TRANSITION GUIDE

Important details on the transition of the Island $avings Plan

The State of Hawaii
Deferred Compensation Plan

The Island $avings Plan is coming together with Prudential Retirement, the Rock for retirement.

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IMPORTANT INFORMATION:
If you are enrolled in the Plan’s Self-Directed Brokerage option at TD Ameritrade through ING or the Professional Account Manager (“PAM”) program powered by Financial Engines please go to: www.prudential.com/islandsavings, click on the ‘Transition Information’ tab, then the ‘Transition Notice’ tab to review additional documents related to the transfer of these accounts. If you want to maintain your Self-Directed Brokerage Account, you will need to complete an application and return it to Prudential Retirement by July 10, 2013. You may also call Prudential Retirement at 1-855-71A-LOHA (1-855-712-5642) to receive these documents.
On July 29, 2013, the State of Hawaii Deferred Compensation Plan (also known as the Island $avings Plan) will be transferring to a new Third Party Administrator (“TPA”) — Prudential Retirement®. Once your account moves to Prudential Retirement, you will have enhanced tools, lower fees, and ease in managing your account to help you better prepare for retirement.

Prior to the move on July 29, 2013, there will be a brief transition period during which your account will not be available to you. This is referred to as a “blackout period.” It is important that you understand the schedule of activities for this move and plan accordingly.

Please use this guide to help you understand what will happen during this transition.

NEW! AUTOMATIC ASSET ALLOCATION TOOL.

GoalMaker® is an easy-to-use, optional asset allocation program that will be available at no additional cost. It is designed to take the guesswork out of choosing your investments. It uses two key pieces of information—your investor style and your years to retirement to create a portfolio that may help you meet your retirement goals. See page 5 to learn more.
WHAT WILL HAPPEN TO MY EXISTING ACCOUNT?

Your Island $avings Plan account will be moved to Prudential Retirement during the brief blackout period. Your investments will automatically transfer and no action is required with the exception of those participants with a transferring Self-Directed Brokerage account. Those participants will need to complete and return the Self-Directed Brokerage application to Prudential Retirement.

If you want to make changes prior to the transition, log on to your account at www.islandsavings.ingplans.com before 10 a.m. HST on July 19, 2013. You should review your current assets and allocations for future contributions as these elections will transfer to Prudential Retirement.

IMPORTANT DATES TO KEEP IN MIND

In order to ensure a smooth and accurate transition of your account, there are some important dates for you to keep in mind. The following chart lists the deadlines for various transactions.

<table>
<thead>
<tr>
<th>Date</th>
<th>Impact to</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 18, 2013 before 10 a.m. HST</td>
<td>Current account with ING</td>
<td>This is the last day to submit a request for an Unforeseeable Emergency Withdrawal.</td>
</tr>
</tbody>
</table>
| July 19, 2013 before 10 a.m. HST | Current account with ING | This is the last day you can conduct the following activities:  
- Request a distribution  
- Change your allocations for future contributions  
- Move your assets among investments |
| July 19, 2013, from 10 a.m. HST through July 29, 2013 | Current account with ING | This is the blackout period. During this time, ING account records will be reconciled and moved to Prudential Retirement. You will not be able to make any transactions or changes to your account. You will, however, be able to view your account. |
| July 29, 2013 | New account at Prudential Retirement | This is when the blackout period is scheduled to end and you will once again have full access to review your account balance and process transactions. Be sure to:  
- Set up your UserID and Password for Web access  
- Set up your Personal Identification Number (PIN) for phone access  
- Review all tools and resources available  
- Review your beneficiary(ies) |
The Island Savings Plan will provide several approaches to investment offerings, allowing you a choice to select the option that best suits your needs. **Funds currently offered through the Island Savings Plan will remain the same.**

The following chart illustrates the Island Savings Plan’s investments.

### Investment Options

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Fund Name/Ticker Symbol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable Value</td>
<td>• Stable Value Fund</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>• BlackRock U.S. Bond Index</td>
</tr>
<tr>
<td></td>
<td>• PIMCO Total Return (PTTRX)*</td>
</tr>
<tr>
<td>Balanced</td>
<td>• Vanguard Wellington (VWENX)*</td>
</tr>
<tr>
<td>Large Cap Stock</td>
<td>• BlackRock U.S. Large Cap Index</td>
</tr>
<tr>
<td></td>
<td>• Victory Institutional Diversified Stock (VIDSX)*</td>
</tr>
<tr>
<td></td>
<td>• Wellington Research Value Portfolio</td>
</tr>
<tr>
<td></td>
<td>• Mainstay Large Cap Growth (MLAIX)*</td>
</tr>
<tr>
<td></td>
<td>• JPMorgan Diversified Real Return (JRLRX)*</td>
</tr>
<tr>
<td>Small/Mid Cap Stock</td>
<td>• Harbor Small Cap Value (HASCX)*</td>
</tr>
<tr>
<td></td>
<td>• BlackRock U.S. Small/Mid Cap Growth</td>
</tr>
<tr>
<td></td>
<td>• Century Small/Mid Cap Growth</td>
</tr>
<tr>
<td></td>
<td>• BlackRock Non-U.S. Small/Mid Cap Index</td>
</tr>
<tr>
<td>Global/International Stock</td>
<td>• MFS International Value Equity (MINJX)*</td>
</tr>
<tr>
<td></td>
<td>• American Funds EuroPacific Growth (RERGX)*</td>
</tr>
<tr>
<td></td>
<td>• Schroder Global Emerging Markets Core Equity (SEMNX)*</td>
</tr>
<tr>
<td>Asset Allocation</td>
<td>• Lifecycle Income Fund</td>
</tr>
<tr>
<td></td>
<td>• Lifecycle 2015 Fund</td>
</tr>
<tr>
<td></td>
<td>• Lifecycle 2025 Fund</td>
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<td></td>
<td>• Lifecycle 2035 Fund</td>
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<tr>
<td></td>
<td>• Lifecycle 2045 Fund</td>
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<tr>
<td></td>
<td>• Lifecycle 2055 Fund</td>
</tr>
</tbody>
</table>

