended November 30, 2016 (Unaudited)

|   | Government<br>Money Market<br>Fund | Treasury<br>Money Market<br>Fund | Advantage<br>Institutional Treasury<br>Money Market |
|---|------------------------------------|----------------------------------|---|
| <b>Investment Income:</b>                                       |                                    |                                  |   |
| Dividends   | \$ 334                             | \$ 36                            | \$ 19   |
| Interest  | 18,678                             | 2,085                            | 911   |
| Total Investment Income   | 19,012                             | 2,121                            | 930   |
| <b>Expenses:</b>  |                                    |                                  |   |
| Investment advisory fees  | 7,236                              | 924                              | 430   |
| Administration fees   | 2,136                              | 308                              | 105   |
| Transfer agent fees   | 21                                 | 12                               | 16  |
| Custodian fees  | 117                                | 15                               | 12  |
| Professional fees   | 98                                 | 96                               | 62  |
| Pricing service fees  | 1                                  | 1                                | 1   |
| Printing and shareholder reports                                | 92                                 | 19                               | 18  |
| Registration and filing fees                                    | 49                                 | 18                               | 19  |
| Trustees' fees  | 83                                 | 54                               | 33  |
| Miscellaneous   | 101                                | 40                               | 24  |
| Total Expenses  | 9,934                              | 1,487                            | 720   |
| <b>Less:</b>  |                                    |                                  |   |
| Waiver of investment advisory fees <sup>(1)</sup>               | –                                  | (5)                              | (5)   |
| Net Expenses  | 9,934                              | 1,482                            | 715   |
| Net Investment Income (Loss)                                    | 9,078                              | 639                              | 215   |
| <b>Realized Gain (Loss) on Investments:</b>                     |                                    |                                  |   |
| Net realized gain (loss) on investments sold                    | 12                                 | (2)                              | –   |
| Net Increase (Decrease) in Net Assets Resulting from Operations | \$ 9,090                           | \$ 637                           | \$215   |

<sup>(1)</sup> See Note 3 in Notes to Financial Statements.

See Notes to Financial Statements.



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**STATEMENTS OF CHANGES IN NET ASSETS (000)** (Unaudited)

|   | Government Money Market Fund                     |                                 | Treasury Money Market Fund                       |                                 | Advantage Institutional Treasury Money Market    |                                 |
|---|--|---------------------------------|--|---------------------------------|--|---------------------------------|
|   | For the Six-Month Period Ended November 30, 2016 | For the Year Ended May 31, 2016 | For the Six-Month Period Ended November 30, 2016 | For the Year Ended May 31, 2016 | For the Six-Month Period Ended November 30, 2016 | For the Year Ended May 31, 2016 |
| <b>Investment Activities:</b>   |  |                                 |  |                                 |  |                                 |
| Net investment income (loss)  | \$ 9,078   | \$ 909                          | \$ 639   | \$ 125                          | \$ 215   | \$ 74                           |
| Net realized gain (loss) on investments sold                                | 12   | -                               | (2)  | (2)                             | -  | -                               |
| Net increase (decrease) in net assets resulting from operations             | 9,090  | 909                             | 637  | 123                             | 215  | 74                              |
| Dividends from net investment income:                                       |  |                                 |  |                                 |  |                                 |
| Class I   | (8,639)  | (766)                           | (555)  | (101)                           | -  | -                               |
| Class A   | (378)  | (190)                           | (84)   | (39)                            | -  | -                               |
| Advisor Class   | (6)  | (1)                             | -  | -                               | -  | -                               |
| Institutional Shares  | -  | -                               | -  | -                               | (215)  | (63)                            |
| Advisor Shares  | -  | -                               | -  | -                               | -  | (14)                            |
| Total dividends   | (9,023)  | (957)                           | (639)  | (140)                           | (215)  | (77)                            |
| <b>Share Transactions (all at \$1.00 per share):</b>                        |  |                                 |  |                                 |  |                                 |
| Proceeds from shares issued:  |  |                                 |  |                                 |  |                                 |
| Class I   | 8,820,769  | 6,801,271                       | 844,345  | 1,726,844                       | -  | -                               |
| Class A   | 632,970  | 1,478,768                       | 308,252  | 647,504                         | -  | -                               |
| Advisor Class   | 9,080  | 35,533                          | -  | -                               | -  | -                               |
| Institutional Shares  | -  | -                               | -  | -                               | 503,539  | 1,023,862                       |
| Advisor Shares  | -  | -                               | -  | -                               | -  | 116,737                         |
| Service Shares  | -  | -                               | -  | -                               | -  | 9,267                           |
| Proceeds from Reorganization shares <sup>(1)</sup> :                        |  |                                 |  |                                 |  |                                 |
| Class I   | -  | 71,447                          | -  | -                               | -  | -                               |
| Advisor Class   | -  | 14,907                          | -  | -                               | -  | -                               |
| Reinvestment of dividends:  |  |                                 |  |                                 |  |                                 |
| Class I   | 208  | 10                              | 1  | 1                               | -  | -                               |
| Class A   | 13   | 2                               | 4  | 1                               | -  | -                               |
| Advisor Class   | 6  | -                               | -  | -                               | -  | -                               |
| Institutional Shares  | -  | -                               | -  | -                               | 1  | -                               |
| Total proceeds from shares issued and reinvested                            | 9,463,046  | 8,401,938                       | 1,152,602  | 2,374,350                       | 503,540  | 1,149,866                       |
| Value of shares redeemed:   |  |                                 |  |                                 |  |                                 |
| Class I   | (4,503,092)                                      | (2,816,347)                     | (1,013,814)                                      | (736,956)                       | -  | -                               |
| Class A   | (588,962)  | (1,438,846)                     | (229,114)  | (653,798)                       | -  | -                               |
| Advisor Class   | (1,306)  | (49,564)                        | -  | -                               | -  | -                               |
| Institutional Shares  | -  | -                               | -  | -                               | (462,135)  | (682,245)                       |
| Advisor Shares  | -  | -                               | -  | -                               | -  | (151,567)                       |
| Service Shares  | -  | -                               | -  | -                               | -  | (12,668)                        |
| Total value of shares redeemed  | (5,093,360)                                      | (4,304,757)                     | (1,242,928)                                      | (1,390,754)                     | (462,135)  | (846,480)                       |
| Increase (decrease) in net assets from share transactions                   | 4,369,686  | 4,097,181                       | (90,326)   | 983,596                         | 41,405   | 303,386                         |
| Total increase (decrease) in net assets                                     | 4,369,753  | 4,097,133                       | (90,328)   | 983,579                         | 41,405   | 303,383                         |
| <b>Net Assets:</b>  |  |                                 |  |                                 |  |                                 |
| Beginning of period   | 5,138,876  | 1,041,743                       | 1,353,222  | 369,643                         | 453,917  | 150,534                         |
| End of period*  | \$ 9,508,629                                     | \$ 5,138,876                    | \$ 1,262,894                                     | \$ 1,353,222                    | \$ 495,322                                       | \$ 453,917                      |
| *Including undistributed (distributions in excess of) net investment income | \$ (90)  | \$ (145)                        | \$ (59)  | \$ (59)                         | \$ (10)  | \$ (10)                         |

<sup>(1)</sup> See Note 1 in Notes to Financial Statements.

