

YOUR GUIDE TO THE ENHANCED PERFORMANCE FACTOR RIDER

Available on Pacific Indexed Estate Preserver 3 (IPEP 3)¹ Policies

Indexed universal life insurance (IUL) offers death benefit protection and index-based interest crediting potential in the policy's cash value. IPEP 3 policies from Pacific Life Insurance Company feature an optional Enhanced Performance Factor Rider (EPFR)² available at policy issue that may increase your policy's indexed interest crediting potential on a nonguaranteed basis. This guide explains the basics of the EPFR, so you can decide whether it's right for you.

Why You May Want to Consider the EPFR

A Pacific Life IUL policy credits interest based in part on the performance of a stock market index, subject to a current growth cap (maximum interest crediting rate) and a guaranteed minimum interest rate (floor) of 0%, meaning your policy's accumulated value will never go down due to market losses. Note that monthly policy charges still apply and will reduce your accumulated value.

Choosing the EPFR at policy issue allows you to choose between three different rider designs: Classic, Performance, and Performance Plus. Each design has its own level of monthly rider charges and Performance Factors, as shown on page 2. The rider provides two primary benefits:

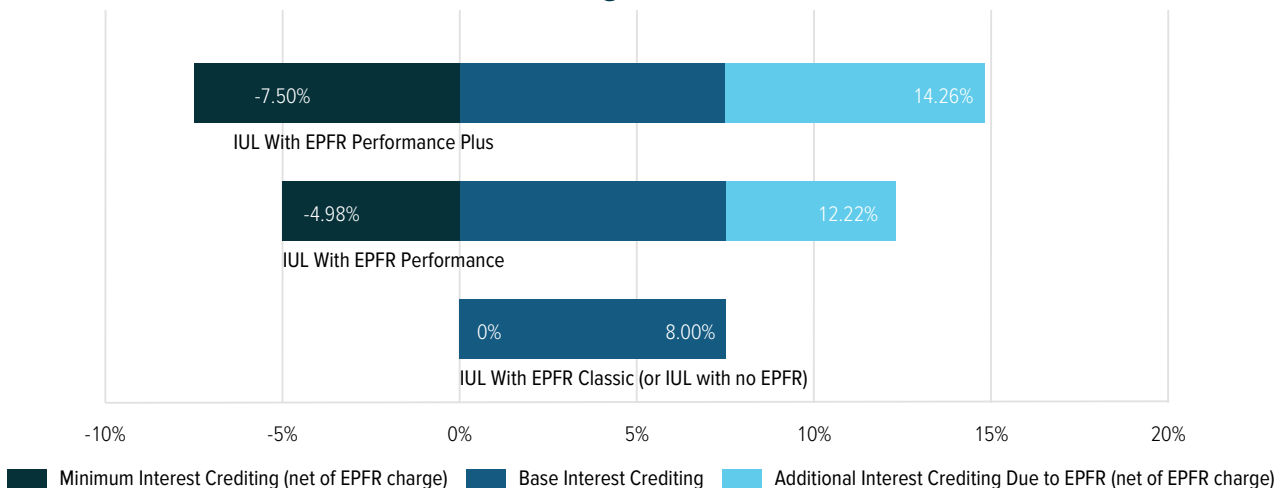
1) Greater Flexibility

By electing the rider at policy issue, you add flexibility to your policy. If your life insurance needs or risk profile changes, you can change your rider's design each year.

2) Greater Upside Potential

The EPFR provides a choice of three rider designs. Two of these designs offer additional cash value accumulation potential: Performance and Performance Plus. In exchange for a monthly charge, these designs offer greater potential performance and more risk in the form of higher charges as shown below. You may also choose Classic, which offers no additional potential performance and no extra monthly rider charges.

