



PGIM

The Global Investment Management
Businesses of Prudential Financial, Inc.

DAVID HUNT
PRESIDENT & CEO
PGIM



KEY MESSAGES



- PGIM is strongly positioned as a diversified global active asset manager with a distinct multi-manager model
- Our business has robust underlying fundamentals and delivers attractive returns for Prudential's shareholders
- PGIM's strategic initiatives are driving growth and position us to meet the evolving needs of our clients
- PGIM's continued success is underpinned by a mutually beneficial business model

AGENDA



Leading global asset manager

Robust underlying fundamentals

Strategic initiatives driving growth

Mutually beneficial business model

LEADING GLOBAL ASSET MANAGER



Broadly diversified revenue base and product suite



Strong, sophisticated third party client base



Global presence and footprint



Top 10 asset manager worldwide⁽¹⁾



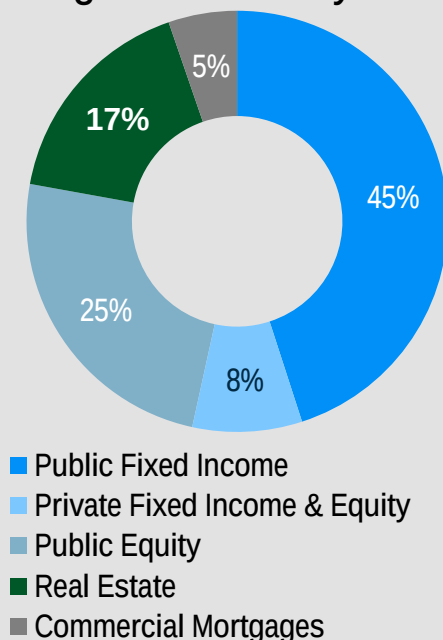
Distinct multi-manager model

(1) Pensions & Investments Top Money Manager's list, May 30, 2017. Assets under management (AUM) as of December 31, 2016.

WELL-DIVERSIFIED REVENUE BASE



Asset Management Fees by Asset Class



Over 50% of fees from higher growth areas⁽¹⁾

\$676mn from real assets⁽²⁾ & alternatives

\$326mn from private credit

\$201mn from non-U.S. equities

\$116mn from liability-driven and outcome-oriented solutions

\$122mn from quantitative strategies

Based on FY 2017 asset management fees.

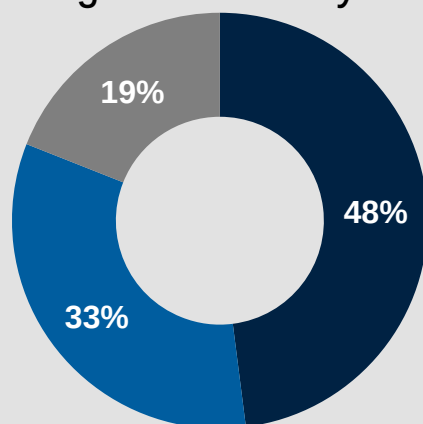
(1) Categories may overlap; represents asset management fees from all PGIM revenue sources.

(2) Includes real estate, infrastructure, energy, and natural resources strategies.

STRONG THIRD PARTY CLIENT BASE



Asset Management Fees by Client Type



■ Institutional ■ Retail ■ General Account

1,300+ Third party institutional clients

88 clients have over \$1 billion invested with us

147 of the top 300 Global Pension Funds⁽¹⁾

22 of the 25 largest U.S. corporate pension plans⁽²⁾

17 of the 25 largest U.S. public pension plans⁽²⁾

5th Fastest growing mutual fund family by net flows⁽³⁾

As of December 31, 2017, unless otherwise indicated.

(1) P&I/Towers Watson Top 300 Pension Funds ranking, data as of December 31, 2016, published September 2017.

(2) Based on U.S. Plan Sponsor rankings in *Pensions & Investments* as of December 31, 2016, published February 2017.

(3) Simfund, as of December 31, 2017. Excludes ETFs and money market funds.

