



# NJDCRP

Defined Contribution  
Retirement Plan

## Your Retirement Workbook



**Prudential**

## What kind of retirement do you want?

No matter how you answer that question, it will take planning. And, of course, money—especially if you don't want to work once you reach retirement age.

As part of your overall compensation package, you and other employees are saving through the New Jersey Defined Contribution Retirement Plan to help you reach your long-term retirement goals. Here are some of the important plan benefits:

- **Your money works harder.** All plan contributions and any potential investment earnings grow and compound tax-deferred until withdrawal, so that your savings have the potential to grow faster. Withdrawals are taxed at ordinary income tax rates.
- **You are in charge.** You can decide which investments meet your long-term investing needs and when to make changes to your account. And, you have a wide array of investment options to choose from, so you can develop an investment strategy that best suits your needs.
- **GoalMaker®.** This investment solution will help you choose your investments and stay on track throughout your retirement planning years.

### A little planning and action today can lead to a better tomorrow

You've worked hard for this benefit. Make it work hard for you. Prudential Retirement® and the State of New Jersey have partnered to provide you with a retirement education program that will help you to build a long-term retirement strategy tailored to your own needs. This easy-to-use workbook explains how important it is to take control today so you can help maximize the benefits of the Plan and enjoy greater financial security tomorrow.

Sincerely,

Florence Sheppard

*Director, Division of Pensions and Benefits*



# This workbook is designed with **you** in mind.

- **It demonstrates the value of the New Jersey Defined Contribution Retirement Plan.** And it shows how you can better manage your account based on your individual financial situation and retirement goals.
- **It answers common retirement planning questions.** You'll learn why choosing where to invest your money is critical to reaching your retirement goals—and where you can go for more information and assistance.
- **It's easy to use.** When you're ready to make changes to your account, the instructions in section 3 will show you how.

**Important.** Be sure to review the Important Information section beginning on page 13. It details your plan's provisions and the investment options' performance.

For more information about your plan, call toll-free **866-NJDCRP-1** (866-653-2771) or visit **prudential.com/njdcrp**. Toll-free TDD is available at **877-760-5166**. Or call your local retirement counselor.

| Counselor     | Phone        | Email                        |
|---------------|--------------|------------------------------|
| Stan Rovinski | 609-218-3601 | stan.rovinski@prudential.com |

## 01:

Why build an investment strategy?

## 02:

How do you choose your investments?

## 03:

How do you take action?

# 01:

## Why build an investment strategy?

You're working hard today so you'll have money saved for retirement. That's a good thing. But it's just as important to make sure your investment decisions match up with your long-term retirement goals. Otherwise you may end up with a shortfall, or you may need to work longer than you intended. By taking control of your investments today, you can help ensure you are on the right track to a better financial future. This workbook will help you along the way.

### Understanding risk versus reward

Before you build your own investment strategy, it's important to know the different kinds of risk and their relation to an investment's potential "reward." Most people worry about market risk—the possibility that an investment will lose money due to a market decline or other negative circumstances. As a result, they tend to invest their money conservatively. However, using just one investment that is highly conservative can be even more risky.

Why? Because many people don't take another type of risk into consideration when it comes to investing—**inflation risk**. This is the potential that your investment will earn less than the rate of inflation—which is the general rise in costs for goods and services.

If your money is not earning at minimum the rate of inflation, it loses purchasing power. This could have a big impact on your standard of living.



## How can you help manage risk?

When it comes to managing both market risk and inflation risk, your best tool may be asset allocation. Asset allocation is the process of investing your money across different kinds of asset classes. This can help you minimize your reliance on any one investment's performance so your account is better equipped to weather rough spots in the market.

## What do we mean by assets and asset classes?

- **Asset:** Any item of financial value owned by an individual or business. Examples include cash, stocks, investments, a house or a car.
- **Asset Class:** All retirement plan investments fall into one type of asset class—or category. The types of asset classes discussed in this workbook include stable value, fixed income, balanced and stock/equities. For more details on each category, refer to the Important Information section beginning on page 13.

# 02:

## How do you choose your investments?

When it comes to choosing your investments, you have the following options:

Choose from plan investments.

- **Build your own portfolio**

To help you choose your own investments, we've provided an overview of general investment categories and performance information in the back of this workbook.

Keep it simple.

- **Enroll in GoalMaker®**

This easy-to-use optional asset allocation program, available at no additional cost, helps you select investments based on your investor style and years to retirement. And with GoalMaker's Age Adjustment feature, your account automatically adjusts to invest more conservatively as retirement nears.

For more information on these investment options, please refer to the Important Information section.

### Determine your Investor Style

Your investment mix should depend on your investor style and years to retirement. Complete this section to determine your specific investor style. If you need additional help, take the Investor Style Quiz at the back of this workbook.

| Description   | Style    | Code      | Years to Retirement |
|---|----------|-----------|---------------------|
| <b>CONSERVATIVE</b> investors are generally concerned about short-term ups and downs in the market and want to minimize risk and maintain principal.          | <b>C</b> | <b>01</b> | 0-5                 |
| <b>MODERATE</b> investors generally are willing to sacrifice safety of principal for potentially greater returns and can tolerate modest market fluctuations. | <b>M</b> | <b>02</b> | 6-10                |
|   |          | <b>03</b> | 11-15               |
| <b>AGGRESSIVE</b> investors generally seek to maximize investment returns and can tolerate substantial market fluctuations.                                   | <b>R</b> | <b>04</b> | 16+                 |

My Investor Style Code is:

|  |                      |
|--|----------------------|
|  | <input type="text"/> |
|--|----------------------|



## Suggested portfolio options by Investor Style Code\*

Once you've determined your Investor Style Code (see previous page), find that code in the chart below. If you wish to enroll in GoalMaker, this chart shows how your money would be invested by asset class. If you want to build your own portfolio, the same code provides a suggested mix of investments by asset class. Review these options, then go to page 10 to choose how you would like to invest your contributions.



\*These model portfolios are provided as samples and not as investment recommendations. The model portfolios are based on generally accepted investment practices and take into account the principles of modern portfolio theory in which allocations are adjusted in an effort to achieve maximum returns for a given level of risk. You should consider other assets, income and investments (e.g. equity in a home, Social Security benefits, individual retirement plan investments, etc.) in addition to your interest in the plan, to the extent those items are not taken into account in the model before applying these models to your individual situation. Please note that, in addition to the specific investments used in the GoalMaker model portfolios, other designated investment alternatives have similar risks and return characteristics. Information regarding those designated investment alternatives can be found in your plan enrollment materials or by logging into your retirement account at prudential.com. The GoalMaker portfolios are subject to change including, for example, the replacement of investment options and allocations within the portfolios. You will be notified in writing in advance of such changes. **Past performance of investments or asset classes does not guarantee future results.**

# How can you help build your savings and protect your future income?

Like many of us, you may be asking yourself: **Will I have enough savings to support my essential needs? While I'm saving, how can I protect my future retirement income from market declines?**

These are important questions. The good news is, the Prudential IncomeFlex Target<sup>®</sup> Balanced Fund in your plan's investment lineup provides a guarantee<sup>4</sup> that protects your future income—both while you are saving and throughout your retirement. IncomeFlex Target does not guarantee market value—which will fluctuate with market volatility.

**IncomeFlex Target**—A retirement planning innovation that offers:

- Guaranteed lifetime income<sup>4</sup>
- Sustained potential for growth
- Downside protection for retirement income and
- Flexible access to your market value<sup>5</sup>

In exchange for the income protection provided by IncomeFlex Target, there is a guarantee fee of 0.90% (nine-tenths of one percentage point). IncomeFlex Target is offered by **Prudential Retirement Insurance and Annuity Company**.

## Investing in IncomeFlex Target

Many experts agree that a sound strategy includes choosing a mix of investments that, altogether, complement your specific retirement goal. That's why you have two ways to invest in IncomeFlex Target: as an individual investment option or through GoalMaker.

### Build your own portfolio including IncomeFlex Target

Choose the investments in your account from the array of investment options within your plan. This allows participants to invest in the IncomeFlex Target Balanced Fund outside of GoalMaker. The IncomeFlex Target Balanced Fund is simply another option within the investment lineup.

### Include IncomeFlex Target within your GoalMaker portfolio

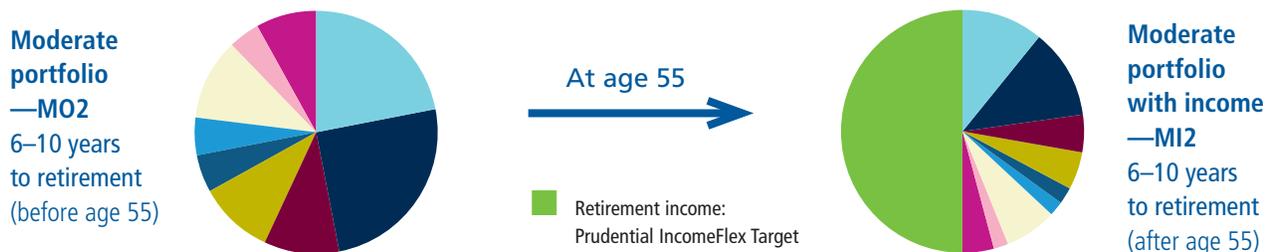
Whether you are already enrolled in GoalMaker or are thinking about enrolling, you can include IncomeFlex Target in your GoalMaker portfolio.

Your chosen investor style determines what portion of your investment to allocate to IncomeFlex Target:<sup>6</sup>

- Conservative: or - 70%
- Moderate: or - 50%
- Aggressive: or - 30%

Consider the following example: an investor has elected to include the IncomeFlex Target Fund in their moderate GoalMaker portfolio with 6–10 years to retirement. Once the investor turns 55, GoalMaker with IncomeFlex Target will automatically allocate 50% of the portfolio to IncomeFlex Target. This guarantees that income generated by that portion of the portfolio will be available when you need it, regardless of market performance.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**



**Protect your future income:** Market declines in the critical years leading up to retirement can significantly impact your retirement strategy. IncomeFlex Target can help you protect your income today so that you may not have to live on less—or delay your retirement—in the future.

To enroll in Prudential IncomeFlex Target Balanced Fund, go to the next section and take action today!

For more information about of GoalMaker’s features, including specific portfolio allocations, see the Important Information section of this workbook. For more information on IncomeFlex Target, see the Prudential IncomeFlex Target Important Considerations document at the back of this workbook.

<sup>4</sup>Guarantees are based on the claims-paying ability of the insurance company and are subject to certain limitations, terms and conditions.

<sup>5</sup>Withdrawals or transfers out of the IncomeFlex Target Fund proportionately reduce guaranteed values prior to locking-in. After Lock-In, withdrawals in excess of the Lifetime Annual Withdrawal Amount will reduce future guaranteed withdrawals proportionately and may even eliminate them.

<sup>6</sup>Guarantees only apply to the portion of your portfolio allocated to IncomeFlex Target.

GoalMaker’s model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. But of course, past performance of any investment does not guarantee future results. Participants should consider their other assets, income and investments (e.g. equity in a home, Social Security benefits, individual retirement plan investments, etc.), in addition to their interest in the plan, to the extent those items are not taken into account in the model. Participants should also periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their changing attitudes and retirement time horizon.

The Prudential IncomeFlex Target Fund is a separate account under a group variable annuity contract issued by **Prudential Retirement Insurance and Annuity Company (PRIAC)**, Hartford, CT. PRIAC does not guarantee the investment performance or return on contributions to the separate account. You should consider the objectives, risks, charges and expenses of the Fund and guarantee features before purchasing this product. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals. **For this and other information, please visit [prudential.com/njdcpr](http://prudential.com/njdcpr) or call 866-NJDCRP (866-653-2771)** for a copy of the Prudential IncomeFlex Target® Important Considerations before investing.

Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Contract form #GA-2020-TGWB4-0805-NJ or state variation.

# 03:

## How do you take action?

### STEP 1 Choose your investments.

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Select one option below that best meets your **investor** style and goals.

**Build your own portfolio<sup>7</sup>:** (Total of selected funds equals 100%)

If you decide to choose your own investments, you can refer to the Suggested Portfolio Options on page 7 for allocation advice. You can then choose from the investment options in the chart on the next page and write in the percentage you'd like to invest. Then go directly to Step 2 (page 12) to take action.

**OR...Enroll in GoalMaker<sup>®</sup>**

I wish to enroll in GoalMaker. Enter your Investor Style Code from section 2 (page 6), then go directly to Step 2 (page 12) to take action.

**My Investor  
Style Code is:**

The investments included in your plan's GoalMaker portfolios are noted with an asterisk in the chart on the next page.

<sup>7</sup>Please refer to the Important Information and investment performance sections starting on page 13 for additional information.



|                            |   |   |   |   |
|----------------------------|---|---|---|---|
| <b>Stable Value</b>        | DCP Stable Value Fund*                      | % |   |   |
| <b>Fixed Income</b>        | Core Bond Enhanced Index/PGIM Fund**^       | % | Core Plus Bond/PGIM Fund                    | % |
| <b>Balanced</b>            | PIMCO All Asset Fund Instl**†               | % | Vanguard Wellesley Income Fund              | % |
| <b>Retirement Income</b>   | Prudential IncomeFlex Target Balanced Fund* | % |   |   |
| <b>Large Cap Stock</b>     | Large Cap Growth/Columbia Management Fund   | % | Polen Capital Large Cap Growth Fund*        | % |
|                            | Large Cap Value/LSV Asset Management Fund*  | % | QMA Large Cap Quantitative Core Equity Fund | % |
|                            | Vanguard Institutional Index Fund           | % | Calvert Equity Fund I**†                    | % |
| <b>Small/Mid Cap Stock</b> | QMA Mid Cap Quantitative Core Equity Fund   | % |   |   |
|                            | Small Cap Growth/RBC Fund*                  | % | Small Cap Value/TBC AM Fund*                | % |
| <b>International Stock</b> | Dodge & Cox International Stock Fund        | % | Oppenheimer Developing Markets Fund Y**†    | % |
|                            | International Blend/Lazard Fund*            | % |   |   |

**TOTAL:** %

**TOTAL MUST EQUAL: 100%**

All investing involves various risks, such as: fixed income (interest rate), default, small cap, international and sector—including the possible loss of principal.

\*These investments are included in your plan's GoalMaker portfolios. These investments are subject to change. You will be notified in writing in advance of such change.

^ Fixed income investment mutual funds are subject to interest rate risk; their value will decline as interest rates rise.

† Retail mutual fund.

**QUICK TIP:** What do we mean by assets and asset classes? What is the relationship between investment risk and reward? You can find answers to these and many other investing questions by visiting our educational website at [prudential.com/njdcpr](http://prudential.com/njdcpr).

Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus and (if available) summary prospectus contain complete information about the investment options available through your plan. Please call 866-653-2771 for a free prospectus and (if available) a summary prospectus containing this and other information about our mutual funds. You should read the prospectus and the summary prospectus (if available) carefully before investing. You can lose money when investing in securities.

## STEP 2 Act Today.

You can access your plan by:

- Logging on to [prudential.com/njdcrp](https://prudential.com/njdcrp) and selecting the “**Access My Account**” option.
  - Calling toll-free **866-NJDCRP-1** (866-653-2771). Participant service representatives are available Monday through Friday, 8 a.m. to 9 p.m. ET. Toll-free TDD is available at **877-760-5166**.
  - Contacting your local retirement counselor, Stan Rovinski, at 609-218-3601 or emailing [stan.rovinski@prudential.com](mailto:stan.rovinski@prudential.com).
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## STEP 3 Keep track of your progress.

Keeping an eye on your account can help ensure that your financial future stays on track.

The following tools can help:

- Obtain account information and initiate transactions by visiting [prudential.com/njdcrp](https://prudential.com/njdcrp) or calling **866-NJDCRP-1** (866-653-2771) toll-free. (Representatives are available weekdays from 8 a.m. to 9 p.m. ET.)
- Visit our educational website at [prudential.com/njdcrp](https://prudential.com/njdcrp) and access a variety of interactive financial planning tools.
- Review your retirement statement detailing your account activity.

# Important Information About the New Jersey Defined Contribution Retirement Plan

## Eligibility

- A person who holds an elective public office or a person who holds an employment, office or position of the State or political subdivision.
- A person who is enrolled as a new member of the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System on or after July 1, 2007, for whom compensation under that membership is in excess of the annual maximum wage contribution base for Social Security. Participation in the Defined Contribution Retirement Plan shall be with regard to any compensation exceeding the annual maximum wage contribution base for Social Security.

## What is vesting?

"Vesting" refers to your ownership of the money in your account. See below for details about your employer's contributions and any applicable vesting schedule.

## Your employer's contributions

- Your employer contributes an amount equal to 3% of your base salary.
- You can direct employer contributions to any investment in your plan.
- You are 100% vested in your employer's contributions after 12 months of participation.

## Your contributions

- You automatically contribute 5.5% of your annual base salary.
- You can direct your contributions to any investment in your plan.
- You are immediately vested in your own contributions.

## Retiring or separating from service

It's important to learn about all options regarding your account balance before you retire or separate from service. You will need to make a decision about what to do with your vested account balance when one of the following events occurs:

- Your employment with the State ends
- You become permanently disabled
- Your death. Your beneficiary is entitled to your account balance when you die

When any of the events listed above occurs, you or your beneficiary will have several distribution options. It's important to understand each of the distribution options listed below, before you make your decision. You can also contact Prudential by calling toll-free at **1-866-NJDCRP1 (1-866-653-2771)**.

## Distribution options

- Leave your funds in your plan (subject to federal rules on minimum required distributions)
- Take a systematic withdrawal
- Take a full or partial lump-sum distribution
- Transfer your balance to an eligible retirement plan or IRA
- Purchase an annuity

## Taxes applied to distributions<sup>8</sup>

- You usually pay taxes at your current income tax rate for the year in which you receive the money.
- A 20% mandatory withholding for federal income tax is automatically deducted from withdrawal payments paid directly to you (with certain limited exceptions). If you have not reached age 59½, you will be subject to a 10% early withdrawal penalty.

<sup>8</sup> The taxable portion of any disbursement not rolled over is subject to federal income tax at the investor's personal federal income tax rate. State and local income taxes may also be due on funds you receive. This information has been provided for your benefit and is not intended or designed to be tax advice. Please consult a tax advisor for further clarification.

## In the event of death

- Your account balance is paid (and is income taxable) to your beneficiaries.

## Investment types

There are four main types of investments in which participants generally invest:

**Stable Value investments:** These investments combine safety of principal with liquidity and seek to produce competitive rates of return over the long term.

**Fixed Income investments<sup>9</sup>:** Invest in corporate and government bonds. They can go up or down in value each day, so they carry more risk than stable value investments but also offer more opportunity for a potentially larger return.

**Stocks/Equities:** Stock funds—also called equity investments—represent ownership in funds that own shares of corporations. Stock funds offer you a chance to share in the profits—or losses—of the company stock. Stock funds have the potential for higher returns, but they carry more risk than the other investment options.

There are many types of stock investment options, each categorized by the size or market capitalization of the companies they invest in, the investment style followed by the fund manager, and the fund's geographic focus:

### Size of market capitalization<sup>10</sup>:

- **Large Cap:** over \$10 billion
- **Mid Cap:** \$2 billion to \$10 billion
- **Small Cap:** under \$2 billion

### Investment style:

- **Growth:** these stocks are expected to grow faster than the economy.
- **Value:** these stocks are thought to be a bargain because they have been undervalued or overlooked by investors.
- **Blend:** these investments combine both growth and value stocks.

<sup>9</sup>Fixed Income investment mutual funds are subject to interest rate risk, and their value will decline as interest rates rise.

<sup>10</sup>Smaller companies may present greater opportunities for capital appreciation, but also may involve greater risks than larger companies. As a result, the value of stocks issued by smaller companies may fluctuate more than stocks of larger issuers.

## Geographic focus:

- **Domestic:** invests primarily in U.S. companies
- **Global:** invests in both U.S. and foreign companies
- **International:** invests primarily in foreign countries

**Balanced:** Balanced investments combine fixed-income and stock components to offer you a combination of the interest income from fixed-income investments and the growth potential of stock investments. As a result, balanced investments typically do not experience the full ups and downs of the stock market.

## Investment options <sup>11</sup>

The New Jersey State Employees Deferred Compensation Plan offers a selection of investments to choose from.

You can decide how to invest your money and may move money between investments anytime.

### Stable Value

DCP Stable Value Fund<sup>12, 13</sup>

### Fixed Income

Core Bond Enhanced Index/PGIM Fund<sup>12</sup>

Core Plus Bond/PGIM Fund

### Balanced

PIMCO All Asset Fund Instl<sup>\*12</sup>

Vanguard Wellesley Income Fund

### Retirement Income

Prudential IncomeFlex Target Balanced Fund\*

### Large-Cap Stock

Calvert Equity I\*

Large Cap Growth/Columbia Management Fund

QMA Large Cap Quantitative Core Equity Fund

Polen Capital Large Cap Growth Fund<sup>12</sup>

Large Cap Value/LSV Asset Management Fund<sup>12</sup>

Vanguard Institutional Index Fund

### Mid-Cap Stock

QMA Mid Cap Quantitative Core Equity Fund

### Small-Cap Stock

Small Cap Growth/RBC Fund<sup>12</sup>

Small Cap Value/TBC AM Fund<sup>12</sup>

### International Stock

Dodge & Cox International Stock Fund

Oppenheimer Developing Markets Fund Y<sup>\*12</sup>

International Blend/Lazard Fund<sup>12</sup>

\*Registered Mutual Fund

<sup>11</sup>Please see the fund profiles provided with the enrollment materials for additional information about your investment choices, including mutual fund ticker symbols.

<sup>12</sup>These investments are included in your plan's GoalMaker portfolios. These investments are subject to change. You will be notified in writing in advance of such change.

<sup>13</sup>The DCP Stable Value Fund is a trust product that is composed of a group annuity contract issued by The Prudential Insurance Company of America and a portfolio of assets owned by the New Jersey State Employees Deferred Compensation Plan or its designee. Guarantees apply during the term of the group annuity contract. The Fund is not issued or guaranteed by the U.S. government or by any state government or agency. Transfers into the Fund may be made at any time. Transfers out of the Fund may be made to other investment options that are accepting contributions at such time. If in the future the Plan adds an investment option(s) with characteristics similar to the DCP Stable Value Fund, transfers to such a new option(s) may be subject to restrictions. The Prudential Insurance Company of America, Newark, NJ, is a Prudential Financial company.

**Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus and (if available) the summary prospectus contain complete information about the investment options available through your plan. Please call 866-657-3327 for a free prospectus and (if available) summary prospectus containing this and other information about your mutual funds. You should read the prospectus and summary prospectus (if available) carefully before investing. You can lose money when investing in securities.**

## GoalMaker<sup>14</sup>

Your retirement plan offers GoalMaker, an optional easy-to-use asset allocation program, at no additional cost to you. GoalMaker will invest your contributions in a portfolio that matches your investor style and years to retirement. To use GoalMaker, all you need is your Investor Style Code that you created in section 3 of this workbook.

By enrolling in GoalMaker, you direct Prudential to immediately reinvest your future contributions and existing account balance (if applicable) to match this investment allocation. Your entire account will be rebalanced in accordance with this portfolio—unless a restriction is in place or a portion of your account is invested in a restricted source that isn't available through GoalMaker. Of course, as your goals and years to retirement change, you can select a new portfolio at any time without charges or penalties; however, making an allocation change will cause you to no longer be enrolled in the GoalMaker program.

The GoalMaker portfolio you choose will automatically rebalance quarterly. Automatic Rebalancing with GoalMaker ensures your asset allocation stays in line with your original investment objectives. During the rebalancing process, money is moved among investments in your GoalMaker portfolio to maintain the allocation percentages you choose.

Additionally, GoalMaker's optional Age Adjustment feature automatically adjusts your allocations over time based on the number of years you have until retirement. How does it work? If you choose a conservative investor portfolio with 11–15 years to retirement, once you get to within 10 years of your expected retirement age, your account will automatically switch to the conservative investor portfolio with 6–10 years to retirement.

To see how your money would be invested across various asset classes, find your Investor Style Code in the following charts indicating your investor style.

<sup>14</sup>Please note that, in addition to the specific funds used in the GoalMaker portfolios, other funds with similar risks and returns may be available to you.

## CONSERVATIVE ALLOCATIONS

| INVESTMENT OPTIONS  | C01       | C02        | C03         | C04       |
|---|-----------|------------|-------------|-----------|
|   | 0-5 Years | 6-10 Years | 11-15 Years | 16+ Years |
| <b>Stable Value</b><br>DCP Stable Value Fund                                  | 41%       | 36%        | 22%         | 11%       |
| <b>Fixed Income</b><br>Core Bond Enhanced Index/PGIM Fund                     | 34%       | 29%        | 25%         | 18%       |
| <b>Large-Cap Stock–Growth</b><br>Polen Capital Large Cap Growth Fund          | 5%        | 7%         | 10%         | 13%       |
| <b>Large-Cap Stock–Value</b><br>Large Cap Value/LSV Asset Management Fund     | 5%        | 7%         | 10%         | 13%       |
| <b>Small/Mid-Cap Stock–Growth</b><br>Small Cap Growth/RBC Fund                | 2%        | 3%         | 5%          | 7%        |
| <b>Small/Mid-Cap Stock–Value</b><br>Small Cap Value/TBC AM Fund               | 2%        | 3%         | 5%          | 7%        |
| <b>International Stock</b><br>International Blend/Lazard Fund                 | 5%        | 7%         | 11%         | 16%       |
| <b>Diversified Emerging Markets</b><br>Oppenheimer Developing Markets Fund Y* | 1%        | 2%         | 4%          | 6%        |
| <b>Diversified Real Assets</b><br>PIMCO All Assets Fund I*                    | 5%        | 6%         | 8%          | 9%        |

## MODERATE ALLOCATIONS

| INVESTMENT OPTIONS  | M01       | M02        | M03         | M04       |
|---|-----------|------------|-------------|-----------|
|   | 0-5 Years | 6-10 Years | 11-15 Years | 16+ Years |
| <b>Stable Value</b><br>DCP Stable Value Fund                                  | 32%       | 22%        | 14%         | 5%        |
| <b>Fixed Income</b><br>Core Bond Enhanced Index/PGIM Fund                     | 27%       | 25%        | 20%         | 9%        |
| <b>Large-Cap Stock–Growth</b><br>Polen Capital Large Cap Growth Fund          | 8%        | 10%        | 12%         | 16%       |
| <b>Large-Cap Stock–Value</b><br>Large Cap Value/LSV Asset Management Fund     | 8%        | 10%        | 12%         | 16%       |
| <b>Small/Mid-Cap Stock–Growth</b><br>Small Cap Growth/RBC Fund                | 3%        | 5%         | 7%          | 10%       |
| <b>Small/Mid-Cap Stock–Value</b><br>Small Cap Value/TBC AM Fund               | 3%        | 5%         | 7%          | 10%       |
| <b>International Stock</b><br>International Blend/Lazard Fund                 | 9%        | 11%        | 14%         | 19%       |
| <b>Diversified Emerging Markets</b><br>Oppenheimer Developing Markets Fund Y* | 3%        | 4%         | 5%          | 6%        |
| <b>Diversified Real Assets</b><br>PIMCO All Assets Fund I*                    | 7%        | 8%         | 9%          | 9%        |

## AGGRESSIVE ALLOCATIONS

| INVESTMENT OPTIONS  | R01          | R02           | R03            | R04          |
|---|--------------|---------------|----------------|--------------|
|   | 0-5<br>Years | 6-10<br>Years | 11-15<br>Years | 16+<br>Years |
| <b>Stable Value</b><br>DCP Stable Value Fund                                  | 18%          | 14%           | 7%             | 0%           |
| <b>Fixed Income</b><br>Core Bond Enhanced Index/PGIM Fund                     | 25%          | 20%           | 11%            | 0%           |
| <b>Large-Cap Stock–Growth</b><br>Polen Capital Large Cap Growth Fund          | 11%          | 12%           | 15%            | 19%          |
| <b>Large-Cap Stock–Value</b><br>Large Cap Value/LSV Asset<br>Management Fund  | 11%          | 12%           | 15%            | 19%          |
| <b>Small/Mid-Cap Stock–Growth</b><br>Small Cap Growth/<br>RBC Fund            | 6%           | 7%            | 9%             | 12%          |
| <b>Small/Mid-Cap Stock–Value</b><br>Small Cap Value/TBC AM Fund               | 6%           | 7%            | 9%             | 12%          |
| <b>International Stock</b><br>International Blend/Lazard Fund                 | 11%          | 14%           | 18%            | 22%          |
| <b>Diversified Emerging Markets</b><br>Oppenheimer Developing Markets Fund Y* | 4%           | 5%            | 6%             | 7%           |
| <b>Diversified Real Assets</b><br>PIMCO All Assets Fund I*                    | 8%           | 9%            | 10%            | 9%           |

