

Ivy VIP Asset Strategy

Available through Pacific Life Variable Annuity Products
 Benchmark: MSCI ACWI NR USD

Overall Morningstar Rating™
 ★★★

Morningstar Return
 Above Average

Morningstar Risk
 High

Out of 3153 World Allocation VA subaccounts. **An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.**

Investment Strategy from underlying investment's prospectus
 The investment seeks to provide total return.

The Portfolio seeks to achieve its objective by allocating its assets among different asset classes of varying correlation around the globe. Ivy Investment Management Company (IICO), the Portfolio's investment manager, begins its investment process by investing a portion of the Portfolio's assets in global equity securities that IICO believes can outperform the Portfolio's benchmark index, the MSCI ACWI Index, over a full market cycle (the Equity Sleeve).

Category Description: World Allocation

World-allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. While these portfolios do explore the whole world, most of them focus on the U.S., Canada, Japan, and the larger markets in Europe. It is rare for such portfolios to invest more than 10% of their assets in emerging markets. These portfolios typically have at least 10% of assets in bonds, less than 70% of assets in stocks, and at least 40% of assets in non-U.S. stocks or bonds.

Morningstar Proprietary Statistics as of 03-31-21

	Fund Rank Percentile	Morningstar Rating	out of # of Investments
YTD	79	—	3438
1 Year	8	—	3334
3 Year	27	★★★	3153
5 Year	17	★★★	2873
10 Year	59	★★	926

Operations

Subaccount Incp Date	05-01-14
Management Company	Ivy Investment Management Co
Subadvisor	—
Portfolio Manager(s)	Chace Brundige. Since 2014. W. Surles. Since 2018.

Morningstar Sustainability

Morningstar Sustainability Rating as of 01-31-21
 Below Average

Global Category
 Out of 3,693 Moderate Allocation investments analyzed

Historical Sustainability Score as of 02-28-21
 24 based on 82% of AUM

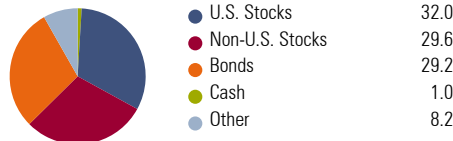
Historical % Rank in Global Category
 78

Sustainability Mandate
 No

The Morningstar Sustainability Score is based on company-level analysis from Sustainalytics. See disclosure for details.

Portfolio Analysis

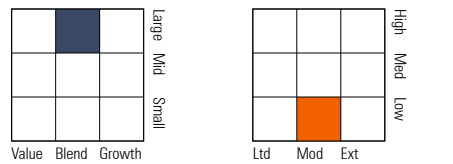
Composition as of 02-28-21



Top Holdings as of 02-28-21

Top Holdings	% Assets
Gold	4.81
Taiwan Semiconductor Manufacturing Co Ltd	2.66
Microsoft Corp	2.48
Visa Inc Class A	1.76
Alphabet Inc A	1.65
Intuit Inc	1.62
Amazon.com Inc	1.43
Government National Mortgage Assoc 3.5% 06-20-50	1.43
Ingersoll Rand Inc	1.41
Samsung Electronics Co Ltd	1.38

Morningstar Style Box™ as of 02-28-21(EQ) ; 12-31-20(F-I)



Morningstar Sectors as of 02-28-21

Sector	% Fund
Cyclical	27.12
Basic Materials	1.17
Consumer Cyclical	7.56
Financial Services	16.63
Real Estate	1.76
Sensitive	52.85
Communication Services	5.21
Energy	4.23
Industrials	17.30
Technology	26.11
Defensive	20.04
Consumer Defensive	7.48
Healthcare	11.11
Utilities	1.45

Total Number of Stock Holdings

Total Number of Stock Holdings	65
Total Number of Bond Holdings	119
Annual Turnover Ratio %	44.00
Tax Cost Ratio 3 Yr	1.60
Total Fund Assets (\$mil)	742.63

