The Enrollment Kit for the CollegeChoice 529 Direct Savings Plan (CollegeChoice 529 or Plan) consists of this Disclosure Booklet and the Enrollment Form. This Disclosure Booklet has been identified by the Plan as the Offering Materials intended to provide substantive disclosure of the terms and conditions of an investment in the Plan. This Disclosure Booklet is designed to comply with the College Savings Plans Network Disclosure Principles, Statement No. 6, adopted July 1, 2017.

If you are not an Indiana taxpayer, you should consider before investing whether your or the Beneficiary's home state offers a 529 plan that provides its taxpayers with favorable state tax and other benefits such as financial aid, scholarship funds, and protection from creditors that may only be available through an investment in the home state's 529 plan, and which are not available through an investment 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. Keep in mind that state-based benefits should be one of the many appropriately weighted factors to be considered when making an investment decision.

You should periodically access, and if appropriate, adjust your investment choices with your time horizon, risk tolerance, and investment objectives in mind. Investing is an important decision. Please read the Disclosure Booklet and the Enrollment Form in their entirety before making an investment decision.

Section 529 plans are 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. You may wish to seek tax advice from an independent tax advisor based on your own particular circumstances.

Capitalized terms used in this Disclosure Booklet are defined throughout the document and in the Glossary starting on page 50.
Getting Started

Getting started with CollegeChoice 529 is easy. Just follow these steps:

1. Read this Booklet in its entirety and save it for future reference. It contains important information you should review before opening an Account, including information about the benefits and risks of investing.

2. Gather your information:
   a. Your Social Security Number
   b. Your Permanent Address
   c. Your Beneficiary’s Social Security number and date of birth
   d. Your email address
   e. Your checking or savings account number and your bank’s routing number (if you want to contribute electronically with a bank transfer)

3. Go online to collegechoicedirect.com and click on Enroll. The easy-to-follow directions will guide you through the enrollment process. Enrolling online is fast, convenient, and secure. In as little as 10 minutes, you can be fully signed up and saving for college. Or, if you prefer, you can complete and mail the Enrollment Form included in the Enrollment Kit.

Contact Us

Online: www.collegechoicedirect.com

Phone: 1-866-485-9415
Monday through Friday, 8 a.m. to 8 p.m. Eastern time

Regular Mail:
College Choice 529 Direct Savings Plan
P.O. Box 219418
Kansas City, MO 64121

Overnight Delivery:
CollegeChoice 529 Direct Savings Plan
920 Main Street, Suite 900
Kansas City, MO 64105

Summary

About CollegeChoice 529

CollegeChoice 529 is a Section 529 plan offered by the Indiana Education Savings Authority (Authority). CollegeChoice 529 is designed to help individuals and families save for higher education in a tax-advantaged way and offers valuable advantages including tax-deferred growth, generous contribution limits, attractive Investment Options, and professional investment management.

You can use the assets in your Account toward the costs of nearly any public or private, 2-year or 4-year college nationwide, as long as the student (your Beneficiary) is enrolled in a U.S.-accredited college, university, graduate school, or technical school that is eligible to participate in the U.S. Department of Education student financial aid programs. You can also use the assets in your Account to pay tuition expenses at a public, private or religious elementary or secondary school. Withdrawals taken to pay K-12 Tuition for a school outside Indiana will be subject to recapture of the Indiana state income tax credit.

How You Participate

p. 7-13

CollegeChoice 529 is open to U.S. citizens or resident aliens throughout the U.S. You, as the Account Owner, maintain complete control over the Account and can open Accounts for any number of Beneficiaries, including yourself. This section will guide you through the details of opening a CollegeChoice 529 Account, contributing to your Account, maintaining your Account, using your savings to pay for Qualified Expenses, and closing your Account.

To open an Account, you must complete your enrollment online or send us a completed Enrollment Form, which is a contract between you, as the Account Owner, and the Authority, establishing the obligations of each.

This section also highlights the many ways you can contribute to your Account including Recurring Contributions, electronic funds transfer and rollovers from an account with another Qualified Tuition Program. See pages 40-43 for information regarding the impact on Indiana state and federal tax considerations regarding rollovers into your Account.

How To Take a Distribution from Your Account

p. 14-16

This section discusses the different ways you can withdrawal funds from your Account. You can have a withdrawal paid directly to you, as Account Owner, to the Beneficiary or to an Eligible Educational Institution. A withdrawal to pay K-12 Tuition is only payable to the Account Owner.

This section also describes the difference between Qualified Distributions, Non-Qualified Distributions and other types of withdrawals (for example, when the Beneficiary receives a scholarship, or is unable to attend school due to a Disability). There can be federal and state tax impacts of taking a withdrawal. It’s important to discuss withdrawals with a tax advisor to ensure you understand your particular situation.

Maintaining Your Account

p. 17-19

This section provides information on various Account maintenance issues such as your Account statements, changing Beneficiaries and changing your Investment Options. You can change Investment Options up to two times per year.

Fees

p. 20-22

CollegeChoice 529 has no commissions, loads, or sales charges. The total annual asset-based fee varies from 0.16% to 0.79% depending on the Portfolio you choose. In addition, an Annual Account Maintenance Fee of $20 will be charged to each of your Accounts unless your combined Account balance for your Beneficiary is equal to or greater than $25,000 or if you or your Beneficiary are an Indiana Resident. In this section, you can find a detailed description of the Fees associated with your CollegeChoice 529 Account.
Important Risks You Should Know About
p. 23-26
As with any investment, there are risks involved in investing in CollegeChoice 529, including the risk of investment losses; the risk of changes in federal and state laws, including federal and state tax laws; the risk of Plan changes, including changes in fees; and the risk that contributions to CollegeChoice 529 may adversely affect the eligibility of you or your Beneficiary for financial aid or other benefits. To learn more about the risks, please thoroughly read and carefully consider the information in this section and throughout this Disclosure Booklet, and ask your tax, legal and investment advisors about these risks.

Investment Information
p. 27-38
When you enroll in CollegeChoice 529, you choose to invest using at least one of three different investment approaches, based upon your investing preferences and risk tolerance. You can choose between the Year of Enrollment Option, the Individual Portfolios Option, the Savings Portfolio Option or a mix of all three.

Year of Enrollment Option
This Investment Option invests in a Portfolio that automatically moves to progressively more conservative investments as your Beneficiary approaches college age. There are seven (7) Portfolios available under the Year of Enrollment Option. These Portfolios invest in Underlying Funds managed by Vanguard and Loomis Sayles.

Individual Portfolios Option
This option offers six (6) Portfolios. The types of investments (for example - stocks, bonds or cash) the Portfolio invests in, remains fixed over time. Each Individual Portfolio invests in a single Underlying Fund, three of which are managed by Vanguard (U.S. Equity Index Portfolio, the Bond Index Portfolio and the Stable Value Portfolio). Other Individual Portfolios are managed by Dodge & Cox (International Portfolio), Carillon Reams (Active Bond Portfolio), and Western Asset (Inflation Protected Portfolio).

Savings Portfolio Option
The Savings Portfolio invests in a Federal Deposit Insurance Corporation (FDIC) insured omnibus savings account held in trust by the Authority at NexBank SSB (NexBank).

Investment Performance
p. 39
This section discusses the performance of the Investment Options in the Plan. The performance of the Investment Options may differ from the performance of the Underlying Investments. Your personal performance also may differ from the performance of the Investment Options. This performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so your 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.

Important Tax Information
p. 40-43
This section discusses both the Indiana state and federal tax benefits for an investment in CollegeChoice 529. Earnings are tax-deferred and the Indiana state income tax credit for certain contributions is available for Indiana taxpayers. Contributions to an Account are also eligible for the applicable annual exclusion from gift and generation skipping transfer taxes.

Contributions to your Account are eligible for an Indiana income tax credit if you are an Indiana taxpayer (resident or non-resident) filing a single or joint return. The tax credit works differently depending on the type of education expenses for which you use your Account.

• A 20% Indiana state income tax credit up to a maximum of $1,000 is available for contributions to an Account that will be used to pay for Indiana Qualified Higher Education Expenses, the maximum annual state income tax credit cannot exceed $1000.; and

• Effective January 1, 2019, a 20% Indiana state income tax credit up to a maximum of $1000 when combined with any state income tax credit taken for Indiana Qualified Higher Education Expenses, is available for contributions to an Account that will be used to pay for Indiana K-12 Tuition.

You (as the Account Owner) may be subject to recapture of the tax credit in the event that you take certain Non-Qualified Distributions or a distribution for K-12 Tuition for a school outside Indiana.

General Information
p. 44-47
In this section you will learn about the rights and obligations associated with your Account, considerations related to changes to your Account, this document, and state and federal laws, and claims against your Account.

Plan Governance
p. 48-49
This section summarizes the administration of CollegeChoice 529.

Glossary
p. 50-53
This section provides definitions of terms contained in this Disclosure Booklet. Note that terms defined in the glossary (other than you and you) appear with initial capital letters when referenced in this document.

Agreement
p. 54-55
In this section, we ask you to review and acknowledge your rights and responsibilities in connection with your enrollment in CollegeChoice 529. You must review this agreement in detail prior to completing an Enrollment in the Plan. Upon enrolling in the Plan online you will be prompted to acknowledge your understanding of, and agreement with the terms, conditions and information contained in the Disclosure Booklet and the Agreement. If you enroll by completing a paper Enrollment Form, you will be required to sign a similar acknowledgement.

Appendix A — Explanation of Investment Risks
p. 56-68
The information in the Appendix provides a summary of the main investment risks of the Portfolios and the Underlying Investments. As with any investment, your investment in the Portfolios could lose money or the Portfolios’ performance could trail that of other investments. Each Portfolio has a different level of risk.
To participate in CollegeChoice 529, you must complete the extent permissible under the laws that apply to your www.collegechoicedirect.com you irrevocably consent and agree that your Account is subject to the terms and conditions of the Enrollment Form and the Disclosure booklet.

Account Basics: To open an Account, you must be 18 years or older and a U.S. citizen (or resident alien), or an entity that is organized in the U.S. and have a valid permanent U.S. street address. By completing your online enrollment or signing the Enrollment Form, you irrevocably consent and agree that your Account is subject to the terms and conditions of the Enrollment Form and the Disclosure booklet.

Benefits. You can set up an Account for your benefit, for your child, grandchild, spouse, another relative, or even someone not related to you. Each Account can have only one Beneficiary at any time. However, you may have multiple Beneficiaries for the same Account. Also, different Account Owners may have an Account for the same Beneficiary within the Plan, but contributions to an Account will be limited if the total assets held in all Accounts for that Beneficiary under all 529 plans offered by Indiana equal or exceed the Maximum Account Balance. See Maximum Account Balance on page 12. Your Beneficiary may be of any age; however, the Beneficiary must be an individual and not a trust or other entity. A Beneficiary does not have to be named during enrollment when the Account Owner is a tax-exempt organization, as defined in the Code, and the Account has been established as a general scholarship fund.

Identification Verification. Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an Account. When completing your enrollment online or on an Enrollment Form, as applicable, we will ask for your name, street address, date of birth, and Social Security number. If you are a trust or other entity, we require a Tax Identification Number and information for any person(s) opening your Account, such as a Custodian, agent under power of attorney, trustee, or corporate officer. Further information about identification verification requirements can be found in the General Information section beginning on page 44.

How to Open and Fund Your Account

Minimum Contributions. To open an Account, you must make an initial contribution of at least $10. Subsequent investments must be at least $10 per contribution. Gift contributions through Ugift - Give College Savings (Ugift) must also be at least $10 per contribution. The minimum contribution amount may be waived for certain circumstances at our discretion. You can make your initial and any additional contributions by check, Recurring Contributions (also known as Automatic Investment Plan (AIP)), payroll deduction, Electronic Funds Transfer (EFT), dollar cost averaging, rolling over assets from another Qualifi ed Tuition Program, moving assets from an UGMA/UTMA account or Coverdell Education Savings Account, or by redeeming U.S. Savings Bonds.

You may set up your Account to periodically transfer funds as a subsequent investment, provided that the minimum contribution amount is met. You may also receive contributions through Ugift. We will not accept contributions made by cash, money order, travelers checks, foreign checks, checks dated more than 180 days from the date of receipt, checks post-dated more than seven days in advance, checks with unclear instructions, starter or counter checks, credit cards, electronic funds transfers or withdrawals, or rollovers. We will also not accept stocks, securities, or other noncash assets as contributions to your Account. You can allocate each contribution among any of the Investment Options; however, the minimum percentage per selected Investment Option is 1% of the contribution amount. Your subsequent contributions can be made to different Investment Options; the same amount you make during enrollment as long as investments in those different Investment Options are permissible.

Getting Started: You can open your Account with as little as $10. Designation of Contributions. When making contributions to your Account, you will be required to designate whether the contribution will be used for (i) Qualified Expenses that are not Indiana K-12 Tuition; (ii) Indiana K-12 Tuition; or (iii) both. If you contribute to your Account by Recurring Contribution, all Recurring Contributions will be allocated to the category of education savings you designate when you initiate the Recurring Contribution unless you notify us that future contributions by Recurring Contribution will be designated for a different category of education savings.

Contribution Date. We will credit any money contributed to your Account on the same business day if the contribution is received in good order and prior to the close of the New York Stock Exchange (NYSE), normally 4:00 p.m., Eastern time. The contribution will be credited on the next succeeding business day that the NYSE is open if it is received after its close.

We will generally treat contributions sent by U.S. mail as having been made in a given year if checks are postmarked on or before December 31 of the applicable year; and provided the checks are subsequently paid. With respect to EFT contributions, for tax purposes we will generally treat contributions received by us in a given year as having been made in that year if you initiate them on or before December 31 of such year, provided the funds are successfully debited from your checking or savings account at another financial institution. Your contributions made by Recurring Contribution will generally be considered received by us in the year the Recurring Contribution debit has been deducted from your checking or savings account at another financial institution. See Funding Methods – Recurring Contribution beginning on page 9.

Future Contributions. At the time you enroll, you must choose how you want your contributions invested, which will control the standing Investment Instruction for future contributions (Standing Investment Instruction). We will invest all additional contributions according to your Standing Investment Instruction, unless you provide us with different instructions, and your investments in different Investment Options are permissible. You may reallocate assets to different Portfolios twice per calendar year and with a permissible change in the Beneficiary. Additional restrictions apply to transfers out of the Stable Value Portfolio, and such additional restrictions may operate to limit an Account Owner’s ability to change Investment Options for the applicable Account within the same calendar year. See Important Risks You Should Know About - Equity Wash Rule on page 25 of the Disclosure booklet. You may view or change your Standing Investment Instruction at any time by logging onto our website at www.collegechoicedirect.com, by submitting the Exchange/Future Contribution (Allocation) Change Form by mail, or by calling 1-866-485-9415.

Control Over Your Account. Although any individual or entity may make contributions to your Account, you, as Account Owner, retain control of all contributions made as well as all earnings credited to your Account up to the date they are directed for distribution. A Beneficiary who is not the Account Owner has no control over any of the Account assets. Except as required by law, only you may direct transfers, rollovers, investment changes, withdrawals, and changes of the Beneficiary. You may also grant another person the ability to take certain actions with respect to your Account by completing appropriate form(s).

Opening an Account with the Assistance of a Financial Advisor. You may choose to open an Account with the assistance of a financial advisor, who would generally charge a fee for this service. You must consent and agree to authorize your financial advisor to access your Account and perform certain transactions on your behalf when you sign or execute the Agent Authorization/Limited Power of Attorney Form.

Trusted Contact. You can choose to authorize us to contact a Trusted Contact Person and disclose to that person information about your Account to address possible financial exploitation; to confirm the specifics
You can choose to designate a Trusted Contact Person by completing the Trusted Contact Person Form, or the Trusted Contact Person section of the Enrollment Form. A Trusted Contact Person must be at least eighteen (18) years of age.

Funding Methods

NINE WAYS TO CONTRIBUTE TO YOUR COLLEGECHOICE 529 ACCOUNT:

- Recurring Contributions (also known as Automatic Investment Plan or AIP): Link your bank account and CollegeChoice 529 and schedule automatic transfers of a set dollar amount.
- Electronic Funds Transfer (EFT): Link your bank account and CollegeChoice 529 and schedule transfers of a set dollar amount.
- Check: Send a check payable to CollegeChoice 529 Direct Savings Plan to P.O. Box 219418, Kansas City, MO 64121.
- Payroll Deduction: Link your CollegeChoice 529 Account to your employer so a set amount is taken out of your paycheck each pay period.
- Recurring Contributions
- UGMA/UTMA Contributions
- Payroll Deduction
- Electronic Funds Transfer
- CollegeChoice 529 Direct Savings Plan
- Transfer (EFT)

Upromise

- Ugift: Give a unique code to friends and family and allow them to contribute to your CollegeChoice 529 Account.
- Upromise Rollover Transfer assets from a 529 plan outside the Program to your CollegeChoice 529 Account.
- Contribution From ESA or Qualified U.S. Savings Bond: Contribute to CollegeChoice 529 from an education savings account or by selling a qualified U.S. Savings Bond.
- Contribution From UGMA/UTMA: Contribute assets from an UGMA/UTMA account to your CollegeChoice 529 Account.

Recurring Contributions

- Contributions by Check: You may make your initial contribution by check whether you enroll online or by sending an Enrollment Form. If you enroll by completing an Enrollment Form, the initial minimum contribution of $10 must accompany your Enrollment Form.
- Any additional contributions you make by check must be at least $10. Checks must be made payable to CollegeChoice 529 Direct Savings Plan. Third-party personal checks must be equal to or less than ten-thousand dollars ($10,000) and be properly endorsed or made payable to CollegeChoice 529 Direct Savings Plan.

Recurring Contribution

- Recurring Contributions
- Contributions to your Account by payroll deduction (if your employer offers this service). You may make your initial investment by payroll deduction or set up payroll deduction for additional contributions to your Account. The minimum payroll deduction contribution is $10 per paycheck. Contributions by payroll deduction will only be permitted from employers able to meet our operational and administrative requirements. You must complete payroll deduction instructions by logging into your Account at www.collegechoicedirect.com, selecting the payroll deduction option, and designating the contribution amount in the instructions. You will need to print these instructions and submit them to your employer. Alternatively, you may submit a Payroll Deduction Form directly to us to initiate the payroll deduction process.

Rollover Contributions

- You may create your initial investment by rolling over assets from another Qualified Tuition Program to a CollegeChoice 529 for the benefit of the same beneficiary. You can also rollover assets from your Account or another CollegeChoice 529 Qualified Tuition Program to a Beneficiary who is a Member of the Family of your current beneficiary. See Maintaining Your Account – Options for Unused Contributions: Changing a Beneficiary, Transferring Assets to Another CollegeChoice 529 Account – Options for Unused Contributions: Changing a Beneficiary, Transferring Assets to Another CollegeChoice 529 Account to CollegeChoice 529 for the benefit of the same beneficiary.
- You can also rollover assets from your Account or another CollegeChoice 529 Qualified Tuition Program to a Beneficiary who is a Member of the Family of your current beneficiary. See Maintaining Your Account – Options for Unused Contributions: Changing a Beneficiary, Transferring Assets to Another CollegeChoice 529 Account – Options for Unused Contributions: Changing a Beneficiary, Transferring Assets to Another CollegeChoice 529 Account to CollegeChoice 529 for the benefit of the same beneficiary.

Limitations on Recurring Contributions and EFT Contributions

- There is a limit on the total dollar amount per day you may contribute to your Account by EFT. Contributions in excess of this limit will be rejected. If you plan to contribute a large dollar amount to your Account by EFT, you may want to contact a Client Service Representative at 1-866-485-9415 to inquire about the current limit prior to making your contribution.
- Should your bank account on which it is drawn lack sufficient funds or because the Account Owner has failed to provide correct and complete banking instructions (Failed Contributions). If you have a Failed Contribution, we reserve the right to suspend processing of future Recurring Contribution and EFT contributions. See Failed Contributions on page 13.

Direct Deposits From Payroll

- You may be eligible to make automatic, periodic contributions to your Account by payroll deduction (if your employer offers this service). You may make your initial investment by payroll deduction or set up payroll deduction for additional contributions to your Account. The minimum payroll deduction contribution is $10 per paycheck. Contributions by payroll deduction will only be permitted from employers able to meet our operational and administrative requirements. You must complete payroll deduction instructions by logging into your Account at www.collegechoicedirect.com, selecting the payroll deduction option, and designating the contribution amount in the instructions. You will need to print these instructions and submit them to your employer. Alternatively, you may submit a Payroll Deduction Form directly to us to initiate the payroll deduction process.

