

**SUPPLEMENT DATED MARCH 2025 TO THE  
COLLEGE SAVE  
PLAN DISCLOSURE STATEMENT AND PARTICIPATION AGREEMENT  
DATED AUGUST 2022**

**This Supplement describes important changes affecting College SAVE. Unless otherwise indicated, capitalized terms have the same meaning as those in the Plan Disclosure Statement.**

**REPLACEMENT OF THE AGE-BASED PORTFOLIOS WITH NEW TARGET ENROLLMENT PORTFOLIOS**

Effective on or about April 11, 2025, College SAVE Age-Based Portfolios are replaced by Target Enrollment Portfolios. Account Owners invested in an Age-Based Portfolio on this date will have their assets automatically transitioned into a new Target Enrollment Portfolio, or in some cases an Individual Portfolio, as shown in the tables below (the "Transition"). The Transition is based on the age of your Designated Beneficiary according to our records, and your age-based option: aggressive, moderate, or conservative. This Transition will not count towards your twice per calendar year exchange limit. Account Owners invested in an Age-Based Investment Option at the time of the Transition will see this change on the quarterly statement following the Transition, you will not receive a separate transaction confirmation.

In order to implement this transition, College SAVE will be unable to process any Account transactions or Account changes beginning on or about 4 p.m. Eastern time on Thursday April 10, 2025, until on or about 8 a.m. Eastern time on Monday April 14, 2025. Transaction requests (including withdrawals, contributions, and Investment Option changes) received in good order effective for Friday April 11, 2025, will be held and processed on or about Monday April 14, 2025, and receive that day's Trade Date.

<b>Assets Invested in the Aggressive Age-Based Option</b>	
Designated Beneficiary Date of Birth	New Target Enrollment Portfolios
08/01/2023 – 4/11/2025	Target Enrollment 2042/2043 Portfolio
08/01/2021 - 07/31/2023	Target Enrollment 2040/2041 Portfolio
08/01/2019 - 07/31/2021	Target Enrollment 2038/2039 Portfolio
08/01/2017 - 07/31/2019	Target Enrollment 2036/2037 Portfolio
08/01/2015 - 07/31/2017	Target Enrollment 2034/2035 Portfolio
08/01/2013 - 07/31/2015	Target Enrollment 2032/2033 Portfolio
08/01/2011 - 07/31/2013	Target Enrollment 2030/2031 Portfolio
08/01/2009 - 07/31/2011	Target Enrollment 2028/2029 Portfolio
08/01/2007 - 07/31/2009	Target Enrollment 2026/2027 Portfolio
08/01/2005 - 07/31/2007	Target Enrollment 2024/2025 Portfolio
07/31/2005 or Earlier	Commencement Portfolio

<b>Assets Invested in the Moderate Age-Based Option</b>	
Designated Beneficiary Date of Birth	New Target Enrollment Portfolios
08/01/2023 – 4/11/2025	Target Enrollment 2042/2043 Portfolio
08/01/2021 - 07/31/2023	Target Enrollment 2040/2041 Portfolio
08/01/2019 - 07/31/2021	Target Enrollment 2038/2039 Portfolio
08/01/2017 - 07/31/2019	Target Enrollment 2036/2037 Portfolio
08/01/2015 - 07/31/2017	Target Enrollment 2034/2035 Portfolio
08/01/2013 - 07/31/2015	Target Enrollment 2032/2033 Portfolio
08/01/2011 - 07/31/2013	Target Enrollment 2030/2031 Portfolio
08/01/2009 - 07/31/2011	Target Enrollment 2028/2029 Portfolio

08/01/2008 – 7/31/2009	Target Enrollment 2026/2027 Portfolio
08/01/2007 - 07/31/2008	Income Portfolio
08/01/2005 - 07/31/2007	Income Portfolio
07/31/2005 or Earlier	Income Portfolio

<b>Assets Invested in the Conservative Age-Based Option</b>	
Designated Beneficiary Date of Birth	New Target Enrollment Portfolios
08/01/2023 – 4/11/2025	Target Enrollment 2038/2039 Portfolio
08/01/2021 - 07/31/2023	Target Enrollment 2036/2037 Portfolio
08/01/2019 - 07/31/2021	Target Enrollment 2034/2035 Portfolio
08/01/2017 - 07/31/2019	Target Enrollment 2032/2033 Portfolio
08/01/2015 - 07/31/2017	Target Enrollment 2030/2031 Portfolio
08/01/2013 - 07/31/2015	Target Enrollment 2028/2029 Portfolio
08/01/2011 - 07/31/2013	Target Enrollment 2026/2027 Portfolio
08/01/2009 - 07/31/2011	Target Enrollment 2024/2025 Portfolio
08/01/2008 – 7/31/2009	Commencement Portfolio
08/01/2007 - 07/31/2008	Interest Accumulation Portfolio
08/01/2005 - 07/31/2007	Interest Accumulation Portfolio
07/31/2005 or Earlier	Interest Accumulation Portfolio

The Portfolio transitions shown in the tables above were designed with the goal of matching a new Target Enrollment Portfolio with a mix of stocks, bonds, and short-term reserves that is most similar to the mix in your former Age-Based Portfolio. As a result, your new Target Enrollment Portfolio date may differ from your beneficiaries expected enrollment date. The allocation mix for each new Target Enrollment Portfolio may be found in the Asset Allocation Table in item number 7 below.

After the transition is completed, all Age-Based Portfolios will be closed. If you would prefer not to be invested in the Target Enrollment Portfolio (or where applicable, the Individual Portfolio) Investment Option, you may exchange your investments out of the Age-Based Portfolios to a Portfolio of your choosing no later than 3:59 p.m. Eastern time on April 10, 2025, provided you have not already made two portfolio exchanges already this calendar year. If you wish to make additional changes once this transition has occurred, you can request an exchange at any time, though it will count towards the twice per year exchange limit.

Effective April 14, 2025, the following changes are made to the Plan Disclosure Statement

1. *The following replaces the first sentence and associated bullet points in the EXPLANATION/REASON column corresponding to the feature “Investment Options and Performance” on page 5 of the Plan Disclosure Statement:*

You may choose to invest in one or more of the following Investment Options, based upon your investing preferences and risk tolerance:

- Eleven (11) Target Enrollment Portfolios; and
- Six (6) Individual Portfolios.

2. *The following replaces the paragraph entitled “Investment Option” on page 7 of the Plan Disclosure Statement:*

**Investment Option** – One of seventeen (17) investment approaches offered in the Plan – eleven (11) Target Enrollment Portfolios and six (6) Individual Portfolios.

3. *The following replaces the first sentence and associated bullet points in the section entitled “Choose an Investment Option” on page 10 of the Plan Disclosure Statement:*

You may select from a number of Investment Options that fall into the following two categories:

- **Target Enrollment Portfolios:** The asset allocation of the money invested in the Target Enrollment Portfolio Options is automatically adjusted over time to become more conservative as the Designated Beneficiary’s target year of enrollment draws nearer. The asset allocation for the Commencement Portfolio is not adjusted as the Commencement Portfolio has already reached its most conservative phase. There are eleven (11) Target Enrollment Portfolios to choose from.
- **Individual Portfolios:** Your money is invested in a single Portfolio and remains static over time, meaning it does not change. There are six (6) Individual Portfolios to choose from.

4. *The following replaces the section entitled “Investment Option Summary” on page 11 of the Plan Disclosure Statement:*

### **Investment Option Summary**

The Plan’s menu of professionally managed Investment Options is designed by the Trustee to give you a full range of investment choices. You can choose from:

- **Eleven (11) Target Enrollment Portfolios,** The asset allocation of the money invested in the Target Enrollment Portfolio Options is automatically adjusted over time to become more conservative as the Designated Beneficiary’s target year of enrollment draws nearer. The asset allocation for the Commencement Portfolio is not adjusted as the Commencement Portfolio has already reached its most conservative phase.
- **Six (6) Individual Portfolios,** which offer investment choices of stock funds, bond funds, and a short-term reserves account. If you choose an Individual Portfolio, your money will remain in that Portfolio until you instruct the Plan to move it.

Whenever you contribute money to your Account, you may allocate the contribution among a maximum of five (5) Investment Options. For example, you may choose five (5) Individual Portfolios, or one (1) Target Enrollment Portfolio and four (4) Individual Portfolios, etc. Regardless of how many Investment Options you select, you must allocate a minimum of five percent (5%) of your contribution to each Investment Option. For example, you could choose three (3) Investment Options and allocate your contribution 60%, 35%, and 5%. The Investment Option allocation(s) that you select upon opening an Account will serve as the standing investment allocation for the Account. All contributions will be invested according to this standing allocation, unless you instruct otherwise

5. *The following replaces the section entitled “Age-Based Options” on page 11 of the Plan Disclosure Statement:*

## Target Enrollment Portfolio Options

As the Account Owner, you may select from among eleven available Target Enrollment Portfolios, depending on your investment style, risk tolerance and individual circumstances:

- Target Enrollment 2042/2043 Portfolio
- Target Enrollment 2040/2041 Portfolio
- Target Enrollment 2038/2039 Portfolio
- Target Enrollment 2036/2037 Portfolio
- Target Enrollment 2034/2035 Portfolio
- Target Enrollment 2032/2033 Portfolio
- Target Enrollment 2030/2031 Portfolio
- Target Enrollment 2028/2029 Portfolio
- Target Enrollment 2026/2027 Portfolio
- Target Enrollment 2024/2025 Portfolio
- Commencement Portfolio

The Target Enrollment Portfolios are a simplified approach to education investing. We have designed these Investment Options to allow you to consider an Investment Option based upon your risk tolerance and your Designated Beneficiary's anticipated year of enrollment in an Eligible Educational Institution. For example, if you expect your Designated Beneficiary to attend college beginning in the year 2036 or 2037, you may consider the Target Enrollment 2036/2037 Portfolio; or, you may consider one of the other Target Enrollment Portfolios if your risk tolerance is more conservative or more aggressive.

The asset allocation of the money invested in the Target Enrollment Portfolio Options is automatically adjusted quarterly over time to become more conservative as the Designated Beneficiary's target year of enrollment draws nearer. The Commencement Portfolio is designed for investors who are withdrawing for qualified education expenses. This Portfolio's allocation to stocks and bonds is the allocation that all Target Enrollment Portfolios are expected to assume within four years after their designated enrollment year. As such this Portfolio seeks to minimize risk. The asset allocation for the Commencement Portfolio is not adjusted as the Commencement Portfolio has already reached its most conservative phase. Target Enrollment Portfolios are rebalanced on an ongoing basis to ensure that they are allocated as close to the target allocations as possible. About every two (2) years, a new Target Enrollment Portfolio is created and assets of the oldest Target Enrollment Portfolio are transferred into the Commencement Portfolio.

Portfolios with higher allocations to bonds and capital preservation funds tend to be less volatile than those with higher stock allocations. Less-volatile Portfolios generally will not decline as far when stock markets go down, but they also generally will not appreciate in value as much when stock markets go up. There is no assurance that any Investment Option will be able to reach its goal. For information about the objective, strategy, and risks for each Underlying Investment in the Target Enrollment Portfolio Option, see "Part III. Plan Investment Options - Underlying Fund Profiles" beginning on page 21 of the Plan Disclosure Statement.

6. *The following replaces the first sentence of the section entitled "Individual Portfolios" on page 11 of the Plan Disclosure Statement:*

Unlike the Target Enrollment Portfolios, the Individual Portfolios do not change asset allocations as the Designated Beneficiary ages.

7. *The following replaces the section entitled "Asset Allocation Table" on page 12 of the Plan Disclosure Statement:*

## Asset Allocation Table

The table below shows the asset allocation and Underlying Fund composition of each Portfolio.

	VANGUARD TOTAL STOCK MARKET INDEX FUND	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	VANGUARD TOTAL BOND MARKET II INDEX FUND	VANGUARD TOTAL INTERNATIONAL BOND INDEX FUND	VANGUARD SHORT-TERM INFLATION-PROTECTED SECURITIES INDEX FUND	VANGUARD SHORT-TERM RESERVES ACCOUNT
<b>Target Enrollment Portfolios (as-of April 11, 2025)</b>	<b>Stocks</b>		<b>Bonds</b>			<b>Short-term Reserves</b>
Target Enrollment 2042/2043 Portfolio	57.00%	38.00%	3.50%	1.50%	0.00%	0.00%
Target Enrollment 2040/2041 Portfolio	54.60%	36.40%	6.30%	2.70%	0.00%	0.00%
Target Enrollment 2038/2039 Portfolio	49.80%	33.20%	11.90%	5.10%	0.00%	0.00%
Target Enrollment 2036/2037 Portfolio	42.60%	28.40%	20.30%	8.70%	0.00%	0.00%
Target Enrollment 2034/2035 Portfolio	35.40%	23.60%	28.70%	12.30%	0.00%	0.00%
Target Enrollment 2032/2033 Portfolio	30.60%	20.40%	34.30%	14.70%	0.00%	0.00%
Target Enrollment 2030/2031 Portfolio	22.96%	15.31%	38.50%	16.50%	0.00%	6.73%
Target Enrollment 2028/2029 Portfolio	15.36%	10.24%	38.08%	16.32%	0.00%	20.00%
Target Enrollment 2026/2027 Portfolio	11.60%	7.73%	33.11%	14.19%	0.00%	33.37%
Target Enrollment 2024/2025 Portfolio	9.28%	6.19%	26.53%	11.37%	0.00%	46.63%
Commencement Portfolio	6.96%	4.64%	19.88%	8.52%	0.00%	60.00%
<b>Individual Portfolios</b>						
Aggressive Growth Portfolio	60%	40%	0%	0%	0%	0%
Growth Portfolio	45%	30%	17.50%	7.50%	0%	0%
Moderate Growth Portfolio	30%	20%	35%	15%	0%	0%
Conservative Growth Portfolio	15%	10%	52.50%	22.50%	0%	0%
Income Portfolio	0%	0%	34.50%	22.50%	18%	25%
Interest Accumulation Portfolio	0%	0%	0%	0%	0%	100%

8. The section entitled "**Portfolio Profiles**" beginning on page 13 of the Plan Disclosure Statement is renamed "**Individual Portfolios**" and the following Portfolio descriptions are removed:

Aggressive Portfolio, Blended Growth Portfolio, Blended Moderate Growth Portfolio, Conservative Portfolio, Balanced Income Portfolio, Conservative Income Portfolio.

9. The following new section entitled “**Target Enrollment Portfolios**” is added immediately before the section entitled “**Underlying Fund Profiles**” on page 21 of the Plan Disclosure Statement:

### **Target Enrollment Portfolios**

#### **Target Enrollment Portfolio Investment Objective**

Each Target Enrollment Portfolio seeks to provide capital appreciation and current income consistent with their current asset allocation (see item #7 above). The objective of these options becomes more focused on capital preservation and income as they approach their target date. The Target Enrollment Portfolios are more likely to meet their goals if each Underlying Investment in which each Target Enrollment Portfolio invests achieves its stated investment objectives.

#### **Commencement Portfolio Investment Objective**

The Commencement Portfolio is utilized at the time of the Designated Beneficiary’s actual enrollment when the Portfolio reaches its target year. As such, this Portfolio seeks to minimize risk. The Commencement Portfolio will remain at a static asset allocation for the duration because it’s already at its most conservative phase. The Commencement Portfolio’s allocation to stocks and bonds is the allocation that all Target Enrollment Portfolios are expected to assume within four years after their designated enrollment year.

#### **Investment Strategy**

The Target Enrollment and Commencement Portfolios allocate their assets among the Underlying Investments. These options seek to provide a diversified allocation to broad asset classes, including domestic and international stocks and bonds. The allocations to the asset classes and the Underlying Investments are expected to change, reducing exposure to stocks, and increasing exposure to fixed income and cash equivalents, becoming more conservative through the Designated Beneficiary’s expected enrollment year. The Underlying Investments in this option will rebalance on a quarterly basis until reaching the Commencement Portfolio, and then will retain a static allocation in that Commencement Portfolio.

Through investments in **Vanguard Total Stock Market Index Fund**, the Portfolios indirectly invest in a broadly diversified collection of securities that, in the aggregate, approximates the CRSP US Total Market Index in terms of key characteristics. The Index represents approximately 100% of the investible U.S. stock market and includes large-, mid-, small-, and micro-capitalization stocks regularly traded on the New York Stock Exchange and Nasdaq.

Through investments in **Vanguard Total International Stock Market Index Fund**, the Portfolios indirectly invest in all, or substantially all, of the international common stocks included in the FTSE Global All Cap ex US Index. The Index is a float-adjusted market-capitalization weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

Through investments in **Vanguard Total Bond Market II Index Fund**, the Portfolios indirectly invest in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index measures the performance of a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund seeks to maintain a dollar-weighted average maturity and an average duration consistent with that of the Index.

Through investments in **Vanguard Total International Bond Index Fund**, the Portfolios indirectly invest in a range of securities that, in the aggregate, approximates the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year.

The Index is market value-weighted and capped to comply with investment company diversification of the Internal Revenue Code. The index methodology is not designed to satisfy the diversification requirements of the Investment Company Act of 1940, and the Fund may become nondiversified solely as a result of an index rebalance or market movement. To minimize currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure. The Fund maintains a dollar-weighted average maturity consistent with that of the Index.

Through investments in **Vanguard Short-Term Reserves Account**, the Portfolios indirectly invest in funding agreements issued by one or more insurance companies, synthetic investment contracts (SICs), and shares of Vanguard Federal Money Market Fund. Funding agreements and SICs are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. Funding agreements generally pay interest at a fixed rate and have fixed maturity dates that normally range from 2 to 5 years. SICs pay a variable interest rate and have an average duration of between 2 to 5 years. If necessary, the Vanguard Short-Term Reserves Account may invest all, or a large portion, of its assets in Vanguard Federal Money Market Fund to limit its exposure to any single issuer or to meet normal liquidity needs. The Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities.

***Note:** Vanguard Short-Term Reserves Account's investments in Vanguard Federal Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Vanguard Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it cannot guarantee that it will do so. It is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund. The Fund's sponsor is not required to reimburse the Fund for losses, and there should be no expectation that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.*

### Investment Risks

The Portfolios are subject to the risks of the underlying stock funds, which include: **stock market risk, investment style risk, country/regional risk, currency risk, emerging markets risk, special risks of investing in China, index-related risks, index replicating risk, index sampling risk, nondiversification risk, and sector risk**, and the risks of the underlying bond funds and stable value fund, which include: **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, country/regional risk, currency risk and currency hedging risk, nondiversification risk, index-related risks, index sampling risk, derivatives risk, event risk, inflation risk, and liquidity risk**.

10. The following replaces the two tables in the section entitled **"Plan Fees And Expenses"** beginning on page 26 of the Plan Disclosure Statement:

### PLAN FEE AND EXPENSE INFORMATION As of April 11, 2025

DIRECT CLASS UNITS					
Investment Options	Annual Asset Based Fee <sup>1</sup>				Additional Investor Expenses
Portfolio	Underlying Fund Expenses <sup>2</sup>	State Administrative Fee	Plan Management Fee <sup>3</sup>	Total Annual Asset-Based Fee <sup>4</sup>	Annual Account Maintenance Fee <sup>5</sup>
Aggressive Growth Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Growth Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Moderate Growth Portfolio	0.03%	0.10%	0.35%	0.48%	\$20

Conservative Growth Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Income Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Interest Accumulation Portfolio	0.02% <sup>6</sup>	0.10%	0.36%	0.48%	\$20
Target Enrollment 2042/2043 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Target Enrollment 2040/2041 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Target Enrollment 2038/2039 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Target Enrollment 2036/2037 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Target Enrollment 2034/2035 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Target Enrollment 2032/2033 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Target Enrollment 2030/2031 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Target Enrollment 2028/2029 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Target Enrollment 2026/2027 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Target Enrollment 2024/2025 Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Commencement Portfolio	0.03%	0.10%	0.35%	0.48%	\$20

<sup>1</sup> Expressed as an annual percentage of the average daily net assets of each Portfolio.

<sup>2</sup> Derived from each Underlying Fund's most recent prospectus available as of March 31, 2025. The Underlying Fund Expenses include investment advisory fees, administrative, and other expenses. Expenses for multiple-fund Portfolios represent a weighted average of the expenses of the Portfolio's Underlying Funds.

<sup>3</sup> Ascensus and Vanguard have agreed to a specific formula for the allocation of the Plan Management Fee.

<sup>4</sup> The Total Annual Asset-Based Fee is the fee charged to Participants for their ownership of Portfolio Units, and includes the Underlying Fund Expenses, the State Administrative Fee, and the Plan Management Fee.

<sup>5</sup> The Annual Account Maintenance Fee is waived for North Dakota residents and in certain circumstances. For more information, see Part V. Plan Fees and Expenses — Annual Account Maintenance Fee.

<sup>6</sup> The Interest Accumulation Portfolio's expense ratio and performance may not reflect external fees and expenses (e.g., synthetic wrap contracts, separate account expenses, etc.) of between 0.13% and 0.18% that reduce the return of the Portfolio.

ADVISOR CLASS UNITS						
Investment Options	Annual Asset Based Fee <sup>1</sup>					Additional Investor Expenses
Portfolio	Underlying Fund Expenses <sup>2</sup>	State Administrative Fee	Distribution and Service Fee	Plan Management Fee <sup>3</sup>	Total Annual Asset-Based Fee <sup>4</sup>	Annual Account Maintenance Fee <sup>5</sup>
Aggressive Growth Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Growth Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Moderate Growth Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Conservative Growth Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Income Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Interest Accumulation Portfolio	0.02% <sup>6</sup>	0.10%	0.00% <sup>7</sup>	0.36%	0.48%	\$20
Target Enrollment 2042/2043 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Target Enrollment 2040/2041 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Target Enrollment 2038/2039 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Target Enrollment 2036/2037 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Target Enrollment 2034/2035 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Target Enrollment 2032/2033 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Target Enrollment 2030/2031 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Target Enrollment 2028/2029 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Target Enrollment 2026/2027 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Target Enrollment 2024/2025 Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Commencement Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20

<sup>1</sup> Expressed as an annual percentage of the average daily net assets of each Portfolio.

<sup>2</sup> Derived from each Underlying Fund's most recent prospectus available as of March 31, 2025. The Underlying Fund Expenses include investment advisory fees, administrative, and other expenses. Expenses for multiple-fund Portfolios represent a weighted average of the expenses of the Portfolio's Underlying Funds.



<sup>3</sup> Ascensus and Vanguard have agreed to a specific formula for the allocation of the Plan Management Fee.

<sup>4</sup> The Total Annual Asset-Based Fee is the fee charged to Participants for their ownership of Portfolio Units, and includes the Underlying Fund Expenses, the State Administrative Fee, the Distribution and Service fee, and the Plan Management Fee.

<sup>5</sup> The Annual Account Maintenance Fee may be waived for North Dakota residents and in certain circumstances. For more information, see Part V. Plan Fees and Expenses — Annual Account Maintenance Fee.

<sup>6</sup> The expense ratio of the Interest Accumulation Portfolio may include a stable value wrap fee of between 0.13% and 0.18%, which could reduce the return of the Portfolio.

<sup>7</sup> The Distribution and Service Fee is currently being waived on assets on the Interest Accumulation Portfolio for the benefit of Participants.

**11. The following replaces the first paragraph under the heading “Investment Options Designed for Qualified Higher Education Expenses” on page 30 of the Plan Disclosure Statement:**

The Plan’s Investment Options have been designed exclusively for you to save for Qualified Higher Education Expenses. They have not been designed to assist you in reaching your K-12 Tuition Expenses, Apprenticeship Program Expenses, Loan Repayment, or retirement savings goals. Specifically, the Target Enrollment Portfolios are designed for Account Owners seeking to automatically reallocate their investment progressively over time, into Portfolios that become more focused on capital preservation and income as they approach their target date. The Target Enrollment Portfolios’ time horizon and withdrawal periods may not match those needed to meet your savings goals for every type of Qualified Expenses, some of which may be significantly shorter or longer.

**12. The paragraph entitled “Changing Investment Options for Current Balances and Future Contributions” on page 37 of the Plan Disclosure Statement is amended to remove the reference to “Automatic investment exchanges that occur because the assets are in an age-based option do not count towards your twice per calendar year exchange limit”.**

**13. The paragraph entitled “Confirmations and Statements/Safeguarding Your Account” on page 38 of the Plan Disclosure Statement is amended to remove the reference to “automatic transfers of account assets to progressively more conservative Portfolios in the Age-Based Option as a Designated Beneficiary ages”.**

**14. The following Note in the section entitled “Changing the Designated Beneficiary” on page 39 of the Plan Disclosure Statement is hereby deleted:**

**Note:** Assets invested in an Age-Based Option, if not reallocated to a different Investment Option, will automatically be moved to the Portfolio within the Age-Based Option that corresponds to the age of the new Designated Beneficiary (unless the new Designated Beneficiary is in the same age bracket as the former Designated Beneficiary).

**SUPPLEMENT DATED JANUARY 2025 TO THE  
COLLEGE SAVE  
PLAN DISCLOSURE STATEMENT AND PARTICIPATION AGREEMENT  
DATED AUGUST 2022**

**This Supplement describes important changes affecting College SAVE. Unless otherwise indicated, capitalized terms have the same meaning as those in the Plan Disclosure Statement.**

**Increase to the Federal Annual Exclusion for Gifts.**

As of January 1, 2025, the federal annual gift tax exclusion increased to \$19,000 for a single individual, \$38,000 for married couples making a proper election. For 529 Plans, contributions of up to \$95,000 for a single contributor (or \$190,000 for married couples making a proper election) can be made in a single year and applied against the annual gift tax exclusion equally over a five-year period. Accordingly, references to the exclusion of contributions from federal gift tax found throughout the Plan Disclosure Statement are updated to reflect these increased amounts as follows:

- The following replaces the feature entitled “Gift Tax and Generation-Skipping Transfer Tax Exclusion Amounts” in the Plan Highlights section on page 5 of the Plan Disclosure Statement:*

<b>Gift Tax and Generation-Skipping Transfer Tax Exclusion Amounts</b>	Accelerating gifts over five-year period.	As of 2025, an individual can give in one year up to \$95,000.00 (or \$190,000.00 combined for spouses making a proper election), prorated over five (5) years, to a Designated Beneficiary without incurring federal gift tax or GST tax and without expending any portion of applicable transfer tax exemptions. See Part XI. Federal and State Tax Treatment – Federal Gift and Estate Taxes, page 40
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- The following replaces the first paragraph in the section entitled “Federal Gift and Estate Taxes” on page 40 of the Plan Disclosure Statement:*

Contributions (including certain rollover contributions) to a 529 Plan account generally are considered completed gifts to the Designated Beneficiary and are eligible for the applicable annual exclusion from gift and GST taxes (\$19,000.00 for a single individual or \$38,000.00 for married couples making a proper election).

