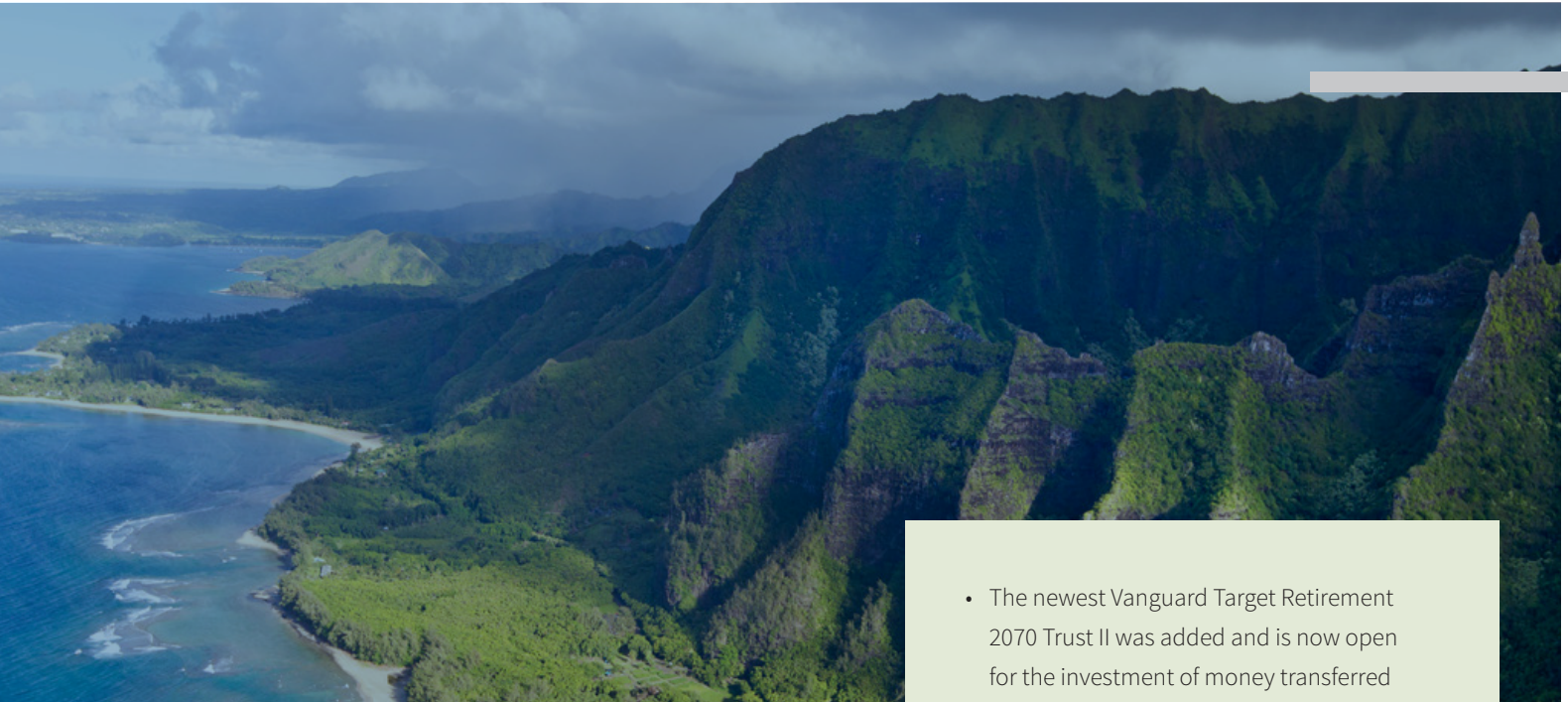




# NEWSLETTER



## Important Changes to Vanguard Target Retirement Trust II Options

At the May 20, 2022, Board meeting, the Board was informed that the Vanguard Target Retirement 2015 Trust II will be closed to new investments as of July 8, 2022 — and all balances and future contributions will be directed to the Vanguard Target Retirement Income Trust II. Additionally, the Board voted to add the Vanguard Target Retirement 2070 Trust II.

- The newest Vanguard Target Retirement 2070 Trust II was added and is now open for the investment of money transferred into the Plan.
- Effective July 28, 2022, the Vanguard Target Retirement 2070 Trust II is designed to offer the younger employees who have a longer time horizon before retirement with a low-cost portfolio solution to start saving for retirement.
- The fund provides a complete and diversified portfolio in one single fund that automatically adjusts over time without a need to manually rebalance or adjust your risk profile.
- No action was required for participants that wanted their existing balances and any future contributions in the Vanguard Target Retirement 2015 Trust II to be automatically transferred to the Vanguard Target Retirement Income Trust II.





## Fund Updates

Stable Value Fund

Effective July 1, 2022, the Third-Quarter 2022 rate is 2.14%.

## Upcoming Scheduled Events

Concerned About Market Volatility? Register for an upcoming webinar. As an investor, one of your biggest concerns may be your ability to weather market ups and downs. That concern will likely grow as you approach retirement.

To register, simply click the session below you would like to attend.

- **Tuesday | August 23, 2022 | 11:00 a.m. HST**
- **Tuesday | August 23, 2022 | 12:00 p.m. HST**
- **Wednesday | August 24, 2022 | 11:00 a.m. HST**
- **Wednesday | August 24, 2022 | 12:00 p.m. HST**
- **Thursday | August 25, 2022 | 11:00 a.m. HST**
- **Thursday | August 25, 2022 | 12:00 p.m. HST**

▶ *The webinar lasts approximately 45 minutes to an hour.*



## Mark your calendar for the Plan's Next Virtual Benefits Fair!

Planning is underway for this year's Virtual Benefits Fair, which will be scheduled for Wednesday, October 26, 2022, from 8:00 a.m. to 5:00 p.m. HST.

