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Investment returns are not guaranteed, and you could lose money by investing in College Savings Iowa.

Diversification does not ensure a profit or protect against a loss.

*The Conservative Income Portfolio and Interest Accumulation Portfolio both invest in Vanguard Short-Term Reserves Fund, which in turn invests in Vanguard Federal Money Market Fund. The Short-Term Reserves Fund's investment in the Federal Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it is possible that the Short-Term Reserves Fund may lose money by investing in the Federal Money Market Fund.*

*For more information about College Savings Iowa, call 888-332-7545 or visit CollegeSavingsIowa.com to obtain a Program Description. Investment objectives, risks, charges, expenses, and other important information are included in the Program Description; read and consider it carefully before investing. Vanguard Marketing Corporation, Distributor.*

*If you are not an Iowa taxpayer, consider before investing whether your or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.*

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# Important changes coming to College Savings Iowa



We are making some changes to College Savings Iowa. Effective May 19, the plan will have redesigned age-based savings tracks and a new underlying stable value investment option, the Vanguard Short-Term Reserves Fund.

These plan changes are automatic and will not count against the twice-per-calendar-year investment exchange restriction on your existing account assets. You do not need to do anything. You will receive an updated Program Description in May detailing the changes. In the meantime, here is a preview of what you can expect.

# Highlights of the changes

College Savings Iowa is making two main changes to our plan's investments. These changes are:

1. Redesigning the four age-based savings tracks to allow for a smoother transition from more aggressive to more conservative investments over time.
2. Broadening the plan's investment diversification by adding a stable value investment option, the Vanguard Short-Term Reserves Fund, as an underlying investment in some of our portfolios.

## Smoothing the glide paths of our age-based savings tracks

Our four age-based tracks, which invest in a broadly diversified combination of low-cost Vanguard index funds,\* will more gradually reduce a participant's stock exposure as the student (beneficiary) nears college age. That is, age-based tracks that step down stock exposure in either 20% or 40% increments today will change to 10% or 20% increments in the future.

This "smoothing" effect will help protect an account from declines in the stock market while still allowing it to benefit when the market goes up. In other words, the changes will

provide participants with the opportunity to increase their returns without significantly increasing their risk.

See the charts below for more details on the current and new glide paths for the age-based savings tracks, as well as the portfolios that make up each track.

## Expanding investment diversity with a new fund

Another change we are making to the plan is replacing the underlying Vanguard Federal Money Market Fund with a stable value, short-term investment option—the Vanguard Short-Term Reserves Fund. This new underlying investment

will make up 25% of the Conservative Income Portfolio and 100% of the new Interest Accumulation Portfolio (which is replacing the Money Market Portfolio). With this addition, we will further expand and diversify the plan's investments beyond the federal money market securities that it holds currently. These changes are expected to translate into a higher yield for participants for a very small increase in additional risk.

To see how the Vanguard Short-Term Reserves Fund fits within the age-based savings tracks, review the chart on page 4.

## Current glide paths

Age of beneficiary	Aggressive Growth	Growth	Moderate Growth	Conservative Growth
0-5	Aggressive Growth Portfolio 100% Stock	Aggressive Growth Portfolio 100% Stock	Growth Portfolio 80% Stock/20% Bond	Moderate Growth Portfolio 60% Stock/40% Bond
6-10	Aggressive Growth Portfolio 100% Stock	Growth Portfolio 80% Stock/20% Bond	Moderate Growth Portfolio 60% Stock/40% Bond	Conservative Growth Portfolio 40% Stock/60% Bond
11-15	Growth Portfolio 80% Stock/20% Bond	Moderate Growth Portfolio 60% Stock/40% Bond	Conservative Growth Portfolio 40% Stock/60% Bond	Income Portfolio 20% Stock/80% Bond
16-18	Moderate Growth Portfolio 60% Stock/40% Bond	Conservative Growth Portfolio 40% Stock/60% Bond	Income Portfolio 20% Stock/80% Bond	Conservative Income Portfolio 75% Bond/25% Short-term reserves
19+	Income Portfolio 20% Stock/80% Bond	Conservative Income Portfolio 75% Bond/25% Short-term reserves	Money Market Portfolio 100% Short-term reserves	Money Market Portfolio 100% Short-term reserves

● Stock ● Bond ● Short-term reserves

\*You pay *only* \$2 per year for every \$1,000 you invest (0.20% applied annually).

