Global Dynamic Bond Strategy

As of June 30, 2019

STRATEGY HIGHLIGHTS

<table>
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<tr>
<th>Objective¹</th>
<th>To add +500 basis points (bps) of annualized excess return over 3-Month U.S. Dollar LIBOR over a full market cycle.</th>
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<tbody>
<tr>
<td>Target Sources of Excess Return</td>
<td>Sector Allocation 200 bps</td>
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Inception Date | January 01, 2016

Strategy Assets | $51.6 million

Benchmark | 3-Month LIBOR Index

INVESTMENT PHILOSOPHY & PROCESS

- The Global Dynamic Bond strategy is an actively managed strategy that combines the "best ideas" from macro top-down and credit/country bottom-up teams across PGIM Fixed Income, opportunistically using geography, asset class and sector ideas to find alpha generating trades.
- Portfolio positioning at any given time is based on where we believe the most attractive risk-adjusted values lie across the investable universe.
- The Strategy is designed to provide flexibility to respond to changing market opportunities to both generate alpha and to mitigate downside risk, diversifying across individual issuers, industries and country positions.

1 Top Down Risk Allocation
   • Assess global appetite for risk to determine portfolio risk profile, leveraging firm’s resources

2 Asset Allocation Global Rates, FX, & Spread Sector Allocation
   • Determine country/term structure, currency, and sector positioning
   • Ideas from sector specialists are emphasized

3 Security Selection & Relative Value
   • Bottom-up research-based approach
   • Sector specialists and research analysts aligned by sector/industry

4 Risk Management
   • Employ a rigorous process to tightly monitor risk at all levels
   • Use proprietary tools to verify performance achieved is appropriate for risk taken

Your capital is at risk and the value of investments can go down as well as up. No investment strategy or management technique can guarantee returns or eliminate risk in any market environment. Where overseas investments are held the rate of currency may cause the value of investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Non-USD securities are converted to USD using a spot rate conversion.¹ There can be no guarantee that this objective will be achieved, on average, over a full market cycle defined as three to five years. Available for professional and institutional investors only. Please see the Notice for important disclosures regarding the information contained herein.
Past performance is not a guarantee or a reliable indicator of future results. The value of investments can go down as well as up. No investment strategy or management technique can guarantee returns or eliminate risk in any market environment. Please see the Notice for important disclosures regarding the information contained herein.

Totals may not sum due to rounding. Source: PGIM Fixed Income. Source of Benchmark: Bloomberg. Where overseas investments are held the rate of currency may cause the value of investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Non-USD securities are converted to USD using a spot rate conversion. 1Periods over one year are annualized. 2Net returns reflect the deduction of investment advisory fees and other expenses. Gross and net performance have been calculated in U.S. dollars and reflect the deduction of transaction costs and withholding taxes, if any, and the reinvestment of income. 3Effective yield is calculated excluding the yield impact of foreign exchange positions and derivatives (other than interest rate futures, which are included in the calculation). 4Excludes cash and FX hedges. 5Middle of Moody’s, S&P and Fitch ratings -- excluding cash and cash equivalents. Available for professional and institutional investors only.
INVESTMENT COMMENTARY

Markets
Interest rates across the G4 tumbled throughout the second quarter driven by lackluster global economic data, lingering U.S./China trade tensions, and rising probabilities of easier global monetary policies. Our preferred bullish rate expression in the U.S. is in 5-10-year TIPS. We continue to expect rates in the Eurozone to remain low and rangebound given the economic malaise, potentially rising trade tensions later this year, and lingering Brexit uncertainty.

Portfolio Attribution

Sector & Issue Selection: Overall sector positioning/issue selection was the primary driver of returns on the quarter. Positioning in developed sovereigns, developed high yield and investment grade corporates, and emerging market sovereigns were the top contributors. This was partially offset by positioning within LIBOR derivatives which detracted from returns. Positions in Greece, Portugal, Cyprus, and Spain were the largest contributors. Meanwhile, positions in Argentina, US, and Mexico hurt performance.

Duration and Yield Curve Positioning: Overall duration and curve positioning boosted returns on the quarter. This was driven by long positions in Brazilian and US rates. While curve positioning in Euro rates added to returns, this was largely offset by a curve-flattener in US rates which detracted from returns.

Currency Selection: Overall FX positioning added to performance led by overweights to the Argentina Peso and Russian Ruble.

PORTFOLIO MANAGERS

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Managing Director and Senior Portfolio Manager

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Principal and Co-Senior Portfolio Manager

PGIM FIXED INCOME

PGIM Fixed Income is a global asset manager offering active solutions across all fixed income markets. As of June 30, 2019, the firm had $809 billion of assets under management, and over 737 institutional asset owners have entrusted PGIM Fixed Income with their assets.

At PGIM Fixed Income our extensive size and scale benefits our clients in our ability to have the necessary resources to maintain large and deep research teams, implement world-class risk management systems, establish ourselves as a known entity to both corporate issuers and sell side analysts and add considerable value to our investment process in finding key opportunities for our investors.

Our investment approach is supported by 295 investment professionals based in the U.S., London, Tokyo, and Singapore, as of June 30, 2019. These senior investment personnel average 23 years tenure with the firm, providing stability and leadership. 9 regional macroeconomists, 109 fundamental analysts, and 59 analysts in quantitative modeling, risk management, and portfolio analysis provide deep, broad perspectives on the global fixed income markets.

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INDEX DESCRIPTIONS: The benchmark for this composite is 3 Month US Dollar LIBOR Average. 3 Month LIBOR (London Interbank Offered Rate) is the stated rate of interest at which banks in the London wholesale money markets may borrow funds from one another for three months. The 90-day average of the daily rates set by the Intercontinental Exchange Benchmark Administration Ltd (“IBA”) is used to derive the return for the month. Source of the 3-Month LIBOR Average: Bloomberg.

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