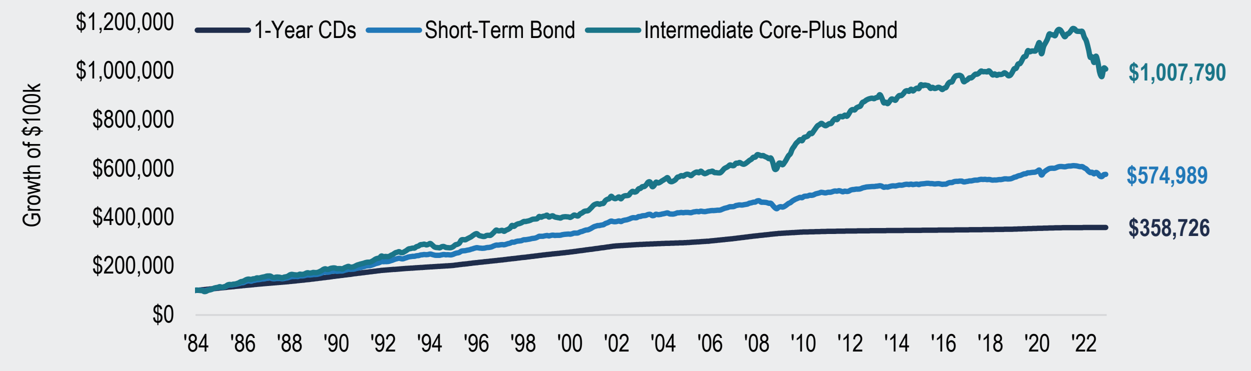
FIXED INCOME INSIGHTS
HISTORICAL BOND PERFORMANCE FOLLOWING PEAK CD RATES

Today's higher yields have increased investor interest in certificates of deposit ("CDs"), which are FDIC insured up to $250,000.[1] As the Federal Reserve may be nearing the end of its rate hiking cycle, investors may benefit by allocating to short-term and intermediate core-plus bond funds. Historically, these funds have provided strong historical returns following peak CD rates.

- Investors have historically benefitted from locking in higher rates for longer periods and avoiding reinvestment risk, as the direction of interest rates can be challenging to forecast.
- Extending maturities and broadening sector exposures has provided stronger historical total returns. Please keep in mind, short-term and intermediate core-plus bond funds may experience price volatility and possible loss of principal.

GROWTH OF $100K OVER THE PAST 39 YEARS



Source: Calculated by PGIM Investments, using data from Morningstar and Bankrate.com as of 12/31/2022. Short-term Bond and Intermediate Core-Plus Bond are represented by Morningstar category averages. 1-Year CDs are represented by 12-month national average CDs, using rates as provided by Bankrate.com. One-year CDs have fixed rates. Short-term bonds and intermediate core-plus bonds are longer in duration with daily price fluctuations and market volatility. The purpose of this illustration is to highlight the growth of $100k over the past 39 years not to make a direct comparison between the CD index, and the short term and intermediate core plus bond category averages provided by Morningstar.

- The chart shows historical total returns following previous peaks in short-term rates as measured by the 1-year CD average annual percentage yield.
- Short-term and intermediate core-plus bond funds have outperformed CD average returns in the subsequent 1-year, 3-year, and 5-year time periods.

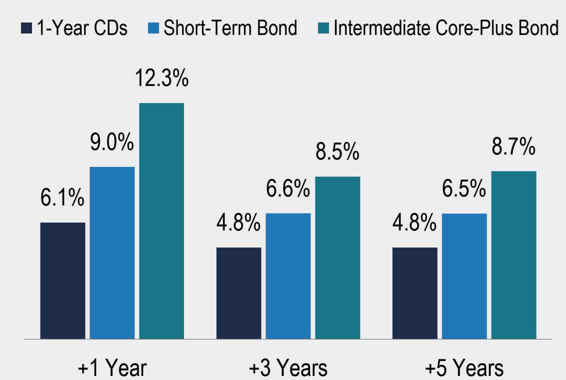
Investor Education

A CD is a savings account that holds a fixed amount of money for a fixed period of time, and in exchange, the issuing bank pays interest. When you redeem your CD, you receive the money you originally invested plus any interest.

