

ITEM 1 – COVER PAGE



MANAGED INCOME SOLUTIONS PROGRAM

This Brochure provides information about the qualifications and business practices of Pruco Securities, LLC and its Managed Income Solutions program. If you have any questions about the contents of this Brochure, please contact us at the telephone number provided below. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

Pruco Securities, LLC is an investment adviser registered with the SEC and provides investment advisory services and programs under the marketing name Prudential Financial Planning Services ("PFPS"). 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 31, 2023

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ITEM 2 – MATERIAL CHANGES

This Brochure is dated March 31, 2023. The following information provides a summary of material changes that have been made to this Brochure since the Brochure filed on March 6, 2023. Capitalized terms used but not defined in this section are defined in the body of the Brochure. The following is only a summary of the material changes to this Brochure and is qualified by reference to the full discussion in the Brochure. We urge you to read the full Brochure and invite you to call us with questions at 1-800-235-7637.

Fees and Compensation

In Item 5, Fees and Compensation, we provide additional information about replacing Prudential non-advisory annuities with advisory annuities. IARs receive full generated revenue from the Advisor Fee for the duration of the time you participate in MIS with no reduction in their payout. However, when replacing Prudential non-advisory annuities with other non-advisory annuities, IARs receive a reduced selling commission, which presents a conflict, in that your IAR has greater incentive to replace a non-advisory annuity with an advisory annuity over another non-advisory annuity if you hold the advisory annuity for the long term.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

A. Firm Description and Assets Under Management

Pruco Securities, LLC (“Pruco Securities”) provides investment advisory services and programs as an SEC-registered investment adviser under the marketing name Prudential Financial Planning Services (“PFPS”). Pruco Securities registered with the SEC as an investment adviser in 1984. 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 when discussing its brokerage services and operations.

We refer to the non-discretionary investment advice and related services we offer in this Brochure as the Managed Income Solutions program (“MIS” or the “Program”). We refer to the fee-based variable annuity contract that you must own to participate in MIS as the “Annuity” or “Annuity Contract.”

The words “you” and “your” or “client” refer to the person(s) who completes and signs a Statement of Insurance Selection (“SIS”) and who signs the Client Agreement (collectively, the “Advisory Agreement”) with PFPS. We refer to you as a “Contract Owner” in your capacity as an owner of the Annuity.

Pruco Securities is a wholly owned subsidiary of The Prudential Insurance Company of America (“Prudential Insurance”) which in turn is a wholly owned subsidiary of Prudential Financial, Inc. (“Prudential Financial”), a global financial services organization. Pruco Securities is affiliated with other Prudential Financial insurance companies, insurance agencies, investment advisers and broker-dealers (collectively, “Prudential” or “Prudential Companies”).

This Brochure describes the advisory services available in MIS, which is part of a suite of advisory services that PFPS offers through its investment adviser representatives (“IARs”). PFPS also offers fee-based financial planning services and sponsors three wrap fee programs, which are described in separate brochures that are available upon request. The wrap fee programs are: (1) PruStrategist Portfolios (“PSP”), a mutual fund and ETF discretionary program, (2) PruChoice, a non-discretionary mutual fund and ETF program, and (3) PruUMA, a discretionary unified managed account program. In this Brochure, the term “Program” refers to MIS by itself, whereas the term “Programs” refers to MIS together with the three wrap fee programs.

As of March 20, 2023, PFPS had approximately \$11,142,017,411 of nondiscretionary assets under management and approximately \$2,887,304,010 of discretionary assets under management.

Overview

MIS is a non-discretionary investment advisory program that enables you to receive investment advice and related administrative services for an asset-based fee (“Client Fee”) in conjunction with your purchase of an Annuity.

You invest in MIS by buying an Annuity approved for use in MIS and executing an Advisory Agreement. Currently, the only variable annuity that PFPS’ Registered Investment Advisory Committee (“Committee”) has approved for use in MIS is a flexible premium deferred variable annuity issued by PFPS’ affiliates, Pruco Life Insurance Company or Pruco Life Insurance Company of New Jersey (collectively, “Pruco Life”).

A variable annuity is a contract between you and an insurance company, where the insurance company agrees to make periodic payments to you beginning at some future date. You purchase a variable annuity contract by making either a single purchase payment or a series of purchase payments. Variable annuities offer features not generally found in other types of investment products, such as tax deferred earnings (not a benefit when purchased as an Individual Retirement Account or other tax qualified retirement account), death benefit protection options, living benefit

protection options, lifetime income options, and other features. Not all benefits are available in all states, and not all features are available in all variable annuities.

The insurance company establishes a separate account (“Separate Account”) to hold the assets that are associated with the Annuity. The Separate Account is divided into separate sub-accounts (each, a “Sub-Account”), each of which invests in a separate insurance-dedicated mutual fund (each, a “Fund” and collectively, the “Funds”).

Investing in variable annuities is typically more expensive than other investment options offered in your advisory account. When you purchase a variable annuity and receive investment advisory services in connection with it, you will pay the Client Fee in addition to all product fees associated with the variable annuity including but not limited to, the mortality and expense fee, administration fee, investment fees, and optional rider fees as described in “Item 5.” Your IAR will not receive selling commission on your purchase of the variable annuity in an advisory account, but will receive a portion of the Client Fee which will be calculated based on the value of the variable annuity.

Typically, holding an annuity in an advisory account will be more expensive than holding one in a brokerage relationship. You will pay more to hold the annuity in your advisory account during each year in which the amount of the Client Fee, plus the sum of the annuity’s mortality and expense fee and any optional benefit rider fee, exceeds the total fee for the same or similar variable annuity if purchased in a traditional brokerage relationship. Withdrawals made from the Annuity, including withdrawals to pay Client Fees will reduce the cash value of the Annuity, can have tax consequences, and can negatively affect benefits under the Annuity. The Program is not intended for investors who have a short-term time horizon (or expect significant withdrawals), or who expect or desire to maintain consistently high levels of cash or fixed account balances.

Notwithstanding this, it may make sense to hold an annuity in an advisory account if:

- you are unsure of your time horizon, so you appreciate the flexibility to terminate the annuity contract in the early years of the contract, where surrender charges materially impact contract performance (surrender charges for advisory annuity contracts are typically lower than for brokerage annuity contracts); and/or
- you value and are willing to pay for the service that your IAR would provide by advising you on your allocation of the advisory annuity’s cash value to different Funds.

Conversely, it would make sense to hold an annuity in a brokerage relationship if:

- you are confident that it is unlikely that you will terminate the annuity contract in the early years of the contract, so you are willing to invest in a product with a contingent deferred sales charge (“CDSC”); and/or
- you are comfortable making investment decisions without the assistance of an IAR and feel that the relatively static “buy and hold” nature of annuity contracts would not justify the additional expense of the MIS services.

For more information about the differences between advisory and brokerage accounts, please refer to Pruco Securities’ Client Relationship Summary (“Form CRS”) and Investor Disclosures for brokerage clients.

B. Description of Advisory Services

MIS is a non-discretionary asset allocation program where you make all investment decisions for your Annuity Contract. PFPS offers the Program through Envestnet Asset Management, Inc. and its affiliates (“Envestnet”), utilizing the web-based technology platform that Envestnet sponsors (the “Envestnet Insurance Exchange”). The Envestnet Insurance Exchange offers access to a suite of fee-based annuities from a variety of insurance carriers. Clients invest assets across asset classes based on a recommended allocation from PFPS among the Funds offered under the Annuity Contract.

Clients choose one or more Funds in each asset class, which may include domestic equity, international equity, fixed income, and cash. Each asset class in an asset allocation model has a specific allocation range. You designate the specific asset allocation percentage desired for each asset class (within that range) with the help of your IAR. PFPS

is responsible for determining whether a particular asset allocation model is appropriate for you and whether the allowable ranges in each model and the individual Funds are suitable for each client to whom they are recommended.

PFPS and its IARs limit the universe of investments they consider when they formulate their advice in MIS. This section describes how PFPS limits its consideration of which Annuities to make available in the Program, which Funds and riders may be recommended, and which research providers PFPS relies upon. Some limitations enable PFPS, its affiliates or its IARs to generate additional revenue or to avoid costs and to receive additional free (or discounted) services and goods (collectively, “Compensation”). Please see “Item 5” for additional information about this Compensation and the associated conflicts of interest.

1. Choice of Annuity and the Envestnet Insurance Exchange Platform

PFPS’ Committee has chosen, at least initially, to limit the Annuities offered in the Program to a single fee-based variable annuity issued by Pruco Life. This Annuity was identified on the basis of Pruco Life’s affiliation with PFPS. There are other variable annuities issued by unaffiliated insurance companies, and the Committee does not consider these other options, which have similar or identical investment features, benefits and investment options and will, in some cases, have lower expense ratios (and, therefore, potentially higher returns to you). In the future, the Committee may consider unaffiliated Annuity options, but expects to continue to give preference to affiliated options in selecting and retaining the Annuities in the Program.

The Committee also will continue to limit its consideration to Annuities that Envestnet agrees to make available on its Envestnet Insurance Exchange platform from time to time. Insurance carriers pay to participate on the Envestnet Insurance Exchange by entering into a software and services agreement with Envestnet’s partner, Fiduciary Exchange LLC (“FIDx”). For example, Prudential Insurance pays FIDx to make the Annuity available on its exchange and to allow users of the exchange to leverage its functionality. Please consult your insurance company for additional information regarding the arrangements Envestnet and FIDx have with insurance companies, including Pruco Life. These arrangements influence which Annuities are available to advisers like PFPS on the Envestnet Insurance Exchange. If an Annuity ceases to be available on the Envestnet Insurance Exchange platform, PFPS and your IAR will stop providing you investment advice, and your participation in the Program will terminate as described in “Item 7.”

2. Choice of Funds

Your IAR will make recommendations of particular Funds to represent each asset class in your asset allocation model. However, the IAR may only recommend Funds that the insurance company makes available as investment options for that Annuity (and that the Committee has approved to be available in the Program, as described in “Item 8”). In selecting and retaining Funds as investment options for your Annuity, insurance companies typically favor Funds that generate additional Compensation for the insurance company and its affiliates, over other similar Funds that generate less Compensation but may have lower expense ratios (and, therefore, potentially higher returns to you). Each Fund investor pays a proportionate share of each Fund’s underlying expenses, as described in “Item 5.” The insurance company also may charge you a fund facilitation fee to make certain non-proprietary Funds available as investment options in your Annuity (“Fund Access Charges”). As described in “Item 5,” Fund Access Charges compensate the insurance company for offering non-proprietary Funds that tend to have lower total annual operating expenses for you, but that pay less (or no) revenue share to your insurance company. Not all Funds are subject to Fund Access Charges. All these expenses and fees are in addition to the Client Fee you pay.

The Annuity available in the Program offers Funds managed by PGIM Investments LLC (“PGIM Investments”), an affiliated company of Pruco Life (referred to as “Affiliated Funds”) and Funds managed by companies not affiliated with Pruco Life (“Unaffiliated Funds”). Each Fund has one or more investment advisers or sub-advisers that conduct day to day management. Pruco Life has selected the Funds for inclusion as investment options under this Annuity in Pruco Life’s role as the issuer of this Annuity. Pruco Life is not an investment adviser, and Pruco Life does not provide investment advice or recommend any particular Fund. Pruco Life is not a fiduciary to you, and Pruco Life does not act as a fiduciary in selecting Funds that are available under the Annuity. Pruco Life and its affiliates receive fees and payments from both the Affiliated Funds and the Unaffiliated Funds, as described in “Item 5.” Pruco Life also assesses Fund Access Charges on Unaffiliated Funds that pay Pruco Life less (or no) revenue share. Contract

Owners are subject to this charge when allocating purchase payments to these Funds (and not when allocating purchase payments to the other Funds). Pruco Life considers the amount of the Compensation to Prudential Companies when determining which Funds to offer through the Annuity. Please refer to “Item 5” for additional information about this conflict of interest and how we seek to mitigate it.

3. *Choice of Riders*

A rider is an optional benefit that can be added to the annuity contract, **for an additional fee**. Only the riders that the Committee chooses to make available in MIS may be recommended to you (and only subject to any restrictions imposed by the states). If you wish to take advantage of features of a variable annuity that are not available in MIS, you may prefer to purchase a variable annuity in a brokerage relationship rather than participate in MIS. Your IAR will be unable to provide investment advice with respect to whether and, if so, when to add or remove and activate or terminate a rider or optional feature of your Annuity that is not approved by the Committee for use in MIS.

Carefully consider whether the riders you want are available in MIS and offered at reasonable cost on your Annuity.

- ***Death Benefits:*** Not all annuities include a death benefit or assure the return of your premiums (if greater than your account value). If there is no death benefit and the contract does not provide for payment of your account value at death to your beneficiary (and you die before the contract is fully paid out), you lose -- and the insurance company retains -- part or all of the premium you paid for your Annuity in excess of your withdrawals at death.
- ***Living Benefits:*** There are three basic types of living benefits, although many hybrid products offer a mix of features. They guarantee a return of: (1) your purchase payments (less prior withdrawals) through annual withdrawals for a specified period or for life – aka a “lifetime withdrawal benefit”; (2) minimum future income levels regardless of how the market performs for life – aka “minimum income benefit”; or (3) the value of your purchase payments regardless of investment performance on a pre-set date – aka “minimum accumulation benefit.”

Currently, the Committee has approved a single Annuity (issued by Pruco Life) with two optional riders for MIS: one living benefit and one death benefit. To receive the “Dynamic Income” living benefit and/or a “Return of Adjusted Purchase Payments” death benefit on this Annuity, you must pay Pruco Life an additional charge. This represents additional Compensation to Prudential, as described in “Item 5.” The total cost of any rider (and associated investment restrictions and holding periods) will vary by insurance company. If a particular rider is important to you, you may want to compare multiple different annuity providers to evaluate the reasonableness of costs and terms of riders available to you in MIS. For example, unlike “income benefits” in other annuities, the “Dynamic Income Benefit” rider in Pruco Life’s Annuity does not guarantee a minimum income amount. Because Pruco Life’s Annuity is the only one offered in MIS, participation in MIS may not be right for clients whose objective in purchasing the Annuity is to insure against a decline in future income levels attributable to investment losses.

4. *Choice of Investment Option*

PFPS and your IAR does not consider, when recommending an allocation to a Fund, whether you could obtain the exposure to that investment through a retail mutual fund at lower cost (and, therefore, higher returns) in another advisory account (e.g., a wrap fee program) rather than MIS. Some of the Funds available as Sub-Accounts under the Annuity are managed by the same investment adviser or sub-adviser as a retail mutual fund of the same or similar name. While the investment objective and policies of the retail mutual funds and the Funds may be substantially similar, the actual investments will differ to varying degrees. Differences in the performance of the Funds and retail mutual fund can be expected, and in some cases could be substantial. When performance is compared net of Fund Access Charges (which do not apply to retail mutual funds), the insurance-dedicated Fund is likely to underperform a similar retail mutual fund held in a wrap fee account.

5. *Choice of Research Provider*

Your IAR may recommend only the asset allocation model, the allowable ranges in each model and the individual Funds which PFPS' Committee approves for MIS. To inform its decision, the Committee uses the services of the affiliated and third-party research providers described in "Item 8." PFPS purchases services from Envestnet Asset Management, Inc., an unaffiliated registered investment adviser, to provide PFPS with the target asset allocation and provide asset allocation ranges for each asset class of the allocation model available within each risk profile in MIS for IARs to use. Envestnet also electronically maintains the risk tolerance questionnaire ("RTQ") and the logic to map the results of the RTQ to a risk profile. PFPS engages Morningstar Research Services LLC, a registered investment adviser and subsidiary of Morningstar, Inc. (together, with its affiliates and subsidiaries, "Morningstar"), to provide due diligence and monitoring of the Funds that IARs may recommend to represent each asset class in your asset allocation model. The Committee also relies on the Strategic Investment Research Group ("SIRG") of PGIM Investments to supplement the independent due diligence on the Funds that PFPS purchases from Morningstar. The Committee gives preference, in selecting and retaining its sources of research, to affiliated firms and to third-party firms that have other important business relationships with PFPS and Prudential Companies, as described in "Item 5."

6. *Choice of Financial Professional*

Not all IARs are permitted to offer MIS. For example, the only advisory product or service that "virtual" IARs offer is the PSP wrap fee program (and, in his or her capacity as an insurance or brokerage representative, mutual funds, a limited number of insurance products and variable annuities). A virtual IAR may be appropriate and could allow you to invest in PSP at lower cost, if you prefer communicating through electronic channels and have financial needs that can be met with the more limited menu of investment options. Because of the more limited product offering, virtual IARs may not be appropriate for clients with complex financial needs or who prefer meeting with an IAR in person at some point. Please refer to PFPS' wrap fee program brochure for other differences you should consider when selecting between a virtual IAR and a traditional IAR.

Not all recommendations and services you receive in connection with MIS are provided by your financial professional in their capacity as an IAR of PFPS. Your IAR is also a registered representative of Pruco Securities, a broker dealer, and, except in New York where your IAR is licensed as an insurance broker, your IAR is also a licensed insurance agent appointed by the insurer issuing the Annuity, which may be a Prudential company or an unaffiliated insurance company that has a selling agreement with Pruco Securities. Certain recommendations and services in connection with the Annuity are provided by your financial professional in these other capacities.

- The initial recommendation, to participate in MIS and to purchase the Annuity and any rider at enrollment, is made by your financial professional in his or her capacity as an insurance agent or broker and broker-dealer representative of Pruco Securities. Your IAR does not act as a representative of PFPS, and is not subject to fiduciary duties of loyalty and care, during enrollment except when recommending the percentage allocation to each asset class and a Fund (or Funds) to represent that asset class.
- While enrolled in MIS, most recommendations by your IAR are made as a fiduciary. This includes any advice on whether to transfer the Annuity to a brokerage relationship, whether to purchase a rider and retain a rider, whether to start or stop withdrawals under the optional living benefit if elected, and whether to make subsequent deposits. The only exceptions are advice on whether to annuitize the contract (using one of the income options provided in the Annuity contract and prospectus), whether to replace the Annuity with another insurance contract and whether to surrender the Annuity. For these exceptions, your IAR's advice or silence with respect to these matters is provided solely as an insurance agent or broker and a registered representative of Pruco Securities as broker-dealer, meaning that they have no obligation to consider or advise you on these matters if you do not ask.
- If you terminate your participation in MIS, your financial professional will cease to act in his or her capacity as an investment adviser representative of PFPS subject to fiduciary duties of loyalty and care.

Please refer to "Item 8" and Form CRS for information about how the legal standards and requirements (e.g., for disclosure and monitoring) differ and, in some cases, are lower when your IAR is providing services in his or her capacity as an insurance agent or broker and registered representative of Pruco Securities as a broker-dealer (not as an IAR subject to fiduciary duties of loyalty and care).

C. Customized Services, Investment Preferences and Other Important Information

Prior to investing in MIS, you will discuss with your financial professional, among other things, your personal and financial situation, goals and objectives; risk tolerance; anticipated personal and financial needs; and the attributes/features/benefits (i.e., guaranteed income, tax-deferred growth, death benefit guarantees, etc.) that are important to you in meeting your needs. As part of this process, you will also answer questions in a RTQ about your investment objectives for the Annuity, time horizon and risk tolerance. The financial professional will create a profile for you reflecting your responses.

Your financial professional will discuss the costs and expenses of the options that are available to you and work with you to assess which product types are in your best interest, including whether the Program would be appropriate and could assist you in meeting your investment needs. If your financial professional determines that a service or product he or she does not offer is in your best interest, he or she will refer you to another financial professional that does offer that service or product. Alternatively, your financial professional will choose to recommend another service or product to you. Please see “COMPENSATION OF YOUR IAR” for information about the conflicts of interest that affect your IAR’s recommendation or referral.

If your financial professional determines the MIS Program is in your best interest, your IAR uses your RTQ to recommend an allocation to specific Funds available in the Annuity (and approved by the Committee) that align with your investment objectives, time horizon and risk tolerance for your Annuity based on your financial needs and circumstances as well as the information you provide in the completed RTQ. You will decide whether you should participate in the Program and whether the recommendation to participate is suitable for your investment objectives, risk tolerance and time horizon for your Assets. You also are responsible for deciding whether to accept your IAR’s recommendations of individual Funds and a target percentage allocation to each asset class and Fund. For important information about each Fund, including investment objectives, risks, charges, and expenses, you should read the Fund’s prospectus carefully before investing. After you make your choices, the Statement of Insurance Selection or “SIS” is generated. The SIS outlines, among other things, your risk tolerance for the Annuity, the Client Fee you will pay, your percentage allocation to each asset class, the Fund (or Funds) representing those asset classes, and other information.

