



# INVESTMENT GUARD

A Strategy for Down-Market Protection



An Optional Benefit Available with a Pacific Choice® 2 Variable Annuity

**INVESTMENT AND INSURANCE PRODUCTS ARE:**

- NOT FDIC INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, THE BANK OR ANY OF ITS AFFILIATES
- SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED

# Markets Go Up and Down

Navigating retirement can be tricky, especially when markets are unpredictable. However, there are ways to mitigate the impact of market downturns. A potential solution could be a Pacific Choice 2 variable annuity with Investment Guard.

## Over the Past 50 Years, How Many Times Was the Market Up vs. Down?

### Annual S&P 500® Index (Calendar-Year Price Returns from 1973–2023)

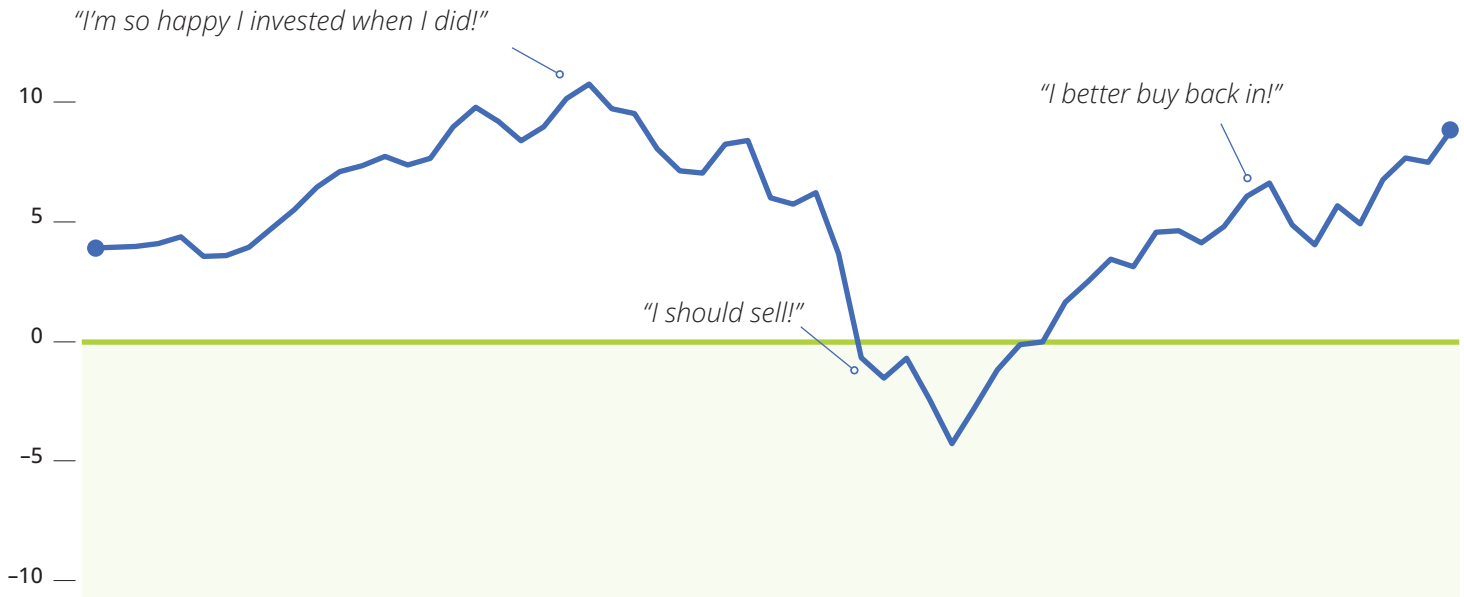
	Average Annual Gain <b>+15.70%</b>		Average Annual Loss <b>-13.42%</b>	
34.11% (1995)				
31.55% (1975)				-38.49% (2008)
31.01% (1997)	19.53% (1999)			-29.72% (1974)
29.60% (2013)	19.42% (2017)			-23.37% (2002)
28.88% (2019)	19.15% (1976)			-19.44% (2022)
27.25% (1989)	17.27% (1983)			-17.37% (1973)
26.89% (2021)	16.26% (2020)	9.54% (2016)		-13.04% (2001)
26.67% (1998)	14.76% (1982)	8.99% (2004)		-11.50% (1977)
26.38% (2003)	14.62% (1986)	7.06% (1993)		-10.14% (2000)
26.33% (1985)	13.62% (2006)	4.46% (1992)		-9.73% (1981)
26.31% (1991)	13.41% (2012)	3.53% (2007)		-6.56% (1990)
26.29% (2023)	12.78% (2010)	3.00% (2005)		-6.24% (2018)
25.77% (1980)	12.40% (1988)	2.03% (1987)		-1.54% (1994)
23.45% (2009)	12.31% (1979)	1.40% (1984)		-0.73% (2015)
20.26% (1996)	11.39% (2014)	1.06% (1978)		-0.003% (2011)
	<b>20% or More</b>	<b>10%–19.99%</b>	<b>0%–9.99%</b>	<b>Less Than 0%</b>