Potential Range of Performance:



IUL interest crediting potential based on hypothetical 1-Year Indexed Account with 100% guaranteed participation rate, 8.0% current growth cap (3% guaranteed), 0% guaranteed minimum rate (floor), and level segment balance. EPFR examples based on annualized guaranteed charges of 4.98% (Performance) and 7.5% (Performance Plus) and current Performance Factors of 2.15 for Performance (1.49 guaranteed minimum) and 2.72 for Performance Plus (1.72 guaranteed minimum) in Years 10-20. Performance Factors apply in all years, but are 1.0 in year 1, and are at their highest in years 10-20. Request a personalized illustration for details. This hypothetical example is not guaranteed and is no indicator of future performance.

1 Pacific Indexed Estate Preserver 3 (Policy Form #P15SIL and S19IEP3 or ICC15 P15SIL and ICC19 S19IEP3 based on state of policy issue).
2 Enhanced Performance Factor Rider (Form #R18EPF and S18EPF or ICC18 R18EPF and ICC18 S18EPF, based on state of policy issue). Riders will likely incur additional charges and are subject to availability, restrictions, and limitations. When considering a rider, request a policy illustration from your life insurance producer to see the rider's impact on your policy's values.



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How Does the Rider Work?

The EPFR must be selected at policy issue. It cannot be added after your policy has been issued. If you've elected the EPFR on your policy, you will choose one rider design—Classic, Performance, or Performance Plus—at policy issue. You can change rider design as frequently as yearly. Any changes will impact segments created after the effective date of the change.

The Classic rider design includes no additional boost to performance and no additional rider charge. In exchange for a monthly charge, Performance and Performance Plus provide a potential boost to your interest crediting rate in the form of a Performance Factor, beginning in policy year two, which multiplies your segment index interest credit.

The Performance Factor provides a potential boost to your policy's segment interest credit in exchange for a rider charge, as shown in the hypothetical example below using the Performance Plus EPFR design:

Hypothetical Index Performance	Segment Indexed Interest Credit		Segment Current Performance Factor		Total Segment Indexed Interest Credit		Annualized Rider Charge		Net Impact to Segment Value
8%	\$80.00	x	2.72	=	\$217.60	-	\$75.00	=	\$142.60
Subject to cap rate	8% x \$1,000*		Locked in for the segment term				7.50% X \$1,000 (Varies by EPFR design)		

Performance Factor varies by EPFR design and does not always result in positive credit.

*The average of all monthly segment balances over the Segment Term after any policy deductions, including the EPFR monthly charges, have been taken. In this example, we've assumed the average monthly segment balance was a level \$1000 for simplicity. See page 3 for example.

What Are the Rider Charges and Performance Factors?