**Portfolio Performance Update**

- The following tables replace the “Average Annual Total Return” tables on page 25 of the Plan Disclosure Statement:*

<b>AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2024 – Advisor Class</b>						
<b>NAME</b>	<b>1 YEAR</b>	<b>3 YEAR</b>	<b>5 YEAR</b>	<b>10 YEAR</b>	<b>SINCE INCEPTION</b>	<b>INCEPTION DATE</b>
Aggressive Growth Portfolio - Advisor	30.09%	6.94%	11.40%	9.19%	7.47%	11/3/2006
Aggressive Portfolio - Advisor	27.59%	5.89%	9.93%	-	8.63%	8/17/2018
Growth Portfolio - Advisor	25.04%	4.84%	8.53%	7.33%	6.69%	11/3/2006
Blended Growth Portfolio - Advisor	22.57%	3.82%	7.04%	-	6.58%	8/17/2018
Moderate Growth Portfolio - Advisor	20.02%	2.62%	5.46%	5.32%	5.29%	11/3/2006
Blended Moderate Growth Portfolio - Advisor	17.56%	1.56%	3.97%	-	4.37%	8/17/2018
Conservative Growth Portfolio - Advisor	15.04%	0.40%	2.47%	3.25%	3.80%	11/3/2006
Conservative Portfolio - Advisor	12.64%	-0.84%	0.85%	-	2.05%	8/17/2018

Income Portfolio - Advisor	7.45%	-0.39%	0.46%	1.22%	2.12%	11/3/2006
Balanced Income Portfolio - Advisor	5.53%	0.22%	0.75%	-	1.39%	8/17/2018
Conservative Income Portfolio - Advisor	3.82%	0.81%	1.04%	-	1.39%	8/17/2018
Interest Accumulation Portfolio - Advisor	2.36%	1.74%	1.68%	-	1.46%	6/3/2016

AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2024 – Direct Class						
NAME	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE
Aggressive Growth Portfolio - Direct	30.53%	7.27%	11.77%	-	10.29%	5/5/2017
Aggressive Portfolio - Direct	28.00%	6.30%	10.34%	-	9.01%	8/17/2018
Growth Portfolio - Direct	25.44%	5.23%	8.83%	-	8.14%	5/5/2017
Blended Growth Portfolio - Direct	22.90%	4.15%	7.39%	-	6.94%	8/17/2018
Moderate Growth Portfolio - Direct	20.42%	3.05%	5.90%	-	5.94%	5/5/2017
Blended Moderate Growth Portfolio - Direct	17.97%	1.88%	4.34%	-	4.72%	8/17/2018
Conservative Growth Portfolio - Direct	15.57%	0.76%	2.83%	-	3.60%	5/5/2017
Conservative Portfolio - Direct	12.96%	-0.40%	1.27%	-	2.44%	8/17/2018
Income Portfolio - Direct	7.77%	-0.03%	0.80%	-	1.58%	5/5/2017
Balanced Income Portfolio - Direct	6.02%	0.55%	1.10%	-	1.72%	8/17/2018
Conservative Income Portfolio - Direct	4.22%	1.17%	1.41%	-	1.73%	8/17/2018
Interest Accumulation Portfolio - Direct	2.36%	1.75%	1.68%	-	1.63%	5/5/2017

**The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' Portfolio Units, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit [www.collegesave4u.com](http://www.collegesave4u.com).**

#### **Update to the BND Match Program Application Process**

The option to apply for the BND Match Program is expected to be added to the online Account enrollment process in 2025. When a client successfully completes the application to the BND Match Program when enrolling online, the submission of a separate BND Match Program Application Form will not generally be required.

#### **Update to the Underlying Fund Risks**

- Each of the "Investment Risks" sections of the Aggressive Growth, Aggressive, Blended Growth, Blended Moderate Growth, Conservative Growth, Conservative, Growth, and Moderate Growth, Portfolios, found in the "Portfolio Profiles" section beginning on page 13 of the Program Description, are amended to include "sector risk" as an additional risk to which the Portfolios are subject.*
- The "Investment Risks" section of the Vanguard Total Stock Market Index Fund, found in the "Underlying Fund Profiles" section beginning on page 21 of the Program Description, is amended to include "sector risk" and "nondiversification risk" as additional risks to which the fund is subject.*
- The following is added to the section entitled "Risk Factors Glossary" beginning on page 23 of the Program Description:*

Sector risk: The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market

sectors are often more extreme or volatile than fluctuations in the overall market. Because a significant portion of an Underlying Fund's assets are in the information technology sector, the Underlying Fund's performance is impacted by the general condition of that sector. Companies in the information technology sector could be affected by, among other things, overall economic conditions, short product cycles, rapid obsolescence of products, competition, and government regulation.

4. *The following replaces the existing "nondiversification risk" in the section entitled "Risk Factors Glossary" beginning on page 23 of the Program Description:*

Nondiversification risk. Because certain Underlying Funds seek to closely track the composition of the Underlying Fund's target index, from time to time, more than 25% of an Underlying Fund's total assets may be invested in issuers representing more than 5% of the Underlying Fund's total assets due to an index rebalance or market movement, which would result in the Underlying Fund being nondiversified under the Investment Company Act of 1940. The Underlying Fund's performance may be hurt disproportionately by the poor performance of relatively few stocks or bond issuers, or even a single stock or bond issuer, and the Underlying Fund's shares may experience significant fluctuations in value.

**SUPPLEMENT DATED JANUARY 2024 TO THE  
COLLEGE SAVE  
PLAN DISCLOSURE STATEMENT AND PARTICIPATION AGREEMENT  
DATED AUGUST 2022**

**This Supplement describes important changes affecting College SAVE. Unless otherwise indicated, capitalized terms have the same meaning as those in the Plan Disclosure Statement.**

**Increase to the Federal Annual Exclusion for Gifts.**

As of January 1, 2024, the federal annual gift tax exclusion increased to \$18,000 for a single individual, \$36,000 for married couples making a proper election. For 529 Plans, contributions of up to \$90,000 for a single contributor (or \$180,000 for married couples making a proper election) can be made in a single year and applied against the annual gift tax exclusion equally over a five-year period. Accordingly, references to the exclusion of contributions from federal gift tax found throughout the Plan Disclosure Statement are updated to reflect these increased amounts as follows:

- 1. The following replaces the feature entitled “Gift Tax and Generation-Skipping Transfer Tax Exclusion Amounts” in the Plan Highlights section on page 5 of the Plan Disclosure Statement:*

<b>Gift Tax and Generation-Skipping Transfer Tax Exclusion Amounts</b>	Accelerating gifts over five-year period.	As of 2024, an individual can give in one year up to \$90,000.00 (or \$180,000.00 combined for spouses making a proper election), prorated over five (5) years, to a Designated Beneficiary without incurring federal gift tax or GST tax and without expending any portion of applicable transfer tax exemptions. See Part XI. Federal and State Tax Treatment – Federal Gift and Estate Taxes, page 40
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- 2. The following replaces the first paragraph in the section entitled “Federal Gift and Estate Taxes” on page 40 of the Plan Disclosure Statement:*

Contributions (including certain rollover contributions) to a 529 Plan account generally are considered completed gifts to the Designated Beneficiary and are eligible for the applicable annual exclusion from gift and GST taxes (\$18,000.00 for a single individual or \$36,000.00 for married couples making a proper election).

**Federal legislation expands use of 529 Plans.**

- 3. The SECURE 2.0 Act of 2022 (the “SECURE 2.0 Act”) was signed into federal law in December 2022. In addition to a number of significant retirement savings related enhancements, the SECURE 2.0 Act revises Section 529 of the Internal Revenue Code. Beginning January 1, 2024, rollovers will be permitted from a 529 plan account to a Roth IRA without incurring federal income tax or penalties, subject to the following conditions:*
  - The 529 Plan account must be open for 15 or more years.
  - Contributions and associated earnings that you transfer to the Roth IRA must be in the 529 Plan account for more than 5 years.
  - A lifetime maximum amount of \$35,000 per designated beneficiary to be rolled over from 529 plan accounts to Roth IRAs.
  - 529 plan assets can only be rolled over into a Roth IRA maintained for the benefit of the designated beneficiary on the 529 plan account.
  - 529 plan assets must be sent directly to the Roth IRA.

- The Roth IRA contribution is subject to the Roth IRA contribution limit for the taxable year applicable to the designated beneficiary for all individual retirement plans maintained for the benefit of the designated beneficiary.

The IRS may issue additional guidance that may impact 529 plan account rollovers to Roth IRAs, including the above referenced conditions.

State law treatment of a Roth IRA Rollover may differ from the federal tax treatment. The earnings portion of a Roth IRA rollover is exempt from North Dakota income taxes. Residents and taxpayers of other states should consider the tax treatments of their jurisdiction.

Participants and Designated Beneficiaries should each consult a financial professional or tax advisor regarding the applicability of these rollovers to their personal situations. You are responsible for determining the eligibility of a 529 plan to Roth IRA rollover including tracking and documenting the length of time the 529 plan account has been opened and the amount of assets in your 529 plan account eligible to be rolled into a Roth IRA. The taxpayer has the responsibility to maintain records to document the use of funds associated with this new provision, and any reporting that may be required. To request a rollover to a Roth IRA, please submit the appropriate form to the Plan.

### Portfolio Performance Update

4. The following tables replace the "Average Annual Total Return" tables on page 25 of the Plan Disclosure Statement:

AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2023 – Advisor Class						
NAME	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE
Aggressive Growth Portfolio - Advisor	19.70%	6.38%	5.76%	7.66%	6.27%	11/3/2006
Aggressive Portfolio - Advisor	17.10%	4.87%	5.05%	-	5.27%	8/17/2018
Growth Portfolio - Advisor	14.54%	3.42%	4.39%	6.04%	5.70%	11/3/2006
Blended Growth Portfolio - Advisor	12.20%	1.96%	3.57%	-	3.71%	8/17/2018
Moderate Growth Portfolio - Advisor	9.73%	0.38%	2.76%	4.23%	4.48%	11/3/2006
Blended Moderate Growth Portfolio - Advisor	7.39%	-1.06%	1.94%	-	1.97%	8/17/2018
Conservative Growth Portfolio - Advisor	4.95%	-2.56%	1.12%	2.40%	3.17%	11/3/2006
Conservative Portfolio - Advisor	2.55%	-4.17%	0.14%	-	0.10%	8/17/2018
Income Portfolio - Advisor	1.19%	-2.72%	0.27%	0.69%	1.82%	11/3/2006
Balanced Income Portfolio - Advisor	1.28%	-1.47%	0.63%	-	0.60%	8/17/2018
Conservative Income Portfolio - Advisor	1.35%	-0.25%	0.94%	-	0.92%	8/17/2018
Interest Accumulation Portfolio - Advisor	1.85%	1.37%	1.58%	-	1.32%	6/3/2016

AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2023 – Direct Class						
NAME	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE
Aggressive Growth Portfolio - Direct	20.03%	6.71%	6.09%	-	7.42%	5/5/2017
Aggressive Portfolio - Direct	17.46%	5.29%	5.41%	-	5.65%	8/17/2018
Growth Portfolio - Direct	14.94%	3.78%	4.68%	-	5.66%	5/5/2017
Blended Growth Portfolio - Direct	12.47%	2.30%	3.95%	-	4.08%	8/17/2018
Moderate Growth Portfolio - Direct	10.12%	0.80%	3.17%	-	3.84%	5/5/2017
Blended Moderate Growth Portfolio - Direct	7.66%	-0.73%	2.26%	-	2.31%	8/17/2018
Conservative Growth Portfolio - Direct	5.24%	-2.27%	1.43%	-	1.84%	5/5/2017
Conservative Portfolio - Direct	3.01%	-3.73%	0.55%	-	0.50%	8/17/2018
Income Portfolio - Direct	1.46%	-2.41%	0.61%	-	0.63%	5/5/2017
Balanced Income Portfolio - Direct	1.55%	-1.15%	0.94%	-	0.90%	8/17/2018

Conservative Income Portfolio - Direct	1.72%	0.13%	1.27%	-	1.26%	8/17/2018
Interest Accumulation Portfolio - Direct	1.85%	1.40%	1.60%	-	1.51%	5/5/2017

**The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' Portfolio Units, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit [www.collegesave4u.com](http://www.collegesave4u.com).**

Please file this Supplement to the College SAVE Plan Disclosure Statement and Participant Agreement with your records.

**SUPPLEMENT DATED JANUARY 2023 TO THE  
COLLEGE SAVE  
PLAN DISCLOSURE STATEMENT AND PARTICIPATION AGREEMENT  
DATED AUGUST 2022**

**This Supplement describes important changes affecting College SAVE. Unless otherwise indicated, capitalized terms have the same meaning as those in the Plan Disclosure Statement.**

**Overnight Delivery Address Change.** All references to the overnight delivery address found throughout the Plan Disclosure Statement are hereby changed to: **College SAVE, 1001 East 101<sup>st</sup> Terrace, Suite 200, Kansas City, MO 64131**. All expedited mail requiring a street address should be sent to this new address. The P.O Box address for regular mail is unchanged.

**Increase to the Federal Annual Exclusion for Gifts.** As of January 1, 2023, the federal annual gift tax exclusion increased to \$17,000 for a single individual, \$34,000 for married couples making a proper election. For 529 Plans, contributions of up to \$85,000 for a single contributor (or \$170,000 for married couples making a proper election) can be made in a single year and applied against the annual gift tax exclusion equally over a five-year period. Accordingly, references to the exclusion of contributions from federal gift tax found throughout the Plan Disclosure Statement are updated to reflect these increased amounts as follows:

- 1. The following replaces the feature entitled “Gift Tax and Generation-Skipping Transfer Tax Exclusion Amounts” in the Plan Highlights section on page 5 of the Plan Disclosure Statement:*

<b>Gift Tax and Generation-Skipping Transfer Tax Exclusion Amounts</b>	Accelerating gifts over five-year period.	As of 2023, an individual can give in one year up to \$85,000.00 (or \$170,000.00 combined for spouses who gift split), prorated over five (5) years, to a Designated Beneficiary without incurring federal gift tax or GST tax and without expending any portion of applicable transfer tax exemptions. See Part XI. Federal and State Tax Treatment – Federal Gift and Estate Taxes, page 40
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- 2. The following replaces the first paragraph in the section entitled “Federal Gift and Estate Taxes” on page 40 of the Plan Disclosure Statement:*

Contributions (including certain rollover contributions) to a 529 Plan account generally are considered completed gifts to the Designated Beneficiary and are eligible for the applicable annual exclusion from gift and GST taxes (\$17,000.00 for a single individual or \$34,000.00 for married couples making a proper election).

**Updated Average Annual Returns**

- 3. The following replace the “Average Annual Total Return” tables on page 25 of the Plan Disclosure Statement:*



AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2022 – Advisor Class						
NAME	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE
Aggressive Growth Portfolio - Advisor	-21.46%	3.29%	4.02%	7.63%	5.48%	11/3/2006
Aggressive Portfolio - Advisor	-20.53%	2.42%	-	-	2.59%	8/17/2018
Growth Portfolio - Advisor	-19.54%	1.69%	3.05%	5.95%	5.17%	11/3/2006
Blended Growth Portfolio - Advisor	-18.64%	0.72%	-	-	1.75%	8/17/2018
Moderate Growth Portfolio - Advisor	-17.94%	-0.31%	1.75%	4.06%	4.16%	11/3/2006
Blended Moderate Growth Portfolio - Advisor	-17.02%	-1.26%	-	-	0.70%	8/17/2018
Conservative Growth Portfolio - Advisor	-16.18%	-2.19%	0.49%	2.17%	3.06%	11/3/2006
Conservative Portfolio - Advisor	-15.59%	-3.34%	-	-	-0.49%	8/17/2018
Income Portfolio - Advisor	-9.09%	-2.01%	0.01%	0.24%	1.86%	11/3/2006
Balanced Income Portfolio - Advisor	-5.83%	-0.96%	-	-	0.43%	8/17/2018
Conservative Income Portfolio - Advisor	-2.64%	0.03%	-	-	0.81%	8/17/2018
Interest Accumulation Portfolio - Advisor	0.93%	1.36%	1.49%	-	1.24%	6/3/2016

AVERAGE ANNUAL TOTAL RETURNS AS OF SEPTEMBER 30, 2022 – Direct Class						
NAME	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE
Aggressive Growth Portfolio - Direct	-21.22%	3.64%	4.34%	-	5.24%	5/5/2017
Aggressive Portfolio - Direct	-20.11%	2.84%	-	-	2.97%	8/17/2018
Growth Portfolio - Direct	-19.19%	1.93%	3.31%	-	4.03%	5/5/2017
Blended Growth Portfolio - Direct	-18.28%	1.09%	-	-	2.14%	8/17/2018
Moderate Growth Portfolio - Direct	-17.49%	0.14%	2.16%	-	2.72%	5/5/2017
Blended Moderate Growth Portfolio - Direct	-16.75%	-0.88%	-	-	1.05%	8/17/2018
Conservative Growth Portfolio - Direct	-15.91%	-1.86%	0.81%	-	1.22%	5/5/2017
Conservative Portfolio - Direct	-15.09%	-2.90%	-	-	-0.10%	8/17/2018
Income Portfolio - Direct	-8.72%	-1.66%	0.35%	-	0.48%	5/5/2017
Balanced Income Portfolio - Direct	-5.59%	-0.64%	-	-	0.74%	8/17/2018
Conservative Income Portfolio - Direct	-2.33%	0.38%	-	-	1.14%	8/17/2018
Interest Accumulation Portfolio - Direct	1.03%	1.39%	1.51%	-	1.45%	5/5/2017

**The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' Portfolio Units, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit [www.collegesave4u.com](http://www.collegesave4u.com).**

#### **Increase to the Income Parameters for the BND Match Program**

*4. The following replaces the third bullet point in the section entitled "BND Match" on page 31 of the Plan Disclosure Statement:*

- A Participant's adjusted gross income on the most recently filed North Dakota state income tax return must have been \$0-\$150,000, if married and filing jointly, or \$0-\$100,000, if single, to qualify for a one-time matching grant. If you are married, filing separately, a copy of your spouse's North Dakota state income tax return must be included to determine your adjusted gross income.

# College SAVE™

Bank of North Dakota's 529 Plan

## College SAVE **Plan Disclosure Statement and Participation Agreement**

AUGUST 2022



*College SAVE — a 529 college  
savings plan established by  
the State of North Dakota*

Administered by

**BND**   
Bank of North Dakota

**This Plan Disclosure Statement and Participation Agreement and any supplements distributed from time to time contain information you should know before participating in the Plan, including information about fees, expenses, and risks. Please read them carefully before you invest and keep them for future reference.**

**The Plan, Bank and the State of North Dakota do not guarantee any rate of return or any interest rate on any contribution or asset invested in the Plan. Your Account is not insured or guaranteed by the Plan, Bank, the State of North Dakota, the FDIC or any third party. Your Account may lose value.**

**If you are not a North Dakota taxpayer, consider before investing whether your or the Designated Beneficiary's home state offers a 529 Plan that provides its taxpayers with favorable state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that may only be available through investment in the home state's 529 Plan. Since different states have different tax provisions, this Plan Disclosure Statement contains limited information about the state tax consequences of investing in the Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's 529 Plan(s), or any other 529 Plan, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.**

**The Plan is intended to be used only to save for Qualified Expenses. The Plan is not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.**

**Participants should periodically assess, and if appropriate, adjust their investment choices with their time horizon, risk tolerance and investment objectives in mind.**

**Investing is an important decision. Please read this Plan Disclosure Statement in its entirety before investing.**

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## PLAN HIGHLIGHTS

This section highlights certain key features of College SAVE. Please read the Plan Disclosure Statement in its entirety for more details before you invest. Please see **Key Terms**, page 7 for definitions of capitalized terms us used in the table below and throughout this Plan Disclosure Statement.

FEATURE	DESCRIPTION	EXPLANATION/REASON
<b>The Plan</b>	College SAVE	<p>College SAVE is a Section 529 Plan, sponsored by the state of North Dakota, designed to help you save for college in a tax-advantaged way. It offers valuable advantages including tax-deferred growth, generous contribution opportunities, attractive Investment Options, and professional investment management. The Plan is administered by Bank. Even if you do not live in North Dakota, you may invest in the Plan.</p> <p><b>See Part I. Introduction – Who’s Who in the Plan, page 9</b></p>
<b>Eligibility</b>	All U.S. residents and certain other entities	<p>College SAVE is open to all Participants and Designated Beneficiaries who are U.S. citizens or resident aliens, with a Social Security number or taxpayer identification number. A Participant must be at least 18 years of age and have a U.S. permanent street address that is not a P.O. box. The Designated Beneficiary may be of any age, from newborn to adult. There are no restrictions on state of residence or income. Certain other entities, including custodial and trust Accounts and state or local government or tax-exempt organizations described in section 501(c)(3) of the Code, with a valid taxpayer identification number, may participate in the Plan.</p> <p><b>See Part II. How to Enroll – Open an Account, page 10</b></p>
<b>Fees &amp; Expenses</b>	<p><b>Annual Account Maintenance Fee:</b> \$20 (waived for certain qualifying Accounts)</p> <p><b>Total Annual Asset-Based Fee:</b> Advisor Class Units: 0.83% for each Portfolio (0.48% for Interest Accumulation Portfolio) Direct Class Units: 0.48% for each Portfolio</p>	<p>The Total Annual Asset-Based Fees on assets per Portfolio vary depending on which Portfolio(s) you select and your Class Units. Certain Accounts may be subject to an Annual Maintenance Fee. There are also additional fees for certain types of service based transactions.</p> <p><b>See Part V. Plan Fees and Expenses, page 25</b></p>
<b>Contributions</b>	<p><b>Minimum Contribution Amount:</b> \$25.00 (\$12.50 for payroll direct deposit)</p>	<p>The Plan requires minimum contributions of \$25.00 to an Account, unless you contribute through payroll direct deposit. The minimum requirement for contributions through payroll direct deposit is \$12.50 per pay period.</p> <p>You can make contributions through the following methods: (i) check; (ii) recurring contribution (\$25.00 per month or \$75.00 per quarter); (iii) payroll direct deposit; (iv) EBT; (v) Ugift®; (vi) rolling over assets from another 529 Plan; (vii) moving assets from an UGMA/UTMA account, Coverdell Education Savings Account or Upromise Program account; (viii) redeeming U.S. Savings Bonds, and (ix) recontributing a refund from an Eligible Educational Institution. Your initial account opening contribution cannot be made through Ugift or from a Upromise Program account.</p> <p>Contributions may be made by anyone, regardless of their income; however, only the Participant can determine how the assets are invested or used, and only the Participant is entitled to certain tax benefits.</p> <p><b>See Part II. How to Enroll – Contribute to an Account, page 10</b></p>

FEATURE	DESCRIPTION	EXPLANATION/REASON
<b>Maximum Contribution Limit</b>	\$269,000	<p>Section 529 requires that investments in the Plan be limited to amounts that can reasonably be expected to be used to meet Qualified Higher Education Expenses for an individual. Bank expects to evaluate the Maximum Contribution Limit annually, but reserves the right to make adjustments more or less frequently.</p> <p><b>See Part VIII. Contributions – Maximum Contribution Limit, page 35</b></p>
<b>Distributions</b>	You may request a distribution online, by telephone or by mailing a Distribution Request Form to the Plan.	<p>You may choose to distribute (i) the entire amount held in all Portfolios in your Account; (ii) a partial amount proportionately across all Portfolios; or (iii) a partial amount from certain designated Portfolio(s) of your choice.</p> <p>Distributions from your Account are either qualified or non-qualified under Section 529.</p> <p><b>See Part IX. Distributions, page 35</b></p>
<b>Investment Options and Performance</b>	Your money will be invested based on the Portfolio(s) that you choose.	<p>You may choose to invest in one of the following Investment Options, based upon your investing preferences and risk tolerance:</p> <ul style="list-style-type: none"> <li>• Three (3) Age-Based Options; and</li> <li>• Six (6) Individual Portfolios.</li> </ul> <p>For performance information for the Portfolios, see <b>Part IV, Portfolio Performance</b>. Updated Portfolio information is available on the Plan’s website at <a href="http://www.collegesave4u.com">www.collegesave4u.com</a>. Past Portfolio performance is not indicative of future Portfolio performance.</p> <p><b>See Part III. Plan Investment Options, page 11</b></p>
<b>Tax Treatment</b>	Federal/State Tax Deferrals	<p>The earnings portion of Qualified Distributions are federal income tax free if used to pay for Qualified Expenses, such as: (i) tuition, books, supplies, fees, and equipment required for enrollment or attendance at an Eligible Educational Institution; (ii) room and board (with limitations); (iii) expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution; (iv) K-12 Tuition Expenses, Apprenticeship Program Expenses, or Loan Repayments in accordance with the Code.</p> <p>The earnings portion of a Non-Qualified Distribution will be taxed to the recipient (and may be subject to the Additional 10% Federal Tax).</p> <p>Depending on the state where you live or pay state income tax, your earnings may or may not be subject to state income tax. Effective January 1, 2007, up to \$5,000.00 per year may be deducted from North Dakota taxable income for single filers (\$10,000.00, if married filing jointly) for contributions to the Plan. Additionally, North Dakota residents will not be subject to North Dakota state income tax on earnings in an Account if distributions from an Account are used to pay Qualified Expenses.</p> <p><b>See Part XI. Federal and State Tax Treatment, page 39</b></p>
<b>Gift Tax and Generation-Skipping Transfer Tax Exclusion Amounts</b>	Accelerating gifts over five year period	<p>As of 2022, an individual can give in one year up to \$80,000.00 (or \$160,000.00 combined for spouses who gift split), prorated over five (5) years, to a Designated Beneficiary without incurring federal gift tax or GST tax and without expending any portion of applicable transfer tax exemptions.</p> <p><b>See Part XI. Federal and State Tax Treatment – Federal Gift and Estate Taxes, page 40</b></p>

FEATURE	DESCRIPTION	EXPLANATION/REASON
<b>Estate Tax</b>	Contributions are considered completed gifts for federal gift, GST, and estate tax purposes.	If a Participant dies, money in the Plan is not includable in the Participant's estate, with one exception. If the Participant elects, for excess contributions, to take the annual gift and/or GST tax exclusion over five (5) years, and dies before the five (5) year period elapses, then the contribution amounts allocable to the calendar years after the date of death are included in the Participant's estate for estate tax purposes.  <b>See Part XI. Federal and State Tax Treatment – Federal Gift and Estate Taxes, page 40</b>
<b>Investment Exchanges</b>	You may change Investment Options online, by telephone, or by mailing the appropriate form to the Plan; however, there are limitations on such transactions.	You may reallocate your current Account assets among Portfolios up to two times every calendar year for a given Designated Beneficiary and upon a change of the Designated Beneficiary. You may invest future contributions in a different Portfolio(s) at any time.  <b>See Part X. Account Maintenance – Changing Investment Options for Current Balances and Future Contributions, page 37</b>
<b>Risk Factors of the Plan</b>	An investment in the Portfolios is subject to market risk and volatility, including loss of principal.	An investment in the Portfolios is subject to risks including: (i) the risk of losing money over short or even long periods; (ii) investment risks of the Portfolios which include, without limitation, market risk, interest rate risk, foreign investment risk, credit risk, and geographical concentration risk; (iii) the risk of changes to the Plan, including changes in fees; (iv) the risk of federal or state tax law changes; and (v) the risk that contributions to the Plan may adversely affect the eligibility of the Designated Beneficiary or the Participant for financial aid or other benefits.  <b>See Part III. Plan Investment Options – Risk Factors Glossary and Part VI. Risks of Investing in the Plan, pages 23 and 28</b>
<b>Contact Information</b>	You may contact a College SAVE client service representative at 1-866-SAVE-529 to ask questions, set up or change Account features, arrange transactions, and request forms. You may also access your Account online at <b>www.collegesave4u.com</b> .	<b>Phone:</b> 1-866-SAVE-529 (1-866-728-3529) (8:00 a.m. – 8:00 p.m. Eastern time, Mon.-Fri.)  <b>Online:</b> www.collegesave4u.com  <b>Regular Mail:</b> College SAVE P.O. Box 219781 Kansas City, MO 64121-9781  <b>Overnight Delivery:</b> College SAVE 1001 E 101st Terrace, Suite 220 Kansas City, MO 64131

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## KEY TERMS

**529 Plan** – A tax-advantaged higher education savings plan established under and operated in accordance with Section 529.