As shown in the table above, **the S&P 500® index return was up 37 times** (nearly 75% of the time) and **was down only 14 times**.

**While past performance does not guarantee future results, as a long-term investor, you're more likely to see gains than losses.**

## When Markets Are Volatile, Do You Have the Confidence to Stay Invested?

It's easy to let emotions take over your investment decisions. But trying to time the market can cost you in the long run.



The best days of the market also may be missed.

### The Cost of Timing the Market (2003–2022) (Annualized Total Returns)

**9.6%**

Investors who stayed in the market for all 5,035 trading days.

**5.4%**

Missing just 10 of those days (the 10 best days of returns) lowered the return by almost half.

**-2.9%**

Missing the 50 best days resulted in a negative return.

**Finding the right strategy could protect a portion of your investments and give you the confidence to stay invested for the long term.**

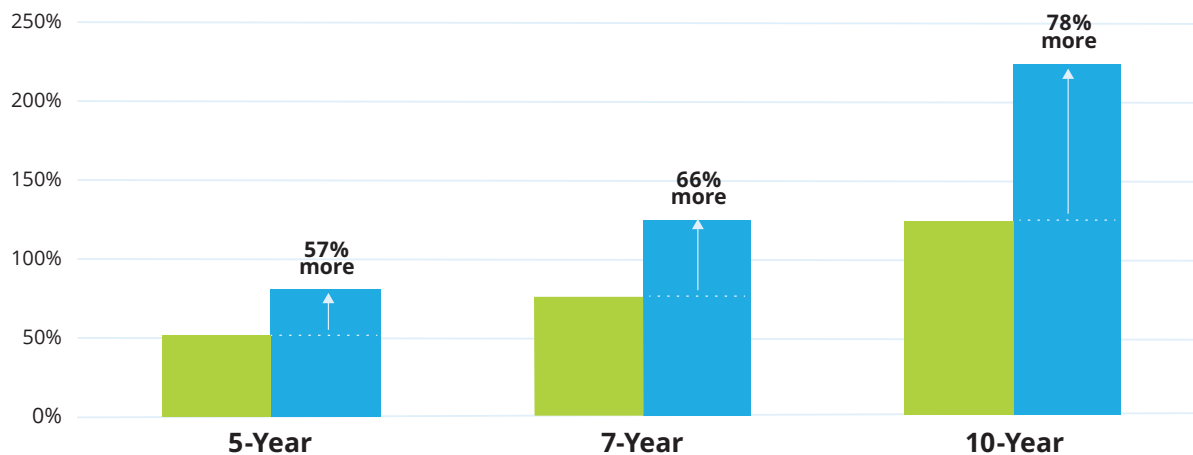
Source: Franklin Templeton. S&P 500 index annualized returns from 2003-2022. These charts are for illustrative purposes only and do not represent an actual investment. An investment cannot be made directly in an index. The data assumes reinvestment of income and does not account for taxes or transaction costs. Past performance is no guarantee of future performance, and current performance may be lower or higher than the performance quoted.

## Are You Taking Advantage of Reinvested Dividends to Fuel Growth Over Time?

In the chart below, the cumulative monthly average returns for the S&P 500 Total Return index are better than those of the S&P 500 Price Return index from 1940 through 2023. This is because the Total Return index reflects the reinvestment of dividends, while the Price Return index does not.

### Cumulative Monthly Rolling Return Averages from 1940–2023

S&P 500 Price Return Index vs. S&P 500 Total Return Index



The historical **5-year** monthly rolling total return is **57%** higher than the respective price return.

The historical **7-year** monthly rolling total return is **66%** higher than the respective price return.

The historical **10-year** monthly rolling total return is **78%** higher than the respective price return.

