

# PGIM INVESTMENTS UPDATE

## Estimated 2017 Year-End Capital Gains Distributions

OCTOBER 2017

### ESTIMATED 2017 YEAR-END CAPITAL GAINS DISTRIBUTIONS

Throughout the year, mutual funds realize gains and losses from securities transactions in their portfolios. Tax laws require mutual funds to distribute the net gains from these sales to shareholders by year-end.

To assist you with your year-end tax planning, we have attached preliminary estimates for 2017 short-term and long-term capital gains for Prudential Funds, along with expected record and payable dates.\* These preliminary estimates cover each fund's anticipated distributions through September 30, 2017.

**Please note: The amounts are estimates only and are not final; they are therefore subject to change.**

The actual calculation period for determining net capital gain distributions continues through October 31, with final amounts available in December. The actual per-share distributions will also be affected by the number of shares outstanding on the record date.

As soon as they are available, the final distribution amounts will be posted to [www.pgiminvestments.com](http://www.pgiminvestments.com).

\*Record date is the date on which a fund determines which shareholders are entitled to a distribution of capital gains. Payable date is the date on which a fund pays capital gains to its shareholders of record.

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## FREQUENTLY ASKED QUESTIONS ABOUT MUTUAL FUND CAPITAL GAINS DISTRIBUTIONS

### Q. When does a fund declare capital gains?

A. A fund has “net capital gains” when the realized gains from the sale of its portfolio assets exceed any realized losses, including any tax-loss carry forwards. A mutual fund generally does not pay taxes on realized net capital gains, but instead distributes these gains to shareholders who then include them on their individual income tax returns.

### Q. If the value of my investment has decreased this year, why am I receiving a taxable distribution?

A. It is possible for the fund to have realized capital gains on stocks that it sold during the year. For example, the fund could sell a stock that has gone up significantly since the fund bought it, but whose price has recently declined. If the price when the stock was sold remains higher than what the fund paid for it, the fund has still realized a gain, which it must pass along to its shareholders as a taxable gain.

### Q. Why don't portfolio managers sell stocks that have unrealized losses to reduce the size of the taxable distributions?

A. Our portfolio managers are sensitive to tax issues and make reasonable efforts to reduce the distributions when this can be done as part of their long-term investment strategy. They may choose not to realize losses because they may continue to believe in the long-term potential of a security. They may view security price declines as a further buying opportunity, or may not want to risk missing a potential future upswing.

### Q. What if an investor buys or sells shares close to the date a distribution is declared?

A. When a PGIM Investments mutual fund declares a dividend or a capital gains distribution, the Record and Ex-Dividend Dates typically occur one business day apart. The fund's NAV is then reduced to reflect the dividend or capital gains distribution at the close of business on the Ex-Dividend Date. Investors who own or purchase fund shares on or before the Record Date receive the distribution. Investors who sell fund shares on or before the Record Date will not get the distribution.

### Q. Why are there two kinds of capital gains distributions: long-term and short-term?

A. Long-term and short-term capital gains are taxed differently. A gain on the sale of an investment that the fund owned for one year or less is considered short-term and is taxed to the individual in the same manner as ordinary income. A gain on the sale of an investment that the fund owned for more than one year is considered a long-term capital gain and can be offset by capital losses the individual may have. The period of time the shareholder has owned the fund is not related to the distributions made by the funds. For more information, clients should contact their tax advisor or visit [www.irs.gov](http://www.irs.gov).

### Q. When are these distributions taxed?

A. Mutual fund companies usually distribute realized net capital gains to shareholders in November and December. Taxes are due on capital gains distributions for the year in which they are received, even if the distributions were reinvested in the fund. However, if the shares are held in a Roth IRA or a qualified account such as a traditional IRA or 401(k) plan, taxes on capital gains are deferred until distributed, when they are taxed as ordinary income. In the case of a Roth IRA, a qualifying distribution will not be subject to income tax.

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Mutual fund investing involves risks. The investment return and principal value will fluctuate, and the investment, when sold, may be worth more or less than the original cost. There is no guarantee a fund's objectives will be achieved. The risks associated with each fund are explained more fully in each fund's respective prospectus. For tax advice, clients should consult their tax professional regarding their particular situation.