**Account** – An account within the Trust established for a Participant pursuant to a Participation Agreement. More than one Account may be established for the same Designated Beneficiary.

**Act** – North Dakota Century Code Title 6, Chapter 9, Section 38, which provides that Bank shall adopt rules to administer, manage, promote and market a higher education savings plan in compliance with Section 529.

**Additional 10% Federal Tax** – An additional 10% federal tax on the earnings portion of certain taxable distributions.

**Ascensus** – Ascensus Broker Dealer Services, LLC.

**Associated Persons** – The State of North Dakota, all agencies, instrumentalities and funds of the State of North Dakota, Bank, the Plan, the Trust, Ascensus, Vanguard, and their respective affiliates, officials, officers, directors, employees, and representatives of the Plan, collectively.

**Apprenticeship Program Expenses** – Fees, books, supplies, and equipment required for the participation of a designated beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act (29 U.S.C. 50).

**Bank** – The State doing business as a bank, including the Executive Committee of Bank acting on behalf of Bank. Bank is the administrator of the Plan and the Trustee of the Trust.

**Code** – The Internal Revenue Code of 1986, interpreted in accordance with the regulations promulgated thereunder, as amended from time to time.

**Dealer** – A distributor of the College SAVE who is registered as a broker-dealer under the Securities Exchange Act of 1934, as amended, and a member of both the Financial Industry Regulatory Authority and the Municipal Securities Rulemaking Board.

**Designated Beneficiary** – (a) the individual designated as the beneficiary of the Account at the time the Account is established; (b) the individual who is designated as the new Designated Beneficiary when the Designated Beneficiary of an Account is changed; and (c) the individual receiving the benefits from an Account established by any state or local government or an organization described in Section 501(c)(3) of the Code, as part of a scholarship program operated by such government or organization.

**Distributee** – The person who is subject to tax on a distribution from an Account. The Distributee may be the Participant or the Designated Beneficiary.

**Distribution Request Form** – The form approved by Bank for use in requesting a distribution from an Account.

**Eligible Educational Institution** – Eligible Educational Institutions include accredited postsecondary educational institutions in the United States or abroad offering credit toward an associate's degree, a bachelor's degree, a graduate-level or professional degree, or another recognized postsecondary credential, and certain postsecondary vocational and proprietary institutions. To be an Eligible Educational Institution for purposes of Section 529, an institution must be eligible to participate in U.S. Department of Education student financial aid programs.

**Enrollment Form** – The College SAVE Enrollment Form that is to be completed and submitted to the Plan Manager by a Participant to open an Account. By completing and submitting an Enrollment Form, the Participant agrees to be bound by the terms and conditions of the Participation Agreement.

**Financial Professional** – Certain broker-dealers, financial professionals, or properly licensed investment advisers that offer College SAVE to investors.

**Force Majeure** – Circumstances beyond the reasonable control of any Associated Persons, including but not limited to regulatory or legislative changes, worldwide political uncertainties, and general economic conditions (such as including inflation and unemployment rates), acts of God, acts of civil or military authority, acts of government, accidents, environmental disasters, natural disasters or events, fires, floods, earthquakes, hurricanes, explosions, lightning, suspensions of trading, epidemics, pandemics, public health crises, quarantines, wars, acts of war (whether war is declared or not), terrorism, threats of terrorism, insurrections, embargoes, cyber-attacks, riots, strikes, lockouts or other labor disturbances, disruptions of supply chains, civil unrest, revolutions, power or other mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays in or stoppages of transportation, and any other events or circumstances beyond our reasonable control whether similar or dissimilar to any of the foregoing.

**GST** – Generation-skipping transfer.

**Investment Exchange** – A reallocation of your Account balance among Portfolios allowed up to two times every calendar year for a given Designated Beneficiary and upon a change in the Designated Beneficiary (See **Part VII**.

**Transacting Business with the Plan – Changing Investment Options for Current Balances and Future Contributions**).

**Investment Manager** – Vanguard.

**Investment Option** – One of nine (9) investment approaches offered in the Plan – three (3) Age-Based Options and six (6) Individual Portfolios.

**IRS** – Internal Revenue Service.

**K-12 Tuition Expenses** – Expenses for tuition in connection with the Designated Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school, not to exceed \$10,000 in distributions per tax year per Designated Beneficiary in the aggregate across all 529 Plans making distributions for that same Designated Beneficiary in such year.

**Loan Repayments** – Principal or interest on any qualified education loan (as defined in section 221(d) of the Internal Revenue Code) of the Designated Beneficiary or a sibling of the Designated Beneficiary, up to a lifetime limit of \$10,000 per individual.

**Maximum Contribution Limit** – The maximum amount established by Bank that can be contributed to an Account(s) on behalf of the same Designated Beneficiary.

**Member of the Family** – A member of the family as defined in Section 529 (See **Part X. Account Maintenance – Changing the Designated Beneficiary**).

**Non-Qualified Distribution** – A distribution from an Account that is not used to pay for Qualified Expenses. Non-Qualified Distributions will be treated as income to the Distributee and taxed at the Distributee's tax rate. In addition,



the Additional 10% Federal Tax may apply to the earnings portion of a Non-qualified Distribution unless an exception applies under the Code. See, "Other Distribution" in this section below.

**NYSE** – The New York Stock Exchange.

**Other Distribution** – A Non-Qualified Distribution that qualifies for an exception to the Additional 10% Federal Tax under the Code. The exceptions include a Non-Qualified Distribution that is:

- paid to a beneficiary of the Designated Beneficiary (or the estate of the Designated Beneficiary) on or after the death of the Designated Beneficiary;
- by reason of the disability of the Designated Beneficiary;
- by reason of the receipt of a scholarship (to the extent the amount withdrawn does not exceed the amount of the scholarship)
- by reason of the Designated Beneficiary's attendance at certain specified military academies by the Designated Beneficiary;
- rolled over into another 529 Plan in accordance with Section 529 or transferred to the credit of another Designated Beneficiary within the Plan, so long as the other Designated Beneficiary is a Member of the Family of the former Designated Beneficiary; or
- a refund from an Eligible Educational Institution that is recontributed to a 529 Plan to the extent such recontribution is made not later than 60 days after the date of the refund and does not exceed the refund amount.

**Participant or you** – The person or entity that establishes an Account and controls the assets held in the Account on behalf of a Designated Beneficiary and any person or entity who is the successor in interest to such person or entity in accordance with the rules set forth in Title 12.5, Article 2, Chapter 1 of the North Dakota Administrative Code. References in this document to "you" mean you in your capacity as the Participant. You are responsible for maintaining records to document and report transactions in your Account and for any resulting tax consequences, including any tax consequences for a Designated Beneficiary.

**Participation Agreement** – The written agreement between a Participant and Bank accompanying this Plan Disclosure Statement. A Participant agrees to the terms and conditions of the Participation Agreement by completing and submitting an Enrollment Form.

**Plan** – College SAVE.

**Plan Manager** – Ascensus Broker Dealer Services, LLC.

**Plan Disclosure Statement** – Means this College SAVE Plan Disclosure Statement and any applicable supplement thereto, each as amended and supplemented from time to time.

**Portfolio** – One Underlying Fund or a grouping of Underlying Funds constructed in accordance with a specific risk tolerance and investment objective. Participants allocate the assets in their Accounts to the Portfolio(s) of their choosing.

**Qualified Distribution** – A distribution from an Account that is used to pay for Qualified Higher Education Expenses and K-12 Tuition Expenses.

**Qualified Expenses** – Qualified Higher Education Expenses and K-12 Tuition Expenses, collectively.

**Qualified Higher Education Expenses** – Expenses include tuition, fees, and the cost of books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution (including expenses for special needs services in the case of a special needs Designated Beneficiary which are incurred in connection with such enrollment or attendance), along with certain room and board expenses of a Designated Beneficiary attending school at least half-time, as allowable under Section 529, and expenses for the purchase of computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code), computer software (as defined in section 197(e)(3)(B) of the Code), or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution.

**SEC** – U.S. Securities and Exchange Commission.

**Section 529** – Section 529 of the Code.

**State** – State of North Dakota.

**Successor Participant** – The person designated by the Participant to assume ownership of the Account in the event of the Participant's death while there is still money in the Account. The Successor Participant must be a U.S. resident at least 18 years of age.

**Trade Date** – The date on which your purchase, redemption, or exchange transaction will be executed. Your transaction will be executed at the closing price of the Units of the applicable Portfolio on the Trade Date.

**Trust** – The College SAVE Trust, a public instrumentality of the State of North Dakota.

**Trustee** – The Trustee of College SAVE, which is Bank.

**Underlying Funds** – The underlying investments, including registered mutual funds, in which assets of Portfolios are invested. The Underlying Funds for each Portfolio are recommended to Bank by the Plan Manager and approved by Bank.

**Unit** – Refers to the unit of measurement used for determining the value of a Portfolio. The value of a unit is based upon the net asset value of the applicable Underlying Funds for the Portfolio to which an Account is assigned, and any fees and expenses charged to such Portfolio. A unit of the Portfolio is a municipal fund security.

**Upromise Members** – Means a person or entity that has enrolled in the Upromise Program and has established a Upromise Member account in accordance with the terms and conditions of the Upromise Program.

**Upromise Program** – Means an internet-based college savings network developed and administered by Upromise, LLC, through which, among other things, Upromise Members can receive a percentage of their qualified online shopping, dining out at eligible participating restaurants and other cash awards for purchasing the various products and services of the companies that participate in the network.

**U.S. Military Academy** – United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, and the United States Merchant Marine Academy.

**Vanguard** – The Vanguard Group, Inc., and its affiliates, collectively or individually, as the case requires.

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## PART I. INTRODUCTION

Section 529 permits states and state agencies to sponsor 529 Plans, which are tax-advantaged programs intended to help individuals and families pay for certain education and apprenticeship costs. College SAVE is a 529 Plan administered by the State of North Dakota doing business as a Bank. Even if you do not live in North Dakota, you may invest in the Plan.

Prospective Participants should consider many factors before deciding to invest in College SAVE, including its Investment Options and performance history, flexibility and features, the reputation and expertise of the Investment Manager, the Maximum Contribution Limit, fees and expenses, and federal and state tax considerations associated with an investment in College SAVE. You should consider consulting a tax or investment advisor to seek advice concerning the appropriateness of this investment.

### Who's Who in the Plan

**The Plan** – College SAVE is a savings plan established under the Act to help investors save for certain education and apprenticeship costs. The Plan is intended to qualify for treatment as a “qualified tuition program” under Section 529.

**The Trust** – The Trust is organized pursuant to a declaration of trust and is intended to operate in accordance with Section 529. The Trust is a public instrumentality of the State of North Dakota and was established by Bank in order to hold the assets of the Plan. Bank is the Trustee of the Trust.

**Bank** – Bank administers the Plan and, acting as the Trustee of the Trust, causes the assets of the Portfolios to be invested in the Underlying Funds. Bank is authorized to employ service providers, agents, counsel and other third-party contractors to administer the Plan, to market the Plan, to provide investment advice for the Plan, to provide accounting and recordkeeping services, to offer and sell interests in the Trust denominated in Units, to process forms approved for use in connection with the Plan, and to provide other services relating to the Plan and the Trust.

Under North Dakota Century Code Title 6, Chapter 9, Section 1, the State maintains a system of banking owned, controlled, and operated by it under

the name of “Bank of North Dakota”. Bank is a public instrumentality of the State. In accordance with its authority under the Act, Bank has adopted rules to administer, manage, promote, and market the Plan. In order to hold the assets of the Plan, Bank has established the Trust by executing a Declaration of Trust. The Declaration of Trust sets forth the rights, privileges, and obligations of the Trustee and the Participants and their Designated Beneficiaries. The Trust also is an instrumentality of the State.

Bank is overseen by the Industrial Commission. The Industrial Commission is required to operate, manage, and control Bank to make and enforce orders, rules, regulations, and bylaws for the transaction of its business. The Industrial Commission is part of the State government and consists of the Governor, the Attorney General, and the Commissioner of Agriculture of the State. All acts of the Industrial Commission constitute acts of the State functioning in its sovereign capacity.

The Executive Committee of Bank, established by Bank in accordance with its operating policies, will oversee the administration of the Plan and is authorized under Bank’s operating policies to act on behalf of Bank in all matters pertaining to the Plan. Any actions taken by the Executive Committee will be in accordance with its operating policies. Under its current operating policies, all members of the Executive Committee are appointed by the Chief Executive Officer of Bank.

**Ascensus** – Ascensus is the Plan Manager and the Distributor of the Plan. Ascensus and its affiliates have overall day-to-day operations for the Plan, including recordkeeping and marketing. With the exception of service providers retained by Ascensus and authorized by Bank to provide certain services to the Plan, Ascensus will not be liable for the acts or omissions of other service providers to the Plan or Bank. The Plan Management Agreement among Ascensus and affiliates, and Bank, will terminate on or about November 6, 2026.

**Vanguard** – Vanguard is the entity chosen by Bank and Ascensus to be the Plan’s Investment Manager.

## PART II. HOW TO ENROLL

This section offers a brief overview of the process needed to: (1) open an Account, (2) choose a Designated Beneficiary, (3) choose a Successor Participant, (4) choose your Investment Options, and (5) contribute money to an Account.

### Helpful Terms:

- The **Participant** is the person who opens an Account with the Plan and controls the assets held in the Account. References in this document to “you” mean you in your capacity as the Participant.
- The **Designated Beneficiary** (future student) is the person designated by the Participant whose Qualified Expenses will be paid (in whole or in part) using money from the Account.

### Open an Account

#### Who Can Open an Account?

To be a Participant, you must be a U.S. citizen or resident alien, be at least 18 years of age, and must have a Social Security number or taxpayer identification number. You must provide the Plan with a U.S. permanent street address that is not a post office box. Certain other types of entities may be Participants. If you are opening an Account as a trust, you must include copies of the pages of the trust agreement containing the name of the trust, the date of the trust, and a listing of all trustees and their signatures. A state or local government (or agency or instrumentality) or organization described in Section 501(c)(3) of the Code may open an Account to fund scholarships. Such scholarship Accounts may be established without naming a Designated Beneficiary and are not subject to the Maximum Contribution Limit. Legal documentation that identifies the person(s) who has the authority to act on behalf of the scholarship Account must be provided.

In accordance with federal law, the Plan Manager is required to obtain, verify, and record information that identifies each person who opens an Account. For more on the customer identification verification process, see **Part XII. General Information – Customer Identification Verification.**

#### How Do You Open an Account?

- **Online:** Complete the Enrollment Form online at [www.collegesave4u.com](http://www.collegesave4u.com).
- **By mail:** Complete, sign, and mail an Enrollment Form to:  
**College SAVE**  
**P.O. Box 219781**  
**Kansas City, MO 64121-9781**

#### Choose a Designated Beneficiary

- Identify a Designated Beneficiary (future student) for the Account on your Enrollment Form. A Designated Beneficiary must be a U.S. citizen or resident alien, and have a Social Security number or individual taxpayer identification number.

- You may designate only one Designated Beneficiary per Account, but different Participants may establish separate Accounts for the same Designated Beneficiary.
- You do not have to be related to the Designated Beneficiary.
- You may designate yourself as the Designated Beneficiary.

#### Designate a Successor Participant

As the Participant, you may designate a Successor Participant to succeed to all of your rights, title, and interest in an Account (including the right to change the Designated Beneficiary) upon your death. This designation can be made on the Enrollment Form when opening your Account or at a later date. See **Part X. Account Maintenance – Designating a Successor Participant** for more information.

#### Choose an Investment Option

You may select from a number of Investment Options that fall into the following two categories:

- **Age-Based Options:** Your money is automatically adjusted over time to more conservative Portfolios as the Designated Beneficiary approaches college age. There are three (3) Age-Based Options to choose from.
- **Individual Portfolios:** Your money is invested in a single Portfolio and remains static over time, meaning it does not change. There are six (6) Individual Portfolios to choose from.

See **Part III. Plan Investment Options** for details about the Plan’s Investment Options, including investment objectives, strategies, risks, and fees.

#### Contribute to an Account

The Plan requires minimum contributions of \$25.00 to an Account, unless you contribute through payroll direct deposit. The minimum requirement for contributions through payroll direct deposit is \$12.50 per pay period.

You can make contributions through the following methods: (i) check; (ii) recurring contribution (\$25.00 per month or \$75.00 per quarter); (iii) payroll direct deposit; (iv) EBT; (v) Ugift®; (vi) rolling over assets from another 529 Plan; (vii) moving assets from an UGMA/UTMA account, Coverdell Education Savings Account or Upromise Program account; (viii) redeeming U.S. Savings Bonds, and (ix) recontributing a refund from an Eligible Educational Institution. Initial Account opening contributions cannot be made through Ugift or from a Upromise Program account.

See **Part VIII. Contributions** for additional details on contributing to your Account.

## PART III. PLAN INVESTMENT OPTIONS

### Investment Option Summary

The Plan's menu of professionally managed Investment Options is designed by the Trustee to give you a full range of investment choices.

You can choose from:

- Three (3) Age-Based Options, in which your money is automatically moved to progressively more conservative Portfolios as your Designated Beneficiary approaches college age. You can select the Age-Based Option—conservative, moderate, or aggressive—that best reflects your risk tolerance.
- Six (6) Individual Portfolios, which offer investment choices of stock funds, bond funds, and a short-term reserves account. If you choose an Individual Portfolio, your money will remain in that Portfolio until you instruct the Plan to move it.

Whenever you contribute money to your Account, you may allocate the contribution among a maximum of five (5) Investment Options. For example, you may choose five (5) Individual Portfolios, or one (1) Age-Based Option and four (4) Individual Portfolios, etc. Regardless of how many Investment Options you select, you must allocate a minimum of five percent (5%) of your contribution to each Investment Option. For example, you could choose three (3) Investment Options and allocate your contribution 60%, 35%, and 5%.

The Investment Option allocation(s) that you select upon opening an Account will serve as the standing investment allocation for the Account. All contributions will be invested according to this standing allocation, unless you instructs otherwise.

### Age-Based Options

You may choose from the following three (3) Age-Based Options:

- Conservative Age-Based Option
- Moderate Age-Based Option
- Aggressive Age-Based Option

The Age-Based Options are designed to take into account, a Designated Beneficiary's age and your investing time horizon—i.e., the number of years before the Designated Beneficiary is expected to attend an Eligible Educational Institution. Within the Age-Based Options, you may invest according to your risk tolerance in a conservative, a moderate, or an aggressive asset allocation. In general, for younger Designated Beneficiaries, the Age-Based Options will be invested in Portfolios more heavily weighted in stocks to capitalize on the longer investment horizon and to try to maximize returns. As the Designated Beneficiary ages, Account assets are automatically moved to more conservative Portfolios in an attempt to preserve capital as the distribution phase approaches. There is no assurance that any Portfolio will be able to achieve its goals. The exchange between Portfolios automatically occurs during the month following the month of the Designated Beneficiary's birth date, as set forth in the Asset Allocation Table below.

As depicted in the Asset Allocation Table below, for any particular age group, the Conservative Age-Based Option usually has a higher concentration of assets in bonds and money market securities than the Moderate Age-Based Option. The same is true for the Moderate Age-Based Option compared to the Aggressive Age-Based Option. Portfolios with higher allocations in bonds and money market securities tend to be less volatile than those with higher stock allocations. Less-volatile Portfolios generally will not decline as far when stock markets go down, but also generally will not appreciate in value as much when stock markets go up.

### Individual Portfolios

Unlike the Age-Based Options, the Individual Portfolios do not change Portfolios as the Designated Beneficiary ages. Instead, the asset allocation of each Portfolio remains fixed over time. If you choose to invest in Individual Portfolios that have a significant weighting in stocks, you should consider moving your assets to more conservative Portfolios as your Designated Beneficiary approaches college age if using your Account to pay for Qualified Higher Education Expenses. The Asset Allocation Table below shows the asset class composition of each Individual Portfolio.

## Asset Allocation Table

The table below shows the asset allocation and Underlying Fund composition of each Portfolio.

		VANGUARD TOTAL STOCK MARKET INDEX FUND	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	VANGUARD TOTAL BOND MARKET II INDEX FUND	VANGUARD TOTAL INTERNATIONAL BOND INDEX FUND	VANGUARD SHORT-TERM INFLATION-PROTECTED SECURITIES INDEX FUND	VANGUARD SHORT-TERM RESERVES ACCOUNT
Age	Aggressive Option	Stocks		Bonds			Short-term Reserves
0-4	Aggressive Growth Portfolio	60%	40%	0%	0%	0%	0%
5-6	Aggressive Portfolio*	52.5%	35%	8.75%	3.75%	0%	0%
7-8	Aggressive Portfolio*	52.5%	35%	8.75%	3.75%	0%	0%
9-10	Growth Portfolio	45%	30%	17.5%	7.5%	0%	0%
11-12	Blended Growth Portfolio*	37.5%	25%	26.25%	11.25%	0%	0%
13-14	Moderate Growth Portfolio	30%	20%	35%	15%	0%	0%
15-16	Blended Moderate Growth Portfolio*	22.5%	15%	43.75%	18.75%	0%	0%
17-18	Conservative Growth Portfolio	15%	10%	52.5%	22.5%	0%	0%
19+	Conservative Portfolio*	7.5%	5%	61.25%	26.25%	0%	0%
	<b>Moderate Option</b>						
0-4	Aggressive Portfolio*	52.5%	35%	8.75%	3.75%	0%	0%
5-6	Growth Portfolio	45%	30%	17.5%	7.5%	0%	0%
7-8	Blended Growth Portfolio*	37.5%	25%	26.25%	11.25%	0%	0%
9-10	Moderate Growth Portfolio	30%	20%	35%	15%	0%	0%
11-12	Blended Moderate Growth Portfolio*	22.5%	15%	43.75%	18.75%	0%	0%
13-14	Conservative Growth Portfolio	15%	10%	52.5%	22.5%	0%	0%
15-16	Conservative Portfolio*	7.5%	5%	61.25%	26.25%	0%	0%
17-18	Income Portfolio	0%	0%	34.5%	22.5%	18%	25%
19+	Income Portfolio	0%	0%	34.5%	22.5%	18%	25%
	<b>Conservative Option</b>						
0-4	Blended Growth Portfolio*	37.5%	25%	26.25%	11.25%	0%	0%
5-6	Moderate Growth Portfolio	30%	20%	35%	15%	0%	0%
7-8	Blended Moderate Growth Portfolio*	22.5%	15%	43.75%	18.75%	0%	0%
9-10	Conservative Growth Portfolio	15%	10%	52.5%	22.5%	0%	0%
11-12	Conservative Portfolio*	7.5%	5%	61.25%	26.25%	0%	0%
13-14	Income Portfolio	0%	0%	34.5%	22.5%	18%	25%
15-16	Balanced Income Portfolio*	0%	0%	23%	15%	12%	50%
17-18	Conservative Income Portfolio*	0%	0%	11.5%	7.5%	6%	75%
19+	Interest Accumulation Portfolio	0%	0%	0%	0%	0%	100%
	<b>Individual Portfolios</b>						
	Aggressive Growth Portfolio	60%	40%	0%	0%	0%	0%
	Growth Portfolio	45%	30%	17.5%	7.5%	0%	0%
	Moderate Growth Portfolio	30%	20%	35%	15%	0%	0%
	Conservative Growth Portfolio	15%	10%	52.5%	22.5%	0%	0%
	Income Portfolio	0%	0%	34.5%	22.5%	18%	25%
	Interest Accumulation Portfolio	0%	0%	0%	0%	0%	100%

\* This Portfolio is only available within the Age-Based Option and not as a stand-alone Individual Portfolio.

## Portfolio Profiles

The following descriptions highlight the investment objective, strategy, and main risks of each Portfolio. Each Portfolio has a different level of risk. Each Portfolio profile lists investment risks that apply to the Portfolio's Underlying Funds. For a discussion of those risks, see **Part III. Investment Options – Risk Factor Glossary**. Each Underlying Fund's current prospectus and statement of additional information contains information not summarized here and identifies additional risks that are not discussed below. You may wish to speak to an investment advisor to understand the specific risks associated with each Portfolio.

### Aggressive Growth Portfolio

#### Investment Objective

The Portfolio seeks to provide capital appreciation.

#### Investment Strategy

The Portfolio invests in two Vanguard stock index funds according to a formula that results in an allocation of 100% of its assets in stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Stock Market Index Fund	60%
Vanguard Total International Stock Index Fund	40%

Through its investment in Vanguard Total Stock Market Index Fund, the Portfolio indirectly invests in large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio also indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

#### Investment Risks

The Portfolio is subject to **stock market risk, country/regional risk, currency risk, emerging markets risk, index sampling risk, and investment style risk**.

### Aggressive Portfolio

This Portfolio is only available within the Age-Based Option and not as a stand-alone Portfolio.

#### Investment Objective

The Portfolio seeks to provide capital appreciation.

## Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 87.5% of assets to stocks and 12.5% to bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Stock Market Index Fund	52.5%
Vanguard Total International Stock Index Fund	35%
Vanguard Total Bond Market II Index Fund	8.75%
Vanguard Total International Bond Index Fund	3.75%

The Portfolio invests in two Vanguard stock index funds: Vanguard Total Stock Market Index Fund and Vanguard Total International Stock Index Fund. *Vanguard Total Stock Market Index Fund* seeks to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small, and micro-capitalization stocks regularly traded on the NYSE and Nasdaq. *Vanguard Total International Stock Index Fund* seeks to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

The Portfolio also invests in two Vanguard bond index funds: Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Vanguard Total Stock Market Index Fund, Vanguard Total Bond Market II Index Fund, and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

## Investment Risks

The Portfolio indirectly invests 87.5% of its assets in stocks and the remaining 12.5% in bonds. Through its stock holdings, the Portfolio is subject to **stock market risk, country/regional risk, currency risk, and emerging markets risk**. Through its bond holdings, the Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, country/regional risk, liquidity risk, currency and currency hedging risk, and derivatives risk**. The Portfolio is also subject to **investment style risk and index sampling risk**, and, through its investment in Vanguard Total International Bond Index Fund, **nondiversification risk**.

## Blended Growth Portfolio

This Portfolio is only available within the Age-Based Option and not as a stand-alone Portfolio.

## Investment Objective

The Portfolio seeks to provide capital appreciation and low to moderate current income.

## Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 62.5% of assets to stocks and 37.5% to bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Stock Market Index Fund	37.5%
Vanguard Total International Stock Index Fund	25%
Vanguard Total Bond Market II Index Fund	26.25%
Vanguard Total International Bond Index Fund	11.25%

The Portfolio invests in two Vanguard stock index funds: Vanguard Total Stock Market Index Fund and Vanguard Total International Stock Index Fund. *Vanguard Total Stock Market Index Fund* seeks to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small, and micro-capitalization stocks regularly traded on the NYSE and Nasdaq. *Vanguard Total International Stock Index Fund* seeks to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

The Portfolio also invests in two Vanguard bond index funds: Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-

grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Vanguard Total Stock Market Index Fund, Vanguard Total Bond Market II Index Fund, and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

Vanguard Total Stock Market Index Fund, Vanguard Total Bond Market II Index Fund, and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

## Investment Risks

The Portfolio indirectly invests 62.5% of its assets in stocks and the remaining 37.5% in bonds. Through its stock holdings, the Portfolio is subject to **stock market risk, country/regional risk, currency risk, and emerging markets risk**. Through its bond holdings, the Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, country/regional risk, liquidity risk, currency hedging risk, and derivatives risk**. The Portfolio is also subject to **investment style risk and index sampling risk**, and, through its investment in Vanguard Total International Bond Index Fund, **nondiversification risk**.