It is your responsibility to furnish your IAR with complete and current information about your personal and financial circumstances, goals and preferences. The information you provide to your IAR should be accurate because it will be the basis for the recommendations and advice you receive. Neither PFPS nor your IAR independently verifies the information you provide. We do not automatically take into consideration other information you provide or make available to us, or our affiliates (including Pruco Life), in connection with your Annuity or other Prudential products and services. You are responsible for furnishing all information to your IAR that you would like PFPS to consider in connection with formulating its investment recommendations in MIS.

1. Discussing your Preferences

In MIS, at no additional expense, you may discuss your preferences (e.g., for passively managed, rather than actively managed, Funds or for socially responsible strategies) and request that certain specified Funds, or certain categories of Funds, be included by your IAR in his or her non-discretionary recommendations. However, you may not make changes to the securities in a Fund because each Fund in which the Sub-Accounts invest must operate in accordance with the investment objectives and strategies described in the Fund’s prospectuses. Imposing preferences or restrictions may cause your IAR to change the investment recommendations that he or she would otherwise make, and may cause your Annuity’s investment performance to be lower than the performance of unrestricted Annuities.

Because your IAR’s recommendations are non-discretionary, you are responsible for accepting or rejecting each Fund recommendation, including each substitute Fund recommendation. By approving a recommendation, you are instructing your IAR to submit the order to the insurance company. We will not have any obligation to verify with the insurance carrier that your order has been properly received and implemented, or that your Annuity remains invested, in accordance with any investment preferences or restrictions unless we specifically agree to do so, in writing.

2. *Automatic Rebalancing*

MIS does not offer an IAR-directed rebalancing service as part of the Program. Your Annuity Contract, however, gives you the ability to direct the insurance company to periodically rebalance your allocation among the Funds to remain aligned with the allocation you have selected. To participate in MIS, you must elect and remain enrolled in the automatic rebalancing service. Importantly, you are responsible for ensuring your insurance company starts (and does not stop) this service with respect to your Annuity. PFPS and its IARs do not monitor whether your allocation to the Funds is rebalanced, nor do they monitor whether trades are placed in a manner that is timely and in accordance with your rebalancing instructions.

Rebalancing will occur on the terms, and at the frequency, to which you agree with the insurance company that issues your Annuity. Generally, Contract Owners can choose to have their Sub-Accounts investments automatically reviewed for rebalancing monthly, quarterly, semi-annually, or annually. On the appropriate date, the Funds you choose are rebalanced to the allocation percentages you requested. The insurance company will transfer the appropriate amount from the “overweighted” Funds to the “underweighted” Funds to return your allocations to the percentages you request. For example, over time the performance of the Funds will differ, causing your percentage allocations to shift.

Please refer to the prospectus for your Annuity to determine whether there is a minimum account value required to enroll in automatic rebalancing and whether transfers attributable to automatic rebalancing are included in the number of free transfers each year and/or subject to charges deducted for participating in automatic rebalancing.

3. *Transfer Restrictions on Sub-Account Options*

Some insurance companies impose restrictions on your ability, as a Contract Owner, to transfer assets into or out of the Funds underlying your Annuity in a given “annuity year.” Generally, these restrictions apply only to transfers that you or your IAR (at your direction) initiate, not transfers under a systematic program, including automatic rebalancing. For example, with the Annuity issued by Pruco Life, once you or your IAR have made 20 transfers among the Sub-Accounts during an “Annuity Year,” Pruco Life will accept any additional transfer request during that year only if the request is submitted in writing with an original signature and in good order. In addition, Pruco Life may limit the number of transfers in any Annuity Year or refuse any transfer request if: (a) Pruco Life believes that excessive transfer activity or a specific transfer request or group of transfer requests may have a detrimental effect on unit values or the share prices of the Funds; or (b) Pruco Life is informed by a Fund (e.g., by its adviser or portfolio manager) that the purchase or redemption of shares in the Fund must be restricted because the Fund’s adviser believes the transfer activity to which such purchase and redemption relates would have a detrimental effect on the share prices of the affected Fund. Transfers are not subject to taxation on any gains.

4. *Funding your Annuity*

If you plan to fund your Annuity with proceeds from the sale of funds, the surrender of an insurance product, early withdrawal from a certificate of deposit, or the sale of any other financial product, you should consider the cost of any sales charges or commissions you previously paid or will pay upon sale, or any penalties you may pay upon surrender. It may be costly or inappropriate to invest through the Program in this manner. You should not fund your Annuity with proceeds from loans (including any cash advance or line of credit from a credit card), a margin account or a reverse mortgage.

Generally, initial purchase payments are allocated according to the instructions on the Annuity application. However, in some states, the insurance company has to allocate initial purchase payments to a suspense Sub-Account during the free look period, usually a ten-day period of time during which you may terminate your contract without paying any surrender charges and receive a refund for the contract. After the free look period, the insurance company typically will reallocate the value of the Annuity among the Sub-Accounts based on the instructions contained in the application. Clients should review the prospectus for their Annuity for state specific information on the allocation of the purchase payments. Only cash can be used to purchase the Annuity.

In the event that a client seeks to sell securities in their Pruco Securities brokerage account in order to fund the Annuity, the client should review the potential tax consequences of these liquidations with their tax adviser before selling securities. PFPS and Pruco Securities do not provide tax advice. When liquidating securities for purposes of raising cash for purchasing the Annuity, Pruco Securities will be acting as your broker, not your investment adviser, and will be entitled to charge commission unless prohibited by law. Please see “Item 5” for additional information about this Compensation and the associated conflicts of interest. Liquidations will be effected as part of the purchase of the Annuity and will be separate from acceptance in the investment advisory management of your Annuity. If a particular security cannot be liquidated, it will not be used to raise cash to purchase the Annuity and will remain in your brokerage account.

5. *Special Advisory Fee Distribution Rules*

Depending on the Annuity, your insurance company may treat advisory fee payments as an expense of the Annuity and not a taxable distribution if the client’s non-qualified Annuity satisfies the requirements of a private letter ruling issued to the insurance company by the Internal Revenue Service (“IRS”). If your Annuity is ineligible for advisory fee deduction, and if you take partial withdrawals from such Annuity to pay advisory fees, such partial withdrawals will be considered taxable distributions for all contracts, including the “qualified” retirement plans. Please refer to “Item 5.B” for more information.

6. *Tax Considerations*

Annuity withdrawal or surrender amounts received before the annuity payments begin will be taxed as ordinary income, rather than as a return of cost basis, until all gain has been withdrawn. The Contract Owner will generally be taxed on any withdrawals from the Annuity while the owner is alive even if the withdrawal is paid to a third-party. If you assign or pledge all or part of your Annuity as collateral for a loan, the part assigned generally will be treated as a withdrawal and subject to income tax to the extent of gain. Amounts distributed from an Annuity are subject to federal and state income tax reporting and withholding. In general, an insurance company will withhold federal income tax from the taxable portion of such distribution based on the type of distribution. Please refer to the prospectus for your Annuity Contract to determine whether and, if so, when the insurance company will apply a designated rate (e.g., 10%) or default withholding under the applicable tax rules unless you designate a different withholding status. You may be subject to a 10% additional tax penalty for withdrawals before age 59 ½ unless an exception to the tax penalty is met.

An annuity that is an IRA or other tax-advantaged account is subject to the Required Minimum Distribution rules. This means that generally payments must start by April 1 of the year after the year the Contract Owner reaches age 73. Roth IRAs are not subject to these rules during the Contract Owner’s lifetime.

7. *Termination of a Fund*

Your IAR may only recommend the Funds that your insurance company makes available, and the Committee approves, for selection and retention as investment options in your Annuity. The Committee can remove from (or add to) the menu of Funds that IARs may recommend for your Annuity at any time, as described in “Item 8.” In addition, your insurance company can substitute one Fund for another, or terminate the availability of a Fund, at any time (subject to any necessary SEC and/or state regulatory approvals). The Funds themselves can engage in transactions that could limit or terminate their availability (e.g., via merger with another Fund or liquidation). The Funds, which sell their shares to the Sub-Accounts pursuant to participation agreements, also may terminate these agreements and discontinue offering their shares to the Sub-Accounts. Please refer to the prospectus for your Annuity Contract and the underlying Funds for more information.

Generally, when the Funds available under your Annuity change, the insurance company will provide you with advance notice regarding which Funds will be affected by the change, and where the affected assets will be transferred, unless you make a different election before that substitution or closure date. The replacement Fund will not necessarily be the Fund that PFPS would recommend to represent that asset class in your asset allocation model, and PFPS cannot direct your insurance company to transfer affected assets to a different Fund without your election. Therefore, we

encourage you to consult your IAR at any time, at no additional cost, to request an update to your IAR's prior investment recommendations in the event of a Fund substitution or other change in your circumstances.

If the Committee chooses to remove a Fund from MIS that the insurance company continues to make available, PFPS will notify you of the removal and ask you to select a replacement from among the other Funds the Committee approves within that asset class. If you do not (i) select a replacement Fund within the time required by the notice or (ii) provide other instructions, or if PFPS cannot timely notify you about the removal, your Annuity may remain invested in a Fund that the Committee no longer allows IARs to recommend. If you continue to not take action, your participation in the Program can be terminated as described in "Item 7."

D. Wrap Fee Programs

PFPS' portfolio management services are also available through PSP, PruChoice and PruUMA for clients who prefer to invest through a wrap fee program rather than through MIS. A wrap fee program is an investment advisory program in which you pay one bundled fee for both investment advice and brokerage services. A portion of the wrap fee goes to cover transaction and clearing costs (and related administrative and custody costs) associated with transactions in your advisory account, and a portion goes to compensate PFPS and your IAR for their advisory services.

MIS is not deemed a wrap fee program, because there are few (if any) fees, charges or transaction costs associated with transferring Annuity account value among the Funds underlying your Annuity. Please closely review the prospectuses for your Annuity and the Funds for more information about fees, charges and transaction costs in connection with your Annuity. You should consider:

- in evaluating the reasonableness of the Client Fee and whether to invest through a wrap fee program or MIS, that the MIS Client Fee is primarily compensation for investment advice and related-administrative services, not for benefits or services provided by the Annuity or the Funds.
- in deciding whether to accept your IAR's recommendation, whether the frequency of changes in your asset allocation model or allocation to particular Funds (or the selection of optional riders) will cause you to incur additional fees or charges.

PFPS' portfolio management services differ for clients who invest through MIS rather than through a wrap fee program. For example, there are fewer investment strategies, styles and objectives available to clients in MIS than in the wrap fee programs. Also, the universe of Funds presented for the Committee's consideration in the wrap fee programs is larger and not limited to the universe of options the insurance company chooses to make available to Contract Owners, as explained in "Description of Advisory Services." The due diligence and research that PFPS receives on the Fund options in MIS also differs from that received in the wrap fee programs, as described in "Item 8."

ITEM 5 – FEES AND COMPENSATION

A. Advisory Fees

You pay a Client Fee to participate in MIS. Fees are subject to change, and may increase upon notice to you, in accordance with your Advisory Agreement. Client Fees for similar services vary among PFPS' offices or IARs. Please see "Compensation" for information about the conflicts of interest that affect the Client Fee you pay.

1. Calculating Client Fees

The Client Fee is an annualized asset-based fee that covers the advisory and related administrative services described in this Brochure that are provided by PFPS and your IAR in connection with MIS. The Client Fee consists of: (i) a Program Fee that compensates PFPS (generally ranging between 0.40% and 0.25%); and (ii) the Advisor Fee that compensates your IAR (generally ranging up to 1.00%). As a result, the negotiable range of the total Client Fee is generally between 1.40% and 0.25%. The fees for certain services described in this Brochure may be reduced for

employees or agents of PFPS and its affiliates, and certain clients may be subject to prior fee schedules. The rate of your Client Fee (including its components, the Program Fee and the Advisor Fee) are set forth in your SIS.

At the direction of PFPS, Envestnet calculates your Client Fee, quarterly in arrears, based on information supplied by your insurance company. Envestnet multiplies (i) the annualized Client Fee rate provided in your SIS, (ii) by the average daily value of the Annuity entered in the Envestnet Insurance Exchange platform during the period, (iii) by the actual number of days in the billing period over the actual number of days in the year. Your insurance company is responsible for accurately calculating and timely updating the value for your Annuity entered in the Envestnet Insurance Exchange platform each day.

Your insurance company determines the value of the Contract on which your Client Fee is based by selecting which assets to include, and how they are valued, each day in the quarter. The insurance company can increase the amount of the Client Fee you pay to the Adviser by entering a higher value on more days during the quarter in the Envestnet Insurance Exchange platform. For example, you will pay the Client Fee on a higher average daily value if the Insurance Company calculates the amount it records: (1) by including allocations to fixed accounts or money market Funds and by including premium payments promptly upon receipt; and/or (2) by NOT deducting accrued fees and expenses, costs associated with riders, or withdrawals from the Annuity.

The ability of the insurance company to increase our Client Fee presents a conflict of interest when your insurance company is affiliated with the Adviser or has other financial incentives to benefit the Adviser, as described in "Compensation." You should closely review the prospectus for your Annuity to determine how your insurance company calculates the "Unadjusted Account Value," which is the value it enters in the Envestnet Insurance Exchange each day. The services you purchase in exchange for the Client Fee do not include monitoring the accuracy of the fees and costs paid or deducted in connection with the Annuity (e.g., to the Insurance Company and to the underlying Funds).

The Client Fee for the first calendar quarter will be prorated. The Client Fee for the last calendar quarter accrues through the end of the date on which the Advisory Agreement terminates. However, PFPS may choose to waive or refund a portion of that amount.

Please refer to your Advisory Agreement for the details of your particular Client Fee and how it is calculated.

2. *Negotiating Fees*

The Advisor Fee and, in some cases, the Program Fee are negotiable depending on a number of factors. These include, without limitation, the amount of your assets, the range and extent of services you receive from your IAR, and the number and size of related accounts you maintain at PFPS or Pruco Securities. You and your IAR may negotiate (and renegotiate or change) your Advisor Fee at any time in accordance with the terms of your Advisory Agreement.

B. *Payment of Fees*

PFPS typically does not offer clients the option of being billed for the Client Fee. Instead, in MIS clients are responsible for choosing whether the Client Fee should be deducted:

- directly from the Annuity; or
- from a non-qualified brokerage account you maintain with Pruco Securities at National Financial Services LLC ("NFS").

To take withdrawals from the Contract to pay the Client Fee, a client must complete an authorization form specified by your insurance company. Once the authorization form is completed, the Insurance Company, at the request of PFPS, will withdraw the amount that Envestnet calculates and requests via the Envestnet Insurance Exchange platform and pay the proceeds to PFPS without further approval from the client. A client may revoke the authorization form at any time by contacting the insurance company prior to withdrawal.

- If your Client Fee is deducted from your Contract, it will reduce the value of your Contract. Not all states allow fees to be deducted directly from the Annuity.
- Please refer to the prospectus for your Annuity to determine if your insurance company has received an Internal Revenue Service (IRS) private letter ruling that the payment of investment advisory fees directly from the Annuity will NOT be taxable to the client as distributions, nor subject to the 10% penalty for early withdrawal if the advisory fee payment meets certain specific requirements.
- If the ruling requirements, as stated in your prospectus for the Annuity, are not met fully, certain payments of Client Fees may be taxable. Charges for investment advisory fees that are taken from a qualified or non-qualified Annuity with a living benefit are treated as a partial withdrawal from the Annuity and will be tax reported as such to the Contract Owner.

To take withdrawals from your non-qualified brokerage account to pay the Client Fee, you must authorize the deduction by entering your account number on a SIS you execute (as part of your Advisory Agreement). Once the authorization is accepted by PFPS, NFS will withdraw the amount that Envestnet calculates from the designated billing account and pay the proceeds to PFPS.

- All deductions from the account by NFS will be shown in your brokerage account statements. Please notify PFPS promptly if you discover an error in your Client Fee deducted on your account statement. If you use your brokerage account to pay Client Fees, the Client Fee will not appear in the MIS Program reports described in “Item 13,” and your Annuity’s overall performance reflected in this report will, as a result, appear higher.
- If there is insufficient cash in your brokerage account, you authorize Pruco Securities to sell assets in your account in its discretion to generate sufficient cash to pay for any unpaid fees and charges, and this may result in a tax liability. When selling assets, Pruco Securities will be acting as your broker, not your investment adviser, which presents the issues noted in “Funding your Annuity.”
- If there are insufficient assets in your designated brokerage account, you must authorize your insurance company to deduct amounts directly from the Annuity (if permitted in your state) or your participation in the Program can be terminated as described in “Item 7.”

You should consult a tax advisor for more information on tax treatment.

C. Prepayment of Fees

Clients are not required or permitted to pay Client Fees in advance.

D. Other Fees and Expenses

In addition to the Client Fee, you will pay other fees and costs when investing in the Program. Some of these fees and costs directly affect our Compensation, and others do not. When the fees and expenses you pay affect the Compensation that Prudential Companies receive, there is a conflict of interest. Please refer to “Our Compensation” for more information.

The first section, titled “Annuity Costs,” describes fees and expenses that are unique to variable annuities. The remaining sections describe fees and expenses that you pay in connection with any of our advisory services.

1. Annuity Costs

There are several charges and fees associated with investing in variable annuities that are not assessed on investments in our wrap fee programs. They differ when you hold the annuity in a brokerage relationship versus an advisory program (like MIS), but generally include:

- **Mortality and expense risk charges**, which compensate the insurance company for insurance risks it assumes under the annuity contract. It generally equals a certain percentage of your account value per year and may be lower for Contract Owners with premium purchase payments or account value that exceed a specified amount (e.g., \$1,000,000).
- **Administration charges**, which compensate the insurance company for providing administrative services such as preparation of the prospectus, confirmation statements, annual account statements, annual reports, and the contract itself, as well as other legal and accounting fees and related expenses.
- **Fees for optional riders**, which compensate the insurance company for the additional risk it assumes when guaranteeing a living benefit (e.g., if the person lives longer than actuarial assumptions) or a death benefit (e.g., if the account value is less than the adjusted purchase payment value owed when the death benefit becomes payable). Each rider increases the cost of a variable annuity, usually in an amount equal to 0.10% to 1.00% of the contract value per year.
- **Fund Access Charges**, which compensate the insurance company for making available Unaffiliated Funds that tend to have lower total annual operating expenses for you, but that pay less (or no) revenue share to your insurance company. Fund Access Charges (typically in the range of 0.35% to 0.70% annually) are deducted by the insurance company to replace the revenue share it relies upon to meet expenses and profit targets.
- **Transfer fees**, which compensate the insurance company for effecting transfers you request (as opposed to automatic rebalancing transfers or dollar cost averaging) among the Funds underlying your Annuity. Typically, the fee (in the range of \$10 to \$15) is only charged on transfers that exceed your annual allotment of “free” transfers (e.g., 20 requests per year). Transfer fees are separate from (and do not offset) the fees and expenses that underlying Funds can impose on purchases and redemptions, as described in “Share Classes” below.
- **Annual account management fees**, which compensate the insurance company for furnishing or arranging for administrative and operational services and systems supporting the variable annuity. The fee (which may be a dollar amount like \$50 or a yearly percentage) may be inapplicable or waived for larger Contract Owners (e.g., with premium purchase payments or account value that exceed a specified amount such as \$100,000).
- **Tax charges**, which generate compensation for an insurance company when it deducts more from your purchase payment, surrender value or account value (typically ranging up to 3.5% of such payment or value) than the actual amount of taxes the insurance company is required to pay. The insurance company generally sets the tax charges to approximate its estimate of the applicable premium tax, retaliatory tax and other taxes imposed on it with respect to your variable annuity.
- **Surrender charges**, which compensate the insurance company for sales commissions or marketing support paid in connection with the sale of the variable annuity if the Contract Owner withdraws money within a certain period after a purchase payment.

Comparing the Costs of Annuities Held in a Brokerage versus Advisory Relationship:

Fees and charges differ when a variable annuity is purchased in a traditional brokerage relationship rather than an advisory program like MIS.

- In general, variable annuities that are available for purchase in an advisory account have lower surrender charges than similar variable annuities from the same issuing insurance company when the product is purchased in a traditional brokerage relationship. The difference in surrender charges is largely attributable to the portion of the surrender charge that the issuing insurance company would use to pay selling commission to Pruco Securities and its representatives in a traditional brokerage relationship.
- The fee for any optional death benefit riders and/or living benefit riders is generally the same whether the variable annuity is purchased in an advisory account or a traditional brokerage relationship because no additional selling compensation is paid if you select an optional benefit rider.

- If you purchase the annuity in an advisory relationship and then transfer the annuity to a brokerage relationship, the annuity will retain the benefit of comparatively lower mortality and expense fees, lower (or no) surrender fees, and generally similar fees for optional riders. However, you would no longer receive our advisory services or pay the Client Fee.

