

Upcoming enhancements to our  
**Year of Enrollment Portfolios**



**DC COLLEGE**  
SAVINGS PLAN

# THANK YOU FOR BEING A DC COLLEGE SAVINGS PLAN ACCOUNT OWNER!

We are announcing changes to our very popular Year of Enrollment Portfolios with the goal of making you an even more successful education saver.

These changes, effective on or about November 22, 2021, are based on the very latest investment research, proprietary analytics, industry best practice comparisons and updated market assumptions.

**An important note:**

If you are invested in a Year of Enrollment Portfolio – you do not have to take any action as a result of these changes. Your Year of Enrollment Portfolio will automatically adjust the mix of stocks and bonds as your beneficiary nears college age.

It is important, however, that you review these changes to ensure that these portfolio enhancements match your goals for growth and appetite for risk.

# What is changing?

## Redesigned Year of Enrollment (YOE) portfolios

- The DC College Savings Plan (“Plan”) manages the allocations of the underlying portfolios to become more conservative as the beneficiary approaches enrollment age. The account owner simply chooses a YOE portfolio with the date closest to the beneficiary’s expected enrollment date.
- For the 2040 YOE portfolio and thereafter, the investment horizon will be increasing from 18 to 20 years. Existing YOE portfolios will continue to roll down over the original time frame, however, with a different asset mix.

## Greater exposure to equities for existing and new YOE portfolios

- New and existing YOE portfolios will experience an increase in the equity allocations.
- The new equity allocation will continue to consist of both U.S. equities and international equities, but at different weights. While the majority of the equity assets will continue to be held in U.S. stocks, the allocation to international stocks will increase.
- The international equity allocation will continue to hold both developed international countries and emerging market countries.

## Greater diversification in order to reduce risk

To achieve broader diversification and reduce risk, we are making the following changes:

- Changing the overall fixed-income component of the allocation to include different types of investments, such as high yield bonds and a more broadly diversified short-term bond investment grade product.
- Introduction of more conservative capital preservation allocations earlier in the portfolio investment horizon.



# Our implementation plan

## Transition gradually

The DC College Savings Plan will be implementing the higher equity allocations to existing portfolios gradually to protect account owners from any potential large swings in the equity market during the transition. YOE portfolios launched in the future will incorporate the new higher equity, 20-year investment horizon.

## Pause equity exposure

During the implementation, which will begin in November 2021, there will be periods where the overall equity allocation will not decrease as it has historically. By keeping the equity allocations static, the seven existing YOE portfolios will gradually align to the new equity allocation targets as the beneficiary gets closer to college age. After aligning with the new allocations the portfolios will resume reducing their equity allocations twice a year.

## Continue with semi-annual fixed-income rebalancing

Within fixed income, we will continue our current practice of semi-annual allocation changes, as we shift some of the portfolio's fixed income assets to a capital preservation product. This reduces risk to the Portfolio as the beneficiary gets closer to college age.

**We are available to help answer your questions. Please reach out to our Client Service team at 1-800-987-4859, Monday through Friday, from 8:00 a.m. to 8:00 p.m. EST.**

## Please consider:

These changes to the YOE portfolio will come with a significant increase to equity compared to the former investment horizon. If a more aggressive portfolio with higher equity allocations is a concern for you, consider a portfolio that better suits your risk tolerance. For example, you could:

- Move to another, more conservative YOE portfolio with an earlier enrollment year (i.e. move from the 2028 Enrollment Portfolio to the 2025 Enrollment Portfolio).
- Transfer some assets to an individual bond or capital preservation portfolio option with a more conservative risk level to reduce overall expected portfolio volatility.

**The above examples are not intended to be used as a general guide to investing, or as a source of any specific investment recommendations.**