## Balanced Income Portfolio

This Portfolio is only available within the Age-Based Option and not as a stand-alone Portfolio.

## Investment Objective

The Portfolio seeks to provide current income.

## Investment Strategy

The Portfolio invests in three Vanguard bond index funds and a Vanguard Short-Term Reserves Account, resulting in an allocation of 50% of its assets to investment-grade bonds and 50% of its assets to short-term investments. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	23%
Vanguard Total International Bond Index Fund	15%
Vanguard Short-Term Inflation-Protected Securities Index Fund	12%
Vanguard Short-Term Reserves Account	50%

The Portfolio invests in three Vanguard bond index funds: Vanguard Total Bond Market II Index Fund, Vanguard Total International Bond Index Fund, and Vanguard Short-Term Inflation-Protected Securities Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund’s assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund’s assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Short-Term Inflation-Protected Securities Index Fund* seeks to track the performance of the Bloomberg U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index, a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Short-Term Inflation-Protected Securities Index Fund invests all, or substantially all, of its assets in the securities that make up its target index, holding each security in approximately the same proportion as its weighting in the Index.

The Portfolio also invests in Vanguard Short-Term Reserves Account. Vanguard Short-Term Reserves Account invests in funding agreements issued by one or more insurance companies, synthetic investment contracts, and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. *Vanguard Federal Money Market Fund* invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the Fund’s assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be

considered high quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. Under money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The Fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

**Note:** *It is possible to lose money by investing in Vanguard Federal Money Market Fund. Although the Fund seeks to preserve the value of a shareholder’s investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund, and shareholders should not expect that the sponsor will provide financial support to the Fund at any time.*

### Investment Risks

The Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, country/regional risk, and derivatives risk**. The Portfolio is also subject to **nondiversification risk** (through its investment in Vanguard Total International Bond Index Fund), **income fluctuation risk** (through its Investment in Vanguard Short-Term Inflation-Protected Securities Index Fund), and **manager risk** (through its investment in Vanguard Short-Term Reserves Account, which invests a portion of its assets in Vanguard Federal Money Market Fund).

### Blended Moderate Growth Portfolio

This Portfolio is only available within the Age-Based Option and not as a stand-alone Portfolio.

### Investment Objective

The Portfolio seeks to provide income and some capital appreciation.

### Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 62.5% of assets to bonds and 37.5% to stocks. The percentages of the Portfolio’s assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	43.75%
Vanguard Total International Bond Index Fund	18.75%
Vanguard Total Stock Market Index Fund	22.5%
Vanguard Total International Stock Index Fund	15%

The Portfolio invests in two Vanguard bond index funds: Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and



asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund’s assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund’s assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

The Portfolio also invests in two Vanguard stock index funds: Vanguard Total Stock Market Index Fund and Vanguard Total International Stock Index Fund. *Vanguard Total Stock Market Index Fund* seeks to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small, and micro-capitalization stocks regularly traded on the NYSE and Nasdaq. *Vanguard Total International Stock Index Fund* seeks to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

Vanguard Total Stock Market Index Fund, Vanguard Total Bond Market II Index Fund, and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

### Investment Risks

The Portfolio indirectly invests 62.5% of its assets in bonds and the remaining 37.5% in stocks. Through its bond holdings, the Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, country/regional risk, liquidity risk, currency hedging risk, and derivatives risk**. Through its U.S. and international stock holdings, the Portfolio is subject to **stock market risk, country/regional risk, currency risk, and emerging markets risk**. The Portfolio is also subject to **investment style risk and index sampling risk**, and, through its investment in Vanguard Total International Bond Index Fund, **nondiversification risk**.

### Conservative Income Portfolio

This Portfolio is only available within the Age-Based Option and not as a stand-alone Portfolio.

### Investment Objective

The Portfolio seeks to provide current income and some inflation protection as well as income consistent with the preservation of principal.

### Investment Strategy

The Portfolio invests in three Vanguard bond index funds and a Vanguard Short-Term Reserves Account, resulting in an allocation of 25% of its assets to investment-grade bonds and 75% of assets to short-term investments. The percentages of the Portfolio’s assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	11.5%
Vanguard Total International Bond Index Fund	7.5%
Vanguard Short-Term Inflation-Protected Securities Index Fund	6%
Vanguard Short-Term Reserves Account	75%

The Portfolio invests in three Vanguard bond index funds: Vanguard Total Bond Market II Index Fund, Vanguard Total International Bond Index Fund, and Vanguard Short-Term Inflation-Protected Securities Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund’s assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund’s assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Short-Term Inflation-Protected Securities Index Fund* seeks to track the performance of the Bloomberg U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index, a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Short-Term Inflation-Protected Securities Index Fund invests all, or substantially all, of its assets in the securities that make up its target index, holding each security in approximately the same proportion as its weighting in the Index.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, synthetic investment contracts, and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the Fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. Under money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The Fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

**Note:** *It is possible to lose money by investing in Vanguard Federal Money Market Fund. Although the Fund seeks to preserve the value of a shareholder's investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and shareholders should not expect that the sponsor will provide financial support to the Fund at any time.*

### Investment Risks

The Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, country/regional risk, and derivatives risk.** The Portfolio is also subject to **nondiversification risk** (through its investment in Vanguard Total International Bond Index Fund), **income fluctuation risk** (through its Investment in Vanguard Short-Term Inflation-Protected Securities Index Fund), and **manager risk** (through its investment in Vanguard Short-Term Reserves Account, which invests a portion of its assets in Vanguard Federal Money Market Fund).

### Conservative Growth Portfolio

#### Investment Objective

The Portfolio seeks to provide current income and low to moderate capital appreciation.

#### Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 25% of its assets to stocks

and 75% of its assets to investment-grade bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Stock Market Index Fund	15%
Vanguard Total International Stock Index Fund	10%
Vanguard Total Bond Market II Index Fund	52.5%
Vanguard Total International Bond Index Fund	22.5%

The Portfolio invests in two Vanguard bond index funds: Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

The Portfolio also invests in two Vanguard stock index funds: Vanguard Total Stock Market Index Fund and Vanguard Total International Stock Index Fund. *Vanguard Total Stock Market Index Fund* seeks to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small, and micro-capitalization stocks regularly traded on the NYSE and Nasdaq. *Vanguard Total International Stock Index Fund* seeks to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

Vanguard Total Stock Market Index Fund, Vanguard Total Bond Market II Index Fund, and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

### Investment Risks

The Portfolio indirectly invests approximately 75% of its assets in bonds and the remaining 25% in stocks. Through its bond holdings, the Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension**

**risk, call risk, credit risk, country/regional risk, liquidity risk, currency hedging risk, and derivatives risk.** Through its U.S. and international stock holdings, the Portfolio is subject to **stock market risk, country/regional risk, currency risk,** and emerging markets risk. The Portfolio is also subject to **investment style risk** and **index sampling risk,** and, through its investment in Vanguard Total International Bond Index Fund, **nondiversification risk.**

### Conservative Portfolio

This Portfolio is only available within the Age-Based Option and not as a stand-alone Portfolio.

### Investment Objective

The Portfolio seeks to provide income and some capital appreciation.

### Investment Strategy

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds, resulting in an allocation of 87.5% of assets to bonds and 12.5% of assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	61.25%
Vanguard Total International Bond Index Fund	26.25%
Vanguard Total Stock Market Index Fund	7.5%
Vanguard Total International Stock Index Fund	5%

The Portfolio invests in two Vanguard bond index funds: Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

The Portfolio also invests in two Vanguard stock index funds: Vanguard Total Stock Market Index Fund and Vanguard Total International Stock Index Fund. *Vanguard Total Stock Market Index Fund* seeks to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small, and micro-

capitalization stocks regularly traded on the NYSE and Nasdaq. *Vanguard Total International Stock Index Fund* seeks to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

Vanguard Total Stock Market Index Fund, Vanguard Total Bond Market II Index Fund, and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

### Investment Risks

The Portfolio indirectly invests 87.5% of its assets in bonds and the remaining 12.5% in stocks. Through its bond holdings, the Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, country/regional risk, liquidity risk, currency hedging risk, and derivatives risk.** Through its stock holdings, the Portfolio is subject to **stock market risk, country/regional risk, currency risk,** and **emerging markets risk.** The Portfolio is also subject to **investment style risk** and **index sampling risk,** and, through its investment in Vanguard Total International Bond Index Fund, **nondiversification risk.**

### Growth Portfolio

#### Investment Objective

The Portfolio seeks to provide capital appreciation and low to moderate current income.

#### Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 75% of its assets to stocks and 25% of its assets to investment-grade bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Stock Market Index Fund	45%
Vanguard Total International Stock Index Fund	30%
Vanguard Total Bond Market II Index Fund	17.5%
Vanguard Total International Bond Index Fund	7.5%

The Portfolio invests in two Vanguard stock index funds: Vanguard Total Stock Market Index Fund and Vanguard Total International Stock Index Fund. *Vanguard Total Stock Market Index Fund* seeks to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small, and micro-capitalization stocks regularly traded on the NYSE and Nasdaq. *Vanguard Total International Stock Index Fund* seeks to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

The Portfolio also invests in two Vanguard bond index funds: Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Vanguard Total Stock Market Index Fund, Vanguard Total Bond Market II Index Fund, and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

### Investment Risks

The Portfolio indirectly invests approximately 75% of its assets in stocks and the remaining 25% in bonds. Through its stock holdings, the Portfolio is subject to **stock market risk, country/regional risk, currency risk, and emerging markets risk**. Through its bond holdings, the Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, country/regional risk, liquidity risk, currency hedging risk, and derivatives risk**. The Portfolio is also subject to **investment style risk and index sampling risk**, and, through its investment in Vanguard Total International Bond Index Fund, **nondiversification risk**.

### Income Portfolio

#### Investment Objective

The Vanguard Income Portfolio seeks to provide current income.

#### Investment Strategy

The Portfolio invests in three Vanguard bond funds and one Vanguard short-term reserves account, resulting in an allocation of 75% of its assets to investment-grade bonds and 25% of its assets to short-term investments. The percentages of the Portfolio's assets allocated to each underlying fund are:

Vanguard Total Bond Market II Index Fund	34.5%
Vanguard Total International Bond Index Fund	22.5%
Vanguard Short-Term Inflation-Protected Securities Index Fund	18%
Vanguard Short-Term Reserves Account	25%

The Portfolio invests in three Vanguard bond index funds: Vanguard Total Bond Market II Index Fund, Vanguard Total International Bond Index Fund, and Vanguard Short-Term Inflation-Protected Securities Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Short-Term Inflation-Protected Securities Index Fund* seeks to track the performance of the Bloomberg U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index, a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Short-Term Inflation-Protected Securities Index Fund invests all, or substantially all, of its assets in the securities that make up its target index, holding each security in approximately the same proportion as its weighting in the Index.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in traditional and separate account funding agreements issued by one or more insurance companies, synthetic investment contracts ("SICs"), and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. Traditional funding agreements may pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. The likelihood of timely payment of principal and interest under a traditional funding agreement is a direct reflection of the claims-paying

ability of the issuing insurer. Under separate account funding agreements, the insurer holds a portfolio of fixed income securities for the benefit of the funding agreements backed by the separate account and returns will vary based on the performance of the assets in the separate account. SICs are arrangements in which the Trust Fund, not the insurer, owns a fixed-income security or portfolio of securities and an insurance company or other financial institution provides a benefit-responsive guarantee. Vanguard Federal Money Market Fund invests in high-quality securities issued by the U.S. government and its agencies and instrumentalities. For more information about Vanguard Short-Term Reserves Account, please see the Vanguard Interest Accumulation Portfolio profile.

**Note:** Vanguard Short-Term Reserves Account's investments in Vanguard Federal Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Vanguard Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund.

### Investment Risks

The Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, country/regional risk, and derivatives risk**. The Portfolio is also subject to **nondiversification risk** (through its investment in Vanguard Total International Bond Index Fund), **income fluctuation risk** (through its investment in Vanguard Short-Term Inflation-Protected Securities Index Fund), and **manager risk** (through its investment in Vanguard Short-Term Reserves Account, which invests a portion of its assets in Vanguard Federal Money Market Fund).

## Interest Accumulation Portfolio

### Investment Objective

The Portfolio seeks income consistent with the preservation of principal.

### Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Short-Term Reserves Account, through which the Portfolio owns funding agreements issued by one or more insurance companies, synthetic investment contracts ("SICs"), and/or shares of Vanguard Federal Money Market Fund. Funding agreements and SICs are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. Funding agreements generally pay interest at a fixed interest rate and have fixed maturity dates that normally range from 2 to 5 years. SICs pay a variable interest rate and have an average duration range between 2 and 5 years. Investments in either new funding agreements or SICs are based upon available liquidity in the Portfolio, and the competitiveness of offered yields, based on market conditions and trends. The Short-Term Reserves Account may also invest as little as 5% to 25% of its assets in shares of Vanguard Federal Money Market Fund to meet normal liquidity needs, to as much as all or a large portion of its assets in this fund if sufficient investments cannot be obtained from issuers meeting the minimum credit standards and contract terms.

Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the fund are neither guaranteed by the United State Treasury nor supported by the full faith and credit of the U.S. government. To be considered high-quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

Under new money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

The performance of the Interest Accumulation Portfolio will reflect the blended earnings of the funding agreements, SICs, and Vanguard Federal Money Market Fund shares held by the Portfolio, minus the Portfolio's expenses, including the benefit responsive charge paid to the issuers of SICs and separate account funding agreements. The benefit responsive charges range from 0.20% to 0.30%. The Portfolio's target duration is expected to range between 1.5 and 3.5 years. The Portfolio's target duration has a longer average maturity than most money market funds, which should result in higher yields when interest rates are stable or declining. However, because only a portion of the Portfolio's investment matures each year, its yield will change more slowly than that of a money market fund. As a result, when interest rates are rising, the Portfolio's yield may fall below money market funds' yields for an extended time period.

**Note:** Vanguard Short-Term Reserves Account's investment in Vanguard Federal Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of the investment at \$1 per share, it is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund.

### Investment Risks

The Portfolio is subject to **income risk, credit risk, and manager risk**.

## Moderate Growth Portfolio

### Investment Objective

The Portfolio seeks to provide capital appreciation and current income.

### Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 50% of its assets to stocks and 50% of its assets to investment-grade bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Stock Market Index Fund	30%
Vanguard Total International Stock Index Fund	20%
Vanguard Total Bond Market II Index Fund	35%
Vanguard Total International Bond Index Fund	15%

The Portfolio invests in two Vanguard stock index funds: Vanguard Total Stock Market Index Fund and Vanguard Total International Stock Index Fund. *Vanguard Total Stock Market Index Fund* seeks to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small, and micro-capitalization stocks regularly traded on the NYSE and Nasdaq. *Vanguard Total International Stock Index Fund* seeks to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

The Portfolio also invests in two Vanguard bond index funds: Vanguard Total Bond Market II Index Fund and Vanguard Total International Bond Index Fund. *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. *Vanguard Total International Bond Index Fund* seeks to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. This Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. At least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Vanguard Total Stock Market Index Fund, Vanguard Total Bond Market II Index Fund, and Vanguard Total International Bond Index Fund invest by sampling their target indexes, meaning that they hold a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and characteristics. Vanguard Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

### Investment Risks

The Portfolio indirectly invests approximately 50% of its assets in stocks and 50% in bonds. Through its stock holdings, the Portfolio is subject to **stock market risk, country/regional risk, currency risk, and emerging markets risk**. Through its bond holdings, the Portfolio is subject to **interest rate risk, income risk, prepayment risk, extension risk, call risk,**

**credit risk, country/regional risk, liquidity risk, currency hedging risk, and derivatives risk**. The Portfolio is also subject to **investment style risk and index sampling risk**, and, through its investment in Vanguard Total International Bond Index Fund, **nondiversification risk**.

### Underlying Fund Profiles

The following description highlights the investment objective, strategy, and main risks of each Underlying Fund, except for the Vanguard Short-Term Reserves Account which is described above in the Interest Accumulation Portfolio profile. Each Portfolio has a different level of risk. Each Portfolio profile lists investment risks that apply to the Portfolio's Underlying Funds. For a discussion of those risks, see **Risk Factors Glossary**. Each Underlying Fund's current prospectus and statement of additional information contains information not summarized here and identifies additional risks that are not discussed below. You may wish to speak to an investment advisor to understand the specific risks associated with each Portfolio. You can request a copy of the current prospectus, the statement of additional information, or the most recent semiannual or annual report of any Underlying Fund by visiting Vanguard's website at [www.vanguard.com](http://www.vanguard.com) or by calling 1-866-734-4524.

### Vanguard Federal Money Market Fund

#### Investment Objective

The Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

#### Investment Strategy

Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the fund are neither guaranteed by the United State Treasury nor supported by the full faith and credit of the U.S. government. To be considered high-quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

Under new money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

**Note:** *You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

### Investment Risks

The fund is subject to **income risk, manager risk, and credit risk.**

### Vanguard Total Stock Market Index Fund

#### Investment Objective

The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

#### Investment Strategy

Vanguard Total Stock Market Index Fund employs an indexing investment approach designed to track the performance of the Center for Research in Security Prices (CRSP®) US Total Market Index. The Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-capitalization stocks regularly traded on the New York Stock Exchange and NASDAQ. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/ earnings ratio and dividend yield.

#### Investment Risks

The Fund is subject to **stock market risk and index sampling risk.**

### Vanguard Short-Term Inflation-Protected Securities Index Fund

#### Investment Objective

The Fund seeks to track the performance of a benchmark index that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than 5 years.

#### Investment Strategy

Vanguard Short-Term Inflation-Protected Securities Index Fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than five years. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

#### Investment Risks

The Fund is subject to **income fluctuation risk and interest rate risk.**

**Note:** *Vanguard Short-Term Inflation-Protected Securities Index Fund seeks to provide protection from inflation (i.e., a rise in the general price level for goods and services) as measured by the Consumer Price Index. It is possible that the costs of higher education may increase at a rate that exceeds the rate of increase of the Consumer Price Index. There is no guarantee that the Fund will protect investors from the rising costs of higher education.*

### Vanguard Total International Stock Index Fund

#### Investment Objective

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

#### Investment Strategy

Vanguard Total International Stock Index Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market—capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

#### Investment Risks

The Fund is subject to **stock market risk, investment style risk, country/regional risk, currency risk and emerging markets risk.**

### Vanguard Total International Bond Index Fund

#### Investment Objective

The Fund seeks to track the performance of a benchmark index that measures the investment return of non-U.S. dollar-denominated investment-grade bonds.

#### Investment Strategy

Vanguard Total International Bond Index Fund employs an indexing investment approach designed to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged) This Index provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Index is capped to comply with investment company diversification standards of the Internal Revenue Code, which state that, at the close of each fiscal quarter, a fund's (1) exposure to any particular bond issuer may not exceed 25% of the fund's assets, and (2) aggregate exposure to issuers that individually constitute 5% or more of the fund may not exceed 50% of the fund's assets. To help enforce these limits, if the Index, on the last business day of any month, were to have greater than 20% exposure to any particular bond issuer, or greater than 48% aggregate exposure to issuers that individually constitute 5% or more of the Index, then the excess would be reallocated to bonds of other issuers represented in the Index. The Index methodology is not designed to satisfy the diversification requirements of the Investment Company Act of 1940. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. Such hedging is intended to minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process and, under normal circumstances, at

least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index.

### Investment Risks

The Fund is subject to **interest rate risk, income risk, credit risk, call risk, country/regional risk, nondiversification risk, currency hedging risk, derivatives risk** and **index sampling risk**.

## Vanguard Total Bond Market II Index Fund

### Investment Objective

The Fund seeks to track the performance of a broad, market-weighted bond index.

### Investment Strategy

Vanguard Total Bond Market II Index Fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

### Investment Risks

The Fund is subject to **interest rate risk, income risk, call risk, prepayment risk, extension risk, credit risk, liquidity risk** and **index sampling risk**.

## Risk Factors Glossary

**Call Risk.** The chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. An Underlying Fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Underlying Fund's income.

**Country/regional risk.** This is the risk that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because an Underlying Fund may invest a large portion of its assets in securities of companies located in any one country or region, including emerging markets, its performance may be hurt disproportionately by the poor performance of its investments in that area.

**Credit Risk.** This is the risk that an issuer of a security owned by an Underlying Fund will fail to pay principal or interest in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline.

**Currency Hedging Risk.** This is the risk that the currency hedging transactions entered into by an Underlying Fund may not perfectly offset the Underlying Fund's foreign currency exposures. The Vanguard Total International Bond Index Fund seeks to mimic the performance of foreign bonds without regard to currency exchange rate fluctuations. To accomplish this goal, the Fund attempts to offset, or hedge, its foreign currency exposures by entering into currency hedging transactions. However, because it generally is not possible to perfectly hedge the exposures, the Fund may decline in value if it underhedges or overhedges in certain circumstances. Also, the Fund will incur expenses to hedge its foreign currency exposures.

**Currency Risk.** This is the risk that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

**Currency and Currency Hedging Risk.** Vanguard Total International Bond Index Fund seeks to mimic the performance of foreign bonds without regard to currency exchange rate fluctuations. To accomplish this goal, the Underlying Fund attempts to offset, or hedge, its foreign currency exposure by entering into currency hedging transactions, primarily through the use of foreign currency exchange forward contracts (a type of derivative). However, it generally is not possible to perfectly hedge the Underlying Fund's foreign currency exposure. The Underlying Fund will decline in value if it underhedges a currency that has weakened or overhedges a currency that has strengthened relative to the U.S. dollar. In addition, the Underlying Fund will incur expenses to hedge its foreign currency exposure. By entering into currency hedging transactions, the Underlying Fund may eliminate any chance to benefit from favorable fluctuations in relevant currency exchange rates. Currency risk and currency hedging risk for the Underlying Fund is low. The Underlying Fund's use of foreign currency exchange forward contracts also subjects the Underlying Fund to counterparty risk, which is the chance that the counterparty to a currency forward contract with the Underlying Fund will be unable or unwilling to meet its financial obligations. Counterparty risk is low for the Underlying Fund.

**Derivatives Risk.** Each of the Underlying Funds (other than Vanguard Total International Bond Index Fund) may invest, to a limited extent, in derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency), a physical asset (such as gold, oil, or wheat), or a market index. Investments in derivatives may subject the Underlying Funds to risks different from, and possibly greater than, those of the underlying securities or assets. The Underlying Funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

**Derivatives Risk—Vanguard Total International Bond Index Fund.** The Underlying Fund may invest in derivatives, which may involve risks different from, and possibly greater than, those of the underlying securities or assets.

**Emerging Markets Risk.** This is the risk that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.



**Extension Risk.** This is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. This will lengthen the duration or average life of those securities and delay a fund's ability to reinvest proceeds at higher interest rates, making a fund more sensitive to changes in interest rates. For funds that invest in mortgage-backed securities, there is a chance that during periods of rising interest rates, homeowners will repay their mortgages at slower rates.

**Income Fluctuation Risk.** This is the risk that an Underlying Fund's quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. For Vanguard Short-Term Inflation-Protected Securities Index Fund, income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation rates are expected to be high.

**Income Risk.** This is the risk that the Underlying Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds and low for long-term bond funds.

**Index Sampling Risk.** This is the risk that the securities selected for an Underlying Fund using the sampling method of indexing will not, in the aggregate, provide investment performance matching that of the Underlying Fund's target index.

**Interest Rate Risk.** This is the risk that bond prices overall will decline because of rising interest rates. Interest rate risk should be high for long-term bond funds and low for short-term bond funds.

**Investment Style Risk.** The chance that returns from non-U.S. small- and mid-capitalization stocks will trail returns from global stock markets.

Historically, non-U.S. small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the global markets, and they often perform quite differently.

**Liquidity Risk.** This is the risk that an Underlying Fund may not be able to sell a security in a timely manner at a desired price.

**Manager Risk.** This is the risk that poor security selection or focus on securities in a particular sector, category, or group of companies will cause an Underlying Fund to underperform relevant benchmarks or other funds with a similar investment objective.

**Nondiversification Risk.** This is the risk that Vanguard Total International Bond Index Fund's performance may be hurt disproportionately by the poor performance of bonds issued by just a few or even a single issuer. The Fund is considered nondiversified, which means that it may invest a significant percentage of its assets in bonds issued by a small number of issuers.

**Prepayment Risk.** The chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by an Underlying Fund. The Underlying Fund would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Underlying Fund's income.

**Stock Market Risk.** This is the risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. An Underlying Fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies.

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## PART IV. PORTFOLIO PERFORMANCE

The table on the next page shows how the performance of the Portfolios has varied over the periods indicated. The performance data includes each Portfolio's asset-based fee but does not include other charges associated with an investment in the Plan. See **Part V. Plan Fees and Expenses**. Please note that your personal performance may be different than the performance for a Portfolio as shown below. For instance, your personal performance may be different due to Account fees or investment exchanges into other Portfolios during the indicated periods.

**The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' Portfolio Units, when sold, may be worth more or less than their original cost. Current performance**

**may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit [www.collegesave4u.com](http://www.collegesave4u.com).**

The performance of the Portfolios will differ from the performance of the Underlying Funds. The Portfolios may have higher expense ratios than the Underlying Funds. However, they may receive more advantageous tax treatment. Portfolio performance may also be affected by cash flows into and out of the Portfolios; typically, the Portfolio purchases Underlying Fund shares one business day after the date funds are contributed. Depending on market conditions, the collective impact of these differences may cause the Portfolio's performance to trail or exceed the Underlying Funds' returns.

**AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2022 – DIRECT CLASS**

NAME	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE
Aggressive Growth Portfolio - Direct	5.69%	13.41%	-	-	11.06%	5/5/2017
Aggressive Portfolio - Direct	4.54%	11.94%	-	-	9.83%	8/17/2018
Growth Portfolio - Direct	3.21%	10.39%	-	-	8.80%	5/5/2017
Blended Growth Portfolio - Direct	1.95%	8.92%	-	-	7.72%	8/17/2018
Moderate Growth Portfolio - Direct	0.67%	7.35%	-	-	6.50%	5/5/2017
Blended Moderate Growth Portfolio - Direct	-0.66%	5.69%	-	-	5.38%	8/17/2018
Conservative Growth Portfolio - Direct	-2.02%	4.10%	-	-	4.05%	5/5/2017
Conservative Portfolio - Direct	-3.30%	2.52%	-	-	3.03%	8/17/2018
Income Portfolio - Direct	-1.89%	1.55%	-	-	1.75%	5/5/2017
Balanced Income Portfolio - Direct	-0.93%	1.54%	-	-	1.89%	8/17/2018
Conservative Income Portfolio - Direct	0.00%	1.55%	-	-	1.76%	8/17/2018
Interest Accumulation Portfolio - Direct	1.03%	1.53%	-	-	1.49%	5/5/2017

**AVERAGE ANNUAL TOTAL RETURNS AS OF MARCH 31, 2022 – ADVISOR CLASS**

NAME	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE
Aggressive Growth Portfolio - Advisor	5.39%	13.09%	11.06%	10.40%	7.32%	11/3/2006
Aggressive Portfolio - Advisor	4.13%	11.56%	-	-	9.46%	8/17/2018
Growth Portfolio - Advisor	2.83%	10.14%	8.80%	8.33%	6.73%	11/3/2006
Blended Growth Portfolio - Advisor	1.65%	8.55%	-	-	7.34%	8/17/2018
Moderate Growth Portfolio - Advisor	0.22%	6.92%	6.30%	6.08%	5.44%	11/3/2006
Blended Moderate Growth Portfolio - Advisor	-1.08%	5.32%	-	-	5.02%	8/17/2018
Conservative Growth Portfolio - Advisor	-2.33%	3.78%	3.84%	3.81%	4.04%	11/3/2006
Conservative Portfolio - Advisor	-3.77%	2.05%	-	-	2.62%	8/17/2018
Income Portfolio - Advisor	-2.26%	1.17%	1.42%	1.14%	2.33%	11/3/2006
Balanced Income Portfolio - Advisor	-1.31%	1.19%	-	-	1.57%	8/17/2018
Conservative Income Portfolio - Advisor	-0.38%	1.20%	-	-	1.41%	8/17/2018
Interest Accumulation Portfolio - Advisor	1.03%	1.53%	1.48%	-	1.27%	6/3/2016

**PART V. PLAN FEES AND EXPENSES**

Bank approves the fees and expenses for the Plan. Bank may change the fees and expenses at any time without notice. In the future, the Plan's fees and expenses could be higher or lower than described in this Plan Disclosure Statement. Expenses and fees reduce the value of an Account.

