

YOUR SELF-DIRECTED BROKERAGE ACCOUNT HIGHLIGHTS



STATE OF HAWAII DEFERRED COMPENSATION PLAN PLAN NUMBER 300411

Your Self-Directed Brokerage Account Highlights

Prudential's Self-Directed Brokerage Account provides participants significantly expanded investment choices in addition to the core investments in the Plan. The following guidelines provide you with the details associated with opening and maintaining a Prudential Self-Directed Brokerage Account.

If you have any questions regarding your Core Account or your eligibility for the Self-Directed Brokerage Account, please call 1-888.71.ALOHA (1-888-712-5642) to speak with a Prudential Participant Service Representative, Monday through Friday, 2:00 AM to 3:00 PM, HST (during daylight savings). Once your brokerage account has been established you will be able to access it online via the Prudential Online Retirement Center.

Eligibility Requirements

- \$2,000 minimum account balance to open a Self-Directed Brokerage Account
- Initial transfer to the Self-Directed Brokerage Account of at least \$1,000 or more
- Subsequent transfers to your Self-Directed Brokerage Account of at least \$500 or more
- Minimum of 5% must remain in the Core Account at all times
- No additional funds can be transferred to your Self-Directed Brokerage Account if the Self-Directed Brokerage Account balance is 95% or greater of your total balance, or if proposed transaction will result in a balance greater than 95% in your Self-Directed Brokerage Account
- No minimums on transfers from your Self-Directed Brokerage Account back to your Core Account
- Transfers from the Stable Value Fund into the SDBA must be moved into one of the Plan's core equity options for a period of ninety (90) days. The reason for that is to discourage frequent trading and attempting to time the market. Once the 90-day period is over, you may transfer the money into the SDBA. Some funds may enforce trading restrictions and/or redemption fees in the SDBA. You should always read the fund's prospectus carefully before investing.

Eligible Investments

- Equity securities traded on U.S. Exchanges valued at \$1 or more at the time of purchase
- Covered calls on equities. If you would like to receive information on covered calls, please contact a Prudential Investment Specialist at 1-888-244-6237, Monday through Friday, 8:00 AM to 6:00 PM, ET.
- Taxable fixed income securities (corporate and governmental bonds)
- Mutual Funds. Refer to the enclosed Mutual Fund Families list for more information on the funds offered within each of the following fee structures:
 - Load Funds: All applicable sales loads apply, as identified under the terms of the prospectus
 - No Load Funds:
 - No Transaction Fee (NTF) Funds: Funds are no load, with no transaction fee, though 12b-1 fees (typically used to defray marketing and distribution expenses) still apply
 - Transaction Fee Funds: Offered without a load, but transaction fees apply

Ineligible Investments

The following investments will NOT be permitted through the SDB Account:

- Employer stock
- Commodities or other futures
- Options, other than covered calls
- Limited partnerships
- Mortgages
- Collectibles
- Any security listed on the restricted securities list supplied by your Plan Sponsor
- Mutual funds, fixed income securities, and other investment options offered in the Core Account
- Margin transactions
- Short sales

Any trades made in an impermissible investment may be liquidated at your expense. Prudential is not responsible for costs associated with breaking a trade in an impermissible investment.

Eligible Money Sources

You may transfer assets from any of the Plan's eligible money sources to the Self-Directed Brokerage Account.

Only sources in which you are 100% vested are eligible for transfer to the Self-Directed Brokerage Account.

Account Fees

There is no account fee payable for an open Self-Directed Brokerage Account.

Trading Fees

| | Fees/Commissions |
|-----------------------------------------|-----------------------------------------|
| Stocks &ETFs/Equities | |
| Commission Free ETFs | N/A |
| Internet Orders | \$8.95 |
| IVR orders | \$8.95 |
| Broker-assisted orders | \$24.99 |
| Mutual Funds: | |
| No Load – Internet Orders | |
| No Transaction Fee | No transaction fee |
| Transaction | \$8.95 |
| No Load – Broker-assisted Orders | |
| No Transaction Fee | No transaction fee |
| Transaction | \$8.95 |
| Mutual Funds - Load | No Fee/Load applies |
| Options/Covered Calls | \$8.95 + \$0.75 per contract |
| Fixed Income | |
| Agency Transactions | \$24.99 |
| Principal Transactions | Markup/markdown included in price quote |

Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-888.71.ALOHA (1-888-712-5642) for a free prospectus and if available, a summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available carefully before investing. It is possible to lose money when investing in securities.

This material is intended to provide information only. This material is not intended as advice or recommendation about investing or managing your retirement savings. By sharing this information, Prudential Retirement® is not acting as your fiduciary as defined by the Department of Labor or otherwise. If you need investment advice, please consult with a qualified professional.

Retail mutual funds and Self-Directed Brokerage are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ. PIMS is a Prudential Financial company. Member FINRA/SIPC. Self-Directed Brokerage Accounts are carried and maintained by National Financial Services LLC pursuant to a clearing agreement with PIMS. If you have any questions regarding the operation of the Self-Directed Brokerage Account portion of your retirement program, please contact a PIMS representative at 888-244-6237. All other inquiries can be referred to the Prudential representative at the phone number listed on your quarterly statement. Prudential participant service representatives, Prudential investment specialists, and Prudential representatives are registered representatives of PIMS.

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