Statistics as of 02-28-21

Statistics	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	19.73	0.89	1.05
P/B Ratio	2.49	0.65	1.02
P/C Ratio	11.99	0.74	0.99
GeoAvgCap (\$mil)	113,117.2	0.64	1.44
	6		

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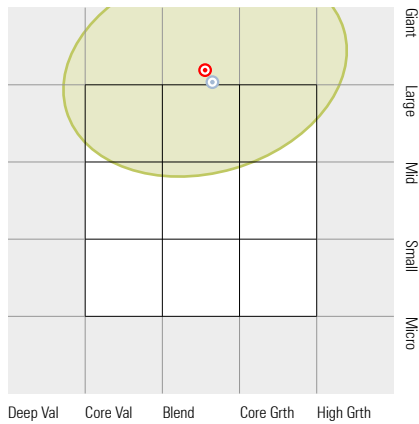
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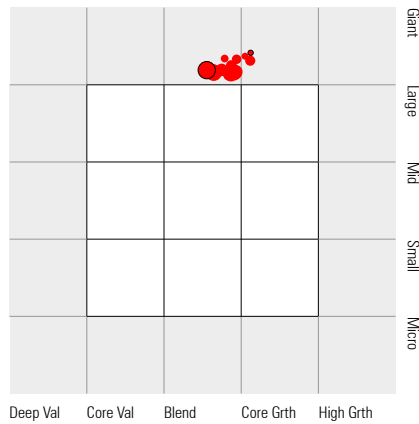
Style Orientation

Equity Style Ownership Zone as of 02-28-21



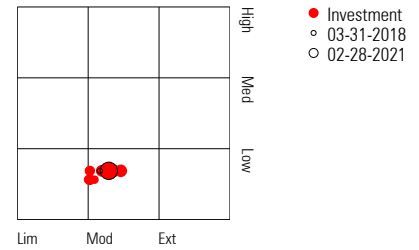
Investment Benchmark

Equity Style Trail as of 02-28-21



03-31-2018 02-28-2021

Fixed Income Style Trail as of 02-28-21

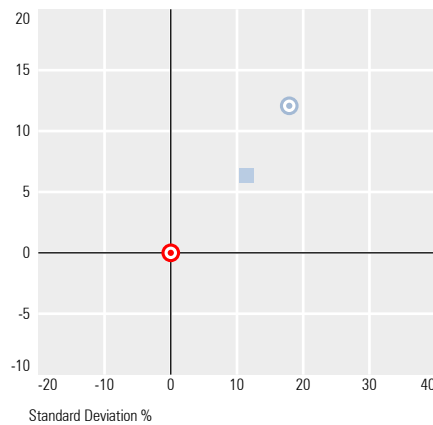


Fixed Income Statistics as of 02-28-21

Avg Duration	5.30
Avg Eff Maturity	7.00
Avg Wtd Price	104.26

Risk Evaluation as of 03-31-21

Total Return

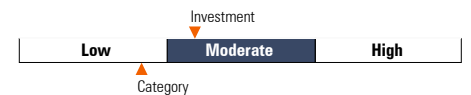


Investment Benchmark Category Average

Risk Measures as of 03-31-21

	3-Year	5-Year	10-Year
Standard Deviation	15.49	12.58	13.83
Sharpe Ratio	0.49	0.61	0.34
Information Ratio	-0.33	-0.34	-0.45
R-squared	95.58	94.81	85.48
Beta	0.85	0.85	0.91
Alpha	-2.26	-2.77	-3.54

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

Best 3 Month Return

17.35%
 (Apr '20 - Jun '20)

Worst 3 Month Return

-19.40%
 (Jan '20 - Mar '20)

Notes

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.

Variable annuities are long-term investments designed for retirement. 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 death benefit payouts, will be subject to ordinary income tax. For nonqualified contracts, an additional tax of 3.8% may apply on net investment income. If withdrawals and other distributions are taken prior to age 59 1/2, an additional 10% federal tax may apply. A withdrawal charge also may apply. Withdrawals will reduce the contract value and the value of the death benefits, and also may reduce the value of any optional benefits.

