

PNC Balanced Allocation Fund

Period ending 3/31/18

NASDAQ SYMBOLS I Shares: PBLIX A Shares: PBAAX C Shares: PBCCX

PNC Balanced Allocation Fund's investment objective is to provide long-term capital appreciation and current income.

PERFORMANCE SUMMARY TOTAL RETURNS

| Share Class (Inception Date) | | 3 Mos | Year to Date | 1 Year | ANNUALIZED | | | | Max Sales Chg. | Max CDSC | Gross Exp. Ratio | Net Exp. Ratio ¹ |
|---|-----|--------|-----------------|--------|------------|---------|----------|--------------------|----------------------|-------------|------------------------|-----------------------------------|
| | | | | | 3 Years | 5 Years | 10 Years | Since Inception | | | | |
| Class I (7/10/98) | | -1.21% | -1.21% | 10.09% | 5.17% | 6.87% | 5.60% | 5.18% | — | — | 2.00% | 1.03% |
| Class A (7/31/98) | NAV | -1.20% | -1.20% | 9.83% | 4.89% | 6.61% | 5.32% | 5.08% | 4.75% | — | 2.26% | 1.29% |
| | POP | -5.86% | -5.86% | 4.61% | 3.20% | 5.57% | 4.82% | 4.82% | 4.75% | — | 2.26% | 1.29% |
| Class C (4/20/00) | NAV | -1.37% | -1.37% | 9.02% | 4.17% | 5.87% | 4.56% | 3.48% | — | 1.00% | 3.00% | 2.03% |
| | POP | -2.36% | -2.36% | 8.04% | 4.17% | 5.87% | 4.56% | 3.48% | — | 1.00% | 3.00% | 2.03% |
| 60/40 Hybrid of S&P 500 and Bloomberg Barclays U.S. Aggregate Bond Index² | | -0.97% | -0.97% | 8.81% | 6.99% | 8.72% | 7.42% | — | — | — | — | — |

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 60/40 Hybrid of S&P 500 and Bloomberg Barclays U.S. Aggregate Bond Index is a blend of 60% S&P 500 Composite Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index, as calculated by the adviser, and 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.

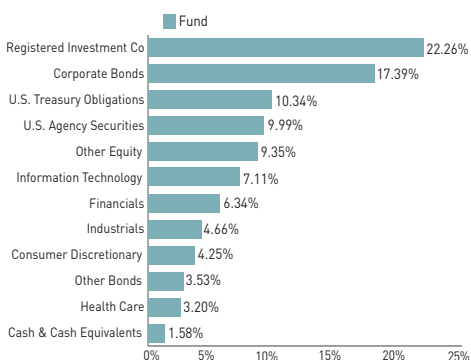
Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. POP (Public Offering Price) figures reflect maximum sales charge in class A shares of 4.75%. NAV (Net Asset Value) 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 ³ 452 | P/E 12 Month ⁴ 20.9 | Alpha ⁶ -1.48% |
| Total Fund Net Assets \$19.4M | Turnover 12 Month (5/31/17) 87.90% | Beta ⁷ 0.96 |
| Average Market Cap \$131,615M | Standard Deviation ⁵ 6.12% | Sharpe Ratio ⁸ 0.76 |

- 3 Number of Securities includes futures, forwards, ETFs, 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 60/40 Hybrid of S&P 500 and Bloomberg Barclays U.S. Aggregate Bond Index.
- 8 Risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk.

