



PGIM RETIREWELL™

CONFIDENCE INDEX METHODOLOGY OVERVIEW

June 2024

Data for the PGIM RetireWell™ Confidence Index is based on responses to an online financial wellness assessment offered by Prudential Financial as well as national online surveys conducted by Morning Consult. Over 300,000 people have completed the financial wellness assessment since it was first offered since April 20, 2017. The financial wellness assessment questionnaire included approximately 25 questions and was primarily accessed by individuals either through Prudential's recordkeeping platform or group benefits services. To supplement the financial wellness assessment, and to provide a more national context, PGIM engaged Morning Consult to conduct a national online survey starting in Q2 2024.

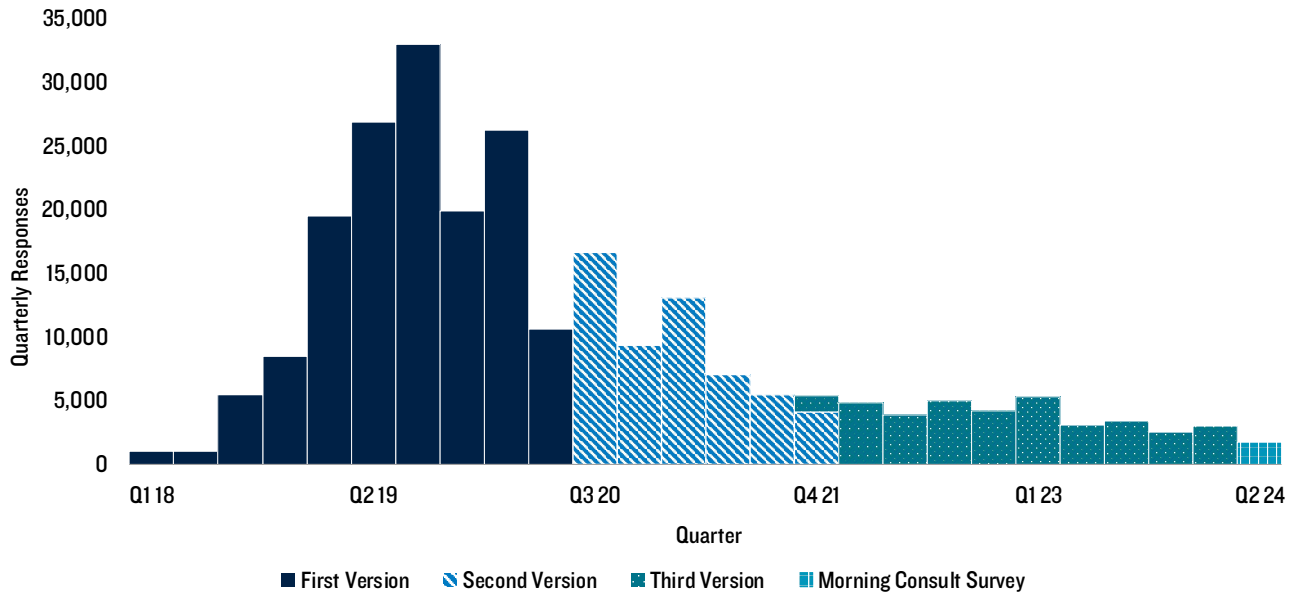
The PGIM RetireWell™ Confidence Index is based on the normalized response to two questions: one focused on financial confidence and the other on retirement confidence. While the text for the specific questions and potential responses has changed over time, i.e., the wording of the question and response choices have evolved, it is possible to generate a meaningful score based on the data.

The current question used to estimate financial confidence asks respondents "Overall, how are you feeling about your finances?", with the corresponding four possible responses: Stressed; Ok; Confident; and I'm not sure. For retirement confidence, the question asks "Do you think you'll have enough savings for the retirement you want?", where there are three potential responses: Yes, I think I'll have enough; I don't think so, but I'm trying!; and I'm not sure.

For the financial wellness assessment, only the last assessment taken by a given individual is used if he or she takes the assessment more than once (to the extent this can be determined). Additionally, we only include assessments by respondents who are between 20 and 70 years of age with a total household income between \$25,000 and \$500,000. These are effectively reasonableness filters.