## CONSERVATIVE ALLOCATIONS WITH INCOME

| INVESTMENT OPTIONS  | C01       | C02        | C03         | C04       |
|---|-----------|------------|-------------|-----------|
|   | 0-5 Years | 6-10 Years | 11-15 Years | 16+ Years |
| <b>Stable Value</b><br>DCP Stable Value Fund                                  | 10%       | 9%         | 6%          | 4%        |
| <b>Fixed Income</b><br>Core Bond Enhanced Index/PGIM Fund                     | 13%       | 10%        | 8%          | 5%        |
| <b>Large-Cap Stock–Growth</b><br>Large Cap Growth/Polen Capital Fund          | 2%        | 2%         | 4%          | 5%        |
| <b>Large-Cap Stock–Value</b><br>Large Cap Value/LSV Asset Management Fund     | 2%        | 2%         | 4%          | 5%        |
| <b>Small/Mid-Cap Stock–Growth</b><br>Small Cap Growth/RBC Fund                | 0%        | 1%         | 1%          | 1%        |
| <b>Small/Mid-Cap Stock–Value</b><br>Small Cap Value/TBC AM Fund               | 0%        | 1%         | 1%          | 1%        |
| <b>International Stock</b><br>International Blend/Lazard Fund                 | 1%        | 3%         | 3%          | 5%        |
| <b>Diversified Emerging Markets</b><br>Oppenheimer Developing Markets Fund Y* | 0%        | 0%         | 1%          | 1%        |
| <b>Diversified Real Assets</b><br>PIMCO All Assets Fund I*                    | 2%        | 2%         | 2%          | 3%        |
| <b>Retirement Income</b><br>Prudential IncomeFlex Target Balanced Fund        | 70%       | 70%        | 70%         | 70%       |

## MODERATE ALLOCATIONS WITH INCOME

| INVESTMENT OPTIONS  | M01       | M02        | M03         | M04       |
|---|-----------|------------|-------------|-----------|
|   | 0-5 Years | 6-10 Years | 11-15 Years | 16+ Years |
| <b>Stable Value</b><br>DCP Stable Value Fund                                  | 14%       | 11%        | 8%          | 4%        |
| <b>Fixed Income</b><br>Core Bond Enhanced Index/PGIM Fund                     | 16%       | 12%        | 9%          | 4%        |
| <b>Large-Cap Stock–Growth</b><br>Large Cap Growth/Polen Capital Fund          | 4%        | 5%         | 6%          | 8%        |
| <b>Large-Cap Stock–Value</b><br>Large Cap Value/LSV Asset Management Fund     | 4%        | 5%         | 6%          | 8%        |
| <b>Small/Mid-Cap Stock–Growth</b><br>Small Cap Growth/RBC Fund                | 2%        | 2%         | 3%          | 4%        |
| <b>Small/Mid-Cap Stock–Value</b><br>Small Cap Value/TBC AM Fund               | 2%        | 2%         | 3%          | 4%        |
| <b>International Stock</b><br>International Blend/Lazard Fund                 | 4%        | 7%         | 8%          | 9%        |
| <b>Diversified Emerging Markets</b><br>Oppenheimer Developing Markets Fund Y* | 1%        | 2%         | 3%          | 4%        |
| <b>Diversified Real Assets</b><br>PIMCO All Assets Fund I*                    | 3%        | 4%         | 4%          | 5%        |
| <b>Retirement Income</b><br>Prudential IncomeFlex Target Balanced Fund        | 50%       | 50%        | 50%         | 50%       |

## AGGRESSIVE ALLOCATIONS WITH INCOME

| INVESTMENT OPTIONS  | R01       | R02        | R03         | R04       |
|---|-----------|------------|-------------|-----------|
|   | 0-5 Years | 6-10 Years | 11-15 Years | 16+ Years |
| <b>Stable Value</b><br>DCP Stable Value Fund                                  | 13%       | 11%        | 6%          | 0%        |
| <b>Fixed Income</b><br>Core Bond Enhanced Index/PGIM Fund                     | 15%       | 11%        | 7%          | 0%        |
| <b>Large-Cap Stock–Growth</b><br>Large Cap Growth/Polen Capital Fund          | 8%        | 9%         | 11%         | 13%       |
| <b>Large-Cap Stock–Value</b><br>Large Cap Value/LSV Asset Management Fund     | 8%        | 9%         | 11%         | 13%       |
| <b>Small/Mid-Cap Stock–Growth</b><br>Small Cap Growth/RBC Fund                | 4%        | 4%         | 5%          | 8%        |
| <b>Small/Mid-Cap Stock–Value</b><br>Small Cap Value/TBC AM Fund               | 4%        | 4%         | 13%         | 15%       |
| <b>International Stock</b><br>International Blend/Lazard Fund                 | 9%        | 7%         | 5%          | 6%        |
| <b>Diversified Emerging Markets</b><br>Oppenheimer Developing Markets Fund Y* | 3%        | 7%         | 7%          | 7%        |
| <b>Diversified Real Assets</b><br>PIMCO All Assets Fund I*                    | 6%        | 2%         | 2%          | 3%        |
| <b>Retirement Income</b><br>Prudential IncomeFlex Target Balanced Fund        | 30%       | 30%        | 30%         | 30%       |

# Investor Style Quiz

Not sure what your investor style is? Answer the following questions to help get a clearer picture.

Please indicate how concerned you are about the following by circling the score next to your answer:

- 1) The possibility that I won't earn enough in my account over the long term:
 

|                         |    |
|-------------------------|----|
| I am very concerned     | 10 |
| I am somewhat concerned | 7  |
| I am not concerned      | 3  |
  
- 2) The possible loss of "buying power" or "quality of life" from the effects of inflation:
 

|                         |   |
|-------------------------|---|
| I am very concerned     | 6 |
| I am somewhat concerned | 4 |
| I am not concerned      | 1 |
  
- 3) The possibility of wide swings in the value of my account over 1–3 months:
 

|                         |    |
|-------------------------|----|
| I am very concerned     | 0  |
| I am somewhat concerned | 4  |
| I am not concerned      | 12 |
  
- 4) The possibility of wide swings in the value of my account over 1–2 years:
 

|                         |    |
|-------------------------|----|
| I am very concerned     | 2  |
| I am somewhat concerned | 6  |
| I am not concerned      | 12 |
  
- 5) Which of the following causes you the most concern about the investments in your account?
 

|   |   |
|---|---|
| My future ability to get back at least the same amount of money that I put in | 2 |
| That my money is not earning enough   | 6 |
| How much I have gained or lost this month                                     | 0 |

Your experience with various investments can affect how you feel about the investments in your account. Please answer the following relative to your investment experience or your comfort level regarding investments:

- 6) One of the investments in your program has performed very well for a few years. If it suddenly dropped 15% in three months, what would you do?
 

|                  |   |
|------------------|---|
| Sell immediately | 0 |
| Hold it          | 6 |
| Buy more         | 8 |
  
- 7) You would describe your experience with stocks or stock funds as:
 

|                             |   |
|-----------------------------|---|
| A great deal of experience  | 6 |
| A fair amount of experience | 4 |
| Very little experience      | 2 |
| None                        | 1 |
  
- 8) You would describe your experience with bonds or bond funds as:
 

|                             |   |
|-----------------------------|---|
| A great deal of experience  | 5 |
| A fair amount of experience | 3 |
| Very little experience      | 2 |
| None                        | 1 |
  
- 9) You would describe your comfort level with stocks or stock funds as:
 

|               |    |
|---------------|----|
| A great deal  | 12 |
| A fair amount | 10 |
| Very little   | 4  |
| None          | 0  |
  
- 10) You would describe your comfort level with bonds or bond funds as:
 

|               |   |
|---------------|---|
| A great deal  | 7 |
| A fair amount | 4 |
| Very little   | 3 |
| None          | 0 |

To determine your score: Add up the points assigned to all 10 of your answers.

**Total Score:** \_\_\_\_\_

## What your score indicates:

If you scored **0–40** points, you may be a **Conservative investor**.

If you scored **41–60** points, you may be a **Moderate investor**.

If you scored **61 or more** points, you may be an **Aggressive investor**.



# PRUDENTIAL INCOMEFLEX TARGET

## Important Considerations



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Prudential IncomeFlex Target<sup>®</sup>, offered through your retirement plan, is specifically designed to help plan participants secure reliable retirement income they won't outlive.

This summary is intended to explain how IncomeFlex Target works and the many benefits and features it provides. **Please read this document carefully before investing and keep it for future reference.**

We have tried to make this document easy to read and understandable. The use of certain technical words or terms is unavoidable. These terms are highlighted in **bold** and have been defined in the glossary located near the end of this document.

If you have questions about IncomeFlex Target, please contact your recordkeeper directly using the contact information on the back page of this document.

Note: To maintain the IncomeFlex Target Guarantees, you must invest in one or more of the IncomeFlex Target Funds. Like all variable investments, these funds may lose value. Guarantees are based on the claims-paying ability of **Prudential Retirement Insurance and Annuity Company** (Hartford, CT) and are subject to certain limitations, terms, and conditions. Withdrawals or transfers out of IncomeFlex Target during the Accumulation Phase proportionately reduce guaranteed values and may even eliminate them. During the Withdrawal Phase, withdrawals in excess of the Lifetime Annual Withdrawal Amount reduce future guaranteed withdrawals proportionately and may even eliminate them.

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|  |           |
|--|-----------|
| <b>I. Overview .....</b>   | <b>4</b>  |
| A. Product Phases  |           |
| B. What is an IncomeFlex Target Fund?                                      |           |
| C. Investing in IncomeFlex Target: Contributions, Transfers, and Rollovers |           |
| <b>II. Accumulation Phase .....</b>  | <b>5</b>  |
| A. IncomeFlex Target Values  |           |
| i. Your Market Value   |           |
| ii. Your Income Base   |           |
| 1. Impact of Contributions and Withdrawals                                 |           |
| <b>III. Your Decision to Lock-In.....</b>                                  | <b>6</b>  |
| A. Your Income Base  |           |
| B. Your Guaranteed Withdrawal Percentage                                   |           |
| C. Calculating Your Lifetime Annual Withdrawal Amount                      |           |
| D. When You Can Lock-In  |           |
| E. Spousal Benefit   |           |
| i. Beneficiary Changes   |           |
| <b>IV. Withdrawal Phase.....</b>   | <b>9</b>  |
| A. Taking Your Lifetime Annual Withdrawal Amount                           |           |
| B. Increasing Your Lifetime Annual Withdrawal Amount                       |           |
| i. Positive Investment Performance (Step-Up)                               |           |
| ii. Additional Contributions   |           |
| iii. Effect on Systematic Withdrawal Arrangements                          |           |
| C. Decreasing Your Lifetime Annual Withdrawal Amount                       |           |
| i. Excess Withdrawals  |           |
| ii. Effect on Systematic Withdrawal Arrangements                           |           |
| <b>V. Guaranteed Payout Phase .....</b>                                    | <b>11</b> |
| <b>VI. Required Minimum Distributions .....</b>                            | <b>12</b> |
| <b>VII. Survivor Benefits.....</b>   | <b>13</b> |
| A. Accumulation Phase  |           |
| i. Spouse or Civil Union Partner Beneficiary                               |           |
| ii. Beneficiary Other than a Spouse or Civil Union Partner                 |           |
| B. Withdrawal Phase  |           |
| i. Single Benefit  |           |
| ii. Spousal Benefit  |           |
| C. Guaranteed Payout Phase   |           |
| i. Single Benefit  |           |
| ii. Spousal Benefit  |           |
| <b>VIII. General Information .....</b>                                     | <b>14</b> |
| A. Ninety (90) Calendar-Day Transfer Restriction                           |           |
| B. Stopping Participation  |           |
| C. Forced Distributions  |           |

- i. Small Account Balance Distributions
- ii. Qualified Domestic Relations Orders (QDROs)
  - 1. Accumulation Phase
  - 2. Withdrawal Phase
    - a. Single Benefit
    - b. Spousal Benefit
  - 3. Guaranteed Payout Phase
    - a. Single Benefit
    - b. Spousal Benefit
- D. Leaving Your Retirement Plan—Transferring IncomeFlex Target Guarantees
- E. IncomeFlex Target—Operating Within Your Retirement Plan
  - i. Subject to Plan Rules
  - ii. Plan Actions—Fund Elimination
  - iii. Our Action—Fund Closing
- F. Other Reserved Rights
- G. Misstatements
- H. Loans
- I. Other Versions of IncomeFlex

|  |           |
|--|-----------|
| <b>IX. Glossary</b> .....                | <b>17</b> |
| <b>X. Additional Information</b> .....   | <b>19</b> |
| <b>XI. For Further Information</b> ..... | <b>20</b> |

Typically, your income during retirement will depend on how much you've saved by the time you retire. But market downturns as you approach and enter retirement may take your retirement savings—and your retirement dreams—down with them. That's why IncomeFlex Target was designed to let you keep investing in the market, while reducing the risk that losses may impact your income.

## A. PRODUCT PHASES

Your experience with IncomeFlex Target will typically include three discrete time periods or “phases:”

- **The Accumulation Phase:** When you're saving and getting closer to your retirement date. IncomeFlex Target can protect your retirement income while letting you continue to invest in the markets.
- **The Withdrawal Phase:** When you're turning your savings into retirement income. IncomeFlex Target guarantees your retirement income while you retain flexibility and control over your account balance.
- **The Guaranteed Payout Phase:** When your account balance is gone and your retirement income goes on. IncomeFlex Target keeps paying you for as long as you live, even after you've outlived the rest of your savings.

## B. WHAT IS AN INCOME FLEX TARGET FUND?

An **IncomeFlex Target Fund** is a diversified, professionally managed fund that uses the fundamentals of asset allocation to create an asset mix best suited for individuals approaching and in retirement. An IncomeFlex Target Fund is a plan investment option.

Your retirement plan may offer one IncomeFlex Target Fund, or it may offer more than one. If your retirement plan does offer more than one IncomeFlex Target Fund, note that you will have one single set of **IncomeFlex Target Guarantees** regardless of the number of IncomeFlex Target Funds in which you choose to invest.

IncomeFlex Target Funds include a feature that sets a guaranteed floor or “**Income Base**” for calculating your lifetime income amount. This feature also allows you to capture any market gains you may experience annually on your birthday. See “Your Income Base” for more details.

For a detailed description of an IncomeFlex Target Fund, please refer to the current **Fund Fact Sheet** (generally available online or by calling the number listed at the end of this document).

**Please review the current Fund Fact Sheet carefully before investing.**

Once **we** begin tracking the IncomeFlex Target Guarantees, as described in “Additional Information,” a **Guarantee Fee** is assessed. This fee is in addition to the standard investment management and recordkeeping fees. See the “Fees” section of “Additional Information” for more details.

## C. INVESTING IN INCOME FLEX TARGET: CONTRIBUTIONS, TRANSFERS, AND ROLLOVERS

Investing in an IncomeFlex Target Fund is similar to investing in other funds offered in your retirement plan. All you need to do is transfer some or all of your current balance and/or direct future **Contributions** to the IncomeFlex Target Fund. If your retirement plan permits, you may also roll over balances from previous employers' retirement plans.

### A. INCOMEFLEX TARGET VALUES

Once you start investing in IncomeFlex Target, we track:

#### i. Your Market Value (MV)

Your **Market Value** is the monetary value of an IncomeFlex Target Fund. Similar to other funds offered through your retirement plan, the Market Value will rise and fall based on the market performance of the Fund's underlying investments. This value increases dollar-for-dollar every time you add money to an IncomeFlex Target Fund. Conversely, it is reduced dollar-for-dollar every time you remove money from an IncomeFlex Target Fund. **This amount is not guaranteed and may lose value at any time.**

If your plan offers multiple IncomeFlex Target Funds and you invest in more than one IncomeFlex Target Fund, then your Market Value is the total market value of all of your IncomeFlex Target Funds.

If you decide to remove all of your money from an IncomeFlex Target Fund, you will receive the Market Value as of the effective date of your request. This will bring the Market Value of your IncomeFlex Target Fund to zero (\$0) and, unless you are invested in another IncomeFlex Target Fund, **all IncomeFlex Target Guarantees will be cancelled.**

#### ii. Your Income Base

Your Income Base is used solely to determine your **Lifetime Annual Withdrawal Amount** once you begin taking **Withdrawals** from IncomeFlex Target. It does not represent an account balance and cannot be withdrawn. Remember, if at any time you decide to remove all or a portion of your money from IncomeFlex Target, you will receive the Market Value, not the Income Base.

**During the Accumulation Phase, your Income Base equals your Highest Birthday Value (HBV).** Your **Highest Birthday Value** starts as your Market Value on the date we begin tracking the IncomeFlex Target Guarantees. Every year after, on your birthday, we will compare your current Market Value to the Highest Birthday Value we have on record. If your current Market Value is higher, that value will be captured and stored as your new Highest Birthday Value and used as your Income Base. The amount of any subsequent Contributions will be added to that new, higher Highest Birthday Value.

If your birthday falls on a non-business day, we use the previous business day. This process will continue until the last day before you Lock-In your Lifetime Annual Withdrawal Amount (see "Your Decision to Lock-In" for more details).

#### 1. Impact of Contributions and Withdrawals

Every Contribution you make into an IncomeFlex Target Fund increases your Highest Birthday Value dollar-for-dollar. Every Withdrawal out of an IncomeFlex Target Fund reduces your Highest Birthday Value proportionately (see Example 1.)

#### EXAMPLE 1

##### Proportionate reduction in Highest Birthday Value (HBV), or Income Base

##### SCENARIO:

|                    |           |
|--------------------|-----------|
| Starting HBV:      | \$120,000 |
| Starting MV:       | \$100,000 |
| Withdrawal Amount: | \$ 10,000 |

##### CALCULATIONS:

##### Ratio of withdrawal to Market Value

$$\$10,000/\$100,000 = 0.1$$

##### Proportionate reduction of HBV

$$\text{Step 1: } 0.1 \times \$120,000 = \$12,000$$

$$\text{Step 2: } \$120,000 - \$12,000 = \$108,000$$

##### Dollar-for-dollar reduction in MV

$$\text{Step 1: } \$100,000 - \$10,000 = \$90,000$$

##### RESULT:

|             |           |
|-------------|-----------|
| Ending HBV: | \$108,000 |
| Ending MV:  | \$ 90,000 |

### III. YOUR DECISION TO LOCK-IN



You can choose when and how you want to establish or “**Lock-In**” your guaranteed lifetime income from IncomeFlex Target. We use your Income Base and **Guaranteed Withdrawal Percentage** to set your Lifetime Annual Withdrawal Amount. This is the guaranteed amount that you can withdraw each **Withdrawal Period** once you Lock-In. A Withdrawal Period is one year starting on your birthday and ending the day *before* your next birthday.

Anytime on or after your 55<sup>th</sup> birthday, you can Lock-In your Lifetime Annual Withdrawal Amount by contacting your recordkeeper directly using the contact information on the back page of this document. You will need to decide whether you will Lock-In with the **Single Benefit** or **Spousal Benefit** option. The information below is intended to clarify how this important decision affects your Lifetime Annual Withdrawal Amount.

**Note that your benefit election (either Single or Spousal) is irrevocable and cannot be changed once you have Locked-In. You can defer Locking-In for as long as you choose. However, the Internal Revenue Service (IRS) may require you to start taking distributions from your retirement plan after you reach age 70½. See “Required Minimum Distributions” for more details.**

#### A. YOUR INCOME BASE (IB)

Your Lifetime Annual Withdrawal Amount starts with your Income Base. On the day you decide to Lock-In, we compare your Market Value to your current Income Base (both as of the previous business day). If your Market Value is higher, it becomes the Income Base. If your Market Value is lower, your current Income Base is used. Note that your Income Base can never exceed \$5 million.

#### B. YOUR GUARANTEED WITHDRAWAL PERCENTAGE

Your Guaranteed Withdrawal Percentage is based on your age when you Lock-In and whether you elect to guarantee benefits for only you, or for both you and your spouse or civil union partner. Keep in mind that if you elect the Spousal Benefit and your spouse or civil union partner is younger than you are, then your spouse’s or civil union partner’s age will be used to determine this percentage (for more details see “Spousal Benefit”). The specific ages and percentages are:

| Age at Lock-In | Benefits for You (Single Benefit) | Benefits for You and Your Spouse or Civil Union Partner (Spousal Benefit) |
|----------------|-----------------------------------|---|
| 55–64          | 4.25%                             | 3.75%   |
| 65–69          | 5.00%                             | 4.50%   |
| 70+            | 5.75%                             | 5.25%   |

#### C. CALCULATING YOUR LIFETIME ANNUAL WITHDRAWAL AMOUNT (LAWA)

Your Lifetime Annual Withdrawal Amount is the product of your Income Base and your Guaranteed Withdrawal Percentage (see Example 2.)

Once your Lifetime Annual Withdrawal Amount is determined, we guarantee that you can withdraw this amount each Withdrawal Period for the rest of your life. If market performance or withdrawals of your Lifetime Annual Withdrawal Amount reduce the Market Value to zero (\$0), we will continue to fund your Lifetime Annual Withdrawal Amount from our own assets for as long as you live (and your spouse or civil union partner lives, if applicable).

##### EXAMPLE 2

##### Lifetime Annual Withdrawal Calculation for Single Benefit

| SCENARIO:  | CALCULATIONS:     | RESULT:        |
|--|-------------------|----------------|
| Income Base: \$120,000<br>Your age at Lock-In: 55–64 | \$120,000 x 4.25% | LAWA = \$5,100 |
| Income Base: \$120,000<br>Your age at Lock-In: 65–69 | \$120,000 x 5.00% | LAWA = \$6,000 |
| Income Base: \$120,000<br>Your age at Lock-In: 70+   | \$120,000 x 5.75% | LAWA = \$6,900 |

### III. YOUR DECISION TO LOCK-IN



In addition, we can take no action that will lower your Lifetime Annual Withdrawal Amount. However, certain actions you or your retirement plan take could reduce or eliminate this value. See “Decreasing your Lifetime Annual Withdrawal Amount” and “Plan Actions” for more details.

#### D. WHEN YOU CAN LOCK-IN

You can Lock-In anytime on or after your 55<sup>th</sup> birthday, as long as your Lifetime Annual Withdrawal Amount is at least \$250. To Lock-In, you need to contact your recordkeeper by calling the number listed on the back page of this document.

You can wait to Lock-In your Lifetime Annual Withdrawal Amount for as long as you choose. However, IRS rules may require you to start taking distributions from the retirement plan by a certain age, such as 70½.

If you Lock-In your Lifetime Annual Withdrawal Amount on any date other than your birthday, it will be prorated for that first, partial year only. This adjustment will not reduce the Lifetime Annual Withdrawal Amount in future years (refer to Example 3). However, you should take note of this pro-rated amount if you establish an installment payment schedule (also known as “**Systematic Withdrawals**”).

#### E. SPOUSAL BENEFIT

IncomeFlex Target offers a Spousal Benefit that lets you give your spouse or civil union partner the option of receiving your Lifetime Annual Withdrawal Amount for the rest of his or her life, should he or she outlive you. You must choose whether to elect the Spousal Benefit when you Lock-In. **This decision is irrevocable and cannot be changed once you have locked-in.**

As noted above, when the Spousal Benefit is elected, a lower Guaranteed Withdrawal Percentage will apply since the guarantee covers the longer of two lifetimes rather than just one.

To elect the Spousal Benefit, both you and your spouse or civil union partner must be age 55 or older when you Lock-In. The younger of your age or your spouse’s or civil union partner’s age will determine your Guaranteed Withdrawal Percentage (refer to Example 4). Your spouse or civil union partner must be the sole primary beneficiary of your retirement plan, both when you Lock-In the Lifetime Annual Withdrawal Amount and upon your death.

*Should you remarry or establish a new civil union partnership after you elect the Spousal Benefit, you will not be able to add or transfer the benefit to your new spouse or civil union partner.*

*Note that there is no Spousal Benefit during the Accumulation Phase. Should you die during the Accumulation Phase (and therefore before you could have elected the Spousal Benefit), your spouse or civil union partner will restart the Income Base and Highest Birthday Values, based on the then current Market Value. See “Survivor Benefits” for more details.*

#### EXAMPLE 3 Prorated Lifetime Annual Withdrawal Amount

##### SCENARIO:

Lock-In date: January 31  
 Birthday: August 1  
 Withdrawal Period: 1/31-7/31  
 Full Lifetime Annual Withdrawal Amount: \$5,000

##### CALCULATIONS:

$\$5,000 \times (182/365)$   
 LAWA x (days remaining in Withdrawal Period/365)

##### RESULT:

First (Partial) Period’s Lifetime Annual Withdrawal Amount: \$2,493

*Note: Next Period LAWA = \$5,000*

#### EXAMPLE 4 Lifetime Annual Withdrawal Calculation for Spousal Benefit

##### SCENARIO:

Income Base: \$120,000  
 Both You and Your Spouse’s or Civil Union Partner’s age at Lock-In: 70 or older

##### CALCULATIONS:

$\$120,000 \times 5.25\%$

##### RESULT:

LAWA = \$6,300

Income Base: \$120,000  
 Both You and Your Spouse’s or Civil Union Partner’s age at Lock-In: 65–69

$\$120,000 \times 4.5\%$

LAWA = \$5,400

Income Base: \$120,000  
 Both You and Your Spouse’s or Civil Union Partner’s age at Lock-In: 55–64

$\$120,000 \times 3.75\%$

LAWA = \$4,500

#### i. Beneficiary Changes

Note that changing your designated primary beneficiary during the Withdrawal Phase or Guaranteed Payout Phase will impact the ability of your surviving spouse or civil union partner to receive the Spousal Benefit. In order to be eligible for the Spousal Benefit, your surviving spouse or civil union partner must be the same spouse or civil union partner that was specified at Lock-In, and he or she must be designated as the primary beneficiary for 100% of your account at the time of your death.

After you Lock-In you can choose when and how to use your Lifetime Annual Withdrawal Amount. This section describes how those choices work and how they can affect your future lifetime income.

## A. TAKING YOUR LIFETIME ANNUAL WITHDRAWAL AMOUNT

The **Lifetime Annual Withdrawal Amount** is the grand total you can take each Withdrawal Period without reducing future guarantees. You can take this grand total all at once or in as many increments as you like, subject to your retirement plan's rules.

To begin taking the Lifetime Annual Withdrawal Amount, simply follow your plan's established process for taking Withdrawals. Your plan and/or your plan's recordkeeper may limit the number of Withdrawals allowed in a year.

You can choose to withdraw more or less than your Lifetime Annual Withdrawal Amount from the IncomeFlex Target Fund(s) in any given Withdrawal Period. **However, withdrawing more than your Lifetime Annual Withdrawal Amount will reduce your future Lifetime Annual Withdrawal Amount proportionately.** See "Decreasing your Lifetime Annual Withdrawal Amount" for more details.

If you choose to withdraw less than your guaranteed amount in a Withdrawal Period, any Lifetime Annual Withdrawal Amount that you do not withdraw **will not be available in subsequent Withdrawal Periods.** This means that withdrawing less than your Lifetime Annual Withdrawal Amount will not increase your Lifetime Annual Withdrawal Amount in later years. These funds will remain in your account and will continue to be reflected in your Market Value. This has the potential to increase your chances for a "Step-Up," but the occurrence of a Step-Up is not guaranteed. See "Positive Investment Performance (Step-Up)" for more details.

Keep in mind that any transaction out of an IncomeFlex Target Fund is considered a Withdrawal. This includes loans, distributions, and transfers from the IncomeFlex Target Fund into another plan investment option. On the other hand, transfers from one IncomeFlex Target Fund into another IncomeFlex Target Fund are not considered Withdrawals for these purposes.

## B. INCREASING YOUR LIFETIME ANNUAL WITHDRAWAL AMOUNT

You can increase your Lifetime Annual Withdrawal Amount during the Withdrawal Phase in two ways: positive investment performance and additional Contributions.

### i. Positive investment performance (Step-Up)

Every year on the business day prior to your birthday, we compare your Market Value to your Income Base. If your Market Value is higher, it will become your new Income Base. We will then multiply your new, higher Income Base by the Guaranteed Withdrawal Percentage you established at Lock-In to increase or "Step-Up" your Lifetime Annual Withdrawal Amount. If your Market Value is lower than your Income Base, then both your Income Base and Lifetime Annual Withdrawal Amount will remain unchanged (see Example 5). Except as noted in the next paragraph, the Step-Up will happen automatically, but you are not required to withdraw this additional amount.

If we change the Guarantee Fee associated with IncomeFlex Target under your plan and you become eligible for a Step-Up, there will be an additional step in the process. See the "Fees" section of "Additional Information" for more details on how fee changes work. You will be notified and will have 90 calendar days to accept the fee change and the Step-Up amount. When you accept the Step-Up, the new Guarantee Fee will apply to your total Market Value. If you decline the Step-Up, your Lifetime Annual Withdrawal Amount and your Guarantee Fee on your existing Market Value will not change. Regardless, every year we will continue to evaluate your account for a Step-Up, but you will not be eligible to receive the Step-Up until you accept the new Guarantee Fee. If you do not respond in writing within the 90-calendar-day period, you will be deemed to have accepted both the Guarantee Fee change and the Step-Up.

### EXAMPLE 5 Positive Investment Performance (Step-Up)

#### SCENARIO:

|                                   |           |
|-----------------------------------|-----------|
| Starting LAWA:                    | \$4,000   |
| Guaranteed Withdrawal Percentage: | 5%        |
| Market Value:                     | \$100,000 |

#### CALCULATIONS:

$\$100,000 \times 5\%$

#### RESULT:

Ending LAWA: \$5,000

## ii. Additional contributions

During the Withdrawal Phase, your Lifetime Annual Withdrawal Amount increases if you add money to an IncomeFlex Target Fund. The increase in your Lifetime Annual Withdrawal Amount is based upon the amount you add and your Guaranteed Withdrawal Percentage established at Lock-In. The increase will be added to your Lifetime Annual Withdrawal Amount immediately, unless you have already taken an Excess Withdrawal, as defined below, in that Withdrawal Period. In that case, it will not be available as part of the Lifetime Annual Withdrawal Amount until the next Withdrawal Period. If you add money between your Lock-In date and your next birthday, the increase for that first period will be prorated, similar to the prorated Lifetime Annual Withdrawal Amount discussed earlier (see Example 6).

