# The Prudential Series Fund

## SEMIANNUAL REPORT June 30, 2017

**Value Portfolio — Class II Shares**

Based on the variable contract you own or the portfolios you invested in, you may receive additional reports that provide financial information on those investment choices. Please refer to your variable annuity or variable life insurance contract prospectus to determine which portfolios are available to you.

The views expressed in this report and information about the Fund's portfolio holdings are for the period covered by this report and are subject to change thereafter.

The accompanying financial statements as of June 30, 2017, were not audited and, accordingly, no auditor's opinion is expressed on them.

**Please note that this document may include prospectus supplements that are separate from and not a part of this report. Please refer to your variable annuity or variable life insurance contract prospectus to determine which supplements are applicable to you.**

Prudential
Bring Your Challenges®

**Investors should carefully consider the contract and the underlying portfolios' investment objectives, risks, and charges and expenses before investing. The contract prospectus and the underlying portfolio prospectuses contain information on the investment objectives, risks, and charges and expenses, as well as other important information. Read them carefully before investing or sending money.**

The Prudential Series Fund may offer two classes of shares in each Portfolio: Class I and Class II. Class I shares are sold only to separate accounts of The Prudential Insurance Company of America, Pruco Life Insurance Company, and Pruco Life Insurance Company of New Jersey (collectively, Prudential) and to separate accounts of insurance companies not affiliated with Prudential where Prudential has assumed responsibility for the administration of contracts issued through such non-affiliated insurance companies, as investment options under variable life insurance and variable annuity contracts (the Contracts). (A separate account keeps the assets supporting certain insurance contracts separate from the general assets and liabilities of the insurance company.) Class II shares are offered only to separate accounts of non-Prudential insurance companies for the same types of Contracts.

The Fund files with the Commission a complete listing of portfolio holdings as of its first and third quarter-end calendar on Form N-Q. Form N-Q is available on the Commission's website at **www.sec.gov** or by visiting the Commission's Public Reference Room. For more information on the Commission's Public Reference Room, please visit the Commission's website or call (800)SEC-0330. Form N-Q is also available on the Fund's website at **www.prudential.com/variableinsuranceportfolios** or by calling the telephone numbers referenced above, for variable annuity and variable life insurance contract owners.

The Fund's Statement of Additional Information contains additional information about the Fund's Trustees and is available without charge upon request by calling (888)778-2888.

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## DEAR CONTRACT OWNER

At Prudential, our primary objective is to help investors achieve and maintain long-term financial success. This Prudential Series Fund semiannual report outlines our efforts to achieve this goal. We hope you find it informative and useful.

Prudential has been building on a heritage of success for more than 135 years. We believe the array of our products provides a highly attractive value proposition to clients like you who are focused on financial security.

Your financial professional is the best resource to help you make the most informed investment decisions. Together, you can build a diversified investment portfolio that aligns with your long-term financial goals. Please keep in mind that diversification and asset allocation strategies do not assure a profit or protect against loss in declining markets.

Thank you for selecting Prudential as one of your financial partners. We value your trust and appreciate the opportunity to help you achieve financial security.

Sincerely,

Timothy S. Cronin
President,
The Prudential Series Fund

July 31, 2017

| Value | |
|---|---|
| Five Largest Holdings | (% of Net Assets) |
| JPMorgan Chase & Co. | 4.6% |
| Bank of America Corp. | 3.0% |
| Citigroup, Inc. | 2.5% |
| PG&E Corp. | 2.3% |
| Procter & Gamble Co. (The) | 2.3% |

**For a complete list of holdings, please refer to the Schedule of Investments section of this report. Holdings reflect only long-term investments. Holdings/Issues/Industries/Sectors are subject to change.**

As a contract owner investing in a Portfolio of the Fund through a variable annuity or variable life contract, you incur ongoing costs, including management fees, and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other investment options. This example does not reflect fees and charges under your variable annuity or variable life contract. If contract charges were included, the costs shown below would be higher. Please consult the prospectus for your contract for more information about contract fees and charges.

The example is based on an investment of $1,000 invested at the beginning of the period and held for the entire period January 1, 2017 through June 30, 2017.

Actual Expenses
The first line of the table below provides information about actual account values and actual expenses. You may use this information, together with the amount you invested, to estimate the Portfolio expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Six-Month Period” to estimate the Portfolio expenses you paid on your account during this period. As noted above, the table does not reflect variable contract fees and charges.

Hypothetical Example for Comparison Purposes
The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other investment options. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other investment options.

Please note that the expenses shown in the table are meant to highlight your ongoing Portfolio costs only and do not reflect any contract fees and charges, such as sales charges (loads), insurance charges or administrative charges. Therefore the second line of the table is useful to compare ongoing investment option costs only, and will not help you determine the relative total costs of owning different contracts. In addition, if these contract fee and charges were included, your costs would have been higher.

| The Prudential Series Fund Portfolio | | Beginning Account Value January 1, 2017 | Ending Account Value June 30, 2017 | Annualized Expense Ratio based on the Six-Month period | Expenses Paid During the Six-Month period* |
|---|---|---|---|---|---|
| Value (Class I) | Actual | $1,000.00 | $1,059.80 | 0.42% | $2.15 |
| | Hypothetical | $1,000.00 | $1,022.71 | 0.42% | $2.11 |
| Value (Class II) | Actual | $1,000.00 | $1,057.70 | 0.82% | $4.18 |
| | Hypothetical | $1,000.00 | $1,020.73 | 0.82% | $4.11 |

*** Portfolio expenses (net of fee waivers or subsidies, if any) for each share class are equal to the annualized expense ratio for each share class (provided in the table), multiplied by the average account value over the period, multiplied by the 181 days in the six-month period ended June 30, 2017, and divided by the 365 days in the Portfolio’s fiscal year ending December 31, 2017 (to reflect the six-month period). Expenses presented in the table include the expenses of any underlying portfolios in which the Portfolio may invest.**

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## SCHEDULE OF INVESTMENTS

as of June 30, 2017 (unaudited)

### LONG-TERM INVESTMENTS — 97.9%

| COMMON STOCKS | Shares | Value |
|---|---|---|
| **Aerospace & Defense — 3.9%** | | |
| Boeing Co. (The) | 119,974 | $ 23,724,858 |
| United Technologies Corp. | 253,707 | 30,980,162 |
| | | 54,705,020 |
| **Banks — 15.4%** | | |
| Bank of America Corp. | 1,764,722 | 42,812,156 |
| BB&T Corp. | 571,307 | 25,943,051 |
| Citigroup, Inc. | 523,704 | 35,025,323 |
| JPMorgan Chase & Co. | 706,919 | 64,612,397 |
| PNC Financial Services Group, Inc. (The) | 230,685 | 28,805,636 |
| Wells Fargo & Co. | 349,640 | 19,373,552 |
| | | 216,572,115 |
| **Biotechnology — 1.2%** | | |
| Shire PLC, ADR | 105,284 | 17,400,287 |
| **Capital Markets — 2.2%** | | |
| Goldman Sachs Group, Inc. (The) | 141,483 | 31,395,078 |
| **Chemicals — 3.0%** | | |
| Dow Chemical Co. (The) | 345,133 | 21,767,538 |
| FMC Corp. | 280,853 | 20,516,312 |
| | | 42,283,850 |
| **Communications Equipment — 1.4%** | | |
| Cisco Systems, Inc. | 634,691 | 19,865,828 |
| **Consumer Finance — 3.4%** | | |
| Capital One Financial Corp. | 301,782 | 24,933,229 |
| SLM Corp.* | 2,015,294 | 23,175,881 |
| | | 48,109,110 |
| **Containers & Packaging — 0.9%** | | |
| Sealed Air Corp. | 280,117 | 12,538,037 |
| **Electric Utilities — 3.8%** | | |
| Exelon Corp. | 567,262 | 20,461,141 |
| PG&E Corp. | 491,263 | 32,605,125 |
| | | 53,066,266 |
| **Electrical Equipment — 1.5%** | | |
| Eaton Corp. PLC | 264,951 | 20,621,136 |
| **Electronic Equipment, Instruments & Components — 1.6%** | | |
| Flex Ltd.* | 1,414,309 | 23,067,380 |
| **Energy Equipment & Services — 1.6%** | | |
| Halliburton Co. | 533,296 | 22,777,072 |
| **Equity Real Estate Investment Trusts (REITs) — 1.5%** | | |
| American Tower Corp. | 156,012 | 20,643,508 |
| **Food & Staples Retailing — 1.6%** | | |
| Wal-Mart Stores, Inc. | 306,505 | 23,196,299 |
| **Food Products — 2.6%** | | |
| Conagra Brands, Inc. | 584,369 | 20,897,035 |
| Mondelez International, Inc. (Class A Stock) | 350,309 | 15,129,846 |
| | | 36,026,881 |
| **Health Care Equipment & Supplies — 1.8%** | | |
| Zimmer Biomet Holdings, Inc. | 193,199 | 24,806,752 |

