



**PRUDENTIAL FINANCIAL PLANNING SERVICES
MANAGED ASSETS CONSULTING SERVICES
("MACS")**

751 Broad Street, Newark, New Jersey 07102-3777
Telephone 1-800-235-7637

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Prudential Financial Planning Services, a division of Pruco Securities, LLC, and the MACS wrap fee program. If you have any questions about the contents of this Brochure, please contact us at the telephone number provided above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Pruco Securities, LLC is an investment adviser registered with the SEC. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Pruco Securities, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

March 2012

ITEM 2 -MATERIAL CHANGES

As previously disclosed in our update to this brochure dated October, 2011, Pruco Securities updated Section 9 – Additional Information of this Brochure with respect to a recent disclosure of a disciplinary matter. On September 30, 2011, Pruco Securities paid a \$3,000 fine to the Kentucky Department of Financial Institutions for failure to register two investment advisory representatives.

We will continue our practice of offering and/or delivering the most current Brochure to clients on an annual basis, at a minimum. If we make material changes to the Brochure, there will be a summary, as provided above, that identifies and discusses such changes. In addition, you may request a Brochure free of charge at any time by contacting the Pruco COMMAND Service Center at (800) 235-7637.

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ITEM 4 - SERVICES, FEES AND COMPENSATION

Introduction

Pruco Securities, LLC (“Pruco Securities”), doing business as Prudential Financial Planning Services (“PFPS”), provides advisory services and programs as an SEC-registered investment adviser. Pruco Securities also is an SEC-registered broker-dealer, offering brokerage services and engaging in the business of selling variable life insurance, variable annuities, mutual funds, Section 529 College Savings Plans and general securities. Pruco Securities is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

In this Brochure, we refer to “PFPS” in its investment adviser capacity when discussing advisory services and programs and to “Pruco Securities” when discussing the company generally or in its broker/dealer capacity specifically regarding brokerage services and operations.

Pruco Securities is a wholly-owned subsidiary of The Prudential Insurance Company of America (“Prudential”) which in turn is an indirect wholly-owned subsidiary of Prudential Financial, Inc. (“Prudential Financial”), a global financial services organization. As a Prudential Financial company, Pruco Securities is affiliated with other insurance companies, investment advisers and broker-dealers. *For more information about material affiliations in connection with PFPS’s advisory services, please refer to Item 9.*

As an investment adviser, PFPS acts as the sponsor of two wrap fee programs, namely Managed Assets Consulting Services (“MACS”), a discretionary program and PruChoice, a non-discretionary program. PFPS also offers fee-based financial planning services.

By way of definition, a wrap fee advisory program bundles, or wraps, investment advisory services (which may include advice concerning the selection of other available investment options, investment research, and professional management) and brokerage services (such as execution of transactions and custody of assets), providing them to a client and charging a specified advisory fee. The wrap fee is based generally upon a percentage of the assets under management in the account and not directly upon transactions in a client's account.

At the end of our fiscal year, December 31, 2011, PFPS had approximately \$2.9 billion of assets under management – approximately \$2.5 billion in PruChoice and \$440 million in MACS.

This Brochure describes the MACS Program. If you are interested in learning more about PruChoice or financial planning, please contact your PFPS advisory representative for separate program materials and disclosure brochures.

Overview of the MACS Program

The Managed Assets Consulting Services (“MACS” or “Program”) program is a discretionary advisory program, where discretion to make investment decisions is granted to an investment manager who oversees the assets invested in a client’s chosen strategy portfolio in a separately managed account (“SMA”) (“Program Assets”). SMAs are personalized investment portfolios for the individual investor. In addition, clients may opt to hold certain mutual funds in a MACS account (collectively, these fund positions along with Program Assets will be referred to as “MACS Assets”). MACS clients obtain equity, balanced and/or fixed income portfolio management, investment planning, custodial, execution, and other client-related services for a single asset-based wrap fee. As Program sponsor, PFPS and its advisory representatives provide clients with investment advisory and related services with respect to the Program. Prudential Investments, LLC (“Prudential Investments”), a Prudential Financial company, provides certain administrative services to MACS.

