



PGIM

The Global Investment Management
Businesses of Prudential Financial, Inc.

DAVID HUNT
PRESIDENT & CEO
PGIM

AS OF DECEMBER 31, 2018, UNLESS OTHERWISE NOTED



KEY MESSAGES



- PGIM is strongly-positioned as a diversified global active asset manager with a distinct multi-manager model
- PGIM has robust underlying fundamentals and delivers attractive returns for Prudential's shareholders
- PGIM's strategic initiatives have driven notable expansion in the business since 2010
- PGIM's capabilities and investments in alternatives, U.S. retail and international well position us for continued growth and ability to meet the evolving needs of our clients



Leading Global Asset Manager

Robust Underlying Fundamentals

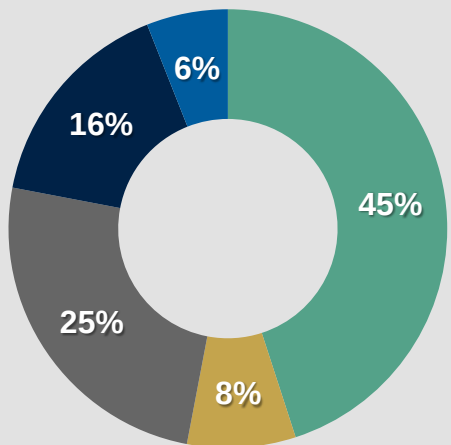
Strategic Initiatives: Progress Made

Strategic Initiatives: Growth Opportunities

WELL-DIVERSIFIED REVENUE BASE



Asset Management Fees by Asset Class¹



■ Public Fixed Income
■ Private Fixed Income & Equity
■ Public Equity
■ Real Estate
■ Commercial Mortgages

Over 50% of fees from higher growth areas²

\$676 mn from real assets³ & alternatives

\$335 mn from private credit

\$200 mn from non-U.S. equities

\$123 mn from liability-driven and
outcome-oriented solutions

\$123 mn from quantitative strategies

(1) Based on asset management fees as of December 31, 2018.

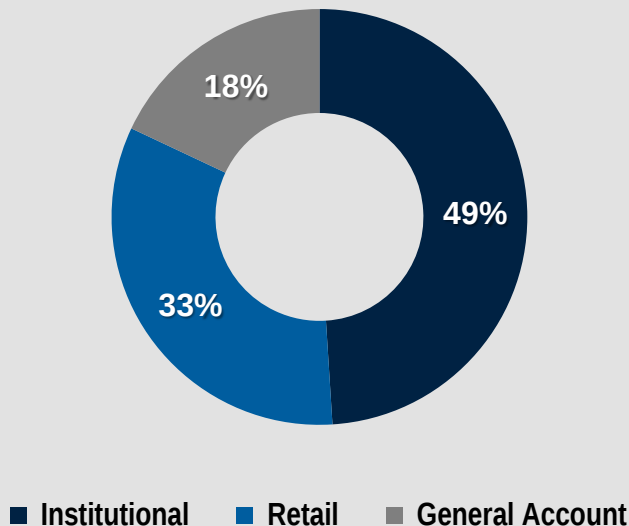
(2) As of December 31, 2018. Categories may overlap; represents asset management fees from all PGIM revenue sources.

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

STRONG THIRD-PARTY CLIENT BASE



Asset Management Fees by Client Type



1,400+ third-party institutional clients

91 clients have over \$1 bn invested with us

158 of the top 300 Global Pension Funds¹

23 of the 25 largest U.S. corporate pension plans²

19 of the 25 largest U.S. public pension plans²

5th fastest organic U.S. mutual fund AUM growth³

As of December 31, 2018, unless otherwise indicated.

(1) P&I/Towers Watson Top 300 Pension Funds ranking, data as of December 31, 2017, published September 2018.

(2) Based on U.S. Plan Sponsor rankings in *Pensions & Investments* as of September 30, 2017, published February 2018.

(3) Strategic Insight/Simfund FY 2018. Ranking only references long term mutual funds, and does not include ETF and money markets in comparison. Results may differ from PGIM Investments (Strategic Insight/Simfund excludes Day One and private funds).

STRATEGICALLY INTERTWINED WITH PRUDENTIAL PARENT



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

GLOBAL FOOTPRINT



PGIM global brand launched in January 2016



- 1,250+ investment professionals
- \$340 bn of AUM¹ from non-US clients
- 37 offices in 15 countries

Data as of December 31, 2018.

