

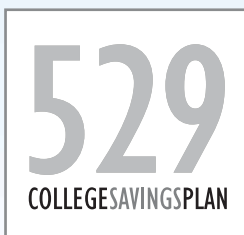


Pacific Life Funds Montana 529 Plan graduated with 4-Caps!

Savingforcollege.com, a frequently quoted college savings resource, periodically evaluates 529 plans and assigns “Cap” ratings. The ratings, ranging from 1-Cap (least attractive) to 5-Caps (most attractive) reflect their opinion of a plan’s overall usefulness.

A 4-Cap rating indicates:

“An excellent program with many benefits for the participant and positive investment attributes.”



PACIFIC LIFE FUNDS 529
COLLEGE SAVINGS PLAN (MONTANA)

No bank guarantee	Not a deposit	May lose value	Not FDIC/NCUA insured	Not insured by any federal or state government agency
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A cap rating looks at more than just performance. Preferred plans offer:

- Flexibility — limited state restrictions
- Liquidity and availability — investors are able to easily contribute and withdraw money for college
- Ownership rights — the account owner controls the account
- Investment approach — well-designed investment strategies, strong ratings with low fees and expenses

The 4-Cap rating can be attributed to recent changes made to our 5 asset allocation Portfolio Optimization Funds:

- On 12/31/06 the funds reached their three-year anniversary, and are now rated by Morningstar.
- According to Savingforcollege.com research, the three-year performance of each of the funds ranked in the top third in their respective categories (i.e., 100%, 80%, 60%, 40% and 20% equity portfolios) when compared to all funds available in 529 plans.
- The net-expense ratios for Class A shares were lowered.

As of 12/31/06, Savingforcollege.com compared the three-year performance of the following Portfolio Optimization Funds to that of other funds in their respective categories. Portfolio Optimization Fund Conservative ranked 45th compared to 132 funds holding 20% in equities, Moderate-Conservative ranked 44th out of 132 funds holding 40% in equities, Moderate ranked 24th out of 144 funds holding 60% in equities, Moderate-Aggressive ranked 53rd out of 163 funds holding 80% in equities and Aggressive ranked 37th out of 163 funds holding 100% in equities.

Performance comparison based on Class A shares at Net Asset Value (NAV) and does not take into account front-end sales loads. Additional information regarding cap ratings can be found at www.Savingforcollege.com.

Portfolio Optimization Funds use a target risk approach

Age-based portfolios or target-date funds are a popular way to save for college, but is age or time horizon the only factor that should be considered when selecting the best investment for your clients?

Investors have different risk tolerance, investment goals, experience and preferences. Since one size rarely fits all, Portfolio Optimization Funds are 5 fund-of-funds (ranging from conservative to aggressive), helping clients find the optimal balance of risk and return. The funds are developed using the expertise of two industry leaders: Pacific Life Fund Advisors LLC (PLFA) and Ibbotson Associates Inc., a wholly owned subsidiary of Morningstar, Inc.

Each fund offers:

- A lineup of “best-in-class” money managers, with a wide range of investment strategies, styles and research from some of the top fund managers in the industry.
- A disciplined approach to portfolio construction that provides diversification among 11 asset class styles, 12 money managers and 16 individual mutual funds. Together, they give exposure to between 800 to 1,100 distinct securities — all in one investment.
- A sophisticated asset allocation strategy that is simple and convenient.

Immediate Diversification

Portfolio Optimization Funds let you properly diversify in one single step. Each of the five asset allocation funds is already diversified among:



**For additional information,
visit www.PacificLife.com or call (800) 722-2333.**

Investors should carefully consider the risks, charges, and limitations of a 529 College Savings Plan, as well as the investment objectives, risks, charges, and expenses of the underlying investment options. This and other information are in the Pacific Life Funds 529 College Savings Plan (MT) Plan Description Handbook and the Pacific Life Funds prospectus that should be read carefully before investing. Neither the program nor the principal nor the return of the Pacific Life Funds 529 Plan (MT) is guaranteed or insured by the state of Montana, Pacific Life Funds, Pacific Life, or College Savings Bank. For residents of states other than Montana, their state may offer state income tax benefits not available through an investment in the Pacific Life Funds 529 Plan (MT).

Asset allocations may vary from target allocations. Asset allocation does not guarantee future results, assure a profit or protect against loss. Investment in an individual fund or funds in a single asset class may outperform or underperform an asset allocation fund. Share values will fluctuate and, when redeemed, may be worth more or less than the original cost.

Withdrawals for expenses other than qualified higher-education expenses are subject to income tax and an additional 10% federal tax on earnings. Montana residents have the option of purchasing a Pacific Life Funds 529 Plan (MT) at Net Asset Value. Neither the state of Montana, Pacific Life Funds, Pacific Life, College Savings Bank nor their representatives give tax or legal advice. You should consult your tax adviser and attorney regarding your specific situation. The Pacific Life Funds 529 College Savings Plan (MT) is approved and issued by the state of Montana and offered through the Montana Family Education Savings Program (MFESP). Share values will fluctuate and, when redeemed, may be worth more or less than the original cost.

Pacific Funds changed its name to Pacific Life Funds effective January 1, 2007.

Pacific Life Funds are distributed by Pacific Select Distributors, Inc. (member NASD & SIPC), a subsidiary of Pacific Life Insurance Company, and are available through licensed third party broker/dealers. Pacific Life Funds 529 College Savings Plans are underwritten and distributed by **Pacific Select Distributors, Inc.** (member NASD & SIPC, registered with the MSRB), a subsidiary of Pacific Life Insurance Company and are available through licensed third party broker/dealers. Pacific Life Funds 529 College Savings Plans may only be sold through broker/dealers that are registered with the MSRB.

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