| COMMON STOCKS (continued) | Shares | Value |
|---|---|---|
| **Health Care Providers & Services — 3.4%** | | |
| Cigna Corp. | 153,466 | $ 25,688,674 |
| Laboratory Corp. of America Holdings* | 148,159 | 22,837,228 |
| | | 48,525,902 |
| **Hotels, Restaurants & Leisure — 3.9%** | | |
| Carnival Corp. | 280,434 | 18,388,058 |
| Hyatt Hotels Corp. (Class A Stock)* | 357,063 | 20,070,511 |
| McDonald's Corp. | 108,174 | 16,567,930 |
| | | 55,026,499 |
| **Household Durables — 1.0%** | | |
| Newell Brands, Inc. | 253,689 | 13,602,804 |
| **Household Products — 2.3%** | | |
| Procter & Gamble Co. (The) | 371,795 | 32,401,934 |
| **Industrial Conglomerates — 1.0%** | | |
| General Electric Co. | 503,302 | 13,594,187 |
| **Insurance — 3.9%** | | |
| Chubb Ltd. | 200,066 | 29,085,595 |
| MetLife, Inc. | 481,279 | 26,441,468 |
| | | 55,527,063 |
| **Internet Software & Services — 2.9%** | | |
| Alphabet, Inc. (Class A Stock)* | 22,189 | 20,628,669 |
| eBay, Inc.* | 570,631 | 19,926,435 |
| | | 40,555,104 |
| **IT Services — 1.0%** | | |
| DXC Technology Co. | 185,374 | 14,221,893 |
| **Media — 4.8%** | | |
| Comcast Corp. (Class A Stock) | 800,154 | 31,141,993 |
| Liberty Global PLC (United Kingdom) (Series C)* | 313,949 | 9,788,930 |
| Twenty-First Century Fox, Inc. (Class A Stock) | 493,170 | 13,976,438 |
| Viacom, Inc. (Class B Stock) | 373,233 | 12,529,432 |
| | | 67,436,793 |
| **Oil, Gas & Consumable Fuels — 7.9%** | | |
| Anadarko Petroleum Corp. | 215,469 | 9,769,364 |
| Chevron Corp. | 305,403 | 31,862,695 |
| Hess Corp.(a) | 210,415 | 9,230,906 |
| Noble Energy, Inc. | 392,352 | 11,103,562 |
| Royal Dutch Shell PLC (Netherlands) (Class A Stock), ADR | 557,408 | 29,648,532 |
| Suncor Energy, Inc. (Canada) | 659,542 | 19,258,626 |
| | | 110,873,685 |
| **Pharmaceuticals — 7.0%** | | |
| Allergan PLC | 86,141 | 20,940,015 |
| Eli Lilly & Co. | 253,333 | 20,849,306 |
| Merck & Co., Inc. | 418,775 | 26,839,290 |
| Pfizer, Inc. | 889,466 | 29,877,163 |
| | | 98,505,774 |
| **Road & Rail — 2.3%** | | |
| Ryder System, Inc. | 162,588 | 11,703,084 |

SEE NOTES TO FINANCIAL STATEMENTS.

## SCHEDULE OF INVESTMENTS as of June 30, 2017 (unaudited)

| COMMON STOCKS (continued) | Shares | Value |
|---|---|---|
| **Road & Rail (continued)** | | |
| Union Pacific Corp. | 195,950 | $ 21,340,915 |
| | | 33,043,999 |
| **Semiconductors & Semiconductor Equipment — 1.5%** | | |
| Texas Instruments, Inc. | 265,038 | 20,389,373 |
| **Software — 3.0%** | | |
| Microsoft Corp. | 319,666 | 22,034,577 |
| PTC, Inc.* | 369,456 | 20,364,415 |
| | | 42,398,992 |
| **Technology Hardware, Storage & Peripherals — 1.4%** | | |
| Apple, Inc. | 132,766 | 19,120,959 |
| **Textiles, Apparel & Luxury Goods — 1.8%** | | |
| Coach, Inc. | 538,330 | 25,484,542 |
| **Wireless Telecommunication Services — 1.4%** | | |
| Vodafone Group PLC (United Kingdom), ADR(a) | 694,993 | 19,967,149 |
| **TOTAL LONG-TERM INVESTMENTS** (cost $999,883,248) | | 1,377,751,271 |

| SHORT-TERM INVESTMENTS — 3.3% | Shares | Value |
|---|---|---|
| **AFFILIATED MUTUAL FUNDS** | | |
| Prudential Investment Portfolios 2 — Prudential Core Ultra Short Bond Fund(w) | 29,938,063 | $ 29,938,063 |
| Prudential Investment Portfolios 2 — Prudential Institutional Money Market Fund (cost $16,576,864; includes $16,554,588 of cash collateral for securities on loan)(b)(w) | 16,573,598 | 16,575,256 |
| **TOTAL SHORT-TERM INVESTMENTS** (cost $46,514,927) | | 46,513,319 |
| **TOTAL INVESTMENTS — 101.2%** (cost $1,046,398,175) | | 1,424,264,590 |
| **LIABILITIES IN EXCESS OF OTHER ASSETS — (1.2)%** | | (17,140,791) |
| **NET ASSETS — 100.0%** | | $1,407,123,799 |

The following abbreviations are used in the semiannual report.

ADR American Depositary Receipt
LIBOR London Interbank Offered Rate
REIT Real Estate Investment Trust

* Non-income producing security.

(a) All or a portion of security is on loan. The aggregate market value of such securities, including those sold and pending settlement, is $16,312,597; cash collateral of $16,554,588 (included in liabilities) was received with which the Portfolio purchased highly liquid short-term investments.

(b) Represents security purchased with cash collateral received for securities on loan and includes dividend reinvestment.

(w) PGIM Investments LLC, the manager of the Portfolio, also serves as manager of the Prudential Investment Portfolios 2—Prudential Core Ultra Short Bond Fund and Prudential Institutional Money Market Fund.

**Fair value measurements:**

Various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in the three broad levels listed below.

Level 1—unadjusted quoted prices generally in active markets for identical securities.
Level 2—quoted prices for similar securities, interest rates and yield curves, prepayment speeds, foreign currency exchange rates and other observable inputs.
Level 3—unobservable inputs for securities valued in accordance with Board approved fair valuation procedures.

