Guaranteed income for life. In any market.

Schwab Retirement Income Variable Annuity®
with optional Guaranteed Lifetime Withdrawal Benefit.

A variable annuity from Charles Schwab, issued by Pacific Life.* Guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company, not Schwab, and do not apply to the separate account or the underlying portfolios available with this contract.

*Insurance products are issued by Pacific Life Insurance Company in all states except New York, and are issued in New York by Pacific Life & Annuity Company. Product availability and features may vary by state. May not be available in all states.
You can’t control the market. You can control your income.

As you near and enter retirement, you may want to stay invested but worry that a big market decline could jeopardize your chances of making your money last. If so, a variable annuity with an optional Guaranteed Lifetime Withdrawal Benefit (GLWB) may help you get the income security you need.

Where will the market go next?

Now there’s a way to keep your savings invested without risking your income to market volatility.

The Schwab Retirement Income Variable Annuity®

With the Schwab Retirement Income Variable Annuity and its optional GLWB, you can secure a retirement income stream for as long as you need it—no matter how your investments perform or how long you live.

A retirement product from names you know and trust.

Charles Schwab
You’ll have the straightforward guidance of a Schwab investment professional who can help incorporate an annuity into your overall retirement income plan. Plus, your annuity assets will be professionally managed by one of the top money management firms in America: Charles Schwab Investment Management, Inc.

Pacific Life
Your annuity and optional GLWB are backed by Pacific Life’s financial strength and claims-paying ability. For generations, people have relied on Pacific Life to help protect their financial security. Founded in 1868, Pacific Life maintains strong financial strength ratings from major independent rating agencies. These ratings may change and do not apply to the safety or performance of the underlying investment options. For more information and current financial strength ratings, please visit PacificLife.com.

Professional guidance to help you understand it.

When you’re considering an annuity at Schwab, we encourage you to get involved, ask tough questions, and thoroughly understand the pros and cons. A licensed Schwab investment professional will walk you through all the details to help you decide whether an annuity may be right for you.

Here are some important things to keep in mind about variable annuities:

• Variable annuities offer unique benefits and features that have associated costs, but they may be particularly useful in meeting long-term savings and retirement needs.
• Variable annuities have limitations and restrictions.
• Similar to retirement plans such as IRAs and 401(k)s, withdrawals of any earnings taken before age 59½ may be subject to a 10% federal income tax penalty in addition to applicable taxes.
• Unlike retirement plans, annuity assets held outside of qualified accounts are not subject to required minimum distributions (RMDs) at age 72.
• Withdrawals will reduce your contract value and the death benefit.
• The performance of the underlying investment options is not guaranteed and will fluctuate, and an investor’s units, when redeemed, may be worth more or less than the original amount invested.
• The annuity prospectus provides additional details on the annuity fees and charges, including the mortality and expense risk charge, rider fees, and any additional contract fees. Please read the prospectus and the underlying fund prospectuses carefully before investing.
<table>
<thead>
<tr>
<th>Key Benefits</th>
<th>Facts to Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed income for life</td>
<td>Get guaranteed income for life by purchasing the GLWB option or by annuitizing your annuity assets.</td>
</tr>
<tr>
<td></td>
<td>The GLWB is an optional rider available for an additional cost charged against the Protected Payment Base (PPB), which forms the basis for income. The PPB is not a contract value and is not available for withdrawal like a cash value. Your actual contract value will decrease with each withdrawal, though you may continue to withdraw your Protected Payment Amount for life (5% of the PPB with the single life rider and 4.5% with the joint life rider) even after the contract value has been depleted to zero. Please see the prospectus for additional details.</td>
</tr>
<tr>
<td>Growth potential for investments</td>
<td>You can keep your savings invested with the confidence that your income stream is secure in any market when you purchase the GLWB.</td>
</tr>
<tr>
<td></td>
<td>The GLWB is subject to the financial strength and claims-paying ability of Pacific Life Insurance Company (in New York, by Pacific Life &amp; Annuity Company).</td>
</tr>
<tr>
<td>Professionally managed investments</td>
<td>Choose from three broadly diversified portfolios, and leave portfolio management to Charles Schwab Investment Management, Inc.</td>
</tr>
<tr>
<td></td>
<td>When you invest in a variable annuity, you do not invest directly in the portfolios. You invest in sub-accounts that, in turn, invest in the portfolios you've selected. Your account is then credited with variable accumulation units in that sub-account. The fees and charges associated with the sub-accounts and the terms and conditions of your investments are detailed in the prospectus and are in addition to the fees for the variable annuity and optional GLWB rider or other riders.</td>
</tr>
<tr>
<td>Competitive, transparent pricing</td>
<td>Benefit from variable annuity fees that are competitive with the industry average, and pay no hidden charges or surrender fees.</td>
</tr>
<tr>
<td></td>
<td>The base fee of the Schwab Retirement Income Variable Annuity® is 0.60%, as compared to the industry average of 1.16% according to a March 25, 2020, Morningstar survey of 2,943 variable annuities. This does not include fees associated with the optional GLWB or underlying investment options. As of May 1, 2020, the underlying investment options carry additional fees and expenses of 0.57% to 0.61%, after expense reductions. The GLWB carries a fee of 0.80% (individual life) to 1.00% (joint life). Note: Fees may increase up to a maximum of 1.50% for individual life and 1.75% for joint life.</td>
</tr>
<tr>
<td>Access to your assets</td>
<td>You continue to have access to your annuity assets for emergencies or unexpected expenses.</td>
</tr>
<tr>
<td></td>
<td>Keep in mind that withdrawals will decrease your contract value and death benefit and may also reduce the value of any optional benefits. Variable annuities are suitable for long-term goals, such as retirement, and any withdrawals of earnings may be subject to ordinary income tax and—a 10% federal tax penalty. For nonqualified contracts, an additional 3.8% tax may apply on net investment income.</td>
</tr>
<tr>
<td>Optional beneficiary protection</td>
<td>Protect your annuity investment for your beneficiaries with a choice of two optional death benefits, available for an additional charge.</td>
</tr>
<tr>
<td></td>
<td>The Return of Purchase Payments Death Benefit provides beneficiaries with the contract value or the total investments, adjusted for withdrawals. The Stepped-Up Death Benefit provides the highest stepped-up value achieved on any contract anniversary prior to the annuitant’s 81st birthday. Cannot be combined with the GLWB. Restrictions apply, so please read the prospectus for details.</td>
</tr>
</tbody>
</table>
Schwab has a straightforward answer for predictable, guaranteed income.