### Rolling Returns

	1-Year	3-Year	5-Year	7-Year	10-Year	20-Year
Average S&P Price Return	8.69%	28.62%	51.29%	76.50%	125.38%	367.07%
Average S&P Total Return	12.58%	42.92%	80.56%	126.69%	223.34%	854.84%
<b>Percent Differential</b>	<b>44.8%</b>	<b>50%</b>	<b>57%</b>	<b>66%</b>	<b>78%</b>	<b>133%</b>

**Reinvesting dividends can be a great way to steadily grow wealth by compounding your returns, which can add up over time.**

Source: Morningstar Direct. S&P 500 index price returns and total returns from 1940–2023. Past performance does not guarantee future results. Results do not represent any particular investment or the deduction of any fees and charges. All investments are subject to risk, including loss of principal. Indexes are unmanaged and cannot be invested in directly. Further, they hold no cash and incur no expenses.

# What if You Could Grow Your Money, Protect It, and Take Full Advantage of the Reinvested Dividends?

## Pacific Choice 2 with Investment Guard

Pacific Choice 2 variable annuity is a **short 5-year contract with only 1.10% mortality, expense & administrative fee** and provides:



### Unlimited Growth Potential

- More than 80 eligible investment options to select from.
- Up to 100% equity exposure.
- Dividends reinvested for higher growth over time.



### Beneficiary Protection

- Pass on any remaining contract value to your loved ones or charity.
- Select from three optional beneficiary benefits, for an additional cost, that:
  - Protect your original investment.
  - Lock in investments gains.
  - Help offset the impact of taxes.

When you add Investment Guard to Pacific Choice 2, you also receive:



### Investment Protection

At the end of 5, 7, or 10 years, you are protected from 10%, 15%, or 20% of the loss, should the market decline.

Buffer Percentage(s) Available	Annual Charge Based on Duration		
	5 Years	7 Years	10 Years
10%	0.55%	0.40%	0.20%
15%	N/A	0.55%	0.30%
20%	N/A	N/A	0.40%

**With Pacific Choice 2 and Investment Guard, you have access to the level of downside protection you select, plus unlimited growth potential with no caps on earnings.**

A variable annuity is a long-term contract between you and an insurance company that helps you grow, protect, and manage retirement savings in a tax-advantaged way.

A beneficiary benefit is referred to as a death benefit in the prospectus.

Please see page 7 for important information regarding guarantees.

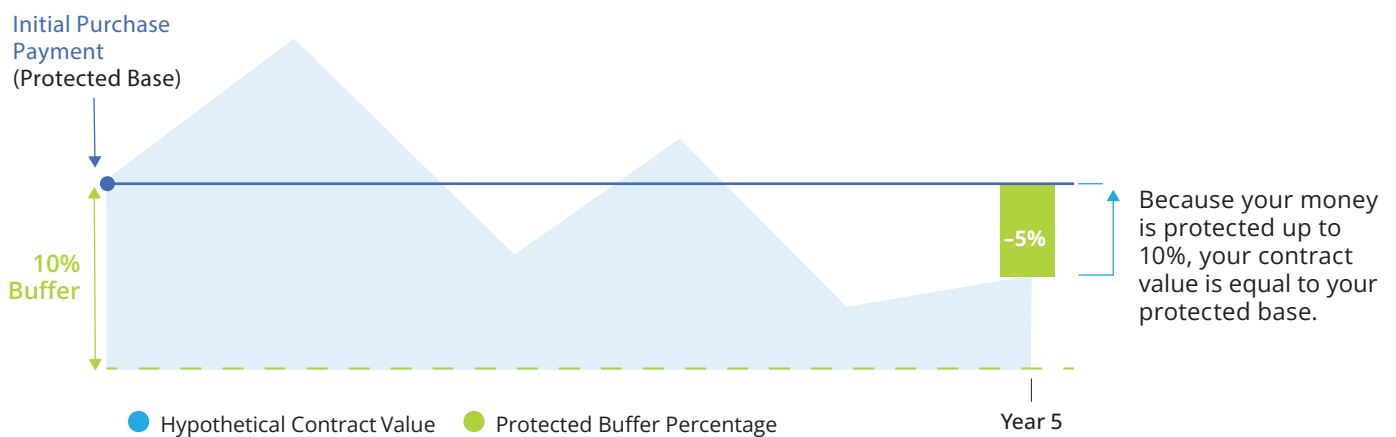
# Investment Guard in Action: Downside Protection

Let's take a look at some hypothetical examples of how the Investment Guard 5-year term with a 10% buffer percentage can protect you against a certain amount of loss. The protected base is equal to your initial purchase payments made within the first year, adjusted for withdrawals.

