



Jackson National Life
Insurance Company®
Insuring your financial future.®

PPMA

Leandra Knes Johnson, President, CEO & CIO
Brion Johnson, EVP, Portfolio Management
Jim Young, EVP, Chief Credit Officer



PRUDENTIAL



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**LEANDRA KNES JOHNSON
PRESIDENT, CEO & CIO
PPM AMERICA, INC.**

THE NORTH AMERICAN INVESTMENT ARM OF PRUDENTIAL PLC



Jackson National Life
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- Founded in 1990, headquartered in Chicago
- Manages approximately \$73.2 billion in assets
 - Jackson National
 - Prudential UK and Prudential Asia
 - Institutional Collateralized Bond Obligation clients
 - Other clients
- 180 total employees in Chicago and New York City
- Third largest investment management company in Chicago
- More than 90% of our assets are fixed income assets

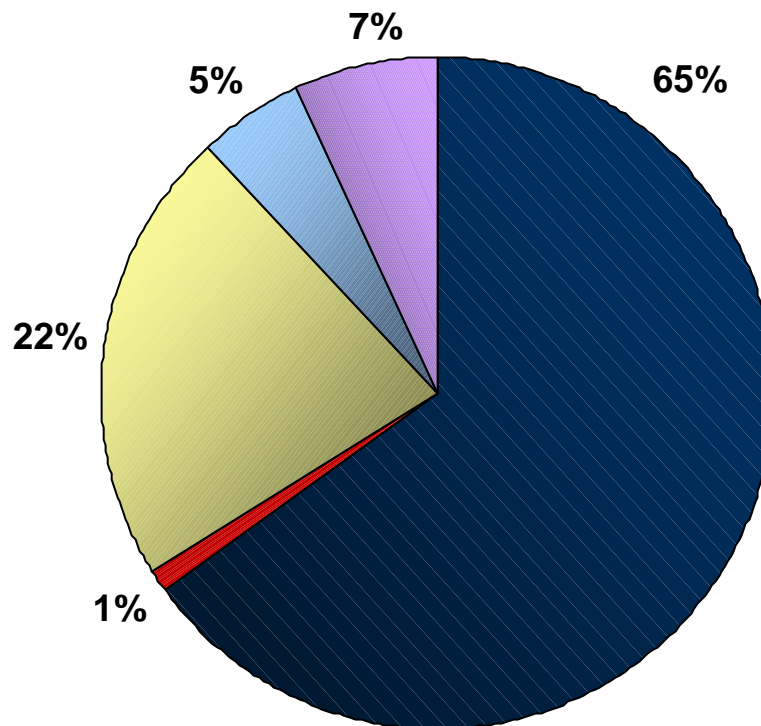
OVERWHELMING MAJORITY OF PPMA'S CLIENTS ARE INTERNAL



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ASSETS UNDER MANAGEMENT AS OF JUNE 30, 2005

\$73.2 billion



■ Jackson National Life
■ Prudential
■ Prudential Asia

■ Other
■ Collateralized Bond Obligations

HOW DO WE ADD VALUE FOR OUR CLIENTS?