Conflicts of Interest:

The insurance company is responsible for setting the fee rate (or amount) you pay as the Contract Owner for these services in connection with your Annuity. Insurance companies, including Pruco Life, set the fee higher than their total costs in connection with the Annuity and keep the difference as their profit. Your financial interest (in paying lower fees and keeping more of your investment returns) conflicts with our (Pruco Life's and PFPS') financial interest in maximizing revenue to Prudential Companies.

For example, Pruco Life requests Revenue Share (as defined in "Item 5.E") from Fund sponsors at levels that allow Pruco Life to meet its expenses and profit targets (generally equal to 0.30% annually on assets allocated to the Fund). When the sponsor of an Unaffiliated Fund declines to pay that level of Revenue Share, Pruco Life requires you to pay a Fund Access Charge (typically 0.35% to 0.70% annually on assets allocated to the Fund). Pruco Life sets the Fund Access Charge you pay at a rate that is higher than the rate Pruco Life collects in Revenue Share. Charging this fee, and setting the rate at higher levels, increases revenue and profits to Prudential Companies, but directly reduces your investment returns. Pruco Life sets the Fund Access Charge at a level that raises the total annual expenses you pay on amounts invested in these Unaffiliated Funds to levels similar to, or higher than, the total cost of investing in other Unaffiliated Funds (or Affiliated Funds).

Please see the prospectus for your Annuity, and the Annuity Contract itself, for the full list of current and potential fees and charges that you incur in connection with your Contract. The revenue to Prudential Companies is in addition to the Client Fee you pay in the Program.

2. Fund Fees

When the cash value of your Annuity is allocated to Funds, you pay your share of each Fund's internal fees and expenses, in addition to the fees and costs you pay in connection with the Annuity and in connection with the Program. These Fund-level fees and expenses include, without limitation, fees payable from a Fund's assets pursuant to Rule 12b-1 under the Investment Company Act of 1940 for marketing, distribution and other services ("12b-1 fees"); management fees; custody, legal and accounting fees; and shareholder servicing, sub-transfer agency, recordkeeping and other fees and payments made from the assets of the Fund. The fees and expenses are not included in the Client Fee or in any other applicable fees and expenses shown in your statements from PFPS or the insurance company. They lower your investment returns by reducing a Fund's net asset value. Please see the prospectuses for the Funds and your Annuity for more information about these fees and expenses, as well as other fees that Funds charge upon certain transaction activity in connection with your Annuity.

As described in "Item 4" and "Item 8," the Committee and your IAR do not consider or recommend any Funds outside of the universe selected by your insurance company, in its capacity as the issuer of the Annuity (not as a fiduciary). In choosing among all the insurance-dedicated Funds registered with the SEC, the insurance company gives preference to Funds that generate additional Compensation (or reputational benefits) for the insurance company and its affiliates, over other similar Funds that generate less Compensation or benefits but may have lower expense ratios (and, therefore, potentially higher returns to you). For example, insurance companies have an incentive to use Funds that are advised, sponsored or distributed by affiliates of the insurance company, as this allows the insurance company (or its affiliates) to receive, through the fees and expenses you pay at the Fund level, higher total Compensation than they would from the use of Funds which are not sponsored or distributed by affiliates of the insurance company.

3. Share Classes

Like mutual funds, an insurance-dedicated Fund can offer multiple share classes. Each share class participates in the same portfolio of investments, but the classes differ as far as their charges. A share class may have some, all or none of the fees and charges described in this section, each of which reduces the value of your investment. Your returns

are higher if invested in the share class that charges the lowest fees.

In the Program, you may only invest the cash value of your Annuity in certain share classes of the insurance-dedicated Funds. The availability of the specific share class of Funds for use in the Program is dependent upon the agreements that the insurance company has with the individual Funds or Fund families. As a result, the lowest-cost share classes of Funds will not always be available in the Program. Conversely, the lowest-cost share class may be available to you -- without participating in the Program (and paying the Client Fee) -- because certain Funds offer the same share class for variable annuities purchased or held in a brokerage relationship as in MIS.

The insurance company has an incentive to favor on its platform the Funds, Fund families and share classes that result in the greatest Compensation to the insurance company and its affiliates (here, Prudential Companies including us), rather than the lowest cost to you. The prospectus for your Annuity specifies the share class of each Fund used in your Annuity and the types of payments the insurance company receives from the Funds.

This section describes how the fees and expenses you pay (and the Compensation that Pruco Life and PFPS receive) can vary depending on differences in the share classes, Funds and Fund families to which your cash value is allocated.

Transaction Charges:

Different fees are associated with buying, selling and holding each share class. The circumstances in which the fees will be charged, and may be waived, are disclosed by the Fund in its prospectus. You (not PFPS or your insurance company) pay these charges, which are in addition to any transfer fees you agree to pay the insurance company (as described in “Annuity Costs” above).

Generally, institutional share classes of insurance-dedicated Funds are available when you purchase a variable annuity in an advisory relationship rather than a traditional brokerage relationship. Institutional share classes are “load-waived” or “no-load,” which means that you should not pay a sales load when allocating the cash value of your Annuity to purchase shares of such Funds through the Program.

The principal fees an insurance-dedicated Fund may charge upon redemptions are CDSC, “short-term trading fees” and “redemption fees.” A *CDSC* is a commission you pay to the distributor that sold the shares if redeemed within a certain number of years. A *short-term trading fee* is imposed by a Fund to deter excessive trading, usually defined as multiple purchases and redemptions by the same Contract Owner within a short period of time. A *redemption fee* is charged to offset the cost to the Fund of liquidating securities to meet the redemption request. CDSC, redemption fees and short-term trading fees are returned to the Fund or its distributor.

If you terminate your participation in MIS and transfer the Annuity to a brokerage relationship, you generally will be able to continue to hold and purchase the share classes offered in MIS. If you surrender your Annuity, you will not be eligible to continue to hold or purchase the share classes offered in your Annuity (e.g., in a brokerage account). The shares will be sold, and you will pay whatever CDSC, redemption fee or short-term trading fee that is owed at that time.

You should carefully review your Annuity’s account statements and prospectus to understand any additional transaction charges that may be incurred based, for example, on the frequency or number of transfers in the preceding period. Before accepting your IAR’s recommendation, you should discuss these considerations and any questions you may have.

Class-Specific Fees:

Different share classes are subject to different fund-level fees. For example, 12b-1 fees, shareholder servicing fees, and sub-transfer agency, recordkeeping, and/or accounting fees tend to be lower (or not paid) on certain share classes but not others of the same Fund. Currently, the share classes of Funds that will be used in MIS do not charge you 12b-1 fees but do charge you other fund-level fees that differ by share class (if more than one share class is available). Lower cost share classes of the same Fund will, in some cases, be available outside of MIS without the same fund-level fees.

Depending on the Fund and Fund share class, financial intermediaries, such as the insurance company, receive Compensation from the Fund (directly or indirectly through a Fund's affiliate) for various purposes, including payments for the services provided and expenses incurred in shareholder servicing, recordkeeping, promoting, marketing and administering the Annuity and the Funds. Generally, the Compensation that financial intermediaries receive is greater on Funds and share classes that charge you higher fund-level fees. Currently, some but not all of the Funds and share classes that Pruco Life chooses to make available as investment options pay fund-level fees to Prudential Companies.

The amounts you owe to Pruco Life in connection with the Annuity, or to PFPS in connection with MIS, are not offset or reduced by a credit for the amounts you pay in fund-level fees. Accepting Compensation that differs based on the choice of insurance-dedicated Funds or share classes that Pruco Life makes available, and that PFPS and its IARs recommend, presents a conflict of interest. Please refer to "Item 5.E" for more information about this conflict of interest and how we seek to mitigate it.

Share Class Conversions:

Lower cost share classes can be added by insurance-dedicated Funds at any time. PFPS periodically reviews the share classes offered by Funds in MIS, but also relies on your insurance company to inform PFPS when and if these share classes will be made available. If PFPS identifies a class of shares for a Fund more appropriate than the class of shares previously made available for the Fund in MIS, to the extent allowed, PFPS would request that the insurance company make that share class available through the Annuity and request that the insurance company move client investments under the Annuity to the appropriate share class of the same Fund.

You will not immediately be invested in the lowest cost share class available in these circumstances. Conversion to a lower cost share class does not occur unless PFPS learns that a more favorable share class has become available, and the insurance company implements the conversion. Until the conversion is implemented, the cash value of your Annuity will continue to be allocated to buy, as well as to retain, shares of the less favorable class. Operational and other considerations can affect the timing of the conversion of shares and can cause the implementation of such conversions to differ between clients in MIS.

Any conversion to a lower cost share class typically reduces the fund-level fees that the insurance company is entitled to receive from the Fund or its affiliates for allocating the cash value to the higher cost share classes of the same Fund. The insurance company has an incentive to select (and to retain) a higher-cost share class if the Fund (or its affiliates) pay the insurance company based on cash value of your Annuity invested in the higher-cost (but not the lower-cost) share class. PFPS has an incentive to allow your insurance company to use a higher-cost share class, if cash values allocated to the higher-cost share classes generally entitle us (or our affiliates) to receive larger payments from the insurance company, the Fund or its affiliates.

Conflicts of Interest:

We also have an incentive to favor for your Annuity shares of the subset of Fund families, Funds and share classes that pay fund-level fees to Pruco Life or other Prudential Companies, including us. Not all families of Funds, insurance-dedicated funds or share classes that Pruco Life could make available in your Annuity have 12b-1 fees and/or fund-level fees. We approve for the Program, and our IARs recommend, the selection and retention of Funds with share classes that pay us fund-level fees, when others are available that do not pay such fees. This is a conflict of interest, as recommending Funds and share classes that pay fund-level fees increases the payments that Prudential Companies are entitled to receive but reduces the Fund's returns to you.

The Committee cannot require an insurance company to use the lowest cost share class available to the Program. However, the Committee can take into consideration whether the lowest cost share class is made available when the Committee approves the retention of the Annuity in the Program and the particular Funds that IARs may recommend to represent an asset class. Whether the lowest cost share class is made available is not determinative. As described in "Item 4," the Committee gives preference to affiliated options in selecting and retaining the Annuities in the Program. Also, the Committee expects to approve a Fund that does not use the lowest cost share class if justified by the potential upside opportunity (such as access to an asset class with few Fund options).

4. *Cash Allocation*

You can allocate a portion of the cash value of your Annuity to an insurance-dedicated money market mutual Fund (or a fixed account option if offered by your insurance company) as a strategic allocation to cash (as an asset class) or as a temporary defensive measure in periods of market volatility. In low interest rate environments, the application of the Client Fee to any cash value allocated to a money market Fund will exceed the return on that money market Fund option, resulting in negative net yield to you.

Currently, the only money market Fund option that Pruco Life makes available in the Annuity is an Affiliated Fund managed by PGIM Investments. There are several other insurance-dedicated money market Funds on the market that are not Affiliated Funds and would not allow Prudential Companies to receive, through the fees and expenses you pay at the Fund level, higher total Compensation than they receive on Affiliated Funds. Pruco Life is not required to, and does not expect to, consider these other options with similar or identical investment objectives, some of which will have lower expenses ratios (and, therefore, potentially higher returns) on your cash allocation. The yield on an insurance-dedicated money market Fund is generally lower than what is available directly from a bank or from a fixed account option, if available, from your insurance company.

As described in “Item 8,” the Committee is responsible for making the final decision on whether to approve a target allocation to each asset class, as well as the specific Funds to represent the asset class. We have a conflict of interest when the Committee approves, and your IAR recommends, the selection and retention of a larger allocation to cash and the Affiliated Fund money market option. As described in “Fund Fees,” your investment in a money market Fund is subject to the management and other fees and expenses you pay as a shareholder of such Fund. In the case of the Affiliated Fund money market option, these fees and expenses are paid to and retained by PFPS’ affiliates. In MIS, unlike in the wrap fee programs, your allocation to the Affiliated Fund money market option is not excluded from the computation of the Client Fee.

5. *Other Costs*

Your Client Fee does not cover the fees paid for ancillary services incurred by client actions in connection with your participation in the Program. For example, if you elect to have your Client Fee deducted from a non-qualified brokerage account at Pruco Securities, there are costs associated with overdraft fees, wire transfer fees, bounced check fees, stop payment fees, transfer-of-assets fees (ACAT), and fees for safekeeping of physical stock certificates. In its role as introducing broker, Pruco Securities is responsible for setting the fee rate (or amount) paid by its customers for these ancillary services. Pruco Securities chooses to set the fee higher than NFS requires, and keeps the difference between the fee you pay and the fee NFS retains. This presents a conflict, as setting a higher fee increases revenue for us, even though it will result in you paying higher fees if you engage in the relevant transactions. These markups are in addition to the Client Fee you pay in a Program, and you should consider the additional revenue that we receive as part of PFPS’s Compensation when evaluating the appropriateness of your Client Fee. Please see the “Command Account and Investor Account Fee Schedule” for your brokerage account for the current list of ancillary services fees that you pay in addition to the Client Fee. For information about the portion of the markup we retain from the ancillary services fees, please call the number on the front of this Brochure.

The Client Fee also does not cover other fees and charges that Envestnet, your insurance company or NFS reserve the right to pass through to us or you in connection with your Annuity or MIS, or any other fees or costs you agree to pay or reimburse to NFS (such as a liquidation fee), Envestnet or your insurance company.

E. *Compensation*

Our primary source of revenue and success comes from our ability to attract and retain our clients. We do this by offering quality investment advice that is reasonably designed to help clients achieve their financial goals through our Programs and other products offered by us and our affiliates. When we maximize returns to Prudential by placing your interests first, our interests are aligned with yours. Our overarching incentive to achieve your satisfaction is unchanged by the conflicts of interest described in this Brochure, all of which should be considered material (either individually or in the aggregate).

We want to meet or exceed your expectations for transparency. As described in this section, we supplement the Compensation we earn from your Client Fee by engaging in what we believe to be longstanding industry practices, not unique to Prudential, that provide complementary sources of Compensation. If these practices were all eliminated, we would need to consider raising Client Fees in order for Prudential to provide its full range of services and achieve its own financial goals. Instead, we have retained these sources of Compensation and fully disclose them, so clients can understand their own expenses and how we are compensated.

1. Our Compensation

PFPS receives Compensation when you participate in the Programs that we recommend to you. The amount of the Compensation that PFPS and its affiliates receive depends on a number of factors. It is generally greater when a client invests in a Program than when a client purchases financial planning services and/or brokerage products and services. In any of the Programs, we maximize our Compensation when we obtain at free or at discounted prices the services we (or our affiliates) are responsible for providing you and when we avoid penalties, fees or extra charges we (or our affiliates) are responsible for bearing. We earn Compensation by entering into arrangements pursuant to which a third party who is not a client provides an economic benefit to us (or our affiliates) for providing our advice or other advisory services. Please read this section carefully for important information about these arrangements and other business relationships we have, and Compensation that we receive, directly or indirectly, from the investment advisers and other service providers we recommend, select or approve in formulating our advice and delivering services for clients.

PFPS maintains policies and procedures for reviewing Compensation that seek to ensure our incentive arrangements do not interfere with our fiduciary duty under the Advisers Act to all clients and our fiduciary obligations, where applicable, under ERISA and parallel provisions of the Code. When Compensation to Prudential varies based on what we recommend, select or approve for clients, this presents a material conflict of interest. We have an incentive to make the decision that maximizes our Compensation, or the Compensation to Prudential Companies, rather than to give disinterested advice. Our IARs have an incentive to make the decision that maximizes their Compensation, either directly (in the form of salary or commissions, bonus, prizes, rebates, etc.) or indirectly as further discussed in “Compensation of your IAR.” In some cases, the decision that benefits us, our affiliates or our IARs will result in additional expenses or opportunity costs to clients, which reduce your returns. Generally, the higher our Compensation resulting from a service or product recommended by an IAR, the higher the cost of that product or service is to you.

In each of the cases described in this Brochure, to the extent consistent with applicable law, we and our affiliates take into consideration our financial interest in maximizing Compensation when making decisions, even when that results in additional expenses or opportunity costs to you. Although the following order varies greatly depending on circumstances, we typically anticipate that the profit margin – and thus Compensation – to us or to Prudential Companies overall will rank as follows (within each bullet, in order of highest to lowest profitability):

- **Across all products and services:**
 - advisory services, commissionable insurance products, other brokerage products and services
 - proprietary products and services tend to have higher profit margins for us than non-proprietary versions of the similar product or service;
- **Within advisory services:** financial planning, MIS, PruChoice, PSP, PruUMA;
- **Within life insurance:** permanent, longer term, shorter term;
- **Within annuities:** variable annuities, indexed variable annuities, fixed indexed annuities, single premium immediate annuities, fixed annuities;
- **Within a brokerage account:** commissionable insurance products, mutual funds (for which generated revenue varies by share class, and is generally higher for higher-cost share classes), fixed income securities, equity securities, and ETFs.

a. Relationships with Other Advisers

Our incentives to recommend a Program or Fund depend on the Compensation we receive (directly or indirectly through our affiliates) from, and our business relationships with, the investment advisers we recommend, select or approve in formulating our advice for clients. In MIS, PFPS is deemed to select the research providers (including Envestnet and PMC, Morningstar, and SIRG) that the Committee considers when approving the target asset allocation ranges and particular Funds to represent each asset class in the asset allocation model. As described in “Item 8,” the research providers we rely upon in MIS are not fiduciaries to clients in MIS, and use of their research does not establish an advisory relationship between the research provider and the client. In the wrap fee programs, PFPS is deemed to recommend or select the Model Providers and Envestnet to the extent that the Committee of PFPS approves them and can remove any Model Provider (and any Separately Managed Accounts and/or Strategies associated with the Model Providers, each as described below), Fund, or Envestnet from a wrap fee program.

This section describes the Compensation we receive (directly or indirectly) from, and our business relationships with, the investment advisers we recommend, select or approve in formulating our advice for clients. It also describes how those business relationships result in additional expenses or opportunity costs to clients, which reduce your returns. In the circumstances described below, to the extent consistent with applicable law, we approve, and our IARs recommend, the selection and retention of the research providers and investment advisers (and their Strategies, Separately Managed Accounts, Overlay Models, etc.) that will generate greater Compensation to us or our affiliates, over other options that generate less Compensation. Moreover, in making this recommendation, your IAR takes into consideration his or her financial interest in maximizing Compensation, either directly (in the form of salary or commissions, bonus, prizes, rebates, etc.) or indirectly (as an employee or agent of Prudential) when making recommendations. Each of these practices presents a material conflict of interest. Please see “Our Compensation” and “Compensation of your IAR” for more information about these conflicts.

i. Envestnet and PMC

Envestnet Asset Management, Inc. is an investment management firm founded in 1999 that provides investment management and investment advisory services through independent investment advisers, like PFPS. Envestnet also serves institutional clients such as pension or profit-sharing plans, trusts, estates, and corporations and provides advisory and research services. Envestnet’s services are made available by PFPS through each PFPS IAR. In addition to the Envestnet advisory services offered in the wrap fee programs, Envestnet also offers PFPS many advisory service tools, whereby Envestnet provides only administrative and technology services and investment research and due diligence.

Services for the Programs. Envestnet provides services, including the technology platform, to PFPS and clients in all of the Programs. In MIS, Envestnet only provides operational and administrative services such as performance reports, website services, client proposals, and fee calculation services. In the other Programs, PFPS retains Envestnet to serve as the sub-adviser or co-adviser and/or to place trades and rebalance the wrap fee accounts of advisory clients.

Envestnet develops the asset allocation models available within each risk profile in MIS, PruUMA and PruChoice. Envestnet also creates and maintains the RTQ which PFPS has adopted for use in the Programs and the logic to map the results of the RTQ to a risk profile.

PMC, a division of Envestnet Asset Management, Inc., provides PFPS with yearly capital markets assumptions (expected return, standard deviation and correlations). PFPS uses these capital market assumptions and asset allocation models provided by PMC in computer software programs used by IARs to develop financial plans. The capital market assumptions are also used by PFPS and IARs in developing the recommended asset allocation models for MIS, PruUMA and PruChoice. The Committee makes available in PSP and PruUMA certain Strategies for which PMC is a Model Provider (subject to due diligence performed by SIRG as summarized below). Separately, the Committee engages PMC to perform due diligence on the PGIM Models offered by our affiliate, PGIM Investments.

Conflicts of Interest. PFPS pays Envestnet to provide the foregoing services, including the services furnished by PMC. In MIS, the fee payable to Envestnet is equal to a percentage of the overall assets under management by PFPS in MIS through the Envestnet Insurance Exchange platform, subject to a minimum annual fee (which works out to be

the equivalent of a higher fee rate in years when fewer assets are managed). There is no separate or additional charge for PMC to provide the capital market assumptions and asset allocation models that we use in approving target asset allocation ranges in MIS or in developing financial plans. In the wrap fee programs, the fee rate payable to Envestnet depends on the overall assets under management by PFPS in the wrap fee programs, and is also reduced for individual accounts over a particular size.

