

Investment Adviser:
Wellington Management Company, LLP (Wellington)

Portfolio Objective

The Mortgage-Backed Securities Portfolio seeks high current income with a secondary objective of capital appreciation, each to the extent consistent with the protection of capital. Normally, the Portfolio will invest at least 80% of assets in mortgage backed securities. These securities are issued or guaranteed by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), or Federal Home Loan Mortgage Corporation (FHLMC). The Portfolio may invest up to 25% of the total assets in privately issued mortgage-related securities that are not guaranteed by the U.S. government. This Portfolio may also invest in mortgage-related securities, which may result in greater risk due to their sensitivity to interest-rate changes and the resulting prepayment risk; short sales, which involve costs and the risks of potentially unlimited losses; and derivative securities, which may carry market, credit, and liquidity risks. The Portfolio may also use leveraging, which may magnify losses. These risks may result in greater share price volatility. There is no assurance the Portfolio's objective will be achieved.

| Portfolio Composition* | % of Assets |
|-------------------------|-------------|
| Fannies | 72.7% |
| Freddie Mac | 20.7 |
| Non-agency | 16.4 |
| Ginnies | 11.2 |
| CMOs | 10.7 |
| Cash & Cash Equivalents | -31.7 |

Negative holdings reflect outstanding trades at period end.

Investment Approach

Founded in 1928, Wellington is one of the largest independent investment management companies in the world.

In managing the Mortgage-Backed Securities Portfolio, Wellington applies a disciplined and strategic approach to the complex mortgage-backed arena. Strategy setting begins with an interest-rate forecast followed by an examination of prepayment assumptions and supply/demand patterns for the mortgage-backed market. Wellington seeks to enhance total return in three ways: moderate interest-rate anticipation relative value opportunities within the mortgage market; and weighting strategies between the mortgage and Treasury markets.

| Portfolio Characteristics* | % of Assets |
|----------------------------|-------------|
| 30-Day SEC Yield (%) | 5.51 |
| Duration (years) | 3.78 |
| Average Credit Quality | AA+ |

| Performance as of 12/31/2009 (%) | YTD | 1-Year | 3-Years | 5-Years | 10-Years | Life |
|--|-------|--------|---------|---------|----------|------|
| Portfolio Performance | 17.57 | 17.57 | 6.71 | 5.23 | 5.80 | 6.12 |
| Barclays Capital Mortgage-Backed Securities Index ¹ | 5.89 | 5.89 | 7.04 | 5.78 | 6.46 | 6.43 |
| Lipper U.S. Mortgage Funds Average ² | 9.10 | 9.10 | 4.19 | 3.67 | 5.02 | 5.09 |

Past performance does not guarantee future results and current performance may be lower or higher than the performance data quoted. The investment return and principal value will fluctuate and shares when sold may be worth more or less than the original cost. For the most recent month-end performance visit our website at www.prudential.com/targetperformance. Gross operating expenses are 1.94%. There are no sales charges for this Portfolio.

*Performance Source: Prudential Investment Management, Inc. (PIM). Portfolio Inception: 1/5/93. *Source: Wellington Management. Holdings are unaudited and subject to change.*

¹The Barclays Capital Mortgage-Backed Securities Index is a market capitalization-weighted index of 15-year and 30-year fixed-rate securities backed by GNMA, FNMA and FHLMC mortgage pools and balloon mortgages with fixed-rate coupons. Returns do not include sales charges or the operating expenses of the fund. If included, these returns would have been lower. ²Lipper U.S. Mortgage Funds average includes funds that invest at least 65% of its assets in mortgages/securities issued or guaranteed as to principal and interest by the U.S. government and certain federal agencies. The Average is based on the average return of all funds in this category and does not include the effects of sales charges. If included, these returns would have been lower. All indexes and averages are unmanaged. An investor cannot invest directly in an index.

Consider a portfolio's investment objectives, risks, charges, and expenses carefully before investing. The prospectus contains this and other information about the portfolio. Contact your financial professional for a prospectus and read it carefully before investing.

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Target:

| | | |
|---|----------------|---|
| Is Not Insured by the FDIC or Any Federal Government Agency | May Lose Value | Is Not a Deposit of or Guaranteed by Any Bank or Any Bank Affiliate |
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