

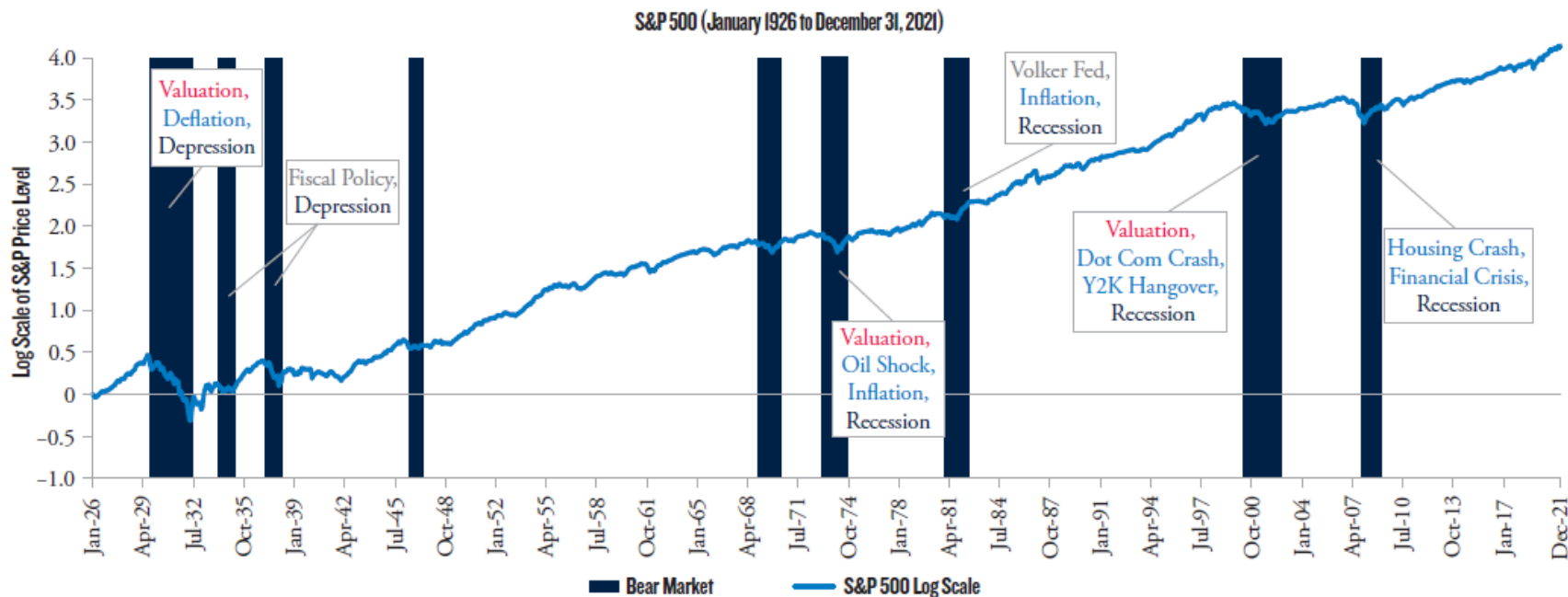
Bear Market Triggers - R**S**V**P**



January 2022



Bear Market Triggers



As of 12/31/2021.

Source: PGIM Quantitative Solutions, Ibbotson Associates.

This is shown for illustrative purposes only. Please see 'Notes to Disclosure' page for Important Information including risk factors and disclosures.

Bear Market Triggers

Recession, Shocks, Equity Valuations, Fed Policy (RSVP)

Earnings support stock prices, but Omicron and a tighter Fed pose risk.

PGIM Quantitative Solutions has analyzed prior bear markets and has determined that they are typically caused by one or more of the following events:

R – Recession:

- Omicron will likely hurt Q1 growth, but Q2 should rebound
- Supply chain constraints continue to limit growth
- Fed tightening sometimes leads to recession

S – Shocks:

Typically can't predict and always somewhat of a risk

- Geopolitical risks rise with Russia/Ukraine and China lockdowns
- Omicron has exploded but cases might peak soon
- Inflation may have peaked but risk of persistent inflation remains

V – Equity Valuations:

- Forward P/E above long-term average
- Low rates have supported higher equity valuations
- Potential higher interest rates could pressure valuations, especially for growth stocks

P – Public Policy (Mistakes):

- Fed will tighten policy in 2022, risking a hard landing
- New fiscal support for economy unlikely
- High current inflation risks economic volatility

PGIM Quantitative Solutions Risk Outlook (as of January 13, 2022)


Low Medium High



PGIM Quantitative Solutions'

Tactical Asset Class Views

Asset Class	–		Neutral	+	
Stocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fixed Income	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real Estate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commodities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cash	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stocks					
US	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EAFE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Emerging Markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fixed Income					
US Core	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TIPS	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High Yield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Non-US Dev. Sov. Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emerging Market Debt	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 January 13, 2022

Important Information

Investors should consider the features of the contract and the underlying portfolios' investment objectives, policies, management, risks, charges and expenses carefully before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional. Please read the prospectus carefully before investing.

This material is being provided for informational or educational purposes only and does not take into account the investment objectives or financial situation of any client or prospective clients. The information is not intended as investment advice and is not a recommendation about managing or investing your retirement savings. If you would like information about your particular investment needs, please contact a financial professional.

Investment options available through variable annuities issued by Pruco Life Insurance Company (in New York, by Pruco Life Insurance Company of New Jersey), Newark, NJ (main office) and distributed by Prudential Annuities Distributors, Inc., Shelton, CT. All are Prudential Financial companies and each is solely responsible for its own financial condition and contractual obligations. Prudential Retirement Strategies is a business of Prudential Financial, Inc.

PGIM Quantitative Solutions LLC (PGIM Quantitative Solutions or PGIM Quant), formerly known as QMA LLC, is an SEC-registered investment adviser and a wholly-owned subsidiary of PGIM, Inc. (PGIM), the principal asset management business of Prudential Financial, Inc. (PFI) of the United States of America. Registration with the SEC does not imply a certain level of skill or training. PFI of the United States is not affiliated in any manner with Prudential plc incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom. These materials represent the views, opinions and recommendations of the author(s) regarding economic conditions, asset classes, and strategies. Distribution of this information to any person other than the person to whom it was originally delivered is unauthorized, and any reproduction of these materials, in whole or in part, or the divulgence of any of the contents hereof, without prior consent of PGIM Quantitative Solutions is prohibited. Certain information in this document has been obtained from sources that PGIM Quantitative Solutions believes to be reliable, however PGIM Quantitative Solutions cannot guarantee their accuracy. These materials are not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument. These materials do not provide any legal, tax or accounting advice. These materials are not intended for distribution in any jurisdiction where such distribution would be unlawful. Certain information contained herein may constitute "forward-looking statements," (including observations about markets and industry and regulatory trends as of the original date of this document). Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. As a result, you should not rely on such forward-looking statements in making any decisions. No representation or warranty is made as to future performance or such forward-looking statements.

©2022 Prudential Financial, Inc. and its related entities. PGIM Quantitative Solutions, Prudential Retirement Strategies, Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

ABOUT PGIM QUANTITATIVE SOLUTIONS: As the quantitative equity and multi-asset solutions specialist of PGIM, we seek to help solve complex investment problems with custom systematic solutions across the risk/return spectrum. We can customize down to the stock level for portfolio considerations, with product offerings that range from core solutions and systematic macro to multi-asset portfolios and overlays. We manage portfolios for a global client base with \$113.7 billion in assets under management as of 9/30/2021.

PGIM Quant-20220113-6