The ability to avoid paying a minimum fee in MIS, or to lower the fee rate we pay in the wrap programs, presents a conflict of interest. PFPS has an incentive to recommend that you increase the assets in MIS and the assets you maintain in your wrap fee account. This will allow PFPS to not only collect the asset-based Client Fee on more assets, but also to pay a lower fee rate to Envestnet. Paying Envestnet less allows PFPS to retain more of the financial planning fee and Client Fee for itself.

Because Envestnet provides different services in MIS than in the wrap programs, the fee rate we pay to Envestnet is expected to be lower on assets you invest through MIS than on assets under management in the wrap fee programs. All else being equal, paying a lower fee rate to Envestnet allows us to retain more of your Client Fee. This creates an incentive for us to encourage clients to invest more in MIS, than in the wrap fee programs. Envestnet discounts or waives certain of the fees it would otherwise charge, and arranges or pays vendors, for us to receive the other services described above at nominal or no cost. These arrangements are based on the overall size of our relationship with Envestnet, among other factors. In addition, as described in “Joint Marketing, Conferences and other Business Support,” Envestnet provides us with Compensation in the form of reimbursement of our conference expenses.

Our affiliates (including, for example, Jennison, as defined below) also have business relationships with, and receive Compensation (directly or indirectly, in the form of breakpoints or discounts) from, Envestnet. Jennison makes models available on the Envestnet platform for use by investment advisers (outside of the Programs) in providing investment advisory services (the “Jennison Models”). Jennison receives Compensation from Envestnet in connection with each Jennison Model on the Envestnet platform, in an amount equal to a percentage of the assets invested in the Jennison Model, less the flat fees retained by Envestnet for initial model setup and ongoing model maintenance. As described in “FIDx and the Envestnet Insurance Exchange,” Prudential Insurance engages FIDx, a company in which Envestnet invests, to partner with Envestnet to provide the essential operational and investment infrastructure that enables PFPS to offer variable annuities issued by Prudential Insurance in MIS.

The relationships between our affiliates and Envestnet, including those that are unrelated to the Programs and our financial planning services, create an incentive to select and retain Envestnet and PMC over other firms. The relationships also deter us from considering other investment advisers and service providers.

Mitigation of Conflicts. To mitigate our incentive to favor Envestnet, Pruco Securities reviews Envestnet to assess whether Envestnet continues to meet its contractual obligations under the service agreement with PFPS for the Programs.

ii. Funds and Third-Party Model Providers

In all of the Programs, we approve, and our IARs recommend, the selection and retention of Funds and/or Model Providers (and their Strategies and Separately Managed Accounts).

- *Funds.* In MIS, the Funds are insurance-dedicated mutual funds, the shares of which are held in a Sub-Account for the Annuity. In the wrap fee programs, the Funds are ETFs and mutual funds, shares of which are held through your PSP, PruUMA or PruChoice account.
- *Model Providers.* In PruUMA, Model Providers create and update the Separately Managed Accounts that allow you to invest in individual equities and/or fixed income securities (and, in some cases, Funds) based on a particular investment style. In PruUMA and PSP, Model Providers create and update the Strategies that allow you to invest in Funds based on a particular investment style.

Please see “Our Compensation” and “Compensation of your IAR” for more information about these conflicts and how we seek to address them. The Compensation is in addition to (and does not offset) the other Compensation described throughout this Brochure.

Joint Marketing, Conferences and other Business Support. We enter into joint marketing activities with, or ask for conference or marketing support fees or training arrangements from, our affiliates and Model Providers, Funds, insurance companies, Separately Managed Account and Fund managers, sponsors or distributors, Envestnet, NFS, and/or their affiliates or subsidiaries (all “Sponsors”). Sponsors also invite IARs and PFPS personnel to attend trainings that they provide or pay for some or all of their training costs and/or cover some or all of the IARs’ travel, lodging and/or meal expenses. Sponsors’ representatives generally meet with and train PFPS personnel and IARs at these events. Sponsors at times will also pay for some or all of PFPS’ costs to host sales conferences, training conferences or client meetings. Sponsors also help pay for the marketing, training or licensing expenses of the PFPS’ sales force. Some Sponsors tie the amount of payment and/or their willingness to pay costs to the amount of Pruco Securities’ or PFPS’ product sales. Sponsors pay some or all of the cost of these activities and reimburse PFPS or its affiliates for expenses. Other Prudential Companies, including Pruco Life, solicit or accept Compensation from Sponsors in these circumstances as well as other circumstances.

As a result, we have an incentive to favor Model Providers, Strategies, Separately Managed Accounts, and Funds that are associated with the Sponsors that provide the most Compensation to us, our affiliates or our IARs. In addition, when the Compensation is based on maintaining or increasing asset thresholds or product sales, we have an incentive to make recommendations to clients that will help us meet those thresholds and production levels.

Revenue Share from Model Providers. We and our affiliates can receive Revenue Share (directly or indirectly) from firms associated with Model Providers, Strategies, Separately Managed Accounts, the Annuity, and Funds available through the Programs, creating an incentive to favor these options over others. We define Revenue Share as Compensation paid by a firm out of its revenue that is (1) expressly labeled “revenue share” and derived from providing Program services or our financial planning services, or (2) not necessarily labeled “revenue share,” but either (a) based on assets invested in the Programs or (b) expected to result from a financial planning recommendation of a particular product type or service (“Revenue Share”). We consider Compensation to be Revenue Share, not a joint marketing payment or conference and other business support, if the Compensation satisfies this definition.

Revenue Share does not include fees payable out of the assets of a Fund (i.e., fund-level fees) or Separately Managed Account (rather than from the revenue of service providers) directly to us, our IARs or our affiliates. Any Revenue Share that we, our IARs or our affiliates receive is in addition to the financial planning fees and Client Fee.

Revenue Share is paid by a firm out of its revenue from providing services to you. The higher the fees you pay to a firm, the greater the revenue that is available to share with us, our affiliates and our IARs. Revenue Share typically is not paid on the lowest-cost, lowest-fee options (including certain insurance policies, families of mutual funds, specific funds, or share classes of a fund). This presents a material conflict, as Revenue Share creates an incentive to favor the investment options that have higher fees and costs (which will reduce your investment returns). In addition, when the rate or amount of the Revenue Share payment is based on maintaining or increasing asset thresholds or product sales, there is an incentive to make recommendations to you that will help meet those thresholds and production levels.

Pruco Securities and PFPS currently do not receive Revenue Share, but our affiliates do. Our affiliates have revenue sharing arrangements with many firms in the industry, including firms associated with Model Providers, Strategies, Separately Managed Accounts, the Annuity, and Funds that are used in the Programs and in products or services used to implement our financial plans. In some cases, these revenue sharing arrangements qualify as Revenue Share because the Compensation is based on assets invested in the Programs or expressly labeled “revenue share” and derived from providing Program services or our financial planning services. For example, in MIS, Pruco Life requests and, in many cases, receives Revenue Share from a Fund’s manager, distributor or sponsor at a maximum rate generally equal to 0.30% annually on assets allocated to the Fund. Please see the prospectus for your Annuity for more information about these revenue sharing arrangements, the associated conflicts of interest and how Pruco Life seeks to mitigate them.

When our affiliates *make* revenue sharing payments to these firms, Model Providers have a financial incentive to use Proprietary Funds and our affiliated service providers in your Program account. When our affiliates *receive* revenue sharing payments from these firms, we have an incentive to favor the associated Model Providers, Strategies, Separately Managed Accounts, and Funds when approving and/or recommending Model Providers and Funds for use in the Programs. As a result, the revenue sharing arrangements of our affiliates create incentives for us, your Model Providers or both that prevent us from providing disinterested advice in the Programs.

Use of Funds Serviced by Affiliates. In all of the Programs, we have an incentive to favor Funds that provide the most Compensation or other benefits to Prudential. This includes, but is not limited to, the Funds of our affiliates (referred to as Proprietary Funds in the wrap fee programs and as Affiliated Funds in MIS). Some non-Proprietary Funds (in the wrap fee programs) and Unaffiliated Funds (in MIS) engage PFPS's affiliates as a distributor, transfer agent, shareholder servicing agent, custodian, and/or investment adviser. PFPS's affiliates are paid for their services, and payments vary depending on the amount of assets invested in or allocated to a Fund, creating an additional incentive to increase investment in these non-Proprietary Funds or Unaffiliated Funds. In PSP and PruUMA, we also have an incentive to favor Model Providers or Strategies that utilize these non-Proprietary Funds (or our Proprietary Funds). These fund-level fees are in addition to the Client Fee you pay and reduce your returns on assets invested in the Fund. We do not offset or reduce the Client Fee by the amount you pay at the Fund level when you invest in non-Proprietary Funds or Unaffiliated Funds. Please review the Fund's prospectus or other offering documents for more on fees and expenses.

Use of Model Provider Funds. In PSP and PruUMA, we benefit by allowing third-party Model Providers to favor Funds that are advised, sponsored or distributed by that Model Provider's affiliates ("Model Provider Funds") over other Funds, when allowing this incentivizes these Model Providers to provide us with the types of Compensation described in "Joint Marketing, Conferences and other Business Support." In MIS, we benefit by not objecting to the insurance company giving preference to the Funds that provide the insurance company with the most Compensation, when allowing this incentivizes your insurance company to provide us with the types of Compensation described in "Joint Marketing, Conferences and other Business Support." Please also see "Fund Fees" for more information about this material conflict of interest. PFPS does not manage the Model Providers' or insurance companies' conflicts of interest. In the wrap fee programs, PFPS does not consider whether the Model Providers fully offset the fees and expenses you pay at the Fund level by the value of reputational benefits and, in some cases, additional Compensation the Model Provider receives from these Funds or their affiliates. In MIS, there is no offset to you of the additional Compensation or benefits the insurance company (including Pruco Life) receive by choosing, among the broad universe of all insurance-dedicated funds, certain Funds that generate additional Compensation (or reputational benefits) for the insurance company and its affiliates (over others that would not). You should review the Model Provider Brochure, or the prospectus for the Annuity, to learn how the Model Provider or your insurance company addresses and mitigates these conflicts of interest.

Mitigation of Conflicts. We mitigate our incentive to favor the third-party Model Providers, Strategies, Separately Managed Accounts, and Funds that maximize our Compensation by applying the criteria and process described in "Item 8." We also seek to mitigate these conflicts of interest by disclosing them to you. Please contact us at the address or telephone number shown on Page 1 of this Brochure for information about Revenue Share arrangements and a current list of Sponsors and Funds that have arrangements with us or our affiliates.

For the wrap fee programs (but not MIS), you can find additional information about each Separately Managed Account and Strategy in the Program Fact Sheets available through your IAR; information about each Model Provider is found in their Form ADV Brochure, which is available via www.adviserinfo.sec.gov or from your IAR. Envestnet also refers to a Separately Managed Account and Strategy as a "Third Party Model" in the Envestnet Brochure. Model Providers are called "Managers" in the SIS and "SMA" in the Investment Proposal.

iii. Morningstar, Inc.

Morningstar, Inc. ("Morningstar") is a global financial services firm. In MIS and PruChoice, PFPS uses some of the Client Fee to pay Morningstar for providing due diligence and monitoring of the Funds that the Committee approves, including all the Funds your IAR may recommend in MIS and certain of the Funds your IAR may recommend in PruChoice. The fee payable to Morningstar in MIS and PruChoice is a fixed dollar amount annually for coverage of

a specified number of Funds with an option to purchase coverage of additional blocks of Funds. In PruUMA, PFPS uses some of the Client Fee to pay Morningstar for providing due diligence and research on the list of equities that IARs may recommend (the “List”). Morningstar discounts or waives certain of the fees it would otherwise charge us, based in part on the overall size of PFPS’ and its affiliates’ relationship with Morningstar. As a result, we have an incentive to use Morningstar over other research provider to minimize the fees we pay for the services that Morningstar provides, because the fees we pay to Morningstar directly reduce the portion of the Client Fee we retain.

Separately, a subsidiary company of Morningstar, Morningstar Investment Services LLC, serves as a Model Provider in PruUMA and PSP. Morningstar receives additional Compensation when Assets are invested in Strategies for which Morningstar Investment Services LLC is the Model Provider. In that case, Morningstar retains a portion of the Model Provider Fee (in PruUMA) and Manager Fee (in PSP). The additional compensation to Morningstar does not directly affect the portion of the Client Fee we retain. However, the additional compensation to Morningstar could consciously or unconsciously affect its willingness to pay us marketing support and reimburse our conference expenses. As described in “Joint Marketing, Conferences and other Business Support,” our receipt of this Compensation incentivizes us to favor Morningstar as a Model Provider over other Model Providers (in PruUMA and PSP) and as a research provider over other research providers (in MIS and PruChoice). Morningstar provides us with Compensation in the form of reimbursement of our conference expenses.

We and our affiliates have other business relationships with, and receive Compensation (directly or indirectly from), Morningstar and its affiliates. For example, Pruco Securities uses Morningstar’s Field Research Tool and SSO Protegent Data Feed and seeks to negotiate discounts, which are a form of Compensation. These relationships are not directly related to the Programs or our financial planning services. However, they create an incentive to favor services and products offered by Morningstar and its affiliates, over other firms, to the extent that encourages Morningstar to reciprocate with us and our affiliates. The relationships also deter us from considering other investment advisers and service providers. Prudential Insurance engages Morningstar to provide operations, proprietary statistics, performance, portfolio, MPT statistics, and risk data on the investment companies which serve as investment options in the variable annuity and life insurance policies that Prudential Insurance issues to its policyholders.

iv. Affiliated Research Providers.

In MIS, PFPS relies on research conducted by its affiliate, the SIRG division within PGIM Investments, to supplement the due diligence on the Funds that PFPS purchases from Morningstar. PFPS receives this research from SIRG at no additional charge. As described in “Item 8,” SIRG prepares the research as an agent to Pruco Life, which uses the research (independently of PFPS) to issue and maintain the Annuity. The cost of producing the research is not a service for which you pay the Client Fee. You could continue to receive the benefit of Pruco Life’s use of this research as a Contract Owner, without paying the Client Fee, by transferring the Annuity to a brokerage relationship. But you would no longer receive the recommendations that your IAR and PFPS formulate on the basis of that research or other MIS services.

The ability to avoid paying for research allows PFPS to retain more of the Client Fee, deterring us from considering other research providers who are subject to fewer conflicts of interest. The other benefits to Prudential, and costs to you, that result from PFPS giving preference, in selecting and retaining sources of research, to SIRG are described in “Affiliates as Research Providers.”

b. Other Arrangements

Our incentives to recommend a Program depend on other arrangements pursuant to which someone who is not a client provides an economic benefit to us, or our affiliates, for providing our advice or other advisory services. This section describes additional examples of those arrangements and how the Compensation we (or our affiliates) receive from non-clients varies based on the service providers and investments we (and our IARs) approve, select or recommend for you in a Program. It also describes how those arrangements result in additional expenses or opportunity costs to clients, which reduce your returns. When evaluating the reasonableness of our Program fees, clients should consider these drawbacks, as well as the additional fees and expenses borne by clients and Compensation to us, as part of our Compensation.

In the circumstances described below, to the extent consistent with applicable law, we approve, and our IARs recommend, the selection and retention of investments and service providers that generate greater Compensation to us or our affiliates, over other options that generate less Compensation. Moreover, in making this recommendation, your IAR takes into consideration his or her financial interest in maximizing Compensation, either directly (in the form of salary or commissions, bonus, prizes, rebates, etc.) or indirectly (as an employee or agent of Prudential) when making recommendations. Each of these practices is a material conflict of interest. Please see “Our Compensation” and “Compensation of your IAR” for more information about these conflicts and how we seek to address them.

i. FIDx and the Envestnet Insurance Exchange

If you participate in MIS, you must direct PFPS to retrieve information from, and place instructions with, your insurance company using the Envestnet Insurance Exchange platform. Not all advisers require their clients to use a platform like the Envestnet Insurance Exchange to receive advice concerning a fee-based annuity. The Envestnet Insurance Exchange was selected based in part on our existing relationship with Envestnet, its reputation as a wealth management technology provider, its ability to offer an integrated investment research and order entry system, the breadth of investment products it supports, as well as the Compensation we and our affiliates receive. Maintaining and increasing the use the Envestnet Insurance Exchange platform affords Prudential the opportunity to receive benefits, and the potential to reduce costs. This creates an incentive for PFPS to only offer advice on the Annuity to clients using this platform, not other arrangements that do not or would not provide Prudential with this Compensation. For example, our affiliated insurance companies also make the Annuity available to investment advisers that can provide their advice directly to you, and can submit instructions for the allocation of Annuity account values directly to Pruco Life on your behalf (with proper authorization), without using the Envestnet Insurance Exchange platform. However, if PFPS were to offer that arrangement, Prudential would not benefit from increasing use of the Envestnet Insurance Exchange platform to sell and service insurance products, including the Annuity.

Prudential is an investor, alongside Envestnet, in FIDx. As described in “Item 4.B,” our affiliated insurance companies must engage Envestnet’s partner, FIDx in order to participate on the Envestnet Insurance Exchange. As an investor in FIDx, Prudential has a financial interest in the success of FIDx’s business, which includes the Envestnet Insurance Exchange platform. In addition, Prudential Insurance (and, indirectly, Pruco Life), among other life insurance carriers, paid FIDx to help develop the software and technology for the platform. Going forward, Prudential Insurance pays FIDx to help maintain the platform and promote its use by advisers like PFPS.

Prudential Insurance pays a minimum annual fee to FIDx that is offset by each Annuity sold and serviced through the Envestnet Insurance Exchange platform in a given year. Increasing the number of Annuities sold and serviced will benefit Prudential Insurance by lowering the per Annuity contract expense until a threshold is triggered that requires additional payments.

Please note that the Annuity charges and expenses that Pruco Life collects from you in connection with the Annuity are not impacted by the amount that FIDx charges to our affiliated insurance companies to utilize the Envestnet Insurance Exchange. However, when fees charged to Prudential Companies depend on maintaining or increasing our use of the Envestnet Insurance Exchange platform, we have an incentive to meet those production levels or asset thresholds, which creates a conflict of interest for PFPS and its IARs.

Conflicts of Interest. The relationship that Prudential Companies have with FIDx is a conflict of interest because we will require you to use the Envestnet Insurance Exchange to participate in MIS, even if such use of a platform is not required by your insurance company (to receive advice concerning your Annuity). Please refer to your Client Agreement for important information about the limitations of PFPS’ oversight and responsibility for the conflicts of interest and technological limitations of the Envestnet Insurance Exchange platform.

Envestnet and FIDx are not fiduciaries (to PFPS, to you, or to your insurance company) in connection with the Envestnet Insurance Exchange platform. You should assume Envestnet and FIDx negotiate and renegotiate the terms on which they deliver their services to maximize their Compensation and minimize their obligations. There is no obligation for Envestnet or FIDx to disclose how their economic incentives influence the services they provide in MIS.

Mitigation of Conflicts. To mitigate this conflict, we disclose to you that other advisers and your insurance company do not require you to use a platform like the Envestnet Insurance Exchange to receive advice concerning your Annuity. We urge you to consider as part of PFPS' Compensation, the opportunity costs to you and the Compensation to our affiliates, when evaluating whether to accept our advice and the reasonableness of the Client Fee.

ii. Insurance Companies and Marketing Services Agreements

Certain insurance companies (including Pruco Life) pay Pruco Securities marketing support to provide services and defray costs in connection with the distribution of the insurance company's products, including the Annuity. For example, Pruco Life pays Pruco Securities an annual marketing allowance, which is structured as a flat fee payable semi-annually (at the end of each six-month period) pursuant to a marketing services agreement. The amount of the payment can be renegotiated with Pruco Life at the start of each successive annual period. The amount will be based on Pruco Securities' historic and anticipated outlays for joint marketing and business support, the number of IARs with at least one MIS client and additional factors *other than* assets invested in MIS (or the Annuity). Before accepting Compensation for marketing services based on assets invested in MIS or the Annuity, PFPS will implement appropriate controls to identify, and mitigate or disclose, the conflicts associated with any resulting Revenue Share (which can arise from marketing support based on assets invested in a Program). The marketing services payment comprises a significant proportion of the total revenue to Pruco Securities and PFPS in connection with the Annuity. Initially, it is expected that more of our revenue will come from the marketing services payment than from your Client Fees. The marketing services payment creates an incentive for us to promote and favor Pruco Life and the Annuity, over other insurance companies and products that would not generate the same revenue levels. It also creates an incentive for us to meet production-based thresholds for maintaining and increasing the number of IARs advising MIS clients.