The following is a summary of the inputs used as of June 30, 2017 in valuing such portfolio securities:

| | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Investments in Securities** | | | |
| Common Stocks | | | |
| Aerospace & Defense | $ 54,705,020 | $ — | $ — |
| Banks | 216,572,115 | — | — |
| Biotechnology | 17,400,287 | — | — |
| Capital Markets | 31,395,078 | — | — |
| Chemicals | 42,283,850 | — | — |
| Communications Equipment | 19,865,828 | — | — |
| Consumer Finance | 48,109,110 | — | — |
| Containers & Packaging | 12,538,037 | — | — |
| Electric Utilities | 53,066,266 | — | — |
| Electrical Equipment | 20,621,136 | — | — |
| Electronic Equipment, Instruments & Components | 23,067,380 | — | — |
| Energy Equipment & Services | 22,777,072 | — | — |
| Equity Real Estate Investment Trusts (REITs) | 20,643,508 | — | — |
| Food & Staples Retailing | 23,196,299 | — | — |

SEE NOTES TO FINANCIAL STATEMENTS.

## SCHEDULE OF INVESTMENTS as of June 30, 2017 (unaudited)

| | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Investments in Securities (continued)** | | | |
| Common Stocks (continued) | | | |
| Food Products | $ 36,026,881 | $ — | $ — |
| Health Care Equipment & Supplies | 24,806,752 | — | — |
| Health Care Providers & Services | 48,525,902 | — | — |
| Hotels, Restaurants & Leisure | 55,026,499 | — | — |
| Household Durables | 13,602,804 | — | — |
| Household Products | 32,401,934 | — | — |
| Industrial Conglomerates | 13,594,187 | — | — |
| Insurance | 55,527,063 | — | — |
| Internet Software & Services | 40,555,104 | — | — |
| IT Services | 14,221,893 | — | — |
| Media | 67,436,793 | — | — |
| Oil, Gas & Consumable Fuels | 110,873,685 | — | — |
| Pharmaceuticals | 98,505,774 | — | — |
| Road & Rail | 33,043,999 | — | — |
| Semiconductors & Semiconductor Equipment | 20,389,373 | — | — |
| Software | 42,398,992 | — | — |
| Technology Hardware, Storage & Peripherals | 19,120,959 | — | — |
| Textiles, Apparel & Luxury Goods | 25,484,542 | — | — |
| Wireless Telecommunication Services | 19,967,149 | — | — |
| Affiliated Mutual Funds | 46,513,319 | — | — |
| **Total** | $1,424,264,590 | $ — | $ — |

During the period, there were no transfers between Level 1, Level 2 and Level 3 to report.

**Industry classification:**

The industry classification of investments and liabilities in excess of other assets shown as a percentage of net assets as of June 30, 2017 were as follows:

| | |
|---|---|
| Banks | 15.4% |
| Oil, Gas & Consumable Fuels | 7.9 |
| Pharmaceuticals | 7.0 |
| Media | 4.8 |
| Insurance | 3.9 |
| Hotels, Restaurants & Leisure | 3.9 |
| Aerospace & Defense | 3.9 |
| Electric Utilities | 3.8 |
| Health Care Providers & Services | 3.4 |
| Consumer Finance | 3.4 |
| Affiliated Mutual Funds (including 1.2% of collateral for securities on loan) | 3.3 |
| Software | 3.0 |
| Chemicals | 3.0 |
| Internet Software & Services | 2.9 |
| Food Products | 2.6 |
| Road & Rail | 2.3 |
| Household Products | 2.3 |
| Capital Markets | 2.2 |
| Textiles, Apparel & Luxury Goods | 1.8 |
| Health Care Equipment & Supplies | 1.8% |
| Food & Staples Retailing | 1.6 |
| Electronic Equipment, Instruments & Components | 1.6 |
| Energy Equipment & Services | 1.6 |
| Equity Real Estate Investment Trusts (REITs) | 1.5 |
| Electrical Equipment | 1.5 |
| Semiconductors & Semiconductor Equipment | 1.5 |
| Wireless Telecommunication Services | 1.4 |
| Communications Equipment | 1.4 |
| Technology Hardware, Storage & Peripherals | 1.4 |
| Biotechnology | 1.2 |
| IT Services | 1.0 |
| Household Durables | 1.0 |
| Industrial Conglomerates | 1.0 |
| Containers & Packaging | 0.9 |
| | 101.2 |
| Liabilities in excess of other assets | (1.2) |
| | 100.0% |

**Financial instruments/transactions — summary of offsetting and netting arrangements:**

The Portfolio entered into financial instruments/transactions during the reporting period that are either offset in accordance with current requirements or are subject to enforceable master netting arrangements or similar agreements that permit offsetting. The information about offsetting and related netting arrangements for financial instruments/transactions, where the legal right to set-off exists, is presented in the summary below.

**Offsetting of financial instrument/transaction assets and liabilities:**

| Description | Gross Amounts of Recognized Assets(1) | Collateral Received(2) | Net Amount |
|---|---|---|---|
| Securities on Loan | 16,312,597 | $(16,312,597) | $ — |

(1) Amount represents market value.

(2) Collateral amount disclosed by the Portfolio is limited to the market value of financial instruments/transactions.

**SEE NOTES TO FINANCIAL STATEMENTS.**

## STATEMENT OF ASSETS & LIABILITIES (unaudited)
as of June 30, 2017

| | |
|---|---|
| **ASSETS** | |
| Investments at value, including securities on loan of $16,312,597: | |
| Unaffiliated investments (cost $999,883,248) | $1,377,751,271 |
| Affiliated investments (cost $46,514,927) | 46,513,319 |
| Foreign currency, at value (cost $13,419) | 13,562 |
| Receivable for investments sold | 2,315,783 |
| Dividends receivable | 2,226,421 |
| Tax reclaim receivable | 1,034,729 |
| Receivable for Series shares sold | 1,909 |
| Prepaid expenses | 1,448 |
| Total Assets | 1,429,858,442 |
| **LIABILITIES** | |
| Payable to broker for collateral for securities on loan | 16,554,588 |
| Payable for investments purchased | 5,186,691 |
| Management fee payable | 463,280 |
| Payable for Series shares repurchased | 397,153 |
| Accrued expenses and other liabilities | 129,461 |
| Distribution fee payable | 1,447 |
| Affiliated transfer agent fee payable | 980 |
| Administration fee payable | 868 |
| Deferred trustees' fees | 175 |
| Total Liabilities | 22,734,643 |
| **NET ASSETS** | $1,407,123,799 |
| Net assets were comprised of: | |
| Paid-in capital | $ 737,998,031 |
| Retained earnings | 669,125,768 |
| Net assets, June 30, 2017 | $1,407,123,799 |
| **Class I:** | |
| Net asset value and redemption price per share $1,400,132,800 / 48,782,043 outstanding shares of beneficial interest | $ 28.70 |
| **Class II:** | |
| Net asset value and redemption price per share $6,990,999 / 246,239 outstanding shares of beneficial interest | $ 28.39 |