Three programs are available in MACS: Diversified Multi-Strategy Portfolio (DMSP), MACS Single Manager Strategy and MACS Asset Allocation Strategy. Through these programs, clients invest Program Assets in one or more of over 50 strategies from more than 30 affiliated and unaffiliated investment managers (“Managers”). A carefully selected group of mutual funds and exchange traded funds (“ETFs”) are available to complement the strategies. No-load and load-waived mutual funds provide flexibility in implementing client objectives and may include mutual funds sponsored by Prudential Investments, LLC (“Prudential Investments”), an affiliate of PFPS (“Proprietary Funds”), and mutual funds that are unaffiliated with PFPS (“Third Party Funds”) (each Proprietary Fund or Third Party Fund is called a “Fund” and collectively referred to as “Funds”). ETFs offered in MACS are managed by unaffiliated investment managers. The Strategic Investment Research Group (“SIRG”), a unit within Prudential Investments, selects and monitors the Managers, Funds and ETFs that are available in MACS.

In MACS, the client grants authority to the Manager(s) to use discretion in managing the Program Assets, namely buying and selling securities on the client’s behalf. PFPS and its advisory representatives are not granted and do not exercise investment or other discretion with respect to any MACS assets and will effect only transactions as instructed (a) by each selected Manager with respect to the Program Assets, including ETFs, managed by the respective Manager, or (b) by a client with respect to Funds held in the Program.

Clients are advised that their Program Assets are likely to be managed in a manner similar to that of other clients having similar investment objectives and risk tolerances using the same Manager and investment strategy.

Selection of Program, Strategy and Manager

To begin, the client selects from the three MACS program options listed below, with the assistance of his/her PFPS advisory representative.

Program Name	Description
Diversified Multi-Strategy Portfolio (DMSP)	<ul style="list-style-type: none">• The Manager, Placemark Investments, Inc., an unaffiliated investment adviser, invests the client's assets in the selected model portfolio, with the flexibility to customize the investment options to suit the client's individual needs<ul style="list-style-type: none">○ Separately Managed Account (SMA) model portfolio(s) provided by one or more of over 20 managers and approximately 30 strategies; and○ Exchange Traded Funds (ETFs)• Mutual Funds are not eligible.
MACS Single Manager Strategy	<ul style="list-style-type: none">• A SMA managed by one Manager typically covering one asset class• Mutual Funds are not eligible
MACS Asset Allocation Strategy	<ul style="list-style-type: none">• A combination of more than one SMA, each managed by a separate Manager• Client-selected Mutual Funds are held outside the SMAs and are not managed by the Manager

The client then completes an investor profile questionnaire (the "Questionnaire") to help identify his/her investment objectives, risk tolerance and time horizon. The PFPS advisory representative will assist the client, depending on the client's responses, in selecting a Manager(s) to implement the desired strategy and invest Program Assets in a MACS account. Moreover, while a client may purchase and hold Funds within the MACS Asset Allocation Strategy, these Fund positions reside outside the SMA and are not managed by any Manager. After the client has finalized his/her choices, an Investment Policy Statement is generated and contains, among other things, the client's investment objectives, goals, the selected Manager(s), and if applicable, an asset allocation.

Client Imposed Investment Restrictions

A client may impose reasonable restrictions on the management of Program Assets, including that particular securities should not be purchased for the client, but the client may not require that particular securities be purchased for the client. Any restrictions a client imposes on the management of Program Assets may cause a Manager to deviate from

investment decisions that it would otherwise make in managing Program Assets.

Brokerage Account

To participate in the Program, a client must sign the MACS Client Advisory Agreement with PFPS as well as open a brokerage account with Pruco Securities (“Brokerage Account”) for each investment strategy in order for securities to be transacted and held. A client signs a separate client agreement that governs the brokerage relationship with Pruco Securities. Pruco Securities acts as an introducing broker and forwards clients’ transactions for execution to First Clearing, LLC (“First Clearing”), the clearing broker for Pruco Securities’ Brokerage Accounts. First Clearing also acts as the qualified custodian of client’s advisory assets in MACS. First Clearing is not affiliated with Pruco Securities.

