

# PSF Value

Available through Pacific Life Variable Annuity Products  
 Benchmark: Russell 1000 Value TR USD

**Overall Morningstar Rating™**  
**★★**

**Morningstar Return**  
 Below Average

**Morningstar Risk**  
 Above Average

Out of 7397 Large Value VA subaccounts. **An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.**

**Investment Strategy** from underlying investment's prospectus  
 The investment seeks long-term growth of capital.

The fund invests at least 80% of its assets in common stock. The sub-advisor focuses primarily on large-capitalization companies, emphasizing a value style of investing. The sub-advisor considers a company to be a large-capitalization company if it is within the range of the fund's current benchmark index, the Russell 1000 Value Index, which measures the performance of the large-capitalization value segment of the U.S. equity universe.

**Category Description: Large Value**

Large-value portfolios invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

**Morningstar Proprietary Statistics** as of 12-31-20

|         | Fund Rank  | Morningstar | out of # of |
|---------|------------|-------------|-------------|
|         | Percentile | Rating      | Investments |
| YTD     | 97         | —           | 7775        |
| 1 Year  | 97         | —           | 7775        |
| 3 Year  | 97         | ★           | 7397        |
| 5 Year  | 92         | ★           | 6525        |
| 10 Year | 81         | ★★          | 4230        |

**Operations**

|                      |   |
|----------------------|---|
| Subaccount Incp Date | 10-02-00  |
| Management Company   | Pacific Life Fund Advisors LLC (PLFA)   |
| Subadvisor           | American Century Investment Management, Inc   |
| Portfolio Manager(s) | Brian Woglom. Since 2020.<br>Philip Sundell. Since 2020.<br>Phillip Davidson. Since 2020. |

**Morningstar Sustainability**

**Morningstar Sustainability Rating** as of 11-30-20



Below Average

**Global Category**

Out of 1,447 US Equity Large Cap Value investments analyzed

**Historical % Rank in Global Category**

88

**Historical Sustainability Score** as of 12-31-20

26 based on 99% of AUM

**Sustainability Mandate**

No

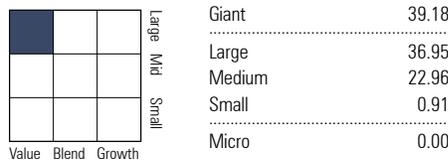
The Morningstar Sustainability Score is based on company-level analysis from Sustainalytics. See disclosure for details.

**Portfolio Analysis**

**Composition** as of 12-31-20



**Morningstar Equity Style Box™** as of 12-31-20



**Morningstar Sectors** as of 12-31-20

| Sector                 | % Fund |
|------------------------|--------|
| Cyclical               | 26.90  |
| Basic Materials        | 1.57   |
| Consumer Cyclical      | 2.54   |
| Financial Services     | 21.11  |
| Real Estate            | 1.68   |
| Sensitive              | 33.40  |
| Communication Services | 5.22   |
| Energy                 | 4.55   |
| Industrials            | 14.00  |
| Technology             | 9.63   |
| Defensive              | 39.70  |
| Consumer Defensive     | 13.49  |
| Healthcare             | 20.69  |
| Utilities              | 5.52   |

**Top Holdings** as of 12-31-20

| Company                            | % Assets |
|------------------------------------|----------|
| Johnson & Johnson                  | 4.77     |
| Medtronic PLC                      | 4.71     |
| Berkshire Hathaway Inc Class B     | 4.56     |
| Emerson Electric Co                | 3.85     |
| Verizon Communications Inc         | 3.34     |
| Bank of New York Mellon Corp       | 3.14     |
| Unilever PLC ADR                   | 2.92     |
| Cisco Systems Inc                  | 2.85     |
| JPMorgan Chase & Co                | 2.67     |
| Chubb Ltd                          | 2.20     |
| PepsiCo Inc                        | 2.07     |
| Mondelez International Inc Class A | 2.04     |
| Chevron Corp                       | 2.00     |
| Johnson Controls International PLC | 1.85     |
| Siemens AG                         | 1.74     |

|                                |        |
|--------------------------------|--------|
| Total Number of Stock Holdings | 64     |
| Total Number of Bond Holdings  | 0      |
| Annual Turnover Ratio %        | 31.00  |
| Tax Cost Ratio 3 Yr            | 0.00   |
| Total Fund Assets (\$mil)      | 789.86 |

| Statistics        | Port Avg  | Rel S&P 500 | Rel Cat |
|-------------------|-----------|-------------|---------|
| P/E Ratio         | 17.34     | 0.77        | 1.07    |
| P/B Ratio         | 2.18      | 0.59        | 1.14    |
| P/C Ratio         | 12.05     | 0.80        | 1.28    |
| GeoAvgCap (\$mil) | 84,261.38 | 0.48        | 1.25    |