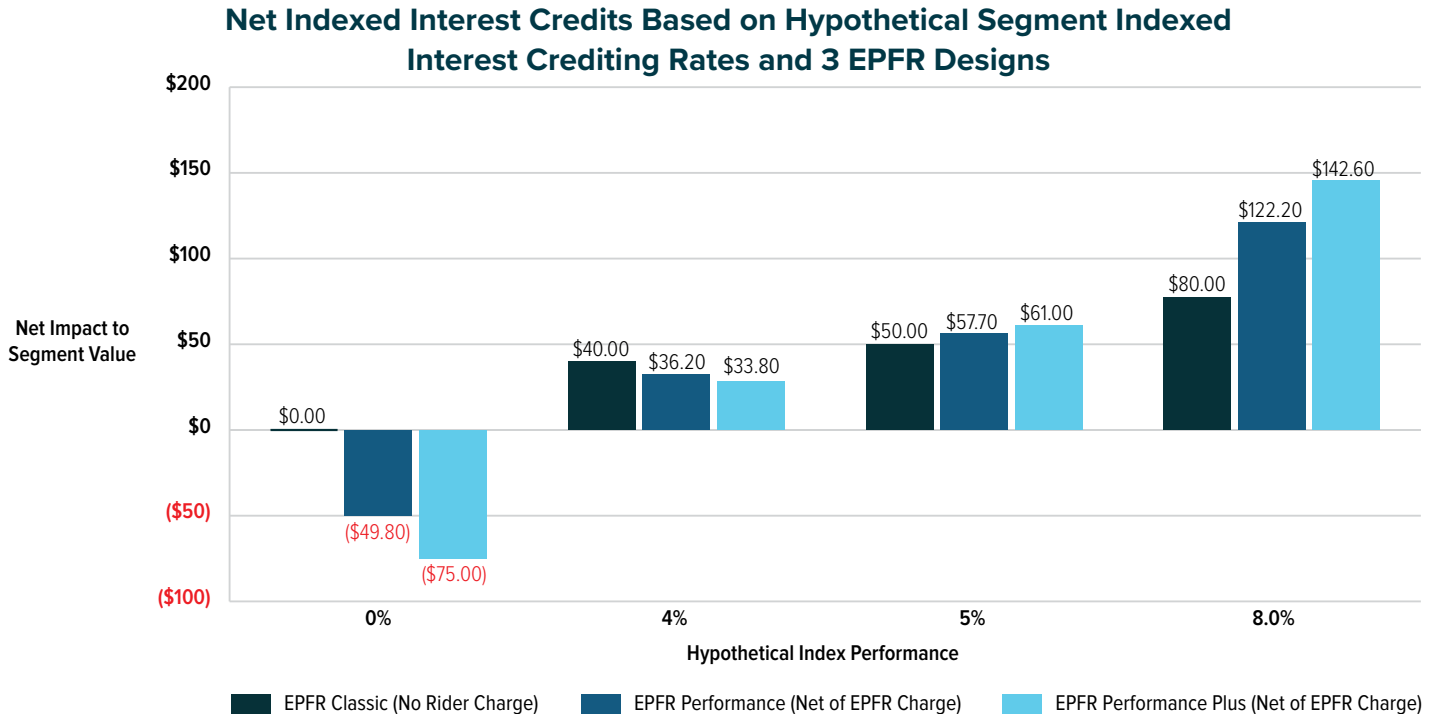
For IPEP 3 policies, the guaranteed performance factor and cost of each rider design are shown in the chart below.

Policy Year	Classic Rider Design A			Performance Rider Design B			Performance Plus Rider Design C		
	Annualized Rider Charge	Guaranteed Performance Factor	Current Performance Factor	Annualized Rider Charge	Guaranteed Performance Factor	Current Performance Factor	Annualized Rider Charge	Guaranteed Performance Factor	Current Performance Factor
1	0.00%	1.00	1.00	0.00%	1.00	1.00	0.00%	1.00	1.00
2	0.00%	1.00	1.00	1.00%	1.10	1.23	1.50%	1.15	1.35
3	0.00%	1.00	1.00	1.50%	1.15	1.35	2.26%	1.22	1.53
4	0.00%	1.00	1.00	2.00%	1.20	1.46	3.00%	1.30	1.70
5	0.00%	1.00	1.00	2.50%	1.25	1.58	3.76%	1.37	1.87
6	0.00%	1.00	1.00	2.99%	1.29	1.70	4.50%	1.44	2.04
7	0.00%	1.00	1.00	3.50%	1.34	1.81	5.26%	1.51	2.22
8	0.00%	1.00	1.00	3.99%	1.39	1.93	6.00%	1.58	2.38
9	0.00%	1.00	1.00	4.49%	1.44	2.04	6.76%	1.66	2.55
10-20	0.00%	1.00	1.00	4.98%	1.49	2.15	7.50%	1.72	2.72
21	0.00%	1.00	1.00	4.38%	1.43	2.02	6.60%	1.64	2.52
22	0.00%	1.00	1.00	3.78%	1.37	1.88	5.70%	1.56	2.32
23	0.00%	1.00	1.00	3.18%	1.31	1.74	4.80%	1.47	2.11
24	0.00%	1.00	1.00	2.58%	1.25	1.60	3.90%	1.38	1.91
25+	0.00%	1.00	1.00	1.98%	1.20	1.46	3.00%	1.30	1.70