Rollover Contributions

- You may make your initial investment by rolling over assets from another Qualified Tuition Program to a CollegeChoice 529 for the benefit of the same beneficiary. You can also rollover assets from your Account or another CollegeChoice 529 Qualified Tuition Program to a Beneficiary who is a Member of the Family of your current beneficiary. See Maintaining Your Account – Options for Unused Contributions: Changing a Beneficiary, Transferring Assets to Another CollegeChoice 529 Account to CollegeChoice 529 for the benefit of the same beneficiary.

- You can also rollover assets from your Account or another CollegeChoice 529 Qualified Tuition Program to a Beneficiary who is a Member of the Family of your current beneficiary. See Maintaining Your Account – Options for Unused Contributions: Changing a Beneficiary, Transferring Assets to Another CollegeChoice 529 Account – Options for Unused Contributions: Changing a Beneficiary, Transferring Assets to Another CollegeChoice 529 Account to CollegeChoice 529 for the benefit of the same beneficiary.

- You can also rollover assets from your Account or another CollegeChoice 529 Qualified Tuition Program to a Beneficiary who is a Member of the Family of your current beneficiary. See Maintaining Your Account – Options for Unused Contributions: Changing a Beneficiary, Transferring Assets to Another CollegeChoice 529 Account – Options for Unused Contributions: Changing a Beneficiary, Transferring Assets to Another CollegeChoice 529 Account to CollegeChoice 529 for the benefit of the same beneficiary.
Moving Assets from an UGMA/UTMA Account. If you are the Custodian of an UGMA/UTMA account, you may be able to open an Account in your custodial capacity, depending on the laws of the state where you opened the UGMA/UTMA account. These types of accounts involve additional restrictions that do not apply to regular Section 529 accounts. The Plan Officials are not liable for any consequences related to your improper use, transfer, or characterization of custodial funds. In general, your UGMA/UTMA custodial account is subject to the following additional requirements and restrictions:

1. you must indicate that the Account is an UGMA/UTMA Account and the state in which the UGMA/UTMA account was opened during online enrollment or by checking the appropriate box on the Enrollment Form;

2. you must establish an Account in your custodial capacity separate from any Accounts you may hold in your individual capacity;

3. you will be permitted to make distributions in accordance with the rules regarding distributions under applicable UGMA/UTMA law;

4. you will not be able to change the Beneficiary of the Account (directly or by means of a Rollover Distribution), except as may be permitted by applicable UGMA/UTMA law;

5. you will not be able to change the Account Owner to anyone other than a successor Custodian during the term of the custodial account under applicable UGMA/UTMA law;

6. you must notify us when the custodian/stripes terminates and your Beneficiary is legally entitled to take control of the Account. At that time, the Beneficiary will become the Account Owner and will become subject to the provisions of the Plan applicable to non-UGMA/UTMA Account Owners:

7. any tax consequences of a distribution from an Account will be imposed on the Beneficiary and not on the Custodian; and

8. we may require you to provide documentation evidencing compliance with the applicable UGMA/UTMA law.

In addition, certain tax consequences described under Important Tax Information starting on page 40, 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 CollegeChoice 529, the limitation on non-cash assets held by an UGMA/UTMA account would be required and would generally be a taxable event. In addition, making distributions from an UGMA/UTMA account to fund an Account for the same Beneficiary does not qualify for the Indiana income state tax credit. Please contact a tax advisor to determine how to transfer assets held in an existing UGMA/UTMA account to CollegeChoice 529 and what the implications of that transfer may be for your specific situation.

Moving Assets from a Coverdell Education Savings Account. You may fund your Account by moving assets from a Coverdell Education Savings Account (ESA). Please indicate that the assets were liquidated from the ESA during online enrollment, on the paper Enrollment Form or with any additional investments. Unlike UGMA/UTMA accounts, the Beneficiary may be changed to a Member of the Family of the beneficiary of the ESA. Making distributions from an ESA to fund an Account for the same Beneficiary is not a taxable transaction. Consult your tax advisor for more information.

Dollar-cost averaging is a way to invest a fixed amount in an Account Balance, which it may in its sole discretion, return excess contributions. The excess portion of any contributions received that would cause your Account balance to exceed the Maximum Account Balance will be accepted.

Excess Contributions. The excess portion of any contributions received that would cause your Account balance to exceed the Maximum Account Balance (as determined by the close of business on the day prior to our receipt of your contribution) will be returned.
to you, without adjustment for gains or losses. If you are enrolled in a Recurring Contribution, the Recurring Contribution may be discontinued. Also, if a contribution is applied to an Account and we later determine the contribution to have caused the aggregate market value of the account(s) for a Beneficiary in all Qualified Tuition Programs sponsored by the State of Indiana to exceed the Maximum Account Balance, we will refund the excess contributions and any earnings thereon to the contributor. Any refund of an excess contribution may be treated as a Non-Qualified Distribution.

Failed Contributions. If you make a contribution by check, EFT, or Recurring Contribution that is returned unpaid by the bank upon which it is drawn, you will be responsible for any costs or expenses incurred by the Portfolios or the Plan and we may charge your Account a reasonable Fee. Your obligation to cover the loss may be waived if you make payment in good order within ten (10) calendar days. You will have the right to reject or cancel any contribution due to nonpayment.

Confirmation of Contributions and Transactions. We will send you a confirmation for each contribution and transaction to your Account(s), except for Recurring Contributions, payroll deduction transactions, exchanges due to dollar-cost averaging, automatic transfers from a Upromise Program account to your Account, and the Annual Account Maintenance Fee, which will only be confirmed on a quarterly basis. Each confirmation statement will indicate the number of Units you own in each Investment Option, if an error has been made in the amount of the contribution or the Investment Option in which a particular contribution is invested, you have sixty (60) days from the date of the confirmation statement to notify us of the error. See Maintaining Your Account - Correction of Errors on page 18.

We use reasonable procedures to confirm that transaction requests are genuine. You may be responsible for losses resulting from fraudulent or unauthorized instructions received by us, provided we reasonably believe the instructions are genuine. To safeguard your Account, please keep your information confidential. Contact us immediately at 1-866-485-9415 if you believe there is a discrepancy between a transaction you requested and the confirmation statement you received, or if you believe someone has obtained unauthorized access to your Account. Contributions through Ugift may be refused if they appear to be an abuse of the Plan.

Ugift. You may invite family and friends to contribute to your Account through Ugift, either in connection with a special event or just to provide a gift to the Owner’s Beneficiary. Family and friends can either contribute online through Ugift’s secure website, by phone or by mailing in a gift contribution coupon with a check made payable to Ugift – CollegeChoice 529 Direct Savings Plan. The minimum Ugift contribution is ten dollars ($10).

Gift contributions associated with a special event will be held by us upon receipt and transferred into your Account approximately three (3) business days after the special event. If the gift contribution is received less than two (2) business days prior to the special event, or if the gift contribution is not associated with a special event, then the contribution will be held for approximately five (5) business days before being transferred into your Account. Gift contributions through Ugift are subject to the Maximum Account Balance. Gift contributions will be invested according to the Standing Investment Option on file with us, unless you notify us prior to the gift contribution transfer. There may be potential tax consequences of gift contributions invested in your Account. You and the gift giver should consult a tax advisor for more information. Ugift is an optional service, and is separate from CollegeChoice 529, and is not affiliated with the State of Indiana, the Authority, the Board, or the Trust. For more information, please see our website at www.collegechoicedirect.com.

Upromise Program. If you are enrolled in the Upromise Program, you can link your Account so that savings are automatically transferred to your Account on a periodic basis. Transfers from a Upromise Program account may be subject to a minimum amount. Go to www.upromise.com for more information on transfer minimums. You cannot use the transfer of funds from a Upromise Program account as the initial funding source to satisfy the minimum contribution amount of ten dollars ($10) for your Account.

This Disclosure Booklet is not intended to provide detailed information concerning the Upromise Program. The Upromise Program is administered in accordance with the terms and procedures set forth in the Upromise Member Agreement (found on our Account at the time of enrollment), which is available by going to www.upromise.com. Participating companies, contribution levels and terms and conditions are subject to change at any time without notice. The Upromise Program is an optional program, is account-based and is not affiliated with the State of Indiana, the Authority, the Board, or the Trust.

Ugift. You may invite family and friends to contribute to your Account through Ugift, either in connection with a special event or just to provide a gift to the Account Owner’s Beneficiary. Family and friends can either contribute online through Ugift’s secure website, by phone or by mailing in a gift contribution coupon with a check made payable to Ugift – CollegeChoice 529 Direct Savings Plan. The minimum Ugift contribution is ten dollars ($10).

Gift contributions associated with a special event will be held by us upon receipt and transferred into your Account approximately three (3) business days after the special event. If the gift contribution is received less than two (2) business days prior to the special event, or if the gift contribution is not associated with a special event, then the contribution will be held for approximately five (5) business days before being transferred into your Account. Gift contributions through Ugift are subject to the Maximum Account Balance. Gift contributions will be invested according to the Standing Investment Option on file with us, unless you notify us prior to the gift contribution transfer. There may be potential tax consequences of gift contributions invested in your Account. You and the gift giver should consult a tax advisor for more information. Ugift is an optional service, and is separate from CollegeChoice 529, and is not affiliated with the State of Indiana, the Authority, the Board, or the Trust. For more information, please see our website at www.collegechoicedirect.com.

Procedures for Distributions. Only the Account Owner may direct distributions from your Account. Qualified Distributions made payable to the Account Owner, the Beneficiary or an Eligible Educational Institution may be requested online, by phone or you may complete a Distribution Request Form. In order for us to process a distribution request, you must complete and submit the Distribution Request Form to us in good order and provide such other information or documentation as we may, from time to time, require. Effective January 1, 2019, when taking a distribution from your Account, you will be required to designate the whether the distribution will be used for (i) Qualified Expenses that are not Indiana K-12 Tuition; or (ii) Indiana K-12 Tuition.

We will generally process a distribution from an Account within three (3) business days of accepting the request. During periods of market volatility and at year-end, distribution requests may take up to five (5) business days to process. Please allow ten (10) business days for the proceeds to reach you. We may also establish a minimum distribution amount and/or charge a Fee for any distributions made by federal wire.

Distributions for Account Owners that are Trusts, Corporations and Other Entities. If the individuals who are authorized to act on behalf of your entity have changed since your Account was established, then additional documentation showing these changes must be submitted with any distribution request.

Temporary Withdrawal Restriction. If you make a contribution by check, EFT, or Recurring Contribution (assuming all are in good order), we will defer the approval of a withdrawal of that contribution from your Account for seven (7) business days following deposit. There will also be a hold of nine (9) business days on withdrawals following a change to your address, and a hold of fifteen (15) calendar days on withdrawals if banking information has been added or edited. For assistance, please contact a Client Service Representative at 1-866-485-9415.

Qualified Distributions. Distributions for Qualified Expenses are generally exempt from federal and Indiana state income taxes and the Distribution Tax. However, withdrawals taken to pay K-12 Tuition for a school outside Indiana will be subject to recapture of the Indiana state income tax credit. See Important Tax Information – State Tax Issues - Recapture of Income Tax Credit beginning on page 42.

Non-Qualified Distributions. A distribution that does not meet the requirements for a Qualified Distribution will be considered a Non-Qualified Distribution by the IRS. The earnings portion of a Non-Qualified Distribution will be subject to federal income taxes (and may be subject to other taxes) and will be taxable to the person receiving the distribution. In addition, Non-Qualified Distributions are subject to a Distribution Tax unless it is one of the distributions described below under Other Distributions. The person receiving the distribution is subject to IRS requirements, including filing applicable forms with the IRS. Although we will report the earnings portion of all distributions, it is your responsibility to calculate and report any tax liability and to substantiate any exemption from tax and/or penalties.
Other Distributions. The distributions discussed below are not subject to the Distribution Tax. Except for a Rollover Distribution, a Refunded Distribution, and an ABLE Rollover Distribution, the earnings portion of each distribution discussed will be subject to federal and to any applicable state income taxes. ABLE Rollover Distributions may be subject to a recapture tax in Indiana. See Important Tax Information - Federal Tax Issues - Transfers and Rollovers on page 40 and State Tax Issues beginning on page 41. You should consult a tax advisor regarding the application of federal and state tax laws if you take any of these distributions:

• Death of Beneficiary. In the event of the death of the Beneficiary, you may change the Beneficiary of your Account, authorize a payment to a beneficiary of the Beneficiary, or the estate of the Beneficiary, or request the return of all or a portion of your Account balance. A distribution due to the death of the Beneficiary, if paid to a beneficiary of the Beneficiary or the estate of the Beneficiary, will not be subject to the Distribution Tax, but earnings will be subject to federal and any applicable state income tax. A distribution of amounts in your Account, if not paid to a beneficiary of the Beneficiary or the Beneficiary’s estate, may constitute a Non-Qualified Distribution, subject to federal and any applicable state income taxes at the distributee’s tax rate and the Distribution Tax. If you select a new Beneficiary who is a Member of the Family of the former Beneficiary, you will not owe federal income tax or the Distribution Tax. Special rules apply to UGMA/UTMA custodial accounts.

• Disability of Beneficiary. If your Beneficiary becomes Disabled, you may change the Beneficiary of your Account or request the return of all or a portion of your Account balance. A distribution due to the Disability of the Beneficiary will not be subject to the Distribution Tax, but earnings will be subject to federal and any applicable state income tax at your tax rate. If you select a new Beneficiary who is a Member of the Family of the former Beneficiary, you will not owe federal income tax or the Distribution Tax. Special rules apply to UGMA/UTMA custodial accounts.

• Receipt of Scholarship. If your Beneficiary receives a qualified scholarship, Account assets up to the amount of the scholarship may be withdrawn without imposition of the Distribution Tax. 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 due to a qualified scholarship is subject to federal and any applicable state income tax at the distributee’s tax rate.

• Attendance at Certain Specified Military Academies. If your Beneficiary attends a United States military academy, such as the United States Naval Academy, you may withdraw up to an amount equal to the costs attributable to the Beneficiary’s attendance at the institution without incurring the additional Distribution Tax. The earnings portion of the distribution will be subject to federal and any applicable state income tax at the distributee’s tax rate.

• Use of Education Tax Credits. If you pay Qualified Expenses from an Account, you will not be able to claim American Opportunity or Lifetime Learning Credits for the same expenses. Furthermore, expenses used in determining the allowed American Opportunity or Lifetime Learning Credits will reduce the amount of a Beneficiary’s Qualified Expenses to be paid from your Account as a Qualified Distribution and may result in taxable distributions. These distributions will not be subject to the Distribution Tax.

• Rollover Distribution. To qualify as a Rollover Distribution, you must reinvest the amount distributed from your Account into another Qualified Tuition Program within sixty (60) days of the distribution date. Rollover Distributions may be subject to certain state taxes, but are generally exempt from federal income taxes and the Distribution Tax. A Rollover Distribution from your Account is considered a Recapture Distribution and may result in taxable distributions. These distributions will not be subject to the Distribution Tax.

• Refunded Distribution. If you receive a Refunded Distribution, you will not owe federal income tax or the Distribution Tax. In addition, you may claim a credit on your federal tax return for any refunds received from an Eligible Educational Institution.

Records Retention. Under current federal tax law, you are responsible for obtaining and retaining records, invoices, or other documentation relating to your Account, including records adequate to substantiate, among other things, the following: (i) expenses which you claim are Qualified Expenses, (ii) the death or Disability of a Beneficiary, (iii) the receipt by a Beneficiary of a qualified scholarship or Educational Assistance, (iv) the attendance by a Beneficiary at certain specified military academies, or (v) a Refunded Distribution.

Method of Payment. We pay distributions as noted to the following payees:

• Account Owner (by check or by ACH to an established bank account);
• Beneficiary (by check to an established bank account); or
• Eligible Education Institution (by check).

A distribution taken to pay K-12 Tuition will be made payable to the Account Owner only.

Timing of Distribution Request. Distribution requests received in good order before the close of the NYSE (generally 4 p.m. Eastern time) on any day the NYSE is open for business are processed that day based on the Unit Values of the Portfolios underlying your Account for that day. Requests received after the close of the NYSE are processed the next business day using the Unit Values on that day.

Tax Treatment of Distributions. Please read Important Tax Information starting on page 40.
Account Statements. You will receive quarterly statements to reflect transactions only if you have made transactions within the quarterly statement period. Non-Qualified Contributions are not made to your Account; exchanges due to dollar-cost averaging; automatic transfers from a UGMA/UTMA account; withdrawals made from your Account; and transaction and maintenance fees incurred by your Account. 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 Account Statement even if you have made no transactions within the year.

Your Account statement is not a tax document and should not be submitted with your tax forms. However, you could use your Account statement(s) to determine the amounts contributed during the previous tax year. You may request duplicate copies of Account statements to be provided to another party.

You can choose to receive periodic Account statements, transaction confirmations, and other personal correspondence via electronic delivery or in paper format. We reserve the right to charge a Fee for duplicate copies of historical statements.

Options for Unused Contributions; Changing a Beneficiary, Transferring Assets to Another of Your Accounts, Your Beneficiary may choose not to attend an Eligible Educational Institution or may not use all the money in your Account. In either case, you may name a new Beneficiary or take a distribution of your Account assets. Any Non-Qualified Distribution from your Account will be subject to applicable income taxes and may be subject to the Distribution Tax. See How to Take a Distribution from your Account starting on page 14. If you change your Beneficiary at any time, you may transfer control of your Account assets to a new Beneficiary. All transfers to a new Account Owner must be requested in writing and include any information that may be required by us. However, your right of control may not be sold, transferred, used as collateral, or pledged or exchanged for money or anything of value. We may require affidavits or other evidence to establish that a transfer is non-financial in nature. Your right of control may be transferred under an appropriate court order as part of divorce proceedings or other legal proceedings. If you transfer control of an Account to a new Account Owner, the new Account Owner must agree to be bound by the terms and conditions of the Disclosure Booklet and Enrollment Form. Transferring an Account to a new Account Owner may have significant tax consequences. Before doing so, you may want to check with your tax advisor regarding your particular situation.

Account Maintenance: Did you know that most transactions and changes to your Account can be handled online by going to www.collegechoicedirect.com and logging into your Account? We may archive Account documents and cease providing them on our website when they become out of date. You should consider printing any Account information that you may wish to retain before it is removed. After these documents are archived, you will be able to obtain a copy for a fee by contacting Client Service at 1-866-485-9415. You will be required to create a user ID and password, and authenticate your device(s) in order to access and perform transactions in your Account. You should not share your password with anyone else. We will honor instructions from any person who provides correct identifying information, and we are not responsible for fraudulent transactions. You may change your password at any time. To reduce this risk by checking your Account information regularly. You should avoid using passwords that can be guessed and should consider changing your password frequently. For security purposes, our Client Service Representatives will not ask you for your password. It is your responsibility to review your Account information and to notify us promptly of any unusual activity. You can withdraw your consent to receiving documents electronically at any time by contacting Client Service at 1-866-485-9415 or making the change online. We cannot guarantee the privacy or reliability of email, so we will not honor requests for transfers or changes received by email, nor will we send Account information.
through email. All transfers or changes should be made through our secure website. Our website uses generally accepted and available encryption software and protocols, including Secure Socket Layer. This design is intended to prevent unauthorized people from eavesdropping or intercepting information sent by or received from us. This may require that you use certain readily available versions of web browsers. As new security software or other technology becomes available, we may enhance our systems.

Unclaimed Accounts. Under certain circumstances, if there has been no activity in your Account, or if we have not been able to contact you for a period of time, your Account may be considered abandoned under Indiana’s or your state’s unclaimed property laws. If your property is considered abandoned, it will, without proper claim by the Account Owner within a certain period of years, revert to the State or your state. For more information on Indiana’s unclaimed property law, see the Indiana Attorney General, Unclaimed Property Division website at: https://indianaunclaimed.gov/.