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

POSITIONS OF STRENGTH



Ranking Based on Worldwide Assets

TOP 10 ASSET MANAGERS ¹		ASSETS (\$ bn)
1	BlackRock	\$6,288
2	Vanguard Group	\$4,940
3	State Street Global Advisors	\$2,782
4	Fidelity Investments	\$2,449
5	BNY Mellon Investment Management	\$1,893
6	The Capital Group	\$1,778
7	JP Morgan Asset Management	\$1,714
8	Amundi	\$1,709
9	The Goldman Sachs Group	\$1,494
10	Prudential Financial ²	\$1,394

(1) *Pensions & Investments* Top Money Manager's list, May 28, 2018. AUM as of December 31, 2017.

(2) Worldwide AUM includes assets managed by PGIM and Prudential's non-proprietary AUM.

(3) Willis Towers Watson Global Alternatives Survey, July 2017. AUM as of December 2016. Ranking is based on the aggregate AUM aggregated by parent company in all alternative assets classes, regardless of sub-asset class.

(4) *IPE Real Assets*, Real Estate Managers by Worldwide AUM as of June 30, 2018. Publication as of November/December 2018 issue.

(5) Investment Grade Credit Manager Survey, *IPE International Publishers Limited*, January 2018.

(6) Nenkin Joho by R&I, the Investment Trust Associates of Japan, January 2018. AUM as of September 30, 2017.

Top
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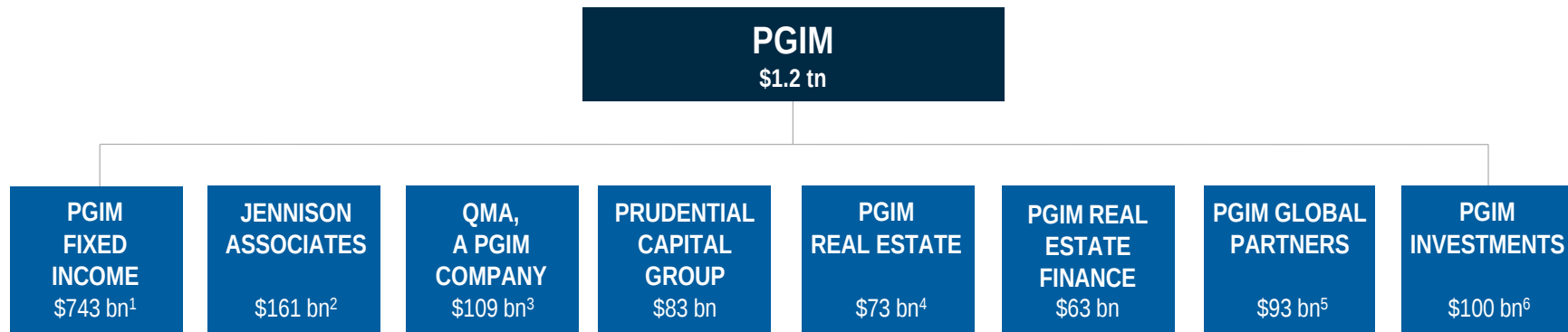
Alternatives Asset Manager³

Real Estate Manager Worldwide⁴

Assets in Investment Grade
Credit Strategies⁵

Foreign manager of Japanese
discretionary pension assets⁶

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

Amounts as of December 31, 2018. (1) Includes \$12 billion in assets managed by PGIM Fixed Income for affiliated businesses, \$114 billion in PGIM Japan assets, and \$117 million of which is sub-advised by Prudential Capital Group. (2) Includes equity \$97 billion and fixed income \$63 billion. (3) Includes \$65 billion in directly managed mandates, \$44 billion of institutional and retail assets managed by various affiliated and third-party managers. (4) Gross assets are shown. Net assets under management equal \$50 billion. (5) Represents total combined assets of the PGIM Global Partners businesses, including \$89 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 \$6 billion in assets sub-advised by other PGIM units and included in their totals. (6) Sub-advised by other PGIM units and included in their totals.



Leading Global Asset Manager

Robust Underlying Fundamentals

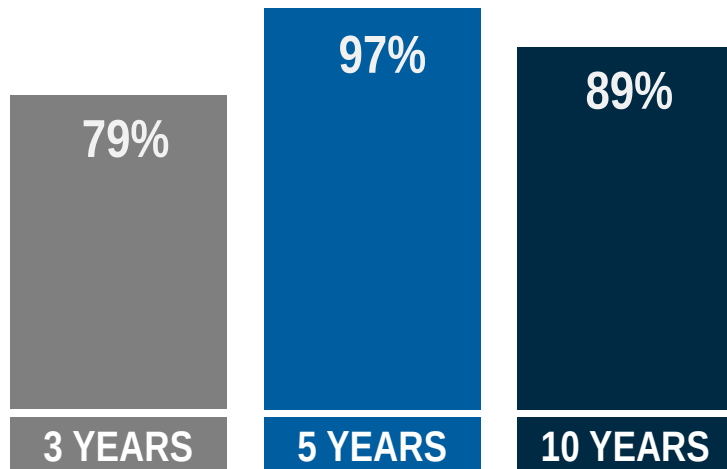
Strategic Initiatives: Progress Made

Strategic Initiatives: Growth Opportunities

STRONG INVESTMENT PERFORMANCE



Percentage of PGIM AUM¹ Outperforming Benchmark²



73% of PGIM's retail mutual fund assets
are in 4- or 5-star rated funds³

Past performance is not a guarantee or reliable indicator of future results.

