Investment Strategy
The investment seeks a high level of current income. Under normal circumstances, this fund invests at least 80% of its assets in non-investment grade (high yield/high risk, sometimes called “junk bonds”) debt instruments or in instruments with characteristics of non-investment grade debt instruments. The fund principally invests in intermediate to long term to maturity which generally means holdings with final maturities greater than one year. Securities include bonds and notes, which are given a low credit rating, or if unrated are of comparable quality as determined by the Manager, including those of foreign issuers which are denominated in U.S. dollars.

Morningstar Category: High Yield Bond
High-yield bond portfolios concentrate on lower-quality bonds, which are riskier than those of higher-quality companies. These portfolios generally offer higher yields than other types of portfolios, but they are also more vulnerable to economic and credit risk. These portfolios primarily invest in U.S. high-income debt securities where at least 65% or more of bond assets are not rated or are rated by a major agency such as Standard & Poor’s or Moody’s at the level of BB (considered speculative for taxable bonds) and below.

Fees and Expenses
Prospectus Net Expense Ratio: 0.63%
Prospectus Gross Expense Ratio: 0.63%

Operations
Portfolio Inception Date: 01-04-88
Separate Accnt Start Date: 12-30-88
Management Company: Pacific Life Fund Advisors LLC (PLFA)
Subadvisor: Pacific Asset Management

Notes
Variable universal life (VUL) insurance offers the policyowner the flexibility to structure the desired death benefit, as well as the premium payments according to individual needs and objectives. The policyowner also has the ability to allocate these premium payments among a variety of investment options. Pacific Life’s VUL insurance products offer a wide variety of variable investment options.

Insurance products are issued by Pacific Life Insurance Company in all states except New York, and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state. Portfolio statistics may differ from the annual report.
### Fixed Income Style as of 06-30-19

- **Lim**: Limited
- **Mod**: Moderate
- **Ext**: Extended

### Fixed Income Strategy Trail as of 06-30-19

- **Lim**: Limited
- **Mod**: Moderate
- **Ext**: Extended

### Total Return as of 06-30-19

<table>
<thead>
<tr>
<th>YTD</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>Investment Return %</th>
<th>Benchmark Return %</th>
<th>Peer Group %</th>
<th>Category Average %</th>
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<tbody>
<tr>
<td>9.89</td>
<td>6.60</td>
<td>7.27</td>
<td>3.77</td>
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<td>9.94</td>
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<td>491</td>
<td># of Funds in Category</td>
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### Risk Evaluation as of 06-30-19

#### Risk Measures as of 06-30-19

<table>
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<tr>
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<th>3-Year</th>
<th>5-Year</th>
<th>10-Year</th>
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<tr>
<td>Sharpe Ratio</td>
<td>1.25</td>
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<tr>
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<td>0.61</td>
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<tr>
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<td>97.82</td>
<td>97.85</td>
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<td>Beta</td>
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<td>1.05</td>
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<tr>
<td>Alpha</td>
<td>-0.35</td>
<td>-0.96</td>
<td>-1.37</td>
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**PSF High Yield Bond Portfolio**

**Available through Pacific Life's Variable Universal Life Insurance Products**

**Benchmark**
BBgBarc US HY 2% issuer Cap TR USD

**Overall Morningstar Rating™**
4★

**Morningstar Return**
Above Average

**Morningstar Risk**
Above Average

**Fixed Income Statistics as of 06-30-19**

- **Avg Eff Duration**: 3.11
- **Avg Eff Maturity**: 5.93
- **Avg Wtd Price**: 101.85

**Total Return**

- **YTD**: 9.89
- **1 Year**: 6.60
- **3 Year**: 7.27
- **5 Year**: 3.77
- **10 Year**: 8.18

**Risk Measures**

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</tbody>
</table>

**Risk Evaluation**

- **Investment**: 
- **Benchmark**: 
- **Category Average**: 

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Variable 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. Life insurance is subject to underwriting and approval of the application and will incur monthly policy charges.