Participants will bear fees and expenses at the Portfolio level and the individual Account level. At the Portfolio level, a Participant will be subject to Asset-Based Fees consisting of the State Administrative Fee, Plan Management Fee, Underlying Fund Expenses and the Distribution and Marketing Fee (Advisor Class only). At the Account level a Participant may be subject to an Annual Account Maintenance Fee and certain transaction fees.

**Annual Account Maintenance Fee**

There is an Annual Account Maintenance Fee of twenty dollars (\$20) per Account. The twenty dollar (\$20) fee is assessed each year during the month of the twelve (12) month anniversary date of the Account opening. If you make a complete distribution from your Account prior to the anniversary date in a given year, a prorated Annual Account Maintenance Fee may be charged against the amount of the distribution.

The Annual Account Maintenance Fee is waived for: (i) Accounts with a Participant or Designated Beneficiary that is a resident of North Dakota; (ii) Accounts, established prior to February 28, 2002, with a Participant or Designated Beneficiary that was a resident of South Dakota at the time such Account was established; and (iii) Accounts in the New Baby Match, BND Match, and Kindergarten Kickoff Match programs.

## Asset-Based Fees

The Plan charges an expense ratio (Total Annual Asset-Based Fee) for each Portfolio as specified in the **Plan Fee and Expense Information** tables below. This fee includes the Underlying Fund Expenses, the State Administrative Fee, the Distribution and Marketing Fee (Advisor Class only), and the Plan Management Fee, which are charged daily against the assets in each Portfolio. These asset-based fees accrue daily and are factored into the Portfolio's Unit value. The expense ratio of a Portfolio, and that of an Underlying Fund, may change at any time without notice.

**Estimated Underlying Fund Expenses.** Each of the Underlying Funds in which Portfolios invest has an expense ratio. An Underlying Fund's expense ratio represents the total annual operating expenses of the Underlying Fund. See the **Plan Fee and Expense Information** tables below.

**State Administrative Fee.** Each Portfolio is subject to a State Administrative Fee payable to Bank for oversight of the Plan. This fee may

be used by Bank for the payment of expenses incurred in connection with its operation of the Plan or may be used in the future for programs to promote higher education. See the **Plan Fee and Expense Information** tables below.

**Plan Management Fee.** Each Portfolio is subject to a Plan Management Fee payable to the Plan Manager for administration, management, and recordkeeping services with respect to the Plan. The Plan Manager pays the Investment Manager a portion of the Plan Management Fee for the Investment Manager's services to the Portfolios. See the **Plan Fee and Expense Information** tables below.

**Distribution and Service Fee.** The Advisor Class Units are subject to an ongoing annual Distribution and Service Fee of Portfolio assets attributable to such Unit class. This fee is paid quarterly to Dealers. The Dealers may pay some portion or the entire amount received to third parties, such as your Financial Advisor, that provide distribution and Account servicing functions. See the **Plan Fee and Expense Information – Advisor Class Units** table below.

## PLAN FEE AND EXPENSE INFORMATION As of June 15, 2022

DIRECT CLASS UNITS					
INVESTMENT OPTIONS	ANNUAL ASSET-BASED FEE <sup>1</sup>				ADDITIONAL INVESTOR EXPENSES
Portfolio	Estimated Underlying Fund Expenses <sup>2</sup>	State Administrative Fee	Plan Management Fee <sup>3</sup>	Total Annual Asset-Based Fee <sup>4</sup>	Annual Account Maintenance Fee <sup>5</sup>
Aggressive Growth Portfolio	0.04%	0.10%	0.34%	0.48%	\$20
Aggressive Portfolio	0.04%	0.10%	0.34%	0.48%	\$20
Growth Portfolio	0.04%	0.10%	0.34%	0.48%	\$20
Blended Growth Portfolio	0.04%	0.10%	0.34%	0.48%	\$20
Moderate Growth Portfolio	0.04%	0.10%	0.34%	0.48%	\$20
Blended Moderate Growth Portfolio	0.04%	0.10%	0.34%	0.48%	\$20
Conservative Growth Portfolio	0.04%	0.10%	0.34%	0.48%	\$20
Conservative Portfolio	0.04%	0.10%	0.34%	0.48%	\$20
Income Portfolio	0.04%	0.10%	0.34%	0.48%	\$20
Balanced Income Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Conservative Income Portfolio	0.03%	0.10%	0.35%	0.48%	\$20
Interest Accumulation Portfolio	0.02% <sup>6</sup>	0.10%	0.36%	0.48%	\$20

1 Expressed as an annual percentage of the average daily net assets of each Portfolio.

2 Derived from each Underlying Fund's most recent prospectus available as of the date of the table. The Underlying Fund Expenses include investment advisory fees, administrative, and other expenses. Expenses for multiple-fund Portfolios represent a weighted average of the expenses of the Portfolio's Underlying Funds.

3 Ascensus and Vanguard have agreed to a specific formula for the allocation of the Plan Management Fee.

4 The Total Annual Asset-Based Fee is the fee charged to Participants for their ownership of Portfolio Units, and includes the Underlying Fund Expenses, the State Administrative Fee, and the Plan Management Fee.

5 The Annual Account Maintenance Fee may be waived in certain circumstances.

6 The Interest Accumulation Portfolio's expense ratio and performance may not reflect external fees and expenses (e.g., synthetic wrap contracts, separate account expenses, etc.) of between 0.15% and 0.20% that reduce the return of the Portfolio.

ADVISOR CLASS UNITS						
INVESTMENT OPTIONS	ANNUAL ASSET-BASED FEE <sup>1</sup>					ADDITIONAL INVESTOR EXPENSES
Portfolio	Underlying Fund Expenses <sup>2</sup>	State Administrative Fee	Distribution and Service Fee	Plan Management Fee <sup>3</sup>	Total Annual Asset-Based Fee <sup>4</sup>	Annual Account Maintenance Fee <sup>5</sup>
Aggressive Growth Portfolio	0.04%	0.10%	0.30%	0.39%	0.83%	\$20
Aggressive Portfolio	0.04%	0.10%	0.30%	0.39%	0.83%	\$20
Growth Portfolio	0.04%	0.10%	0.30%	0.39%	0.83%	\$20
Blended Growth Portfolio	0.04%	0.10%	0.30%	0.39%	0.83%	\$20
Moderate Growth Portfolio	0.04%	0.10%	0.30%	0.39%	0.83%	\$20
Blended Moderate Growth Portfolio	0.04%	0.10%	0.30%	0.39%	0.83%	\$20
Conservative Growth Portfolio	0.04%	0.10%	0.30%	0.39%	0.83%	\$20
Conservative Portfolio	0.04%	0.10%	0.30%	0.39%	0.83%	\$20
Income Portfolio	0.04%	0.10%	0.30%	0.39%	0.83%	\$20
Balanced Income Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Conservative Income Portfolio	0.03%	0.10%	0.30%	0.40%	0.83%	\$20
Interest Accumulation Portfolio	0.02% <sup>6</sup>	0.10%	0.00% <sup>7</sup>	0.36%	0.48%	\$20

1 Expressed as an annual percentage of the average daily net assets of each Portfolio.

2 Derived from each Underlying Fund's most recent prospectus available as of the date of the table. The Underlying Fund Expenses include investment advisory fees, administrative, and other expenses. Expenses for multiple-fund Portfolios represent a weighted average of the expenses of the Portfolio's Underlying Funds.

3 Ascensus and Vanguard have agreed to a specific formula for the allocation of the Plan Management Fee.

4 The Total Annual Asset-Based Fee is the fee charged to Participants for their ownership of Portfolio Units, and includes the Underlying Fund Expenses, the State Administrative Fee, the Distribution and Service Fee, and the Plan Management Fee.

5 The Annual Account Maintenance Fee may be waived in certain circumstances. For more information, see **Part V. Plan Fees and Expenses – Annual Account Maintenance Fee.**

6 Expense ratio of the Interest Accumulation Portfolio may include a stable value wrap fee of between 0.20% and 0.30%, which could reduce the return of the Portfolio.

7 The Distribution and Service Fee is currently being waived on assets on the Interest Accumulation Portfolio for the benefit of Participants.

## Dealer Compensation

**Sale of Units.** The Plan Manager distributes Advisor Class Units in College SAVE through Dealers who are compensated for the performance of certain distribution and Account servicing functions in support of the Plan. The Plan Manager reserves the right to revise these fee arrangements at its discretion. In addition, the Dealer must satisfy certain requirements under its contract with the Plan Manager in order to receive any of these fees. Advisor Class Units are only available for sale to Participants utilizing the services of a Financial Advisor to purchase Advisor Class Units. The Plan Manager may, from time to time, offer additional sales incentives.

**Advisor Class Units.** Dealers receive a Distribution and Service Fee equal to 0.30% of the amount of assets invested in the Advisor Class Units, as specified in Advisor Class Units table above. Dealers will not receive a Distribution and Service Fee on the assets in the Interest Accumulation Portfolio.

**Direct Class Units.** Dealers do not receive a Distribution and Service Fee on Direct Class Units.

**Additional Fees or Commissions.** Financial Advisors may charge additional fees or commissions other than those disclosed in this Plan Disclosure Statement. You should ask your Financial Advisor about any payments it receives from the Plan Manager or its affiliates and any services it provides, as well as about fees and/or commissions it charges.

## Other Charges

The Plan reserves the right to charge an Account in any circumstance in which the Plan incurs expenses on behalf of the Account (e.g., when a check, recurring contribution, or EBT is returned unpaid by the financial institution upon which it is drawn). In particular, if you request delivery of distribution proceeds by priority delivery service, outgoing wire or, if available, electronic payment to schools, the Plan will deduct the applicable fee listed in the below chart directly from your Account, and will include this fee amount on your annual IRS Form 1099-Q as part of the gross distributions paid to you during the year. In its discretion without prior notice, the Plan may deduct directly from your Account the other fees and expenses identified in this chart or similar fees or charges. Please consult with your tax advisor regarding calculating and reporting any tax liability associated with the payment of any of these fees out of your Account in a year.

TRANSACTION	FEE AMOUNT*
Returned Check	\$ 25
Rejected Recurring Contribution	\$ 25
Rejected EBT	\$ 25
Priority Delivery**	\$ 15 weekday \$ 25 Saturday
Electronic Payments to Schools (where available)**	\$10
Outgoing Wires**	\$ 5
Reissue of Disbursement Checks	\$ 15
Request for Historical Statement	\$ 10 per yearly statement \$ 30 maximum per household

\* Subject to change without prior notice.

\*\* These fees (and similar fees for certain convenience transactions) may be considered Non-Qualified Distributions. The Plan will report such fees as distributions on Form 1099-Q. You should consult your tax advisor regarding calculating and reporting any tax liability as applicable.

## Investment Cost Example

The following example is intended to help you compare the cost of investing in the Portfolios over different time periods. The costs are the same for each Portfolio. This example illustrates the hypothetical expenses that you would incur over the time periods shown if you invest ten-thousand dollars (\$10,000.00) in a Portfolio. This example assumes that a Portfolio provides an annually compounded rate of return of five percent (5%).

**Note:** The hypothetical example does not take into consideration any distributions (whether qualified or non-qualified), state or federal taxes, or any penalties. This hypothetical example is not intended to predict or project investment performance. Your own results may vary.

### Approximate Cost of a \$10,000 Investment in Each Portfolio (including the \$20 Account Maintenance Fee)

Direct Class Units				
Portfolios	1 Year	3 Years	5 Years	10 Years
All Portfolios	\$69	\$214	\$368	\$799

Advisor Class Units				
Portfolios	1 Year	3 Years	5 Years	10 Years
All Portfolios	\$105	\$324	\$559	\$1,217
Interest Accumulation Portfolio	\$69	\$214	\$368	\$799

### Approximate Cost of a \$10,000 Investment in Each Portfolio (NOT including the \$20 Account Maintenance Fee)

Direct Class Units				
Portfolios	1 Year	3 Years	5 Years	10 Years
All Portfolios	\$49	\$154	\$269	\$604

Advisor Class Units				
Portfolios	1 Year	3 Years	5 Years	10 Years
All Portfolios	\$85	\$265	\$460	\$1,025
Interest Accumulation Portfolio	\$49	\$154	\$269	\$604

## PART VI. RISKS OF INVESTING IN THE PLAN

You should carefully consider the information in this section, as well as the other information in the Plan Disclosure Statement before making any decisions about opening an Account or making any contributions. The contents of the Disclosure Statement should not be construed as legal, financial, or tax advice. You should consult an attorney or a qualified financial or tax advisor with any legal, business, or tax questions you may have. The Plan is an investment vehicle. Accounts in the Plan are subject to certain risks. In addition, certain Portfolios carry more and/or different risks than others. You should weigh such risks with the understanding that these risks could arise at any time during the life of your Account. A discussion of each of the investment risks related to each Portfolio can be found in

**Part III. Plan Investment Options – Risk Factors Glossary** and **Part V. Risks of Investing in the Plan.**

**No Guarantee of Principal or Earnings; No Insurance.** The value of your Account may increase or decrease over time based on the performance of the Portfolio(s) you select. It is possible that, at any given time, your Account's value may be less than the total amount contributed. Neither the Plan nor any of its Associated Persons makes any guarantee of or has any legal obligations to ensure, a particular level of investment return. An investment in the Plan is not a bank deposit, and it is not insured or guaranteed by the federal government, the FDIC, or any other government agency.

The holding period for college investing is very short relative to that for retirement investing (i.e., 5 to 20 years versus 30 to 60 years). Also, the need for liquidity during the distribution phase (to pay for certain educational expenses) generally is very important. You should seriously consider the level

of risk you wish to assume, your investment time horizon, and other factors important to you, before you select Investment Options. Once invested, you should periodically assess, and if appropriate, adjust your investment choices with your time horizon, risk tolerance, and investment objectives in mind. The current Portfolios offered through the Plan were designed for college savers. If you choose to invest to cover the cost of tuition expenses for elementary or secondary public, private or religious schools or for Apprenticeship Program expenses you should keep in mind your investment horizon.

**Market Uncertainties and Other Events.** Due to market uncertainties, the overall market value of your Account may exhibit volatility and could be subject to wide fluctuations. Additionally, a Force Majeure event may cause the value of your Account to decrease (realized or unrealized losses) regardless of the performance of the Plan, the Plan's Associated Persons, or any systematic investing on your part. You could lose all or part of your investment, depending on market conditions. There is no assurance that any Portfolio will achieve its goals.

**Potential Future Changes to the Plan.** Bank reserves the right to discontinue the Plan or to change any aspect of the Plan. For example, Bank may change the Plan's fees and expenses; add, subtract, or merge Portfolios; close a Portfolio to new investors; or change the Underlying Fund(s) of a Portfolio. Depending on the nature of the change, Participants may be required to participate in, or be prohibited from participating in, the change with respect to Accounts established before the change. Ascensus may not necessarily continue as Plan Manager, and Vanguard may not necessarily continue as Investment Manager indefinitely.

During the transition from one Underlying Fund to another Underlying Fund, a Portfolio may be temporarily uninvested and lack market exposure to an asset class. During a transition period, a Portfolio may temporarily hold a basket of securities if the original Underlying Fund chooses to satisfy the Portfolio's redemption on an in-kind basis. In this case, the Plan Manager will seek to liquidate the securities received from the Underlying Fund as soon as practicable so that the proceeds can be invested in the replacement Underlying Fund. The transaction costs associated with any liquidation, as well as any market impact on the value of the securities being liquidated, will be borne by the Portfolio and Accounts invested in that Portfolio. The original Underlying Fund may also impose redemption fees. In this event, the Portfolio and Accounts invested in that Portfolio will bear those redemption fees.

**Limited Investment Direction.** Pursuant to federal law, a Participant or contributor to an Account may not direct the underlying investments of a Portfolio. The ongoing money management of the Portfolios is the responsibility of Bank, Ascensus, and Vanguard. However, a Participant may reallocate the Participant's current Account assets among Portfolios up to two times every calendar year for a given Designated Beneficiary and upon a change of the Designated Beneficiary.

**Limited Liquidity.** Investments in a 529 Plan, such as College SAVE, are considered less liquid than other types of investments (for example, investments in mutual fund shares), because the circumstances in which you may withdraw money from an Account without a penalty or adverse tax consequences are significantly more limited.

**Change in Status of Federal and State Law and Regulations Governing the Plan.** Federal and state law and regulations governing the administration of 529 Plans could change in the future. In addition, federal and state laws or

court or interpretive rulings on related matters, such as the funding of higher education expenses, treatment of financial aid, and tax laws and rules, are subject to frequent change. It is unknown what effect these kinds of changes could have on an Account.

**Securities Laws.** The Plan is not a mutual fund. Although money contributed to the Plan will be invested in Portfolios that hold mutual funds managed by Vanguard, neither the Plan, nor any of the Portfolios are mutual funds. You will not own shares of the mutual funds; you will own Units of the Portfolios within the Plan. The Units are municipal fund securities that are issued and offered by the Plan. These securities are not registered with the SEC or any state. The Plan's Portfolios are not registered as investment companies with the SEC or any state. Neither the SEC nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of the Plan Disclosure Statement or the Participation Agreement. Any representation to the contrary is a criminal offense.

**No Indemnification.** Neither the Plan nor Ascensus nor Vanguard will indemnify or reimburse any Participant or Designated Beneficiary against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of Bank members or state employees.

**Eligibility for Financial Aid.** In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of such aid required, the U.S. Department of Education takes into consideration a variety of factors, including but not limited to, the assets owned by the student (i.e., the Designated Beneficiary) and the assets owned by the student's parents. The U.S. Department of Education generally expects the student to spend a substantially larger portion of his or her own assets on educational expenses than the parents.

- For federal financial aid purposes, Account assets will be considered (i) assets of a student's parent, if the student is a dependent student and the owner of the Account is the parent or the student, or (ii) assets of the student, if the student is the owner of the Account and not a dependent student.
- For purposes of financial aid programs offered by states, educational institutions and non-federal sources, the treatment of Account assets may follow or differ from the treatment described above for federal financial aid purposes. College SAVE Accounts are not included in determining eligibility for North Dakota state financial aid programs. If you are not a North Dakota resident, check with your state of residence to determine its requirements. Participants and Designated Beneficiaries are advised to consult a financial aid professional and/or the state or educational institution offering a particular financial aid program, to determine how assets held in an Account may affect eligibility for financial aid.

The federal and non-federal financial aid program treatment of assets in a 529 Plan are subject to change at any time. You should therefore check and periodically monitor the applicable laws and other official guidance, as well as particular program and rules and requirements to determine the impact of assets on your Account on eligibility under particular financial aid programs.

**No Guarantee That Investments Will Cover Qualified Expenses; Inflation and Qualified Expenses.** There is no guarantee that the money in your Account will be sufficient to cover all of a Designated Beneficiary's Qualified Expenses, even if contributions are made in the maximum allowable

amount for the Designated Beneficiary. The future rate of increase in Qualified Expenses is uncertain and could exceed the rate of investment return earned by any or all of the Portfolios over any relevant period of time. The rate of future inflation in Qualified Expenses is uncertain and could exceed the rate of investment return earned by any or all of the Plan's Portfolios over the corresponding periods.

**Suitability and Education Savings Alternatives.** Neither Bank nor the Plan Manager makes any representations regarding the suitability or appropriateness of the Portfolios as an investment. Other types of investments may be more appropriate depending upon an individual's financial status, tax situation, risk tolerance, age, investment goals, savings needs, and investment time horizons of the Participant or the Designated Beneficiary. Anyone considering investing in the Plan should consult a tax or investment adviser to seek advice concerning the appropriateness of this investment.

There are programs and investment vehicles other than the Plan available as education savings and investment alternatives. They may entail tax and other fee or expense consequences and features different from the Plan including for example, different investments and different levels of Participant control. Anyone considering investing in the Plan may wish to consider these alternatives prior to opening an Account.

**Medicaid and Other Federal and State Benefits.** The effect of an Account on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that an Account in the Plan will be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Distributions from an Account during certain periods also may have the effect of delaying the disbursement of Medicaid payments. You should consult a qualified advisor to determine how a 529 Plan account may affect eligibility for Medicaid or other federal or state benefits.

**No Guarantee of Admittance.** Participation in the Plan does not guarantee or otherwise provide a commitment that the Designated Beneficiary will be admitted to, be allowed to continue to attend, or receive a degree from any educational institution. Participation in the Plan also does not guarantee that a Designated Beneficiary will be treated as a resident of any state for tuition or any other purpose.

**Differences between Performance of Portfolios and Underlying Funds.** The performance of the Portfolios will differ from the performance of the Underlying Funds. This is due primarily to differences in expense ratios of the Portfolios and Underlying Funds and differences in the Trade Dates of Portfolio purchases. Performance differences also are caused by differences in the Trade Dates of Portfolio purchases. When you invest money in a Portfolio, you will receive Units of the selected Portfolio as of the Trade Date. See **Part VIII. Contributions.** The Trust will use your money to purchase Underlying Funds to be held in the Portfolio you selected. However, the Trade Date for the Trust's purchase of the Underlying Fund typically will be one (1) business day after the Trade Date for your purchase of Units of the selected Portfolio. Depending on the amount of cash flow into or out of the Portfolio and whether the Underlying Fund is going up or down in value, this timing difference will cause the Portfolio's performance either to trail or exceed the Underlying Fund's performance.

**Portfolio Investment Risk.** Accounts are subject to a variety of investment risks that will vary depending upon the selected Portfolio and the Underlying

Funds of that Portfolio. See **Part III. Plan Investment Options** for a summary of the investment objective and principal risks of each Underlying Fund. Please remember that the information is only a summary of the main risks of each Underlying Fund; please consult each Underlying Fund's prospectus and statement of additional information for additional risks that apply to each Underlying Fund. You can request a copy of the current prospectus, statement of additional information, or the most recent semiannual or annual report of any Underlying Fund, by visiting Vanguard's website at [www.vanguard.com](http://www.vanguard.com) or by calling 1-866-734-4524. Vanguard has provided the Underlying Fund information in this Plan Disclosure Statement.

**The target indexes of certain of the Underlying Funds may change.**

Many of the Underlying Funds are index funds. Each index fund reserves the right to substitute a different index for the index it currently tracks. This could happen if the current index is discontinued, if the index fund's agreement with the sponsor of its current index is terminated, or for any other reason determined in good faith by the Underlying Funds' board of trustees. In any such instance, a substitute index would measure the same market segment as the current index.

**Investment Options Designed for Qualified Higher Education Expenses.**

The Plan's Investment Options have been designed exclusively for you to save for Qualified Higher Education Expenses. They have not been designed to assist you in reaching your K-12 Tuition Expenses or Apprenticeship Program Expenses savings goals. Specifically, the Age-Based Portfolios trend progressively more conservative as their Designated Beneficiary approaches college age. The Age-Based Option time horizon and withdrawal periods may not match those needed to meet your savings goals for other types of Qualified Expenses, which may be significantly shorter.

In addition, if you are saving for other types of Qualified Expenses and wish to invest in the Individual Portfolios, please note that these Portfolios are comprised of fixed investments. This means that your assets will remain invested in that Portfolio until you direct us to move them to a different Portfolio. Please consult a qualified tax or investment advisor about your personal circumstances.

**Cybersecurity Risk.** The Plan is highly dependent upon the computer systems of its service providers and their subcontractors. This makes the Plan susceptible to operational and information security risks resulting from cyber threats and cyber-attacks which may adversely affect your Account and cause it to lose value. For instance, cyber threats and cyber-attacks may interfere with your ability to access your Account, make contributions or exchanges, and request and receive distributions; they may also impact the ability to calculate net asset values and/or impede trading. Cybersecurity risks include security or privacy incidents, such as human error, unauthorized release, theft, misuse, corruption, and destruction of Account data maintained online or digitally by the Plan. Cybersecurity risks also include denial of service, viruses, malware, hacking, bugs, security vulnerabilities in software, attacks on technology operations, and other disruptions that could impede the Plan's ability to maintain routine operations. Although the Plan undertakes efforts to protect its computer systems from cyber threats and cyber-attacks, including internal processes and technological defenses that are preventative in nature, and other controls designed to provide a multi-layered security posture, there are no guarantees that the Plan, the Plan's Associated Persons, or your Account will avoid losses due to cyber-attacks or cyber threats.

## PART VII. MATCH PROGRAMS

Bank has created three grant programs, New Baby Match, BND Match, and Kindergarten Kickoff Match to help eligible North Dakota residents save for college. Eligible North Dakota residents may apply for all three programs. In the event two of three grants are awarded simultaneously, upon receiving contributions to meet the parameters of the grant programs, Bank will fund the New Baby Match grant and Kindergarten grants first, and BND Match grant will always be funded second. See below for more details about New Baby Match, BND Match, and Kindergarten Kickoff Match.

### New Baby Match

New Baby Match allows every baby residing in North Dakota 12 months old or younger to be considered for a New Baby Match grant in an amount up to \$200.00. The amount is a dollar-for-dollar match and is based on contributions up to \$200.00 made by a Participant within 12 months of enrolling in New Baby Match. The date of enrollment in New Baby Match is determined based upon the date you open a College SAVE Account for the eligible Designated Beneficiary. You may enroll in New Baby Match by selecting New Baby Match on a College SAVE Enrollment Form or completing a New Baby Match Enrollment Form. Unlike BND Match described below, there are no family income restrictions. The New Baby Match award will be deposited into a separate match account that is owned by Bank and will be invested according to the allocation instructions on file for the Participant's College SAVE Account. The match account will be linked to the Participant's College SAVE Account. Payments from the match account may only be made to Eligible Educational Institutions.

To qualify for a New Baby Match grant, a Participant must meet the following eligibility requirements:

- Complete, sign and return a College SAVE Enrollment Form (New Baby Match must be selected) or New Baby Match Enrollment Form.
- The Designated Beneficiary must be 12 months or younger at the time 1) the College SAVE Enrollment Form is completed, signed and returned; or 2) the New Baby Match Enrollment Form is completed, signed and returned.
- The Designated Beneficiary must be a North Dakota resident at the time 1) the College SAVE Enrollment Form is completed, signed and returned; or 2) the New Baby Match Enrollment Form is completed, signed and returned. Active duty Military families must be either (i) currently stationed on a military base located in North Dakota or (ii) former North Dakota residents stationed on a military base located outside of North Dakota.

For more information about New Baby Match, please call 1-866-SAVE-529 or visit [collegesave4u.com/baby](http://collegesave4u.com/baby) to request New Baby Match Instructions and a College SAVE Enrollment Form or a New Baby Match Enrollment Form.

The New Baby Match Instructions include additional information about New Baby Match.