## iii. Effect on Systematic Withdrawals Arrangements

If your Lifetime Annual Withdrawal Amount has increased and your plan offers Systematic Withdrawals you may want to increase each Withdrawal under your existing Systematic Withdrawal arrangement to align with the new total Lifetime Annual Withdrawal Amount. You will need to contact your recordkeeper directly to change the Systematic Withdrawal amount. Such an increase to your Systematic Withdrawal amount will not occur automatically.

## C. DECREASING YOUR LIFETIME ANNUAL WITHDRAWAL AMOUNT

### i. Excess Withdrawals

During the Withdrawal Phase, the portion of any Withdrawal from an IncomeFlex Target Fund (including transfers into non-IncomeFlex Target Funds, and loans) above your Lifetime Annual Withdrawal Amount for a given Withdrawal Period is an **Excess Withdrawal** (excluding certain distributions taken to satisfy your RMD amount attributable to assets in the Fund(s); see "Required Minimum Distributions" for more details). Any Excess Withdrawals from your IncomeFlex Target Fund(s) will proportionately reduce and potentially eliminate your IncomeFlex Target guarantees (see Example 7).

**If you bring the Market Value of all of your IncomeFlex Target Funds to zero (\$0) by taking an Excess Withdrawal, your current IncomeFlex Target Guarantees will expire and will no longer provide a Lifetime Annual Withdrawal Amount. As such, you should carefully consider the impact on your available guarantees before requesting a transaction (e.g., transfer out, distribution) that would result in an Excess Withdrawal.**

### ii. Effect on Systematic Withdrawals Arrangements

If your Lifetime Annual Withdrawal Amount has decreased and your plan offers Systematic Withdrawals you may want to decrease each Withdrawal under your existing Systematic Withdrawal arrangement to align with the new total Lifetime Annual Withdrawal Amount. You will need to contact your recordkeeper directly to change the Systematic Withdrawal amount. Such a decrease to your Systematic Withdrawal amount will **not** occur automatically. **Failure to adjust the Systematic Withdrawal arrangement is likely to cause you to take Excess Withdrawals, which can reduce and may completely eliminate your Lifetime Annual Withdrawal Amount.**

### EXAMPLE 6 Additional Contributions

#### SCENARIO:

|                                   |         |
|-----------------------------------|---------|
| Starting LAWA:                    | \$5,000 |
| Guaranteed Withdrawal Percentage: | 5%      |
| Additional Contribution:          | \$100   |

#### CALCULATIONS:

$$(\$100 \times 5\%) + \$5,000$$

#### RESULT:

Ending LAWA: \$5,005

### EXAMPLE 7 Excess Withdrawals

#### SCENARIO:

|   |           |
|---|-----------|
| Current Market Value:                             | \$100,000 |
| Current Period LAWA:                              | \$8,000   |
| Total Withdrawal:                                 |           |
| (\$8,000 for LAWA and \$12,000 Excess Withdrawal) | \$20,000  |

#### CALCULATIONS:

First, determine MV after LAWA:

$$\$92,000 (\$100,000 - \$8,000)$$

Second, determine ratio of Excess Withdrawal to MV (after LAWA):

$$13\% (\$12,000 / \$92,000)$$

Lastly, reduce next period LAWA by ratio:

$$(\$8,000 \times 13\% = \$1,040)$$

#### RESULT:

**Next Period LAWA:**

$$\$6,960 (\$8,000 - \$1,040)$$

## V. GUARANTEED PAYOUT PHASE



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We refer to the period when we continue making Lifetime Annual Withdrawal Amount payments to you after your market value falls to zero (\$0) as the Guaranteed Payout Phase of the IncomeFlex Target Guarantees.

If the Market Value of all of your IncomeFlex Target Funds is reduced to zero (\$0) as a result of 1) distributions of your Lifetime Annual Withdrawal Amount (i.e., non-Excess Withdrawals) or 2) negative Fund performance, you will continue to receive your Lifetime Annual Withdrawal Amount for as long as you (and your spouse or civil union partner, if applicable) live. We will directly send your Lifetime Annual Withdrawal Amount to your retirement plan account and it will be invested in the fund designated by you or your retirement plan to receive such amounts. After the Guaranteed Payout Phase starts, no further Contributions to an IncomeFlex Fund will be allowed.

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The Internal Revenue Service (IRS) requires you to distribute at least a minimum amount from your retirement plan each year after you turn 70½ or separate from service. This required minimum distribution (RMD) can be satisfied through a combination of distributions from IncomeFlex Target and the other investments in your retirement plan. You should consult your retirement plan's Summary Plan Description or your tax advisor for more information.

During the Accumulation Phase, any Withdrawals—including those intended to satisfy your RMD—will reduce your Highest Birthday Value proportionately. **If you are subject to RMDs and have not yet Locked-in, you should strongly consider Locking-in before taking Withdrawals to satisfy your RMD.**

During the Withdrawal Phase, you may be required to withdraw more than your Lifetime Annual Withdrawal Amount to comply with IRS rules. We will determine whether your RMD attributable to IncomeFlex Target is more than your Lifetime Annual Withdrawal Amount. If so, you can take the additional amount above your Lifetime Annual Withdrawal Amount and this additional amount will not be treated as an Excess Withdrawal. If you do not withdraw this additional amount before December 31, it will cease to be available for that calendar year. Keep in mind that this additional amount does not permanently increase your Lifetime Annual Withdrawal Amount.

During the Guaranteed Payout Phase, the Lifetime Annual Withdrawal Amount will be sent to your retirement plan account, which you can then distribute according to your retirement plan's rules.

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## A. ACCUMULATION PHASE

In the event of your death, your Market Value (if any) is what will be passed on to your beneficiary(ies) as a death benefit, subject to the terms of your plan.

### i. Spouse or Civil Union Partner Beneficiary

If your spouse or civil union partner is the designated beneficiary for any portion of your account, he or she will receive the applicable portion of your account balance, and can invest the money in any of the investment options available in the plan, including an IncomeFlex Target Fund. However, your guarantees will not be passed on to the surviving spouse or civil union partner, so he or she will be treated as a new investor (i.e., the Highest Birthday Value and Income Base will be reset based on the current Market Value of the IncomeFlex Target Fund(s), and he or she will be able to select his or her own Lock-In date).

### ii. Beneficiary Other than a Spouse or Civil Union Partner

If someone other than your spouse or civil union partner is the designated beneficiary for any portion of your account, he or she will receive the applicable portion of your account balance, and can invest the money in any of the investment options available in the plan, with the exception of an IncomeFlex Target Fund. Beneficiaries who are not spouses or civil union partners are not eligible to invest in an IncomeFlex Target Fund, so any Market Value passed on to such a beneficiary will stop accruing IncomeFlex Target Guarantees. This Market Value will remain in the IncomeFlex Target Fund until the beneficiary or the retirement plan provides direction on where to move it.

## B. WITHDRAWAL PHASE

In the event of your death, the benefits available to your beneficiary(ies) depend on 1) whether you Locked-in with the Single Benefit or Spousal Benefit option, and 2) whether or not your beneficiary(ies) include a spouse or civil union partner.

### i. Single Benefit

If you Locked-in with the Single Benefit option, your Market Value (if any) is what will be passed on to your beneficiary(ies) as a death benefit, subject to the terms of your plan. In this case, the above information in the "Accumulation Phase" section applies.

### ii. Spousal Benefit

If you Locked-in with the Spousal Benefit option, and your surviving spouse or civil union partner remains the designated primary beneficiary for 100% of your account at the time of your death, he or she will be entitled to receive the Lifetime Annual Withdrawal Amount for the remainder of his or her life, or withdraw any portion of the Market Value (if any) as a lump sum (note that your surviving spouse or civil union partner may need to contact your retirement plan's recordkeeper to start or restart any Systematic Withdrawals). Upon the death of your surviving spouse or civil union partner, the remaining Market Value (if any) will be distributed to the designated beneficiary(ies) for the account.

**Should your spouse or civil union partner predecease you** after you have elected the Spousal Benefit, you can continue to be invested in an IncomeFlex Target Fund for as long as you choose. There will be no adjustment to the Lifetime Annual Withdrawal Amount as a result of your spouse's or civil union partner's death. In other words, the Guaranteed Withdrawal Percentage will not be restated as if you had chosen the Single Benefit—it will stay the same. Your IncomeFlex Target Guarantees will expire upon your death, and your Market Value (if any) is what will be passed on to your remaining beneficiary(ies), subject to the terms of your plan.

## C. GUARANTEED PAYOUT PHASE

In the event of your death, the benefits available to your beneficiary(ies) depend on 1) whether you Locked-In with the Single Benefit or Spousal Benefit option, and 2) whether or not your beneficiary(ies) include a spouse or civil union partner.

### i. Single Benefit

If you Locked-in with the Single Benefit option, your Lifetime Annual Withdrawal Amount will cease upon your death.

### ii. Spousal Benefit

If you Locked-in with the Spousal Benefit option, and your surviving spouse or civil union partner remains the designated primary beneficiary for 100% of your account at the time of your death, we will continue to directly send the Lifetime Annual Withdrawal Amount to his or her retirement plan account. The Lifetime Annual Withdrawal Amount will cease upon his or her death.

**Should your spouse or civil union partner predecease you** after you have elected the Spousal Benefit, we will continue to directly send the Lifetime Annual Withdrawal Amount to your retirement plan account. Your Lifetime Annual Withdrawal Amount will cease upon your death.

### A. NINETY (90) CALENDAR-DAY TRANSFER RESTRICTION

If you move money out of an IncomeFlex Target Fund, you will not be allowed to transfer money back into that IncomeFlex Target Fund for 90 calendar days. You may, however, continue to make payroll contributions into an IncomeFlex Target Fund during the restriction period. This restriction always applies, even when you are withdrawing your Lifetime Annual Withdrawal Amount.

### B. STOPPING PARTICIPATION

You can stop participating in IncomeFlex Target at any time by removing all money from the IncomeFlex Target Fund(s). You can do this at any time with no fees or charges. Once you stop participating, any IncomeFlex Target Guarantees immediately expire. If you stop participating, you cannot invest in an IncomeFlex Target Fund for 90 calendar days except by payroll deduction.

### C. FORCED DISTRIBUTIONS

#### i. Small Account Balance Distributions

If you are in the Accumulation Phase, and terminate employment with a total account balance less than \$1,000, your retirement plan rules may require that the remaining assets in your account be distributed to you in a lump sum without your consent. In this case, you will receive the total Market Value of your IncomeFlex Target Fund(s) plus the **Net Actuarial Present Value** of any existing guarantees. The Net Actuarial Present Value is equivalent to the actuarial present value of your future benefit guarantees, less the current Market Value of your IncomeFlex Target Fund(s).

If you are in the Withdrawal or Guaranteed Payout Phases, you will not be forced to take a distribution without your consent.

*Some plans may require that balances in excess of \$1,000, but not more than the dollar limit under Section 411(a)(11)(A) of the Internal Revenue Code (\$5,000 as of 2015), be rolled over to an IRA automatically upon your separation from service.*

#### ii. Qualified Domestic Relations Orders (QDROs)

In the event that you divorce, your ex-spouse or civil union partner may be awarded a portion (or all) of your retirement plan account balance pursuant to a qualified domestic relations order (QDRO). The benefits and guarantees that your ex-spouse or civil union partner is entitled to receive from IncomeFlex Target will depend on your Lock-In status, as described below. Note that each situation will need to comply with the requirements of your specific QDRO.

##### 1. Accumulation Phase

The **Market Value** and pro-rata share of the Highest Birthday Value stipulated by the QDRO will be transferred to an account for your ex-spouse or civil union partner. He or she will have the option of continuing to invest in an IncomeFlex Target Fund, and will be eligible to Lock-In with the Single Benefit (or Spousal Benefit provided that he or she remarries or establishes a new civil union partnership).

##### 2. Withdrawal Phase

The benefits and guarantees that are passed to your ex-spouse or civil union partner will depend on whether you elected the Single Benefit or Spousal Benefit, as described below. In all cases, the Market Value in the IncomeFlex Target Fund(s) remains available for a transfer out of the IncomeFlex Target Fund(s) at any time.

**a. Single Benefit:** The Market Value and pro-rata share of the Lifetime Annual Withdrawal Amount stipulated by the QDRO will be transferred to an account for your ex-spouse or civil union partner. He or she will be eligible to receive the pro-rata share of the Lifetime Annual Withdrawal Amount until your death, at which time the Lifetime Annual Withdrawal Amount stops and the ex-spouse or civil union partner is entitled to the remaining Market Value (if any).

**b. Spousal Benefit:** The Market Value and pro-rata shares of the Lifetime Annual Withdrawal Amount and Income Base stipulated by the QDRO will be transferred to an account for your ex-spouse or civil union partner. He or she will be eligible to receive the pro-rata share of the Lifetime Annual Withdrawal Amount until his/her death, at which time the remaining Market Value (if any) will be passed on to your ex-spouse's or civil union partner's designated beneficiary(ies).

##### 3. Guaranteed Payout Phase

The benefits and guarantees that are passed to your ex-spouse or civil union partner will depend on whether you elected the Single Benefit or Spousal Benefit, as described below. In all cases, there is no Market Value in the IncomeFlex Target Fund(s) available for a transfer out of the IncomeFlex Target Fund(s) at any time.

**a. Single Benefit:** The pro-rata share of the Lifetime Annual Withdrawal Amount stipulated by the QDRO will be transferred to an account for your ex-spouse or civil union partner. He or she will be eligible to receive the pro-rata share of the Lifetime Annual Withdrawal Amount until your death, at which time the Lifetime Annual Withdrawal Amount ends.

**b. Spousal Benefit:** The pro-rata share of the Lifetime Annual Withdrawal Amount stipulated by the QDRO will be transferred to an account for your ex-spouse or civil union partner. He or she will be eligible to receive the pro-rata share of the Lifetime Annual Withdrawal Amount until his/her death.

### **D. LEAVING YOUR RETIREMENT PLAN—TRANSFERRING YOUR INCOME FLEX TARGET GUARANTEES**

If you choose to leave your retirement plan, you may be able to transfer or roll over your IncomeFlex Target Guarantees into a variable annuity contract, which is registered with the Securities and Exchange Commission, available through Prudential Retirement Insurance and Annuity Company. **This contract may have substantially different fees, investments, and provisions affecting the guarantees.**

You should read the materials concerning such contract carefully, including its prospectus, and consider the benefits and differences between it and IncomeFlex Target as offered through your retirement plan. If you have both Roth and non-Roth money in your retirement plan, you will need a separate Roth IRA variable annuity and a separate non-Roth IRA variable annuity to roll over the IncomeFlex Target Guarantees associated with each kind of money.

You only get a one-time choice of whether you want to move all or part of your IncomeFlex Target Fund(s). If you roll over your total Market Value in the Accumulation Phase, the annuity contract would start with the same Highest Birthday Value as you had under your retirement plan's IncomeFlex Target. If you are in the Withdrawal Phase, the annuity contract will start with the same Lifetime Annual Withdrawal Amount as you had under your retirement plan's IncomeFlex Target. If you do not roll over all of the Market Value of your IncomeFlex Target Fund(s), the initial IncomeFlex Target Guarantees under the annuity will be established in proportion to the Market Value that was rolled over.

If you roll any portion of your IncomeFlex Target Market Value into anything other than a specific Prudential issued variable annuity, all IncomeFlex Target Guarantees associated with that portion will immediately cease.

If you have an IncomeFlex Target benefit in more than one retirement plan, we may limit your ability to combine IncomeFlex Target Guarantees associated with those multiple plans under an IRA or Roth IRA.

### **E. INCOME FLEX TARGET—OPERATING WITHIN YOUR RETIREMENT PLAN**

#### **i. Subject to Plan Rules**

Participation in IncomeFlex Target is a feature of your retirement plan, and is subject to the rules of your retirement plan. If your plan's rules are more restrictive than IncomeFlex Target's provisions, your retirement plan's rules will apply. Refer to your retirement plan document and other materials for more information.

#### **ii. Plan Actions—Fund Elimination**

An IncomeFlex Target Fund is an investment option available under your retirement plan. Your retirement plan generally can change investment options—including IncomeFlex Target Funds—at any time. This could include closing a fund to new Contributions or even eliminating it entirely. If this occurs, and another IncomeFlex Target Fund is available under your plan, you can transfer into the other IncomeFlex Target Fund(s) and your existing guarantees will continue. However, **if no other IncomeFlex Target Fund is available**, your IncomeFlex Target Guarantees will end and the Market Value of your IncomeFlex Target Fund will move as directed by you or your retirement plan.

#### **iii. Our Action—Fund Closing**

We reserve the right to stop accepting Contributions into an IncomeFlex Target Fund, and to change or eliminate the eligibility of funds for our guarantees. If we stop accepting Contributions into an IncomeFlex Target Fund, and the Fund remains an eligible investment, any existing money will continue to receive guarantees.

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### F. OTHER RESERVED RIGHTS

We reserve the right to restrict your ability to invest rollovers and full loan repayments in an IncomeFlex Target Fund for a limited period. We will provide written, advance notice if we intend to exercise one or more of these rights. If we do so, we will exercise it for everyone participating in IncomeFlex Target under your plan.

### G. MISSTATEMENTS

If we discover that you or your spouse's or civil union partner's age or any other fact affecting IncomeFlex Target Guarantees was misstated, or we discover a clerical error, we will make adjustments to any fees, guarantees, or other values to reasonably conform to the facts. We will follow our established procedures in making these corrections and will apply those procedures on a uniform basis.

### H. LOANS

Your retirement plan's rules will determine whether assets invested in an IncomeFlex Target Fund may be eligible to be paid to you as part of a loan and/or included for the purpose of determining the amount you are eligible to borrow from your account. Any amount loaned from an IncomeFlex Target Fund will be considered a Withdrawal and any loan repayments will be considered a Contribution.

### I. OTHER VERSIONS OF INCOMEFLEX

Your retirement plan may include more than one version of IncomeFlex. Generally, only one version of IncomeFlex is open to new Contributions at any given time. **This document refers only to the *IncomeFlex Target Guarantees* available through your retirement plan.**

If you have questions about another version of IncomeFlex, please consult the Important Considerations document or prospectus for that version, or contact your retirement plan's recordkeeper using the contact information on the back page of this document.

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Following are some key IncomeFlex Target terms and definitions.

**Accumulation Phase:** The period before you Lock-In your Lifetime Annual Withdrawal Amount.

**Contribution:** Any money moved into an IncomeFlex Target Fund including payroll deductions, transfers, loan repayments, or any other actions you may take that increase your IncomeFlex Target Market Value.

**Excess Withdrawal:** During the Withdrawal Phase, an Excess Withdrawal is the portion of any Withdrawal above your Lifetime Annual Withdrawal Amount for a given Withdrawal Period. During the Accumulation Phase, any Withdrawal is considered an Excess Withdrawal. Excess Withdrawals will reduce or eliminate the Lifetime Annual Withdrawal Amount for future Withdrawal Periods.

**Fund Fact Sheet:** Description of an IncomeFlex Target Fund that generally is issued quarterly containing current and historical performance as well as investment objective and strategy and other information about the fund.

**Guarantee Fee:** The fee assessed to compensate us for the IncomeFlex Target Guarantees.

**Guaranteed Payout Phase:** The period after you exhaust your Market Value but we continue to fund your Lifetime Annual Withdrawal Amount.

**Guaranteed Withdrawal Percentage:** The percentage used to calculate your Lifetime Annual Withdrawal Amount. It is determined by your age at the time you Lock-In. If you elect the Spousal Benefit, this percentage is reduced and is based on the age of the younger of you and your spouse or civil union partner.

**Highest Birthday Value:** During the Accumulation Phase, this guaranteed value is determined by taking the highest IncomeFlex Target Market Value on each of your birthdays since you invested in IncomeFlex Target. It increases with every contribution and decreases proportionately with every Withdrawal.

**Income Base:** Guaranteed value used to calculate your Lifetime Annual Withdrawal Amount. **The Income Base shall not be greater than \$5,000,000 and is not available for withdrawal.** We may also refer to it as the "Protected Income Base."

**IncomeFlex Target Fund:** A fund that is eligible for IncomeFlex Target Guarantees. All dollars invested in this fund immediately begin accruing the guarantees, and the Guarantee Fee is assessed only on dollars in this fund. If your plan offers IncomeFlex Target in connection with target-date funds, please see "Additional Information" for more information on when the guarantees and fees apply to your IncomeFlex Target Funds.

**IncomeFlex Target Guarantees:** The values we use to determine your lifetime income under IncomeFlex Target. They include the Highest Birthday Value, Income Base and Lifetime Annual Withdrawal Amount. These do not represent an account balance and cannot be withdrawn.

**Lifetime Annual Withdrawal Amount:** The total amount that you may withdraw each Withdrawal Period as long as you live, or as long as your spouse lives if the Spousal Benefit is elected. The annual income amount is set initially as a percentage of your Income Base, but will be adjusted to reflect subsequent contributions, Excess Withdrawals and Step-Ups. We may also refer to it as the "Annual Guaranteed Withdrawal Amount," the "Guaranteed Withdrawal Amount" or the "Guaranteed Annual Income Amount."

**Lock-In:** The process of establishing the Lifetime Annual Withdrawal Amount.

**Market Value:** The actual value of your investments in the IncomeFlex Target Fund(s). This is the amount used for loans, distributions, or transfer amounts (subject to any plan vesting requirements). It is also the amount that will be passed on to your beneficiaries as a death benefit. This amount is not guaranteed. We may also refer to it as the "Guaranteed Withdrawal Market Value" or the "Contract Value."

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**Net Actuarial Present Value:** A value equivalent to the actuarial present value of your future IncomeFlex Target Guarantees, less the current Market Value of your IncomeFlex Target Fund(s).

**Single Benefit:** A Lifetime Annual Withdrawal Amount that is available for as long as you live, but does not continue to be available to a surviving spouse or civil union partner.

**Spousal Benefit:** IncomeFlex Target offers the choice to have the Lifetime Annual Withdrawal Amount continue to be available to a surviving spouse or civil union partner, if elected when you Lock-In. If you elect the Spousal Benefit, the Lifetime Annual Withdrawal Amount will be lower.

**Step-Up:** During the Withdrawal Phase, investment performance can increase—but not decrease—your Income Base and Lifetime Annual Withdrawal Amount. When your Income Base and Lifetime Annual Withdrawal Amount are increased, this is called a Step-Up.

**Systematic Withdrawals:** Automatic, scheduled distributions from a retirement plan and/or an investment option within a retirement plan. Consult your retirement plan's recordkeeper for more information about options available for your retirement plan.

**We:** Prudential Retirement Insurance and Annuity Company.

**Withdrawal:** Any money moved out of an IncomeFlex Target Fund including distributions, transfers, loans, or any other actions you may take that reduce your IncomeFlex Target Market Value. Transfers from one IncomeFlex Target Fund into another IncomeFlex Target Fund are not considered Withdrawals for these purposes.

**Withdrawal Period:** A full year that begins on your birthday and ends the day before your next birthday. When you Lock-In, your first Withdrawal Period begins on the day you Lock-In and ends the day before your next birthday.

**Withdrawal Phase:** The period after you Lock-In your Lifetime Annual Withdrawal Amount, but before you exhaust your Market Value.

### **Directly Investing in IncomeFlex**

You participate in IncomeFlex Target by investing in an IncomeFlex Target Fund. Investing in an IncomeFlex Target Fund is similar to investing in other funds offered in your retirement plan. All you need to do is transfer some or all of your current balance and/or direct future Contributions to the IncomeFlex Target Fund. If your retirement plan permits, you may also roll over balances from previous employers' retirement plans.

### **When We Start Tracking Guarantees**

As soon as you invest in an IncomeFlex Target Fund, we begin tracking the IncomeFlex Target Guarantees and create an Income Base for you. The expenses for the IncomeFlex Target Fund include the additional Guarantee Fee that pays for the IncomeFlex Target Guarantees.

### **Rebalancing Investments Within Your Plan**

Automated rebalancing transactions—including automatic rebalancing or choosing to rebalance to a preset allocation—could reduce your IncomeFlex Target Guarantees in a way you may not intend. We have established safeguards to prevent this and help ensure that any rebalancing transactions do what you wanted them to do:

- During the Accumulation Phase, rebalancing transactions will transfer money into an IncomeFlex Target Fund if the assets in that fund are less than its targeted allocation. However, a rebalancing transaction will not transfer money out of an IncomeFlex Target Fund—even if an IncomeFlex Target Fund balance is greater than its targeted allocation.
- During the Withdrawal Phase, IncomeFlex Target Funds are completely excluded from rebalancing transactions. To move money into or out of an IncomeFlex Target Fund, you must initiate a transfer transaction using the processes established by your retirement plan.
- During both the Accumulation and Withdrawal Phases, you can always move money out of an IncomeFlex Target Fund by initiating a transfer transaction using the processes established by your retirement plan.
- Remember, any money you take out in a given Withdrawal Period that exceeds your Lifetime Annual Withdrawal Amount will reduce your Lifetime Annual Withdrawal Amount in subsequent Withdrawal Periods.

### **Fees**

As mentioned above, you pay a Guarantee Fee for IncomeFlex Target Guarantees. This Guarantee Fee is an annual fee of .90% and is assessed in addition to the investment management fees and other operating expenses or recordkeeping and administration fees applied to an IncomeFlex Target Fund. This fee reduces the investment returns of the fund and this reduction is reflected in your Market Value. See the Fund Fact Sheet for more detail on the management expense and other fees.

We may change the Guarantee Fee in the future, up to a maximum of 1.50%. Any change will apply only to money added to the IncomeFlex Target Fund after the change. However, as described previously, if you agree to a Step-Up following a fee increase, the higher fee will apply to the entire Market Value of an IncomeFlex Target Fund.

# XI. FOR FURTHER INFORMATION



If you have questions about IncomeFlex Target, please contact your recordkeeper directly using the contact information below:

## State of New Jersey Deferred Compensation Plan

**Online**  
prudential.com/njsedcp

**Prudential Retirement**  
866-NJSEDCP (866-657-3327)

## State of New Jersey Defined Contribution Retirement Plan

**Online**  
prudential.com/njdcrp

**Prudential Retirement**  
866-NJDCRP-1 (866-653-2771)

## State of New Jersey Alternate Benefits Program

**Online**  
prudential.com/njabp

**Prudential Retirement**  
855-NJAPB11 (855-652-2711)

Guarantees are based on the claims-paying ability of the insurance company and are subject to certain limitations, terms, and conditions. Withdrawals or transfers proportionately reduce guaranteed values prior to locking in. After Lock-in withdrawals in excess of the Lifetime Annual Withdrawal Amount will reduce future guaranteed withdrawals proportionately and may even eliminate them.

Prudential IncomeFlex Target Funds are separate accounts established under group variable annuity contracts issued by **Prudential Retirement Insurance and Annuity Company (PRIAC)**, Hartford, CT. PRIAC does not guarantee the investment performance or return on contributions to those separate accounts. You should consider the objectives, risks, charges, and expenses of the Funds and guarantee features before purchasing this product. Like all variable investments, these funds may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals.

Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Contract form #GA-2020-TGWB4-0805-NJ or state variation.

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# FUND FACT SHEET USER'S GUIDE

*This guide will help provide a glossary of terms and benchmark definitions commonly found on fund fact sheets.*

In providing this information Prudential Retirement is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity.

**Prudential Retirement may benefit from advisory and other fees paid to it or its affiliates for managing, selling, or settling of the Prudential mutual funds and other investment products or securities offered by Prudential Retirement or its affiliates. Investment vehicles sponsored or managed by a Prudential Retirement affiliate generate more revenue for the Prudential enterprise than non-proprietary investment vehicles. Prudential Retirement's sales personnel generally receive greater compensation if plan assets are invested in proprietary investment vehicles. Prudential Retirement may benefit directly from the difference between investment earnings of Prudential Retirement's stable value funds and the amount credited to deposits in those funds. Prudential Retirement may also benefit from broker-dealer or other entities' co-sponsorship of Prudential conferences.**

**Fund/Portfolio Category** Morningstar, an investment research and investment management firm, assigns each mutual fund to a category, based on their actual investment style as measured by their underlying portfolio holdings over the past three years. Categories for Manager of Managers separate accounts are determined by Prudential.

**Expense Ratio** The net and gross expenses shown include the total operating expenses of the funds and the indirect expenses of the funds' underlying portfolios. Your investment returns are reduced by various fees and expenses. For each plan investment option, the "Expense Ratio" presentation shows these charges as an annual percentage. Depending on the type of investment, these charges are paid to Prudential or to unaffiliated mutual fund complexes or bank collective trusts. For mutual funds the Expense Ratio is not reduced by any fee or expense waivers from the fund complex (i.e., Gross Expense Ratio), and therefore the actual Expense Ratio may be lower. For other investment options, including separate accounts and bank collective trusts, the benefit of any waivers is reflected in the Expense Ratio (i.e., Net Expense Ratio). Not all funds charge an Expense Ratio. Please see specific fund factsheets for details.