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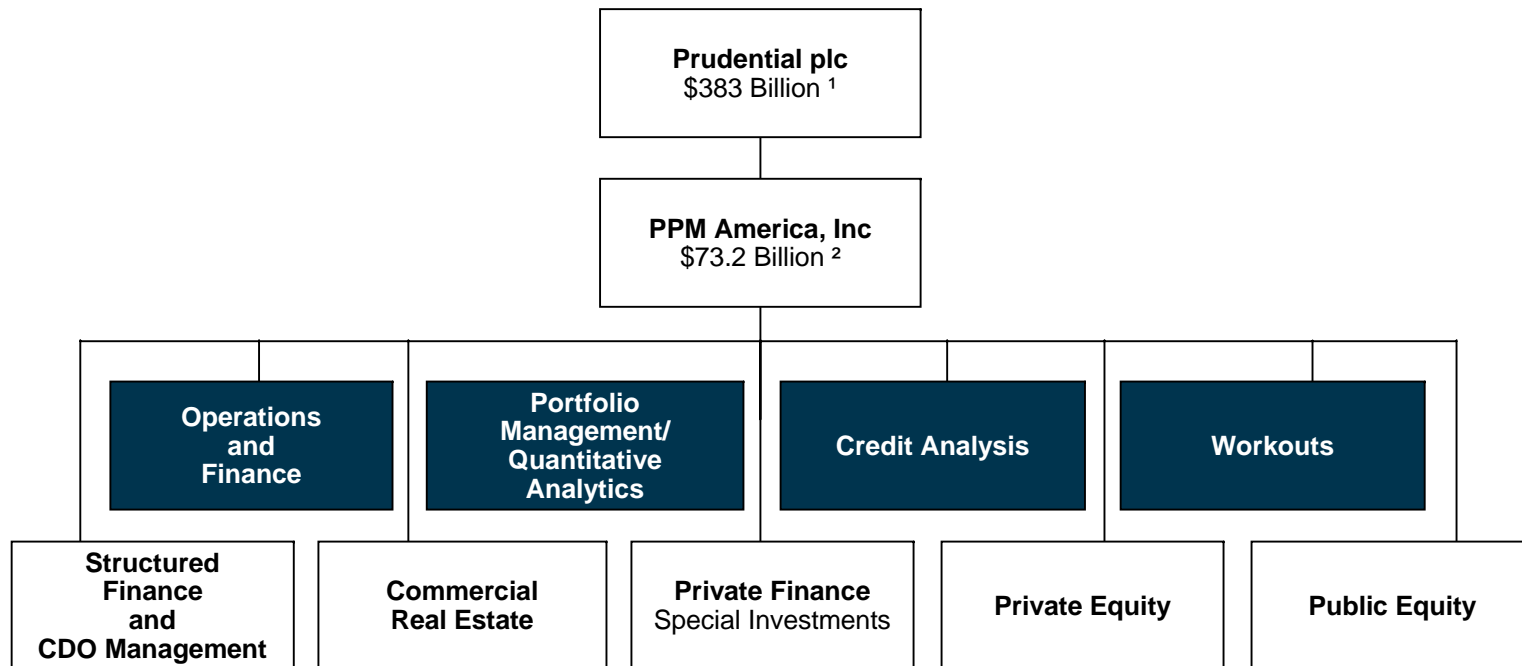
- Broad investment management capability / multi-asset class expertise
- Client-focused organizational structure
- Disciplined credit underwriting
- Investment performance

FUNCTIONAL ORGANIZATION STRUCTURE



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WE MANAGE A BROAD ARRAY OF FIXED INCOME AND EQUITY ASSETS



¹ As of June 30, 2005

² As of June 30, 2005; includes assets managed through PPM America's affiliate, PPM Finance, Inc.
Blue boxes indicate a firm-wide function.

ALIGNMENT WITH CLIENT OBJECTIVES



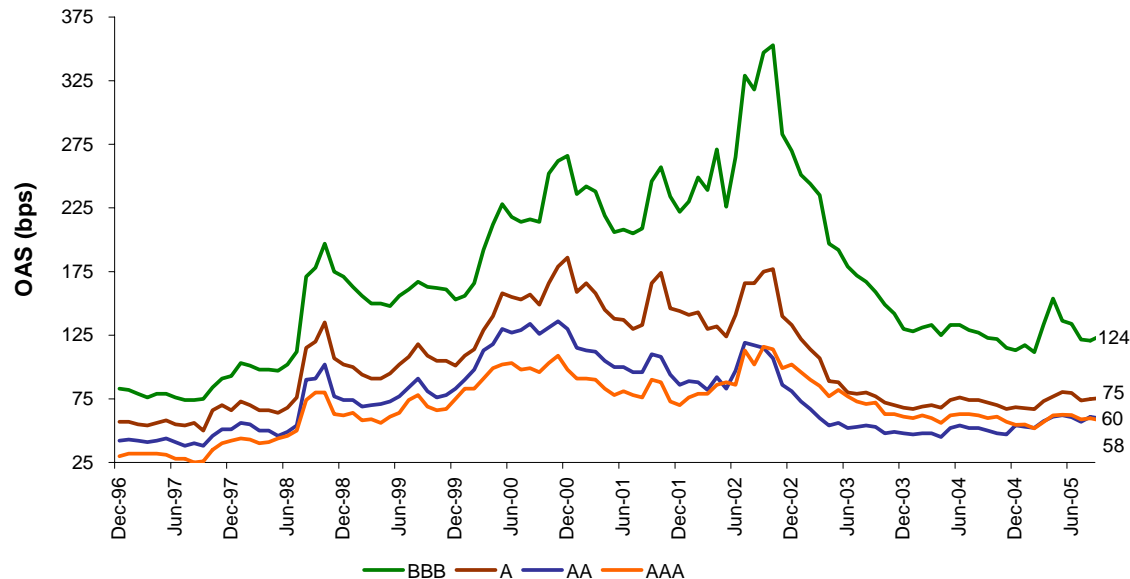
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- 90% of our compensation is driven by client investment performance
- PPM participates in the same LTIP plan as JNL
- PPM has developed performance metrics for each of its clients
 - Designed to be consistent with client objectives
- JNL's performance metrics are
 - Return metrics
 - Purchase/New money spreads
 - Outperforming pricing provisions for losses
 - Cash targets
 - Discretionary