Please note that New Baby Match is dependent upon funding limitations as overseen by Bank and can be modified, reduced or discontinued at Bank's discretion at any time. Under certain circumstances, a New Baby Match grant, and any earnings, may be fully or partially forfeited.

### BND Match

BND Match is a program that awards matching grants to North Dakota residents and active-duty military families that meet the eligibility

requirements set forth below. Active-duty Military families must be either (i) currently stationed on a military base located in North Dakota or (ii) former North Dakota residents stationed on a military base located outside of North Dakota. The matching grant amount is a dollar-for-dollar match and is based on contributions up to \$300.00 made by a Participant within 12 months of enrolling in BND Match. The BND Match award will be deposited into a separate matching grant account that is owned by Bank and will be invested according to the allocation instructions on file for the Participant's College SAVE Account. The BND Match account will be linked to the Participant's College SAVE Account. Payments from the BND Match account may only be made to Eligible Educational Institutions. There is a limit of one matching grant per Designated Beneficiary.

To be eligible for a matching grant, a Participant must meet the following requirements:

- Complete, sign and return a College SAVE Enrollment Form (BND Match must be selected) or BND Match Application.
- The Designated Beneficiary must be 15 years old or younger at the time the College SAVE Enrollment Form or BND Match Application is completed, signed and returned.
- A Participant's adjusted gross income on the most recently filed North Dakota state income tax return must have been \$0-\$120,000, if married and filing jointly, or \$0-\$80,000, if single, to qualify for a one-time matching grant. If you are married, filing separately, a copy of your spouse's North Dakota state income tax return must be included to determine your adjusted gross income.

For more information about BND Match, please call **1-866-SAVE-529** or visit [www.collegesave4u.com](http://www.collegesave4u.com) to request BND Match Instructions, a College SAVE Enrollment Form or a BND Match Application. See the BND Match Instructions for additional information about BND Match.

Please note that BND Match is dependent upon funding limitations as overseen by Bank and can be modified, reduced or discontinued at Bank's discretion at any time. Under certain circumstances, a BND Match grant, and any earnings, may be fully or partially forfeited.

### Kindergarten Kickoff Match Grant

Kindergarten Kickoff Match is a grant program that allows North Dakota children 5 or 6 years of age to be considered for a dollar-for-dollar match amount of up to \$100. There are no family income restrictions.

To be eligible for this one-time grant, Participants must meet the following eligibility requirements:

- The Participant (who must be at least 18 years of age) must apply for the Kindergarten Kickoff Match program through online enrollment or the Kindergarten Kickoff Match enrollment form.
- The Designated Beneficiary must be 5 or 6 years of age at the time the Kindergarten Kickoff Match application is submitted.
- The Designated Beneficiary must be a North Dakota resident at the time the Kindergarten Kickoff Match application is submitted.



- After applying for Kindergarten Kickoff Match, the Participant contributes up to \$100 to their College SAVE account within twelve (12) months of being awarded the grant or prior to the Designated Beneficiary's seventh birthday, whichever comes first.

Kindergarten Kickoff Match Grants are not the property of the Participant. The Kindergarten Kickoff Match award will be deposited into a separate Match Account that is owned by Bank and will be invested according to the allocation instructions on file for the Participant's College SAVE account. The Match Account will be linked to the Participant's College SAVE Account. Payments from the Match Account may only be made to Eligible Educational Institutions. There is a limit of one Kindergarten Kickoff Match per Designated Beneficiary.

For more information about Kindergarten Kickoff Match, please call **1-866-SAVE-529** or visit [www.collegesave4u.com](http://www.collegesave4u.com) to request a College SAVE Enrollment Form and Kindergarten Kickoff Match Instructions which contain important information about eligibility requirements as well as limitations.

Please note Kindergarten Kickoff Match Grants are dependent upon funding limitations as overseen by the Bank and can be reduced, modified, or stopped at the Bank's discretion. Under certain circumstances, a Kindergarten Kickoff Match, and any earnings, may be fully or partially forfeited. These circumstances include:

- The Designated Beneficiary dies prior to turning 18.
- Participant provides false information on the Kindergarten Kickoff Match Form.

## PART VIII. CONTRIBUTIONS

### General

The Plan requires minimum contributions of \$25.00 to an Account, unless you contribute through payroll direct deposit. The minimum requirement for contributions through payroll direct deposit is \$12.50 per pay period.

You can make contributions through the following methods: (i) check; (ii) recurring contribution (\$25.00 per month or \$75.00 per quarter); (iii) payroll direct deposit; (iv) EBT; (v) Ugift®; (vi) rolling over assets from another 529 Plan; (vii) moving assets from an UGMA/UTMA account, Coverdell Education Savings Account or Upromise Program account; (viii) redeeming U.S. Savings Bonds, and (ix) recontributing a refund from an Eligible Educational Institution. Your initial Account opening contribution cannot be made through Ugift or from a Upromise Program account. The contribution methods are discussed in more detail on the next page under **Contribution Methods**.

The Plan will not accept contributions made with cash, traveler's checks, starter checks, bank courtesy checks, credit cards, credit card checks, instant loan checks, third-party checks over ten-thousand dollars (\$10,000.00), checks drawn on banks located outside the U.S., checks not in U.S. dollars, checks dated more than one-hundred eighty (180) days before the Plan receives it, postdated checks, checks with unclear instructions, other checks the Plan deems unacceptable, stocks, securities, or other non-bank account assets.

**Note:** *The Plan may deduct money from your Account for any expenses incurred by the Plan on your behalf as a result of any check, recurring contribution, or electronic bank transfer being returned unpaid by the financial institution upon which it is drawn.*

### Contribution Methods

#### Check

Please make all checks payable to **College SAVE** and send them to College SAVE, P.O. Box 219781, Kansas City, MO 64121-9781. Receipt of third party checks up to ten-thousand dollars (\$10,000) must be payable to the Participant or the Designated Beneficiary and properly endorsed by the Participant or the Designated Beneficiary to College SAVE for it to be accepted for deposit.

### Payroll Direct Deposit

You may be eligible to make automatic contributions to your Account through payroll direct deposit (if your employer offers such a service). The minimum contribution is twelve dollars and fifty cents (\$12.50) per pay period. Contributions by payroll direct deposit will only be permitted from employers able to meet the Plan's operational and administrative requirements. Please check with your employer to see whether you are eligible to contribute to the Plan through payroll direct deposit. You may set up payroll direct deposit by submitting the appropriate form, which you can get online at [www.collegesave4u.com](http://www.collegesave4u.com) or by calling **1-866-SAVE-529**. An investment plan of regular investment cannot assure a profit or protect against a loss in a declining market.

### Bank Account

You may contribute to your Account from a checking or savings account at your bank if your bank is a member of the Automated Clearing House (ACH), subject to certain processing restrictions. Contributions from your bank account may be made as recurring contributions or EBT contributions. For details, see the **Recurring Contributions** and **EBT** sections below. You must provide certain information about your bank account. Contributions from a money market mutual fund or cash management account are not permitted. If a contribution fails to go through because the bank account on which it is drawn lacks sufficient funds or banking instructions are incorrect or incomplete, we reserve the right to suspend processing of future contributions by ACH.

**Recurring Contribution.** You may contribute to your Account through periodic automatic debits from your bank account in an amount equal to at least \$25.00 per month, or \$75.00 per quarter. To establish a recurring contribution during enrollment, complete the appropriate section of the Enrollment Form. You may establish or make changes to a recurring contribution for an existing Account at any time either online at [www.collegesave4u.com](http://www.collegesave4u.com) or by submitting the appropriate form.

Recurring contribution debits from your bank account will occur on the day you indicate, provided the day is a regular business day. If the day you indicate falls on a weekend or a holiday, the recurring contribution debit

will occur on the next business day. You will receive a Trade Date of one (1) business day prior to the day the bank debit occurs. If you indicate a debit date that is within the first four (4) days of the month, there is a chance that your investment will be credited on the last business day of the previous month. Quarterly recurring contribution investments will be made on the day indicated every three (3) months, not on a calendar quarter basis. If no date is designated, your bank account will be debited on the 20th of the month. (If the 20th is not a business day, the debit will be made on the next business day). Please note that recurring contributions with a debit date of January 1st, 2nd, 3rd, or 4th will be credited in the same year as the debit date.

Your recurring contribution authorization will remain in effect until we have received notification of its termination from you and we have had a reasonable amount of time to act on it. To be effective, a change to, or termination of, a recurring contribution must be received by us at least five (5) business days before the next recurring contribution debit is scheduled to be deducted from your bank account. An investment plan of regular investment cannot assure a profit or protect against a loss in a declining market.

**EBT.** You may contribute to your Account through one-time debits from your bank account. You may make an EBT contribution online at [www.collegesave4u.com](http://www.collegesave4u.com) or by calling **1-866-SAVE-529**. The Plan may place a limit on the total dollar amount per day you may contribute to an Account by EBT. Contributions in excess of such a limit will not be processed. If you plan to contribute a large dollar amount to your Account by EBT, you may want to contact the Plan at 1-866-SAVE-529 to inquire about the current limit prior to making your contribution.

EBT purchase requests that are received in good order by the Plan before 10:00 p.m., Eastern Time, will be given a Trade Date of the next business day after the date of receipt and will receive that day's closing price for Units of the applicable Portfolio. In such cases, the EBT debit from your bank account will occur on the second business day after the request is received. EBT purchase requests that are received in good order by the Plan after 10:00 p.m., Eastern Time, will be given a Trade Date of the second business day after the date the request is received, and will be effected at that day's closing price for Units of the applicable Portfolio. In such cases, the EBT debit will occur on the third business day after the request is received.

### **Incoming Rollover Contributions and Transfers**

You can contribute to the Plan with money transferred from another state's 529 Plan. This transaction is known as a "rollover." You may roll over assets from an account in another state's 529 Plan to an Account in the Plan for the same Designated Beneficiary without penalty or federal income tax consequences, provided it has been more than twelve (12) months since any previous rollover for that Designated Beneficiary. You also may roll over money from an account in another state's 529 Plan to an Account in the Plan at any time without penalty or federal income tax consequences when you change the Designated Beneficiary, provided that the new Designated Beneficiary is a Member of the Family of the former Designated Beneficiary (See **Part X. Account Maintenance – Changing the Designated Beneficiary** for a list of the persons eligible). A 529 Plan rollover that does not meet these criteria will be considered a Non-Qualified Distribution that is subject to federal income tax, the Additional 10% Federal Tax, and possibly state income tax.

Incoming rollovers can be direct or indirect. Direct rollovers involve the transfer of money from one 529 Plan directly to another. Indirect rollovers involve the transfer of money from an account in another state's 529 Plan to the Participant, who then contributes the money to an Account in the Plan. To avoid penalties and federal income tax consequences, money received by a Participant in an indirect rollover must be contributed to the Plan within sixty (60) days of the distribution. Some states may not permit direct rollovers from 529 Plans. In addition, there may be state income tax consequences (and in some cases state-imposed penalties) resulting from a rollover out of a state's 529 Plan (e.g., recapture of previous state tax deductions).

When making the rollover, you will need to provide the Plan with an accurate account statement or other documentation from the distributing 529 Plan account which reflects in full, both the principal and earnings attributable to the rollover amount(s). Until the Plan receives this documentation, the entire amount of your contribution will be treated as earnings, which would be subject to taxation in the case of a Non-Qualified Distribution.

**Transfers to Another Designated Beneficiary Within the Plan.** You may transfer assets from one Designated Beneficiary's Account to the Account of another Designated Beneficiary within the Plan without imposition of federal income tax or the Additional 10% Federal Tax, if such transfer is made within sixty (60) days of distribution from the originating Account into an Account for a new Designated Beneficiary who is a Member of the Family (See **Part X. Account Maintenance – Changing the Designated Beneficiary**) of the former Designated Beneficiary.

**Transfers to the Same Designated Beneficiary Within the Plan.** You may transfer assets into an Account from another Account for the benefit of the same Designated Beneficiary. If the funds are transferred directly between Plan Accounts, the transfer will be treated as an Investment Exchange, rather than as a tax-free rollover. See **Part X. Account Maintenance – Changing Investment Options for Current Balances and Future Contributions** for more information on changes to Investment Options. If you take a distribution (i.e., receive a distribution check from the transferring Account), the distribution will be treated as a Non-Qualified Distribution subject to applicable state and federal income tax and the Additional 10% Federal Tax.

### **Ugift®**

Participants may invite family and friends to contribute to their Accounts through Ugift. You provide a unique contribution code to selected family and friends and gift givers can either contribute online through an EFT or by mailing in a gift contribution coupon with a check made payable to Ugift—North Dakota's College SAVE Plan. The minimum Ugift contribution is twenty-five dollars (\$25.00).

Ugift contributions will be processed and transferred to your Account in approximately five (5) business days. Gift contributions through Ugift are subject to the Maximum Contribution Limit. Gift contributions will be invested according to the Portfolio allocation on file for the Account at the time the gift contribution is transferred. There may be potential tax consequences of gift contributions to an Account. You and the gift giver should consult a tax advisor for more information. Ugift is an optional service, is separate from North Dakota's College SAVE Plan, and is not affiliated with the state of North Dakota and Bank. For more information, please see the Plan website at [www.collegesave4u.com](http://www.collegesave4u.com).

## Coverdell Education Savings Account or Qualified U.S.

### Savings Bond

You can contribute to the Plan with proceeds from the sale of assets held in a Coverdell Education Savings Account (formerly known as an Education IRA) or a qualified U.S. savings bond (Please visit [www.savingsbonds.gov](http://www.savingsbonds.gov) to determine if you are eligible for this exclusion). You will need to provide the Plan with the following documentation:

- **For assets from a Coverdell Education Savings Account:** An account statement or other documentation from the custodial financial institution showing the total amount contributed and the proportion of the assets that represent earnings.
- **For assets obtained by redeeming a qualified U.S. Savings Bond:** An account statement, a Form 1099-INT, or other documentation from the financial institution that redeemed the bond showing how much of the proceeds represented interest and how much represented principal.

Until the Plan receives this documentation, the entire amount of your contribution will be treated as earnings, which would be subject to taxation in the case of a Non-Qualified Distribution.

### UGMA/UTMA Custodial Accounts

A Participant who is the custodian of an account established or being opened under a state's Uniform Gifts to Minors Act ("UGMA") or Uniform Transfers to Minors Act ("UTMA") may be able to open a Plan Account in his or her custodial capacity, depending on the laws of that state. These types of accounts involve additional restrictions that do not apply to regular Section 529 accounts. A custodian using previously held UGMA/UTMA funds to establish an Account must indicate that the Account is custodial by designating it as such in the Account Ownership section of the Enrollment Form. None of the Associated Persons will be liable for any consequences related to a custodian's improper use, transfer, or characterization of custodial funds. An UGMA/UTMA custodian must establish a Plan Account in his or her custodial capacity separate from any accounts he or she may hold in his or her individual capacity in order to contribute UGMA/UTMA assets to the Account.

In general, UGMA/UTMA custodial Accounts are subject to the following additional requirements and restrictions:

- The UGMA/UTMA custodian will be permitted to make distributions only in accordance with the rules applicable to distributions under UGMA/UTMA and the Plan;
- The custodian will not be able to change the Designated Beneficiary of the Account (directly or by means of a rollover distribution), except as may be permitted by applicable UGMA/UTMA law;
- The custodian will not be permitted to change the Participant to anyone other than a successor custodian during the term of the custodial Account under applicable UGMA/UTMA law;
- The custodian must notify the Plan when the custodianship terminates and the Designated Beneficiary is legally entitled to take control of the Account and may become the Participant, and become subject to the provisions of the Plan applicable to non-UGMA/UTMA Participants. Also,

custodians or Designated Beneficiaries will need to complete certain forms at that time to document the termination of the custodianship; if the custodian fails to direct the Plan to transfer ownership of the Account when the Designated Beneficiary is legally entitled to take control of the Account assets, the Plan may freeze the Account and/or refuse to allow the custodian to transact on the Account. Some UGMA/UTMA laws allow for more than one age at which to terminate the custodianship ("Age of Termination"). The Plan may freeze the Account based on the youngest allowable Age of Termination of the custodianship according to the UGMA/UTMA laws where the custodianship account was established, based on the Plan's records. The custodian maybe required to provide documentation to the Plan if the Age of Termination of the custodianship account is other than the youngest allowable age under the applicable UGMA/UTMA law or if the applicable UGMA/UTMA law differs from Plan records;

- Any tax consequences of a distribution from an Account will be imposed on the Designated Beneficiary and not on the custodian; and
- An UGMA/UTMA custodian may be required by the Plan Manager to provide documentation evidencing compliance with the applicable UGMA/UTMA law.

In addition, certain tax consequences described herein may not be applicable in the case of accounts opened by a custodian under UGMA/UTMA. Moreover, because only contributions made in "cash form" may be used to open an Account in the Plan, the liquidation of non-cash assets held in an UGMA/UTMA account would be required and would generally be a taxable event. Please consult a qualified advisor with respect to the transfer of UGMA/UTMA custodial assets, and the implications of such a transfer.

### Upromise® Program

The Upromise Program is a loyalty program offered by Upromise, LLC, which allows its members to earn cash rewards from participating merchants. These cash rewards can be used to make contributions to an Account under the Plan. A Participant enrolled in the Upromise Program may link his or her Upromise Program account to the Participant's College SAVE Account so that cash rewards are automatically transferred from their Upromise Program account to the College SAVE Account on a periodic basis. Transfers from a Upromise Program account may be subject to a minimum amount. Go to [www.upromise.com](http://www.upromise.com) for more information on transfer minimums. A Participant cannot use cash rewards from a Upromise Program account as the initial funding source for a College SAVE Account.

The Upromise Program is offered by Upromise, Inc. and is separate from the Plan. The Upromise Program is administered in accordance with the terms and conditions set forth in the Upromise Member Agreement (as amended from time to time), which is available on the Upromise Program's website at [www.upromise.com](http://www.upromise.com). Participating companies, contribution levels and terms and conditions are subject to change at any time without notice. For more information about the Upromise Program, please visit [www.upromise.com](http://www.upromise.com).

### Recontribution of Refunds from Eligible Educational Institutions

In the event the Designated Beneficiary receives from an Eligible Educational Institution a refund of funds originally withdrawn from an

Account to pay for Qualified Higher Education Expenses, such funds may be recontributed to an account in a 529 Plan for the same Designated Beneficiary up to the amount of the refund provided that the retribution is made within 60 days of the date of the refund. Such funds also will not be subject to federal income tax or the Additional 10% Federal Tax. For tax purposes, please maintain proper documentation evidencing the refund from the Eligible Educational Institution.

Per a notice issued in 2018, the U.S. Treasury Department and the IRS intend to issue proposed regulations providing that recontributed amounts, as described above, will be treated as principal and will not count towards the Maximum Contribution Limit. The notice states that until the proposed regulations are issued, taxpayers and 529 Plans may rely on the rules as described in the notice. However, there is no assurance that the proposed regulations will become the final regulations or that the U.S. Treasury Department or IRS will not issue other guidance interpreting Section 529. No guidance has been issued on the treatment of refunds of funds originally withdrawn from a 529 Plan to pay for K-12 Tuition Expenses.

### **Maximum Contribution Limit**

You may contribute to an Account for a Designated Beneficiary provided the aggregate balance of all Accounts for the same Designated Beneficiary does not exceed the Maximum Contribution Limit, which currently is two-hundred

sixty-nine thousand dollars (\$269,000.00). Accounts that have reached the Maximum Contribution Limit (either alone or combined with other Accounts) may continue to accrue earnings, although future contributions may not be made to such accounts. If, however, the market value of such Account falls below the Maximum Contribution Limit due to market fluctuations and not as a result of distributions from such Account(s), additional contributions will be accepted.

The determination of whether the Maximum Contribution Limit has been reached is based on the aggregate market value of the Account(s) for a Designated Beneficiary, and not solely on the aggregate contributions made to the Account(s). The Plan Manager may, in its discretion, refuse to accept a proposed contribution, upon determination that acceptance of such proposed contribution would not comply with federal or North Dakota State requirements. None of the Associated Persons will be responsible for any loss, damage, or expense incurred in connection with a rejected or returned contribution. The Maximum Contribution Limit does not apply to Accounts maintained for a scholarship program by a state or local government (or agency or instrumentality) or organization described in Section 501(c)(3) of the Code.

Bank expects to evaluate the Maximum Contribution Limit annually, but reserves the right to make adjustments more or less frequently.

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## **PART IX. DISTRIBUTIONS**

### **General**

You can take a distribution from your Account at any time by notifying the Plan. Distributions from your Account are either qualified or non-qualified as determined by the IRS. As the Participant, you are responsible for satisfying the IRS requirements for proof of Qualified Expenses, which includes retaining any paperwork and receipts necessary to verify the type of distribution you received. Although the Plan will report the earnings portion of all distributions, it is solely the responsibility of the person receiving the distribution to calculate and report any resulting tax liability.

### **Procedures for Distributions**

You may request a distribution online at [www.collegesave4u.com](http://www.collegesave4u.com) or by mailing a Distribution Request Form to the Plan.

If the distribution request is in good order, the Plan typically will process the distribution and initiate payment of a distribution within three (3) business days after the Trade Date. During unusual conditions, such as when the NYSE is closed and during emergency circumstances as determined by the SEC, during heavy year-end processing, or a Force Majeure event, distribution requests may take up to five (5) business days to process. Please allow ten (10) business days to receive the distribution.

The Plan will not send any proceeds from your distribution request until all the money has been collected (i.e., until the money's availability in your Account is confirmed). Contributions made by check, recurring contribution, or EBT will not be available for distribution for seven (7) business days.

Upon a change to the Participant's address change, distributions will be held for nine (9) business days. Distributions will not be available for fifteen (15) calendar days after bank information has been added or edited.

### **Qualified Distributions**

The proceeds of a Qualified Distribution are used to pay for Qualified Expenses. The earnings portion of a Qualified Distribution is exempt from federal and state income taxes.

### **Non-Qualified Distributions**

A distribution from an Account that is not used to pay for Qualified Expenses. The earnings portion of Non-Qualified Distributions will be treated as income to the Distributee and taxed at the Distributee's tax rate. In addition, the Additional 10% Federal Tax may apply to the earnings portion of a Non-Qualified Distribution unless an exception applies under the Code. See, "Other Distribution" in this section below.

### **Other Distributions**

Other Distributions are Non-Qualified Distributions that qualify for an exception to the Additional 10% Federal Tax under the Code described below. Tax considerations are complex and depend on individual situations. You should consult a tax advisor regarding the application of federal and state tax laws if you take an Other Distribution.

**Death of the Designated Beneficiary.** If the Designated Beneficiary dies, you may select a new Designated Beneficiary or authorize a payment to a beneficiary of the Designated Beneficiary or the estate of the Designated Beneficiary. A payment to a beneficiary of the Designated Beneficiary or the

estate of the Designated Beneficiary will not be subject to the Additional 10% Federal Tax, but earnings will be subject to any applicable federal and state income taxes at the recipient's (the party receiving the distribution) tax rate. If you select a new Designated Beneficiary who is a Member of the Family of the former Designated Beneficiary (See **Changing the Designated Beneficiary** in this section), you will not owe federal income tax or the Additional 10% Federal Tax.

**Disability of the Designated Beneficiary.** If the Designated Beneficiary becomes disabled, you may change the Designated Beneficiary or withdraw all or a portion of the Account balance. A distribution because of the disability of the Designated Beneficiary will not be subject to the Additional 10% Federal Tax, but earnings will be subject to any applicable federal and state income taxes at the recipient's (the party receiving the distribution) tax rate. If you change the Designated Beneficiary to an individual who is a Member of the Family of the former Designated Beneficiary (See **Changing the Designated Beneficiary** in this section), you will not owe federal income tax or the Additional 10% Federal Tax.

**Receipt of Scholarship/Attendance of U.S. Military Academy.** If the Designated Beneficiary receives a qualified scholarship or attends a U.S. Military Academy, you may withdraw money from the Account for non-educational purposes up to the amount of the scholarship or the cost of attendance at a U.S. Military Academy without imposition of the Additional 10% Federal Tax on earnings. A qualified scholarship includes certain educational assistance allowances under federal law as well as certain payments for educational expenses (or attributable to attendance at certain educational institutions) that are exempt from federal income tax. The earnings portion of a distribution because of a qualified scholarship or attendance at a U.S. Military Academy is subject to any applicable federal and state income taxes at the recipient's (the party receiving the distribution) tax rate.

**Rollovers to Other 529 Plans.** You may perform a tax-free rollover of a 529 Plan account for the same Designated Beneficiary once every 12 months. Additionally, tax-free rollovers are permitted for a 529 Plan account with a different Designated Beneficiary provided that the new Designated Beneficiary is a Member of the Family of the former Designated Beneficiary (See **Changing the Designated Beneficiary** in this section). The Plan will accept another custodian's rollover request to process a rollover and send a check directly to the 529 Plan custodian, if the request is in good order.

**Refunds from Eligible Educational Institutions.** In the event the Designated Beneficiary receives from an Eligible Educational Institution a refund of funds originally withdrawn from an Account to pay for Qualified Higher Education Expenses, such funds up to the amount of the refund will not be subject to federal income tax or the Additional 10% Federal Tax; provided that the funds are recontributed to an account in a 529 Plan for the same Designated Beneficiary, to the extent such recontribution is made not later than 60 days after the date of the refund and does not exceed the refund amount. No guidance has been issued on the treatment of refunds of funds originally withdrawn from a 529 Plan to pay for K-12 Tuition Expenses. Consult with your tax advisor if you receive a refund of funds originally withdrawn from a 529 Plan to pay for K-12 Tuition Expenses. For tax purposes, please maintain proper documentation evidencing the refund from the Eligible Educational Institution.

## Qualified Higher Education Expenses

Under current IRS rules, Qualified Higher Education Expenses include:

- Tuition, fees, and the costs of books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;
- Certain room and board costs incurred while attending an Eligible Educational Institution at least half-time; and
- In the case of a special-needs Designated Beneficiary, expenses for special-needs services incurred in connection with enrollment or attendance at an Eligible Educational Institution.
- Expenses for the purchase of computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code), computer software (as defined in section 197(e)(3)(B) of the Code), or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution.

Room and board expenses (unlike expenses for tuition, fees, books, supplies, equipment, and special-needs services) may be treated as a Qualified Higher Education Expense only if the Designated Beneficiary is enrolled at least half-time. Half-time is defined as half of a full-time academic workload for the course of study the Designated Beneficiary pursues, based on the standard at the institution where he or she is enrolled. Room and board expenses that may be treated as Qualified Higher Education Expenses generally will be limited to the room and board allowance calculated by the Eligible Educational Institution in its "cost of attendance" for purposes of determining eligibility for federal education assistance for that year. For students living in housing owned or operated by the Eligible Educational Institution, if the actual amount charged for room and board is higher than the "cost of attendance" figure, then the actual amount may be treated as qualified room and board costs.

## K-12 Tuition Expenses

For distributions taken after December 31, 2017, K-12 Tuition Expenses are not subject to federal income tax. As such, earnings on distributions from 529 Plan accounts used for K-12 Tuition Expenses will be free of federal income tax and North Dakota state income tax. It is the Participant's responsibility to ensure that distributions for K-12 Tuition Expenses do not exceed the aggregate annual limit for a Designated Beneficiary. Per a notice issued in 2018, the Treasury Department and the IRS intend to issue proposed regulations defining the term "elementary or secondary" to mean kindergarten through grade 12 as determined under state law, consistent with the definition applicable for Coverdell education savings accounts in Section 530(b)(3)(B) of the Code. The notice states that until the proposed regulations are issued, taxpayers and 529 Plans may rely on the rules as described in the notice. However, there is no assurance that the proposed regulations will become the final regulations or that the Treasury Department or IRS will not issue other guidance interpreting Section 529.