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**Morningstar Return**

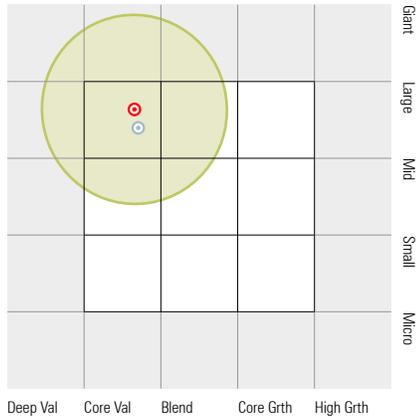
Below Average

**Morningstar Risk**

Above Average

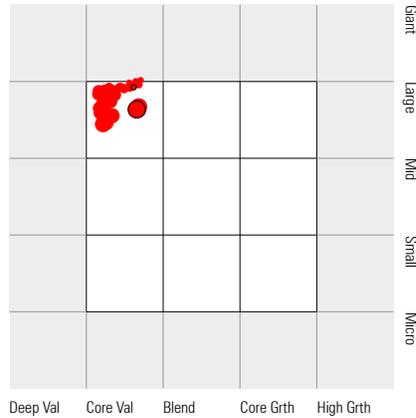
## Style Orientation

Equity Style Ownership Zone as of 12-31-20



Investment Benchmark

Equity Style Trail as of 12-31-20



12-31-2017 12-31-2020

Value Measures as of 12-31-20

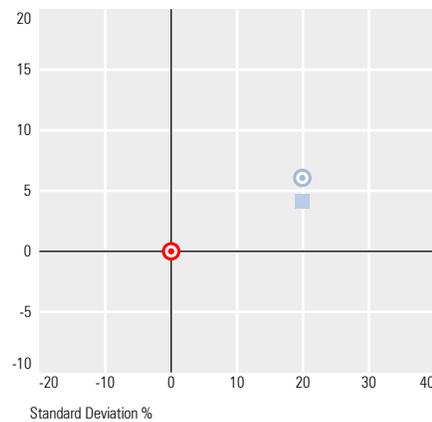
|                                   | Equities | Cat Avg  |
|-----------------------------------|----------|----------|
| Price/Prospective Earnings Ratio  | 17.34    | 16.19    |
| Price/Prospective Book Ratio      | 2.18     | 1.91     |
| Price/Prospective Sales Ratio     | 1.80     | 1.49     |
| Price/Prospective Cash Flow Ratio | 12.05    | 9.43     |
| Avg Mkt Cap (\$mil)               | 84261.38 | 67166.03 |

Growth Measures as of 12-31-20

|                       | Equities | Cat Avg |
|-----------------------|----------|---------|
| Long-Term Earnings %  | 6.34     | 7.66    |
| Book Value %          | 4.83     | 5.21    |
| Sales %               | 4.96     | 5.99    |
| Cash Flow %           | 7.80     | 7.01    |
| Historical Earnings % | 10.39    | 8.62    |

## Risk Evaluation as of 12-31-20

### Total Return



Investment Benchmark Category Average

Risk Measures as of 12-31-20

|                    | 3-Year | 5-Year | 10-Year |
|--------------------|--------|--------|---------|
| Standard Deviation | 22.35  | 18.75  | 16.22   |
| Sharpe Ratio       | 0.02   | 0.34   | 0.48    |
| Information Ratio  | -2.15  | -1.34  | -1.20   |
| R-squared          | 96.96  | 95.19  | 95.57   |
| Beta               | 1.11   | 1.12   | 1.11    |
| Alpha              | -6.60  | -4.35  | -3.79   |

### Volatility Analysis



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

### Best 3 Month Return

30.24%  
(Mar '09 - May '09)

### Worst 3 Month Return

-32.15%  
(Jan '20 - Mar '20)

