

# PGIM INVESTMENTS UPDATE

## PGIM ALLOCATION FUNDS REORGANIZATIONS

### MAY 2019

On May 7, 2019, shareholders of the PGIM Conservative Allocation Fund (“Conservative Allocation Fund”), PGIM Moderate Allocation Fund (“Moderate Allocation Fund”), and PGIM Growth Allocation Fund (“Growth Allocation Fund”), respectively, approved the following reorganizational proposals:

1. The reorganization of the Conservative Allocation Fund into the PGIM Balanced Fund (“Balanced Fund”).
2. The reorganization of the Moderate Allocation Fund into the Balanced Fund.
3. The reorganization of the Growth Allocation Fund into the PGIM QMA Large-Cap Core Equity Fund (“Large-Cap Core Equity Fund”).

It is expected that the reorganizations will become effective as of the close of business on June 21, 2019 (the “reorganization date”). The Conservative Allocation Fund, Moderate Allocation Fund and Growth Allocation Fund will each be closed to new purchases and exchanges effective as of the close of business on June 20, 2019.

The Ticker and CUSIP symbols for the acquired and acquiring Funds are:

Acquired Fund: PGIM Conservative Allocation Fund				Acquiring Fund: PGIM Balanced Fund			
Share Class	TA Fund #	Ticker	CUSIP	Share Class	TA Fund #	Ticker	CUSIP
A	1509	JDUAX	74437E750	A	296	PIBAX	74437E883
B	1510	JDABX	74437E743	B	297	PFBFX	74437E875
C	1511	JDACX	74437E735	C	356	PABCX	74437E867
R	1542	JДАРX	74437E628	R	1523	PALRX	74437E636
R6	1164	JDAQX	74437E453	R6	1163	PIBQX	74437E461
Z	1512	JDAZX	74437E784	Z	160	PABFX	74437E859

  

Acquired Fund: PGIM Moderate Allocation Fund				Acquiring Fund: PGIM Balanced Fund			
Share Class	TA Fund #	Ticker	CUSIP	Share Class	TA Fund #	Ticker	CUSIP
A	1505	JDTAX	74437E727	A	296	PIBAX	74437E883
B	1506	JDMBX	74437E719	B	297	PFBFX	74437E875
C	1507	JDMCX	74437E693	C	356	PABCX	74437E867
R	1543	JMARX	74437E610	R	1523	PALRX	74437E636
R6	1166	JDTQX	74437E438	R6	1163	PIBQX	74437E461
Z	1508	JDMZX	74437E776	Z	160	PABFX	74437E859

  

Acquired Fund: PGIM Growth Allocation Fund				Acquiring Fund: PGIM QMA Large-Cap Core Equity Fund			
Share Class	TA Fund #	Ticker	CUSIP	Share Class	TA Fund #	Ticker	CUSIP
A	1501	JDAAX	74437E685	A	533	PTMAX	74441J100
B	1502	JDGBX	74437E677	B	534	PTMBX	74441J209
C	1503	JDG CX	74437E669	C	369	PTMCX	74441J308
R*	1544	JGARX	74437E594	---	---	---	---
R6	1165	JDGQX	74437E446	R6	1171	PTMQX	74441J688
Z	1504	JDGZX	74437E768	Z	459	PTEZX	74441J407

\* Class R shareholders of PGIM Growth Allocation Fund will receive Class A shares of PGIM QMA Large-Cap Core Equity Fund in connection with the reorganization.

### Q & A

#### Q1. How will you determine the number of shares of each acquiring fund that each acquired fund shareholder will receive?

- As of the close of business of the New York Stock Exchange (NYSE) on the reorganization date, each whole and fractional share of Classes A, B, C, Z, and R6 shares of each acquired fund will be exchanged for whole and fractional shares of equal dollar value of Classes A, B, C, Z, and R6 shares, respectively, of the acquiring fund.
- Class R shares of each of the Conservative Allocation Fund and Moderate Allocation Fund will be exchanged for Class R shares of the Balanced Fund.
- Class R shareholders of the Growth Allocation Fund will receive a comparable number of Class A shares of the Large-Cap Core Equity Fund. Any applicable Class A shares sales charges will be waived as part of the merger. However, any additional purchases of Class A shares made after the transaction date of the merger will be subject to such fees, if applicable.

