

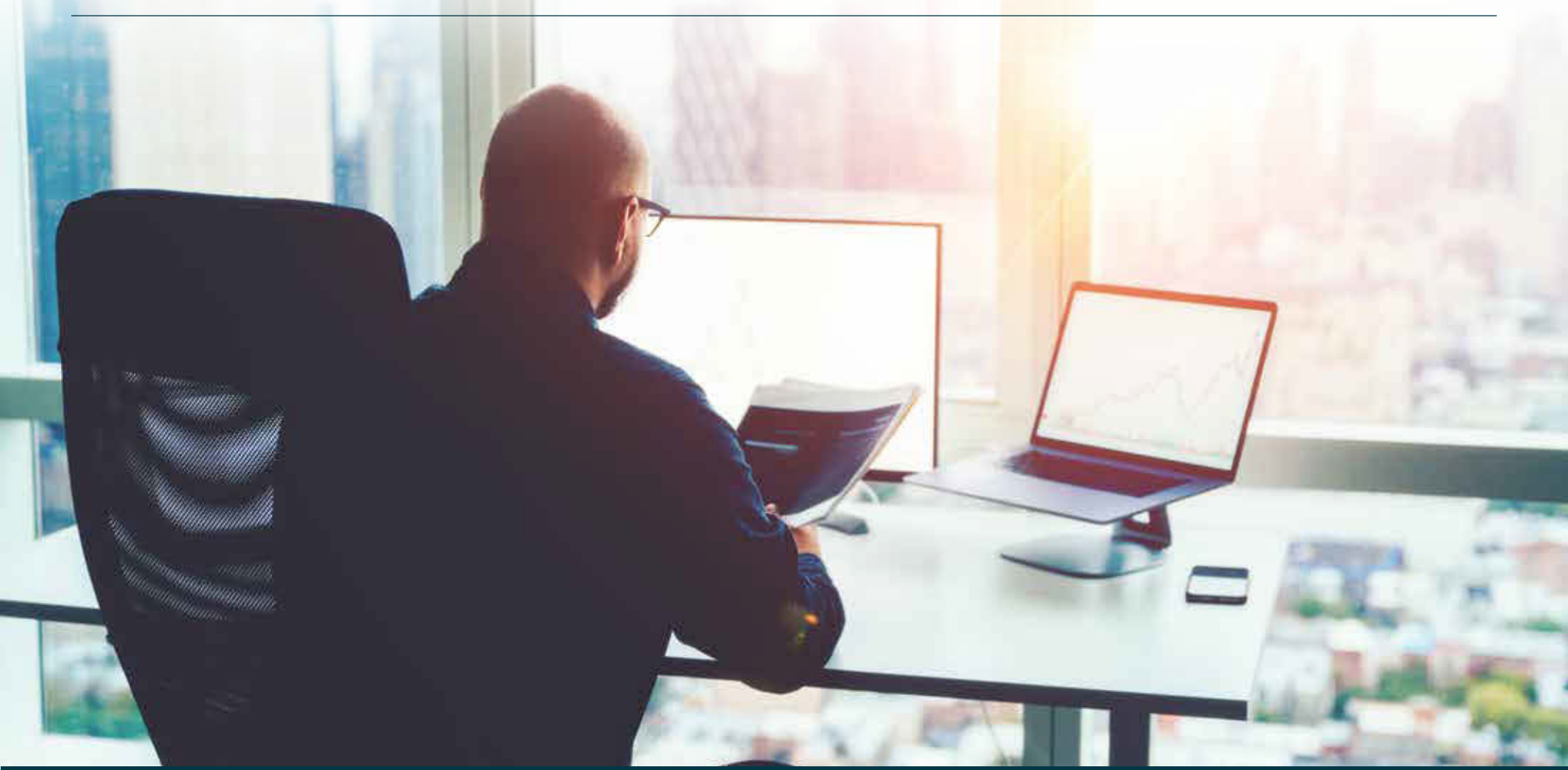
# DIVERSIFYING YOUR APPROACH WITH VOLATILITY CONTROL INDEXED ACCOUNTS

Based in part on the BlackRock Endura® Index



**PACIFIC LIFE**

Pacific Life Insurance Company



# A Dynamic Pairing For Supplemental Retirement Income Potential

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To help policyowners diversify their indexed account choices, Pacific Life Insurance Company has licensed the Blackrock Endura® Index<sup>1</sup> for use in its volatility control indexed accounts, available in select indexed universal life (IUL) insurance products.

Pacific Life is a Fortune 500 company with more than 150 years of history helping millions of individuals and families with their financial needs through a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals, businesses, and pension plans.