## STATEMENT OF OPERATIONS (unaudited)
Six Months Ended June 30, 2017

| | |
|---|---|
| **NET INVESTMENT INCOME (LOSS)** | |
| **INCOME** | |
| Unaffiliated dividend income (net of foreign withholding taxes of $37,415) | $14,487,364 |
| Affiliated dividend income | 129,511 |
| Income from securities lending, net (including affiliated income of $6,042) | 54,319 |
| Total income | 14,671,194 |
| **EXPENSES** | |
| Management fee | 2,794,817 |
| Distribution fee-Class II | 8,821 |
| Administration fee-Class II | 5,293 |
| Custodian and accounting fees | 66,000 |
| Shareholders' reports | 56,000 |
| Audit fee | 12,000 |
| Trustees' fees | 11,000 |
| Legal fees and expenses | 6,000 |
| Transfer agent's fees and expenses (including affiliated expense of $2,900) | 6,000 |
| Miscellaneous | 17,094 |
| Total expenses | 2,983,025 |
| **NET INVESTMENT INCOME (LOSS)** | 11,688,169 |
| **REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS** | |
| Net realized gain (loss) on investment transactions (including affiliated of $6,556) | 45,380,872 |
| Net change in unrealized appreciation (depreciation) on: | |
| Investments (Including affiliated of ($8,650)) | 24,826,823 |
| Foreign currencies | 36,848 |
| | 24,863,671 |
| **NET GAIN (LOSS) ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS** | 70,244,543 |
| **NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS** | $81,932,712 |

## STATEMENT OF CHANGES IN NET ASSETS (unaudited)

| | Six Months Ended June 30, 2017 | Year Ended December 31, 2016 |
|---|---|---|
| **INCREASE (DECREASE) IN NET ASSETS** | | |
| **OPERATIONS** | | |
| Net investment income (loss) | $ 11,688,169 | $ 24,647,608 |
| Net realized gain (loss) on investment and foreign currency transactions | 45,380,872 | 9,486,713 |
| Net change in unrealized appreciation (depreciation) on investments and foreign currencies | 24,863,671 | 105,544,513 |
| **NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS** | 81,932,712 | 139,678,834 |
| **SERIES SHARE TRANSACTIONS** | | |
| Series shares sold | 2,611,765 | 7,431,635 |
| Series shares repurchased | (59,522,780) | (131,189,476) |
| **NET INCREASE (DECREASE) IN NET ASSETS FROM SERIES SHARE TRANSACTIONS** | (56,911,015) | (123,757,841) |
| **CAPITAL CONTRIBUTIONS** | — | 1,379,448 |
| **TOTAL INCREASE (DECREASE)** | 25,021,697 | 17,300,441 |
| **NET ASSETS:** | | |
| Beginning of period | 1,382,102,102 | 1,364,801,661 |
| End of period | $1,407,123,799 | $1,382,102,102 |

**SEE NOTES TO FINANCIAL STATEMENTS.**

# NOTES TO FINANCIAL STATEMENTS OF THE PRUDENTIAL SERIES FUND (Unaudited)

## 1. General

The Prudential Series Fund ("Series Fund"), organized as a Delaware statutory trust, is registered under the Investment Company Act of 1940, as amended ("1940 Act"), as a diversified open-end management investment company. The Series Fund is composed of seventeen Portfolios ("Portfolios"), each with separate series shares. The information presented in these financial statements pertains to the Value Portfolio (the "Portfolio").

The Portfolio's investment objective is capital appreciation.

## 2. Accounting Policies

The Series Fund follows investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standard Codification Topic 946 Financial Services-Investment *Companies.* The following accounting policies conform to U.S. generally accepted accounting principles. The Series Fund and the Portfolios consistently follow such policies in the preparation of their financial statements.

*Securities Valuation:* The Portfolio holds securities and other assets that are fair valued at the close of each day (generally, 4:00 PM Eastern time) the New York Stock Exchange ("NYSE") is open for trading. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Board of Trustees (the "Board") has adopted valuation procedures for security valuation under which fair valuation responsibilities have been delegated to PGIM Investments LLC ("PGIM Investments" or "the Manager") (formerly known as Prudential Investments LLC). Under the current valuation procedures, the Valuation Committee is responsible for supervising the valuation of portfolio securities and other assets. The valuation procedures permit a Portfolio to utilize independent pricing vendor services, quotations from market makers, and alternative valuation methods when market quotations are either not readily available or not deemed representative of fair value. A record of the Valuation Committee's actions is subject to the Board's review, approval, and ratification at its next regularly scheduled quarterly meeting.

Various inputs determine how each Portfolio's investments are valued, all of which are categorized according to the three broad levels (Level 1, 2, or 3) detailed in the Schedule of Investments.

Common and preferred stocks, exchange-traded funds, and derivative instruments, such as futures or options, that are traded on a national securities exchange are valued at the last sale price as of the close of trading on the applicable exchange where the security principally trades. Securities traded via NASDAQ are valued at the NASDAQ official closing price. To the extent these securities are valued at the last sale price or NASDAQ official closing price, they are classified as Level 1 in the fair value hierarchy. In the event that no sale or official closing price on valuation date exists, these securities are generally valued at the mean between the last reported bid and ask prices, or at the last bid price in the absence of an ask price. These securities are classified as Level 2 in the fair value hierarchy.

Common and preferred stocks traded on foreign securities exchanges are valued using pricing vendor services that provide model prices derived using adjustment factors based on information such as local closing price, relevant general and sector indices, currency fluctuations, depositary receipts, and futures, as applicable. Securities valued using such model prices are classified as Level 2 in the fair value hierarchy. The models generate an evaluated adjustment factor for each security, which is applied to the local closing price to adjust it for post closing market movements. Utilizing that evaluated adjustment factor, the vendor provides an evaluated price for each security. If the vendor does not provide an evaluated price, securities are valued in accordance with exchange-traded common and preferred stock valuation policies discussed above.

Investments in open-end, non-exchange-traded mutual funds are valued at their net asset values as of the close of the NYSE on the date of valuation. These securities are classified as Level 1 in the fair value hierarchy since they may be purchased or sold at their net asset values on the date of valuation.

Securities and other assets that cannot be priced according to the methods described above are valued based on pricing methodologies approved by the Board. In the event that unobservable inputs are used when determining such valuations, the securities will be classified as Level 3 in the fair value hierarchy.

When determining the fair value of securities, some of the factors influencing the valuation include: the nature of any restrictions on disposition of the securities; assessment of the general liquidity of the securities; the issuer's financial condition and the markets in which it does business; the cost of the investment; the size of the holding and the capitalization of the issuer; the prices of any recent transactions or bids/offers for such securities or any comparable securities; any available analyst media or other reports or information deemed reliable by the investment adviser regarding the issuer or the markets or industry in which it operates. Using fair value to price securities may result in a value that is different from a security's most recent closing price and from the price used by other mutual funds to calculate their net asset values.

*Restricted and Illiquid Securities:* Subject to guidelines adopted by the Board, the Portfolio may invest up to 15% of its net assets in illiquid securities, including those which are restricted as to disposition under securities law ("restricted securities"). Restricted securities are valued pursuant to the valuation procedures noted above. Illiquid securities are those that, because of the absence of a readily available market or due to legal or contractual restrictions on resale, cannot be sold within seven days in the ordinary course of business at approximately the amount at which the Portfolio has valued the investment. Therefore, a Portfolio may find it difficult to sell illiquid securities at the time considered most advantageous by its Subadviser and may incur expenses that would not be incurred in the sale of securities that were freely marketable. Certain securities that would otherwise be considered illiquid because of legal restrictions on resale to the general public may be traded among qualified institutional buyers under Rule 144A of the Securities Act of 1933. These Rule 144A securities, as well as commercial paper that is sold in private placements under Section 4(2) of the Securities Act, may be deemed liquid by the Portfolio's Subadviser under the guidelines adopted by the Board of the Portfolio. However, the liquidity of a Portfolio's investments in Rule 144A securities could be impaired if trading does not develop or declines.

*Foreign Currency Translation:* The books and records of the Portfolio are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars on the following basis:

(i) market value of investment securities, other assets and liabilities — at the current rates of exchange;

(ii) purchases and sales of investment securities, income and expenses — at the rates of exchange prevailing on the respective dates of such transactions.