* Registered mutual fund.

As you review your investments, remember that all investing involves various risks including the possible loss of principal.

The Lifecycle Funds are target date funds. The target date is the approximate date when participants plan to start withdrawing their money. The asset allocation of the target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.
INVESTMENT OPTIONS

The Island $avings Plan will offer several ways to invest for your retirement. Based on how comfortable you are with investing, you can:

1. **Do it yourself:**
   - If you would like to select and manage your own investments, you can pick from the core offering of 22 investment fund options.
   - Or, you may transfer a portion of your retirement assets to a Self-Directed Brokerage account that offers access to a broad choice of investments that are not available within the plan’s core investment lineup. If you would like more information about the Self-Directed Brokerage option with Prudential Retirement**, these materials will be available on the website—www.prudential.com/islandsavings—after July 29, 2013.

2. **Do it with guidance:**
   - Lifecycle Funds—Made up of a combination of the Plan’s existing core investment options based on a target retirement date, or a date when a participant plans to withdraw money for retirement purposes. Participants may choose the fund with an underlying portfolio that best fits their risk tolerance, time horizon, and investment goals, and targets their anticipated retirement date.
   - GoalMaker—If you’re looking for guidance that can help take the guesswork out of selecting and maintaining the right investment mix, GoalMaker is an asset allocation tool, available at no additional cost, that recommends a professionally-designed portfolio of investments available in the plan, and then manages it over time, rebalancing quarterly to keep it true to its investment objectives.
   - Manage your own account, with professional advice—If you would like an expert opinion while choosing your investments, but want to maintain control over your retirement account, you have access to Investment Advice based on recommendations by Morningstar, available at no additional cost. For more information about Investment Advice, see the enclosed flyer.
   - Have it done for you—If you have outside assets or unique circumstances which require a more personalized, comprehensive strategy, you can opt for Managed Accounts, where Morningstar creates, implements, and then manages your investment strategy at a cost of 35 basis points (0.35%).

For more information about these investment options, go to www.prudential.com/islandsavings.

** No annual fee for using the brokerage window; however, the participants shall still be required to pay all transaction and other costs charged by Prudential Investment Management Services (PIMS) that are comparable to fees that are currently being charged.
**QUESTIONS & ANSWERS**

**Is the Island Savings Plan website address and phone number changing?**

The new website address will be changed to www.prudential.com/islandsavings. The Island Savings Plan Line phone number, 1-888-71A-LOHA (1-888-712-5642), will remain the same after the transition.

**Will I need to create a new UserID and Password to access my Island Savings Plan account online?**

Yes. Log on to your account on or after July 29, 2013, at www.prudential.com/islandsavings, click “Account Access” and then click “Register Now.” Follow the instructions to create your UserID and Password.

**Will I need to create a new Personal Identification Number (PIN) to access the Island Savings Plan Line?**

Yes. On or after July 29, 2013 call 1-888-71A-LOHA (1-888-712-5642), Monday through Friday, 3 a.m. to 2 p.m. HST, enter your Social Security number and follow the instructions to create your new PIN.

**Do I need to designate or update my beneficiary(ies)?**

No. If you already have designated a beneficiary(ies), your designation(s) will automatically transfer to Prudential Retirement. However, this is a good time to review or update your beneficiary information.

**What will happen to my contributions during the transition period?**

Payroll deductions taken after July 19, 2013, will be directed to your account with Prudential Retirement. These deductions will be invested and available for viewing beginning July 29, 2013.

**Will I receive a statement showing me that my money has transferred to Prudential Retirement?**

Yes. The current provider, ING, will send your statement of account as of July 25, 2013. The statement will show a closing balance to reflect that the money has been moved to Prudential Retirement. You will then receive a special statement from Prudential Retirement that your account has moved successfully.

**How much will I be assessed for the administration fee?**

Participants in the Island Savings Plan have always been charged general Plan administration and recordkeeping fees. The administrative fee will be 0.125% (i.e., 12.5 basis points). Prudential Retirement will assess an administrative fee on a quarterly basis, and it will be reported on your quarterly statement.