## Notes

*Pacific Life is a product provider. It is not a fiduciary and therefore does not give advice or make recommendations regarding insurance or investment products.*

Variable annuities are long-term investments designed for retirement. The value of the variable investment options will fluctuate so that shares, when redeemed, may be worth more or less than the original cost. Annuity withdrawals and other distributions of taxable amounts, including death benefit payouts, will be subject to ordinary income tax. For nonqualified contracts, an additional tax of 3.8% may apply on net investment income. If withdrawals and other distributions are taken prior to age 59 1/2, an additional 10% federal tax may apply. A withdrawal charge also may apply. Withdrawals will reduce the contract value and the value of the death benefits, and also may reduce the value of any optional benefits.

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**This material must be preceded or accompanied by the product prospectus. Contact your financial professional or visit PacificLife.com for more information, including product and underlying fund prospectuses that contain more complete information about Pacific Life and a variable annuity's risks, charges, limitations, and expenses, as well as the risks, charges, expenses, and investment goals of the underlying investment options. Read them carefully before investing.**

This page must be accompanied by all disclosure pages.

# Disclosure

Pacific Life Insurance Company contracts Morningstar Inc., for a fee, as a third-party advisor to produce this fact sheet. In this capacity, Morningstar independently provides analysis on the underlying investment options for Pacific Life. Pacific Life and its affiliates have not independently verified this information.

The Morningstar Fact Sheet is provided to help you further evaluate the investment options available within Pacific Life variable annuities. This information (including Morningstar Rating) does not reflect expenses and charges that are, or may be, imposed under your variable annuity contract. For information on these charges, please refer to the applicable variable annuity contract or variable annuity prospectus. Morningstar chooses the applicable benchmark for each portfolio. This index may differ from the benchmark index or the indices in the underlying prospectuses. The index is an unmanaged portfolio of specified securities and the index does not reflect any initial or ongoing expenses. Indexes cannot be invested in directly. See the underlying prospectuses for more information on benchmarks and definitions.

Pacific Life Fund Advisors LLC (PLFA), a wholly owned subsidiary of Pacific Life Insurance Company, is the investment adviser to the Pacific Select Fund (PSF). PLFA directly manages certain PSF funds-of-funds. For PSF investment options, the information presented is about sub-accounts funded by corresponding Pacific Select Fund portfolios. Pacific Select Fund is an underlying investment vehicle to Pacific Life variable products.

American Century Investment Services, Inc., American Funds Distributors, Inc., BlackRock Distributors, Inc., Fidelity Distributors Corporation, First Trust Portfolios, L.P., Franklin Templeton Distributors, Inc., Invesco Distributors, Inc., Ivy Distributors, Inc., Janus Henderson Distributors LLC, JPMorgan Distribution Services, Inc., Legg Mason Investor Services, LLC, Lord Abbett Distributor LLC, MFS Fund Distributors, Inc., Neuberger Bergman Management LLC, PIMCO Investments LLC, State Street Global Markets, LLC, Van Eck Securities Corporation, and the products each distributes are not affiliated with Pacific Life or Pacific Select Distributors, LLC. Third-party trademarks and service marks are the property of their respective owners.

## Applicable to Russell Indexes

The Russell 2000 Index and Russell 2000 Value Index (together, the "Indexes") are calculated by Russell or its agent, are trademarks of Frank Russell Company ("Russell"), and have been licensed for use by Pacific Select Fund ("PSF"). Neither Russell nor the London Stock Exchange Group companies (together the "Licencor Parties") sponsor, endorse, sell or promote any portfolios of PSF, the content of this communication, or make any claim, prediction, warranty or representation whatsoever, expressly or implicitly, either as to (i) the results to be obtained from the use of the Indexes, or (ii) the suitability of the Indexes for the purpose to which they are being put. The Licencor Parties do not and will not provide any financial or investment advice or recommendation in relation to the Index to Pacific Select Fund or its clients. The Licencor Parties do not accept any liability to any person for

any errors or omissions in the Russell Indexes and are under no obligation to advise any person of any error therein.

## Morningstar Portfolio Analysis and Morningstar Sector Weightings

For individual sub-accounts, the purpose of these sections is to provide an analysis of the individual sub-account. Morningstar prepares this information based on publicly available holdings information. Generally, each underlying sub-account's holdings are for the prior month end; however, certain underlying sub-account's holdings are for the month ended one or two months prior.