A single, powerful option providing income for life.

The Schwab Retirement Income Variable Annuity® offers a simple, powerful option that many retirement investors seek: the option to guarantee an income stream for the rest of your life—no matter how the market performs.

- By purchasing the annuity’s single life rider option, you can lock in a lifetime annual income for yourself equal to 5% of your annuity’s highest value on any anniversary date after you purchase the option.¹
- Or, if you wish, you and your spouse can secure 4.5% of your annuity’s highest value by purchasing a joint life rider.¹
- And you still retain the potential to grow your assets and income.

Three professionally managed portfolios.

To provide the broad asset class and sector diversification required in today’s complex global economy, Charles Schwab Investment Management, Inc. has leveraged its portfolio management expertise to create three sophisticated variable insurance trust portfolios that address many of our client risk preferences.

- Each portfolio, composed primarily of exchange-traded funds (ETFs), offers broad diversification through exposure to domestic and international stocks, bonds, and cash, plus other sectors such as real estate and commodities.
- Choose among three portfolios: balanced, balanced with growth, and growth—according to your risk tolerance and investment objectives.
- You have the flexibility to switch between portfolios, tax-free, if your investment needs change over time.

Visit a Schwab branch to talk with an investment professional.

Is this you?

- You want a simple way to guarantee a portion of your retirement income.
- You want the potential to grow your assets.
- You don’t want to give up your assets to get a guarantee.
- You want the freedom to make changes in the future.
- You value an income guarantee—but not at a high cost.
You can maintain access to your assets.

When you include the GLWB option with the Schwab Retirement Income Variable Annuity®, there’s no need to annuitize and give up access to your assets to get guaranteed income for life. You’ll enjoy these benefits:

- You can receive a guaranteed income for life based on the highest value the annuity achieves on a contract anniversary after the GLWB option is purchased.
- You can withdraw your money in any amount in case of emergency.¹
- Any residual contract value can be passed on to your beneficiary(ies).

Low, easy-to-understand pricing.

With the Schwab Retirement Income Variable Annuity, you’ll have the satisfaction of knowing that the annuity fees you pay fall well below the industry average.

