SMART INVESTOR

PACIFIC LIFE

There is a natural human tendency to chase what's hot and shy away from what's not. You see this in our every-day lives, ranging from the cars we buy to the clothes we wear. Trying to be in style, however, can be costly when it comes to investing. Investors often get burned chasing "hot" funds in sectors or asset classes that are currently in favor.

Avoid "buying high and selling low"

Chasing investments that are hot and running from those that are not, can lead to the dreaded "buy high, sell low" phenomenon. Too often, investors hear about last year's best performing fund, then buy it when its price has peaked. When the fund has a correction or the market dips, they panic and sell it off when its price is low.

DANGERS of chasing "HOT" Returns:

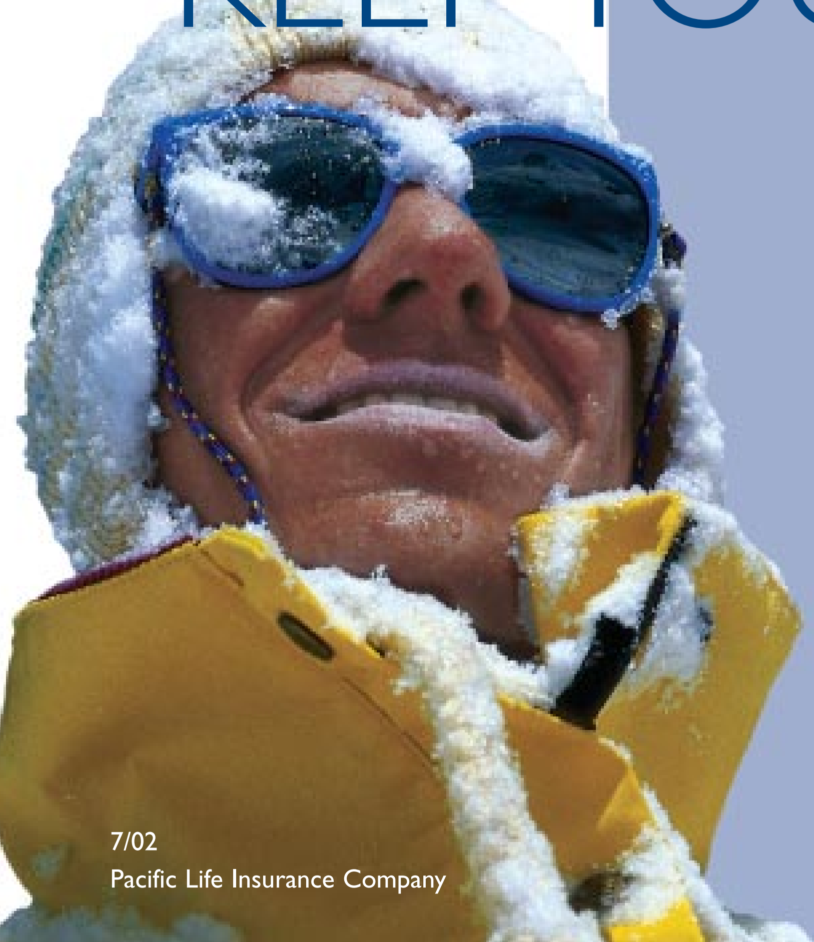
Asset Class	Avg. Return Time Period 1998-1999	Reaction	Subsequent Avg. Return Time Period 2000-2001
Technology	76.86%	Chase (buy)	(32.8%)
Growth	35.9%	Chase (buy)	(21.4%)
Real Estate	(12.87%)	Run Away (sell)	20.58%
LB Aggregate Bond	3.81%	Run Away (sell)	10.0%

Hindsight is 20/20

By basing investment decisions on recent performance, many investors were buying funds that subsequently suffered significant losses and selling funds that would have benefited them.

KEEP YOUR COOL

don't get burned chasing HOT returns



Past performance does not guarantee future results. Investments may have differences in guarantees, fluctuation of principal and/or return, insurance, tax features, etc. Sector portfolios and concentrated portfolios with fewer securities may be subject to greater price volatility. Small- and emerging-growth company stocks may be riskier and more volatile than larger, more established company stocks. Real estate investments involve risks such as refinancing, economic impact on industry, changes in property values, dependency on management skills and risks similar to small company investing.

This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index.

Source: Technology — represented by the DJTMI U.S. Technology Index; Growth — represented by Russell 1000 Growth Index which is comprised of companies with higher price-to-book ratios and higher forecasted growth values than others listed in the Russell Index; Real Estate — represented by the North American Real Estate Investment Trust Equity Index (NAREIT) which includes REITS listed on the New York Stock Exchange, Nasdaq and American Stock Exchange; LB Aggregate Bond — represented by the LB Aggregate Bond Index which is made up of U.S. Treasury and agency bonds, domestic corporate debt and mortgage-backed securities.

7/02
Pacific Life Insurance Company

Please see reverse for important information.

How can you reduce your risk of getting burned by the market?

Chase, Run Away – or Diversify?

Instead of chasing hot returns or running away from bad returns, consider setting up an asset allocation program. By diversifying your assets and focusing on long-term results, you can help offset declines in any one particular class and smooth out the ups and downs of your portfolio.

Asset Allocation Helps Keep You Focused

Asset allocation helps combat the temptation of chasing past returns by keeping you invested in different asset classes at all times.

Diversify with Portfolio Optimization

Portfolio Optimization gives you asset allocation within a Pacific Life variable annuity contract. Developed by Pacific Life and Ibbotson Associates, Portfolio Optimization has five asset allocation models to help you diversify your contract assets based on your risk/return tolerance.

Portfolio Optimization provides an opportunity for long-term growth potential through a mix of investment options.

Getting started in Portfolio Optimization with a Pacific Life variable annuity

- Review your overall investment goals
- Decide how much you can invest
- Define your investment time horizon
- Determine your risk tolerance by filling out the Investor Profile Questionnaire
- Have your investment professional help you select a Portfolio Optimization model based on your goals, risk tolerance and investment time horizon

Ask your registered representative or call Pacific Life at (800) 722-2333 for prospectuses with more complete information about Pacific Life variable annuities, including charges, limitations and expenses. Read them carefully before investing or sending money. Variable annuities are long-term investments designed for retirement. Withdrawals and other distributions of taxable amounts will be subject to income tax, and if taken prior to age $59^1/_2$, a 10% federal tax penalty may apply. A withdrawal charge may also apply. Withdrawals will reduce the value of the death benefit and any optional benefits. The value of the variable investment options will fluctuate and when redeemed, may be worth more or less than the original cost. Past performance does not guarantee future results. Pacific Life Insurance Company is licensed to solicit individual life insurance and annuity products in all states except New York. Product availability and features may vary by state.

Variable annuities issued by Pacific Life Insurance Company are distributed by **Pacific Select Distributors, Inc.** (member NASD & SIPC), a subsidiary of Pacific Life, and are available through licensed third party broker/dealers.

Registered representative name

Broker/dealer name

State insurance license number
(or affix your business card)

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

Policy Form Series 90-53, PORT-96, PV9808, 10-130, 10-131, 10-132
2181-2A

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