



BRIGHT START DIRECT-SOLD COLLEGE SAVINGS PROGRAM

PLAN DESCRIPTION AND PARTICIPATION AGREEMENT

**EFFECTIVE AS OF:
SEPTEMBER 30, 2024**

**TRUSTEE AND ADMINISTRATOR:
ILLINOIS STATE TREASURER**

**PLAN MANAGER:
TIAA-CREF TUITION FINANCING, INC.**



Michael W. Frerichs
ILLINOIS STATE TREASURER

TIAA-CREF Individual & Institutional Services, LLC, Distributor/Underwriter

A41731: 09/24

Please keep this Plan Description and the attached Participation Agreement and Privacy Policy with your other records about the Bright Start Direct-Sold College Savings Program (the “**Plan**”), which is offered by the State of Illinois. This Plan Description is also available on the Plan’s website at BrightStart.com. **Investing is an important decision. You should read and understand this Plan Description in its entirety before you make contributions to the Plan.**

You should rely only on the information contained in this Plan Description and the attached Participation Agreement. No person is authorized to provide information that is different from the information contained in this Plan Description and the attached Participation Agreement. The information in this Plan Description is believed to be accurate as of the date hereof and is subject to change without notice.

This Plan Description does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of a security in the Plan by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale.

If you or your intended beneficiary reside in a state other than Illinois, or have taxable income in a state other than Illinois, it is important for you to note that if that other state has established a qualified tuition program under Section 529 of the Internal Revenue Code (a “529 Plan”), such state may offer favorable state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are available only if you invest in that state’s 529 Plan. Those benefits, if any, should be one of the many appropriately weighted factors you consider before making a decision to invest in the Plan. You should consult with a qualified advisor or review the offering document for that state’s 529 Plan to find out more about any such benefits (including any applicable limitations) and to learn how they may apply to your specific circumstances.

An Account in the Plan should be used only to save for qualified higher education expenses of a designated beneficiary. Accounts in the Plan are not intended for use, and should not be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. **The tax information contained in this Plan Description was written to support the promotion and marketing of the Plan and was neither written nor intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding federal or state taxes or tax penalties. Taxpayers should consult with a qualified advisor to seek tax advice based on their own particular circumstances. Statements in this Plan Description concerning federal and Illinois tax issues are provided for general information purposes and are not offered as tax advice to any person.**

None of the State of Illinois, the Bright Start College Savings Program Trust (the “Trust”), the Illinois College Savings Pool (the “Pool”), the Illinois State Treasurer, the Plan, the Federal Deposit Insurance Corporation, nor any other government agency or entity, nor any of the service providers to the Plan insure any Account or guarantee any rate of return or any interest on any contribution to the Plan (except as described below for investments in the FDIC-insured interest-bearing Deposit Account Underlying Investment). Your Account may lose value.

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Bright Start Direct-Sold College Savings Program
Plan Overview

This “Plan Overview Section” provides summary information about certain key features of the Plan. It is important that you read the entire Plan Description and Participation Agreement for more detailed information about the Plan.

Plan Structure and Providers (See page 8)	Trustee:	Illinois State Treasurer
Investment Managers of the Underlying Investments	Plan Manager:	TIAA-CREF Tuition Financing, Inc. (term through September 30, 2032)
Plan Contact Information	Bright Start Direct-Sold College Savings Program P.O. Box 219288 Kansas City, MO 64121-9288	BrightStart.com 877.432.7444
Illinois State Income Tax (See “Tax Information”, page 57)	<ul style="list-style-type: none"> • Illinois tax benefits are available only to Illinois taxpayers. • Contributions may be deductible up to \$10,000 per tax return (\$20,000 if married filing jointly). • Illinois state income tax on earnings is deferred. • Earnings portion of a Qualified Withdrawal is not subject to Illinois state income tax. • Earnings portion of a Nonqualified Withdrawal is subject to Illinois state income tax. • Rollovers to an out-of-state qualified tuition program and withdrawals treated as Nonqualified Withdrawals for Illinois tax purposes, including withdrawals for elementary or secondary public, private or religious school, are subject to recapture of Illinois state tax benefits. • For taxable years ending on or before December 31, 2024, employers that match employees’ contributions to the Plan, College Illinois! or the Bright Directions Advisor-Guided 529 College Savings Program may be eligible for an Illinois state tax credit. 	
Federal Tax (See “Tax Information”, page 53)	<ul style="list-style-type: none"> • Contributions are not deductible for federal income tax purposes. • Earnings accrue free of federal income tax. • Qualified Withdrawals are not subject to federal income tax. • Earnings portion of a Nonqualified Withdrawal is subject to income tax and possibly a 10% federal penalty tax. 	

<p>Account Owner Eligibility</p> <p>(See “Opening an Account”, page 9)</p>	<ul style="list-style-type: none"> The Plan is open to any U.S. citizen or individual residing in the U.S. with a valid Social Security number or taxpayer identification number who is at least 18 years of age at the time the Account is opened and a contribution is made. Certain types of entities with a valid taxpayer identification number may also open an Account (additional restrictions may apply to such Accounts). 																								
<p>Beneficiary</p> <p>(See “Opening an Account”, page 9)</p>	<ul style="list-style-type: none"> The Beneficiary must be an individual with a valid Social Security number or taxpayer identification number. A Beneficiary may be of any age. 																								
<p>Contributions</p> <p>(See “Contributions”, page 11)</p>	<ul style="list-style-type: none"> Minimum: You may contribute to an Account in any dollar amount. Maximum: The Maximum Account Balance is \$500,000 for all Accounts in the Pool for each Beneficiary. Ways to Contribute: Check, Recurring Contributions, Electronic Funds Transfer, Payroll Contribution, Wire Transfer, Ugift®, Rollover or transfer from another 529 plan, or with redemption proceeds from a Coverdell Education Savings Account (“Coverdell ESA”) or a qualified U.S. savings bond. 																								
<p>Investment Portfolios</p> <p>(See “Investment Portfolios”, page 14)</p>	<ul style="list-style-type: none"> Twenty (20) Passive Enrollment Year Portfolios (Aggressive and Moderate) Twenty (20) Active Blend Enrollment Year Portfolios (Aggressive and Moderate) Three (3) Passive Static Allocation Portfolios Three (3) Active Blend Static Allocation Portfolios Eighteen (18) Individual Portfolios 																								
<p>Plan Fees</p> <p>(See “Plan Fees”, page 40)</p>	<table border="0"> <tr> <td>Account Fee</td> <td colspan="2">None</td> </tr> <tr> <td>All-in Portfolio Costs (includes underlying investment expenses, program management fee, and state fee)</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">Range</td> <td style="text-align: center;">Average Total Annual Asset Based Fee</td> </tr> <tr> <td>Passive Enrollment Year Portfolios</td> <td style="text-align: center;">0.08% - 0.10%</td> <td style="text-align: center;">0.10%</td> </tr> <tr> <td>Active Blend Enrollment Year Portfolios</td> <td style="text-align: center;">0.245% - 0.425%</td> <td style="text-align: center;">0.352%</td> </tr> <tr> <td>Passive Static Allocation Portfolios</td> <td style="text-align: center;">0.08% - 0.10%</td> <td style="text-align: center;">0.09%</td> </tr> <tr> <td>Active Blend Static Allocation Portfolios</td> <td style="text-align: center;">0.265% - 0.385%</td> <td style="text-align: center;">0.312%</td> </tr> <tr> <td>Individual Portfolios</td> <td style="text-align: center;">0% - 0.765%</td> <td style="text-align: center;">0.285%</td> </tr> </table>	Account Fee	None		All-in Portfolio Costs (includes underlying investment expenses, program management fee, and state fee)				Range	Average Total Annual Asset Based Fee	Passive Enrollment Year Portfolios	0.08% - 0.10%	0.10%	Active Blend Enrollment Year Portfolios	0.245% - 0.425%	0.352%	Passive Static Allocation Portfolios	0.08% - 0.10%	0.09%	Active Blend Static Allocation Portfolios	0.265% - 0.385%	0.312%	Individual Portfolios	0% - 0.765%	0.285%
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<p>Risk Factors</p> <p>(See “Risks of Investing in the Plan”, page 50)</p>	<p>Except as described herein for investments in the FDIC-insured interest-bearing Deposit Account Underlying Investment, investments in the Plan are not insured by the FDIC. Investments in the Bright Start Direct-Sold College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, TIAA-CREF Tuition Financing, Inc., the Federal Deposit Insurance Corporation, or any other entity.</p> <ul style="list-style-type: none"> • Opening an Account involves certain risks, including: <ul style="list-style-type: none"> – the value of your Account may decrease, and you could lose money, including the principal you invest; – state or federal tax law changes could negatively affect the Plan; – Plan changes, including changes in fees; – the Plan may add, terminate or merge investment Portfolios; – the Plan may change underlying investment vehicles or change allocations; – an investment in the Plan may adversely affect the Account Owner’s or Beneficiary’s eligibility for financial aid or other benefits.
<p>Qualified Withdrawals</p> <p>(See “Withdrawals”, page 48)</p>	<p>Assets in your Account can be used to pay for the Beneficiary’s Qualified Higher Education Expenses, which include:</p> <ul style="list-style-type: none"> • tuition, fees, books, supplies, and equipment required for enrollment or attendance of a Beneficiary at an Eligible Educational Institution; • expenses for housing and food (room and board) incurred by students who are enrolled at least half-time and subject to certain limitations; • expenses for the purchase of computer or certain peripheral equipment, computer software, or Internet access and related services if it is to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution; • expenses for special needs services in the case of a special needs Beneficiary which are incurred in connection with such enrollment or attendance; • tuition, fees, books, supplies, and equipment required for participation of the Beneficiary in an Apprenticeship Program; • payments on Qualified Education Loans of the Beneficiary or a sibling of the Beneficiary, subject to a lifetime limit of \$10,000 per individual; and • (for federal but not Illinois tax purposes) expenses for tuition in connection with the Beneficiary’s enrollment or attendance at an elementary or secondary public, private, or religious school, subject to an annual \$10,000 per Beneficiary limit for all Section 529 Plans. <p>Additionally, effective January 1, 2024 for federal tax purposes and August 2, 2024 for Illinois tax purposes, rollovers are permitted from an Account to a Roth IRA without incurring federal and state income tax or penalties, subject to the conditions discussed in this Plan Description.</p>

Introduction to the Plan

The Bright Start Direct-Sold College Savings Program (the “Plan”) is part of the Illinois College Savings Pool (the “Pool”), for which the Illinois State Treasurer (the “Treasurer”) serves as trustee (the “Trustee”). The Pool is an education savings program authorized by the State of Illinois and is designed to qualify as a tax-advantaged savings program under Section 529 of the Internal Revenue Code (the “Code”) and the proposed regulations thereunder. Section 529 permits states and state agencies to sponsor qualified tuition programs under which you can open and contribute to an Account for the benefit of any individual, including yourself.

You may open and contribute to a Plan Account regardless of your income. Investment earnings on your Plan Contributions accumulate free from federal income tax, and withdrawals are exempt from federal income tax if they are used to pay for the Beneficiary’s Qualified Higher Education Expenses. The aggregate balance limit for Accounts for a Beneficiary in the Plan and any additional accounts in other Illinois Section 529 Programs is \$500,000.

In addition, individuals who contribute to the Plan and file an Illinois state income tax return generally are allowed to deduct from their adjusted gross income for Illinois state income tax purposes up to \$10,000 of contributions per year (\$20,000 for married taxpayers filing jointly) for total combined contributions to Illinois Section 529 Programs. An Illinois taxpayer who deducted contributions on his or her Illinois state income tax return in a prior year may be required to include on his or her Illinois state income tax return in the year of withdrawal, all or a portion of the amount previously deducted if the withdrawal is a Nonqualified Withdrawal for Illinois tax purposes. Consult with your financial, tax, or other advisor before making a withdrawal from the Plan.

Under federal law, the Plan must prohibit the Account Owner and the Beneficiary from directing the investment of any contributions (or earnings thereon) more than two times in a calendar year. You may choose a balance of equity, real estate, fixed income, and/or cash equivalent investments relating to your Account based on the available Portfolios described in this Plan Description. The Plan has sixty-four (64) investment Portfolios from which to choose.

This Plan Description describes only the Bright Start Direct-Sold College Savings Program. The Treasurer also offers the Bright Directions Advisor-Guided 529 College Savings Program, which is not described in the Plan Description and offers different investment portfolios, may be marketed differently from the Plan described in the Plan Documents, and may have different fees than those offered under the Plan. For more information you may visit the Treasurer’s website at IllinoisTreasurer.gov.

All capitalized terms shall have the respective meanings given to them as set forth in this document or in the “Definitions of Key Terms” Section beginning on page 5. Any terms used herein that are defined by applicable law, including Section 16.5 of the State Treasurer Act, 15 ILCS 505, and Illinois Administrative Code, 23 Ill. Admin. Code Part 2500, shall have them meaning provided in such law unless otherwise stated.

Plan Highlights

Eligibility. The Plan is open to residents of any state, not just residents of Illinois. There are no income restrictions.

Contribution Amounts. You may contribute to an Account in any dollar amount. However, the Maximum Account Balance for Accounts for a Beneficiary under the Plan and any additional accounts in other Illinois Section 529 Programs is \$500,000.

Qualified Withdrawals. Money in your Account may be withdrawn to pay the Beneficiary's Qualified Higher Education Expenses. Qualified Higher Education Expenses include:

- i. tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution;
- ii. subject to certain limits, the Beneficiary's housing and food (room and board) if enrolled at least half-time;
- iii. the purchase of computer or peripheral equipment, computer software, or Internet access and related services if it is to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution;
- iv. expenses for special needs services for a special needs Beneficiary that are incurred in connection with enrollment or attendance at an Eligible Educational Institution;
- v. (for federal but not Illinois tax purposes) expenses for tuition in connection with the Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school provided that the amount of cash distributions for such expenses from all qualified tuition programs with respect to a Beneficiary do not, in the aggregate, exceed \$10,000 during the taxable year;
- vi. expenses for fees, books, supplies, and equipment required for the participation of a Beneficiary in an Apprenticeship Program; and
- vii. amounts paid as principal or interest on any Qualified Education Loan (as defined in Code Section 221(d)) of the Beneficiary or a sibling (as defined in Code Section 152(d)(2)(B)) of the Beneficiary, but not to exceed \$10,000 per individual (reduced by the amount of distributions for all prior taxable years for such purposes).

Additionally, effective January 1, 2024 for federal tax purposes and August 2, 2024 for Illinois tax purposes, rollovers are permitted from an Account to a Roth IRA without incurring federal and state income tax or penalties, subject to the conditions discussed in this Plan Description.

Federal Income Tax Benefits. Under current law, federal income taxes on investment earnings are deferred while in an Account, and such earnings are free from federal income tax if they are distributed as part of a Qualified Withdrawal. The earnings portion (if any) of a Nonqualified Withdrawal will be treated as ordinary income to the recipient and generally will also be subject to a 10% federal penalty tax. No part of such investment earnings will be treated as a capital gain. As of the date of this Plan Description, the tax rates on ordinary income are generally greater than the tax rates on capital gains.

State Income Tax Benefits. Individuals who file an Illinois state income tax return are eligible to deduct up to \$10,000 per tax year (\$20,000 for married taxpayers filing jointly) for total combined contributions to the Plan, the Bright Directions Advisor-Guided 529 College Savings Program, and College Illinois! during that tax year. In the case of an Account Owner who is a custodian under a Uniform Gifts to Minors Act ("UGMA") or Uniform Transfers to Minors Act ("UTMA") account, the beneficiary for whom the account is held may be entitled to the Illinois state income tax deduction rather than the custodian of the account. An Illinois taxpayer who deducted contributions on his or her Illinois state income tax return in a prior year may be required to include on his or her Illinois state income tax return the amount (or a portion of it) previously deducted if a Nonqualified Withdrawal is made. Consult with your financial, tax, or other advisor before making a withdrawal from the Plan.

For tax years ending on or before December 31, 2024, employers that match employees' contributions to the Plan, College Illinois! or the Bright Directions Advisor-Guided 529 College Savings Program are eligible for an Illinois tax credit.

Gift Tax Treatment. For federal gift tax purposes, contributions to an Account are considered a gift from the contributor to the Beneficiary that is eligible for the gift tax annual exclusion. For 2024, the annual exclusion is

\$18,000 per donee (\$36,000 for 2024 for a married couple that elect to split their gifts). This means that in 2024, you may contribute up to \$18,000 to an Account without the contribution being considered a taxable gift (assuming you make no other gifts to the Beneficiary in the same year). In addition, if your total contributions to an Account during a year exceed the annual exclusion for that year, you may elect to have the amount you contributed that year treated as though you made one-fifth of the contribution that year, and one-fifth of the contribution in each of the next four calendar years. (Such an election must be made on the United States Gift Tax Return Form 709).

This means that you may contribute up to \$90,000 without the contribution being considered a taxable gift, provided that you make no other gifts to the Beneficiary in the same year or in any of the succeeding four calendar years. Moreover, a married contributor whose spouse elects on a United States Gift Tax Return to have gifts treated as “split” with the contributor may contribute up to twice that amount (\$180,000 in 2024) without the contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Beneficiary in the same year or in any of the succeeding four calendar years and they both make the five-year election. The annual exclusion is indexed for inflation and therefore may increase over time.

School Eligibility. The Beneficiary can use funds in the Plan to attend any United States school (and some foreign schools), public or private, qualifying as an institution of higher education, including two-year, four-year, professional and vocational schools. Funds may also be used for certain expenses in connection with Apprenticeship Programs. Funds may also be used for elementary or secondary public, private, or religious schools subject to a \$10,000 annual limit and certain Illinois tax consequences.