INVESTMENT GRADE SPREADS

YTD 9/30/05



COMMENTS

- The U.S. economy continues to perform well despite oil prices and natural disasters
 - 2H2005 GDP of 3.3%
 - 5% unemployment
- Inflation rising, but contained
 - Producer prices were up 6.9% for the 12 months ended in September
 - Current surveys estimate the CPI will rise 3.7% this year.
- Reflecting good conditions investment grade spreads remain tight by historical standards

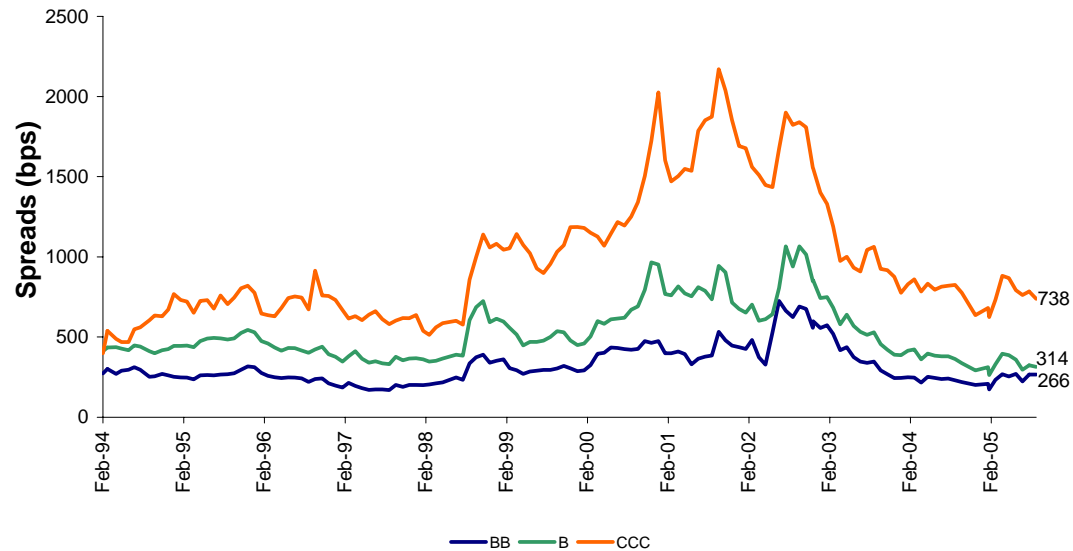
MARKET CONDITIONS



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HIGH YIELD SPREADS

YTD 9/30/05



COMMENTS

- High yield corporate fundamentals remain solid and defaults remain well below historic averages.
- Valuations remain tight by historical standards, particularly in lower rated credits



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BRION JOHNSON, EVP HEAD OF PORTFOLIO MANAGEMENT AND PUBLIC FIXED INCOME