Involuntary Termination of Accounts. CollegeChoice 529 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. We may refuse to establish or may terminate an Account if we determine that it is in the best interest of CollegeChoice 529 or required by law. If we determine that you provided false or misleading information to the Plan Officials or an Eligible Educational Institution in establishing or maintaining an Account, or that you are restricted by law from participating in CollegeChoice 529, we may close your Account. Trust interests redeemed as a result of closing your Account will be valued at the Unit Value next calculated after we decide to close your Account, and the risk of market loss, tax implications, and any other expenses, as a result of the liquidation, will be solely your responsibility.

Fees

The Fees and other payments for CollegeChoice 529 may change from time to time. Any changes to the Fees will be included in any updated Disclosure Booklets or Supplements. These Fees are described below and illustrated in the following tables.

Total Annual Asset-Based Fee. Each Portfolio has a Total Annual Asset-Based Fee, which includes both administrative and investment management costs. This fee, called the Program Fee, is deducted from the assets in each Portfolio. As an Account Owner, you bear a pro rata share of the Program Fee. Under the Program Fee, you also bear a pro rata share of the annual fees and expenses of the Underlying Investments in which each Portfolio in your Account invests. The Program Fee reduces the return you will receive from an investment in the Plan and has two components - the Underlying Investment Fee and the Manager Fee:

- Underlying Investment Fee. The Underlying Investment Fee includes investment advisory fees, administrative, and other expenses, which are paid to Vanguard, Loomis Sayles, Carillon Reams, and Western Asset. For Dodge & Cox Funds, the Underlying Investment Fee includes investment advisory fees, administrative, and other fees which are paid to Dodge & Cox and other service providers to the Dodge & Cox Funds. There is no Underlying Investment Fee for the Savings Portfolio.

- Manager Fee. The Program Manager receives the Manager Fee for administration and management of CollegeChoice 529. It is intended that the Manager Fee will provide all income to the Program Manager necessary to cover the expenses of administering and managing CollegeChoice 529. The Manager Fee will be reduced by two basis points from 0.31% to 0.29% for the Year of Enrollment Portfolios and from 0.16% to 0.14% for the Individual Portfolios when the combined assets of CollegeChoice 529 and CollegeChoice Advisor reach $5.5 billion. The Manager Fee will be reduced by two basis points from 0.29% to 0.27% for the Year of Enrollment Portfolios and from 0.14% to 0.12% for the Individual Portfolios when the combined assets of CollegeChoice 529 and CollegeChoice Advisor reach $6.6 billion. As of May 31, 2019, the combined assets of CollegeChoice 529 and CollegeChoice Advisor Savings Plan were just over $4.7 billion.

Wrap Fee (Stable Value Portfolio and select Year of Enrollment Portfolios). The expense ratio of the Stable Value Portfolio may include a wrap fee of between 0.15% and 0.20% which may lower the return of the Stable Value Portfolio. The Stable Value Portfolio is comprised of the Vanguard Short-Term Reserves Account. Because the Vanguard Short-Term Reserves Account is a component of some Year of Enrollment Portfolios, the expense ratio of these select Portfolios may include a wrap fee of between 0.15% and 0.20% on the portion of the Portfolio allocated to the Vanguard Short-Term Reserves Account.

Annual Account Maintenance Fee. An Annual Account Maintenance Fee of $20 is charged to each Account. This Fee is waived if you or your Beneficiary are an Indiana Resident, or your Account balance is at least $25,000. The Fee may also be waived for certain types of Accounts. The Program Manager receives this Fee, which is generally charged during the month of the first anniversary in which your Account was opened and annually thereafter. A prorated $5 per quarter Fee may be charged if you make a full withdrawal of funds from your Account prior to your Account’s anniversary month.

Service-Based and Other Fees. We reserve the right to charge additional service-based and other Fees if we consider them to be necessary and reasonable. We may also impose certain Transaction Fees up to the amounts specified below:

<table>
<thead>
<tr>
<th>TRANSACTION</th>
<th>FEE AMOUNT*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned Check</td>
<td>$30</td>
</tr>
<tr>
<td>Rejected Recurring Contribution Payment</td>
<td>$30</td>
</tr>
<tr>
<td>Rejected EFT</td>
<td>$30</td>
</tr>
<tr>
<td>Overnight Delivery</td>
<td>$15 weekday/$25 Saturday</td>
</tr>
<tr>
<td>Outgoing Wires</td>
<td>$5</td>
</tr>
<tr>
<td>Resissue of Disbursement Checks</td>
<td>$15</td>
</tr>
<tr>
<td>Request for Historical Statement</td>
<td>$10 per yearly statement/ $30 maximum per household</td>
</tr>
<tr>
<td>Rollover out of the Plan</td>
<td>$20</td>
</tr>
</tbody>
</table>

* Subject to change without prior notice.

We reserve the right to not reimburse fees charged by financial institutions for contributions made either via Recurring Contribution or EFT that are cancelled due to insufficient funds in the bank account from which the money is withdrawn.

TRANSACTION FEE AMOUNT*
The Program Manager may receive indirect compensation for the custodial services that it provides to your Account. This compensation, known as “float” income, is paid by the financial organization at which the Program Manager maintains “clearing accounts” or by the investments in which the Program Manager invests in such clearing accounts. Float income may arise from interest that is earned on Account contributions or distributions during the time that these assets are held by the Program Manager in clearing accounts but are not invested in an Investment Option. For example, if you request a distribution and receive the distribution check but do not cash it for several days, some interest may be earned while your funds remain in the clearing account.

Costs: The Program Fee (also known as the Total Annual Asset-Based Fee) ranges from 0.16% to 0.79%.

These clearing accounts generally earn interest at a rate between the money market rate and that of U.S. Treasury Notes. The interest paid on each of these transactions is typically small, and it is likely to represent a minor portion of the overall compensation received by the Program Manager.

Fee Structure Table. The following table shows the total Fees charged to each Portfolio in CollegeChoice 529. The annualized Underlying Investment Fee and Manager Fee added together equal the Total Annual Asset-Based Fee.

<table>
<thead>
<tr>
<th>PORTFOLIO</th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>10 YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 Enrollment Portfolio</td>
<td>$42</td>
<td>$133</td>
<td>$232</td>
<td>$547</td>
</tr>
<tr>
<td>2021 Enrollment Portfolio</td>
<td>$42</td>
<td>$133</td>
<td>$232</td>
<td>$547</td>
</tr>
<tr>
<td>College Portfolio</td>
<td>$41</td>
<td>$128</td>
<td>$224</td>
<td>$504</td>
</tr>
<tr>
<td>U.S. Equity Index Portfolio</td>
<td>$18</td>
<td>$58</td>
<td>$101</td>
<td>$230</td>
</tr>
<tr>
<td>International Portfolio</td>
<td>$81</td>
<td>$252</td>
<td>$439</td>
<td>$978</td>
</tr>
<tr>
<td>Stable Value Portfolio</td>
<td>$20</td>
<td>$62</td>
<td>$108</td>
<td>$244</td>
</tr>
<tr>
<td>Savings Portfolio</td>
<td>$16</td>
<td>$52</td>
<td>$90</td>
<td>$205</td>
</tr>
</tbody>
</table>

Approximate Cost for a $10,000 Investment

The following tables compare the approximate cost of investing in the Plan over different periods of time. This hypothetical is not intended to predict or project investment performance. Past performance is no guarantee of future results. Your actual cost may be higher or lower. The tables are based on the following assumptions:

- A $10,000 contribution is invested for the time periods shown.
- A 5% annually compounded rate of return on the amount invested throughout the period.
- The total funds available in the Account are withdrawn at the end of the period shown to pay for Qualified Education Expenses (the table does not consider the impact of any potential state or federal taxes on the withdrawal).
- The total annual asset-based fee remains the same as that shown in the Fee Structure Table on the previous page.
- Expenses for each Investment Option in the first table exclude the Annual Account Maintenance Fee of $20. The second table includes the Annual Account Maintenance Fee.

FEE AND EXPENSE INFORMATION

A $20 ANNUAL ACCOUNT MAINTENANCE FEE IS ASSESSED PER ACCOUNT. ALL INVESTMENT OPTIONS BEAR THE TOTAL ANNUAL ASSET-BASED FEE.

<table>
<thead>
<tr>
<th>INVESTMENT OPTIONS</th>
<th>ANNUALIZED UNDERLYING INVESTMENT FEE</th>
<th>ANNUALIZED MANAGER FEE</th>
<th>TOTAL ANNUAL ASSET-BASED FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2036 Enrollment</td>
<td>0.06%</td>
<td>0.31%</td>
<td>0.37%</td>
</tr>
<tr>
<td>2033 Enrollment</td>
<td>0.09%</td>
<td>0.31%</td>
<td>0.40%</td>
</tr>
<tr>
<td>2030 Enrollment</td>
<td>0.11%</td>
<td>0.31%</td>
<td>0.42%</td>
</tr>
<tr>
<td>2027 Enrollment</td>
<td>0.12%</td>
<td>0.31%</td>
<td>0.43%</td>
</tr>
<tr>
<td>2024 Enrollment</td>
<td>0.12%</td>
<td>0.31%</td>
<td>0.43%</td>
</tr>
<tr>
<td>2021 Enrollment</td>
<td>0.10%</td>
<td>0.31%</td>
<td>0.41%</td>
</tr>
<tr>
<td>College Portfolio</td>
<td>0.09%</td>
<td>0.31%</td>
<td>0.40%</td>
</tr>
<tr>
<td>U.S. Equity Index</td>
<td>0.02%</td>
<td>0.16%</td>
<td>0.18%</td>
</tr>
<tr>
<td>International</td>
<td>0.63%</td>
<td>0.16%</td>
<td>0.79%</td>
</tr>
<tr>
<td>Active Bond Portfolio</td>
<td>0.40%</td>
<td>0.16%</td>
<td>0.56%</td>
</tr>
<tr>
<td>Inflation-Protected</td>
<td>0.28%</td>
<td>0.16%</td>
<td>0.44%</td>
</tr>
<tr>
<td>Bond Index Portfolio</td>
<td>0.04%</td>
<td>0.16%</td>
<td>0.20%</td>
</tr>
<tr>
<td>Stable Value Portfolio</td>
<td>0.03%</td>
<td>0.16%</td>
<td>0.19%</td>
</tr>
<tr>
<td>Savings Portfolio</td>
<td>0.00%</td>
<td>0.16%</td>
<td>0.16%</td>
</tr>
</tbody>
</table>

1 This fee is waived if: a) you or your Beneficiary are an Indiana Resident; or b) your Account balance is at least $25,000.

2 This total is assessed against assets over the course of the year and includes the annualized Underlying Investment Fee and the annualized Manager Fee, but does not include the Annual Account Maintenance Fee. Please refer to the table on the next page that shows total approximate costs for a $10,000 investment over 1-, 3-, 5-, and 10-year periods.

3 Fees are current as of May 31, 2019. The Underlying Investment Fee includes investment advisory fees, administrative, and other fees which are paid to Vanguard, Loomis Sayles, Carillon Reams, and Western Asset, as applicable. For Dodge & Cox Funds, the Underlying Investment Fee includes investment advisory fees, administrative, and other fees which are paid to Dodge & Cox and other service providers to the Dodge & Cox Funds. As of May 31, 2019, an Underlying Investment Fee is not charged for the Savings Portfolio. The annualized Underlying Investment Fees may increase or decrease over time.

4 The Program Manager may voluntarily limit the Manager Fee associated with the Stable Value Portfolio in an effort to achieve a net yield of 0.00% or greater.

5 Because the Vanguard Short-Term Reserves Account (the Fund underlying the Stable Value Portfolio) is a component of select Year of Enrollment Portfolios, the expense ratio of select Year of Enrollment Portfolios may include a stable value wrap fee of between 0.15% and 0.20%, which could reduce the return of the Portfolio.

6 The expense ratio of the Stable Value Portfolio may include a stable value wrap fee of between 0.15% and 0.20%, which could reduce the return of the Portfolio.
Important Risks You Should Know About

You should carefully consider the information in this Section, as well as the other information in the Disclosure Booklet before making any decisions about opening an Account or making any additional contributions. You should consult an attorney or a qualified financial or tax advisor with any legal, business, or tax questions you may have. In addition, no investment recommendation or advice is given or implied by the Portfolios or the Plan or anyone else. The contents of the Disclosure Booklet should not be construed as legal, financial, or tax advice.

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 these risks with the understanding that they could arise at any time during the life of your Account. A discussion of the investment risks related to each Investment Option can be found in Appendix A - Explanation of Investment Risks beginning on page 56.

Principal and Returns Not Guaranteed. Neither your contributions to nor any investment return earned on your contributions are guaranteed by the Plan Officials. Except to the extent of FDIC insurance available on the Savings Portfolio, you could lose money (including your contributions) or not make any money by investing in CollegeChoice 529.

An Investment in CollegeChoice 529 is not a bank deposit. Generally, investments in CollegeChoice 529 are not insured or guaranteed by the FDIC or any other government agency or by the Plan Officials. As described in this Disclosure Booklet, FDIC insurance is only provided on a pass-through basis for the Savings Portfolio. Relative to investing for retirement, the holding period for those savings for Qualified Expenses is very short (i.e., 5-20 years versus 30-60 years). Also, the need for liquidity when you wish to make withdrawals from your Account (to pay for Qualified Expenses) generally is very important. You should strongly consider the level of risk you wish to assume and your investment time horizon prior to selecting an Investment Option.

Market Uncertainties. Due to market uncertainties, the overall market value of your Account is likely to be highly volatile and could be subject to wide fluctuations in response to various factors: legislative and regulatory changes, worldwide political uncertainties, and general economic conditions, including inflation and unemployment rates. All of these factors are beyond our control and may cause the value of your Account to decrease (realized or unrealized losses) regardless of our performance or any systematic investing, including Recurring Contributions, payroll deduction, and dollar-cost averaging on your part.

Limited Investment Direction; Liquidity. Investments in a Qualified Tuition Program like CollegeChoice 529 are considered less liquid than other types of investments (e.g., investments in mutual fund shares) because the circumstances in which you may draw money from your Account without a penalty or adverse tax consequences are significantly more limited. Once you select a Portfolio for a particular contribution, Section 529 of the Code (Section 529) provides that you can move money only to another Portfolio if you have only once every two calendar years for the same Beneficiary. Any additional transfers within that calendar year will be treated as Non-Qualified Distributions, and they will be subject to federal and any applicable state income taxes and the Distribution Tax.

Discretion of the Authority; Potential Changes to the Plan. The Authority has the sole discretion to determine which Investment Options will be available in the Plan. For example, the Authority may, without prior notice:

- change the Plan’s Fees and charges;
- add or remove a Portfolio;
- merge or change the composition of investments within the Portfolios;
- close a Portfolio to new investors; or
- change the Plan Manager, an Investment Manager, Savings Portfolio Manager, or the Underlying Investments(s) of a Portfolio.

Depending on the nature of the change, you may be required to participate, or be prohibited from participating, in the change with respect to Accounts you open before the change.

If we terminate the Plan, you may be required to take a Non-Qualified Distribution for which tax and penalties, including the Distribution Tax, may be assessed. The Authority may terminate the Plan by giving written notice to you, if this occurs, the funds in your Account will be distributed to you. Any amounts distributed are subject to any charges due, any change, payment, or penalty required by law to be withheld; and allowances for any terminating or winding up expenses.

We may also change the Underlying Investments in the Plan. During the transition from one Underlying Investment to another Underlying Investment, we may sell all the securities in the Portfolio before purchasing new securities. Therefore, the Portfolio may temporarily not be invested in one of its asset classes. During a transition period, a Portfolio may temporarily hold a basket of securities if the Underlying Investment from which it is transitioning chooses to complete the transition by exchanging one security for another. In this case, the Program Manager will seek to liquidate the securities received from the Underlying Investment as promptly as possible so that the proceeds can be invested in the replacement Underlying Investment. The transaction costs associated with this type of 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 the Portfolio. An Underlying Investment from which a Portfolio redeems may also impose redemption fees. In this case, the Portfolio will bear the cost of the redemption fees.

Suitability. The Plan Officials make no representation regarding the suitability or appropriateness of the Portfolios as an investment. There is no assurance that any Portfolio will be able to achieve its goals. Other types of investments may be more appropriate depending upon your financial status, tax situation, risk tolerance, age, investment goals, savings needs, and the investment time horizons of you or your Beneficiary.

You should consult a tax or investment advisor to seek advice concerning the appropriateness of this investment. There are programs and investment options other than the Plan available as education 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 Account Owner control. You may wish to consider those alternatives prior to opening an Account.

Meeting College Expenses Not Guaranteed. Even if you fund your Account(s) to the Maximum Account Balance, there is no assurance that the money in your Account will be sufficient to cover all the education expenses your Beneficiary may incur, or that the rate of return on your investment will match or exceed the rate at which education expenses may rise each year.

IRS Regulations Not Final. As of the date of this Disclosure Booklet, the IRS has not issued final regulations regarding Qualified Tuition Programs. CollegeChoice 529 has not sought nor has it received a private letter ruling from the IRS regarding the status of CollegeChoice 529 under Section 529. If the IRS again begins issuing private letter rulings, the Board may, in its sole discretion, determine to seek such a ruling in the future.

Effect of Future Law Changes. It is possible that future changes in federal or state laws or court or interpretive rulings could adversely affect the terms and conditions of the Plan, the value of your Account, or the availability of state tax deductions, even retroactively. Specifically, CollegeChoice 529 is subject to the provisions of and any changes to or revocation of the Enabling Legislation.

Death of Account Owner. If an Account Owner dies, control and ownership of the Account will be transferred to the Successor Account Owner. If no Successor Account Owner has been named or if the Successor Account Owner predeceases the Account Owner, control and ownership of the Account will be transferred to the Beneficiary if the Beneficiary is 18 years or older. If the Beneficiary is less than 18 years old, control and ownership of the Account will become subject to the estate and guardianship laws of the state in which the Account Owner resided.

Tax Considerations; Tax Credit Recapture. The federal and state tax consequences associated with participating in the Plan can be complex. In particular, you, as the Account Owner (not the contributor), must repay all or part, depending on the circumstances, of the Indiana state income tax credit claimed in prior taxable years by any contributors to your Account if you take a Recapture Distribution from your Account. See Important Tax Information - State Tax Issues - Recapture of Income Tax Credit beginning on page 42. You should consult a tax advisor concerning the application of tax laws to your particular circumstances.

Securities Laws. Units held by the Accounts in the Plan are considered municipal fund securities. The Units will not be registered as securities with the Securities and Exchange Commission (SEC) or any state securities regulator. In addition, the Units cannot be registered as investment companies under the Investment Company Act of 1940. Neither the SEC nor any state securities commission has approved or disapproved
the Units or passed upon the adequacy of the Disclosure Booklet. Outside of Indiana, we will market CollegeChoice 529 only in those states in which we have received assurances from either the state or counsel that offers and sales would be legal without meeting further regulatory requirements. We may choose to reject enrollments from residents of certain other states.

**Relationship to Financial Aid.** A Beneficiary may wish to participate in federal, state, or institutional loan, grant, or other programs for funding higher education. An investment in CollegeChoice 529 may have an adverse impact on the Beneficiary’s eligibility to participate in needs-based financial aid programs:

- In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of financial aid required, the U.S. Department of Education takes into consideration a variety of factors, including among other things, the assets owned by your Beneficiary and the assets owned by the Beneficiary’s parents.
- For federal financial aid purposes, Account assets will be considered:
  - assets of the Beneficiary’s parent if the Beneficiary is a dependent student.
  - assets of the Beneficiary's parents, if the Beneficiary is a dependent student.
  - assets of the Beneficiary, if the Beneficiary is the owner of the Account and not a dependent student.

Assets owned by the parent of a Beneficiary who is not a dependent are not considered for purposes of the Free Application for Federal Student Aid (FAFSA).

Since the treatment of Account assets on the FAFSA may have a material adverse effect on your Beneficiary’s eligibility to receive valuable benefits under financial aid programs, you or your Beneficiary should check:

- the applicable laws or regulations,
- with the financial aid office of an Eligible Educational Institution, and/or
- with your tax advisor regarding the impact of an investment in the Plan on Medicaid eligibility.

### Relationship of Your Account to Medicaid Eligibility

It is unclear how local and state government agencies will treat Qualified Tuition Program assets for the purpose of Medicaid eligibility. Although there are federal guidelines under Title XIX of the Social Security Act of 1965, each state administers its Medicaid program and rules could vary greatly from one state to the next. You should check with an attorney, a tax advisor, or your local Medicaid administrator regarding the impact of an investment in the Plan on Medicaid eligibility.