#### Q2. What will the transitions of the acquired funds into the acquiring funds look like?

- Trading is expected to occur in the acquired funds prior to the reorganizations in order to more closely resemble the portfolio of the acquiring fund, and all securities and/or cash will be moved over to the respective acquiring funds. It is expected that all transaction costs associated with each reorganization will be borne by the acquired funds and their respective shareholders prior to the reorganizations.

**Q3. How will the transitions impact the performance of the acquiring funds?**

- We do not expect any impact to the performance of the Balanced Fund or Large-Cap Core Equity Fund.

**Q4. Will the acquired funds continue to accept purchases and exchanges into the funds?**

- The last day to purchase or exchange into the acquired funds is Thursday, June 20th. The acquired funds will not allow purchases or exchanges into the fund on June 21st. Shareholders can redeem or exchange out of the acquired funds up to and including the date of the reorganizations (Friday, June 21st).

**Q5. How do you expect shareholders to potentially benefit from the reorganizations?**

- Lower expenses:** Each reorganization is expected to result in lower or unchanged net expenses for all share classes of the applicable acquired funds. The following expense information has been provided to shareholders in the proxy mailing.

Net Annual Fund Operating Expenses for the 12-month period ending 9/30/2018				
Fund Name	Class A	Class C	Class Z	Class R6
PGIM Conservative Allocation Fund (pre-reorganization)	1.22%	1.97%	0.97%	0.97%
PGIM Balanced Fund (post-reorganization)	1.00%	1.76%	0.78%	0.65%
Potential Net Expense Change (+/-)	-22 bps	-21 bps	-21 bps	-32 bps

Net Annual Fund Operating Expenses for the 12-month period ending 9/30/2018				
Fund Name	Class A	Class C	Class Z	Class R6
PGIM Moderate Allocation Fund (pre-reorganization)	1.26%	2.03%	1.03%	1.03%
PGIM Balanced Fund (post-reorganization)	1.00%	1.76%	0.78%	0.65%
Potential Net Expense Change (+/-)	-26 bps	-27 bps	-27 bps	-38 bps

Net Annual Fund Operating Expenses for the 12-month period ending 10/31/2018				
Fund Name	Class A	Class C	Class Z	Class R6
PGIM Growth Allocation Fund (pre-reorganization)	1.35%	2.10%	1.10%	1.10%
PGIM QMA Large-Cap Core Equity Fund (post-reorganization)	0.72%	1.44%	0.46%	0.35%
Potential Net Expense Change (+/-)	-63 bps	-66 bps	-64 bps	-75 bps

Source: PGIM. For Class B and Class R net annual fund operating expenses, please refer to the proxy. **Max sales charges: Conservative Allocation Fund A: 5.5%; Moderate Allocation Fund A: 5.5%; Balanced Fund A: 5.5%; Growth Allocation Fund A: 5.5%; Large-Cap Core Equity Fund A: 5.5%**

Conservative Allocation Fund A, C, Z, R6: Gross operating expenses: 1.28%, 2.01%, 1.09%, 95.55%. Net operating expenses: 1.22%, 1.97%, 0.97%, 0.97%, after contractual reduction through 1/31/2020. Moderate Allocation Fund A, C, Z, R6: Gross operating expenses: 1.31%, 2.05%, 1.49%, 305.36%. Net operating expenses: 1.26%, 2.03%, 1.03%, 1.03%, after contractual reduction through 1/31/2020. Balanced Fund A, C, Z, R6: Gross operating expenses: 1.15%, 1.85%, 0.87%, 8.69%. Net operating expenses: 1.00%, 1.76%, 0.78%, 0.65% after contractual reduction through 1/31/2020. Growth Allocation Fund A, C, Z, R6: Gross operating expenses: 1.48%, 2.23%, 1.63%, 13.34%. Net operating expenses: 1.35%, 2.10%, 1.10%, 1.10%, after contractual reduction through 1/31/2020. Large-Cap Core Equity Fund A, C, Z, R6: Gross operating expenses: 0.86%, 1.54%, 0.54%, 0.43%. Net operating expenses: 0.72%, 1.44%, 0.46%, 0.35% after contractual reduction through 2/29/2020.