BlackRock is one of the world's leading providers of investment, advisory and risk management solutions.<sup>2</sup> Their purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, they help millions of people build savings that serve them throughout their lives by making investing easier and more affordable.

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<sup>1</sup> The BlackRock iBLD Endura® VC 5.5 ER Index is referred to as the BlackRock Endura® Index for ease of reference. The BlackRock Endura® Index is an excess total return index, so dividends are reinvested in the index calculations. While this Index tracks the impact of dividends which affect the Segment Indexed Interest, you cannot purchase, directly participate in or receive any dividend payments from the Index through the Policy.

<sup>2</sup> Source: Pensions & Investments, The Largest Money Managers, pionline.com, December 31, 2021.

# The Basics

In addition to death benefit protection, Pacific Life indexed universal life (IUL) insurance allows you to allocate your premiums and policy cash values among indexed accounts and a fixed account to help mitigate downside risk while still offering growth potential. Indexed accounts credit interest based in part on the performance of underlying stock market indexes, whereas the fixed account credits a rate that is periodically declared by the insurer.

## What Is the BlackRock Endura® Index?

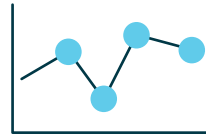
The BlackRock iBLD Endura® VC5.5 Index (the “Endura”) seeks to provide the potential for more consistent returns than a traditional stock index and may help reduce losses during declining markets with the use of daily volatility controls to help mitigate downside risk. The daily volatility controls determine an allocation among two iShares® exchange-traded funds (ETFs) comprised mainly of equities and short-term U.S. Treasury bonds. For more information, see page 4.

## FEATURES OF INDEXED UNIVERSAL LIFE INSURANCE



### Death Benefit Protection

Protect your family and assets with a tax-free<sup>3</sup> death benefit.



### Index-Based Performance

Indexed accounts credit interest based in part on the performance of major indexes.<sup>4</sup>



### Guaranteed Floors

Your policy's cash value is protected from index-based losses and is reduced only by policy charges and any policy distributions you take.

<sup>3</sup> For federal income tax purposes, life insurance death benefits generally pay income tax-free to beneficiaries pursuant to IRC Sec. 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC Sec. 101(a)(2)(i.e. the transfer-for-value rule); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC Sec. 101(j).

<sup>4</sup> Indexed accounts do not directly participate in any stock or equity investment. Indexed accounts based in part on the performance of the S&P 500® index exclude dividends in their calculation.

# A Volatility Control Index With a Simple, Strategic, and Steady Approach

## Simple

The BlackRock Endura® Index uses daily volatility controls to determine a blend of two iShares® ETFs and tracks the return of those ETFs above the return on cash. Dividends are reinvested in the index calculation.

### INDEX COMPONENTS: TWO ISHARES® ETFS

iShares Edge MSCI USA Min Vol Factor ETF (USMV)

iShares 1-3 Yr Treasury Bond ETF (SHY)

### WHAT IS AN EXCHANGE TRADED FUND (ETF)?

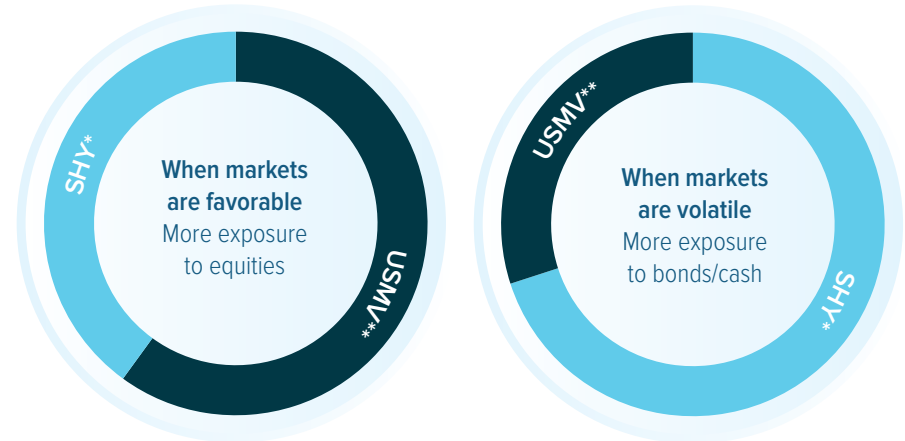
ETFs are collections of securities that can be traded on centralized exchanges just like stocks.

## Strategic

When market signals indicate certain asset classes are in favor, Endura uses special rules to allocate more toward favorable assets and less toward unfavorable assets. These allocations occur daily.