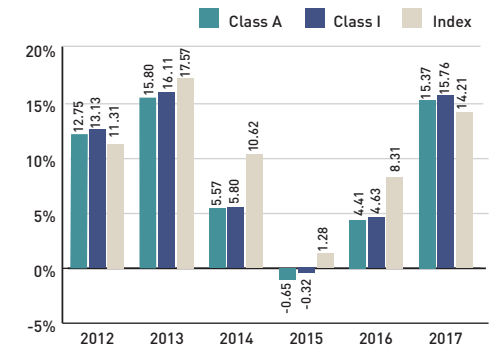
SECTOR WEIGHTINGS ⁹



TOP TEN HOLDINGS ⁹

| | |
|-------------------------------|-------|
| U.S. TREASURY NOTES/BONDS | 9.72% |
| ISHARES MSCI EAFE VALUE ETF | 8.74% |
| PNC INTERNATIONAL GROWTH FUND | 8.31% |
| FANNIE MAE POOL | 8.20% |
| SPDR S&P 500 ETF TRUST | 5.19% |
| JPMORGAN CHASE & CO | 1.28% |
| APPLE INC | 1.25% |
| MORGAN STANLEY | 1.00% |
| BANK OF AMERICA CORP | 0.89% |
| FREDDIE MAC GOLD POOL | 0.89% |

CALENDAR YEAR TOTAL NAV RETURNS



9 Top Ten Holdings are calculated based on percent of portfolio while Sector Weightings are 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.

INVESTMENT STRATEGY

PNC Balanced Allocation Fund seeks long-term capital appreciation and current income. Using a top-down approach to asset allocation, the Fund’s managers use proprietary models to determine broad market and sector allocations, while drawing on the team’s expertise to find the best investment opportunities in each marketplace. The Fund intends to invest 45% to 75% of its net assets in equity securities, 25% to 55% in investment-grade fixed income securities, and up to 30% in cash, cash equivalent securities, and short-term money-market instruments. The Fund may also invest up to 25% of its total assets at the time of purchase in foreign securities and may include investing in emerging market securities. The Fund may invest in companies with stock market capitalizations of at least \$100 million.

INVESTMENT RISKS

Asset allocation cannot guarantee a profit or prevent a loss. An investment in the Fund is subject to interest rate risk, which is the possibility that a Fund’s yield will decline due to falling interest rates and the potential for bond prices to fall as interest rates rise. High-yield bond investing includes special risks. Investments in lower-rated and unrated debt securities are subject to a greater loss of principal and interest than investments in higher-rated securities. The values of mortgage-backed securities depend on the credit quality and adequacy of the underlying assets or collateral and may be highly volatile. 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.

On November 30, 2017, the Board of Trustees of PNC Funds approved the conversion of class T shares of PNC Balanced Allocation Fund to class A shares of the same Fund. The conversion of this share class took place on January 8, 2018.

MANAGEMENT TEAM

Aneet Deshpande, CFA
 Managing Director, Lead Portfolio Manager
 20 years industry experience
 Managed fund since: 2016

Michael W. Coleman, CFA
 Portfolio Manager
 6 years industry experience
 Managed fund since: 2016

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

Jason Weber, CFA
 Portfolio Manager
 11 years industry experience.
 Managed fund since: 2016

Effective January 25, 2018, PNC Balanced Allocation Fund will continue to be managed by Aneet Deshpande, CFA, Senior Portfolio Manager, Martin Schulz, J.D., Portfolio Manager, Jason Weber, CFA, Portfolio Manager, and Michael Coleman, Portfolio Manager, but effective on that date, Mark McGlone, CFA will no longer serve as a portfolio manager of the Fund.

**LIPPER RANKINGS 50TH PERCENTILE OR BETTER
 CATEGORY: LIPPER MIXED-ASSET TARGET ALLOCATION MODERATE FUNDS**

| | 1 Year | 3 Years | 5 Years | 10 Years |
|------------------|--------|---------|---------|----------|
| I SHARES | | | | |
| Percentile Rank | 13th% | 38th% | 26th% | 44th% |
| Rank in universe | 69/551 | 184/495 | 115/450 | 150/345 |
| A SHARES | | | | |
| Percentile Rank | 15th% | 46th% | 32nd% | 56th% |
| Rank in universe | 82/551 | 227/495 | 143/450 | 193/345 |

Rankings criteria for the 5-year period ending 3/31/18 and are for the share class shown; other classes may vary. Percentile 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.