**Overall Morningstar Rating™** Portfolio's overall rating.

**Morningstar Rating™ (Open End Mutual Funds, Closed End Funds, or Variable Annuity Underlying Funds)**

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five-, and ten-year (if applicable) Morningstar Rating metrics. Past performance is no guarantee of future results.

**Morningstar Rating™ (Group Annuity- Variable Annuity Subaccounts)**

The Morningstar Rating™ is provided for those group variable annuities with at least a three-year history. Ratings are based on the group variable annuity's Morningstar Risk-Adjusted Return measure which accounts for variation in monthly performance, placing more emphasis on downward variations and rewarding consistent performance. Morningstar compares each group variable annuity's risk-adjusted return to the open-end mutual fund rating breakpoints for that category. The group variable annuity Morningstar Rating does not affect the retail mutual fund data published by Morningstar. Consistent with the open-end mutual fund ratings, the top 10% of group variable annuities in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for each group variable annuity is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Past performance is no guarantee of future results.

**Morningstar Rating™ (Based on Extended Performance)**

Please note, some of the Morningstar proprietary calculations, including the Morningstar Rating™, are not customarily calculated based on adjusted historical returns. The evaluation of this investment does not affect the retail mutual fund data published by Morningstar. For each retail mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a retail mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. This investment's independent Morningstar Rating metric is then compared against the retail mutual fund universe breakpoints to determine its hypothetical rating. Past performance is no guarantee of future results.

**Portfolio Manager** The name of the person(s) who determines which stocks, bonds and cash equivalents belong in the investment portfolio.

**Morningstar Style Box/Investment Style Box** While the category description tells you how the portfolio has been run in the past, the Style Box is a snapshot of what the portfolio currently owns. For equity separate accounts, Investment Style Box data is based on a quarter lag and assigned by Prudential.

**Morningstar Style Box™**

The Morningstar Style Box™ reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend, or growth).

For fixed-income funds, the vertical axis shows the credit quality of the long bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit <http://www.sec.gov/divisions/marketreg/ratingagency.htm>. Additionally, Morningstar accepts foreign credit ratings from widely recognized or registered rating agencies. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO or rating agency ratings can change from time-to-time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive. For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

**Morningstar Volatility Rank** is an investment's 3-year standard deviation overall percentile rank within its US open-end, VA/L fund, or VA/L subaccount universe. The investment with the lowest standard deviation receives a rank of 1. We then classify investment portfolios as having one of three volatility levels relative to all types of mutual funds: Low, Moderate, and High. Investments with wider ranges of returns are labeled "high," as they are considered riskier than "low" volatility investments, which have had smaller ranges of returns.

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**Annual Performance** Calendar year returns for the fund and corresponding benchmarks.

**Top Five Holdings** The top holdings are the stocks or bonds with the most influence on a portfolio's returns.

**Allocation** We break down the investment holdings into general investment classes. The pie chart shows how much emphasis is placed on stocks, bonds or cash. We also show how much is held in foreign stocks. Bond investments replace the portfolio allocation chart with the following: Quality Distribution: We reveal the quality of the bonds in a bond-heavy portfolio, from least risky to most risky, with the percentage assigned to each.

**Sector Allocation** Morningstar classifies each stock holding into 11 major industrial sectors for all Retail, Non-Qualified and Variable Annuity Fact sheets. The top five are listed on the Fund Fact Sheets. For Manager of Managers Institutional Equity Sub-Advised Separate Accounts Source of Sector Classification: S&P/MSCI.

**Performance** The total return is shown for the quarter, year-to-date and preceding year, as well as the average annual total return for the past three, five, and 10 years, or since inception. To provide you with a point of comparison, the returns of the benchmark indexes are shown for the quarter, year-to-date, one, three, five and 10 year periods. For Manager of Managers separate accounts, we may also present a second index reflecting the category's performance.

**Benchmark Performance** The holdings and characteristics may differ from those of the benchmark(s), and such differences may be material. Factors affecting portfolio performance that do not affect benchmark performance may include portfolio rebalancing, the timing of cash flows, credit quality, diversification and differences in volatility. In addition, financial indices do not reflect the impact of fees, applicable taxes or trading costs which reduce returns. Unless otherwise noted, financial indices assume reinvestment of dividends. You cannot make a direct investment in an index. The statistical data regarding such indices has not been independently verified.

## Description of PRIAC Separate Accounts

In addition to registered mutual funds and bank collective trust funds, PRIAC makes available an array of insurance company separate accounts ("Separate Account") from which the retirement plan's fiduciary can construct the investment lineup for your retirement plan. A PRIAC Separate Account is an insurance company separate account whose investors include only qualified retirement plans and certain governmental retirement plans. PRIAC makes most Separate Accounts available as commingled investment vehicles; however, in certain instances, PRIAC may make a Separate Account available only to a single retirement plan client.

PRIAC offers a variety of different types of Separate Accounts through a group annuity contract issued by PRIAC. Each retirement plan's fiduciary is generally responsible for all investment decisions related to its plan and for selecting the investment options for the retirement plan's investment lineup. Each retirement plan's fiduciary is also responsible for monitoring and, if necessary, replacing the investment options on the retirement plan's investment lineup. The following is a general description of the types of Separate Accounts offered by PRIAC.

**A Custom Client Separate Account** PRIAC provides investors with the information in this Fact Sheet to assist them in making investment decisions regarding the Fund. Investors must determine whether any other information is necessary in making those decisions. The investor is solely responsible for obtaining any other information required by the investor, which may not be available from PRIAC. To the extent PRIAC provides such information, PRIAC makes no warranty as to the accuracy of such information and makes no undertaking to continue to provide such information unless PRIAC agrees to continue to provide such information in writing. The investor is solely responsible for the decision to invest or continue to invest in the Fund. PRIAC assumes no responsibility for any investor's decision to invest or continue to invest in the Fund. Selection or termination of the Fund on a retirement plan's investment line-up is the sole responsibility of each retirement plan's fiduciary. These Separate Accounts are not part of the Manager of Manager's program.

**ISelect Platform: Limitation of PRIAC's Responsibilities Institutional Select Separate Accounts** PRIAC provides investors with the information in this Fact Sheet to assist them in making investment decisions regarding the Fund. Investors must determine whether any other information is necessary in making those decisions. The investor is solely responsible for obtaining any other information required by the investor, which may not be available from PRIAC. The investor is solely responsible for the decision to invest or continue to invest in the Fund. PRIAC assumes no responsibility for any investor's decision to invest or continue to invest in the Fund. These Separate Accounts are not part of the Manager-of-Managers program and therefore, PRIAC does not assume any responsibility with respect to the selection, monitoring, or replacement of the investment manager. Selection or termination of the Fund on a retirement plan's investment line-up is the sole responsibility of each retirement plan's fiduciary.

### **PRIAC Manager-of-Managers Institutional Sub-Advised Separate Accounts**

With respect to separate accounts designated by Prudential as Institutional Sub-Advised Funds under the Manager-of-Managers Program, PRIAC acknowledges it is a fiduciary as defined by ERISA Section 3(38), as amended, for the selection, monitoring, and, if necessary, the replacement of the investment manager. Selection or termination of the fund on a retirement plan's investment line-up is the sole responsibility of each retirement plan's fiduciary.

### **PRIAC Manager-of-Managers Retail-Branded Sub-Advised Separate Accounts**

With respect to separate accounts designated by Prudential as Retail-Branded Sub-Advised Funds under the Manager-of-Managers Program, PRIAC acknowledges it is a fiduciary as defined by ERISA Section 3(38), as amended, for the selection, monitoring, and if necessary, replacement of the investment manager. Selection or termination of the Fund on a retirement plan's investment line-up is the sole responsibility of each retirement plan's fiduciary.

**Proprietary Separate Accounts** Proprietary Funds are managed by an affiliate of PRIAC. Although PRIAC may provide periodic monitoring with respect to certain Proprietary Funds, Proprietary Funds are not part of PRIAC's Manager-of-Managers Program, and therefore, PRIAC does not assume any responsibility with respect to the selection, monitoring, or replacement of the investment manager. Selection or termination of the Fund on a retirement plan's investment line-up is the sole responsibility of each retirement plan's fiduciary.

**Prudential Retirement Separate Account Fund-of-Fund Products** These Fund-of-Funds are not part of the Manager-of-Managers program, and therefore, PRIAC does not assume any responsibility with respect to the selection, monitoring, or replacement of the underlying investment options. Selection or termination of the Fund on a retirement plan's investment line-up is the sole responsibility of each retirement plan's fiduciary.

### **Custom Plan Investment Options (Recordkeeping Constructs)**

These investment options are designed and maintained by your plan sponsor and/or the plan's investment adviser and are not investment options offered by PRIAC. PRIAC provides investors with the information in this Fact Sheet to assist them in making investment decisions regarding the investment option. Investors must determine whether any other information is necessary in making those decisions. The investor is solely responsible for obtaining any other information required by the investor, which may not be available from PRIAC. The investor is solely responsible for the decision to invest or continue to invest in the investment option. PRIAC assumes no responsibility for any investor's decision to invest or continue to invest in the investment option. Selection or termination of the Fund on a retirement plan's investment line-up is the sole responsibility of each retirement plan's fiduciary. These investment options are not part of the Manager-of-Managers program.

## Description of PICA Separate Accounts

The Prudential Insurance Company of America, Inc. (PICA) makes available group annuity insurance contracts such as variable annuities and insurance company separate accounts to institutional clients. Each retirement plan's fiduciary is generally responsible for all investment decisions related to its plan and for selecting the investment options for the retirement plan's investment lineup. Each retirement plan's fiduciary is also responsible for monitoring and, if necessary, replacing the investment options on the retirement plan's investment lineup.

## For More Information

**Para hablar con un representante de servicios al cliente en español (u otros lenguajes), por favor, llama a nuestro numero gratuito 800 entre las 8:00 a.m. y las 8:00 p.m., Hora del Este, días de trabajo.** (To speak with a Prudential Service Representative through an interpreter in Spanish (or other languages), please call our toll-free number week-days between 8:00 a.m. and 8:00 p.m. Eastern Time.)

Mutual funds are distributed by Prudential Investment Management Services LLC. (PIMS) a registered broker-dealer. Prudential Fixed Income and Prudential Real Estate Investors are units of PGIM, Inc. Effective January 4, 2016, Prudential Investment Management ("PIM") rebranded itself as PGIM to coincide with the expansion of its businesses around the world. QMA, Jennison Associates, and PGIM are registered investment advisors. All are Prudential Financial companies and affiliates of Prudential Retirement Insurance and Annuity Company (PRIAC).

QMA is the primary business name of Quantitative Management Associates LLC.

## Benchmark Definitions

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### 3-Year Constant Maturity Treasury

**(CMT) Index:** Treasury Yield Curve Rates, commonly referred to as "Constant Maturity Treasury" rates, or CMTs, are interpolated by the U.S. Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The yield values are read from the yield curve at a fixed maturity of 3 years.

**3-Year Treasury Average Yield:** The average daily treasury yield for U.S. Treasury Notes with a maturity of three years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).

**5-Year Treasury Average Yield:** The average daily treasury yield for U.S. Treasury Notes with a maturity of five years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).

### 60% Russell 1000 Growth Index/40%

**Bloomberg Barclays U.S. Aggregate Bond Index:** An unmanaged, weighted-average composite consisting of the Russell 1000<sup>®</sup> Growth Index (60%) and the Bloomberg Barclays Aggregate Bond Index (40%).

### 60% Russell 1000 Growth Index/40%

**Bloomberg Barclays U.S. Intermediate Government/ Credit Index:** An unmanaged, weighted-average composite consisting of the Russell 1000 Growth Index (60%) and the Bloomberg Barclays Intermediate U.S. Government/ Credit Index (40%).

### 60% Russell 1000 Value Index/40%

**Bloomberg Barclays U.S. Aggregate Bond Index:** An unmanaged, weighted-average composite consisting of the Russell 1000 Value Index (60%) and the Bloomberg Barclays Aggregate Bond Index (40%).

### 60% Russell 1000 Value Index/40%

**Bloomberg Barclays U.S. Intermediate Government/ Credit Index:** An unmanaged, weighted-average composite consisting of the Russell 1000 Value Index (60%) and the Bloomberg Barclays Intermediate U.S. Government/ Credit Index (40%).

### 60% S&P 500 Index/40% Bloomberg

**Barclays U.S. Aggregate Bond Index:** An unmanaged, weighted-average composite Index that consists of the S&P 500 Index (60%) and the Bloomberg Barclays U.S.

Aggregate Bond Index (40%).

### Bloomberg Barclays Global Aggregate

**Bond Index Ex-US (USD Hedged):** Measures the performance of global investment grade fixed-rate debt markets that excludes USD-dominated securities.

### Bloomberg Barclays Municipal 10 Yr 8-

**12 Index:** Measures the performance of USD-denominated long-term tax exempt bond market with maturities of 10 years(8-12), including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

### Bloomberg Barclays Municipal 20 Yr

**17-22 Index:** Measures the performance of USD-denominated long-term tax exempt bond market with maturities of 20 years(17-22), including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

### Bloomberg Barclays Municipal 3 Yr 2-4

**Index:** Measures the performance of USD-denominated long-term tax exempt bond market with maturities of 3 years(2-4), including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

### Bloomberg Barclays U.S. Aggregate

**Bond Index:** Measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-through's), ABS, and CMBS. It rolls up into other Bloomberg Barclays flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

### Bloomberg Barclays Municipal

**California Exempt TR:** Measures the performance of USD-denominated long-term tax exempt bond market, including California bonds only.

### Bloomberg Barclays Municipal New

**York Exempt TR:** Measures the performance of USD-denominated long-term tax exempt bond market, including New York bonds only.

### Bloomberg Barclays U.S. Corporate

**High-Yield Index:** Measures the performance of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds, including corporate bonds, fixed-rate bullet, putable, and callable bonds, SEC Rule 144A securities, Original issue zeros, Pay-in-kind (PIK) bonds, Fixed-rate and fixed-to-floating capital securities.

### Bloomberg Barclays U.S. High Yield

**Bond Index, 2% Issuer Capped:**

Measures the performance of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. It follows the same rules as the uncapped index but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index-wide on a pro-rata basis.

### Bloomberg Barclays U.S. Intermediate

**Government/ Credit Index:** Measures the performance of the U.S. investment grade fixed rate bond market, with index components for Agencies, Financial Institutions, Industrial, Treasuries and Utility, with remaining time to maturity of 1-10 years. It's a custom index.

### Bloomberg Barclays U.S. Credit Index:

Measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities. It is a subset of the US Government/Credit Index and the US Aggregate Index.

### Bloomberg Barclays U.S. Government

**Index:** Measures the performance of the U.S. Treasury and U.S. Agency Indices, including Treasuries and U.S. agency debentures. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

### Bloomberg Barclays Govt/Corp 1 Yr

**Duration Index:** Measures the performance of investment grade, U.S. denominated, fixed-rate securities excluding STRIPS, TIPS and floaters. Its minimum index rating is A3 and the max maturity is 5 years.

### Bloomberg Barclays U.S. Government

**1-5 Year Index:** Measures the performance of US Treasuries and US Agency bonds with maturities of 1 (inclusive) to 5 (exclusive) years.

### Bloomberg Barclays U.S. Government

**Bond Index:** Measures the performance of the U.S. Treasury and U.S. Agency Indices, including Treasuries and U.S. agency debentures. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

### Bloomberg Barclays U.S. Government/Credit

**1-5 Year Index:** Measures the performance of the non-securitized component of the U.S. Aggregate Index including treasuries, government-related issues and corporates with maturities of one to five years. It is a subset of the U.S. Aggregate Index.

### Bloomberg Barclays U.S. Government/Credit

**5-10 Year Index:** Measures the performance of the US Corporate and a non-corporate component with maturities of 5-10 year that includes foreign agencies, sovereigns, supranationals

and local authorities. It is a subset of the US Government/Credit Index and the US Aggregate Index.

### Bloomberg Barclays U.S. Government/Credit Index:

Measures the performance of non-securitized component of the U.S. Aggregate Index including Treasuries, government-related issues and corporates. It is a subset of the U.S. Aggregate Index.

### Bloomberg Barclays U.S. Government

**Long Index:** Measures the performance of non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues and corporates. It is a subset of the U.S. Aggregate Index.

### Bloomberg Barclays U.S. Long Term

**Government/ Credit Index:** Measures the performance of non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues and corporates. It is a subset of the U.S. Aggregate Index.

### Bloomberg Barclays U.S. Long Term

**Credit Index:** Measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities with maturities of 10 years and greater. It is a subset of the US Government/Credit Index and the US Aggregate Index.

### Bloomberg Barclays U.S. Mortgage

**Backed Securities Index:** Measures the performance of the agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

### Bloomberg Barclays U.S. Municipal

**Index:** Measures the performance of USD-denominated long-term tax exempt bond market, including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

### Bloomberg Barclays U.S. Treasury

**Inflation-Protected Securities (TIPS) Index:** Measures the performance of rules-based, market value-weighted inflation-protected securities issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L).

### Bloomberg Barclays U.S. Universal

**Index:** Measures the performance of USD-denominated, taxable bonds that are rated either investment grade or high-yield. It represents the union of the U.S. Aggregate Index, U.S. Corporate High Yield Index, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and

excludes USD-dominated securities.

**Bloomberg Barclays Municipal 10 Yr 8-12 Index:** Measures the performance of USD-denominated long-term tax exempt bond market with maturities of 10 years(8-12), including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

**Bloomberg Barclays Municipal 20 Yr 17-22 Index:** Measures the performance of USD-denominated long-term tax exempt bond market with maturities of 20 years(17-22), including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

**Bloomberg Barclays Municipal 3 Yr 2-4 Index:** Measures the performance of USD-denominated long-term tax exempt bond market with maturities of 3 years(2-4), including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

**Bloomberg Barclays U.S. Aggregate Bond Index:** Measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-through's), ABS, and CMBS. It rolls up into other Bloomberg Barclays flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

**Bloomberg Barclays Municipal California Exempt TR:** Measures the performance of USD-denominated long-term tax exempt bond market, including California bonds only.

**Bloomberg Barclays Municipal New York Exempt TR:** Measures the performance of USD-denominated long-term tax exempt bond market, including New York bonds only.

**Bloomberg Barclays U.S. Corporate High-Yield Index:** Measures the performance of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds, including corporate bonds, fixed-rate bullet, puttable, and callable bonds, SEC Rule 144A securities, Original issue zeros, Pay-in-kind (PK) bonds, Fixed-rate and fixed-to-floating capital securities.

**Bloomberg Barclays U.S. High Yield Bond Index, 2% Issuer Capped:** Measures the performance of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. It follows the same rules as the uncapped index but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index-wide on a pro-rata basis.

**Bloomberg Barclays U.S. Intermediate Government/ Credit Index:** Measures the performance of the U.S. investment grade fixed rate bond market, with index components for Agencies, Financial Institutions, Industrial, Treasuries and Utility, with remaining time to maturity of 1-10 years. It's a custom index.

**Bloomberg Barclays U.S. Credit Index:** Measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities. It is a

subset of the US Government/Credit Index and the US Aggregate Index.

**Bloomberg Barclays U.S. Government Index:** Measures the performance of the U.S. Treasury and U.S. Agency Indices, including Treasuries and U.S. agency debentures. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

**Bloomberg Barclays Govt/Corp 1 Yr Duration Index:** Measures the performance of investment grade, U.S. denominated, fixed-rate securities excluding STRIPS, TIPS and floaters. Its minimum index rating is A3 and the max maturity is 5 years.

**Bloomberg Barclays U.S. Government 1-5 Year Index:** Measures the performance of US Treasuries and US Agency bonds with maturities of 1 (inclusive) to 5 (exclusive) years.

**Bloomberg Barclays U.S. Government Bond Index:** Measures the performance of the U.S. Treasury and U.S. Agency Indices, including Treasuries and U.S. agency debentures. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

**Bloomberg Barclays U.S. Government/Credit 1-5 Year Index:** Measures the performance of the non-securitized component of the U.S. Aggregate Index including treasuries, government-related issues and corporates with maturities of one to five years. It is a subset of the U.S. Aggregate Index.

**Bloomberg Barclays U.S. Government/Credit 5-10 Year Index:** Measures the performance of the US Corporate and a non-corporate component with maturities of 5-10 year that includes foreign agencies, sovereigns, supranationals and local authorities. It is a subset of the US Government/Credit Index and the US Aggregate Index.

**Bloomberg Barclays U.S. Government/Credit Index:** Measures the performance of non-securitized component of the U.S. Aggregate Index including Treasuries, government-related issues and corporates. It is a subset of the U.S. Aggregate Index.

**Bloomberg Barclays U.S. Government Long Index:** measures the performance of the U.S. Treasury and U.S. Agency Indices with maturities of 10 years and greater, including Treasuries and U.S. agency debentures. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

**Bloomberg Barclays U.S. Long Term Government/ Credit Index:** Measures the performance of non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues and corporates. It is a subset of the U.S. Aggregate Index.

**Bloomberg Barclays U.S. Long Term Credit Index:** Measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities with maturities of 10 years and greater. It is a subset of the US Government/Credit Index and the US Aggregate Index.

**Bloomberg Barclays U.S. Mortgage Backed Securities Index:** Measures the performance of the agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Bloomberg Barclays U.S. Municipal Index:** Measures the performance of USD-denominated long-term tax exempt bond market, including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

**Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index:** Measures the performance of rules-based, market value-weighted inflation-protected securities issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L).

**Bloomberg Barclays U.S. Universal Index:** Measures the performance of USD-denominated, taxable bonds that are rated either investment grade or high-yield. It represents the union of the U.S. Aggregate Index, U.S. Corporate High Yield Index, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index.

**Bloomberg Commodity Index:** Measures the performance of future contracts on physical commodities which traded on US exchanges and London Metal Exchange. The commodity weightings are based on production and liquidity, subject to weighting restrictions applied annually.

**BofAML 100 Technology Index:** Measures the performance of a cross section of large, actively traded technology stocks and ADRs. It was developed with a base value of 200.00 as of January 30, 1998. The index is rebalanced annually based on closing prices on the third Friday in December. It is equal-dollar weighted.

**BofAML 3-Month U.S. Treasury Bill Index:** Measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue.

**BofAML All Convertibles/All Qualities Index:** Measures the performance of USD-denominated convertibles that are sold in the US market and publicly traded in the US including coupon bonds, OIDs, and zeros. Qualifying securities must have at least \$50mn in market value. Qualifying companies must have a significant revenue footprint in the US. It is capitalization-weighted.

**BofAML Preferred Stock Fixed Rate Index:** Measures the performance of fixed rate US dollar denominated preferred securities issued in the US domestic market. Qualifying securities must have an investment grade rating and must have an investment grade rated country of risk.

**BofAML High Yield Master II Index:** measures the performance of short-term US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must

have at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$100 million. It is capitalization-weighted.

**BofAML USD LIBOR 3 Mon CM Index:** Measures the performance of a synthetic asset paying Libor to a stated maturity. It is based on the assumed purchase at par of a synthetic instrument having exactly its stated maturity and with a coupon equal to that days fixing rate. That issue is assumed to be sold the following business day (priced at a yield equal to the current day fixing rate) and rolled into a new instrument.

**CBOE S&P 500 BuyWrite BXM:** designed to show the hypothetical performance of a portfolio that engages in a buy-write strategy using S&P 500 index call options.

**Citigroup 3 Month T-Bill Index:** Measures the performance of the last three three-month Treasury bill month-end rates.

**Citigroup ESBI-Capped Brady Index:** Measures the performance of US Dollar emerging market debt that has been restructured under the Brady Plan.

**Citigroup Dollar World Non-U.S. Government Bond Index:** Measures the performance of fixed-rate, local currency, investment-grade sovereign bonds of all WGBI countries except the United States and is stated in US dollar terms. It is a subset of Citigroup World Government Bond Index (WGBI).

**Custom (Conservative, Moderate, Aggressive) Portfolios Benchmarks:** These indices are composite benchmarks that reflect the weighted average of the benchmarks of the underlying funds in which each specific Custom Portfolio invests.

**Dow Jones Relative Risk Indices:** Are total-portfolio indices that allow investors to evaluate the returns on their portfolios considering the amount of risk they have taken. The family includes global and U.S. indices for five risk profiles—aggressive, moderately aggressive, moderate, moderately conservative and conservative. These profiles are defined based on incremental levels of potential risk relative to the risk of an all-stock index.

**Dow Jones Target Indices:** Measures the performance of total portfolios of stocks, bonds and cash that automatically adjust over time to reduce potential risk as an investor's target maturity date approaches.

**Dow Jones U.S. Financials Sector Index:** Measures the performance of all US stocks in the Dow Jones US Index classified into financial sector. The sector classification is defined by the proprietary classification system which used by S&P Dow Jones. It is a free-float weighted index.

**Dow Jones U.S. Healthcare Sector Index:** Measures the performance of all US stocks in the Dow Jones US Index classified into health care sector. The sector classification is defined by the proprietary classification system which used by S&P Dow Jones. It is a free-float weighted index.

**Dow Jones U.S. Select Real Estate Investment Trust (REIT) Index:** Measures the performance of publicly traded real

estate investment trusts (REITs) and REIT-like securities. The index is a subset of the Dow Jones US Select Real Estate Securities Index (RESI). The index is designed to serve as proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

**Dow Jones U.S. Select Real Estate Securities Index<sup>SM</sup> (RESI):** Measures the performance of publicly traded real estate securities. Represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded in the U.S.

**Dow Jones U.S. Telecommunications Sector Index:** Measures the performance of US stocks in the Dow Jones US Index that are classified into telecommunications sector. The sector classifications is defined by the proprietary classification system which used by S&P Dow Jones. It is a free-float weighted index.

**Dow Jones U.S. Utilities Sector Index:** Measures the performance of all US stocks in the Dow Jones US Index classified into Utilities sector. The sector classifications is defined by the proprietary classification system which used by S&P Dow Jones. It is a free-float weighted index.

**Dow Jones Wilshire 5000 Total Market Index:** Measures the performance of all US equity securities with readily available price data. Over 5,000 capitalization weighted security returns are used to adjust the index. It is weighted by both full market capitalization and float-adjusted market capitalization.

**Dow Jones Wilshire REIT Index:** Measures the performance of U.S. publicly-traded Real Estate Investment Trusts. It's a subset of the Wilshire Real Estate Securities Index. The purpose was to create indexes of publicly-traded real estate equity securities without the limitations of other appraisal-based indexes. These indexes serve as proxies for direct real estate investing by excluding securities whose value is not always tied to the value of the underlying real estate (mortgage REITs, net-lease REITs, real estate finance companies, mortgage brokers and bankers, commercial and residential real estate brokers, home builders, large landowners and sub-dividers of unimproved land, hybrid REITs and timber REITs).

**FTSE NAREIT U.S. Real Estate Index:** Measures the performance of REIT performance indexes that spans the commercial real estate space across the US economy. It contains all Equity REITs not designated as Timber REITs or Infrastructure REITs. The index is market-capitalisation weighted.

**IA SBBI US 30 Day TBill Index:** Measures the performance of a single issue of outstanding Treasury Bill which matures closest to, but not beyond, one month from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue. The index is calculated by Morningstar and the raw data is from WSJ.

**iMoneyNet Taxable Money Funds Index:** Measures the equally weighted returns of over 1,600 of the largest taxable money market funds.

**JPM EMBI Global Index:** Measures the performance of fix-rate for external-currency denominated debt instruments including Brady bonds, loans, Eurobonds in emerging markets. Countries covered are Argentina, Brazil, Bulgaria, Mexico, Morocco, Nigeria, the Philippines, Poland, Russia, and South Africa. It covers more of the eligible instruments than the EMBI+ by relaxing somewhat the strict EMBI+ limits on secondary market trading liquidity.

**JP Morgan GBI Global ex-US Index (US Dollar Hedged):** Is an unmanaged index market representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

**JPM GBI Global Ex US TR Hdq USD:** The J.P. Morgan GBI series provides a comprehensive measure of local currency denominated fixed rate government debt issued in developed markets. The series consists of five core index products covering developed markets. The broadest series tracks 27 countries.

**Lifetime Funds Custom Benchmarks:** These indices are composite benchmarks that reflect the weighted average of the benchmarks for the underlying funds in which each specific Lifetime Fund invests.

**Lipper Balanced Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to conserve principal by maintaining a balanced portfolio of stocks and bonds). Typically, the stock/bond ratiorange around 60%/40%.

**Lipper Emerging Markets Funds Index:** Is an equal dollar weighted index of the 30 largest qualifying mutual funds in the Lipper Emerging Markets universe (based on year-end total net assets).

**Lipper Flexible Portfolio Funds Index:** Represents the average of the 30 largest qualifying mutual funds in the Lipper Flexible Portfolio investment objective category (based on year-end total net assets). The mutual funds that comprise the Index allocate their investments across various asset classes, including domestic common stocks, bonds and money market instruments, with a focus on total return.

**Lipper Global Funds Index:** The average of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective to invest at least 25% of its portfolio in securities traded outside of the United States). These funds may own U.S. securities as well.

**Lipper High Yield Bond Funds Index:** Is a widely recognized index of the 30 largest mutual funds that invest primarily in high yield bonds.

**Lipper International Funds Index:** Measures the performance of the 30 largest mutual funds in the international large cap core fund objective, as determined by Lipper, Inc.