## Benchmark Definition

Russell 1000 Value TR USD: The index measures the performance of the large-cap value segment of the US equity securities. It includes the Russell 1000 index companies with lower price-to-book ratios and lower expected growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

## Morningstar Rating™

The Morningstar Rating™ for funds, or "star rating", is calculated for funds and separate accounts with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics.

## Morningstar Return

The Morningstar Return rates a fund's performance relative to other managed products in its Morningstar Category. It is an assessment of a product's excess return over a risk-free rate (the return of the 90-day Treasury Bill) in comparison with the products in its Morningstar category. In each Morningstar category, the top 10% of products earn a High Morningstar Return (High), the next 22.5% Above Average (+Avg), the middle 35% Average (Avg), the next 22.5% Below Average (-Ave), and the bottom 10% Low (Low). Morningstar Return is measured for up to three time periods (three, five, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the product. Products with less than three years of performance history are not rated.

## Morningstar Risk

Morningstar Risk evaluates a fund's downside volatility

relative to that of other products in its Morningstar Category. It is an assessment of the variations in monthly returns, with an emphasis on downside variations, in comparison with the products in its Morningstar category. In each Morningstar category, the 10% of products with the lowest measured risk are described as Low Risk (Low), the next 22.5% Below Average (-Avg), the middle 35% Average (Avg), the next 22.5% Above Average (+Avg), and the top 10% High (High). Morningstar Risk is measured for up to three time periods (three, five, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the product. Products with less than three years of performance history are not rated.

## Morningstar Style Box™

The Morningstar Style Box reveals a portfolio's investment style. For equity portfolios, the vertical axis shows the market capitalization of the stocks owned. The horizontal axis shows investment style (value, blend, or growth).

## Sustainalytics

Sustainalytics is an independent environmental, social, and governance and corporate governance research, ratings, and analysis firm and is not an affiliated company of Morningstar, Inc. Sustainalytics provides ESG scores on companies, which are evaluated within global industry peer groups, and tracks and categorizes ESG-related controversial incidents on companies. Morningstar has licensed Sustainalytics' company-level ESG analytics for use in calculating ratings for managed products and indexes using Morningstar's portfolio holdings database.

## Morningstar Sustainability Rating™

The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their financially material environmental, social and governance, or ESG, risks relative to the fund's Morningstar Global Category peers. The Morningstar Sustainability Rating calculation is a five - step process. First, each fund with at least 67% of assets covered by a company-level ESG Risk Score from Sustainalytics receives a Morningstar Portfolio Sustainability Score. The Morningstar Portfolio Sustainability Score is an asset-weighted average of company-level ESG Risk Scores. The Portfolio Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk. Second, the Historical Sustainability Score is an exponential weighted moving average of the Portfolio Sustainability Scores over the past 12 months. The process rescales the current Portfolio Sustainability Score to reflect the consistency of the scores. The Historical Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk, on a consistent historical basis. Third, the Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Global Categories in which at least thirty (30) funds receive a Historical Sustainability Score and is determined by each fund's Morningstar Sustainability Rating

|                   |               |                |                       |  |
|-------------------|---------------|----------------|-----------------------|--|
| No bank guarantee | Not a deposit | May lose value | Not FDIC/NCUA insured | Not insured by federal government agency |
|-------------------|---------------|----------------|-----------------------|--|

# Disclosure

Score rank within the following distribution: • High (highest 10%) • Above Average (next 22.5%) • Average (next 35%) • Below Average (next 22.5%) and • Low (lowest 10%) Fourth, we apply a 1% rating buffer from the previous month to increase rating stability. This means a fund must move 1% beyond the rating breakpoint to change ratings. Fifth, we adjust downward positive Sustainability Ratings to funds with a with high ESG Risk scores. The logic is as follows: • If Portfolio Sustainability score is above 40, then the fund receives a Low Sustainability Rating • If Portfolio Sustainability score is above 35 and preliminary rating is Average or better, then the fund is downgraded to Below Average • If Portfolio Sustainability score is above 30 and preliminary rating is Above Average, then the fund is downgraded to Average • If Portfolio Sustainability score is below 30, then no adjustment is made. The Morningstar Sustainability Score is depicted by globe icons where High equals 5 globes and Low equals 1 globe. Since a Sustainability Rating is assigned to all funds that meet the above criteria, the rating it is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. The Portfolio Sustainability Score is calculated when Morningstar receives a new portfolio. Then, the Historical Sustainability Score and the Sustainability Rating is calculated one month and six business days after the reported as-of date of the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date. Please click on <http://corporate1.morningstar.com/SustainableInvesting/> for more detailed information about the Morningstar Sustainability Rating methodology and calculation frequency.