## New glide paths













Age of beneficiary	Aggressive Growth	Growth	Moderate Growth	Conservative Growth
0-5	Aggressive Growth Portfolio 100% Stock	Aggressive Growth Portfolio 100% Stock	Growth Portfolio 80% Stock/20% Bond	Moderate Growth Portfolio 60% Stock/40% Bond
6-7	Aggressive Growth Portfolio 100% Stock	Blended Aggressive Growth Portfolio 90% Stock/10% Bond *	Blended Growth Portfolio 70% Stock/30% Bond *	Blended Moderate Growth Portfolio 50% Stock/50% Bond *
8-9	Aggressive Growth Portfolio 100% Stock	Growth Portfolio 80% Stock/20% Bond	Moderate Growth Portfolio 60% Stock/40% Bond	Conservative Growth Portfolio 40% Stock/60% Bond
10-11	Blended Aggressive Growth Portfolio 90% Stock/10% Bond *	Blended Growth Portfolio 70% Stock/30% Bond *	Blended Moderate Growth Portfolio 50% Stock/50% Bond *	Blended Conservative Growth Portfolio 30% Stock/70% Bond *
12-13	Growth Portfolio 80% Stock/20% Bond	Moderate Growth Portfolio 60% Stock/40% Bond	Conservative Growth Portfolio 40% Stock/60% Bond	Income Portfolio 20% Stock/80% Bond
14-15	Blended Growth Portfolio 70% Stock/30% Bond *	Blended Moderate Growth Portfolio 50% Stock/50% Bond *	Blended Conservative Growth Portfolio 30% Stock/70% Bond *	Blended Income Portfolio 10% Stock/90% Bond *
16-17	Moderate Growth Portfolio 60% Stock/40% Bond	Conservative Growth Portfolio 40% Stock/60% Bond	Income Portfolio 20% Stock/80% Bond	Conservative Income Portfolio 75% Bond/25% Short-term reserves
18	Conservative Growth Portfolio 40% Stock/60% Bond	Blended Conservative Growth Portfolio 30% Stock/70% Bond *	Blended Income Portfolio 10% Stock/90% Bond *	Conservative Income Portfolio 75% Bond/25% Short-term reserves
19+	Income Portfolio 20% Stock/80% Bond	Conservative Income Portfolio 75% Bond/25% Short-term reserves	Interest Accumulation Portfolio 100% Short-term reserves *	Interest Accumulation Portfolio 100% Short-term reserves *



● Stock ● Bond ● Short-term reserves \* New portfolio

Note: Portfolios with "blended" in their name are only available for purchase as part of an age-based savings track and cannot be purchased individually.

# What these changes mean for you

## Portfolios that make up the age-based savings tracks with their underlying investments

PORTFOLIOS	UNDERLYING FUND						
	Vanguard Total International Stock Index Fund	Vanguard Institutional Total Stock Market 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 Fund	
 <b>Aggressive Growth Portfolio</b>	40%	60%	0%	0%	0%	0%	
 <b>Blended Aggressive Growth Portfolio*</b>	36%	54%	7%	3%	0%	0%	
 <b>Growth Portfolio</b>	32%	48%	14%	6%	0%	0%	
 <b>Blended Growth Portfolio*</b>	28%	42%	21%	9%	0%	0%	
 <b>Moderate Growth Portfolio</b>	24%	36%	28%	12%	0%	0%	
 <b>Blended Moderate Growth Portfolio*</b>	20%	30%	35%	15%	0%	0%	
 <b>Conservative Growth Portfolio</b>	16%	24%	42%	18%	0%	0%	
 <b>Blended Conservative Growth Portfolio*</b>	12%	18%	49%	21%	0%	0%	
 <b>Income Portfolio</b>	8%	12%	56%	24%	0%	0%	
 <b>Blended Income Portfolio*</b>	4%	6%	63%	27%	0%	0%	
 <b>Conservative Income Portfolio</b>	0%	0%	34.5%	22.5%	18%	25%	
 <b>Interest Accumulation Portfolio</b>	0%	0%	0%	0%	0%	100%	

