

INTERIM VALUE AND WITHDRAWALS

for a Pacific Life Registered Index-Linked Annuity

Understanding how your annuity works is key to making confident decisions. If life changes and you need access to your money earlier than expected, your Pacific Life registered index-linked annuity offers the flexibility to make midterm withdrawals based on the interim value.

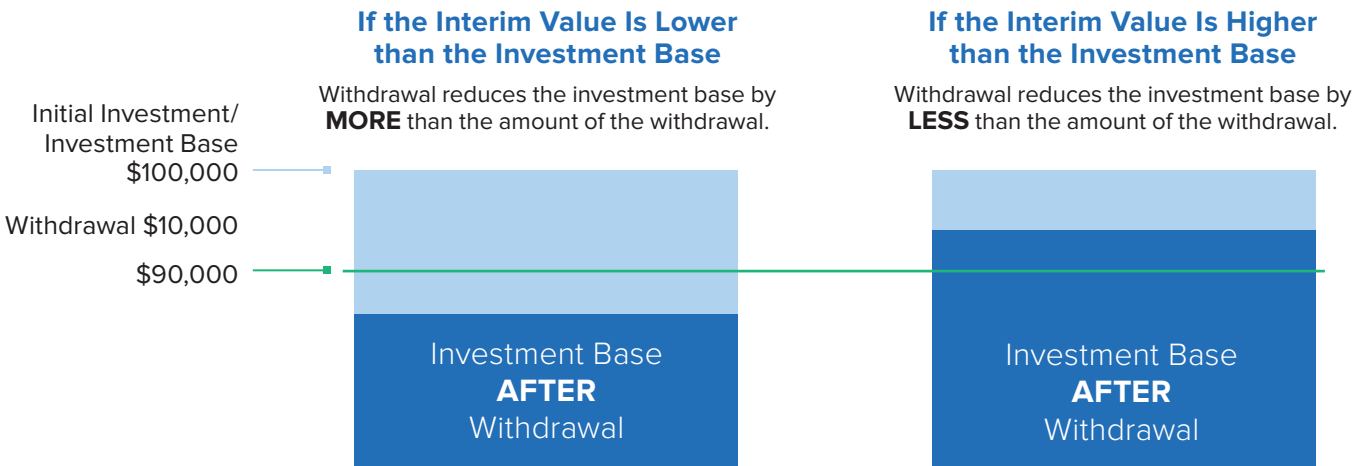
Interim value is the value of an index-linked option on any specific date between the start and end date of a term. It is the amount available for midterm withdrawals, surrenders, optional benefit charges, lock-in value with Performance Lock, payments of beneficiary benefits, annuitization, or guaranteed withdrawal amounts under a guaranteed lifetime income benefit. The interim value:

- Fluctuates daily and is designed to ensure that if you do take money out midterm, you're taking it from the fair market value of the index-linked option at that point in time.
- Does not reflect the actual performance of the index, although index performance does impact it along with other economic factors.
- Could be less than the investment in the index-linked option even if index performance is positive.

When allocating money to index-linked options available within a registered index-linked annuity, any interest credited, or downside protection, is applied at the end of the term. While a Pacific Life registered index-linked annuity allows you flexibility to take certain withdrawals midterm, it's important to understand the impact those withdrawals and the interim value could have on your contract.

How Does a Withdrawal and Interim Value Impact Your Investment Base?

The investment base is a value used to calculate growth or loss applied to your index-linked option at the end of a term. This initial investment base is equal to the amount allocated to an index-linked option. When a withdrawal is taken midterm, the investment base is adjusted in proportion to how much the withdrawal—including applicable surrender charges and taxes—reduced the interim value, which may significantly reduce any amount credited at the end of the term. The new investment base will then be used at the end of the term to calculate the growth or loss beyond the protection amount, which is then applied to your investment.



This hypothetical example is for illustrative purposes only and does not reflect a specific, actual investment.

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

Insurance products can be issued in all states, except New York, by Pacific Life Insurance Company and in all states by Pacific Life & Annuity Company. Product/material availability and features may vary by state.

**No bank guarantee • Not a deposit • May lose value
Not FDIC/NCUA insured • Not insured by any federal government agency**

Talk to your financial professional to learn more about interim values and Pacific Life's registered index-linked annuity strategies, or visit our website for more information.

PacificLife.com

IMPORTANT DISCLOSURES: Annuities are long-term contracts designed for retirement. 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 and a market value adjustment (MVA) also may apply. Withdrawals will reduce the contract value and the value of the beneficiary benefit, and also may reduce the value of any optional benefits.

An investment in a crediting strategy is subject to risks, including the possible loss of all or a significant portion of your principal investment and any credited contract earnings. This loss could be greater if you take a withdrawal or surrender your contract due to the imposition of withdrawal charges, a market value adjustment, if applicable, and possible negative tax consequences.

The crediting strategy or protection level are not applied until the end of the term. Before the end of a term, if the contract is surrendered or annuitized, a withdrawal is taken, or if the beneficiary benefit is paid, the transaction will reduce the interim value of the investment in that crediting option and could result in the loss of principal and previously credited contract earnings. Such losses could be as high as 100%. The interim value is the amount in the crediting option that is available for transactions that occur during the term, including full surrenders, withdrawals, free withdrawal amounts, and pre-authorized withdrawals, optional charges, guaranteed withdrawal amounts under the guaranteed lifetime withdrawal benefit, beneficiary benefit payments, and annuitization. The interim value could be less than the investment in the crediting strategy option even if the index is performing positively.

Withdrawals will be taken proportionately from all interest-crediting options in which you are invested, including the Fixed Account. When transactions occur, including withdrawals under the Income Guard benefit, during the term of one or more crediting strategies, the use of the interim value could result in a greater loss or lower gain than the crediting strategy would provide at the end of the term, and downside protection options would not apply. This means that there could be significantly less money available under your contract for withdrawals, annuitization, and the beneficiary benefit. Partial withdrawals or full withdrawals (a "surrender") that cause the interim value to be recalculated could result in the loss of principal and previous interest credits, which could be as high as 100%. The maximum loss would occur if there is a total distribution from crediting strategies during the term at a time when the index price has declined to zero. To avoid the use of the interim value for withdrawals, you can schedule withdrawals to coincide with term end dates. Withdrawals may be subject to withdrawal charges or MVA.

Market value adjustments (MVA) are not applicable in New York.

All individuals selling this product must be licensed insurance agents.

Pacific Life, its affiliates, its distributors, and respective representatives do not provide tax, accounting, or legal advice. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor or attorney.

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.

This material must be preceded or accompanied by the product prospectus or summary prospectus, if available, each of which contains information about the contract's features, risks, limitations, charges, and expenses. You should read the prospectus, which is available from your financial professional or by visiting PacificLife.com/Prospectuses, and consider its information carefully before investing.

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Insurance products can be issued in all states, except New York, by Pacific Life Insurance Company or Pacific Life & Annuity Company. In New York, insurance products are only issued by Pacific Life & Annuity Company. Product/material availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues.

Insurance product and rider guarantees, including optional benefits and any fixed crediting rates or annuity payout rates, are backed by the financial strength and claims-paying ability of the issuing insurance company. They are not backed by the independent third party from which this annuity is purchased, including the broker-dealer, 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.

Securities are distributed by **Pacific Select Distributors, LLC** (member FINRA & SIPC), a subsidiary of Pacific Life Insurance Company and an affiliate of Pacific Life & Annuity Company.

The home office for Pacific Life & Annuity Company is located in Phoenix, Arizona. The home office for Pacific Life Insurance Company is located in Omaha, Nebraska.

