



# PACIFIC FUNDS

## WHY DIVERSIFY? MARKET PERFORMANCE IS UNPREDICTABLE.

When you invest in a diversified fund that invests across major asset classes and styles, it can help weather the market's ups and downs, while reducing your exposure to risk.

Diversification is based on the premise that different types of investments, or asset classes, generally react differently to various market events. Attempting to predict or time these events with precision is difficult. By strategically diversifying among a broad array of asset classes, you can help to smooth out the impact of market volatility on your portfolio's overall return. This is demonstrated by the total returns of the diversified portfolio (indicated in dark blue) in the chart below. Diversification does 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.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Higher	Fixed Income 11.63	Fixed Income 8.44	Fixed Income 10.26	Mid-Cap Blend 45.51	Foreign Stock 20.25	Foreign Stock 13.54	Foreign Stock 26.34	Large-Cap Growth 11.81	Fixed Income 5.24	Large-Cap Growth 37.21	Mid-Cap Blend 26.71	Fixed Income 7.84	Mid-Cap Blend 17.88	Mid-Cap Blend 36.80	Large-Cap Value 13.45	Large-Cap Growth 5.67	Mid-Cap Blend 17.59	Large-Cap Growth 30.21	Cash 1.87	Large-Cap Growth 36.39
	Large-Cap Value 7.01	Cash 4.42	Cash 1.78	Foreign Stock 38.59	Mid-Cap Blend 18.29	Mid-Cap Blend 8.11	Large-Cap Value 22.25	Foreign Stock 11.17	Cash 2.06	Mid-Cap Blend 34.39	Large-Cap Growth 16.71	Large-Cap Growth 2.64	Large-Cap Value 17.51	Large-Cap Growth 33.48	Large-Cap Blend 13.24	Large-Cap Blend 0.92	Large-Cap Value 17.34	Foreign Stock 25.03	Fixed Income 0.01	Large-Cap Blend 31.43
	Cash 6.18	Mid-Cap Blend 1.22	Diversified Portfolio -12.69	Large-Cap Value 30.03	Large-Cap Value 16.49	Large-Cap Value 7.05	Mid-Cap Blend 16.17	Fixed Income 6.97	Diversified Portfolio -28.06	Foreign Stock 31.78	Large-Cap Value 16.10	Large-Cap Value 1.50	Foreign Stock 17.32	Large-Cap Blend 33.11	Large-Cap Growth 13.05	Fixed Income 0.55	Large-Cap Blend 12.05	Large-Cap Blend 21.69	Large-Cap Growth -1.51	Diversified Portfolio 30.53
Total Returns %	Mid-Cap Blend 4.27	Large-Cap Value -5.59	Large-Cap Value -15.52	Large-Cap Blend 29.89	Large-Cap Blend 11.40	Diversified Portfolio 6.63	Large-Cap Blend 15.46	Diversified Portfolio 6.07	Mid-Cap Blend -36.79	Large-Cap Blend 28.43	Large-Cap Value 15.51	Large-Cap Value 0.39	Large-Cap Blend 16.42	Large-Cap Value 32.53	Mid-Cap Blend 7.07	Diversified Portfolio 0.13	Diversified Portfolio 8.32	Mid-Cap Blend 16.81	Large-Cap Blend -4.78	Mid-Cap Blend 27.77
	Diversified Portfolio -2.14	Diversified Portfolio -6.53	Foreign Stock -15.94	Large-Cap Growth 29.75	Diversified Portfolio 11.13	Large-Cap Blend 6.27	Diversified Portfolio 13.93	Large-Cap Blend 5.77	Large-Cap Value -36.85	Diversified Portfolio 22.54	Diversified Portfolio 13.08	Cash 0.10	Large-Cap Growth 15.26	Foreign Stock 22.78	Diversified Portfolio 6.79	Cash 0.05	Large-Cap Growth 7.08	Diversified Portfolio 15.63	Diversified Portfolio -5.21	Large-Cap Value 26.54
	Large-Cap Blend -7.79	Large-Cap Blend -12.45	Mid-Cap Blend -17.80	Diversified Portfolio 24.90	Large-Cap Growth 6.30	Large-Cap Growth 5.26	Large-Cap Growth 9.07	Cash 5.03	Large-Cap Blend -37.60	Large-Cap Value 19.69	Foreign Stock 7.75	Diversified Portfolio -0.10	Diversified Portfolio 12.70	Diversified Portfolio 21.59	Fixed Income 5.97	Foreign Stock -0.81	Fixed Income 2.65	Large-Cap Value 13.66	Large-Cap Value -8.27	Foreign Stock 22.01
	Foreign Stock -14.17	Large-Cap Growth -20.42	Large-Cap Blend -21.65	Fixed Income 4.10	Fixed Income 4.34	Cash 3.06	Cash 4.83	Mid-Cap Blend 1.38	Large-Cap Growth -38.44	Fixed Income 5.93	Fixed Income 6.54	Mid-Cap Blend -2.51	Fixed Income 4.21	Cash 0.07	Cash 0.03	Mid-Cap Blend -2.90	Foreign Stock 1.00	Fixed Income 3.54	Mid-Cap Blend -10.00	Fixed Income 8.72
Lower	Large-Cap Growth -22.42	Foreign Stock -21.44	Large-Cap Growth -27.88	Cash 1.15	Cash 1.33	Fixed Income 2.43	Fixed Income 4.33	Large-Cap Value -0.17	Foreign Stock -43.38	Cash 0.21	Cash 0.13	Foreign Stock -12.14	Cash 0.11	Fixed Income -2.02	Foreign Stock -4.90	Large-Cap Value -3.83	Cash 0.33	Cash 0.86	Foreign Stock -13.79	Cash 2.28

