



DECEMBER 31, 2018

MANAGED BY PACIFIC ASSET MANAGEMENT

**Class A****Class C****Advisor Class**Ticker  
PLFLXFund Number  
110Ticker  
PLBCXFund Number  
310Ticker  
PLFDXFund Number  
010

### Fund Overview

**Investment Goal:** The Fund seeks a high level of current income.

**Investment Strategy:** The Fund invests principally in income-producing floating-rate loans and floating-rate debt securities.

Under normal circumstances, the Fund invests at least 80% of its assets in floating-rate loans and floating-rate debt securities. Floating-rate loans and floating-rate debt securities are those with interest rates that float, adjust, or vary periodically based on a benchmark indicator, a specified adjustment schedule, or prevailing interest rates. Floating-rate loans and floating-rate debt securities in which the Fund invests consist of senior secured and unsecured floating-rate loans, secured and unsecured second lien floating-rate loans, and floating-rate debt securities of domestic and foreign issuers. Senior floating-rate loans and some floating-rate debt securities are debt instruments that may have a right to payment that is senior to most other debts of the borrowers.

### Investment Management

**Portfolio Manager**

Pacific Asset Management

**J.P. Leasure**

Senior Managing Director  
22 years of investment experience

**Michael Marzouk, CFA**

Managing Director  
21 years of investment experience

**Investment Adviser**

Pacific Life Fund Advisors LLC

**Morningstar Rating<sup>™</sup> as of 12/31/18**

Overall Rating out of 213 Bank Loan funds based on risk-adjusted returns



Advisor Class

### Pacific Funds Floating Rate Income is a mutual fund:

- **Designed for Income:** Constructed to seek steady streams of higher income.
- **Built for Portfolio Diversification:** Floating-rate loans may complement a traditional fixed-income portfolio.
- **Based on Experience:** A portfolio management team that specializes in fixed-income asset management based on a foundation of corporate credit research.

### Fund Snapshot

Pacific Funds Floating Rate Income invests primarily in floating-rate loans of non-investment-grade companies. These investments can serve as both an income driver and a hedge against rising interest rates.

Floating-rate loans, also known as senior bank loans, are variable-rate loans made by financial institutions to companies that are generally considered to have low credit quality. Borrowers enter into these loans to raise capital. In exchange for investing with these companies, holders typically receive higher levels of income.

	Total Returns (%)			Annualized Total Returns (%)		
	3-Month	YTD	1-Year	3-Year	5-Year	Since Fund Inception 6/30/11
Class A—NAV <sup>1</sup>	-3.37	0.11	0.11	4.18	2.61	3.91
Class A—MOP <sup>1</sup>	-6.24	-2.88	-2.88	3.13	2.00	3.49
Class C—NAV <sup>1</sup>	-3.55	-0.59	-0.59	3.45	1.85	3.16
Class C—MOP <sup>1</sup>	-4.50	-1.55	-1.55	3.45	1.85	3.16
Advisor Class <sup>2</sup>	-3.39	0.36	0.36	4.43	2.86	4.12
Credit Suisse Leveraged Loan Index <sup>3</sup>	-3.08	1.14	1.14	5.03	3.33	4.11

Calendar Year-End Returns (%)	2012	2013	2014	2015	2016	2017	2018
Class A—NAV <sup>1</sup>	10.53	5.88	0.04	0.55	8.60	4.03	0.11
Class A—MOP <sup>1</sup>	7.25	2.69	-2.92	-2.46	5.34	0.93	-2.88
Class C—NAV <sup>1</sup>	9.77	5.17	-0.68	-0.30	7.80	3.32	-0.59
Class C—MOP <sup>1</sup>	8.77	4.17	-1.64	-1.27	6.80	2.32	-1.55
Advisor Class <sup>2</sup>	10.49	6.22	0.30	0.80	8.84	4.27	0.36
Credit Suisse Leveraged Loan Index <sup>3</sup>	9.43	6.15	2.06	-0.38	9.88	4.25	1.14

Returns reflect reinvestment of dividends and distributions.

<sup>1</sup>Class A and C shares inception on 12/30/11. Class A shares at maximum offering price (MOP) reflect the deduction of an up-front 3.00% sales load. Class C shares at MOP reflect the deduction of a 1.00% contingent deferred sales charge (CDSC).

<sup>2</sup>Advisor Class shares inception on 6/29/12. Performance shown prior to these dates is hypothetical and is that of Class I shares (6/30/11 inception date), restated to reflect applicable service and/or 12b-1 fees. Advisor Class shares are sold at net asset value (NAV) without an initial sales charge and do not include a CDSC. Performance reflects any applicable fee waivers and expense reimbursements. If a sales charge had been deducted, the results would have been lower. <sup>3</sup>Credit Suisse Leveraged Loan Index is an index of U.S. dollar-denominated leveraged loan market securities. The total return is equal to the change in price plus the coupon return.

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

Morningstar calculates a Morningstar Rating<sup>™</sup> based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of funds in each category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. Morningstar Ratings for other share classes may have different performance characteristics. © 2019 Morningstar Investment Management, LLC. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. The Fund's Advisor Class shares also received a five-year rating of four stars out of 196 funds and three-year rating of four stars out of 213 funds. For Overall, three-, five-, and ten-year (if applicable) Morningstar Ratings for other share classes, visit PacificFunds.com/Performance.