HISTORICAL TOTAL RETURNS FOLLOWING PEAK CD RATES

Market Cycle Peak CD Rates

Average Returns Following Peak CD Rates



Source: PGIM Investments, using data from Morningstar and Bankrate.com as of 12/31/2022. These are two of the largest taxable fixed income categories in Morningstar. Returns for 3-years and 5-years are annualized. Average returns are calculated following peak CD rate periods, it is important to note that other periods may have produced different results. CD peak rate periods are based on historical monthly data. For illustrative purposes only. [1]Source: US Securities and Exchange Commission. **Past performance is no guarantee of future results.**

PGIM INVESTMENTS

HISTORICAL TOTAL RETURNS FOLLOWING PEAK CD RATES

Peak CD Rate		+ 1 Year Total Return %			+3 Years Total Return %			+5 Years Total Return %		
Period	Date	1-Yr CDs	Short-Term Bonds	Intermediate Core-Plus Bonds	1-Yr CDs	Short-Term Bonds	Intermediate Core-Plus Bonds	1-Yr CDs	Short-Term Bonds	Intermediate Core-Plus Bonds
1	8/1/1984	11.2	19.5	23.1	8.5	13.4	15.4	8.0	11.5%	13.4
2	4/1/1989	9.2	8.1	9.1	7.7	9.5	11.1	6.1	8.1	10.0
3	2/1/1995	5.7	10.7	18.5	5.1	7.3	10.8	4.9	5.9	7.3
4	9/1/2000	5.5	9.3	11.8	3.5	5.7	7.7	2.6	4.3	6.8
5	9/1/2006	3.8	4.1	4.7	3.3	2.6	4.9	2.3	3.0	6.3
6	5/1/2019	1.0	2.1	6.7	0.5	0.7	0.8	--	--	--
	Average	**6.1**	**9.0**	**12.3**	**4.8**	**6.6**	**8.5**	**4.8**	**6.5**	**8.7**

Source: Calculated by PGIM Investments, using data from Morningstar and Bankrate.com as of 12/31/2022. Returns for 3-years and 5-years are annualized. Average returns are calculated following peak CD rate periods, it is important to note that other periods may have produced different results. CD peaks are For illustrative purposes only. CD peak rate periods are based on historical monthly data. The table above shows the historical performance of CDs, Short-Term Bond Funds, and Intermediate Core Plus Bond Funds following the previous 6 periods in which CDs reached their respective peak rate. Short-term Bond and Intermediate Core-Plus Bond are represented by Morningstar category averages. 1-Year CDs are represented by 12-month national average CDs, using rates as provided by Bankrate.com. One-year CDs have fixed rates. Short-term bonds and intermediate core-plus bonds are longer in duration with daily price fluctuations and market volatility. The purpose of this illustration is to highlight the growth of $100k over the past 39 years not to make a direct comparison between the CD index, and the short term and intermediate core plus bond category averages provided by Morningstar. **Past performance is no guarantee of future results**.

Important Risk Considerations: Investments in debt instruments may decline in value as the result of, or perception of, declines in the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment, underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile. In addition, debt instruments entail interest rate risk (as interest rates rise, prices usually fall). Therefore, the portfolio's value may decline during rising rates. Portfolios that consist of debt instruments with longer durations are generally more sensitive to a rise in interest rates than those with shorter durations.

Morningstar Category Definitions: Short-Term Bond: invest primarily in corporate and other investment-grade U.S. fixed-income issues and typically have durations of 1.0 to 3.5 years. **Core Plus = Intermediate Core-Plus Bond**: invest primarily in investment-grade U.S. fixed-income issues including government, corporate, and securitized debt, but generally have greater flexibility than core offerings to hold non-core sectors such as corporate high yield, bank loan, emerging-markets debt, and non-U.S. currency exposures.

CDs are FDIC insured and have principal and interest guarantees but offer no opportunity for growth of capital or income.

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1068639-00001-00 PI8574 ID 05102023