Company Name: Prudential Financial, Inc. (PRU)
Event: CECP CEO Investor Forum 2.0
Date: September 19, 2017

<<Unidentified Analyst>>

Thank you, everyone. And for our next speaker, continuing the tradition that we started with our first CEO Investor Forum, one of the first corporate speakers after we finish our trend talks, which we've just completed, will give us the board perspective. And for the first speaker, I'd like to introduce Mark Grier. He's the Vice Chairman of Prudential. Now with the title of Vice Chairman, you might think he's just on the board, but Mike has a unique position with Prudential. He is an operating executive with very broad oversight responsibilities. He's working there every day. It's not just six or eight meetings a year.

Just a few of the things that are in his remit: finance risk management, corporate actuarial, investor relations, global business and technology, audit, global marketing, communications and global strategic initiatives. He's on the Risk Committee, and he joined Prudential in May of 1995 as CFO. In 2002, he was named to his current position of Vice Chairman.

Before joining Prudential, he was Cohead of Chase Global Markets and Executive Vice President at Chase Manhattan Bank. Mark has worked in finance since 1978. And I think you're going to find, when we have what we call the fireside chat format here with Mark Tulay, that the board perspective is a unique one that investors ask us about a lot and that we're trying to expand into. But given that we're the CEO Force for Good here at CECP and most CEOs are on boards, they wear two hats. But today, Mark is giving you his board hat but uniquely as a full-time operating executive on the board.

So with that and now that we're all set up, I'd like to hand it over to my colleague, Mark Tulay; and Mark Grier, Vice Chairman of Prudential.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

Thank you. We don't want to waste any time in here with the room setup and multitask here. I was told I can't even multitask anymore, so I'll have to prove that wrong.

<<Mark B. Grier, Vice Chairman>>

I appreciated the acknowledgment that I actually work. Thank you.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

So really delighted to have you here, Mark, and provide a board perspective here. How does Prudential's history, the long-term nature of the business and the sense of purpose impact your business strategy? You're a start-up company that's been around since 1875. So how do you ensure that you are kind of future-fit?

<<Mark B. Grier, Vice Chairman>>

I'm going to answer that question, I think, in three parts. Let me start with something about history that gets us where we are, talk a bit about strategy, and then I also want to talk about delivering results to the market because I think there's a chain that goes through what we do and what we talk about, but there's also a realization of returns that we have to focus on.

But starting with history. The brand is well known and, I think, well acknowledged for a leadership role in financial services, a leadership role in the insurance industry, a leadership role in corporate social responsibility. And from that sort of broad brand, company purpose history, we can distill a few sort of essential elements of what we're all about. And the main point of this is that what we're all about is not the commercial objectives. That's not where we start.

The commercial objectives are table stakes. We have to meet or exceed return on equity standards. We have to produce EPS results. We have to have a strong balance sheet. We have to do all of that as the price of admission to stay in business and as the price of admission to have you buy our stock. But what we're all about, I think, probably can be sorted out into three buckets.

One is a very strong sense of purpose. And that purpose is providing financial security in many respects for a broad section of the U.S. population but now also overseas. That financial security value proposition changes flavor. It's gone from burial insurance for industrial workers when we were founded a long time ago to much more sophisticated life insurance, retirement products and investment products. But that core mission is around financial security.

We kind of operationalize that mission by living and dying with the commitment that we have to pay claims. And so what drives us when we get up in the morning is making sure that when that life insurance benefit needs to be paid, we pay it. When that retirement check needs to be sent out, we send it. When investment results need to be delivered, we deliver investment results.

And we have firsthand evidence of this in the financial crisis. When everything was going wild, the company was very well grounded around protecting clients and protecting and delivering on those obligations. So thing number one, ingredient number one is the sense of mission, the sense of purpose that drives behavior within the company. Through everything else that happens, that's what we're all about every day when we get up.

The second element there would be technical skills and capabilities. We have the best and brightest. We're a fun, interesting, stimulating and fascinating place to work. And so finance people, actuaries, investment people, marketing, technology go through the whole gamut. We attract people who are stimulated and interested in what we do, who like to do things that are big and consequential, who like to work with other smart people. So there's a talent pool there that is extraordinary.

And then the third element of it is the talent and culture environment that executes. None of those first two things matter if we can't actually get stuff done. And so the culture of collaboration, professionalism, what we call low ego, no drama, the way in which we operate that facilitates combining those technical skills to execute our strategies, would be the third part of this. So when we think about the assets, it's the brand and the heritage, it's the sense of mission, it's the technical competence, and it's the talent and culture environment that gets stuff done.

