

PNC Maryland Tax Exempt Bond Fund

Period ending 3/31/18

NASDAQ SYMBOLS

I Shares: PDITX

A Shares: PDATX

PNC Maryland Tax Exempt Bond Fund seeks to provide current income exempt from federal income tax and, to the extent possible, from Maryland personal income tax, in keeping with conservation of capital.

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 (6/2/92) | -1.54% | -1.54% | 1.27% | 1.20% | 1.48% | 2.99% | 4.06% | — | — | 0.73% | 0.53% |
| Class A | | | | | | | | | | | |
| NAV | -1.59% | -1.59% | 1.05% | 0.92% | 1.25% | 2.69% | 2.50% | 3.00% | — | 1.01% | 0.81% |
| POP | -4.52% | -4.52% | -1.97% | -0.11% | 0.62% | 2.38% | 2.30% | 3.00% | — | 1.01% | 0.81% |
| S&P Municipal Bond Intermediate Index² | | | | | | | | | | | |
| | -1.09% | -1.09% | 1.96% | 2.01% | 2.44% | 4.26% | — | — | — | — | — |

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 S&P Municipal Bond Intermediate Index, an unmanaged index, 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 3.00%. 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

| | | |
|-----------------------|---|---|
| Number of Securities | Effective Duration (Years) ³ | 30-day SEC Yield (sub./unsub.) ⁴ |
| 16 | 4.30 | 1.75%/1.32% |
| Total Fund Net Assets | Weighted Average Maturity (Years) | Average Credit Quality ⁵ |
| \$20.9M | 7.28 | AA/Aa2 |

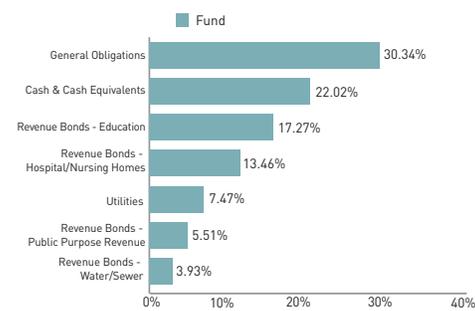
³ Measure of a bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change.

⁴ Yield shown is for I share class only. Other share class yields may differ. The 30-day SEC yield is calculated with a standardized formula mandated by the SEC. The formula is based on maximum offering price per share and includes the effect of any fee waivers. Without waivers, yields would be reduced. The 30-day unsubsidized SEC yield does not reflect waivers in effect. A fund's actual distribution rate will differ from the SEC yield and any income distributions from the fund may be higher or lower than the SEC yield.

⁵ Average of each bond's credit rating, adjusted for its relative weighting in the portfolio.

SECTOR WEIGHTINGS⁶

(Subject to Change)



⁶ Sector Weightings 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.

MOODY'S BOND RATINGS⁷

(Subject to Change)

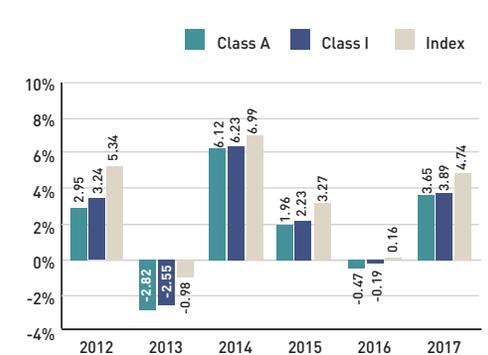
| | | | |
|--------------|--------|------------------|-------------|
| Aaa | 20.96% | Baa | 0.03% |
| Aa | 37.35% | Below Baa | — |
| A | 33.79% | NR* | 7.87% |
| Total | | | 100% |

| | |
|--------------------------------|---|
| Aaa Highest Quality | Baa Medium Grade |
| Aa High Quality | Below Baa Predominantly speculative, poor quality in increasing degrees |
| A Upper Medium Grade | NR* Not Rated |

* While certain of the Fund's securities may be Not Rated by Moody's, they may be rated by additional NRSRO's.

⁷ A credit rating is a current opinion of the credit-worthiness of an obligor with respect to a financial obligation. It takes into consideration the credit-worthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. Bond ratings are subject to change.

CALENDAR YEAR TOTAL NAV RETURNS



INVESTMENT STRATEGY

PNC Maryland Tax Exempt Bond Fund is managed through a team-driven, top-down process utilizing active state selection and strategy, with extensive credit research and portfolio analysis to mitigate risk. The Fund seeks to provide current income exempt from federal income tax and, to the extent possible, from Maryland personal income tax, in keeping with conservation of capital while seeking to conserve capital by investing in investment-grade — or unrated securities of equal caliber- debt securities issued by the state of Maryland, its political subdivisions, agencies, or instrumentalities.

INVESTMENT RISKS

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 bond fund prices may decline as interest rates rise. For some investors, income may be subject to state and/or local taxes, and certain investors may be subject to the Federal Alternative Minimum Tax (AMT). This Fund is non-diversified, which means that it may invest in securities of relatively few issuers. As a result, the Fund may be more susceptible than a diversified fund to a single adverse economic or political and regulatory occurrence affecting one or more issuers. Economic or political changes may impact the ability of municipal issuers to repay principal and interest payments on securities of the Fund, which may adversely impact the Fund's shares. Additionally, the Fund may be subject to call risk, which is the risk of a bond being called prior to maturity. The Fund may also be subject to prepayment risk, the risk that the principal of a fixed income security that is held by the Fund may be prepaid prior to maturity, potentially forcing the Fund to reinvest that money at a lower interest rate.

On February 22, 2018, the Board of Trustees of PNC Funds approved plans of liquidation for the Fund. The liquidation of the Fund is expected to take place on or about June 8, 2018 (the "Liquidation Date"). Effective after the close of business on May 8, 2018, the Fund's shares will no longer be available for purchase by new investors.

In anticipation of the liquidation, the investment adviser may manage in a manner intended to facilitate its orderly liquidation and the Fund's portfolio may be reduced to cash, cash equivalents, or other short-term investments on or prior to the Liquidation Date. As a result, during this time, all or a portion of the Fund may not be invested in a manner consistent with the stated investment strategies, which may prevent the Fund from achieving its investment objective.

On November 30, 2017, the Board of Trustees of PNC Funds approved the conversion of Class C shares of PNC Maryland Tax Exempt Bond Fund to Class A shares of the same Fund. The conversion of this share class took place on January 8, 2018.

MANAGEMENT TEAM**Adam Mackey**

Managing Director, Municipal Fixed Income
22 years industry experience
Managed fund since: 2007

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.