OUR GLOBAL FOOTPRINT



PGIM global brand launched in January 2016



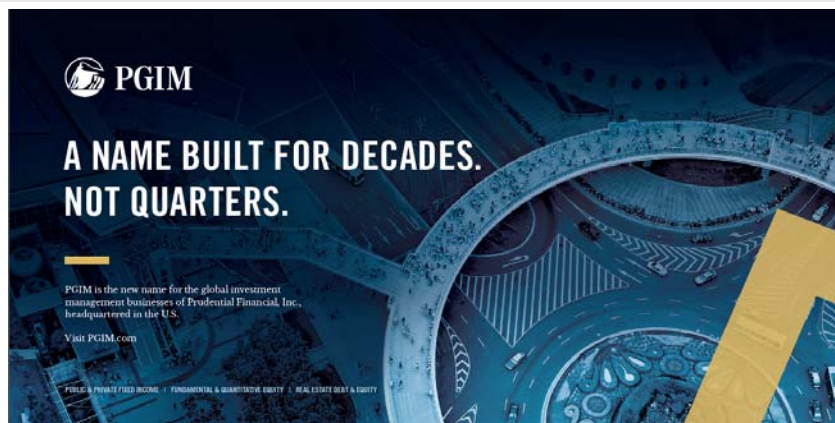
- 1,110+ investment professionals
- \$317bn of AUM¹ from non-US clients
- 37 offices in 16 countries

As of December 31, 2017.

(1) AUM from non-US clients includes affiliates..



OUR NEW GLOBAL BRAND



Business re-branding initiatives



PGIM

The Global Investment Management
Businesses of Prudential Financial, Inc.



PGIM FIXED INCOME



PGIM

REAL ESTATE FINANCE



PGIM

GLOBAL PARTNERS



PGIM REAL ESTATE



PGIM

INVESTMENTS

QM^α
a PGIM company



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POSITIONS OF STRENGTH



Ranking Based on Worldwide Assets

TOP 10 ASSET MANAGERS ⁽¹⁾	ASSETS (\$ Billions)
1 BlackRock	5,148
2 Vanguard Group	3,965
3 State Street Global Advisors	2,468
4 Fidelity Investments	2,131
5 JP Morgan Asset Management	1,771
6 BNY Mellon Investment Management	1,648
7 The Capital Group	1,479
8 The Goldman Sachs Group	1,379
9 Prudential Financial	1,264 ⁽²⁾
10 Amundi	1,141

#2 Real Estate Manager Worldwide³

Top 3 Foreign manager of Japanese discretionary pension assets⁴

#1 Assets in investment grade credit strategies⁵

(1) *Pensions & Investments* Top Money Manager's list, May 30, 2017. AUM as of December 31, 2016.

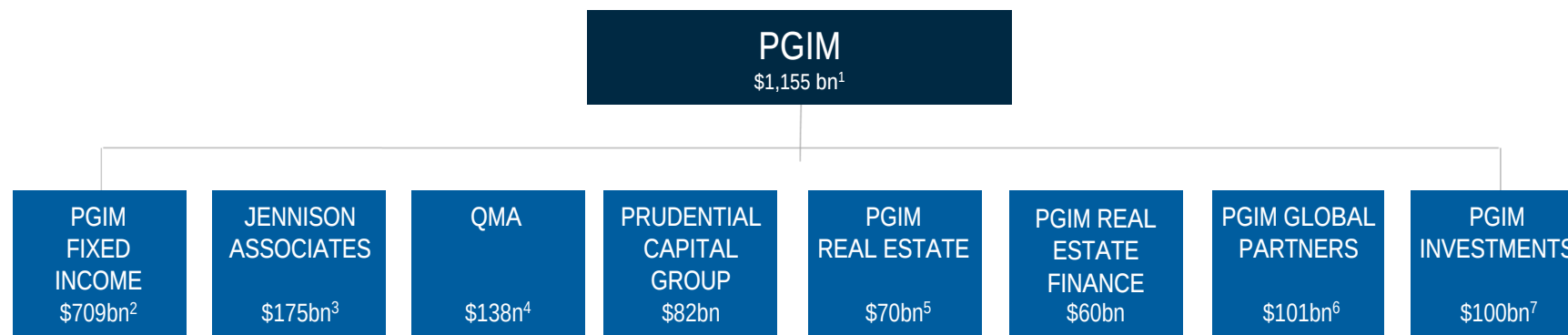
(2) Worldwide AUM include assets managed by Prudential's Asset Management business and non-proprietary AUM.

(3) *Pensions & Investments*, Real Estate Managers by Worldwide AUM as of June 30, 2017. Publication as of October 2017.

(4) Nenkin Jouhou by R&I, the Investment Trust Associates of Japan, AUM as of March 2017.