So from there, moving into now the second element of the strategy process, we focus on finding solutions for protection challenges, for retirement challenges and for investment challenges. And I like the way we talk about this. We talk about solutions, and we talk about outcomes. We don't so much talk about products, and we don't so much talk about sales. And I really like the fact that when we're developing strategy, it's driven by this language of solutions, and it's driven by this language of outcomes. It's not driven from the product out and what can we sell. It's driven from the market in and what challenge can we meet and how.

And how much do people really need to know about the guts of what's in here? The answer is they need the outcome. And so we focus on challenges in protection, as I said, in retirement and in asset management. And so in the strategy development process, we're looking for opportunities to deploy that basket of qualities and characteristics into the market to then achieve our commercial objectives.

And so this is the way we talk to our board about how things work for us. And as we develop strategy at the management level and as we get it in front of the board, we're coming to them with a story about the need in the market and the solutions and the outcomes that we're going to deliver to the market and the way that's going to be monetized. And so that's sort of how that story flows.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

I just had a investment management firm that will be – go unnamed. And I said, we're a long-term investor. He said, really? What's your time horizon? Oh, we're not a day trader. We look at things quarterly. So when you look at long-term and you see the balance between the long and short term, what megatrends are you seeing? And how does, in particular, climate change play into your philosophy in your day-to-day management?

<<Mark B. Grier, Vice Chairman>>

All right. Let me work backwards a little bit on that. I'll start with the climate change comment, and then I do want to talk about the investment landscape. When your horizon might be 80 years, and we're doing things today that are going to be – we're selling insurance policies that are going to pay off in 80 years, not next quarter, not the quarter after, not tomorrow morning. When your time horizon is that long, everything comes together, and everything matters.

I would contend that there – in an 80-year time horizon, there's no difference between environmental issues, social issues, income inequality issues, you name it, and the commercial and business issues that we have to address. All of this, given our long time horizon, matters. So I would put climate change on that list. I would put things like income distribution, wealth inequality on that list. I would put immigration. I'd put political issues on that list. It all comes together.

So over the time horizon that we have to worry about – this is our job. Over the time horizon that we have to worry about, it all comes together, and it all matters. Specifically as it relates to climate change and the environment, we're absolutely committed to clean air, clean water. Can you imagine being a life insurance company in a world where the air is toxic or where the water is toxic or where the dirt is toxic?

That's not the kind of environment where we're going to be commercially successful. So when I say it all comes together, those things matter to us because they matter to our business. They matter to our social conscience and our personal values as well, but they also matter to our business. So I think the long-time horizon means it all converges, you can't talk today about these things in buckets, that they're all going to be part of that landscape 80 years out.

Let me just make a couple of quick comments on the market environment. You were talking about megatrends. One, I'm not sure the general world would characterize the segment as a megatrend, but it matters to us, is the investor time horizon. And we're a long-term company that's dropped into a short-term world. And we live with quarterly reporting. We live with our quarterly earnings announcements. And we live with trying to draw from what we disclose quarterly and annually the long-term issues that are important, the things that really build value, and you heard something about that in the previous presentation. And we're challenged to try to keep those things on the front burner.

One of the things that's a big challenge for us now is the high-frequency trading environment, and I'm stylizing that a little bit. But there's a world in which we're not Prudential. All we are is a ticker. We're just PRU. And it doesn't matter that we sell life insurance or retirement products. All we are in that world is an order flow or a perceived order flow. All we are in that world is a set of correlations, maybe the interest rates maybe to MetLife, maybe to Citibank. All we are is a set of headlines and buzzwords that have probably been read by a computer, and that computer has made a decision in quotes about buying or selling our stock.

And so there's a trading environment that is clearly distinct from the medium-term investor market environment and the long-term true fundamental market environment.

And we have to live with all three. The headline risk that goes out when we release earnings every quarter matters to us. That – a computer's going to read that quarterly press release, and it's going to start trading before a person has gotten through two words.

And so we're going to be in that world of order flow and correlations and the way that computers are interpreting our stuff. We as management have to then pull ourselves from that into the long-term fundamental world of real value creation, again, where all these things converge. The responsibility that we have to be a purpose-driven company effectively and create value and deliver returns has to be pulled out of that starting point, which is totally unrelated to any of the things that matter to us in our business.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

Thank you for that. So what is the – tying this together to the role of the Board of Directors, what is the role of the Board of Directors in setting long-term priorities for the company? And then I see that you've designated Lead Independent Director, Tom Baltimore, is it?