## Contract Value Declines within the Buffer Percentage

At the end of 5 years, your contract value is 5% below the protected base (within the 10% buffer).

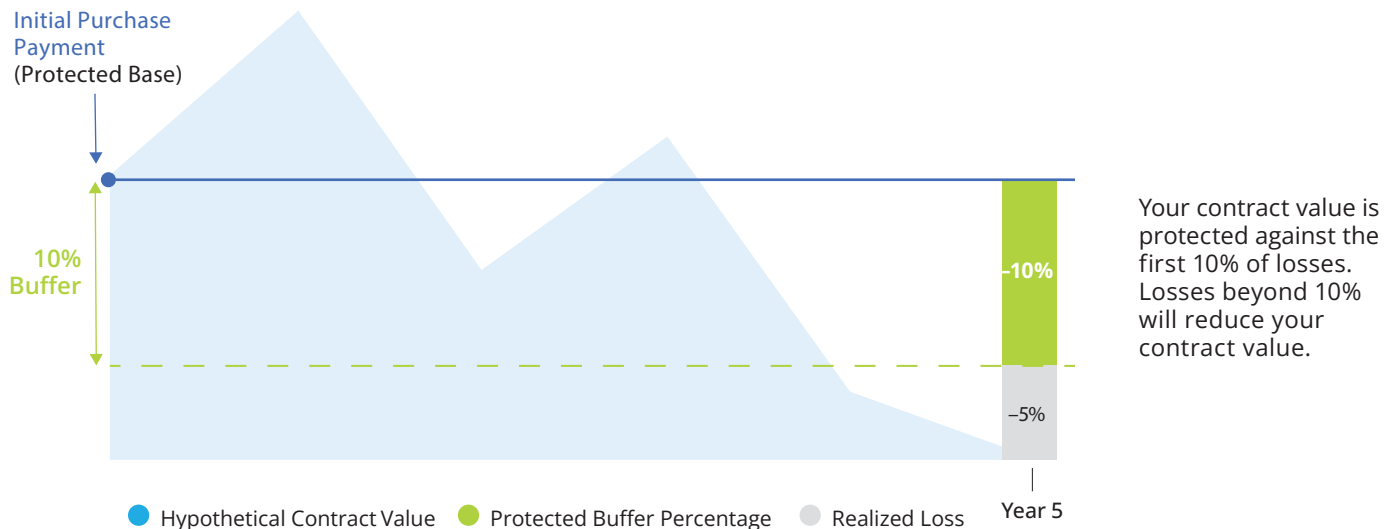
On the fifth contract anniversary, a one-time addition is added to your contract value up to your protected base value, and no loss is realized on your contract.



## Contract Value Declines More than the Buffer Percentage

The contract value is 15% below the protected base at the end of five years (5% more than the 10% buffer).

On the fifth contract anniversary, your money was protected against the first 10% of losses, and your contract value is only reduced by the additional 5%.



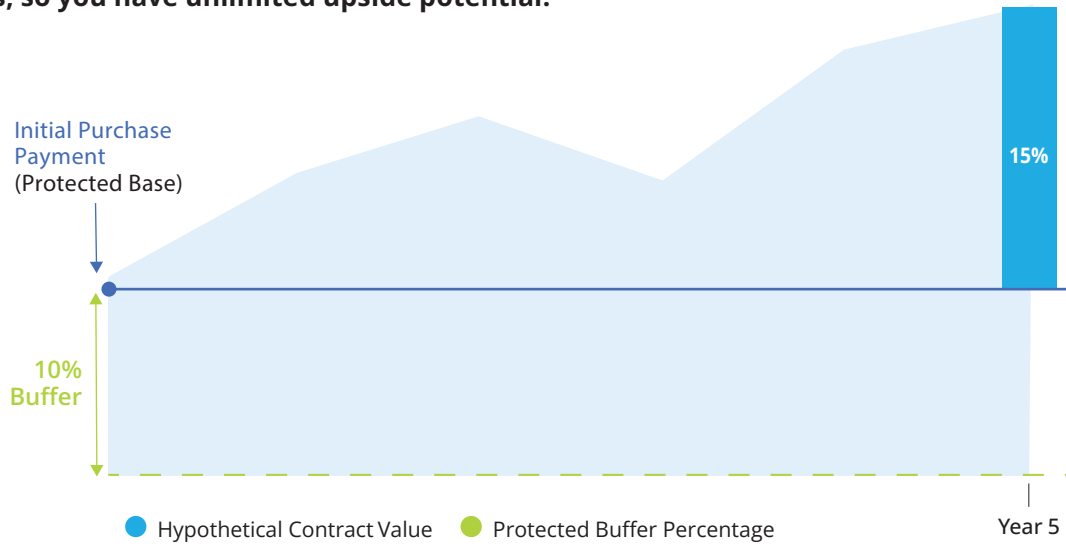
# Investment Guard in Action: Upside Potential