PRUDENTIAL

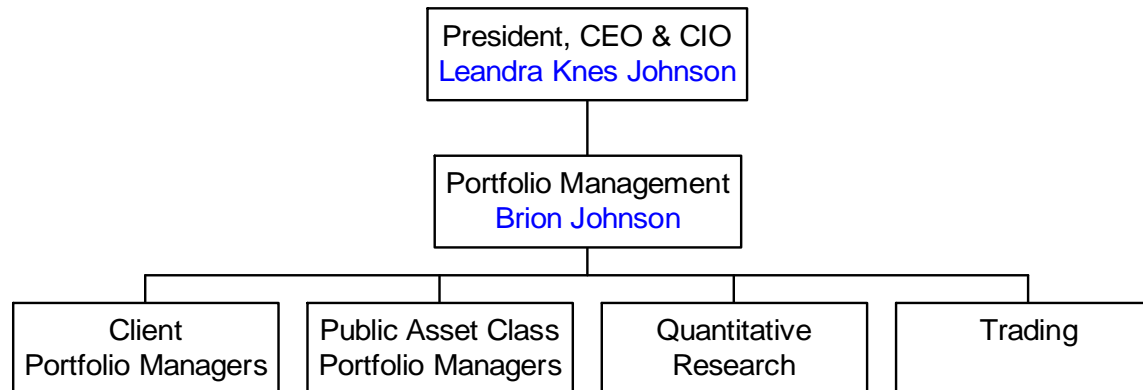
PORTFOLIO MANAGEMENT STRUCTURE



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MANAGE MULTIPLE ACCOUNTS USING TOTAL RETURN, "BUY AND MANAGE" AND OTHER CLIENT SPECIFIC STRATEGIES

- Client Portfolio Managers coordinate relationships, guide asset allocation and articulate client objectives via benchmarks
- Asset Portfolio Managers make sector and individual credit decisions for public fixed income securities
- Quantitative research supports these functions
- Trading transmits market information and centralizes our interactions with Wall Street