Program Reporting

Each MACS client will receive: 1) confirmations of Program transactions, 2) account statements from First Clearing on a monthly or quarterly basis, depending on whether there have been transactions during a month, and 3) a performance report (the “Quarterly Performance Review”). The Quarterly Performance Report includes a summary of MACS Assets, the performance history of MACS Assets and rates of return as compared to appropriate market indices.

Proxy Voting

Neither PFPS nor any Manager will take any action or render any advice to client with respect to the taking of corporate actions, including the voting of proxies solicited by, or with respect to, the issuers of any securities held in clients’ accounts, unless and to the extent a client expressly delegates discretion to take corporate actions, including voting proxies, to the Manager(s). With respect to Funds, clients expressly retain (or may delegate to a third party) discretion to take all corporate action, including voting proxies. Clients are solely responsible for making elections relating to any class action lawsuits, merger, acquisitions, tender offers, bankruptcy proceeding or other such events pertaining to the securities in their accounts.

Fees and Expenses

Clients are assessed an annual fee for participating in MACS (“Program Fee”) generally according to the schedule shown below. The Program Fee is payable quarterly in advance. It is calculated based upon the market value of the MACS Assets as of the last business day of the preceding calendar quarter. The initial fee is due in full on the date a Manager commences management of the Program Assets or the date PFPS effects purchases of shares of Funds for the client, pro-rated with respect to the number of days remaining in the quarter. The Program Fee is based on the market value of MACS Assets on that date. In computing the market value of MACS Assets invested in Funds, shares of the Funds shall be valued at their respective net asset values as calculated in accordance with each Fund’s

prospectus. Any such valuation shall not be deemed a guarantee of any kind whatsoever with respect to the value of those MACS Assets.

Each time that MACS Assets in the amount of \$10,000 or more are added or withdrawn during the quarter (or with respect to Fund investments, \$10,000 or more is invested in Fund Assets or Fund Assets valuing \$10,000 or more are redeemed during the quarter), the applicable Program Fee is adjusted accordingly, on a pro-rata basis, to reflect such addition or withdrawal.

The current fee schedule is as follows:

Separately Managed Accounts and Model Portfolios:

Equity, Balanced and Convertible Securities Investment Strategies

<u>\$ Value of Assets</u>	<u>Annualized Fee</u>
First \$ 500,000	3.00%
Next \$ 500,000	2.50%
Next \$1,500,000	2.00%
Next \$2,500,000	1.50%
Over \$5,000,000	1.00%

Fixed Income Strategies

<u>\$ Value of Assets</u>	<u>Annualized Fee</u>
First \$ 500,000	1.25%
Next \$ 500,000	1.00%
Next \$ 1,000,000	0.85%
Next \$ 3,000,000	0.75%
Next \$ 5,000,000	0.50%
Over \$10,000,000	0.375%

DMSP ETFs: Annualized fee of 1.25% of \$ Value of ETF Assets

Mutual Funds: Annualized fee of 1.25% of \$ Value of Fund Assets

Calculated by 2.00% - 0.75% = 1.25% of \$ Value of Fund Assets*

** This credit is provided to offset certain compensation received by PFPS and its affiliates from the Funds or their affiliates for providing various services to the Funds.*

The actual Program Fee paid by a client is a composite or blended fee resulting from the client's choice of investment strategies (SMAs, ETFs and Funds). The Program Fee may be negotiable and may differ based on a number of factors including, but not limited to, the investment strategies selected by the client, the client-related services to be provided to the account, the amount of MACS Assets and the number and size of related client accounts maintained at PFPS and Pruco Securities.

The Program Fee covers investment management services provided by PFPS and the Manager(s); investment planning; asset allocation (if applicable); Manager review, evaluation and recommendation; ETF and Fund review, evaluation and presentation (if applicable); performance measurement and transactional reporting; execution, custodial and other client-related services provided by PFPS or an affiliate.