- Stronger historical performance:** Performance of the acquiring funds is stronger than that of the applicable acquired funds over the one-, three-, five-, and ten-year periods ended for the same periods. The following performance data has been provided to shareholders in the proxy mailing.

Average Annual Total Returns for the period ending 10/31/2018					
Fund Name	3-Month	1-Year	3-Year	5-Year	10-Year
PGIM Conservative Allocation Fund Class Z	-3.33%	-0.41%	4.24%	3.67%	7.05%
PGIM Balanced Fund Class Z	-3.51%	1.89%	6.60%	7.11%	9.57%
Balanced Fund Z excess returns (+/-)	-0.18%	+2.30%	+2.36%	+3.44%	+2.52%

Average Annual Total Returns for the period ending 10/31/2018					
Fund Name	3-Month	1-Year	3-Year	5-Year	10-Year
PGIM Moderate Allocation Fund Class Z	-5.30%	-0.54%	5.70%	4.90%	8.67%
PGIM Balanced Fund Class Z	-3.51%	1.89%	6.60%	7.11%	9.57%
Balanced Fund Z excess returns (+/-)	+1.79%	+2.43%	+0.90%	+2.21%	+0.90%

Average Annual Total Returns for the period ending 10/31/2018					
Fund Name	3-Month	1-Year	3-Year	5-Year	10-Year
PGIM Growth Allocation Fund Class Z	-7.48%	-1.18%	6.90%	5.74%	9.97%
PGIM QMA Large-Cap Core Equity Fund Class Z	-4.55%	5.98%	11.02%	11.08%	12.49%
Large-Cap Core Equity Fund Z excess returns (+/-)	+2.93%	+7.16%	+4.12%	+5.34%	+2.52%

Past performance does not guarantee future results, and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than the original cost. For the most recent month-end performance of the PGIM Funds listed, visit [www.pgiminvestments.com](http://www.pgiminvestments.com).

Fund Name	Average Annual Total Returns for the period ending 10/31/2018				
	3-Month	1-Year	3-Year	5-Year	10-Year
PGIM Conservative Allocation Fund Class A	-3.41%	-0.74%	3.97%	3.41%	6.78%
PGIM Balanced Fund Class A	-3.54%	1.62%	6.31%	6.80%	9.24%
<b>Balanced Fund A excess returns (+/-)</b>	<b>-0.13%</b>	<b>+2.36%</b>	<b>+2.34%</b>	<b>+3.39%</b>	<b>+2.46%</b>

Fund Name	Average Annual Total Returns for the period ending 10/31/2018				
	3-Month	1-Year	3-Year	5-Year	10-Year
PGIM Moderate Allocation Fund Class A	-5.37%	-0.78%	5.44%	4.65%	8.40%
PGIM Balanced Fund Class A	-3.54%	1.62%	6.31%	6.80%	9.24%
<b>Balanced Fund A excess returns (+/-)</b>	<b>+1.83%</b>	<b>+2.40%</b>	<b>+0.87%</b>	<b>+2.15%</b>	<b>+0.84%</b>

Fund Name	Average Annual Total Returns for the period ending 10/31/2018				
	3-Month	1-Year	3-Year	5-Year	10-Year
PGIM Growth Allocation Fund Class A	-7.52%	-1.43%	6.64%	5.49%	9.69%
PGIM QMA Large-Cap Core Equity Fund Class A	-4.61%	5.67%	10.73%	10.81%	12.20%
<b>Large-Cap Core Equity Fund A excess returns (+/-)</b>	<b>+2.91%</b>	<b>+7.10%</b>	<b>+4.09%</b>	<b>+5.32%</b>	<b>+2.51%</b>

Past performance does not guarantee future results, and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than the original cost. For the most recent month-end performance of the PGIM Funds listed, visit [www.pgiminvestments.com](http://www.pgiminvestments.com).