Typically, insurance companies tie the amount of their payment, and/or their willingness to pay, to the amount of Pruco Securities' or PFPS' product sales. The Compensation that Pruco Securities receives is generally higher on sales of the Annuity than on many other insurance policies including, for example, fixed indexed annuities. As a result, we have a greater incentive to encourage purchases of the Annuity, than purchases of those other insurance policies. In addition, when Compensation is expressly or implicitly linked to product sales or based on purchase payments, we have an incentive to make recommendations that increase sales of insurance policies, including the Annuity. Please refer to "*Joint Marketing, Conferences and other Business Support*" for more information about these and other conflicts of interest associated with marketing support arrangements.

2. Compensation of your IAR

Our ability to meet or exceed your expectations depends on the quality of our financial professionals. A failure to recruit and retain talented, qualified and motivated IARs might have an adverse effect on your client experience and result in the loss of your business for Prudential. Because our long-term success depends on attracting and retaining clients, we have an incentive to structure your IAR's Compensation to encourage that. Our interests are aligned with yours when we seek to improve client satisfaction by offering competitive Compensation to your financial professional and by structuring their Compensation to create an overarching incentive to ensure your satisfaction. These overarching incentives are not altered by the conflicts of interest described in this section.

As described in "Our Compensation," your IAR receives Compensation (which, if your IAR is an employee, includes bonuses, supplemental payments and discounted or free goods and services) as a result of your participation in a Program or purchase of financial planning services. We refer to an IAR as a "Planner" in this section when the IAR is providing financial planning services. The amount of the Compensation varies based on the products and services your IAR or Planner recommends or selects for you. Generally, the Compensation to your IAR is greater for products and services that we anticipate will have higher profit margins – and thus Compensation – to us or to Prudential Companies overall. When Compensation differs based on what your IAR or Planner recommend or selects, there is a conflict of interest that prevents your IAR or Planner from giving you disinterested advice.

Your IAR may be affiliated with us in one of three ways: as either a statutory agent who receives certain benefits such as health insurance through Prudential or an independent contractor who does not receive benefits from Prudential. Neither of these IARs is an employee or receives a salary from us. The third way your IAR may be affiliated with us is as an employee of Prudential. Independent contractor IARs do not receive benefits such as

retirement benefits or health insurance through Prudential, but they do receive compensation that is higher than an IAR who receives such benefits. Therefore, IARs who do not receive benefits have a proportionally higher incentive when independent contractor IARs recommending or selecting products for you, relative to IARs who do receive such benefits. Virtual IARs have a Compensation structure that differs from that of traditional (i.e., non-virtual) IARs, resulting in different conflicts and incentives, as discussed in “Payments to Your Virtual IAR.”

In each of the circumstances described below, to the extent consistent with applicable law, your IAR takes into consideration his or her financial interest in maximizing Compensation, either directly (in the form of salary or commissions, bonus, supplemental payments, prizes, rebates, etc.) or indirectly (as an employee, agent or contractor of Prudential) when advising you, even when that results in additional expenses or opportunity costs to you. For additional circumstances in which this occurs, please see “Our Compensation,” “Cross-Referrals from Outside Professionals” and “Solicitation Arrangements.” “Our Compensation” provides an overview of how we typically anticipate the profit margin – and thus Compensation – to us or to Prudential Companies overall will rank among different products and services available to your IAR. Please consider the Compensation that we and your IAR receives, as well as the costs that you bear, when evaluating whether to accept a recommendation and the reasonableness of our advisory fees.

PFPS maintains policies and procedures for reviewing Compensation that seek to ensure your IAR’s incentive arrangements do not interfere with our or their respective fiduciary duties under the Advisers Act to all clients and, where PFPS acts as an ERISA fiduciary to the Accounts, our fiduciary obligations under ERISA and parallel provisions of the Code. To mitigate the risk of inappropriate conduct or securities law violations, we review your IAR’s recommendations for appropriateness based on your risk tolerance, investment objectives and time horizon. We also educate IARs on the fiduciary duties of loyalty and care that we owe to clients when providing Program services.

a. Payments to your Traditional IAR

For traditional IARs, the primary source of Compensation is the customary system of commissions and fees applicable to insurance agents, broker-dealer representatives and investment advisory representatives. We pay your IAR a percentage of every dollar of revenue they generate for Prudential (“generated revenue”). The percentage we pay increases (to nearly double the baseline percentage of each dollar of generated revenue) as the IAR increases his or her total generated revenue (to exceed pre-set breakpoints). This ability to take home a larger fraction of every dollar, not just a larger number of dollars, of generated revenue as Compensation heightens an IAR’s incentive to maximize their total generated revenue by selling more advisory services (and more insurance and brokerage products). Certain IARs who choose not to receive benefits such as health insurance through Prudential, receive compensation that is higher than an IAR who receives such benefits. Therefore, IARs who do not receive benefits have the same conflicts that prevent them from giving you disinterested advice, but have a proportionally higher incentive when recommending or selecting products for you. The generated revenue associated with each type of product and service available through a financial professional who is a PFPS IAR (whether in that person’s IAR or non- IAR capacity) differs, thus creating an incentive for that person to recommend (or, where applicable, purchase on behalf of a client) types of products and services that maximize generated revenue. This presents a conflict because the greater the amount of generated revenue for an IAR that is associated with a product or service, the higher the cost of that product or service typically is to you. Fees and costs will reduce any amount of money you make on your investments over time.

Incentive to Favor Programs over Brokerage. The Compensation available to your IAR is typically more, in the long term, if you participate in the Programs than if you purchased financial planning services alone or in conjunction with other Pruco Securities products or services. As a result, your IAR has a financial incentive to recommend a Program over other PFPS or Pruco Securities products or services. For example, if you participate in any of the Programs, your IAR will earn generated revenue from the Advisor Fee for the duration of the time that you remain enrolled in the Program, based on the value of your account (in PSP, PruChoice or PruUMA) and the value of your Annuity (in MIS). In contrast, if you open a regular brokerage account or purchase a variable annuity in a brokerage relationship, your IAR will earn generated revenue from the transaction-based Compensation in his or her capacity as a registered representative of Pruco Securities and insurance agent, as applicable. The Compensation usually takes the form of a commission (including a “trail” commission) you pay directly or indirectly to place transactions. The difference in Compensation presents a conflict, because participating in the Program, rather than investing in a brokerage account

or brokerage relationship, generally maximizes Compensation to your IAR but can result in higher costs for you (depending on the volume and type of transactions generating commissions and the length of time you remain invested in the Program). The structure of the Compensation in the Programs also presents a conflict. The generated revenue your IAR receives from the Advisor Fee is based on the value of your wrap fee account (in PSP, PruChoice or PruUMA) and the value of your Annuity (in MIS). As a result, your IAR has an incentive to encourage you to increase (e.g., by making further deposits), and discourage you from decreasing (e.g., by making withdrawals from), that value. Please see “Incentive to Favor Approved Products” for information about your IAR’s other financial incentives to gather and retain investment in the Programs.

Incentive to Favor MIS and Disincentive to Transfer the Annuity. Typically, more Compensation is available to your IAR, in the long term, if you hold a variable annuity in an advisory relationship (like MIS) than in a brokerage relationship. When you purchase the Annuity in MIS, your IAR forgoes receipt of the selling commission but will receive generated revenue from the Advisor Fee for the duration of the time you participate in MIS. The difference in Compensation presents a conflict, because holding an annuity in an advisory relationship, rather than a brokerage relationship, generally maximizes Compensation to your IAR but can result in higher costs for you, as described in Item 4. When replacing an existing Prudential annuity with a new annuity product, your IAR has an additional incentive to recommend the MIS Annuity over another annuity in a brokerage relationship. When replacing Prudential non-advisory annuities with advisory annuities, IARs receive full generated revenue from the Advisor Fee for the duration of the time you participate in MIS with no reduction in their payout. However, when replacing Prudential non-advisory annuities with other non-advisory annuities, IARs receive a reduced selling commission, which presents a conflict in that your IAR has greater incentive to replace a non-advisory annuity with an advisory annuity over another non-advisory annuity if you hold the advisory annuity for the long term. The generated revenue from the Advisor Fee is based on the value of the Annuity and excludes any portion of the Annuity that you annuitize or surrender. You stop paying the Advisor Fee, and the IAR stops receiving generated revenue, with respect to that portion. It also stops entirely if you transfer the Annuity to a brokerage relationship, as described in “Item 7” (in which case your IAR receives neither a selling commission or the Advisor Fee). As a result, your IAR has an incentive to avoid recommending that you transfer the Annuity to a brokerage relationship. Your IAR also has an incentive, acting in his or her capacity as a broker-dealer representative or insurance agent, to avoid considering or advising you to annuitize, withdraw or surrender part or all of your Annuity.

Incentive to Favor PruChoice. Your IAR also has an incentive to recommend PruChoice over other Programs to the extent that PruChoice offer the highest fee rate an IAR can negotiate with clients. Specifically, the negotiable range of the Advisor Fee is higher in PruChoice than in the other Programs. Although the potential Advisor Fee range for PruChoice is higher than the other Programs, the overall Client Fee you pay to participate in PruChoice can be higher or lower than the Client Fee you pay in other Programs, depending on a number of factors, including the applicable Manager Fee for any Strategies or Separately Managed Accounts used in your Account, and the fee for tax overlay management and impact services (if elected in PruUMA). Moreover, although the potential Advisor Fee range is higher in PruChoice, the Advisor Fee is negotiable, and must be agreed to by you prior to your enrollment in the Program.

Disincentive to Refer Clients to PruUMA or MIS. Only certain specifically trained and qualified IARs may offer the PruUMA and MIS Programs to their clients. IARs who are not authorized to manage PruUMA Accounts or offer the MIS services are encouraged to refer potential clients to another IAR who is qualified, if PruUMA or MIS is most appropriate for the client. However, IARs have an incentive *not* to refer a client to a qualified IAR because the referring IAR forgoes any Compensation that could be earned by enrolling the client in another Program. As a result, you may not be given the opportunity to enroll in PruUMA or MIS even if that Program is most appropriate for you. See “Payments Shared with a Team” for a further discussion of this conflict of interest.

Incentive to Favor Sponsors. As described in “Joint Marketing, Conferences and other Business Support,” we receive Compensation from Sponsors to support marketing, training or licensing expenses of our employees and help sponsor conferences. Some Sponsors tie the amount of payment or their willingness to pay to the amount of Pruco Securities’ or PFPS’ product sales. PFPS at times will provide some or all of these marketing support fees or other financial support to IARs, as Compensation or reimbursement for expenses they incurred in holding client meetings and seminars. In addition, certain Sponsors provide Compensation directly to IARs. The Sponsors are associated with Model Providers, Strategies, Separately Managed Accounts, and Funds that IARs recommend for your wrap fee program account or Annuity. IARs have an incentive to favor Model Providers, Strategies, Separately Managed

Accounts, and Funds that are associated with the Sponsors that provide the most Compensation to them. In addition, when the Compensation is based on maintaining or increasing asset under management or product sales, IARs have an incentive to meet those thresholds and production levels. IARs have an incentive to recommend PFPS advisory programs supported by Sponsors or products of Sponsors because of the education and the exposure that IARs receive at the conferences and trainings, the Compensation and reimbursements for hosting client meetings and conferences IARs host on behalf of PFPS, the payment of their conference expenses, and/or the payment of marketing support, training or licensing expenses. This presents a conflict of interest that we seek to mitigate through disclosure. Please contact us at the address or telephone number shown on Page 1 of this Brochure for a current list of Sponsors and Funds that have arrangements with us.

Incentive to Avoid Repayment. We and our affiliates offer transitional assistance and other forms of Compensation to recruit financial professionals to join Prudential and encourage them to bring their existing clients and customers. The structure of the Compensation presents certain conflicts. For example, we commit to pay certain IARs a larger fraction of every dollar of generated revenue attributable to advisory accounts that transfer to PFPS within a designated number of months. Because the incentive is only offered on wrap fee accounts and continues for the duration of your investment in the account, your IAR has a greater incentive to encourage you to quickly open and then maintain a wrap fee account with PFPS, rather than consider other products and services that might be in your best interests over time. Other forms of transitional assistance include reimbursement of lost revenue or fees incurred by clients when transferring, discounts on administrative fees or free services and back-office support, business development support, or advances on future Compensation. In some instances, your IAR received a bonus or loan from Prudential when joining Pruco Securities and will be credited with repayment of some or all of the amount if he/she satisfies overall total sales goals (including products and services offered by PFPS and Pruco Securities) and/or remains associated with Pruco Securities over time. When a bonus or credit toward repayment of a loan is conditioned on continued association with us, your IAR has an incentive to remain in good standing with us, which includes meeting minimum production standards, until any bonus payment is made or until any repayment obligation terminates. In addition, when repayment is credited on the basis of an IAR's generated revenue (as described above), your IAR has an incentive to meet those thresholds and production levels.

Incentive to Recommend and Implement Financial Planning and Transactions. IARs acting as financial planners receive a portion of the planning fees, which affects the overall Compensation and other benefits they receive from PFPS and/or its affiliates. As a result, IARs who are authorized to offer financial planning services have an incentive to recommend that you purchase these services in addition to opening a brokerage account.

If your IAR is also licensed as a registered representative of Pruco Securities (i.e., a registered representative of a broker-dealer), then, acting in that capacity, he or she may also implement your financial plan. In that case, your IAR will also receive Compensation. The form of Compensation will vary based on how your IAR is affiliated with us, as described above. The amount of Compensation varies based on the type of product or services purchased as well as the amount invested.

You can implement your plan on your own, through your IAR acting in his or her capacity as a registered representative of Pruco Securities, or through another insurance or financial services professional. Pruco Securities' and the IAR's primary Compensation comes from the sale of insurance and investment products and Client Fees, not from financial planning fees. In developing your financial plan, your IAR has a financial incentive to recommend products and services that generate the most Compensation for him or her and to encourage you to implement the plan through your him or her rather than another professional. Your IAR also has an incentive to recommend that you buy or sell, rather than maintain, your current holdings in order to generate more transaction-based Compensation, which increases your costs and reduce returns.

Incentive to Favor Approved Products. IARs earn credit ("Credit") towards additional "incentive" Compensation based on their success: (1) gathering and retaining investment in the Programs; and (2) selling (not retaining) other products that our Committee approves. No Credit is given for sales of unapproved products, and there is substantial overlap between "approved" and "proprietary" products, as described in "Incentive to Favor Proprietary Products."

When Compensation is based on maintaining investment in the Programs and increasing sales of approved products (including financial planning services), your IAR has an incentive to meet those thresholds and production levels. For

example, Pruco Securities covers the cost of attending sales conferences for IARs with the greatest Credit and offsets or reimburses other business expenses, such as licensing fees and stationery, for IARs that exceed certain sales thresholds. If your IAR or Planner is not an employee, these expenses will be considered Compensation. In addition, Prudential Insurance provides IARs that have the most Credit with bonuses, and direct expense reimbursement to offset expenses incurred while writing and servicing approved products. Incentivizing your IAR to increase sales and maintain investment in the Programs presents a conflict because transacting more frequently, and paying fees to participate in a Program, reduces your investment returns.

Incentive to Favor Proprietary Products. The list of approved products includes both affiliated and unaffiliated products. However, PFPS and its affiliates have a greater financial interest in the sale of Prudential proprietary products than in non-proprietary products and services. As a result, the Committee favors affiliated products and expects to select and retain all available affiliated products on the approved list. With respect to wrap fee accounts subject to ERISA or ancillary provision of the Code, where PFPS acts as an ERISA fiduciary to the accounts, such affiliated products will only be recommended to the extent such products are in your best interest under regulations as promulgated by the Department of Labor. The Committee includes a more limited number of unaffiliated products in each of the broad categories. In some categories, such as variable life insurance policies, the approved list contains few (if any) unaffiliated products. A Planner is more likely to sell to you an affiliated product when the percentage of affiliated products is higher in a given category. As an employee of Prudential, your Planner has an indirect incentive to sell you an affiliated product over an unaffiliated product in order to maximize Compensation to us and our affiliates. Your Planner's commission (i.e., generated revenue) does differ, and is greater, when recommending or selling the approved Prudential product, over the approved unaffiliated product, in the same product category for certain product categories (such as life insurance) but not others (such as variable annuities).

b. Payments to your Virtual IAR

A virtual IAR's Compensation is structured as a base salary with the opportunity to earn bonus and/or salary adjustments based on an annual performance review. Starting in 2022, this performance review considers the virtual IAR's achievements in meeting individual goals and objectives. The individual goals consist of number insurance policies, annuities, brokerage accounts, and advisory accounts opened; asset flows into PSP accounts, brokerage accounts, and annuities; qualitative leadership attributes; and the number of financial plans delivered to clients. Because virtual IARs cannot offer MIS, they receive no credit for sales of, or flows into, an Annuity or referrals that result in enrollment in MIS. Referrals to broker-dealer representatives that result in a new brokerage account being opened also count toward the virtual IAR's accounts opened goal. The plans delivered to clients by virtual IARs are not the same as financial plans delivered by traditional IARs, described in a separate PFPS brochure. Clients are not charged for these planning discussions with virtual IARs, and PFPS does not engage in any monitoring related to these discussions. They constitute advice incidental to a brokerage relationship. Asset flows and accounts opened are weighted equally, but each provides double the incentive than each virtual IAR's individual goal for financial plans delivered. Because sales performance is a component of a virtual IAR's Compensation, a virtual IAR has an incentive to maximize the number of accounts he or she opens, including, for example, by:

- recommending that you open a PSP Account through him or her, and/or recommending that you invest in a PSP Account or a variable annuity that he or she is able to offer, even when a different service or product (or no service or product at all) would better serve your needs; and/or
- allocating his or her time in a manner that prioritizes new sales over servicing existing PSP Accounts.

Furthermore, as an employee of Prudential, a virtual IAR has an incentive to make recommendations which maximize Prudential's revenue and profits – for example, by recommending a PGIM Model for your PSP Account, or otherwise favoring proprietary products to the extent such products are more profitable to Prudential.

Virtual IARs have a financial interest in ensuring sufficient demand for their services. As a result, your virtual IAR has less incentive to recommend MIS, PruChoice or PruUMA (or another advisory, brokerage or insurance service or product not offered by the virtual IAR). As a result, you may not be given the opportunity to enroll in the Program, or purchase the product or service, that is most appropriate for you.

c. *Payments Shared with a Team*

Traditional IARs are encouraged to “team” with other IARs who have particular expertise in products and services (such as financial planning services) that may be appropriate for a client. If one traditional IAR (the “referring IAR”) refers you to another IAR for financial planning services or managed account services, the IAR who provides services to you will agree to split a portion of the Client Fee or the financial planning fee with the referring IAR. If you subsequently implement your financial plan through the IAR in his/her capacity as a Pruco Securities registered representative, IAR and/or insurance agent of Prudential, the referring IAR will also receive a split of the fees or commissions which the referring IAR is licensed to receive.

Disincentive to Share with a Team. An IAR has an incentive *not* to make referrals and *not* to team with others, if the referring IAR could provide the services alone and avoid splitting the Client Fee, financial planning services fee or other fees or commissions. This presents a conflict, if your interest would be best served by the IARs working as a team or if the other IAR offers a program or service that is more appropriate for you.

Disincentive to Negotiate Fees. Because the IAR providing services retains less of the Client Fee or financial planning fee for themselves, the IAR has an incentive *not* to negotiate a lower Client Fee or financial planning fee. IARs consider their reduced retention of fees and commissions (due to payments owed to team members) when negotiating your fees and are less likely to offer a discount. As a result, you typically will pay a fee that is higher than would be the case if your IAR were operating independently of a team.

Unless operating as part of a “team” as described above, Pruco Securities registered representatives are not authorized to receive any portion of your advisory fees for referring you to an IAR, and IARs are not authorized to split fees or commissions generated from referring you to a Pruco Securities registered representative.

d. *Payments to Managers and Internal Consultants*

Managers of the IARs and virtual IARs described above are compensated based on qualitative metrics, such as their leadership abilities (which include training, monitoring and oversight), as well as quantitative metrics, such as the performance (financial or otherwise) and productivity of the financial professionals they supervise. This Compensation arrangement creates a conflict of interest by incentivizing managers to encourage those they manage to act on their financial interest in maximizing Compensation, either directly (in the form of salary or commissions, bonus, prizes, rebates, etc.) or indirectly (as an agent or employee of Prudential). We address this conflict by disclosing it to you and by supervising the managers.