## Definitions

**Alpha** is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta.

**Beta** is a measure of a portfolio's sensitivity to market movements.

**Credit Analysis** on bond portfolios is based on Moody's ratings.

**Duration** is a time measure of a bond's interest-rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed-income securities within the portfolio.

**Equity Style Ownership Zone** The Morningstar Ownership ZoneSM provides a graphic and intuitive representation of the size and investment style of stocks in an equity portfolio. The Ownership Zone is derived by plotting each stock in the portfolio within the Morningstar Style Box. The Ownership Zone is the shaded area that represents 75% of the assets in the portfolio and indicates the level of concentration in the holdings. The "centroid" in the middle of the Ownership Zone represents the weighted average of all the holdings. The Ownership Zone helps investors differentiate between portfolios that may otherwise look similar. Investors can also use the Ownership Zone to construct diversified portfolios and model how multiple funds complement one other in a portfolio.

**Equity Style Trail** gives you a historical view of the movement of a portfolio over time in terms of equity style based on historical holding changes. Each dot represents a holding change provided by the Fund's management generally monthly, but no less than quarterly. This helps to clearly define the management of a portfolio over time and determine the consistency of that management.

**Information Ratio** is a risk-adjusted performance measure. The information ratio is a special version of the *Sharpe Ratio* in that the benchmark doesn't have to be the risk-free rate.

**Income Ratio** reveals the percentage of current income earned per share. The income ratio can be used as a gauge of how much of the total return comes from income.

**Price/Book (P/B) Ratio** is the weighted average of the price/book ratios of all the stocks in a portfolio.

**Price/Cash (P/C) Ratio** represents the weighted average of the price/cash-flow ratios of the stocks in a portfolio.

**Price/Earnings (P/E) Ratio** is a stock's current price divided by the company's trailing 12-month earnings per share.

**Geometric Average Cap** is the geometric mean of the market capitalization for all of the stocks the portfolio owned.

**Maturity** is the average effective maturity, which is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

**R-squared** reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark.

**Sharpe Ratio** is a risk-adjusted measure calculated by using standard deviation and excess return to determine reward per unit of risk.

**Standard Deviation** is a statistical measure of the volatility of the portfolio's returns.

**Subaccount Inception (Incp)** Date is when the investment option became part of the separate account.

**Volatility** is a statistical measure of the dispersion, the uncertainty of risk, of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security. The lower the volatility, the more steady the security.

**Weighted (Wtd) Coupon** is the average weighted coupon, which is generated from the portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

**Weighted (Wtd) Price** is the average weighted price, which is generated from the portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the portfolio favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

## Investment Risk

Each investment option has varying degrees of risk depending

on the investments and investment strategies used. See the applicable underlying fund prospectus for more complete information regarding investment risks.

**Active Management** The investment is actively managed and subject to the risk that the advisor's usage of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause the portfolio to lose value or under perform investments with similar objectives and strategies or the market in general.

**Derivatives** The use of forwards and future contracts, options and swaps agreements (each a type of derivative instrument) as a principal investment strategy subjects an investor to a number of risks, including: counter party risk, leverage risk, price volatility risk, regulatory risk, liquidity and valuation risk, correlation risk, premium risk and segregation risk. Derivatives may be riskier than other types of investments and may increase an investment's volatility and risk of loss.

**Equity Securities** The value of equity securities, which include common, preferred, and convertible preferred stocks, will fluctuate based on changes in their issuers' financial conditions, as well as overall market and economic conditions, and can decline in the event of deteriorating issuer, market, or economic conditions.

**Growth Investing** Growth securities may be subject to increased volatility as the value of these securities is highly sensitive to market fluctuations and future earnings expectations. These securities typically trade at higher multiples of current earnings than do other securities and may lose value if it appears their earnings expectations may not be met.