Although the net assets of the Portfolio are presented at the foreign exchange rates and market values at the close of the period, the Portfolio does not generally isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of long-term portfolio securities held at the end of the period. Similarly, the Portfolio does not isolate the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of long-term portfolio securities sold during the period. Accordingly, holding period realized foreign currency gains (losses) are included in the reported net realized gains (losses) on investment transactions. Notwithstanding the above, the Portfolio does isolate the effect of fluctuations in foreign currency exchange rates when determining the gain (loss) upon the sale or maturity of foreign currency denominated debt obligations; such amounts are included in net realized gains (losses) on foreign currency transactions.

Additionally, net realized gains (losses) on foreign currency transactions represent net foreign exchange gains (losses) from the disposition of holdings of foreign currencies, forward currency contracts, currency gains (losses) realized between the trade and settlement dates on securities transactions, and the difference between the amounts of interest, dividends and foreign withholding taxes recorded on the Portfolio's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains (losses) from valuing foreign currency denominated assets and liabilities (other than investments) at period end exchange rates are reflected as a component of net unrealized appreciation (depreciation) on foreign currencies.

*Master Netting Arrangements:* The Series Fund, on behalf of the Portfolio, is subject to various Master Agreements, or netting arrangements, with select counterparties. These are agreements which a subadviser may have negotiated and entered into on behalf of the Portfolio. A master netting arrangement between the Portfolio and the counterparty permits the Portfolio to offset amounts payable by the Portfolio to the same counterparty against amounts to be received; and by the receipt of collateral from the counterparty by the

Portfolio to cover the Portfolio's exposure to the counterparty. However, there is no assurance that such mitigating factors are easily enforceable. In addition to master netting arrangements, the right to set-off exists when all the conditions are met such that each of the parties owes the other determinable amounts, the reporting party has the right to set-off the amount owed with the amount owed by the other party, the reporting party intends to set-off, and the right of set-off is enforceable by law. During the reporting period, there was no intention to settle on a net basis and all amounts are presented on a gross basis on the Statement of Assets and Liabilities.

*Securities Lending:* The Portfolio may lend their portfolio securities to banks and broker-dealers. The loans are secured by collateral at least equal to the market value of the securities loaned. Collateral pledged by each borrower is invested in an affiliated money market fund and is marked to market daily, based on the previous day's market value, such that the value of the collateral exceeds the value of the loaned securities. Loans are subject to termination at the option of the borrower or the Portfolio. Upon termination of the loan, the borrower will return to the Portfolio securities identical to the loaned securities. Should the borrower of the securities fail financially, the Portfolio has the right to repurchase the securities in the open market using the collateral. The Portfolio recognizes income, net of any rebate and securities lending agent fees, for lending its securities in the form of fees or interest on the investment of any cash received as collateral. The borrower receives all interest and dividends from the securities loaned and such payments are passed back to the lender in amounts equivalent thereto. The Portfolio also continues to recognize any unrealized gain (loss) in the market price of the securities loaned and on the change in the value of the collateral invested that may occur during the term of the loan. In addition, realized gain (loss) is recognized on changes in the value of the collateral invested upon liquidation of the collateral. Net earnings from securities lending are disclosed on the Statement of Operations as "Income from securities lending, net".

*Concentration of Risk:* Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin as a result of, among other factors, the possibility of political or economic instability or the level of the governmental supervision and regulation of foreign securities markets.

*Securities Transactions and Net Investment Income:* Securities transactions are recorded on the trade date. Realized gains (losses) from investment and currency transactions are calculated on the specific identification method. Dividend income is recorded on the ex-date. Interest income, including amortization of premium and accretion of discount on debt securities, as required, is recorded on the accrual basis. Expenses are recorded on an accrual basis, which may require the use of certain estimates by management that may differ from actual.

Net investment income or loss (other than administration and distribution fees which are charged directly to the respective class) and unrealized and realized gains (losses) are allocated daily to each class of shares based upon the relative proportion of adjusted net assets of each class at the beginning of the day.

*Equity Real Estate Investment Trusts (REITs):* The Portfolio invests in Equity REITs, which report information on the source of their distributions annually. Based on current and historical information, a portion of distributions received from Equity REITs during the period is estimated to be dividend income, capital gain or return of capital and recorded accordingly. When material these estimates are adjusted periodically when the actual source of distributions is disclosed by the Equity REITs.

*Taxes:* For federal income tax purposes, the Portfolio is treated as a separate taxpaying entity. The Portfolio is treated as a partnership for tax purposes. No provision has been made in the financial statements for U.S. federal, state, or local taxes, as any tax liability arising from operations of the Portfolio is the responsibility of the Portfolio's shareholders (Participating Insurance Companies). The Portfolio is not generally subject to entity-level taxation. Shareholders of the Portfolio are subject to taxes on their distributive share of partnership items. Withholding taxes on foreign dividends, interest and capital gains are accrued in accordance with the Portfolio's understanding of the applicable country's tax rules and regulations. Such taxes are accrued net of reclaimable amounts, at the time the related income/gain is recorded. The Portfolio generally attempts to manage its diversification in a manner that supports the diversification requirements of the underlying separate accounts.

*Distributions:* Distributions, if any, from the Portfolio are made in cash and automatically reinvested in additional shares of the Portfolio. Distributions are recorded on the ex-date.

*Estimates:* The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

## 3. Agreements

The Series Fund has a management agreement with PGIM Investments. Pursuant to this agreement, PGIM Investments has responsibility for all investment management services and supervises the subadviser's performance of such services. PGIM Investments has entered into subadvisory agreements with Jennison Associates LLC ("Jennison"), (the "Subadviser"), under which Jennison provides investment advisory services for the Portfolio. PGIM Investments pays for the services of the Subadviser, cost of compensation of officers, occupancy and certain clerical and administrative expenses of the Portfolio. The Portfolio bears all other costs and expenses.

The management fee paid to PGIM Investments is accrued daily and payable monthly at an annual rate of 0.40% of the Portfolio's average daily net assets. The effective management fee was 0.40% for the six months ended June 30, 2017.

The Series Fund, on behalf of the Portfolio, has a distribution agreement, pursuant to Rule 12b-1 under the 1940 Act, with Prudential Investment Management Services LLC ("PIMS"), which acts as the distributor of the Class I and Class II shares of the Portfolio. The Portfolio compensate PIMS for distributing and servicing the Portfolio's Class II shares pursuant to a plan of distribution (the "Class II Plan"), regardless of expenses actually incurred by PIMS. The distribution fees are accrued daily and payable monthly. No distribution or service fees are paid to PIMS as distributor of the Class I shares of the Portfolio. Pursuant to the Class II Plan, the Class II shares of the Portfolio compensate PIMS for distribution-related activities at an annual rate of 0.25% of the average daily net assets of the Class II shares.

The Series Fund has an administration agreement with PGIM Investments, which acts as the administrator of the Class II shares of the Portfolio. The administration fee paid to PGIM Investments is accrued daily and payable monthly, at the annual rate of 0.15% of the average daily net assets of the Class II shares.

PIMS, PGIM Investments, PGIM, Inc. and Jennison are indirect, wholly-owned subsidiaries of Prudential Financial, Inc. ("Prudential").

The Series Fund has entered into brokerage commission recapture agreements with certain registered broker-dealers. Under the brokerage commission recapture program, a portion of the commission is returned to the Portfolio on whose behalf the trades were made. Commission recapture is paid solely to the Portfolio generating the applicable trades. Such amounts are included within realized gain (loss) on investment transactions presented in the Statement of Operations. For the six months ended June 30, 2017, brokerage commission recaptured under these agreements was $31,786.