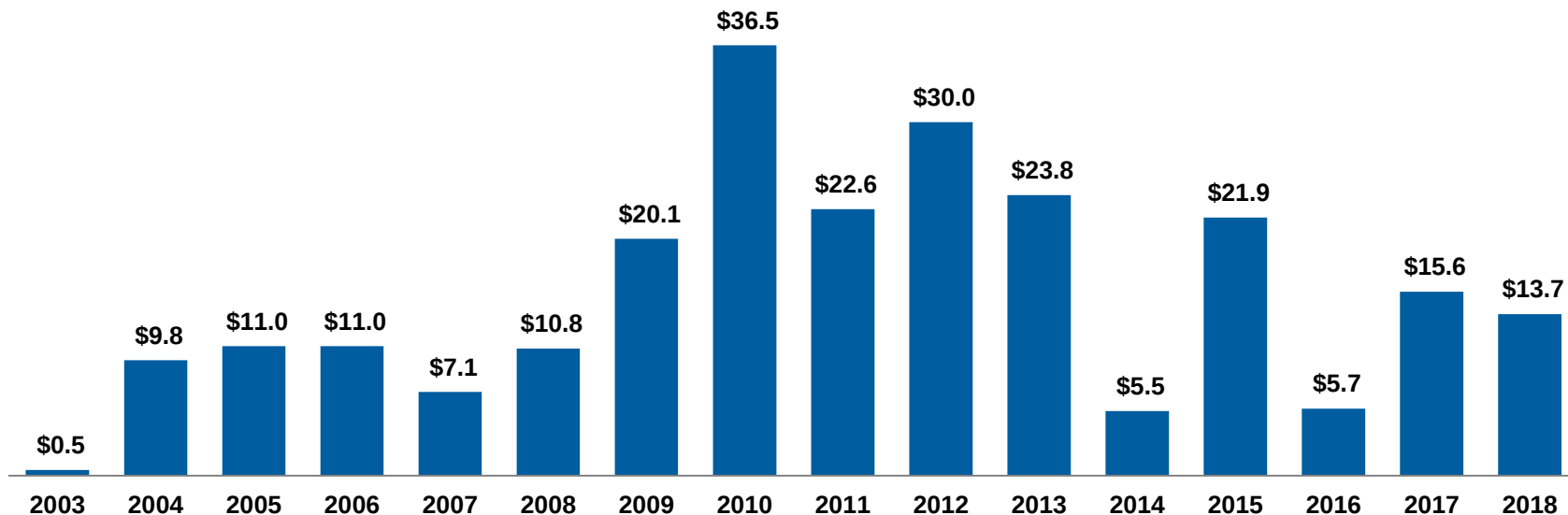
Performance shown represents each individual AUMs respective fund or strategies against its benchmark as reported in eVestment.

- (1) Represents PGIM's benchmarked AUM as listed in eVestment (data provided by PGIM). 89% of total third-party AUM is benchmarked over 3 years, 88% over 5 years, and 65% over 10 years. This calculation does not include private assets that are not benchmarked or general account assets.
- (2) Performance as of December 31, 2018. Represents excess performance gross 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. Based on performance, net of fees, the percentage of AUM outperforming benchmarks would be 68%, 92%, and 85% over 3, 5, and 10 years respectively.
- (3) Based on Morningstar ratings of PGIM assets in all share classes as of December 31, 2018.