Investment Flexibility. The Treasurer and Plan Manager have designed forty (40) sets of Enrollment Year Portfolios and six (6) Static Allocation Portfolios for use in the Plan. In addition, contributions may be invested in any of the eighteen (18) Individual Portfolios designated by the Plan. The Enrollment Year and Static Allocation Portfolios invest in multiple Underlying Investments, and the Individual Portfolios invest in a single Underlying Investment. Account Owners do not own shares of the mutual funds, ETFs, or other Underlying Investments in which a Portfolio invests, but rather own shares in a Portfolio of the Plan. You can choose a Portfolio that is tailored to meet your investment objectives and risk profile. **The Underlying Investments and Investment Portfolios may be modified from time to time by the Treasurer in its sole discretion and without providing notice to Account Owners.**

Illinois First Steps Program

The Illinois First Steps Program (“First Steps”) is a college savings starter seed deposit program available to qualifying Illinois residents. First Steps is administered by the State of Illinois Treasurer’s Office (“Treasurer”) and currently provides for a one-time \$50 seed deposit into an omnibus account on behalf of eligible children. First Steps enrollment began in 2023.

The details of and requirements for First Steps are set forth in applicable law (15 ILCS 505/16.8), which may be further detailed by administrative rule. The following is a summary of information related to First Steps:

Eligible Child: An eligible child is a child born or adopted on or after January 1, 2023, to a parent who is a resident of Illinois at the time of birth or adoption, as evidenced by documentation from the Illinois Department of Revenue, the Illinois Department of Public Health, another State or local government agency, or a parent or legal guardian of the child.

Deposits: Currently, the seed fund deposit for each eligible child is in the amount of \$50. The Treasurer shall make deposits into an omnibus account on behalf of eligible children. The Treasurer may increase or decrease deposit amounts or forgo deposits, based on the availability of funding.

Claim Process: A parent, or legal guardian, must claim the seed fund deposit for the eligible child by the eligible child’s **tenth birthday**. To claim the seed fund deposit, the parent or legal guardian must establish a Bright Start Direct-Sold College Savings Program Account or Bright Directions Advisor-Guided 529 College Savings Program Account and provide the applicable program with requested information to process the claim to the funds. An eligible child is eligible for only one \$50 seed fund deposit regardless of the number of accounts opened for such child.

Use of Funds: A seed fund deposit, plus any interest, dividends, and other earnings accrued and allocated to such deposit and less any fees allocated to and deducted from such deposit in accordance with Section 16.5 of the State Treasurer Act, 15 ILCS 505 (“First Steps funds”), may be used by an eligible child for qualified higher education expenses as defined under Illinois law if: 1) the parent or legal guardian, claimed the seed fund deposit for the eligible child by the eligible child’s 10th birthday; 2) the eligible child has completed secondary education or has reached the age of 18; and 3) the eligible child is currently a resident of the State of Illinois. Nonresidents of Illinois are not eligible to claim or use First Steps funds. For the purposes of First Steps, qualified higher education expenses do not include K-12 expenses.

First Steps Account Owner: The Treasurer owns and administers the omnibus accounts that hold the First Step funds, including any claimed seed fund deposits and any unclaimed seed fund deposits. Although the First Steps funds for an eligible child may be reported on the same statement with another Account for such Beneficiary, the Account Owner cannot control the investment or distribution of such funds, cannot change the Account Owner of the First Steps funds and cannot change the Beneficiary of the First Steps funds. Only the eligible child may request a distribution from the First Steps funds, subject to applicable law and rules.

Any seed funds that are unclaimed by the eligible child’s 10th birthday and any First Steps funds unused by the eligible child’s 26th birthday will be considered forfeited. Unclaimed and unused seed funds and First Steps funds for an eligible child will remain in the omnibus accounts for benefit of future beneficiaries of First Steps.

The First Steps funds for an eligible child are included when calculating the Maximum Account Balance limit.

Definitions of Key Terms

ABLE Account means an account under a qualified ABLE program under Section 529A of the Code as further defined 7 in Section 529A(e)(6) of the Code.

Account means a separate account within the Plan established by an Account Owner for a named Beneficiary pursuant to a Participation Agreement.

Account Owner means the individual or entity that has entered into a Participation Agreement and opened an Account, or the individual or entity to which ownership of an Account has been transferred.

Additional Tax means a 10% additional federal tax that may be imposed on the earnings portion of a Nonqualified Withdrawal.

Apprenticeship Program means an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act (29 U.S.C. 50).

Beneficiary means the individual designated in the Plan enrollment form as the Beneficiary of an Account at the time the Account is established, or the individual designated as the new Beneficiary if the Account Owner changes the Beneficiary of an Account. In the case of an Account established by a State or local government or a Section 501c(3) organization as part of a scholarship program, the Beneficiary is any individual receiving benefits accumulated in the Account as a scholarship.

CESA means Coverdell Education Savings Account, formerly known as an Education IRA.

Code means the Internal Revenue Code of 1986, as amended from time to time.

Eligible Educational Institution means any college, university, vocational school or other postsecondary education institution eligible to participate in a student aid program administered by the U.S. Department of Education.

Enrollment Year Portfolio means a diversified investment Portfolio that invests in equity, real estate, fixed income, and/or cash and cash equivalents Underlying Investments with a risk profile that is based on the enrollment year of the Beneficiary. Contributions and earnings are typically more heavily weighted in equity investments when the Beneficiary is younger and more towards fixed income and cash and cash equivalents investments as the Beneficiary nears their enrollment in post-secondary education.

Illinois Section 529 Programs means the Bright Start Direct-Sold College Savings Program, the Bright Directions Advisor-Guided 529 College Savings Program, and College Illinois, a prepaid tuition program.

Individual Portfolio means an investment Portfolio that invests in the shares of a single Underlying Investment.

Investment Policy Statement means the Bright Start Investment Policy Statement adopted by the Treasurer pursuant to the Management Agreement and applicable law, which sets forth the policies, objectives, and guidelines that govern the investment of contributions in the Plan. The Treasurer may amend the Investment Policy Statement from time to time in accordance with the Management Agreement and applicable law.

Maximum Account Balance is the threshold after which additional contributions to an Account cannot be made. The Maximum Account Balance is currently \$500,000 and is applied against the aggregate value of all Illinois 529 Program accounts for the Beneficiary and all accounts for the same Beneficiary under other Illinois Section 529 Programs, including any Illinois First Steps account. The Treasurer periodically reviews and adjusts the Maximum Account Balance to comply with the requirement under Code Section 529 that a program prevent contributions in excess of those necessary to provide for the qualified higher education expenses of the beneficiary.

Member of the Family means a person related to the Beneficiary as follows: (1) a child or a descendant of a child; (2) a brother, sister, stepbrother or stepsister; (3) the father or mother, or an ancestor of either; (4) a stepfather or stepmother; (5) a son or daughter of a brother or sister; (6) a brother or sister of the father or mother; (7) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; (8) the spouse of

any of the foregoing individuals or the spouse of the Beneficiary; or (9) a first cousin of the Beneficiary. For this purpose, a child includes a legally adopted child and a stepson or stepdaughter, and a brother or sister includes a half-brother or half-sister.

Nonqualified Withdrawal means any withdrawal from an Account that is not a Qualified Withdrawal or a Qualified Rollover.

Participation Agreement means the legally binding contract between an Account Owner and the Trust. The current form of the Participation Agreement is attached as Exhibit A to this Plan Description. However, the Treasurer may amend the Participation Agreement at any time and for any reason by giving notice of such amendments.

Plan means the Bright Start Direct-Sold College Savings Program.

Plan Manager means TIAA-CREF Tuition Financing, Inc (“TFI”).

Management Agreement means the Bright Start Direct-Sold College Savings Program Management Agreement by and between the Plan Manager and the Treasurer.

Pool means the Illinois College Savings Pool.

Portfolio means any of the investment portfolios available, and to which contributions may be made, under the Plan.

Qualified Education Loan means a loan as defined in Code Section 221(d) of the Beneficiary or a sibling of the Beneficiary.

Qualified Higher Education Expenses means, generally, the cost of tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution, certain of the costs of housing and food (room and board), the cost of computer or peripheral equipment, certain software, and internet access and related services if used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution, as well as certain additional enrollment and attendance costs of Beneficiaries with special needs.

For both federal and Illinois tax purposes, any reference to a Qualified Higher Education Expense also includes a reference to (i) expenses for fees, books, supplies and equipment required for the participation of a Beneficiary in an Apprenticeship Program and (ii) amounts paid as principal or interest on any Qualified Education Loan of either the Beneficiary or a sibling of the Beneficiary up to a lifetime limit of \$10,000 per individual. Distributions treated as Qualified Higher Education Expenses with respect to the loans of a sibling of a Beneficiary will count towards the limit of the sibling, not the Beneficiary. Such loan repayments may impact student loan interest deductibility.

For federal but not Illinois tax purposes, any reference to a Qualified Higher Education Expense also includes a reference to tuition in connection with enrollment or attendance at a primary (i.e., elementary school) or secondary (i.e., middle school or high school) (together, referred to as “K-12”) public, private or religious school up to a maximum of \$10,000 of distributions for such tuition expenses per taxable year per Beneficiary from all 529 Plans.

State tax treatment of withdrawals is determined by the state where you file state income tax. Withdrawals for K-12 tuition expenses are not Qualified Withdrawals for Illinois tax purposes. Please consult with a tax advisor before withdrawing funds for any such expenses, rollovers, or loan repayments.

Qualified Withdrawal means a withdrawal from an Account that is used to pay the Qualified Higher Education Expenses of the Beneficiary, or sibling of the Beneficiary where applicable.

Roth IRA means an individual retirement account established under Section 408A of the Code.

Roth IRA Rollover means a direct transfer from an Account to a Roth IRA on or after January 1, 2024, that meets the requirements set forth in Section 529 of the Code.

Taxable Withdrawal means any withdrawal from an Account that is: (1) paid to a beneficiary of, or the estate of, the Beneficiary on or after the Beneficiary's death; (2) attributable to the permanent disability of the Beneficiary; (3) made on account of the receipt by the Beneficiary of a scholarship award or veterans' or other nontaxable educational assistance (other than gifts or inheritances), but only to the extent of such scholarship or assistance; (4) made on account of the Beneficiary's attendance at a military academy, but only to the extent of the costs of education attributable to such attendance; or (5) equal to the amount of the Beneficiary's relevant Qualified Higher Education Expenses that is taken into account in determining the Beneficiary's American Opportunity Credit or Lifetime Learning Credit. A Taxable Withdrawal is a sub-category of Nonqualified Withdrawals that is subject to federal income tax but not the Additional Tax.

Treasurer means the Office of the Illinois State Treasurer.

Trust means the Bright Start College Savings Program Trust.

Underlying Investments means the underlying investment funds that the Portfolios invest in and may include mutual funds, ETFs, separately managed accounts, bank deposits, and other investment vehicles.

Unit means an ownership interest in a Portfolio that is purchased by making a contribution to an Account.

UGMA means Uniform Gifts to Minors Act.

UTMA means Uniform Transfers to Minors Act.

Description of the Plan

What is the Plan?

The Plan was created by the State of Illinois and is part of the Pool which is designed to qualify as a qualified tuition program under Section 529 of the Code. The primary purpose of the Plan is to offer a convenient and tax-advantaged way to save for the cost of college and Qualified Higher Education Expenses. Federal and Illinois income taxes on investment earnings in an Account are deferred until there is a distribution from the Account. In addition, a distribution is free from federal income tax if it is used to pay the Qualified Higher Education Expenses of the Beneficiary. Distributions used to pay for Qualified Higher Education Expenses are also generally free from Illinois income tax unless the distribution is used for K-12 tuition expenses, which are not Qualified Higher Education Expenses for Illinois tax purposes and, in which case the amount of any deduction previously taken for Illinois income tax purposes (or a portion of such amount) is added back to Illinois taxable income.

The Pool consists of the Plan and the Bright Directions Advisor-Guided 529 College Savings Program. This Plan Description only pertains to Accounts in the Plan. Before investing, you should consider whether an investment is appropriate in light of your overall financial goals and whether an investment is an appropriate vehicle for you to use to save for Qualified Higher Education Expenses.

What Is the Legal Structure of the Plan?

The Treasurer acts as Trustee. The Treasurer is responsible for the overall administration of the Plan. Amounts contributed to the Plan will be invested in the Trust. The Treasurer established the Trust to hold the assets of the Plan, including contributions to Accounts established by Account Owners.

The Treasurer has selected TIAA-CREF Tuition Financing, Inc ("TFI") as Plan Manager to advise the Treasurer on the investment of contributions to the Plan and to provide day-to-day administrative services to the Plan.

How Does the Plan Work?

To begin saving for Qualified Higher Education Expenses as described herein, you must open an Account for a named Beneficiary. Money contributed to your Account will be invested in the Portfolio(s) you choose. When the Beneficiary of your Account incurs Qualified Higher Education Expenses, you may withdraw money from your Account to pay those Qualified Higher Education Expenses.

What Types of Expenses May Be Paid with Account Funds?

Account funds may be used to pay the Qualified Higher Education Expenses of the Account Beneficiary. These expenses generally include

- i. tuition, fees, books, supplies, and equipment required for the Beneficiary's enrollment or attendance at an Eligible Educational Institution;
- ii. subject to certain limitations, housing and food (room and board) of a student enrolled at least on a half-time basis;
- iii. the purchase of computer or certain peripheral equipment, computer software, or Internet access and related services if they are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution;
- iv. expenses for special needs services incurred in connection with enrollment or attendance at an Eligible Educational Institution in the case of a Beneficiary who has special needs;
- v. expenses for fees, books, supplies, and equipment required for the participation of a Beneficiary in an Apprenticeship Program; and

- vi. amounts paid as principal or interest on any Qualified Education Loan of the Beneficiary or a sibling of the Beneficiary, up to a lifetime limit of \$10,000 per individual (reduced by the amount of distributions for all prior taxable years for such purposes).

Eligible Educational Institution includes virtually all accredited public, nonprofit, and proprietary (privately owned profit-making) postsecondary institutions and certain educational institutions located outside the United States. Eligible Educational Institutions are those that are eligible to participate in the US Department of Education's Federal Student Aid Programs. The educational institution should be able to tell you if it is an Eligible Educational Institution. A list of institutions eligible to participate in federal student aid programs is available on the US Department of Education's website.

In addition, federal law, but not Illinois law, permits an aggregate of up to \$10,000 during a taxable year from all 529 qualified tuition programs for a Beneficiary to be used for tuition or in connection with the Beneficiary's enrollment or attendance at an elementary or secondary (together, referred to as "K-12") public, private or religious school. These types of distributions for K-12 tuition would be treated as Nonqualified Withdrawals for Illinois tax purposes and the amount of any deduction previously taken for Illinois income tax purposes (or a portion of such amount) would be added back to Illinois taxable income. Additionally, effective January 1, 2024 for Federal tax purposes and August 2, 2024 for Illinois tax purposes, rollovers are permitted from an Account to a Roth IRA without incurring federal income tax or penalties, subject to the conditions discussed in this Plan Description.

State tax treatment of withdrawals for K-12 tuition expenses, apprenticeship expenses, repayment of Qualified Education Loans, and Roth IRA Rollovers is determined by the state where you file state income tax. Consult with your tax or legal advisor before making such distributions.

The tax benefits afforded to 529 qualified tuition programs must be coordinated with other programs designed to provide tax benefits for meeting higher education expenses in order to avoid the duplication of such benefits. You should consult with your tax or legal advisor with respect to the various education benefits.

Opening an Account

Account Application. To open an Account, you need to complete and sign a Plan application (the "**Application**"). Your signature on the Application indicates your agreement to and acceptance of all terms in this Plan Description and in the attached Participation Agreement between you and the Treasurer. On your Application, you need to designate a Beneficiary for the Account and select the Investment Portfolio(s) in which you want to invest your contributions.

You may open your account online at www.BrightStart.com or to obtain an Application and enrollment kit, call the Plan (contact information is located on page i and the final page of this Plan Description) or go to the Plan's website. You may complete and submit the Application online or you may mail a completed Application to the Plan. After the Plan receives your completed Application in good order, including a check or authorization for your initial contribution, if any, the Plan will open an Account for you. Contributions to an Account can be made in any dollar amount.

To open an Account, you need to provide your name, address, Social Security number or taxpayer identification number and other information that will allow the Plan to identify you, such as your telephone number. The address you provide must be a permanent U.S. address and not a post office box and, in order to continue to make contributions, your account must always have a permanent U.S. address associated with it. Until you provide the required information, the Plan will not be able to open your Account. There may be only one Account Owner per Account.

Account Ownership. To be an Account Owner, you must be:

- Any U.S. citizen or individual residing in the U.S. with a valid Social Security number or taxpayer identification number who is at least 18 years of age, at the time the Account is opened and a contribution is made.

- A trust, estate, corporation (including an IRC Section 501(c)(3) organization) or other type of entity with a valid taxpayer identification number.
- A custodian under the UGMA or UTMA with a valid Social Security number or taxpayer identification number.
- A state or local government organization.

Accounts opened by entities, Section 501(c)(3) organizations, state and local governments, trusts and UGMA/UTMA custodians are subject to additional restrictions and must provide documentation evidencing the legal status of the entity and the authorization of the representative to open an Account and to request Account transactions. UGMA/UTMA custodians are also subject to certain limitations on their ability to make changes to, and transfers to and from, such Accounts. UGMA/UTMA custodians and trust representatives should consult with a qualified advisor about the tax and legal consequences of opening an Account and their rights and responsibilities as custodians and representatives. In the case of an Account established by a State or local government or a Section 501(c)(3) organization as part of a scholarship program, the Beneficiary is any individual receiving benefits accumulated in the Account as a scholarship.