See Notes to Financial Statements.

## 1. Fund Organization

PNC Funds and PNC Advantage Funds (the “Trusts”), each a Delaware statutory trust, are registered under the Investment Company Act of 1940 (the “1940 Act”), as open-end management investment companies. As of November 30, 2016, the Trusts offered for sale shares of 32 Funds (collectively, the “Funds”). PNC Advantage Institutional Treasury Money Market Fund is the sole series of PNC Advantage Funds; PNC Government Money Market Fund and PNC Treasury Money Market Fund are each series of PNC Funds. Each of the Funds is authorized to issue various classes of shares (individually, a “Class”, collectively, the “Classes”). Each share class represents an interest in the same portfolio of investments of the respective Fund and is substantially the same in all respects, except that the classes are generally subject to different distribution (12b-1) fees and/or shareholder services fees, sales charges and investment minimums. With respect to the PNC Money Market Funds, as defined below, Class I, Advisor Class, Class A, Institutional, Advisor and Service Shares are sold without a sales charge.

Effective June 8, 2016, PNC Tax Exempt Money Market Fund was liquidated pursuant to a plan approved by the Board of Trustees (the “Board”) on February 25, 2016.

As of November 30, 2016, the Trusts offered five categories of Funds:

### *Target Date Funds*

PNC Retirement Income Fund, PNC Target 2020 Fund, PNC Target 2030 Fund, PNC Target 2040 Fund and PNC Target 2050 Fund;

### *Equity Funds*

PNC Balanced Allocation Fund, PNC International Equity Fund, PNC International Growth Fund, PNC Large Cap Core Fund, PNC Large Cap Growth Fund, PNC Large Cap Value Fund, PNC Mid Cap Index Fund, PNC Multi-Factor Small Cap Core Fund, PNC Multi-Factor Small Cap Growth Fund, PNC Multi-Factor Small Cap Value Fund, PNC S&P 500 Index Fund, PNC Small Cap Fund and PNC Small Cap Index Fund;

### *Fixed Income Funds*

PNC Bond Fund, PNC Government Mortgage Fund, PNC High Yield Bond Fund, PNC Intermediate Bond Fund, PNC Limited Maturity Bond Fund, PNC Total Return Advantage Fund and PNC Ultra Short Bond Fund;

### *Tax Exempt Bond Funds*

PNC Intermediate Tax Exempt Bond Fund, PNC Maryland Tax Exempt Bond Fund, PNC Ohio Intermediate Tax Exempt Bond Fund and PNC Tax Exempt Limited Maturity Bond Fund; and

### *Money Market Funds*

PNC Government Money Market Fund, PNC Treasury Money Market Fund and PNC Advantage Institutional Treasury Money Market Fund.

The financial statements presented herein are those of the Money Market Funds (each referred to as a “Fund,” or collectively as the “Funds”). The financial statements of the Target Date Funds, Equity Funds, Fixed Income Funds and Tax Exempt Bond Funds are not presented herein, but are presented separately.

## **Fund Reorganization**

On June 4, 2015, the Board approved an agreement and plan of reorganization (the “Reorganization”) to which PNC Advantage Institutional Government Money Market Fund (the “Target Fund”), a money market fund organized under a separate trust and managed by PNC Capital Advisors, LLC (the “Adviser”), would be reorganized with and into PNC Government Money Market Fund (the “Acquiring Fund”). On September 14, 2015, the Target Fund was reorganized into the Acquiring Fund, each of which has substantially similar investment objectives and identical principal investment strategies. The net assets of the Target Fund were transferred at fair value in a tax-free exchange to the Acquiring Fund after the close of business on September 11, 2015. With this transfer, a shareholder of the Target Fund’s Institutional Shares automatically became a shareholder of Class I Shares of the Acquiring Fund. A shareholder of the Target Fund’s Advisor Shares became a shareholder in the newly formed Advisor Class of the Acquiring Fund.

## **NOTES TO FINANCIAL STATEMENTS**

*November 30, 2016 (Unaudited)*

### **2. Significant Accounting Policies**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. Each Fund qualifies as an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to the Investment Companies Topic of U.S. GAAP.

The following is a summary of significant accounting policies followed by the Funds.

#### **Investment Valuation**

The investments of the Funds, other than investments in other money market funds, funding agreements and repurchase agreements, are valued at amortized cost, which approximates market value. The amortized cost method values an investment at its cost at the time of purchase and thereafter assumes a constant proportionate accretion of discount or amortization of premium to its effective maturity. If this method is determined to be unreliable during certain market conditions or for other reasons, a Fund may value its investments at market price, or fair value prices may be determined in good faith using methods approved by the Board. No such investments held on November 30, 2016 were valued using a method other than amortized cost.

Investments in other money market funds are valued at their respective net asset values (“NAV”) as determined by those funds each business day.

Investments in repurchase agreements and funding agreements are generally valued at par, which approximates market value, each business day.

Fair value represents the estimated price that the Fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment. Valuation techniques should maximize the use of observable market data and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Fair value measurements utilize a hierarchy based on the observability of inputs used to establish fair value. These inputs, listed below, are summarized in three broad levels and investment assets reported at fair value are classified on the basis of the lowest level input that is significant to fair value:

- Level 1 — quoted prices in active markets for identical assets and liabilities, including, but not limited to:

Investment Companies – investments in open-end mutual funds which are valued at their closing NAV.

- Level 2 — other significant observable inputs, including but not limited to:

All Securities – quoted prices for similar securities; quoted prices based on recently executed transactions; adjusted quoted prices based on observable and formulaic inputs; or, observable correlated market inputs.

Fixed Income Securities, Money Market Fund Investments valued at Amortized Cost and Funding and Repurchase Agreements valued at Par – independent pricing service-supplied valuations or quoted prices for similar securities or obligations, including matrix pricing, based on methods which consider standard inputs such as yields or prices of securities or obligations of comparable quality, stability, risk, coupon, collateral (as applicable), maturity, type, trading factors, multiple indications of value from dealers or other financial institutions that trade the securities or obligations.

- Level 3 — significant unobservable inputs, including but not limited to:

All Securities – modeling or manual pricing based on each Fund’s own assumptions in determining fair value of investments; or, the significant use of unobservable inputs or stale inputs.

Each Fund recognizes transfers into and out of levels, if any, at the end of the reporting period.

The inputs and methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The valuation hierarchy of each Fund’s securities as of November 30, 2016 can be found at the end of each Fund’s Schedule of Investments.