CONSISTENT POSITIVE THIRD-PARTY NET FLOWS¹



Third-Party Net Flows (\$ bn)

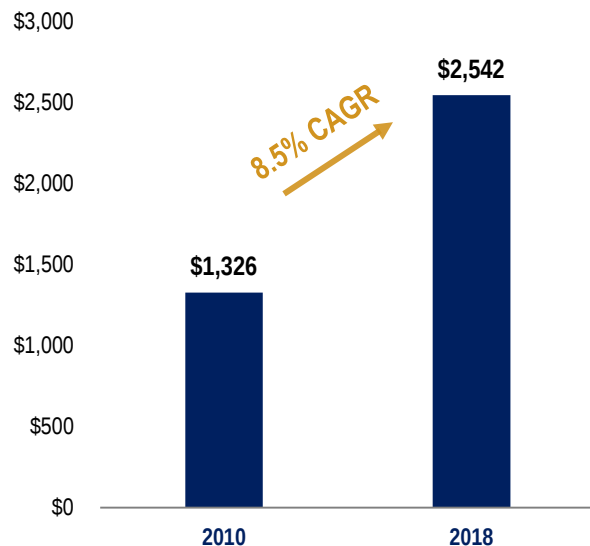


(1) Represents unaffiliated third-party net flows; excludes flows from the General Account and other affiliated Prudential businesses. 2003 and 2004 third-party net flows shown in chart represent only institutional third-party net flows.

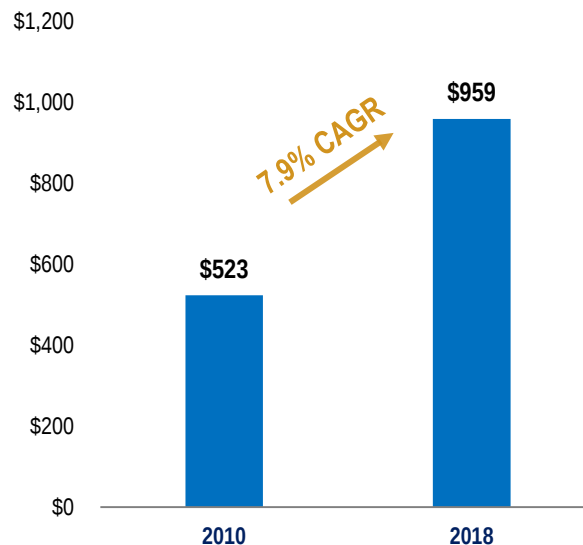
SOLID EARNINGS TRACK RECORD



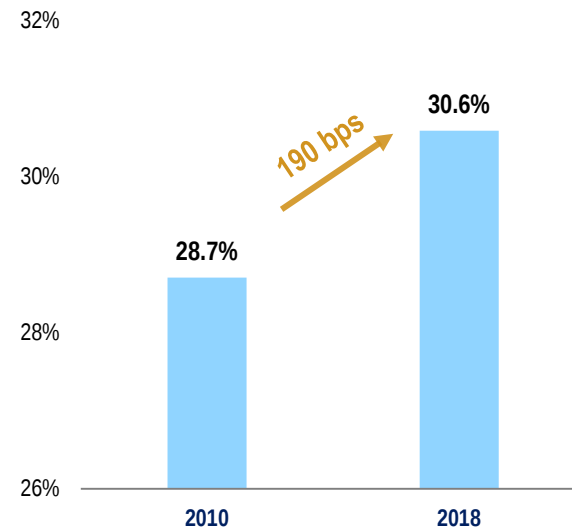
Asset Management Fees (\$ mn)



Pre-tax AOI (\$ mn)¹



Adjusted Operating Margin²



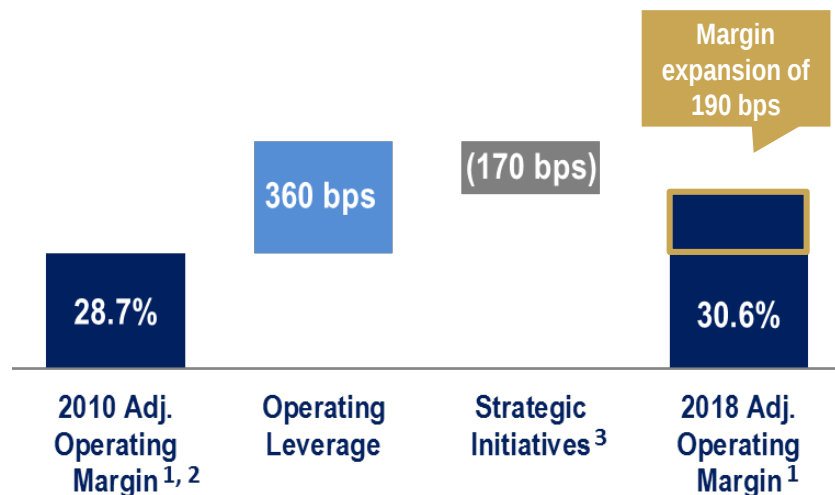
(1) Adjusted operating income (AOI) is Prudential Financial's measure of segment profitability.