# PACIFIC FUNDS FLOATING RATE INCOME

DECEMBER 31, 2018

Asset Allocation (%)		Maturity Schedule (%)	
Floating-Rate Loans	92.65	Less than 1 year	5.17
High-Yield Bonds	2.58	1–3 years	4.94
Investment-Grade Corporate Bonds	0.00	3–5 years	19.61
Cash	4.77	5–7 years	64.21
		7–10 years	6.07

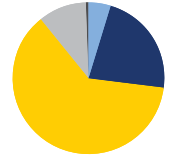
Top-10 Industries (%)			
Media/Telecom	9.94	Information Technology	8.50
Food/Tobacco	9.80	Manufacturing	6.55
Service	9.80	Retail	5.46
Healthcare	8.89	Forest Prod/Containers	4.77
Financial	8.78	Gaming/Leisure	4.74

Top-10 Holdings	Maturity	Weight (%)
Sprint Communications, Inc	2/2/24	1.67
Pisces Midco Inc	4/14/25	1.53
Caesars Resort Collection, LLC	12/23/24	1.50
1011778 B.C. Unlimited Liability Company	2/16/24	1.48
Envision Healthcare Corporation	10/10/25	1.42
Bass Pro Group, LLC	9/25/24	1.36
DAE Aviation Holdings, Inc.	7/7/22	1.33
NVA Holdings, Inc.	2/2/25	1.31
NFP Corp.	1/8/24	1.28
AlixPartners, LLP	4/4/24	1.28
<b>Total</b>		<b>14.15</b>

	Advisor Class
<b>30-Day SEC Yield<sup>2</sup></b>	<b>5.07%</b>

Without fee waivers and expense reimbursements, the 30-Day SEC Yield is 4.78%.

Credit Quality Allocation (%)			
BBB and Above	4.77	CCC and Below	10.18
BB	22.33	N/R	0.39
B	62.32		



Pacific Asset Management (PAM) provides credit-quality ratings, which are received on underlying securities of the Fund from major rating agencies—S&P®, Moody's, and/or Fitch. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). When the rating agencies rate a security differently, PAM uses the higher rating. Below investment grade is represented by a rating of BB and below. PAM converts all ratings to the equivalent S&P major rating category for purposes of the category shown. Ratings and portfolio credit quality may change over time.

Distributions (Advisor Class)	Per Share Amount (\$)	Characteristics
October 2018	0.0435	Duration (Years) 0.29
November 2018	0.0447	Weighted Average Maturity 5.23
December 2018	0.0491	Weighted Average Floating-Rate Loan Price 95.35
		Number of Issues 147

Shareholders of record of the fund for less than the entire month will be paid a portion of the distribution.

Fund Information	Class A	Class C	Advisor Class
Inception Date	12/30/11	12/30/11	6/29/12
Minimum Initial/Subsequent Investment	\$1,000/\$50	\$1,000/\$50	None <sup>1</sup>
Sales Load/Maximum Sales Charge (%)	Front-End/3.00	CDSC/1.00	None
Gross/Net Expense Ratio (%)	1.29/1.02	2.04/1.72	1.04/0.77
Distributions	Dividends Declared Daily and Paid Monthly/Annual Capital Gains		

**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." The investment adviser has agreed to waive a portion of its management fee subject to net assets under management through 7/31/2019 (waiver is 0.025% on net assets above \$1 billion through \$2 billion). 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.

<sup>1</sup>Contact your financial advisor. <sup>2</sup>The 30-Day SEC Yield represents the net investment income earned over the 30-day period ending on the above date and includes any fee waivers and expense reimbursements. It is an annualized rate calculated under a methodology prescribed by the Securities and Exchange Commission (SEC). Yields for other share classes will vary.

**About Risk:** All investing involves risks including the possible loss of the principal amount invested. There is no guarantee the Fund will achieve its investment goal. Debt securities with longer durations or fixed interest rates tend to be more sensitive to changes in interest rates, making them generally more volatile than debt securities with shorter durations or floating or adjustable interest rates. The Fund is subject to liquidity risk (the risk that an investment may be difficult to purchase and sell within a reasonable amount of time at approximately the price the Fund has valued the investment) and credit risk (the risk an issuer may be unable or unwilling to meet its financial obligations, risking default). Floating-rate loans (usually rated below investment grade) and high-yield/high-risk bonds ("junk bonds") have greater risk of default than higher-rated securities/higher-quality bonds that may have a lower yield. Interest rates and bond prices have an inverse relationship. The Fund is also subject to foreign-markets risk.

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.**

**Duration** is often used to measure a bond's or fund's sensitivity to interest rates. The longer a fund's duration, the more sensitive it is to interest-rate risk. The shorter a fund's duration, the less sensitive it is to interest-rate risk. **Maturity** of a debt instrument, however, refers to the specific period of time until final payment (principal and any applicable interest) is due. Pacific Funds and Pacific Asset Management (PAM) are registered service marks of Pacific Life Insurance Company ("Pacific Life"). S&P is a registered trademark of Standard & Poor's Financial Services LLC. All third party trademarks referenced by Pacific Life, such as S&P, belong to their respective owners. References of third party trademarks do not indicate or signify any relationship, sponsorship or endorsement between Pacific Life and the owners of referenced trademarks.

Pacific Life Fund Advisors LLC (PLFA), a wholly owned subsidiary of Pacific Life, 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.

Mutual funds are offered by Pacific Funds. Pacific Funds are distributed by **Pacific Select Distributors, LLC** (member FINRA & SIPC), a subsidiary of Pacific Life Insurance Company (Newport Beach, CA), and are available through licensed third parties. Pacific Funds refers to Pacific Funds Series Trust.

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