



Employees' Benefits Fair Is Coming to Honolulu in May 2018. Mark Your Calendar!

Learn more about the Island Savings Plan (“the Plan”) by attending the upcoming Employees' Benefits Fair on Oahu. Don't miss the chance to:

- ✓ Get information about your employment benefits from various benefit plan administrators.
- ✓ Learn more about available Retirement Plan benefits, investment options and helpful retirement tools.
- ✓ Learn how to register your Plan account online and sign up for the convenience of e-delivery to get fast access and more control over your retirement account.
- ✓ Attend benefits-related workshops geared to help promote financial wellness.

The Governor has generously given each employee up to two (2) hours to attend one fair this year, so don't miss out on this one-stop opportunity to learn more about your employee benefits. Plus, there will be a variety of prizes and giveaways!

Tuesday, May 22, 2018 | 9:00 a.m. to 4:00 p.m.

The Plaza Club, Pioneer Plaza | 20th Floor, 900 Fort Street Mall | Honolulu, HI 96813

Workshops Schedule:

- 9:15 a.m. Island Savings Plan Overview
- 10:15 a.m. Island Savings Plan—Pre-Retirement
- 11:15 a.m. HI529 College Savings Program*
- 12:15 p.m. The Power of Ahupua`a
- 1:15 p.m. Morningstar Investment Advice and Managed Accounts
- 2:15 p.m. Island Savings Plan—How Millennials Can Plan for the Journey to Retirement
- 3:15 p.m. Island Savings Plan—Pre-Retirement

*The HI529 College Savings Program is not affiliated with Prudential Financial or any of its affiliates.

Fund Updates

Stable Value Fund

Effective April 1, 2018, the Second Quarter 2018 rate is 2.88%.

Fund Replacement

The Board of Trustees 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 funds' gross expense ratios are as follows:

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

**Registered mutual fund.

Note: Unless a participant elects otherwise, on June 14, 2018, all participant balances in the Victory Institutional Diversified Stock Fund will be automatically transitioned to the AMCAP Fund at no cost to participants. Participants may begin trading in the AMCAP Fund on the next day.

Great News—Plan's Third-Party Administrative Fees Are Going Down

The State of Hawaii recently renewed Prudential for Third Party Administrative Services through June 2021. Due to a variety of factors, including plan growth, it was determined that the recordkeeping fees will be reduced from **0.125% (12.5 basis points)** on plan assets to **0.11% (11 basis points)**, effective **April 1, 2018**. This is an annualized fee that is deducted from your account on a quarterly basis, and you will see the reduced rate on your Second Quarter 2018 statement.

Millennials: Invest in Your Retirement!

If you're a millennial, there's no doubt you have a lot on your plate. Student loan debt, rent payments, utilities... sound familiar? But it's important to start planning, especially while you're young. Keeping long-term goals in mind and building a successful retirement takes proper planning. If you reduce the impulse to spend all you have accumulated, you can stay on track for retirement.

Not sure how to start? Here are some key points to consider:

- ✓ If you're not yet contributing to a retirement savings plan, start now. Begin with a small amount, and as you're able, gradually increase your contributions.
- ✓ Start a budget and track your progress 24/7 on the Plan's website. The website has been redesigned for enhanced optimization and quicker access for mobile phones and tablets.
- ✓ Speak with a local Retirement Education Counselor for more information about the Island Savings Plan.

Remember—when you're young, you have the benefit of having time on your side. Even saving a small percentage of your salary now will add up over the years. Plus, with the Island Savings Plan, you have access to asset allocation programs such as GoalMaker® or a LifeCycle fund, which does the work for you to keep your allocations balanced and can help guide you as you gradually increase contributions over time to help fill the gap.

Savings Thought Starters

- 1 Saving early is key. The earlier you can start putting money away for retirement or other big goals, the better. The longer money remains in an account, the more potential it has to grow.
- 2 Saving consistently is almost as important as saving early. Set an amount you're comfortable saving each month, put those contributions on "autopilot," and forget about it. Consistent saving is a big part of retirement savings success.
- 3 The way wealthy people continue to build their wealth isn't a big secret. They spend less than they earn, save the difference, and let the power of potential compound earnings help their money grow.

Market Volatility is No Reason to Panic

When the market fluctuates, your first instinct may be to cut your losses. While this is tempting, it could also be a costly mistake. Changing the course could mean missing out on potential market rebounds. Instead, here are a few strategies to consider:

- A well-diversified portfolio can help balance potential market ups and downs.
- Invest steadily by putting aside the same amount on a regular basis.
- Stay focused on your long-term goals instead of short-term market swings.

The upcoming Employees' Benefits Fair is a great opportunity to attend informational workshops that will give you an overview of the key features and benefits of the Island \$avings Plan, the importance of asset allocation, pre-retirement planning and investment advice.

Plus, you can meet with dedicated Prudential Retirement Education Counselors who can help you enroll, increase your contribution or consolidate qualified retirement assets..

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

Check out the upcoming Workshops and One-on-One sessions!

A complete schedule of the workshops and one-on-one sessions is available at [prudential.com/islandsavings](https://www.prudential.com/islandsavings). Go to the "Plan News & Announcements" section (on the homepage) to access the schedules and find out when a Retirement Education Counselor will be in your area to help you better plan for retirement. You may also call **888-712-5642** and select "2" to set up a visit from a local Island \$avings Plan Retirement Education Counselor at your location.

RETIREMENT EDUCATION COUNSELORS

Tom Kalili, *Big Island*
Kapena Kim, *Oahu/Maui*
Peter Eddy, *Oahu/Kauai*
Al Lee, *Oahu/Molokai/Lanai*
Kevin Malmud, *Plan Manager*

LOCAL OFFICE STAFF— RETIREMENT EDUCATION TEAM

Grace Baracao, *Oahu*
Jeanne Kanai, *Oahu*

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Kenneth Villabrille
*Employee Member, County of
Kauai Department of Finance*

Kalei Rapoza
*Employee Member, University of
Hawaii at Hilo*

Island Savings Plan Line:
888-71-ALOHA
(888-712-5642)

Automated toll-free phone number is available 24/7.

- **Select “1” to speak with a Participant Service Representative**
Weekdays, 2:00 a.m. to 3:00 p.m. HST (Daylight Savings), or 3:00 a.m. to 4:00 p.m. HST (after Daylight Savings ends).
- **Select “2” to contact a local Island Savings Plan Retirement Education Counselor**
Weekdays, 8:00 a.m. to 5:00 p.m. HST, and Saturdays, 8:00 a.m. to 12:00 p.m. HST.
- **Website: prudential.com/islandsavings**



**Prudential Retirement
Honolulu Office**
1100 Alakea Street, Suite 1550
Honolulu, HI, 96813

Office Hours
8:00 a.m. to 5:00 p.m. HST
Monday to Friday,
8:00 a.m. to 12:00 p.m. HST Saturday

Free Parking
Entrance on Alakea Street,
parking ticket validated at
the local office.



Prudential

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 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. You can lose money by investing in securities.

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