

Minette M. Genuchi

To: Kerry P. Eagan
Subject: RE: ACTION REQUIRED-- IncomeFlex Select Lifetime Funds Allocation Changes

From: Prudential Retirement [<mailto:Prudential@e.email-prudential.com>]
Sent: Tuesday, June 13, 2017 11:31 AM
To: Kerry P. Eagan
Subject: ACTION REQUIRED-- IncomeFlex Select Lifetime Funds Allocation Changes

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IMPORTANT Investment update for your review

As you are aware, each of the IncomeFlex Select Lifetime Funds (collectively, the "Funds," or each a "Fund") offered as an investment option on your retirement plan(s) is a "fund of funds" that invests in a series of underlying pooled insurance company separate accounts (the "Underlying Funds"). Effective **October 20, 2017**, we are implementing several product modifications, including changes to the Underlying Funds and allocations to the Underlying Funds as well as a reduction in the [separate account management] fee paid by your plan, as described below (the "IncomeFlex Select Lifetime Fund Changes"):

Large Cap Domestic Equity Funds

- Current allocations to the Large Cap Value (sub-advised by Wellington) Fund, Large Cap Blend/ AJO Fund, and Large Cap Growth/ American Century Fund will be replaced by allocations to the Dryden S&P 500 Fund, which is managed by Quantitative Management Associates LLC (QMA).

International Blend/AQR Fund

- Current allocations to this Underlying Fund will be replaced with allocations to the QMA Developed Markets Index Fund.

High Grade Bond/GSAM Fund

- Current allocations to the High Grade Bond/GSAM Fund will be reallocated to the Core Bond Enhanced Index/PGIM Fund, which is managed by PGIM, Inc. and is an existing Underlying Fund in the

Lifetime Funds.

These changes were the result of updated investment forecasts, and are intended to enhance returns while reducing risk (volatility). Importantly, there is no change to the underlying fixed income vs equity split, or to the domestic equity vs international equity allocation split. The impact of these changes with respect to the asset allocation of each Fund varies based on each Fund's current asset allocation (please consult a current Fund fact sheet to view the current asset allocations for each Fund).

As a result of these changes, Prudential's affiliated managers will receive more compensation from PRIAC due to the increase in the allocations to Underlying Funds managed by affiliates. Therefore, effective October 20, 2017, the separate account management fee paid by the plan to PRIAC for each Fund will be reduced by an average of 0.07% but plan-level charges, if any, will remain the same. These changes will occur automatically.

We are providing this notice to seek your permission to make the IncomeFlex Select Lifetime Fund Changes described above. If you accept these IncomeFlex Select Lifetime Fund Changes, **we ask that you provide written consent by signing the attached form below and returning to your Prudential representative by August 11, 2017** in order for the changes to be effective October 20, 2017.

If you opt out of the changes above, we will create a new set of "accommodation" separate accounts* which will have the same Underlying Funds and asset allocations as the current version of the IncomeFlex Select Lifetime Funds, but your plan will be charged the current separate account management fee in connection with the newly-created accommodation separate accounts, which is higher than if you consent to the proposed changes. You should also know that the accommodation separate accounts will not have an investment "track record" of historical performance because they will be newly created to accommodate your request to reject the changes proposed in this letter.

Whether you choose to consent to the IncomeFlex Select Lifetime Fund Changes or choose the accommodation separate accounts, the IncomeFlex Select benefits for your plan will not be affected by this change.

If you would like to replace the current version of IncomeFlex Select Lifetime Funds in your plan's investment line up with the new accommodation separate accounts before the effective date of the IncomeFlex Select Lifetime Fund Changes, you must provide good order alternative investment instructions by **August 11, 2017**.

As you are aware, you always have the ability to replace funds in your plan's investment lineup or terminate your group annuity contract.

Prudential will prepare and (if applicable) send the appropriate participant notices pursuant to the terms of the Administrative Services Agreement in effect.

If you have questions about these changes, please do not hesitate to contact your Prudential Representative. As always, thank you for your continued business and partnership.

Sincerely,

Prudential Retirement

Consent Form

** For accommodation separate accounts, Prudential Retirement does not assume any responsibility for the plan's decision to invest in the funds, to monitor their performance or to provide information regarding the funds. Each of those is the sole*

responsibility of the plan sponsor. To the extent Prudential Retirement provides such information, it makes no warranty as to the accuracy of such information and makes no undertaking to continue to provide such information unless Prudential Retirement agrees in writing to continue to provide such information.

QMA is a wholly-owned subsidiary of PGIM, a registered investment adviser and a Prudential Financial, Inc. company.

The Prudential IncomeFlex[®] SelectSM Lifetime Funds are used with Prudential IncomeFlex[®] SelectSM, a retirement plan option that features a guaranteed minimum withdrawal benefit for an additional fee. For more information on IncomeFlex please refer to the Prudential IncomeFlex Important Considerations. Eligible participants can choose to invest their Prudential IncomeFlex balances in any of the Prudential IncomeFlex Funds offered by their retirement plan.

The Lifetime Funds are a family of funds comprised of five distinct, multi-asset class, multi-manager investment portfolios, which offer a range of risk/return characteristics. The investment objective of each of the five Funds varies in keeping with the desired risk tolerance and associated asset allocation of the underlying portfolios. The performance goal for each is to consistently outperform its benchmark over full market cycles. There is no assurance the objective of a Fund will be met. The IncomeFlex lifetime income guarantees are supported by the general account of Prudential Retirement Insurance and Annuity Company; the Lifetime Funds themselves provide no guarantees.

Prudential IncomeFlex Funds are separate accounts available under group variable annuity contracts issued by **Prudential Retirement Insurance and Annuity Company (PRIAC)**, Hartford, CT. PRIAC does not provide any guarantee of the investment performance or return of contributions to those separate accounts. PRIAC's guarantee of certain withdrawals is supported by PRIAC's general account and is contingent on its claims paying ability. You should consider the objectives, risks, charges, and expenses of the funds and guarantee features before purchasing this product. **You should carefully review the Prudential IncomeFlex Important Considerations before purchasing this product.** Product availability and terms may vary by jurisdiction. Subject to regulatory approvals. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Contract form number GA-2020-IFGW2-0805 or state variations thereof.

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