(5) Investment Grade Credit Manager Survey, *IPE International Publishers Limited*, January 2017.

DISTINCT MULTI-MANAGER MODEL



- Deep, specialized investment expertise combined with the scale to compete
- Investment-centric culture strongly aligned with clients' interests
- Culture of partnership and nimble decision-making within each boutique
- Incentives aligned with each boutique's investment and business performance
- Well-diversified across public and private asset classes
- Controls and risk management infrastructure integrated with Prudential

(1) Amounts as of December 31, 2017. (2) Includes \$16 billion in assets managed by PGIM Fixed Income for affiliated businesses, \$106 billion in PGIM Japan assets, and \$118 million of which is sub-advised by Prudential Capital Group. (3) Includes equity \$109 billion and fixed income \$66 billion. (4) QMA's total asset allocation AUM totals \$86 billion in asset allocation mandates, \$52 billion of which is institutional and retail assets managed by various affiliated and third party managers. (5) Assets are gross. Net assets under management equal \$49 billion. (6) Represents total combined assets of the PGIM Global Partners businesses, including \$91 billion from joint ventures in which Prudential does not have a controlling interest, and therefore does not correspond to assets under management and administration as reported by Prudential Financial. AUM also includes \$8 billion in assets sub-advised by other PGIM units and included in their totals. (7) Sub-advised by other PGIM units and included in their totals.

AGENDA



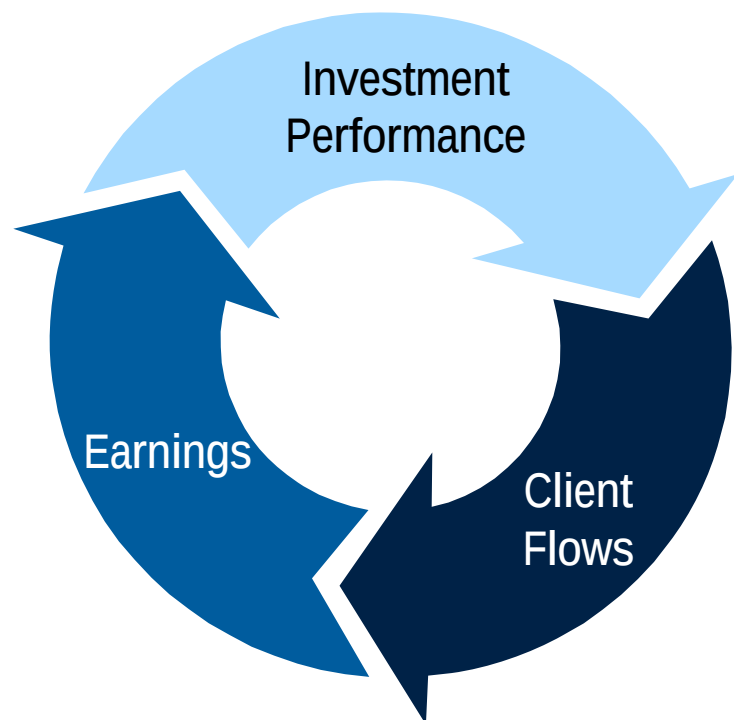
Leading global asset manager

Robust underlying fundamentals

Strategic initiatives driving growth

Mutually beneficial business model

ROBUST UNDERLYING FUNDAMENTALS



- Consistent, strong investment performance
- Deep manager experience and robust investment processes drive Alpha generation

- More than a decade of consecutive positive net flows in both institutional and retail
- Approximately 10% annual AUM growth over past 7 years⁽¹⁾

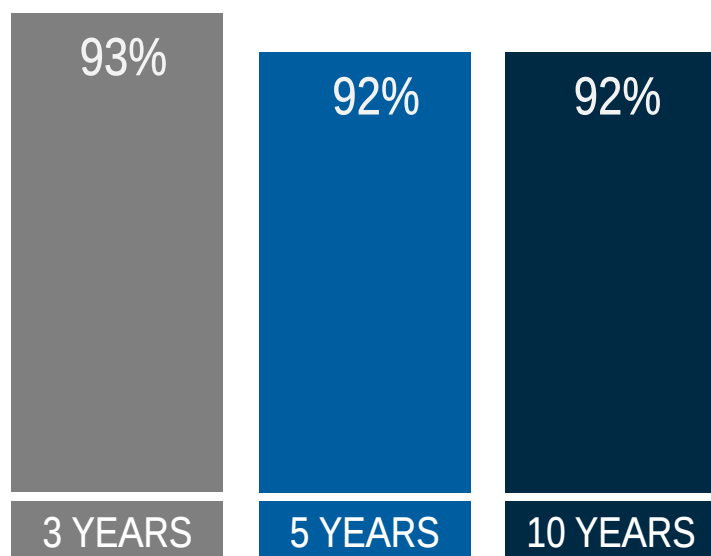
- Earnings driven primarily by asset management fees
- Attractive returns with improved quality of earnings

(1) Assets managed by PGIM as of December 31, 2017.