Selecting a Beneficiary. You must designate a Beneficiary on your Application (unless you are a state or local government or a Section 501(c)(3) tax-exempt organization establishing a scholarship account). Any U.S. citizen or individual who is substantially present in the U.S., with a valid Social Security number or taxpayer identification number, including you, may be the Beneficiary. A person will still be considered to be an “Eligible Beneficiary” for purposes of this definition regardless of domicile (or where he or she is currently living), as long as such person still meets the legal requirements for being a U.S. citizen, for being substantially present in the U.S., and has a valid Social Security number or taxpayer identification number. You do not need to be related to the Beneficiary. There may be only one Beneficiary on your Account. You may establish only one Account for each Beneficiary. You may open additional Accounts for other Beneficiaries.

Interested Party. You may choose to add an Interested Party to your Account by using the appropriate Plan form. A person designated as an “Interested Party” on your Account may not make changes to your Account or request withdrawals but will be authorized to call the Plan to receive information about your Account and can receive account statements.

Power of Attorney. You may designate an individual to have a Power of Attorney over your Account by using the appropriate Plan form. Giving someone Power of Attorney over your Account allows this person to act on your Account, including by making changes to your Account and requesting withdrawals, as if they are the Account Owner of the Account. Once you give someone Power of Attorney over your Account, the Plan is authorized to act on the instructions of this individual until you complete the appropriate Plan form removing the designation or the Plan is instructed to remove such designation by a court of competent jurisdiction.

Financial Professional. You may choose to open an Account with the assistance of a financial professional or registered investment advisor, who would generally charge a fee for this service. You must consent and agree to authorize this person to access your Account to obtain information and receive quarterly statements by using the appropriate Plan form. The Plan and its authorized representatives, at their discretion, may terminate your financial professional’s authority to access your Account.

Choosing Investment Portfolios. The Plan offers multiple Investment Portfolios. On the Application, you must select the Investment Portfolio(s) in which you want to invest your contributions. You may select one or a combination of the Investment Portfolios. If you select more than one Investment Portfolio, you must designate what percentage of your contribution should be invested in each Investment Portfolio. See “Investment Portfolios” for summaries of the Investment Portfolios offered under the Plan.

The Investment Portfolio(s) you select and the percentage of your contribution to be allocated to each Investment Portfolio as indicated on your Application will be the allocation instructions for all future contributions made to your Account by any method (except payroll direct deposit) (“**Allocation Instructions**”). You can change your Allocation Instructions at any time online, by telephone or by submitting the appropriate Plan form.

Designating a Successor Account Owner or UGMA/UTMA Account Successor Custodian. On the Application, you may designate a person or a trust to be the successor Account Owner or custodian under the

UGMA or UTMA in the event of your death. Only Account Owners or custodians under UGMA or UTMA who are individuals can make such a designation.

Making Changes to Your Account

Changing Your Beneficiary. After you open an Account, you may change your Beneficiary online or by submitting the appropriate Plan form. Please refer to the “Tax Information” section of this Plan Description for potential federal tax consequences of a change in Beneficiary. The Beneficiary can only be changed to a “Member of the Family” of the former Beneficiary.

Changing Investment Strategy for Future Contributions. You may change your Allocation Instructions for future contributions at any time online, by telephone or by submitting the appropriate Plan form.

Changing Investment Strategy for Previously Contributed Amounts. You may move all or a portion of amounts previously contributed to your Account to different Investment Portfolios only twice per calendar year, or if you change the Beneficiary on your Account to a Member of the Family of the previous Beneficiary.

Adding or Changing the Successor Account Owner. You may change or add a successor Account Owner or custodian under UGMA or UTMA on your Account at any time by completing the appropriate Plan form. You should consult with a qualified advisor regarding the possible tax and legal consequences of making such a change.

Transfer of Account Ownership. You may transfer the ownership of your Account to another individual or entity that is eligible to be an Account Owner by submitting the appropriate Plan form. You do not need to change the Beneficiary if you transfer Account ownership. A transfer of the ownership of an Account will be effective only if the assignment is irrevocable, and transfers all rights, title and interest in the Account. Certain types of Account Owners that are not individuals may be subject to restrictions on their ability to transfer ownership of the Account. If a change of Account ownership is required by order of a court of competent jurisdiction directing such change or by an affidavit or declaration that is recognized under applicable law as requiring transfer of ownership upon death without a court order, such change of Account ownership will not be effective until the Plan receives the court order, affidavit or declaration requiring such change and the change is registered in the records of the Plan, unless otherwise required by law.

You should consult with a qualified advisor regarding the possible tax and legal consequences of making changes to your Account.

Contributions

Who May Contribute. Anyone (including your friends and family) may make a contribution to your Account. A person, other than the Account Owner, who contributes to an Account, will not retain any rights with respect to such contribution — for example, only the Account Owner may give investment instructions for contributions or request withdrawals from the Account.

Contribution Amounts. You may contribute to an Account in any dollar amount.

Methods of Contribution. Contributions to an Account, which must be in U.S. dollars, may be made:

- By check drawn on a banking institution located in the United States.
- By recurring contributions from a checking or savings account.
- With an Electronic Funds Transfer (“EFT”) from a checking or savings account.
- Through payroll direct deposit.
- With an incoming rollover from another state’s 529 Plan or from within the Plan from an Account for a different Beneficiary.

- With redemption proceeds from a Coverdell Education Savings Account (“**Coverdell ESA**”) or a qualified U.S. savings bond.
- Through Ugift®.

Ineligible Funding Sources. The Plan cannot accept contributions made by cash, money order, travelers check, checks drawn on banks located outside the U.S., checks not in U.S. dollars, checks dated more than 180 days prior to the date of receipt, checks post-dated more than seven (7) days in advance, checks with unclear instructions, starter or counter checks, credit card or bank courtesy checks, third-party personal checks over \$10,000 made payable to the Account Owner or Beneficiary, instant loan checks, or any other check we deem unacceptable. We also cannot accept stocks, securities, or other noncash assets as contributions to your Account.

Checks. Checks should be made payable to the “Bright Start Direct-Sold College Savings Program.” Personal checks, bank drafts, teller’s checks and checks issued by a financial institution or brokerage firm payable to the Account Owner and endorsed over to the Plan by the Account Owner are permitted, as are third-party personal checks up to \$10,000 that are endorsed over to the Plan.

Recurring Contributions. You may contribute to your Account by authorizing periodic automated debits from a checking or savings account if your bank is a member of the Automated Clearing House (ACH), subject to certain processing restrictions. You can initiate a Recurring Contribution either at the time you open an account in the Plan or later. At account opening, simply complete the Recurring Contribution section of the Application. After the Account is already open, you can establish a Recurring Contribution by submitting an online or written form, or over the phone (if your bank information has been previously submitted and is on file). Your Recurring Contribution can be made on a monthly, quarterly or custom frequency basis.

Your Recurring Contribution authorization will remain in effect until the Plan has received notification of its termination from you and we have had a reasonable amount of time to act on it. You may also elect to authorize an annual increase to your Recurring Contribution.

You may terminate your Recurring Contribution at any time. For a change or termination of a Recurring Contribution to take effect, it must be received at least three (3) business days before the next scheduled Recurring Contribution. Recurring Contribution changes are not effective until received and processed by the Plan.

There is no charge for setting up Recurring Contributions. Recurring Contribution debits from your bank account will occur on the day you indicate, provided the day is a regular business day. If the day you indicate falls on a weekend or a holiday, the Recurring Contribution debit will occur on the next business day. You will receive a trade date of the business day on which the bank debit occurs. You can select the date(s) and the month(s) in which you want a Recurring Contribution to occur. Quarterly Recurring Contribution debits will be made on the day you indicate (or the next business day, if applicable) every three months, not on a calendar quarter basis. If you do not designate a date, your bank account will be debited on the 20th of the applicable month.

The start date for a Recurring Contribution must be at least three (3) business days from the date of submission of the Recurring Contribution request, regardless of the frequency of your Recurring Contribution. If a start date for a Recurring Contribution is less than three (3) business days from the date of the submission of the Recurring Contribution request, the Recurring Contribution will start on the requested day in the succeeding month.

Electronic Funds Transfer. You may authorize the Plan to debit your checking or savings account on your Application or, after your Account is opened, by completing the appropriate Plan form or by contacting the Plan by mail, telephone or online.

Payroll Direct Deposit. You may be able to make automatic recurring contributions to your Account through payroll direct deposit if your employer offers such a service. Please check with your employer for more information and to see whether you are eligible to contribute to the Plan through payroll direct deposit. If eligible, you may submit your payroll direct deposit instructions online at BrightStart.com or by completing the appropriate Plan form and mailing it to the Plan. Once the payroll direct deposit form has been received and accepted by the Plan and an Account has been opened, you will need to provide direct deposit instructions, provided by the Plan, through your employer’s self-service payroll portal or notify your employer to establish the automatic payroll direct

deposit. You can change or stop such direct deposits directly through your employer's self-service payroll portal or by contacting your employer.

Incoming Rollovers. You may roll over funds from an account in another state's 529 Plan to an Account in the Plan or from an Account in the Plan to another Account in the Plan for a new Beneficiary.

Incoming rollovers may be direct or indirect. Direct rollovers involve the transfer of funds directly from an account in another state's 529 Plan (or from an Account in the Plan for a different Beneficiary) to your Account. Indirect rollovers involve the transfer of funds from an account in another state's 529 Plan (or from an Account in the Plan for a different Beneficiary) to the Account Owner, who then contributes the funds to an Account within 60 days of the withdrawal from the previous account.

Please note that incoming rollover contributions to the Plan must be accompanied by a basis and earnings statement from the distributing plan that shows the earnings portion of the contribution. **If the Plan does not receive this documentation, the entire amount of your contribution will be treated as earnings. This could have negative tax implications under some Plan withdrawal scenarios.**

For more information, please see the section on "Federal Tax Information."

Redemption Proceeds from Coverdell ESA or Qualified U.S. Savings Bond. You may be able to contribute amounts from the redemption of a Coverdell ESA or qualified U.S. savings bond to an Account without adverse federal tax consequences. If you are contributing amounts from a Coverdell ESA, you must submit an account statement issued by the financial institution that acted as trustee or custodian of the Coverdell ESA that shows the principal and earnings portions of the redemption proceeds. If you are contributing amounts from a savings bond, you must submit an account statement or Internal Revenue Service ("IRS") Form 1099-INT issued by the financial institution that redeemed the bonds showing the interest portion of the redemption proceeds.

Ugift® You may invite family and friends to contribute to your Account through Ugift to provide a gift to your Beneficiary. You provide a unique contribution code to selected family and friends, and gift givers can either contribute online through a one-time or recurring EFT or by mailing in a gift contribution coupon with a check made payable to Ugift – Bright Start Direct-Sold College Savings Program. 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. For more information about Ugift, visit www.ugift529.com. Ugift is a registered service mark.

UGMA/UTMA Contributions. Because only cash equivalent contributions to an Account are permitted, UGMA or UTMA assets outside the Plan may need to be liquidated in order to contribute them to an Account, which may have adverse income tax consequences.

Automatic Dollar-Cost Averaging Program. By selecting the Automatic Dollar-Cost Averaging Program, you may make a lump sum contribution to an initial Portfolio, and at the time of the lump sum contribution, designate automatic periodic allocations to one or more additional Portfolios. These automatic periodic allocations are not considered reallocations for purposes of the twice-per-calendar-year limit on investment exchanges if specified at the time the lump-sum contribution is made. The periodic allocations will be made on the 15th of the month or, if that day is not a business day, on the next succeeding business day and will continue until your investment in the initial Portfolio is depleted. Adding or changing the automatic Allocation Instructions with respect to prior contributions still remaining in the initial Portfolio will constitute an investment exchange for purposes of the twice-per-calendar-year limitation. A program of regular investment cannot assure a profit or protect against a loss in a declining market. Since the dollar-cost averaging method involves periodic transfers from the initial Portfolio regardless of fluctuating price levels of a Portfolio's Underlying Fund(s) (and resulting fluctuations of the Portfolio's Unit value), you should consider your financial ability not to withdraw the lump sum(s) contributed during periods of low levels.

Maximum Account Balance. The Maximum Account Balance (also referred to as the maximum contribution limit) for all Accounts in the Pool (e.g., including College Illinois! And First Steps) for the same Beneficiary is \$500,000. Any contribution or transfer that would cause the Account balance(s) for a Beneficiary to exceed the Maximum Account Balance will be rejected by the Plan and returned. It is possible that increases in market value could cause amounts in an Account(s) to exceed the current maximum account balance. In this case, the amount

in excess of the maximum could remain in the Account(s) and potential earnings would continue to accrue, but no new contributions or incoming transfers would be accepted.

Unit Value

The Plan will credit contributions to, or deduct withdrawals from, your Account at the Unit value of the applicable Investment Portfolio determined on the day the Account transaction request is received in good order before the close of regular trading on the New York Stock Exchange (“**NYSE**”) (usually 4:00 p.m. (ET)). Contribution or withdrawal requests received after the close of regular trading or on a day when the NYSE is not open will be credited to your Account at the Unit value next determined. The value of a Unit in each Investment Portfolio is computed by dividing (a) the Investment Portfolio’s assets minus its liabilities by (b) the number of outstanding Units of such Investment Portfolio.

Investments in the Principal Plus Interest Portfolio earn a rate of interest at the declared rate then in effect which will be compounded daily and will be credited to the Principal Plus Interest Portfolio on a daily basis. Investments in the High Yield Bank Savings 529 Portfolio will earn varying rates of interest that is generally equivalent to short-term deposit rates which will be compounded daily and will be credited to the deposit account on a monthly basis.

In the event of force majeure, the Plan may experience processing delays, which may affect an Account transaction’s trade date. In such instances, the actual trade date may be after the trade date an Account Owner would have received, which may negatively affect the value of the Account. (See “Force Majeure” under Risks of Investing in the Plan.)

Investment Portfolios

Choosing Your Investment Portfolios. This section describes each Investment Portfolio offered in the Plan, including the risks associated with an investment in such Investment Portfolio.

The Treasurer approves and authorizes each Investment Portfolio, its Underlying Investments and its asset allocation (or target asset allocation) with respect to its Underlying Investments. The Treasurer may add or remove Investment Portfolios and change the underlying asset allocations or investments at any time.

You should consider a periodic assessment of your Investment Portfolio selections to determine whether your selections are consistent with your current investment time horizon, risk tolerance and investment objectives. See “Making Changes to Your Account” for information about changing your Investment Portfolio selections.

Underlying Investments. Each Investment Portfolio invests in one or more mutual funds, ETFs, separately managed accounts, funding agreements, and/or bank deposit accounts. Please keep in mind that you will not own shares of any of these mutual funds or ETFs; nor will you own any interest in a funding agreement or a bank deposit account. Instead, you will own interests in the Investment Portfolio(s) that you select for investment. Investment Portfolios that invest in ETFs may also hold cash or cash equivalents for liquidity purposes.

Information About the Funding Agreements, Bank Deposit Account, the Mutual Funds, and the ETFs in Which the Investment Portfolios Invest. Information about the funding agreements is contained in this Plan Description within the Principal Plus Interest Portfolio description. Information about the bank deposit account is contained in this Plan Description within the High Yield Bank Savings 529 Portfolio description. Additional information about the investment strategies and risks of each mutual fund or ETF in which an Investment Portfolio invests is available in the mutual fund or ETF’s current prospectus and statement of additional information. You can request a copy of the current prospectus, the statement of additional information or the most recent semiannual or annual report of each such mutual fund or ETF by:

Fund Family	Website	Phone	Note
Nuveen	https://www.nuveen.com/prospectus	1-800-257-8787	The investment advisor to the Nuveen funds is Teachers Advisors, Inc., an affiliate of the Plan Manager
Ariel Investments	https://www.arielinvestments.com/prospectus-and-reports	1-800-292-7435	
Baird Asset Management	https://www.bairdassetmanagement.com/baird-funds/investor-resources/	1-866-442-2473	
BlackRock	https://www.blackrock.com/prospectus	1-800-537-4942	
Dimensional	https://www.dimensional.com/us-en/document-center	512-306-7400	
Dodge & Cox	https://www.dodgeandcox.com	1-800-621-3979	
DWS	https://dws.com/mutualpros	1-800-728-3337	
Goldman Sachs Asset Management	https://www.gsam.com/content	1-800-621-2550	
Parnassus Investments	https://www.parnassus.com/literature-and-forms/fund-information	1-800-999-3505	
RBC Global Asset Management	https://dfinview.com/usrbcgam	1-800-422-2766	
State Street Global Advisors	https://www.ssga.com/spdrs	866-787-2257	
T. Rowe Price	https://troweprice.com/prospectus	1-800-638-8790	
Vanguard	https://www.vanguard.com/prospectus	1-800-662-7447	

Risk Information. The risks of investing in the Investment Portfolios are listed in the Investment Portfolio's respective descriptions below. An explanation of those risks can be found in Appendix A.

Investment Menu. The following table lists each of the Investment Portfolios available under the Plan.

