



S&P 500® 5-YEAR PARTICIPATION RATE WITH SPREAD

An interest crediting option available with Pacific Index Edge, a deferred, fixed indexed annuity.

Introduction: This fact sheet is designed to assist you in understanding the Interest-Crediting Method associated with your fixed indexed annuity. The information included is meant to provide a general overview and does not include all details and features of this method. Please refer to your contract for further information regarding the 5-Year Participation Rate with Spread method and other options that may be available to you. You may also contact your financial professional to discuss how this Interest-Crediting Method fits your financial plan.

I. How does the 5-Year Participation Rate with Spread Option with the S&P 500® Index work?

The participation rate and spread are determined based on the Initial Guaranteed Period elected and initial premiums at contract issue. The initial guaranteed period can be affected by any additional payments or withdrawals made within the contract parameters. Additional information can be found in the contract provided to you at issue or on your annual statement.

The amount of index-linked interest is determined by comparing the index price at the end of the index term to the index price at the start of the index term, subject to the participation rate and spread deduction. Below is a hypothetical interest crediting example. Hypothetical example assumes no withdrawals or optional benefits were elected.

Initial Purchase Payment: \$100,000 **Participation Rate:** 75% **Spread:** 10%

S&P 500® Index Price: Starting Index: 1,462 (December 31, 2012)
Ending Index: 2,673 (December 31, 2017)

Step 1: Determine Index Return

$$\begin{array}{rcccl} \text{Ending Index} & & \text{Starting Index} & & \text{Starting Index} & & \text{Index Return} \\ 2,673 & - & 1,462 & / & 1,462 & = & 82.83\% \end{array}$$

Step 2: Adjust Index Return

$$\begin{array}{rcccl} \text{Participation Rate} & & \text{Index Return} & & \text{Spread} & & \text{Adjusted Index Return} \\ 75\% & \times & 82.83\% & - & 10\% & = & 52.12\% \end{array}$$

Step 3: Determine Index-Linked Interest

$$\begin{array}{rcccl} \text{Purchase Payment} & & \text{Index Return} & & \text{Index-Linked Interest Credited} \\ & & & & \text{after the Fifth Contract Year} \\ \$100,000 & \times & 52.12\% & = & \$52,120 \\ & & \text{(Determined in} & & \\ & & \text{Step 2 above)} & & \end{array}$$

Total index-linked interest credited on the fifth contract anniversary = \$52,120

All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company. Insurance products are issued by Pacific Life Insurance Company. Product 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

<p>2. How do I know what the S&P 500® index started at?</p>	<p>This information can be located by logging into the Pacific Life website and selecting Rates/Caps under Contract Information. This can also be obtained by contacting customer service at (800) 722-4448.</p>
<p>3. Why did my contract value remain the same?</p>	<p>With this Interest Crediting Method, interest is only credited five years from the date your contract was issued: in this case, it's at the end of your five-year index term. If the result of the index growth multiplied by the participation rate minus any applicable spread is zero or negative, then no interest will be credited. For additional information, see page 1.</p>
<p>4. Why did my contract value decrease?</p>	<p>If you elected an optional benefit at issue, the fee for this optional benefit will reduce the contract value. Any withdrawals taken from your contract also will reduce the value of your account.</p>
<p>5. Can I still take a withdrawal during the 5-year term?</p>	<p>Withdrawals can be made subject to the provisions of the contract. If the 5-Year Participation Rate with Spread Option with the S&P 500® index is elected, withdrawals can affect the participation rate and spread if the contract value falls below the contract value breakpoint. This breakpoint can be found in the contract provided to you at issue or on your annual statement. No interest will be earned or credited on amounts withdrawn prior to the end of an index term.</p>
<p>6. Do I pay a fee for allocating to the 5-Year Participation Rate with Spread Option with the S&P 500® index?</p>	<p>No fees are assessed for Interest-Crediting Methods.</p>
<p>7. Can I change my interest crediting method?</p>	<p>Transfers cannot be made into or out of an active 5-year index term. Changes to your Interest-Crediting Method can be made within 30 days after your 5-year index term has expired.</p>
<p>8. At the end of the 5 years, can I elect the 5-year method again?</p>	<p>The 5-Year Participation Rate with Spread Option with the S&P 500® index can be elected only at contract issue. At the end of the five years, if no new election is made within 30 days after your anniversary, the amount allocated to this option will be allocated automatically to the Fixed Account Option until the next anniversary.</p>
<p>9. What is the minimum amount of interest that will be credited to the contract?</p>	<p>If you decide to fully surrender the contract, you are guaranteed to receive the greater of the contract value (minus applicable optional benefit charges, a market value adjustment (MVA), and/or withdrawal charges) or the Guaranteed Minimum Surrender Value (GMSV). The GMSV is the minimum value you will receive upon a full surrender of the contract, death, or annuitization. The GMSV equals a percentage of purchase payments shown in the Contract Specifications multiplied by your purchase payment, minus any prior partial withdrawals and any applicable benefit fees,¹ accumulated with interest using the applicable minimum guaranteed interest rates for the purchase payments shown in the Contract Specifications.</p>

¹Optional benefit fees are not deducted from the GMSV in AL, IA, MN, MO, NC, NH, NJ, OH, PA, UT, and WA.

Talk to your financial professional for more information or
visit PacificLife.com.

This brochure is intended for educational use only. Please speak with your financial professional for more information.

The S&P 500 index is a product of S&P Dow Jones Indices LLC (“SPDJI”), and has been licensed for use by Pacific Life Insurance Company. Standard & Poor’s®, S&P®, and S&P 500® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Pacific Life. Pacific Life’s product is not sponsored, endorsed, sold, or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s), nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 index.

The index is not available for direct investment, and index performance does not include the reinvestment of dividends.

Pacific Life Insurance Company (Newport Beach, CA) is licensed to issue insurance products in all states except New York. Product availability and features may vary by state. Fixed annuity products are available through licensed third parties.

FAC1138-0918W

3 of 3

Mailing address:

Pacific Life Insurance Company

P.O. Box 2378

Omaha, NE 68103-2378

(800) 722-4448 • www.PacificLife.com



PACIFIC LIFE