The fee amount of 12.5 basis points, which is 0.125% of your account balance, is an annualized fee that is deducted from your account on the last day of each quarter.

**Will my quarterly statements be sent to me electronically with the new provider?**

Yes, but only if you currently receive them electronically. Otherwise, statements will be mailed to your address on record. After the transition, you can elect anytime to receive your statements electronically online at www.prudential.com/islandsavings.

**Do I need to re-enroll in Catch-Up Contributions?**

No. Your age 50 and three year Catch-Up Contributions will continue uninterrupted. If you are age 50 or older, you may now sign up for Catch-Up Contributions at www.prudential.com/islandsavings by clicking “Contribution Rate” in the “Account Detail” section of your online account from July 29, 2013.

**I am not currently enrolled in the Plan. Can I enroll now?**

Yes. Eligible employees can enroll anytime—before or after the blackout period. Please keep in mind that the blackout will begin on July 19, 2013, at 10 a.m. HST and will be completed on or about July 29, 2013.

**If I submitted a rollover contribution request, enrollment request, or other requests in writing to ING by July 19, 2013, who will be processing these requests?**

Any request form submitted in writing to ING by July 19, 2013, that is not processed will be sent to Prudential Retirement to complete the request.

**How do I find out more on the transition?**

Beginning June 20, 2013, you can call the Transition Hotline at 1-855-71A-LOHA (1-855-712-5642) and choose option “2.” (See details on page 7.)

On-site workshops will be held during the months of July and August. Island Savings Plan representatives will be available at select on-site locations during this time to answer your questions and provide information on the enhanced tools and services that will be available to you once the transition is complete. View the meeting schedule at: www.prudential.com/islandsavings.
Once the transition is complete, you will have access to the following:

**New Island Savings Plan website**  
— [www.prudential.com/islandsavings](http://www.prudential.com/islandsavings)  
Review your account balance, research your investment options, perform transactions and learn more about planning for retirement – all through a redesigned, easy-to-navigate website. It will have information that will help you learn the fundamentals of saving and investing for retirement.

Also available is an interactive Retirement Income Calculator that quickly helps you figure out if you’re saving enough for retirement, what to do if you’re not, and how to stay on track.

**Island Savings Plan Line**  
— **1-888-71A-LOHA (1-888-712-5642)**  
 Obtain account information or perform transactions through the automated voice response system, 24/7. If you have questions or need assistance, representatives are available Monday through Friday, 3 a.m. to 4 p.m. HST beginning July 29, 2013.

**New mobile capabilities**  
The [www.prudential.com/islandsavings](http://www.prudential.com/islandsavings) website is optimized on all mobile devices so you can access your account information wherever you are.

**Local Retirement Counselors**  
Seven dedicated education representatives will be available by phone and on-site. Look for the new scheduling tool starting in August at [www.prudential.com/islandsavings](http://www.prudential.com/islandsavings).

The new local office is located at 1100 Alakea Street, Suite 1550, Honolulu, Hawaii 96813. Office hours will be 8 a.m. to 5 p.m. HST, Monday through Friday and 8 a.m. to 12 p.m. HST on Saturday.

Visitor parking is available in the building via the Bishop Street entrance.

**REMEMBER**
1. Your paycheck contributions will continue
2. Your current account and investment directions will transfer to Prudential Retirement
3. Log on to [www.islandsavings.ingplans.com](http://www.islandsavings.ingplans.com) before 10 a.m. HST on July 19, 2013 if you want to change your investments before the transition.

**TRANSITION HOTLINE FROM JUNE 20 - JULY 29, 2013**
We are committed to making the move to Prudential Retirement as fast and straightforward as possible. If you have any questions about the transition, call Prudential Retirement at **1-855-71A-LOHA (1-855-712-5642)** and choose option “2.” The transition team is available Monday through Friday from 6 a.m. to 2 p.m. HST.
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.

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 (855) 646-4015 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.

Shares of the registered mutual funds are offered by Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company. Prudential Retirement is a Prudential Financial business.

Brokerage services are offered through Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.

The Retirement Income Calculator is hypothetical and for illustrative purposes only and is not intended to represent performance of any specific investment, which may fluctuate. There is no assurance that retirement income objectives will be met. It is possible to lose money by investing in securities.

The Stable Value Fund is invested approximately 50% in a guaranteed interest contract with the Prudential Insurance Company of America (PICA), Newark NJ 07102 and 50% with Invesco Institutional. The Prudential Financial assets are managed by the Fixed Income Group at Jennison Associates, LLC, a Prudential Financial company. Any guarantees associated with the PICA portion are subject to the claims paying ability of PICA. The Invesco assets are backed by a diversified portfolio of bonds that are held in trust for the Fund and are managed by Invesco, PIMCO, Blackrock and Jennison. The Stable Value assets are not FDIC insured, may lose value and are not bank guaranteed. PICA Contract form # GA-8215.

The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments.

The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.

Prudential Financial and its representatives are not tax or legal advisors. Consult your own legal or tax advisor with specific questions.

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