STRONG INVESTMENT PERFORMANCE



Percentage of PGIM AUM⁽¹⁾
Outperforming Benchmark⁽²⁾



65% of PGIM's mutual fund assets
are in 4- or 5-star rated funds⁽³⁾



Total Return Bond
High-Yield
Short-Term Corporate Bond
Global Total Return



Floating Rate Income
Absolute Return Bond
Income Builder
Government Income
Select Real Estate

Short-Duration Multi-Sector Bond
Jennison Global Opportunities
Jennison Growth
Balanced

QMA Large-Cap Core Equity
QMA Mid-Cap Value
QMA Strategic Value
QMA Long-Short Equity
QMA Small-Cap Value

CA Municipal Income
National Municipals
Municipal High Income

QMA Stock Index
Conservative Allocation
Jennison Health Sciences
Jennison Focused Growth

(1) Represents PGIM's benchmarked AUM. 58% of total AUM is benchmarked over 3 years, 57% over 5 years, and 50% over 10 years.

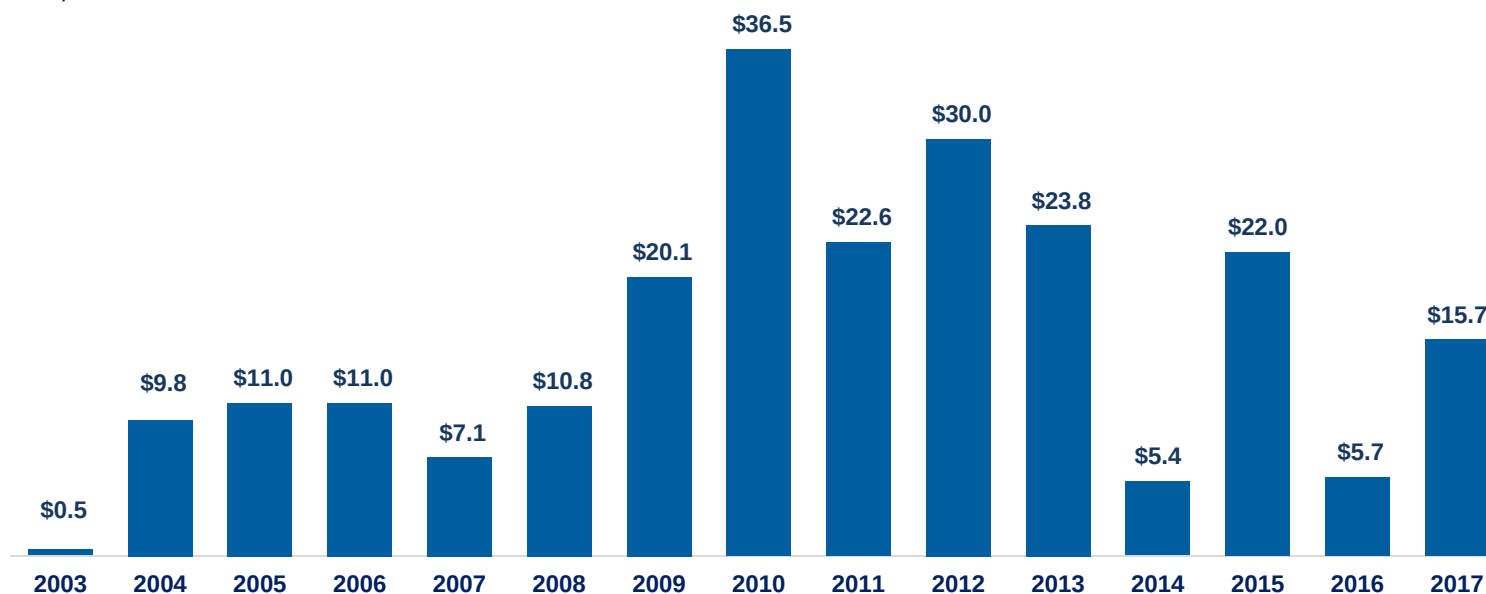
(2) As of December 31, 2017. Represents excess performance net of fees, based on all actively managed Fixed Income and Equity AUM reported in eVestment for Jennison Associates, PGIM Fixed Income, Quantitative Management Associates, and PGIM Real Estate. Composite assets reported in eVestment assumed to represent full strategy AUM.