#### General Portfolio Risks

Each Portfolio has its own investment strategy, risks and performance characteristics. In choosing the appropriate Portfolio(s) for your Account, you should consider your investment objectives, risk tolerance, time horizon, and other factors you determine to be important.

A Portfolio’s risk and potential return are functions of its relative weightings of stock, bond, and capital preservation funds. Certain Portfolios carry more or different risks than others. In general, the greater a Portfolio’s exposure to stock investments, the higher its risk (especially short-term volatility) and its potential for superior long-term performance. The more exposure a Portfolio has to bond and capital preservation funds, the lower its risk and its potential long-term returns. There are also variations in risk/return levels within the stock and bond categories. For example, international stocks typically have higher risk levels than domestic stocks.

There is no guarantee that the Investment Managers will continue to provide the Underlying Investments for CollegeChoice 529 or manage the Portfolio’s assets, as applicable, or that the Program Manager will be able to negotiate their continued services in the future. For additional information on the risks that may affect Portfolio performance, please read **Appendix A - Explanation of Investment Risks** starting on page 56.

### Equity Wash Rule

An Account Owner cannot transfer an Account, or any portion of an Account, directly from the Stable Value Portfolio to an Investment Option that is considered a competing Investment Option. Competing Investment Options include capital preservation funds or other investments that invest primarily or exclusively in capital preservation funds or certain fixed income investments. The competing Investment Option in CollegeChoice 529 is the Savings Portfolio.

Before an Account Owner may direct the transfer of assets in their Account from the Stable Value Portfolio to the Savings Portfolio, (or any other competing Investment option that may later be added to the Plan), the Account Owner must first direct the transfer to an Investment Option other than a competing Investment Option, and wait at least 90 days. After 90 days, the Account Owner may then instruct the Program Manager to transfer the applicable amount to the Savings Portfolio or other competing Investment Option available at that time. Account Owners should note that moving allocations from the Stable Value Portfolio to a noncompeting Investment Option for at least 90 days, and then to the desired competing Investment Option, will each count toward the two permitted investment exchanges for an Account within a calendar year.

### Investment Options Not Designed for Elementary and Secondary Tuition

The Investment Options we offer through the Plan have been designed exclusively for you to save for higher education. They have not been designed to assist you in reaching your K-12 Tuition savings goals. Specifically, the Year of Enrollment Portfolios are designed for Account Owners seeking to automatically invest in progressively more conservative Portfolios as their Beneficiary approaches college age. The Year of Enrollment Portfolios’ time horizon and withdrawal periods may not match those needed to meet your K-12 Tuition savings goals, which may be significantly shorter. In addition, if you are saving for K-12 Tuition and wish to invest in the Individual Portfolios and the Savings Portfolio, 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.
Investment Information

In this Section, you will find information about the Portfolios, including a discussion of the Year of Enrollment Portfolios, the Individual Portfolios and the Savings Portfolio. You should consider the information in this Section carefully before choosing to invest in CollegeChoice 529. Information about each Portfolio’s strategy and risk has been provided by the Investment Managers and the Savings Portfolio Manager. If you have questions about any of the investment-related information in this Section, please call a Client Service Representative at 1-866-485-9415 or contact the appropriate Investment Manager prior to making an investment decision.

Here’s where you can find specific investment information:

- Investments Overview ........................................ 27
- Portfolio Descriptions ......................................... 30
  - Year of Enrollment Option Portfolio Profiles ............ 30
  - Individual Portfolio Profiles ................................ 34
  - Savings Portfolio Profile ...................................... 36
- Additional Investment Information ......................... 37

A discussion of the risk factors relating to each Portfolio and Underlying Investments can be found in Appendix A.

- Explanation of Investment Risks starting on page 56.

Investments Overview

Your Account assets are held in the Trust for your exclusive benefit and cannot be transferred or used by the Plan for any purpose other than those of the Trust. Please keep in mind that you will not own shares of the Underlying Investments. You are purchasing Units in the Trust. Those Units are made up of Portfolios and those Portfolios invest your contributions in one or more of the Underlying Investments.

We offer:

- Seven (7) Year of Enrollment Portfolios, in which your money is invested in a Portfolio that automatically moves to progressively more conservative investments as your Beneficiary approaches college age. Each Portfolio invests in multiple Underlying Funds managed by Vanguard and Loomis Sayles;
- Six (6) Individual Portfolios, in which the composition of investments within the Portfolio remains fixed over time. Each Portfolio invests in a single Underlying Fund, three (3) of which are managed by Vanguard and three (3) of which are managed by Dodge & Cox, Carlton Reams, and Western Asset, respectively; and
- The Savings Portfolio, which invests in an FDIC-insured omnibus savings account held in trust by the Authority at NexBank.

The Investment Options have been designed exclusively for you to save for Indiana Qualified Higher Education Expenses. They have not been designed to assist you in saving for K-12 Tuition. Specifically, the Year of Enrollment Portfolios’ time horizon and withdrawal periods may not match those needed to meet your K-12 Tuition savings goals, which may be significantly shorter.

Year of Enrollment Portfolios

The seven (7) Year of Enrollment Portfolios are a simplified approach to college investing. We have designed these Portfolios to allow you to select a Portfolio based upon your risk tolerance and your Beneficiary’s anticipated year of enrollment in an Eligible Educational Institution. For example, if you expect your Beneficiary to attend college beginning in the year 2029, 2030 or 2031, you may choose to select the 2030 Enrollment Portfolio; or, you may choose one of the other Year of Enrollment Portfolios.

The asset allocation of the money invested in these Investment Options is automatically adjusted semi-annually over time to become more conservative as the Beneficiary’s year of enrollment in college draws nearer. The asset allocation for the College Portfolio is not adjusted as the College Portfolio has already reached its most conservative phase. About every three (3) years, a new Year of Enrollment Portfolio is created and assets of the oldest Year of Enrollment Portfolio are folded into the College 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 Portfolio will be able to reach its goal.

Portfolios

As of the date of this Disclosure Booklet, each Year of Enrollment Portfolio holds the Underlying Investments set forth in the table below.

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>2016 Enrollment</th>
<th>2013 Enrollment</th>
<th>2020 Enrollment</th>
<th>2027 Enrollment</th>
<th>2024 Enrollment</th>
<th>2021 Enrollment</th>
<th>College Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Institutional Total Stock Market Fund</td>
<td>62.67%</td>
<td>54.17%</td>
<td>43.17%</td>
<td>32.67%</td>
<td>24.83%</td>
<td>17.31%</td>
<td>10.00%</td>
</tr>
<tr>
<td>Vanguard Total International Stock Index Fund</td>
<td>20.67%</td>
<td>18.33%</td>
<td>14.33%</td>
<td>10.67%</td>
<td>8.50%</td>
<td>5.75%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Loomis Sayles Strategic Alpha Fund</td>
<td>4.67%</td>
<td>8.67%</td>
<td>12.33%</td>
<td>13.83%</td>
<td>12.67%</td>
<td>10.44%</td>
<td>8.00%</td>
</tr>
<tr>
<td>Vanguard Total Bond Market II Index Fund</td>
<td>8.83%</td>
<td>14.50%</td>
<td>23.83%</td>
<td>32.33%</td>
<td>28.00%</td>
<td>21.17%</td>
<td>13.00%</td>
</tr>
<tr>
<td>Vanguard Total International Bond Index Fund</td>
<td>3.17%</td>
<td>4.33%</td>
<td>6.33%</td>
<td>7.83%</td>
<td>6.83%</td>
<td>5.64%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>2.67%</td>
<td>17.50%</td>
<td>25.25%</td>
<td>25.00%</td>
</tr>
<tr>
<td>Vanguard Short-Term Inflation Protected Securities Index Fund</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>1.67%</td>
<td>11.11%</td>
<td>15.00%</td>
</tr>
<tr>
<td>Vanguard Short-Term Reserves Account</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>3.33%</td>
<td>20.00%</td>
</tr>
<tr>
<td>Total Equity/Fixed Income</td>
<td>83.33%/16.67%</td>
<td>72.50%/27.5%</td>
<td>57.5%/42.5%</td>
<td>43.33%/56.7%</td>
<td>33.33%/66.67%</td>
<td>23.06%/76.94%</td>
<td>15.00%/85.00%</td>
</tr>
</tbody>
</table>

Portfolios Rebalancing. Portfolios are rebalanced on an ongoing basis to ensure that they are allocated as close to the target allocations as possible. The diagram below shows how the asset allocations will change over time.

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*Note: The table and diagram provide a snapshot of the asset allocation percentages for different years, reflecting the dynamic nature of college savings strategies. The numbers represent the initial weightings and how they may adjust over time as the college investment horizon shifts.*
**Portfolio Descriptions**

These descriptions highlight the investment objective and strategy of each Portfolio. The ability of the Portfolios to meet their goals is dependent on the Underlying Investments in which the Portfolio invests meeting their investment objectives. More detailed information about each Underlying Investment is available from the Investment Managers. Their contact information is available at the end of this Investments section on page 38.

### YEAR OF ENROLLMENT OPTION PORTFOLIO PROFILES

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2036 Enrollment Portfolio</strong></td>
<td>62.67% Vanguard Institutional Total Stock Market Index Fund</td>
</tr>
<tr>
<td></td>
<td>20.67% Vanguard Total International Stock Index Fund</td>
</tr>
<tr>
<td></td>
<td>4.67% Loomis Sayles Strategic Alpha Fund</td>
</tr>
<tr>
<td></td>
<td>8.83% Vanguard Total Bond Market II Index Fund</td>
</tr>
<tr>
<td></td>
<td>3.17% Vanguard Total International Bond Index Fund</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2033 Enrollment Portfolio</strong></td>
<td>54.17% Vanguard Institutional Total Stock Market Index Fund</td>
</tr>
<tr>
<td></td>
<td>18.33% Vanguard Total International Stock Index Fund</td>
</tr>
<tr>
<td></td>
<td>8.67% Loomis Sayles Strategic Alpha Fund</td>
</tr>
<tr>
<td></td>
<td>14.5% Vanguard Total Bond Market II Index Fund</td>
</tr>
<tr>
<td></td>
<td>4.33% Vanguard Total International Bond Index Fund</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2030 Enrollment Portfolio</strong></td>
<td>43.17% Vanguard Institutional Total Stock Market Index Fund</td>
</tr>
<tr>
<td></td>
<td>14.33% Vanguard Total International Stock Index Fund</td>
</tr>
<tr>
<td></td>
<td>12.33% Loomis Sayles Strategic Alpha Fund</td>
</tr>
<tr>
<td></td>
<td>23.84% Vanguard Total Bond Market II Index Fund</td>
</tr>
<tr>
<td></td>
<td>6.33% Vanguard Total International Bond Index Fund</td>
</tr>
</tbody>
</table>
The Portfolio is designed for investors expecting to begin withdrawing assets before the year 2021.

It invests in two Vanguard stock index funds, four Vanguard bond index funds, one Vanguard capital preservation fund, and one Loomis Sayles bond fund, resulting in an allocation of 65% of its assets to bonds, 20% of its assets to capital preservation investments, and 15% of its assets to stocks. The percentages of the Portfolio’s assets allocated to each Underlying Fund are:

- Vanguard Institutional Total Stock Market Index Fund 10%
- Vanguard Total International Stock Index Fund 5%
- Loomis Sayles Strategic Alpha Fund 8%
- Vanguard Total Bond Market II Index Fund 13%
- Vanguard Total International Bond Index Fund 4%
- Vanguard Short-Term Bond Index Fund 25%
- Vanguard Short-Term Inflation Protected Securities Index Fund 15%
- Vanguard Short-Term Reserves Account 20%

**Portfolio Strategy Summaries**

Through investment in Vanguard Institutional Total Stock Market Index Fund, these Portfolios indirectly invest in U.S. stocks. The 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 U.S. stocks regularly traded on the New York Stock Exchange and Nasdaq.

Through investment in Vanguard Total International Stock Index Fund, these Portfolios indirectly invest in international stocks. The Fund seeks to track the performance of the FTSE Global All Cap ex US Index, which measures equity market performance of companies located in developed and emerging markets, excluding the United States.

Through investment in Vanguard Total Bond Market II Index Fund, these Portfolios indirectly invest in U.S. bonds. The Fund seeks to track the performance of the Bloomberg Barclays 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. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through investment in Vanguard Total International Bond Index Fund, these Portfolios indirectly invest in foreign bonds. The Fund seeks to track the performance of the Bloomberg Barclays Global Aggregate ex-US Dollar Floating Rate Index (USD Hedged). This Index provides a broad-based measure of the global, investment-grade, fixed-rate debt markets and 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. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund attempts 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.

Through ownership of the Loomis Sayles Strategic Alpha Fund, these Portfolios indirectly hold investments across a broad range of investment opportunities related to credit, currencies and interest rates, while employing risk management strategies to mitigate downside risk. The Fund may invest up to 100% of its total assets in below investment grade fixed-income securities (also known as “junk bonds”) and derivatives that have returns related to the returns on below investment grade fixed-income securities, although it is expected that, under normal market conditions, the Fund’s net exposure (i.e., long exposures obtained through direct investments in securities and in derivatives minus short exposures obtained through derivatives) to below investment grade fixed income assets generally will not exceed 50% of the Fund’s total assets. Under normal market conditions, the Fund also may invest up to 50% of its total assets in investments denominated in non-U.S. currencies and related derivatives, including up to 20% in investments denominated in emerging market currencies and related derivatives. The Fund also may invest in preferred stocks.
Through investment in the Vanguard Short-Term Bond Index Fund, the Portfolios indirectly hold a range of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. 1–5 Year Government/Credit Index. The Index includes all medium and larger issues of government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which does not exceed 3 years.

Through investment in the Vanguard Short-Term Inflation Protected Securities Index Fund, the Portfolios indirectly hold a range of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities 0–5 Year Index. The Index includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than five years.

Through its investment in Vanguard Short-Term Reserve Account, the Portfolios indirectly invest in funding agreements issued by one or more insurance companies, synthetic investment contracts, as well as 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 in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities.

INDIVIDUAL PORTFOLIO PROFILES

<table>
<thead>
<tr>
<th>PORTFOLIO AND INVESTMENT OBJECTIVE</th>
<th>INVESTMENT STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. EQUITY INDEX PORTFOLIO</strong></td>
<td>The Portfolio invests 100% of its assets in Vanguard Institutional Total Stock Market Index Fund, which 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 and includes large-, mid-, small-, and micro-capitalization stocks regularly traded on the New York Stock Exchange and the 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.</td>
</tr>
<tr>
<td><strong>INTERNATIONAL PORTFOLIO</strong></td>
<td>The Portfolio invests 100% of its assets in Dodge &amp; Cox International Stock Fund. The Fund invests primarily in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different countries, which may include emerging market countries. The Fund is not required to allocate its investments in set percentages in particular countries and may invest in emerging markets without limit. Under normal circumstances, the Fund will invest at least 80% of its total assets in equity securities of non-U.S. companies, including common stocks, depository receipts evidencing ownership of common stocks, preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks (e.g., rights and warrants). The Fund may enter into currency forward contracts, currency swaps, or currency futures contracts to hedge direct and/or indirect foreign currency exposure. The Fund typically invests in medium-to-large well-established companies based on standards of the applicable market. In selecting investments, the Fund typically invests in companies that, in Dodge &amp; Cox's opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term growth. The Fund also focuses on the underlying financial condition and prospects of individual companies, including future earnings, cash flow, and dividends; various other factors, including financial strength, economic condition, competitive advantage, quality of the business franchise, and the reputation, experience, and competence of a company's management are weighed against valuation in selecting individual securities. The Fund also considers the economic and political stability of a country and the protections provided to shareholders.</td>
</tr>
<tr>
<td><strong>ACTIVE BOND PORTFOLIO</strong></td>
<td>The Portfolio invests in Carillon Reams Core Plus Bond Fund. Through its ownership in the Fund, the Portfolio invests primarily in a diversified portfolio of fixed-income securities of varying maturities. Under normal market conditions, the Fund will invest at least 80% of its assets, determined at the time of purchase, in bonds of varying maturities. When making purchase decisions, the Fund’s subadvisor, Reams Asset Management Company (“Reams”), a division of Carillon Tower Advisors, looks for securities that it believes are undervalued in the fixed income market. In addition, Reams structures the Fund so that the overall portfolio has an average life (referred to as “duration”) of between two and seven years based on market conditions. Although the Fund will invest primarily in investment grade fixed income securities, the Fund may invest up to 25% of its assets in non-investment grade fixed income securities, also known as high yield securities. This investment strategy is referred to as “Core Plus” because Reams has the ability to add high yield securities to a core portfolio of investment grade fixed income securities.</td>
</tr>
</tbody>
</table>
The Portfolio seeks to track the performance of a broadly diversified collection of securities that, in the aggregate, approximates the full Index 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.

The Portfolio invests 100% of its assets in the Western Asset Inflation Indexed Plus Bond Fund, which, under normal market conditions, invests at least 80% of its net assets in inflation-indexed fixed income securities and at least 70% of its net assets in U.S. Treasury Inflation Protected Securities. Although the Fund may invest in securities of any maturity, the Fund will normally maintain a dollar-weighted average effective duration within 3 years of that of its benchmark, the Bloomberg Barclays U.S. TIPS Index. The duration of the benchmark will potentially vary over time. Therefore, the range within which the dollar-weighted average effective duration of the Fund is expected to fluctuate is 6–12 years, although this may vary. The Fund intends to sell protection in connection with credit default swaps relating to corporate debt securities. It is currently expected that the notional amount of the credit default swaps will not exceed 40% of the Fund’s net assets, although such exposure may exceed 40% from time to time.

The Fund is expected to maintain a dollar-weighted average credit quality of at least A/A.

In addition, under normal market conditions, at the time of purchase no more than 10% of the Fund’s assets may be invested in un-hedged non-U.S. dollar denominated securities, securities rated below investment grade, emerging market securities, or loan participations and assignments. Under normal market conditions, at the time of purchase, no more than 20% of the Fund’s assets may be invested in non-U.S. dollar denominated inflation-indexed securities or a combination of securities rated below investment grade, emerging market securities and loan participations and assignments.

The Fund may also buy credit default swaps and use other derivative instruments (including, but not limited to, futures, options, swaps, foreign currency futures, forwards and options, and other instruments) to a significant extent.

The Portfolio invests 100% of its assets in the Vanguard Total Bond Market Index Fund, which employs an indexing investment approach designed to track the performance of the Bloomberg Barclays 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.

The Portfolio invests 100% of its assets in the Vanguard Total Bond Market Index Fund, which employs an indexing investment approach designed to track the performance of the Bloomberg Barclays 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.

The Portfolio seeks to track the performance of a broadly diversified collection of securities that, in the aggregate, approximates the full Index 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.

The Portfolio seeks income consistent with the preservation of principal.
Additional Investment Information

How Your Units Are Valued. The Unit Value of each Portfolio is normally calculated as of the close of the NYSE each day. If securities held by an Underlying Investment in your Portfolio are traded in other markets on days when the NYSE is closed, that Portfolio’s value may fluctuate on days when you do not have access to it to purchase or redeem Units. If events that are expected to materially affect the value of securities traded in other markets occur between the close of those markets and the close of business on the NYSE, those securities may be valued at their fair value.

Investment Policy. The Authority has adopted an Investment Policy Statement, amended as of February 2019. The Investment Policy Statement sets forth, in part:

1. the Board’s judgments, expectations, objectives, and guidelines for the investment of all Plan assets;

2. an investment structure for managing all Plan assets. This structure includes various asset classes and investment management styles that span the risk-return spectrum;

3. the criteria and procedures for selecting Investment Managers, and the Savings Portfolio Manager;

4. guidelines for each Portfolio that controls the level of overall risk and liquidity assumed in that Portfolio so that all Plan assets are managed in accordance with stated objectives;

5. communications between the Board, the Investment advisor to the Authority, the Program Manager, Investment Managers and the Savings Portfolio Manager;

6. criteria to monitor, evaluate and compare the performance results achieved by the Investment Managers, and the Savings Portfolio Manager;

7. fiduciary, legal, prudence and due diligence requirements.