### BLACKROCK ENDURA® INDEX

*Diversified blend of assets that seek to provide long-term growth while managing volatility risk*

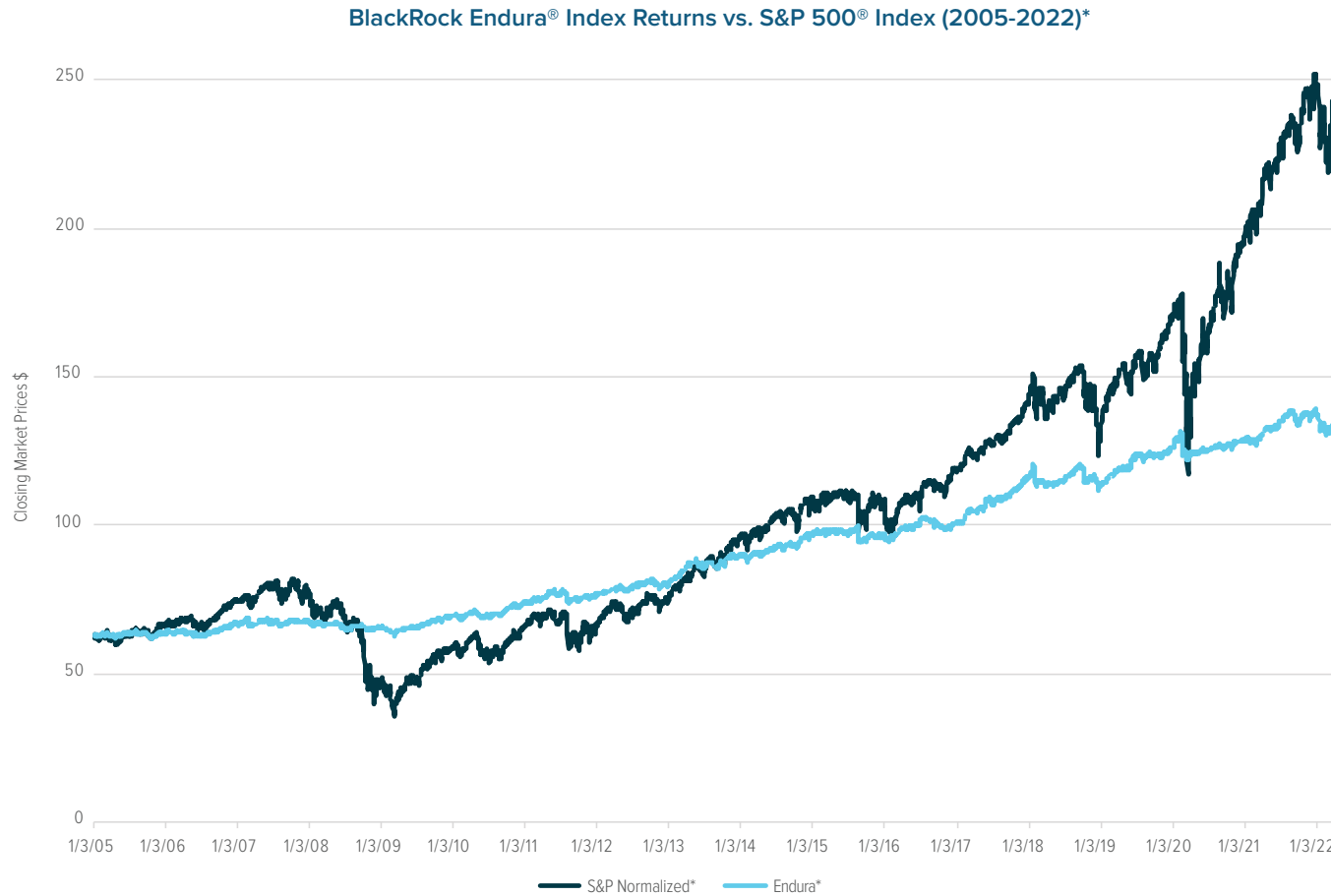


\* iShares 1-3 Year Treasury Bond ETF (SHY)

\*\* iShares MSCI USA Min Vol ETF (USMV)

## Steady

The BlackRock Endura® Index seeks less volatile, more consistent returns than a traditional index, like the S&P 500® Index, by nimbly responding to market volatility.



\* Assumptions: The above chart shows the historical performance of the BlackRock Endura® Index against a normalized version of the S&P 500® Index. These indices are tracking performance from January 2005 to January 2022 relative to their closing prices and plotted in consecutive order. S&P Normalized represents the movement of the S&P 500® Index relative to Endura by tracking the day-to-day changes in the S&P 500 performance and then multiplying those percentages by the closing price of Endura. This results in a graph that tracks the S&P 500 daily performance changes, but at pricing levels relative to Endura for a more fair comparison. Closing price data provided by BlackRock and Bloomberg.