## 4. Other Transactions with Affiliates

Prudential Mutual Fund Services LLC ("PMFS"), an affiliate of PGIM Investments and an indirect, wholly-owned subsidiary of Prudential, serves as the transfer agent of the Portfolio. The transfer agent's fees and expenses in the Statement of Operations include certain out-of-pocket expenses paid to non-affiliates, where applicable.

The Portfolio may invest their overnight sweep cash in the Prudential Core Ultra Short Bond Fund (the "Core Fund") and their securities lending cash collateral in the Prudential Institutional Money Market Fund (the "Money Market Fund"), each a series of Prudential Investment Portfolios 2, registered under the 1940 Act and managed by PGIM Investments. Earnings from the Core Fund and the Money Market Fund are disclosed on the Statement of Operations as "Affiliated dividend income" and "Income from securities lending, net", respectively.

For the reporting period ended June 30, 2017, PGIM, Inc. was compensated $10,872 by PGIM Investments for managing the Portfolio's securities lending cash collateral as subadviser to the Money Market Fund.

In February 2016, Prudential, the parent company of the Investment Manager (PGIM Investments) self reported to the Securities and Exchange Commission ("SEC") and certain other regulators that, in some cases, it failed to maximize securities lending income for certain Portfolios of the Series Fund due to a long-standing restriction benefitting Prudential. The Board was not notified of the restriction until after it had been removed. Prudential paid the affected Portfolios an amount equal to the estimated loss associated with the unauthorized restriction. At the Board's direction, this payment occurred on June 30, 2016. The estimated opportunity loss was calculated by an independent consultant hired by Prudential whose calculation methodology was subsequently reviewed by a consultant retained by the independent trustees of the Series Fund. The amount of opportunity loss payment to the Portfolio is disclosed in the Portfolio's "Statement of Changes in Net Assets" and "Financial Highlights" as "Capital Contributions".

In addition to the above, Prudential has paid and continues to directly pay certain legal, audit and other charges in connection with the matter on behalf of the Portfolios.

The SEC Staff and other regulators continue to review the matter.

The Portfolio may enter into certain securities purchase or sale transactions under Board approved Rule 17a-7 procedures. Rule 17a-7 is an exemptive rule under the 1940 Act, that permits purchase and sale transactions among affiliated investment companies, or between an investment company and a person that is affiliated solely by reason of having a common (or affiliated) investment adviser, common directors, and/or common officers. Such transactions are subject to ratification by the Board. For the period ended June 30, 2017 no such transactions were entered into by the Portfolio.

**5. Portfolio Securities**

The aggregate cost of purchases and proceeds from sales of portfolio securities (excluding short-term investments and U.S. Treasury securities) for the six months ended June 30, 2017, were $124,683,466 and $167,653,482, respectively.

**6. Tax Information**

The Portfolio is treated as a partnership for tax purposes. The character of the cash distributions, if any, made by the partnership is generally classified as nontaxable return of capital distributions. After each fiscal year each shareholder of record will receive information regarding their distributive allocable share of the partnership's income, gains, losses and deductions.

With respect to the Portfolio, book cost of assets differs from tax cost of assets as a result of the Portfolio's adoption of a mark to market method of accounting for tax purposes. Under this method, tax cost of assets will approximate fair market value.

Management has analyzed the Portfolio's tax positions taken on federal, state and local income tax returns for all open tax years and has concluded that no provision for income tax is required in the Portfolio's financial statements for the current reporting period. The Portfolio's federal, state and local income tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

**7. Borrowings**

The Series Fund, on behalf of the Portfolio, along with other affiliated registered investment companies (the "Funds"), is a party to a Syndicated Credit Agreement ("SCA") with a group of banks. The purpose of the SCA is to provide an alternative source of temporary funding for capital share redemptions. The SCA provides for a commitment of $900 million for the period October 6, 2016 through October 5, 2017. The Funds pay an annualized commitment fee of .15% of the unused portion of the SCA. The Portfolio's portion of the commitment fee for the unused amount, allocated based upon a method approved by the Board, is accrued daily and paid quarterly. The interest on borrowings under the SCA is paid monthly and at a per annum interest rate based upon a contractual spread plus the higher of (1) the effective federal funds rate, (2) the 1-month LIBOR rate or (3) zero percent.

**8. Capital**

The Series Fund offers Class I and Class II shares. Neither Class I nor Class II shares of the Portfolio are subject to any sales charge or redemption charge and are sold at the net asset value of the Portfolio. Class I shares are sold only to certain separate accounts of Prudential to fund benefits under certain variable life insurance and variable annuity contracts ("contracts"). Class II shares are sold only to separate accounts of non-Prudential insurance companies as investment options under certain contracts. Class I shares are also offered to separate accounts of non-affiliated insurers for which Prudential or its affiliates administer and/or reinsure the variable life insurance or variable annuity contracts issued in connection with the separate accounts. The separate accounts invest in shares of the Series Fund through subaccounts that correspond to the Portfolio. The separate accounts will redeem shares of the Series Fund to the extent necessary to provide benefits under the contracts or for such other purposes as may be consistent with the contracts.

Transactions in shares of beneficial interest were as follows:

| Class I: | Shares | Amount |
|---|---|---|
| Six months ended June 30, 2017: | | |
| Series shares sold | 90,095 | $ 2,543,868 |
| Series shares repurchased | (2,095,674) | (59,050,948) |
| Net increase (decrease) in shares outstanding | (2,005,579) | $ (56,507,080) |
| Year ended December 31, 2016: | | |
| Series shares sold | 298,345 | $ 7,100,125 |
| Series shares repurchased | (5,255,263) | (127,500,306) |
| Capital contributions | — | 1,372,480 |
| Net increase (decrease) in shares outstanding | (4,956,918) | $(119,027,701) |
| **Class II:** | | |
| Six months ended June 30, 2017: | | |
| Series shares sold | 2,425 | $ 67,897 |
| Series shares repurchased | (16,851) | (471,832) |
| Net increase (decrease) in shares outstanding | (14,426) | $ (403,935) |
| Year ended December 31, 2016: | | |
| Series shares sold | 14,253 | $ 331,510 |
| Series shares repurchased | (154,480) | (3,689,170) |
| Capital contributions | — | 6,968 |
| Net increase (decrease) in shares outstanding | (140,227) | $ (3,350,692) |

## 9. Ownership & Affiliates

As of June 30, 2017, all of Class I shares of record of the Portfolio were owned by the Prudential Insurance Company of America (“PICA”), or subsidiaries thereof, on behalf of the owners of the variable insurance products issued by PICA. PICA is an indirect, wholly-owned subsidiary of Prudential.

## 10. Recent Accounting Pronouncements and Reporting Updates

On October 13, 2016, the SEC adopted new rules and forms and amended existing rules and forms which are intended to modernize and enhance the reporting and disclosure of information by registered investment companies and to improve the quality of information that funds provide to investors, including modifications to Regulation S-X which would require standardized, enhanced disclosure about derivatives in investment company financial statements. The compliance dates of the modifications to Regulation S-X are August 1, 2017 and other amendments and rules are generally June 1, 2018 and December 1, 2018. Management is currently evaluating the impacts to the financial statement disclosures.