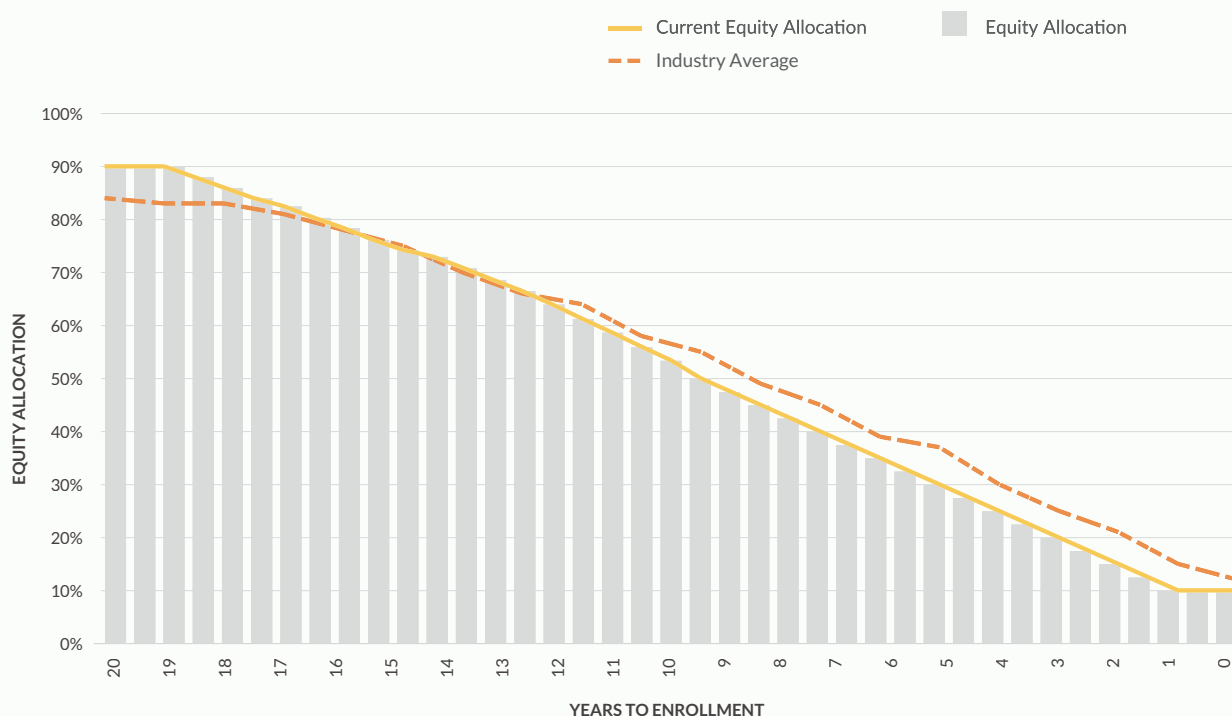
Remember: You can change your investment mix twice a calendar year. Exchanges can be processed by accessing your account online or by calling into our Client Service team.



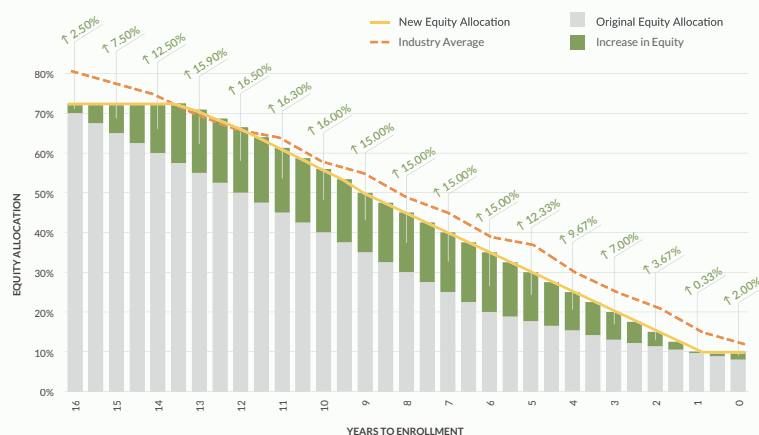
# Year of Enrollment Portfolios: Changes to equity allocation

The following graphs highlight the adjustment to the new equity allocation over time for existing Year of Enrollment portfolios. Simply look for the portfolio(s) you are currently invested in and the new and original equity component is shown.

## 2040 YEAR OF ENROLLMENT PORTFOLIO



## 2037 YEAR OF ENROLLMENT PORTFOLIO

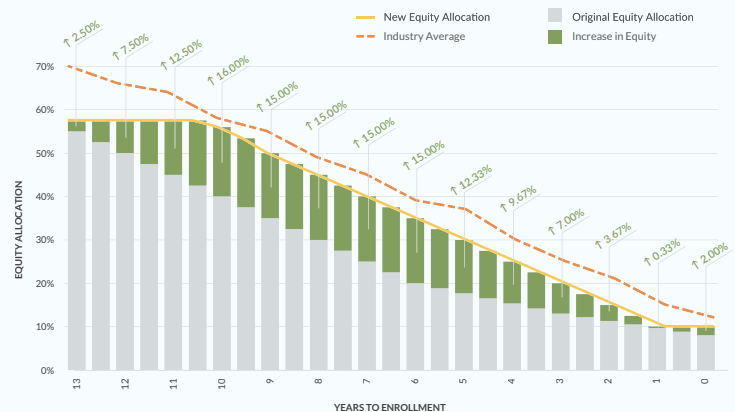




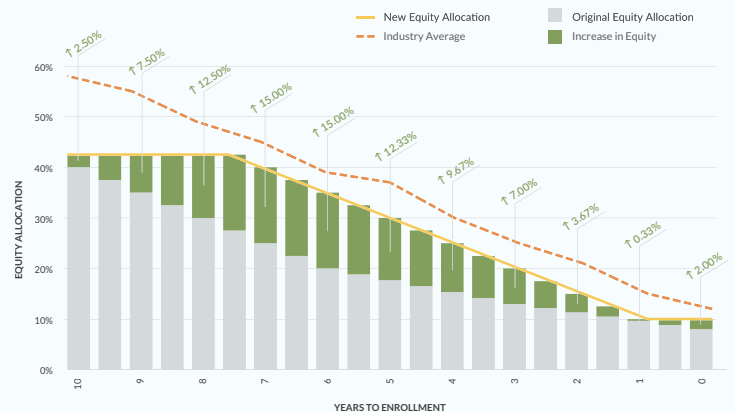
## Year of Enrollment Portfolios: Changes to equity allocation

These graphs below highlight the difference between the original equity allocations and the new equity allocation.