# Helping Find Performance in Everchanging Markets

Certain IUL products from Pacific Life offer volatility control indexed accounts (VCIA) that credit interest based in part on the performance of the BlackRock Endura® Index over each one-year segment. Both accounts offer uncapped growth potential and limit index-based losses to a 0% guaranteed floor.

Account <sup>5</sup>	Maximum Effective Interest Crediting Rate	How Interest Is Credited
<b>1-Year High Par Volatility Control Indexed Account (VCIA)</b> (1 Year Indexed Account 11)	No Growth Cap Guaranteed	Credits 145% (25% guaranteed minimum)* of BlackRock Endura® Index performance over the 1-year segment term. Limits indexed-based losses to a 0% guaranteed floor.**
<b>1-Year Volatility Control Indexed Account (VCIA)</b> (1 Year Indexed Account 10)	No Growth Cap Guaranteed	Credits 135% (20% guaranteed minimum)* of BlackRock Endura® Index performance over 1-year segment term. Limits indexed-based losses to 0% guaranteed floor.** Additionally, credits 0.35% current (0.01% guaranteed) account benefit at the end of the segment term. <sup>6</sup>

\* Refers to participation rate or the percentage of the index growth rate that would be credited to the policy.

\*\* Floor refers to the minimum indexed crediting rate.



5 VCIA's displayed are available with the Horizon suite of products. Pacific Horizon IUL 2022 (Form series P21IUL or ICC21 P21IUL and S22NGI or ICC22 S22NGI); Pacific Horizon ECV IUL (Form series P21IUL or ICC21 P21IUL and S22ECV or ICC22 S22ECV); Pacific Horizon Survivorship IUL (Form series P15SIL or ICC15 P15SIL and S22SHZN or ICC22 S22SHZN).

6 Eligible Account Benefit Rider, Form # R21EAB varies based on state of policy issue.

## Annualized Hypothetical Historical Performance

Comparing the accounts historically since Pacific Life's introduction to IUL in 2005.

Period Ending*	BlackRock Endura® Index	1-Yr VCIA	1-Yr High Par VCIA
2006	4.79%	6.47%	6.95%
2007	0.30%	0.41%	0.44%
2008	-2.89%	0.00%	0.00%
2009	6.10%	8.24%	8.85%
2010	6.06%	8.18%	8.79%
2011	3.12%	4.21%	4.52%
2012	5.38%	7.26%	7.80%
2013	10.99%	14.84%	15.94%
2014	7.18%	9.69%	10.41%
2015	0.93%	1.26%	1.35%
2016	4.26%	5.75%	6.18%
2017	14.88%	20.09%	21.58%
2018	0.23%	0.31%	0.33%
2019	8.52%	11.50%	12.35%
2020	2.27%	3.06%	3.29%
2021	7.08%	9.56%	10.27%
<b>CAGR</b>	<b>4.86%</b>	<b>6.79%</b>	<b>7.29%</b>

*BlackRock Endura® Index was not offered until June 2016, so some of the rates shown are not representative of the actual performance. Information prior to that date is the result of hypothetical lookback based on historical data provided by BlackRock. The 1-Yr VCIA and the 1-Yr High Par VCIA were not offered until Sept 2021 and Oct 2022, respectively. The actual historical growth caps, participation rates, and floors of these indexed accounts, had they been available, over the period analyzed might have been higher or lower than assumed, and likely would have fluctuated with market conditions, subject to product and indexed account guarantees.*

*Parameters for the VCIA's are noted on the previous page. See page 6 for details.*

CAGR = compound annual growth rate

\* 1-year periods starting December 15 and ending December 15

## Benefit of a VCIA Strategy Within an IUL Policy

One benefit of allocating to volatility control index accounts that credit rates based in part on the performance of the BlackRock Endura® Index is the ability to minimize downside risk, reducing losses during market downturns, while still capitalizing on some gains during a rising market. Past performance is no guarantee of future results.

Even in years where the index may experience losses, hypothetically your policy's cash value would have been protected from all indexed-based losses by adopting this crediting strategy due to the product's 0% guaranteed crediting floor. Note that policy charges will still reduce your policy's cash surrender value.

***For more information about the indexed accounts available in your policy, contact your financial professional.<sup>7</sup>***

<sup>7</sup> In order to sell life insurance, a financial professional must be a properly licensed and appointed life insurance producer.



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## **PACIFIC LIFE**

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Indexed universal life insurance does not directly participate any stock or equity investments.

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Life insurance is subject to underwriting and approval of the application and will incur monthly policy charges. In general, additional premium is required to continue coverage of the policy. Policy may lapse if premium is insufficient to continue coverage.

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