Investment Portfolios
Passive Enrollment Year Portfolios
Aggressive Enrollment Year Portfolios
Aggressive 2042/2043 Enrollment Portfolio
Aggressive 2040/2041 Enrollment Portfolio
Aggressive 2038/2039 Enrollment Portfolio
Aggressive 2036/2037 Enrollment Portfolio
Aggressive 2034/2035 Enrollment Portfolio
Aggressive 2032/2033 Enrollment Portfolio

Aggressive 2030/2031 Enrollment Portfolio
Aggressive 2028/2029 Enrollment Portfolio
Aggressive 2026/2027 Enrollment Portfolio
Aggressive Enrolled Portfolio
Moderate Enrollment Year Portfolios
Moderate 2042/2043 Enrollment Portfolio
Moderate 2040/2041 Enrollment Portfolio
Moderate 2038/2039 Enrollment Portfolio
Moderate 2036/2037 Enrollment Portfolio
Moderate 2034/2035 Enrollment Portfolio
Moderate 2032/2033 Enrollment Portfolio
Moderate 2030/2031 Enrollment Portfolio
Moderate 2028/2029 Enrollment Portfolio
Moderate 2026/2027 Enrollment Portfolio
Moderate Enrolled Portfolio
Active Blend Enrollment Year Portfolios
Aggressive Active Blend Enrollment Year Portfolios
Aggressive Active Blend 2042/2043 Enrollment Portfolio
Aggressive Active Blend 2040/2041 Enrollment Portfolio
Aggressive Active Blend 2038/2039 Enrollment Portfolio
Aggressive Active Blend 2036/2037 Enrollment Portfolio
Aggressive Active Blend 2034/2035 Enrollment Portfolio
Aggressive Active Blend 2032/2033 Enrollment Portfolio
Aggressive Active Blend 2030/2031 Enrollment Portfolio
Aggressive Active Blend 2028/2029 Enrollment Portfolio
Aggressive Active Blend 2026/2027 Enrollment Portfolio
Aggressive Active Blend Enrolled Portfolio
Moderate Active Blend Enrollment Year Portfolios
Moderate Active Blend 2042/2043 Enrollment Portfolio
Moderate Active Blend 2040/2041 Enrollment Portfolio
Moderate Active Blend 2038/2039 Enrollment Portfolio
Moderate Active Blend 2036/2037 Enrollment Portfolio
Moderate Active Blend 2034/2035 Enrollment Portfolio
Moderate Active Blend 2032/2033 Enrollment Portfolio
Moderate Active Blend 2030/2031 Enrollment Portfolio
Moderate Active Blend 2028/2029 Enrollment Portfolio
Moderate Active Blend 2026/2027 Enrollment Portfolio
Moderate Active Blend Enrolled Portfolio
Static Allocation Portfolios
Passive Static Allocation Portfolios

Equity Portfolio
Balanced Portfolio
Fixed Income Portfolio
Active Blend Static Allocation Portfolios
Active Blend Equity Portfolio
Active Blend Balanced Portfolio
Active Blend Fixed Income Portfolio
Individual Portfolios
U.S. Equity
Vanguard Total Stock Market Index 529 Portfolio
Vanguard S&P 500 Index 529 Portfolio
DFA U.S. Large Cap Value 529 Portfolio
T. Rowe Price Large-Cap Growth 529 Portfolio
Ariel 529 Portfolio
Vanguard Explorer 529 Portfolio
DFA U.S. Targeted Value 529 Portfolio
International Equity
Nuveen International Equity Index 529 Portfolio
DFA International Small Company 529 Portfolio
Real Estate
Vanguard Real Estate Index 529 Portfolio
Sustainable Investments
Parnassus Core Equity 529 Portfolio
Fixed Income
Vanguard Total Bond Market Index 529 Portfolio
Dodge & Cox Income 529 Portfolio
Vanguard Total International Bond Index 529 Portfolio
Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio
Baird Short-Term Bond 529 Portfolio
Cash and Cash Equivalents
High Yield Bank Savings 529 Portfolio
Principal Plus Interest 529 Portfolio

Passive Enrollment Year Portfolios
(risk level shifts from aggressive to conservative as the Beneficiary approaches enrollment)

The Passive Enrollment Year Portfolios are intended for Account Owners who prefer to invest in a Portfolio that invests primarily in passively managed Underlying Investments that adjust gradually over time as the Beneficiary nears college age. Each Passive Enrollment Year Portfolio has a risk level that becomes increasingly conservative over time as the Beneficiary approaches expected enrollment in an Eligible Educational Institution and/or the expected year in which funds will be withdrawn to pay for Qualified Higher Education Expenses. There are two sets of Passive Enrollment Year Portfolios that are distinguished by their relative risk levels: (1) Aggressive Enrollment Year Portfolios and (2) Moderate Enrollment Year Portfolios.

The Passive Enrollment Year Portfolios are intended for Account Owners who prefer to invest in a Portfolio that invests primarily in index mutual funds and ETFs across a mix of equity, real estate, fixed income, and bank deposits. Each Passive Enrollment Year Portfolio has a risk level that becomes increasingly conservative over time as the Beneficiary approaches expected enrollment in an Eligible Educational Institution and/or expected year in which funds will be withdrawn to pay for Qualified Higher Education Expenses. There are two sets of Passive Enrollment Year Portfolios that are distinguished by their relative risk levels: (1) Aggressive Enrollment Year Portfolios and (2) Moderate Enrollment Year Portfolios. Underlying Funds that mainly invest in equity securities may have greater potential for returns than those that mainly invest in debt securities but may also have greater risk of loss than those that mainly invest in debt securities. Each Aggressive Enrollment Year Portfolio allocates more assets to Underlying Funds that mainly invest in equity securities (including real estate securities) than the Moderate Enrollment Year Portfolio with corresponding enrollment years. On the other hand, each Moderate Enrollment Year Portfolio allocates more assets to Underlying Funds that mainly invest in debt securities than the Aggressive Enrollment Year Portfolio with corresponding enrollment years.

If you would like to select a Passive Enrollment Year Portfolio, you choose a Passive Enrollment Year Portfolio that corresponds to the Beneficiary's expected future enrollment year and meets your risk profile. You may also select multiple Passive Enrollment Year Portfolios to correspond to different education savings goals for your Beneficiary.

A Beneficiary's future enrollment year is usually based on the Beneficiary's age at the time that an Account Owner selects a Passive Enrollment Year Portfolio. For example, if your Beneficiary is one year old as of the date of this Plan Description, your Beneficiary's future enrollment year may be 2042 (i.e., the year that your Beneficiary reaches college age), and you may choose to select one of the 2042/2043 Enrollment Portfolios. You are not required to use your Beneficiary's age to determine your Beneficiary's future enrollment year and corresponding Passive Enrollment Year Portfolio. You may select any of the available Passive Enrollment Year Portfolios. In the event your Beneficiary's future enrollment year or education savings objectives change, you may move all or a portion of amounts previously contributed to one Passive Enrollment Year Portfolio to another, as long as you do not exceed the twice per calendar year limitation on changes to investment direction.

The following table lists the available Passive Enrollment Year Portfolios as of the date of this Plan Description, as well as the approximate age of a Beneficiary for which you may want to select such Investment Portfolio if you are saving for the college education of such Beneficiary. It is anticipated that a new Passive Enrollment Year Portfolio will be added approximately every two years.

Aggressive Enrollment Year Portfolios	Moderate Enrollment Year Portfolios	Beneficiary's Age as of the Date of This Plan Description (In Years)
Aggressive 2042/2043 Enrollment Portfolio	Moderate 2042/2043 Enrollment Portfolio	<=1
Aggressive 2040/2041 Enrollment Portfolio	Moderate 2040/2041 Enrollment Portfolio	2-3
Aggressive 2038/2039 Enrollment Portfolio	Moderate 2038/2039 Enrollment Portfolio	4-5
Aggressive 2036/2037 Enrollment Portfolio	Moderate 2036/2037 Enrollment Portfolio	6-7

Aggressive Enrollment Year Portfolios	Moderate Enrollment Year Portfolios	Beneficiary's Age as of the Date of This Plan Description (In Years)
Aggressive 2034/2035 Enrollment Portfolio	Moderate 2034/2035 Enrollment Portfolio	8-9
Aggressive 2032/2033 Enrollment Portfolio	Moderate 2032/2033 Enrollment Portfolio	10-11
Aggressive 2030/2031 Enrollment Portfolio	Moderate 2030/2031 Enrollment Portfolio	12-13
Aggressive 2028/2029 Enrollment Portfolio	Moderate 2028/2029 Enrollment Portfolio	14-15
Aggressive 2026/2027 Enrollment Portfolio	Moderate 2026/2027 Enrollment Portfolio	16-17
Aggressive Enrolled Portfolio	Moderate Enrolled Portfolio	18+

Each of the Passive Enrollment Year Portfolios invests primarily in passively managed Underlying Investments. A passively managed investment is managed to track a specific securities index that the Underlying Investment uses as a benchmark.

Investment Objective. Each Passive Enrollment Year Portfolio seeks to match its risk level to your investment time horizon based on the year your Beneficiary is expected to enroll in an Eligible Educational Institution and/or the expected year in which funds will be withdrawn to pay for Qualified Higher Education Expenses.

Investment Strategy. As your Beneficiary approaches his or her future expected enrollment year in an Eligible Educational Institution, each Passive Enrollment Year Portfolio will become increasingly conservative from an investment risk perspective by changing how it invests in its Underlying Investments.

When your Passive Enrollment Year Portfolio has a long investment time horizon (such as each of the 2042/2043 Portfolios as of the date of this Plan Description), the Passive Enrollment Year Portfolio will seek a favorable long-term return by largely investing in Underlying Investments that mainly invest in equity securities (including real estate securities). Underlying Investments that mainly invest in equity securities may have greater potential for returns than those that mainly invest in debt securities but may also have greater risk of loss than those that mainly invest in debt securities.

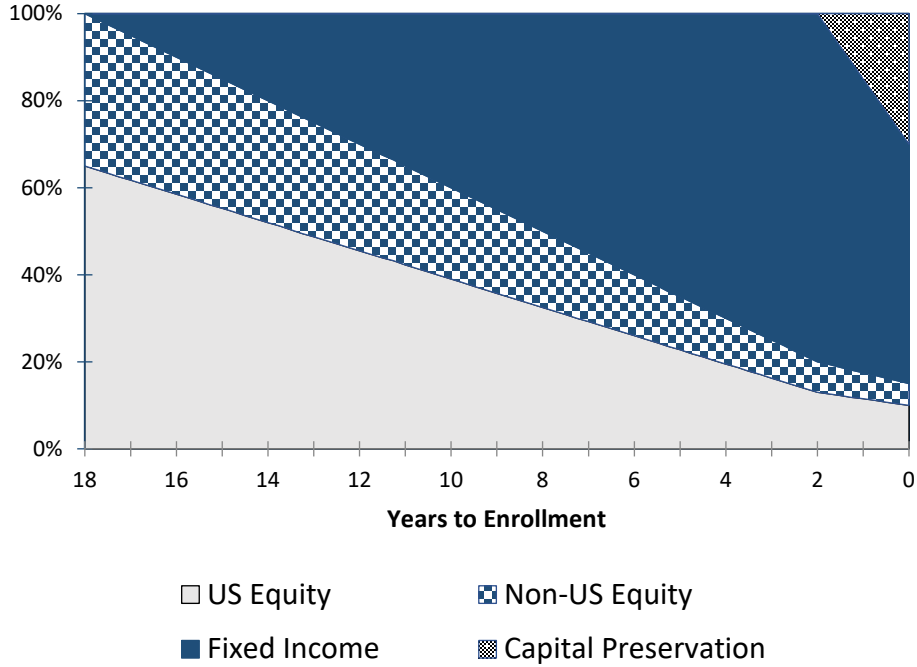
As the investment time horizon for your Passive Enrollment Year Portfolio shortens, your Passive Enrollment Year Portfolio will invest less in Underlying Investments that mainly invest in equity securities and more in Underlying Investments that mainly invest in debt securities in order to preserve capital.

Except for the Passive Enrolled Portfolios (the ultimate enrollment year portfolio), each Passive Enrollment Year Portfolio's investments in its Underlying Investments are assessed and rebalanced on a quarterly basis by the Plan Manager based on the investment strategies described above. In addition, with respect to each Passive Enrollment Year Portfolio (other than the Passive Enrolled Portfolios), in the year following the second enrollment year contained in the name of the Portfolio (for example, in 2027 for the 2026/2027 Portfolio), such Portfolio will be merged into the Aggressive Enrolled Portfolio or Moderate Enrolled Portfolio, as applicable, due to the assumption that the Beneficiary will then be in need of the funds from the Account.

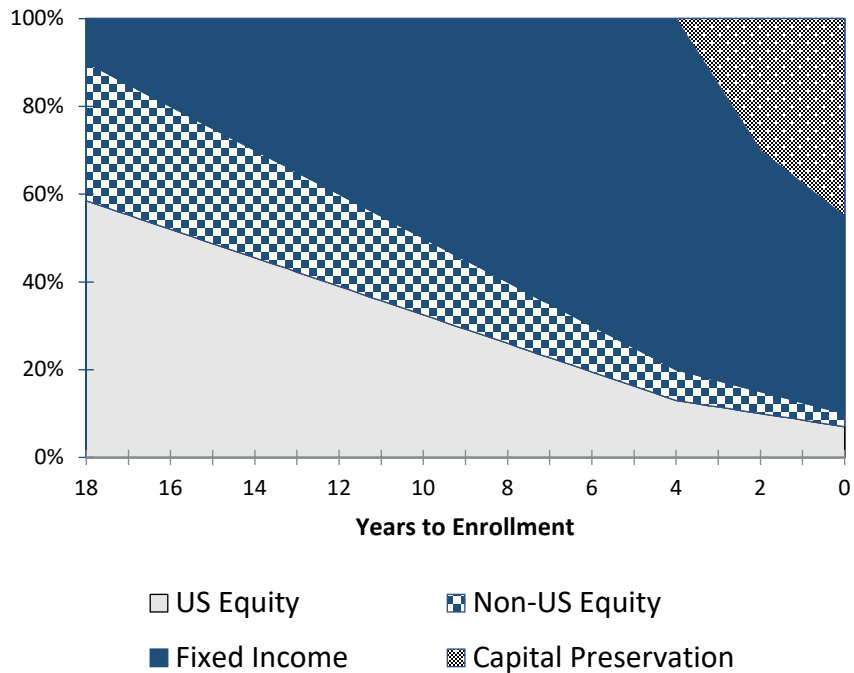
Unlike the other Passive Enrollment Year Portfolios, the asset allocation of the Passive Enrolled Portfolios' investments in Underlying Funds generally will not change (although the Treasurer may decide to change their Underlying Investments from time to time like any other Investment Portfolio). Similar to Passive Enrollment Year Portfolios with relatively short investment time horizons, the Passive Enrolled Portfolios invest less in Underlying Investments that mainly invest in equity securities (including real estate securities) and more in Underlying Investments that mainly invest in debt securities in order to preserve capital.

The following illustrations reflect how the Passive Enrollment Year Portfolios' investments change as your Beneficiary approaches his or her future enrollment year.

Glidepath for Aggressive Enrollment Portfolios



Glidepath for Moderate Enrollment Portfolios



As described previously, to varying degrees, the Passive Enrollment Year Portfolios may invest in certain Underlying Investments that mainly invest in equity securities, including:

- Domestic equity securities across all capitalization ranges;
- Foreign equity securities across all capitalization ranges, including the securities of issuers located in developed countries and emerging markets countries; and
- Equity securities of large, mid-size, and small U.S. companies within the real estate sector, including real estate investment trusts (REITs).

Also as described above, to varying degrees, the Passive Enrollment Year Portfolios may invest in certain Underlying Investments that mainly invest in debt securities, including, but not limited to:

- A wide spectrum of public, investment-grade or non-investment-grade, taxable debt securities, denominated in U.S. dollars or non-U.S. dollars, including government securities, as well as mortgage-backed, commercial mortgage-backed and asset-backed securities; and
- Inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than five (5) years.

Also, to varying degrees, each Passive Enrollment Year Portfolio invests a relatively small percentage of its assets in an ETF that invests primarily in junk bonds (also called high-yield securities).

Additionally, to varying degrees, each Passive Enrollment Year Portfolio invests in a bank deposit account.

Investment Risks. Through the Passive Enrollment Year Portfolios' Underlying Investments, the Passive Enrollment Year Portfolios are subject to the following investment risks (in alphabetical order): Below investment-Grade Securities Risk, Call Risk, China A-Shares Risk, Communication Services Sector Risk, Consumer Cyclical Sector Risk, Credit Risk, Currency Risk, Currency Risk and Currency Hedging Risk, Country/Regional Risk, Debt Securities Risk, Derivatives Risk, Emerging Markets Risk, Europe Risk, Extension Risk, Fluctuation of Net Asset Value, Share Premiums and Discounts Risk, Foreign Investment Risk, Geographic Focus Risk, Illiquid Investments Risk, Income Fluctuations Risk, Income Risk, Index Replicating Risk, Index Risk, Index Sampling Risk, Indexing Strategy/Index Tracking Risk, Interest Rate Risk, Investment Style Risk, Issuer Risk (often called Financial Risk), Large-Cap Risk, Liquidity Risk, Market Risk, Mid-Cap Risk, Non-U.S. Securities Risk, Prepayment Risk, Real Interest Rate Risk, Restricted Securities Risk, Stock Market Risk, Swaps Risk, Unconstrained Sector Risk, Valuation Risk.

Target Asset Allocations for the Passive Enrollment Year Portfolios. The following table includes the target asset allocations of the Passive Enrollment Year Portfolios as of the date of this Plan Description. Please note that, other than the Passive Enrolled Portfolios, the Passive Enrollment Year Portfolios' target asset allocations generally change on a quarterly basis. For the most up-to-date target asset allocations, please visit the Plan's website at www.BrightStart.com.