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 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 (Newport Beach, CA) and an affiliate of Pacific Life & Annuity Company, and are available through licensed third parties.

This material must be preceded or accompanied by the product prospectus. Contact your financial professional or visit 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.

This page must be accompanied by all disclosure pages.

Disclosure

Pacific Life Insurance Company contracts Morningstar Inc., for a fee, as a third-party advisor to produce this fact sheet. In this capacity, Morningstar independently provides analysis on the underlying investment options for Pacific Life. Pacific Life and its affiliates have not independently verified this information.

The Morningstar Fact Sheet is provided to help you further evaluate the investment options available within Pacific Life variable annuities. This information (including Morningstar Rating) does not reflect expenses and charges that are, or may be, imposed under your variable annuity contract. For information on these charges, please refer to the applicable variable annuity contract or variable annuity prospectus. Morningstar chooses the applicable benchmark for each portfolio. This index may differ from the benchmark index or the indices in the underlying prospectuses. The index is an unmanaged portfolio of specified securities and the index does not reflect any initial or ongoing expenses. Indexes cannot be invested in directly. See the underlying prospectuses for more information on benchmarks and definitions.

Pacific Life Fund Advisors LLC (PLFA), a wholly owned subsidiary of Pacific Life Insurance Company, is the investment adviser to the Pacific Select Fund (PSF). PLFA directly manages certain PSF funds-of-funds.

For PSF investment options, the information presented is about sub-accounts funded by corresponding Pacific Select Fund portfolios. Pacific Select Fund is an underlying investment vehicle to Pacific Life variable products.

The PSF DFA Balanced Allocation Portfolio, Pacific Dynamix-Conservative Growth, Pacific Dynamix-Moderate Growth, Pacific Dynamix-Growth, Portfolio Optimization Conservative, Portfolio Optimization Moderate-Conservative, Portfolio Optimization Moderate, Portfolio Optimization Growth, and Portfolio Optimization Aggressive-Growth portfolios are each structured as a "fund-of-funds", and assumes investment in a variety of underlying funds. It also involves direct expenses for each fund and indirect expenses for the underlying funds, which together can be higher than expenses incurred when investing directly in an underlying fund. For more information on these charges, please refer to the applicable variable annuity prospectus.

American Century Investment Services, Inc., American Funds Distributors, Inc., BlackRock Distributors, Inc., Fidelity Distributors Corporation, First Trust Portfolios, L.P., Franklin Templeton Distributors, Inc., Invesco Distributors, Inc., Ivy Distributors, Inc., Janus Henderson Distributors LLC, JPMorgan Distribution Services, Inc., Legg Mason Investor Services, LLC, Lord Abbett Distributor LLC, MFS Fund Distributors, Inc., Neuberger Bergman Management LLC, PIMCO Investments LLC, State Street Global Markets, LLC, Van Eck Securities Corporation, and the products each distributes are not affiliated with Pacific Life or Pacific Select Distributors, LLC. Third-party trademarks and service marks are the property of their respective owners.

Applicable to Russell Indexes

The Russell 2000 Index and Russell 2000 Value Index (together, the "Indexes") are calculated by Russell or its agent, are trademarks of Frank Russell Company ("Russell"), and have been licensed for use by Pacific Select Fund ("PSF"). Neither Russell nor the London Stock Exchange Group companies (together the "Licensor Parties") sponsor, endorse, sell or promote any portfolios of PSF, the content of this communication, or make any claim, prediction, warranty or representation whatsoever, expressly or implicitly, either as to (i) the results to be obtained from the use of the Indexes, or (ii) the suitability of the Indexes for the purpose to which they are being put. The Licensor Parties do not and will not provide any financial or investment advice or recommendation in relation to the Index to Pacific Select Fund or its clients. The Licensor Parties do not accept any liability to any person for any errors or omissions in the Russell Indexes and are under no obligation to advise any person of any error therein.