## Financial Highlights
## (unaudited)

| | Value Portfolio Class I | | | | | |
|---|---|---|---|---|---|---|
| | Six Months Ended June 30, 2017 (a) | Year Ended December 31, 2016(a) | 2015(a) | 2014(a) | 2013 | 2012 |
| **Per Share Operating Performance:** | | | | | | |
| Net Asset Value, beginning of period | $ 27.08 | $ 24.31 | $ 26.48 | $ 24.05 | $ 18.07 | $ 15.93 |
| **Income (Loss) From Investment Operations:** | | | | | | |
| Net investment income (loss) | .23 | .46 | .39 | .29 | .22 | .22 |
| Net realized and unrealized gain (loss) on investments | 1.39 | 2.28 | (2.56) | 2.14 | 5.76 | 2.09 |
| Total from investment operations | 1.62 | 2.74 | (2.17) | 2.43 | 5.98 | 2.31 |
| **Less Distributions:** | — | — | — | — | — | (.17) |
| Capital Contributions(d) | — | .03 | — | — | — | — |
| Net Asset Value, end of period | $ 28.70 | $ 27.08 | $ 24.31 | $ 26.48 | $ 24.05 | $ 18.07 |
| **Total Return(b)** | 5.98% | 11.39%(e) | (8.19)% | 10.10% | 33.09% | 14.62% |
| **Ratios/Supplemental Data:** | | | | | | |
| Net assets, end of period (in millions) | $1,400.1 | $1,375.1 | $1,355.1 | $1,592.6 | $1,568.7 | $1,263.3 |
| Ratios to average net assets(c): | | | | | | |
| Expenses after waivers and/or expense reimbursement | .42%(f) | .42% | .43% | .40% | .40% | .43% |
| Expenses before waivers and/or expense reimbursement | .42%(f) | .42% | .43% | .42% | .43% | .43% |
| Net investment income (loss) | 1.67%(f) | 1.90% | 1.52% | 1.13% | 1.06% | 1.36% |
| Portfolio turnover rate | 9%(g) | 24% | 32% | 37% | 41% | 28% |

| | Value Portfolio Class II | | | | | |
|---|---|---|---|---|---|---|
| | Six Months Ended June 30, 2017 (a) | Year Ended December 31, 2016(a) | 2015(a) | 2014(a) | 2013 | 2012 |
| **Per Share Operating Performance:** | | | | | | |
| Net Asset Value, beginning of period | $ 26.84 | $ 24.19 | $ 26.45 | $ 24.12 | $ 18.20 | $ 16.04 |
| **Income (Loss) From Investment Operations:** | | | | | | |
| Net investment income (loss) | .18 | .37 | .29 | .18 | .16 | .17 |
| Net realized and unrealized gain (loss) on investments | 1.37 | 2.25 | (2.55) | 2.15 | 5.76 | 2.08 |
| Total from investment operations | 1.55 | 2.62 | (2.26) | 2.33 | 5.92 | 2.25 |
| **Less Distributions:** | — | — | — | — | — | (.09) |
| Capital Contributions(d) | — | .03 | — | — | — | — |
| Net Asset Value, end of period | $ 28.39 | $ 26.84 | $ 24.19 | $ 26.45 | $ 24.12 | $ 18.20 |
| **Total Return(b)** | 5.77% | 10.95%(e) | (8.54)% | 9.66% | 32.53% | 14.14% |
| **Ratios/Supplemental Data:** | | | | | | |
| Net assets, end of period (in millions) | $ 7.0 | $ 7.0 | $ 9.7 | $ 10.6 | $ 7.4 | $ 6.2 |
| Ratios to average net assets(c): | | | | | | |
| Expenses after waivers and/or expense reimbursement | .82%(f) | .82% | .83% | .80% | .80% | .83% |
| Expenses before waivers and/or expense reimbursement | .82%(f) | .82% | .83% | .82% | .83% | .83% |
| Net investment income (loss) | 1.27%(f) | 1.53% | 1.12% | .73% | .66% | .95% |
| Portfolio turnover rate | 9%(g) | 24% | 32% | 37% | 41% | 28% |

(a) Calculated based on average shares outstanding during the period.

(b) Total return is calculated assuming a purchase of a share on the first day and a sale on the last day of each period reported and includes reinvestment of distributions, if any, and does not reflect the effect of insurance contract charges. Total return does not reflect expenses associated with the separate account such as administrative fees, account charges and surrender charges which, if reflected, would reduce the total returns for all periods shown. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would be lower. Past performance is no guarantee of future results. Total returns may reflect adjustments to conform to generally accepted accounting principles. Total returns for periods less than one full year are not annualized.

(c) Does not include expenses of the underlying portfolios in which the Portfolio invests.

(d) Represents payment received by the Portfolio, from Prudential, in connection with the failure to maximize securities lending income due to a restriction that benefited Prudential.

(e) Total return for the year includes the impact of the capital contribution. Excluding the capital contribution, the total return for Class I and Class II would have been 11.27% and 10.83%, respectively.

(f) Annualized.

(g) Not annualized.

**SEE NOTES TO FINANCIAL STATEMENTS.**

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## Approval of Advisory Agreements

### *The Trust's Board of Trustees*

The Board of Trustees (the Board) of The Prudential Series Fund (the Trust) consists of nine individuals, eight of whom are not "interested persons" of the Trust, as defined in the Investment Company Act of 1940, as amended (the 1940 Act) (the Independent Trustees). The Board is responsible for the oversight of the Trust and each of its Portfolios, their operations, and performs the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Trustees have retained independent legal counsel to assist them in connection with their duties. The Chair of the Board is an Independent Trustee. The Board has established four standing committees: the Audit Committee, the Governance Committee, the Compliance Committee and the Investment Review and Risk Committee. Each committee is chaired by an Independent Trustee.

### *Annual Approval of the Trust's Advisory Agreements*

As required under the 1940 Act, the Board determines annually whether to renew the Trust's management agreement with PGIM Investments LLC ("PGIM Investments") and the Value Portfolio's (the Portfolio) subadvisory agreement. As is further discussed and explained below, in considering the renewal of the agreements, the Board, including all of the Independent Trustees, met on June 13-14, 2017 ("the Meeting") and approved the renewal of the agreements through July 31, 2018, after concluding that the renewal of the agreements was in the best interests of the Trust, the Portfolio and the Portfolio's beneficial shareholders.

In advance of the Meeting, the Trustees requested and received materials relating to the agreements, and had the opportunity to ask questions and request further information in connection with the consideration of those agreements. Among other things, the Board considered comparisons with other mutual funds in a relevant peer universe and peer group, as is further discussed below.

In approving the agreements, the Board, including the Independent Trustees advised by independent legal counsel, considered the factors it deemed relevant, including the nature, quality and extent of services provided, the performance of the Portfolio, the profitability of PGIM Investments and its affiliates, expenses and fees, and the potential for economies of scale that may be shared with the Portfolio and its shareholders. In their deliberations, the Trustees did not identify any single factor that alone was responsible for the Board's decision to approve the agreements. In connection with its deliberations, the Board considered information provided at or in advance of the Meeting, as well as information provided throughout the year at regular and special Board meetings, including presentations from PGIM Investments and subadviser personnel such as portfolio managers.

The Trustees determined that the overall arrangements between the Trust and PGIM Investments, which serves as the Trust's investment manager pursuant to a management agreement, and between PGIM Investments and Jennison Associates LLC (Jennison), which serves as the Portfolio's subadviser pursuant to the terms of a subadvisory agreement with PGIM Investments, are in the best interests of the Trust, the Portfolio and the Portfolio's shareholders in light of the services performed, fees charged and such other matters as the Trustees considered relevant in the exercise of their business judgment. The Board considered the approval of the agreements for the Portfolio as part of its consideration of agreements for multiple Portfolios, but its approvals were made on a Portfolio-by-Portfolio basis.

The material factors and conclusions that formed the basis for the Trustees' determinations to approve the renewal of the agreements are discussed separately below.

