

# PNC International Equity Fund

Period ending 9/30/17

NASDAQ SYMBOLS I Shares: PIUIX A Shares: PMIEX C Shares: PIUCX

PNC International Equity Fund's investment objective is to provide long-term capital appreciation by primarily investing in equity securities that are tied economically to a number of countries throughout the world.

## PERFORMANCE SUMMARY TOTAL RETURNS

Share Class (Inception Date)		3 Mos	Year to Date	1 Year	ANNUALIZED			Since Inception	Max Sales Chg.	Max CDSC	Gross Exp. Ratio	Net Exp. Ratio <sup>1</sup>
					3 Years	5 Years	10 Years					
Class I (8/1/97)		7.11%	26.41%	20.72%	8.01%	11.12%	3.53%	5.73%	—	—	1.07%	0.99%
Class A (8/1/97)	NAV	7.04%	26.13%	20.39%	7.64%	10.77%	3.24%	5.44%	5.50%	—	1.37%	1.29%
	POP	1.14%	19.17%	13.75%	5.63%	9.53%	2.66%	5.14%	5.50%	—	1.37%	1.29%
Class C (1/5/00)	NAV	6.86%	25.47%	19.52%	6.98%	10.06%	2.53%	2.86%	—	1.00%	2.07%	1.99%
	POP	5.86%	24.47%	18.52%	6.98%	10.06%	2.53%	2.86%	—	1.00%	2.07%	1.99%
MSCI ACWI ex USA Index <sup>2</sup>		6.16%	21.13%	19.61%	4.70%	6.97%	1.28%	—	—	—	—	—

<sup>1</sup> Net operating expenses reflect contractual waivers and expense reimbursements that continue through the end of September 2018. For more information on fee waivers or expense reimbursements please see the expense table in the prospectus. If the waivers or reimbursements were not in effect the Fund's performance would have been lower.

<sup>2</sup> The MSCI ACWI ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 23 Emerging Markets (EM) countries. With 1,859 constituents, the index covers approximately 85% of the global equity opportunity set outside the U.S. *Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. POP (Public Offering Price) figures reflect maximum sales charge in class A shares of 5.50%. NAV (Net Asset Value) returns do not include the effect of any applicable sales charges. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at 800-622-FUND (3863) or pncfunds.com.*

## PORTFOLIO CHARACTERISTICS AND RISK STATISTICS (3 YEAR PERIOD)

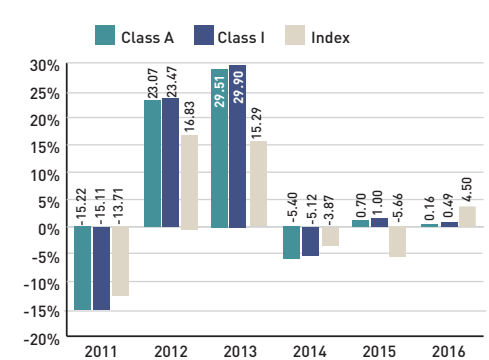
Number of Securities <b>156</b>	P/E 12 Month <sup>3</sup> <b>17.1</b>	Alpha <sup>5</sup> <b>3.24%</b>
Total Fund Assets <b>\$1.2B</b>	Turnover 12 Month (5/31/17) <b>32.00%</b>	Beta <sup>6</sup> <b>0.89</b>
Average Market Cap <b>\$47,994M</b>	Standard Deviation <sup>4</sup> <b>11.51%</b>	Sharpe Ratio <sup>7</sup> <b>0.67</b>

## COUNTRY WEIGHTINGS <sup>8</sup>

	International Equity Fund	MSCI ACWI ex USA Index <sup>2</sup>	Variance
Germany	14.15%	6.75%	7.40%
Japan	12.91%	15.94%	-3.03%
United Kingdom	12.13%	12.33%	-0.20%
France	4.97%	7.45%	-2.48%
China	4.70%	7.12%	-2.42%
Korea	4.50%	3.61%	0.89%
Switzerland	4.38%	5.71%	-1.33%
Canada	4.18%	6.69%	-2.51%
Norway	3.98%	0.48%	3.50%
Thailand	3.37%	0.54%	2.83%
Sweden	3.27%	2.03%	1.24%

<sup>8</sup> Data is for illustration purposes only as they are not a permanent reflection of fund composition and is subject to change at any time. Top Ten Holdings are calculated based on fund net assets. Country weightings are calculated based on the total net assets of total investments and notional market value of derivative contracts. Notional derivative contracts, such as equity index futures, will be allocated to the country of representative exposure.

## CALENDAR YEAR TOTAL NAV RETURNS



<sup>3</sup> Measure of the price paid for a share relative to the income or profit earned by the firm per share.

<sup>4</sup> Statistical measure of volatility, calculating the average deviation of a return series from its mean.

<sup>5</sup> Measure of risk-adjusted performance, considering the risk due to the specific security.