The 2022 Virtual Benefits Fair will bring several options to explore the many benefits of the Island Savings Plan and learn more about the tools and resources that are available. Some of the planned activities will include live workshops, interactive activities with the Plan's investment fund managers, and new financial wellness resources and Plan tools.

Look for more information and announcements in the coming weeks that will explain how you can attend the Fair virtually.

# Why Inflation Should Factor Into Your Retirement Strategy

It is hard to avoid the topic of inflation these days. Turn on the nightly news or scroll through the headlines and you cannot miss stories talking about the inflation-driven bump in the cost of living for everyone.

Inflation can have a sizable impact on your everyday finances. You see its effects every time you buy groceries or fill the gas tank. But it can also have an impact on your future retirement — even when the rate of inflation is closer to the historical average.

**Here is why.** Inflation eats away at the purchasing power of every dollar you save. According to the **Bureau of Labor Statistics**,<sup>1</sup> you would need \$1.61 in today's money to match the purchasing power of \$1 in 2002. What is the connection with your retirement? If you are investing most or all the contributions to your retirement account in safer investments with a lower return potential,

your investments may not be keeping pace with inflation. As a result, you may be hurting your chances of achieving your future retirement income goals. Ideally, your portfolio will consist of a mix of investments in different asset classes — with a balance of risk and return potential that matches your risk tolerance and your planned retirement date while helping you keep up with the rate of inflation.

Every investment comes with risk. Even an overly conservative approach to investing can put you at greater risk of the negative impact of inflation. Schedule some time with a Retirement Education Counselor from the local office to understand how you can better manage investment risk to minimize the impact of inflation on your retirement readiness.

## Retirement Education Counselors Are Here to Help

Dedicated local Retirement Education Counselors are available to help you with any Plan questions and assist you. So, take a moment to set up a personal appointment to help keep you prepared for the future you want.

**Peter Eddy** | Oahu, Kauai

Mobile: 808-436-9789

Email: [Peter.Eddy@empower.com](mailto:Peter.Eddy@empower.com)

**Set up a virtual one-on-one**

**Kapena Kim** | Oahu, Kauai

Mobile: 808-208-3376

Email: [Kapena.Kim@empower.com](mailto:Kapena.Kim@empower.com)

**Set up a virtual one-on-one**

**Tom Kalili** | Big Island

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Email: [Thomas.Kalili@empower.com](mailto:Thomas.Kalili@empower.com)

**Set up a virtual one-on-one**

**Peter Moraski** | Oahu, Molokai and Lanai

Mobile: 808-285-3011

Email: [Peter.Moraski@empower.com](mailto:Peter.Moraski@empower.com)

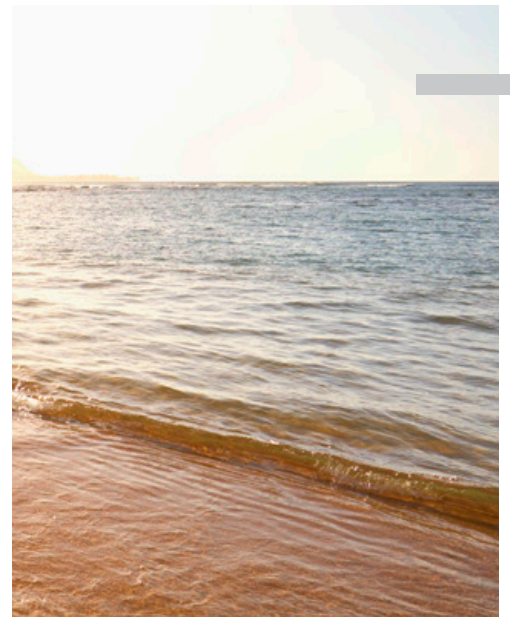
**Set up a virtual one-on-one**

**Kevin Malmud** | Manager, Retirement Counseling

Mobile: 808-269-6353

Email: [Kevin.Malmud@empower.com](mailto:Kevin.Malmud@empower.com)

**Set up a virtual one-on-one**



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## Empower

Honolulu Office

1100 Alakea Street, Suite 1550

Honolulu, HI 96813

### Office hours

8:00 a.m. to 5:00 p.m. HST weekdays

8:00 a.m. to 12:00 p.m. HST Saturdays

### Free parking

Entrance on Alakea Street; parking ticket validated at the local office

## Island Savings Plan Info Line

888-71-ALOHA (888-712-5642). This automated, toll-free phone number is available 24/7.

Select “1” to speak with a Participant Service Representative weekdays from 2:00 a.m. to 3:00 p.m. HST (DST) or from 3:00 a.m. to 4:00 p.m. HST (after DST ends).

Select “2” to contact a local Island Savings Plan Retirement Education Counselor weekdays from 8:00 a.m. to 5:00 p.m. HST and Saturdays from 8:00 a.m. to 12:00 p.m. HST.

*The Vanguard Retirement Trust Investments are Collective Investment Trusts and not mutual funds. CITs are exempt from SEC registration and are designed for and exclusively sold to qualified retirement plans and their participants and other eligible trusts, CITs are not available to individual retail investors.*

*The date in the name of the target date fund is the assumed date of retirement. The asset allocation becomes more conservative as the fund nears the target retirement date; however, the principal value of the fund is never guaranteed.*



**Important information: Effective April 1, 2022, Empower officially acquired the retirement business of Prudential. For more information associated with the acquisition, please visit [here](#).**

1 [www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)

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