Target Allocations for the Passive Enrollment Year Portfolios*

Passive Enrollment Year Portfolios		Year of Enrollment										
		2042/2043	2040/2041	2038/2039	2036/2037	2034/2035	2032/2033	2030/2031	2028/2029	2026/2027	Enrolled	
Aggressive Enrollment Year Portfolios												
Moderate Enrollment Year Portfolios			2042/2043	2040/2041	2038/2039	2036/2037	2034/2035	2032/2033	2030/2031	2028/2029	2026/2027	Enrolled
Underlying Mutual Funds	Ticker											
Vanguard Total Stock Market Index Fund	VSMPX	58.00%	52.20%	46.40%	40.60%	34.80%	29.00%	23.20%	17.40%	11.60%	9.00%	7.00%
Nuveen International Equity Index Fund	TCIEX	28.00%	25.20%	22.40%	19.60%	16.80%	14.00%	11.20%	8.40%	5.60%	4.00%	3.00%
Vanguard Emerging Markets Index Fund	VEMRX	7.00%	6.30%	5.60%	4.90%	4.20%	3.50%	2.80%	2.10%	1.40%	1.00%	
Vanguard Real Estate II Index Fund	VRTPX	7.00%	6.30%	5.60%	4.90%	4.20%	3.50%	2.80%	2.10%	1.40%	1.00%	
Vanguard Total Bond Market Index Fund	VBMPX		5.70%	12.00%	18.00%	25.00%	25.00%	26.00%	29.50%	32.00%	28.00%	20.00%
Vanguard Total International Bond Index Fund	VTIFX		1.30%	2.60%	3.90%	4.00%	4.00%	6.00%	7.00%	8.00%	5.50%	4.50%
Vanguard Emerging Markets Government Bond Index Fund	VGIVX		1.00%	1.40%	2.10%	3.00%	3.00%	3.00%	3.50%	4.00%	2.75%	2.25%
SPDR Portfolio High Yield Bond ETF	SPHY		2.00%	4.00%	6.00%	8.00%	5.00%	6.00%	7.00%	8.00%	5.50%	4.50%
Vanguard Short-Term Inflation-Protected Securities Index Fund	VTSPX						5.00%	8.00%	10.00%	12.00%	13.25%	13.75%
Vanguard Short-Term Bond Index Fund	VBIPX						8.00%	11.00%	13.00%	16.00%		
UBT/Nelnet Banks Savings											30.00%	45.00%
TOTAL		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*For the most up-to-date target asset allocations, please visit the Plan's website at www.BrightStart.com.

Active Blend Enrollment Year Portfolios
(risk level shifts from aggressive to conservative as the Beneficiary approaches enrollment)

The Active Blend Enrollment Portfolios adjust gradually over time as the Beneficiary nears college age. Each Active Blend Enrollment Year Portfolio has a risk level that becomes increasingly conservative over time as the Beneficiary approaches expected enrollment in an Eligible Educational Institution and/or expected year in which funds will be withdrawn to pay for Qualified Higher Education Expenses. There are two sets of Active Blend Enrollment Year Portfolios that are distinguished by their relative risk levels: (1) Aggressive Active Blend Enrollment Year Portfolios and (2) Moderate Active Blend Enrollment Year Portfolios.

The Active Blend Enrollment Year Portfolios are intended for Account Owners who prefer to invest in a Portfolio that invests in a mixture of actively managed and index mutual funds across a mix of equity, real estate, fixed income, and bank deposits. Each Active Blend Enrollment Year Portfolio has a risk level that becomes increasingly conservative over time as the Beneficiary approaches expected enrollment in an Eligible Educational Institution and/or expected year in which funds will be withdrawn to pay for Qualified Higher Education Expenses. There are two sets of Active Blend Enrollment Year Portfolios that are distinguished by their relative risk levels: (1) Aggressive Active Blend Enrollment Year Portfolios and (2) Moderate Active Blend Enrollment Year Portfolios.

Underlying Funds that mainly invest in equity securities may have greater potential for returns than those that mainly invest in debt securities but may also have greater risk of loss than those that mainly invest in debt securities. Each Aggressive Active Blend Enrollment Year Portfolio allocates more assets to Underlying Funds that mainly invest in equity securities (including real estate securities) than the Moderate Active Blend Enrollment Year Portfolio with corresponding enrollment years. On the other hand, each Moderate Active Blend Enrollment Year Portfolio allocates more assets to Underlying Funds that mainly invest in debt securities and a bank deposit account than the Aggressive Active Blend Enrollment Year Portfolio with corresponding enrollment years.

If you would like to select an Active Blend Enrollment Year Portfolio, you choose an Active Blend Enrollment Year Portfolio that corresponds to the Beneficiary's expected future enrollment year and meets your risk profile. You may also select multiple Active Blend Enrollment Year Portfolios to correspond to different education savings goals for your Beneficiary.

A Beneficiary's future enrollment year is usually based on the Beneficiary's age at the time that an Account Owner selects an Active Blend Enrollment Year Portfolio. For example, if your Beneficiary is one year old as of the date of this Plan Description, your Beneficiary's future enrollment year may be 2042 (i.e., the year that your Beneficiary reaches college age), and you may choose to select one of the 2042/2043 Enrollment Portfolios. You are not required to use your Beneficiary's age to determine your Beneficiary's future enrollment year and corresponding Active Blend Enrollment Year Portfolio. You may select any of the available Active Blend Enrollment Year Portfolios. In the event your Beneficiary's future enrollment year or education savings objectives change, you may move all or a portion of amounts previously contributed to one Active Blend Enrollment Year Portfolio to another, as long as you do not exceed the twice per calendar year limitation on changes to investment direction.

The following table lists the available Active Blend Enrollment Year Portfolios as of the date of this Plan Description, as well as the approximate age of a Beneficiary for whom you may want to select such Investment Portfolio if you are saving for the college education of such Beneficiary. It is anticipated that a new Active Blend Enrollment Year Portfolio will be added approximately every two years.

Aggressive Active Blend Enrollment Year Portfolios	Moderate Active Blend Enrollment Year Portfolios	Beneficiary's Age as of the Date of This Plan Description (in Years)
Aggressive Active Blend 2042/2043 Enrollment Portfolio	Moderate Active Blend 2042/2043 Enrollment Portfolio	<=1
Aggressive Active Blend 2040/2041 Enrollment Portfolio	Moderate Active Blend 2040/2041 Enrollment Portfolio	2-3

Aggressive Active Blend Enrollment Year Portfolios	Moderate Active Blend Enrollment Year Portfolios	Beneficiary's Age as of the Date of This Plan Description (in Years)
Aggressive Active Blend 2038/2039 Enrollment Portfolio	Moderate Active Blend 2038/2039 Enrollment Portfolio	4-5
Aggressive Active Blend 2036/2037 Enrollment Portfolio	Moderate Active Blend 2036/2037 Enrollment Portfolio	6-7
Aggressive Active Blend 2034/2035 Enrollment Portfolio	Moderate Active Blend 2034/2035 Enrollment Portfolio	8-9
Aggressive Active Blend 2032/2033 Enrollment Portfolio	Moderate Active Blend 2032/2033 Enrollment Portfolio	10-11
Aggressive Active Blend 2030/2031 Enrollment Portfolio	Moderate Active Blend 2030/2031 Enrollment Portfolio	12-13
Aggressive Active Blend 2028/2029 Enrollment Portfolio	Moderate Active Blend 2028/2029 Enrollment Portfolio	14-15
Aggressive Active Blend 2026/2027 Enrollment Portfolio	Moderate Active Blend 2026/2027 Enrollment Portfolio	16-17
Aggressive Active Blend Enrolled Portfolio	Moderate Active Blend Enrolled Portfolio	18+

Investment Objective. Each Active Blend Enrollment Year Portfolio seeks to match its risk level to your investment time horizon based on the year your Beneficiary is expected to enroll in an Eligible Educational Institution and/or the expected year in which funds will be withdrawn to pay for Qualified Higher Education Expenses.

Investment Strategy. As your Beneficiary approaches his or her future expected enrollment year in an Eligible Educational Institution, each Active Blend Enrollment Year Portfolio will become increasingly conservative from an investment risk perspective by changing how it invests in its Underlying Investments.

When your Active Blend Enrollment Year Portfolio has a long investment time horizon (such as each of the 2042/2043 Portfolios as of the date of this Plan Description), the Active Blend Enrollment Year Portfolio will seek a favorable long-term return by largely investing in mutual funds that mainly invest in equity securities (including real estate securities). Mutual funds that mainly invest in equity securities may have greater potential for returns than mutual funds that mainly invest in debt securities but may also have greater risk of loss than mutual funds that mainly invest in debt securities.

As the investment time horizon for your Active Blend Enrollment Year Portfolio shortens, your Active Blend Enrollment Year Portfolio will invest less in certain mutual funds that mainly invest in equity securities and more in certain mutual funds that mainly invest in debt securities and in a bank deposit account to preserve capital.

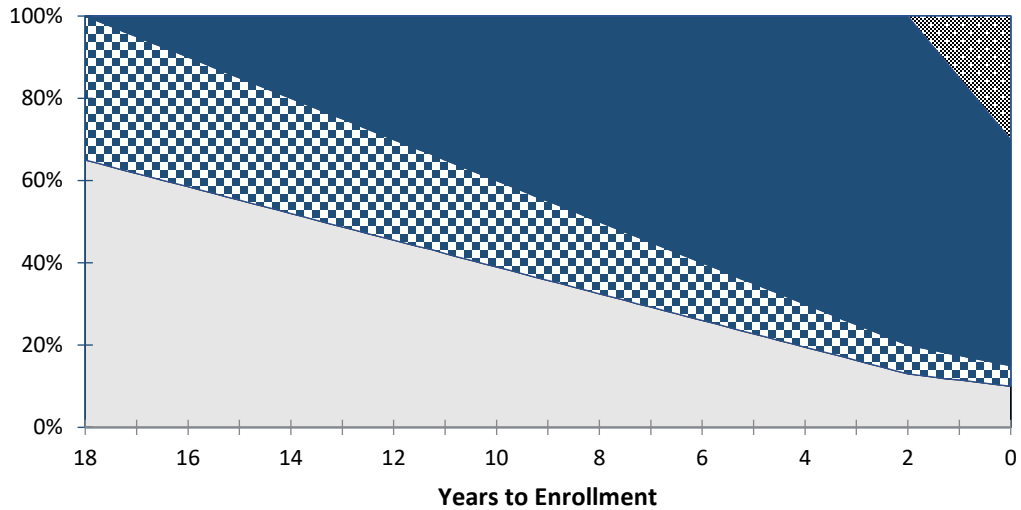
Except for the Active Blend Enrolled Portfolios, each Active Blend Enrollment Year Portfolio's investments in its underlying mutual funds and a bank deposit account are assessed and rebalanced on a quarterly basis by the Plan Manager based on the investment strategies described above. In addition, with respect to each Active Blend Enrollment Year Portfolio (other than the Active Blend Enrolled Portfolios), in the year following the second year contained in the name of the Portfolio (for example, in 2027 for the 2026/2027 Portfolio), such Portfolio will be merged into the Active Blend Enrolled Portfolio due to the assumption that the Beneficiary will then be in need of the funds from the Account.

Unlike the other Active Blend Enrollment Year Portfolios, the Active Blend Enrolled Portfolios' investments in their underlying mutual funds and a bank deposit account generally do not change (although its investments may change from time to time like any other Investment Portfolio). Similar to Active Blend Enrollment Year Portfolios

with relatively short investment time horizons, the Active Blend Enrolled Portfolios invest less in mutual funds that mainly invest in equity securities and more in mutual funds that mainly invest in debt securities and in a bank deposit account to preserve capital.

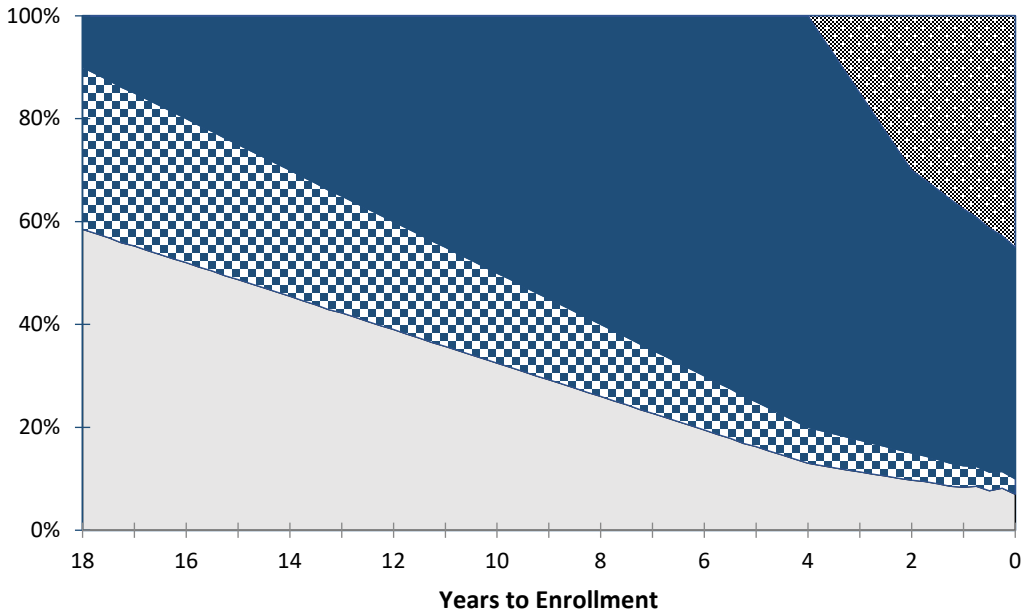
The following illustrations reflect how the Active Blend Enrollment Year Portfolios' investments change as your Beneficiary approaches his or her future enrollment year.

Glidepath for Active Blend Aggressive Enrollment Portfolios



US Equity
 Non-US Equity
 Fixed Income
 Capital Preservation

Glidepath for Active Blend Moderate Enrollment Portfolios



US Equity
 Non-US Equity
 Fixed Income
 Capital Preservation

As described above, to varying degrees, the Active Blend Enrollment Year Investment Portfolios may invest in certain mutual funds that mainly invest in equity securities, including:

- Domestic equity securities across all capitalization ranges;
- Foreign equity securities across all capitalization ranges, including the securities of issuers located in developed countries and emerging markets countries including frontier markets (emerging market countries in an earlier stage of development); and
- Equity securities of large, mid-size, and small U.S. companies within the real estate sector, including real estate investment trusts (REITs).

Also as described above, to varying degrees, the Active Blend Enrollment Year Portfolios may invest in certain mutual funds that mainly invest in debt securities, including:

- Obligations issued or guaranteed by the U.S. government, its agencies or government sponsored entities (“GSEs”), asset-backed and mortgage-backed obligations of U.S. and foreign issuers (including issuers from emerging market countries), corporate debt of U.S. and foreign issuers (including issuers from emerging market countries), mortgage- and asset-backed securities, corporate and municipal bonds, collateralized mortgage obligations, other fixed and floating rate instruments including certain preferred securities, and interest rate derivatives, such as U.S. Treasury futures;
- Debt instruments such as government and government-related obligations, mortgage- and asset-backed securities, corporate and municipal bonds, collateralized mortgage obligations, inflation-linked securities and other fixed and floating rate instruments, including certain preferred securities, which may, in each case, be represented by derivatives such as forward contracts, futures contracts, or swap agreements, issued by issuers from foreign countries which may include emerging market countries, denominated in U.S. dollars or non-U.S. dollars;
- Sovereign debt securities guaranteed by supranational agencies;
- High yield securities (junk bonds) issued by U.S. and foreign issuers and distressed securities;
- Inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years;
- Floating rate loans and floating rate debt securities, most of which are below investment grade, and which may be U.S. and non-U.S. dollar denominated.

Also, to varying degrees, each Active Blend Enrollment Year Portfolio invests in bank deposits.

Investment Risks. Through their investments in mutual funds and a bank deposit account, the Active Blend Enrollment Year Portfolios are subject to the following investment risks (in alphabetical order): Active Management Risk, Below Investment-Grade Securities Risk, Bond Market Risk, Call Risk, China Investments Risk, Collateralized Bond Obligations, Convertible Securities, Corporate Loans, Counterparty Risk, Covenant Lite Loans Risk, Credit Quality Risk, Credit Risk, Credit Spread Risk, Currency Risk, Custodial Risk, Cyber Security Risk, Cybersecurity Breaches Risk, Debt Securities, Depository Receipts Risk, Derivatives Risk, Distressed Securities, Dollar Rolls Risk, Emerging Markets Risk, Equity Market Risk, Equity Securities Risk, Extension Risk, Floating Rate Loans Risk, Foreign and Emerging Countries Risk, Foreign Investing Risk, Foreign Investment Risk, Foreign Risk, Foreign Securities and Currencies Risk, Foreign Securities Risk, Fund of Funds Risk, Geographic Risk, Government Obligations Risks, Hedging Risk, High Portfolio Turnover Risk, High Yield Bonds Risk, High Yield Securities Risk, Hybrid Securities Risk, Impairment of Collateral Risk, Income Fluctuations, Index Risk, Illiquid Investments Risk, Illiquidity Risk, Index Replicating Risk, Initial Public Offering Risk, Interest Rate Risk, Investing in the European Union Risk, Investing Through Stock Connect Risk, Investment Grade Securities Risk, Investment Style Risk, Issuer Risk (often called Financial Risk), Issuer/Credit Risk, Junk Investing Risk, Large Shareholder Transactions Risk, Large-Cap Risk, Legal Risk, Leverage Risk, LIBOR Discontinuance or Unavailability Risk, LIBOR Transition Risk, Liquidity Risk, Loan Risk, Management Risk, Manager Risk, Market Conditions Risk, Market Disruption Risk, Market Risk, Market Risk and Selection Risk, Mezzanine Securities Risk, Mid-Cap and Small-Cap Risk, Mid-Cap Risk, Mortgage- and Asset-Backed Debt Obligations Risks, Mortgage- and Asset-Backed Securities Risk, Municipal Obligations Risks, Non-U.S. Currency Risk, Non-U.S. Investment Risk, Operational and Technology Risk, Operational Risk, Other Investment Companies Risk, Participation Notes Risk, Portfolio Turnover Rate Risk, Preferred Securities Risk, Prepayment Risk, Pricing Risk, Profitability Investment Risk, Quantitative Analysis Risk, Real Estate Securities Risk, Real

Interest Rate Risk, Recent Market Events Risk, Regulatory Risk, Repurchase Agreements and Purchase and Sale Contracts Risk, Reverse Repurchase Agreements Risk, Risk of Investing in the United States, Sector Risks, Securities Lending Risk, Security Selection Risk, Senior Loans Risk, Small and Mid-Cap Company Risk, Small Company Risk, Small-Cap Risk, Small/Mid-Cap Stock Risk, Sovereign and Government-Related Debt Risk, Sovereign Debt Risk, Special Situation Risk, Stock Market Risk, Stock Risk, Tax Risk, To-Be-Announced Transaction Risk, Valuation Risk, Value Investing Risk, Value Investment Risk and Volatility and Correlation Risk.

