

PNC Multi-Factor Small Cap Value Fund

Period ending 12/31/17

NASDAQ SYMBOLS

I Shares: PMUIX

A Shares: PMRRX

C Shares: PSVCX

PNC Multi-Factor Small Cap Value Fund seeks long-term capital appreciation by investing primarily in stocks of small-cap companies with market caps that approximate the benchmark and are believed to be conservatively valued.

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 ¹
					3 Years	5 Years	10 Years					
Class I (7/26/94)		0.36%	1.25%	1.25%	7.01%	13.72%	7.38%	10.22%	—	—	1.46%	0.85%
Class A (8/15/94)	NAV	0.28%	0.97%	0.97%	6.71%	13.44%	7.12%	9.82%	5.50%	—	1.76%	1.15%
	POP	-5.24%	-4.58%	-4.58%	4.72%	12.16%	6.52%	9.56%	5.50%	—	1.76%	1.15%
Class C (1/27/00)	NAV	0.12%	0.32%	0.32%	6.09%	12.72%	6.38%	8.16%	—	1.00%	2.46%	1.85%
	POP	-0.87%	-0.67%	-0.67%	6.09%	12.72%	6.38%	8.16%	—	1.00%	2.46%	1.85%
Russell 2000 Value Index ²		2.05%	7.84%	7.84%	9.55%	13.01%	8.17%	—	—	—	—	—

1 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.

2 The Russell 2000 Value Index, an unmanaged index of small-capitalization companies with lower price-to-book ratios and lower forecasted growth values, is not available for direct investment. Unlike a mutual fund, the performance of an index assumes no taxes, transaction costs, management fees, or other expenses.

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)

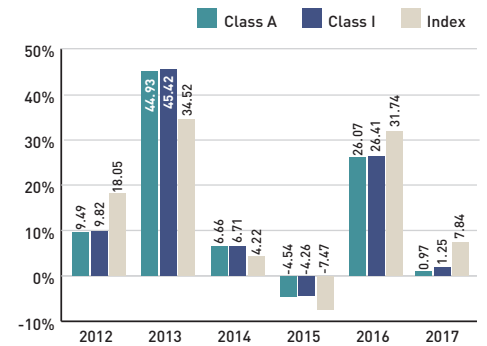
Number of Securities ³ 119	P/E 12 Month ⁴ 20.5	Alpha ⁶ -0.93%
Total Fund Net Assets \$28.3M	Turnover 12 Month (5/31/17) 106.00%	Beta ⁷ 0.84
Average Market Cap \$1,610M	Standard Deviation ⁵ 12.61%	Sharpe Ratio ⁸ 0.53

SECTOR WEIGHTINGS ⁹

	Multi-Factor Small Cap Value Fund	Russell 2000 Value Index ²	Variance
Financials	30.43%	30.36%	0.07%
Real Estate	11.02%	10.31%	0.71%
Consumer Discretionary	10.80%	10.96%	-0.16%
Industrials	10.63%	12.10%	-1.47%
Information Technology	10.55%	8.97%	1.58%
Health Care	6.14%	6.20%	-0.06%
Utilities	5.58%	6.56%	-0.98%
Materials	5.35%	4.48%	0.87%
Energy	5.12%	6.80%	-1.68%
Consumer Staples	2.75%	2.77%	-0.02%
Telecom	1.63%	0.50%	1.13%

⁹ Sector Weightings and Top Ten Holdings are a percent of total net assets, calculated based on fund net assets and are subject to change. As such, they are for illustrative purposes only as they are not a permanent reflection of fund composition. Top Ten Holdings are as of 11/30/17.

CALENDAR YEAR TOTAL NAV RETURNS



3 Number of Securities includes futures, forwards, ETF's, and other cash-like securities.

4 Measure of the price paid for a share relative to the income or profit earned by the firm per share.

5 Statistical measure of volatility, calculating the average deviation of a return series from its mean.

6 Measure of risk-adjusted performance, considering the risk due to the specific security.

7 Quantitative measure of the volatility of a fund relative to the Russell 2000 Value Index².

8 Risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk.

TOP TEN HOLDINGS ⁹

INVESCO MORTGAGE CAPITAL INC	2.46%
BANK OF NT BUTTERFIELD & SON LTD	2.21%
QUINSTREET INC	2.05%
BANCO LATINOAMERICANO DE COMERCIO EXTERIOR SA	2.01%
INTERNATIONAL BANCSHARES CORP	1.99%
MONMOUTH REAL ESTATE INVESTMENT CORP	1.93%
EL PASO ELECTRIC CO	1.92%
NMI HOLDINGS INC	1.82%
ASHFORD HOSPITALITY TRUST INC	1.55%
CYS INVESTMENTS INC	1.52%

INVESTMENT STRATEGY

PNC Multi-Factor Small Cap Value Fund seeks long-term capital appreciation by investing primarily in stocks of small-cap companies with market caps that approximate the benchmark and are believed to be conservatively valued.¹⁰ Using an analytical process together with fundamental research methods to implement a “value” approach, the portfolio management team rates the performance potential of companies and buys those securities it considers to be conservatively valued relative to the securities of comparable companies. In searching for securities with lower-than-average valuations, the team considers, among other things, price-to-earnings and price-to-book ratios. The portfolio management team will invest in 100-140 securities.

10 The market cap range of the benchmark frequently changes. As a result, the capitalization of companies in which the Fund invests may also change.

INVESTMENT RISKS

Investments in small-capitalization companies present a greater risk of loss than investments in large companies. Investments in value companies can continue to be undervalued for long periods of time and be more volatile than the stock market in general. 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. To the extent that the Fund invests a significant portion of its assets in a particular industry, the Fund’s performance could depend heavily on the performance of that industry and may be more volatile than less-concentrated funds. The portfolio team may choose to invest in initial public offerings (IPOs), the performance of which is unpredictable and the effect of which may not be duplicated during periods in which the Fund does not invest in IPOs.

MANAGEMENT TEAM

Hitesh C. Patel, Ph.D.
 Managing Director, Structured Equity
 24 years industry experience
 Managed fund since: 2005

Paul Kleinaitis, CFA
 Senior Portfolio Manager, Structured Equity
 30 years industry experience
 Managed fund since: 2005

Chen Chen, Ph.D.
 Portfolio Manager, Structured Equity
 12 years industry experience
 Managed fund since: 2013

LIPPER RANKINGS 50TH PERCENTILE OR BETTER

CATEGORY: LIPPER SMALL CAP CORE

	1 Year	3 Years	5 Years	10 Years
I SHARES				
% Rank in category	99%	85%	43%	73%
Rank in universe	1011/1021	711/844	303/718	373/516
A SHARES				
% Rank in category	100%	87%	49%	78%
Rank in universe	1012/1021	730/844	352/718	400/516

Rankings criteria for the 5-year period ending 12/31/17 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.

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.