(2) Represents AOI as a percentage of adjusted revenue. Adjusted revenue excludes passthrough distribution revenue and consolidations. Adjusted revenues are not calculated in accordance with GAAP and a reconciliation to the comparable GAAP measure is included in the appendix of the presentation. 2010 Adjusted Operating Margin has been restated from prior investor materials to conform to the definition herein.

STABLE MARGINS WHILE FUNDING OUR INVESTMENTS



Adjusted Operating Margin, 2010 – 2018



Positioning for Growth, 2010 – 2018⁴

Headcount increase	585
New institutional strategies seeded ⁵	55
Cumulative third-party net flows	\$175 bn

- (1) Represents AOI as a percentage of adjusted revenue. Adjusted revenue excludes passthrough distribution revenue and consolidations. Adjusted revenues are not calculated in accordance with GAAP and a reconciliation to the comparable GAAP measure is included in the appendix of the presentation.
- (2) 2010 Adjusted Operating Margin has been restated from prior investor materials to conform to the definition herein.
- (3) Includes both PGIM and Corporate initiatives.
- (4) Figures represent the change from December 31, 2010 to December 31, 2018.
- (5) Excludes seeded CLOs and UCITs funds.



Leading Global Asset Manager

Robust Underlying Fundamentals

Strategic Initiatives: Progress Made

Strategic Initiatives: Growth Opportunities

OUR VISION AND STRATEGY



To be widely regarded as a
premier active global investment manager
across a broad range of public and private asset classes

Broaden and
Globalize
Our
Products



Modernize
Our Multi-
Manager
Model



Expand Our
Reputation
and Brand



Selectively
acquire new
investment
capabilities



Deliver superior risk-adjusted returns for clients

BROADEN AND DIVERSIFY PRODUCTS



\$2.6 bn

In cumulative seed
investments since 2010

92%

Of mutual funds in 1st and 2nd
quartile in terms of fees to drive
retirement asset growth¹

\$1.8 bn

Record assets raised in
most recent private
mezzanine fund close²

Efforts across our business in alternatives and high-growth strategies

**Real
Assets**

**International
Originations**

**Global and Non-US
Strategies**

**Absolute Return
Strategies**

Data as of December 31, 2018 unless otherwise noted. (1) 92% of our R6 share classes are in 1st or 2nd quartile in terms of fees, based on Morningstar Category Retirement Share Classes. (2) Record assets raised in Prudential Capital Partners V, L.P, sponsored by Prudential Capital Group which manages a private capital portfolio of more than \$83 billion (as of December 31, 2018) of investment grade and below investment grade private debt, mezzanine and private equity.

GLOBAL FOOTPRINT



	2010	2018 ¹
 Talent % of non-US sales and investment professionals	20% (261 people)	25% (379 people)
 Underlying Securities % of non-US underlying securities	17%	30%
 Assets Under Management % of third-party assets from non-US clients	16%	27%
 Net Flows Third-party flows from non-US clients	\$4.4 bn	\$14.5 bn

(1) As of December 31, 2018. Cash excluded from net flows.

MODERNIZE OUR MULTI-MANAGER MODEL



UCITS Platform

28 funds totaling \$3.3 bn AUM
with registration in 17 countries

39 institutional investors invested
across 15 funds



ETFs

Launched 6 ETFs in 2018;
4 QMA (Equity) and
2 PGIM Fixed Income

First ETF neared \$180 mn
at the end of 2018



Institutional Relationship Group

Global coverage with locations in
Tokyo, London, Sydney, Munich,
Singapore, Newark and Chicago

Hosted 1,000+ meetings with
400+ institutional entities
globally throughout 2018



Partnership with Prudential Enterprise

Ability to compete for assets on
affiliated platforms, resulting in
~\$100 bn managed by PGIM¹

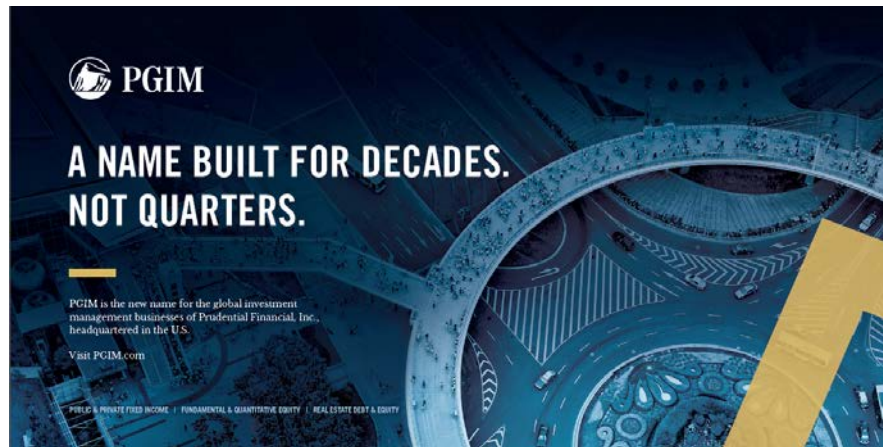
~\$62 bn² in pension risk transfer
AUM via collaboration with
Prudential Retirement

As of December 31, 2018 unless otherwise noted.