(3) Based on Morningstar ratings as of December 31, 2017. List of 5-star and 4-star funds shown are based on Z-share class ratings. Please see disclosures at the end of this presentation. Past performance is not a guarantee or reliable indicator of future results.

CONSISTENT POSITIVE THIRD PARTY NET FLOWS⁽¹⁾



(\$ billions)



15 Consecutive Years of Positive Institutional Third Party Net Flows

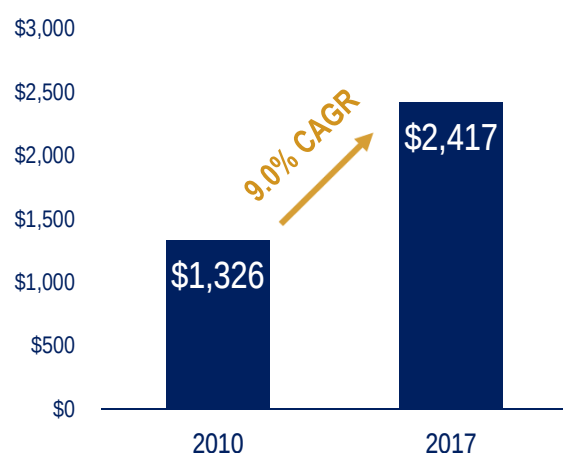
13 Consecutive Years of Positive Retail Third Party Net Flows

(1) Represents unaffiliated third party net flows; excludes flows from the General Account and other affiliated Prudential businesses. 2003 and 2004 third party net flows shown in chart represent only institutional third party net flows.

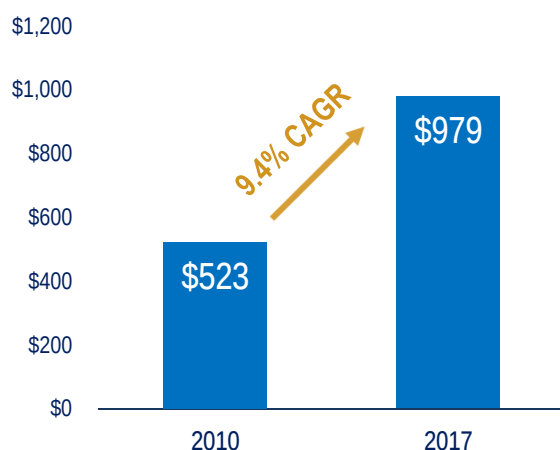
SOLID EARNINGS TRACK RECORD



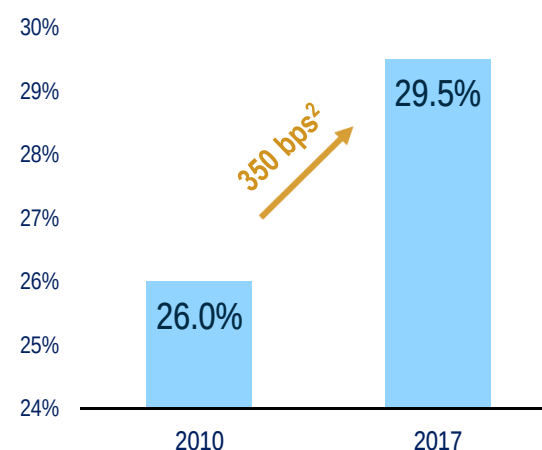
Asset Management Fees (\$mn)



Pre-tax AOI¹ (\$mn)



Operating Margin



2017 Highlights

Record AUM of nearly \$1.2 tn

Record originations of over \$28.0 bn with Prudential Capital Group reaching an all-time milestone and PGIM Real Estate Finance with a near-record close