### **Investment Transactions, Investment Income and Expenses**

Investment transactions are recorded on a trade date basis for financial statement preparation purposes. Realized gains and losses on investments sold are recorded on the identified cost basis. Interest income is recorded on the accrual basis. Discounts and premiums are accreted and amortized, respectively, to interest income over the estimated lives of the respective investments using the effective interest method. Expenses common to all of the Funds are allocated among the Funds on the basis of each Fund’s respective average net assets or other appropriate allocation methodologies, including a fixed or straight-line allocation across Funds. Expenses common to all Classes, investment income, and realized and unrealized gains and losses on investments are allocated to each Class based upon the relative daily net assets of each Class. Distribution (12b-1) fees and shareholder services fees relating to a specific Class are charged directly to that Class.

### **Dividends and Distributions to Shareholders**

Dividends from net investment income for each of the Funds are declared daily and paid monthly. Any net realized capital gains will be distributed at least annually by each of the Funds. Dividends and distributions to shareholders are recorded on the ex-dividend date.

### **Delayed-Delivery Transactions**

Certain Funds may purchase or sell securities on a delayed-delivery basis. These transactions involve a commitment by a Fund to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery purchases are outstanding, a Fund will designate liquid assets in the amount sufficient to meet the purchase price. When purchasing a security on a delayed-delivery basis, a Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its NAV. A Fund may dispose of or renegotiate a delayed-delivery transaction after it is entered into, and may sell delayed-delivery securities before they are delivered, which may result in a capital gain or loss. When a Fund has sold a security on a delayed-delivery basis, the Fund does not participate in any future gains and losses with respect to the security.

### **Repurchase Agreements**

Each Fund, with the exception of Treasury Money Market Fund, may engage in repurchase agreement transactions. Under the terms of a typical repurchase agreement, a Fund purchases a debt obligation from a financial institution such as a bank or broker-dealer, subject to a mutual agreement that the seller will repurchase the obligation at an agreed-upon price and time. The debt obligation is collateralized by securities held in safekeeping by the Fund’s custodian or another qualified custodian or in the Federal Reserve/U.S. Treasury book-entry system with value no less than the repurchase price (including accrued interest). A custody agreement in connection with the Master Repurchase Agreement defines eligible securities for collateral in relation to each repurchase agreement. If the seller defaults on its repurchase obligation, the Fund maintains the right to sell the underlying securities at market value. Upon an event of default under the Master Repurchase Agreement, if the seller defaults and the value of the collateral security declines or if the seller enters an insolvency proceeding, the Fund may suffer time delays and incur costs in connection with the disposition of the collateral security and recovery of any losses incurred.

At period end, certain Funds had investments in repurchase agreements. The gross value and related collateral received for these investments are presented in each applicable Fund’s Schedule of Investments and the value of these investments is also presented in the Statements of Assets and Liabilities. The value of the related collateral received exceeded the value of the repurchase agreements as of November 30, 2016.

### **Master Agreements and Netting Arrangements**

Certain Funds are parties to various agreements, including but not limited to Master Repurchase Agreements, which govern the terms of certain transactions with select counterparties (collectively “Master Agreements”). These Master Agreements generally include provisions for general obligations, agreements, representations, collateral and certain events of default or termination. These Master Agreements also include provisions for netting arrangements that help reduce credit and counterparty risk associated with relevant transactions. The netting

**NOTES TO FINANCIAL STATEMENTS**

November 30, 2016 (Unaudited)

arrangements are generally tied to credit related events that, if triggered, would cause an event, default or termination giving a Fund or counterparty the right to terminate early and cause settlement, on a net basis, of all transactions under the applicable Master Agreement. In the event of an early termination or default event, the total market value exposure would be offset against collateral exchanged to date, which would result in a net receivable or payable that would be due from or to the counterparty. Credit related events include, but are not limited to, bankruptcy, failure to make timely payments, restructuring, obligation acceleration, obligation default, a material decline in net assets, decline in credit rating or repudiation/moratorium. An election made by a counterparty to terminate a transaction early under a Master Agreement could have an adverse impact on a Fund's financial statements. Master Agreements can also help limit counterparty risk by specifying collateral posting arrangements at pre-arranged exposure levels. Collateral under the Master Agreements is usually in the form of cash, U.S. Treasury or U.S. Government agency securities, but can include other types of securities. There can be no assurance that the Master Agreements will be successful in limiting credit or counterparty risk. Details of the counterparties and the collateral as of November 30, 2016 are included in each Fund's Schedule of Investments.

**3. Investment Advisory Fees and Other Transactions with Affiliates****Investment Advisory Fees**

Fees paid by the Funds pursuant to the Advisory Agreement with PNC Capital Advisors, LLC (the "Adviser"), an indirect wholly owned subsidiary of The PNC Financial Services Group, Inc. ("PNC Group"), are payable monthly and are calculated at an annual rate of each Fund's average daily net assets. The Adviser may, from time to time, waive any portion of its fees and reimburse certain expenses of a Fund. Such waivers and reimbursements are voluntary and may be changed or discontinued at any time. Any such waivers and reimbursements are not subject to recoupment by the Adviser. The table below lists the advisory fees, waivers and expense reimbursements that were in effect during the six-month period ended November 30, 2016.

During the six-month period ended November 30, 2016, the Adviser voluntarily agreed to waive advisory fees and reimburse expenses to the extent necessary to maintain a minimum daily net yield of at least 0.03% for PNC Government Money Market Fund and 0.01% for PNC Treasury Money Market Fund and PNC Advantage Institutional Treasury Money Market Fund.

|  | Annual<br>Rate | Effective<br>Annual<br>Rate | Fee<br>Waiver | Net<br>Effective<br>Annual<br>Rate | Expense<br>Reimbursement |
|--|----------------|-----------------------------|---------------|------------------------------------|--------------------------|
| Government Money Market Fund                       | 0.15%          | 0.15%                       | 0.00%         | 0.15%                              | 0.00%                    |
| Treasury Money Market Fund                         | 0.15%          | 0.15%                       | 0.00%*        | 0.15%                              | 0.00%                    |
| Advantage Institutional Treasury Money Market Fund | 0.15%          | 0.15%                       | 0.00%*        | 0.15%                              | 0.00%                    |

\* Ratios for the period rounded to 0.00%.

**Shareholder Services Fees**

The Trusts maintain Shareholder Services Plans (the "Services Plans") with respect to the Class A and Advisor Class Shares of PNC Funds and Advisor and Service Shares of PNC Advantage Funds. Pursuant to the Services Plans, the Trusts enter into shareholder servicing agreements with certain financial institutions, including affiliates of the Adviser, under which they agree to provide, for PNC Funds, shareholder administrative services to their customers who beneficially own Class A and Advisor Class Shares in consideration for payment of up to 0.25% of the average daily net assets of each Fund's Class A Shares and up to 0.10% of the average daily net assets of each Fund's Advisor Class Shares and for PNC Advantage Funds, shareholder administrative services to their customers who beneficially own Advisor and Service Shares in consideration for payment of up to 0.10% and 0.25% of the average daily net assets attributable to Advisor and Service Shares, respectively.