(1) Represents Retirement and Annuities assets managed by PGIM.

(2) Excludes Longevity Reinsurance.

EXPAND OUR REPUTATION AND BRAND



Business re-branding initiatives



PGIM

The Global Investment Management
Businesses of Prudential Financial, Inc.



PGIM FIXED INCOME



PGIM INVESTMENTS



PGIM GLOBAL PARTNERS



PGIM REAL ESTATE



PGIM | REAL ESTATE FINANCE

QM^α
a PGIM company





Leading Global Asset Manager

Robust Underlying Fundamentals

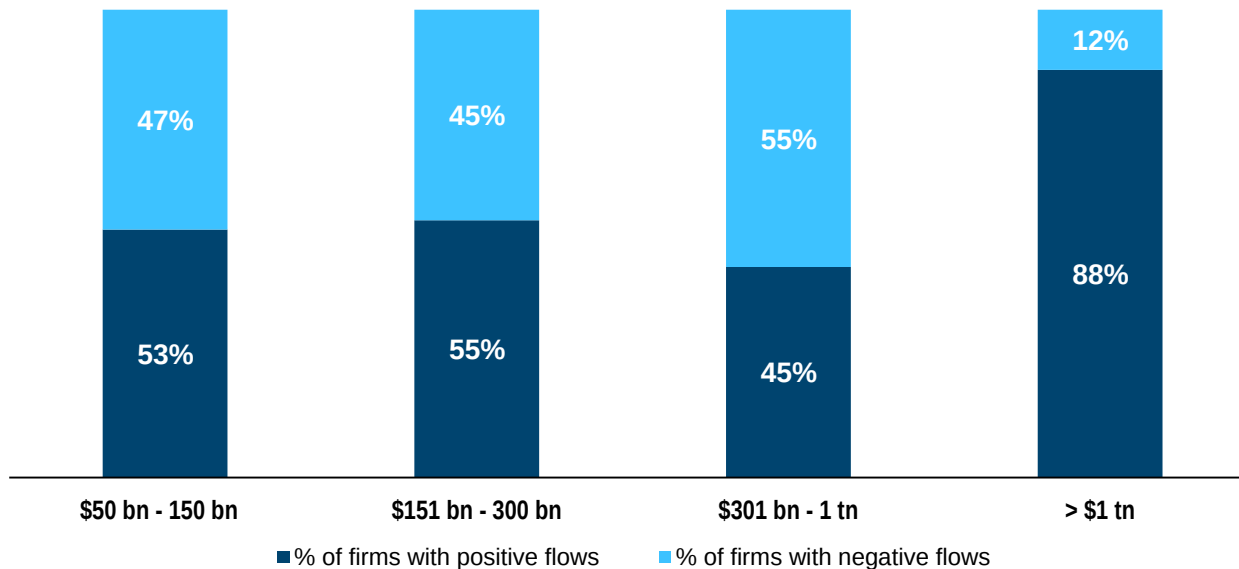
Strategic Initiatives: Progress Made

Strategic Initiatives: Growth Opportunities

LARGE FIRMS CONTINUE TO DOMINATE INDUSTRY EXPANSION



Share of firms with positive vs. negative net flows in 2017 by size of firm

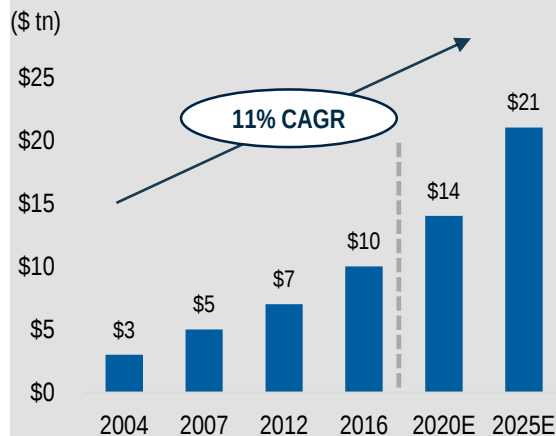


Source: McKinsey Performance Lens Global Asset Management Survey, published 2018.