Each variable investment option invests in a corresponding portfolio of the American Century Variable Portfolios, Inc., American Funds Insurance Series® Funds, BlackRock Variable Series Funds, Inc., Dreyfus Variable Investment Fund, Fidelity Variable Insurance Products Funds, Franklin Templeton Variable Insurance Products Trust, Invesco Variable Insurance Funds, Janus Aspen Series, Laser Retirement Series, Inc., Legg Mason Partners Variable Equity Trust, Legg Mason Partners Variable Income Trust, Lord Abbett Series Fund, Inc., M Fund Inc, MFS Variable Insurance Trust, Neuberger Berman Advisers Management Trust, Oppenheimer Variable Account Funds, PIMCO Variable Insurance Trust, Pacific Select Fund, Royce Capital Fund, State Street Variable Insurance Series Funds, Inc., T. Rowe Price Equity Series, Inc., or VanEck VIP Trust. Although some funds may have names or investment goals/objectives that resemble retail mutual funds managed by the fund manager, these funds will not have the same underlying holdings or performance as the retail mutual funds’ goals/objectives.

Expense ratios shown were determined based on average net assets as of the fiscal year ended 12-31, unless otherwise indicated. Certain portfolios’ net expenses reflect a contractual advisory fee waiver and/or expense cap through a specified period. Please see the applicable portfolio’s prospectus for detailed information.

Performance

The Total Returns listed in this report include only fund level fees and expenses, reinvestment of dividends, and distributions. Current performance may be lower or higher than the performance reflected in this Report. Returns do not include any policy charges. The cost of life insurance and benefits provided through the policy is deducted monthly in the form of policy charges (which may include, but are not limited to, Cost of Insurance charges, administrative charges, mortality and expense risk charges, coverage charges, and any rider charges). Since policy charges vary by product, you are encouraged to ask your life insurance producer for a personalized illustration, which include an analysis of charges report, to help you understand how the policy charges affect your policy cash values. Also, see the applicable product prospectus for more information. For underlying portfolios whose inception date predates its inclusion in the separate account, Morningstar will present extended performance returns (see the Non-Std Return % prior to the separate account inception date).

The performance for certain funds includes periods of time when other investment management firms managed these funds and/or when investment policies, and possibly the fund name, differed. The applicable funds and dates such changes occurred are as follows:


- **BlackRock Variable Series Funds:** BlackRock Basic Value V.I. Fund Class III and BlackRock Global Allocation V.I. Fund Class III on 10/2/06.

- **Fidelity Variable Insurance Products Funds:** Fidelity VIP Freedom Income Service Class 2, Fidelity VIP Freedom 2010 Service Class 2, Fidelity VIP Freedom 2015 Service Class 2, Fidelity VIP Freedom 2020 Service Class 2, Fidelity VIP Freedom 2025 Service Class 2, Fidelity VIP Freedom 2030 Service Class 2, Fidelity VIP Freedom 2035 Service Class 2, Fidelity VIP Freedom 2045 Service Class 2 on 10/1/15. Fidelity VIP Government Money Market Service Class on 12/1/15.

- **Franklin Templeton Variable Insurance Products Trust:** Templeton Global Bond VIP Fund Class 2 and Templeton Foreign VIP Fund Class 2 on 5/1/14.

- **Janus Aspen Series:** Janus Henderson VIP Enterprise Portfolio Service Shares and Janus Henderson VIP Overseas Portfolio Service Shares on 5/1/09 and 6/5/17.

- **Legg Mason Partners Variable Equity Trust:** ClearBridge Variable Aggressive Growth Portfolio Class II on 11/2/09 and 4/29/13. ClearBridge Variable Mid Cap Portfolio Class II on 11/2/09, 4/29/13, and 5/2/16.


- **PIMCO Variable Insurance Trust:** PIMCO VI Global Multi-Asset Managed Allocation - Advisor Class on 5/1/14.

- **State Street Variable Insurance Series Funds, Inc:** State Street Total Return V.I.S. Fund Class 3 on 11/30/16.

- **VanEck VIP Trust:** VanEck VIP Global Hard Assets Initial Class on 5/1/10 and 5/2/16.