**Lipper Intermediate Investment Grade Index:** Represents the average of the 30 largest qualifying mutual funds (based on year end total net assets) for the investment objective. Funds that invest primarily in investment-grade debt issues (rated in the top four grades) with dollar-weighted aver-

age maturities of five to ten years.

**Lipper Large-Cap Core Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large-Cap Growth Funds Index:** Is an unmanaged, equally weighted performance index of the 30 largest qualifying mutual funds (based on net assets) in the Lipper Large-Cap classification.

**Lipper Large-Cap Value Funds Index:** Measures the performance of the 30 largest mutual funds that invest in the large-cap value range, as determined by Lipper, Inc. Lipper categorizes Value Funds as those that seek long-term growth of capital by investing in companies that are considered to be undervalued relative to a major unmanaged stock index based on a price-to-earnings, price-to-book value, asset value or other factors.

**Lipper Mid Cap Funds Index:** Is an unmanaged, equally weighted performance index of the 30 largest qualifying mutual funds (based on net assets) in the Lipper Micro Cap classification.

**Lipper Mid-Cap Core Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid-Cap Growth Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid-Cap Value Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of

the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Real Estate Funds Index:** An equally weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Real Estate universe. These funds invest at least 65% of their portfolios in equity securities of domestic and foreign companies engaged in the real estate industry.

**Lipper Science and Technology Funds Index:** Represents the average of the 30 largest qualifying mutual funds in the Lipper Science and Technology universe (based on year-end total net assets). These funds, by portfolio practice, invest at least 65% of their equity assets in science and technology stocks.

**Lipper Small-Cap Core Funds Index:** Measures the performance of the 30 largest mutual funds in the small capitalization range, as determined by Lipper, Inc.

**Lipper Small-Cap Growth Funds Index:** Is an unmanaged, equally weighted performance index of the 30 largest qualifying mutual funds (based on net assets) in the Lipper Small-Cap classification.

**Lipper Small-Cap Value Funds Index:** Represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Morningstar Long-Only Commodity Index:** Measures the performance of future contracts on eligible long commodities. Eligibility is defined as a commodity that has future contracts traded on one of the US exchanges and rank in the top 95% by the 12-month average of total dollar value of open interest. The index is reconstituted annually, on the third Friday of December each year. It is a fully collateralized commodity futures index.

**Morningstar Lifetime Moderate Indices:** Measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who is recently retired. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

**Morningstar Target Risk Index:** The Morningstar Target Risk Index family is designed to meet the needs of investors who would like to maintain a target level of equity exposure through a portfolio diversified across equities, bonds and inflation-hedged instruments. The Morningstar Moderate Target Risk Index seeks approximately 60% exposure to global equity markets.

**Morningstar Moderate Target Risk Index:** The Morningstar Target Risk Index family is designed to meet the needs of investors who would like to maintain a target level of equity exposure through a portfolio diversified across equities, bonds and inflation-hedged instruments. The Morningstar Moderate Target Risk Index seeks approximately 60% exposure to global equity markets.

**Morningstar Technology Sector Index:** Measures the performance of companies engaged in the design, development, and support of computer operating systems and applications. This sector also includes companies that provide computer technology consulting services. Also includes companies engaged in the manufacturing of computer equipment, data storage products, networking products, semiconductors, and components.

**MSCI ACWI Investable Market Index (IMI):** captures large, mid and small cap representation across 23 Developed Markets (DM) and 23 Emerging Markets (EM) countries. With 8,594 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set.

**MSCI All Country Far East Ex. Japan Index:** Measures the performance of the large and mid cap segments of the Far East region, excluding Japan equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

**MSCI All Country World Ex. U.S. Index:** Measures the performance of the large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

**MSCI All Country World Ex. U.S. Growth Index:** Measures the performance of the growth large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

**MSCI EAFE Growth Index (net):** Measures the performance of the growth large and mid cap segments of equity securities in developed markets, excluding the US & Canada. It is free float-adjusted market-capitalization weighted.

**MSCI EAFE Index (net):** Measures the performance of the large and mid cap segments of developed markets, excluding the US & Canada equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI EAFE Value Index (net):** Measures the performance of the value large and mid cap segments of developed markets, excluding the US & Canada equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI EMF Index (net):** Measures the performance of the large and mid cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI EM (Emerging Markets) Latin**

**America Index:** Measures the performance of the large and mid cap segments of emerging Latin America equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI Emerging Markets Net Dividend Index:** Measures the performance of the large and mid cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI Europe Index:** Measures the performance of the large and mid cap segments of developed Europe equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI India Index:** Measures the performance of the large and mid cap segments of India equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI Japan Index:** Measures the performance of the large and mid cap segments of Japan equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI Metals/Mining Index:** Measures the performance of the large and mid cap metals and mining (industry) segments of world equity securities. It is constructed using GICS-Global Industry Classification Standard. The index is free float-adjusted market-capitalization weighted.

**MSCI Pacific Index:** Measures the performance of the large and mid cap segments of the developed Pacific region equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI Pacific Free Index:** Same constituents as MSCI Pacific Index, the "Free" index captures the history of certain of those constituents that were not deemed "developed" in previous years.

**MSCI US REIT Index:** Measures the performance of the large, mid and small cap segments of the US equity securities. It is comprised of Equity REITs securities and based on the MSCI USA Investable Market Index, with the exception of Mortgage REIT and selected Specialized REITs. The index represents approximately most of the US REIT universe and securities are classified in the REIT sector according to the Global Industry Classification Standard. It is a free float market capitalization weighted index.

**MSCI World Ex USA SMID Index:** Measures the performance of small and mid segment of World excluding USA equity securities. It captures mid and small representation across 22 of 23 developed market countries and 21 emerging markets countries and it covers approximately 28% of the free float-adjusted market capitalization in each country. The index is free float-adjusted market capitalization weighted.

**MSCI World Growth Index (net):** Measures the performance of the growth large and mid cap segments of world equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI World Index:** Measures the performance of the large and mid cap segments of world equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI World Ex US Index:** Measures the performance of the large and mid cap segments of world, excluding US equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI ACWI Ex USA Value Index:** Measures the performance of the value large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

**MSCI ACWI Index:** Measures the performance of the large and mid cap segments of all country markets, excluding the US. It is free float-adjusted market-capitalization weighted.

**MSCI China Index:** Measures the performance of the large and mid cap segments of emerging China equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI World Real Estate Index:** Measures the performance of the large and mid cap real estate (industry group) segments of world equity securities. It is constructed using GICS-Global Industry Classification Standard. The index is free float-adjusted market-capitalization weighted.

**MSCI World Small Cap Index:** Measures the performance of the small cap segment of world equity securities. It is free float-adjusted market-capitalization weighted.

**MSCI World Value Index (net):** Measures the performance of the value large and mid cap segments of world equity securities.

**National Association of Real Estate Investment Fiduciaries (NCREIF) Open-End Diversified Core Equity Fund Index (NFI-ODCE):** Is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. All properties in the NPI have been acquired, at least in part, on behalf of tax-exempt institutional investors - the great majority being pension funds. As such, all properties are held in a fiduciary environment.

**NYSE Arca Tech Index:** The NYSE Arca Tech 100 is comprised of 100 listed and over-the-counter stocks from 14 different sub-sectors including computer hardware, software, semiconductors, telecommunications, data storage and processing, electronics and biotechnology. Archipelago®, "ARCA®", "ARCAEX®", "NYSE®", "NYSE ARCASM" and "NYSE Arca Tech 100SM" are trademarks of the NYSE Group, Inc. and Archipelago Holdings, Inc. This Fund is not sponsored, endorsed, sold or promoted by Archipelago Holdings, Inc. ("ARCA"). ARCA makes no representation or warranty regarding the advisability of investing in securities generally, in the Fund particularly, or the ability of the NYSE Arca Tech 100 Index to track general stock market performance.

**PRREF Composite Index:** The Separate Account's aggregate benchmark return, which is comprised of (a) the NCREIF Open-End Diversified Core Equity Fund Index ("NFIODCE"), S&P Developed Property Index and the Citigroup U.S. Domestic 3 Month T-

Bill Total Return Index, weighted on a monthly basis to correspond to the Separate Account's investment allocation, for periods prior to and including September 30, 2012 and (b) 75% NFI-ODCE and 25% the S&P Developed Property Index for periods October 1, 2012 and after. PRREF's customized benchmark (the "Benchmark") utilizes the NFI-ODCE (the "Index") to judge the performance of the Fund's investments in private real estate. The Index is published quarterly with the final returns released approximately one month after quarter end. In order to produce the Benchmark on a monthly basis, as is required by most investors, the Index is estimated intraquarter and trued up when the final Index values are published. This can result in the Benchmark returns for a quarter being subject to change until this true up has occurred.

**Retirement Goal Custom Benchmarks:** These indices are composite benchmarks that reflect the weighted average of the benchmarks of the underlying funds in which each specific Retirement Goal Fund invests.

**Russell 1000® Growth Index:** Measures the performance of the large-cap growth segment of the US equity securities. It includes the Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

**Russell 1000® Index:** Measures the performance of the large-cap segment of the US equity securities. It is a subset of the Russell 3000 index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership.

**Russell 1000® Value Index:** Measures the performance of the large-cap value segment of the US equity securities. It includes the Russell 1000 index companies with lower price-to-book ratios and lower expected growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

**Russell 2000® Growth Index:** Measures the performance of small-cap growth segment of the US equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

**Russell 2000® Index:** Measures the performance of the small-cap segment of the US equity universe. It is a subset of the Russell 3000 and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

**Russell 2000® Value Index:** Measures the performance of small-cap value segment of the US equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

**Russell 2500® Growth Index:** Measures the performance of the small to mid-cap growth segment of the US equity universe. It includes Russell 2500 index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted.

**Russell 2500® Index:** Measures the performance of the small to mid-cap segment of the US equity universe. It is a subset of the Russell 3000 index includes approximately 2500 of the smallest securities based on the combination of their market cap and current index membership.

**Russell 2500® Value Index:** Measures the performance of the small to mid-cap value segment of the US equity universe. It includes Russell 2500 index companies with lower price-to-book and lower forecasted growth values. It is market-capitalization weighted.

**Russell 3000 Growth Index:** Measures the performance of the broad growth segment of the US equity universe. It includes Russell 3000 index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted.

**Russell 3000 Value Index:** Measures the performance of the broad value segment of US equity value universe. It includes Russell 3000 index companies with lower price-to-book ratios and lower forecasted growth values. It is market-capitalization weighted.

**Russell 3000® Index:** Measures the performance of the largest 3000 US companies representing approximately 98% of the investable US equity market. It is market-capitalization weighted.

**Russell Developed ex North America Large Cap Index Net:** Measures the performance of the large cap segment of global developed equity markets, excluding companies assigned to the U.S. It is a subcomponent of the Russell Global Index, which is designed to capture 98% of the global equity market capitalization available to institutional investors.

**Russell Greater China Index:** Measures the performance of the China equity market based on liquid and eligible equity securities covering large, mid and small cap securities and is a component of the Russell Global Index. It is market-capitalization weighted.

**Russell Midcap® Growth Index:** Measures the performance of the mid-cap growth segment of the US equity universe. It includes Russell midcap index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

**Russell Midcap® Index:** Measures the performance of the mid-cap segment of the US equity universe. It is a subset of Russell 1000 index and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The index represents approximately 31% of the total market capitalization of the Russell 1000 companies.

**Russell Midcap® Value Index:** Measures the performance of the mid-cap value segment of the US equity universe. It includes Russell midcap index companies with lower price-to-book ratios and lower forecasted growth values. It is market-capitalization weighted.

**Russell Top 200 Index:** Measures the performance of the largest cap segment of the US equity universe. It is a subset of the Russell 3000 index and includes approximately 200 of the largest securities based on a combination of their mar-

ket cap and current index membership. The index represent approximately 68% of the US market.

**SFDCP Retirement Simple Benchmark:** Is a composite of other indexes. These subindexes represent two major asset classes-equity and fixed income. The asset classes are weighted within each Target Date Index to reflect a targeted level of risk. Over time, the weights are adjusted based on predetermined formulas to reduce the level of potential risk as the index's maturity date approaches.

**S&P 500 Index (50%), the Russell 2000 Index (5%), the MSCI EAFE Index (5%), and Bloomberg Barclays U.S. Aggregate Bond Index (40%).** An unmanaged, weighted-average composite Index.

**S&P 1500 Consumer Discretionary Index:** Measures the performance of consumer discretionary(sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard(GICS) Consumer Discretionary (sector).

**S&P 1500 Cons Staples TR:** Measures the performance of consumer staples (sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard(GICS) Consumer Staples (sector).

**S&P 1500 Energy Index:** Measures the performance of energy(sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard(GICS) Energy (sector).

**S&P 1500 Financials TR:** Measures the performance of Financials(sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard(GICS) Financials (sector).

**S&P 1500 Health Care TR:** Measures the performance of health care(sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard(GICS) Health Care (sector).

**S&P 1500 Industrials Index:** Measures the performance of industrials(sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard(GICS) Industrials (sector).

**S&P 1500 Telecom Services TR:** Measures the performance of Telecom Services(sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard(GICS) Telecom Services (sector).

**S&P 1500 Utilities TR:** Measures the performance of Utilities(sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard(GICS) Utilities (sector).

**S&P 500® Index:** Measures the performance of 500 widely held stocks in US equity market. Standard and Poor's chooses member companies for the index based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid 1989, this composition has been more flexible and the number of issues in each sector has varied. It is market capitalization-weighted.

**S&P 500 Technology Index:** Measures the performance of all those companies held in the S&P 500 index that are classified as a information technology(sector) company using the Global Industry Classification Standard(GICS) system.

**S&P 500 Value Index:** Measures the performance of value stocks drawn from the S&P 500 index. The complete market capitalization of S&P 500 index is divided into growth and value segments by using three factors: sales growth, the ratio of earnings change to price, and momentum.

**S&P Global REIT :** Measures the performance of publicly traded equity REITs listed in both developed and emerging markets. It is a member of the S&P Global Property Index Series.

**S&P Completion Index:** Measures the performance of all members of the S&P TMI index except for the current constituents of the S&P 500. It covers approximately 3000 constituents, offering investors broad exposure to mid, small, and micro cap companies. The index is market-capitalisation weighted.

**S&P Composite 1500® Index:** Measures the performance of widely available, liquid stocks in US equity market. It combines three leading indices - S&P 500, S&P MidCap 400, and S&P SmallCap 600, to cover approximately 90% of the US market capitalization.

**S&P Developed Property Index:** This index defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.

**S&P MidCap 400 Index:** Measures the performance of mid-sized US companies, reflecting the distinctive risk and return characteristics of this market segment. It comprises stocks in the middle capitalization range, covering approximately 7% of the US equity market.

**S&P North American Natural Resources Sector Index:** Measures the performance of US traded securities that are classified under the Global Industry Classification Standard(GICS) energy and materials (sector) excluding the chemicals (industry) and steel (sub-industry).

**S&P United States REIT:** Measures the performance of investable universe of publicly traded real estate investment trusts domiciled in the United States.

**S&P/LSTA Leveraged Loan TR:** Measures the performance of 100 loan facilities drawn from the S&P/LSTA (Loan Syndications and Trading Association) Leveraged Loan Index (LLI). Standard & Poor's chooses these based on market weightings, spreads, and interest payments of the largest facilities in the leveraged loan market.

**Prudential Real Assets composite index:** This index is composed of future contracts on physical commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange.

**S&P Small Cap 600 Index:** Measures the performance of small cap segment of US equity market. It consists of 600 domestic stocks chosen for market size, liquidity, and industry group representation and covers approximately 3% of the domestic equities market.

**S&P Total Market Index:** Measures the performance of all large, mid, small and micro cap companies and other common equities listed on NYSE (including NYSE Arca), the NYSE Alternext, the NASDAQ Global Select Market, the NASDAQ Global Market and the NASDAQ Capital Market. It is market-capitalisation weighted.

**U.S. Treasury 6 Month Certificate of Deposit (CD) Index:** The average of the secondary market interest rates for nationally traded 6 month certificates of deposit.

**U.S. Treasury T-Bill Auction Average 3-Month Index:** Measures the performance of the average investment rate of US T-Bills securities with the maturity of 3 months.

**Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones Wilshire 5000 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI U.S. Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index there- after.

**Wellington Composite Index:** is a combination of unmanaged industry benchmarks: 65% S&P 500 Index and 35% Bloomberg Barclays Credit A or Better Index. Prior to March 1, 2000, weighted 65% S&P 500 Index and 35% Bloomberg Barclays Long Credit AA or Better Index.

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**Core Bond Enhanced Index / PGIM Fund**  
**A Manager of Managers Institutional Sub-Advised Separate Account**

**Second Quarter 2018**  
**Fund Fact Sheet**

**Key Facts**

**INVESTMENT ADVISOR:** PGIM, Inc.  
**FUND CATEGORY:** Fixed Income-Domestic  
**MANDATE BENCHMARK:** Bloomberg Barclays Aggregate Bond Index  
**NET ASSETS:** \$2,141.5 Million  
**INCEPTION DATE:** 03/15/1999  
**NET EXPENSE RATIO (After Contract Charges):** 0.25%  
**OVERALL MORNINGSTAR RATING™:** ★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 878  
**PORTFOLIO MANAGER(S):** James L. Herbst; Stewart Wong

**DESCRIPTION/OBJECTIVE**

The Separate Account (the "Fund"), seeks to outperform the Bloomberg Barclays U.S. Aggregate Bond Index (the "Index") and comparable actively managed funds over full market cycles. There is no assurance the objectives will be met. *Fixed income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise. Fund shares are not guaranteed by the U.S. Government.*

**Top Five Holdings**

As of 06/30/2018

|                                 |       |
|---------------------------------|-------|
| Treasury Note 1.875% 04/30/2022 | 3.52% |
| Treasury Bond 3% 05/15/2045     | 2.91% |
| Treasury Note 2% 11/30/2020     | 2.76% |
| Treasury Note 2.125% 09/30/2021 | 2.57% |
| Treasury Note 2.125% 05/15/2025 | 2.33% |

**Top Five Sectors**

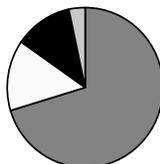
As of 06/30/2018

|                        |        |
|------------------------|--------|
| Government/Treasury    | 35.27% |
| Private Corp Inv Grade | 27.49% |
| MBS                    | 26.86% |
| CMBS                   | 5.18%  |
| Municipals             | 1.70%  |

**Quality Distribution**

As of 06/30/2018

|     |        |
|-----|--------|
| AAA | 70.32% |
| BBB | 14.34% |
| A   | 11.98% |
| AA  | 3.36%  |



**Characteristics**

As of 06/30/2018

|                           | Mandate |           |
|---------------------------|---------|-----------|
|                           | Fund    | Benchmark |
| Effective Duration (Yrs)  | 6.00    | 6.04      |
| Average Maturity (Yrs)    | 8.37    | 8.43      |
| Number of Holdings - Long | 1302    | 10012     |
| Portfolio Turnover (%)    | 109.30  | NA        |

**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank**

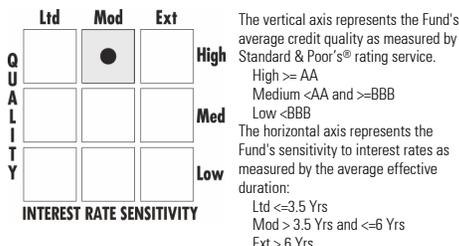
As of 06/30/2018



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

**Investment Style**

As of 03/31/2018



**Performance(%)**

As of 06/30/2018

|                        | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund                   | -0.22              | -1.74 | -0.60                        | 1.62   | 2.20   | 3.75    | NA              |
| Mandate Benchmark      | -0.16              | -1.62 | -0.40                        | 1.73   | 2.28   | 3.72    | ---             |
| Morningstar Rating™    |                    |       |                              | ★★★    | ★★★    | ★★★     |                 |
| # of Funds in Category |                    |       |                              | 878    | 778    | 563     |                 |

**Fund Fees Reflected in Performance.** All performance results are net of the total expense ratio for this Fund of 0.25%.

**The Separate Account** Your retirement plan purchases units of a Separate Account established 03/15/1999 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Fees Received by Prudential.** The Fund fees compensate us for the servicing associated with your plan. Other plan investment options may generate less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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**Annual Performance**

|             | Fund   | Mandate Benchmark |
|-------------|--------|-------------------|
| <b>2017</b> | 3.38%  | 3.54%             |
| <b>2016</b> | 2.97%  | 2.65%             |
| <b>2015</b> | 0.26%  | 0.57%             |
| <b>2014</b> | 5.94%  | 5.96%             |
| <b>2013</b> | -2.36% | -2.02%            |

# Calvert Equity I A Mutual Fund

Second Quarter 2018  
Fund Fact Sheet

## Key Facts

**INVESTMENT ADVISOR:** Calvert Research and Management  
**FUND CATEGORY:** Large Growth  
**INDEX:** Russell 1000 Growth TR USD@  
**NET ASSETS:** \$925.3 Million  
**INCEPTION DATE:** 11/1/1999  
**TICKER SYMBOL:** CEYIX  
**GROSS EXPENSE RATIO:** 0.71% of Fund Assets  
**OVERALL MORNINGSTAR RATING™:** ★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 1265  
**PORTFOLIO MANAGER(S):** Joseph B. Hudepohl CFA;  
 Jeffrey A. Miller CFA;  
 Lance V. Garrison CFA;  
 Robert R. Walton CFA

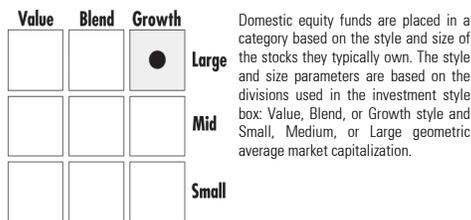
**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this fund only; other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio make-ups or investment strategies.

**Morningstar® Style Box™** As of 04/30/2018



## Annual Performance

|      | Mutual Fund* | Index  |
|------|--------------|--------|
| 2017 | 26.24%       | 30.21% |
| 2016 | 2.71%        | 7.08%  |
| 2015 | 4.19%        | 5.67%  |
| 2014 | 11.57%       | 13.05% |
| 2013 | 31.17%       | 33.48% |

## DESCRIPTION/OBJECTIVE

The investment seeks growth of capital through investment in stocks believed to offer opportunities for potential capital appreciation. The fund normally invests at least 80% of its net assets, including borrowings for investment purposes, in equity securities (common stock). The fund will provide shareholders with at least 60 days' notice before changing this 80% policy. The fund invests primarily in common stocks of U.S. large-cap companies. The managers define large-cap companies as those whose market capitalization falls within the range of the Russell 1000 Index at the time of investment. There is no assurance the objectives will be met.

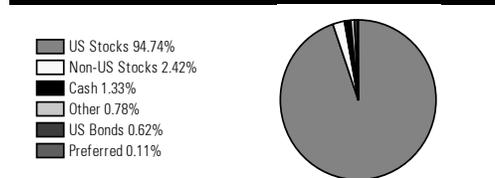
## Top Five Holdings

As of 04/30/2018

|                              |       |
|------------------------------|-------|
| Danaher Corp                 | 5.00% |
| Visa Inc Class A             | 4.96% |
| Thermo Fisher Scientific Inc | 4.80% |
| Alphabet Inc C               | 4.70% |
| Microsoft Corp               | 4.17% |

Holdings and Sector allocations are ranked as a percentage of net assets and subject to change without notice.

## Allocation



## Top Five Sectors

As of 04/30/2018

|                    |        |
|--------------------|--------|
| Technology         | 23.66% |
| Healthcare         | 21.02% |
| Financial Services | 14.90% |
| Consumer Defensive | 11.00% |
| Industrials        | 10.43% |

## Characteristics

As of 04/30/2018

|  | Mutual Fund Index |        |
|--|-------------------|--------|
| Weighted Geometric Market Cap. (\$Bil) | 62.53             | 101.95 |
| Price/Earnings Ratio (Forward)         | 21.7x             | 21.62x |
| Price/Book Ratio                       | 5.08x             | 6.05x  |
| 3-Year Earnings Growth Rate (%)        | 5.93              | 16.42  |
| Number of Holdings-Long                | 86                | 542    |

## Performance(%)

As of 06/30/2018

|                        | Cumulative Returns |      |        | Average Annual Total Returns |        |         |                 |
|------------------------|--------------------|------|--------|------------------------------|--------|---------|-----------------|
|                        | QTD                | YTD  | 1 Year | 3 Year                       | 5 Year | 10 Year | Since Inception |
| Mutual Fund*           | 3.00               | 5.92 | 18.46  | 11.32                        | 13.74  | 10.05   | NA              |
| Index                  | 5.76               | 7.25 | 22.51  | 14.98                        | 16.36  | 11.83   | ---             |
| Morningstar Rating™    |                    |      |        | ★★★                          | ★★★    | ★★★     |                 |
| # of Funds in Category |                    |      |        | 1265                         | 1141   | 825     |                 |

**\*Fees that Prudential Retirement and its affiliates receive in connection with plan investments in this fund include an annual sub-accounting and/or servicing fee of up to 0.10%.**

Such fees, if applicable to this fund, compensate Prudential Retirement for selling the fund's shares and servicing your retirement plan. The fund's expense ratio includes these fees. Other investment options may generate more or less revenue than the fees associated with this fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other share classes of this fund may have a lower expense ratio, but your plan's investment options do not include such shares to compensate us for distribution and plan servicing.

**Performance:** The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). These performance results represent the change in net asset value of an investment over a stated period, assuming the reinvestment of dividends and capital gain distributions.

**Market Timing:** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the fund have policies to detect and deter exchanges that may be abusive. Those policies may require us to modify or suspend purchase or exchange privileges.

**Prospectus:** Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-866-NJSEDCP (1-866-657-3327) for a free prospectus and if available, a summary prospectus that contain this and other information about the mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. It is possible to lose money when investing in securities.

Benchmark indices are unmanaged and cannot be invested in directly. See User Guide for index definitions.

Securities products and services are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedep](http://www.prudential.com/njsedep) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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**Key Facts - Mutual Fund**

**INVESTMENT ADVISOR:** Dodge & Cox  
**FUND CATEGORY:** International Stock-Blend  
**MANDATE BENCHMARK:** MSCI All Country World™ ex US Index(net)  
**NET ASSETS:** \$71.7 Million  
**INCEPTION DATE:** 04/30/2001  
**TICKER SYMBOL:** DODFX  
**NET EXPENSE RATIO (After Contract Charges):** 0.64%  
**OVERALL MORNINGSTAR RATING™:** ★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 623  
**PORTFOLIO MANAGER(S):** Roger G. Kuo; Keiko Horkan; Richard T. Callister; Diana S. Strandberg; C. Bryan Cameron

**DESCRIPTION/OBJECTIVE**

The investment seeks long-term growth of principal and income. The fund invests primarily in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different countries, including emerging market countries. It will invest at least 80% of its total assets in common stocks, preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks of non-U.S. companies. The fund invests primarily in medium-to-large well established companies based on standards of the applicable market. It may also invest directly or indirectly in restricted securities of U.S. and non-U.S. companies.

There is no assurance the objectives will be met.

*Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.*

**Top Five Holdings** As of 03/31/2018

|                            |       |
|----------------------------|-------|
| Samsung Electronics Co Ltd | 4.03% |
| Sanofi SA                  | 3.26% |
| Naspers Ltd Class N        | 2.84% |
| Roche Holding AG           | 2.67% |
| Itau Unibanco Holding SA   | 2.67% |

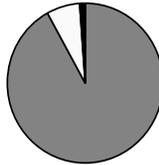
**Top Five Countries** As of 03/31/2018

|                |        |
|----------------|--------|
| United Kingdom | 15.33% |
| France         | 11.65% |
| Switzerland    | 10.79% |
| Japan          | 9.05%  |
| United States  | 6.99%  |

Holdings, Region and Top Five Countries are ranked as a percentage of net assets and subject to change without notice.

**Allocation** As of 03/31/2018

|               |        |
|---------------|--------|
| Non-US Stocks | 91.97% |
| US Stocks     | 6.9%   |
| Cash          | 1.11%  |
| Other         | 0.01%  |



**Characteristics** As of 03/31/2018

|  | Mutual Fund | Mandate Benchmark |
|--|-------------|-------------------|
| Weighted Geometric Market Cap. (\$Bil) | 48.76       | 33.99             |
| Price/Earnings Ratio (Forward)         | 11.71x      | 12.99x            |
| Price/Book Ratio                       | 1.29x       | 1.55x             |
| 3-Year Earnings Growth Rate (%)        | 6.65        | 11.08             |
| Number of Holdings-Long                | 104         | 2154              |

**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Mutual Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this Mutual Fund has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

**Regional Allocation** As of 03/31/2018

|                      |        |
|----------------------|--------|
| Europe               | 56.12% |
| Asia & Pacific Rim   | 21.26% |
| North America        | 9.83%  |
| Africa & Middle East | 4.84%  |
| Other                | 7.95%  |

**Annual Performance**

|             | Separate Account | Mandate Benchmark |
|-------------|------------------|-------------------|
| <b>2017</b> | 23.94%           | 27.19%            |
| <b>2016</b> | 8.24%            | 4.50%             |
| <b>2015</b> | -11.35%          | -5.67%            |
| <b>2014</b> | 0.08%            | -3.87%            |
| <b>2013</b> | 26.31%           | 15.29%            |

**Performance(%)** As of 06/30/2018

|                        | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Separate Account       | -5.12              | -7.15 | 0.50                         | 2.06   | 5.78   | 3.68    | NA              |
| Mandate Benchmark      | -2.61              | -3.77 | 7.28                         | 5.07   | 5.99   | 2.55    | ---             |
| Morningstar Rating™    |                    |       |                              | ★      | ★★     | ★★★     |                 |
| # of Funds in Category |                    |       |                              | 623    | 533    | 371     |                 |

**Separate Account Operating Expenses.** These are expressed as a percentage of average net assets for the Fiscal Year ended 12/31/2017; Total Expenses 0.64%; Management Fee 0.60%; 12b-1 Fee 0.00%; Other Expenses 0.04%; Prudential Recordkeeping charge 0.00%; Fee Waiver 0.00%. The performance shown reflects the imposition of these expenses and the benefit of any Fee Waiver.