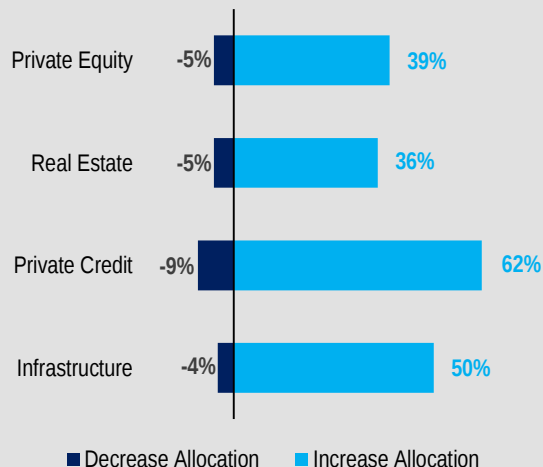
GROWTH OPPORTUNITY: ALTERNATIVES



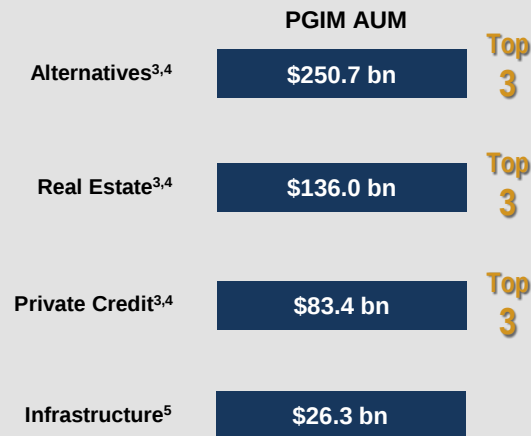
Alternatives Industry Double-Digit Growth to Continue¹



Institutional Investors Plan for Increased Allocation²



PGIM Well-Positioned to Capture the Opportunity

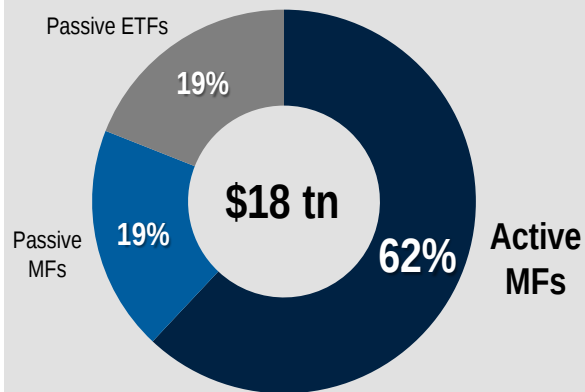


Sources: (1) PwC Asset & Wealth Management Revolution, published 2017. (2) Preqin Investor Outlook; Alternative Assets H2 2017. (3) Data reflects AUM as of December 31, 2018. Alternatives AUM represents hedge fund, mezzanine and other private credit, real asset and infrastructure products across all PGIM businesses. (4) Rankings per Willis Towers Watson Global Alternatives Survey 2017. (5) Infrastructure AUM includes private credit infrastructure and energy strategies, Jennison utility equity, natural resources, global infrastructure and MLP strategies as of December 31, 2017.

GROWTH OPPORTUNITY: U.S. RETAIL



U.S. Retail Landscape



62% of AUM is in
Active Mutual Funds

PGIM's Differentiated Positioning



Focused partnerships



Institutional strategies
at core of product
suite



Vehicle agnostic
platform

PGIM's Continued Momentum

#13 by YTD Net Flows¹
(consistently top 15
in the last 3 years)

#22 by mutual fund assets¹
up from #37 in 2010

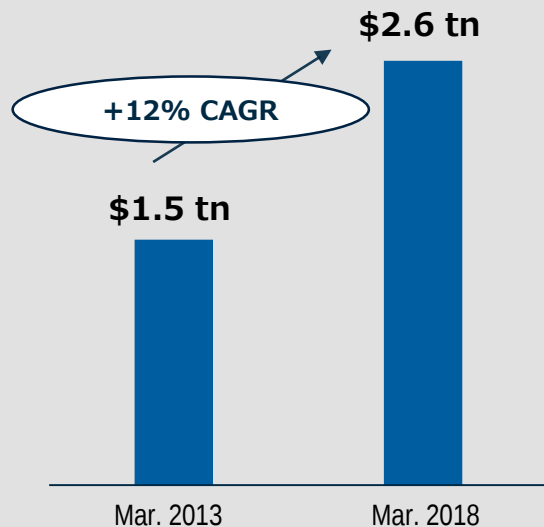
One of
10 asset managers selected
for Edward Jones
Strategic Partners

Data as of December 31, 2018. Sources: Morningstar and Strategic Insight/Simfund. (1) Excludes ETFs and money markets.