<<Mark B. Grier, Vice Chairman>>

Yes, Tom Baltimore.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

To be the point with shareholders. So why was that decision made? So those are the two questions I have.

<<Mark B. Grier, Vice Chairman>>

All right. With respect to the board, we have valued and appreciated high standards in governance for a long time. We went public in 2001. And I would say, even as a mutual company, we were probably distinctive in terms of the emphasis that we placed on good governance. But since we've been a public company in 2001, we've been recognized for quality governance, for innovation, and now we get the highest ratings with respect to the quality of governance. We're a role model for board diversification – I mean, for board diversity. I'll maybe come back and talk about that in a minute.

And I think the broad theme is engagement. The broad theme for the board and investors is transparency and communication. Our board plays its role not just as a result of what the Chairman or the Vice Chairman or an executive vice president tells them. They play their role as a result of seeing face-to-face line executives, talking about what they do and why they do it and how they do it. I mentioned presenting strategy to the board. That comes from the line executives who are going to implement strategy. It doesn't come from me.

So we emphasize a very high level of engagement. We emphasize a comprehensive approach with respect to what the board does across everything we do, not just strategy but corporate social responsibility, the things that the board committees do in risk, in investments, in finance, in governance, in audit, compensation. All of that comes together, I think, driven by a very healthy environment for exchange of opinions, for board engagement and participation in ways that make it interesting and fun and challenging. And our board challenges us. We don't run over them with stuff. When we've got things going on that we need to talk about, we have lively engaged in robust conversations. And all that's a good part of healthy governance.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

So speaking of healthy governance, you're on the Risk Committee. So how do you determine – and that's a board-level committee?

<<Mark B. Grier, Vice Chairman>>

Yeah.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

How do you determine which risks are financially material and why and over what time horizon? How does that work? Put me in the – put us in the – your shoes, when you're at the board meeting, you're trying to figure out, you've got a myriad of factors coming in, and you've got to sort through them all. How do you do that at the – effectively at the board level?

<<Mark B. Grier, Vice Chairman>>

All right. The way we make the risk story real for the board is to talk about what we want to look like in different environments. And let's just stylize it a bit. Suppose there's a cyclical move, suppose there's a more extreme move, and then suppose there's the tail. We've defined for the board that in the cyclical environment, we want business as usual. We want to maintain all of our ratings and our capital standards, and as I said, we want business as usual.

So that defines sort of an operational-type risk appetite. They can make sense out of that. They understand when we say, okay, we don't want our capital ratios to go below certain thresholds. We don't want our ratings to be lowered. So that translates into a picture of the company that we can then put the risk hardware behind. And then you get into a more extreme scenario, the 1 in 100, and then you get into the tail scenario. By the way, in the tail, we just want to survive. In the 1 in 100, we want to be buying the guys that haven't thought it through as carefully as we have.

So the way we think about the middle one is this is our chance to be opportunistic because we are stronger and better. So we'll go buy companies from the ones that didn't get it right. So what we tell the board operationalize is the risk picture around those kind of stories. And then from there, we draw conclusions about, okay, how much credit risk? How much mortality risk? How much longevity risk? How much interest rate risk? How much currency risk? And so everything that backs up the risk profile of the company is defined in terms of those risk and company outcomes in the stress test, if you will, that covers different gradations.

So they can identify with this. This makes more sense to them than the quantitative value at risk stories. All that's out there. That's in our hardware, the platform that manages risk. But it's operationalized for the board in terms of the right story about what we want to be when. And then we turn that into the limit structure and the risk appetite expressions that then drive everything we do.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

I want to go back to a question I forgot to follow up on. So why is it important to designate an independent director to talk with shareholders? Because you did that at Prudential with Tom.

<<Mark B. Grier, Vice Chairman>>

Yes. I think we seem to be unusual with respect to our receptivity around shareholder engagement. Our Chief Governance Officer, Peggy Foran, is a leader across the board in the governance world as well as the more traditional sort of corporate board environment, is a leader in terms of engagement. And I go out and meet with governance experts. I often meet with investors. And so we're very proactive, and we're very accessible. And I think the message in designating an independent lead director as a point of contact for investors is to reinforce the practicality of our message that we want to hear from you, and we want to talk to you. We want to listen. We know we're not always going to agree, but that's life. It doesn't mean we don't want to have the conversations.