**Trustees' Fees**

For his or her service as a Trustee of the Trusts, each Trustee, effective January 1, 2017, receives an annual fee of \$85,000 plus \$7,750 for each Board meeting attended in person, and such amount, up to a maximum of \$3,750, as may be determined for each special Board meeting attended, in addition to a reimbursement of all out-of-pocket expenses incurred as a Trustee. Each Trustee also receives \$800 for each Audit Committee meeting attended. The Chairman of the Board receives an additional fee of \$25,000 per year and the Chairman of the Audit Committee receives an additional fee of \$10,000 per year for their services in these capacities. Prior to January 1, 2017, each Trustee received an annual fee of \$79,000 plus \$7,250 for each Board meeting attended in person, and such amount, up to a maximum of \$3,250, as may be determined for each special Board meeting attended, in addition to a reimbursement of all out-of-pocket expenses incurred as a Trustee. The Chairman of the Board received an additional fee of \$25,000 per year and the Chairman of the Audit Committee

received an additional fee of \$10,000 per year for their services in these capacities. No person who is an officer, director, trustee, or employee of the Adviser, the Underwriter, or any parent or subsidiary thereof, who serves as an officer, trustee, or employee of the Trusts receives any compensation from the Trusts. Fees are paid quarterly in arrears and are allocated to the Funds based on a number of factors, including their average daily net assets.

Trustees who receive fees are eligible for participation in the Trust's Deferred Compensation Plan (the "Plan"), which is an unfunded, nonqualified deferred compensation plan. The Plan allows each eligible Trustee to defer receipt of all or a percentage of fees that would otherwise be payable for services performed.

#### **Administration Fees**

The Trusts, BNY Mellon Investment Servicing (US) Inc. ("BNY Mellon") and the Adviser are parties to Co-Administration and Accounting Services Agreements, pursuant to which BNY Mellon and the Adviser serve as Co-Administrators to the Trusts. Prior to October 1, 2016, BNY Mellon and the Adviser served as Co-Administrators to PNC Funds in exchange for fees at the annual rate of 0.05% based on average daily net assets of PNC Funds, excluding the average daily net assets of the Target Date Funds. Effective October 1, 2016, the new fee schedule in the Board-approved Amended and Restated Co-Administration and Accounting Services Fee Letter was implemented whereby BNY Mellon and the Adviser are entitled to an annual fee paid by each series of PNC Funds, excluding the average daily net assets of the Target Date Funds, based solely on its net assets as follows: 0.05% of the Fund's average aggregate net assets up to \$1 billion, 0.03% of the Fund's average aggregate net assets between \$1 billion and \$10 billion, and 0.01% of the Fund's average aggregate net assets in excess of \$10 billion. For their services to PNC Funds as Co-Administrators during the six-month period ended November 30, 2016, approximately 0.0177% was allocated to BNY Mellon and approximately 0.0320% was allocated to the Adviser in aggregate.

For their services to PNC Advantage Funds as Co-Administrators during the six-month period ended November 30, 2016, BNY Mellon received fees at the annual rate of 0.0125% of PNC Advantage Institutional Treasury Money Market Fund's first \$1 billion of average daily net assets and 0.01% of such Fund's average daily net assets in excess of \$1 billion. The Adviser received 0.01% of PNC Advantage Institutional Treasury Money Market Fund's average net assets. BNY Mellon also receives other transaction-based charges from the Trusts and is reimbursed for out-of-pocket expenses by the Trusts.

#### **Affiliated Money Market Funds**

Pursuant to SEC rules, the Funds may invest cash balances not otherwise invested in portfolio securities to purchase shares of other money market funds offered by the Trusts, or the money market funds of BlackRock Funds. The Funds will bear the costs and fees associated with investments in other investment companies, including other investment companies managed by the Adviser or its affiliates, except that the Adviser has agreed to waive its advisory fee in an amount equal to the advisory fee paid to the Adviser by a PNC money market fund with respect to a Fund's short-term reserves swept into a PNC money market fund. Certain other contractual and voluntary advisory fee waivers may reduce the Adviser's obligation to waive its advisory fees in connection with such investments. This waiver may be terminated at any time without prior notice.

PNC Group owns a minority interest in BlackRock, Inc. As a result, the BlackRock Funds could be deemed to be affiliates of the Adviser.

The amount invested by PNC Treasury Money Market Fund in BlackRock Treasury Trust Fund remained unchanged during the six-month period ended November 30, 2016.

Details of affiliated holdings at November 30, 2016 are included in the respective Fund's Schedule of Investments.

For the six-month period ended November 30, 2016, total income from affiliates for PNC Treasury Money Market Fund was less than \$500. The amount is included, but not separately disclosed, in the Statements of Operations.

#### **4. Custodian, Distribution/12b-1 and Transfer Agent Fees**

##### **Custodian Fees**

The Bank of New York Mellon, an affiliate of BNY Mellon (one of the Co-Administrators of the Trusts), serves as the Custodian of the Trusts. The Custodian fees for the Trusts (excluding the Target Date Funds) are calculated at the following annual rate: 0.0025% of the first

**NOTES TO FINANCIAL STATEMENTS**

November 30, 2016 (Unaudited)

\$5 billion of the combined average daily gross assets of the Trusts (excluding the Target Date Funds), 0.002% of the next \$5 billion of the combined average daily gross assets of the Trusts (excluding the Target Date Funds) and 0.001% of the combined average daily gross assets in excess of \$10 billion of the Trusts (excluding the Target Date Funds). The Custodian fees are allocated to the Trusts (excluding the Target Date Funds) based on each Fund's relative average daily net assets. The Bank of New York Mellon also receives other transaction-based charges from the Trust and is reimbursed for out-of-pocket expenses by the Trust.

**Distribution/12b-1 Fees**

For its services to the Trusts, the Underwriter, a wholly owned subsidiary of Foreside Financial Group, LLC, receives an annual fee payable directly by the Adviser. PNC Funds has adopted a distribution plan for Class A Shares in accordance with Rule 12b-1 under the 1940 Act ("Rule 12b-1"). Pursuant to the Class A Shares plan, PNC Government Money Market Fund and PNC Treasury Money Market Fund reimburse the Underwriter for direct and indirect costs and expenses incurred in connection with advertising, marketing and other distribution services in an amount not to exceed 0.10% per annum of the average daily net assets of those Funds' Class A Shares. The Board renewed a commitment whereby actual distribution fees for Class A Shares will be no more than 0.00% per annum. This commitment continues through September 28, 2017, at which time the Board will consider whether to renew, revise or discontinue it.