*This material is being provided for informational or educational purposes only and does not take into account the investment objectives or financial situation of any client or prospective clients. The information is not intended as investment advice and is not a recommendation about managing or investing your retirement savings. Clients seeking information regarding their particular investment needs should contact a financial professional.*

**Consider a fund's investment objectives, risks, charges, and expenses carefully before investing. The prospectus and summary prospectus contain this and other information about the fund. Contact your financial professional for a prospectus and summary prospectus. Read them carefully before investing.**

There is no assurance that any forward-looking comments will be realized. Past performance is no guarantee of future results. Prudential Financial, its affiliates, and their licensed financial professionals do not render tax or legal advice. This document is provided for informational purposes only. Please consult with your tax and legal advisors regarding your personal circumstances.

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**Mutual Funds: Are not insured by the FDIC or any federal government agency | May lose value | Are not a deposit of or guaranteed by any bank or any bank affiliate**

**Prudential Funds**

**Estimated Amounts Available for Capital Gain Distribution Through September 30, 2017**

	Estimated ST Capital Gains Distribution Range (1)		Estimated LT Capital Gains Distribution Range		Estimated Total Distribution Range		As % of NAV Estimated Total Distribution Range		Expected Record date	Expected Payable date
	Min	Max	Min	Max	Min	Max	Min	Max		
<b>OPEN END FUNDS</b>										
Prudential Absolute Return Bond Fund	None		None		None		None			
Prudential Balanced Fund	0.16	0.26	0.35	0.45	0.51	0.71	3%	4%	12/11/2017	12/12/2017
Prudential California Muni Income Fund	None		None		None		None			
Prudential Conservative Allocation Fund (2)	TBD		TBD		TBD		TBD		12/21/2017	12/22/2017
Prudential Core Bond Fund	None		None		None		None			
Prudential Corporate Bond Fund	None		None		None		None			
Prudential Emerging Markets Debt Local Currency Fund	None		None		None		None			
Prudential Financial Services Fund (3)	TBD		TBD		TBD		TBD		12/19/2017	12/20/2017
Prudential Floating Rate Income Fund	0.00	0.07	0.00	0.06	0.00	0.13	0%	1%	12/28/2017	12/29/2017
Prudential Global Absolute Return Bond Fund	None		0.03	0.13	0.03	0.13	0%	1%	12/28/2017	12/29/2017
Prudential Global Real Estate Fund	None		0.36	0.46	0.36	0.46	1%	2%	12/18/2017	12/19/2017
Prudential Global Total Return Fund, Inc.	0.00	0.07	0.00	0.06	0.00	0.13	0%	2%	12/28/2017	12/29/2017
Prudential Government Income Fund	0.00	0.09	0.00	0.07	0.00	0.16	0%	2%	12/28/2017	12/29/2017
Prudential Growth Allocation Fund (2)	TBD		TBD		TBD		TBD		12/21/2017	12/22/2017
Prudential High Yield Fund	None		None		None		None			
Prudential Income Builder Fund	None		None		None		None			
Prudential International Bond Fund	0.03	0.13	0.00	0.07	0.03	0.20	0%	2%	12/28/2017	12/29/2017
Prudential Jennison 20/20 Focus Fund	0.09	0.29	1.73	1.93	1.82	2.22	11%	13%	12/19/2017	12/20/2017
Prudential Jennison Blend Fund, Inc.	0.10	0.20	1.52	1.62	1.62	1.82	7%	8%	12/11/2017	12/12/2017
Prudential Jennison Diversified Growth Fund (4)	0.60	0.70	0.65	0.75	1.25	1.45	10%	11%	12/13/2017	12/14/2017
Prudential Jennison Emerging Markets Equity Fund	None		None		None		None			
Prudential Jennison Equity Income Fund	None		0.36	0.46	0.36	0.46	2%	3%	12/22/2017	12/26/2017
Prudential Jennison Equity Opportunity Fund	0.43	0.53	1.66	1.76	2.09	2.29	10%	11%	12/13/2017	12/14/2017
Prudential Jennison Focused Growth Fund (5)	0.17	0.27	0.70	0.80	0.87	1.07	6%	8%	12/8/2017	12/11/2017