<sup>6</sup> Quantitative measure of the volatility of a fund relative to the MSCI ACWI ex USA Index<sup>2</sup>.

<sup>7</sup> Risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk.

## TOP TEN HOLDINGS <sup>8</sup>

TENCENT HOLDINGS LTD	1.59%
ALIBABA GROUP HOLDING LTD	1.33%
SAMSUNG ELECTRONICS CO LTD	1.24%
PERSIMMON PLC	1.23%
BELLWAY PLC	1.23%
DNB ASA	1.17%
SPAREBANK 1 SR-BANK ASA	1.17%
TAYLOR WIMPEY PLC	1.13%
VINCI SA	1.13%
SONY CORP	1.12%

**INVESTMENT STRATEGY**

The PNC International Equity Fund seeks to provide long-term capital appreciation. The Fund aims to achieve this objective by primarily investing in equity securities that are economically tied to a number of countries throughout the world. The Fund uses a multifaceted approach of blending value and growth portfolios, currently with approximately 50% of the fund's assets allocated to the PNC Capital Advisors international equity team and approximately 50% to the Polaris Capital Management team.

The Fund invests in equity securities tied economically to a number of countries throughout the world. It limits investments in securities of issuers in countries with developing markets to no more than 25% of the Fund's total assets. More than 25% of the Fund's assets may be invested in the equity securities of issuers located in the same country.

**INVESTMENT RISKS**

International investments are subject to special risks not ordinarily associated with domestic investments, including currency fluctuations, economic and political change, and differing accounting standards that may adversely affect portfolio securities. These risks may be heightened in emerging markets. Investments in value companies can continue to be undervalued for long periods of time and be more volatile than the stock market in general. Investments in growth companies can be more sensitive to the company's earnings and more volatile than the stock market in general. Investments in small and mid capitalization companies present a greater risk of loss than investments in large companies. The Fund may invest a portion of its assets in derivatives. Derivative instruments include options, futures and options on futures. A small investment in derivatives could have a potentially large impact on the Fund's performance. The Fund may be unable to terminate or sell a derivatives position. Derivative counterparties may suffer financial difficulties and may not fulfill their contractual obligations.

**OVERALL MORNINGSTAR 4 AND 5 STAR RATINGS**



I SHARES



A SHARES

Out of 325 funds in the Foreign Large Growth category

**3-Year Rating**  
4 stars out of 325 funds

**5-Year Rating**  
5 stars out of 280 funds

**10-Year Rating**  
3 stars out of 192 funds

**3-Year Rating**  
4 stars out of 325 funds

**5-Year Rating**  
4 stars out of 280 funds

**10-Year Rating**  
3 stars out of 192 funds

The overall Morningstar rating for a fund is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar metrics. The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three, five, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. **Ratings are for the share class shown; other classes may vary.**

Past performance is no guarantee of future results.

You should consider the investment objectives, risks, charges, and expenses of PNC Funds carefully before investing. A prospectus or summary prospectus with this and other information may be obtained at 800-622-FUND (3863) or pncfunds.com. The prospectus should be read 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 receives fees for its services. PNC Funds are distributed by PNC Funds Distributor, LLC, which is not affiliated with the adviser and is not a bank.

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**MANAGEMENT TEAM**

**Martin C. Schulz, J.D.**  
Managing Director, International Equity  
22 years industry experience  
Managed fund since: 1998

**Calvin Y. Zhang**  
Senior Analyst/Portfolio Manager,  
International Equity  
13 years industry experience  
Managed fund since: 2008

**Bernard R. Horn Jr.**  
President and Chief Investment Officer,  
Polaris Capital Management, LLC  
37 years industry experience  
Managed fund since: 2005

**Sumanta Biswas, CFA**  
Vice President and Assistant Portfolio Manager,  
Polaris Capital Management, LLC  
21 years industry experience  
Managed fund since: 2005

**Bin Xiao, CFA**  
Assistant Portfolio Manager,  
Polaris Capital Management, LLC  
11 years industry experience  
Managed fund since: 2013

**LIPPER RANKINGS 50<sup>TH</sup> PERCENTILE OR BETTER**

**CATEGORY: LIPPER INTERNATIONAL MULTICAP GROWTH**

	1 Year	3 Years	5 Years	10 Years
<b>I SHARES</b>				
% Rank in category	22%	19%	9%	12%
Rank in universe	106/493	74/408	32/363	28/236
<b>A SHARES</b>				
% Rank in category	24%	22%	13%	17%
Rank in universe	117/493	87/408	45/363	40/236
<b>C SHARES</b>				
% Rank in category	32%	34%	17%	25%
Rank in universe	154/493	136/408	60/363	59/236

Rankings criteria for the 5-year period ending 9/30/17 and are for the share class shown; other classes may vary. Percent rank in category based on total return.

Lipper is a mutual fund performance monitor. The rankings pertain to the fund's total return performance and do not take sales charges into consideration.