During the six-month period ended November 30, 2016, the 12b-1 accrual was at an annual rate of 0.00% for each of PNC Government Money Market Fund and PNC Treasury Money Market Fund.

**Transfer Agent**

BNY Mellon serves as Transfer Agent for the Funds. For its services as Transfer Agent, BNY Mellon receives a fee based primarily upon the number of accounts serviced. Certain minimum fees and transaction charges may apply.

**5. Federal Income Taxes**

Each Fund is classified as a separate taxable entity for Federal income tax purposes and intends to continue to qualify as a separate "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders that will be sufficient to relieve it from Federal income tax and Federal excise tax. Therefore, no Federal tax provision is required.

Each Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as an expense during the current year. A tax position that does meet the more-likely-than-not threshold shall be measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement with the relevant taxing authority. Management has analyzed each Fund's tax positions through the six-month period ended November 30, 2016 and for each Fund's open tax years (years ended May 31, 2013 through May 31, 2016) and has concluded that no provision for income tax is required in each Fund's financial statements.

The amount of dividends from net investment income and distributions from net realized capital gains are determined in accordance with Federal income tax regulations, which may differ from those amounts determined under U.S. GAAP. These book/tax differences are either temporary or permanent in nature and are attributable primarily to differences in the book/tax treatment of deferred compensation. The character and timing of dividends and/or distributions made during the year from net investment income and/or net realized capital gains may differ from the year that the income or realized capital gains (losses) were recorded by the Funds. To the extent any of these differences are permanent, adjustments are made to the appropriate equity accounts in the period that the differences arise. Accordingly, the following permanent differences have been reclassified to/from the following accounts for the fiscal year ended May 31, 2016:

|                              | Undistributed<br>(Distributions in Excess of)<br>Net Investment<br>Income<br>(000) | Accumulated<br>Net Realized<br>Losses<br>(000) | Paid-in<br>Capital<br>(000) |
|------------------------------|--|--|-----------------------------|
| Government Money Market Fund | \$(4)  | \$-  | \$4                         |

For Federal income tax purposes, realized capital losses may be carried forward and applied against future realized capital gains. During the fiscal year ended May 31, 2016, capital loss carryforwards that were utilized to offset capital gains were as follows:



|                              | (000) |
|------------------------------|-------|
| Government Money Market Fund | \$-*  |

\*Amount represents less than \$500.

At May 31, 2016, the Funds had capital loss carryforwards (in thousands) available to offset future realized capital gains through the indicated expiration dates:

|  | Expiring May 31, |      |            |       |
|--|------------------|------|------------|-------|
|  | 2017             | 2018 | Indefinite | Total |
| Government Money Market Fund                       | \$59             | \$-  | \$1        | \$60  |
| Treasury Money Market Fund                         | -                | 8    | 1          | 9     |
| Advantage Institutional Treasury Money Market Fund | -                | -    | -*         | -*    |

\*Amount represents less than \$500.

Under the Regulated Investment Company Modernization Act of 2010 (the “Modernization Act”), net capital losses incurred after May 31, 2011 may be carried forward indefinitely with their character retained as short term or long term. Net capital losses incurred prior to May 31, 2011 may be carried forward for eight years and are treated as short-term capital losses in the year to which they were carried. However, the Modernization Act requires that post-enactment net capital losses (i.e., those incurred after May 31, 2011) be used before pre-enactment net capital loss carryforwards, which increases the likelihood that pre-enactment capital loss carryforwards will expire unused.

## 6. Certain Principal Risks

An investment in a Fund is subject to a number of risks. Below is a discussion of some, but not all, of the risks of investing in the Funds. Please see the relevant Fund’s prospectus for a discussion of the principal risks of investing in the Fund.

Each of the Funds may invest up to 5% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale and other securities which may not be readily marketable. The relative illiquidity of some of these securities may adversely affect a Fund’s ability to dispose of such securities in a timely manner and at a fair price. Securities acquired under the provisions of Rule 144A can only be traded between qualified institutional buyers. Any such security will not be considered illiquid so long as it is determined by the Board or the Adviser, acting under guidelines approved and monitored by the Board, that an adequate trading market exists for that security. Details of investments in illiquid and/or restricted securities are included in each Fund’s Schedule of Investments.

Certain obligations held in the Funds have credit enhancement or liquidity features that may, under certain circumstances, provide for repayment of principal and interest on the obligation upon demand date, interest rate reset date or final maturity. These enhancements may include letters of credit, liquidity guarantees and third-party insurance.

## 7. Borrowing Arrangements

### InterFund Lending

The Trusts have received an exemptive order from the SEC that permits the Funds to lend money and borrow money for temporary purposes directly to and from another Fund pursuant to a master interfund lending agreement. The Money Market Funds do not participate in the interfund lending program as borrowing funds or lending funds.

## 8. Indemnifications

In the ordinary course of business, the Funds enter into contracts that contain a variety of indemnifications. The Funds have not historically incurred material expenses in respect of those provisions.

## 9. Relevant Accounting Pronouncements

In August 2014, the FASB issued guidance requiring management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern. The guidance is effective prospectively for annual periods ending after December 15, 2016, and interim periods thereafter. At this time, management is evaluating the implications of these changes on the financial statements.

**NOTES TO FINANCIAL STATEMENTS**

*November 30, 2016 (Unaudited)*

**10. SEC Adopted Amendments**

On October 13, 2016, the SEC adopted new and amended rules, as applicable, (the “Rules”) to modernize and enhance the reporting and disclosure of information by registered investment companies. The Rules are intended to enhance the quality of information available to investors and allow the SEC to more effectively collect and use data reported by funds. These Rules generally become effective in 2018. Management is currently evaluating the implications of the Rules and the impact on the Funds’ financial statement disclosures, if any.

**11. Subsequent Events**

Subsequent events have been evaluated through the date that the financial statements were issued. There were no material subsequent events identified which required adjustment to, or additional disclosure in, the financial statements.

## TRUSTEES' REVIEW AND APPROVAL OF ADVISORY AGREEMENTS

(Unaudited)

### *Approval of Advisory Agreement*

At meetings held in June and August of 2016, the Trustees of PNC Funds and PNC Advantage Funds (the "Trusts"), each of whom is not an "interested person" (as such term is defined in Section 2(a)(19) of the 1940 Act) of the Trusts (collectively, the "Trustees" or the "Board"), met in person to consider the proposed renewal of the advisory agreements ("Advisory Agreements") between the Trusts and PNC Capital Advisors, LLC (the "Adviser") for an additional one-year period, with respect to each of the PNC Funds and PNC Advantage Institutional Treasury Money Market Fund (each, a "Fund," and collectively, the "Funds"). The following summarizes the Trustees' process of requesting and evaluating the information they believed to be reasonably necessary to determine whether to approve the renewal of each Advisory Agreement. In their deliberations, the Trustees did not identify any particular information that was all-important or controlling, and each Trustee may have attributed different weights to the various factors.