- You know exactly what you’re paying—fees are straightforward and fully disclosed.
- You pay less than half the average base variable annuity fee charged in the industry.
- There are no surrender charges or surrender periods if you decide to withdraw your money for any reason.¹

Benefits for heirs.

With the Schwab Retirement Income Variable Annuity’s standard death benefit, your beneficiary(ies) will receive any residual value in your annuity. If protecting your beneficiary(ies) is a priority, you can purchase one of two optional death benefits for an additional fee at the time you purchase the annuity. These optional death benefits cannot, however, be combined with the GLWB option. Ask your Schwab investment professional for details. These benefits are not available in California. Subject to change.

<table>
<thead>
<tr>
<th>Annuity Fees</th>
<th>Individual Life</th>
<th>Joint Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base annuity fee</td>
<td>0.60%</td>
<td>0.60%</td>
</tr>
<tr>
<td>Average underlying investment expenses²</td>
<td>0.58%</td>
<td>0.58%</td>
</tr>
<tr>
<td>Guaranteed Lifetime Withdrawal Benefit (optional)³</td>
<td>0.80%</td>
<td>1.00%</td>
</tr>
<tr>
<td>Return of Purchase Payments Death Benefit (optional)</td>
<td>0.20%</td>
<td>0.20%</td>
</tr>
<tr>
<td>Stepped-Up Death Benefit (optional)</td>
<td>0.40%</td>
<td>0.40%</td>
</tr>
</tbody>
</table>

Competitive Fees Keep More Money Working

| Schwab Retirement Income Variable Annuity | Base annuity fee 1.16% | Schwab Retirement Income Variable Annuity | Base annuity fee 0.60% |

Source: 1.16% industry average according to a March 25, 2020, Morningstar survey of 2,943 variable annuities. This does not include fees associated with the optional death benefits, GLWB, or underlying investment options.

¹ Withdrawing more than the annual Protected Payment Amount (5% for the single life rider and 4.5% for the joint life rider) can significantly and permanently reduce future guaranteed payments. Withdrawals prior to age 59½ may be subject to a 10% federal tax penalty. GLWB withdrawals are not annuity payouts. Annuity payouts generally receive a more favorable tax treatment than other withdrawals.

² For illustrative purposes only. As of May 1, 2020, the total annual operating expenses for the Schwab VIT Portfolios ranged from 0.57% to 0.61%. The investment adviser and its affiliates have agreed to limit the total annual portfolio operating expenses (including interest, taxes, and certain non-routine expenses) of the portfolio to 0.58% for so long as the investment adviser serves as adviser to the portfolio. This agreement is limited to the portfolio's direct operating expenses and does not apply to acquired fund fees and expenses (AFFE). This agreement may only be amended or terminated with the approval of the portfolio's board of trustees.

³ Subject to increase up to a maximum of 1.50% for individual life and 1.75% for joint life.

Here’s how it works >
Your income can grow in up markets.

By purchasing the GLWB option, you can stay invested in the market to help counteract the effects of long-term inflation—without jeopardizing future income.

Scenario 1: The market goes up

Upside potential
If your contract value is higher on your contract anniversary date, your Protected Payment Base is stepped up and locked in at the higher value.

Guaranteed lifetime income
You can decide to start income withdrawals at any time after age 65—equal to 5% of your highest Protected Payment Base for the single life rider or 4.5% for the joint life rider. Your income withdrawals can even increase if your contract value rises and reaches a higher Protected Payment Base, but they won't decrease if your contract value falls.

Protected Payment Base
Your Protected Payment Base equals your initial purchase payment if added at contract issue, or the value of your annuity contract on the date you add the GLWB. It can continue to step up to the highest contract value on any subsequent contract anniversary date (the date you purchased the annuity), but never steps back down due to market performance.

Note: The Protected Payment Base is not a contract value and is not available for withdrawal like a cash value. Your actual contract value and death benefit will decrease with each withdrawal.

Visit a Schwab branch to talk with an investment professional.

---

6 Withdrawals prior to age 59½ may be subject to a 10% federal tax penalty.
7 Withdrawals in excess of 5% for the single life rider (4.5% for the joint life rider) in any year could significantly and permanently reduce all future withdrawal amounts. Withdrawals prior to age 65 will reduce the Protected Payment Base and future withdrawals. GLWB withdrawals are not annuity payouts. Annuity payouts generally receive a more favorable tax treatment than other withdrawals.
Your income is protected in down markets.