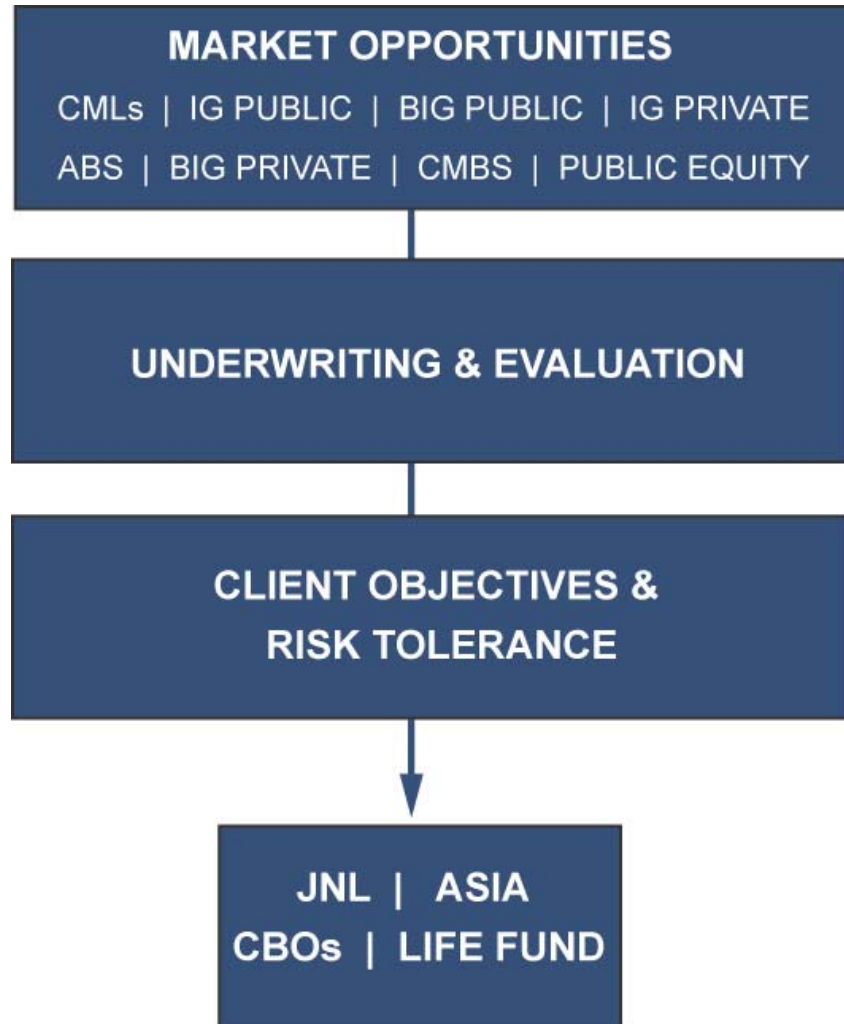


PORTFOLIO MANAGEMENT STRUCTURE

PPMA's Investment Process



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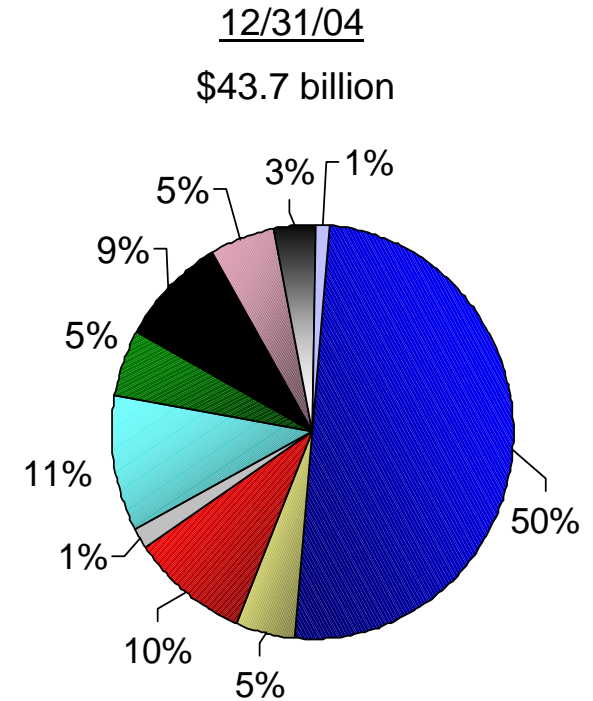
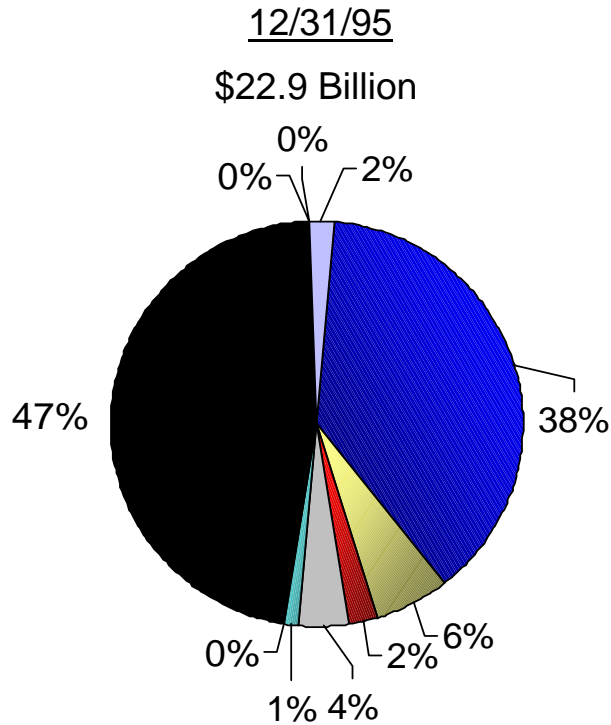
- Client focused
- Portfolio decisions made across the range of PPMA's multiple asset expertise
- Team oriented / individual accountability
- Multiple layers of investment judgment
- Emphasis on “value-added” investments when relative values are attractive
 - Commercial mortgage loans
 - Investment grade private placements
 - ABS and CMBS

JNL PORTFOLIO COMPOSITION



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JNL HAS BEEN MOVING TO A MORE DIVERSIFIED PORTFOLIO



- Investment grade public
- Non-investment grade public
- Investment grade private
- Non-investment grade private
- Commercial mortgage loans
- ABS
- RMBS
- CMBS
- Private equity
- Cash & other

Note: Excludes policy loans. Public bonds include 144A private placements.