**Q6. How will these reorganizations impact capital gains distributions for 2019?**

- Any capital gains payable to shareholders of the acquired funds will be paid out prior to the reorganizations.

**Q7. Will the reorganizations be considered a taxable event for federal income tax purposes?**

- We do not expect the reorganizations to result in a taxable gain or loss for U.S. federal income tax purposes. Sales by the acquired funds of portfolio securities prior to the reorganizations may result in realized gains or losses on such securities. Net realized gains in excess of prior year capital loss carry forward (if any) would be distributed to shareholders of the acquired fund prior to the reorganizations. See the proxy statements and prospectuses for more information.

**SEC Standardized Returns (With Sales Charges) as of March 31, 2019**

	1-Year	3-Year	5-Year	10-Year
PGIM Conservative Allocation Fund Class Z	2.69	5.93	4.04	7.66
PGIM Conservative Allocation Fund Class A	-3.12	3.72	2.62	6.79
PGIM Moderate Allocation Fund Class Z	1.95	7.85	5.04	9.84
PGIM Moderate Allocation Fund Class A	-3.94	5.57	3.60	8.95
PGIM Growth Allocation Fund Class Z	0.51	9.58	5.69	11.79
PGIM Growth Allocation Fund Class A	-5.24	7.27	4.26	10.88
PGIM Balanced Fund Class Z	4.15	12.88	7.95	13.71
PGIM Balanced Fund Class A	-1.82	10.46	6.43	12.73
PGIM QMA Large-Cap Core Equity Fund Class Z	6.22	12.31	9.94	15.08
PGIM QMA Large-Cap Core Equity Fund Class A	0.06	9.95	8.44	14.13

Past performance does not guarantee future results, and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than the original cost. For the most recent month-end performance of the PGIM Funds listed, visit [www.pgiminvestments.com](http://www.pgiminvestments.com). Max sales charges: Conservative Allocation Fund A: 5.5%; Moderate Allocation Fund A: 5.5%; Balanced Fund A: 5.5%; Growth Allocation Fund A: 5.5%; Large-Cap Core Equity Fund A: 5.5%

Conservative Allocation Fund Z, A: Gross operating expenses: 1.09%, 1.28%. Net operating expenses: Class Z 0.97%, 1.22%, after contractual reduction through 1/31/2020. Moderate Allocation Fund Z, A: Gross operating expenses: 1.49%, 1.31%. Net operating expenses: 1.03%, 1.26%, after contractual reduction through 1/31/2020. Balanced Fund Z, A: Gross operating expenses: 0.88%, 1.17%. Net operating expenses: 0.78%, 1.00%, after contractual reduction through 1/31/2020. Growth Allocation Fund Z, A: Gross operating expenses: 1.63%, 1.49%. Net operating expenses: 1.10%, 1.36, after contractual reduction through 1/31/2020. Large-Cap Core Equity Fund Z, A: Gross operating expenses: 0.55%, 0.84%. Net operating expenses: 0.46%, 0.74%, after contractual reduction through 2/29/2020.

Total return describes the return to the investor after net operating expense but before any sales charges are imposed. SEC standardized return describes the return to the investor after net operating expense and maximum sales charges are imposed. All returns assume share price changes as well as the compounding effect of reinvested dividends and capital gains. Returns may reflect fee waivers and/or expense reimbursements. Without such, returns would be lower. All returns 1-year or less are cumulative. Class R6 and Z shares may be available to group retirement plans and institutional investors through certain retirement, mutual fund wrap and asset allocation programs. They may also be eligible to institutional investors at a \$5,000,000 investment minimum. Class A, C, and Z shares are generally closed to new retirement plans. Please see the prospectus for additional information about fees, expenses, and investor eligibility. All data is unaudited and subject to change.