2034 YEAR OF ENROLLMENT PORTFOLIO



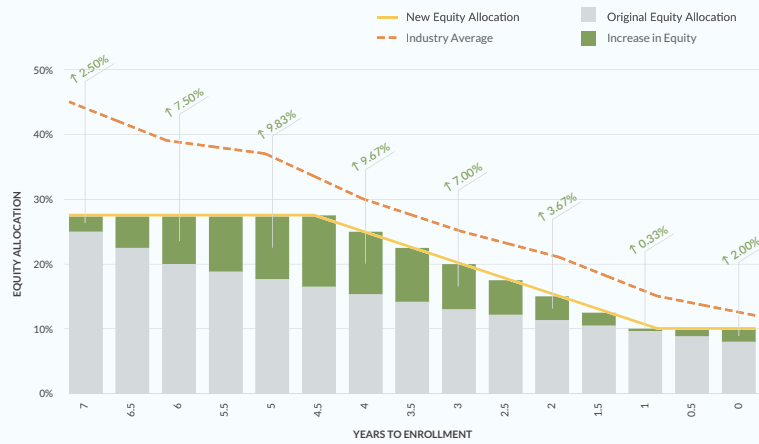
2031 YEAR OF ENROLLMENT PORTFOLIO



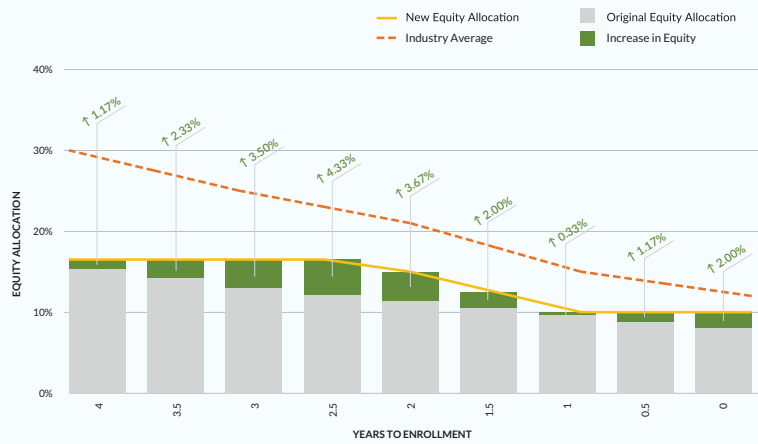
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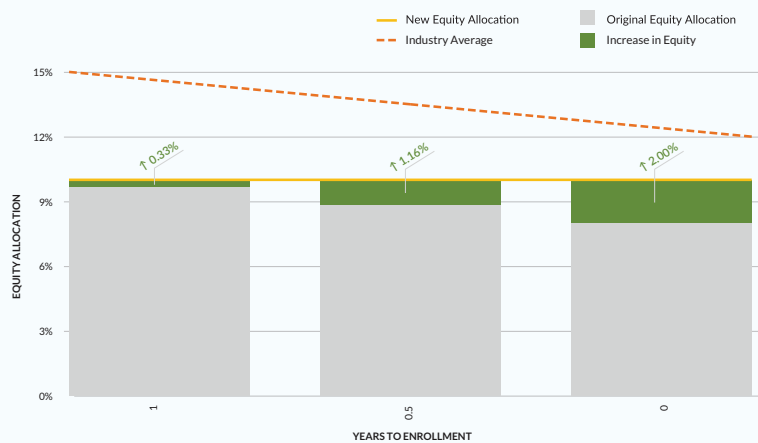
### 2028 YEAR OF ENROLLMENT PORTFOLIO



### 2025 YEAR OF ENROLLMENT PORTFOLIO



### 2022 YEAR OF ENROLLMENT PORTFOLIO



**Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.**

**For more information about The DC College Savings Plan ("The Plan"), call 800.987.4859, or visit [dccollegesavings.com](http://dccollegesavings.com) to obtain a Program Disclosure Booklet, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing.**

The Plan is administered by the District of Columbia Office of the Chief Financial Officer, Office of Finance and Treasury. Ascensus College Savings Recordkeeping Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including recordkeeping and administrative services. Ascensus Investment Advisors, LLC serves as the Investment Manager.

The Plan's Portfolios invest in: (i) exchange-traded funds, (ii) mutual funds and (iii) a funding agreement. Investments in The Plan are municipal securities that will vary with market conditions. Investments are not guaranteed or insured by the Government of the District of Columbia, the District of Columbia College Savings Program Trust, the District of Columbia Chief Financial Officer, the District of Columbia Treasurer, the Trustee for the District of Columbia College Savings Program Trust or any co-fiduciary or instrumentality thereof, the Federal Deposit Insurance Corporation or any instrumentality thereof.

**INVESTMENTS ARE NOT FDIC INSURED, MAY LOSE VALUE AND ARE NOT BANK GUARANTEED.**



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