Morningstar Portfolio Analysis and Morningstar Sector Weightings

For individual sub-accounts, the purpose of these sections is to provide an analysis of the individual sub-account. Morningstar prepares this information based on publicly available holdings information. Generally, each underlying sub-account's holdings are for the prior month end; however, certain underlying sub-account's holdings are for the month ended one or two months prior.

Benchmark Definition

MSCI ACWI NR USD: The index measures the performance of the large and mid cap segments of all country markets. It is free float-adjusted market-capitalization weighted.

Morningstar Rating™

The Morningstar Rating™ for funds, or "star rating", is calculated for funds and separate accounts with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics.

Morningstar Return

The Morningstar Return rates a fund's performance relative to other managed products in its Morningstar Category. It is an assessment of a product's excess return over a risk-free rate (the return of the 90-day Treasury Bill) in comparison with the products in its Morningstar category. In each Morningstar category, the top 10% of products earn a High Morningstar Return (High), the next 22.5% Above Average (+Avg), the

middle 35% Average (Avg), the next 22.5% Below Average (-Ave), and the bottom 10% Low (Low). Morningstar Return is measured for up to three time periods (three, five, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the product. Products with less than three years of performance history are not rated.

Morningstar Risk

Morningstar Risk evaluates a fund's downside volatility relative to that of other products in its Morningstar Category. It is an assessment of the variations in monthly returns, with an emphasis on downside variations, in comparison with the products in its Morningstar category. In each Morningstar category, the 10% of products with the lowest measured risk are described as Low Risk (Low), the next 22.5% Below Average (-Avg), the middle 35% Average (Avg), the next 22.5% Above Average (+Avg), and the top 10% High (High). Morningstar Risk is measured for up to three time periods (three, five, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the product. Products with less than three years of performance history are not rated.

Morningstar Style Box™

The Morningstar Style Box reveals a portfolio's investment style. For equity portfolios, the vertical axis shows the market capitalization of the stocks owned. The horizontal axis shows investment style (value, blend, or growth).value, blend, or growth).

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 financially material environmental, social and governance, or ESG, risks relative to the fund's Morningstar Global Category peers. The Morningstar Sustainability Rating calculation is a five - step process. First, each fund with at least 67% of assets covered by a company-level ESG Risk Score from Sustainalytics receives a Morningstar Portfolio Sustainability Score. The Morningstar Portfolio Sustainability Score is an asset-weighted average of company-level ESG Risk Scores. The Portfolio Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk. Second, the Historical Sustainability Score is an exponential weighted moving average of the Portfolio Sustainability Scores over the

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

past 12 months. The process rescales the current Portfolio Sustainability Score to reflect the consistency of the scores. The Historical Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk, on a consistent historical basis. Third, 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 Sustainability Score and is determined by each fund's Morningstar Sustainability Rating Score rank within the following distribution: • High (highest 10%) • Above Average (next 22.5%) • Average (next 35%) • Below Average (next 22.5%) and • Low (lowest 10%) Fourth, we apply a 1% rating buffer from the previous month to increase rating stability. This means a fund must move 1% beyond the rating breakpoint to change ratings. Fifth, we adjust downward positive Sustainability Ratings to funds with a with high ESG Risk scores. The logic is as follows: • If Portfolio Sustainability score is above 40, then the fund receives a Low Sustainability Rating • If Portfolio Sustainability score is above 35 and preliminary rating is Average or better, then the fund is downgraded to Below Average • If Portfolio Sustainability score is above 30 and preliminary rating is Above Average, then the fund is downgraded to Average • If Portfolio Sustainability score is below 30, then no adjustment is made. 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 Historical Sustainability Score and 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 click on <http://corporate1.morningstar.com/SustainableInvesting/> for more detailed information about the Morningstar Sustainability Rating methodology and calculation frequency.

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Definitions

Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of

risk as measured by beta.

Beta is a measure of a portfolio's sensitivity to market movements.