**PGIM Conservative Allocation Fund Risks:** As a **fund-of-funds**, the value of an investment in the Fund will be related, to a substantial degree, to the investment performance of the underlying funds in which it invests. The Fund is exposed to the same types of risks as the underlying funds in which it invests. These risks include **small- and mid-cap stocks**, which may be subject to more erratic market movements than large-cap stocks; **high yield ("junk") bonds**, which are subject to greater credit and market risks; **short sales**, which involve costs and the risks of potentially unlimited losses; **foreign securities**, which are subject to currency fluctuation and political uncertainty; **leveraging techniques**, which may magnify losses; **derivative securities**, which may carry market, credit, and liquidity risks; and credit, interest rate, and prepayment bond risks. Fixed income investments are subject to interest rate risk, and their value will decline as interest rates rise. The subadviser may **allocate assets** to an asset class that underperforms other assets classes. The Fund is **non-diversified** so its assets may be concentrated in fewer securities than those of other funds. Therefore, a decline in the value of those investments would cause the Fund's overall value to decline to a greater degree. These risks may increase the Fund's share price volatility. There is no guarantee the Fund's objective will be achieved.

**PGIM Moderate Allocation Fund Risks:** As a **fund-of-funds**, the value of an investment in the Fund will be related, to a substantial degree, to the investment performance of the underlying funds in which it invests. The Fund is exposed to the same types of risks as the underlying funds in which it invests. These risks include **small- and mid-cap stocks**, which may be subject to more erratic market movements than large-cap stocks; **high yield ("junk") bonds**, which are subject to greater credit and market risks; **foreign securities**, which are subject to currency fluctuation and political uncertainty; **short sales**, which involve costs and the risks of potentially unlimited losses; **leveraging techniques**, which may magnify losses; and **derivative securities**, which may carry market, credit, and liquidity risks; and **credit, interest rate, and prepayment bond risks**. Fixed income investments are subject to **interest rate risk**, and their value will decline as interest rates rise. The subadviser may **allocate assets** to an asset class that underperforms other assets classes. The Fund is **non-diversified** so its assets may be concentrated in fewer securities than those of other funds. Therefore, a decline in the value of those investments would cause the Fund's overall value to decline to a greater degree. These risks may result in greater share price volatility. There is no guarantee the Fund's objective will be achieved.

**PGIM Balanced Fund Risks:** The Fund may not be appropriate for all investors. The Fund may invest in **certain sectors**, increasing its vulnerability to any single economic, political, or regulatory developments; **high yield ("junk") bonds**, which are subject to greater credit and market risks; **mortgage-backed and asset-backed securities**, which are subject to prepayment, extension, and **interest rate risks**, where the value will decline as interest rates rise; **money market securities** which are generally view as low risk investments but are nevertheless subject to credit, market, prepayment, and interest rate risk; **small- and mid-cap stocks**, which may be subject to more erratic market movement than large-cap stocks; **foreign securities**, which are subject to currency fluctuation and political uncertainty; **short sales**, which involve costs and the risk of potentially unlimited losses; **leveraging techniques**, which may magnify losses; **U.S. government securities** and **agency securities** are backed by the full faith and credit of the U.S. government, are less volatile than equity investments, and provide a guaranteed return of principal at maturity; and **derivative securities**, which may carry market, credit, and liquidity risks. Fixed income investments are subject to **interest rate risk**, and their value will decline as interest rates rise. **Diversification** does not assure a profit or loss in declining markets. These risks may increase the Fund's share price volatility. There is no guarantee the Fund's objective will be achieved.

**PGIM Growth Allocation Fund Risks:** As a **fund-of-funds**, the value of an investment in the Fund will be related, to a substantial degree, to the investment performance of the underlying funds in which it invests. The Fund is exposed to the same types of risks as the underlying funds in which it invests. These risks include **small- and mid-cap stocks**, which may be subject to more erratic market movements than large-cap stocks; **high yield ("junk") bonds**, which are subject to greater credit and market risks; **foreign securities**, which are subject to currency fluctuation and political uncertainty; **leveraging techniques**, which may magnify losses; **short sales**, which involve costs and the risk of potentially unlimited losses; **derivative securities**, which may carry market, credit, and liquidity risks; and **credit, interest rate, and prepayment bond risks**. Fixed income investments are subject to **interest rate risk**, and their value will decline as interest rates rise. The subadviser may **allocate assets** to an asset class that underperforms other assets classes. The Fund is **non-diversified** so its assets may be concentrated in fewer securities than those of other funds. Therefore, a decline in the value of those investments would cause the Fund's overall value to decline to a greater degree. These risks may increase the Fund's share price volatility. There is no guarantee the Fund's objective will be achieved.

