



DECEMBER 31, 2018

MANAGED BY PACIFIC LIFE FUND ADVISORS LLC

| Class A | | Class C | | Advisor Class | | Class R | |
|---------|-------------|---------|-------------|---------------|-------------|---------|-------------|
| Ticker | Fund Number | Ticker | Fund Number | Ticker | Fund Number | Ticker | Fund Number |
| POAAX | 141 | POACX | 341 | PLCDX | 041 | POARX | 541 |

Fund Overview

Investment Goal: The Fund seeks current income and preservation of capital.

Investment Strategy: The Fund is a fund-of-funds that seeks to achieve its investment goal by investing in other funds of the Trust (underlying funds). Under normal market conditions, the Fund's exposure to the two broad asset classes of debt and equity are expected to be within the following ranges: 70–85% debt and 15–30% equity. Within the broad asset classes of debt and equity are narrower asset-class categories. The Fund invests in underlying funds to gain exposure to these broad asset classes and narrower asset-class categories.

Why Portfolio Optimization Funds

One-Step Diversification

Each Portfolio Optimization Fund is diversified among multiple asset classes, providing you with a core asset-allocation solution to help meet your financial goals.

A Dedicated Team that Manages Multi-Asset Class Solutions

Pacific Life Fund Advisors' investment approach uses three fundamental disciplines:

- Asset allocation
- Manager research
- Investment risk management

Investment Management

Portfolio Managers

Howard T. Hirakawa, CFA

24 years of investment experience

Carleton J. Muench, CFA

20 years of investment experience

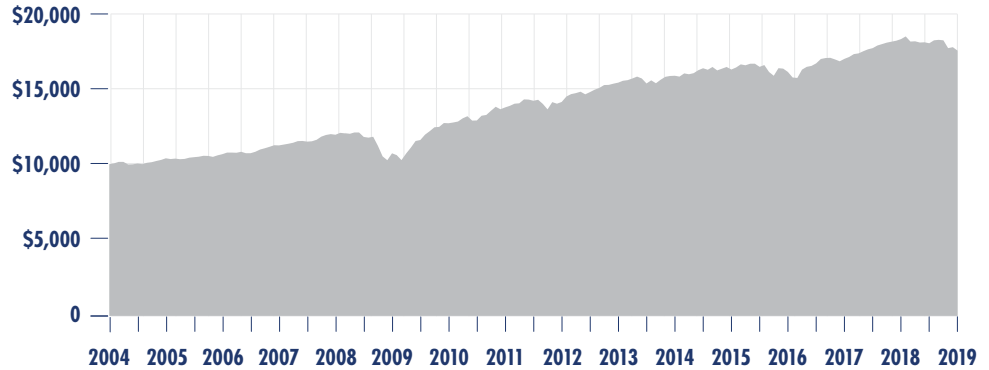
Max Gokhman, CFA

12 years of investment experience

Samuel S. Park

19 years of investment experience

Growth of a Hypothetical \$10,000 Investment—Class A at NAV



| | Total Returns (%) | | Annualized Total Returns (%) | | | |
|--|-------------------|--------|------------------------------|--------|---------|-------------------------------|
| | YTD | 1-Year | 3-Year | 5-Year | 10-Year | Since Fund Inception 12/31/03 |
| Class A—NAV | -4.17 | -4.17 | 2.83 | 2.01 | 5.02 | 3.79 |
| Class A—MOP | -9.44 | -9.44 | 0.92 | 0.87 | 4.42 | 3.41 |
| Bloomberg Barclays U.S. Aggregate Bond Index ¹ | 0.01 | 0.01 | 2.06 | 2.52 | 3.48 | 3.87 |
| S&P 500 [®] index ² | -4.38 | -4.38 | 9.26 | 8.49 | 13.12 | 7.77 |
| ICE BofA Merrill Lynch U.S. 3-Month Treasury Bill Index ³ | 1.87 | 1.87 | 1.02 | 0.63 | 0.37 | 1.32 |
| MSCI EAFE Index ⁴ | -13.79 | -13.79 | 2.87 | 0.53 | 6.32 | 4.74 |

Calendar Year-End Returns (%)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------|-------|--------|-------|-------|-------|-------|-------|-------|--------|
| Class A—NAV | 18.49 | 8.23 | 2.62 | 9.03 | 2.96 | 2.60 | -0.98 | 5.25 | 7.79 | -4.17 |
| Class A—MOP | 11.92 | 2.28 | -3.03 | 3.03 | -2.69 | -3.02 | -6.41 | -0.51 | 1.82 | -9.44 |
| Bloomberg Barclays U.S. Aggregate Bond Index ¹ | 5.93 | 6.54 | 7.84 | 4.21 | -2.02 | 5.97 | 0.55 | 2.65 | 3.54 | 0.01 |
| S&P 500 [®] index ² | 26.46 | 15.06 | 2.11 | 16.00 | 32.39 | 13.69 | 1.38 | 11.96 | 21.83 | -4.38 |
| ICE BofA Merrill Lynch U.S. 3-Month Treasury Bill Index ³ | 0.21 | 0.13 | 0.10 | 0.11 | 0.07 | 0.03 | 0.05 | 0.33 | 0.86 | 1.87 |
| MSCI EAFE Index ⁴ | 31.78 | 7.75 | -12.14 | 17.32 | 22.78 | -4.90 | -0.81 | 1.00 | 25.03 | -13.79 |

Returns reflect reinvestment of dividends and distributions. Returns shown at net asset value (NAV) would have been lower if a sales charge had been deducted. Class A share returns shown at maximum offering price (MOP) reflect an up-front maximum 5.50% sales charge. Index inception dates existed prior to 12/31/03. Growth of \$10,000 returns are shown at NAV and do not include sales charges. Performance for other share classes may differ.