Target Asset Allocations for the Active Blend Enrollment Year Portfolios. The following table includes the target asset allocations of the Active Blend Enrollment Year Portfolios as of the date of this Plan Description. Please note that, other than the Active Blend Enrolled Portfolios, the Active Blend Enrollment Year Portfolios' target asset allocations generally change on a quarterly basis. For the most up-to-date target asset allocations, please visit the Plan's website at www.BrightStart.com.

Target Allocations for the Active Blend Enrollment Year Portfolios*

Active Blend Enrollment Year Portfolios		Year of Enrollment										
		2042/2043	2040/2041	2038/2039	2036/2037	2034/2035	2032/2033	2030/2031	2028/2029	2026/2027	Enrolled	
Aggressive Active Blend Enrollment Year Portfolios												
Moderate Active Blend Enrollment Year Portfolios			2042/2043	2040/2041	2038/2039	2036/2037	2034/2035	2032/2033	2030/2031	2028/2029	2026/2027	Enrolled
Underlying Mutual Funds	Ticker											
Vanguard Institutional Index Fund	VIIIX	52.10%	47.00%	41.70%	36.60%	31.10%	26.50%	21.00%	15.40%	9.60%	6.70%	7.00%
Ariel Fund	ARAIX	1.50%	1.30%	1.20%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Nuveen Quant Small Cap Equity Fund	TISEX	1.50%	1.30%	1.20%	1.00%	1.00%						
DFA US Targeted Value Portfolio	DFFVX	2.90%	2.60%	2.30%	2.00%	1.70%	1.50%	1.20%	1.00%	1.00%	1.00%	
Nuveen International Equity Index Fund	TCIEX	19.20%	17.30%	15.40%	13.40%	11.50%	9.60%	7.70%	5.60%	3.40%	3.20%	2.00%
GS GQG Partners International Opportunities Fund	GSIIYX	6.00%	5.40%	4.80%	4.20%	3.60%	3.00%	2.40%	1.80%	1.20%	1.10%	1.00%
DFA International Small Company Portfolio	DFISX	2.80%	2.50%	2.20%	2.00%	1.70%	1.40%	1.10%	1.00%	1.00%		
DFA Emerging Markets Core Equity Portfolio	DFCEX	7.00%	6.30%	5.60%	4.90%	4.20%	3.50%	2.80%	2.10%	1.40%	1.00%	
DWS RREEF Global Real Estate Securities Fund	RRGRX	7.00%	6.30%	5.60%	4.90%	4.20%	3.50%	2.80%	2.10%	1.40%	1.00%	
Dodge & Cox Income Fund	DODIX		4.70%	10.60%	15.90%	21.20%	21.00%	21.80%	24.60%	26.40%	24.15%	18.00%
Dodge & Cox Global Bond Fund	DODLX		1.30%	2.60%	3.90%	5.20%	5.00%	6.00%	7.00%	8.00%	5.50%	4.50%
RBC BlueBay Emerging Market Debt Fund	RBERX		1.00%	1.40%	2.10%	2.80%	2.50%	3.00%	3.50%	4.00%	2.75%	2.25%
T. Rowe Price Institutional Floating Rate Fund	RPIFX		1.00%	1.40%	2.10%	2.80%	3.50%	4.20%	4.90%	5.60%	3.85%	2.00%
BlackRock High Yield Bond Fund	BRHYX		2.00%	4.00%	6.00%	8.00%	5.00%	6.00%	7.00%	8.00%	5.50%	4.50%
Vanguard Short-Term Inflation-Protected Securities Index Fund	VTSPX						5.00%	8.00%	10.00%	12.00%	13.25%	13.75%
Baird Short-Term Bond Fund	BSBIX						8.00%	11.00%	13.00%	16.00%		
UBT/Nelnet Banks Savings											30.00%	45.00%
TOTAL		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*For the most up-to-date target asset allocations, please visit the Plan's website at www.BrightStart.com.

Static Allocation Portfolios
(static asset allocation with risk levels from moderate to aggressive)

The Static Allocation Portfolios are asset allocation Portfolios that invest in a set or “fixed” allocation of equity, real estate, fixed income, and bank deposit investments. These Investment Portfolios are referred to as “static” because the target asset allocation for these Investment Portfolios is not expected to vary. These Investment Portfolios are intended for Account Owners who prefer to select an Investment Portfolio with a fixed risk level rather than a risk level that changes as the Beneficiary ages. Each of these Investment Portfolios invests in one or more mutual funds or ETFs or in a bank deposit account, and each Investment Portfolio has a different investment objective and investment strategy and is subject to different investment risks as summarized below. Each has a fixed risk level that does not change as the Beneficiary ages.

Passive Static Allocation Portfolios

There are three separate Passive Static Allocation Portfolios each of which invests a majority of its assets in one or more of the following investments: mutual funds or ETFs that attempt to track an index; and/or, the bank deposit account. Each of these Investment Portfolios has its own investment objective and strategy, and each has a fixed risk level that does not change as the Beneficiary ages.

Equity Portfolio (risk level – aggressive)

Investment Objective. This Investment Portfolio seeks to provide long-term capital appreciation.

Investment Strategy. This Investment Portfolio invests in mutual funds that primarily invest in domestic equity securities, real estate securities, and international equity securities. The mutual funds are considered “index funds” meaning they are designed to track a benchmark index.

The following table includes this Investment Portfolio’s target asset allocation to each investment:

Vanguard Total Stock Market Index Fund (VSMPX)	58.00%
Nuveen International Equity Index Fund (TCIEX)	28.00%
Vanguard Emerging Markets Index Fund (VEMRX)	7.00%
Vanguard Real Estate II Index Fund (VRTPX)	7.00%

Investment Risks. Through its investments in the funds above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): China A-Shares Risk, Country/Regional Risk, Currency Risk, Emerging Markets Risk, Financial Risk, Foreign Investment Risk, Illiquid Investments Risk, Index Risk, Index Replicating Risk, Index Sampling Risk, Interest Rate Risk, Investment Style Risk, Issuer Risk, Large-Cap Risk, Market Risk, Mid-Cap Risk and Stock Market Risk.

Balanced Portfolio (risk level – moderate)

Investment Objective. This Investment Portfolio seeks to provide moderate growth.

Investment Strategy. This Investment Portfolio invests in mutual funds and ETFs that primarily invest in domestic and international equity securities, real estate securities, and domestic and international (including emerging markets) fixed income securities and other debt securities. The mutual funds and ETFs are considered “index funds” meaning they are designed to track a benchmark index. The following table includes this Investment Portfolio’s target asset allocation to each investment:

Vanguard Total Stock Market Index Fund (VSMPX)	34.80%
Nuveen International Equity Index Fund (TCIEX)	16.80%
Vanguard Emerging Markets Index Fund (VEMRX)	4.20%

Vanguard Real Estate II Index Fund (VRTPX)	4.20%
Vanguard Total Bond Market Index Fund (VBMPX)	25.00%
Vanguard Total International Bond Index Fund (VTIFX)	4.00%
Vanguard Emerging Markets Government Bond Index Fund (VGIVX)	3.00%
SPDR Portfolio High Yield Bond ETF (SPHY)	8.00%

Investment Risks. Through its investments in the funds above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Below Investment-Grade Securities Risk, Call Risk, China A-Shares Risk, Communication Services Sector Risk, Consumer Cyclical Sector Risk, Country/Regional Risk, Credit Risk, Currency Risk, Currency Risk and Currency Hedging Risk, Debt Securities Risk, Derivatives Risk, Emerging Markets Risk, Europe Risk, Extension Risk, Fluctuation of Net Asset Value, Share Premiums and Discounts Risk, Foreign Investment Risk, Geographic Focus Risk, Illiquid Investments Risk, Income Risk, Index Risk, Index Replicating Risk, Index Sampling Risk, Indexing Strategy/Index Tracking Risk, Interest Rate Risk, Investment Style Risk, Issuer Risk, Large-Cap Risk, Liquidity Risk, Market Risk, Mid-Cap Risk, Prepayment Risk and Stock Market Risk.

Fixed Income Portfolio (risk level – conservative to moderate)

Investment Objective. This Investment Portfolio seeks to provide preservation of capital with a moderate rate of return.

Investment Strategy. This Investment Portfolio invests in mutual funds and ETFs that primarily invest in domestic and international (including emerging markets) fixed income and other debt securities. The mutual funds and ETFs are considered “index funds” meaning they are designed to track a benchmark index. This Investment Portfolio also invests approximately half of its assets in a bank deposit account.

The following table includes this Investment Portfolio’s target asset allocation to each investment:

Vanguard Total Bond Market Index (VBMPX)	25.00%
Vanguard Total International Bond Index Fund (VTIFX)	4.00%
Vanguard Emerging Markets Government Bond Index Fund (VGIVX)	3.00%
SPDR Portfolio High Yield Bond ETF (SPHY)	5.00%
Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	5.00%
Vanguard Short-Term Bond Index Fund (VBIPX)	8.00%
UBT/Nelnet Banks Savings	50.00%

Investment Risks. Through its investments in the investment portfolios above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Below Investment-Grade Securities Risk, Call Risk, Communication Services Sector Risk, Consumer Cyclical Sector Risk, Country/Regional Risk, Credit Risk, Currency Risk and Currency Hedging Risk, Debt Securities Risk, Derivatives Risk, Emerging Markets Risk, Europe Risk, Extension Risk, Fluctuation of Net Asset Value, Geographic Focus Risk, Share Premiums and Discounts Risk, Income Fluctuations Risk, Income Risk, Index Sampling Risk, Indexing Strategy/Index Tracking Risk, Interest Rate Risk, Liquidity Risk, Market Risk, Non-U.S. Securities Risk, Prepayment Risk, Real Interest Rate Risk, Restricted Securities Risk, Swaps Risk, Unconstrained Sector Risk and Valuation Risk.

Active Blend Static Portfolios

There are three separate Active Blend Static Portfolios each of which invests its assets in one or more of the following investments: a mix of mutual funds or ETFs that attempt to track an index; actively managed mutual

funds; and/or, the bank deposit account. Each of these Investment Portfolios has its own investment objective and strategy, and each has a fixed risk level that does not change as the Beneficiary ages.

There are three separate Active Blend Static Portfolios each of which invests its assets in mutual funds that are actively-managed, passively-managed and/or in a bank deposit account. Each of these Investment Portfolios has its own investment objective and strategy, and each has a fixed risk level that does not change as the Beneficiary ages.

Active Blend Equity Portfolio (risk level – aggressive)

Investment Objective. This Investment Portfolio seeks long-term capital appreciation.

Investment Strategy. This Investment Portfolio invests in mutual funds that primarily invest in domestic equity securities, global real estate securities, and international equity securities. Certain of the mutual funds are considered “index funds” meaning they are designed to track a benchmark index.

The following table includes this Investment Portfolio’s target asset allocation to each investment:

Vanguard Institutional Index Fund (VIIIX)	52.10%
Ariel Fund (ARAIX)	1.50%
Nuveen Quant Small Cap Equity Fund (TISEX)	1.50%
DFA U.S. Targeted Value Portfolio (DFFVX)	2.90%
Nuveen International Equity Index Fund (TCIEX)	19.20%
GS GQG Partners International Opportunities Fund (GSIYX)	6.00%
DFA International Small Company Portfolio (DFISX)	2.80%
DFA Emerging Markets Core Equity Portfolio (DFCEX)	7.00%
DWS RREEF Global Real Estate Securities Fund (RRGRX)	7.00%

Investment Risks. Through its investments in the funds above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Active Management Risk, China Investments Risk, Credit Risk, Counterparty Risk, Currency Risk, Cyber Security Risk, Depositary Receipts Risk, Derivatives Risk, Emerging Markets Risk, Equity Market Risk, Equity Securities Risk, Foreign and Emerging Countries Risk, Equity Market Risk, Foreign Investment Risk, Foreign Securities and Currencies Risk, Fund of Funds Risk, Geographic Risk, Index Risk, Index Replicating Risk, Illiquid Investments Risk, Initial Public Offering Risk, Interest Rate Risk, Investing Through Stock Connect Risk, Investment Style Risk, Issuer Risk (often called Financial Risk), Liquidity Risk, Mid-Cap and Small-Cap Risk, Large Shareholder Transactions Risk, Large-Cap Risk, Management Risk, Market Disruption Risk, Market Risk, Mid-Cap Risk, Operational Risk, Operational and Technology Risk, Other Investment Companies Risk, Participation Notes Risk, Portfolio Turnover Rate Risk, Pricing Risk, Profitability Investment Risk, Real Estate Securities Risk, Quantitative Analysis Risk, Securities Lending Risk, Securities Selection Risk, Small Company Risk, Small and Mid-Cap Company Risk, Small-Cap Risk, Small/Mid-Cap Stock Risk, Special Situation Risk, Stock Risk, Stock Market Risk, Value Investing Risk and Value Investment Risk.

Active Blend Balanced Portfolio (risk level – aggressive)

Investment Objective. This Investment Portfolio seeks moderate growth.

Investment Strategy. This Investment Portfolio invests in mutual funds that primarily invest in domestic and international equity securities, real estate securities, domestic and international (including emerging markets) fixed income securities and other debt securities, such as floating rate securities and high yield bonds.

The following table includes this Investment Portfolio's target asset allocation to each investment:

Vanguard Institutional Index Fund (VIIIX)	31.10%
Ariel Fund (ARAIX)	1.00%
Nuveen Quant Small Cap Equity Fund (TISEX)	1.00%
DFA U.S. Targeted Value Portfolio (DFFVX)	1.70%
Nuveen International Equity Index Fund (TCIEX)	11.50%
GS GQG Partners International Opportunities Fund (GSIYX)	3.60%
DFA International Small Company Portfolio (DFISX)	1.70%
DFA Emerging Markets Core Equity Portfolio (DFCEX)	4.20%
DWS RREEF Global Real Estate Securities Fund (RRGRX)	4.20%
Dodge & Cox Income Fund (DODIX)	21.20%
Dodge & Cox Global Bond I (DODLX)	5.20%
RBC BlueBay Emerging Market Debt Fund (RBERX)	2.80%
T. Rowe Price Institutional Floating Rate Fund (RPIFX)	2.80%
BlackRock High Yield Bond Fund (BRHYX)	8.00%

Investment Risks. Through its investments in the funds above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Active Management Risk, Below Investment-Grade Securities Risk, Call Risk, China Investments Risk, Collateralized Bond Obligations, Convertible Securities, Corporate Loans, Counterparty Risk, Covenant Lite Loans Risk, Credit Quality Risk, Credit Risk, Credit Spread Risk, Currency Risk, Custodial Risk, Cyber Security Risk, Cybersecurity Breaches Risk, Debt Securities, Depository Receipts Risk, Derivatives Risk, Distressed Securities, Dollar Rolls Risk, Emerging Markets Risk, Equity Market Risk, Equity Securities Risk, Extension Risk, Floating Rate Loans Risk, Foreign and Emerging Countries Risk, Foreign Investing Risk, Foreign Investment Risk, Foreign Risk, Foreign Securities and Currencies Risk, Foreign Securities Risk, Fund of Funds Risk, Geographic Risk, Hedging Risk, High Portfolio Turnover Risk, High Yield Bonds Risk, High Yield Securities Risk, Hybrid Securities Risk, Impairment of Collateral Risk, Index Risk, Illiquid Investments Risk, Illiquidity Risk, Index Replicating Risk, Initial Public Offering Risk, Interest Rate Risk, Investing in the European Union Risk, Investing Through Stock Connect Risk, Investment Grade Securities Risk, Investment Style Risk, Issuer Risk (often called Financial Risk), Issuer/Credit Risk, Junk Investing Risk, Large Shareholder Transactions Risk, Large-Cap Risk, Legal Risk, Leverage Risk, LIBOR Discontinuance or Unavailability Risk, LIBOR Transition Risk, Liquidity Risk, Loan Risk, Management Risk, Manager Risk, Market Conditions Risk, Market Disruption Risk, Market Risk, Market Risk and Selection Risk, Mezzanine Securities Risk, Mid-Cap and Small-Cap Risk, Mid-Cap Risk, Mortgage- and Asset-Backed Securities Risk, Non-U.S. Currency Risk, Non-U.S. Investment Risk, Operational and Technology Risk, Operational Risk, Other Investment Companies Risk, Participation Notes Risk, Portfolio Turnover Rate Risk, Preferred Securities Risk, Prepayment Risk, Pricing Risk, Profitability Investment Risk, Quantitative Analysis Risk, Real Estate Securities Risk, Regulatory Risk, Repurchase Agreements and Purchase and Sale Contracts Risk, Reverse Repurchase Agreements Risk, Risk of Investing in the United States, Securities Lending Risk, Security Selection Risk, Senior Loans Risk, Small and Mid-Cap Company Risk, Small Company Risk, Small-Cap Risk, Small/Mid-Cap Stock Risk, Sovereign and Government-Related Debt Risk, Sovereign Debt Risk, Special Situation Risk, Stock Market Risk, Stock Risk, Tax Risk, To-Be-Announced Transaction Risk, Valuation Risk, Value Investing Risk, Value Investment Risk and Volatility and Correlation Risk.