Out of the Program Fee, PFPS pays the Managers, including overlay managers, SMA managers and SMA model portfolio managers, participating in the Program, including

affiliated Managers, an annual investment management fee that ranges from .23% to .50% of Program Assets invested in equity, balanced and convertible securities investment strategies and ranges from .18% to .40% of Program Assets invested in fixed income strategies. Because of the variety of strategies in fixed income, PFPS may differentiate compensation paid to Managers by strategy and, as a result, the compensation retained by PFPS may also vary.

Special Investment Considerations

Strategies available in the Program may use certain investment vehicles and techniques that carry a higher degree of risk or volatility than other available strategies. The Managers available through MACS cover a spectrum of asset classes and styles. To learn about the investment style of each Manager, clients should review, prior to selection, the MACS Manager Profiles and the respective Manager's disclosure brochure, both which may be requested from his/her PFPS advisory representative.

ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Types of Clients

PFPS' clients are primarily individuals. Other clients of PFPS include pension and profit sharing plans, trusts, estates, charitable organizations, corporations or other business entities, and governmental entities.

Account Requirements

Operating exclusively in the United States, PFPS opens accounts for individuals or entities having a legal US address. A client must sign a MACS Client Advisory Agreement with PFPS as well as sign a Brokerage Account client agreement with Pruco Securities in order for PFPS and Pruco Securities to perform transactional, custodial, administrative and other services associated with MACS.

Minimum Investments

To invest in MACS, the client must designate a minimum amount of assets to the selected strategy and Manager(s). The minimums for each strategy are provided below:

Program Name	Investment Minimums
Diversified Multi-Strategy Portfolio (DMSP)	\$100,000
MACS Single Manager Strategy	\$100,000*
MACS Asset Allocation Strategy	\$300,000

* Some Manager strategies may have lower or higher investment minimums.

Certain Managers require account maintenance minimums and clients may be required to

terminate with such Manager and select another Manager if Program Assets drop below the required minimum due to account withdrawals.

During the questionnaire process, the client will be asked to provide an initial investment amount. If the amount received is less than or greater than 10% of the indicated amount, the monies will not be invested until conformation is received from the client.

Program and Manager Terminations

Clients may terminate their participation in MACS at will upon PFPS' receipt of written notice. Additionally, a client may terminate the management of Program Assets by a Manager at any time by providing written notice to PFPS that the client revokes the discretionary authorization granted to the Manager, and the client either appoints a different Manager to manage all or a portion of the Program Assets or directs the Manager to liquidate all or a portion of the Program Assets. Notwithstanding the revocation of a client's grant of authorization to a Manager, the impacted Manager will take the actions necessary to transfer the Program Assets to another Manager and/or liquidate the Program Assets, as directed by the client.

A client's decision to liquidate the securities in his/her account may impact the sales prices obtained for these securities due to market conditions at the time of sale. As a result, the sales prices obtained by the client may be lower than the prices that would have been obtained if the Manager had sold the securities in the ordinary course. Liquidation of securities may have tax consequences that the client should discuss with his or her independent tax advisor.

ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

Investment Strategies/Manager Selection and Due Diligence

PFPS relies on the expertise on the Strategic Investment Research Group (SIRG), a team of investment professionals at Prudential Investments, to conduct the initial and ongoing due diligence on the Managers, ETFs, and Funds, including those Funds managed by PFPS's affiliates, selected for and participating in MACS.

The Strategic Investment Research Group (SIRG)

PI, through its Strategic Investment Research Group (SIRG) division, generally uses its proprietary **10 Attribute Model** to identify, evaluate, select, and monitor non-affiliated Managers and Funds.

PI employs a team of experienced and specialized analysts and management who devote their full attention to knowing and understanding the participants in the global money management community. The manager evaluation process is a rigorous approach that captures both qualitative and quantitative attributes using

screening techniques, questionnaires and analytical assessments, interviews, on-site visits at PI's discretion, and on-going monitoring of portfolio performance and holdings. This process is applied to the following ten distinct areas:

- (i) investment team talent, experience, and quality
- (ii) investment team stability and motivation/incentive
- (iii) investment team's experience in working together
- (iv) quality of investment process and how well it is implemented
- (v) quality and utilization of research and judgment
- (vi) performance
- (vii) trading management and skill
- (viii) quality of the firm's management and ownership structure
- (ix) client servicing
- (x) compliance and ethics

SIRG evaluates managers regularly to assess whether they continue to meet PI's standards. If any relevant information, including qualification and/or performance concerns, is detected at any time, SIRG may subject the Manager or one or more of its strategies to enhanced scrutiny, restrict the investment strategy(ies) from being presented to new clients, or remove the strategy(ies) from the Program. The level of restriction will depend on the severity of, and the ability of the Manager to satisfactorily address, the concern. PFPS makes no representation regarding the future performance of any strategy of, or any security recommended by, any Manager participating in the Program.