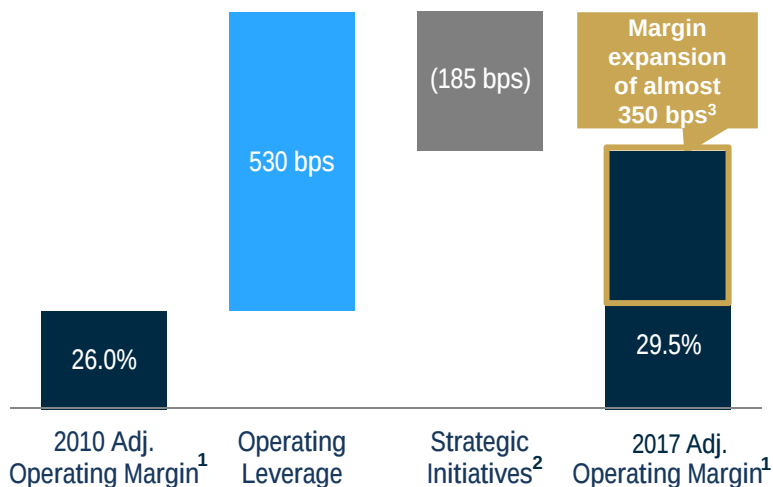
Record earnings of nearly \$1.0 bn

(1) Adjusted operating income (AOI) is Prudential Financial's measure of segment profitability. (2) Represents the cumulative change from 2010 to 2017, see slide 16 for additional details.

STABLE MARGINS WHILE FUNDING OUR INVESTMENTS



Core Operating Margin, 2010 – 2017



Positioning for Growth, 2010 – 2017⁽⁴⁾

Headcount increase	433
New institutional strategies seeded ⁵	44
Cumulative third party net flows	\$125 bn

(1) Represents AOI as a percentage of revenue.

(2) Includes both PGIM and Corporate Initiatives.

(3) Includes rounding to hundredth decimal.

(4) Figures represent change from December 31, 2010 to December 31, 2017.

(5) Excludes seeded CLOs and UCITS funds.

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OUR STRATEGY



EXECUTING ON OUR STRATEGIC PRIORITIES



Priorities

Milestones

1 Globalize products and client footprint

- Deepened CIO coverage of top tier global clients
- 28% of assets from non-US clients, up from 16% in 2010

2 Broaden solution capabilities

- Launched multi-asset class portfolio-level solutions and advisory for institutional clients
- \$164 bn AUM in solutions capabilities, up from \$82bn in 2010

3 Diversify products and vehicles

- Launched UCITS platform that has gathered \$2.5bn in AUM
- 17% of mutual fund flows in 2017 came from products launched in the last five years¹

4 Selectively acquire new investment capabilities

- Attracted top external talent to launch new strategies
- Acquired Deutsche's asset management business in India

These areas of strategic focus have contributed to generating over \$60 billion of net flows in the past 3 years⁽²⁾

(1) PGIM Investments flows from funds launched in the last 5 years. (2) As of December 31, 2017.

INDUSTRY CHALLENGES AND OUR RESPONSE



Rise of passive investing

- Exposure to US style-box equities limited to ~11% of AUM¹
- Strong investment performance track record
- Robust suite of high active share, alternatives and private strategies for a “core-satellite” portfolio



Increasing pressure on fees

- Our fee yield has remained stable despite industry-wide pressure
- Focus on developing concentrated, higher-fee yielding strategies
- Ability to selectively lower price to remain competitive



Contraction of the US DB market

- Scale and investment expertise to effectively compete as plan sponsors rely on fewer managers
- Deep relationships with institutional clients outside of the US
- Growing presence in the Defined Contribution market



Changing regulatory landscape

- Strong risk management and control infrastructure
- Actively engaged in regulatory dialogue

(1) As of December 31, 2017.

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MUTUALLY BENEFICIAL BUSINESS MODEL



OPERATIONALLY INDEPENDENT BUT STRATEGICALLY INTERTWINED BUSINESSES

PGIM creates value through

- Strong, stable fee-based earnings with solid returns and favorable growth prospects
- High net investment income margins for the General Account
- Enhanced competitiveness through privates and commercial mortgage loans
- Deep, specialized investment expertise

PGIM benefits from

- General Account as anchor client
- Opportunity to compete on affiliated platforms
- Access to seed capital
- Long-term perspective enables investing for future growth
- Control and risk management infrastructure

KEY MESSAGES



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- PGIM's continued success is underpinned by a mutually beneficial business model

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