Credit Analysis on bond portfolios is based on Moody's ratings.

Duration is a time measure of a bond's interest-rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed-income securities within the portfolio.

Equity Style Ownership Zone The Morningstar Ownership ZoneSM provides a graphic and intuitive representation of the size and investment style of stocks in an equity portfolio. The Ownership Zone is derived by plotting each stock in the portfolio within the Morningstar Style Box. The Ownership Zone is the shaded area that represents 75% of the assets in the portfolio and indicates the level of concentration in the holdings. The "centroid" in the middle of the Ownership Zone represents the weighted average of all the holdings. The Ownership Zone helps investors differentiate between portfolios that may otherwise look similar. Investors can also use the Ownership Zone to construct diversified portfolios and model how multiple funds complement one other in a portfolio.

Equity Style Trail gives you a historical view of the movement of a portfolio over time in terms of equity style based on historical holding changes. Each dot represents a holding change provided by the Fund's management generally monthly, but no less than quarterly. This helps to clearly define the management of a portfolio over time and determine the consistency of that management.

Information Ratio is a risk-adjusted performance measure. The information ratio is a special version of the Sharpe Ratio in that the benchmark doesn't have to be the risk-free rate.

Income Ratio reveals the percentage of current income earned per share. The income ratio can be used as a gauge of how much of the total return comes from income.

Price/Book (P/B) Ratio is the weighted average of the price/book ratios of all the stocks in a portfolio.

Price/Cash (P/C) Ratio represents the weighted average of the price/cash-flow ratios of the stocks in a portfolio.

Price/Earnings (P/E) Ratio is a stock's current price divided by the company's trailing 12-month earnings per share.

Geometric Average Cap is the geometric mean of the market capitalization for all of the stocks the portfolio owned.

Maturity is the average effective maturity, which is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

R-squared reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark.

Sharpe Ratio is a risk-adjusted measure calculated by using standard deviation and excess return to determine reward per unit of risk.

Standard Deviation is a statistical measure of the volatility of the portfolio's returns.

Sub-account Inception (Incp) Date is when the investment option became part of the separate account.

Volatility is a statistical measure of the dispersion,

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

the uncertainty of risk, of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security. The lower the volatility, the more steady the security.

Weighted (Wtd) Price is the average weighted price, which is generated from the portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the portfolio favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Investment 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.

Active Management The investment is actively managed and subject to the risk that the advisor's usage of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause the portfolio to lose value or under perform investments with similar objectives and strategies or the market in general.

Asset Allocation Fund of Funds As a fund-of-funds, the fund typically is exposed to the same risks as the underlying funds in which it invests in direct to the allocation of assets among those underlying funds. There is a risk that you could achieve better returns by investing in an individual fund or funds representing a single asset class or investment style rather than investing in the fund.

Conflict of interest A conflict of interest may arise if the advisor makes an investment in certain underlying funds based on the fact that those funds are also managed by the advisor or an affiliate or because certain underlying funds may pay higher fees to the advisor do than others. In addition, an advisor's participation in the primary or secondary market for loans may be deemed a conflict of interest and limit the ability of the investment to acquire those assets.

Convertible Securities Investments in convertible securities may be subject to increased interest rate risks, rising in value as interest rates decline and falling in value when interest rates rise, in addition to their market value depending on the performance of the common stock of the issuer. Convertible securities, which are typically unrated or lower than other debt obligations, are secondary to debt obligations in order of priority during a liquidation in the event the issuer defaults.

Correlation A Fund that represents an alternative or

nontraditional investment strategy is generally expected to have low to moderate correlation with the performance of traditional equity and debt investments over long-term periods; however, its actual performance may be correlated with traditional equity and debt investments over short- or long-term periods.

Credit The issuer or guarantor of a fixed-income security, counter party to an OTC derivatives contract, or other borrower may not be able to make timely principal, interest, or settlement payments on an obligation. In this event, the issuer of a fixed-income security may have its credit rating downgraded or defaulted, which may reduce the potential for income and value of the portfolio.