## Apprenticeship Program Expenses

Distributions used for Apprenticeship Program Expenses are not subject to federal income tax per Section 529. As such, earnings on distributions from

529 Plan accounts used for Apprenticeship Program Expenses will be free of federal income tax and North Dakota state income tax.

## Loan Repayments

Distributions may be used for principal or interest on any qualified education loan (as defined in section 221(d) of the Internal Revenue Code) of the Designated Beneficiary or a sibling of the Designated Beneficiary, up to a lifetime limit of \$10,000 per individual. Loan Repayments are not subject to federal income tax per Section 529. As such, earnings on distributions from 529 Plan accounts used for Loan Repayments will be free of federal income tax and North Dakota state income tax. Note, if you take a distribution from your Account for an Loan Repayment, Section 221(e)(1) of the Code provides that you may not also take a federal income tax deduction for any interest included in that distribution.

## Eligible Educational Institutions

Eligible Educational Institutions include accredited postsecondary educational institutions in the United States or abroad offering credit toward an associate's degree, a bachelor's degree, a graduate-level or professional degree, or another recognized postsecondary credential, and certain postsecondary vocational and proprietary institutions. To be an Eligible Educational Institution for purposes of

Section 529, an institution must be eligible to participate in U.S. Department of Education student financial aid programs.

## Distributions and Matching Grants

If you have been awarded a matching grant, any Qualified Distributions to the Eligible Educational Institution to pay for Qualified Higher Education Expenses generally will be taken from the matching grant account first and then the College SAVE Account. In the event you have been awarded a matching grant and request a Qualified Distribution other than to the Eligible Educational Institution, the Qualified Distribution will only be taken from the College SAVE Account. If you request a Qualified Distribution to an Eligible Educational Institution and the amount you request is greater than the amount in the matching grant account, the matching grant account will be fully liquidated and the rest of the amount will be taken from your College SAVE account. In this instance, because your matching grant account will be liquidated your account may experience market movement after you make your request which will cause the Qualified Distribution to be greater than or less than the amount that you requested. If you are requesting a Qualified Distribution to an Eligible Educational Institution that will cause your matching grant account to be liquidated, please check your confirmation or log into your account online to confirm the amount that was distributed to the Eligible Educational Institution.

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## PART X. ACCOUNT MAINTENANCE

### Changing Investment Options for Current Balances and Future Contributions

You may perform an Investment Exchange within the Plan (i.e., make exchanges or reallocate) **up to two times per calendar year.**

Automatic investment exchanges that occur because the assets are in an age-based option do not count towards your twice per calendar year exchange limit. If you reallocate your money between Accounts within the Plan for the same Designated Beneficiary, this may count towards your twice per calendar year exchange limit. You may make Investment Exchanges any time you change the Designated Beneficiary (See **Changing the Designated Beneficiary** in this section). However, the Plan reserves the right to suspend processing a Designated Beneficiary transfer if it suspects it is being requested for reasons other than intended by the Plan.

You may change the allocation of future contributions at any time. Please note that a decision to change the allocation of future contributions will not affect the allocation of assets already in your Account, and vice versa. For example, assume that upon the opening of your Account, you elect to split your contributions 60% to Option A and 40% to Option B. Then, six months later you decide to reallocate the existing assets in your Account as follows: 50% to Option A, 25% to Option B and 25% to Option C and at the same time you decide to allocate 100% of future contributions to Option D. In this scenario, you may only make one additional reallocation of the existing assets in your Account for the remainder of that calendar year; however, you may continue to change the allocation of future contributions.

You may make an Investment Exchange, or change the allocation of future contributions online, by calling 1-866-SAVE-529, or by submitting the appropriate form.

### Pricing of Portfolio Units

The Unit value of each Portfolio is calculated each business day after the close of trading on the NYSE. The Unit value is determined by dividing the dollar value of the Portfolio's net assets (i.e., total Portfolio assets minus total Portfolio liabilities) by the number of outstanding Units of the Portfolio. On holidays or other days when the NYSE is closed, the Portfolio's Unit value is not calculated, and the Plan does not process contributions, Investment Exchanges, transfers, or distributions.

When you make a contribution, distribution, or Investment Exchange, you do so at the closing price of the Units of the Portfolio on the Trade Date. Your Trade Date will be determined as follows:

- If the Plan receives your transaction request in good order on a business day prior to the close of trading on the NYSE, your transaction will receive that day's Trade Date.
- If the Plan receives your transaction request in good order on a business day after the close of trading on the NYSE or at any time on a non-business day, your transaction will receive the next business day's Trade Date.
- For EBT contributions and recurring contributions, the Trade date is determined differently than as described in the prior two bullet points. For more information, see **Part VIII. Contributions – Recurring Contribution** and **Part VIII. Contributions – EBT.**

In the event of Force Majeure, the Plan may experience processing delays, which may affect your Trade Date. In those instances, your actual Trade Date may be after the Trade Date you would have received, which may negatively affect the value of your Account.

## Unused Account Assets

If the Designated Beneficiary graduates from an Eligible Educational Institution, chooses not to pursue higher education or does not have K-12 Tuition Expenses, and assets remain in the Account, you have three options:

1. You can change the Designated Beneficiary to an eligible Member of the Family of the former Designated Beneficiary;
2. You can keep the assets in the Account to pay future Qualified Higher Education Expenses, such as graduate or professional school expenses, of the existing Designated Beneficiary; or
3. You can withdraw the remaining assets (including earnings).

Options 1 and 2 are not subject to federal and state income taxes or penalties. Option 3 is a Non-Qualified Distribution subject to applicable federal and state income taxes, including the Additional 10% Federal Tax on earnings.

## Confirmations and Statements/Safeguarding Your Account

You will receive quarterly statements to reflect financial transactions only if you have made financial transactions within the quarter. These transactions include: (1) contributions made to the Account; (2) distributions made from the Account; (3) contributions made by recurring contribution or payroll direct deposit; (4) automatic transfers from a Upromise Program account to your Account; or (5) automatic transfers of account assets to progressively more conservative Portfolios in the Age-Based Option as a Designated Beneficiary ages. The total value of your Account at the end of the quarter will also be included in your quarterly statements. You will receive an annual statement even if you have made no financial transactions within the year. In the event you close your account prior to the fourth quarter, your statement for that quarter will represent your final statement for the year.

The Plan periodically matches and updates the addresses of record against a change-of-address database maintained by the U.S. Postal Service to reduce the possibility that items sent by first-class mail, such as Account statements, will be undeliverable.

You can securely access and manage your Account information—including quarterly statements, transaction confirmations, and tax forms—24 hours a day at [www.collegesave4u.com](http://www.collegesave4u.com) once you have created an online username and password. If you open an Account online, the Plan requires you to select a username and password right away. If you open an Account by submitting an Enrollment Form, you may establish a username and password at [www.collegesave4u.com](http://www.collegesave4u.com).

The Plan uses reasonable procedures to confirm that transaction requests are genuine. However, you may be responsible for losses resulting from fraudulent or unauthorized instructions received by the Plan, provided the Plan Manager reasonably believed the instructions were genuine. To safeguard your Account, please keep your information confidential. Contact the Plan immediately if you believe there is a discrepancy between a

transaction you requested and your confirmation statement, or if you believe someone has obtained unauthorized access to your Account.

If you receive a confirmation that you believe does not accurately reflect your instructions—e.g., the amount invested differs from the amount contributed or the contribution was not invested in the particular Investment Options you selected—you must promptly notify the Plan of the error. If you do not notify the Plan promptly, you will be considered to have approved the information in the confirmation and to have released the Plan and its Associated Persons from all responsibility for matters covered by the confirmation. You should regularly review your Account statements and transaction confirmations.

## Control Over the Account

Pursuant to Section 529, the Participant controls the Account and the disposition of all assets held in the Account, including earnings, whether contributed by the Participant or by another person. A Designated Beneficiary who is not the Participant has no control over any of the Account assets. Only the Participant will receive confirmation of Account transactions, unless the Participant elects to have confirmation statements sent to a designated third party. Individuals or entities other than the Participant that contribute funds to an Account will have no subsequent control over the contributions. Only the Participant may direct transfers, rollovers, Investment Exchanges (as permitted under federal law), distributions and changes in the Designated Beneficiary.

## Designating a Successor Participant

To the extent permitted by applicable law, you may designate a Successor Participant to succeed to all of your rights, title, and interest in an Account and any related matching grant account, including the right to change the Designated Beneficiary upon your death. This designation can be made on the initial Enrollment Form, which is available online at [www.collegesave4u.com](http://www.collegesave4u.com). If you do not initially designate a Successor Participant but later decide to do so, or if you wish to revoke or change a designation, you may either make the change online or submit the appropriate form to the Plan. The designation will become effective for the Successor Participant once the request has been received in good order and processed.

All requests to transfer ownership to a Successor Participant after your death must be submitted by authorized persons (the surviving spouse, custodial parent, legal guardian or Designated Beneficiary, as applicable) in writing. In the event of your death, the Successor Participant will be required to give the Plan Manager a certified copy of a death certificate sufficiently identifying you by name and Social Security number or other proof recognized under applicable law and acceptable to the Plan Manager before taking any action regarding the Account following your death. In the event of your incapacity, an authorized person will be required to give the Plan Manager a court-certified declaration of your incapacity or other proof recognized under applicable law and acceptable to the Plan Manager before taking any action regarding the Account following your incapacity.

An UGMA/UTMA custodian will not be permitted to change the Participant to anyone other than a successor custodian during the term of the custodial Account under applicable UGMA/UTMA law. To complete a transfer, your Successor Participant must also complete a new Enrollment Form.

In the event a Successor Participant is not named on the Enrollment Form, or the named Successor Participant does not accept the Account, the surviving spouse of the Participant will become the Participant for the Account. A Participant that is not a natural person will not be deemed to have a surviving spouse.

In the event there is no surviving spouse and the Designated Beneficiary is not a minor, the Designated Beneficiary will become the Successor Participant for the Account. If the Designated Beneficiary is a minor, the Designated Beneficiary's custodial parent will become the Successor Participant for the Account. If the Designated Beneficiary has more than one custodial parent, the custodial parent whose birthday is earlier in the calendar year will become the Successor Participant for the Account.

Contact the Plan at 1-866-SAVE-529 for information needed to complete the change of ownership. Please note that a change in Participant may have adverse tax consequences. Please consult your tax advisor.

In the event there is a dispute relating to who is duly authorized to act with respect to the Account, the Plan Manager may, in its sole discretion, refuse to accept any contribution to an Account or make any distribution from an Account until such dispute is resolved to its satisfaction. The Plan Manager shall have no liability for acting at the direction of a regulatory agency or court of competent jurisdiction with respect to the Account.

### Changing the Designated Beneficiary

Section 529 permits a Participant to change the Designated Beneficiary without adverse federal income tax consequences if the new Designated Beneficiary is a Member of the Family (as defined below) of the former Designated Beneficiary. If the new Designated Beneficiary is not a Member of the Family of the former Designated Beneficiary, then the change is treated as a Non-Qualified Distribution subject to applicable state and federal income tax on the earnings portion of the distribution and the Additional 10% Federal Tax.

There may be federal gift tax, estate tax, or GST tax consequences in connection with changing the Designated Beneficiary of a 529 Plan account. See **Part XI. Federal and State Tax Treatment – Federal Gift and Estate Taxes.**

To change a Designated Beneficiary, you must submit the appropriate form. At the time you change a Designated Beneficiary, you may reallocate assets in the Account to a different mix of Investment Options.

**Note:** *Assets invested in an Age-Based Option, if not reallocated to a different Investment Option, will automatically be moved to the Portfolio within the Age-Based Option that corresponds to the age of the new Designated Beneficiary (unless the new Designated Beneficiary is in the same age bracket as the former Designated Beneficiary).*

**Member of the Family.** A "Member of the Family" of the Designated Beneficiary is defined as:

- father, mother, or an ancestor of either;
- son, daughter, or a descendant of either;
- stepfather or stepmother;
- stepson or stepdaughter;
- brother, sister, stepbrother or stepsister, half-brother or half-sister;
- brother or sister of the father or mother;
- brother-in-law, sister-in-law, son-in-law, daughter-in-law, father-in-law, or mother-in-law.;
- son or daughter of a brother or sister;
- spouse of the Designated Beneficiary or any of the individuals mentioned above; or
- first cousin.

For purposes of determining who is a Member of the Family, a legally adopted child or foster child of an individual shall be treated as the child of such individual by blood.

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## PART XI. FEDERAL AND STATE TAX TREATMENT

**This Plan Disclosure Statement is not intended to constitute, nor does it constitute, legal or tax advice. This Plan Disclosure Statement was developed to support the marketing of the Plan and cannot be relied upon for purposes of avoiding the payment of federal or state tax penalties. You should consult your legal or tax advisor about the impact of federal and state tax regulations on your individual situation including any contributions, distributions, rollovers, or other transactions you propose to make in your account.**

**This section summarizes certain key aspects of the federal and state tax treatment of contributions to, and distributions from, Accounts. The U.S. Treasury Department has issued proposed regulations under Section 529 and an advance notice of proposed rulemaking describing new proposed regulations under Section 529. The Plan is designed to comply with the proposed regulations**

**(except to the extent that provisions in the proposed regulations have been superseded by legislative and/or administrative changes), as well as with certain other guidance issued by the IRS under Section 529. However, there is no assurance that the proposed regulations will become the final regulations or that the IRS will not issue other guidance interpreting Section 529. The information provided below is not exhaustive. It is based on the Plan's understanding of current law and regulatory interpretations relating to 529 Plans generally and is meant to provide Participants with general background information about the tax characteristics of these programs. Neither this Part XI, nor any other information provided throughout this Plan Disclosure Statement is intended to constitute, nor does it constitute, legal or tax advice.**



It is possible that Congress, the Treasury Department, the IRS, the North Dakota legislature, or federal or state courts may take action that will affect the tax treatment of 529 Plan contributions, earnings, or distributions. Individual state legislation may also affect the state tax treatment of a 529 Plan for residents of that state.

If you are not a North Dakota taxpayer, consider before investing whether your or the Beneficiary's home state offers a 529 Plan that provides its taxpayers with favorable state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that may only be available through investment in the home state's 529 Plan. Since different states have different tax provisions, this Plan Disclosure Statement contains limited information about the state tax consequences of investing in College SAVE. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's 529 Plan(s), or any other 529 Plan, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

### **General 529 Plan Tax Treatment**

529 Plans allow individuals, trusts, and certain corporate entities to provide for the education-related expenses of a Designated Beneficiary in a tax-advantaged manner. To be eligible for these tax benefits, 529 Plan account assets must be used to pay the Qualified Expenses of the Designated Beneficiary. The terms "Qualified Expenses," and "Eligible Educational Institution" are defined in **Part I. Introduction - Key Terms** and described in **Part IX. Distributions**.

### **529 Plan Contributions and Distributions**

Federal law does not allow a tax deduction for contributions to 529 Plans. However, the income earned on any such contributions may generally grow free of federal income tax until distributed. Qualified Distributions (i.e., distributions to pay for the Qualified Expenses of a Designated Beneficiary) qualified rollovers and refunds from Eligible Educational Institutions that are recontributed to a 529 Plan within 60 days of the date of the refund are not subject to federal income taxation. The earnings portion of Non-Qualified Distributions, however, is subject to all applicable federal and state income taxes and, in most cases, to the Additional 10% Federal Tax.

The Additional 10% Federal Tax does not apply to certain distributions made because of (1) the death or disability of the Designated Beneficiary, (2) a qualified rollover, as described below, (3) attendance at a U.S. Military Academy or receipt of a qualified scholarship, allowance, or similar payment made to the Designated Beneficiary, but only to the extent of such qualified scholarship, allowance, or payment or (4) a refund from an Eligible Educational Institution that is recontributed to a 529 Plan within 60 days of the date of the refund. See **Part IX. Distributions – Certain Other Distributions Exempt From the Additional 10% Federal Tax**.

All Accounts in the Plan with the same Participant and Designated Beneficiary will be aggregated for purposes of calculating the earnings portion of a particular distribution. This calculation will be made as of the distribution date.

### **Qualified Rollovers**

A Participant may transfer all or part of the funds in a 529 Plan account to an account in another 529 Plan (or before January 1, 2026 to a Section 529A qualified ABLE program) without adverse federal income tax consequences if, within sixty (60) days of the distribution from the distributing account, such funds are transferred to or deposited for the benefit of: (i) an individual who is a Member of the Family (defined in **Part X. Account Maintenance – Changing the Designated Beneficiary**) of the former Designated Beneficiary, or (ii) the same Designated Beneficiary, but in the case of another Section 529 account only if no previous such transfer has been made for the benefit of such individual within the preceding 12 months. See **Part X. Account Maintenance – Changing Investment Options for Current Balances and Future Contributions**.

### **Other Contributions and Transfers**

An individual may generally transfer into a 529 Plan account, without adverse federal income tax consequences, all or part of: (1) money held in an Account in the Plan for a Member of the Family of the Designated Beneficiary, if the money is transferred within sixty (60) days of the distribution from the distributing Account, (2) money from a Coverdell Education Savings Account described in Section 530 of the Code, or (3) the proceeds from the redemption of a qualified U.S. savings bond described in Section 135 of the Code.

### **Coordination with Other Higher Education Expense Benefit Plans**

The tax benefits afforded to 529 Plans must be coordinated with other programs designed to provide tax benefits for meeting higher education expenses in order to avoid the duplication of such benefits. The coordinated programs include Coverdell Education Savings Accounts under Section 530 of the Code and American Opportunity and Lifetime Learning Credits under Section 25A of the Code ("Education Credits").

**Coverdell Education Savings Accounts.** An individual may contribute money to, or withdraw money from, both a 529 Plan account and a Coverdell Education Savings Account in the same year. However, to the extent the total distributions from both accounts exceed the amount of the Qualified Expenses incurred, the recipient must allocate his or her Qualified Expenses between both such distributions in order to determine how much may be treated as tax-free under each program.

**Education Credits.** The use of Education Credits by a qualifying Participant and Designated Beneficiary will not affect participation in or benefits from a 529 Plan account, so long as the 529 Plan assets are not used for the same expenses for which the Education Credit was claimed.

### **Federal Gift and Estate Taxes**

Contributions (including certain rollover contributions) to a 529 Plan account generally are considered completed gifts to the Designated Beneficiary and are eligible for the applicable annual exclusion from gift and GST taxes (\$16,000 for a single individual or \$32,000 for a married couple making the proper election).

Except in the situations described in the following paragraph, if the Participant were to die while assets remain in an Account, the value of the

Account would not be included in the Participant's estate. In cases where contributions to an Account exceed the applicable annual exclusion amount for a single Designated Beneficiary, the contributions may be subject to federal gift tax and possibly the GST tax in the year of contribution. However, in these cases, a contributor may elect to apply the contribution against the annual exclusion equally over a five (5) year period. This option is applicable only for contributions up to five (5) times the available annual exclusion amount in the year of the contribution. Once this election is made, if the contributor makes any additional gifts to the same Designated Beneficiary in the same or the next four years, such gifts may be subject to gift or GST taxes in the calendar year of the gift. However, any excess gifts may be applied against the contributor's lifetime gift or GST tax exclusions.

If the Participant chooses to use the five (5) year forward election and dies before the end of the five (5) year period, the portion of the contribution allocable to the years remaining in the five (5) year period (beginning with the year after the Participant's death) would be included in the Participant's estate for federal estate or GST tax purposes.

If the Designated Beneficiary of an Account is changed, or amounts in an Account are rolled over to a new Designated Beneficiary of the same generation as the old Designated Beneficiary (or an older generation), a gift or GST tax will not apply. If the new Designated Beneficiary is of a younger generation than the former Designated Beneficiary, there will be a taxable gift to the extent of the amount transferred. GST taxes may apply if the new Designated Beneficiary is two or more generations below (younger than) the former beneficiary. Estate, gift, and GST tax issues arising in conjunction with 529 Plans can be quite complicated. You should consult your tax advisor if you have any questions about these issues.

## State Tax Treatment

**In General.** The tax benefits described in this Plan Disclosure Statement generally relate to federal tax benefits. State tax treatment may differ based on the state or states in which you pay taxes. You should consult with your tax advisor about any state or local taxes, including income, gift, estate, and GST taxes.

**North Dakota State Taxpayers.** Contributions to the Plan are deductible in computing North Dakota taxable income in an amount not to exceed five thousand dollars (\$5,000.00), ten thousand dollars (\$10,000.00) in the case

of married persons filing jointly, for all contributions to all Plan Accounts in any taxable year. In the case of married persons filing jointly, the ten-thousand dollar (\$10,000.00) deduction applies regardless of whether one or both spouses have North Dakota taxable income. Rollovers from another 529 Plan are not eligible for the state tax deduction. For a contribution to be deductible for a taxable year, it must be made by a North Dakota taxpayer on or before the last day of that taxable year. Contributions sent by U.S. mail will be treated as having been made in a particular year if the envelope in which it is sent is postmarked on or before December 31 of that year.

Contributions done by EBT will be treated as having been made in a particular year if the EBT requested is submitted by 11:59 p.m., Eastern Time, on or before December 31 of that year, provided the funds are subsequently withdrawn from a Participant's checking or savings account at another financial institution. Contributions done by recurring contribution will be treated as having been made based on the designation date of that recurring contribution transaction, provided the funds are subsequently withdrawn from a Participant's checking or savings account at another financial institution. (If your recurring contribution designation date is January 1st, 2nd, 3rd, or 4th that recurring contribution will be treated as having been made in the new calendar year.) See **Part VIII. Contributions – Recurring Contribution** for more detail on designation dates.

The starting point for calculating North Dakota taxable income is federal taxable income, with certain state adjustments. Thus, for purposes of calculating North Dakota state income tax, a Participant or Designated Beneficiary will not recognize income on earnings that are not distributed from the Plan. In addition, the earnings portion of a Qualified Distribution will not be subject to North Dakota state income tax.

## Tax Reports

The Plan will report distributions and other matters to the IRS, the North Dakota Office of State Tax Commissioner, Distributees, and other persons, if any, to the extent required pursuant to federal, state, or local law, regulation, or ruling. Under federal law, a separate report will be filed by the Plan Manager with the IRS reporting distributions from an Account to each Distributee reflecting, among other information, the earnings portion withdrawn during the calendar year to which the report pertains.

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## PART XII. GENERAL INFORMATION

### Customer Identification Verification

The Plan Manager acts in accordance with a customer identification program and obtains certain information from the Participant in order to verify his or her identity. If the Participant does not provide the following information as requested on the Enrollment Form—full name; date of birth (if applicable) of the Participant, any Successor Participant and the Designated Beneficiary; taxpayer identification number of the Participant (for example, Social Security number or taxpayer identification number); and street address—the Plan Manager may refuse to open an Account. If reasonable efforts to verify this information are unsuccessful, the Plan Manager may take certain actions regarding the Account without prior notice to the Participant,

including among others, rejecting contribution and transfer requests, suspending Account services, or closing the Account. Units redeemed as a result of closing an Account will be valued at the net asset value next calculated after the Plan Manager decides to close the Account, and the risk of market loss, tax implications, and any other expenses, as a result of the liquidation, will be solely the Participant's responsibility.

### Dispute Resolution and Arbitration

The Participation Agreement contains a mandatory arbitration clause which is a condition to investing in College SAVE. Any controversy or claim arising out of or relating to the Plan Disclosure Statement or Participation

Agreement, or the breach, termination, or the validity of the Plan or the Participation Agreement, shall be settled by arbitration administered by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures and its Policy on Consumer Arbitrations (except that if Ascensus or Vanguard is a party to the arbitration, it may elect that arbitration will instead be subject to the Code of Arbitration Procedure of the Financial Industry Regulatory Authority), which are made part of the Participation Agreement, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

### **Continuing Disclosure**

Certain financial information and operating data relating to the Plan will be filed by or on behalf of the Plan in electronic form with the Electronic Municipal Market Access system (EMMA) maintained by the MSRB pursuant to Rule 15c2-12 as promulgated by the SEC under the Securities Exchange Act of 1934. Notices of certain enumerated events will be filed by or on behalf of the Program with the MSRB.

### **Disclosure Relating to Internet Access**

Participants have the option to perform Account-related transactions and activity electronically via the Internet, including opening an Account and receiving documents. If a Participant elects to open an Account electronically and chooses to receive documents electronically the following information pertains to the Participant's transactions.

A Participant can securely access and manage Account information – including receiving transaction confirmations, and tax forms – 24 hours a day at [www.collegesave4u.com](http://www.collegesave4u.com) (the "Plan Website") once a Participant has created an online user name and password. If a Participant opens an Account online, the Plan requires the Participant to select a user name and password right away. If a Participant opens an Account by submitting an Enrollment Form, the Participant may establish a user name and password at [www.collegesave4u.com](http://www.collegesave4u.com). Participants who choose to open an Account electronically can also choose to access documents relating to their Account on the Plan Website. Participants may contact a College SAVE client service representative at 1-866-SAVE-529 to request a copy of documents relating to their Account be sent to them.

This Plan Disclosure Statement, the Participation Agreement, information concerning the Portfolios, and all required reports for an Account are available at the Plan Website. Participants should regularly visit the Plan Website. These materials and this information also may be supplemented throughout the year and will be available on the Plan Website. The Plan Manager may archive these documents and cease providing them on the Plan Website when they become out of date and, therefore, Participants should consider printing any information posted on the Plan Website before it is removed.

The Plan Manager may, from time to time, notify a Participant by e-mail that documents, including Account statements and transaction confirmations, have been delivered. However, this is no substitute for regularly checking the Plan Website. The Plan Manager currently makes available, all prior Account statements and transaction confirmations through the Plan Website. This is subject to change without notice.

Participants can withdraw their consent to receiving documents electronically at any time and choose to receive paper documents from

the Plan Manager online or by calling a College SAVE client service representative at 1-866-SAVE-529.

Participants will be required to provide their user ID and password to access their Account information and perform transactions at the Plan Website.

Participants should not share their password with anyone else. The Plan Manager will honor instructions from any person who provides correct identifying information, and is not responsible for fraudulent transactions it believes to be genuine according to these procedures. Accordingly, Participants bear the risk of loss if unauthorized persons obtain their user ID and password and conduct any transaction on their behalf. Participants can reduce this risk by checking their Account information regularly which will give them an opportunity to prevent multiple fraudulent transactions. Participants should avoid using passwords that can be guessed and should consider changing their password frequently. Plan Manager employees or representatives will not ask Participants for their password. It is the Participant's responsibility to review their Account information and to notify the Plan Manager promptly of any unusual activity.

The Plan Manager cannot guarantee the privacy or reliability of e-mail, so it will not honor requests for transfers or changes received by e-mail, nor will the Plan Manager send Account information through e-mail. All transfers or changes should be made through the secure Plan Website. The Plan Website uses generally accepted and available encryption software and protocols, including Secure Socket Layer. This is to prevent unauthorized people from eavesdropping or intercepting information sent by or received from the Plan Manager. This may require that Participants use certain readily available versions of web browsers. As new security software or other technology becomes available, the Plan Manager may enhance its systems.