Let's take a look at a hypothetical example of how the Investment Guard 5-year term with a 10% buffer percentage can grow with positive investment performance. The protected base is equal to your initial purchase payments made within the first year, adjusted for withdrawals.

## Contract Value Increases Above the Protected Base

The contract value has increased by 15% more than the protected base.

The contract continues at the higher contract value at the fifth contract anniversary. **There are no caps on earnings, so you have unlimited upside potential.**



# Pacific Choice 2 with Investment Guard at a Glance

## Upside Potential

Unlimited growth potential because there are no caps, and there are no limits on equity exposure; dividends are reinvested.

## Investment Allocation Requirements

- More than 80 investment options are available, some with 100% equity exposure.
- Eligible investment options do not require volatility control or asset-transfer programs.

## Investment Protection

You can select the duration and buffer percentage that fit your financial goals. At the end of the term, you are protected from loss up to the stated buffer percentage selected at issue.

	Duration		
	5 Years	7 Years	10 Years
<b>Buffer Percentage(s) Available</b>	10%	10%	10%
	N/A	15%	15%
	N/A	N/A	20%

## Annual Fees

Annual fees for Pacific Choice 2 variable annuity:

- Mortality and Expense Risk Fee<sup>1</sup>: 0.85%
  - Available Breakpoints<sup>2</sup>: 0.80% for contract values \$500,000–\$999,999  
0.75% for contract values greater than \$1 million
- Administrative Fee<sup>1</sup>: 0.25%
- Annual Contract Fee: \$50 (waived if net contract value is \$50,000 or greater)

Five-Year Withdrawal Charge Schedule<sup>3</sup>: 7%, 7%, 6%, 5%, 3%, 0%

Annual fees for Investment Guard:

Buffer Percentage(s) Available	Annual Fee Based on Duration		
	5 Years	7 Years	10 Years
<b>10%</b>	0.55%	0.40%	0.20%
<b>15%</b>	N/A	0.55%	0.30%
<b>20%</b>	N/A	N/A	0.40%

Annual fees are set when this benefit is issued and will not change for the duration of the term.

## Maximum Owner/Annuitant Issue Age

85. Please speak with your financial professional about specific age limitations.

## Purchase Date

Investment Guard must be purchased at contract issue.

<sup>1</sup>Per year of each subaccount's assets, deducted daily.

<sup>2</sup>Contract values greater than \$500,000 may qualify for a reduction for the upcoming contract quarter and are redetermined each contract quarterly anniversary. Please refer to your prospectus for additional information.

<sup>3</sup>Purchase payments made in different contract years will have their own five-year withdrawal charge schedule.



## Subsequent Payments

- Subsequent payments will adjust the protected base immediately if added during the first contract year.
- Pacific Life reserves the right to limit subsequent payments.
- Purchase payments made after the first contract year will not be protected under the optional benefit. Any additional purchase payments made after the first contract anniversary will increase the contract value and may reduce the benefit provided by Investment Guard.

## Termination

The optional benefit will automatically terminate on the contract anniversary at the end of the selected term. After the end of the term, the contract will be without the protection of the optional benefit. You may purchase another benefit, subject to availability, current price, and current terms.

- The optional benefit will terminate as a result of not being 100% allocated according to the investment allocation requirements.
- The optional benefit will terminate when a beneficiary benefit becomes payable under the contract or at the end of the term if the surviving spouse elects to continue the contract in accordance with its terms.
- A change in ownership on the contract may terminate the optional benefit.

Note: Once the contract is issued, the optional benefit cannot be removed as a result of verbal or written communication.

## Definitions

**Protected base:** Equal to your purchase payments made in the first year, adjusted for withdrawals. Purchase payments made after the first year are not part of the protected base. Please speak to your financial professional before adding funds to the contract after the first contract anniversary. Pacific Life reserves the right to limit additional purchase payments.

