



May 2018

Dear Island Savings Plan Participant:

***This notice is being sent to inform participants about a change related to the Victory Institutional Diversified Stock Fund\* (VIDSX), a Core Investment Option in the Plan. This notice is being sent to you even if you do not currently own investments in this fund. Please continue to read below if you would like more information about this change.***

**Re: FUND CHANGE REPLACEMENT OF THE VICTORY INSTITUTIONAL DIVERSIFIED STOCK FUND**

The Board of Trustees of the State of Hawaii Deferred Compensation Plan (also known as the Island Savings Plan, or the “Plan”) has voted to terminate the Victory Institutional Diversified Stock Fund because of the fund’s long-term underperformance. The Board will be replacing this fund with a large-cap stock fund, the **AMCAP Fund\*** (RAFGX), from American Funds, Capital Group.

The above-mentioned funds’ gross expense ratios are as follows:

Old Fund Name	New Fund Name	Old Gross Expense Ratio	New Gross Expense Ratio
Victory Institutional Diversified Stock Fund (VIDSX)*	AMCAP Fund (RAFGX)*	0.68%	0.36%

\*Registered mutual fund.

The **AMCAP Fund** Fact Sheet is available for viewing on the Plan’s website at: [prudential.com/islandsavings](http://prudential.com/islandsavings), under the “Investments” section. You may also request a copy of the Fund Fact Sheet by contacting the local Island Savings Plan office at **888-71-ALOHA** (888-712-5642) and Pressing “2”, weekdays from 8:00 a.m. to 5:00 p.m. HST (except on stock market holidays), and on Saturdays from 8:00 a.m. to 12:00 p.m. HST.

**Transition Date**

On **June 14, 2018**, all participant balances in the Victory Institutional Diversified Stock Fund will automatically transition to the **AMCAP Fund** at no cost to participants, unless a participant elects otherwise. Participants may begin trading in the **AMCAP Fund** on the next day.

**Your Options**

1. If you would like your existing balance in the Victory Institutional Diversified Stock Fund to be automatically transferred to the **AMCAP Fund**, you do not have to do anything. On **June 15, 2018**, you will automatically have a balance in the **AMCAP Fund** and may begin trading in the AMCAP Fund.

2. If you do not want your existing balance in the Victory Institutional Diversified Stock Fund to be automatically transferred to the **AMCAP Fund**, you may transfer funds out of the Victory Institutional Diversified Stock Fund to any of the Plan's other investment options, provided this is done prior to 10:00 a.m. HST/4:00 p.m. ET on **June 14, 2018**.

### **Changes within the Plan's Managed by Morningstar service, if applicable to you**

The Plan's asset allocation-managed account program, Managed by Morningstar, may be affected by the fund change if you are enrolled in the program. You may check the Plan website or call the Plan's Information Line below to confirm whether you are currently enrolled. The applicable fund change will be made automatically, and there is nothing that you need to do. If you have questions, please go to [prudential.com/islandsavings](http://prudential.com/islandsavings), or call the Plan's toll-free Information Line at **888-71-ALOHA** (888-712-5642).

### **Questions?**

If you have any questions on these changes, please feel free to speak with a local Plan Retirement Education Counselor by calling **888-71-ALOHA** (888-712-5642) and Pressing "2". Retirement Education Counselors are available weekdays, from 8:00 a.m. to 5:00 p.m. HST (except on stock market holidays), and on Saturdays from 8:00 a.m. to 12:00 p.m. HST to answer your questions.

**Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contains complete information about the investment options available through your plan. Please call 1-877-778-2100 for a free prospectus and if available, a summary prospectus that contains 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 by investing in securities.**

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