Currency Investments in securities traded in foreign currencies or more directly in foreign currencies are subject to the risk that the foreign currency will decline in value relative to the U.S. dollar, which may reduce the value of the portfolio. Investments in currency hedging positions are subject to the risk that the value of the U.S. dollar will decline relative to the currency being hedged, which may result in a loss of money on the investment as well as the position designed to act as a hedge. Cross-currency hedging strategies and active currency positions may increase currency risk because actual currency exposure may be substantially different from that suggested by the portfolio's holdings.

Debt Securities Debt and other debt instruments are subject to many risks, including interest rate risk and credit risk, which may affect their value.

Derivatives The use of forwards and future contracts, options and swaps agreements (each a type of derivative instrument) as a principal investment strategy subjects an investor to a number of risks, including: counter party risk, leverage risk, price volatility risk, regulatory risk, liquidity and valuation risk, correlation risk, premium risk and segregation risk. Derivatives may be riskier than other types of investments and may increase an investment's volatility and risk of loss.

Emerging Markets Investments in emerging- and frontier-markets securities may be subject to greater market, credit, currency, liquidity, legal, political, and other risks compared with assets invested in developed foreign countries. Risk may be more enhanced for investments with exposure to certain emerging market countries (such as China) with governments that act in an adverse manner toward foreign investment.

Equity Securities The value of equity securities, which include common, preferred, and convertible preferred stocks, will fluctuate based on changes in their issuers' financial conditions, as well as overall market and economic conditions, and can decline in the event of deteriorating issuer, market, or economic conditions.

Floating Rate Loans Floating rate loans (or bank loans) are usually rated below investment grade. The market for floating rate loans may be subject to irregular trading activity, wide

bid/ask spreads and delayed settlement periods.

Foreign Markets Exposure to foreign markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make foreign investments more volatile and less liquid than U.S. investments.

Geographic Focus Focusing investments in a single country, limited number of countries, or particular geographic region increases the risk that economic, political, social, or other conditions in those countries or that region will have a significant impact on performance.

Growth Investing Growth securities may be subject to increased volatility as the value of these securities is highly sensitive to market fluctuations and future earnings expectations. These securities typically trade at higher multiples of current earnings than do other securities and may lose value if it appears their earnings expectations may not be met.

High-Yield/High Risk or "Junk" Securities in below-investment-grade debt securities and unrated securities of similar credit quality, commonly known as "junk bonds" or "high-yield securities," may be subject to increased interest, credit, and liquidity risks.

Index Sampling Because index sampling relies on the securities selected to have economic characteristics similar to securities in the target index, it may not result in the aggregate in investment performance matching that of a fund's target index or of other funds that purchased all of the securities in the same index in approximately the same proportions as their weightings in the index.

Industry and Sector Investing Concentrating assets in a particular industry, sector of the economy, or markets may increase volatility because the investment will be more susceptible to the impact of market, economic, regulatory, and other factors affecting that industry or sector compared with a more broadly diversified asset allocation.

Inflation-Protected Securities Unlike other fixed-income securities, the values of inflation-protected securities are not significantly impacted by inflation expectations because their interest rates are adjusted for inflation. Generally, the value of inflation-protected securities will fall when real interest rates rise and rise when real interest rates fall.

Interest Rate The value of bonds, fixed rate loans and short-term money market instruments may fall when interest rates rise. Debt instruments with a longer duration tend to be more sensitive to changes in interest rates, making them more volatile than debt instruments with a shorter duration or floating or adjustable interest rates.

Large Capitalization Companies Concentrating assets in

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

large-capitalization stocks may subject the portfolio to the risk that those stocks under perform other capitalizations or the market as a whole. Large-cap companies may be unable to respond as quickly as small- and mid cap companies can to new competitive pressures and may lack the growth potential of those securities. Historically, large-cap companies do not recover as quickly as smaller companies do from market declines.