And I get a lot from visiting with governance experts or visiting with investors, visiting with portfolio managers and analysts. And so the point of that is to promote and encourage the level of engagement that I think for us is beneficial to the company because we learn things. This stuff matters. You own us, so we ought to be paying attention to what's out there. But also, I think beneficial in terms of our outreach, again, partly because we're a long-term company in a short-term world.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

Right. So before we open it up for questions, I have – one concern that was raised recently was companies moving out of certain cities, leaving a city in a worse position than it was beforehand. And speak a little bit about Prudential's corporate anchor in Newark, New Jersey. How important that – is that to the company? How is that going to establish this – is what's the level of commitment there? And can you share some thoughts on that?

<<Mark B. Grier, Vice Chairman>>

Yes. Our commitment to Newark, New Jersey is so much a part of what Prudential's all about that we don't even think about it as something discrete from Prudential. We've been in Newark since we were founded in 1875. We're pretty close right now in terms of headquarters to the same block where the company started. We have invested well over $1 billion in Newark. And 2.5 years ago, we opened a brand-new building downtown, $525 million construction project.

I call this the building of no compromises, meaning no one thought of something they wanted to do and said, let's not do that because it costs too much. This is one where everything was done right. It's the home now of PGIM, our global investment management businesses, and it makes a real statement about our commitment to Newark. But I think more importantly, there are aspects of the building that make it a very attractive part of downtown Newark.

It's street level. It's not walled off and discrete and inaccessible. It has an impact on the neighborhood and on the community that we wanted to have in terms of our people getting out for lunch and the impact of the building on its immediate surroundings. So that's kind of a summary, in a way, of one high-impact investment that we've made in Newark that symbolizes a lot.

And I will tell you that as we were thinking about the need for a new building, we were advised by a lot of people to go out to Morristown or look at an office park somewhere here or there. And it never even occurred to us. We were building in Newark, and we were going to build in Newark in a way that was going to have the impact that we wanted to have on the community, and we've done that. And that's energized the whole place. This has crystallized a lot of our own views about what we can do and the impact that we can have on a place like Newark, and we're having it.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

I can see the power…

<<Mark B. Grier, Vice Chairman>>

Thank you for that question. As you can tell, I like to talk about it.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

I can see the power of when you connect purpose with profits. So I have – using the app, you have the ability to ask questions on the app. But I've – and I'm going to refer to one of the questions in the app, that was from BlackRock. Given recent natural disasters, climate change and how that will affect the insurance business profile in the long term, will premiums have to rise? Will policy coverage have to change? How do they balance a sustainable business while also providing suitable, affordable coverage for those who need it? So there's a softball question.

<<Mark B. Grier, Vice Chairman>>

Well, it's more of a softball question than you think because we're not in the property and casualty business. So I don't have a direct answer to questions about coverage and pricing. But narrowly, we have things that we do when natural disasters occur that matter. We extend grace periods for people who are affected by, for example, hurricanes.

So if they've got payments due, they get more time to make those payments. We improve our accessibility for people who are affected by natural disasters so that if they have money in their retirement accounts, for example, or in their insurance policies, for example, that they need in that emergency circumstance, we increase our accessibility and make it easier for them to access their funds so they can get the assets they have at Prudential more readily. We contribute aggressively to relief efforts. We've contributed this year about $2.5 million so far.

So when I say narrowly, in that context, we do what we can do as it affects the business we're in and the clients that we serve who are impacted by these kinds of events. More generally, I mentioned earlier that sustainability and climate converge with everything about our business over the time horizon that's relevant for us.

So you can read a Prudential sustainability report. You can read disclosures in our 10-K about what we think about risks and some of the issues that are out there affecting us. So we're active in that arena in a global sort of macro business context beyond the transactional aspects of a disaster that I just talked about.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

So question from Carl Skers. And I guess related to FASB. Do you think there's a place – given the importance of these factors, these environmental/social/governance factors, a certain subset of them, do you think there's a place for these factors in financial statements for material, what they call, ESG information? Or should they – this information remain in the kind of the realm of the sustainability reports, and it's up to the analysts to incorporate ESG into their information?