GROWTH OPPORTUNITY: INTERNATIONAL – JAPAN

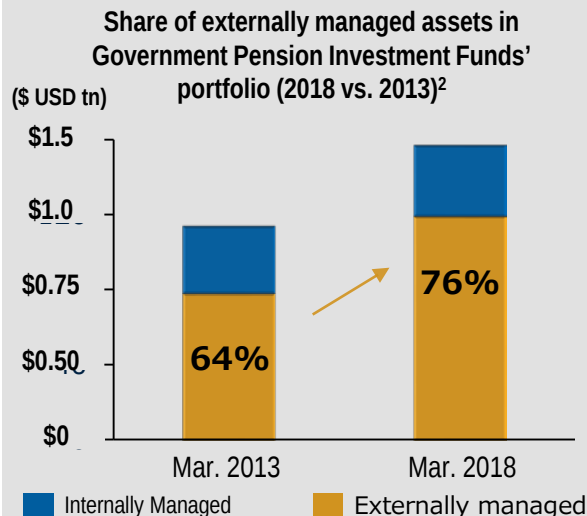


Japan's Institutional AUM¹



Opportunity for leading managers

Japanese institutions have a growing preference to rely on external managers



PGIM's Positioning

Top 3

foreign manager of discretionary assets²

\$30 bn

Third-party Net Flows raised in 5 years³

26%

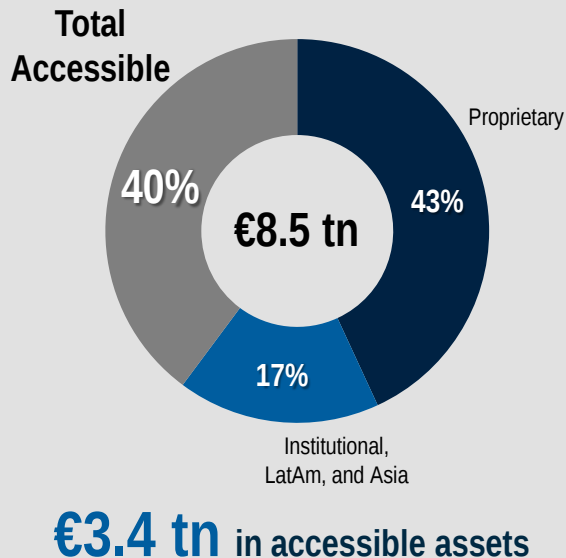
Third-party Net Flows 5 year CAGR⁴

- (1) The Investment Trusts Association, Japan and The Japan Investment Advisers Association. The data is a combination of assets of privately placed investment trusts and those of discretionary managed accounts for Japanese institutional investors. The data uses an exchange rate of 111 yen per USD.
- (2) GPIF (Review of Operations in Fiscal 2011 & Review of Operations in Fiscal 2017).
- (3) "Nenkin Joho" by R&I used with permission as of December 31, 2015 & March 31, 2018. Total AUM is of discretionary managed accounts.
- (4) Net flows over January 1, 2014 through December 31, 2018.

GROWTH OPPORTUNITY: INTERNATIONAL – UCITS



European Retail Landscape



European Retail Opportunity

€266 bn average net inflows to long-term funds since 2008

€667 bn in record net inflows in 2017

34% Eurozone household financial assets in cash

PGIM's Differentiated Positioning



Focused partnerships



Global infrastructure with localization



Institutional strategies at core of product suite

Sources: MackayWilliams *Distribution 360* report, 2018 edition.

INVESTMENTS IN TECHNOLOGY RESOURCES & TALENT



Partnership across PGIM's business to explore, collaborate on,
and drive technology efforts forward

Artificial Intelligence & Machine Learning

Exploring how AI, machine learning and / or alternative data can impact and be incorporated into the investment decision processes

Robotics & Automation

Identifying and implementing opportunities to deploy robotic process automation to enhance efficiency and improve controls

Data Architecture

Modernizing approach to providing faster information-driven results using alternative data, client & prospect, and cloud computing architecture

Digital Transformation

Leveraging digital capabilities to increase the effectiveness and efficiency of the institutional and intermediary client journey

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RECONCILIATION OF ADJUSTED OPERATING MARGIN



(\$ in millions)

	2010	2018
Total Revenue attributable to the PGIM Division	\$ 1,973	\$ 3,294
Less: passthrough distribution revenue	120	112
Less: revenue associated with consolidations	31	46
Total Adjusted Revenue attributable to the PGIM Division	\$ 1,822	\$ 3,135
 Adjusted Operating Income attributable to the PGIM Division	 \$ 523	 \$ 959
 PGIM Adjusted Operating Margin	 28.7%	 30.6%