Prudential Jennison Global Infrastructure Fund	None		None		None		None			
Prudential Jennison Global Opportunities Fund	None		None		None		None			
Prudential Jennison Growth Fund	0.01	0.11	1.71	1.81	1.72	1.92	5%	5%	12/8/2017	12/11/2017
Prudential Jennison Health Sciences Fund	0.98	1.18	None		0.98	1.18	2%	3%	12/19/2017	12/20/2017
Prudential Jennison International Opportunities Fund	None		None		None		None			
Prudential Jennison Mid-Cap Growth Fund, Inc.	0.31	0.41	3.74	3.84	4.05	4.25	11%	11%	12/11/2017	12/12/2017
Prudential Jennison MLP Fund (6)	None		None		None		None			
Prudential Jennison Natural Resources Fund, Inc.	None		None		None		None			
Prudential Jennison Rising Dividend Fund	None		0.08	0.18	0.08	0.18	1%	1%	12/22/2017	12/26/2017
Prudential Jennison Small Company Fund, Inc.	0.23	0.33	1.31	1.41	1.54	1.74	6%	7%	12/14/2007	12/15/2017
Prudential Jennison Utility Fund	None		0.17	0.37	0.17	0.37	1%	3%	12/22/2017	12/26/2017
Prudential Jennison Value Fund	0.01	0.11	1.11	1.21	1.12	1.32	5%	6%	12/14/2017	12/15/2017
Prudential Moderate Allocation Fund (2)	TBD		TBD		TBD		TBD		12/21/2017	12/22/2017
Prudential Muni High Income Fund	None		None		None		None			
Prudential National Muni Fund, Inc.	None		None		None		None			
Prudential QMA Defensive Equity Fund	0.15	0.25	0.13	0.23	0.28	0.48	2%	3%	12/15/2017	12/18/2017
Prudential QMA Global Tactical Allocation Fund	0.22	0.32	0.41	0.51	0.63	0.83	6%	8%	12/12/2017	12/13/2017
Prudential QMA International Equity Fund	None		None		None		None			
Prudential QMA Large-Cap Core Equity Fund	0.00	0.08	1.98	2.08	1.98	2.16	11%	12%	12/12/2017	12/13/2017
Prudential QMA Large-Cap Core Equity PLUS Fund	None		None		None		None			
Prudential QMA Long-Short Equity Fund	None		None		None		None			
Prudential QMA Mid-Cap Value Fund	0.84	0.94	0.04	0.14	0.88	1.08	4%	5%	12/15/2017	12/18/2017
Prudential QMA Small-Cap Value Fund	0.61	0.71	1.50	1.60	2.11	2.31	10%	10%	12/12/2017	12/13/2017
Prudential QMA Stock Index Fund	0.09	0.19	1.88	1.98	1.97	2.17	4%	4%	12/14/2017	12/15/2017
Prudential QMA Strategic Value Fund	0.18	0.28	0.06	0.16	0.24	0.44	2%	3%	12/15/2017	12/18/2017
Prudential Real Assets Fund (2)	TBD		TBD		TBD		TBD		12/21/2017	12/22/2017
Prudential Real Estate Income Fund	None		None		None		None			
Prudential Select Real Estate Fund	None		None		None		None			
Prudential Short Duration High Yield Income Fund	None		None		None		None			
Prudential Short Duration Multi-Sector Bond Fund	None		None		None		None			
Prudential Short Duration Muni High Income Fund	None		None		None		None			
Prudential Short-Term Corporate Bond Fund, Inc.	None		None		None		None			
Prudential Total Return Bond Fund	None		None		None		None			
Prudential Unconstrained Bond Fund	None		0.03	0.13	0.03	0.13	0%	1%	12/28/2017	12/29/2017
Prudential US Real Estate Fund	0.00	0.05	0.56	0.66	0.56	0.71	5%	6%	12/13/2017	12/14/2017
Target International Equity Portfolio (7)	TBD		TBD		TBD		TBD		TBD	TBD

(1) Excludes net investment income.

(2) No determination can be made until the underlying funds have determined their distributions.

(3) Effective on or about November 1, 2017, the current subadviser will be replaced with Jennison Associates, which may impact the estimated capital gain.

(4) Formerly known as Prudential Jennison Conservative Growth Fund.

(5) Formerly known as Prudential Jennison Select Growth Fund.

(6) Fund is treated as a C Corporation for federal tax purposes and therefore will not distribute capital gains.

(7) Expected on or about December 2017 and pending shareholder approval, the Portfolio will merge into Prudential Jennison International Opportunities Fund. Any determined final distributions will be paid at that time.

**There is no assurance that any forward-looking comments will be realized. Past performance is no guarantee of future results.**