Before the June 2016 meeting, the Trustees, with the assistance of their independent counsel ("Independent Counsel"), compiled an information request and submitted the request to the Adviser. The Adviser provided a written response to that request in advance of the meeting. The process to review the Adviser's response was divided into two meetings. At the first meeting in June, the Adviser addressed with the Trustees the materials that had been provided to the Trustees in response to their request for information and relating to the services it provides to the Funds, including a wide variety of services not expressly contemplated by the Advisory Agreements. At that meeting, the Trustees also had the opportunity to meet amongst themselves and with Independent Counsel to discuss and evaluate those materials and request any additional information they determined, in light of the legal advice furnished to them and their own business judgment, to be relevant for their evaluation before meeting a second time in August 2016 to consider whether to approve the renewal of the Advisory Agreements. Although the Advisory Agreements for all of the Funds were considered at the same Board meetings, the Trustees considered each Fund's Advisory Agreement separately.

At the June 2016 meeting, the Trustees also discussed with Independent Counsel a memorandum prepared by Independent Counsel that provided a summary of the Trustees' fiduciary responsibilities, including those arising under applicable state and federal laws, relating to their consideration of the continuation of the Advisory Agreements. The extensive materials provided by the Adviser in connection with their request reflected Independent Counsel's prior discussions with the Trustees concerning their responsibilities and information they indicated would be helpful to their review of each Advisory Agreement. These materials addressed, among other things:

- the nature of the advisory services provided by the Adviser, including any actual or expected changes in services;
- the assets of each Fund and the Adviser's total assets under management;
- the portfolio management personnel and their compensation structure;
- the performance of the Funds managed by the Adviser compared to the performance of composites of other accounts managed by the Adviser using substantially similar investment policies (where applicable);
- the performance of the Funds managed by the Adviser compared to their benchmarks (where applicable) and the performance of other peer funds managed by other advisers pursuant to substantially similar investment strategies;
- the profitability of each Advisory Agreement to the Adviser;
- other benefits the Adviser and its affiliates enjoy as a result of the Adviser's relationship to the Funds;
- the Adviser's brokerage, trading, and soft dollar practices and the Funds' securities lending practices;
- each Fund's contractual and net advisory fees and net operating expenses compared to those of peer groups derived based on recommendations from Barrington Partners;
- the compliance program of the Adviser;
- voluntary expense waivers, expense reimbursements and/or expense limitations in effect with respect to the Funds (where applicable);
- the Adviser's and its affiliates' disaster recovery plans and cybersecurity program; and

## **TRUSTEES' REVIEW AND APPROVAL OF ADVISORY AGREEMENTS**

*(Unaudited)*

- the Adviser's risk management and monitoring measures.

The materials provided by the Adviser included detailed information on a number of topics, including a discussion on a Fund-by-Fund basis of each Fund's performance relative to its peer funds and its benchmark (where applicable) and the advisory fees charged by the Adviser versus each Fund's peer group. The Trustees also considered information provided by the Adviser regarding the process for the peer group selection, including the involvement of a third-party consultant, Barrington Partners. The Trustees discussed various factors including, but not limited to, the resources the Adviser devotes to management of the Funds and a comparison of the fees charged to the Funds with those charged to the Adviser's other clients with substantially similar investment strategies, if applicable. In that regard, the Trustees also considered information provided by the Adviser regarding differences in the services provided and the resources dedicated to those other accounts as compared to those provided and dedicated to the Funds as well as other considerations the Adviser provided that were relevant to the consideration of the differences in fees (where applicable). As part of this review, the Trustees specifically considered the fees charged to affiliates in relation to the advisory services provided and concluded that the services provided were not comparable to the services provided by the Adviser to the Funds, noting particularly that the affiliates may use multiple advisers for a single client mandate. The Trustees also considered, where applicable, the fee waivers and/or expense limitations in place for a Fund.

In their evaluation of the profitability information the Adviser provided, the Trustees considered the Adviser's profitability in respect of each Fund both before and after consideration of any distribution-related expenses. The Trustees also considered the information the Adviser had presented regarding the cost allocation methodology the Adviser used in determining the profitability information presented. The Trustees also requested, received and evaluated additional information regarding how the profitability information presented would differ if certain other cost allocation methodologies were used. The Trustees also considered in evaluating the Adviser's profitability, the profitability information presented for certain other asset managers who are required to make financial information publicly available. In evaluating that information, the Trustees noted, among other things, that the profitability information for those other managers was not presented on a fund-by-fund basis and might represent the profitability of a fund family with a mix of business significantly different from the Adviser's. In evaluating the Funds' advisory fees and PNC's profitability in respect of each Fund, the Trustees also considered the significant investments the Adviser has made in the Funds and the entrepreneurial and other risks the Adviser bears by sponsoring the Funds.

The Trustees also considered the extent to which economies of scale achieved by the Adviser are shared with Fund shareholders. In that regard, the Trustees concluded that the Funds' advisory fee schedules and the fee waivers and/or other expense limitation arrangements (where applicable) that may apply were appropriate and supported the renewal of the Advisory Agreements.

The Trustees also were informed by the Adviser that there were no pending litigation or regulatory actions against the Adviser that would adversely affect or prohibit the Adviser providing services to the Funds.

In advance of the Board meeting held in August 2016, the Trustees again met in an executive session with Independent Counsel and discussed the information provided in response to their supplemental information request.

Based on their cumulative review, the Trustees concluded at their August 2016 meeting that the Adviser had the capabilities, resources and personnel necessary to serve as the investment adviser to each Fund. With respect to the advisory fees applicable to each Fund, the Trustees concluded such fees were fair and reasonable in each instance.

Based on their evaluation of all material factors, including those described above, the Trustees concluded at their August 2016 meeting that the terms of the agreements remained reasonable and fair and voted to approve the renewal of each Advisory Agreement between the Trusts, and the Adviser on behalf of each Fund for a one-year period commencing October 1, 2016, after a finding that the renewal of each Advisory Agreement was in the best interests of the relevant Fund and its shareholders.

## RESULTS OF SHAREHOLDER MEETINGS

At a special meeting of all series of the Trusts (referred to here as the “Funds”) held on October 5, 2016 (and at a meeting adjourned to November 4, 2016 with respect to PNC Multi-Factor Small Cap Growth Fund), shareholders of the Funds voted on the following proposals:

### Proposal 1.

|  | Number of Eligible Votes: |            |
|--|---------------------------|------------|
|  | For                       | Withheld   |
| To elect eight Nominees, including two new Trustees, to serve on the Board of Trustees until the next meeting of shareholders at which Trustees are elected. |                           |            |
| Dorothy A. Berry   | 10,170,026,637            | 46,270,233 |
| John G. Drosdick   | 10,170,449,117            | 45,847,752 |
| Dale C. LaPorte  | 10,169,957,819            | 46,339,050 |
| L. White Matthews, III   | 10,170,501,545            | 45,795,325 |
| Edward D. Miller, M.D.   | 10,169,992,023            | 46,304,846 |
| Stephen M. Todd  | 10,167,894,205            | 48,402,664 |
| Maryann Bruce*   | 10,192,782,102            | 23,514,767 |
| Mark Hancock*  | 10,192,328,217            | 23,968,653 |

*\*The new Trustees.*

Shareholders of the Funds voted to approve the above proposal.