Although your IAR has a fiduciary duty to act in your best interest, we pay internal consultants to educate and encourage your IAR to recommend Proprietary Funds and PGIM Investments (over other Funds and, in PSP, other Model Providers) and to recommend a wrap fee program (over MIS or brokerage or insurance products). The consultant can increase his or her bonus to up to three times the baseline amount, which is a sizable portion of his or her total Compensation, by increasing sales of financial planning services and net inflows into PSP, PruUMA, and PruChoice. PFPS financial planning services are discussed in a separate brochure. Your contributions to, and withdrawals from, PruUMA, PSP, or PruChoice (but not MIS) count towards this calculation of net “inflows.” This presents a conflict, because our interest in encouraging your IAR to recommend PSP, PruUMA and PruChoice, which are more profitable to us and our affiliates than many other investment products and services conflicts with your interest in receiving disinterested advice. In addition, to the extent the types of products recommended in your financial plan are more expensive than the other product or service you might have chosen, your returns will be reduced by those higher fees and expenses. The consultants can earn more credit towards their bonus when the net inflows are recommended by IARs who are new to the PFPS or by IARs whose clients have not historically invested in the Programs, which creates an incentive for consultants to emphasize PruUMA, PSP, and PruChoice to these IARs in particular. Because the consultants earn credit towards their bonus by increasing sales of financial planning services, they have an incentive to encourage IARs to increase the number of financial plans delivered to clients.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

PFPS does not charge performance-based fees to clients in any Program. None of the employees or management at PFPS or Pruco Securities accept fees that are based on a share of the capital appreciation of a client's investments, or manage accounts that are charged such fees (at PFPS or elsewhere).

ITEM 7 – TYPES OF CLIENTS

A. Types of Clients

PFPS' clients who invest in the Programs are primarily individuals and also include trusts, charitable organizations, and corporations or other business entities.

B. Opening an Account

To participate in MIS, you will purchase the Annuity from your insurance company and sign an Advisory Agreement with PFPS, including the Client Agreement and the SIS, and any other required paperwork for your Annuity. Your Client Agreement supplements your SIS, which outlines, among other things, your risk tolerance for the Annuity, your planned initial investment amount, your agreed-upon Client Fee, and other information. If you already have a brokerage account with Pruco Securities, your brokerage account agreement may contain authorizations for us to transfer funds or securities that are broader than the authorizations in your Advisory Agreement. If this happens, our authority is limited to the authority in the Advisory Agreement regardless of any broader authorization in your brokerage account agreement. PFPS operates exclusively in the United States. PFPS only opens and maintains accounts for, and only provides advice and services to, individuals or entities having a legal U.S. address. You may have to complete other paperwork in order to participate in MIS or to instruct PFPS and Envestnet (as applicable) to place certain instructions with the insurance company at your request. All agreements are subject to acceptance by PFPS.

C. Electronic Signature

You may be given an option (or be required) to receive communications electronically, including agreements, forms, statements, confirmations records, client communications, privacy notices, Form CRS and ADV disclosures, and other documents related to MIS. If you enter into the Advisory Agreement or other Program documents by electronic means (such as clicks or other online means), these documents are legally binding, and you are considered to have "signed" them with the same effect as a manual signature. When establishing a joint account with electronic signature, each client must accept the Advisory Agreement by electronic means. Electronic records that are made online will also be considered to be "in writing." During the application process, if you agree to electronically receive information or materials from PFPS, you may revoke this electronic consent at any time by contacting PFPS.

D. Minimum Investment Requirements

The Program has a minimum investment requirement in the form of an initial premium payment of \$50,000. If you make subsequent premium payments or deposits into your Contract, they will automatically be managed under the Program and subject to the Client Fee.

You also must meet any eligibility requirements established by your insurance company for Contract Owners of your Annuity, which may be higher than the Program minimums. Each Fund also may have its own minimum investment requirement to open or maintain an allocation within your Annuity, which you must satisfy in addition to the Program requirements. Please refer to the prospectus for your Annuity to determine the minimum investment requirements and eligibility criteria (e.g., age at the time the Annuity issues, minimum initial deposit and subsequent deposit, etc.) to purchase and retain your Annuity.

PFPS, in its sole discretion, may lower Program minimums for certain clients or change the minimum at any time. PFPS, in its sole discretion, may terminate your participation in MIS if the value of your Annuity falls below the

minimum investment requirement. If you do not maintain your ownership of an Annuity, your participation in the Program will be terminated in accordance with your Advisory Agreement.

You will not be accepted into the Program until: (i) PFPS has received your required paperwork in good order and approved it, and (ii) you have met all minimum investment requirements and eligibility criteria, or the minimums have been waived. Please see “Funding Your Annuity” for information about transferring securities into your Account. All premium and other payments to the insurance company are governed by the terms of your Annuity Contract and described in its prospectus. You are solely responsible for complying with any Annuity funding requirements, and neither PFPS, IARs nor Envestnet will be responsible for any delays or the failure to invest any assets in your Annuity if you have not met these requirements. If a withdrawal of any type from your Annuity will cause its value to fall below the Program minimum, your insurance company will complete that request.

E. Terminations

You may terminate your participation in the Program at any time upon PFPS’s receipt of your written notice. PFPS may terminate your participation in the Program at any time upon written notice to you. Please refer to your Advisory Agreement for more information about termination.

Generally, clients who terminate their participation in MIS have three options. In each case, you will no longer pay the Client Fee or receive the MIS services. You will, however, continue to pay fees and receive services as a Contract Owner, on the terms you agreed with your insurance company, until you terminate your Contract.

- You can change the Annuity to a standard brokerage relationship with Pruco Securities, in which case Pruco Securities will remain listed as the broker-dealer of record for your Annuity and will assign a broker-dealer representative to you. You will pay no fees directly to Pruco Securities or your broker-dealer representative for their services. However, Pruco Securities will continue to be compensated by Pruco Life in its capacity as the broker-dealer of record.
- You may request that your insurance company list another financial institution as the broker-dealer of record for your Annuity, in which case you pay the fees associated with the services you purchase from that financial institution.
- You may terminate your Annuity Contract with the insurance company, in which case you pay the surrender charges and penalties described in the prospectus for your Annuity, if any.

If you terminate your participation in MIS, your IAR will cease to act in his or her capacity as an investment adviser representative subject to fiduciary duties of loyalty and care. Please refer to “Item 8” for additional information about the legal standards that apply to recommendations that your IAR makes in his or her capacity as an insurance agent or broker-dealer.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

PFPS has a Registered Investment Advisory Committee (“the Committee”) that oversees the standards of the Program and provides broad Program oversight. The Committee typically meets at least quarterly to discuss the Programs, including MIS, and investment options available therein, including potential conflicts of interest. The Committee also decides whether to add (and can remove) the Funds, Annuities and riders on each Annuity that your IAR is permitted to recommend in MIS. However, the Committee limits its consideration, as described in “Item 4,” to certain options and does not independently investigate others, which may have similar investment exposure but lower fees and expenses (and, therefore, potentially higher returns). PFPS periodically reviews Morningstar and Envestnet to assess whether they continue to meet their contractual obligations under the service agreement with PFPS for MIS. The Committee does not select Funds, Annuities or riders on each Annuity for any particular individual Program client.

1. Selection and Review of Research Providers and Funds

Selection of Funds

The Committee's procedures require the Committee to approve all Funds that are included in the menu of Funds available for IAR recommendation to clients in MIS. The Committee contracts with Morningstar to provide due diligence services on the Funds your insurance company makes available for your Annuity, apart from asset allocation Funds. PFPS does not engage Morningstar to research asset allocation Funds because, as described in "IARs as Portfolio Managers," the Committee does not allow IARs to recommend these Funds in MIS. The due diligence services that PFPS engages Morningstar to perform consist of a quarterly qualitative review of each Fund on the platform. The qualitative review is based upon Morningstar's 5 Pillar research methodology and results in an "Investment Oversight Report" that assigns a rating of Approved, On Watch or Remove to each Fund. "Approved" is defined as a Fund that is recommended for inclusion by PFPS based on the Morningstar Research Services' research process and criteria. Please refer to the ADV brochure of Morningstar Research Services LLC, which is available at www.adviserinfo.sec.gov, for more information about the methods of analysis that Morningstar uses in developing the Investment Oversight Report we use in MIS.

The Committee sets the investment standards for selection and retention of Funds that IARs may recommend in an Annuity. The Committee reserves the right to update and change the criteria at its discretion. Generally, the minimum criteria for inclusion of a Fund are: (1) assignment by Morningstar to an asset class that, in PFPS' judgment, aligns with the description of the asset class in the asset allocation model provided by PMC; and (2) receipt of an "Approved" or "On Watch" status from Morningstar on the Investment Oversight Report. However, the standards for selection and retention take into consideration additional objectives, such as maintaining a minimum number of Funds available to represent each asset class in the asset allocation model. As a result, not all Funds approved by the Committee will necessarily meet the minimum criteria, and certain Funds approved by the Committee for one Annuity will not necessarily be approved for use in another Annuity.

The standards for selection and retention also take into consideration a comparison of a Fund's performance *net* of the Fund Access Charges. As described in "Item 5," you pay Fund Access Charges on only the subset of Unaffiliated Funds for which the sponsor declines to pay your insurance company the level of Revenue Share it requests. Fund Access Charges compensate the insurance company for making available these Unaffiliated Funds that tend to have lower total annual operating expenses for you, but that pay less (or no) Revenue Share to your insurance company. Fund Access Charges can raise the total annual operating expenses you pay on amounts invested in these Unaffiliated Funds to levels similar to, or higher than, the total cost of investing in other Unaffiliated Funds (or in Affiliated Funds).

The Committee has an incentive to set its investment standards for selection and retention at a level sufficient to select and retain Affiliated Funds. When the Committee's criteria are consistently applied to all Funds in the Annuity issued by Pruco Life, there will be a higher concentration of Affiliated Funds among the available Funds that compare less favorably on those criteria. Until the Committee decides to remove a Fund, PFPS does not require its IARs to recommend an alternative Fund to their clients. The Committee will promptly remove any Fund, including an Affiliated Fund, your insurance company identifies as no longer available as an investment option for your Annuity. For a description of the removal process, please refer to "Termination of a Fund."

You can remain invested in a Fund, including an Affiliated Fund, that does not meet the standards for selection by the Committee, but is listed as "available" for investment by the insurance company, until your IAR reviews his or her recommendations and reaches the conclusion that moving to an alternative Fund is in your best interests. IARs typically review their Fund recommendations annually unless you request an interim update to the recommendations, as described in "Review of Accounts." When refreshing their investment recommendations, IARs have a fiduciary duty to recommend an alternative Fund (be it an Affiliated Fund or an Unaffiliated Fund) if retaining the existing Fund is no longer in your best interest. Please refer to "IARs as Portfolio Managers" for information about differences in PFPS' standards for selection and retention for IARs (relative to other research providers who provide research reports on Funds).

Selection of Research Providers

As described in the “Morningstar, Inc.” section, Morningstar performs due diligence and monitoring on the Funds available for use in your Annuity. Please refer to the ADV brochure of Morningstar Research Services LLC for important information about the conflicts of interest that can influence the due diligence and monitoring services we receive from Morningstar in connection with MIS.

The Committee has reviewed and approved Morningstar’s methodology for researching Funds. Morningstar does not act as a fiduciary to clients in MIS. Morningstar has not created its research on Funds to address any specific individual’s investment objectives, financial situation or the particular needs of any specific person. Use of Morningstar’s research does not establish an advisory relationship between Morningstar and the client; and Morningstar is not responsible for any investment decisions, damages or other losses resulting from, or related to, the information, data, analyses, or opinions or their use by PFPS or the IAR.

PMC, a division of Envestnet Asset Management, Inc., provides PFPS with yearly capital markets assumptions (expected return, standard deviation and correlations) which the Committee considers when approving the asset allocation models for use in MIS. PMC will update the capital market assumptions on an annual basis. Envestnet also maintains the risk tolerance questionnaire, and the logic to map the results of the RTQ to a risk profile and the associated asset allocation models. The ADV brochure of Envestnet Asset Management, Inc. provides more information about the methods of analysis that Envestnet and PMC use to construct and update the capital market assumptions, asset allocation models and RTQ.

The asset allocation models serve as a starting point for your IAR when developing his or her recommendation of target asset allocation ranges that align with your risk tolerance level, and particular Funds to represent each asset class in your asset allocation model. At PFPS’ request, PMC will review the overall asset allocation models at least on an annual basis based on its capital markets assumptions and other factors. IARs will incorporate any material changes to the asset allocation models when opening a new account or when updating his or her non-discretionary recommendations in connection with an annual account review, as described in “Item 13.”

Neither Envestnet nor its affiliates act as a fiduciary to clients in MIS. The capital market assumptions, asset allocation models and RTQ that PFPS receives from Envestnet are not created specifically for MIS or any MIS clients. Use of an asset allocation model or RTQ does not establish an advisory relationship between Envestnet and MIS clients. Please refer to the ADV brochure of Envestnet Asset Management, Inc. for important information about the conflicts of interest that can influence the capital market assumptions, asset allocation models and mapping to the RTQ that we use in connection with MIS.

2. *Affiliates as Research Providers*

The Committee also relies on research conducted by PFPS’ affiliate, the SIRG division of PGIM Investments, to supplement the independent research on the Funds that PFPS purchases from Morningstar. The research is developed by SIRG on a non-discretionary basis, as an input for Pruco Life to consider in determining which manager or strategy to utilize in its products, including the Annuity. SIRG’s services for Pruco Life include: (i) monitoring performance, style and market cap consistency of variable insurance trusts, and (ii) monitoring firm stability and composition of the applicable portfolio management team for variable insurance trusts. When we rely on PFPS’ affiliates to generate the research and inform the recommendations we make in connection with your Annuity, this presents a conflict of interest. Using research provided by our affiliates allows PFPS to avoid paying a third party and, therefore, enables PFPS to retain more of the Client Fee.

Also, relying on information or research provided by our affiliates creates the risk that our recommendations will, consciously or unconsciously, be influenced by our affiliates’ incentive to maximize Compensation to Prudential. Like Morningstar, SIRG does not act as a fiduciary to clients in MIS. Any due diligence conducted by our affiliates on the Funds and the Annuity issued by Pruco Life is prepared as an insurance company (or as an agent engaged by the insurance company) – which may not involve the same standard of care and loyalty that PFPS is required to apply in conducting due diligence on these recommendations. Please refer to “Item 4” and “Item 5” for important

information about the conflicts of interest that influence the recommendations you receive in MIS and the incentives that motivate an insurance company, including Pruco Life, as the issuer of your Annuity.

To mitigate the risk that the research provided by our affiliates on Funds is biased, the Committee engages Morningstar to provide independent research on each Fund.

3. *IARs as Portfolio Managers*

In MIS, your IAR acts as a non-discretionary portfolio manager, meaning that you must approve all recommendations that he or she makes in connection with your Annuity. You make the final decision on whether to accept your IAR's recommendations which are described in "Item 4." As a Contract Owner, you can engage in transactions for your Annuity without first seeking your IAR's guidance by contacting your insurance company directly in accordance with the terms of your Annuity Contract. Your insurance company typically must implement your instructions and is not required to consult or inform your IAR. To receive the benefits for which you pay the Client Fee, you must confirm that your IAR is aware of the changes you make without his or her recommendations and, if desired, that you request a review of those changes as described in "Item 13."

Conflicts of Interest.

When your IAR acts as a portfolio manager, this presents a conflict of interest. Your IAR has an indirect incentive to make investment decisions and recommendations that maximize Compensation to us and our affiliates. Your IAR takes into consideration his or her financial interest in maximizing Compensation to us or our affiliates (as an employee or agent of Prudential) or to himself or herself (in the form of salary or commissions, bonus, prizes, rebates, etc.) when formulating advice. Please see "Item 5" for information about these conflicts of interest and how we seek to address them.

Selection and Review of IARs as Portfolio Managers.

Your IAR is subjected to different standards for selection and retention than the research providers that PFPS engages in connection with the Program and the Funds the Committee approves for IARs to recommend in your Annuity. The Committee does not identify IARs through its normal process for reviewing the research providers and approving the menu of Funds that IARs may recommend in your Annuity. The Committee does not engage research providers to perform due diligence on IARs. Instead, IARs are identified through a recruitment and hiring process.

Although the Committee has not used the same selection process or applied the same standards to IARs as to research providers or Funds, IARs are subject to qualifications and oversight which varies based on the services an IAR provides to your Account. To become an IAR of PFPS and provide services in MIS, your IAR, among other things, must meet all required registration requirements, complete on-line training courses and meet certain compliance and business conduct standards. PFPS, in its sole discretion, will waive or modify these requirements (to the extent permitted by applicable law) for one, some, or all PFPS financial professionals. Your IAR must also adhere to PFPS's Code of Ethics. If your IAR is unable to continue servicing your Annuity for any reason, PFPS will assign another IAR to perform the services for your Annuity. You can always ask for another IAR to service your Annuity or terminate your Program participation at any time. If PFPS cannot reassign another IAR, PFPS will notify you and terminate your Advisory Agreement.

PFPS also places certain restriction on your IAR's investment recommendations. For example, your IAR will be required to comply with parameters set by PFPS in designing an individual asset allocation to recommend for your Annuity. Your IAR may only recommend Funds for your Annuity from a list that is subject to due diligence by the research providers and approval by the Committee. PFPS also reviews your IAR's recommendations for appropriateness under the applicable standard, as described in "The Best Interest Process."

In formulating recommendations, your IAR may use one or a combination of the following techniques: review of reports and information provided by the research providers, including Morningstar research and due diligence reports on individual Funds, use of asset allocation models, and use of qualitative and quantitative analysis. The recommendations that you receive will frequently be different from, and sometimes will be the same as or similar to,

those that your IAR or other IARs may have given, or may give, to other clients.

Your IAR may make asset allocation or Fund recommendations that result in underperformance of your Annuity compared to your expectations or similar programs or compared to the asset allocation Funds that are available to Contract Owners of your Annuity without paying the Client Fee. Most insurance companies offer a menu of asset allocation Funds, one of which aligns with the same risk tolerance as the asset allocation model your IAR recommends for you. The Committee does not allow IARs to recommend these asset allocation Funds in MIS because you are paying the Client Fee for asset allocation and Fund recommendations. Therefore, if you enroll in MIS, you will be unable to invest in these professionally managed asset allocation Funds and should assume that your IAR's recommendations will underperform the equivalent asset allocation Fund, especially after deduction of the Client Fee.

4. *The Best Interest Process*

When an IAR recommends a transaction or investment strategy, the IAR must have a reasonable basis for believing that the recommendation is in your best interest. This best interest requirement applies to all recommendations that an IAR makes in its capacity as a representative of an investment adviser or broker-dealer. The legal standards and requirements that apply to recommendations that your IAR makes in his or her capacity as an insurance agent will differ and, in some cases, be lower than the best interest standard. Importantly, the Advisers Act does not require us to eliminate all conflicts of interest. Rather the Advisers Act requires PFPS and its IARS to mitigate or at least fully disclose how and when our advice is motivated by conflicting interests.

To meet the best interest standard under the Advisers Act, PFPS must obtain your informed consent to each conflict of interest which, consciously or unconsciously, prevents us or your IAR from giving you disinterested advice. PFPS also must seek to match its recommendations to your needs based on your investment profile including but not limited to your investment objectives, risk tolerance and financial circumstances, as described in "Item 4." In certain circumstances, if your IAR believes the recommendation is in your best interest, your IAR may recommend a transaction or investment strategy even if it is more expensive than other options that are available to you.

5. *Calculation or Verification of Performance*

Your insurance company may calculate the performance of your Annuity or share with you information provided by the Funds in which your Annuity invests. PFPS or an IAR may provide your insurance company's calculations to you. Neither PFPS, its IARs nor any third party on PFPS's behalf, however, calculates, reviews or verifies (or retains a third party to calculate, review or verify) the performance reported by your insurance company for accuracy or compliance with presentation standards. Performance may not be calculated on a uniform and consistent basis. Refer to the prospectus for your Annuity, or contact your insurance company, for additional information on whether and, if so, how your insurance calculates the performance of your Annuity.

PFPS will monitor certain aspects of the performance of your Annuity in connection with MIS for its own internal purposes. PFPS does not calculate or compare for you the performance record of individual IARs, but may do so, in its sole discretion, either by itself or by using a third party, for its own internal purposes. PFPS does not publish the performance of IARs. Please see the "Review of Accounts" section for additional detail on the performance reporting that PFPS engages Envestnet to provide in connection with MIS.

B. *Risks of Particular Strategies, Methods of Analysis and Securities*

Investing in securities involves risk of loss that you should be prepared to bear. Your Account may lose value due to market fluctuation. There is no guarantee that you will achieve your investment objectives by participating in the Program. The investment returns on your Annuity will vary and there is no guarantee of positive results or protection against loss. PFPS does not make any warranties or representations about the benefits of participating in the Program. None of Pruco Securities, PFPS or your IAR provide legal or tax advice; if you have tax or legal questions you should seek a qualified expert for assistance.

