UNDERSTANDING HYPOTHETICAL RETURNS

Hypothetical Annual Crediting Rates for Indexed Accounts Available for Pacific Horizon Survivorship IUL 2[1]

PACIFIC LIFE

Pacific Life Insurance Company

What is Indexed Universal Life (IUL) Insurance?

IUL is a type of cash value life insurance designed for death benefit protection with the potential to accumulate cash value. The policy's cash value has the potential to grow by earning interest based in part on the performance of market-based indexes without being invested in the market. **Your policy's cash value is protected from index-based losses and is reduced only by policy charges and any policy distributions you take.**[2]

Hypothetical Average Annual Crediting Rates

The table below provides the hypothetical average annualized crediting rates for each indexed account when its current indexed account parameters[3] are applied to 10-year periods of historical index performance from 1985-2025.[4] Hypothetical average annualized crediting rates are determined using segments created monthly starting 1/15/1985 with the final segment maturing on 12/15/2025.

	SG Nasdaq-100®	Barclays	Invesco QQQ®[5]	S&P 500® index, excluding dividends			
Indexed Account	**1-Year SG Nasdaq-100® Volatility Control**	**1-Year Barclays Volatility Control**	**1-Year Invesco QQQ®**	**1-Year**	**1-Year High Cap**	**2-Year**	**High Par 5-Year**
Average of the 10-Year Average Rates	16.37%	12.51%	8.01%	6.68%	6.86%	7.45%	8.72%

Percentiles

The table below uses percentiles to show the distribution of the hypothetical annual credited rates that were calculated as described above. For example, 90% of the hypothetical annual credited rates calculated for the 1-Year Indexed Account were 5.41% or higher, while 10% were 7.92% or higher.

	Percentile	1-Year SG Nasdaq VC	1-Year Barclays VC	1-Year Invesco QQQ®	1-Year	1-Year High Cap	2-Year	High Par 5-Year
Most Common	90%	9.61%	10.60%	6.77%	5.41%	5.29%	5.13%	0.54%
	75%	10.34%	11.20%	7.41%	6.05%	6.21%	6.36%	4.97%
	50%	10.77%	12.48%	8.02%	6.81%	9.24%	7.73%	8.36%
	25%	11.98%	13.72%	8.62%	7.38%	11.44%	8.64%	10.41%
Least Common	10%	12.93%	14.46%	9.36%	7.92%	14.16%	9.72%	12.97%

Pacific Life Insurance Company offers a variety of indexed accounts to help policyowners find interest crediting opportunities under different market conditions. Work with your financial professional* to choose a policy allocation for your life insurance and financial needs.

Hypothetical crediting rates shown do not include any policy charges. Policy performance net of policy charges would have been significantly lower after all policy charges were deducted. Past performance is no guarantee of future results. These hypothetical examples are for illustrative purposes only. Source of all values is Pacific Life's IUL Rate Calculator output, which is available from your life insurance producer. Pacific Life's indexed accounts were not available during some of the period analyzed, so the returns shown are not representative of actual indexed account performance. The actual historical growth cap, participation rate, and floor of these indexed accounts, had they been available during the entire period analyzed, might have been higher or lower than assumed and likely would have fluctuated with market conditions, subject to product guarantees. The rates shown exclude policy charges but include the current charge for the 1-Year High Cap indexed account. Crediting rate net of policy charges would be lower.

*In order to sell life insurance products, a financial professional must be a licensed and appointed life insurance producer.

See page 2 for important disclosures.

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

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[1]The primary purpose of survivorship life insurance is to provide a death benefit after both insured individuals have passed away. Pacific Horizon Survivorship IUL 2 (Form Series P26SIL or ICC26 P26SIL and S26SHZN or ICC26 S26SHZN) based on state of policy issue.

[2]If policy charges are greater than the interest credits earned, your policy's cash value will decrease, which may cause your policy to lapse unless you pay additional premium.

[3]1-Year Indexed Account uses the 10% current growth cap (2% guaranteed), 100% guaranteed participation rate, and 0% guaranteed floor; the 1-Year High Cap Indexed Account (1 Year Indexed Account 5 in the contract) uses 12.00% current growth cap (4% guaranteed), 100% guaranteed participation rate, 0% guaranteed floor and assesses a monthly charge of 0.067% (0.80% annualized, current and guaranteed maximum) on the accumulated value in the 1-Year High Cap Indexed Account; the High Par 5-Year Indexed Account (5 Year Indexed Account 2 in the contract) uses no current growth cap (10% over 5 years guaranteed), 110% current participation rate (105% guaranteed), and 0% guaranteed floor; the 2-Year Indexed account uses a 24% growth cap over 2 years (6% over 5 years guaranteed) and a 100% participation rate. 1-Year Invesco QQQ Indexed Account (1 Year Indexed Account 14) uses a 10.5% current growth cap (1% guaranteed), a 100% guaranteed participation rate, and 0% guaranteed floor. 1-Year Barclays Large Cap Intraday VC10 Indexed Account uses no current or guaranteed growth cap, 0% guaranteed minimum interest rate, and a 150% participation rate (15% guaranteed). 1-Year SG Nasdaq-100® Edge VC10 Indexed Account uses no current or guaranteed growth cap, 0% guaranteed minimum interest rate, and a 140% participation rate (15% guaranteed).

[4]S&P 500® Index-Based Indexed Accounts — The 40-year hypothetical average annualized crediting rates were determined using the average annualized crediting rates of 252 individual segments, each created monthly from 1/15/1985 to 12/15/2025 and held and reallocated in each respective Indexed Account for 10 years with the last segment maturing 12/15/2025. Invesco QQQ® ETF based Indexed Account – the 22-year average hypothetical crediting rates were determined using the average annualized crediting rates of 216 individual segments, each created monthly from 1/15/2003 to 12/15/2020 and held and reallocated in the respective Indexed Account for 10 years with the last segment maturing 12/15/2025. SG Nasdaq Index-based indexed accounts — The 15-year hypothetical average annualized crediting rates were determined using the average annualized crediting rates of 132 individual segments, each created monthly from 1/15/2010 to 12/15/2025 and held and reallocated in each respective Indexed Account for 10 years with the last segment maturing 12/15/2025. Barclays Index-based indexed accounts — The 21-year hypothetical average annualized crediting rates were determined using the average annualized crediting rates of 204 individual segments, each created monthly from 1/15/2004 to 12/15/2025 and held and reallocated in each respective Indexed Account for 10 years with the last segment maturing 12/15/2025.

[5]Invesco QQQ® ETF (designed to track the Nasdaq-100 Index®) is the underlying index for the 1-Year Invesco QQQ® Indexed Account. While this index tracks the impact of dividends which may affect the Segment Indexed Interest, you cannot purchase, directly participate in or receive any dividend payments from the Index through the policy.

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