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<th>Disclosure</th>
<th>No bank guarantee</th>
<th>Not a deposit</th>
<th>May lose value</th>
<th>Not FDIC/NCUA insured</th>
<th>Not insured by federal government agency</th>
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BlackRock iShares Dynamic Allocation V.I. Fund Class I, BlackRock iShares Equity Appreciation, V.I. Fund Class I, Lazard Retirement Global Dynamic Multi Asset Portfolio - Service Shares, Lazard Retirement International Equity - Service Shares, Lord Abbett Series Fund Bond Debenture VC, MFS Value Series Service Class, Oppenheimer Main Street Small Cap/Non Service Shares, PIMCO VIT Income - Administrative Class, PSF Absolute Return Portfolio, PSF Core Income Portfolio, PSF DFA Balanced Allocation, PSF Diversified Alternatives, PSF Equity Long/Short Portfolio, and Western Asset Variable Global High Yield Bond Portfolio Class II are not available with the following variable universal life insurance products: Pacific Select (policy form #87-51), Pacific Select Accumulator (policy form #P04PFA), Pacific Select Choice (policy form #93-55), Pacific Select Estate Maximizer (policy form #97-50), Pacific Select Estate Preserver (policy form #96-56), Pacific Select Estate Preserver II (policy form #97-56), Pacific Select Estate Preserver III (policy form #00-56), Pacific Select Estate Preserver IV (policy form #00-57), Pacific Select Estate Preserver V (policy form #P01S5P), MVP Surviviorship (policy form #P03S5M). These products were issued by Pacific Life Insurance Company and are no longer available for sale. Pacific Select Estate Preserver - NY (policy form #P0158E-NY), Pacific Select Exec II - NY (policy form #P882Z-NY), Pacific Select Exec III - NY (policy form #P03SE3-NY), Pacific Select Exec IV - NY (policy form #P07SE4-NY). These products were issued by Pacific Life & Annuity Company and are no longer available for sale.

A separate account is a type of Investment Company referred to as a unit investment trust which is registered in the Securities Exchange Commission under the Investment Company Act of 1940. The Separate Account Start Date represents the date the portfolio was added as a sub-account into the applicable Separate Account.

The benchmark indices provided herein may not represent all of a funds ‘benchmark indices shown in the applicable funds’ prospectuses. See the applicable funds’ prospectuses for more information.

BBGbar US HY 2% Issuer Cap TR USD: The index measures the performance of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. It follows the same rules as the uncapped index but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index-wide on a pro-rata basis.

Definitions

Alpha is measure of the difference between a portfolio’s actual returns and its expected performance, given its level of risk as measured by beta. A positive Alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative Alpha indicates the portfolio has underperformed, given the expectations established by beta. Average Market Cap defines the overall “size” of a stock fund’s portfolio as the geometric mean of the market capitalization for all of the stocks it owns.

Beta is a measure of a fund’s sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

Credit Analysis: For corporate-bond and municipal-bond funds, the credit analysis depicts the quality of US and non-US
The Morningstar Style Box™ reveals a fund’s investment strategy as of the date noted on this report. For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend, or growth). For fixed-income funds, the vertical axis shows the credit quality of the long bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond’s effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit http://www.sec.gov/divisions/marketreg/ratingagency.htm. Additionally, Morningstar accepts foreign credit ratings from widely recognized or registered rating agencies. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating. If three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO or rating agency ratings can change from time-to-time and do not remove market risk.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average.
default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSM. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than 'BBB-'; medium are those less than 'AA-'; but greater or equal to 'BBB-'; and high are those with a weighted-average credit quality of 'AA-' or higher. When classifying a bond portfolio, Morningstar first maps the NRSM credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

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 environmental, social, and governance, or ESG, risks and opportunities relative to the how well the issuing companies of the securities within a fund’s
The Morningstar Sustainability Rating is derived from the Historical Portfolio Sustainability Score, which is a weighted average of the trailing 12 months of Morningstar Portfolio Sustainability Scores. Historical portfolio scores are not equal-weighted, rather, more-recent portfolios are weighted more heavily than older portfolios. Combining the trailing 12 months of portfolio scores adds consistency while still reflecting portfolio managers’ current decisions by weighting the most recent portfolio scores more heavily.