General Risk of Loss: There are several risks in the services we provide. Although we attempt to control risk by creating diversified portfolios, there may be situations where the portfolios lose value. We do not guarantee the returns

or the success of any given investment portfolio or investment strategy. A negative macroeconomic shock may cause a portfolio to decline in value, whether the portfolio is conservative or aggressive. An example of this would be the financial crisis of 2008 – 2009. We do not guarantee that any of the investments within the Annuity will meet their stated investment objectives. Clients should keep in mind that the application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. If one or more of the investments within the Annuity underperform, it may have an overall negative effect on the portfolio as a whole.

We rely on external data sources, e.g., Morningstar, Inc., to assist us in formulating our recommendations. We believe that we have developed appropriate internal procedures to determine reasonableness of the data provided from external sources; however, we cannot guarantee the accuracy of the data received from these sources.

For additional information about the risks associated with your Annuity, please refer to the prospectus for your Annuity Contract which may be obtained from your insurance company. For additional information about Funds including their risks, fees, and expenses, please refer to a Fund's prospectus or offering documents.

1. Key Risks Of Your Variable Annuity Contract

- *Not a short-term savings vehicle:* Variable annuities are not a short-term investment vehicle. Surrender charges, which would reduce the value of your contract, may apply. In general, the benefits of tax deferral will outweigh the costs of a variable annuity only if you hold it as a long-term investment to meet retirement and other long-range goals.
- *Contract fees and expenses:* Contract fees and expenses may be significant. These include deductions from purchase payments, surrender charges, and significant ongoing fees and expenses associated with owning a contract.
- *Optional Features:* Optional features may carry investment restrictions. Or, the benefits of the optional features (or the value of the Annuity itself) may be significantly reduced if withdrawals over a certain amount are made or if withdrawals are taken before you reach a certain age or if there are investment losses.
- *Annuities in Tax-Advantaged Accounts:* Tax-deferred growth is a key advantage of investing in a variable annuity. It is important to remember that if you are investing in the Annuity through a tax-advantaged account, you will get no additional tax advantage from the variable annuity because the retirement account itself is already tax-deferred. You should only consider buying a variable annuity in a tax-advantaged retirement account (e.g., IRA, SEP, Keogh, etc.), if you value other unique features of the variable annuities such as its investment options or guaranteed living and/or death benefit protection.
- *Insurance company risk:* The financial strength of the insurance company that issues the Annuity backs all guarantees, including the death benefit, living benefits, and your annuity payments. If the insurance company experiences financial distress, it may not be able to meet its obligations to you.
- *Risk of loss:* You can lose money in a variable annuity, including potential loss of your original investment. The value of your investment and any returns will depend on the performance of the investment options you choose.
- *Risks associated with investment options:* Each underlying Fund will have its own unique risks. You should consider a variety of factors with respect to each Fund option, including the Fund's investment objectives and policies, management fees and other expenses that the Fund charges, the risks and volatility of the Fund and the securities in which the Fund invests, and whether the Fund contributes to your overall investment portfolio.

2. Key Risks Of Investing in Securities

- *Asset Allocation Risk:* The risk that a client's asset allocation to asset classes or underlying Funds will not anticipate market trends successfully.

- *Market Risk:* The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- *Investment Style Risk:* The risk that the Fund's strategy may underperform other segments of the markets or the markets as a whole.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the U.S. dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it—a lengthy process—before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Sector Risk:* Some sectors may be more volatile than others. Small to medium capitalization stocks can be more volatile than larger, more established companies. Sectors that focus on narrower sections of the overall market (e.g., technology, natural resources, etc.) can be more volatile than broad-based sectors.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk to the business of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a lower market value.
- *Concentration Risk:* Risk of amplified losses that may occur from having a large portion of your holdings in a particular investment, asset class or market segment relative to the investor's overall portfolio.
- *Risk Associated with Advisory Assets that invest in Alternative Investments:* Alternative investment strategies go beyond the traditional long only equity and fixed income strategies and therefore involve a higher degree of risk including short sale and derivative risks. Alternative investments, including Funds that use alternative investment strategies, are not for everyone and may be considered speculative.
- *Fixed Income Risks:* There are a number of risks associated with investments in fixed income securities (also known as debt securities or bonds):
 - *Credit Risk* – Credit risk is the risk that an issuer of a debt security will be unable to make interest and principal payments when due and the related risk that the value of a security may decline because of concerns about the issuer's ability to make such payments. Credit risk may be heightened for lower quality bonds, including "high yield" securities (so called "junk bonds").
 - *Income Risk* – The income earned from a debt security may decline because of falling market interest rates.
 - *Interest Rate Risk* – Interest rate risk is the risk that the value of a bond will decline because of rising interest rates. In general, debt securities increase in value when interest rates fall and decrease in value when interest rates rise. Longer-term debt securities are generally more sensitive to interest rate changes, and thus have greater interest rate risk.

- *Prepayment Risk* – During periods of declining interest rates, some bond issuers may prepay principal earlier than scheduled, forcing a Fund to reinvest in lower yielding securities. This is known as call or prepayment risk.
- *Extension Risk* – During periods of rising interest rates, the average life of some bonds may be extended because of lower-than-expected principal payments, preventing a Model Provider or Fund from reinvesting bond sale proceeds at advantageous times. This may lock in a below market interest rate, increase the security's duration and reduce the value of the security. This is known as extension risk.
- *Valuation Risk* – Debt securities are not traded on an exchange. A pricing service typically values the debt securities in which a Model Provider or Fund may invest using readily available market quotations obtained from broker-dealers, cash flows, and transactions for comparable instruments. A Model Provider or Fund may be unable to sell a security at the price set by the pricing service, which could result in a loss. Different pricing services use different valuation methodologies, potentially resulting in different values for the same securities.
- *Mutual Fund Risks:* investing in Funds implicates the following risks in addition to the risks above:
 - *Alternative Mutual Funds Risk:* Alternative mutual funds have many of the same protections as other registered investment companies but accomplish investment objectives through non-traditional investments and trading strategies. Alternative mutual funds may present risks including, but not limited to, those associated with the use of derivative instruments for hedging or leverage, liquidity and volatility risks associated with distressed investments, liquidity risks associated with restrictions on securities purchased in an initial public offering or from privately held issuers, currency risk due to investments in or exposure to foreign assets or instruments, and risks associated with short selling of securities.
 - *Underlying Investments Risks:* While the risks of owning shares of a Fund generally reflect the risks of owning the underlying investments of the Fund, you may be subject to additional or different risks than if you had invested directly in the underlying investments. For example, the lack of liquidity in a Fund could result in its value being more volatile than that of the underlying securities the Fund invests in.
 - *Index Tracking Risk:* An index fund has operating expenses; a market index does not. The index portfolio, while expected to track its target index as closely as possible, will not be able to match performance of the index exactly.

Other Risks: Your IAR's advice in the Program is based on his/her understanding of your investment objectives, risk tolerance, financial circumstances and other attributes that you have shared with your IAR. Your IAR's overall asset allocation advice and other recommendations may be materially affected by even small changes in your individual circumstances. Therefore, your failure or delay in informing your IAR of changes in your circumstances, or providing current, accurate and complete information, could affect the suitability of your recommendations. The overall investment performance of any securities in an allocation is based in part on the recommendations that your IAR makes about the allocation of assets among various asset classes, sub-asset classes and Funds. Your IAR may make asset allocation or Fund recommendations that result in underperformance of your Annuity compared to your expectations or similar programs or compared to the asset allocation Funds that are available to Contract Owners of your Annuity without paying the Client Fee. There is no guarantee that a given asset allocation will produce the desired results. If you impose investment restrictions on the management of your Account, that could have an effect on the investment strategy and performance results.

Risks Related to Technology and Cyber Security: We depend heavily on telecommunication, information technology and other operational systems, whether ours or those of others (e.g., custodians, financial intermediaries and others that we or our service providers use). These systems may fail to operate properly or become disabled as a result of events wholly or partly beyond our or their control. While we use risk management and security measures, our information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, availability, integrity,

and confidentiality of data assets. Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers or client usage of systems to access accounts, could delay or disrupt our ability to do business and service our clients, harm our reputation, result in a violation of applicable privacy and other laws, require additional compliance costs, subject us to regulatory inquiries or proceedings and other claims, lead to the theft of clients' personal and/or confidential information and/or assets, lead to a loss of clients and revenues or financial loss to our clients, or otherwise adversely affect our business.

Public Health Risk: Occurrences of epidemics and pandemics, depending on their scale, could cause different degrees of damage to the national and local economies. Global economic conditions may be disrupted by widespread outbreaks of infectious or contagious diseases, and such disruption could adversely affect the returns of your portfolio. The outbreak of COVID-19 resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity and debt markets. Many countries have implemented quarantines, prohibitions on travel and required the closure of offices, businesses, schools, retail stores, and other public venues. Businesses have been implementing similar precautionary measures. The COVID19 pandemic and its impact on the global economy has had an adverse effect on the value, operating results and financial condition of some or all of the companies and holdings in your portfolio. The impact of COVID-19 has led to significant volatility in the global public markets, and it is uncertain how long this volatility will continue. There can be no assurance that any vaccines or treatments currently available will be effective against treating new variants of COVID-19 or will be sufficient to protect against the ongoing effect of the pandemic. The impact of COVID-19, and other related or unrelated public health issues that may arise in the future, could adversely affect the economies of many nations, individual companies and investment products, and the market in general in ways that cannot necessarily be foreseen at the present time. Any public health emergency or the threat thereof, could have a significant adverse impact on a portfolio and its investments and could adversely affect a portfolio's ability to fulfill its investment objectives. The extent of the impact of any public health emergency on the operational and financial performance of a portfolio will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency could result in significant losses to the client.

ITEM 9 – DISCIPLINARY INFORMATION

The following chart provides a brief summary of Pruco Securities' regulatory matters that may be material to your evaluation of us. You can find more information about regulatory matters for us, our management, members of the Committee, our employees, and our parent companies and affiliates in our Form ADV-Part 1, which you can view online at www.adviserinfo.sec.gov or as a hard copy upon request.

Resolution Date	Regulator	Description of Allegation and Resolution
December 23, 2020	SEC	On December 23, 2020, we entered into a settlement with the SEC resulting in the SEC issuing an administrative order (the "Order"). Pruco consented to the entry of the Order, which found that PFPS violated Sections 206(2) and 206(4), and Rule 206(4)- 7 thereunder, of the Advisers Act in connection with the Programs, in which clients pay an all-inclusive fee for asset management and trade execution. The Order found that, beginning in January 2014, PFPS at various times breached its fiduciary duty to its clients by: (a) failing to conduct stated monitoring of client accounts to determine whether the wrap fee programs continued to be suitable for clients; (b) charging certain fees on some clients contrary to its disclosures; (c) recommending that clients purchase and hold certain mutual funds and mutual fund share classes that paid Pruco fees pursuant to Rule 12b-1 of under the Investment Company Act of 1940; (d) failing to disclose that Pruco received revenue sharing payments on client investments pursuant to an agreement with NFS, which also allowed Pruco to avoid paying certain transaction fees for its clients'

Resolution Date	Regulator	Description of Allegation and Resolution
		<p>purchases of mutual funds; (e) recommending bank sweep vehicles for which NFS paid Pruco revenue sharing; and (f) violating its duty to seek best execution for certain transactions by selecting or recommending mutual fund and money market fund share classes when share classes of the same funds were available to the clients that presented a more favorable value or better performance.</p> <p>Solely for the purpose of settling this proceeding, we consented to the Order, without admitting or denying the findings set forth in the Order. The Order censured PFPS and directed PFPS to cease-and-desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act, and Rule 206(4)-7 thereunder.</p> <p>Additionally, the Order required us to pay disgorgement of \$12,690,585 and prejudgment interest of \$3,061,786, which were paid on November 16, 2020, and a civil penalty in the amount of \$2,500,000, which was paid on January 4, 2021. We also agreed to review and update as necessary all relevant disclosure documents concerning the practices at issue in the Order, to evaluate whether existing clients should be moved, and to move existing clients as necessary, to lower-cost or lower-revenue sharing-paying share classes, and to comply with certain other related undertakings as well.</p>
April 20, 2017	Illinois Securities Department	<p>On April 20, 2017, Pruco entered into a Stipulation and Consent Order with the Illinois Securities Department. The Department alleged that Pruco failed to reasonably supervise and enforce its supervisory systems in connection with certain sales of variable annuities in Illinois from 2013-2016 and failed to supervise in connection with responding to the Department's regulatory requests. Pruco agreed to a fine of \$750,000, plus costs (\$150,000) and restitution (approximately \$345,000) to impacted customers.</p>
May 2, 2013	New Jersey Bureau of Securities	<p>Involved an operational error related to its COMMAND brokerage desk's delayed processing and pricing of certain mutual fund transactions received via mail or facsimile from late 2003 through June 2011. Upon discovery of the error, Pruco Securities promptly took corrective action and subsequently consented to a disciplinary action involving a \$40,000 civil penalty, \$20,000 in costs and \$40,000 payment to the state's Investor Education Program. Pruco Securities also must pay restitution in an amount up to \$125,000 to impacted NJ residents.</p>

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

This section describes relationships or arrangements material to PFPS's advisory business that certain of its management persons have with other affiliates. PFPS's management persons are PFI, Prudential Insurance and other entities and individuals who exercise a controlling influence over PFPS's management or policies, or who determine the general investment advice given to clients of PFPS.

Additional information concerning these direct and indirect affiliates and related persons of PFPS, which include various other broker-dealers, investment companies, investment advisers, and banking organizations, is provided in PFPS' Form ADV, Part 1A, which is available at www.adviserinfo.sec.gov.

A. Broker-Dealer and Commodities Industry Registration Status

Pruco Securities is a registered broker-dealer and many of its management persons as well as all PFPS IARs are securities registered representatives. We are not a registered Futures Commission Merchant ("FCM"), Commodity Pool Operator ("CPO"), or Commodity Trading Advisor ("CTA"), and none of our management persons are registered as (or an associated person of) an FCM, CPO or CTA.

B. Material Relationships or Arrangements With Affiliates

PFPS is part of a large, interconnected financial services organization in which relationships among affiliates continuously evolve. PFPS has identified relationships material to its advisory businesses with certain Prudential Companies, described below. The incentives, conflicts of interest, and potential conflicts of interest resulting from these relationships and from certain other activities of these affiliates (e.g., on behalf of their clients or customers) are described throughout this Brochure. Throughout this section, the term "Proprietary Funds" should be interpreted to include Affiliated Funds, as applicable.

- **The Prudential Insurance Company of America** ("Prudential Insurance") – as the parent company of Pruco Securities, Prudential Insurance provides Pruco Securities (and therefore PFPS) with services of officers, the use of telecommunications, office space, systems and equipment, programmer and analyst services and mail operation services, among others. PFPS IARs who are employees and home-office personnel are employed by Prudential Insurance, which provides them with salaries, expense support and other benefits. Prudential Insurance also reimburses certain IARs that make cash payments to third-party solicitors for advisory client referrals intended to support sales of VA/VUL products (as defined below). For PFPS IARs who are not employees, such reimbursements are considered Compensation. Please see "Item 14" for information about the material conflicts of interest associated with paying for advisory client referrals.
- **PGIM Investments LLC** ("PGIM Investments") – an SEC-registered investment adviser that serves as the investment manager of certain Proprietary Funds available through the Programs and provides the PGIM Models. SIRG, a team of investment professionals at PGIM Investments, provides quantitative and qualitative research to PFPS.
- **Jennison Associates LLC** ("Jennison") – an SEC-registered investment adviser that serves as sub-adviser to certain Proprietary Funds available through the Programs.
- **PGIM, Inc.** ("PGIM") – an SEC-registered investment adviser with several distinct advisory business units, two of which serve as sub-advisers to certain Proprietary Funds available through the Programs:
 - PGIM Fixed Income, which also includes (and shares its Compensation with) PGIM Limited, an SEC-registered investment adviser; and
 - PGIM Real Estate, which, in providing its subadvisory services, utilizes the services of (and provides Compensation to) PGIM Real Estate (UK) Limited, an SEC-registered investment adviser.

- **PGIM Quantitative Solutions, LLC** – an SEC-registered investment adviser that serves as a sub-adviser to certain Proprietary Funds, and provides asset allocation services to certain Proprietary Funds. PGIM Quantitative Solutions, LLC also provides asset allocation services to PGIM Investments with respect to certain models used in PSP.
- **Prudential Investment Management Services (“PIMS”)** – an SEC-registered broker-dealer that acts as the principal underwriter and distributor for some Proprietary Funds. As the distributor of the Proprietary Funds managed by PGIM Investments, PIMS receives 12b-1 fees from such Proprietary Funds, and, in turn, pays trailing 12b-1 fees and commissions to Pruco Securities, as a selling dealer (in this context, on the same terms as to other affiliated and unaffiliated selling dealer), on an omnibus basis through their clearing broker NFS. PIMS also remits 12b-1 fees to Pruco Securities for any direct sales of such Proprietary Funds sold through their transfer agent, Prudential Mutual Fund Services (“PMFS”). In its capacity as clearing broker for retirement platform mutual fund sales, PIMS also receives trailing 12b-1 fees from certain third-party mutual funds with holdings in defined contribution plans, IRAs, and self-directed brokerage accounts introduced to NFS. PIMS also receives Compensation from, and pays Compensation to, NFS pursuant to a clearing agreement.
- **Pruco Life** is a life insurance company that offers variable annuities (“VA”) and/or variable life insurance (“VUL”) products, including products which can be used in MIS (i.e., the Annuity) and in implementing PFPS financial planning recommendations. Pruco Securities acts as the principal underwriter and distributor of VUL products offered by Pruco Life. Pruco Securities receives financial support from Pruco Life for certain training and education events intended to support sales of the Pruco Life’s VA/VUL products. This is in addition to the Compensation described in “Item 5” that PFPS receives, in its capacity as an investment adviser, for services provided in connection with Pruco Life’s VA/VUL products. Pruco Securities also receives Compensation, in its broker-dealer capacity, for selling Pruco Life’s VA/VUL products. Pruco Securities’ Compensation for each VA/VUL sale as a broker-dealer consists of commissions and, for select variable annuities, revenue share. The amount of such revenue share is linked to the revenue that Pruco Life receives from insurance-dedicated funds underlying its annuities and their sponsors (including firms associated with the Proprietary Funds and non-Proprietary Funds available through the wrap fee programs and firms associated with the Affiliated Funds and Unaffiliated Funds available through MIS).
- **Prudential Annuities Distributors (“PAD”)** – an SEC-registered broker-dealer that acts as the principal underwriter and distributor of VA products offered by Pruco Life, including VA products which can be used in implementing PFPS financial planning recommendations and the Annuity in MIS issued by Pruco Life. PAD promotes the sale of these VA products by making fixed payments or reimbursements to other broker-dealers to, for example, purchase access to their registered representatives and/or placement of Pruco Life and/or the Annuity issued by Pruco Life on a preferred list). Please see “Item 14” for information about the material conflicts of interest associated with paying for advisory client referrals.
- **AST Investment Services, Inc. (“ASTIS”)** – an SEC-registered investment adviser that serves as co-manager, with PGIM Investments, of Proprietary Funds that are available as underlying investment options in certain Pruco Life’s annuities. Such proprietary annuities can be used in MIS and in implementing PFPS financial planning recommendations.

A PFPS IAR may also work in brokerage and insurance capacities. The only direct form of advisory Compensation that a traditional IAR earns is a portion of the investment advisory fee and financial planning fees (for those who qualify as a financial planner). A traditional IAR earns commissions and other Compensation from brokerage and sales activities, which Compensation can include gifts, entertainment, training opportunities, sales leads, and awards from Prudential affiliates that offer or distribute the products the IAR sells. You will enter into a separate agreement for each type of product or service that you wish to buy or use. If you have any questions about the capacity in which your IAR is acting, any Compensation he or she may receive or any conflicts of interest, please ask your IAR or his/her supervisor. You can find supervisor information in the IAR’s Brochure Supplement.

Some of our supervised persons, including members of senior management, perform other duties for Prudential affiliates. Conflicts of interests arise from time to time in connection with these duties with respect to allocating management time, services, or functions among us and other Prudential affiliates. In their non-PFPS roles, such

persons may give investment advice and/or take actions that differs from, or are inconsistent with, the advice given in the performance of their PFPS-related duties.

As part of a diversified, global financial services organization, we are affiliated with many types of financial service providers, including broker-dealers, insurance companies and other investment advisers. Our and our affiliates' activities and dealings with other clients and third parties affect our client in ways that will, from time to time, disadvantage you while benefitting the Prudential enterprise and/or other Prudential clients (including other PFPS clients) or customers. The following are examples of the actual and potential conflicts of interest associated with the financial or other interests that Prudential has in advising or dealing with other clients (including other PFPS clients) or customers or third parties (or in acting on its own behalf).