**Industry and Sector Investing** Concentrating assets in a particular industry, sector of the economy, or markets may increase volatility because the investment will be more susceptible to the impact of market, economic, regulatory, and other factors affecting that industry or sector compared with a more broadly diversified asset allocation.

**Issuer** A stake in any individual security is subject to the risk that the issuer of that security performs poorly, resulting in a decline in the security's value. Issuer-related declines may be caused by poor management decisions, competitive pressures, technological breakthroughs, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors. Additionally, certain issuers may be more sensitive to adverse issuer, political, regulatory, market, or economic developments.

**Large Cap** Concentrating assets in large-capitalization stocks may subject the portfolio to the risk that those stocks under perform other capitalizations or the market as a whole. Large-cap companies may be unable to respond as quickly as small- and mid cap companies can to new competitive pressures and may lack the growth potential of those securities. Historically, large-cap companies do not recover as quickly as

|                   |               |                |                       |  |
|-------------------|---------------|----------------|-----------------------|--|
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|-------------------|---------------|----------------|-----------------------|--|

# Disclosure

smaller companies do from market declines.

**Leverage** Leverage transactions may increase volatility and result in a significant loss of value if a transaction fails. Because leverage usually involves investment exposure that exceeds the initial investment, the resulting gain or loss from a relatively small change in an underlying indicator will be disproportionately magnified.

**Passive Management** A passively managed (or index) fund attempts to track the performance of an unmanaged index of securities. This differs from an actively managed fund, which generally seeks to outperform a benchmark index. As a result, an index fund generally holds constituent securities of its benchmark index regardless of the current or projected performance of the applicable security, industry or market sector, which could cause the index fund's return to be lower than if the fund were actively managed.

**Restricted/Illiquid Securities** Restricted and illiquid securities may fall in price because of an inability to sell the securities when desired. Investing in restricted securities may subject the portfolio to higher costs and liquidity risk.

**Market/Market Volatility** The market value of the portfolio's securities may fall rapidly or unpredictably because of changing economic, political, or market conditions, which may reduce the value of the portfolio.

**Mid-Cap** Concentrating assets in mid-capitalization stocks may subject the portfolio to the risk that those stocks underperform other capitalizations or the market as a whole. Mid-cap companies may be subject to increased liquidity risk compared with large-cap companies and may experience greater price volatility than do those securities because of more-limited product lines or financial resources, among other factors.

**Non-diversification** A non-diversified investment, as defined under the Investment Act of 1940, may have an increased potential for loss because its portfolio includes a relatively small number of investments. Movements in the prices of the individual assets may have a magnified effect on a non-diversified portfolio. Any sale of the investment's large positions could adversely affect stock prices if those positions represent a significant part of a company's outstanding stock.

**Small Cap** Concentrating assets in small-capitalization stocks may subject the portfolio to the risk that those stocks underperform other capitalizations or the market as a whole. Smaller, less-seasoned companies may be subject to increased liquidity risk compared with mid- and large-cap companies and may experience greater price volatility than do those securities because of limited product lines, management experience, market share, or financial resources, among other factors.

**Tracking error** Performance of an investment may vary, sometimes, substantially, from the performance of its benchmark index due to imperfect correlation between an investment and the index.

**Underlying Funds** Because the Fund may serve as an underlying fund of one or more "fund of funds" and thus have a significant percentage of its outstanding shares held by such fund of funds, a change in asset allocation by the fund of funds could result in a large redemption out of the Fund, causing potential increases in expenses to the Fund and sale of securities in a short time-frame, both of which could negatively impact performance.

**Value Investing** Value securities may be subject to the risk that these securities cannot overcome the adverse factors the advisor believes are responsible for their low price or that the market may not recognize their fundamental value as the advisor predicted. Value securities are not expected to experience significant earnings growth and may underperform growth stocks in certain markets.

Mailing addresses:

Pacific Life Insurance Company  
P.O. Box 2378 • Omaha, NE 68103-2378 • (800) 722-4448

Pacific Life & Annuity Company  
P.O. Box 2829 • Omaha, NE 68103-2829 • (800) 748-6907 •  
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|                   |               |                |                       |  |
|-------------------|---------------|----------------|-----------------------|--|
| No bank guarantee | Not a deposit | May lose value | Not FDIC/NCUA insured | Not insured by federal government agency |
|-------------------|---------------|----------------|-----------------------|--|