### **Creditor Protection Under U.S. Laws**

Federal bankruptcy law excludes from property of the debtor's bankruptcy estate certain assets that have been contributed to a 529 Plan account. However, bankruptcy protection in this respect is limited and has certain conditions. For the 529 Plan account to be excluded from the debtor's estate, the account beneficiary must be a child, stepchild, grandchild, or step-grandchild (including a legally adopted child or a foster child) of the individual who files for bankruptcy protection. In addition, contributions made to all 529 Plan accounts for the same beneficiary are protected from becoming property of the debtor's estate as follows:

- contributions made to all 529 Plan accounts for the same Designated Beneficiary more than seven-hundred and twenty (720) days before a federal bankruptcy filing are completely protected;
- contributions made to all 529 Plan accounts for the same Designated Beneficiary more than three-hundred and sixty-five (365) days but less than seven-hundred and twenty (720) days before a federal bankruptcy filing are, as of April 1, 2019, protected up to six-thousand, eight-hundred and twenty-five dollars (\$6,825.00), an amount currently revised every three years by the Judicial Conference of the United States; and
- contributions made to all 529 Plan accounts for the same Designated Beneficiary less than three-hundred and sixty-five (365) days before a federal bankruptcy filing are not protected against creditor claims in federal bankruptcy proceedings.

Federal bankruptcy law permits a debtor to exempt certain specified assets from liability notwithstanding the assets being property of the debtor's estate. Under federal bankruptcy law, assets held in a 529 Plan account that are property of the debtor's estate are not exempt from debt for domestic support obligations.

This information is not meant to constitute individual tax or bankruptcy advice, and you should consult with your own advisors concerning your individual circumstances.

### **Independent Registered Public Accounting Firm**

The Plan Manager has engaged Landmark PLC, an independent public accounting firm, to audit the financial statements for the Plan.

### **Custodial Arrangements**

The Bank of New York Mellon (Mellon) is the Plan's custodian. As custodian, Mellon is responsible for maintaining the Plan's assets.

### **Account Restrictions**

In addition to rights expressly stated elsewhere in this Plan Disclosure Statement, Bank and the Plan Manager reserves the right to, or cause its agents to: (i) freeze an Account and/or suspend Account services when the Plan has received reasonable notice of a dispute regarding the assets in an Account, including notice of a dispute in Account ownership or when the Plan reasonably believes a fraudulent transaction may occur or has occurred; (ii) freeze an Account and/or suspend Account services upon the notification to the Plan of the death of a Participant until the Plan receives required documentation in good order and reasonably believes that it is lawful to transfer Account ownership to the Successor Participant; (iii) redeem an Account, without the Participant's permission, in cases of threatening conduct or suspicious, fraudulent or illegal activity; (iv) refuse to establish and Account, close an Account or reject a contribution for any reason, including if we believe it is in the best interests of the Plan, a Portfolio or the Participants or if it is required by law; (v) refuse, change, discontinue, or temporarily suspend Account services, including accepting contributions and processing distribution requests, for any reason; (vi) and close your Account, if we determine that you provided false or misleading information to the Plan or an

Eligible Educational Institution in establishing or maintaining an Account, or that you are restricted by law from participating in the Plan.

The risk of market loss, tax implications, penalties, and any other expenses, as a result of such an Account freeze or redemption will be solely the Participant's responsibility.

### **Information in this Plan Disclosure Statement**

**Not an Offer to Sell.** This Plan Disclosure Statement is for information purposes only. It does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of a security issued by the Plan by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale.

**Information Subject to Change.** The information in this Plan Disclosure Statement is believed to be accurate as of the cover date but is subject to change without notice. No one is authorized to provide information that is different from the information in the most current form of this Plan Disclosure Statement and any amendments to this Plan Disclosure Statement.

**Important Reference Material.** Please keep this Plan Disclosure Statement for future reference. This document gives you important information about the Plan, including information about the investment risks associated with, and the terms under which you agree to participate in the Plan.

**Tax Considerations.** Any statements in this document concerning U.S. tax issues (i) are not offered as individual tax advice to any person, (ii) are provided as general information in connection with the marketing of College SAVE, and (iii) are not provided or intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding U.S. tax penalties. Each taxpayer should seek advice based on the taxpayer's particular situation.

**Precedence.** In the event of any conflicts, the Act, the North Dakota Administrative Code, and the Internal Revenue Code, as amended, will prevail over this Plan Disclosure Statement.

**Representations.** Statements contained in this Plan Disclosure Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

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## **PART XIII. PRIVACY POLICIES**

### **Bank Privacy Policy**

We recognize, respect, and protect the personal privacy rights of all our customers. We realize that our customers entrust us with personal information and it is our policy to maintain our customers' information in a confidential manner. We are committed to providing the highest level of security and privacy regarding the collection and use of our customers' personal information as well as the personal information of all customers who visit our institution and our website.

Bank shall provide a Bank Privacy Statement to Participants periodically, but Participants may always find a copy of the most recent Bank privacy Policy on the Plan's website at [www.collegesave4u.com](http://www.collegesave4u.com).

### **Questions About Your Privacy**

If you have questions about the privacy of your information, please feel free to contact Bank at 1-701-328-5600 or 1-800-472-2166.

### **Ascensus Privacy Statement**

Ascensus is required to treat all Participant and Designated Beneficiary information confidentially. Ascensus is prohibited from using or disclosing such information, except as may be necessary to perform its obligations under the terms of its contract with Bank, or if required by applicable law, by court order, or other order.

## COLLEGE SAVE PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (the "Participation Agreement") is entered into between the Participant ("you," "I," or the "Participant") whose name appears on the Enrollment Form and Bank of North Dakota ("Bank"), which serves as the administrator of College SAVE (the "Plan") and the Trustee of the College SAVE Trust, which holds the assets of the Plan. The Plan was established under Title 6, Chapter 9, Section 38 of the North Dakota Century Code (the "Act") and is designed to qualify for treatment as a qualified tuition program within the meaning of Section 529 of the Internal Revenue Code of 1986, as amended from time to time, and any regulations or other guidance issued thereunder (collectively, "Section 529"). Terms used in this Participation Agreement and not otherwise defined herein have the meanings defined in the Plan Disclosure Statement, receipt of which is hereby acknowledged by the Participant. By signing the Enrollment Form and, if applicable, any New Baby Match Enrollment Form, any BND Match Application, or Kindergarten Kickoff Match Application, you agree to be bound by the terms of this Participation Agreement, the Plan Disclosure Statement, and the terms of the Enrollment Form and, if applicable, any related New Baby Match Enrollment Form and any BND Match Application, and acknowledge and agree that the Account is subject to the Declaration of Trust and applicable law and regulations, including without limitation, the U.S. Internal Revenue Code, as amended, the Act, and the rules set forth in Title 12.5, Article 2, Chapter 1 of the North Dakota Administrative Code as amended (the "Program Regulations").

1. **Establishment of Account.** This Participation Agreement and the complete Enrollment Form executed by the Participant with respect to an account (an "Account") shall constitute the entire contract between Bank and the Participant with respect to the Account. You request that Bank establish an Account pursuant to the Enrollment Form for the benefit of the Designated Beneficiary on the Enrollment Form (the "Designated Beneficiary"). Your Account and this Participation Agreement are subject to the Act and the Program Regulations. Your Account assets will be held, subject to the Act and Section 529 and the Plan Disclosure Statement, for the exclusive benefit of you and the Designated Beneficiary.
2. **Plan Management.** Bank has retained Ascensus Broker Dealer Services, LLC ("Ascensus") as the Plan Manager and the Distributor of the Plan. Ascensus and its affiliates have overall responsibility for the day-to-day operations of the Plan, including recordkeeping and marketing. ("Ascensus" is used to refer collectively or individually, as the case requires, to Ascensus and its affiliates.) The Plan Manager will establish an Account upon receipt of a duly completed Enrollment Form in good order and the minimum initial contribution required for an Account.
3. **Contributions to Accounts.** The Account is subject to certain terms and conditions, including minimum initial and subsequent contribution amounts, as described in the Plan Disclosure Statement. If I am establishing ACH contributions through my bank account, I authorize Ascensus to initiate credit/debit entries (and to initiate, if necessary, debit/credit entries and adjustments for credit/debit entries made in error) to my bank account.
4. **Designation of Designated Beneficiary; Change of Designated Beneficiary.** The Participant will name a single Designated Beneficiary for each Account on the Enrollment Form. Accounts opened by state or local government (or agency or instrumentality) or organization described in Section 501(c)(3) of the Code to fund scholarships may be established without naming a Designated Beneficiary. The Participant may change the Designated Beneficiary of an Account without adverse federal income tax consequences in accordance with the terms set forth in the Plan Disclosure Statement. To change a Designated Beneficiary, the Participant must complete and sign the appropriate form. The change will be effective when the Plan Manager has received and processed the appropriate form. A change of Designated Beneficiary will result in the assignment of a new Account number.
5. **Investment Options.** The Plan has established several Portfolios for the investment of assets in the Account. Your Account will be established by the Plan Manager so that contributions are automatically allocated to the Portfolio(s) selected on the Enrollment Form. Initial and subsequent contributions to your Account will be invested in accordance with the Portfolio(s) selected, and allocations chosen, by you, as described in the Plan Disclosure Statement, and Units of the Portfolio(s) (or any successor Portfolio(s)) selected will be allocated to your Account. Each Portfolio will invest in mutual funds or other investment vehicles approved by Bank. The Portfolios are not insured or guaranteed by the Federal Deposit Insurance Corporation, the State of North Dakota, Bank, the Trust, any other government agency or the Plan Manager, its affiliates, or subcontractors.
6. **Distributions from Accounts; Termination of Accounts.** You may direct distributions from your Account or terminate your Account at any time subject to the Plan's procedures (as described in the Plan Disclosure Statement) and any fees, penalties, and additional tax that may be applicable as described below and in the Plan Disclosure Statement or as required by the Act or Section 529.
  - (a) *Distributions from Accounts.* You may direct distributions from your Account following the Plan Manager's acceptance of a Distribution Request Form and any additional information or documentation required by the Plan.
  - (b) *Tax on Non-Qualified Distributions.* Non-Qualified Distributions will be subject to all applicable federal and state taxes on earnings, including the Additional 10% Federal Tax as described in the Plan Disclosure Statement.
  - (c) *Termination of Accounts.* Bank or the Participant may terminate an Account, and Bank may terminate the Plan, in accordance with the Act, Section 529, and/or any applicable Program Regulations at any time. If Bank or the Plan Manager finds that the Participant or a Designated Beneficiary has provided false or misleading information to Bank, the Plan Manager, or an Eligible Educational Institution with respect to an Account, Bank may take such action permitted by the Act and Program Regulations such as termination of the Account and distribution of the Account balance. Upon termination of your Account, the Account balance will be distributed to you and Contributions and all earnings thereon will be subject to all applicable federal and state taxes or penalties on Non-Qualified Distributions.
7. **Participant's Representations.** You represent and agree as follows:
  - (a) I have carefully reviewed and understand the Plan Disclosure Statement, including, without limitation, the discussion of risks in the Plan Disclosure Statement under the heading "Risks of Investing in the Plan." I agree that the Plan Disclosure Statement and my Enrollment

Form is incorporated by reference herein. In making my decision to open an Account and enter into this Participation Agreement, I have not relied upon any representations or other information, whether written or oral, other than as set forth in the Plan Disclosure Statement and this Participation Agreement.

- (b) I UNDERSTAND THAT (i) THE VALUE OF AN ACCOUNT WILL INCREASE OR DECREASE BASED ON THE INVESTMENT PERFORMANCE OF THE PORTFOLIO(S) IN WHICH CONTRIBUTIONS TO THE ACCOUNT HAVE BEEN ALLOCATED AND THE UNDERLYING FUNDS IN WHICH THEY INVEST OR SUCH OTHER FUNDS, SECURITIES, OR INVESTMENTS SELECTED BY BANK; (ii) THE VALUE OF AN ACCOUNT MAY BE MORE OR LESS THAN THE AMOUNT CONTRIBUTED TO THE ACCOUNT; (iii) ALL CONTRIBUTIONS TO AN ACCOUNT ARE SUBJECT TO INVESTMENT RISKS, INCLUDING THE RISK OF LOSS OF ALL OR PART OF THE CONTRIBUTIONS AND ANY RETURN OR INTEREST EARNED THEREON; AND (iv) THE VALUE OF THE ACCOUNT MAY NOT BE ADEQUATE TO FUND ACTUAL HIGHER EDUCATION EXPENSES. I ACKNOWLEDGE THAT THERE IS NO GUARANTEE OF A RATE OF INTEREST OR RETURN ON ANY ACCOUNT. I UNDERSTAND THAT THE INTENDED TAX ADVANTAGES FOR THE ACCOUNT MAY BE NEGATIVELY AFFECTED BY FUTURE CHANGES IN TAX LAWS, REGULATIONS, OR RULES. NEITHER BANK, THE STATE OF NORTH DAKOTA, NOR THE PLAN MANAGER, ITS AFFILIATES, AND SUBCONTRACTORS INSURES ANY ACCOUNT OR GUARANTEES ANY RATE OF RETURN OR ANY INTEREST RATE ON ANY CONTRIBUTION, AND NONE OF THE AFOREMENTIONED SHALL BE LIABLE FOR ANY LOSS INCURRED BY ANY PERSON AS A RESULT OF PARTICIPATING IN THE PLAN.
- (c) I understand that: (i) the state(s) in which I live or pay taxes may offer a Section 529 college savings plan; (ii) that the Section 529 college savings plan(s) and those state(s) may offer me state income tax or other benefits not available through the Plan; and (iii) I may want to consult with a qualified tax advisor regarding the state tax consequences of investing in the Plan.
- (d) I understand that once invested in a particular Portfolio, contributions and any earnings may only be transferred to another Portfolio up to two times per calendar year or upon a change of Designated Beneficiary. Except as otherwise permitted under Section 529, the Act, or the Program Regulations, all investment decisions for the Portfolio(s) and assets in each Account once a particular Portfolio is selected will be made by the Plan. I understand that only Bank will have the authority to make decisions concerning the Underlying Funds and the selection of the Plan Manager. I understand that any Portfolio may at any time be merged, terminated, reorganized, or cease accepting new contributions, and any such action affecting a Portfolio may result in contributions being reinvested in a Portfolio different from the Portfolio in which contributions were originally invested.
- (e) With respect to each Investment Option, I understand and acknowledge that neither my contributions nor investment returns so allocated to my Account are guaranteed or insured by any person or entity. I understand that there is no guarantee that the Plan's investment objectives will be achieved.
- (f) I understand that although I own Units in a Portfolio, I do not have a direct beneficial interest in the mutual funds or other Underlying Funds approved by Bank from time to time, and, therefore, I do not have the rights of an owner or shareholder of such mutual funds or Underlying Funds. I further understand that I received no advice or investment recommendation from, or on behalf of, the State of North Dakota, Bank, the Plan, or the Plan Manager, its affiliates, or subcontractors.
- (g) I agree that each contribution to the Account shall constitute my representation that each contribution (together with the current Account and all other accounts of which I am aware that have been established under the Plan for the same Designated Beneficiary) will not cause the aggregate balances in such accounts to exceed the amount reasonably believed by me to be necessary to provide for the Designated Beneficiary's Qualified Expenses, and in any event will not cause such aggregate balances to exceed the Maximum Contribution Limit then in effect. The Maximum Contribution Limit does not apply to Accounts maintained for a scholarship program by a state or local government (or agency or instrumentality) or organization described in Section 501(c)(3) of the Code.
- (h) I understand that I am solely responsible for determining which Section 529 qualified tuition program is best suited to my needs and objectives. I understand that each of the Investment Options within the Plan may not be suitable, and that the Plan may not be suitable, for all investors as a means of saving and investing for higher education costs. I have determined that an investment in the Plan is a suitable investment for me as a means of saving for the Qualified Expenses of the Designated Beneficiary of my Account.
- (i) I certify that all of the information that I provided in the Enrollment Form and any other documentation subsequently furnished in connection with the opening or maintenance of, or any distributions from, the Account is and shall be accurate and complete, and I agree to notify Bank or the Plan Manager promptly of any material changes in such information.
- (j) I understand that participation in the Plan does not guarantee that any Designated Beneficiary: (i) will be admitted as a student to any institution, school, or program; (ii) if accepted, will be permitted to continue as a student; (iii) will graduate from any Eligible Educational Institution; (iv) will be treated as a state resident of any state for tuition purposes; or (v) will achieve any particular treatment under applicable federal or state financial aid programs. Further, I understand that participation in the Plan does not guarantee North Dakota in-state tuition rates at North Dakota state schools.
- (k) I will not use an Account as collateral for any loan, and agree that any attempted use of an Account as collateral for a loan shall be void.
- (l) I will not assign or transfer any interest in any Account except as permitted by Section 529 or the Act, any regulations issued thereunder, or Bank, and agree that any attempted assignment or transfer of such an interest shall be void. Notwithstanding the foregoing, I understand that I may designate a Successor Participant to whom the Account will be assigned in the event of my death. Accounts registered as trust accounts may not designate a Successor Participant.
- (m) I understand that the Plan will not lend money or other assets to any Participant or Designated Beneficiary.
- (n) I understand that the Plan is established and maintained pursuant to the Act and is intended to qualify for treatment as a qualified tuition program within the meaning of Section 529. The Act and Section 529 are subject to change and neither Bank nor the Plan Manager makes any representations that either the Act or Section 529 regulations, rules, notices, or other guidance issued thereunder will not be changed

or repealed, or that the terms and conditions of the Plan will remain as currently described in the Plan Disclosure Statement and this Participation Agreement.

- (o) I certify that I am a natural person, at least 18 years of age, and a citizen or a resident of the United States of America and that I have the requisite authority to enter into this Participation Agreement and to open an Account on behalf of the Designated Beneficiary. I also certify that the person named Designated Beneficiary of the Account is a citizen or a resident of the United States of America.
  - (p) I understand that any contributions credited to my Account will be deemed by Bank and the Plan Manager to have been received from me and that any contributions by third parties may result in adverse tax or other consequences to me or such third parties.
  - (q) I agree and acknowledge that included in the Fees and Expenses section of the Plan Disclosure Statement include investment management fees and other expenses charged by each of the mutual funds or other Underlying Funds in which Portfolio assets are invested.
  - (r) I understand that I am opening this Account to provide funds for Qualified Expenses of the Designated Beneficiary of the Account.
  - (s) I understand that Bank or the Plan Manager may ask me to provide additional documentation that may be required by applicable law, the Program Regulations, or the Plan Disclosure Statement, and I agree to promptly comply with any such requests for additional documents.
  - (t) I understand that purchases and sales of Units held in my Account may be confirmed to me on periodic Account statements in lieu of an immediate confirmation.
  - (u) I agree that I have been given an opportunity, within a reasonable time prior to my execution of the Enrollment Form, to ask questions of representatives of the Plan Manager and to receive satisfactory answers concerning: (i) my participation in the Plan; (ii) the terms and conditions governing the Plan; (iii) the particular Investment Options that are available for the Designated Beneficiary of the Account; (iv) the Plan Disclosure Description, the Program Regulations, the Participation Agreement and the Enrollment Form; (v) the applicable fees and expenses charged in connection with the Plan; and (vi) my ability to obtain such additional information necessary to verify the accuracy of any information furnished.
  - (v) I understand that Plan assets may be allocated among equity funds, fixed income funds, cash management funds, and other investments.
  - (w) If I am establishing an Account as a custodian for a minor under UGMA/UTMA, I understand and agree that I assume responsibility for any adverse consequences resulting from the establishment, maintenance, or termination of the Account.
  - (x) If I am establishing an Account as a trustee for a trust, I represent that: (i) the trustee is the Participant; (ii) the individual executing this Participation Agreement is duly authorized to act as trustee for the trust; (iii) the Plan Disclosure Statement may not discuss tax consequences and other aspects of the Plan of particular relevance to the trust and individuals having an interest therein; and (iv) the trustee, for the benefit of the trust, has consulted with and relied on a professional advisor, as deemed appropriate by the trustee, before becoming a Participant.
  - (y) I understand that tax laws are subject to change, and that any such change may have adverse tax and other consequences to me.
  - (z) I understand that no part of my participation in the Plan will be considered to be a provision of an investment advisory service by the Trust, Bank, the Plan Manager, its affiliates, or subcontractors.
- (aa) I understand that Ascensus and Vanguard, to the extent permitted by applicable law, may direct mailings to me or my Designated Beneficiary regarding products or services other than the Plan.
  - (bb) I understand that the Plan has the right to provide a Financial Professional identified by me to the Plan with access to financial and other information regarding my Account. I acknowledge that the Plan may terminate my Financial Professional's authority to access my Account at its discretion.
8. **Fees and Expenses.** The Account is subject to the fees and expenses to pay for the costs of managing and administering the Plan as described in the Plan Disclosure Statement.
9. **Necessity of Qualification.** The Plan intends to qualify for favorable federal tax treatment under Section 529. Because this qualification is vital to the Plan, Bank may modify the Plan or amend this Participation Agreement at any time if Bank decides that the change is needed to meet the requirements of Section 529 or the regulations administered by the IRS pursuant to Section 529, North Dakota State law, or applicable rules or regulations promulgated by Bank, or to ensure the proper administration of the Plan.
10. **Reports.** The Plan Manager will send you periodic statements of your Account. The Plan Manager will provide tax reporting as required by applicable law. If you do not write to the Plan Manager to object to a statement or report within sixty (60) days after it has been sent to you, you will be considered to have approved it and to have released Bank, the Trust, and the Plan Manager from all responsibility for matters covered by the report. You agree to provide all information Bank or the Plan Manager may need to comply with any legal reporting requirements. You will continue to be responsible for filing your federal tax return and any other reports required of you by law.
11. **Amendment and Termination.** Bank may from time to time amend the Plan, this Participation Agreement, the Plan Disclosure Statement, or the Program Regulations, and may suspend or terminate the Plan by giving you written notice (which amendment shall be effective upon the date specified in the notice), but the contributions you have made to the Plan may not thereby be diverted from the exclusive benefit of you and your Designated Beneficiary. Nothing contained in the Plan Disclosure Statement, this Participation Agreement, or the Program Regulations is an agreement or representation by Bank, the Trust, Plan Manager, its affiliates or subcontractors, or any other person that it will continue to maintain the Plan indefinitely.
- A termination of the Plan or this Participation Agreement by Bank or the Trust may result in a Non-Qualified Distribution for which tax and penalties may be assessed. No provision of this Participation Agreement can be amended or waived except in writing signed by an authorized representative of Bank.
12. **Effective Date; Incorporation of Application.** This Participation Agreement shall become effective between Bank and you upon the first deposit to your Account or the acceptance of your properly completed Enrollment Form by the Plan Manager by and on behalf of Bank, whichever occurs first, subject to Bank's right to reject the Enrollment Form if, in

processing the Enrollment Form, it is determined that the Enrollment Form has not been fully and properly completed.

13. **Applicable Law.** This Participation Agreement is governed by the laws of North Dakota without regard to its conflicts of law principles.
14. **Extraordinary Events.** Bank, the Trust, the Investment Manager, the Distributor, and the Plan Manager shall not be liable for any loss, failure or delay in performance of each of their obligations related to your Account or any diminution in the value of your Account arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control in the event of Force Majeure.
15. **Severability.** In the event that any clause, provision, or portion of this Participation Agreement is found to be invalid, illegal, void, or unenforceable by reason of any law, rule, administrative order, or judicial decision of a court of competent jurisdiction, that clause or portion will be severed from this Participation Agreement and the remainder shall continue in full force and effect as if such clause or portion had never been included.
16. **Disputes.** All decisions and interpretations by Bank and the Plan Manager in connection with the operation of the Plan shall be final and binding upon you, the Designated Beneficiary, and any other person affected thereby. Any claim by you against the State of North Dakota, Bank, the Trust, the Plan, or any of their respective affiliates or their officers, employees, or agents, pursuant to this Participation Agreement or the Plan shall be made solely against the assets of the Plan. If you have a substantial interest affected by a decision of Bank, you may appeal to Bank in writing in accordance with Bank's procedures. Bank shall review the documentation and other submissions and make a determination within sixty (60) days. Bank's appeal determination shall be in writing and returned to the appellant. All appeal decisions of Bank shall be final.
17. **Arbitration.**
  - (a) **Notice.** This Participation Agreement contains a pre-dispute arbitration clause. By the Participant signing an Enrollment Form and upon acceptance of the Participant's initial contribution, the Participant and the other parties agree as follows:
    - (1) **All parties to this Participation Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**
    - (2) **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**
    - (3) **The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**
    - (4) **The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least twenty (20) days prior to the first scheduled hearing date.**
    - (5) **The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.**
  - (b) **Arbitration Clause.** Any controversy or claim arising out of or relating to the Plan or the Participation Agreement, or the breach, termination, or validity of the Plan or the Participation Agreement, including but not limited to any dispute over the scope of this arbitration clause, shall be settled by arbitration administered by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures and its Policy on Consumer Arbitrations (except that if Ascensus or Vanguard is a party to the arbitration, it may elect that arbitration will instead be subject to the Code of Arbitration Procedure of the Financial Industry Regulatory Authority), which are made part of this Participation Agreement, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.
  - (c) **Class Actions.** No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein to this Participation Agreement.
18. **Lawsuits Involving Your Account.** You hereby submit (on behalf of yourself and your Designated Beneficiary) to exclusive jurisdiction of courts in North Dakota for all legal proceedings, other than arbitration, arising out of or relating to this Participation Agreement. Except as to controversies arising between you or your Designated Beneficiary and Bank or the Plan Manager, Bank or the Plan Manager may apply to a court at any time for judicial settlement of any matter involving your Account. If Bank or the Plan Manager does so, they must give you or your Designated Beneficiary the opportunity to participate in the court proceeding, but they also can involve other persons. Any expense incurred by Bank or the Plan Manager in legal proceedings involving your Account, including attorney's fees and expenses, are chargeable to your Account and payable by you or your Designated Beneficiary if not paid from your Account.
19. **Binding Nature.** This Participation Agreement shall be binding upon the parties and their respective heirs, successors, beneficiaries, and permitted assigns. You agree that all of your representations and obligations under this Participation Agreement shall inure to the benefit of Bank and the Plan Manager, all of whom can rely upon and enforce your representations and obligations contained in this Participation Agreement.
- (6) **The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.**
- (7) **The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.**





### **Contacting College SAVE**

**Phone:**

1-866-SAVE-529 (1-866-728-3529)  
(8:00 a.m. – 8:00 p.m. Eastern time, Mon.-Fri.)

**Online:**

[www.collegesave4u.com](http://www.collegesave4u.com)

**Regular Mail:**

College SAVE  
P.O. Box 219781  
Kansas City, MO 64121-9781

**Overnight Delivery:**

College SAVE  
1001 E 101st Terrace, Suite 220  
Kansas City, MO 64131

**College SAVE (the “Plan”) is a 529 plan established by the State of North Dakota. Bank of North Dakota acts as trustee of College SAVE Trust and is responsible for administering College SAVE Trust and the Plan. Ascensus Broker Dealer Services, LLC (“Ascensus”), the Plan Manager, and its affiliates, have overall responsibility for the day-to-day operations of the Plan, including recordkeeping and marketing. The Vanguard Group, Inc. provides underlying investments for the Plan. The Plan’s Portfolios, although they invest in mutual funds, are not mutual funds. Units of the Portfolios are municipal securities. The Portfolio unit values will vary with market conditions.**

**Investment returns are not guaranteed and you could lose money by investing in the Plan. Participants assume all investment risks, including the potential for loss of principal, as well as responsibility for any federal and state consequences.**

Upromise is an optional program offered by Upromise, LLC, and is separate from College SAVE. Specific terms and conditions apply. Participating companies, contribution levels, terms and conditions are subject to change. Upromise, LLC, is not affiliated with Ascensus.

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**Not FDIC Insured. No Bank, State or Federal Guarantee. May Lose Value.**