A market downturn right before your retirement or in the first years of retirement could rob you of savings that you’re counting on for income. The Schwab Retirement Income Variable Annuity® gives you the option to protect your payment base.

Scenario 2: The market goes down

- **When you purchase the GLWB, your Protected Payment Base is established and locked against market downturns.**
- **Downside protection**
  Because your Protected Payment Base is the highest value your contract reaches on any contract anniversary date after the GLWB option is purchased, it is locked and protected against market losses.
- **Guaranteed lifetime income**
  When you begin taking income after reaching age 65, you can receive 5% of your locked-in Protected Payment Base for life (4.5% for joint life rider)—even if market volatility, income withdrawals, and annuity fees reduce your contract value to zero.

**Note:** The Protected Payment Base is not a contract value and is not available for withdrawal like a cash value. Your actual contract value and death benefit will decrease with each withdrawal.

$5% withdrawal reflects single life rider.
Where could a variable annuity with a GLWB fit in your income plan?

Retirement income planning is like a puzzle with many pieces. How those pieces fit together for you—and whether a variable annuity with a GLWB is an appropriate addition—will depend on your own personal situation.

**Income for essential expenses.**

Because a variable annuity with a GLWB can provide income that is predictable and guaranteed, you may consider using it to cover the expenses that matter most—essential expenses such as basic health care, food, and housing. With essential expenses covered, you can invest other assets more traditionally in a stock-and-bond portfolio with the objective of providing money for the discretionary nice-to-haves, such as travel and hobbies.

**When a variable annuity with a GLWB may make the most sense.**

- You’re within 10 years of retirement.
- You believe you may live at least 20 more years once you begin making income withdrawals.
- You have sufficient savings available for unexpected expenses, reducing the likelihood that you would need to make an unexpected excess withdrawal from your annuity.
- Social Security and other predictable income are not enough to cover essential expenses.

**Get the benefit of Schwab expertise.**

A Schwab investment professional can help you create your overall retirement income plan and determine whether an annuity may be right for you.

---

**Use guaranteed income to help cover essential expenses.**

- **Annuity**
  - Social Security
  - Pension

- **Other investment income**

<table>
<thead>
<tr>
<th>Essential expenses</th>
<th>Schwab recommends that you cover essential expenses, such as health care, food, and housing, with income from predictable sources.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary expenses</td>
<td></td>
</tr>
</tbody>
</table>

Visit a Schwab branch to talk with an investment professional.
A potential solution for Bill and Mary
Profile: Bill, age 63; Mary, age 62
Expected retirement age: 65
Retirement savings: $1,250,000
Anticipated annual expenses in retirement: $91,250

Here’s how the Schwab Retirement Income Variable Annuity® with the GLWB could be used by a couple who are retiring soon.

The income plan: The couple estimate that they will need $51,250 to cover essential expenses and have budgeted an additional $40,000 for travel, hobbies, entertainment, and other discretionary expenses. They would like to generate income while continuing to invest and maintain access to their assets.

### Covering the essentials

<table>
<thead>
<tr>
<th>Essential expenses:</th>
<th>$51,250</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Social Security income:</td>
<td>($40,000)</td>
</tr>
<tr>
<td>Additional income needed for essentials:</td>
<td>$11,250</td>
</tr>
</tbody>
</table>

To cover the remaining $11,250 of essentials, the couple invest in a $250,000 Schwab Retirement Income Variable Annuity with the GLWB.

$250,000 x 4.5% = $11,250 annual income (or more if the Protected Payment Base reaches a higher amount).

### Investing for the extras

<table>
<thead>
<tr>
<th>Discretionary expenses:</th>
<th>$40,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio income and withdrawals:</td>
<td>$40,000</td>
</tr>
</tbody>
</table>

The couple plan to invest the remainder of their portfolio ($1,000,000) in a diversified portfolio of stocks and bonds, withdrawing 4% ($40,000) the first year and increasing the withdrawal each year by the rate of inflation.

Hypothetical examples are not meant to suggest future investment performance or the suitability of any investment or strategy for any particular investor.
More annuities in action.

Here are more examples of how the Schwab Retirement Income Variable Annuity® with the GLWB may help solve common problems you may face as you approach and start living in retirement.