**Additional amount:** This is the amount added to your contract value at the end of the term if your contract value is less than your protected base. The additional amount added will be equal to the difference between your protected base and contract value or the buffer amount, whichever is less.

**Buffer percentage:** The maximum percentage of loss that you are protected against.

**Buffer amount:** The protected base multiplied by the buffer percentage.

**Dividends:** Some companies distribute portions of their profits to their shareholders in the form of dividends as a benefit for investing in the firm. Dividends are most often issued as cash or additional shares of company stock.

Guarantees, including optional benefits, are subject to the issuing company's claims-paying ability and financial strength, and do not protect the value of the variable investment options, which are subject to market risk. 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 beneficiary benefit payouts, will be subject to ordinary income tax. For nonqualified contracts, an additional 3.8% federal tax may apply on net investment income. If withdrawals and other distributions are taken prior to age 59½, an additional 10% federal income tax may apply. A withdrawal charge also may apply. Withdrawals will reduce the contract value and the value of the beneficiary benefits, and also may reduce the value of any optional benefits.

# Why Pacific Life

Pacific Life has more than 150 years of experience, and we remain committed to providing quality products, service, and stability to meet your needs today and throughout your lifetime.

It's essential for you to choose a strong and stable company that can help you achieve your future income needs. Since 1868, individuals and their families have relied on the strength of Pacific Life to help protect their financial security.

- Pacific Life Insurance Company is organized under a mutual holding company structure and operates for the benefit of its policyholders and contract owners.
- We have achieved ongoing recognition<sup>1</sup> for high-quality service standards.
- We offer products that address market environments during all stages of your life.
- Pacific Life is designated as one of the 2023 World's Most Ethical Companies<sup>®2</sup> by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices.
- We maintain strong financial-strength ratings from major independent rating agencies.

Ratings may change and do not apply to the safety or performance of the underlying variable investment options. For more information and current financial-strength ratings, please visit [PacificLife.com](https://www.PacificLife.com).



<sup>1</sup>Recipient of multiple DALBAR Service Awards since 1997. Refer to [www.DALBAR.com](https://www.DALBAR.com) for more information regarding awards, certifications, and rankings.

<sup>2</sup>Based on the Ethisphere Institute's Ethics Quotient<sup>®</sup>. "World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

While ratings can be objective indicators of an insurance company's financial strength and can provide a relative measure to help select among insurance companies, they are not guarantees of the future financial strength and/or claims-paying ability of a company. The independent third party from which this annuity is purchased, including the broker/dealer, the insurance agency from which this annuity is purchased, and any affiliates of those entities, make no representations regarding the quality of the analysis conducted by the rating agencies. The rating agencies are not affiliated with the above-mentioned entities nor were they involved in any rating agency's analysis of the insurance companies.



Talk to your financial professional for more information about a **Pacific Choice 2** variable annuity with **Investment Guard**, or visit our website.

[PacificLife.com](http://PacificLife.com)

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***This material must be preceded or accompanied by the product prospectus. Contact your financial professional or visit [PacificLife.com](http://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.***

Under current law, a nonqualified annuity that is owned by an individual is generally entitled to tax deferral. IRAs and qualified plans—such as 401(k)s and 403(b)s—are already tax-deferred. Therefore, a deferred annuity should be used only to fund an IRA or qualified plan to benefit from the annuity's features other than tax deferral. These include lifetime income, death benefit options, and the ability to transfer among investment options without sales or withdrawal charges.

Investment Guard is named "Guaranteed Minimum Accumulation Benefit" in the contract rider.

Insurance product and rider guarantees, including optional benefits and any fixed subaccount crediting rates or annuity payout rates, are backed by the financial strength and claims-paying ability of the issuing insurance company and do not protect the value of the variable investment options. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased, or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Variable insurance products are distributed by **Pacific Select Distributors, LLC** (member FINRA & SIPC), a subsidiary of Pacific Life Insurance Company. Product availability and features may vary by state.

The home office for Pacific Life Insurance Company is located in Omaha, Nebraska.

Contract Form Series: ICC22:10-1352,

Rider Series: ICC22:20-1356-A, ICC22:20-1357-A, ICC22:20-1358-A, ICC22:20-1359-A, ICC22:20-1360-A, ICC22:20-1361-A

*State variations to contract form series and rider series may apply.*

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