### Proposal 2.\*

|   | Number of Eligible Votes: |         |         |                 |
|---|---------------------------|---------|---------|-----------------|
|   | For                       | Against | Abstain | Broker Non-Vote |
| Amendment of “fundamental” investment restriction on lending. |                           |         |         |                 |
| PNC Balanced Allocation Fund                                  | 3,841,133                 | 3,773   | 15,976  | 529,838         |
| PNC International Equity Fund                                 | 28,893,359                | 6,394   | 9,441   | 5,157,239       |
| PNC International Growth Fund                                 | 301,857                   | –       | –       | –               |
| PNC Large Cap Core Fund                                       | 1,216,335                 | 15,256  | –       | 172,540         |
| PNC Large Cap Growth Fund                                     | 2,173,878                 | 3,732   | 10,364  | 893,969         |
| PNC Large Cap Value Fund                                      | 3,371,335                 | 7,124   | 5,162   | 1,794,819       |
| PNC Multi-Factor Small Cap Core Fund                          | 4,914,152                 | 48,501  | 57,671  | 2,129,001       |
| PNC Multi-Factor Small Cap Growth Fund                        | 1,950,229                 | 70,859  | 47,230  | 715,908         |
| PNC Multi-Factor Small Cap Value Fund                         | 703,965                   | 20,531  | 7,137   | 283,008         |
| PNC Small Cap Fund  | 28,747,349                | 72,429  | 35,496  | 11,166,885      |
| PNC Bond Fund   | 7,499,894                 | 1,885   | 1,957   | 153,010         |
| PNC Government Mortgage Fund                                  | 4,365,049                 | 3,550   | 5,079   | 1,085,000       |
| PNC High Yield Bond Fund                                      | 1,348,813                 | 623     | –       | 264,718         |
| PNC Intermediate Bond Fund                                    | 22,567,005                | 194     | –       | 400,191         |
| PNC Limited Maturity Bond Fund                                | 21,207,932                | –       | 918     | 1,499,662       |
| PNC Total Return Advantage Fund                               | 14,008,217                | 5,205   | 1,454   | 1,243,317       |

## RESULTS OF SHAREHOLDER MEETINGS

|  | Number of Eligible Votes: |             |           |                 |
|--|---------------------------|-------------|-----------|-----------------|
|  | For                       | Against     | Abstain   | Broker Non-Vote |
| PNC Ultra Short Bond Fund                              | 28,431,557                | –           | 5,187     | 381,111         |
| PNC S&P 500 Index Fund                                 | 7,705,061                 | 10,185      | 1,397     | 1,233,011       |
| PNC Intermediate Tax Exempt Bond Fund                  | 8,035,374                 | –           | 1,715     | 307,497         |
| PNC Ohio Intermediate Tax Exempt Bond Fund             | 3,362,089                 | 77,402      | –         | 467,449         |
| PNC Maryland Tax Exempt Bond Fund                      | 3,939,426                 | 2,664       | 3,642     | 69,883          |
| PNC Tax Exempt Limited Maturity Bond Fund              | 12,366,726                | –           | 12,358    | 132,149         |
| PNC Government Money Market Fund                       | 8,641,515,513             | 106,468,532 | 9,662,461 | 7,903,235       |
| PNC Treasury Money Market                              | 821,405,085               | 3,651,954   | 101,525   | 6,882,033       |
| PNC Advantage Institutional Treasury Money Market Fund | 366,359,458               | 8,948,270   | 88,538    | –               |

\* Proposal 2 was voted on by shareholders of the following Funds: PNC Balanced Allocation Fund, PNC International Equity Fund, PNC International Growth Fund, PNC Large Cap Core Fund, PNC Large Cap Growth Fund, PNC Large Cap Value Fund, PNC Multi-Factor Small Cap Core Fund, PNC Multi-Factor Small Cap Growth Fund, PNC Multi-Factor Small Cap Value Fund, PNC Small Cap Fund, PNC Bond Fund, PNC Government Mortgage Fund, PNC High Yield Bond Fund, PNC Intermediate Bond Fund, PNC Limited Maturity Bond Fund, PNC Total Return Advantage Fund, PNC Ultra Short Bond Fund, PNC S&P 500 Index Fund, PNC Intermediate Tax Exempt Bond Fund, PNC Maryland Tax Exempt Bond Fund, PNC Ohio Intermediate Tax Exempt Bond Fund and PNC Tax Exempt Limited Maturity Bond Fund, PNC Government Money Market Fund, PNC Treasury Money Market Fund and PNC Advantage Institutional Treasury Money Market Fund.

Shareholders of the Funds voted to approve the above proposal.

### Proposal 3.\*\*

|   | Number of Eligible Votes: |         |         |                 |
|---|---------------------------|---------|---------|-----------------|
|   | For                       | Against | Abstain | Broker Non-Vote |
| Amendment of “fundamental” investment restriction on borrowing. |                           |         |         |                 |
| PNC Balanced Allocation Fund                                    | 3,841,133                 | 3,773   | 15,976  | 529,838         |
| PNC International Equity Fund                                   | 28,893,562                | 9,956   | 5,676   | 5,157,239       |
| PNC International Growth Fund                                   | 301,857                   | –       | –       | –               |
| PNC Large Cap Core Fund   | 1,216,679                 | 14,911  | –       | 172,540         |
| PNC Large Cap Growth Fund                                       | 2,174,291                 | 3,319   | 10,364  | 893,969         |
| PNC Large Cap Value Fund  | 3,371,154                 | 7,000   | 5,467   | 1,794,819       |
| PNC Multi-Factor Small Cap Core Fund                            | 4,914,080                 | 49,007  | 57,237  | 2,129,001       |
| PNC Multi-Factor Small Cap Growth Fund                          | 1,951,568                 | 70,338  | 46,412  | 715,908         |
| PNC Multi-Factor Small Cap Value Fund                           | 702,267                   | 21,217  | 8,149   | 283,008         |
| PNC Small Cap Fund  | 28,745,867                | 72,940  | 36,467  | 11,166,885      |
| PNC Bond Fund   | 7,499,894                 | 1,885   | 1,957   | 153,010         |
| PNC Government Mortgage Fund                                    | 4,365,318                 | 2,693   | 5,667   | 1,085,000       |
| PNC High Yield Bond Fund  | 1,348,813                 | 623     | –       | 264,718         |