INVESTED ASSETS MIX - JNL VS. INDUSTRY

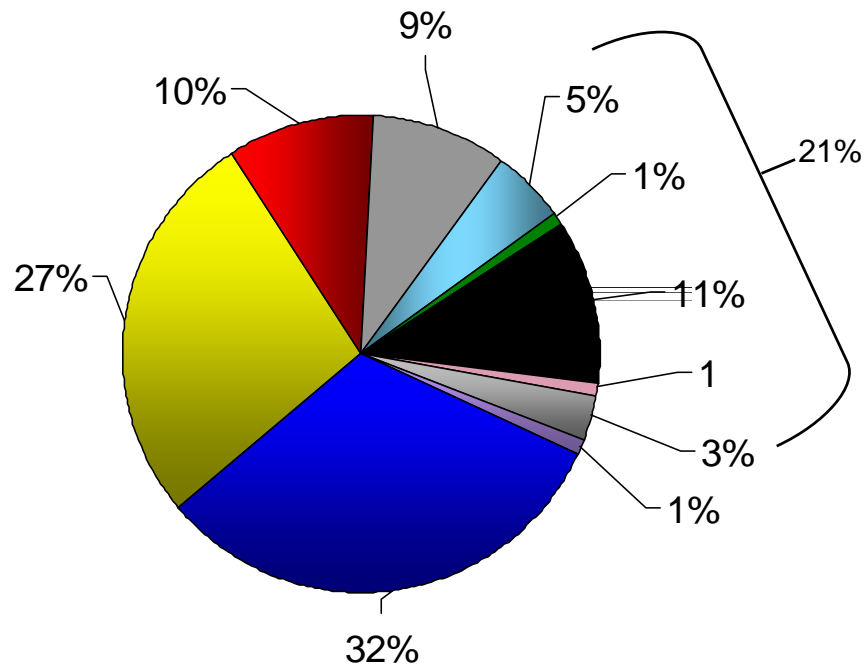


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FOCUS IS ON DIVERSIFIABLE INVESTMENT GRADE CREDIT RISK

JNL (6/30/05)

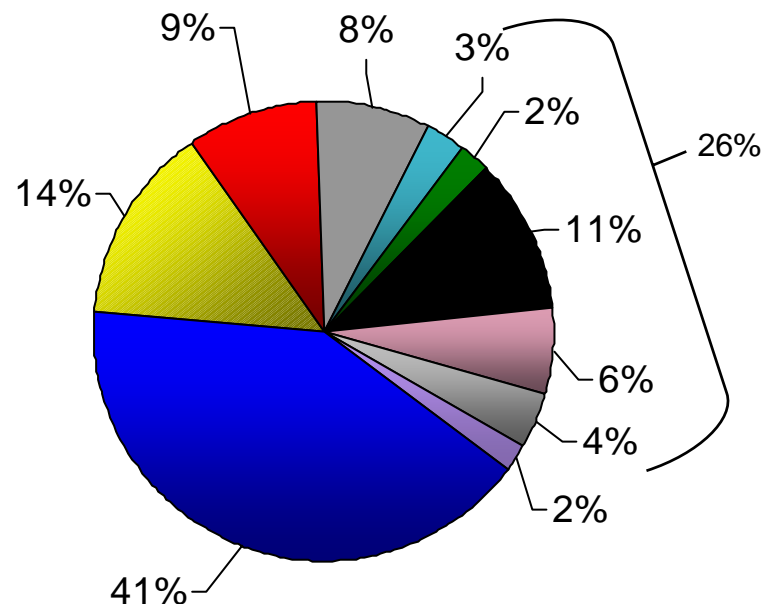
\$44.8 Billion



■ IG - Public (AAA-A)
■ IG - Private/144A (BBB)
■ Commercial Mortgages
■ Cash & other assets

■ IG - Public (BBB)
■ NIG - Public
■ Common & Preferred Stock

Industry (12/31/04)



■ IG - Private/144A (AAA-A)
■ NIG - Private/144A
■ Sch. BA & real estate

Notes:

Excludes policy loans and net of dollar roll leverage. As of 6/30/05 the statement value of 144A private placement bonds was \$4,053 million. Statutory financial data is consolidated to include Jackson National of New York.