- Our affiliates have an incentive to seek to influence decisions relating to our selection and retention and/or recommendation of different investment options, decisions and service providers to the Programs in order to, among other things, facilitate our affiliates' investment hedging interests, improve their profit margins, strengthen their position in negotiating discounts based on overall relationship, or derive tax benefits.
- Our affiliates' activities have the ability to affect market prices in a manner that could have an adverse effect on PFPS client holdings or the portfolio holdings of a Fund in which the client invests, particularly when such affiliates manage substantial amounts of assets, such as the general accounts of Prudential insurance companies, creating the potential for large trades.

Other examples include our incentive to:

- Favor for use in the Programs and, as applicable, for implementing a client's financial plan, an investment product, service or decision which results in additional Compensation to the Prudential enterprise, or which supports an important distribution or business relationship for Prudential that we or our affiliates have in connection with other clients or products, even when other options may be less costly to a client and/or yield a superior investment result;
- Recommend VA/VUL products as part of a financial plan, and recommend a larger allocation to VA/VUL within that plan, based on the potential for additional Compensation to Prudential resulting from the implementation of such recommendations; and
- Recommend service providers and vendors for which we or our affiliates can benefit by leveraging fees or other terms and conditions based on the enterprise-wide business relationships and other factors.

We seek to mitigate the risk from these conflicts through policies, procedures, disclosure, communication protocols, and periodic conflicts training of applicable personnel.

C. Material Conflicts of Interest Relating to Other Investment Advisers

PFPS and our affiliates have business relationships with, and receive Compensation (directly or indirectly) from, the research providers and investment advisers we recommend, select or approve in formulating our advice for clients. Please see "Relationships with Other Advisers" for information about these relationships and Compensation that results in material conflicts of interest.

ITEM 11 – CODE OF ETHICS AND PARTICIPATION IN CLIENT TRANSACTIONS

A. Code of Ethics

PFPS's code of ethics requires advisory personnel and IARs to conduct business in an honest and forthright manner in accordance with the highest of ethical standards. The code of ethics requires advisory personnel and IARs must put your interests ahead of their own and disclose actual and potential material conflicts of interest. The code has standards to prevent and detect insider trading, and rules for reporting and monitoring advisory personnel and IARs' personal securities trading. Advisory personnel and IARs 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. PFPS will provide a copy of its code of ethics to you upon request and without charge.

B. Participation or Interest in Client Transactions and Personal Trading

Pruco Securities routinely makes securities trades for Compensation for its customers and clients and recommends mutual funds, insurance and annuity products that its affiliates sponsor; it does not itself own securities that it sells to Program clients. From time to time, IARs personally participate in a Program and may select investment options that are the same as, or differ from, what that they recommend to you. Your IAR could benefit indirectly from investing contemporaneously with you, but this will not affect the IAR's Compensation. PFPS's code of ethics requires that neither PFPS nor any IAR prefer her/his own interest ahead of your interest.

The accounts of various Prudential entities (including proprietary accounts and the general accounts of Prudential Insurance and other Prudential insurance companies (collectively, "affiliated accounts")) will, at times, have various levels of financial or other interests in companies whose securities can be held, purchased or sold in our clients' accounts (directly or in the portfolio of a Fund in which our clients' account invests). This would occur where affiliated accounts hold public and private debt and equity securities of a large number of issuers and invest in some of the same companies as our clients' accounts. Additionally, investments of affiliated accounts and our clients' accounts may be at different levels in the capital structure of a company. At any time, these interests could be inconsistent or in potential or actual conflict with positions held in or actions taken on behalf of our clients' accounts. For example, our clients' accounts could invest in the equity of a company (whether directly, or indirectly through a Fund) whose debt could be held by a Prudential affiliate. We address the potential for such conflicts through disclosure and, in some cases, through information barriers.

PFPS, its IARs, and its affiliates may give advice to other clients, and may buy, sell or trade in any securities for their own or other clients' accounts. This advice may be different from the advice they give or the timing or nature of action they take for a client. PFPS does not engage in any principal or agency cross securities transactions for client accounts. PFPS will also not cross trades between client accounts. In a principal trade, an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys a security from or sells a security to an advisory client. In an agency cross trade, an investment adviser (or a person controlling, controlled by or under common control with the adviser) acts as broker for both the advisory client and for another person on the other side of the transaction.

C. Error Correction

From time to time, mistakes will occur in connection with formulating our investment advice, processing your instructions, placing an order or transaction, or other administrative and operational aspects of implementing our investment recommendations and providing services related to the Annuity or the Program. In the event that PFPS identifies an error in connection with its services under the Program, PFPS will take (or request that the affiliate or third party, as applicable, take) corrective action. In correcting the mistake, a profit may be realized, or a loss suffered.

When permitted by law, we (directly or through our affiliates) will keep the gain (or net the gains against our losses) as Compensation for our error correction services. The gain or overage (i.e., an amount in excess of what the client would have had if the error did not occur) does not pass to the client. In the event of a loss, PFPS generally absorbs the cost of restoring the client to the same economic position had the error not occurred, provided the loss is directly attributable to a failure by PFPS or its IARs as described in the Advisory Agreement. Please refer to the Advisory Agreement for more important information. The Prospectus for your Annuity describes the circumstances in which your insurance company will retain gains as additional Compensation for its error correction services in connection with the Annuity.

You should consider the additional revenue that Prudential Companies receive from error correction processing (by keeping gains, or netting gains against losses) when evaluating the appropriateness of your Client Fee.

ITEM 12 – BROKERAGE PRACTICES

Investment advisers have a duty to seek best execution when recommending a broker-dealer or recommending transactions in accounts for which the adviser has discretion to direct trades. In MIS, PFPS does not have discretion to direct trades or to recommend a broker-dealer to effect transactions in the Funds underlying your Annuity.

Please refer to the prospectus for your Annuity, or consult your insurance company, to understand whether and, if so, how the insurance company determines the reasonableness of the Compensation (e.g., 12b-1 fees) you pay directly or indirectly in connection with the purchase and redemption of shares in a Fund attributable to transfers of the account value for your Annuity. PFPS does not monitor the quality of execution achieved on transactions placed in connection with your Annuity, including transfers of assets between the Funds underlying your Annuity.

ITEM 13 – REVIEW OF ACCOUNTS

A. Periodic Account Reviews

In MIS, all recommendations are made as of a specific *point-in-time*. They should not be viewed as continuous or ongoing advice, meaning that you should assume our recommendations will not be refreshed if you do not participate in annual reviews or request interim updates when your circumstances change.

Your IAR will be available to answer your questions about the Program and will contact you at least annually and offer to review the performance of the Annuity with you. In connection with the annual review, you and your IAR may review, among other things: (i) changes in your financial situation or investment objectives for your Annuity; (ii) investment activity in your Annuity; (iii) whether you wish to discuss new investment preferences or change existing preferences or restrictions on the investment recommendations we formulate for your Annuity; and (iv) whether your continued participation in your Program remains in your best interest, compared to transferring the Annuity to a brokerage relationship.

If there are changes that may have a material effect on your participation in a Program or how your Annuity should be managed, you also can request your IAR to assist you in deciding: (i) whether to purchase a rider and retain a rider; (ii) whether to start or stop withdrawals under the optional living benefit if elected; and (iii) whether to make subsequent deposits into the Annuity. Please refer to “Item 4” and “Item 8” for additional information.

The MIS services for which you pay the Client Fee do not include advice on whether to annuitize or a comprehensive inquiry or financial planning review into the many factors that can affect the advisability of when and how you annuitize. Examples of these factors include your longevity, financial circumstances, risk tolerance, and other needs (e.g., to minimize accumulation value that will be counted towards a benefit application like Medicaid). Neither PFPS nor your IAR can provide legal or tax guidance. If you do request guidance on whether to annuitize your Contract, your IAR will be acting solely as an insurance agent or broker and a registered representative of Pruco Securities as broker-dealer. If permitted by the laws applicable to insurance and brokerage advice, she or he may rely upon the information you have provided and updated over time, without conducting a comprehensive inquiry or financial planning review unless expressly agreed with you. If your circumstances warrant a more comprehensive inquiry, please refer to PFPS’ brochure for financial planning services, available at www.adviserinfo.sec.gov, for more information about PFPS’ and your IAR’s ability to assist in this regard. Alternatively, consult the prospectus for your Annuity for more information about the options available to you to annuitize under your Contract.

During the period between your annual account reviews, you are responsible for contacting your IAR and requesting an interim update to his or her investment recommendation whenever a material change occurs that could affect the assumptions on which our prior point-in-time recommendations were based. You are also responsible for informing your IAR when market events, such as increased volatility or market disruptions, have caused changes in your financial or personal circumstance or in your investment objective and investment risk appetite. If you do not inform your IAR of changes in your financial circumstance, investment objective or investment risk appetite, an interim account review will not be performed.

B. Other Monitoring

PFPS conducts periodic monitoring using tools supplied by service providers, including Envestnet, and information provided by your insurance company via the Envestnet Insurance Exchange platform. Although monitoring will vary from time to time, PFPS expects to use an exceptions-based review process that evaluates compliance with internal guidelines for appropriate frequency of transactions, number of positions (i.e., Funds), concentration in a position, or unauthorized positions (i.e., a Fund that is no longer approved for use in MIS by the Committee). The quality and accuracy of PFPS' monitoring is subject to the inherent limitations of the tools and information that the Envestnet Insurance Exchange and your insurance company make available from time to time. We may revise our monitoring criteria or process at any time without notice to you.

C. Reporting: Confirmations and Statements

The content and frequency of the written reports you receive as a Contract Owner in connection with your Annuity is governed by your Annuity Contract with the insurance company, which typically generates those reports. For example, clients who purchase an Annuity issued by Pruco Life will receive periodic statements directly from Pruco Life showing all transactions under the Annuity during the preceding period, including beginning and ending balances and the advisory fee paid (if deducted from the Annuity). Pruco Life sends a confirmation statement to Contract Owners when certain transactions are effected, including additional purchase payments, transfers, exchanges, withdrawals, and send quarterly account statements detailing the activities that occurred in the calendar quarter, such as regularly scheduled transactions, including systematic withdrawals (i.e., 72(t)/72(q) payments and Required Minimum Distributions), bank drafting, dollar cost averaging, and static rebalancing. Pruco Life also makes available annual and semi-annual reports of financial statements for the Funds electronically to Contract Owners.

You will also receive supplemental reports as an advisory client of PFPS in connection with MIS. PFPS engages Envestnet to provide these reports. The content and frequency of the supplemental reporting depends on PFPS' arrangement with Envestnet and the insurance companies that issue your Annuity. At a minimum, the content of the supplemental reports will include a quarterly comparison of the performance of your Annuity relative to an appropriate benchmark for your risk tolerance and asset allocation. The content will also include online access (upon request), through a Prudential-branded Envestnet web portal, to current information about your Fund balances and transaction activity. You should consider whether this content is duplicative (and not additive) of the online services and print statements that you are entitled to receive as a Contract Owner from your insurance company, without participating in MIS and paying the Client Fee.

PFPS may change the content of the supplemental reporting at any time without notice to you. PFPS has an incentive to limit the content to that which is available without additional cost to PFPS and its affiliates. PFPS engages Envestnet to provide a bundle of services, one of which is to facilitate performance reporting for insurance products. To enable the reporting (with current data on your policy, rider and Fund values, benefit dates and benefit values), Envestnet relies on insurance companies to provide DTCC files directly to the Envestnet Insurance Exchange platform. There are costs associated with licensing, support and other fees charged for illustrations and electronic order entry, DTCC application submission, subsequent transaction processing, DTCC distribution costs, etc. Under its contract with Envestnet, PFPS must either pay these costs itself (reducing the Client Fee that PFPS retains) or limit its services to those which are subsidized by the insurance company, Envestnet or both. PFPS expects to act consistent with its incentive to limit (or not offer) in MIS the services that will cause PFPS, Pruco Life or other Prudential Companies to incur these additional costs.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

We and our affiliates have arrangements pursuant to which someone who is not a client provides an economic benefit to us, or our affiliates, for providing our advice or other advisory services. Please see "Item 5.E" for information about the arrangements and the resulting material conflicts of interest.

B. Direct or Indirect Compensation for Client Referrals

PFPS and its affiliates (including Pruco Life) directly or indirectly provide Compensation for soliciting or referring clients to purchase the Annuity, participate in MIS or otherwise engage our advisory services. Some of the recipients of the Compensation are employees or agents of PFPS or otherwise subject to PFPS's supervision. Please refer to Item 5.E for a description of Compensation payable to these individuals. This section describes Compensation payable to recipients who are not subject to PFPS' supervision, such as third party firms or the employees and agents of other Prudential Companies who are compensated for promotional activities.

The referral and solicitation arrangements described in this section give rise to similar conflicts of interest. In both, the referring party has an incentive to make the referral based on his or her interest in receiving a financial benefit rather than to give you disinterested advice or recommendations. In addition, when the financial benefit is based on maintaining or exceeding certain production levels (e.g., assets under management, number of new clients or product sales), the recipient has an incentive to meet those thresholds and production levels.

Solicitation Arrangements: PFPS and/or its IARs make cash payments to third-party solicitors for client referrals. PFPS and/or IARs pay(s) solicitors a flat fee, or a percentage of the client's advisory fee, that continues while you are our client. Solicitors are required to provide each prospective client with certain required disclosures. The fees we or your IAR pays to a solicitor are not charged to you. However, when negotiating any discount in your investment advisory fees, your IAR considers his or her payment of referral fees. Therefore, as a result of the referral arrangement, your investment advisory fees may be higher than they would have been in the absence of the referral arrangement.

Promotional Arrangements with Broker-Dealers: As described in "Item 10," PAD makes fixed payments or reimbursements to affiliated and non-affiliated broker-dealers including Pruco Securities, LLC, to promote the sale of VA products issued by Pruco Life or its affiliates, including the Annuity and other VA products which can be used in implementing PFPS financial planning recommendations. In exchange for the Compensation, PAD generally receives greater access to the registered representatives and other personnel of these broker-dealers, the opportunity to educate such personnel on VA products, expedited marketing approval, and other support related to the VA products. This Compensation is separate from, and in addition to, the selling commission the broker-dealer receives on sales of commission-based VA products in a broker-dealer capacity or the advisory fee you pay on the value of a variable annuity in an advisory relationship.

Other Referrals from Affiliates: Prudential encourages its subsidiaries to use the products and services offered by affiliates, when appropriate. During the course of ongoing business planning, we establish goals for increasing business and cross-marketing with our affiliates. In addition, affiliates refer clients and prospective clients to one another, and these referrals may involve the payment of referral fees between affiliates. Business planning and intra-company payments give affiliates an incentive to refer advisory business and advisory clients to PFPS (directly or through Pruco Life).

Referrals and Promotion by Investment Professionals at an Affiliate: PAD provides Compensation to its registered representatives who support sales and distribution of variable annuity products underwritten by PAD, including the Annuity and other VA products which can be used in implementing PFPS financial planning recommendations. PAD's registered representatives do this by educating and encouraging your IAR (who is also a registered representative of Pruco Securities) and other non-affiliated financial professionals to promote the sale of the variable insurance products. PAD also compensates registered representatives to make its products available through distribution partner firms, including Pruco Securities. PAD registered representatives who receive such Compensation do not make recommendations, give advice, effect any sales, or receive selling commissions. Rather a PAD registered representative receives credit towards the individual's base remuneration and/or bonus for each sale attributable to financial professionals like your IAR who are within the registered representative's assignment. Typically, the Compensation is structured as a percentage of the initial and subsequent purchase payments associated with annuities, including the purchase payments you make for the Annuity. The PAD registered representative can increase the amount of credit (and, in some cases, the percentage rate at which credit accrues) by increasing his or her total sales across all products. The Compensation creates an incentive for the PAD registered representative to educate and encourage your IAR to recommend the Annuity.

Referrals and Promotion by Other Personnel at an Affiliate: Employees and agents of other Prudential Companies also can participate in incentive programs from time to time. These programs reward individuals who engage in particular behavior, such as attracting new assets and clients, referring business to affiliates (such as referrals for insurance products, including the Annuity) or their investment professionals (e.g., your IAR), and/or promoting services and products offered by Prudential Companies, including PFPS. The incentive may be a non-cash or cash reward, including deferred compensation, bonuses, training symposiums and recognition trips. Portions of these incentive programs may be subsidized by external vendors, such as investment advisers, mutual fund companies or insurance carriers. In some cases, the Compensation is linked to or contingent upon, meeting total production criteria. Please see “Item 5” for information about the material conflicts of interest associated with accepting Compensation from affiliated and unaffiliated Sponsors.

Referrals from Marketing and Consulting Firms: Affiliates enter into marketing arrangements with third parties or industry organizations who, for compensation, will provide consulting or other services to affiliates in connection with the promotion or marketing of affiliate’s various products, programs or services (including advisory services of PFPS), or otherwise refer prospective clients to affiliates (including PFPS, directly or indirectly through Pruco Life).

Cross-Referrals from Outside Professionals: At your request, your IAR may suggest lawyers, tax experts, accountants, and retirement plan administrators as a courtesy to you. These outside professionals typically are not affiliated with us, and you must establish separate relationships with them. Any pre-screening or monitoring of services or qualifications is your responsibility alone. Your IAR is not directly paid for recommending outside professionals, but the professionals will often later refer clients to your IAR. Informal referral arrangements give rise to conflicts of interest because the referring party has an incentive to make the referral based on his or her interest in receiving cross-referrals rather than to give you disinterested advice.

ITEM 15 – CUSTODY

PFPS does not maintain physical custody of your Annuity or the underlying Funds. Notwithstanding the foregoing, when you purchase an Annuity issued by our affiliate Pruco Life, PFPS is deemed to have custody of the Annuity because our affiliates have access to the assets supporting the Annuity. Only Pruco Life, and not PFPS, is obligated to pay all amounts promised to Contract Owners under an Annuity issued by Pruco Life.

You should receive quarterly account statements from your insurance company (and/or, to the extent your Annuity is not custodied with your insurance company, from another broker-dealer, bank or financial services firm that serves as qualified custodian for your Annuity). If you use your non-qualified brokerage account to pay the Client Fee, you also should receive quarterly account statements from NFS showing the deduction of the Client Fee from your brokerage account with Pruco Securities. Clients should carefully review these statements and compare them to the statements or reports you receive from PFPS, which are described in “Item 13.”

ITEM 16 – INVESTMENT DISCRETION

PFPS and your IAR only provide non-discretionary advice, meaning that you must approve each transaction we recommend in connection with your Annuity and the underlying allocations to asset classes and Funds.

ITEM 17 – VOTING CLIENT SECURITIES

PFPS and its IARs will not accept any proxy voting authority, or pursue or exercise discretion on class actions or corporate actions and/or proposals that do not require a proxy (e.g., tender offers, repurchase offers, or corporate reorganizations), in connection with your Annuity or the underlying Funds. To determine the circumstances in which your insurance company will, and will not, act on your behalf, refer to the overview that follows and the prospectus for your Annuity Contract. Your insurance company can advise you on whether (and, if so, how) you can: (1) receive proxies and other solicitations from the insurance company in connection with the underlying Funds, and/or (2) contact someone with questions about a particular solicitation.

With a variable annuity, the insurance company is the legal owner of the shares of the underlying Funds in which the Sub-Accounts invest. However, under current SEC rules, Contract Owners have voting rights in relation to the value

maintained in their Sub-Accounts. In that case, the insurance company (not PFPS) would furnish Contract Owners whose underlying Fund has requested a “proxy” vote with proxy materials and the necessary forms to provide their voting instructions. Generally, Contract Owners will be asked to provide instructions to the insurance company to vote on matters such as changes in a fundamental investment strategy, adoption of a new investment advisory agreement, or matters relating to the structure of the underlying Fund that require a vote of shareholders. When an underlying Fund requests a vote of shareholders, the insurance company will vote its shares based on instructions received from Contract Owners who have the right to vote an amount equal to the number of shares attributable to their Contracts. If the insurance company does not receive voting instructions in relation to certain shares, the insurance company will vote those shares in the same manner and proportion as the shares for which the insurance company has received instructions. This is sometimes referred to as “mirror voting” because the insurance company mirrors the votes that are actually cast, rather than decide on how to vote. The insurance company typically will also “mirror vote” shares that are owned directly by the insurance company or an affiliate (excluding shares held in the separate account of an affiliated insurer). It is likely under “mirror voting” that the votes of a small percentage of Contract Owners who actually vote will determine the ultimate outcome. If required by state insurance regulations, the insurance company will disregard voting instructions if they would require shares to be voted so as to cause a change in the sub-classification or investment objectives of one or more of the available Funds or to approve or disapprove an investment advisory contract for a Fund.

ITEM 18 – FINANCIAL INFORMATION

We do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, therefore, have not included a balance sheet for our most recent fiscal year. We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, nor have we been the subject of a bankruptcy petition at any time during the past ten years.