¹Composed of investment-grade U.S. government and corporate bonds, mortgage pass-through securities, and asset-backed securities. ²A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the U.S. stock market. ³Comprised of a single issue purchased at the beginning of the month and held for a full month. ⁴Measures the performance of developed stock markets in Europe, Australasia, and the Far East.

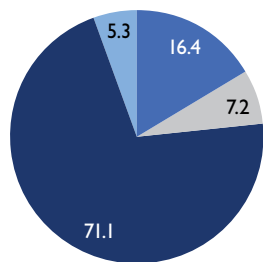
Indexes are unmanaged and cannot be invested in directly. Further, they hold no cash and incur no expenses.

For performance data current to the most recent month-end, call Pacific Funds at (800) 722-2333, option 2, or go to PacificFunds.com/Performance. Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the performance quoted. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than the original cost.

PACIFIC FUNDS PORTFOLIO OPTIMIZATION CONSERVATIVE

DECEMBER 31, 2018

Broad Asset-Class Allocations (%)



- Domestic Equity
- International Equity
- Fixed Income
- Alternatives

Asset Allocation (%)

| Asset Class | Allocation (%) |
|-----------------------------|----------------|
| DOMESTIC EQUITY | 16.4 |
| Large-Cap Growth | 4.4 |
| Large-Cap Value | 5.9 |
| Mid-Cap Growth | 1.9 |
| Mid-Cap Value | 2.2 |
| Small-Cap Growth | 0.5 |
| Small-Cap Value | 0.5 |
| Real Estate | 1.0 |
| INTERNATIONAL EQUITY | 7.2 |
| Large-Cap International | 4.7 |
| Small-Cap International | 1.0 |
| Emerging-Markets Equity | 1.6 |
| FIXED INCOME | 71.1 |
| Short-Term Bond | 16.2 |
| Inflation-Protected Bond | 6.7 |
| Core Bond | 36.9 |
| Floating-Rate Loan | 3.0 |
| High-Yield Bond | 3.3 |
| Emerging-Markets Debt | 5.0 |
| ALTERNATIVES | 5.3 |
| Total | 100.0 |

| | Annual Fund Operating Expenses (%) | |
|---------------|------------------------------------|------|
| | Gross | Net |
| Class A | 1.34 | 1.26 |
| Class C | 2.09 | 2.01 |
| Advisor Class | 1.09 | 1.01 |
| Class R | 1.59 | 1.51 |

The Fund's annual operating expenses shown above are effective 8/1/18 through 7/31/19. **Gross Expense Ratio** reflects the total annual operating expenses paid by the Fund. **Net Expense Ratio** reflects waivers, reductions, reimbursements, and the limitation of certain "Other Expenses." Expense caps and/or fee waivers are reevaluated annually. There is no guarantee that the investment adviser will continue to cap expenses after the expiration date. Please see the current prospectus for detailed information.

| Fund Characteristics | |
|-------------------------------------|---------|
| Annual Turnover Ratio ¹ | 30% |
| Total Net Assets (\$M) ² | \$254.3 |

¹Calculated as of 3/31/18 fiscal year-end. ²Net assets of the entire Fund, including all share classes.

Top-10 Holdings

| Fund Name | Fund Manager | Allocation (%) |
|--|--------------------------------|----------------|
| PF Managed Bond Fund | PIMCO/Western Asset | 35.2 |
| PF Short Duration Bond Fund | T. Rowe Price | 16.5 |
| PF Multi-Asset Fund | Pacific Life Fund Advisors LLC | 15.8 |
| PF Inflation Managed Fund | PIMCO | 6.9 |
| PF Emerging Markets Debt Fund | Ashmore | 5.2 |
| Pacific Funds SM High Income | Pacific Asset Management | 3.2 |
| Pacific Funds SM Floating Rate Income | Pacific Asset Management | 2.9 |
| Pacific Funds SM Core Income | Pacific Asset Management | 2.8 |
| PF Global Absolute Return Fund | Eaton Vance | 1.8 |
| PF Currency Strategies Fund | UBS AM | 1.8 |

About Risk: There is no guarantee the Fund will achieve its investment goal. Asset allocation and diversification do not guarantee future results, ensure a profit or protect against loss. Although diversification among asset classes can help reduce volatility over the long term, this assumes that asset classes do not move in tandem and that positive returns in one or more asset classes will help offset negative returns in other asset classes. There is a risk that you could achieve better returns by investing in an individual fund or multiple funds representing a single asset class rather than using asset allocation. A fund-of-funds does not guarantee gains, may incur losses and/or experience volatility, particularly during periods of broad market declines, and is subject to its own expenses along with the expenses of the underlying funds. It is typically exposed to the same risks as the underlying funds in which it invests in proportion to their allocations.

Pacific Life Insurance Company is the administrator for Pacific Funds. It is not a fiduciary and therefore does not give advice or make recommendations regarding insurance or investment products.

You should consider a fund's investment goal, risks, charges, and expenses carefully before investing. The prospectus and/or the applicable summary prospectus contain this and other information about the Fund and are available from your financial advisor or PacificFunds.com. The prospectus and/or summary prospectus should be read carefully before investing.

All share classes may not be available at all firms, and not all investors may be eligible for all share classes.

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Pacific Life Fund Advisors LLC (PLFA), a wholly owned subsidiary of Pacific Life Insurance Company, is the investment adviser to the Pacific Funds. PLFA also does business under the name Pacific Asset Management and manages certain funds under that name.

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