SIRG also notifies PFPS of recommended additions or deletions of Funds, and PFPS reserves the right to decline any recommendation made by SIRG. In addition, PFPS at its discretion may remove any Fund from the Program, and a Fund may terminate its participation in the Program, at any time and in any manner. In the event of a Fund removal or termination, PFPS will endeavor to give clients advance notice of the event and the opportunity to select a new Fund from the options which are then currently available in the Program. If a client fails to (i) select a new Fund within the time required by the notice or (ii) provide other instructions, all shares of the Fund being removed or terminated will be deemed non-Program assets, will be transferred to a Pruco Securities brokerage account, which will be subject to standard brokerage commissions, charges and annual fees.

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

The Managers receive or have access to the following client-related information: (i) account opening documents, which include, among other things, the client's investment objective, risk tolerance and any client-imposed restrictions on management of assets; (ii) on-line access to the account; (iii) client investment guidelines, if applicable; (iv) confirmations; (v) account statements; and (vi) reports relating to the performance of a client's account. PFPS provides relevant updated client information to the Managers as soon as reasonably practicable after receipt of the information from the client.

ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

Personnel of each Manager and a PFPS advisory representative will be reasonably available to clients for joint consultation regarding management of Program Assets by the Manager.

ITEM 9 – ADDITIONAL INFORMATION

Disciplinary Information

Pruco Securities is a registered broker-dealer and many of its management persons as well as its advisory representatives are registered representatives. The following chart provides a brief summary of regulatory matters regarding the activities of Pruco Securities that may be material to your evaluation. Additional information about regulatory matters relating to Pruco Securities and PFPS advisory affiliates may be found in PFPS's Form ADV-Part 1, which may be viewed online at www.adviserinfo.sec.gov or as a hard copy upon a client's request.

Resolution Date	Regulator	Description of Allegation and Resolution
September 30, 2011	Kentucky Department of Financial Institutions	Involved the failure to register two investment advisory representatives. Pruco Securities paid a \$3,000 fine.
April 1, 2009	Florida Office of Financial Regulation(FL-OFR)	Involved mistaken approval of the appointment of a Pruco Securities registered representative with a viatical company and failure to supervise subsequent sales of unregistered securities in the form of viatical settlement contracts to four investors. Pruco Securities remediated four investors (totaling not more than \$128,000) and paid the \$15,000 examination costs and expenses of the FL-OFR.
July 23, 2008	Vermont Department of Banking, Insurance, Securities and Health Care Administration	Involved failure to register certain agents in the state. Pruco Securities paid the state \$57,500, consisting of an administrative penalty, back registration fees and investigative expenses.
February 28, 2008	FINRA	Involved unsuitable recommendation of Class B mutual fund shares, failure to give breakpoint discounts on sales charges and the supervisory and compliance procedures of Pruco Securities. Pruco Securities was censured and fined \$100,000, required to provide

Resolution Date	Regulator	Description of Allegation and Resolution
		remediation to certain customers, and required to retain an independent examiner who would submit a report to Pruco and FINRA.
June 21, 2007	Maine Office of Securities	Involved failure to reasonably supervise activities of a former registered representative who allegedly engaged in unethical conduct of recommending unsuitable transactions and mutual fund switching. Pruco Securities paid \$36,528.97 in restitution to seven Maine clients.
May 9, 2007	FINRA	Involved failures relating to review, filing with FINRA, recordkeeping and supervision related to certain advertisements and sales literature by Pruco Securities and its affiliate, Prudential Investment Management Services, LLC ("PIMS"). Pruco Securities and PIMS were fined \$525,000, jointly and severally, and required to comply with certain undertakings.
April 4, 2006	Nebraska Department of Banking and Finance	Involved untimely transmission of payments received by a registered representative from a customer for the customer's account. Pruco Securities paid a \$7,500 fine and investigative costs of \$5,000.
October 7, 2005	NASD	Involved untimely filing with NASD of certain amendments to Form U4 and Form U5. Pruco Securities paid a \$550,000 fine.
July 13, 2004	Texas State Securities Board	Involved securities sales-related activity at locations not registered as branch offices with the state. Pruco Securities paid a \$10,000 administrative fine.
February 6, 2003	NASD	Involved failure to timely file with NASD certain disclosure events. Pruco Securities paid a \$100,000 fine.