### *Nature, quality and extent of services*

The Board received and considered information regarding the nature, quality and extent of services provided to the Trust by PGIM Investments and the subadviser. The Board considered the services provided by PGIM Investments, including but not limited to the oversight of the subadviser, as well as the provision of recordkeeping and compliance services to the Trust. With respect to PGIM Investments' oversight of the subadviser, the Board noted that PGIM Investments' Strategic Investment Research Group (SIRG), a business unit of PGIM Investments, is responsible for screening and recommending new subadvisers when appropriate, as well as monitoring and reporting to the Board on the performance and operations of the subadvisers. The Board also considered that PGIM Investments pays the salaries of all of the officers and management Trustees of the Trust. The Board also considered the investment subadvisory services provided by the subadviser, as well as compliance with the Trust's investment restrictions, policies and procedures. The Board considered PGIM Investments' evaluation of the subadviser, as well as PGIM Investments' recommendation, based on its review of the subadviser, to renew the subadvisory agreement.

The Board reviewed the qualifications, backgrounds and responsibilities of PGIM Investments' senior management responsible for the oversight of the Trust and the subadviser, and also reviewed the qualifications, backgrounds and responsibilities of the subadviser's portfolio managers who are responsible for the day-to-day management of the Portfolio. The Board was provided with information pertaining to PGIM Investments' and the subadviser's organizational structure, senior management, investment operations and other relevant information pertaining to PGIM Investments and the subadviser. The Board also noted that it received favorable compliance reports from the Trust's Chief Compliance Officer (CCO) as to PGIM Investments and the subadviser. The Board noted that Jennison Associates LLC (Jennison), which serves as the subadviser to the Portfolio, is affiliated with PGIM Investments.

The Board concluded that it was satisfied with the nature, extent and quality of the investment management services provided by PGIM Investments and the subadvisory services provided to the Portfolio by the subadviser, and that there was a reasonable basis on which to conclude that the Portfolio benefits from the services provided by PGIM Investments and the subadviser under the management and subadvisory agreements.

### *Costs of Services and Profits Realized by PGIM Investments*

The Board was provided with information on the profitability of PGIM Investments and its affiliates in serving as the Trust's investment manager. The Board discussed with PGIM Investments the methodology utilized in assembling the information regarding profitability and considered its reasonableness. The Board recognized that it is difficult to make comparisons of profitability from fund management contracts because comparative information is not generally available and is affected by numerous factors, including the structure of the particular adviser, the types of funds it manages, its business mix, numerous assumptions regarding allocations and the adviser's capital structure and cost of capital. The Board considered information regarding the profitability of Jennison, which is an affiliate of PGIM Investments, on a consolidated basis. Taking these factors into account, the Board concluded that the profitability of PGIM Investments and its affiliates in relation to the services rendered was not unreasonable.

### *Economies of Scale*

The Board received and discussed information concerning whether PGIM Investments realizes economies of scale as the Portfolio's assets grow beyond current levels. The Board noted that economies of scale, if any, may be shared with the Portfolio in several ways, including low management fees from inception, additional technological and personnel investments to enhance shareholder services, and maintaining existing expense structures in the face of a rising cost environment. The Board recognized the inherent limitations of any analysis of economies of scale, stemming largely from the Board's understanding that most of PGIM Investments' costs are not specific to individual funds, but rather are incurred across a variety of products and services.

### *Other Benefits to PGIM Investments and the Subadviser*

The Board considered potential ancillary benefits that might be received by PGIM Investments, the subadviser, and their affiliates as a result of their relationship with the Trust. The Board concluded that potential benefits to be derived by PGIM Investments included compensation received by insurance company affiliates of PGIM Investments from the subadviser, as well as benefits to its reputation or other intangible benefits resulting from PGIM Investments' association with the Trust. The Board also considered information provided by PGIM Investments regarding the regulatory requirement that insurance companies determine that the fees and charges under their variable contracts are reasonable. The Board noted that the insurance company affiliates of PGIM Investments at least annually review and represent that the fees and charges of the variable contracts using the Portfolio are reasonable. The Board concluded that the potential benefits to be derived by the subadviser included the ability to use soft dollar credits, brokerage commissions that may be received by affiliates of the subadviser, as well as the potential benefits consistent with those generally resulting from an increase in assets under management, specifically, potential access to additional research resources and benefits to their reputations. The Board concluded that the benefits derived by PGIM Investments and the subadviser were consistent with the types of benefits generally derived by investment managers and subadvisers to mutual funds.

### *Performance of the Portfolio / Fees and Expenses / Other Factors*

With respect to the Portfolio, the Board also considered certain additional specific factors and made related conclusions relating to the historical performance of the Portfolio for the one-, three-, five- and ten-year periods ended December 31, 2016, except as otherwise noted below. The Board compared the historical performance of the Portfolio to the comparable performance of the Portfolio's benchmark index and to a universe of mutual funds (the Peer Universe) that were determined by Broadridge, Inc. (Broadridge), an independent provider of mutual fund data, to be similar to the Portfolio.

The Board also considered the Portfolio's actual management fee, as well as the Portfolio's net total expense ratio, for the calendar year 2016. The Board considered the management fee for the Portfolio as compared to the management fee charged by PGIM Investments to other funds and accounts and the fee charged by other advisers to comparable mutual funds in a group of mutual funds that were determined by Broadridge to be similar to the Portfolio (the Peer Group). The actual management fee represents the fee rate actually paid by Portfolio shareholders and includes any fee waivers or reimbursements. The net total expense ratio for the Portfolio represents the actual expense ratio incurred by Portfolio shareholders, but does not include the charges associated with the variable contracts.

The mutual funds included in the Peer Universe and each Peer Group were objectively determined by Broadridge, an independent provider of mutual fund data. The comparisons placed the Portfolio in various quartiles, with the 1st quartile being the best 25% of the mutual funds (for performance, the best performing mutual funds and, for expenses, the lowest cost mutual funds). To the extent that PGIM Investments deems appropriate, and for reasons addressed in detail with the Board, PGIM Investments may have provided and the Board may have considered, supplemental data compiled by Broadridge for the Board's consideration.

The section below summarizes key factors considered by the Board and the Board's conclusions regarding the Portfolio's performance, fees and overall expenses. The section sets forth gross performance comparisons (which do not reflect the impact on performance of any subsidies, expense caps or waivers that may be applicable) with the Peer Universe, actual management fees with the Peer Group (which reflect the impact of any subsidies or fee waivers), and net total expenses with the Peer Group, each of which were key factors considered by the Board.

| **Value Portfolio** | | | | |
|---|---|---|---|---|
| *Performance* | *1 Year* | *3 Years* | *5 Years* | *10 Years* |
| | 4th Quartile | 4th Quartile | 4th Quartile | 4th Quartile |
| *Actual Management Fees:* 1st Quartile | | | | |
| *Net Total Expenses:* 1st Quartile | | | | |

- The Board noted that the Portfolio underperformed its benchmark index over all periods
- The Board noted the portfolio manager team responsible for the Portfolio's long term performance record had been replaced during 2014, and that as a result, performance prior to that time was not attributable to the current portfolio manager team.
- The Board considered information provided by PGIM Investments, which indicated that the Portfolio's performance improved beginning in the second half of 2016, with the improved performance continuing through the first quarter of 2017. In this regard, the Board considered the most recent performance data provided by PGIM Investments, which indicated that for the one-year period ending March 31, 2017, the Portfolio outperformed its benchmark index and ranked in the first quartile of its Peer Universe.
- The Board also noted that it would continue to closely monitor the Portfolio's performance.
- The Board concluded that, in light of the above, it would be in the best interests of the Portfolio and its shareholders to renew the agreements, and that the management fees (including subadvisory fees) and total expenses were reasonable in light of the services provided.

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After full consideration of these factors, the Board concluded that the approval of the agreements was in the best interests of the Trust, the Portfolio and its beneficial shareholders.

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PSF-SAR VALUE-CLASS II