

PNC Multi-Factor Small Cap Core Fund

Period ending 12/31/17

NASDAQ SYMBOLS I Shares: PLOIX A Shares: PLOAX C Shares: PLOCX

PNC Multi-Factor Small Cap Core Fund seeks capital appreciation by investing primarily in stocks of small-cap companies with market caps that approximate the benchmark and possess both value and growth characteristics.

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 (9/30/05)		3.14%	12.52%	12.52%	9.44%	16.29%	9.54%	9.04%	—	—	0.96%	0.86%
Class A (9/30/05)	NAV	3.06%	12.20%	12.20%	9.12%	15.96%	9.25%	8.75%	5.50%	—	1.26%	1.16%
	POP	-2.61%	6.01%	6.01%	7.09%	14.66%	8.64%	8.25%	5.50%	—	1.26%	1.16%
Class C ² (9/28/16)	NAV	2.85%	11.42%	11.42%	8.53%	15.30%	8.72%	8.40%	—	1.00%	1.96%	1.86%
	POP	1.85%	10.42%	10.42%	8.53%	15.30%	8.72%	8.40%	—	1.00%	1.96%	1.86%
Russell 2000 Index ³		3.34%	14.65%	14.65%	9.96%	14.12%	8.71%	—	—	—	—	—

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 Class C shares of the Fund were initially offered from 9/30/05 (inception) to 6/4/12, after which class C shares were terminated. The Fund re-commenced offering class C shares of the Fund on 10/3/16. Performance shown between 9/30/05 - 6/4/12 represents the C-share performance net of the original fund fees of 1.95%. Performance shown between 6/5/12 - 3/31/16 represents I-share performance adjusted to reflect the original net fees of 1.95%. Performance between 4/1/15 - 10/2/16 reflect expense caps that were lowered across share all classes, and represents I-share performance adjusted to reflect the reduced C-share expense cap of 1.85%. Performance after 10/2/16 represents C-share performance net of current fund expenses.

3 The Russell 2000 Index, an unmanaged index of companies widely representative of small-capitalization companies based on market capitalization, 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)

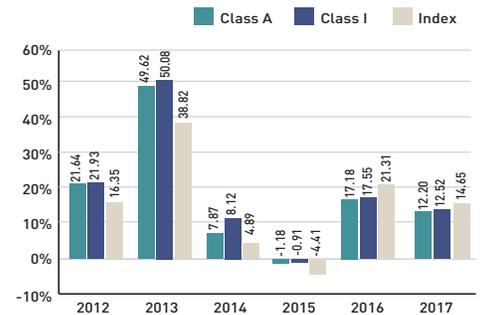
Number of Securities ⁴ 121	P/E 12 Month ⁵ 23.8	Alpha ⁷ 1.36%
Total Fund Net Assets \$492.1M	Turnover 12 Month (5/31/17) 81.91%	Beta ⁸ 0.80
Average Market Cap \$3,127M	Standard Deviation ⁶ 11.78%	Sharpe Ratio ⁹ 0.77

SECTOR WEIGHTINGS ¹⁰

	Multi-Factor Small Cap Core Fund	Russell 2000 Index ³	Variance
Financials	16.86%	17.77%	-0.91%
Information Technology	15.62%	16.64%	-1.02%
Health Care	14.54%	15.34%	-0.80%
Industrials	14.02%	15.35%	-1.33%
Consumer Discretionary	12.72%	12.57%	0.15%
Materials	8.57%	4.55%	4.02%
Real Estate	5.72%	6.70%	-0.98%
Energy	3.99%	4.00%	-0.01%
Utilities	3.89%	3.55%	0.34%
Consumer Staples	2.19%	2.77%	-0.58%
Telecom	1.88%	0.77%	1.11%

10 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



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

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

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

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

8 Quantitative measure of the volatility of a fund relative to the Russell 2000 Index³.

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

TOP TEN HOLDINGS ¹⁰

CHURCHILL DOWNS INC	1.87%
CANTEL MEDICAL CORP	1.74%
BRIGHT HORIZONS FAMILY SOLUTIONS INC	1.55%
PRA HEALTH SCIENCES INC	1.54%
MOOG INC	1.46%
TAYLOR MORRISON HOME CORP	1.38%
DANA INC	1.37%
TRINET GROUP INC	1.28%
POTLATCH CORP	1.28%
SOUTH STATE CORP	1.25%

INVESTMENT STRATEGY

PNC Multi-Factor Small Cap Core Fund seeks capital appreciation by investing in common stocks of U.S. companies with market caps that approximate the benchmark and possess both value and growth characteristics.¹¹ Using an analytical process together with fundamental research methods, the Fund's managers rate the performance potential of companies and buy those stocks that they believe offer the best prospects for superior performance relative to the securities of comparable companies. Stock selection is based upon sound scientific evidence and three key drivers of future performance: valuation, fundamentals, and investor interest. In selecting securities, the Fund's managers integrate both growth and valuation considerations, focusing on companies with potential for above-average earnings, sales, and asset value growth. Additionally, the Fund's managers buy those securities considered to be attractively valued relative to the securities of comparable companies. Lastly, the team assesses a company's prospects for growth by reviewing and analyzing purchase candidates individually.

¹¹ 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 due to greater volatility and less liquidity. 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. 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.

OVERALL MORNINGSTAR 4 AND 5 STAR RATINGS



I SHARES

Out of 609 funds in the Small Growth category

3-Year Rating
3 stars out of 609 funds

5-Year Rating
4 stars out of 544 funds

10-Year Rating
4 stars out of 406 funds



A SHARES

3-Year Rating
3 stars out of 609 funds

5-Year Rating
4 stars out of 544 funds

10-Year Rating
4 stars out of 406 funds



Morningstar awarded the Multi-Factor Small Cap Core Fund a Bronze analyst rating on April 24, 2017.

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.

The Morningstar Analyst Rating is a subjective evaluation of risk-adjusted long-term performance based on process, performance, people, parent, and price. The rating does not reflect unknown risks and uncertainties, is not a credit or risk rating, is not a guarantee of any kind, and should not be used as the sole basis in evaluating a mutual fund. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative, the first three of which reflect an analyst's level of conviction in a fund's prospects for outperformance. Analyst Ratings are continuously monitored and reevaluated at least every 14 months. For details, go to global.morningstar.com/managerdisclosures/

The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause Analyst expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

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

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

LIPPER RANKINGS 50TH PERCENTILE OR BETTER

CATEGORY: LIPPER SMALL CAP CORE

	1 Year	3 Years	5 Years	10 Years
I SHARES				
% Rank in category	53%	46%	3%	21%
Rank in universe	537/1021	386/844	20/718	106/516
A SHARES				
% Rank in category	57%	53%	4%	28%
Rank in universe	574/1021	444/844	26/718	142/516

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.