Leverage Leverage transactions may increase volatility and result in a significant loss of value if a transaction fails. Because leverage usually involves investment exposure that exceeds the initial investment, the resulting gain or loss from a relatively small change in an underlying indicator will be disproportionately magnified.

LIBOR Transition Risk Commencing in 2022, LIBOR may no longer be available or no longer be deemed an appropriate reference rate upon which to determine the interest rate on or impacting certain loans, notes, and other instruments or investments comprising some or all of the Fund's portfolio. There remains uncertainty regarding the transition to, and nature of, any selected replacement rates. The transition process away from LIBOR may result in increased volatility or illiquidity in markets for a Fund's investments that currently rely on LIBOR as well as a reduction in the value of these investments. The potential risk of reduction in value of these investments may be heightened for those investments that do not include fallback provisions that address the cessation of LIBOR.

Liquidity Risk Certain holdings may be difficult to purchase, sell and value, particularly during adverse market conditions, because there is a limited market for the investment or there are restrictions on resale. A fund may not be able to sell a holding quickly at the price it has valued the holding, may be unable to take advantage of market opportunities or may be forced to sell other more desirable, more liquid securities or sell less liquid or illiquid securities at a loss if needed to raise cash to conduct operations, including to meet redemption requests.

Market Volatility The market value of the portfolio's securities may fall rapidly or unpredictably because of changing economic, political, or market conditions, which may reduce the value of the portfolio.

Mid-Capitalization Companies Mid-cap companies may be subject to increased liquidity risk compared with large-cap companies and may experience greater price volatility than do those securities because of more-limited product lines or financial resources, among other factors.

Mortgage-Related and Other Asset-Backed Securities Risk: Mortgage-related and other asset-backed securities are subject to certain risks affecting the housing market or the market for the assets underlying such securities.

Passive Management A passively managed (or index) fund attempts to track the performance of an unmanaged index of

securities. This differs from an actively managed fund, which generally seeks to outperform a benchmark index. As a result, an index fund generally holds constituent securities of its benchmark index regardless of the current or projected performance of the applicable security, industry or market sector, which could cause the index fund's return to be lower than if the fund were actively managed.

Restricted/Illiquid Securities Restricted and illiquid securities may fall in price because of an inability to sell the securities when desired. Investing in restricted securities may subject the portfolio to higher costs and liquidity risk.

Short Sale Selling securities short may be subject to the risk that an advisor does not correctly predict the movement of the security, resulting in a loss if a security must be purchased on the market above its initial borrowing price to return to the lender.

Small-Capitalization Companies Concentrating assets in small-capitalization stocks may subject the portfolio to the risk that those stocks under perform other capitalizations or the market as a whole. Smaller, less-seasoned companies may be subject to increased liquidity risk compared with mid- and large-cap companies and may experience greater price volatility than do those securities because of limited product lines, management experience, market share, or financial resources, among other factors.

Tracking Error Performance of an investment may vary, sometimes, substantially, from the performance of its benchmark index due to imperfect correlation between an investment and the index.

Underlying Funds Because the Fund may serve as an underlying fund of one or more "fund of funds" and thus have a significant percentage of its outstanding shares held by such fund of funds, a change in asset allocation by the fund of funds could result in large redemption out of the Fund, causing potential increases in expenses to the Fund and sale of securities in a short time-frame, both of which could negatively impact performance.

U.S. Government Securities Not all U.S. government securities are backed or guaranteed by the U.S. government and different U.S. government securities are subject to varying degrees of credit risk. There is risk that the U.S. government will not make timely payments on its debt or provide financial support to U.S. government agencies, instrumentality or sponsored enterprises if those entities are not able to meet their financial obligations.

Value Companies Risk Value securities may be subject to the risk that these securities cannot overcome the adverse factors the advisor believes are responsible for their low price or that the market may not recognize their fundamental value as the advisor predicted. Value securities are not expected to experience significant earnings growth and may underperform growth stocks in certain markets.

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