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 Portfolio Sustainability Score and is determined by each fund’s rank within the following distribution: • High (highest 10%) • Above Average (next 22.5%) • Average (next 35%) • Below Average (next 22.5%) • Low (lowest 10%)

The Morningstar Sustainability Rating 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 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 check on http://corporate1.morningstar.com/ SustainableInvesting/ for more detailed information about the Morningstar Sustainability Rating methodology and calculation frequency.

Percentile Rank in Category
Percentile Rank is a standardized way of ranking items within a peer group. The observation with the largest numerical value is ranked zero the observation with the smallest numerical value is ranked 100. The remaining observations are placed equal distance from one another on the rating scale. Note that lower percentile ranks are generally more favorable.

Morningstar Sectors
Morningstar determines how much of each stock portfolio is held in each of Morningstar’s 12 major industrial sectors. In instances where the portfolio has a fund-of-fund structure, the sector breakdown is calculated by evaluating the underlying assets of the aggregated portfolio.

About Risk
Every variable investment option has some degree of risk depending on its investments and strategies. While all variable investment options are subject to market risk, some investment options may be subject to greater volatility than others. The variable investment options are not FDIC insured or guaranteed. The risks disclosed below are intended only to illustrate certain principal risks of the variable investment options and are not intended to be complete or exhaustive. Before investing you should carefully read the applicable fund prospectuses.

Asset allocation is the process of distributing a fund’s investments among varying classes of investments (e.g., equity and debt). It does not guarantee diversification, assure a profit, or protect against loss.

Convertible securities are generally subject to equity securities risk when the underlying stock price is high relative to the conversion price and to the risks of debt securities when the underlying stock price is low relative to the conversion price. They also tend to be of lower credit quality.

Currency exposure subject a fund to changes in exchange rates between currencies, which may result in increased volatility.

The values of Debt Securities are affected by many factors, including prevailing interest rates and the outlook for changes in interest rates, market conditions and market liquidity.

Derivatives can be complex instruments that may experience sudden changes in price and liquidity, may be difficult to value, sell or unwind and may be leveraged, which can cause very large swings in value. Privately negotiated derivatives are further subject to the counterparty’s ability to satisfy its obligation under the derivatives contract. Commonly-used derivatives include forward commitments and futures contracts - which obligate a purchaser to purchase, and a seller to sell, a specific amount of an asset at a specified future date and price; options – where, for a premium payment or fee, the purchaser of the option is given the right but not the obligation to buy (a call option) or sell (a put option) the underlying asset, or settle for cash an amount based on the underlying asset, at a specified price during a period of time or on a specified date; and swap agreements – where the parties agree to exchange the returns earned on specific assets, and are subject to risks specific to these derivatives.

Emerging market securities tend to be more volatile and less liquid than those in developed countries.

Equity Securities tend to go up or down in value, sometimes rapidly and unpredictably, in response to many factors, including for reasons related to the particular issuer, general economic conditions and investor perceptions.

Floating rate loans are usually rated below investment grade and thus are subject to greater risk of default than higher rated securities. In addition, their extended trade settlement periods may result in cash not being immediately available to a fund, thus subjecting the fund to greater liquidity risk.

Investments in foreign markets are subject to regulatory, political, economic, market and other conditions of those markets, which can make these investments more volatile and less liquid than U.S. investments.

Fund-of-funds are subject to risks at the fund-of-funds level and risks of the underlying funds in which they invest in proportion to their allocations to those underlying funds. They are also subject to their own expenses along with the expenses
The performance of a value company's stock is undervalued is not correct or considered undervalued so there is a risk that the determination falls. The values of seeks to outperform a benchmark index. index fund should perform poorly when its index performs correlation between the fund's investments and the index. An performance of the fund's benchmark index due to imperfect index, may vary, sometimes substantially, from the above-average or rapid growth but may be subject to greater a lower yield.