Source: Morningstar®, Inc. 2020. Returns assume dividends and capital gains are reinvested and do not include any managerial expenses. **The performance data herein represents past performance which does not guarantee future returns.** The **Large-Cap Growth** category is represented by the Russell 1000® Growth Index. The **Large-Cap Value** category is represented by the Russell 1000® Value Index. The **Large-Cap Blend** category is represented by the Russell 1000® Index. These three indexes measure the performance of the growth and value styles of investing in large-cap U.S. stocks and are constructed to provide a comprehensive and unbiased barometer of the large-cap market. The **Mid-Cap Blend** category is represented by the Russell 2500™ Index, which measures the performance of both growth and value styles of investing in mid-cap U.S. stocks and is constructed to provide a comprehensive and unbiased barometer for the small- to mid-cap segment. The **Foreign Stock** category is represented by the MSCI EAFE Index (Morgan Stanley Capital International), which measures the performance of developed stock markets in Europe, Australasia, and the Far East. The **Fixed Income** category is represented by the Bloomberg Barclays U.S. Aggregate Bond Index, which includes U.S. government, corporate, and mortgage-backed securities, and maturities up to 30 years. The **Cash** category is represented by the ICE BoA Merrill Lynch U.S. 3-Month Treasury Bill Index (T-bill). The **Diversified Portfolio** is represented by an equal portion of the previously listed indexes. **Index performance is not illustrative of the performance of the Portfolio Optimization Funds. For performance on the Portfolio Optimization Funds, visit PacificFunds.com/Performance.** Indexes are unmanaged and cannot be invested in directly. Further, they hold no cash and incur no expenses.

No bank guarantee • May lose value • Not FDIC insured

### Funds Holdings (%)

as of 9/30/20

	Conservative	Moderate-Conservative	Moderate	Growth	Aggressive-Growth
<b>Class A</b>	POAAX	POBAX	POCAX	PODAX	POEAX
<b>Class C</b>	POACX	POBCX	POMCX	PODCX	POCEX
<b>Advisor Class</b>	PLCDX	PMCDX	POMDX	PMADX	POEDX

MANAGER/FUND NAME	Conservative	Moderate-Conservative	Moderate	Growth	Aggressive-Growth
<b>AB</b> PF Small-Cap Value Fund	0.6	0.5	1.0	1.5	2.4
<b>Ashmore</b> PF Emerging Markets Debt Fund	3.9	4.2	3.4	3.1	0.8
<b>ClearBridge</b> PF Large-Cap Value Fund	2.2	6.3	7.7	7.2	8.5
<b>Invesco</b> PF Emerging Markets Fund	2.2	4.3	4.1	5.4	5.7
<b>Lord Abbett</b> PF Developing Growth Fund	0.7	0.7	0.6	1.2	1.7
<b>MFS</b> PF Growth Fund	1.3	4.0	7.8	8.8	15.2
<b>MFS</b> PF International Large-Cap Fund	–	0.9	1.4	2.2	3.6
<b>Pacific Asset Management LLC</b> Pacific Funds <sup>SM</sup> Core Income	2.4	2.2	1.4	0.7	0.1
<b>Pacific Asset Management LLC</b> Pacific Funds <sup>SM</sup> Floating Rate Income	–	–	0.4	–	–
<b>Pacific Asset Management LLC</b> Pacific Funds <sup>SM</sup> High Income	8.3	8.4	5.2	3.1	0.9
<b>Pacific Life Fund Advisors LLC</b> PF Multi-Asset Fund	15.8	23.6	37.1	48.9	50.8
<b>PIMCO</b> PF Inflation Managed Fund	5.2	1.8	0.4	–	–
<b>PIMCO/Western Asset</b> PF Managed Bond Fund	35.6	29.7	20.7	10.8	2.8
<b>Principal REI</b> PF Real Estate Fund	0.5	1.0	1.0	1.9	2.3
<b>QS Investors</b> PF International Small-Cap Fund	0.6	0.6	1.1	1.6	2.1
<b>T. Rowe Price</b> PF Short Duration Bond Fund	20.6	11.1	6.0	1.9	1.0
<b>Wellington</b> PF International Value Fund	–	0.8	0.6	1.7	2.1

Pacific Funds<sup>SM</sup> offers five Portfolio Optimization Funds, allowing you, working together with your financial advisor, to match the appropriate fund to your financial objectives, risk tolerance level, and time horizon. Each fund is structured as a fund-of-funds (a mutual fund that invests in other mutual funds) that has been diversified to achieve a specific target-risk level using a strategic mix of multiple asset classes.

For more information, contact your financial advisor, or visit [PacificFunds.com](http://PacificFunds.com).

All investing involves risk including the possible loss of the amount of the principal amount invested. 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.*

**Investors 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. 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.

**Total allocation percentages may not equal 100% due to rounding or omissions of holdings less than 1%. The prospectuses for the underlying funds are available at [PacificFunds.com](http://PacificFunds.com).**

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