Active Blend Fixed Income Portfolio (risk level – conservative to moderate)

Investment Objective. This Investment Portfolio seeks current income.

Investment Strategy. This Investment Portfolio invests in mutual funds that primarily invest in domestic and international (including emerging markets) fixed income securities and other debt securities, such as investment-

grade bonds, U.S. government securities, floating rate securities, inflation-protected bonds issued by the U.S. Treasury and high yield bonds, and in bank deposit account.

The following table includes this Investment Portfolio's target asset allocation to each investment:

Dodge & Cox Income Fund (DODIX)	21.00%
Dodge & Cox Global Bond I (DODLX)	5.00%
RBC BlueBay Emerging Market Debt Fund (RBERX)	2.50%
T. Rowe Price Institutional Floating Rate Fund (RPIFX)	3.50%
BlackRock High Yield Bond Fund (BRHYX)	5.00%
Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	5.00%
Baird Short-Term Bond Fund (BSBIX)	8.00%
UBT/Nelnet Banks Savings Account	50.00%

Investment Risks. Through its investments in the funds above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Active Management Risk, Below Investment-Grade Securities Risk, Bond Market Risks, Call Risk, Collateralized Bond Obligations Risk, Convertible Securities Risk, Corporate Loans Risk, Counterparty Risk, Covenant Lite Loans Risk, Credit Risk, Credit Quality Risk, Credit Spread Risk, Currency Risk, Custodial Risk, Cybersecurity Breaches Risk, Cybersecurity Risk, Debt Securities Risk, Derivatives Risk, Distressed Securities Risk, Dollar Rolls Risk, Emerging Markets Risk, Extension Risk, Floating Rate Loans Risk, Foreign Investing Risk, Foreign Risk, Foreign Securities Risk, Geographic Risk, Government Obligations Risks, Hedging Risk, High Portfolio Turnover Risk, High Yield Bonds Risk, High Yield Securities Risk, Hybrid Securities Risk, Hybrid Securities Risk, Income Fluctuations Risk, Illiquid Investments Risk, Illiquidity Risk, Impairment of Collateral Risk, Interest Rate Risk, Investing in the European Union Risk, Investment Grade Securities, Issuer/Credit Risk, Junk Investing Risk, Legal Risk, Leverage Risk, LIBOR Discontinuance or Unavailability Risk, LIBOR Transition Risk, Liquidity Risk, Loan Risk, Management Risks, Manager Risk, Market Conditions Risk, Market Risk, Market Risk and Selection Risk, Mezzanine Securities Risk, Mortgage- and Asset-Backed Debt Obligations Risks, Mortgage- and Asset-Backed Securities Risk, Municipal Obligations Risks, Non-U.S. Currency Risk, Non-U.S. Investment Risk, Operational Risk, Preferred Securities Risk, Prepayment Risk, Real Interest Rate Risk, Recent Market Events Risk, Regulatory Risk, Repurchase Agreements and Purchase and Sale Contracts Risk, Reverse Repurchase Agreements Risk, Risk of Investing in the United States, Sector Risks, Senior Loans Risk, Small Company Risk, Sovereign and Government-Related Debt Risk, Sovereign Debt Risk, Tax Risk, To-Be-Announced Transaction Risk, Valuation Risk and Volatility and Correlation Risk.

Individual Portfolios

The Plan offers 18 Individual Portfolios. Each Individual Portfolio invests solely in shares of a single underlying investment. Account Owners may allocate to one or more Individual Portfolios according to the Account Owner's investment objective and risk tolerance. Because each Individual Portfolio invests in a single Underlying Investment, the performance of such Individual Portfolio will be almost entirely based on the performance of the Underlying Investment in that Investment Portfolio.

The Individual Portfolios are intended for those Account Owners who desire a high level of control over their investment mix. A range of Individual Portfolios are offered, across domestic and international equity, fixed income, real estate, bank deposit, and guaranteed return investments to allow Account Owners to select an investment mix that suits their particular time horizon, investment preferences, and risk tolerance. The information regarding the individual portfolios is derived from publicly available information made available by the respective underlying fund. Though the information is believed to be reliable, there is no guarantee of the accuracy of this information. For the most current information regarding any fund, please contact the fund to obtain the most recent prospectus. Investment risks for the funds described below are defined and described more completely in Appendix A.

Vanguard Total Stock Market Index 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in the U.S. equity securities across all capitalization ranges. The fund is considered to be an "index fund," meaning that the fund attempts to track a benchmark index. The fund in which this Investment Portfolio invests is:

Vanguard Total Stock Market Index Fund (VSMPX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Index Sampling Risk and Stock Market Risk.

Vanguard S&P 500 Index 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in the stocks of large U.S. companies. The fund is considered to be an "index fund," meaning that the fund attempts to track a benchmark index. The fund in which this Investment Portfolio invests is:

Vanguard Institutional Index Fund (VIIIX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Index Replicating Risk, Investment Style Risk and Stock Market Risk.

DFA U.S. Large Cap Value 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks to achieve long-term capital appreciation.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in value stocks of large U.S. companies. The fund in which this Investment Portfolio invests is:

DFA U.S. Large Cap Value Portfolio (DFLVX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Cyber Security Risk, Derivatives Risk, Operational Risk, Profitability Investment Risk, Securities Lending Risk and Value Investment Risk.

T. Rowe Price Large-Cap Growth 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks to provide long-term capital appreciation through investments in common stocks of growth companies.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a portfolio that mainly invests in growth stocks of large U.S. companies. The separately managed account in which this Investment Portfolio invests is:

T. Rowe Price Large Cap Growth Fund	100.00%
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Investment Risks. Through its investments in the account above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Active Management Risk, Convertible Securities Risk, Cybersecurity Breaches Risk, Growth Investing Risk, Information Technology Sector Risk, Large-Cap Stocks Risk, Liquidity Risk, Market Conditions Risk, Non-Diversification Risk, Private Placement and IPOs Risk, Sector Exposure Risk and Stock Investing Risk. The Underlying Investment for this Investment Portfolio is not a mutual fund or other registered investment company.

Ariel 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks long-term capital appreciation.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in the stocks of small- and mid-capitalization undervalued U.S. companies. The fund in which this Investment Portfolio invests is:

Ariel Fund (ARAIX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Concentration Risk, Equity Securities Risk, Small/Mid-Cap Stock Risk and Value Investing Risk.

Vanguard Explorer 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks to provide long-term capital appreciation.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in the stocks of small and mid-size companies. The fund in which this Investment Portfolio invests is:

Vanguard Explorer™ Fund (VEXRX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Investment Style Risk, Manager Risk and Stock Market Risk.

DFA U.S. Targeted Value 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks to achieve long-term capital appreciation.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in the stocks of U.S. small and mid cap companies. The fund in which this Investment Portfolio invests is:

DFA U.S. Targeted Value Portfolio (DFFVX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Derivatives Risk, Equity Market Risk, Operational Risk, Profitability Investment Risk, Securities Lending Risk, Small and Mid-Cap Company Risk and Value Investment Risk.

Nuveen International Equity Index 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks a favorable long-term total return.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in the stocks of foreign companies. The fund is considered to be an “index fund,” meaning that the fund attempts to track a benchmark index. The fund in which this Investment Portfolio invests is:

Nuveen International Equity Index Fund (TCIEX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Currency Risk, Foreign Investment Risk, Illiquid Index Risk, Investments Risk, Issuer Risk, Large-Cap Risk, Market Risk, Mid-Cap Risk and Non-Diversification Risk.

DFA International Small Company 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks to achieve long-term capital appreciation.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in the stocks of small Canadian, Japanese, United Kingdom, Continental European and Asia Pacific companies. The fund in which this Investment Portfolio invests is:

DFA International Small Company Portfolio (DFISX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Currencies Risk, Cyber Security Risk, Derivatives Risk, Equity Market Risk, Foreign Securities and Small Company Risk, Fund of Funds Risk, Operational Risk, Profitability Investment Risk, Securities Lending Risk and Value Investment Risk.

Vanguard Real Estate Index 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks to provide a high level of income and moderate long-term capital appreciation.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in the stocks of large, mid-size, and small U.S. companies within the real estate sector. The fund is considered to be an “index fund,” meaning that the fund attempts to track a benchmark index. The fund in which this Investment Portfolio invests is:

Vanguard Real Estate II Index Fund (VRTPX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Index Replicating Risk, Industry Concentration Risk, Interest Rate Risk, Investment Style Risk, Non-Diversification Risk and Stock Market Risk.

Parnassus Core Equity 529 Portfolio (Risk level – Aggressive)

Investment Objective. This Investment Portfolio seeks to achieve both capital appreciation and current income.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in the stocks of a diversified portfolio of large companies. The fund in which this Investment Portfolio invests is:

Parnassus Core Equity FundSM (PRILX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): American Depositary Receipts Risk, Environmental, Social, and Governance Investing Risk, Equity Securities Risk, Foreign Securities Risk, Large-Capitalization Company Risk, Management Risk, Real Estate Investment Trust Risk, Small- and Mid-Capitalization Company Risk, Stock Market Risk and Tax Law Change Risk.

Vanguard Total Bond Market Index 529 Portfolio (Risk level – Moderate)

Investment Objective. This Investment Portfolio seeks to track the performance of a broad, market-weighted bond index.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than one year. The fund is considered to be an “index fund,” meaning that the fund attempts to track a benchmark index. The fund in which this Investment Portfolio invests is:

Vanguard Total Bond Market Index Fund (VBMPX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Call Risk, Credit Risk, Extension Risk, Income Risk, Index Sampling Risk, Interest Rate Risk, Liquidity Risk and Prepayment Risk.

Dodge & Cox Income 529 Portfolio (Risk level – Moderate)

Investment Objective. This Investment Portfolio seeks high and stable rate of current income, consistent with long-term preservation of capital. A secondary objective is to take advantage of opportunities to realize capital appreciation.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in diversified portfolio of bonds and other debt securities. The fund in which this Investment Portfolio invests is:

Dodge & Cox Income Fund (DODIX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Below Investment-Grade Securities Risk, Call Risk, Credit Risk, Derivatives Risk, Hybrid Securities Risk, Interest Rate Risk, Liquidity Risk, Manager Risk, Market Risk, Mortgage- and Asset-Backed Securities Risk, Non-U.S. Investment Risk, Sovereign and Government-Related Debt Risk and To-Be-Announced Transaction Risk.

Vanguard Total International Bond Index 529 Portfolio (Risk level – Moderate)

Investment Objective. This Investment Portfolio seeks to track the performance of a benchmark index that measures the investment return of non-U.S. dollar-denominated investment-grade bonds.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The fund is considered to be an “index fund,” meaning that the fund attempts to track a benchmark index. The fund in which this Investment Portfolio invests is:

Vanguard Total International Bond Index Fund (VTIFX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Call Risk, Country/Regional Risk, Credit Risk, Currency Risk and Currency Hedging Risk, Derivatives Risk, Income Risk, Index Sampling Risk, Interest Rate Risk and Non-Diversification Risk.

Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio (Risk level – Moderate)

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

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The fund is considered to be an “index fund,” meaning that the fund attempts to track a benchmark index. The fund in which this Investment Portfolio invests is:

Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Income Fluctuations Risk and Real Interest Rate Risk.

Baird Short-Term Bond 529 Portfolio (Risk level – Moderate)

Investment Objective. This Investment Portfolio seeks an annual rate of total return, before fund expenses, greater than the annual rate of total return of the Bloomberg 1 3 Year U.S. Government/Credit Index.

Investment Strategy. This Investment Portfolio invests 100% of its assets in a fund that mainly invests in U.S. dollar-denominated debt obligations. The fund is considered to be an “index fund,” meaning that the fund attempts to track a benchmark index. The fund in which this Investment Portfolio invests is:

Baird Short-Term Bond Fund (BSBIX)	100.00%
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Investment Risks. Through its investments in the fund above, this Investment Portfolio is subject to the following investment risks (in alphabetical order): Bond Market Risk, Call Risk, Credit Quality Risk, Cybersecurity Risk, Extension Risk, Foreign Securities Risk, Government Obligations Risk, Liquidity Risk, Management Risk, Mortgage- and Asset-Backed Debt Obligations Risk, Municipal Obligations Risk, Recent Market Events Risk, Sector Risk and Valuation Risk.

Cash and Cash Equivalents

High Yield Bank Savings 529 Portfolio (Risk level – Conservative)

Investment Objective. This Investment Portfolio seeks income consistent with the preservation of principal.

Investment Strategy. The assets in this Investment Portfolio are invested solely in a FDIC-insured interest-bearing Deposit Account at Union Bank and Trust and/or Nelnet Bank. This Portfolio is referred to as “High Yield” because the interest rate credited to the Portfolio is 0.20% higher than the Effective Federal Funds Rate in effect at any given time.

Investment Risks. Through its investment in a bank deposit account, this Investment Portfolio is subject to Interest rate risk and the risk that an investment exceeds the limit provided by FDIC insurance.

Principal Plus Interest 529 Portfolio (Risk level – Conservative)

Investment Objective. This Investment Portfolio seeks to preserve capital and provide a stable return.

Investment Strategy. The assets in this Investment Portfolio are allocated to a funding agreement issued by TIAA-CREF Life, which is an affiliate of TFI, to the Illinois State Treasurer’s Office as the policyholder on behalf of the Plan. The funding agreement provides a minimum guaranteed rate of return on the amounts allocated to it by the Investment Option. The minimum effective annual interest rate will be neither less than 1% nor greater than 3% at any time. The guarantee is made by the insurance company to the policyholder, not to Account Owners. In addition to the guaranteed rate of interest to the policyholder, the funding agreement allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life. The rate of any additional interest is declared in advance for a period of up to 12 months and is not guaranteed for any future periods. The current effective annual interest rate applicable to the funding agreement will be posted on the Plan’s website.

Investment Risks. Through its investment in a funding agreement, this Investment Option is subject to the risk that TIAA-CREF Life could fail to perform its obligations under the funding agreement for financial or other reasons.

Plan Fees

The following table describes the Plan's current fees. The Treasurer reserves the right to change the fees and/or to impose additional fees in the future.

Investment Portfolios	Plan Manager Fee⁽¹⁾⁽²⁾	Treasurer Administrative Fee⁽¹⁾⁽³⁾	Estimated Expenses of an Investment Portfolio's Underlying Investments⁽⁴⁾	Total Annual Asset-Based Fees⁽⁵⁾
Passive Enrollment Year Portfolios				
Aggressive Enrollment Year Portfolios⁽⁶⁾				
Aggressive 2042/2043 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Aggressive 2040/2041 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Aggressive 2038/2039 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Aggressive 2036/2037 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Aggressive 2034/2035 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Aggressive 2032/2033 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Aggressive 2030/2031 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Aggressive 2028/2029 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Aggressive 2026/2027 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Aggressive Enrolled Portfolio	0.06%	none	0.03%	0.09%
Moderate Enrollment Year Portfolios⁽⁶⁾				
Moderate 2042/2043 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Moderate 2040/2041 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Moderate 2038/2039 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Moderate 2036/2037 Enrollment Portfolio	0.06%	none	0.04%	0.10%

Investment Portfolios	Plan Manager Fee⁽¹⁾⁽²⁾	Treasurer Administrative Fee⁽¹⁾⁽³⁾	Estimated Expenses of an Investment Portfolio's Underlying Investments⁽⁴⁾	Total Annual Asset-Based Fees⁽⁵⁾
Moderate 2034/2035 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Moderate 2032/2033 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Moderate 2030/2031 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Moderate 2028/2029 Enrollment Portfolio	0.06%	none	0.04%	0.10%
Moderate 2026/2027 Enrollment Portfolio	0.06%	none	0.03%	0.09%
Moderate Enrolled Portfolio	0.06%	none	0.02%	0.08%
Active Blend Enrollment Year Portfolios				
Aggressive Active Blend Enrollment Year Portfolios				
Aggressive Active Blend 2042/2043 Enrollment Portfolio	0.06%	0.025%	0.18%	0.270%
Aggressive Active Blend 2040/2041 Enrollment Portfolio	0.06%	0.025%	0.21%	0.295%
Aggressive Active Blend 2038/2039 Enrollment Portfolio	0.06%	0.025%	0.24%	0.325%
Aggressive Active Blend 2036/2037 Enrollment Portfolio	0.06%	0.025%	0.27%	0.355%
Aggressive Active Blend 2034/2035 Enrollment Portfolio	0.06%	0.025%	0.30%	0.385%
Aggressive Active Blend 2032/2033 Enrollment Portfolio	0.06%	0.025%	0.29%	0.375%
Aggressive Active Blend 2030/2031 Enrollment Portfolio	0.06%	0.025%	0.30%	0.385%
Aggressive Active Blend 2028/2029 Enrollment Portfolio	0.06%	0.025%	0.32%	0.405%
Aggressive Active Blend 2026/2027 Enrollment Portfolio	0.06%	0.025%	0.34%	0.425%