The Authority, with the assistance of the Program Manager, the Investment Managers and the Savings Portfolio Manager, has developed Investment Options and selected the Underlying Investments for each Portfolio based on the guidelines set forth in the Investment Policy Statement.

Portfolio Changes. We may change the type or composition of investments within a Portfolio or change the policies, objectives, and guidelines of the Portfolios from time to time. We may also change the selection of Underlying Investments in which each Portfolio invests or modify, add, or cancel Portfolios at any time without prior notice.

If we make any changes to the Portfolios, your contributions may be reinvested in a Portfolio that is different from your original Portfolio. Neither you, your Beneficiary, nor any contributor to your Account, may direct the Underlying Investments of a Portfolio.

Treatment of Dividends and Capital Gains. The Underlying Investments distribute dividends and capital gains because they are required to do so under the current provisions of the Code to maintain their tax status as regulated investment companies. Each Portfolio, which is an offering through the Trust, is not considered a mutual fund. Therefore, the Portfolios are not required to comply with these requirements. Any reinvested dividends and capital gains from the Underlying Investments will become assets of the Portfolios. Although the Underlying Investments may distribute dividends and/or capital gains, the Portfolios, rather than distributing earnings, reflect changes in value from income and gains and losses from the Underlying Investments solely by increasing or decreasing the Portfolio’s Unit Value.

Differences between Performance of the Portfolios and Underlying Investments. The performance of the Portfolios will differ from the performance of the Underlying Investments. Because the Portfolios have higher expense ratios than the Underlying Investments, over comparable periods of time, all other things being equal, a Portfolio would have lower performance than its comparable Underlying Investment. However, the Underlying Investments do not offer the same tax advantages as the Portfolios. Performance differences also are caused by differences in the trade dates of Portfolios. When you invest money in a Portfolio, you will receive Portfolio Units as of the trade date. The Portfolio will use your money to purchase shares of an Underlying Investment. However, the trade date for the Portfolio’s purchase of Underlying Investment shares typically will be one (1) business day after the trade date for your purchase of Portfolio Units. Depending on the amount of cash flow into or out of the Portfolio and whether the Underlying Investment is going up or down in value, this timing difference will cause the Portfolio’s performance either to trail or exceed the Underlying Investment’s performance. For more information on investment performance, see Investment Performance on page 39. The target indices 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 index Fund’s board of trustees. In any such instance, a substitute index would measure substantially the same market segment (e.g., large-, mid-, or small-capitalization) as the current index.

Investment Selection. For each new contribution, you can select from any of the Portfolios when you make your contribution as long as investments in those different Portfolios are permissible. The minimum allocation per selected Investment Option is 1% of the contribution amount.

Changing Portfolios. Once your Portfolio is selected for a particular contribution, IRS guidance provides that you can move money or transfer from one Portfolio to another twice per calendar year for the same Beneficiary.

Requesting Additional Information about the Underlying Funds. We will invest your contributions to the Year of Enrollment Portfolios or the Individual Portfolios in one or more of the Underlying Funds. Please keep in mind that you will not own shares of the Underlying Funds. Instead, you will own interests in the Trust. Additional information about the investment strategies and risks of each Underlying Fund is available in its current prospectus and Statement of Additional Information (SAI). You can request a copy of the current prospectus, the SAI, or the most recent semiannual or annual report, as applicable, of any Underlying Fund by visiting the following Investment Managers’ and the Savings Portfolio Manager’s websites or calling the numbers referenced below.

<table>
<thead>
<tr>
<th>MANAGER</th>
<th>WEBSITE</th>
<th>PHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carillon Reams</td>
<td><a href="http://www.carillontower.com">www.carillontower.com</a></td>
<td>800-421-4184</td>
</tr>
<tr>
<td>Dodge &amp; Cox</td>
<td><a href="http://www.dodgeandcox.com">www.dodgeandcox.com</a></td>
<td>800-621-3979</td>
</tr>
<tr>
<td>Loomis Sayles</td>
<td>wwwloomissayles.com</td>
<td>800-633-3330</td>
</tr>
<tr>
<td>NexBank</td>
<td><a href="http://www.nexbank.com">www.nexbank.com</a></td>
<td>800-827-4818</td>
</tr>
<tr>
<td>Vanguard</td>
<td><a href="http://www.vanguard.com">www.vanguard.com</a></td>
<td>877-662-7447</td>
</tr>
<tr>
<td>Western Asset</td>
<td><a href="http://www.westernassetfunds.com">www.westernassetfunds.com</a></td>
<td>888-425-6432</td>
</tr>
</tbody>
</table>
**Investment Performance**

This table shows how the performance of the Portfolios has varied over the periods listed. The performance data includes each Portfolio’s total annual asset-based fee, but do not include other charges associated with an investment in CollegeChoice 529. See Fees on page 20. As explained earlier, the performance of the Portfolios will differ from the performance of the Underlying Investments. See Differences between Performance of the Portfolios and Underlying Investments on page 37. If you are invested in a Year of Enrollment Portfolio, the assets in the Portfolio in which you are currently invested (Current Portfolio) will automatically transition to more allocations for all or a portion of the period reported in the Performance data table below. So, your personal performance may be different than the performance shown. This performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal values will fluctuate, so your 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.collegechoicedirect.com](http://www.collegechoicedirect.com).

### Performance:
Current performance information is available online at [www.collegechoicedirect.com](http://www.collegechoicedirect.com). From the home page select “Investment Options – Portfolio Price & Performance”.

### PORTFOLIO¹ ¹

<table>
<thead>
<tr>
<th>YEAR OF ENROLLMENT²</th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>SINCE INCEPTION</th>
<th>INCEPTION DATE³</th>
</tr>
</thead>
<tbody>
<tr>
<td>2036 Enrollment Portfolio</td>
<td>0.87%</td>
<td>0.87%</td>
<td>0.87%</td>
<td>0.87%</td>
<td>09/19/08</td>
</tr>
<tr>
<td>2033 Enrollment Portfolio</td>
<td>1.36%</td>
<td>8.31%</td>
<td>5.97%</td>
<td>6.95%</td>
<td>09/19/08</td>
</tr>
<tr>
<td>2030 Enrollment Portfolio</td>
<td>2.25%</td>
<td>7.22%</td>
<td>5.32%</td>
<td>6.50%</td>
<td>09/19/08</td>
</tr>
<tr>
<td>2027 Enrollment Portfolio</td>
<td>3.04%</td>
<td>6.08%</td>
<td>4.65%</td>
<td>5.80%</td>
<td>09/19/08</td>
</tr>
<tr>
<td>2024 Enrollment Portfolio</td>
<td>3.45%</td>
<td>5.15%</td>
<td>3.96%</td>
<td>4.85%</td>
<td>08/10/12</td>
</tr>
<tr>
<td>2021 Enrollment Portfolio</td>
<td>3.56%</td>
<td>4.15%</td>
<td>3.23%</td>
<td>4.42%</td>
<td>09/19/08</td>
</tr>
<tr>
<td>College Portfolio</td>
<td>3.07%</td>
<td>3.04%</td>
<td>2.19%</td>
<td>3.01%</td>
<td>09/19/08</td>
</tr>
</tbody>
</table>

### INDIVIDUAL PORTFOLIOS

<table>
<thead>
<tr>
<th></th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>SINCE INCEPTION</th>
<th>INCEPTION DATE³</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equity Index Portfolio</td>
<td>2.44%</td>
<td>11.41%</td>
<td>9.05%</td>
<td>13.74%</td>
<td>09/19/08</td>
</tr>
<tr>
<td>International Portfolio</td>
<td>-8.45%</td>
<td>5.42%</td>
<td>-0.91%</td>
<td>3.60%</td>
<td>09/19/08</td>
</tr>
<tr>
<td>Active Bond Portfolio</td>
<td>7.35%</td>
<td>2.67%</td>
<td>2.52%</td>
<td>5.84%</td>
<td>09/19/08</td>
</tr>
<tr>
<td>Inflation-Protected Portfolio</td>
<td>4.31%</td>
<td>2.34%</td>
<td>0.97%</td>
<td>2.87%</td>
<td>09/19/08</td>
</tr>
<tr>
<td>Bond Index Portfolio</td>
<td>4.53%</td>
<td>2.31%</td>
<td>2.47%</td>
<td>3.47%</td>
<td>07/27/09</td>
</tr>
<tr>
<td>Stable Value Portfolio</td>
<td>2.36%</td>
<td>1.51%</td>
<td></td>
<td>1/07/16</td>
<td></td>
</tr>
</tbody>
</table>

### SAVINGS PORTFOLIOS

<table>
<thead>
<tr>
<th></th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>SINCE INCEPTION</th>
<th>INCEPTION DATE³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings Portfolio</td>
<td>2.07%</td>
<td>1.33%</td>
<td>1.05%</td>
<td>0.92%</td>
<td>7/19/2010</td>
</tr>
</tbody>
</table>

¹ Performance information is presented as of May 31, 2019.
² Historical performance of each Year of Enrollment Portfolio includes the performance of its predecessor Age-Based Portfolio.
³ Inception date of each Year of Enrollment Portfolio is the inception date of its predecessor Age-Based Portfolio.

**Important Tax Information**

**FEDERAL TAX ISSUES**

**General.** This Section describes some of the federal tax considerations you should be aware of when investing in CollegeChoice 529. However, the discussion is by no means exhaustive and is not meant as tax advice. The federal tax consequences associated with an investment in CollegeChoice 529 can be complex. CollegeChoice 529 should not be used for the purposes of avoiding federal tax or tax penalties. Before you invest you may wish to consult an independent tax advisor regarding the application of tax laws to your particular circumstances.

Some states may impose taxes and/or penalties on investments in or withdrawals from a Qualified Tuition Program offered by other states. These penalties and taxes may, in certain cases, have the effect of offsetting some or all of the federal tax benefits discussed below.

**Risk of Tax law changes.** The IRS has issued only proposed regulations and certain other guidance under Section 529. Final regulations could affect the tax considerations or require changes in the terms of CollegeChoice 529.

**Federal Tax-Deferred Earnings.** Any earnings on contributions are tax-deferred, which means your Account assets grow free of current federal income tax and are not subject to federal income tax if withdrawn to pay for Qualified Expenses, as described below.

**Federal Taxes:** The federal taxation of your CollegeChoice 529 Account can be complex. Make sure you understand the federal tax benefits and obligations before you invest.

**Federal Gift/State Tax.** If your contributions, together with any other gifts to the Beneficiary (over and above those made to your Account), do not exceed $15,000 per year ($30,000 for married couples making a proper election), no gift tax will be imposed for that year. Gifts of up to $75,000 can be made in a single year ($150,000 for married couples making a proper election) for a Beneficiary and you may avoid the contribution against the annual exclusion equally over a five-year period. This allows you to move assets into tax-deferred investments and out of your estate more quickly. If you die with assets still remaining in your Account, the Account’s value will generally not be included in your estate for federal estate tax purposes, unless you elect the five-year averaging and die before the end of the fifth year. If your Beneficiary dies, and assets remain in your Account, the value of your Account may be included in the Beneficiary’s estate for federal tax purposes. Further rules regarding gifts and the generation-skipping transfer tax may apply in the case of distributions, changes of Beneficiaries, and other situations. The state law treatment of gift and estate taxes varies so you should check with your tax advisor for the specific effect of federal and state (if any) gift tax and generation-skipping transfer tax on your situation.

**Transfers and Rollovers.** Where a distribution is placed in another Account or another Qualified Tuition Program account within sixty (60) days of the distribution date, you may avoid incurring federal income tax or a Distribution Tax. You can transfer assets for the same Beneficiary from another Qualified Tuition Program to your Account without adverse tax consequences only if no other such rollovers have occurred within the prior twelve (12) months. Changes in your Beneficiary could potentially cause gift and/or generation-skipping transfer tax consequences to you and your Beneficiary. Because gift and generation-skipping transfer tax issues are complex, you should consult with your tax advisor.

**ABLE Rollover Distributions.** Where a distribution is placed in a Qualified ABLE Program account within sixty (60) days of the distribution date, you may avoid incurring federal income tax or a Distribution Tax if the transfer is for the same Beneficiary or for a Member of the Family of the Beneficiary. Any distribution is not made before January 1, 2026 and cannot exceed the annual Qualified ABLE Program $15,000 contribution limit.

Changes in your Beneficiary could potentially cause gift and/or generation-skipping transfer tax consequences to you and your Beneficiary. Because gift and generation-skipping transfer tax issues are complex, you should consult with your tax advisor.

**Direct Transfers Between Plans for the Same Beneficiary.** Under Section 529, you can transfer assets directly between CollegeChoice 529, CollegeChoice Advisor and CollegeChoice CD, twice per calendar year for the same Beneficiary. Such a direct transfer is considered an investment exchange for federal and state tax purposes and is therefore subject to the restrictions described in Maintaining Your Account – Changing Investment Direction on page 17.

**Indirect Transfers.** For federal and state tax purposes, an indirect transfer involving the distribution of money from CollegeChoice 529 to either CollegeChoice Advisor or
Education Tax Credits. You and your Beneficiary, if eligible, can take advantage of American Opportunity and Lifetime Learning Tax Credits without affecting your participation in CollegeChoice 529 or its benefits. American Opportunity and Lifetime Learning Credits can be claimed in the same year that a tax-exempt distribution is taken from a Qualified Tuition Program provided the distribution is not used for the same educational expenses.

All Distributions. Distributions may be comprised of: (1) principal, which is not taxable when distributed, and (2) earnings, if any, which may be subject to federal income tax. We determine the earnings portion based on IRS rules and report to the IRS and the recipient. However, we do not report whether the distribution is a Qualified Distribution or a Non-Qualified Distribution. You are responsible for preparing and filing the appropriate forms when completing your federal income tax return and for paying any applicable tax directly to the IRS.

Qualified Expense Distributions. If you take a distribution from your Account to pay qualified educational expenses, your Beneficiary generally does not have to include as income any earnings distributed for the applicable taxable year if the total distributions for that year are less than or equal to the total distributions for Qualified Expenses for that year minus any tax-free Educational Assistance and expenses considered in determining any American Opportunity or Lifetime Learning Credits claimed for that taxable year.

You, or your Beneficiary, as applicable, are responsible for determining the amount of the earnings portion of any distribution from your Account that may be taxable and are responsible for reporting any earnings that must be included in taxable income. You should consult with your tax advisor for further information.

Other Distributions. For federal income tax purposes, you or the Beneficiary may take a taxable distribution. The earnings portion is subject to a Distribution Tax, the Distribution Tax is applied to the earnings portion.

State Tax Issues

General. This Section describes some of the state tax considerations you should be aware of when investing in CollegeChoice 529. However, the discussion is by no means exhaustive and is not meant as tax advice. The Indiana state tax consequences associated with an investment in CollegeChoice 529 can be complex.

CollegeChoice 529 should not be used for the purposes of avoiding state tax or tax penalties. Before you invest, you may wish to consult an independent tax advisor regarding the application of tax laws to your particular circumstances.

Income Tax Credit for Indiana Taxpayers. If you are an individual Indiana taxpayer (resident or non-resident), filing a single or joint return, you may receive an Indiana state income tax credit against any Indiana adjusted gross income tax liability for contributions to an Account that will be used to pay Indiana Qualified Higher Education Expenses of seven hundred dollars ($700), you will be eligible for a credit of no more than three hundred dollars ($300) for contributions made to pay Indiana K-12 Tuition, assuming no other income tax credits are claimed.

For example, if you are eligible to claim an Indiana state income tax credit for tax year 2018 for contributions to your Account to pay Indiana Qualified Higher Education Expenses of seven hundred dollars ($700), you will be eligible for a credit of no more than three hundred dollars ($300) for contributions made to pay Indiana K-12 Tuition, assuming no other income tax credits are claimed.

Income Tax Credit Beginning Tax Year 2019. Effective January 1, 2019, the income tax credit for contributions made to an Account that will be used to pay Indiana K-12 Tuition increases to twenty percent (20%). The amount of the credit is the lesser of the following:

1. twenty percent (20%) of the amount of each contribution that will be used to pay Indiana Qualified Higher Education Expenses during the taxable year plus twenty percent (20%) of the amount of each contribution that will be used to pay Indiana K-12 Tuition during the taxable year;

2. one thousand dollars ($1,000); or

3. the amount of the taxpayer’s adjusted gross income tax liability for the taxable year reduced by the sum of all other credits allowed.

Income Tax Credit Requirements. The Indiana state income tax credit is a nonrefundable credit. You may not carry forward any unused Indiana state income tax credit. An Indiana taxpayer may not sell, assign, convey, or otherwise transfer the tax credit. If you no longer have Indiana adjusted gross income, you will no longer be eligible to receive the Indiana state income tax credit for subsequent contributions to an Account. Contributions must be postmarked or initiated electronically by December 31 in order to qualify for the Indiana state income tax credit for a particular tax year. For additional information, see the Indiana Department of Revenue information Bulletin #98 available at http://www.in.gov/dor/.

Effective January 1, 2010, rollover contributions from another Qualified Tuition Program into CollegeChoice 529 and transfers from the Upromise Program into CollegeChoice 529 became ineligible for the Indiana state income tax credit available to Indiana taxpayers (resident or non-resident, individual or married). In addition, the Indiana income tax credit is not available for money credited to an Account that will be transferred to an ABLE account (as defined in Section 529A of the Internal Revenue Code).
Any repayment of the state income tax credit by you must be reported and paid on your Indiana income tax return for the taxable year in which the Recapture Distribution was made. The Amount that you must repay is equal to the lesser of:

1. twenty percent (20%) of the total amount of Recapture Distributions made during the taxable year from your Account; or
2. the excess of: (a) the cumulative amount of all Indiana state income tax credits that are claimed by any contributor with respect to contributions made to your Account for all prior taxable years beginning on or after January 1, 2007, over (b) the cumulative amount of your repayments for all prior taxable years beginning on or after January 1, 2008.

Treatment of ABLE Rollover Distributions. The Indiana Department of Revenue has not issued guidance on whether an ABLE Rollover Distribution would be considered a Qualified Distribution. However, Indiana law provides that money that is credited to an Account that will be transferred to a Qualified ABLE Program account is not considered a contribution to the Plan and is not eligible for the Indiana state income tax credit. Accordingly, an ABLE Rollover Distribution may be subject to recapture of any previously taken Indiana state income tax credit. Accordingly, ABLE Rollover Distributions may also be subject to an Indiana recapture tax if contributions made to your Account were deducted from the contributor’s state income tax.

We are continuing to evaluate the new law and will provide additional supplements to this Program Description as details about the Indiana state tax effects of the new federal tax law on ABLE Rollover Distributions become clear. Please consult your tax advisor about your personal circumstances before initiating an ABLE Rollover Distribution.

Indiana Tax-Free Distributions for Qualified Expenses. Because Indiana adjusted gross income is generally derived from federal adjusted gross income, you or the Beneficiary, if an Indiana taxpayer, will be subject to Indiana adjusted gross income tax in the same manner as federal income tax. As a result, you or the Beneficiary are generally not subject to Indiana adjusted gross income tax on the earnings portion of any distributions for Qualified Expenses. Since different states have different tax provisions, if you or your Beneficiary were to be subject to state tax and other benefits such as financial aid, scholarship funds, and protection from creditors, that may only be available through investment in the home state’s Qualified Tuition Program, and which are not available through an investment in CollegeChoice 529, you may wish to contact your home state’s Qualified Tuition Program(s), or any other Qualified Tuition Program, to learn more about those plans’ features, benefits, and limitations. State-based benefits should be one of many factors to be considered when making an investment decision. Since different states have different tax provisions, this Disclosure Booklet contains limited information about the state tax consequences of investing in CollegeChoice 529. Therefore, please consult your tax advisor for information on your own state’s tax laws and to learn how state-based benefits (or any limitations) would apply to your specific circumstances.

Indiana Taxation of Non-Qualified and Other Distributions. Because Indiana adjusted gross income is generally derived from federal adjusted gross income, you or the Beneficiary, as applicable, will be subject to Indiana adjusted gross income tax on the earnings portion of any Non-Qualified Distribution, or other distributions that are also included in your federal adjusted gross income for a taxable year.

