

# YOUR GUIDE TO THE ENHANCED PERFORMANCE FACTOR RIDER

## Available on Pacific Horizon IUL 2022<sup>1</sup> Policies

Indexed universal life insurance (IUL) offers death benefit protection and index-based interest crediting potential in the policy's cash value. Pacific Horizon IUL 2022 policies from Pacific Life Insurance Company feature an optional Enhanced Performance Factor Rider (EPFR)<sup>2</sup> available at policy issue that may increase your policy's indexed interest crediting potential on a nonguaranteed basis. This guide explains the basics of the EPFR, so you can decide whether it's right for you.

### Why You May Want to Consider the EPFR

A Pacific Life IUL policy credits interest based in part on the performance of a stock market index, subject to a current growth cap (maximum interest crediting rate) and a guaranteed minimum interest rate (floor) of 0%, meaning your policy's accumulated value will never go down due to market losses. Note that monthly policy charges still apply and will reduce your accumulated value.

Choosing the EPFR at policy issue allows you to choose between three different rider designs: Classic, Performance, and Performance Plus. Each design has its own level of monthly rider charges and Performance Factors, as shown on page 2. The rider provides two primary benefits:

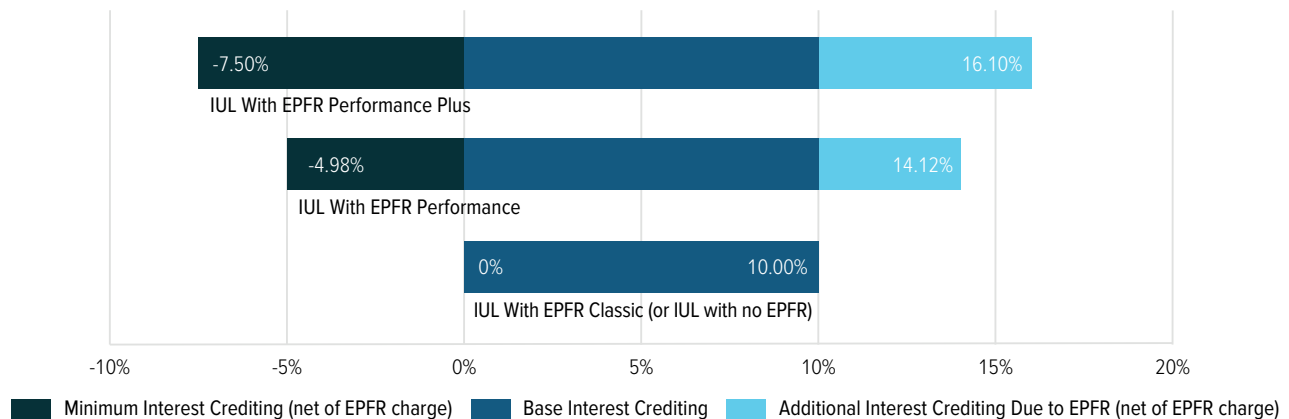
#### 1) Greater Flexibility

By electing the rider at policy issue, you add flexibility to your policy. If your life insurance needs or risk profile changes, you can change your rider's design each year.

#### 2) Greater Upside Potential

The EPFR provides a choice of three rider designs. Two of these designs offer additional cash value accumulation potential: Performance and Performance Plus. In exchange for a monthly charge, these designs offer greater potential performance and more risk in the form of higher charges as shown below. You may also choose Classic, which offers no additional potential performance and no extra monthly rider charges.

### Potential Range of Performance:



IUL interest crediting potential based on hypothetical 1-Year Indexed Account with 100% guaranteed participation rate, 10% current growth cap (2% guaranteed), 0% guaranteed minimum rate (floor), and level segment balance. EPFR examples based on annualized guaranteed charges of 4.98% (Performance) and 7.5% (Performance Plus) and current Performance Factors of 1.91 for Performance (1.49 guaranteed minimum) and 2.36 for Performance Plus (1.72 guaranteed minimum) in Years 2-20. Performance Factors apply in all years, but are 1.0 in year 1, and are at their highest in years 2-20. Request a personalized illustration for details. This hypothetical example is not guaranteed and is no indicator of future performance. The Potential Range of Performance assumes a level segment balance, and calculates the hypothetical indexed interest rate net of the EPFR charge. Note that on an actual policy, the EPFR charge is included in the policy's monthly charges and is not part of the indexed crediting rate calculation. Other monthly policy charges still apply and will reduce policy values.

1 Form series P21IUL and S22NGI, varies based on state of policy issue.

2 Form series R18EPF and S18EPF, varies based on state of policy issue.

Riders will likely incur additional charges and are subject to availability, restrictions, and limitations. When considering a rider, request a policy illustration from your life insurance producer to see the rider's impact on your policy's values.



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## How Does the Rider Work?