<<Mark B. Grier, Vice Chairman>>

Well, let me start with the observation that I wish there were more incorporation of, well, ESG narrowly but more, broadly, purpose and values and corporate impact when analysts look at companies. We believe that our shareholder value is enhanced by the purpose of the company, not just by the commercial results that we produce. Now having said that, we can go around the track for days with different frameworks and different ways to report and different issues around accounting standards or ESG reports.

And I think the more important thing for us is to focus on the messages around things like the diversity of our board and the engagement of our board and the accountability of our board for the broader set of value and purpose-driven things that we do and to talk in the sustainability report and other disclosures about the impact that we have. The problem with trying to standardize it is that you never will.

And so I think it's up to companies to demonstrate leadership and be effective in saying the right things that matter for them because it's different everywhere. I happen to also be Chairman of the Global Impact Investing Network. And so I know how hard it is to quantify impact and how hard it is to standardize. And so for us, it's important that the right messages come across with respect to purpose and value and results. And that's more important for us than it is to argue about the right format and framework.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

Okay, thank you very much. Now we'll open up for question. And I'll start with Erika Karp.

Q&A

<Q – Erika Karp>: First of all, thank you. You guys are awesome in your leadership. So thank you for everything you do. Two questions. The first, you have the – an impact fund. I guess it's under Ommeed Sathe. Can you talk about why you have that, what the intention is and how it aligns with the business? And then the second question, to what you've been speaking to. Given that nexus of life and health and the environment, are you doing any partnerships, for instance, the Wellcome Trust or any organization like that, that would really help you both commercially for the long run and in every other way?

<A – Mark B. Grier>: All right. The first one actually kind of blends into the second one as well. We have committed $1 billion to impact investing. We're about 2/3 of the way there so far. And so quantitatively, it's very successful for us. Ommeed Sathe, whom you mentioned, leads that effort for us. And he is one of the most interesting, stimulating and fun people to work with that I get to see in my work life.

The question of why comes back to the broader theme around purpose and values. We haven't had any debates about whether or not we should be aggressive in impact investing. And the themes in our impact investing portfolio are themes that are driven directly by the effects that we want to have on the communities that we serve and, more broadly, on other aspects of the economy and society.

And so things like transformational reinvestment, development efforts in downtown Newark, for example; investing in education; investing in housing; investing in underserved markets, all of those things fit our purpose. And in the world of impact investing, these are also financially attractive propositions. So this is an investment program for us that has over, a long period of time, produced attractive results and realized benefits directly related to our intentions in ways that we're very proud of.

And one of the things in the impact investing world that I get to talk about, that I need to talk about more is this can be done. You can earn good returns on investments that serve social purposes. And we're living proof. We've earned good returns over – well, since the 1930s on a portfolio of – now it's gone through different names, but being called impact investments. And on the partnership side, we've partnered on environmental initiatives, education initiatives, housing initiatives. So we're not alone in a lot of our impact investing. So there are too many partnerships in there to name, but there are a lot of partnerships involved in the way we've deployed capital.

<Q – Mark Tulay>: I've got a question from the app, which is on board diversity. Why is that such a challenge? And how does Prudential think about this issue?

<A – Mark B. Grier>: When I meet with people from the governance community, I'm asked about board diversity. And they always tell me that they want to encourage companies to recruit more diverse boards. And they always say companies answer that it's really hard, we can't recruit a diverse board. My answer to that is we all probably have the same list of attractive diverse board candidates. But when Prudential calls, they return our call. When XYZ company calls, they don't return their call.

And the answer in this is that we are the kind of company that this board wants to be associated with. And so my answer to companies who say they can't recruit diverse boards is look in the mirror. You can't recruit a diverse board because you are who you are, not because there's a shortage of diverse directors out there. And by the way, we love the diversity of our board. The exchange of opinions, the differences, the points of view that come together, this is all a rich, healthy, good environment for us.

And as you can tell, we're proud of the diversity of our board. But the answer on board diversity, as I said, is look in the mirror. You want to be the kind of company – by the way, all the way through, you want to be the kind of company that the diverse board wants to be associated with. You want to be the kind of company that the diverse employee base wants to work for. You want to be the kind of company that the diverse client base wants to do business with.

These are all things that are part of that purpose and value story that ultimately enhance commercial returns. We're better because of this. And these things all come together to give us a stronger, better, more engaged board; a stronger, better, more engaged employee base; and access to clients who like to deal with companies that look like this. So it all comes together, and recruiting a diverse board starts with what you're all about.

<Q – Mark Tulay>: Sounds good. Lady Lynn, you had a question?