Other Financial Industry Activities and Affiliations

As noted earlier, Pruco Securities is a registered broker-dealer and many of its management persons, as well as all PFPS investment advisory representatives are securities registered representatives. Pruco Securities' management persons do not receive any compensation directly related to Program Fees or commissions from securities-related transactions.

In supporting the MACS program, PFPS maintains relationships material to its advisory business with the affiliated Prudential Financial companies described below.

- **The Prudential Insurance Company of America** (“Prudential”) – the parent company of Pruco Securities, Prudential provides Pruco Securities (and therefore PFPS) with various services which include services of officers, the use of telecommunications, office space, systems and equipment, programmer and analyst services and mail operation services. PFPS investment advisory representatives and personnel are employees of Prudential, which provides them with salaries, expense support and other benefits.
- **Prudential Investments LLC** (“Prudential Investments”) – an SEC-registered investment adviser that provides advisory implementation and administration services for the Program and serves as the portfolio manager of the Proprietary Funds (Prudential Investments family of funds).
- **Jennison Associates LLC** (“Jennison”) –an SEC-registered investment adviser that manages affiliated Proprietary Fund portfolios.
- **Prudential Investment Management, Inc.** (“PIM”) – an SEC-registered investment adviser that manages affiliated Proprietary Fund portfolios.
- **Quantitative Management Associates LLC** (“QMA”) – an SEC-registered investment adviser that provides asset allocation model portfolios to Prudential Investments for use in the Program.
- **Prudential Investment Management Services** (“PIMS”) – an SEC-registered broker-dealer that serves as the principal underwriter and distributor for certain domestic Proprietary Funds and acts as the clearing broker (on behalf of First Clearing) for mutual fund transactions associated with MACS.

A PFPS advisory representative has material affiliations in brokerage and insurance capacities. While s/he does not earn any other direct form of advisory compensation other than financial planning fees(for those who qualify as a PFPS financial planner) and a portion of the Program Fee for MACS and PruChoice, her/his activities as an advisory representative of PFPS, as a registered representative of Pruco Securities and as an insurance agent of Prudential and its insurance company affiliates may make her/him eligible for other bonuses, retirement benefits, and non-cash compensation (such as attendance at conferences, sales awards and prizes and expense reimbursements). A client will enter into a separate contractual relationship for each type of product or service, including but not limited to an advisory program, brokerage account, variable annuity or variable life insurance, which the client wishes to purchase or engage. If you have any questions about the capacity in which a Prudential Representative is acting, any compensation he or she may receive or any issues relating to conflicts of interest, please ask your PFPS advisory representative or his/her supervisor.

Code of Ethics

PFPS maintains a code of ethics as required by applicable SEC rules. PFPS’s code of ethics requires advisory personnel and advisory representatives to conduct business in an honest and forthright manner in accordance with the highest of ethical standards. In

addition, the code of ethics requires advisory personnel and advisory representatives to put client interests ahead of their own and disclose actual and potential meaningful conflicts of interest.

The code of ethics also incorporates the Prudential Financial Information Barrier Policy and Personal Securities Trading Policy, which are intended, among other things, to deter and prevent insider trading and contain detailed requirements with respect to information barriers pertaining to material nonpublic information, as well as restrictions on and reporting and monitoring of employees' personal securities trading.

All PFPS advisory personnel and advisory representatives have a duty to know, understand and comply with the code of ethics and are required to report any violation of the code of ethics promptly to PFPS's chief compliance officer.