Refunded Distributions. Where a distribution is made to pay Qualified Expenses and the distribution or a portion of the distribution is refunded by the Eligible Educational Institution, you may avoid incurring Indiana income tax or the recapture of the Indiana state income tax credit claimed by contributors in prior taxable years if:

- You recontest the refund to a Qualified Tuition Program account for which the beneficiary is the same beneficiary as the beneficiary who received the refund; and
- The recontest is made within 60 days of the date of the refund from the Eligible Educational Institution.

A taxpayer may not claim the Indiana state income tax credit on any refunded distributions.

Non-Indiana Taxpayers. If you are not an Indiana taxpayer, consider before investing whether your or the Beneficiary’s home state offers a Qualified Tuition Program that provides for state tax and other benefits such as financial aid, scholarship funds, and protection from creditors, that may only be available through investment in the home state’s Qualified Tuition Program, and which are not available through an investment in CollegeChoice 529. You may wish to contact your home state’s Qualified Tuition Program(s), or any other Qualified Tuition Program, to learn more about those plans’ features, benefits, and limitations. State-based benefits should be one of many factors to be considered when making an investment decision. Since different states have different tax provisions, this Disclosure Booklet contains limited information about the state tax consequences of investing in CollegeChoice 529. Therefore, please consult your tax advisor for information on your own state’s tax laws and to learn how state-based benefits (or any limitations) would apply to your specific circumstances.

General Information

Identification Verification. Certain information is necessary to properly verify your identity. If we do not receive all of the required information, there could be a delay in opening your Account. If, after making reasonable efforts, we are unable to verify your identity, we may take any action permitted by law, without prior notice to you, including rejecting contribution and transfer requests, suspending Account services, or closing your Account and issuing a refund at the Unit Value calculated the day your Account is closed. Any refund made under these circumstances may be considered a Non-Qualified Distribution. The risk of market loss, tax implications, and any other expenses, as a result of the liquidation, will be solely your responsibility.

Documents in Good Order. To process any transaction in the Plan, all necessary documents must be in good order which means executed when required and properly, fully, and accurately completed.

Purpose of Qualified Tuition Programs. Qualified Tuition Programs are intended to be used only for Qualified Expenses. Qualified Tuition Programs are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. You may wish to seek tax advice from an independent tax advisor based on your own particular circumstances.

Your Account. When you complete your enrollment, you acknowledge that you agree to be bound by the terms and conditions of this Disclosure Booklet and the Enrolment Form. The Disclosure Booklet and your online enrollment or completion of the Enrolment Form, when executed by you, is considered the entire agreement between you and the Trust with respect to your Account. By providing your signature online or signing the Enrolment Form, as applicable, you are requesting that we open an Account for the benefit of your Beneficiary. Your Account, the Disclosure Booklet and your signed online enrollment or Enrolment Form are subject to the Enabling Legislation and any rules we may adopt under the Enabling Legislation. Your Account assets will be held, subject to the Enabling Legislation and the Code, the Disclosure Booklet, and your signed online enrollment or Enrolment Form, for the exclusive benefit of you and your Beneficiary.

Changes to Your Account. The Plan Officials are not responsible for the accuracy of the documentation you submit to us to make changes to your Account, whether submitted online or in paper form. If acceptable to the Authority, notices, changes, options, and elections relating to your Account will take effect within a reasonable amount of time after we have received the appropriate documentation in good order, unless the Authority agrees otherwise.

Accuracy of Information in Disclosure Booklet. The information in this Disclosure Booklet is believed to be accurate as of the cover date, but it 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 Disclosure Booklet, as supplemented from time to time.

Changes to the Disclosure Booklet. The Authority may amend the terms of the Disclosure Booklet from time to time to comply with changes in the law or regulations or if the Authority determines it is in the Plan’s best interest to do so. However, the Authority will not retroactively modify existing terms and conditions applicable to an Account in a manner adverse to you or your Beneficiary, except to the extent necessary to assure compliance with applicable state and federal laws or regulations, or to preserve the favorable tax treatment to you, your Beneficiary, the Authority, the Board, CollegeChoice 529, or the Trust.

Keep Legal Documents for Your Records. You should retain this Disclosure Booklet for your records. We may make modifications to CollegeChoice 529 in the future. For example, an addendum (Supplement) to the Disclosure Booklet may be sent to your address of record or notice sent to you by email if you choose to receive documents electronically. In these cases, the new Supplement and/ or Disclosure Booklet will supersede all prior versions.

Please note that we periodically match and update 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.

Changes to State Statutes; Adoption of Rules. The Indiana Legislature may, from time to time, pass legislation, which may directly or indirectly affect the terms and conditions of CollegeChoice 529 and the Disclosure Booklet. Also, the Authority may adopt rules pursuant to the provisions of the Enabling Legislation, which may directly or indirectly affect the terms and conditions of CollegeChoice 529 and the Disclosure Booklet.
• contributions made to all Qualified Tuition Program accounts for the same beneficiary more than three hundred sixty-five (365) days before a federal bankruptcy filing are protected up to six-thousand eight-hundred-twenty-five dollars ($6,825.00), an amount currently revised every three (3) years by the Judicial Conference of the United States; and contributions made to all Qualified Tuition Program accounts for the same beneficiary less than three hundred 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 even though the assets are 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 creditor claims 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.

Representation. All factual determinations regarding your or your Beneficiary’s residency, status, and any other factual determinations regarding your Account will be made by the Authority or its designee based on the facts and circumstances of each case.

Severability. In the event that any clause or portion of the Disclosure Booklet or this Enrollment Form, including your representations, warranties, certifications, and acknowledgements, is found to be invalid or unenforceable by a valid court order, that clause or portion will be severed from the Disclosure Booklet or the Enrollment Form, as applicable, and the remainder of the Disclosure Booklet or Enrollment Form, as applicable, will continue in full force and effect as if that clause or portion had never been included.

Precedence. Except as otherwise expressly provided in the Trust Declaration, or any of the state laws principles:

1. your ability to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings;
2. the potential cost of arbitration may be more or less than the cost of litigation;
3. 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;
4. the panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry;
5. the rules of the arbitration forum 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; and
6. the rules of the arbitration forum are incorporated by reference into this Disclosure Booklet and are available by contacting Client Service at 1-866-485-9415.

To the extent permitted by applicable law:

1. the terms and conditions of the agreement between you and the Trust and Indiana law will be applied by the arbitrator(s) without regard to conflict of laws principles;
2. the place of arbitration will be Indianapolis, Indiana; and
3. the arbitrator(s) is not empowered to award consequential or punitive damages under any circumstances, whether statutory or common law in nature, including treble damages by statute.

You may have other rights under FINRA’s Code of Arbitration Procedure.

You cannot bring a putative or certified class action to arbitration, or seek to enforce any pre-dispute arbitration agreement against any person who has initiated a putative class action; who is a member of a putative class who has 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 person is excluded from the class by the court. A failure to enforce this arbitration provision does not constitute a waiver of any of the Plan Official’s rights under the Disclosure Booklet or the Enrollment Form or your Account except to the extent set forth in this Arbitration Section.
Lawsuits Involving Your Account. By opening an Account, you are submitting (on behalf of yourself and your Beneficiary) to the exclusive jurisdiction of courts in Indiana for all legal proceedings arising out of or relating to your Account. The Authority or the Program Manager may apply to a court at any time for judicial settlement of any matter involving your Account. If the Authority or the Program Manager does so, they must give you or your Beneficiary the opportunity to participate in the court proceeding, but they also can involve other persons. Any expense incurred by the Plan Officials in legal proceedings involving your Account, including attorney’s fees and expenses, are chargeable to your Account and payable by you or your Beneficiary if not paid from your Account.

Binding Nature. The Disclosure Booklet and your agreement to participate in the Plan are binding upon the parties and their respective heirs, successors, beneficiaries, and permitted assigns. By signing an online enrollment or the Enrollment Form, you agree that all of your representations and obligations are for the benefit of the Plan Officials, all of whom can rely upon and enforce your representations and obligations contained in the Disclosure Booklet and the Enrollment Form.

Plan Governance

CollegeChoice 529. CollegeChoice 529 is a Qualified Tuition Program that is operated under the Trust established pursuant to the Enabling Legislation. The Enabling Legislation authorizes the Authority to establish and administer Qualified Tuition Programs and gives the Board power to develop and implement CollegeChoice 529 through the establishment of rules, guidelines, procedures, or policies. In addition, the Authority is provided discretion with regard to the formation of CollegeChoice 529, including the establishment of minimum Account contributions and retention of professional services necessary to assist in the administration of CollegeChoice 529. CollegeChoice 529 is administered by the Board of the Authority, an instrumentality of the State.

Other Qualified Tuition Programs Administered by the Authority. The Authority administers three (3) Qualified Tuition Programs: CollegeChoice 529, CollegeChoice Advisor, and CollegeChoice CD. This Disclosure Booklet relates only to CollegeChoice 529. CollegeChoice Advisor is available for investing only through financial advisors. Go to www.collegechoiceadvisor529.com for information and materials about CollegeChoice Advisor. CollegeChoice CD offers FDIC-insured savings options. Go to www.collegechoicecd.com for more information about CollegeChoice CD.

The Authority. As required by the Enabling Legislation, CollegeChoice 529 is directed and administered by the Authority through its board of directors. The Board consists of (4) four ex officio members: the state treasurer, the state superintendent of public instruction, the Indiana commissioner for higher education, and the budget director and (5) five members who are appointed by the governor. Board members receive no compensation for their services to CollegeChoice 529; however, they are entitled to reimbursement for travel expenses and other expenses actually incurred in the performance of their duties. There may be vacancies on the Board from time to time.

The Declaration of Trust. The Trust has been established pursuant to the Declaration of Trust, which provides that the Authority is the sole Trustee of CollegeChoice 529 and that the Authority may appoint its staff to act as the Trustee’s designee with respect to the day-to-day operations of CollegeChoice 529. The Trust Declaration provides that the assets of CollegeChoice 529 shall be used exclusively to make Qualified Distributions and Non-Qualified Distributions in accordance with the provisions of the Enabling Legislation and the Accounts and pay expenses of the Trust, CollegeChoice Advisor and/or CollegeChoice CD in the management, protection, investment, and reinvestment of Trust assets. The Trust Declaration also provides that the Authority shall adopt investment policies and may change the policies from time to time as they deem in the best interest of Account Owners and Beneficiaries.

Under the Trust Declaration, the Authority may, among other things:

1. retain professional services, including accountants, auditors, consultants, and experts;
2. seek rulings and other guidance from the U.S. Department of the Treasury, the IRS, and the Indiana Department of Revenue;
3. make changes to the Plan and the Trust required for the Account Owners in CollegeChoice 529 to obtain the federal income tax benefits or treatment provided by Section 529;
4. interpret, in rules, policies, guidelines, and procedures, the provisions of the Enabling Legislation broadly in light of its purpose and objectives;
5. charge, impose, and collect administrative fees and service charges in connection with any agreement, contract, or transaction relating to the Plan;
6. select the financial institution or institutions to act as the depository and manager of the Plan in accordance with the Enabling Legislation and the Trust;
7. contract with a financial institution or institutions to serve as program managers and depositories; and
8. take any other action reasonably necessary to implement and administer CollegeChoice and the Trust.

To obtain a copy of the Trust Declaration, please call a Client Service Representative at 1-866-485-9415.

Program Manager to CollegeChoice 529. Ascensus Broker Dealer Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services, and marketing.
Defined Terms. Terms used in this Disclosure Booklet have the following meanings:

ABLE Rollover Distribution: A distribution to an account in a Qualified ABLE Program for the same Beneficiary or a Member of the Family of the Beneficiary. Any distribution must be made before January 1, 2026 and cannot exceed the annual $15,000 contribution limit prescribed by Section 529A(b)(2)(B)(i) of the Code.

Account: An account in CollegeChoice 529 established by an Account Owner for a Beneficiary.

Account Maintenance Fee: An annual fee charged to each Account. The fee is waived if the Account Owner or Beneficiary is an Indiana Resident and for Accounts with balances of $25,000 or more.

Account Owner or you: An individual 18 years or older, an emancipated minor (as determined by Indiana law), a trust, an estate, a partnership, an association, a company, a corporation, or a qualified custodian under the UGMA/UTMA, who signs an online or paper Enrollment Form establishing an Account. In certain cases, the Account Owner and Beneficiary may be the same person. An individual seeking to open an Account as an emancipated minor must submit a court order as well as any other documentation that we request, establishing that he or she is empowered to enter into a contract without the ability to revoke a contract based on age. Without such documentation, we will not open an Account for an emancipated minor.

AGS or Ascensus Government Savings: Ascensus Government Savings is used to refer collectively or individually, as the case requires, to Ascensus Broker Dealer Services, LLC and its affiliates.

Authority: The Indiana Education Savings Authority.

Beneficiary: The individual designated by an Account Owner or as otherwise provided in writing to CollegeChoice 529, to receive the benefit of an Account.

Board: The board of directors of the Authority.

Carillon Reams or Carillon Reams Funds: Carillon Tower Advisors.

Code: Internal Revenue Code of 1986, as amended. There are references to various Sections of the Code throughout this Disclosure Booklet, including Section 529 as it currently exists and as it may subsequently be amended, and any regulations adopted under it.

CollegeChoice 529: The CollegeChoice 529 Direct Savings Plan.

Custodian: The individual who opens an Account on behalf of a minor Beneficiary with assets from an UGMA/UTMA account. Generally, the Custodian will be required to perform all duties of the Account Owner with regard to the Account until the Account Owner attains the age 18, is otherwise emancipated, or the Custodian is released or replaced by a valid court order. The Custodian of an Account funded from an UGMA/UTMA account may not change the Account Owner or Beneficiary.

Disclosure Booklet: This document, intended to provide substantive disclosure of the terms and conditions of an investment in CollegeChoice 529, including any other Supplements distributed from time to time.

Distribution Tax: A federal surtax required by the Code that is equal to 10% of the earnings portion of a Non-Qualified Distribution.

Disabled or Disability: Condition of a Beneficiary who is unable to do any substantial gainful activity because of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. We will require medical documentation to verify this condition. See IRS Publication 970 available at https://www.irs.gov/forms-pubs/about-publication-970 for further details.

Educational Assistance: Educational Assistance generally refers to the tax-free portion of any scholarships or fellowships, Pell Grants, employer provided educational assistance, veterans education assistance, and other tax-free educational assistance. See IRS Publication 970 online at https://www.irs.gov/forms-pubs/about-publication-970 for more information.

EFT or Electronic Funds Transfer: A service in which an Account Owner authorizes CollegeChoice 529 to transfer money from a bank or other financial institution to an Account in CollegeChoice 529.

Eligible Educational Institution: An institution as defined in Section 529(e) of the Code. Generally, the term includes accredited post-secondary educational institutions or vocational schools abroad offering credit toward a bachelor’s degree, an associate’s degree, a graduate
You can generally determine if a school is an Eligible Title 21, Article 9).

Account Owner and the Trust, establishing the obligations your agreement with the terms and conditions of the Disclosure Booklet and Enrollment Form.

https://studentaid.ed.gov/sa/fafsa

Qualified elementary and secondary K-12 Tuition:

Expenses, excluding K-12 Tuition.

An Account Owner or Beneficiary who has registered an Indiana address with the Plan.

IRS: Internal Revenue Service.

Investment Option or Portfolio: The Year of Enrollment Portfolio, Individual Portfolios, and the Savings Portfolio available to Account Owners in CollegeChoice 529.

Investment Managers: Vanguard; Dodge & Cox; Loomis Sayles; Caliban Reams; and Western Asset are the managers of their respective Underlying Funds.

K-12 Tuition: Qualified elementary and secondary tuition expenses as defined in the Code and as may be further limited by the Plan. These expenses are defined as expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school.


Management Agreement: An agreement between the Authority and AGS to provide CollegeChoice 529 with program management, investment advisory, recordkeeping and administrative services, and marketing.

The Management Agreement between the Authority and AGS is now effective and will terminate in 2035, or earlier as provided in the Management Agreement.

Maximum Account Balance: The maximum aggregate balance of all accounts for the same Beneficiary in Qualified Tuition Programs sponsored by the State of Indiana, as established by the Authority from time to time, which will limit the amount of contributions that may be made to Accounts for any one Beneficiary, as required by Section 529. The current Maximum Account Balance is $450,000.

Member of the Family: An individual as defined in Section 529(e)(2) of the Code. Generally, this definition includes a Beneficiary’s immediate family members. A Member of the Family means an individual who is related to the Beneficiary as follows:

1. a child or stepchild;
2. a sibling, stepsibling, or half-sibling;
3. a parent, or stepparent;
4. a grandparent;
5. a grandchild;
6. a niece or nephew;
7. an aunt or uncle;
8. a first cousin;
9. a mother- or father-in-law, son- or daughter-in-law, brother- or sister-in-law, or
10. a spouse of any individual listed (except first cousin).

For purposes of determining who is a Member of the Family, a legally adopted child or a foster child of an individual is treated as the child of that individual by blood. The terms "brother" and "sister" include half-brothers and half-sisters.

NexBank: NexBank SSL, a state-chartered Texas bank.

Non-Qualified Distributions: A distribution from an Account that is not used to pay Qualified Expenses.

Plan: The CollegeChoice 529 Direct Savings Plan.

Plan Officials: The State, CollegeChoice 529, the Authority, the Trustee, the Trust, any other agency of the State (other than the Program Manager (including its officers and agents), the Investment Managers or the Savings Portfolio Manager (including their respective affiliates and agents), and any other counsel, advisor, or consultant retained by, or on behalf of, those entities and any employee, officer, official, or agent of those entities.

Program Fee: The total of the Underlying Investment Fee and the Manager Fee as described under Fees on page 20.

Program Manager: Ascensus Broker Dealer Services, LLC has been engaged by the Authority to provide the program management services, including program management, investment advisory, recordkeeping and administrative services and marketing, as an independent contractor, on behalf of CollegeChoice 529, the Trust, and the Trustee.

Qualified ABLE Program: A program designed to allow individuals with disabilities to save for qualified disability expenses. Qualified ABLE Programs are sponsored by states or state agencies and are authorized by Section 529A of the Code.

Qualified Distribution: A distribution from an Account that is used to pay Qualified Expenses of the Beneficiary.

Qualified Expenses: Qualified higher education expenses as defined in the Code and as may be further limited by CollegeChoice 529. Generally, these include the following:

1. tuition, fees and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution;
2. certain costs of the room and board of a Beneficiary for any academic period during which the student is enrolled at least half-time at an Eligible Educational Institution;
3. expenses necessary in connection with their enrollment or attendance at an Eligible Educational Institution;
4. expenses paid by any other agency, including the State, CollegeChoice 529, the Authority, the Program Manager, the Investment Managers, or the Savings Portfolio Manager (including their respective affiliates and agents), and any associated with CollegeChoice 529.

Qualified Tuition Program: A qualified tuition program under Section 529 of the Code.

Recapture Distribution: A distribution taken for Qualified Expenses which is later refunded by the Eligible Educational Institution and reconstituted to a Qualified Tuition Program that meets the following requirements:

1. The reversion must not exceed the amount of the refund from the Eligible Educational Institution;
2. The reversion must not exceed the amount of distributions previously taken to pay the Qualified Expenses of the beneficiary;
3. The reversion must be made to an account in a Qualified Tuition Program of the same beneficiary to whom the refund was made; and
4. The funds must be reconstituted to a Qualified Tuition Program within 60 days of the date of the refund under the Eligible Educational Institution.

A Refunded Distribution will not be subject to federal or Indiana state income tax, recapture of the Indiana state income tax credit, or the Distribution Tax.

Rollover Distribution: A distribution resulting from a change of Beneficiary to another Beneficiary who is a Member of the Family, either within CollegeChoice 529 or between Qualified Tuition Programs, or a rollover or transfer of assets between Qualified Tuition Programs for the same Beneficiary, provided another rollover or transfer for the same Beneficiary has not occurred in the previous twelve (12) months.

Savings Portfolio Manager: NexBank.

Section 529: Section 529 of the Internal Revenue Code of 1986, as amended.
Trust, dated effective September 19, 2008, and as may be amended from time to time.

Successor Account Owner: The person named during online enrollment or in the Enrollment Form or otherwise in writing to CollegeChoice 529 by the Account Owner, who may exercise the rights of the Account Owner under CollegeChoice 529 if the Account Owner dies or is declared legally incompetent. The Successor Account Owner may be the Beneficiary if the Beneficiary is 18 years or older.