The EPFR must be selected at policy issue. It cannot be added after your policy has been issued. If you've elected the EPFR on your policy, you will choose one rider design—Classic, Performance, or Performance Plus—at policy issue. You can change rider design as frequently as yearly. Any changes will impact segments created after the effective date of the change.

The Classic rider design includes no additional boost to performance and no additional rider charge. In exchange for a monthly charge, Performance and Performance Plus provide a potential boost to your interest crediting rate in the form of a Performance Factor, beginning in policy year two, which multiplies your segment index interest credit.

The Performance Factor provides a potential boost to your policy's segment interest credit in exchange for a rider charge, as shown in the hypothetical example below using the Performance Plus EPFR design:

Hypothetical Index Performance	Segment Indexed Interest Credit		Segment Current Performance Factor	=	Total Segment Indexed Interest Credit	-	Annualized Rider Charge	=	Net Impact to Segment Value
10%	\$100.00	x	2.36	=	\$236.00	-	\$75.00	=	\$161.00
Subject to cap rate	10% x \$1,000*		Locked in for the segment term				7.50% x \$1,000 (Varies by EPFR design)		

Performance Factor varies by EPFR design and does not always result in positive credit.

\*The average of all monthly segment balances over the Segment Term after any policy deductions, including the EPFR monthly charges, have been taken. In this example, we've assumed the average monthly segment balance was a level \$1000 for simplicity. See page 3 for example.

## What Are the Rider Charges and Performance Factors?

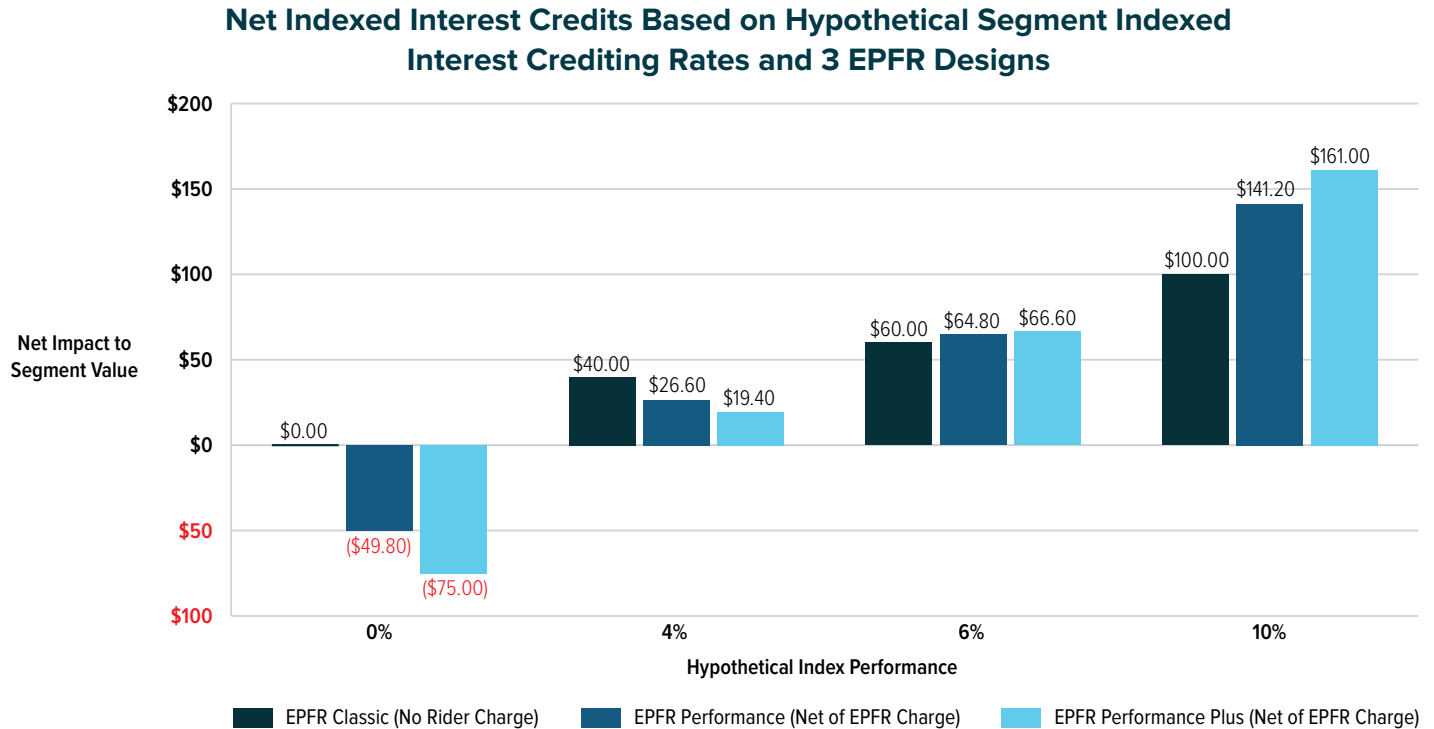
For Pacific Horizon IUL 2022 policies, the guaranteed performance factor and cost of each rider design are shown in the chart below.