As of June 30, 2024, of the 318,039 completed surveys, 247,712 meet the required filters to be included in the calculations. The number of available responses included in the calculation by quarter are included in the following exhibit.

Exhibit 1: Number of Assessment Responses Included in Index Score



The responses to the financial confidence and retirement confidence questions are mapped to values that correspond to the range of potential outcomes, while respondents who provide a “not sure” response are excluded given the ambiguity of the response. For example, for financial confidence, the responses of Stressed; Ok; and Confident would be assigned values of 0, 50, and 100, respectively. Therefore, if everyone taking the assessment reported being Stressed the score value would be 0 and if everyone was Confident the score value would be 100. For retirement confidence, the potential scores are 0 and 100 for the responses “I don’t think so, but I’m trying!” and “Yes, I think I’ll have enough,” respectively (where responses of “I’m not sure” are excluded). Given the scoring methodology the final values are effectively bounded between 0 and 100.

An ordinary least squares (OLS) regression is employed to control for variations in the respondent population in the financial wellness assessment over time. The dependent variable for the OLS is the respective financial confidence score or the retirement confidence score, both of which range from 0 to 100. The independent variables for the OLS regression are age, household income (technically the natural logarithm of income), gender, and whether the respondent is married (or partnered).

We apply the resulting regression coefficients to the actual respondent data and estimate the error from each response (i.e., the portion of the score not explained by the demographic variables) and average the errors across all responses based on the calendar quarter. The PGIM RetireWell™ Confidence Index is the average of the financial confidence score and the retirement confidence score. Finally, we map the resulting value to a descriptor text, based on the range below.

For the Morning Consult survey, the responses are weighted to match the age and income distribution of the historical financial wellness assessment responses. The weighted scores are determined and 50 is subtracted from the value to get the respective Index Score.

The scores will be updated at least quarterly.

Exhibit 2

SCORE	DESCRIPTOR
< -10	Very Low
-10 to -5	Low
-5 to 0	Below Average
0 to 5	Above Average
5 to 10	High
>= 10	Very High

DISCLOSURE

The PGIM RetireWell™ Confidence Index is not an investable index. While the Index was launched as of Q2 2023, PGIM DC Solutions used historical data to calculate prior Index levels.

All investments involve risk, including the possible loss of capital. Asset allocation, diversification, dollar-cost averaging and/or rebalancing do not ensure a profit or protect against loss.

PGIM, Inc. (“PGIM”) is the primary asset management business of Prudential Financial, Inc. (“PFI”) and is a registered investment adviser with the US Securities and Exchange Commission. PGIM DC Solutions LLC is an SEC-registered investment adviser, a Delaware limited liability company, a sister entity of PGIM Investments LLC and an indirect wholly-owned subsidiary of PGIM, Inc., the principal asset management business of Prudential Financial, Inc. (“PFI”) of the United States of America. Registration with the SEC does not imply a certain level of skill or training. PFI of the United States is not affiliated in any manner with Prudential plc incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom.

The information presented is for informational purposes only and is not intended as investment advice and is not a recommendation about managing or investing retirement savings. These materials do not take into account individual investment objectives or financial situations. These materials are for informational, illustrative and educational purposes only.

The information presented herein was obtained from sources that PGIM DC Solutions believes to be reliable as of the date presented; however, PGIM DC Solutions cannot guarantee the accuracy of such information, assure its completeness, or warrant such information will not be changed. The information contained herein is current as of the date of issuance (or such earlier date as referenced herein) and is subject to change without notice. PGIM DC Solutions is not responsible for your use of the Index results, research, analysis or other information, including errors of any kind, or in any assumptions or conclusions you might draw. The results of the Index are based on PGIM DC Solutions’ interpretation of how individual perspectives impact financial and retirement confidence.

These materials do not provide any legal, tax or accounting advice. Certain information contained herein may constitute “forward-looking statements,” (including observations about markets and industry and regulatory trends as of the original date of this document). Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. As a result, you should not rely on such forward-looking statements in making any decisions. No representation or warranty is made as to future performance or such forward-looking statements.

© 2024 Prudential Financial, Inc. and its related entities. PGIM, PGIM Investments, Jennison Associates, PGIM Quantitative Solutions, PGIM Fixed Income, PGIM Real Estate, PGIM DC Solutions, and the PGIM logo are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

PGIM DCS - 3766533