**PGIM QMA Large-Cap Core Equity Fund Risks:** The fund will normally invest at least 80% of its investable assets in **equity and equity-related securities** of large capitalization US companies. The Fund may invest in **foreign securities**, which are subject to currency fluctuation and political uncertainty; **derivative securities**, which may carry market, credit, and liquidity risks; and **exchange-traded funds (ETFs)**, which may duplicate some management fees. The Fund may use **hedging techniques** to help achieve its objective. Please see the Fund's prospectus for more detailed information regarding risks. These risks may result in greater share price volatility. There is no guarantee the Fund's objective will be achieved.

## Definitions

**S&P 500 Index** is an unmanaged index of 500 stocks of large U.S. companies. It provides a broad indicator of stock price movements. **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies. **MSCI ACWI ex-U.S.** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the U.S. It comprises approximately 22 developed and 23 emerging market country indexes. **Bloomberg Barclays U.S. Aggregate Bond Index** covers the USD-denominated, investment-grade, fixed-rate or step up, taxable bond market of SEC-registered securities and includes bonds from Treasury, Government-Related, Corporate, MBS (agency fixed-rate & hybrid ARM passthroughs), ABS, & CMBS sectors. Securities included in the index must have at least 1 year until final maturity & be rated investment-grade (Baa3/ BBB-/BBB-) or better using middle rating of Moody's, S&P, & Fitch, (29%) is considered representative of the performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years. **FTSE ERPA/ NARIET Developed Index** is designed to track the performance of listed real estate companies and REITs worldwide. **Russell 2000 Index** contains the 2,000 smallest U.S. companies included in the Russell 3000 Index, which gives a broad look at how stock prices of smaller companies have performed. **MSCI EAFE Index** reflects stock price movements in Europe, Australasia, and the Far East. **Bloomberg Barclays U.S. Government/Credit 1-3 Year Index** is the 1-3 Yr component of the Barclays U.S. Government/Credit Index. It includes securities in the Bloomberg Barclays U.S. Government and U.S. Credit Indices. **Citigroup 3-month T-Bill Index** measures monthly return equivalents of yield averages that are not marked to market and consists of the last three three-month Treasury bill issues. All indexes are unmanaged and do not reflect deductions for any sales charges, operating expenses of a mutual fund, or taxes. Returns would be lower if they included the effect of these expenses.

**For more information, please contact the PGIM Investments Sales Desk at (800) 257-3893.**

Class R2 shares and Class R4 shares are only offered for sale to group retirement plans available through a retirement recordkeeper or third party administrator. Class R6 and Z shares may be available to group retirement plans and institutional investors through certain retirement, mutual fund wrap and asset allocation programs. They may also be eligible to institutional investors at a \$5,000,000 investment minimum. Class A, C, and Z shares are generally closed to new retirement plans. Please see the prospectus for additional information about fees, expenses, and investor eligibility.

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**Consider a fund's investment objectives, risks, charges, and expenses carefully before investing. The prospectus and the summary prospectus contain this and other information about the fund. Contact the PGIM Investments Sales Desk at (800) 257-3893 to obtain the prospectus and the summary prospectus. Read them carefully before investing.**

Mutual fund investing involves risk. Some mutual funds have more risk than others. The investment return and principal value will fluctuate and shares when sold may be worth more or less than the original cost and it is possible to lose money.

Mutual funds are distributed by Prudential Investment Management Services LLC, a Prudential Financial company. QMA is the primary business name of Quantitative Management Associates LLC, a wholly owned subsidiary of PGIM. QMA and PGIM are registered investment advisers and Prudential Financial companies. PGIM Fixed Income is a unit of PGIM. ©2019 Prudential Financial, Inc. and its related entities. Prudential, PGIM, and the PGIM logo are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

**Mutual Funds: Are not insured by the FDIC or any federal government agency | May lose value | Are not a deposit of or guaranteed by any bank or any bank affiliate.**

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