|  | Number of Eligible Votes: |             |           |                 |
|--|---------------------------|-------------|-----------|-----------------|
|  | For                       | Against     | Abstain   | Broker Non-Vote |
| PNC Intermediate Bond Fund                             | 22,566,907                | 292         | -         | 400,191         |
| PNC Limited Maturity Bond Fund                         | 21,207,448                | -           | 1,402     | 1,499,662       |
| PNC Total Return Advantage Fund                        | 14,009,265                | 4,157       | 1,454     | 1,243,317       |
| PNC Ultra Short Bond Fund                              | 28,431,557                | -           | 5,187     | 381,111         |
| PNC S&P 500 Index Fund                                 | 7,705,219                 | 9,524       | 1,900     | 1,233,011       |
| PNC Intermediate Tax Exempt Bond Fund                  | 8,035,374                 | -           | 1,715     | 307,497         |
| PNC Maryland Tax Exempt Bond Fund                      | 3,939,426                 | 2,664       | 3,642     | 69,883          |
| PNC Ohio Intermediate Tax Exempt Bond Fund             | 3,362,089                 | 77,402      | -         | 467,449         |
| PNC Tax Exempt Limited Maturity Bond Fund              | 12,366,726                | -           | 12,358    | 132,149         |
| PNC Government Money Market Fund                       | 8,641,512,999             | 106,470,534 | 9,662,974 | 7,903,235       |
| PNC Treasury Money Market Fund                         | 821,344,360               | 3,651,954   | 162,250   | 6,882,033       |
| PNC Advantage Institutional Treasury Money Market Fund | 366,359,458               | 8,948,270   | 88,538    | -               |

\*\* Proposal 3 was voted on by shareholders of the following Funds: PNC Balanced Allocation Fund, PNC International Equity Fund, PNC International Growth Fund, PNC Large Cap Core Fund, PNC Large Cap Growth Fund, PNC Large Cap Value Fund, PNC Multi-Factor Small Cap Core Fund, PNC Multi-Factor Small Cap Growth Fund, PNC Multi-Factor Small Cap Value Fund, PNC Small Cap Fund, PNC Bond Fund, PNC Government Mortgage Fund, PNC High Yield Bond Fund, PNC Intermediate Bond Fund, PNC Limited Maturity Bond Fund, PNC Total Return Advantage Fund, PNC Ultra Short Bond Fund, PNC S&P 500 Index Fund, PNC Intermediate Tax Exempt Bond Fund, PNC Maryland Tax Exempt Bond Fund, PNC Ohio Intermediate Tax Exempt Bond Fund and PNC Tax Exempt Limited Maturity Bond Fund, PNC Government Money Market Fund, PNC Treasury Money Market Fund and PNC Advantage Institutional Treasury Money Market Fund.

Shareholders of the Funds voted to approve the above proposal.

## **PROXY VOTING AND QUARTERLY SCHEDULES OF INVESTMENTS**

*(Unaudited)*

### **Proxy Voting**

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to their portfolio securities as well as information regarding how the Trusts voted proxies during the most recent 12-month period ended June 30, is available upon request, without charge, by calling 1-800-622-FUND (3863), visiting the website of the Trusts at [pncfunds.com](http://pncfunds.com), or on the SEC's website at <http://www.sec.gov>.

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### **Quarterly Schedule of Investments**

The Form N-Q, which includes a complete schedule of investments, must be filed with the SEC within 60 days of the end of the first and third fiscal quarters of the Trusts. The Forms N-Q of the Trusts are available upon request, without charge, by calling 1-800-622-FUND (3863), visiting the website of the Trusts at [pncfunds.com](http://pncfunds.com), on the SEC's website at <http://www.sec.gov>, or they may be reviewed and/or copied at the SEC's Public Reference Room in Washington, DC (call 1-800-732-0330 for information on the operation of the Public Reference Room).

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## PNC FUNDS NOTICE OF PRIVACY POLICY & PRACTICES

(Unaudited)

The funds recognize and respect the privacy concerns and expectations of our customers<sup>(1)</sup>. Federal law gives customers the right to limit some but not all sharing of customer information that we collect. Federal law also requires us to tell you how we collect, share and protect your personal information.

This notice is provided to you so that you will know what kinds of information we collect and the circumstances in which that information may be disclosed to third parties who are not affiliated with the funds.

### Collection of Customer Information

The funds collect nonpublic personal information about our customers from the following sources:

- **Account Applications and other forms**, which may include a customer's name, address, social security number, date of birth, and information about a customer's investment goals and risk tolerance;
- **Account History**, including information about the transactions and balances in a customer's accounts; and
- **Correspondence**, written, telephonic or electronic, between a customer and the funds or service providers to the funds.

### Disclosure of Customer Information<sup>(2)</sup>

The funds may disclose all of the information described above to certain third parties who are not affiliated with the funds under one or more of these circumstances:

- **As Authorized** – if you request or authorize the disclosure of the information.
- **As Permitted by Law** – for example, sharing information with companies who maintain or service customer accounts for the funds is permitted and is essential for us to provide shareholders with necessary or useful services with respect to their accounts.
- **Under Joint Agreements** – the funds may also share information with companies that perform marketing services on our behalf or to other financial institutions with whom the funds have joint marketing agreements, such as The PNC Financial Services Group, Inc. and its affiliates.

These third parties must agree to strict confidentiality provisions to assure the protection of your information.

### Sharing of Customer Information

We do not share such customer information with affiliates or non-affiliates for use in their marketing activities.

### Security of Customer Information

The funds require service providers to the funds:

- to maintain policies and procedures designed to assure only appropriate access to, and use of, information about customers of the funds; and
- to maintain physical, electronic and procedural safeguards that comply with federal standards to guard nonpublic personal information of customers of the funds.

The funds will adhere to the policies and practices described in this notice regardless of whether you are a current or former shareholder of the funds. If you have any questions concerning this Notice, or about the funds in general, please call: 1-800-622-3863 for PNC Funds.

<sup>(1)</sup>For purposes of this notice, the terms "customer" or "customers" includes individuals who provide nonpublic personal information to the funds, but do not invest in the funds' shares.

<sup>(2)</sup>The funds do not share information about shareholders who are residents of California with affiliates of the funds or with unaffiliated companies under joint marketing agreements.

## **Investment Adviser**

PNC Capital Advisors, LLC  
One East Pratt Street, 5th Floor  
Baltimore, MD 21202

## **Underwriter**

PNC Funds Distributor, LLC  
Three Canal Plaza,  
Suite 100,  
Portland, ME 04101  
[www.foreside.com](http://www.foreside.com)

## **Legal Counsel**

Ropes & Gray LLP  
800 Boylston Street  
Boston, MA 02199-3600

## **Custodian**

The Bank of New York Mellon  
One Wall Street  
New York, NY 10286



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PNC Capital Advisors, LLC  
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Baltimore, MD 21202