<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarah M., age 58 Plans to retire in eight years</td>
<td>A payment base that can rise, but not fall, helps protect against this risk—especially in the years just prior to and just after starting retirement.</td>
</tr>
<tr>
<td>Sarah needs a stable income source to cover her fixed expenses when she retires in eight years.</td>
<td></td>
</tr>
<tr>
<td>Market risk can have the greatest impact on a portfolio right before retirement—especially if you want to remain invested in stocks to help beat inflation. There's less time to recover from significant portfolio losses, and market rises or falls can have a significant impact on how long savings can last.</td>
<td></td>
</tr>
<tr>
<td>Phil L., age 67 Retired (with great genes)</td>
<td>A variable annuity with a Guaranteed Lifetime Withdrawal Benefit can help you manage the cost of living a long life in retirement.</td>
</tr>
<tr>
<td>Phil is looking forward to a long retirement. His parents are in their late 80s, and longevity runs in the family.</td>
<td></td>
</tr>
<tr>
<td>Living a long, healthy life can present a challenge when it comes to making income last. The Schwab Center for Financial Research has found that the benefits of income guarantees are greatest for people who are in good health with the potential to live at least 20 years after beginning annuity withdrawals.7</td>
<td></td>
</tr>
</tbody>
</table>


Visit a Schwab branch to talk with an investment professional.
Sarah M., age 58
Plans to retire in eight years

Phil L., age 67
Retired (with great genes)

Steve H., age 62
Needs to invest, but is fearful

With limited retirement savings, Steve feels he should stay invested but worries that market declines could reduce his future income.

Without some form of income protection, you may not invest as consistently or as aggressively as you should. For example, to keep up with inflation and meet income needs throughout retirement, Schwab suggests that you may want to approach retirement with a 60%/40% mix of stocks and bonds, then reduce stock exposure over time.

A Protected Payment Base that can rise, but not fall, based on market performance may help you stick with a more aggressive plan when you might not otherwise.

Confidence to stay invested
Some investors who have guarantees in their income plan may be more likely to stay invested in the market during downturns and less likely to miss out on eventual recoveries.
Let’s discuss how a Schwab Retirement Income Variable Annuity® might fit into your retirement plan.

Schedule a retirement consultation to get the personal, one-on-one assistance of an investment professional who can help you turn your retirement savings into retirement income.8

Learn more about annuities at Schwab.

Visit a Schwab branch.

Visit schwab.com/annuity or call 1-888-311-4889 (option 2).

8The consultation is available only to clients with at least $25,000 in assets at Schwab or prospects with at least $25,000 in assets available to bring to Schwab. Individualized recommendations are available only to Schwab clients and are limited to assets held in Schwab. Information provided to prospects, or pertaining to assets held outside Schwab, as part of a consultation, are examples of the kinds of recommendations available on assets held at Schwab; these examples do not constitute recommendations, solicitations, or investment advice.
Variable annuities are sold by prospectus only. You can request a prospectus by calling 1-888-311-4889 (option 2) or by visiting schwab.com/annuity. Before purchasing a variable annuity, you should carefully read the prospectus and consider the annuity’s investment objectives and all risks, charges, and expenses associated with the annuity and its investment options.

A variable annuity’s value will fluctuate depending on the underlying investment. An investor’s units, when redeemed, may be worth more or less than the original amount invested. Variable annuities are suitable for long-term goals, such as retirement, and any withdrawals of earnings may be subject to ordinary income tax and—if taken prior to age 59 1/2—a 10% federal tax penalty. For nonqualified contracts, an additional 3.8% tax may apply on net investment income. This material is not intended to be used, nor can it be used by any taxpayer, for the purpose of avoiding U.S. federal, state, or local tax penalties.

The contract is sold exclusively by Charles Schwab & Co., Inc. (“Schwab”) through its representatives, including both employees and independent contractors and their employees (“Schwab investment professionals”). Charles Schwab Investment Management, Inc. (CSIM) is the adviser for the underlying investment options. Charles Schwab & Co., Inc. and Charles Schwab Investment Management, Inc. are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation and are not affiliated with Pacific Life. All individuals selling this product must be licensed insurance agents and registered representatives.

The Schwab Retirement Income Variable Annuity® is a flexible purchase payment variable deferred annuity issued by Pacific Life.

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 are issued 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.

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.

Pacific Life, its affiliates, and respective representatives do not provide tax, accounting, legal, or investment advice. Any taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax adviser or attorney.

Guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company, and do not apply to the separate account or the underlying portfolios available with this contract. Schwab does not provide any of the insurance guarantees.

Contract Form Series: ICC12:10-1225, (state variations may apply)