Participation or Interest in Client Transactions and Personal Trading

Pruco Securities, as a broker-dealer, routinely effects securities transactions for compensation for its clients and recommends mutual funds, insurance and annuity products sponsored by its affiliates; it does not take positions in securities that it sells to clients for investment purposes, including positions held by clients in MACS. From time to time, PFPS advisory representatives themselves personally invest in MACS and, as a result may select the same program, strategy, Manager or Fund that they recommend to clients. It is therefore possible that an advisory representative could benefit from clients investing in the same program, strategy, Manager or Fund. PFPS considers these potential conflicts to be of limited significance. Our advisory representatives do not recommend any program, strategy, Manager or Fund unless it is suitable and in the best interest of the client. A PFPS advisory representative has no incentive to recommend one program, strategy, Manager or Fund over another to a client and her/his compensation from the Program Fee is not impacted by clients' investments in the same program, strategy, Manager or Funds as those invested in by the PFPS advisory representative. Moreover, PFPS's code of ethics requires that neither PFPS nor any advisory representative prefer her/his own interest ahead of any client's interest.

At times, PFPS advisory representatives may recommend Proprietary Funds for which a PFPS affiliate acts as an investment adviser. While PFPS and its advisory representatives receive no additional compensation from investments in Proprietary Funds, there is an embedded value to Prudential Financial for such investments and our affiliates may receive greater compensation and/or profits from investments in Proprietary Funds than received from other Funds. In addition, our affiliates may provide various services to the Funds and receive compensation from the Funds for these services. Please refer to each Fund's prospectus for more information about the fees and other payments that a Prudential Financial company may receive in connection with clients' participation in the Program.

MACS may use affiliate money market funds as temporary investment vehicles for certain of its investment advisory clients as permitted by law and subject to applicable restrictions.

These money market funds may be managed and/or administered by Prudential Investments, sub-advised by PIM and distributed by PIMS. The use of these money market funds for client accounts, either in "sweep" arrangements, for temporary investment purposes or otherwise, will result in PFPS, PIMS, Prudential Investments, PIM or their affiliates earning fees in addition to the Program Fees. The fees earned by PFPS, Prudential Investments, PIM or their affiliates may vary depending on the affiliated money market funds utilized. PFPS may also receive a benefit from its possession and temporary investment of cash balances in client accounts prior to investment in a sweep arrangement or otherwise.

Further, for certain Individual Retirement Accounts (IRAs) and accounts subject to the Employee Retirement Income Security Act of 1974 (ERISA), the Program Fee and other fees paid to PFPS and its affiliates will not exceed the direct expenses attributable to providing services to the Proprietary Funds, including any affiliated money market fund, available within MACS.

Review of Accounts

PFPS advisory representatives have general knowledge of their client's accounts and, at minimum, review the accounts with the respective client on an annual basis. The reviews may include consideration of i) changes in the client's financial situation or investment objectives and ii) investment activity in the account.

Clients generally receive a quarterly performance report that contain details of account activity, current asset allocation, market value and performance reporting. In addition, unless otherwise specified, clients receive trade confirmations and statements related to account activity and positions in the Brokerage Accounts.

Client Referrals and Other Compensation

From time to time, PFPS may enter into joint marketing activities with Managers and/or sponsors of Funds that participate in MACS. These Managers and/or sponsors may pay a portion, or all, of the cost of the activities, which payment occasionally may take the form of reimbursement to PFPS or its affiliates.

Clients are advised to seek outside professional counsel in the areas pertaining to legal, tax, accounting and plan administration matters. If asked, PFPS advisory representatives may suggest outside professionals as a courtesy to clients. These outside professionals typically are not affiliated with PFPS and clients establish separate relationships with them. Although PFPS advisory representatives are not directly compensated for recommending outside professionals, the use of these professionals may result in referrals to PFPS at a later date.

Financial Information

Registered Investment Advisers are required to provide clients with certain financial information or disclosure about their financial condition. PFPS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to

clients. Please contact your PFPS advisory representative if you would like to receive a copy of Pruco Securities' balance sheet for the most recent year.