Trust: The CollegeChoice Direct 529 Savings Trust created by the Trust Declaration.

Trust Declaration: The Declaration of Trust establishing the Trust, dated effective September 19, 2008, and as may be amended from time to time by the Board.

Trusted Contact Person: The person you designate as a contact to address possible financial exploitation, to confirm the specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee, or holder of a power of attorney; or as otherwise permitted by Financial Industry Regulatory Authority (FINRA) Rule 2165.

Standing Investment Instruction: The selection made by an Account Owner indicating how contributions are allocated among Investment Options.

State: The State of Indiana.

Supplement: An addendum to the Disclosure Booklet, issued from time to time.

Indemnity

As an Account Owner, I agree to and acknowledge the following indemnity:

1. I am opening an Account in the Trust based upon my statements, agreements, representations, warranties, and covenants as set forth in the Disclosure Booklet and Enrollment Form.

2. I, by completing my online enrollment or executing the Enrollment Form, as applicable, agree to indemnify and hold harmless the Plan Officials from and against any and all loss, damage, liability, penalty, tax, or expense, including costs of reasonable attorneys’ fees, which they incur by reason of, or in connection with, any misstatement or misrepresentation that is made by me or my Beneficiary, any breach by me of the acknowledgements, representations, or warranties in the Disclosure Booklet and Enrollment Form, or any failure by me to fulfill any covenants or agreements in the Disclosure Booklet or Enrollment Form.

Representations, Warranties and Acknowledgements

I, as Account Owner, represent and warrant to, and acknowledge and agree with, the Authority regarding the matters set forth in the Disclosure Booklet and Enrollment Form including that:

1. I have received, read, and understand the terms and conditions of the Disclosure Booklet, Enrollment Form and any additional information provided to me by the Plan Officials with respect to the Trust or the Plan.

2. 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, who resides in the United States of America or, that I have the requisite authority to enter into this participation agreement and to open an Account for the Beneficiary. I also certify that the person named as Beneficiary of the Account is a citizen or a resident of the United States of America.

3. I understand that the Plan is intended to be used only to save for Qualified Expenses.

4. I understand that any contributions credited to my Account will be deemed by the Plan Officials to have been received from me and that contributions by third parties may result in adverse tax or other consequences to me or those third parties.

5. 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.

6. If I am establishing an Account as a trustee for a trust, I represent that: (i) the trustee is the Account Owner; (ii) the individual signing the online enrollment or paper Enrollment Form, as applicable, is duly authorized to act as trustee for the trust; (iii) the Disclosure Booklet may not discuss tax consequences and other aspects of the Plan of particular relevance to the trust and individuals having an interest in the trust; 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 an Account Owner.

7. I understand that Plan assets may be allocated among equity funds, fixed income funds, capital preservation funds, funding agreements, and other investments.

8. In making my decision to open an Account and completing my enrollment, I have not relied upon any representations or other information, whether written or oral, other than as set forth in the Disclosure Booklet, and I have considered the availability of alternative education savings and investment programs, including other Qualified Tuition Programs.

9. I understand that I am solely responsible for determining which Qualified Tuition Program is best suited to my needs and objectives. I understand that CollegeChoice 529 and the Investment Options offered by the Plan may not be for all investors as a means of saving and investing for education costs. I have determined that an investment in CollegeChoice 529 is a suitable investment for me as a means of saving for the Qualified Expenses of my Beneficiary.

10. I have been given an opportunity to obtain any additional information needed to complete my enrollment and/or verify the accuracy of any...
Appendix A: Explanation Of Investment Risks

The information provided below is a summary of the main investment risks of the Portfolios and the Underlying Investments. Each Underlying Investment’s current prospectus and statement of additional information contains information not summarized here and identifies additional principal risks to which the respective Underlying investment may be subject. As with any investment, your investment in the Portfolios could lose money or the Portfolios’ performance could trail that of other investments. Each Portfolio has a different level of risk.

INVESTMENT RISKS RELATED TO THE PORTFOLIOS

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<thead>
<tr>
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<td>2033 Enrollment Portfolio</td>
<td>Because they invest in stock funds, these Portfolios are subject to stock market risk. Because they invest in bond funds, these Portfolios are subject to levels of interest rate risk, credit risk, income risk, and call/prepayment risk. Through certain Vanguard fund holdings, these Portfolios have levels of country/regional risk, currency risk, and emerging markets risk. Interest rate risk, credit risk, income risk, and call/prepayment risk. These Portfolios also have levels of index sampling risk, non-diversification risk, currency hedging risk, and derivatives risk. These risks are discussed under Vanguard Investment Risks starting on page 58.</td>
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<td>2030 Enrollment Portfolio</td>
<td>Through ownership in the Loomis Sayles bond fund, these Portfolios are subject to agency securities risk, below investment-grade fixed income securities risk, credit/counterparty risk, currency risk, derivatives risk, emerging markets risk, equity securities risk, fixed-income securities risk, foreign securities risk, inflation/deflation risk, interest rate risk, issuer risk, large investor risk, leverage risk, liquidity risk, management risk, market risk, mortgage-related and asset-backed securities risk, non-diversification risk, and short exposure risk. These risks are discussed further under Loomis Sayles Investment Risks on pages 66-68.</td>
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<td>2027 Enrollment Portfolio</td>
<td>The Portfolio primarily is subject to stock market risk. The Portfolio also has low levels of index sampling risk. These risks are discussed under Vanguard Investment Risks starting on page 58.</td>
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<td>2024 Enrollment Portfolio</td>
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Bond Index Portfolio

The Portfolio primarily is subject to moderate levels of interest rate risk, income risk, and call/prepayment risk. The Portfolio also has low levels of credit risk and index sampling risk. These risks are discussed under Vanguard Investment Risks starting on page 58.

Stable Value Portfolio

The Portfolio primarily is subject to inflation risk, income risk, manager risk, and credit risk. These risks are discussed under Vanguard Investment Risks starting on page 58. The Portfolio is also subject to the wash rule. See Important Risks You Should Know About – Equity Wash Rule on page 25 of the Disclosure Booklet. Traditional funding agreements are backed by the financial strength of the insurance companies that issue the contracts. Every effort is made to select high-quality insurance companies. However, the Portfolio may lose value if an insurance company is unable to make interest or principal payments when due. Separate account funding agreements and SICs are issued by banks, insurance companies, and other issuers, and are designed to provide a stable asset value. However, unlike traditional funding agreements, they are supported by a diversified portfolio of high-quality fixed income assets and mutual funds as well as the financial strength of the issuing institution. Returns vary with the performance of the underlying fixed income assets or mutual funds.

Savings Portfolio

To the extent that FDIC insurance applies, the Portfolio is primarily subject to income risk. This risk is discussed under NexBank Investment Risks on page 68.

Investment Risks Related To The Underlying Investments

VANGUARD INVESTMENT RISKS

Call Risk. This is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The 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. For mortgage-backed securities, this risk is known as prepayment risk.

Country/Regional Risk. This is the chance 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 Vanguard Total International Stock Index 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 chance that the issuer of a security owned by an Underlying Fund will fail to pay interest and principal 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 Risk. This is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.

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. 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 exposures by entering into currency hedging transactions. However, because it generally is not possible to perfectly hedge the exposures, the Underlying Fund may decline in value if it underhedges or overhedges in certain circumstances. Also, the Underlying Fund will incur expenses to hedge its foreign currency exposures.

Derivatives Risk. An Underlying 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), or a market index (such as the S&P 500 Index). Investments in derivatives may subject the Underlying Funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. The Vanguard Underlying Funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

Emerging Markets Risk. This is the chance 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.

Foreign Securities Risk. Investments in foreign securities are subject to country risk and currency risk. Country risk is the chance that world events — such as political upheaval, financial troubles, or natural disasters — will adversely affect the values of securities issued in foreign countries or regions. Currency risk is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Investments in foreign stock markets can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times, moved in opposite directions.

Income Risk. This is the chance that an Underlying Fund’s income will decline because of falling interest rates. Income risk is generally higher for short-term bond funds, moderate for intermediate-term bond funds, and lower for long-term bond funds.

Income Fluctuations Risk. This is the risk that the Vanguard Short-Term Inflation-Protected Securities Index Fund’s quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. Income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation are expected to be high. Overall, investors can expect income fluctuations to be high for this Underlying Fund.

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57 CollegeChoice 529 Direct Savings Plan collegechoicedirect.com 58
Index Sampling Risk. This is the chance that the securities selected for an Underlying Fund that uses the sampling method of indexing, rather than an aggregate, will not provide an investment performance matching that of the Underlying Fund’s target index.

Industry Concentration Risk. This is the chance that there will be overall problems affecting a particular industry in which an Underlying Fund invests more than 25% of its assets. Because the Vanguard Short-Term Reserve Account invests more heavily in U.S. securities issued by companies in the financial services industry, each Portfolio’s performance depends to a greater extent on the overall condition of that industry.

Interest Rate Risk. This is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk is generally higher for long-term bond funds, moderate for intermediate-term bond funds, and lower for short-term bond funds.

Investment Style Risk. This is the chance that returns from the types of stocks in which an Underlying Fund invests will trail returns from the overall stock market. Specific types of stocks (for example, small-, mid-, or large-capitalization stocks) tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.

Manager Risk. This is the chance that poor security selection will cause an Underlying Fund to underperform relevant benchmarks or other funds with a similar investment objective.

Non-diversification Risk. This is the risk that Vanguard Total International Bond Index Fund’s performance may be hurt disproportionately by the poor performance of a single bond by 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.

Stock Market Risk. This is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. In addition, prices of small- and mid-capitalization stocks may fluctuate more than those of large-capitalization stocks. An Underlying Fund’s target index may, at times, become focused in stocks of a particular sector, category, or group of companies. For Underlying Funds that invest in foreign stocks, investments in foreign stocks can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times, moved in opposite directions.

DODGE & COX INVESTMENT RISKS

The Dodge & Cox International Stock Fund could lose money or the Fund could underperform other Investments. You should expect the Underlying Fund’s share price and total return to fluctuate within a wide range. The Underlying Fund’s performance could be hurt by:

Manager Risk. Dodge & Cox’s opinion about the intrinsic worth or creditworthiness of a company or security may be incorrect, or the market may continue to undervalue the company or security or the market may continue to undervalue the company; Dodge & Cox may not make timely purchases or sales of securities for the Underlying Fund. The Underlying Fund’s investment objective may not be achieved, and the market may continue to undervalue the Underlying Fund’s securities.

Equity Risk. Equity securities can be volatile and may decline in value because of changes in the actual or perceived financial condition of their issuers or other events affecting their issuers.

Market Risk. Investment prices may increase or decrease, sometimes suddenly and unpredictably, due to general market conditions.

 Liquidity Risk. The Underlying Fund may not be able to purchase or sell a security in a timely manner or at desired prices or achieve its desired weighting in a security.

Non-U.S. Investment Risk. Securities of non-U.S. issuers (including ADRs and other securities that represent interests in a non-U.S. issuer’s securities) may be less liquid, more volatile, and harder to value than U.S. securities.

Non-U.S. issuers may be subject to political, economic, or market instability, or unfavorable government action in their local jurisdictions or economic sanctions or other restrictions imposed by their regulators. There may be less information publicly available about non-U.S. issuers and their securities, and those issuers may be subject to lower levels of government regulation and oversight. Non-U.S. stock markets may decline due to conditions specific to an individual country, including unfavorable economic conditions relative to the United States. There may be increased risk of delayed transaction settlement. These risks may be higher when investing in emerging market issuers. Certain of these elevated risks may also apply to securities of U.S. issuers with significant non-U.S. operations.

Non-U.S. Currency Risk. Non-U.S. currencies may decline relative to the U.S. dollar, which reduces the un hedged value of securities denominated in or otherwise exposed to those currencies. Dodge & Cox may not hedge or may not be successful in hedging the Underlying Fund’s currency exposure. Dodge & Cox may not be able to determine accurately the extent to which a security or its issuer is exposed to currency risk.

Emerging Market Risk. Emerging market securities may present issuer, market, currency, liquidity, volatility, valuation, legal, political, and other risks different from, and potentially greater than, the risks of investing in securities of issuers in more developed markets.

Derivatives Risk. Investing with derivatives, such as currency forward contracts, currency swaps, and equity index futures, involves risks additional to and possibly greater than those associated with investing directly in securities. The use of a derivative may not correlate to the value of the underlying instrument to the extent expected. Derivative transactions may be volatile, and can create leverage, which could cause the Underlying Fund to lose more than the amount of assets initially contributed to the transaction, if any. The Underlying Fund may not be able to close a derivatives position at an advantageous time or price. For over-the-counter derivative transactions, the counterparty may be unable or unwilling to make required payments and deliveries, especially during times of financial market distress. Changes in regulation relating to a mutual fund’s use of derivatives and related instruments may make derivatives more expensive. The availability of derivatives may vary, or otherwise adversely affect the value or performance of derivatives and the Underlying Fund.

CARILLON REAMS FUNDS INVESTMENT RISKS

There is a risk that the Active Bond Portfolio could lose money by investing in the Carillon Reams Care Plus Bond Fund. The shares of the Underlying Fund are not depositories of or obligations of, nor guaranteed by any bank or other United States government agency. These shares involve investment risks, including the possible loss of the principal invested.

Market Risks. The Underlying Fund’s investments are subject to market risk, which may cause the value of the Underlying Fund’s investments to decline, sometimes rapidly or unpredictably, due to factors affecting securities markets generally, particular geographic regions or particular industries. If the value of the Underlying Fund’s investments goes down, the share price of the Underlying Fund will go down, and the Portfolio may lose money. U.S. and international markets have experienced extreme volatility, reduced liquidity, credit downgrades, increased likelihood of default and valuation difficulties in recent years.

Fixed Income Security Risks. The Underlying Fund’s investments are subject to the risks inherent in individual fixed income security selections. Yields and principal values of debt securities (bonds) will fluctuate. Generally, values of debt securities fluctuate more than those of common stocks. As interest rates go up, the value of debt securities tends to go down. As a result, the value of the Underlying Fund may go down. Furthermore, these fluctuations tend to increase as a fixed income security’s time to maturity increases, so a longer-term fixed income security will decrease more for a given increase in interest rates than a shorter-term fixed income security. Fixed income securities may also be affected by changes in the credit rating or financial condition of their issuers.

Maturity Risks. The Underlying Fund will invest in fixed income securities of varying maturities. Generally, the longer a fixed income security’s maturity, the greater the risk. Conversely, the shorter a fixed income security’s maturity, the lower the risk.

Credit Risks. Credit risk is the risk that the Underlying Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.

High Yield Security Risks. High yield securities involve greater risk than investment grade securities, including the possibility of default or bankruptcy. They tend to be more sensitive to economic conditions than higher-rated debt securities and, as a result, are generally more sensitive to credit risk than securities in the highest rated categories. High yield securities are considered primarily speculative with respect to the issuer’s continuing ability to make principal and interest payments. Periods of economic uncertainty generally result in increased volatility in the market prices of these securities.

Issuer Risks. The risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods or services.

Credit Ratings Risks. Ratings by nationally recognized ratings agencies generally represent the agencies’ opinion of the credit quality of an issuer and may prove to be inaccurate.

Income Risks. The Underlying Fund’s income could decline due to falling interest rate environments. The Underlying Fund may be required to invest its assets in lower-yielding securities.

Mortgage- and Asset-Backed Securities Risks. Movements in interest rates (both increases and decreases) may significantly and significantly reduce the value of certain types of mortgage- and asset-backed securities. Mortgage- and asset-backed securities can also be subject to the
risk of default on the underlying mortgages or other assets. Mortgage- and asset-backed securities are subject to the risk that fluctuations in interest rates may reduce the market price of the investment. The Advisor will not be liable for the material price changes that may be faster or slower than expected.

International Investing Risks. International investing poses additional risks. If a security owned by the Underlying Fund is denominated in a foreign currency, the value of the foreign currency may fluctuate relative to the United States dollar and cause a loss to the Underlying Fund. International markets may be subject to political instability, which may make foreign investments more volatile than investments in domestic markets. International markets are not always as liquid as in the United States, sometimes making it harder to sell a security. In addition, foreign companies may not be subject to comparable accounting, auditing and financial reporting standards as United States companies, and therefore, information about the foreign companies may not be readily available.

To the extent the Underlying Fund invests a significant portion of its assets in a single country or region, the Underlying Fund may be subject to increased risk associated with the country or region. The risks of investing in foreign securities may be increased if the investments are located in developing countries or emerging markets. Investors in emerging markets can be significantly more volatile than those in more developed markets, reflecting the greater uncertainties of investing in less established markets and economies. These risks are inherently passed on to the company’s shareholders, including the Underlying Fund, and in turn, to the Underlying Fund’s shareholders. As markets become more globalized, many U.S. companies are increasing international business operations and are subject to international investing risks. Funds that invest in larger U.S. companies, such as the Underlying Fund, are subject to some degree of international risk as a result of these holdings and, to a lesser degree, as a result of owning direct or indirect interests in foreign companies (typically large multi-national companies).

Portfolio Turnover Risks. The Underlying Fund has historically experienced low portfolio turnover. When the Underlying Fund experiences a high portfolio turnover rate, the Underlying Fund will incur transaction costs in connection with buying and selling securities, which may lower the Underlying Fund’s return.

Liquidity Risks. Liquidity risk is the risk that certain securities may be difficult or impossible to sell at the time and price that the Advisor determines, either because the Adviser would like to sell. The advisor may have to lower the price, sell other securities instead or forego an investment opportunity.

Valuation Risks. The securities held by the Underlying Fund are generally priced by an independent pricing service that uses techniques and valuation methodologies in accordance with valuation procedures adopted by the Underlying Fund’s Board. The prices provided by the independent pricing service or dealers or the fair valuations may be different from the prices used by other mutual funds or from the prices at which securities are actually bought and sold.

Derivative Risks. Derivatives, such as swap agreements (including credit default swaps and credit default swap index products), options, futures contracts or currency forwards, may involve greater risks than if the Underlying Fund invested in the reference obligation directly. These instruments are subject to general market risks, liquidity risks, interest rate risks, credit risks and management risks. Derivatives also involve an increased risk of mispricing or improper valuation and may result in a loss of value to the Underlying Fund. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and the Underlying Fund could lose more than the principal amount invested. The derivatives market may be subject to additional regulations in the future.

Leverage Risks Associated with Financial Instruments. The use of financial instruments to increase potential returns, including the use of when-issued, delayed delivery or forward commitment transactions, futures contracts and derivatives used for investment (non-hedging) purposes, may cause the Underlying Fund to be more volatile than if it had not been leveraged. The use of leverage may also accelerate the velocity of losses and can result in losses to the Underlying Fund that exceed the amount originally invested.

Management Risks. The Underlying Fund is subject to management risk as an actively managed investment portfolio and depends on the decisions of the portfolio managers to produce the desired results.

WESTERN ASSET INVESTMENT RISKS

The following risks may apply to the Inflation-Protected Portfolio three inflation-indexed plus bond Underlying Fund.

In General. Risk is inherent in all investing. There is no assurance that the Underlying Fund will meet its investment objective. The value the Portfolio receives on its investment in the Underlying Fund, as well as the amount of return that the Portfolio receives on its investment, may fluctuate significantly. The Portfolio may lose part or all of its investment in the Underlying Fund or its investment may not perform as well as other similar investments. The Underlying Fund may take temporary defensive positions; in such a case, the Underlying Fund will not be pursuing its principal investment strategies.

The following is a summary description of certain risks of investing in the Underlying Fund.

Prepayment or Call Risk. Many fixed income securities give the issuer the option to repay or call the security prior to its maturity date. Issuers often exercise this right when interest rates fall. Accordingly, if the Underlying Fund holds a fixed income security subject to prepayment or call, it will not benefit fully from the increase in value that other fixed income securities generally experience when interest rates fall. Upon prepayment of the security, the Underlying Fund would also be forced to reinvest the proceeds at then current yields, which would be lower than the yield of the security that was paid off. In addition, if the Underlying Fund purchases a fixed income security at a premium (at a price that exceeds its stated par or principal value), the Underlying Fund may lose the amount of the premium paid in the event of prepayment.