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 10/2005 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford, CT. The Separate Account, in turn, purchases shares of the Mutual Fund. Performance shown for prior periods is Mutual Fund performance, and for all periods includes the reinvestment of Mutual Fund dividends and capital gains (as applicable). Mutual Fund voting rights belong to the Separate Account. As defined by ERISA, PRIAC is the "investment manager" of the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Possibility of Contract Charges; Other Fees.** Your retirement plan may have agreed to contract charges. If so, these would reduce the performance (and possibly the Morningstar ratings) shown above. Any contract charges are included in the expense ratio shown in your statement and in the performance shown in your statement. Fees that Mutual Fund affiliates transmit to Prudential include a 12b-1 fee of 0.00% and an annual sub-transfer agency fee of 0.10%. Prudential may also receive marketing support fees. These fees compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with this Separate Account. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other Mutual Fund share classes may have a lower expense ratio, but are not included as a plan investment option in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Separate Account and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). The performance results do not reflect the deduction of the sales charge that may apply if Mutual Fund shares were purchased outside of the Separate Account. Such sales charges would lower performance. It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

**Prudential Retirement's Role.** This fund is not part of Prudential Retirement's Manager of Managers Program and Prudential Retirement does not assume any responsibility for the plan's decision to invest in the funds, to monitor their performance or to provide information regarding the funds. Each of those is the sole responsibility of the plan. To the extent Prudential Retirement provides such information, it makes no warranty as to the accuracy of such information and makes no undertaking to continue to provide such information unless Prudential Retirement agrees to continue to provide such information in writing.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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**Key Facts - Mutual Fund**

**INVESTMENT ADVISOR:** The Vanguard Group, Inc.  
**FUND CATEGORY:** Large Cap Stock-Blend  
**MANDATE BENCHMARK:** S&P 500® Index  
**NET ASSETS:** \$162.9 Million  
**INCEPTION DATE:** 10/31/1990  
**TICKER SYMBOL:** VINIX  
**NET EXPENSE RATIO (After Contract Charges):** 0.12%  
**OVERALL MORNINGSTAR RATING™:** ★★★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 1166  
**PORTFOLIO MANAGER(S):** Donald M. Butler

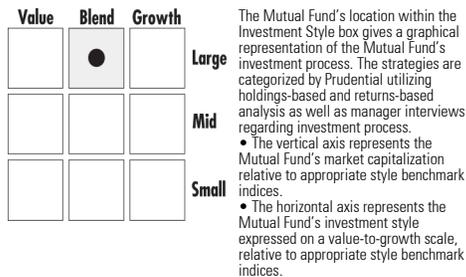
**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Mutual Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this Mutual Fund has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio make-ups or investment strategies.

**Investment Style** As of 03/31/2018



**Annual Performance**

|             | Separate Account | Mandate Benchmark |
|-------------|------------------|-------------------|
| <b>2017</b> | 21.69%           | 21.83%            |
| <b>2016</b> | 11.81%           | 11.96%            |
| <b>2015</b> | 1.29%            | 1.38%             |
| <b>2014</b> | 13.56%           | 13.69%            |
| <b>2013</b> | 32.24%           | 32.39%            |

**DESCRIPTION/OBJECTIVE**

The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. There is no assurance the objectives will be met.

**Top Five Holdings** As of 05/31/2018

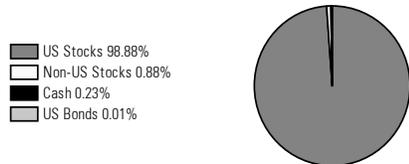
|                     |       |
|---------------------|-------|
| Apple Inc           | 4.10% |
| Microsoft Corp      | 3.29% |
| Amazon.com Inc      | 2.83% |
| Facebook Inc A      | 1.99% |
| JPMorgan Chase & Co | 1.59% |

**Top Five Sectors** As of 05/31/2018

|                    |        |
|--------------------|--------|
| Technology         | 23.11% |
| Financial Services | 16.53% |
| Healthcare         | 13.83% |
| Consumer Cyclical  | 12.05% |
| Industrials        | 10.40% |

Holdings and Sector allocations are ranked as a percentage of net assets and subject to change without notice.

**Allocation** As of 05/31/2018



**Characteristics** As of 05/31/2018

|  | Mutual Fund | Mandate Benchmark |
|--|-------------|-------------------|
| Weighted Geometric Market Cap. (\$Bil) | 99.63       | 99.86             |
| Price/Earnings Ratio (Forward)         | 17.1x       | 17.12x            |
| Price/Book Ratio                       | 2.94x       | 2.93x             |
| 3-Year Earnings Growth Rate (%)        | 11.88       | 11.65             |
| Number of Holdings-Long                | 515         | 505               |

**Performance(%)** As of 06/30/2018

|                        | Cumulative Returns |      | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD  | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Separate Account       | 3.40               | 2.59 | 14.24                        | 11.81  | 13.30  | 10.08   | NA              |
| Mandate Benchmark      | 3.43               | 2.65 | 14.37                        | 11.93  | 13.42  | 10.17   | ---             |
| Morningstar Rating™    |                    |      |                              | ★★★★   | ★★★★★  | ★★★★    |                 |
| # of Funds in Category |                    |      |                              | 1166   | 1042   | 776     |                 |

**Separate Account Operating Expenses.** These are expressed as a percentage of average net assets for the Fiscal Year ended 12/31/2017; Total Expenses 0.12%; Management Fee 0.03%; 12b-1 Fee 0.00%; Other Expenses 0.01%; Prudential Recordkeeping charge 0.065%; Administrative Fee 0.016%; Fee Waiver 0.00%. The performance shown reflects the imposition of these expenses and the benefit of any Fee Waiver

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 10/31/1990 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Separate Account and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). The performance results do not reflect the deduction of the sales charge that may apply if Mutual Fund shares were purchased outside of the Separate Account. Such sales charges would lower performance. It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

**Prudential Retirement's Role.** This fund is not part of Prudential Retirement's Manager of Managers Program and Prudential Retirement does not assume any responsibility for the plan's decision to invest in the funds, to monitor their performance or to provide information regarding the funds. Each of those is the sole responsibility of the plan. To the extent Prudential Retirement provides such information, it makes no warranty as to the accuracy of such information and makes no undertaking to continue to provide such information unless Prudential Retirement agrees to continue to provide such information in writing.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

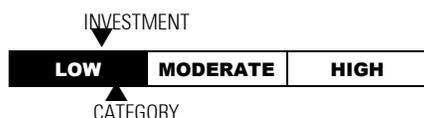
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**Key Facts - Mutual Fund**

**INVESTMENT ADVISOR:** Wellington Management Company LLP  
**FUND CATEGORY:** Balanced  
**MANDATE BENCHMARK:** Moderately Conservative Allocation Model Benc  
**NET ASSETS:** \$95.5 Million  
**INCEPTION DATE:** 12/31/1989  
**TICKER SYMBOL:** VWIAX  
**NET EXPENSE RATIO (After Contract Charges):** 0.23%  
**OVERALL MORNINGSTAR RATING™:** ★★★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 425  
**PORTFOLIO MANAGER(S):** John C. Keogh; Michael Reckmeyer

**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Mutual Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this Mutual Fund has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

**Annual Performance**

|             | Separate Account | Mandate Benchmark |
|-------------|------------------|-------------------|
| <b>2017</b> | 10.17%           | 11.20%            |
| <b>2016</b> | 8.05%            | 5.12%             |
| <b>2015</b> | 1.27%            | 0.86%             |
| <b>2014</b> | 8.06%            | 5.13%             |
| <b>2013</b> | 9.18%            | 13.32%            |

**DESCRIPTION/OBJECTIVE**

The investment seeks to provide long-term growth of income and a high and sustainable level of current income, along with moderate long-term capital appreciation. The fund invests approximately 60% to 65% of assets in investment-grade corporate, U.S. Treasury, and government agency bonds, as well as mortgage-backed securities. The remaining 35% to 40% of fund assets are invested in common stocks of companies that have a history of above-average dividends or expectations of increasing dividends.

There is no assurance the objectives will be met.

**Top Five Holdings** As of 03/31/2018

|                                    |       |
|------------------------------------|-------|
| JPMorgan Chase & Co                | 1.79% |
| United States Treasury Notes 2.25% | 1.62% |
| United States Treasury Notes 2.25% | 1.31% |
| Johnson & Johnson                  | 1.30% |
| Cisco Systems Inc                  | 1.28% |

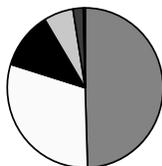
Holdings and Sector allocations are ranked as a percentage of net assets and subject to change without notice.

**Top Five Sectors** As of 03/31/2018

|                    |        |
|--------------------|--------|
| Healthcare         | 16.69% |
| Financial Services | 14.05% |
| Energy             | 13.67% |
| Consumer Defensive | 13.38% |
| Technology         | 10.40% |

**Allocation** As of 03/31/2018

|               |        |
|---------------|--------|
| US Bonds      | 49.51% |
| US Stocks     | 30.26% |
| Non-US Bonds  | 11.6%  |
| Non-US Stocks | 6.14%  |
| Cash          | 2.1%   |
| Other         | 0.39%  |



**Characteristics** As of 03/31/2018

|  | Mutual Fund | Mandate Benchmark |
|--|-------------|-------------------|
| Weighted Geometric Market Cap. (\$Bil) | 99.96       | 32.85             |
| Price/Earnings Ratio (Forward)         | 15.15x      | 15.19x            |
| Price/Book Ratio                       | 2.36x       | 2.08x             |
| 3-Year Earnings Growth Rate (%)        | 2.71        | 10.57             |
| Number of Holdings-Long                | 1227        | 19                |

**Performance(%)** As of 06/30/2018

|                        | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Separate Account       | 0.30               | -2.17 | 3.14                         | 5.81   | 6.11   | 7.32    | NA              |
| Mandate Benchmark      | 1.36               | 1.14  | 6.64                         | 5.38   | 6.27   | 5.40    | ---             |
| Morningstar Rating™    |                    |       |                              | ★★★★★  | ★★★★   | ★★★     |                 |
| # of Funds in Category |                    |       |                              | 425    | 358    | 255     |                 |

**Separate Account Operating Expenses.** These are expressed as a percentage of average net assets for the Fiscal Year ended 9/30/2017: Total Expenses 0.23%; Management Fee 0.14%; 12b-1 Fee 0.00%; Other Expenses 0.01%; Prudential Recordkeeping charge 0.065%; Administrative Fee 0.016%; Fee Waiver 0.00%. The performance shown reflects the imposition of these expenses and the benefit of any Fee Waiver.

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 10/2005 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford, CT. The Separate Account, in turn, purchases shares of the Mutual Fund. Performance shown for prior periods is Mutual Fund performance, and for all periods includes the reinvestment of Mutual Fund dividends and capital gains (as applicable). Mutual Fund voting rights belong to the Separate Account. As defined by ERISA, PRIAC is the "investment manager" of the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Possibility of Contract Charges; Other Fees.** Your retirement plan may have agreed to contract charges. If so, these would reduce the performance (and possibly the Morningstar ratings) shown above. Any contract charges are included in the expense ratio shown in your statement and in the performance shown in your statement. Fees that Mutual Fund affiliates transmit to Prudential include a 12b-1 fee of 0.00% and an annual sub-transfer agency fee of 0.00%. Prudential may also receive marketing support fees. These fees compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with this Separate Account. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other Mutual Fund share classes may have a lower expense ratio, but are not included as a plan investment option in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Separate Account and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). The performance results do not reflect the deduction of the sales charge that may apply if Mutual Fund shares were purchased outside of the Separate Account. Such sales charges would lower performance. It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

**Prudential Retirement's Role.** This fund is not part of Prudential Retirement's Manager of Managers Program and Prudential Retirement does not assume any responsibility for the plan's decision to invest in the funds, to monitor their performance or to provide information regarding the funds. Each of those is the sole responsibility of the plan. To the extent Prudential Retirement provides such information, it makes no warranty as to the accuracy of such information and makes no undertaking to continue to provide such information unless Prudential Retirement agrees to continue to provide such information in writing.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedep](http://www.prudential.com/njsedep) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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# Large Cap Growth / Columbia Management Fund

## A Manager of Managers Institutional Sub-Advised Separate Account

Second Quarter 2018  
Fund Fact Sheet

### Key Facts

**INVESTMENT ADVISOR:** Columbia Management Investment Advisers, LLC.  
**FUND CATEGORY:** Large Cap Stock-Growth  
**MANDATE BENCHMARK:** Russell 1000™ Growth Index  
**SECONDARY BENCHMARK:** Lipper Large Cap Growth Funds Index  
**NET ASSETS:** \$283.4 Million  
**INCEPTION DATE:** 08/31/1997  
**NET EXPENSE RATIO (After Contract Charges):** 0.55%  
**OVERALL MORNINGSTAR RATING™:** ★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 1265  
**PORTFOLIO MANAGER(S):** John T. Wilson; Tchinita Barros; Peter R Deininger

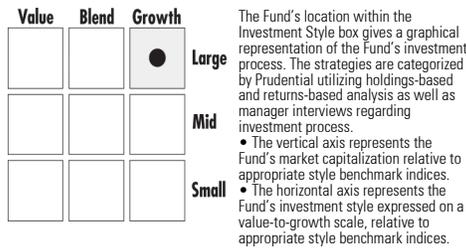
**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

**Investment Style** As of 03/31/2018



### Annual Performance

|             | Fund   | Mandate Benchmark | Secondary Benchmark |
|-------------|--------|-------------------|---------------------|
| <b>2017</b> | 28.18% | 30.21%            | 31.85%              |
| <b>2016</b> | 1.41%  | 7.08%             | 0.54%               |
| <b>2015</b> | 8.90%  | 5.68%             | 5.63%               |
| <b>2014</b> | 14.66% | 13.06%            | 10.34%              |
| <b>2013</b> | 32.22% | 33.48%            | 35.41%              |

### DESCRIPTION/OBJECTIVE

This Separate Account (the "Fund") seeks long term capital appreciation by investing primarily in common stocks and other equity securities of large cap established U.S. companies. Sub-advised by Columbia Management Investment Advisers according to its large cap growth strategy, the Fund aims to maintain a diversified, style-consistent, portfolio of growth companies that is constructed using a repeatable, disciplined process.

There is no assurance the objectives will be met.

### Top Five Holdings

As of 06/30/2018

|                      |       |
|----------------------|-------|
| MICROSOFT CORP ..... | 6.42% |
| ALPHABET INC .....   | 6.03% |
| AMAZON.COM INC ..... | 6.00% |
| APPLE INC .....      | 5.80% |
| FACEBOOK INC .....   | 3.56% |

Holdings and Sector allocations are unaudited, ranked as a percentage of equity assets and subject to change without notice.

### Allocation

As of 06/30/2018



### Top Five Sectors

As of 06/30/2018

|                              |        |
|------------------------------|--------|
| Information Technology ..... | 44.76% |
| Consumer Discretionary ..... | 16.69% |
| Health Care .....            | 13.68% |
| Industrials .....            | 8.49%  |
| Consumer Staples .....       | 5.10%  |

### Characteristics

As of 06/30/2018

|                                    | Fund   | Mandate Benchmark |
|------------------------------------|--------|-------------------|
| Weighted Median Market Cap (\$Bil) | 97.80  | 105.85            |
| Price/Earnings Ratio (Forward)     | 21.03x | 21.48x            |
| Price/Book Ratio                   | 4.98x  | 7.10x             |
| 5-Year Earning Growth Rate (%)     | 18.31  | 16.70             |
| Number of Holdings-Long            | 72     | 542               |

### Performance(%)

As of 06/30/2018

|                        | Cumulative Returns |      |        | Average Annual Total Returns |        |         |                 |
|------------------------|--------------------|------|--------|------------------------------|--------|---------|-----------------|
|                        | QTD                | YTD  | 1 Year | 3 Year                       | 5 Year | 10 Year | Since Inception |
| Fund                   | 4.89               | 7.86 | 18.08  | 11.94                        | 16.31  | 10.74   | NA              |
| Mandate Benchmark      | 5.76               | 7.25 | 22.51  | 14.98                        | 16.36  | 11.83   | ---             |
| Secondary Benchmark    | 5.94               | 9.10 | 22.71  | 13.52                        | 15.68  | 10.42   | ---             |
| Morningstar Rating™    |                    |      |        | ★★★                          | ★★★★   | ★★★     |                 |
| # of Funds in Category |                    |      |        | 1265                         | 1141   | 825     |                 |

**Fund Fees Reflected in Performance.** All performance results are net of the total expense ratio for this Fund of 0.55%.

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 08/31/1997 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Fees Received by Prudential.** The Fund fees compensate us for the servicing associated with your plan. Other plan investment options may generate less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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**Core Plus Bond / PGIM Fund**  
**A Manager of Managers Institutional Sub-Advised Separate Account**

**Second Quarter 2018**  
**Fund Fact Sheet**

**Key Facts**

**INVESTMENT ADVISOR:** PGIM, Inc.  
**FUND CATEGORY:** Fixed Income-Domestic  
**MANDATE BENCHMARK:** Bloomberg Barclays Aggregate Bond Index  
**NET ASSETS:** \$1,856.3 Million  
**INCEPTION DATE:** 07/18/2002  
**GROSS EXPENSE RATIO (After Contract Charges):** 0.38%  
**OVERALL MORNINGSTAR RATING™:** ★★★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 878  
**PORTFOLIO MANAGER(S):** Michael Collins; Richard Piccirillo; Gregory Peters

**DESCRIPTION/OBJECTIVE**

The Separate Account ("the Fund") seeks to add +150 bps of annualized excess return over a broad U.S. bond market index over a full market cycle (three to five years) by emphasizing relative-value based sector allocation, research-based security selection, and modest duration and yield curve positioning. PGIM, Inc. is the Fund's investment adviser. PGIM is an indirect, wholly owned subsidiary of Prudential Financial, Inc., and an affiliate of PRIAC. Prudential Fixed Income is PGIM's largest public fixed income asset management unit and is responsible for the management of the Fund.  
 There is no assurance the objectives will be met.

*Fixed income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise. Fund shares are not guaranteed by the U.S. Government.*

**Top Five Holdings**

As of 06/30/2018

|                                 |       |
|---------------------------------|-------|
| University Ca 4.858% 05/15/2112 | 1.02% |
| Cgcm15-Gc27 2.878% 02/10/2048   | 0.91% |
| Him15-6A 3.36313% 02/05/2031    | 0.87% |
| Cgcm16-C3 2.896% 11/15/2049     | 0.82% |
| Ca St Babs 7.55% 04/01/2039     | 0.79% |

**Top Five Sectors**

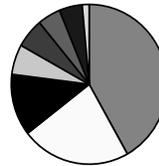
As of 06/30/2018

|                        |        |
|------------------------|--------|
| Private Corp Inv Grade | 31.34% |
| ABS                    | 27.50% |
| CMBS                   | 15.17% |
| High Yield             | 6.32%  |
| International          | 5.34%  |

**Quality Distribution**

As of 06/30/2018

|             |        |
|-------------|--------|
| AAA         | 41.83% |
| BBB         | 22.65% |
| A           | 12.49% |
| BB          | 6.11%  |
| AA          | 5.92%  |
| B           | 4.80%  |
| Not Rated   | 4.75%  |
| CCC & Below | 1.43%  |



**Characteristics**

As of 06/30/2018

|                           | Mandate | Fund  | Benchmark |
|---------------------------|---------|-------|-----------|
| Effective Duration (Yrs)  | 6.33    | 6.04  |           |
| Average Maturity (Yrs)    | 8.01    | 8.43  |           |
| Number of Holdings - Long | 702     | 10012 |           |
| Portfolio Turnover (%)    | 60.19   | NA    |           |

**Morningstar Volatility Rank**

As of 06/30/2018



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

**Performance(%)**

As of 06/30/2018

|                   | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|-------------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|                   | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund              | -0.57              | -1.87 | 0.57                         | 3.35   | 3.39   | 4.87    | NA              |
| Mandate Benchmark | -0.16              | -1.62 | -0.40                        | 1.73   | 2.28   | 3.72    | ---             |

Morningstar Rating™

★★★★★ ★★★★★ ★★★★★

# of Funds in Category

878 778 563

**Fund Fees Reflected in Performance. All performance results are net of the total expense ratio for this Fund of 0.38%.**

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 07/18/2002 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Fees Received by Prudential.** The Fund fees compensate us for the servicing associated with your plan. Other plan investment options may generate less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities.

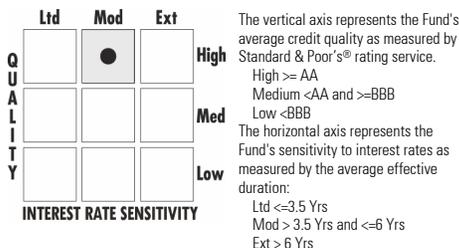
**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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**Investment Style**

As of 03/31/2018



**Annual Performance**

|      | Fund   | Mandate Benchmark |
|------|--------|-------------------|
| 2017 | 6.78%  | 3.54%             |
| 2016 | 5.21%  | 2.65%             |
| 2015 | 0.14%  | 0.57%             |
| 2014 | 5.04%  | 5.96%             |
| 2013 | -0.94% | -2.02%            |

**International Blend/Lazard Fund**  
**A Manager of Managers Institutional Sub-Advised Separate Account**

**Second Quarter 2018**  
**Fund Fact Sheet**

**Key Facts**

**INVESTMENT ADVISOR:** Lazard Asset Management LLC  
**FUND CATEGORY:** International Stock-Blend  
**MANDATE BENCHMARK:** MSCI EAFE™ Index(net)  
**SECONDARY BENCHMARK:** MSCI All Country World™ ex US Index  
**NET ASSETS:** \$826.0 Million  
**INCEPTION DATE:** 08/16/2010  
**NET EXPENSE RATIO (After Contract Charges):** 0.86%  
**OVERALL MORNINGSTAR RATING™:** ★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 344  
**PORTFOLIO MANAGER(S):** Michael G. Fry; Michael A. Bennett; James Donald; Kevin Matthews

**DESCRIPTION/OBJECTIVE**

The Separate Account (the "Fund") is sub-advised by Lazard Asset Management (the "Manager") according to the Lazard International Equity Select with Emerging Markets strategy which seeks to generate strong relative returns over a full market cycle by investing in companies with strong and/or improving financial productivity at attractive valuations. The strategy typically invests in 40-70 securities of non-US companies, including those from emerging markets, with a market capitalization generally of \$5 billion or greater. It strives to outperform its secondary benchmark, the MSCI All Country World ex-US Index, by 3.0% over a full market cycle.

There is no assurance the objectives will be met.

*Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.*

**Top Five Holdings** As of 06/30/2018

|                      |       |
|----------------------|-------|
| TENCENT HOLDINGS LTD | 3.45% |
| SAP AG               | 3.05% |
| PRUDENTIAL PLC       | 3.01% |
| ACCENTURE LTD        | 2.74% |
| ROYAL DUTCH SHELL    | 2.56% |

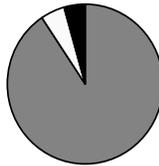
**Top Five Countries** As of 06/30/2018

|                |        |
|----------------|--------|
| United Kingdom | 17.27% |
| Japan          | 12.00% |
| France         | 8.05%  |
| United States  | 7.62%  |
| China          | 5.43%  |

Holdings, Region and Top Five Countries are unaudited, ranked as a percentage of equity assets and subject to change without notice.

**Allocation** As of 06/30/2018

International Equity 90.63%  
 Cash 5.00%  
 U.S. Equity 4.37%



**Characteristics** As of 06/30/2018

|                                    | Fund   | Mandate Benchmark |
|------------------------------------|--------|-------------------|
| Weighted Median Market Cap (\$Bil) | 46.54  | 37.13             |
| Price/Earnings Ratio (Forward)     | 15.27x | 14.05x            |
| Price/Book Ratio                   | 2.57x  | 1.65x             |
| 5-Year Earning Growth Rate (%)     | 11.21  | 9.84              |
| Number of Holdings-Long            | 65     | 926               |

**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio make-ups or investment strategies.

**Performance(%)** As of 06/30/2018

|                        | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund                   | -3.66              | -3.75 | 7.78                         | 4.56   | 3.51   | ---     | 4.32            |
| Mandate Benchmark      | -1.24              | -2.75 | 6.84                         | 4.90   | 6.44   | ---     | ---             |
| Secondary Benchmark    | -2.39              | -3.44 | 7.79                         | 5.56   | 6.48   | ---     | ---             |
| Morningstar Rating™    |                    |       |                              | ★★     | ★      | ---     |                 |
| # of Funds in Category |                    |       |                              | 344    | 304    | ---     |                 |

**Fund Fees Reflected in Performance.** All performance results are net of the total expense ratio for this Fund of 0.86%.

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**Fees Received by Prudential.** The Fund fees compensate us for the servicing associated with your plan. Other plan investment options may generate less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities.

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**Regional Allocation** As of 06/30/2018

|                        |        |
|------------------------|--------|
| Europe                 | 51.55% |
| Asia and Pacific Rim   | 28.19% |
| North America          | 11.30% |
| Africa and Middle East | 1.69%  |
| Other                  | 7.28%  |

**Annual Performance**

|      | Fund    | Mandate Benchmark | Secondary Benchmark |
|------|---------|-------------------|---------------------|
| 2017 | 28.61%  | 25.03%            | 27.77%              |
| 2016 | -0.50%  | 1.00%             | 5.01%               |
| 2015 | -2.92%  | -0.81%            | -5.25%              |
| 2014 | -13.42% | -4.90%            | -3.43%              |
| 2013 | 15.49%  | 22.78%            | 15.78%              |

**Prudential IncomeFlex Target® Balanced Fund**  
**A Custom Plan Investment Option - Fund of Funds**

**Second Quarter 2018**  
**Fund Fact Sheet**

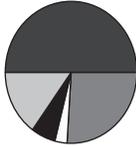
**Key Facts - Fund**

**PLAN SPONSOR:** New Jersey Alternative Benefit Plan  
**FUND CATEGORY:** Retirement Income-IncomeFlex  
**PRIMARY BENCHMARK:** Prudential IncomeFlex Target Balanced Benchmark  
**NET ASSETS:** \$43.5 Million  
**INCEPTION DATE:** 06/01/2012  
**NET EXPENSE RATIO (After Contract Charges):** 1.37%

**Portfolio Allocation**

As of 06/30/2018

50% Stocks/50% Bonds



- LARGE CAP STOCK 26.00%  
 QMA Large Cap Quantitative Core Equity Fund 26.00%
- MID CAP STOCK 3.00%  
 QMA Mid Cap Quantitative Core Equity Fund 3.00%
- SMALL CAP STOCK 6.00%  
 Small Cap Growth / RBC Fund 3.00%  
 Small Cap Value / TBCAM Fund 3.00%
- INTERNATIONAL STOCK 15.00%  
 International Blend / Lazard Fund 15.00%
- FIXED INCOME 50.00%  
 Core Bond Enhanced Index / PGIM Fund 50.00%

**Annual Performance**

|             | Fund   | Primary Benchmark |
|-------------|--------|-------------------|
| <b>2017</b> | 11.47% | 12.36%            |
| <b>2016</b> | 5.65%  | 6.66%             |
| <b>2015</b> | -0.59% | 0.53%             |
| <b>2014</b> | 4.16%  | 6.46%             |
| <b>2013</b> | 11.25% | 13.27%            |

**DESCRIPTION/OBJECTIVE**

The Prudential IncomeFlex Target® Balanced Fund (the Balanced Fund) is a multi-asset class fund which offers a distinct risk/return profile and is designed to be integrated with the Prudential IncomeFlex Target® retirement income solution - a group variable annuity offered as a retirement plan option that features a guaranteed minimum withdrawal benefit for an additional fee.

The Fund is intended to provide a disciplined and diversified investment solution for defined contribution plan participants. The Fund's asset allocation is designed to maximize the potential that the participant's account balance, in conjunction with the Prudential IncomeFlex Target® guarantees, will provide a reliable source of lifetime income. The Prudential IncomeFlex Target® guarantees are supported by the general account of Prudential Retirement Insurance and Annuity Company; the Fund itself provides no guarantees.

Prudential IncomeFlex Target® Balanced Fund may be suitable for investors who:

- Desire the security of a guaranteed income for life for an additional fee.
- Seek a combination of growth, income and capital preservation through stocks, bonds, non-traditional asset classes and short term investments.
- Can tolerate a potentially moderate level of account balance fluctuation.

There is no assurance the objectives will be met.

*Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. It is possible to lose money by investing in securities.*

New Jersey Alternative Benefit Plan is solely responsible for: (1) the selection of the Fund and its underlying funds (including the selection of the asset allocation percentages for each underlying fund); (2) decisions to allocate plan assets to the Fund; and (3) the selection, monitoring and replacement of the Fund and its underlying funds, and if applicable, the Fund's investment advisor(s).

**Performance(%)**

As of 06/30/2018

|                   | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|-------------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|                   | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund              | 0.72               | -0.49 | 5.43                         | 4.89   | 5.52   | ---     | 6.53            |
| Primary Benchmark | 1.26               | 0.14  | 6.02                         | 5.88   | 6.89   | ---     | ---             |

**Fund Fees Reflected in Performance. Balanced Fund expenses include 0.47% management and other expense fees and the IncomeFlex Target® Guarantee fee of 0.90%. Such Fund operating expenses may reflect the benefit of a commission recapture program. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures.**

**We apply an IncomeFlex guarantee fee of 0.90%. Participants who elect the optional Spousal Benefit will incur no additional cost, but will receive a reduced withdrawal benefit. PRIAC reserves the right to increase this fee up to a maximum of 1.50%, but has no current intention to do so. Any increase would apply only to new deposits into the Funds and step-up transactions.**

**Fund Structure.** Your retirement plan makes available certain plan investments structured as "Fund of funds" (investments that invest in one or more underlying funds). These investments are neither mutual funds nor separate accounts offered by Prudential Retirement Insurance and Annuity Company ("PRIAC"). Rather, PRIAC acts solely as a record keeper in providing administrative and valuation services in connection with these plan investments. Management of these plan investments is the sole responsibility of your plan sponsor and/or a third party whom the plan sponsor has hired to provide investment management services.

**Possibility of Contract Charges.** Your retirement plan may have agreed to contract charges. If so, these would reduce the performance (and possibly the Morningstar ratings) shown above. Any contract charges are included in the expense ratio shown in your statement and in the performance shown in your statement. The Fund fees and contract charges compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks. Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). It is possible to lose money investing in securities.**

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

**Before purchasing this product, you should consider the objectives, risks, charges and expenses of the Funds and guarantee features, and you should carefully review the IncomeFlex Target Important Considerations.** Product availability and terms may vary by jurisdiction. Subject to regulatory approvals. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Contract form number GA-2020-TGWB4-0805 or state variation.

To maintain the IncomeFlex Target benefit, you must invest in one or more of the Funds. Like all variable investment options, these Funds may lose value. Withdrawals in excess of the annual guaranteed withdrawal amount will reduce future guaranteed withdrawals proportionately. Guarantees are based upon the claims-paying ability of PRIAC. PRIAC does not make any guarantee of investment performance or return of contributions to the Funds.

*For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).*

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# QMA Large Cap Quantitative Core Equity Fund

## A Proprietary Separate Account

Second Quarter 2018  
Fund Fact Sheet

### Key Facts

**INVESTMENT ADVISOR:** Quantitative Management Associates LLC

**FUND CATEGORY:** Large Cap Stock-Blend

**MANDATE BENCHMARK:** S&P 500® Index

**SECONDARY BENCHMARK:** Lipper Large Cap Core Funds Index

**NET ASSETS:** \$831.2 Million

**INCEPTION DATE:** 12/21/2005

**NET EXPENSE RATIO (After Contract Charges):** 0.55%

**OVERALL MORNINGSTAR RATING™:** ★★★★★

**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 1166

**PORTFOLIO MANAGER(S):** Devang Gambhirwala

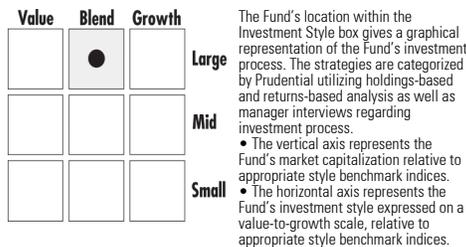
**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio make-ups or investment strategies.

**Investment Style** As of 03/31/2018



**Annual Performance**

|      | Fund   | Mandate Benchmark | Secondary Benchmark |
|------|--------|-------------------|---------------------|
| 2017 | 21.85% | 21.83%            | 21.63%              |
| 2016 | 12.08% | 11.96%            | 12.28%              |
| 2015 | 1.30%  | 1.38%             | -0.68%              |
| 2014 | 14.81% | 13.69%            | 11.33%              |
| 2013 | 32.99% | 32.39%            | 31.82%              |

### DESCRIPTION/OBJECTIVE

This Separate Account (the "Fund") is advised by Quantitative Management Associates LLC. The Separate Account's (the "Fund") objective is long-term growth of capital. QMA seeks to outperform the Standard & Poor's (S&P) 500 Index on a before-tax basis by investing in large-cap companies. It seeks to provide returns in excess of the S&P 500 Index and comparable equity funds over full market cycles.

"Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500" and "500" are registered trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Prudential. The Fund is not sponsored, endorsed, sold, or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the Fund. QMA is the primary business name of Quantitative Management Associates LLC.

There is no assurance the objectives will be met.

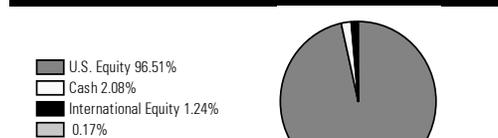
### Top Five Holdings

As of 06/30/2018

|                        |       |
|------------------------|-------|
| ALPHABET INC           | 3.38% |
| MICROSOFT CORP         | 2.99% |
| APPLE INC              | 2.88% |
| FACEBOOK INC           | 2.51% |
| BERKSHIRE HATHAWAY INC | 1.92% |

Holdings and Sector allocations are unaudited, ranked as a percentage of equity assets and subject to change without notice.

### Allocation



### Top Five Sectors

As of 06/30/2018

|                        |        |
|------------------------|--------|
| Information Technology | 26.16% |
| Health Care            | 14.45% |
| Financials             | 12.83% |
| Consumer Discretionary | 12.69% |
| Industrials            | 8.59%  |

### Characteristics

As of 06/30/2018

|                                    | Fund   | Mandate Benchmark |
|------------------------------------|--------|-------------------|
| Weighted Median Market Cap (\$Bil) | 80.00  | 104.84            |
| Price/Earnings Ratio (Forward)     | 15.35x | 17.17x            |
| Price/Book Ratio                   | 2.97x  | 3.17x             |
| 5-Year Earning Growth Rate (%)     | 13.09  | 13.45             |
| Number of Holdings-Long            | 220    | 505               |

### Performance(%)

As of 06/30/2018

|                        | Cumulative Returns |      | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD  | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund                   | 3.74               | 2.56 | 15.95                        | 11.93  | 13.73  | 10.16   | NA              |
| Mandate Benchmark      | 3.43               | 2.65 | 14.37                        | 11.93  | 13.42  | 10.17   | ---             |
| Secondary Benchmark    | 3.09               | 1.24 | 13.07                        | 10.87  | 12.10  | 9.03    | ---             |
| Morningstar Rating™    |                    |      |                              | ★★★★   | ★★★★★  | ★★★★    |                 |
| # of Funds in Category |                    |      |                              | 1166   | 1042   | 776     |                 |

**Fund Fees Reflected in Performance.** All performance results are net of the total expense ratio for this Fund of 0.55%.

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 12/21/2005 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

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**Key Facts**

**INVESTMENT ADVISOR:** LSV Asset Management  
**FUND CATEGORY:** Large Cap Stock-Value  
**MANDATE BENCHMARK:** Russell 1000™ Value Index  
**SECONDARY BENCHMARK:** Lipper Large Cap Value Funds Index  
**NET ASSETS:** \$2,119.7 Million  
**INCEPTION DATE:** 07/19/2002  
**NET EXPENSE RATIO (After Contract Charges):** 0.60%  
**OVERALL MORNINGSTAR RATING™:** ★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 1099  
**PORTFOLIO MANAGER(S):** Dr. Josef Lakonishok;  
 Menno Vermeulen;  
 Puneet Mansharamani;  
 Greg Sleight

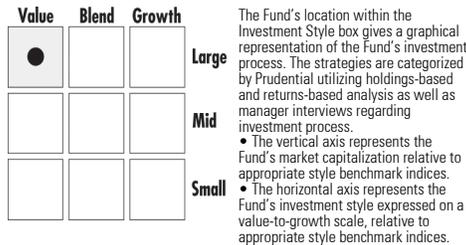
**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio make-ups or investment strategies.

**Investment Style** As of 03/31/2018



**Annual Performance**

|             | Fund   | Mandate Benchmark | Secondary Benchmark |
|-------------|--------|-------------------|---------------------|
| <b>2017</b> | 17.06% | 13.66%            | 16.06%              |
| <b>2016</b> | 17.03% | 17.34%            | 16.37%              |
| <b>2015</b> | -3.33% | -3.84%            | -3.65%              |
| <b>2014</b> | 13.14% | 13.46%            | 11.01%              |
| <b>2013</b> | 41.88% | 32.53%            | 33.24%              |

**DESCRIPTION/OBJECTIVE**

This Separate Account (the "Fund") is advised by LSV Asset Management following their Large Cap Value strategy. It seeks appreciation of capital and to outperform the Russell 1000® Value Index over rolling 3- and 5-year periods, or a full market cycle, whichever is longer.

There is no assurance the objectives will be met.

**Top Five Holdings** As of 06/30/2018

|                      |       |
|----------------------|-------|
| JP MORGAN CHASE & CO | 3.46% |
| JOHNSON & JOHNSON    | 2.86% |
| PFIZER INC           | 2.77% |
| INTEL CORP           | 2.47% |
| CISCO SYSTEMS INC    | 2.41% |

Holdings and Sector allocations are unaudited, ranked as a percentage of equity assets and subject to change without notice.

**Top Five Sectors** As of 06/30/2018

|                        |        |
|------------------------|--------|
| Financials             | 27.62% |
| Health Care            | 14.73% |
| Information Technology | 13.98% |
| Consumer Discretionary | 9.68%  |
| Energy                 | 7.72%  |

**Allocation** As of 06/30/2018



**Characteristics** As of 06/30/2018

|                                    | Fund   | Mandate Benchmark |
|------------------------------------|--------|-------------------|
| Weighted Median Market Cap (\$Bil) | 33.06  | 60.83             |
| Price/Earnings Ratio (Forward)     | 11.47x | 14.62x            |
| Price/Book Ratio                   | 1.88x  | 1.99x             |
| 5-Year Earning Growth Rate (%)     | 9.49   | 10.64             |
| Number of Holdings-Long            | 156    | 729               |

**Performance(%)** As of 06/30/2018

|                        | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund                   | -0.37              | -2.21 | 9.68                         | 8.51   | 11.70  | 9.53    | NA              |
| Mandate Benchmark      | 1.18               | -1.69 | 6.77                         | 8.26   | 10.34  | 8.49    | ---             |
| Secondary Benchmark    | 1.89               | -0.49 | 9.25                         | 8.95   | 10.60  | 8.24    | ---             |
| Morningstar Rating™    |                    |       |                              | ★★★    | ★★★★   | ★★★     |                 |
| # of Funds in Category |                    |       |                              | 1099   | 951    | 686     |                 |

**Fund Fees Reflected in Performance.** All performance results are net of the total expense ratio for this Fund of 0.60%.

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 07/19/2002 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Fees Received by Prudential.** The Fund fees compensate us for the servicing associated with your plan. Other plan investment options may generate less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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**Key Facts**

**INVESTMENT ADVISOR:** Quantitative Management Associates LLC  
**FUND CATEGORY:** Mid Cap Stock-Blend  
**MANDATE BENCHMARK:** S&P Mid Cap 400® Index  
**SECONDARY BENCHMARK:** Lipper Mid Cap Core Funds Index  
**NET ASSETS:** \$254.1 Million  
**INCEPTION DATE:** 12/21/2005  
**NET EXPENSE RATIO (After Contract Charges):** 0.65%  
**OVERALL MORNINGSTAR RATING™:** ★★★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 369  
**PORTFOLIO MANAGER(S):** Devang Gambhirwala

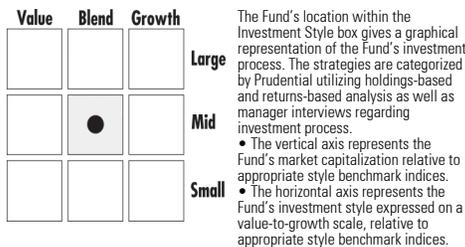
**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

**Investment Style** As of 03/31/2018



**Annual Performance**

|             | Fund   | Mandate Benchmark | Secondary Benchmark |
|-------------|--------|-------------------|---------------------|
| <b>2017</b> | 16.12% | 16.24%            | 15.62%              |
| <b>2016</b> | 20.23% | 20.74%            | 15.94%              |
| <b>2015</b> | 1.79%  | -2.18%            | -3.60%              |
| <b>2014</b> | 11.90% | 9.76%             | 8.88%               |
| <b>2013</b> | 35.02% | 33.50%            | 35.04%              |

**DESCRIPTION/OBJECTIVE**

This Separate Account (the "Fund") is advised by Quantitative Management Associates LLC. The Fund's objective is long-term growth of capital. QMA seeks to outperform the Standard & Poor's (S&P) 400 Index on a before-tax basis by investing in mid-cap companies. It seeks to provide returns in excess of the S&P 400 Index and comparable equity funds over full market cycles.

"Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500" and "500" are registered trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Prudential. The Fund is not sponsored, endorsed, sold, or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the Fund. QMA is the primary business name of Quantitative Management Associates LLC.

There is no assurance the objectives will be met.

*Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.*

**Top Five Holdings** As of 06/30/2018

|                            |       |
|----------------------------|-------|
| LAMB WESTON HLD            | 1.32% |
| STEEL DYNAMICS INC         | 1.29% |
| FORTINET INC               | 1.28% |
| EAST WEST BANCORP INC      | 1.22% |
| WELL CARE HEALTH PLANS INC | 1.20% |

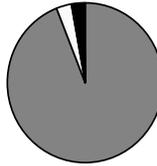
Holdings and Sector allocations are unaudited, ranked as a percentage of equity assets and subject to change without notice.

**Top Five Sectors** As of 06/30/2018

|                        |        |
|------------------------|--------|
| Information Technology | 17.02% |
| Financials             | 15.40% |
| Industrials            | 13.97% |
| Consumer Discretionary | 12.13% |
| Real Estate            | 9.10%  |

**Allocation** As of 06/30/2018

U.S. Equity 94.03%  
 Cash 3.16%  
 International Equity 2.63%  
 0.18%



**Characteristics** As of 06/30/2018

|                                    | Fund   | Mandate Benchmark |
|------------------------------------|--------|-------------------|
| Weighted Median Market Cap (\$Bil) | 5.09   | 5.12              |
| Price/Earnings Ratio (Forward)     | 14.85x | 17.61x            |
| Price/Book Ratio                   | 2.15x  | 2.25x             |
| 5-Year Earning Growth Rate (%)     | 12.24  | 12.48             |
| Number of Holdings-Long            | 217    | 400               |

**Performance(%)** As of 06/30/2018

| Fund                | Cumulative Returns |      | Average Annual Total Returns |        |        |         |                 |
|---------------------|--------------------|------|------------------------------|--------|--------|---------|-----------------|
|                     | QTD                | YTD  | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund                | 2.07               | 0.79 | 10.27                        | 11.21  | 13.38  | 11.51   | NA              |
| Mandate Benchmark   | 4.29               | 3.49 | 13.50                        | 10.89  | 12.69  | 10.78   | ---             |
| Secondary Benchmark | 2.95               | 1.99 | 11.32                        | 8.41   | 11.07  | 9.27    | ---             |

Morningstar Rating™ ★★★★★ ★★★★★ ★★★★★

# of Funds in Category 369 329 232

**Fund Fees Reflected in Performance. All performance results are net of the total expense ratio for this Fund of 0.65%.**

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 12/21/2005 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Fees Received by Prudential.** The Fund fees compensate us for the servicing associated with your plan. Other plan investment options may generate less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedep](http://www.prudential.com/njsedep) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

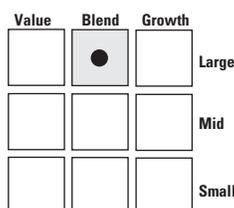
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**Key Facts – Fund**

|                              |   |
|------------------------------|---|
| <b>PLAN SPONSOR:</b>         | New Jersey Defined Contribution Retirement Plan Board |
| <b>FUND CATEGORY:</b>        | Large Cap Blend                                       |
| <b>NET ASSETS:</b>           | \$429.97 Million                                      |
| <b>INCEPTION DATE:</b>       | 9/30/1982   |
| <b>NET EXPENSE RATIO:</b>    | 0.11%   |
| <b>MANDATE BENCHMARK:</b>    | S&P 500 Index   |
| <b>PORTFOLIO MANAGER(S):</b> | New Jersey Division of Investment, (NJDOI)            |

**Investment Style**

As of 06/30/2018



Large

Mid

Small

The Fund is classified based on its long-term performance relative to the benchmark index that most closely resembles its total return stream. This classification process incorporates regression analysis to determine the index to which the Fund's returns have a high "fit" (R<sup>2</sup>).  
 ◆ The vertical axis represents the Fund's market capitalization relative to appropriate style benchmark indexes.  
 ◆ The horizontal axis represents the Fund's investment style expressed on a value-to-growth scale, relative to appropriate style benchmark indexes.

**DESCRIPTION/OBJECTIVE**

The Deferred Compensation - Equity Fund seeks long-term growth of capital consistent with the ownership of equity securities. Investment income is a secondary investment objective.

The Fund will invest primarily in a broad range of equity securities in order to achieve its objective of long-term growth of capital. The Fund's investments may include common stocks, preferred stocks, and convertible securities. While the Fund will primarily invest in companies domiciled in the United States, it may invest in foreign securities which are traded on U.S. stock exchanges. The Fund may also invest up to 25 percent in short-term fixed income securities. In choosing individual securities, the Fund invests in a combination of growth and value stocks and seeks to provide a diversified portfolio.

There is no assurance the objectives will be met.

**The DCP Equity Fund is a plan level fund established by the New Jersey State Employee's Deferred Compensation Plan Board. The New Jersey State Employee's Deferred Compensation Plan Board is solely responsible for (1) selection of the Fund; (2) allocation decisions; and (3) the selection, monitoring and replacement of the Fund's and/or Portfolio's investment manager(s).**

**Top Five Holdings**

As of 06/30/2018

|                            |       |
|----------------------------|-------|
| Apple Inc. ....            | 6.00% |
| Microsoft Corporation .... | 3.80% |
| Amazon.com, Inc. ....      | 3.20% |
| JPMorgan Chase & Co. ....  | 3.10% |
| Johnson ....               | 1.40% |

Holdings and Sector allocations are ranked as a percentage of net assets and subject to change without notice.

**Top Five Sectors**

As of 06/30/2018

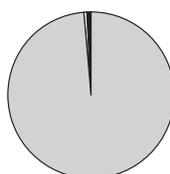
|                              |        |
|------------------------------|--------|
| Technology .....             | 25.10% |
| Financials .....             | 16.20% |
| Consumer Discretionary ..... | 12.50% |
| Health Care .....            | 11.20% |
| Industrials .....            | 10.80% |

**Annual Performance**

|             | Fund   | Mandate Benchmark |
|-------------|--------|-------------------|
| <b>2017</b> | 21.73% | 21.83%            |
| <b>2016</b> | 12.96% | 11.96%            |
| <b>2015</b> | -0.52% | 1.38%             |
| <b>2014</b> | 14.88% | 13.69%            |
| <b>2013</b> | 31.35% | 32.39%            |

**Quality Distribution**

As of 06/30/2018



|                        |        |
|------------------------|--------|
| U.S. Equities          | 97.90% |
| International Equities | 0.40%  |
| Cash                   | 1.70%  |

**Characteristics**

As of 06/30/2018

|  | Fund   | Mandate Benchmark |
|--|--------|-------------------|
| Weighted Geometric Market Cap. (\$Bil) | 90.30  | 104.84            |
| Price/Earnings Ratio (Forward)         | 16.00x | 17.17x            |
| Price/Book Ratio                       | 3.0x   | 3.17x             |
| 5-Year Earnings Growth Rate (%)        | 12.60  | 13.45             |

**Performance (%)**

As of 06/30/2018

|                   | CUMULATIVE RETURNS |      | AVERAGE ANNUAL TOTAL RETURNS |        |        |         |   | Since Inception |
|-------------------|--------------------|------|------------------------------|--------|--------|---------|---|-----------------|
|                   | Quarter            | YTD  | 1 Year                       | 3 Year | 5 Year | 10 Year |   |                 |
| Fund              | 2.35               | 1.30 | 12.99                        | 10.88  | 13.01  | 10.24   | — |                 |
| Mandate Benchmark | 3.43               | 2.65 | 14.37                        | 11.93  | 13.42  | 10.17   | — |                 |

**Fund Fees Reflected in Performance.** The Separate Account was established September 30, 1982. Results are net of the highest total expense ratio for this Fund (0.11%). The Fund may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund.

**The Separate Account.** Your retirement plan purchases units of a Separate Account established and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Fees Received by Prudential.** The Fund fees compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

For current performance or additional information, go to [www.prudential.com/njseDCP](http://www.prudential.com/njseDCP) or call toll-free at 1-866-NJSEDCP (1-866-657-3327).

Separate Accounts are insurance products issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

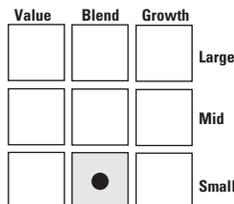
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**Key Facts – Fund**

|                              |   |
|------------------------------|---|
| <b>PLAN SPONSOR:</b>         | New Jersey Defined Contribution Retirement Plan Board |
| <b>FUND CATEGORY:</b>        | Small Cap Blend                                       |
| <b>NET ASSETS:</b>           | \$147.23 Million                                      |
| <b>INCEPTION DATE:</b>       | 2/28/1997   |
| <b>NET EXPENSE RATIO:</b>    | 0.11%   |
| <b>MANDATE BENCHMARK:</b>    | Russell 2000 Index                                    |
| <b>PORTFOLIO MANAGER(S):</b> | New Jersey Division of Investment, (NJDOI)            |

**Investment Style**

As of 06/30/2018



The Fund is classified based on its long-term performance relative to the benchmark index that most closely resembles its total return stream. This classification process incorporates regression analysis to determine the index to which the Fund's returns have a high "fit" (R<sup>2</sup>).  
 ◆ The vertical axis represents the Fund's market capitalization relative to appropriate style benchmark indexes.  
 ◆ The horizontal axis represents the Fund's investment style expressed on a value-to-growth scale, relative to appropriate style benchmark indexes.

**DESCRIPTION/OBJECTIVE**

The Deferred Compensation – Small Capitalization Fund seeks long-term growth of capital consistent with the ownership of small capitalization securities.

The Fund will invest primarily in a broad range of small capitalization equity securities in order to achieve its objective of long-term growth of capital. The Fund will purchase securities issued by companies which are designated as small capitalization stocks by the Division (and generally are those included in the Russell 2000 Index or similar sized companies). The Fund's investments may include common stocks, preferred stocks, and convertible securities. The Fund may also invest up to 25 percent in short-term fixed income securities.

There is no assurance the objectives will be met.

*Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.*

**The DCP Small Cap Equity Fund is a plan level fund established by the New Jersey State Employee's Deferred Compensation Plan Board. The New Jersey State Employee's Deferred Compensation Plan Board is solely responsible for (1) selection of the Fund; (2) allocation decisions; and (3) the selection, monitoring and replacement of the Fund's and/or Portfolio's investment manager(s).**

**Top Five Holdings**

As of 06/30/2018

|                              |       |
|------------------------------|-------|
| PetIQ, Inc                   | 0.95% |
| Freshpet Inc                 | 0.93% |
| EPR Properties               | 0.88% |
| Atlas Air Worldwide Holdings | 0.83% |
| Forward Air Corporation      | 0.80% |

*Holdings and Sector allocations are ranked as a percentage of net assets and subject to change without notice.*

**Top Five Sectors**

As of 06/30/2018

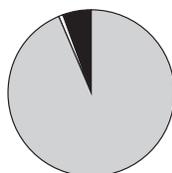
|                        |        |
|------------------------|--------|
| Industrials            | 20.60% |
| Financials             | 16.50% |
| Information Technology | 16.50% |
| Health Care            | 12.30% |
| Consumer Discretionary | 8.90%  |

**Annual Performance**

|             | Fund   | Mandate Benchmark |
|-------------|--------|-------------------|
| <b>2017</b> | 11.45% | 14.65%            |
| <b>2016</b> | 9.15%  | 21.31%            |
| <b>2015</b> | -1.86% | -4.42%            |
| <b>2014</b> | 12.02% | 4.89%             |
| <b>2013</b> | 39.52% | 38.82%            |

**Quality Distribution**

As of 06/30/2018



|                        |        |
|------------------------|--------|
| U.S. Equities          | 99.40% |
| International Equities | 0.20%  |
| Cash                   | 0.40%  |

**Characteristics**

As of 06/30/2018

|                                     | Fund   | Mandate Benchmark |
|-------------------------------------|--------|-------------------|
| Weighted Median Market Cap. (\$Bil) | 1.78   | 2.09              |
| Price/Earnings Ratio (Forward)      | 15.00x | 17.48x            |
| Price/Book Ratio                    | 1.80x  | 2.18x             |
| 5-Year Earning Growth Rate (%)      | 14.20  | 13.56             |
| Number of Holdings                  | N/A    | 2021              |

**Performance (%)**

As of 06/30/2018

|                   | CUMULATIVE RETURNS |      | AVERAGE ANNUAL TOTAL RETURNS |        |        |         |                 |
|-------------------|--------------------|------|------------------------------|--------|--------|---------|-----------------|
|                   | Quarter            | YTD  | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund              | 5.41               | 1.67 | 10.23                        | 4.72   | 10.25  | 8.69    | —               |
| Mandate Benchmark | 7.75               | 7.66 | 17.57                        | 10.96  | 12.46  | 10.60   | —               |

**Fund Fees Reflected in Performance.** The Separate Account was established February 28, 1997. Results are net of the highest total expense ratio for this Fund (0.11%). The Fund may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund.

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**Fees Received by Prudential.** The Fund fees compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

For current performance or additional information, go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

Separate Accounts are insurance products issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

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# New Jersey State Employees Deferred Compensation Plan Stable Value Fund

Second Quarter 2018  
Fund Fact Sheet

## Key Facts

**NET ASSETS:** \$1100.22 Million<sup>5</sup>  
**INCEPTION DATE:** January 1, 2006<sup>6</sup>

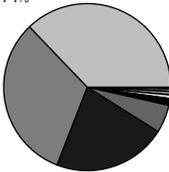
## Guaranteed Interest Crediting Rates

| PERIOD              | CREDITING RATE |
|---------------------|----------------|
| 07/01/18 - 09/30/18 | 2.33%          |

Currently an interest-crediting rate is declared prior to the start of each period and is guaranteed until the end of that period. Balances are credited with interest daily at the interest-crediting rate in effect for that period. Crediting rates for any period can be higher or lower than crediting rates for any previous period. **The Crediting Rate is stated as an annual effective interest crediting rate and is net a total fee of 0.49%. The minimum guaranteed rate is 0.00%.**

## Fund<sup>3</sup> Allocation As of 6/30/2018

|                                       |        |
|---------------------------------------|--------|
| Mortgage-Backed Securities            | 31.94% |
| Investment Grade Corporate            | 21.97% |
| Treasuries                            | 37.15% |
| Commercial Mortgage-Backed Securities | 5.42%  |
| Agencies                              | 1.32%  |
| Emerging Debt                         | 0.7%   |
| Asset Backed Securities               | 0.36%  |
| Other*                                | 0.69%  |
| Cash & Equivalents                    | 0.45%  |



\*Other Includes: Swaps, Non-US Govt. Related, and Municipal

Allocations are subject to change.

## Additional Fund Information As of 6/30/2018

**Portfolio Duration:** 4.34 Years<sup>7</sup>  
**Number of Holdings:** 853  
**Investment Manager:** Prudential Trust Company  
**Investment Adviser:** PGIM<sup>8</sup>

## Quality Distribution<sup>4</sup>

|              |             |
|--------------|-------------|
| AAA          | 76.8%       |
| AA           | 2.1%        |
| A            | 9.8%        |
| BBB          | 11%         |
| Cash*        | 0.3%        |
| <b>TOTAL</b> | <b>100%</b> |

\*Cash does not include cash equivalents. Cash equivalents are included in respective rating categories above.