High yield/high risk bonds (also known as "junk bonds") have greater risk of default than higher quality bonds that may have a lower yield.

Growth companies are considered to have potential for above-average or rapid growth but may be subject to greater price volatility than value companies; value companies are considered undervalued so there is a risk that the determination that a value company's stock is undervalued is not correct or not recognized in the market.

The performance of index funds, whose investments track an index, may vary, sometimes substantially, from the performance of the fund's benchmark index due to imperfect correlation between the fund's investments and the index. An index fund should perform poorly when its index performs poorly, as opposed to an actively managed fund which generally seeks to outperform a benchmark index.

The values of inflation-indexed debt securities tend to increase when inflation rises and decrease when inflation falls. Interest rate changes, or expectations about such changes, may cause the value of debt securities to fluctuate. 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.

Leverage is investment exposure that exceeds the initial amount invested. Leverage can magnify gains and losses and therefore can increase volatility and market exposure, and may subject a fund to a loss far greater than the initial amount invested.

The value of mortgage-related and other asset-backed securities will be affected by factors affecting the housing market or the respective market for the assets underlying these securities. Borrowers or issuers may pay principal later than expected (causing these securities to increase in duration and be more volatile in rising interest rate conditions) or pay principal sooner than expected, causing proceeds to be reinvested at lower prevailing interest rates.

A non-diversified fund may invest a greater percentage of its assets in a single issuer than a diversified fund thereby increasing its volatility.

Non-traditional or alternative investment typically seek one or more of the following: (1) low to moderate correlation with performance of traditional equity and debt investments; (2) to reduce losses during adverse and volatile market conditions; or (3) to outperform the broad equity or debt markets over a complete market cycle; however, these funds may not achieve their intended purpose.

Sector and concentrated funds, which invest significantly in an industry or sector, or geographically concentrated funds, which invest significantly in a single or limited number of countries or particular geographic region, may be subject to greater price volatility.

Short positions, whether taken through a derivative instrument or by conducting a short sale, pose a risk because they lose value as the security’s or reference asset’s price increases; therefore, the loss on a short position is theoretically unlimited. Leverage can increase market exposure and magnify investment risk.

Generally, stocks of small-cap and mid-cap companies may be riskier and more volatile than those of larger, more established companies, or large-cap companies, though all are subject to equity securities risk.

Socially responsive funds could underperform similar funds that do not have a social policy. Among the reasons for this are: undervalued stocks that do not meet the social criteria could outperform those that do, economic or political changes could make certain companies less attractive for investment, and the social policy could cause the Fund to sell or avoid stocks that subsequently perform well.

Not all U.S. government securities are backed or guaranteed by the U.S. government and there is a risk that the U.S. government will not make timely payments on its debt or provide financial support to U.S. government agencies, instrumentailities or sponsored enterprises if these entities cannot meet their financial obligations.

Additional Information

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues. Insurance products and their guarantees, including optional benefits and any crediting rates, are backed by the financial strength and claims-paying ability of the issuing insurance company, but they do not protect the value of the variable investment options. Look to the strength of the life insurance company with regard to such guarantees as these guarantees are not backed by the broker-dealer, insurance agency or their affiliates from which products are purchased. Neither these entities nor their representatives make any representation or assurance regarding the claims-paying ability of the life insurance company. Variable insurance products and shares of Pacific Select Fund are distributed by Pacific Select Distributors, LLC (member FINRA and SIPC), a subsidiary of Pacific Life Insurance Company and an affiliate of Pacific Life & Annuity Company, and are available through licensed third party broker-dealers.

Pacific Life Fund Advisors LLC (PLFA), the investment adviser to the Pacific Select Fund (PSF) and the manager of certain PSF funds also does business under the name Pacific Asset Management and manages certain PSF funds under that name.


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Portfolio statistics may differ from the annual report.

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www.PacificLife.com

Pacific Life & Annuity Company
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(888) 595-6996
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