<A – Mark B. Grier>: By the way, thank whoever asked that question. When they do it on the app, I don't get to see. But I appreciate that question.

<Q>: Thanks. That wasn't my question, but it is part of my questions. So you clearly are committed to the issues around diversity, the issues around what we know as ESG, the issues around purpose, the issues around those intangible activities that are not easily discoverable by a portfolio manager or an investor looking. And then you said that to standardize a measurement of those things is not – you said it was not going to happen. So my question is, number one, why do you say that? What do you think the biggest impediments to getting there are?

And number two, how do you expect us to put the – put our money where our mouth is if we can't compare those intangible activities between you and your competitors?

<A – Mark B. Grier>: Yes. I think on the first question, the challenge is every company is a little bit different. And everyone is going to want us to bend things a certain way. Everyone's going to want to highlight certain things about what they do. And so the challenge to standardize is based on the basic fact that it's just not standard; it is company specific.

And so if you're looking for indicators, look at who's on the board, look at which companies are easy to recruit from and which companies are easy to place people into. And we go to the headhunter world and ask them, how hard is it to hire from company X? And how hard is it to place into company Y? Those are indicators of what's known out there about the work environment and the kind of places that people want to go. Read the sustainability report and look at the things that companies do in the arena of corporate social responsibility. But I'm afraid there's no way around the application of judgment here.

It's going to have to be what you can tell from the things you can quantify, like board diversity, but also what you can learn from companies. It just seems to me that it's going to be very hard to standardize things that are just, by nature, not standard. And I appreciate the challenge. We wish this were easier because we have a good story, and I wish we could pick it up and drop it into a quantitative framework and light up the board. But the fact is we have to get out and talk about it.

<Q – Mark Tulay>: We have time for one, maybe two more questions, Brandon? Someone else? I'll come back to you, Brandon, for the last one. Did you have a question?

<Q>: So it's not so much a question. It's just a comment following on Katie's presentation. I don't know if you saw it. But I can appreciate the challenge, following up on Lady Lynn's question. They said companies said exactly the same thing about accounting standards when they were set, right, exactly the same thing. Before the SEC, there was no accounting standards. There was no reporting requirements. SEC comes long, so we have to standardize it. And companies said, oh, my gosh, we're unique. The accounting firm said, our auditing process is unique. Companies said, we can't report revenues. Our competitors will know. So I would push back on it a little bit and say what

I think SASB is doing to put that infrastructure is really important. You can still have a unique story in terms of your narrative, but I think the metrics can be standardized.

<Q – Mark Tulay>: So maybe there's solution down the road.

<A – Mark B. Grier>: Well, I appreciate that comment, and I get the point. I'll give that some more thought. But even on financial reporting, transparency – real transparency is also unique. As it relates to companies in our business, we have to make a big effort to let people see through those publicly reported numbers to try to get at the things I talked about earlier in the strategy world. But the point's well taken. I get it. I wish it were – I wish that would come true. It would be good for us.

<Q – Mark Tulay>: Final question for Brandon.

<Q>: I just – well, a tricky question. If you can discuss the kind of the tension between balancing the duty of care you talked about to the 80-year-old – the 80-year insured, that you want them to be able to breathe clean air and all that, the duty of care to them versus to your shareholders and how that kind of manifests not just in the way you operationalize it that you talked to, sir, but the way that you invest, the way you engage with governments, the way the membership organizations you belong to, that might be at odds with the best interest of the person who's going to be 80 and collecting a life insurance policy, wanting to breathe clean air.

<A – Mark B. Grier>: Yes. Again, I think a lot of the challenge is time horizon. Out 80 years, it all converges, and we don't differentiate much between the different things that are part of sort of the holistic view of the world. In terms of trade-offs, we always have to trade off, for example, real economic decisions versus accounting consequences. Some aspects of our accounting framework don't capture that long-term story very well. So sometimes we have to decide, do we protect the real economics or do we manage to the accounting reports that we have to produce?

And we come down on the side of real economics and, again, real value and real purpose, sometimes accepting more accounting volatility than the market would like and sometimes accepting a bigger need to explain more stuff than either the market or Prudential might like. But our fundamental trade-off that we make almost all of the time is in favor of real economics and satisfying the real purpose.

<<Mark Tulay, Director, Strategic Investor Initiative, CECP>>

With that, thank you very much, Mark.

<<Mark B. Grier, Vice Chairman>>

Thank you very much.