## Investment Objective

The Stable Value Fund is designed to provide plan participants with safety of principal and competitive, stable guaranteed returns.<sup>1</sup>

## Features

- The guaranteed interest rate is declared in advance, is reset quarterly, and is net of fund management fees
- Preservation of capital plus competitive intermediate-term returns
- Principal and accumulated interest are fully guaranteed by The Prudential Insurance Company of America<sup>2</sup>
- Daily liquidity for your contributions, transfers and withdrawals<sup>1</sup>
- Well-diversified high-quality fixed income portfolio

## Investor Profile

- Investors seeking income and safety of principal
- Investors seeking a fixed income investment to balance the risks of a diversified portfolio

## Performance<sup>9</sup> (%)

As of 6/30/2018

|                   | ANNUALIZED RETURNS |         |      |        |        |        |         |                 |
|-------------------|--------------------|---------|------|--------|--------|--------|---------|-----------------|
|                   | 1 Month            | Quarter | YTD  | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| Stable Value Fund | 0.19               | 0.57    | 1.12 | 2.25   | 2.28   | 2.37   | 3.23    | N/A             |

<sup>1</sup> The Stable Value Fund is a combination of a group annuity contract issued by The Prudential Insurance Company of America (PICA), Newark, NJ 07102 and an investment in the Prudential Core Conservative Intermediate Bond Fund of Prudential Trust Company's Collective Trust (the "Fund") as described below. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the plan's investment in the Fund and, if such investment is not sufficient, by the full faith and credit of PICA. The obligations of PICA and the plan's investment in the Fund are not insured by the FDIC or any other federal governmental agency. The interest rate credited on contract balances is reset pursuant to a formula contained in the group annuity contract. Past interest rates are not indicative of future rates. This product is not a mutual fund. Contract form # GPA-200-WRAP-2004 or state variation thereof.

Prudential Retirement is compensated in connection with this product by collecting a fee which provides payment for risk, recordkeeping and distribution services from the plan's investment in the Fund. We may also collect fees on behalf of Prudential Trust Company. Prudential Retirement may use a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses, or to compensate unaffiliated third-party plan service providers. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

<sup>2</sup> The Prudential Insurance Company of America is a Prudential Financial company.

<sup>3</sup> The Fund is the Prudential Core Conservative Intermediate Bond Fund. This commingled fund is for qualified investors and is part of the Prudential Trust Company Collective Trust. The Collective Trust was formed to invest collectively and manage the assets of pension, profit-sharing, defined benefit or other qualified retirement plans exempt from taxation under the Internal Revenue Code of 1986, as amended. The Collective Trust has separate investment funds. Prudential Trust Company is the trustee and manager of these funds. Prudential Trust Company, a Pennsylvania banking corporation, is located in Scranton, Pennsylvania and is an indirect subsidiary of Prudential Financial, Inc. Prudential Trust Company has employed PGIM to advise the Fund. PGIM is a registered investment adviser and a Prudential Financial company. Funds in the Prudential Trust Company Collective Trust may only be offered and sold by a Prudential Trust Company Sales Officer.

<sup>4</sup> Middle of S&P, Moody's, and Fitch Ratings.

<sup>5</sup> Net assets represent the sum of participant balances on deposit in this plan's stable value investment option.

<sup>6</sup> Inception date is the date on which this plan's stable value investment option first became available for deposits.

<sup>7</sup> Duration is a time measure (in years) of a fixed income security's interest-rate sensitivity. Average duration is a weighted average of the duration of the underlying fixed-income securities within the portfolio.

<sup>8</sup> PGIM is a Prudential Financial company. PGIM is a registered investment adviser.

<sup>9</sup> Performance is based on the historical crediting rates applied to balances on deposit in this plan's stable value investment option and is net of total fees. Past performance is not indicative of future performance and short periods of performance may be particularly unrepresentative of long-term performance. Products not available in all states.

For informational or educational purposes only. This material is not intended as advice or recommendation about investing or managing your retirement savings. By sharing it, Prudential Retirement is not acting as your fiduciary as defined by the Department of Labor's Fiduciary rule or otherwise. If you need investment advice, please consult with a qualified professional.

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◆ For current performance or additional information, go to: [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free at 1-866-NJSEDCP (1-866-657-3327).

**Key Facts**

**INVESTMENT ADVISOR:** OFI Global Asset Management, Inc.  
**FUND CATEGORY:** Diversified Emerging Mkts  
**INDEX:** MSCI EM NR USD@  
**NET ASSETS:** \$18,163.6 Million  
**INCEPTION DATE:** 9/7/2005  
**TICKER SYMBOL:** ODVYX  
**GROSS EXPENSE RATIO:** 1.07% of Fund Assets  
**OVERALL MORNINGSTAR RATING™:** ★★★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 688  
**PORTFOLIO MANAGER(S):** Justin M. Leverenz CFA  
**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this fund only; other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

**Annual Performance**

|             | <b>Mutual Fund*</b> | <b>Index</b> |
|-------------|---------------------|--------------|
| <b>2017</b> | 35.10%              | 37.28%       |
| <b>2016</b> | 7.17%               | 11.19%       |
| <b>2015</b> | -13.84%             | -14.92%      |
| <b>2014</b> | -4.55%              | -2.19%       |
| <b>2013</b> | 8.68%               | -2.60%       |

**DESCRIPTION/OBJECTIVE**

The investment seeks capital appreciation. The fund mainly invests in common stocks of issuers in developing and emerging markets throughout the world and at times it may invest up to 100% of its total assets in foreign securities. Under normal market conditions, it will invest at least 80% of its net assets, plus borrowings for investment purposes, in equity securities of issuers whose principal activities are in a developing market, i.e. are in a developing market or are economically tied to a developing market country. The fund will invest in at least three developing markets. There is no assurance the objectives will be met.

*Investing in emerging markets is generally riskier than investing in foreign securities. Emerging market countries may have unstable governments and/or economies that are subject to sudden change. These changes may be magnified by the countries' emergent financial markets, resulting in significant volatility to investments in these countries. These countries may also lack the legal, business and social framework to support securities markets.*

**Top Five Holdings** As of 05/31/2018

|  |       |
|--|-------|
| Alibaba Group Holding Ltd ADR .....            | 5.83% |
| Taiwan Semiconductor Manufacturing Co Lt ..... | 5.23% |
| Tencent Holdings Ltd .....                     | 4.91% |
| Master China Series 1 .....                    | 3.96% |
| NOVATEK PJSC GDR .....                         | 3.35% |

**Top Five Countries** As of 05/31/2018

|                   |        |
|-------------------|--------|
| China .....       | 23.72% |
| India .....       | 11.91% |
| South Korea ..... | 9.31%  |
| Russia .....      | 7.43%  |
| France .....      | 6.29%  |

Holdings and Country allocations are ranked as a percentage of net assets and subject to change without notice.

**Allocation** As of 05/31/2018



**Characteristics** As of 05/31/2018

|  | <b>Mutual Fund Index</b> |        |
|--|--------------------------|--------|
| Weighted Geometric Market Cap. (\$Bil) | 42.97                    | 31.21  |
| Price/Earnings Ratio (Forward)         | 17.05x                   | 10.66x |
| Price/Book Ratio                       | 2.7x                     | 1.47x  |
| 3-Year Earnings Growth Rate (%)        | 19.71                    | 16.44  |
| Number of Holdings-Long                | 97                       | 1138   |

**Performance(%)** As of 06/30/2018

|              | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|--------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|              | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Mutual Fund* | -4.03              | -1.16 | 12.46                        | 7.40   | 5.86   | 5.67    | NA              |
| Index        | -7.96              | -6.66 | 8.20                         | 5.60   | 5.01   | 2.26    | ---             |

Morningstar Rating™

★★★★ ★★★★★ ★★★★★

# of Funds in Category

688 489 203

**\*Fees that Prudential Retirement and its affiliates receive in connection with plan investments in this fund include an annual sub-accounting and/or servicing fee of up to 0.30%.**

Such fees, if applicable to this fund, compensate Prudential Retirement for selling the fund's shares and servicing your retirement plan. The fund's expense ratio includes these fees. Other investment options may generate more or less revenue than the fees associated with this fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other share classes of this fund may have a lower expense ratio, but your plan's investment options do not include such shares to compensate us for distribution and plan servicing.

**Performance:** The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). These performance results represent the change in net asset value of an investment over a stated period, assuming the reinvestment of dividends and capital gain distributions.

**Market Timing:** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the fund have policies to detect and deter exchanges that may be abusive. Those policies may require us to modify or suspend purchase or exchange privileges.

**Prospectus:** Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-866-NJSEDCP (1-866-657-3327) for a free prospectus and if available, a summary prospectus that contain this and other information about the mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. It is possible to lose money when investing in securities.

Benchmark indices are unmanaged and cannot be invested in directly. See User Guide for index definitions.

Securities products and services are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njseDCP](http://www.prudential.com/njseDCP) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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**Key Facts**

**INVESTMENT ADVISOR:** Pacific Investment Management Co LLC  
**FUND CATEGORY:** Tactical Allocation  
**INDEX:** Morningstar Mod Agg Tgt Risk TR USD@  
**NET ASSETS:** \$17,051.9 Million  
**INCEPTION DATE:** 7/31/2002  
**TICKER SYMBOL:** PAAIX  
**GROSS EXPENSE RATIO:** 1.06% of Fund Assets  
**OVERALL MORNINGSTAR RATING™:** ★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 248  
**PORTFOLIO MANAGER(S):** Robert D. Arnott; Christopher J. Brightman CFA

Overall Morningstar Rating as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this fund only; other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio make-ups or investment strategies.

**Annual Performance**

|             | Mutual Fund* | Index  |
|-------------|--------------|--------|
| <b>2017</b> | 13.98%       | 18.89% |
| <b>2016</b> | 13.34%       | 10.21% |
| <b>2015</b> | -8.72%       | -2.40% |
| <b>2014</b> | 0.80%        | 4.97%  |
| <b>2013</b> | 0.77%        | 20.18% |

**DESCRIPTION/OBJECTIVE**

The investment seeks maximum real return, consistent with preservation of real capital and prudent investment management. The fund is a "fund of funds," which is a term used to describe mutual funds that pursue their investment objective by investing in other funds. It seeks to achieve its investment objective by investing substantially all of its assets in the least expensive class of shares of any actively managed or smart beta funds (including mutual funds or exchange-traded funds) of the Trust, or PIMCO ETF Trust or PIMCO Equity Series, each an affiliated open-end investment company, except other funds of funds. It is non-diversified. There is no assurance the objectives will be met.

Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

**Top Five Holdings**

As of 03/31/2018

|                                       |        |
|---------------------------------------|--------|
| PIMCO Emerging Markets Currency Instl | 13.86% |
| PIMCO RAE Fundamental PLUS EMG Inst   | 7.92%  |
| PIMCO Emerging Local Bond Instl       | 6.69%  |
| PIMCO Income Instl                    | 6.56%  |
| PIMCO RAE Fundamental EMkts Instl     | 5.45%  |

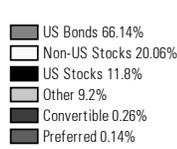
**Top Five Sectors**

Data Not Available

Holdings and Sector allocations are ranked as a percentage of net assets and subject to change without notice.

**Allocation**

As of 03/31/2018



**Characteristics**

As of 03/31/2018

|  | Mutual Fund Index |        |
|--|-------------------|--------|
| Weighted Geometric Market Cap. (\$Bil) | NA                | 29.32  |
| Price/Earnings Ratio (Forward)         | 10.85x            | 15.08x |
| Price/Book Ratio                       | 1.17x             | 2.02x  |
| 3-Year Earnings Growth Rate (%)        | NA                | 10.76  |
| Number of Holdings-Long                | 33                | 17     |

**Performance(%)**

As of 06/30/2018

|                        | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Mutual Fund*           | -2.37              | -2.10 | 4.24                         | 4.95   | 3.94   | 5.09    | NA              |
| Index                  | 0.76               | -0.03 | 9.33                         | 7.82   | 8.60   | 7.06    | ---             |
| Morningstar Rating™    |                    |       |                              | ★★★    | ★★★    | ★★★     |                 |
| # of Funds in Category |                    |       |                              | 248    | 185    | 77      |                 |

**\*Prudential Retirement and its affiliates do not receive finder's fees, 12b-1, sub-accounting or servicing fees in connection with plan investments in this fund.**

Such fees, if applicable to this fund, compensate Prudential Retirement for selling the fund's shares and servicing your retirement plan. The fund's expense ratio includes these fees. Other investment options may generate more or less revenue than the fees associated with this fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other share classes of this fund may have a lower expense ratio, but your plan's investment options do not include such shares to compensate us for distribution and plan servicing.

**Performance:** The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). These performance results represent the change in net asset value of an investment over a stated period, assuming the reinvestment of dividends and capital gain distributions.

**Market Timing:** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the fund have policies to detect and deter exchanges that may be abusive. Those policies may require us to modify or suspend purchase or exchange privileges.

**Prospectus:** Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-866-NJSEDCP (1-866-657-3327) for a free prospectus and if available, a summary prospectus that contain this and other information about the mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. It is possible to lose money when investing in securities.

Benchmark indices are unmanaged and cannot be invested in directly. See User Guide for index definitions.

Securities products and services are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

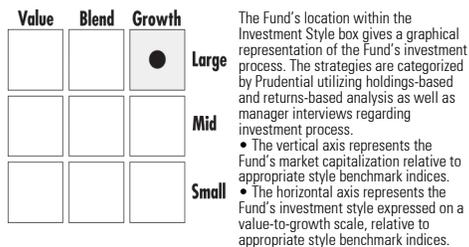
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**Key Facts**

**INVESTMENT ADVISOR:** Polen Capital Management  
**FUND CATEGORY:** Large Cap Stock-Growth  
**MANDATE BENCHMARK:** Russell 1000™ Growth Index  
**NET ASSETS:** \$254.3 Million  
**INCEPTION DATE:** 03/06/2012  
**NET EXPENSE RATIO (After Contract Charges):** 0.64%  
**PORTFOLIO MANAGER(S):** Dan Davidowitz

**Investment Style**

As of 03/31/2018



**DESCRIPTION/OBJECTIVE**

This Separate Account (the "Fund") is sub-advised by Polen Capital Management. The investment objective of the large cap growth product is to consistently outperform the broader market and most other managers over the long-term, while incurring only moderate risk.

The typical investment will have a market capitalization above \$5 billion. The portfolio is constructed from the bottom-up through rigorous fundamental research typically holding approximately 20 quality businesses in the portfolio. Positions are entered slowly, originally purchasing a 2-3% position, eventually raising the weighting to a normal 5-6% weighting. Typically an individual position will not be larger than 10% of the portfolio or any sector greater than 50%. The portfolio has historically had no exposure to the Materials, Utilities, Telecom, and Energy sectors because the companies within these sectors tend to be capital intensive and cyclical businesses which do not meet Polen's strict requirements on consistency of earnings, free cash flow growth and steady high returns on invested capital. Historically, the portfolio has been overweight in Healthcare and Technology, but always constructed in a way that the underlying companies that are held in these sectors are driven by different factors.

There is no assurance the objectives will be met.

**Top Five Holdings**

As of 06/30/2018

|                |       |
|----------------|-------|
| Alphabet       | 9.07% |
| Microsoft Corp | 8.31% |
| Adobe Systems  | 8.26% |
| Visa           | 6.76% |
| NIKE           | 6.32% |

Holdings and Sector allocations are unaudited, ranked as a percentage of equity assets and subject to change without notice.

**Top Five Sectors**

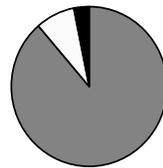
As of 06/30/2018

|                        |        |
|------------------------|--------|
| Information Technology | 59.39% |
| Consumer Discretionary | 21.17% |
| Health Care            | 13.18% |
| Cash                   | 3.17%  |
| Consumer Staples       | 3.09%  |

**Allocation**

As of 06/30/2018

Domestic Stocks 88.71%  
 International Stocks 8.12%  
 Cash 3.17%



**Characteristics**

As of 06/30/2018

|                                    | Fund   | Mandate Benchmark |
|------------------------------------|--------|-------------------|
| Weighted Median Market Cap (\$Bil) | 119.57 | 105.85            |
| Price/Earnings Ratio (Forward)     | 30.11x | 21.48x            |
| Price/Book Ratio                   | 13.31x | NA                |
| 5-Year Earning Growth Rate (%)     | 13.00  | 16.70             |
| Number of Holdings-Long            | 20     | NA                |

**Annual Performance**

|             | Fund   | Mandate Benchmark |
|-------------|--------|-------------------|
| <b>2017</b> | 26.95% | 30.21%            |
| <b>2016</b> | 1.08%  | 7.08%             |
| <b>2015</b> | 14.98% | 5.68%             |
| <b>2014</b> | 16.63% | 13.06%            |
| <b>2013</b> | 22.82% | 33.48%            |

**Performance(%)**

As of 06/30/2018

|                   | Cumulative Returns |       |        | Average Annual Total Returns |        |         |                 |
|-------------------|--------------------|-------|--------|------------------------------|--------|---------|-----------------|
|                   | QTD                | YTD   | 1 Year | 3 Year                       | 5 Year | 10 Year | Since Inception |
| Fund              | 8.92               | 12.49 | 22.74  | 16.20                        | 18.07  | ---     | 15.48           |
| Mandate Benchmark | 5.76               | 7.25  | 22.51  | 14.98                        | 16.36  | ---     | ---             |

Morningstar Rating™

# of Funds in Category

**Fund Fees Reflected in Performance. All performance results are net of the total expense ratio for this Fund of 0.64%.**

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 03/06/2012 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Fees Received by Prudential.** The Fund fees compensate us for the servicing associated with your plan. Other plan investment options may generate less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

**Prudential Retirement's Role.** This fund is not part of Prudential Retirement's Manager of Managers Program and Prudential Retirement does not assume any responsibility for the plan's decision to invest in the funds, to monitor their performance or to provide information regarding the funds. Each of those is the sole responsibility of the plan. To the extent Prudential Retirement provides such information, it makes no warranty as to the accuracy of such information and makes no undertaking to continue to provide such information unless Prudential Retirement agrees to continue to provide such information in writing.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedcp](http://www.prudential.com/njsedcp) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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# Small Cap Growth / RBC Fund

## A Manager of Managers Institutional Sub-Advised Separate Account

Second Quarter 2018  
Fund Fact Sheet

### Key Facts

**INVESTMENT ADVISOR:** RBC Global Asset Management (U.S.) Inc.  
**FUND CATEGORY:** Small Cap Stock-Growth  
**MANDATE BENCHMARK:** Russell 2000™ Growth Index  
**SECONDARY BENCHMARK:** Lipper Small Cap Growth Funds Index  
**NET ASSETS:** \$413.7 Million  
**INCEPTION DATE:** 03/28/2002  
**NET EXPENSE RATIO (After Contract Charges):** 0.89%  
**OVERALL MORNINGSTAR RATING™:** ★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 606  
**PORTFOLIO MANAGER(S):** Kenneth A. Tyszko; Richard J. Drage

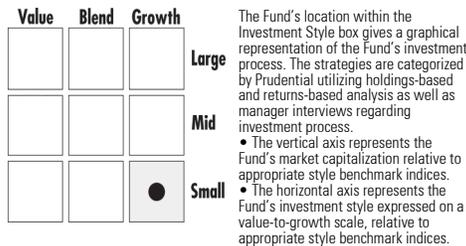
**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

### Morningstar Volatility Rank As of 06/30/2018



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

### Investment Style As of 03/31/2018



### Annual Performance

|      | Fund   | Mandate Benchmark | Secondary Benchmark |
|------|--------|-------------------|---------------------|
| 2017 | 10.49% | 22.17%            | 24.77%              |
| 2016 | 14.50% | 11.32%            | 8.19%               |
| 2015 | 0.87%  | -1.38%            | -1.15%              |
| 2014 | -0.11% | 5.62%             | 1.98%               |
| 2013 | 45.40% | 43.30%            | 40.99%              |

### DESCRIPTION/OBJECTIVE

This Separate Account (the "Fund") is advised by RBC Global Asset Management (U.S.) Inc. according to its Small Cap Growth Equity Strategy. It aims to outperform the Russell 2000 Growth Index over the long term by applying a conservative approach to investing a diversified portfolio of profitable, high-quality, small cap growth companies. The fundamental, bottom-up research process seeks to pinpoint industry leading companies with predictable and sustainable earnings growth run by strong management teams who can consistently grow revenue and earnings over a multi-year period.

There is no assurance the objectives will be met.

*Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.*

### ACCOUNT NOTE

Effective on or about 9/21/18, Wellington Management Company, LLP. will replace RBC Global Asset Management (U.S.) Inc. as sub-adviser for the Fund. Consequently, the Fund will be renamed Small Cap Growth / Wellington Fund.

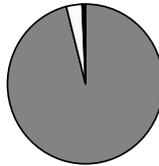
### Top Five Holdings As of 06/30/2018

|                             |       |
|-----------------------------|-------|
| NEOGEN CORP                 | 2.77% |
| FIRSTCASH INC               | 2.46% |
| HAEMONETICS CORP            | 2.23% |
| BALCHEM CORP                | 2.13% |
| BOTTOMLINE TECHNOLOGIES INC | 2.09% |

Holdings and Sector allocations are unaudited, ranked as a percentage of equity assets and subject to change without notice.

### Allocation As of 06/30/2018

U.S. Equity 96.04%  
 International Equity 3.29%  
 Cash 0.67%



### Top Five Sectors As of 06/30/2018

|                        |        |
|------------------------|--------|
| Information Technology | 25.07% |
| Industrials            | 22.23% |
| Health Care            | 21.74% |
| Financials             | 9.70%  |
| Consumer Discretionary | 8.70%  |

### Characteristics As of 06/30/2018

|                                    | Fund   | Mandate Benchmark |
|------------------------------------|--------|-------------------|
| Weighted Median Market Cap (\$Bil) | 2.48   | 2.29              |
| Price/Earnings Ratio (Forward)     | 25.41x | 21.10x            |
| Price/Book Ratio                   | 3.29x  | 4.30x             |
| 5-Year Earning Growth Rate (%)     | 15.21  | 17.13             |
| Number of Holdings-Long            | 77     | 1225              |

### Performance(%) As of 06/30/2018

|                        | Cumulative Returns |       | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|-------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD   | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund                   | 9.28               | 11.57 | 19.17                        | 10.79  | 11.66  | 8.85    | NA              |
| Mandate Benchmark      | 7.23               | 9.70  | 21.86                        | 10.60  | 13.65  | 11.24   | ---             |
| Secondary Benchmark    | 7.90               | 12.37 | 26.33                        | 11.71  | 13.22  | 10.64   | ---             |
| Morningstar Rating™    |                    |       | ★★★                          | ★★★    | ★★     |         |                 |
| # of Funds in Category |                    |       | 606                          | 534    | 404    |         |                 |

**Fund Fees Reflected in Performance.** All performance results are net of the total expense ratio for this Fund of 0.89%.

**The Separate Account.** Your retirement plan purchases units of a Separate Account established 03/28/2002 and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford CT. The Separate Account holds the investment securities, and associated voting rights belong to the Separate Account. Pursuant to CFTC Rule 4.5, PRIAC has **claimed an exclusion from registration** as a commodity pool operator with respect to the Fund.

**Fees Received by Prudential.** The Fund fees compensate us for the servicing associated with your plan. Other plan investment options may generate less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities.

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions and refer to the section entitled "Separate Account or Custom Plan Investment Options" for a description of PRIAC's role related to the type of fund described in this Fact Sheet.

For additional information about the investment options available through your plan, please go to [www.prudential.com/njsedep](http://www.prudential.com/njsedep) or call toll-free 1-866-NJSEDCP (1-866-657-3327).

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**Small Cap Value / TBCAM Fund**  
**A Manager of Managers Institutional Sub-Advised Separate Account**

**Second Quarter 2018**  
**Fund Fact Sheet**

**Key Facts**

**INVESTMENT ADVISOR:** The Boston Company Asset Management, LLC  
**FUND CATEGORY:** Small Cap Stock-Value  
**MANDATE BENCHMARK:** Russell 2000™ Value Index  
**SECONDARY BENCHMARK:** Lipper Small Cap Value Funds Index  
**NET ASSETS:** \$207.5 Million  
**INCEPTION DATE:** 12/15/2004  
**NET EXPENSE RATIO (After Contract Charges):** 0.94%  
**OVERALL MORNINGSTAR RATING™:** ★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 358  
**PORTFOLIO MANAGER(S):** Joseph M. Corrado

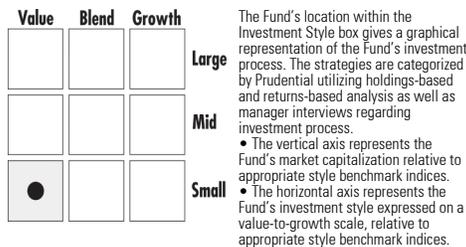
**Overall Morningstar Rating** as of quarter ending 06/30/2018. The Morningstar Rating shown is for the share class of this Fund only and assumes no contract charges are imposed. Other classes may have different performance characteristics. ©2018 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 06/30/2018



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

**Investment Style** As of 03/31/2018



**Annual Performance**

|             | Fund   | Mandate Benchmark | Secondary Benchmark |
|-------------|--------|-------------------|---------------------|
| <b>2017</b> | 10.53% | 7.84%             | 9.69%               |
| <b>2016</b> | 26.45% | 31.74%            | 27.00%              |
| <b>2015</b> | -5.97% | -7.47%            | -7.16%              |
| <b>2014</b> | 2.38%  | 4.22%             | 3.06%               |
| <b>2013</b> | 36.38% | 34.52%            | 35.26%              |

**DESCRIPTION/OBJECTIVE**

The Separate Account (the "Fund") is advised by The Boston Company Asset Management, LLC ("TBCAM"), effective 05/2010. The Fund is managed pursuant to their small-capitalization value investment strategy, investing primarily in the common stock of U.S. small capitalization stocks. It seeks to outperform the Russell 2000 Value Index over a full market cycle by investing primarily in U.S. small capitalization stocks.

There is no assurance the objectives will be met.

*Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.*

**Top Five Holdings** As of 06/30/2018

|                                |       |
|--------------------------------|-------|
| WEBSTER FINANCIAL CORP .....   | 2.11% |
| UNITED NATURAL FOODS INC ..... | 1.68% |
| BOSTON BEER COMPANY INC .....  | 1.61% |
| CIENA CORP .....               | 1.44% |
| CHEESECAKE FACTORY .....       | 1.42% |

Holdings and Sector allocations are unaudited, ranked as a percentage of equity assets and subject to change without notice.

**Top Five Sectors** As of 06/30/2018

|                              |        |
|------------------------------|--------|
| Financials .....             | 21.84% |
| Industrials .....            | 16.21% |
| Consumer Discretionary ..... | 13.91% |
| Information Technology ..... | 12.08% |
| Real Estate .....            | 8.33%  |

**Allocation** As of 06/30/2018



**Characteristics** As of 06/30/2018

|                                    | Fund   | Mandate Benchmark |
|------------------------------------|--------|-------------------|
| Weighted Median Market Cap (\$Bil) | 2.47   | 1.93              |
| Price/Earnings Ratio (Forward)     | 18.21x | 15.16x            |
| Price/Book Ratio                   | 2.03x  | 1.46x             |
| 5-Year Earning Growth Rate (%)     | 14.60  | 9.77              |
| Number of Holdings-Long            | 136    | 1364              |

**Performance(%)** As of 06/30/2018

|                        | Cumulative Returns |      | Average Annual Total Returns |        |        |         |                 |
|------------------------|--------------------|------|------------------------------|--------|--------|---------|-----------------|
|                        | QTD                | YTD  | 1 Year                       | 3 Year | 5 Year | 10 Year | Since Inception |
| Fund                   | 8.88               | 7.34 | 16.45                        | 11.47  | 11.52  | 8.15    | NA              |
| Mandate Benchmark      | 8.30               | 5.44 | 13.10                        | 11.22  | 11.18  | 9.88    | ---             |
| Secondary Benchmark    | 5.74               | 3.11 | 12.22                        | 9.56   | 10.26  | 9.62    | ---             |
| Morningstar Rating™    |                    |      |                              | ★★★★   | ★★★★   | ★★      |                 |
| # of Funds in Category |                    |      |                              | 358    | 316    | 220     |                 |

**Fund Fees Reflected in Performance.** All performance results are net of the total expense ratio for this Fund of 0.94%.

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**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NJSEDCP (1-866-657-3327). Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities.

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## Index

**Bloomberg Barclays U.S. Aggregate Bond Index:** This index covers the U.S. investment-grade fixed-rate bond market (measuring bonds with maturities of at least one year) with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**Russell Midcap® Index:** A market capitalization-weighted index that measures the performance of the 800 smallest companies in the Russell 1000® Index, representing approximately 30% of the total market capitalization of the Russell 1000 Index.

**Russell 2000® Index:** A market capitalization-weighted index that measures the performance of the 2,000 smallest companies in the Russell 3000® Index, representing approximately 8% of the total market capitalization of the Russell 3000 Index.

**MSCI EAFE Index (net):** A market capitalization-weighted index comprised of companies representative of the market structure of 21 developed market countries in Europe, Australia and the Far East. The MSCI EAFE Index is available in both local currency and U.S. dollar terms. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**Russell Top 200® Index:** The Russell Top 200 Index measures the performance of the largest cap segment of the U.S. equity universe. The Russell Top 200 is a subset of the Russell 3000 Index. It includes approximately 200 of the largest securities based on a combination of their market capitalization and current index membership, representing approximately 68% of the U.S. market.

**5-Year Treasury Average Yield:** The average daily treasury yield for U.S. Treasury Notes with a maturity of five years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).



# Prudential

**Prudential Retirement**  
200 Wood Avenue South  
Iselin, NJ 08830

## YOUR FUTURE IN FOCUS

Shares of the registered mutual funds are offered by Prudential Investment Management Services LLC (PIMS), Newark, NJ. PIMS is a Prudential Financial company. Retirement counselors are registered representatives of PIMS.

Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

Neither Prudential Financial nor any of its representatives are tax or legal advisors. You are encouraged to consult your individual legal or tax advisor with any specific questions.

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