 Stock  Bond  Short-term reserves

### Transaction freeze

In order to facilitate a smooth transition, College Savings Iowa participants will not be able to access their accounts, either online or by phone, while the plan changes are being implemented from May 19 through May 21. For specific details on what will happen during this transition period, refer to the calendar on page 6.

### Stock exposure changes to age-based tracks that may affect your account

If you are not invested in one of our age-based savings tracks, the glide path changes will not affect your account. However, if you do invest in one of these tracks, you should consider the age of your student and review the glide path charts on the previous pages to see if your investments will change.

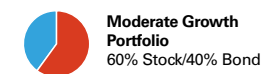
After May 19, 2017, participants who are invested in an age-based track may end up with more, less, or the same amount of stock exposure. See the examples below for possible scenarios showing how your account's stock exposure could change once the glide path changes are in effect.

While a 10% increase or decrease in stock exposure may not seem substantial, we want to make sure participants are aware of the changes and that they have the opportunity to examine their risk tolerance prior to May 19, 2017. One way to do this is to visit [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) and, under **Which investments should I choose?** select **What type of investor are you?**

### Example 1: 10% increase in stock exposure

Student is 11 years old and you are in the Growth age-based track.

#### Current investment



#### New investment



### Your investments after the transition

After the close of business on May 18, 2017, if you are invested in one of the age-based tracks, your account balances will automatically transition to the new investment option(s) as outlined above, if applicable. In addition, your contribution allocations will be updated and your future contributions will be invested according to the new allocations.

If you are not in an age-based track but are invested in the Money Market Portfolio as an individual option, you will see that option change to the Interest Accumulation Portfolio.

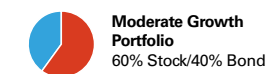
You can change the allocation instructions for new contributions at any time with no annual restrictions. If you have an automatic contribution scheduled on May 19–21, 2017, your account will be credited with a May 19 trade date; however, the contribution will not be processed until the following business day.

If you have not used your two allowable exchanges for 2017, you can elect to use one to change your investments before May 19 or after 7 a.m., Central time, on May 22.

### Example 2: 10% decrease in stock exposure

Student is 15 years old and you are in the Growth age-based track.

#### Current investment



#### New investment



\*Not available as an individual investment option.



## Transition dates and action items

### May 18

Requests for transactions and account changes will be processed as usual until 3 p.m., Central time. Requests received in good order after 3 p.m., Central time, through 3 p.m., Central time, on Friday, May 19, 2017, will be processed on Monday, May 22, 2017, using net asset values from Friday, May 19, 2017.

**Important:** To ensure the changes are implemented successfully, there will be a blackout period covering online access and transactions as well as phone transactions. Beginning 3 p.m., Central time, on Thursday, May 18, 2017, you will not be able to access your account online. We will make the website available to access your account before 7 a.m., Central time, on Monday, May 22, 2017. During that entire time, no transactions or account changes can be initiated or requested, either online or by phone.

### May 19–21

Account assets are transferred from existing portfolios to new portfolios, as applicable. The Interest Accumulation Portfolio is elevated.

### May 22

Recurring contributions (automatic investments) scheduled for Friday, May 19, 2017, and requests for transactions or account changes that are received by mail after 3 p.m., Central time, on Thursday, May 18, 2017, through 3 p.m., Central time, on Friday, May 19, 2017, will be processed with the new allocations using net asset values as of Friday, May 19, 2017.



## We are looking out for you

If you have any questions about these upcoming plan changes, College Savings Iowa is here to help. Please call one of our education savings specialists at **844-398-6485** on business days from 7 a.m. to 8 p.m., Central time.