Each Segment Performance Factor is the sum of the 1.0 Guaranteed Indexed Account Performance Factor and the Rider Performance Factor. The guaranteed rider charge is assessed monthly as a percentage of each Segment's Monthly Balance and is annualized in the chart above. The Performance Factor applies at Segment maturity based on the Average Segment Monthly Balance over the Segment Term. Current Performance Factors will be different for the 1-Year High Cap Indexed Account. Request a personalized illustration for details. Current Performance Factors are as of April 2021. Pacific Life reserves the right to change or modify any nonguaranteed or current elements. The right to modify these elements is not limited to a specific time or reason.

When Does the Rider Provide a Benefit?

The rider's impact on the policy's accumulated value can be positive or negative. To understand how the rider's performance factors and charges may impact your policy's interest crediting potential, let's look at four hypothetical examples (subject to a hypothetical growth cap of 8.0% and the guaranteed minimum crediting rate of 0%):



You can see that when the hypothetical index performance reached 5% and 8%, the Performance and Performance Plus rider designs added value, with the additional interest credits exceeding the annualized rider charges. At 0% and 4%, the Classic design (with no rider charges and no additional interest credit) outperformed the other designs. Other policy charges will occur on a monthly basis, independent of the rider's charges and may further reduce the policy's accumulated value.

The example above is hypothetical, is not an indication of future performance, and is not guaranteed. Example uses a segment performance factor of 1 for EPFR Classic, 2.15 for EPFR Performance, and 2.72 for EPFR Performance Plus. For simplicity's sake, example uses a level segment balance of \$1000.

What If the Rider Charges Are Greater Than the Segment Indexed Interest Credit?

When the rider charges exceed the Segment Indexed Interest Credit, the rider will reduce the policy's accumulated value and may increase the risk of policy lapse. Because of the rider charges, it is possible that even positive performance of the indexed accounts may result in a reduction of the policy's accumulated value and/or policy lapse. You should only use EPFR Rider Design Performance and Performance Plus if you are willing to accept the risk of such reductions in accumulated value.

When deciding whether the rider is right for you and which rider design to select, discuss the costs, features, design options and termination with your life insurance producer. Consider obtaining additional life insurance illustrations to analyze the impact that each rider design will have on your policy.

Ask your financial professional whether the risks and potential rewards of the EPFR are right for you.³

³ In order to sell life insurance, a financial professional must be a properly licensed and appointed life insurance producer.

The Power of Pacific

For more than 150 years, Pacific Life has helped 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. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative products and services that provide value and financial security for current and future generations. Pacific Life counts more than half of the 100 largest U.S. companies as its clients and has been named one of the 2022 World's Most Ethical Companies® by the Ethisphere Institute. For additional company information, including current financial strength ratings, visit www.PacificLife.com.

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company.
Client count as of June 2021 is compiled by Pacific Life using the 2021 FORTUNE 500® list.

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Life insurance is subject to underwriting and approval of the application.

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

Pacific Life Insurance Company reserves the right to change or modify any non-guaranteed or current elements. The right to modify these elements is not limited to a specific time or reason.

Indexed Universal Life Insurance generally requires additional premium payments after the initial premium. If either no premiums are paid, or subsequent premiums are insufficient to continue coverage, it is possible that coverage will expire.

Pacific Life's individual life insurance products are marketed exclusively through independent third-party life insurance producers, which may include bank affiliated entities. Some selling entities may limit availability of some optional riders based on their client's age and other factors. Your life insurance producer can help you determine which optional riders are available and appropriate for you.

Investment and Insurance Products: Not a Deposit	Not Insured by any Federal Government Agency	
Not FDIC Insured	No Bank Guarantee	May Lose Value