



# MARKET-BASED GROWTH WITHOUT MARKET RISK

with a Deferred, Fixed Indexed Annuity



# PARTICIPATE IN MARKET GAINS.

# LOSE NOTHING WHEN MARKETS DECLINE.

A deferred, fixed indexed annuity (FIA) is a long-term contract that guarantees you'll never lose money due to market performance. That's because your money is not directly invested in the market. Instead, you earn a rate of interest linked to a market index, such as the S&P 500<sup>®</sup> index. One index-linked interest-crediting option you can choose is a **Participation Rate option**.

A Participation Rate interest-crediting option simply means you participate in a portion of the index return. The index return is calculated based on the change in the index price over an entire contract year. In any year when the index rises, you may receive a percentage of the return. For years in which the index performance is negative, you will not earn interest, but you will not lose money either. To provide higher participation rates, some options may deduct an amount known as a spread from the index return after the participation rate is applied.



**The example on the following page looks at historical S&P 500<sup>®</sup> index price returns over a 50-year period to:**

- Determine how many times the index return was positive and negative for each year in this time frame.
- Show the amount of interest that would be credited to a FIA contract using a Participation Rate option with a hypothetical participation rate of 60% and 2% spread.

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**

## Annual S&P 500® Index Calendar-Year Price Returns from 1970–2019

During this 50-year period, the S&P 500® index return was negative 13 times, and returned 10% or more 27 times.

S&P 500® Index Price Returns	Upside Potential			Downside Protection
	0%–9.99% 10 Times	10% or More 27 Times		Negative 13 Times
		10%–19.99% 14 Times	20% or More 13 Times	
		19.53% (1999)		
		19.42% (2017)	34.11% (1995)	
		19.15% (1976)	31.55% (1975)	
		17.27% (1983)	31.01% (1997)	
9.54% (2016)		15.63% (1972)	29.60% (2013)	
8.99% (2004)		14.76% (1982)	28.88% (2019)	
7.06% (1993)		14.62% (1986)	27.25% (1989)	
4.46% (1992)		13.62% (2006)	26.67% (1998)	
3.53% (2007)		13.41% (2012)	26.38% (2003)	
3.00% (2005)		12.78% (2010)	26.33% (1985)	
2.03% (1987)		12.40% (1988)	26.31% (1991)	
1.40% (1984)		12.31% (1979)	25.77% (1980)	
1.06% (1978)		11.39% (2014)	23.45% (2009)	
0.10% (1970)		10.79% (1971)	20.26% (1996)	
<b>% Credited to the Contract</b> <i>Hypothetical 60% participation rate, minus 2% spread</i>	<b>0%–3.99%</b>	<b>4%–9.99%</b>	<b>10%–18.47%</b>	<b>0%</b>
				–38.49% (2008)
				–29.72% (1974)
				–23.37% (2002)
				–17.37% (1973)
				–13.04% (2001)
				–11.50% (1977)
				–10.14% (2000)
				–9.73% (1981)
				–6.56% (1990)
				–6.24% (2018)
				–1.54% (1994)
				–0.73% (2015)
				–0.003% (2011)

**A FIA using the Participation Rate option would have captured a portion of the gains while losing nothing when returns were negative.**

For illustrative purposes only. **Past performance does not guarantee future results.** Example uses historical S&P 500® index calendar-year price returns from 1970–2019. Participation rates and spreads are subject to change. The index is not available for direct investment. The annualized rate of return of the S&P 500® index and the FIA with a Participation Rate option do not include the reinvestment of dividends. Your results may vary.

Talk to your financial professional for more information  
about a fixed indexed annuity using a Participation Rate option,  
and visit our website at [PacificLife.com](http://PacificLife.com).

---

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

Fixed indexed annuities are not securities and do not participate directly in the stock market or any index, so they are not investments. The index used is a price index that tracks performance.

Pacific Life, its affiliates, their 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.*

The "S&P 500<sup>®</sup> index" is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI"), and has been licensed for use by Pacific Life Insurance Company. Standard & Poor's<sup>®</sup> and S&P<sup>®</sup> are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones<sup>®</sup> is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). 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<sup>®</sup> index.

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.

Contract Form Series: 30-1401, 30-1401MA, 30-1401OR, ICC16:30-1503,  
30-1503MA, 30-1503OR (state variations may apply)

Rider Series: ICC15:20-1406, 20-1405 (state variations may apply)

FAC0505-0320



THE OFFICIAL SPONSOR  
OF RETIREMENT<sup>™</sup>