Credit Risk. If an obligor (such as the issuer itself or a party offering credit enhancement) for a security held by the Underlying Fund fails to pay, otherwise defaults, is perceived to be less creditworthy, becomes insolvent or files for bankruptcy, a security’s credit rating is downgraded or the credit quality or value of any underlying assets declines, the value of the Portfolio’s investments in the Underlying Fund could decline. In addition, the Underlying Fund enters into financial contracts (such as certain derivatives, repurchase agreements, reverse repurchase agreements, and when-issued, delayed delivery and forward commitment transactions), the Underlying Fund is subject to the credit risk presented by the counterparty. In addition, the Underlying Fund may incur expenses in an effort to protect the Underlying Fund’s interests or enforce its rights. Credit risk is broadly gauged by the credit ratings of the securities in which the Underlying Fund invests. However, ratings are only the opinions of the companies issuing them and are not guarantees as to quality. Securities rated in the lowest category of investment grade (Baa/BBB) may possess certain speculative characteristics.

The Underlying Fund is subject to greater levels of credit risk to the extent it holds below investment grade debt securities (that is, securities rated below the Baa/BBB categories or unrated securities of comparable quality), or “junk bonds”. These securities have a higher risk of issuer default, because, among other reasons, issuers of junk bonds are more dependent on capitalization than issuers of investment grade securities. These securities are considered speculative, tend to be less liquid and are more difficult to value than higher rated securities and may involve major risk of exposure to adverse conditions and negative sentiments. These securities may be in default or in danger of default as to principal and interest. Unrated securities of comparable quality share these risks.

The Underlying Fund may hold securities which are subordinated to more senior securities of the issuer, or which represent interests in pools of such subordinated securities. The Underlying Fund is more likely to suffer a credit loss in the event of a bankruptcy of the underlying assets of the non-subordinated securities of the same issuer. If there is a default, bankruptcy or liquidation of the issuer, most subordinated securities are paid only if sufficient assets remain after payment of the issuer’s non-subordinated securities. In addition, any recovery of interest or principal may take more time. As a result, even a perceived decline in creditworthiness of the issuer is likely to have a greater impact on subordinated securities.

Currency Risk. The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as the political, social and economic actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation.

Derivatives Risk. The Underlying Fund may engage in a variety of transactions using derivatives, such as futures, options, warrants, and swaps, including credit default swaps. Derivatives are financial instruments whose value depends upon, or are derived from, the value of something else, such as one or more of the Underlying Fund’s indexes, currencies, or credits. Derivatives may be traded on organized exchanges, or in individually negotiated transactions with other parties (these are known as “over-the-counter” derivatives). The Underlying Fund may use derivatives both for hedging and non-hedging purposes, including for purposes of enhancing returns. Although the Underlying Fund’s investment advisors have the flexibility to make use of derivatives, they may choose not to for a variety of reasons, even under very volatile market conditions.

Derivatives involve special risks and costs and may result in losses to the Underlying Fund. Using derivatives can increase losses and reduce opportunities for gains when market prices, interest rates or currencies, or the derivatives themselves, are affected by events that are not predicted by the Underlying Fund, especially in abnormal market conditions. Using derivatives also can have a leveraging effect (which may increase investment losses) and
increase Underlying Fund volatility, which is the degree to which the Underlying Fund’s share price may fluctuate with its net asset value. Certain derivatives may have the potential for unlimited loss, regardless of the size of the initial investment. The other parties to certain derivatives transactions present the same types of credit risk as issuers of fixed income securities. Derivatives also tend to involve greater credit risk and may be more difficult to value. The Underlying Fund may be unable to terminate or sell its derivative positions. In fact, many over-the-counter derivatives will not have liquidity beyond the counterparty to the instrument. The Underlying Fund’s use of derivatives may increase the amount of taxes payable by shareholders. The U.S. government is in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain transactions and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make them more costly, may limit their availability, may disrupt markets or may otherwise adversely affect their value or performance. The Underlying Fund may be exposed to additional risks as a result of the additional regulations. The extent and impact of the additional regulations are not yet fully known and may not be for some time.

Investments by the Underlying Fund in structured securities, a type of derivative, raise certain tax, legal, regulatory, margin, collateralizing issues that may not be presented by direct investments in securities. These issues could be resolved in a manner that could hurt the performance of the Underlying Fund.

Swap agreements tend to shift the Underlying Fund’s investment exposure from one type of investment to another. For example, the Underlying Fund may enter into interest rate swaps to hedge the exchange of interest payments by the Underlying Fund with another party, such as an exchange of floating rate payments for fixed interest rate payments with respect to a notional amount of principal. If intended to be used as a hedge against adverse movements in the interest rate market, the investment performance of the Underlying Fund would be less than what it would have been if the Underlying Fund had not entered into the interest rate swap.

Credit default swap contracts involve heightened risks and may result in losses to the Underlying Fund. Credit default swaps may be illiquid and difficult to value. If the Underlying Fund buys a credit default swap, it will be subject to the risk that the credit default swap may expire worthless, as the credit default swap would only generate income in the event of a default on the underlying debt security or other specified event. As a buyer, the Underlying Fund would also be subject to credit risk. If the credit default swap contains obligations in the event of a default (or similar event), if the Underlying Fund sells a credit default swap, it will be exposed to the credit risk of the seller of the obligation to which the credit default swap relates. As a seller, the Underlying Fund would also be subject to credit risk, because it would be liable for the full notional amount of the swap in the event of a default (or similar event).

The absence of a central exchange or market for swap transactions may lead, in some instances, to difficulties in trading and valuation, especially in the event of market disruptions. Recent legislation requires certain swaps to be executed through a centralized exchange or regulated facility and be cleared through a regulated clearinghouse. Although this clearing mechanism is generally expected to reduce counterparty credit risk, it may limit or disrupt the ability of the Underlying Fund to terminate a derivatives position under certain circumstances. This may cause the Underlying Fund to lose money.

Risks associated with the use of derivatives are magnified to the extent that an increased portion of the Underlying Fund’s assets will be committed to derivatives in general or are invested in just one or a few types of derivatives.

Foreign Investments and Emerging Markets Risk. The Underlying Fund’s investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk. Foreign countries in which the Underlying Fund may invest may have markets that are less liquid, less regulated and more volatile than U.S. markets. The Underlying Fund’s investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable government actions, and political or financial instability. Lack of information may also affect the value of these securities.

The value of the Underlying Fund’s foreign investments may be affected by general economic, political, or social conditions, such as red or perceived adverse economic or political conditions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets or adverse investor sentiment.

In some foreign countries, less information is available about issuers and markets because of less rigorous accounting and regulatory standards than in the United States. It may be difficult for the Underlying Fund to pursue claims against a foreign issuer in the courts of a foreign country. Some securities issued by non-U.S. governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of such governments. Even where a security is backed by the full faith and credit of a government, it may be difficult for the Underlying Fund to pursue its rights against the government. Some non-U.S. governments may have defaulted on principal and interest payments, and more may do so.

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less fully developed and less subject to enforcement than those of more developed countries. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility. Investors should be able to tolerate sudden, sometimes substantial, fluctuations in the value of their investments. Emerging market countries may have policies that restrict investment by foreigners or that prevent foreign investors from withdrawing their money at will.

Hedging Risk: The decision as to whether and to what extent the Underlying Fund will engage in hedging transactions to hedge against such risks as credit risk, currency risk, and interest rate risk will depend on a number of factors, including prevailing market conditions, the composition of the Underlying Fund, and the market characteristics of the various securities in which the Underlying Fund is invested. Accordingly, there can be no assurance that the Underlying Fund will engage in hedging transactions at any given time or from time to time, even under volatile market environments, or that any such strategies, if used, will be successful. Hedging transactions involve costs and may reduce gains or result in losses.

Market and Interest Rate Risk. The market prices of fixed income and other securities owned by the Underlying Fund may go up or down, sometimes rapidly or unpredictably. If the market prices of the securities owned by the Underlying Fund fall, the value of the Portfolio’s investment in the Underlying Fund will decline. The value of a security backed by foreign governments, agencies, subdivisions or other foreign issuers or issuers with significant exposure to foreign markets may decline if any factor affecting the issuer as well as foreign market and issuer-specific factors, such as red or perceived adverse economic or political conditions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets or adverse investor sentiment.

Changes in market conditions will not typically have the same impact on all types of securities. The value of a security may also fall due to specific conditions that affect a particular sector of the securities market or a particular issuer.

The market prices of securities may fluctuate significantly when interest rates change. When interest rates rise, the value of fixed income securities, and therefore the value of the Portfolio’s investment in the Underlying Fund, generally goes down. Interest rates have been historically low and are expected to rise. Generally, the longer the maturity or duration of a fixed income security, the greater the impact of a rise in interest rates on the security’s value. However, calculations of duration and effective duration are based on certain assumptions and estimates and may not reliably predict a security’s price sensitivity to changes in interest rates. Moreover, securities can change in value in response to other factors, such as credit risk. In addition, different interest rate measures (such as spot- and long-term interest rates and foreign interest rates), or interest rates on different types of securities or securities of different issuers, may not necessarily change in the same amount or in the same direction. When investment in the Underlying Fund generally goes down, the Underlying Fund’s yield will decline. Also, when interest rates decline, investments made by the Underlying Fund may pay a lower interest rate, which would reduce the income received by the Underlying Fund.

Liquidity Risk. Liquidity risk exists when particular investments are impossible or difficult to sell. Although most of the Underlying Fund’s investments must be liquid at the time of investment, investments may become illiquid after purchase by the Underlying Fund, particularly during periods of market turmoil. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers, or when brokers are unable to or unable to make a market for certain securities. When the Underlying Fund holds illiquid investments, it may be harder to value, especially in changing markets, and if
the Underlying Fund is forced to sell these investments to meet redemption requests or for other cash needs, the Underlying Fund may suffer a loss. In addition, when there is illiquidity in the market for certain investments, the Underlying Fund, due to limitations on illiquid investments, may be unable to achieve its desired level of exposure to a certain sector.

Risks Relating to Inflation-Indexed Securities: The value of inflation-indexed fixed-income securities generally fluctuates in response to changes in real interest rates, which are in turn tied to the relationship between nominal interest rates and the rate of inflation. Therefore, if inflation were to rise at a faster rate than nominal interest rates, real interest rates might decline, leading to an increase in value of inflation-indexed securities. In contrast, if nominal interest rates increased at a faster rate than inflation, real interest rates might rise, leading to a decrease in value of inflation-indexed securities.

Although the principal value of inflation-indexed securities declines in periods of deflation, holders at maturity receive no less than the par value of the security. However, if the Underlying Fund purchases inflation-indexed securities in the secondary market whose principal values have been adjusted upward due to inflation since issuance, it may experience a loss if there is a subsequent period of deflation. Lower than expected during the period the Underlying Fund holds an inflation-indexed security, the Underlying Fund may earn less on the security than on a conventional bond.(1)

Any increase in principal value caused by an increase in the index the inflation-indexed securities are tied to is taxable in the year the increase occurs, even though the Underlying Fund will not receive cash repayment of the increase at that time. As a result, the Underlying Fund could be required at times to liquidate other investments, including when it is not advantageous to do so, in order to satisfy its distribution requirements as a regulated investment company under the Code. See “Additional Tax Information” in the Underlying Fund’s Statement of Additional Information.

If real interest rates rise (i.e., if interest rates rise for reasons other than inflation, for example, due to changes in currency exchange rates), the value of inflation-indexed securities held by the Underlying Fund will decline. Moreover, because the principal amount of inflation-indexed securities would be adjusted downward during a period of deflation, the Underlying Fund will be subject to deflation risk with respect to its investments in these securities. Interest rates are tied to indices that are calculated based on rates of inflation for prior periods. There can be no assurance that such indices will accurately measure the actual rate of inflation in the prices of goods and services.

Mortgage-Backed and Asset-Backed Securities Risk. When market interest rates increase, the market values of mortgage-backed securities may decline. Certain mortgage-backed securities have prepayment features, which may cause the principal values of such securities to fluctuate in response to changes in real interest rates. Therefore, if mortgage-backed securities have prepayment features, a rise in interest rates may result in a reduction of the value of such securities, even though the market values of inflation-indexed securities underlying these mortgage-backed securities may rise.

Additional Information.

LOOMIS SAYLES INVESTMENT RISKS

The following risks apply to the Year of Enrolment Option Portfolios through their investment in the Loomis Sayles Strategic Alpha Underlying Fund.

Agency Securities Risk. Agency securities are subject to prepayment risk. Certain debt securities issued or guaranteed by agencies of the U.S. government are guaranteed as to the payment of principal and interest by the relevant entity but have not been backed by the full faith and credit of the U.S. government. Instead, they have been supported only by the discretionary authority of the U.S. government to purchase the agency’s obligations. An event affecting the guaranteeing entity could adversely affect the payment of principal or interest or both on the security and, therefore, these types of securities should be considered to be riskier than U.S. government securities.

Below Investment-Grade Fixed-Income Securities Risk. This is the risk that the Underlying Fund’s investments in below investment-grade fixed income securities, also known as “junk bonds,” may be subject to greater risks than other fixed-income securities. Including being subject to greater levels of interest rate risk, credit risk (including a greater risk of default) and liquidity risk. The ability of the issuer to make principal and interest payments is predominantly speculative for below investment-grade fixed-income securities.

Credit/Counterparty Risk. Credit risk is the risk that the issuer or the guarantor of a fixed-income security, or the counterparty to a derivatives or other transaction, will be unable or unwilling to make timely payments of interest or principal or to otherwise honor its obligations. Below investment grade fixed-income securities are considered predominantly speculative with respect to the ability of the issuer to make timely principal and interest payments. The Underlying Fund will be subject to credit risks with respect to the counterparties of its derivative transactions. Many of the protections afforded to participants on organized exchanges, such as the performance guarantee of an exchange clearing house, are not available in connection with Over-The-Counter (OTC) derivative transactions, such as foreign currency transactions. As a result, in instances when the Underlying Fund enters into OTC derivative transactions, the Underlying Fund will be subject to the risk that its direct counterparties will not perform their obligations under the transactions and that the Underlying Fund will sustain losses or be unable to realize gains.

CURRENCY RISK. Fluctuations in the exchange rates between different currencies may negatively affect an investment. The Underlying Fund may be subject to currency risk because it may invest a significant portion of its assets in currency-related instruments and may invest in securities or otherwise be denominated in, or receive revenues in, foreign currencies. The Underlying Fund’s investment advisor may elect not to hedge currency risk, which may cause the Underlying Fund to incur losses that would not have been incurred had the risk been hedged.

Derivatives Risk. Derivatives are subject to changes in the value of their underlying asset or index on which such transactions are based. There is no guarantee that the use of derivatives will be effective or that such transactions will be available. Even a small investment in derivatives may give rise to leverage and can have a significant impact on the Underlying Fund’s exposure to securities markets values, interest rates or currency exchange rates. It is possible that the Underlying Fund’s liquid assets may be insufficient to support its obligations under its derivatives positions. The use of derivatives for other than hedging purposes may be considered a speculative activity, and involves greater risks than are involved in hedging. The use of derivatives may cause the Underlying Fund to incur losses greater than those which would have occurred had derivatives not been used. The Underlying Fund’s use of derivatives, such as futures, forward contracts, options, warrants, foreign currency transactions, swaps and credit default swaps, involves other risks, such as the credit risk relating to the other party to a derivative contract (which is greater for forward contracts, swaps and other OTC derivatives), the risk of difficulties in pricing and valuation, the risk that changes in the value of a derivative may not correlate perfectly with relevant assets, rates or indices, liquidity risk, transaction risk and the risk of losing more than the initial margin required to initiate derivatives positions. There is also the risk that the Underlying Fund may be unable to terminate or sell a derivatives position at an advantageous time or price. Moreover, a number of broker-dealers and other financial institutions have recently experienced extreme financial difficulty, sometimes resulting in bankruptcy of the institution. There can be no assurance that the Underlying Fund will be able to avoid experiencing similar financial difficulties, possibly resulting in losses to the Underlying Fund.

Emerging Markets Risk. Investing in emerging markets companies, which may be smaller and have shorter operating histories than companies in developed markets, involves risk in addition to, and greater than, those generally associated in companies in developed foreign markets. The extent of economic development, political stability, market depth, infrastructure, capitalization and regulatory oversight
that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods and services.

**Large Investor Risk.** Ownership of shares of the Underlying Fund may be concentrated in one or a few large investors. Such investors may redeem shares in large quantities or on a frequent basis. Redemptions by a large investor can affect the performance of the Underlying Fund, may increase realized capital gains, may accelerate the realization of taxable income to shareholders and may increase transaction costs. These transactions potentially limit the use of any capital loss carry forwards and certain other losses to offset future realized capital gains (if any). Such transactions may also increase the Underlying Fund’s expenses.

**Leverage Risk.** Use of derivative instruments may involve leverage. Leverage is the risk associated with securities or practices that multiply small index, market or asset price movements into larger changes in value. To the extent that the Underlying Fund uses a derivative for purposes other than as a hedge, or if the Underlying Fund hedges imperfectly, the Underlying Fund is directly exposed to the risks of that derivative and any loss generated by the derivative will not be offset by a gain. The use of leverage will increase the impact of gains and losses on the Underlying Fund’s returns, and may lead to significant losses if investments are not successful. However, the Underlying Fund’s investment advisor will attempt to ensure that at all times, the Underlying Fund has sufficient liquid assets to enable it to satisfy its obligations under its derivative contracts.

**Liquidity Risk.** Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the Underlying Fund from selling these illiquid assets at an advantageous price or time. A lack of liquidity also may cause the value of investments to decline. Illiquid investments also may be difficult to value.

**Management Risk.** A strategy used by the Underlying Fund’s portfolio managers may fail to produce the intended result.

**Market Risk.** The market value of a security will move up and down, sometimes rapidly and unpredictably, based upon a change in an issuer’s financial condition, as well as overall market and economic conditions. The Underlying Fund’s portfolio managers will attempt to reduce this risk by implementing various volatility management strategies and techniques. However, there is no guarantee that such strategies and techniques will produce the intended result.

**Mortgage-Related and Asset-Backed Securities Risk.** In addition to the risks associated with investments in fixed-income securities generally (for example, credit, liquidity and valuation risk), mortgage-related and asset-backed securities are subject to the risks of the mortgages and assets underlying the securities as well as prepayment risk, the risk that the securities may be prepaid and result in the reinvestment of the prepaid amounts in securities with lower yields than the prepaid obligations. Conversely, there is a risk that an unexpected rise in interest rates will extend the life of a mortgage-related or asset-backed security beyond the expected prepayment time, typically reducing the security’s value. The Underlying Fund also may incur a loss when there is a prepayment of securities that were purchased at a premium. The Underlying Fund’s investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

**Non-Diversification Risk.** Compared with other mutual funds, the Underlying Fund may invest a greater percentage of its assets in a particular issuer and may invest in fewer issuers. Therefore, the Underlying Fund may have more risk because changes in the value of a single security or the impact of a single economic, political or regulatory occurrence may have a greater adverse impact on the Underlying Fund’s net asset value.

**Short Exposure Risk.** A short exposure through a derivative may present various risks, including credit/counterparty risk and leverage risk. If the value of the asset, asset class or index on which the Underlying Fund has obtained a short investment exposure increases, the Underlying Fund will incur a loss. Unlike a direct cash investment like a stock, bond or exchange-traded fund, where the potential loss is limited to the purchase price, the potential risk of loss from a short exposure is theoretically unlimited. Moreover, there can be no assurance that securities necessary to cover a short position will be available for purchase.

**NexBank Investment Risks**

The following risk may apply to the Savings Portfolio through its investment in the NexBank HYSA.

**Income Risk.** This is the risk that the return of the underlying FDIC-insured HYSA will vary from week to week because of changing interest rates and that the return of the HYSA will decline because of falling interest rates.
CollegeChoice 529 Direct Savings Plan (CollegeChoice 529) is administered by the Indiana Education Savings Authority (Authority). Ascensus Broker Dealer Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services, and marketing. CollegeChoice 529’s Portfolios invest in: (i) mutual funds; (ii) a stable value account held in trust by the Authority at Vanguard; and/or (iii) an FDIC-insured omnibus savings account held in trust by the Authority at NexBank. Except for the Savings Portfolio, investments in CollegeChoice 529 are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, you could lose all or a portion of your money by investing in CollegeChoice 529 depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

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