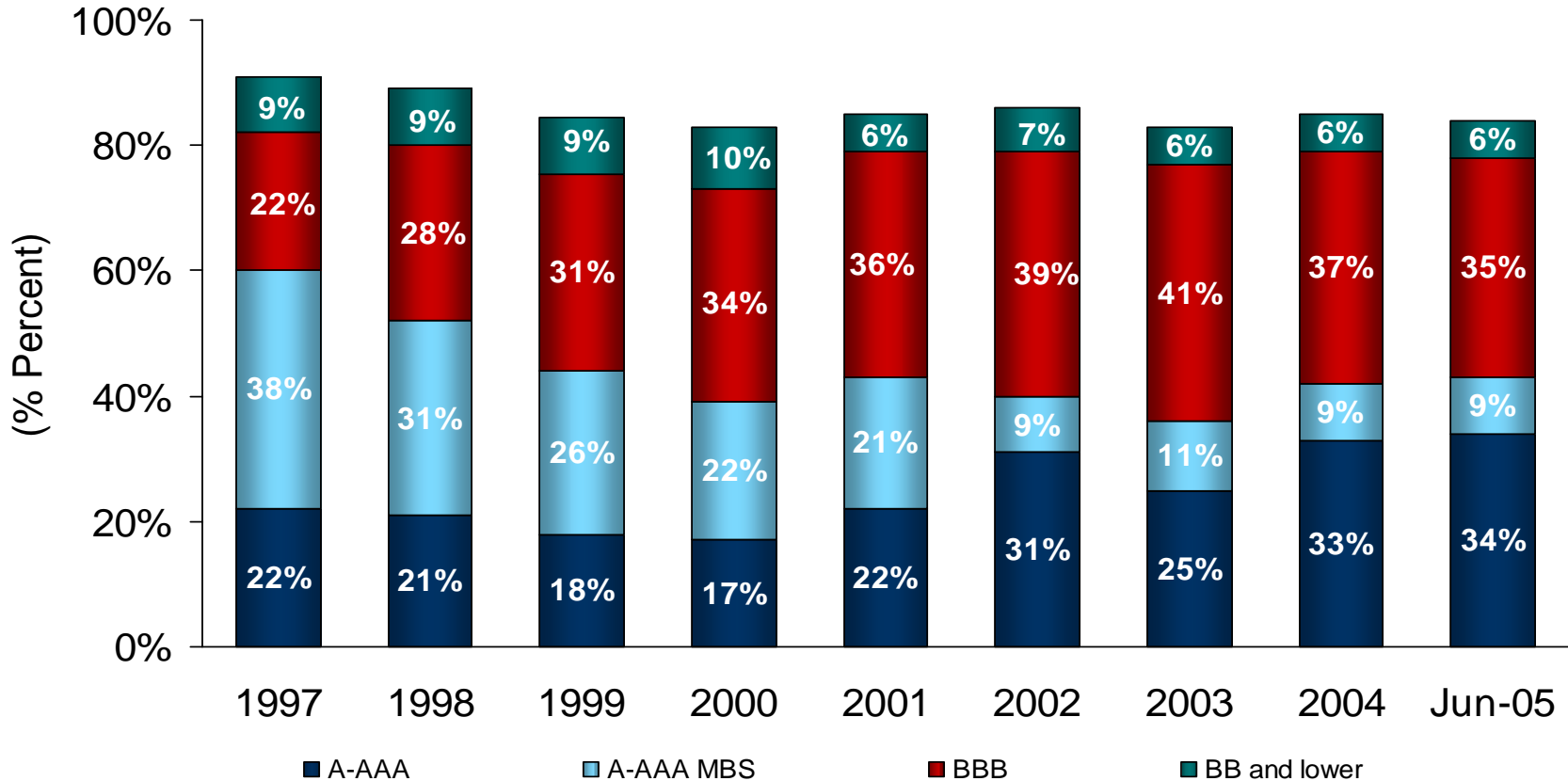
FIXED INCOME PORTFOLIO QUALITY

As % of cash and invested assets



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HIGH YIELD STRATEGICALLY AND TACTICALLY LOWER



Notes:

Percentages based on statutory accounting data. Excludes policy loans and net of dollar roll leverage. Beginning in 2001 data is consolidated to include Jackson National of New York.