Policy Year	Classic Rider Design A			Performance Rider Design B			Performance Plus Rider Design C		
	Annualized Rider Charge	Guaranteed Performance Factor	Current Performance Factor	Annualized Rider Charge	Guaranteed Performance Factor	Current Performance Factor	Annualized Rider Charge	Guaranteed Performance Factor	Current Performance Factor
1	0.00%	1.00	1.00	0.00%	1.00	1.00	0.00%	1.00	1.00
2-20	0.00%	1.00	1.00	4.98%	1.49	1.91	7.50%	1.72	2.36
21	0.00%	1.00	1.00	4.38%	1.43	1.81	6.60%	1.64	2.20
22	0.00%	1.00	1.00	3.78%	1.37	1.70	5.70%	1.56	2.04
23	0.00%	1.00	1.00	3.18%	1.31	1.59	4.80%	1.47	1.88
24	0.00%	1.00	1.00	2.58%	1.25	1.48	3.90%	1.38	1.72
25	0.00%	1.00	1.00	1.98%	1.2	1.37	3.00%	1.30	1.55

Each Segment Performance Factor is the sum of the 1.0 Guaranteed Indexed Account Performance Factor and the Rider Performance Factor. The guaranteed rider charge is assessed monthly as a percentage of each Segment's Monthly Balance and is annualized in the chart above. The Performance Factor applies at Segment maturity based on the Average Segment Monthly Balance over the Segment Term. Request a personalized illustration for details. Current Performance Factors are as of Oct. 2023. Pacific Life reserves the right to change or modify any nonguaranteed or current elements. The right to modify these elements is not limited to a specific time or reason. Values shown above will vary for the 1 Year High Cap Indexed Account.

## When Does the Rider Provide a Benefit?

The rider's impact on the policy's accumulated value can be positive or negative. To understand how the rider's performance factors and charges may impact your policy's interest crediting potential, let's look at four hypothetical examples (subject to a hypothetical growth cap of 10% and the guaranteed minimum crediting rate of 0%):



You can see that when the hypothetical index performance reached 6% the Performance and Performance Plus rider designs added value, with the additional interest credits exceeding the annualized rider charges. At 0% and 4%, the Classic design (with no rider charges and no additional interest credit) outperformed the other designs. Other policy charges will occur on a monthly basis, independent of the rider's charges and may further reduce the policy's accumulated value.

The example above is hypothetical, is not an indication of future performance, and is not guaranteed. Example uses a segment performance factor of 1 for EPFR Classic, 1.91 for EPFR Performance, and 2.36 for EPFR Performance Plus. For simplicity's sake, example uses a level segment balance of \$1000.

## What If the Rider Charges Are Greater Than the Segment Indexed Interest Credit?

When the rider charges exceed the Segment Indexed Interest Credit, the rider will reduce the policy's accumulated value and may increase the risk of policy lapse. Because of the rider charges, it is possible that even positive performance of the indexed accounts may result in a reduction of the policy's accumulated value and/or policy lapse. You should only use EPFR Rider Design Performance and Performance Plus if you are willing to accept the risk of such reductions in accumulated value.

When deciding whether the rider is right for you and which rider design to select, discuss the costs, features, design options and termination with your life insurance producer. Consider obtaining additional life insurance illustrations to analyze the impact that each rider design will have on your policy.

**Ask your financial professional<sup>3</sup> whether the risks and potential rewards of the EPFR are right for you.**

<sup>3</sup> In order to sell life insurance, a financial professional must be a properly licensed and appointed life insurance producer.

# The Power of Pacific

Pacific Life provides a variety of products and services designed to help individuals and businesses in the retail, institutional, workplace benefits, and reinsurance markets achieve financial security. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative life insurance and annuity solutions, as well as mutual funds, that provide value and financial security for current and future generations. Supporting our policyholders for more than 150 years, Pacific Life is a Fortune 500 company headquartered in Newport Beach, California. For additional company information, including current financial strength ratings, visit [www.PacificLife.com](http://www.PacificLife.com).

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Pacific Life Insurance Company is licensed to issue insurance products in all states except New York.  
Product/material availability and features may vary by state.

Life insurance is subject to underwriting and approval of the application.

Indexed universal life insurance does not directly participate in any stock or equity investments.

Pacific Life Insurance Company reserves the right to change or modify any non-guaranteed or current elements. The right to modify these elements is not limited to a specific time or reason.

Indexed Universal Life Insurance generally requires additional premium payments after the initial premium. If either no premiums are paid, or subsequent premiums are insufficient to continue coverage, it is possible that coverage will expire.

This material reflects the Pacific Life Insurance policy features and benefits. All policy features and benefits may not be available through some Broker Dealers.

Investment and Insurance Products: Not a Deposit	Not Insured by any Federal Government Agency	
Not FDIC Insured	No Bank Guarantee	May Lose Value