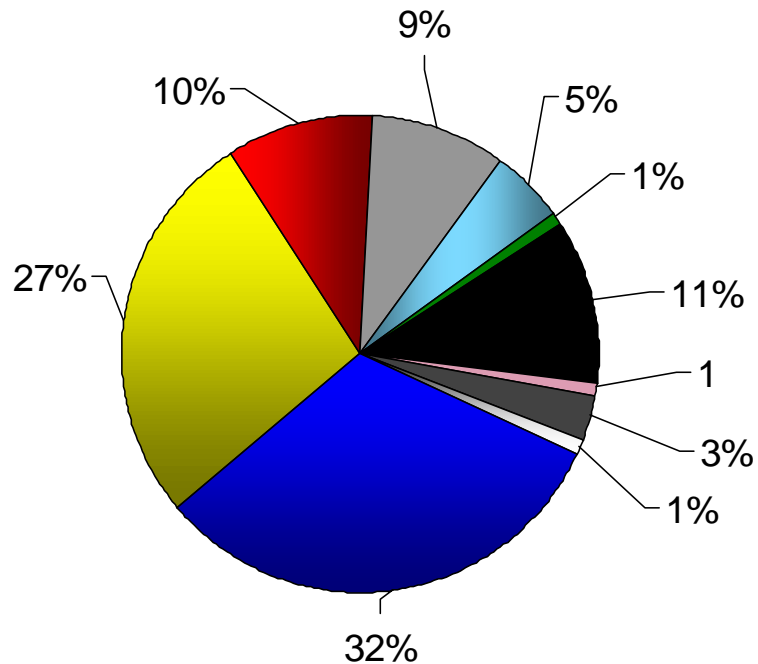
JNL'S INVESTMENT PORTFOLIO

Current position as June 30, 2005



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\$44.8 Billion



- | | | |
|---------------------------|----------------------------|-----------------------------|
| ■ IG - Public (AAA-A) | ■ IG - Public (BBB) | ■ IG - Private/144A (AAA-A) |
| ■ IG - Private/144A (BBB) | ■ NIG - Public | ■ NIG - Private/144A |
| ■ Commercial Mortgages | ■ Common & Preferred Stock | ■ Sch. BA & real estate |
| ■ Cash & other assets | | |

- Neutral duration – ALM run by JNL
- Opportunistically deploying cash
- Slightly underweight credit
 - Fundamentals good, but valuations tight
- Corporate portfolio somewhat defensive
 - Little value in B rated credit
 - Rising event risk in IG credit



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JIM YOUNG, EVP CHIEF CREDIT OFFICER AND HEAD OF STRUCTURED INVESTMENTS



PRUDENTIAL

CREDIT ANALYSIS

Credit intensive shop



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- 19 Analysts
- Industry specialization
- Analysts, on average, follow 2 industries and 40-50 credits
- Full underwriting and committee for all purchases
- Goal is to give Portfolio Managers information to guide purchase decision
- Know credits “real time”
- Focus on credit and relative value

CREDIT ANALYSIS

How are we doing?



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	<u>Actual Credit Losses</u>	<u>Market Implied Credit Losses ⁽¹⁾</u>	<u>Variance</u>
2003	38 bps	45 bps	7 bps
2004	3 bps	19 bps	16 bps
2005 (YTD)	1 bps	6 bps	5 bps
Average	17 bps	27 bps	10 bps

Notes:

⁽¹⁾Takes investment grade and high yield issuer default rates, weighted to reflect composition of JNL portfolio.



CREDIT ANALYSIS

How have we handled autos?



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GM Internal				Ford Internal				Delphi Internal			
Holdings	Rating	Opinion		Holdings	Rating	Opinion		Holdings	Rating	Opinion	
6/30/04	\$210MM	BBB	Buy At	12/31/04	\$148MM	BBB-	Buy Below	12/31/04	\$40MM	BB+	Buy At
12/31/04	\$124MM	BBB-	Buy Below	6/30/05	\$104MM	BBB- (N/O) ²	Buy Below	3/31/05	\$25MM	BB-	Buy Below
6/30/05	\$84MM ¹	BB+	Buy Below					5/31/05	\$0MM	B+	Sell

Notes:

¹\$39MM of this exposure is in GMAC

²Negative outlook



PROBLEM CREDITS AS OF 6/30/05

Better than pricing



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\$ in Millions

<u>Asset Class</u>	<u>Market Value</u>	<u>Statutory</u>		<u>GAAP</u>	
		<u>Book Value</u>	<u>Unrealized Gain / (Loss)</u>	<u>Book Value</u>	<u>Unrealized Gain / (Loss)</u>
ABS / CDO	\$0.2	\$0.2	\$0.0	\$0.2	\$0.0
Corporates	9.2	7.6	1.6	7.6	1.6
MBS / CMBS	15.7	17.5	(1.8)	15.9	(0.2)
Total	<u>\$25.1</u>	<u>\$25.3</u>	<u>(\$0.2)</u>	<u>\$23.7</u>	<u>\$1.4</u>

CREDIT OUTLOOK



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- Economy “strong enough”
- Leverage remains manageable
- Fraud much less of an issue

Overall, fundamentals should stay strong well into 2006



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HOW HAVE WE PERFORMED?



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- Credit impairments have out-performed metrics both near- and long-term
 - Benign credit environment
 - Performance better than the averages
- Corporate total return performance better than indices both near-term and long-term

	<u>Annual 2003</u>	<u>Annual 2004</u>	<u>YTD 2005</u>	<u>Annualized 2 Years 8 Months</u>
JNL Corporate Total Return	9.52	5.94	3.19	6.98
JNL Corporate Benchmark	9.43	4.95	2.55	6.32
JNL Corporate Excess Return	7.13	2.50	0.40	3.72
JNL Corporate Benchmark	6.58	2.04	0.34	3.33

SUMMARY



Jackson National Life
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- People
- Process
- Results