Investment Portfolios	Plan Manager Fee⁽¹⁾⁽²⁾	Treasurer Administrative Fee⁽¹⁾⁽³⁾	Estimated Expenses of an Investment Portfolio's Underlying Investments⁽⁴⁾	Total Annual Asset-Based Fees⁽⁵⁾
Aggressive Active Blend Enrolled Portfolio	0.06%	0.025%	0.23%	0.315%
Moderate Active Blend Enrollment Year Portfolios				
Moderate Active Blend 2042/2043 Enrollment Portfolio	0.06%	0.025%	0.21%	0.295%
Moderate Active Blend 2040/2041 Enrollment Portfolio	0.06%	0.025%	0.24%	0.325%
Moderate Active Blend 2038/2039 Enrollment Portfolio	0.06%	0.025%	0.27%	0.355%
Moderate Active Blend 2036/2037 Enrollment Portfolio	0.06%	0.025%	0.30%	0.385%
Moderate Active Blend 2034/2035 Enrollment Portfolio	0.06%	0.025%	0.29%	0.375%
Moderate Active Blend 2032/2033 Enrollment Portfolio	0.06%	0.025%	0.30%	0.385%
Moderate Active Blend 2030/2031 Enrollment Portfolio	0.06%	0.025%	0.32%	0.405%
Moderate Active Blend 2028/2029 Enrollment Portfolio	0.06%	0.025%	0.34%	0.425%
Moderate Active Blend 2026/2027 Enrollment Portfolio	0.06%	0.025%	0.23%	0.315%
Moderate Active Blend Enrolled Portfolio	0.06%	0.025%	0.16%	0.245%
Static Allocation Portfolios				
Passive Static Allocation Portfolios⁽⁶⁾				
Equity Portfolio	0.06%	none	0.04%	0.10%
Balanced Portfolio	0.06%	none	0.04%	0.10%
Fixed Income Portfolio	0.06%	none	0.02%	0.08%
Active Blend Static Allocation Portfolios				
Active Blend Equity Portfolio	0.06%	0.025%	0.18%	0.265%
Active Blend Balanced Portfolio	0.06%	0.025%	0.30%	0.385%

Investment Portfolios	Plan Manager Fee⁽¹⁾⁽²⁾	Treasurer Administrative Fee⁽¹⁾⁽³⁾	Estimated Expenses of an Investment Portfolio's Underlying Investments⁽⁴⁾	Total Annual Asset-Based Fees⁽⁵⁾
Active Blend Fixed Income Portfolio	0.06%	0.025%	0.20%	0.285%
Individual Portfolios				
U.S. Equity				
Vanguard Total Stock Market Index 529 Portfolio	0.06%	none	0.02%	0.08%
Vanguard S&P 500 Index 529 Portfolio	0.06%	none	0.02%	0.08%
DFA U.S. Large Cap Value 529 Portfolio	0.06%	0.025%	0.22%	0.305%
T. Rowe Price Large-Cap Growth 529 Portfolio (SMA)	0.06%	0.025%	0.33%	0.415%
Ariel 529 Portfolio	0.06%	0.025%	0.68%	0.765%
Vanguard Explorer 529 Portfolio	0.06%	0.025%	0.34%	0.425%
DFA U.S. Targeted Value 529 Portfolio	0.06%	0.025%	0.29%	0.375%
International Equity				
Nuveen International Equity Index 529 Portfolio	0.06%	none	0.05%	0.110%
DFA International Small Company 529 Portfolio	0.06%	0.025%	0.39%	0.475%
Real Estate				
Vanguard Real Estate Index 529 Portfolio	0.06%	none	0.08%	0.140%
Sustainable Investment				
Parnassus Core Equity 529 Portfolio	0.06%	0.025%	0.61%	0.695%
Fixed Income				
Vanguard Total Bond Market Index 529 Portfolio	0.06%	none	0.03%	0.090%
Dodge & Cox Income 529 Portfolio	0.06%	0.025%	0.41%	0.495%
Vanguard Total International Bond Index 529 Portfolio	0.06%	none	0.07%	0.130%
Vanguard Short-Term Inflation-Protected	0.06%	none	0.04%	0.100%

Investment Portfolios	Plan Manager Fee⁽¹⁾⁽²⁾	Treasurer Administrative Fee⁽¹⁾⁽³⁾	Estimated Expenses of an Investment Portfolio's Underlying Investments⁽⁴⁾	Total Annual Asset-Based Fees⁽⁵⁾
Securities Index 529 Portfolio				
Baird Short-Term Bond 529 Portfolio	0.06%	0.025%	0.30%	0.385%
Cash and Cash Equivalents				
High Yield Bank Savings 529 Portfolio	0.06%	none	0.00%	0.06%
Principal Plus Interest 529 Portfolio ⁽⁷⁾	N/A	none	N/A	N/A

- (1) Although the Plan Manager Fee and the Treasurer Administrative Fee, if any, are deducted from an Investment Portfolio (with the exception of the Principal Plus Interest Portfolio), not from your Account, each Account in the Investment Portfolio indirectly bears its pro rata share of the Plan Manager Fee and the Treasurer Administrative Fee as these fees reduce the Investment Portfolio's return. The Treasurer Administrative Fee is collected to cover the cost of any fees, costs, and expenses, including investment fees and expenses and payments to third parties, related to the College Savings Pool, to the extent not paid directly out of the investments of the College Savings Pool, and to maintain an adequate reserve fund in line with industry standards for government operated funds.
- (2) Each Investment Portfolio (with the exception of the Principal Plus Interest Portfolio) pays the Plan Manager a fee at an annual rate of 0.06% of the average daily net assets held by that Investment Portfolio.
- (3) Certain Investment Portfolios pay to the Treasurer a fee equal to 0.025% of the average daily net assets held by such Investment Portfolios to pay for expenses related to the administration of the Plan.
- (4) The percentages set forth in this column are based on the expense ratios of the Underlying Investments in which an Investment Portfolio invests. The amounts are calculated using the expense ratio reported in each fund's prospectus effective as of May 31, 2024, and are weighted according to the Investment Portfolio's allocation among the mutual funds in which it invests. Although these expenses are not deducted from an Investment Portfolio's assets, each Investment Portfolio (other than the Principal Plus Interest Portfolio and High Yield Bank Savings 529 Portfolio) indirectly bears its pro rata share of the expenses of the funds in which it invests as these expenses reduce such fund's return.
- (5) These figures represent the estimated weighted annual expense ratios of the Underlying Investments in which the Investment Portfolios invest plus the fees paid to the Plan Manager and to the Treasurer.
- (6) These Portfolios invest a portion of their assets in ETFs. Because ETFs are traded on a securities exchange, Portfolios that invest in ETFs will pay transaction costs when buying and selling shares of an ETF. These transaction costs are not listed in the table.
- (7) The Principal Plus Interest Portfolio does not pay a Plan Manager Fee or a Treasurer Administrative Fee. TIAA-CREF Life Insurance Company ("**TIAA-CREF Life**"), an affiliate of TFI and the issuer of the funding agreement in which this Investment Portfolio invests, makes payments to the Plan Manager. These payments, among many other factors, are considered by the issuer when determining the interest rate(s) credited under the funding agreement.

Investment Cost Example. The example in the following table is intended to help you compare the cost of investing in the different Investment Portfolios over various periods of time. This example assumes that:

- You invest \$10,000 in an Investment Portfolio for the time periods shown below.
- Your investment has a 5% compounded return each year.
- You withdraw your entire investment from the Investment Portfolio to pay for Qualified Higher Education Expenses at the end of the specified periods.
- Total Annual Asset-Based Fees remain the same as those shown in the fee table above.

Although your actual costs may be higher or lower, based on the above assumptions, your costs would be:

INVESTMENT PORTFOLIOS	APPROXIMATE COST OF \$10,000 INVESTMENT			
	1 Year	3 Years	5 Years	10 Years
Passive Enrollment Year Portfolios				
Aggressive Enrollment Year Portfolios				
Aggressive 2042/2043 Enrollment Portfolio	\$10	\$32	\$57	\$128
Aggressive 2040/2041 Enrollment Portfolio	\$10	\$32	\$57	\$128
Aggressive 2038/2039 Enrollment Portfolio	\$10	\$32	\$57	\$128
Aggressive 2036/2037 Enrollment Portfolio	\$10	\$32	\$57	\$128
Aggressive 2034/2035 Enrollment Portfolio	\$10	\$32	\$57	\$128
Aggressive 2032/2033 Enrollment Portfolio	\$10	\$32	\$57	\$128
Aggressive 2030/2031 Enrollment Portfolio	\$10	\$32	\$57	\$128
Aggressive 2028/2029 Enrollment Portfolio	\$10	\$32	\$57	\$128
Aggressive 2026/2027 Enrollment Portfolio	\$10	\$32	\$57	\$128
Aggressive Enrolled Portfolio	\$9	\$29	\$51	\$116
Moderate Enrollment Year Portfolios				
Moderate 2042/2043 Enrollment Portfolio	\$10	\$32	\$57	\$128
Moderate 2040/2041 Enrollment Portfolio	\$10	\$32	\$57	\$128
Moderate 2038/2039 Enrollment Portfolio	\$10	\$32	\$57	\$128
Moderate 2036/2037 Enrollment Portfolio	\$10	\$32	\$57	\$128
Moderate 2034/2035 Enrollment Portfolio	\$10	\$32	\$57	\$128
Moderate 2032/2033 Enrollment Portfolio	\$10	\$32	\$57	\$128
Moderate 2030/2031 Enrollment Portfolio	\$10	\$32	\$57	\$128
Moderate 2028/2029 Enrollment Portfolio	\$10	\$32	\$57	\$128
Moderate 2026/2027 Enrollment Portfolio	\$9	\$29	\$51	\$116
Moderate Enrolled Portfolio	\$8	\$26	\$45	\$103
Active Blend Enrollment Year Portfolios				
Aggressive Active Blend Enrollment Year Portfolios				
Aggressive Active Blend 2042/2043 Enrollment Portfolio	\$28	\$87	\$152	\$344
Aggressive Active Blend 2040/2041 Enrollment Portfolio	\$30	\$95	\$166	\$375
Aggressive Active Blend 2038/2039 Enrollment Portfolio	\$33	\$105	\$183	\$413
Aggressive Active Blend 2036/2037 Enrollment Portfolio	\$36	\$114	\$200	\$450
Aggressive Active Blend 2034/2035 Enrollment Portfolio	\$39	\$124	\$216	\$487

INVESTMENT PORTFOLIOS	APPROXIMATE COST OF \$10,000 INVESTMENT			
	1 Year	3 Years	5 Years	10 Years
Aggressive Active Blend 2032/2033 Enrollment Portfolio	\$38	\$121	\$211	\$475
Aggressive Active Blend 2030/2031 Enrollment Portfolio	\$39	\$124	\$216	\$487
Aggressive Active Blend 2028/2029 Enrollment Portfolio	\$42	\$130	\$227	\$512
Aggressive Active Blend 2026/2027 Enrollment Portfolio	\$44	\$137	\$239	\$537
Aggressive Active Blend Enrolled Portfolio	\$32	\$101	\$177	\$400
Moderate Active Blend Enrollment Year Portfolios				
Moderate Active Blend 2042/2043 Enrollment Portfolio	\$30	\$95	\$166	\$375
Moderate Active Blend 2040/2041 Enrollment Portfolio	\$33	\$105	\$183	\$413
Moderate Active Blend 2038/2039 Enrollment Portfolio	\$36	\$114	\$200	\$450
Moderate Active Blend 2036/2037 Enrollment Portfolio	\$39	\$124	\$216	\$487
Moderate Active Blend 2034/2035 Enrollment Portfolio	\$38	\$121	\$211	\$475
Moderate Active Blend 2032/2033 Enrollment Portfolio	\$39	\$124	\$216	\$487
Moderate Active Blend 2030/2031 Enrollment Portfolio	\$42	\$130	\$227	\$512
Moderate Active Blend 2028/2029 Enrollment Portfolio	\$44	\$137	\$239	\$537
Moderate Active Blend 2026/2027 Enrollment Portfolio	\$32	\$101	\$177	\$400
Moderate Active Blend Enrolled Portfolio	\$25	\$79	\$138	\$312
Static Allocation Portfolios				
Passive Static Allocation Portfolios				
Equity Portfolio	\$10	\$32	\$57	\$128
Balanced Portfolio	\$10	\$32	\$57	\$128
Fixed Income Portfolio	\$8	\$26	\$45	\$103
Active Blend Static Allocation Portfolios				
Active Blend Equity Portfolio	\$27	\$85	\$149	\$337
Active Blend Balanced Portfolio	\$39	\$124	\$216	\$487
Active Blend Fixed Income Portfolio	\$29	\$92	\$160	\$362

Individual Portfolios				
U.S. Equity				
Vanguard Total Stock Market Index 529 Portfolio	\$8	\$26	\$45	\$103
Vanguard S&P 500 Index 529 Portfolio	\$8	\$26	\$45	\$103
DFA U.S. Large Cap Value 529 Portfolio	\$31	\$98	\$172	\$388
T. Rowe Price Large-Cap Growth 529 Portfolio (SMA)	\$43	\$134	\$233	\$525
Ariel 529 Portfolio	\$78	\$245	\$427	\$951
Vanguard Explorer 529 Portfolio	\$44	\$137	\$239	\$537
DFA U.S. Targeted Value 529 Portfolio	\$38	\$121	\$211	\$475
International Equity				
Nuveen International Equity Index 529 Portfolio	\$11	\$36	\$62	\$141
DFA International Small Company 529 Portfolio	\$49	\$153	\$266	\$599
Real Estate				
Vanguard Real Estate Index 529 Portfolio	\$14	\$45	\$79	\$179
Sustainable Investment				
Parnassus Core Equity 529 Portfolio	\$71	\$223	\$388	\$867
Fixed Income				
Vanguard Total Bond Market Index 529 Portfolio	\$9	\$29	\$51	\$116
Dodge & Cox Income 529 Portfolio	\$51	\$159	\$278	\$623
Vanguard Total International Bond Index 529 Portfolio	\$13	\$42	\$73	\$167
Vanguard Short-Term Inflation-Protected Securities Index 529 Portfolio	\$10	\$32	\$57	\$128
Baird Short-Term Bond 529 Portfolio	\$39	\$124	\$216	\$487
Cash and Cash Equivalents				
High Yield Bank Savings 529 Portfolio	\$6	\$19	\$34	\$77
Principal Plus Interest 529 Portfolio	N/A	N/A	N/A	N/A

Service-Based and Other Fees. Additional service-based fees will apply when an Account Owner requests a nonstandard service or when contributions are returned or rejected. The fee will be deducted directly from your Account and it will be included on your annual IRS Form 1099Q as part of any gross distributions paid to you during the year.

Additional Fees Include:	
Returned Check	\$25
Rejected ACH	\$25
Priority Delivery	\$15 Weekday/\$25 Saturday/\$50 Foreign
Outgoing Wires	\$15 Domestic/\$25 International
Request for Historical Statement (mailed)	\$10
Electronic Distribution to Schools (where available)	\$10
Rollover	\$10

Past Performance

Because the Investment Portfolios are new as of the date of this Plan Description, no performance information is presented. Updated performance data will be available by visiting the Plan's website, BrightStart.com or by calling the Plan at 1-877-432-7444.

Past performance is not a guarantee of future results. Performance may be substantially affected over time by changes in the allocations and/or changes in the investments in which each Investment Portfolio invests. Investment returns and the principal value will fluctuate, so that your Account, when redeemed, may be worth more or less than the amounts contributed to your Account.

Withdrawals

Only you, the Account Owner, may request withdrawals (also referred to as "distributions") from your Account. There are two components of a withdrawal – principal (the amount contributed to the Account) and earnings, if any (the amount of market return or interest earned on amounts contributed). Whether the earnings portion is subject to tax depends on the purpose for which you use the withdrawn funds.

A withdrawal will receive the Unit value next calculated for the Investment Portfolio(s) from which you requested a withdrawal after a completed withdrawal request is received in good order by the Plan. If your Account is invested in more than one Investment Portfolio, you must select the Investment Portfolio(s) from which your funds are to be withdrawn. You will not be able to withdraw a contribution until eight (8) business days after receipt of that contribution by the Plan. If you make a change to your mailing address, no withdrawals may be made from the Account until 20 business days after the Plan has received the request form. If you make a change to your banking information on file, or if you transfer the Account to a new Account Owner, no withdrawals can be made from the Account for 30 calendar days after the Plan has received the request form, unless you have provided a medallion signature guarantee as set forth on the appropriate Plan form. You will be required to provide a medallion signature guarantee for withdrawal requests of \$100,000 or more.

You may make withdrawals from your Account using the systematic withdrawal option, which allows an Account Owner to make periodic withdrawals from a selected Investment Portfolio. You can add the systematic withdrawal

option, change the timing and amount of your withdrawal or stop your participation in the option by completing the appropriate Plan form.

To request a withdrawal from your Account, make a request through the secure portion of the Plan website, complete and mail the appropriate Plan form, or call the Plan. Withdrawal proceeds may generally be paid to you, the Beneficiary, an Eligible Educational Institution, or other third party. The proceeds of a Nonqualified Withdrawal can be made payable to the Account Owner or Beneficiary. There are certain limitations as to whom the proceeds may be paid depending on the method of the withdrawal request. For more information, review the Plan's Withdrawal Request Form. For more information on the potential tax consequences associated with withdrawals, see the "Tax Information" section.

You and your Beneficiary are responsible, under federal and Illinois tax law, to substantiate your treatment of contributions to, withdrawals from, and other transactions involving your Account. You should retain receipts, invoices and other documents and information adequate for substantiating your treatment of such transactions, including the treatment of expenses as Qualified Higher Education Expenses.

Special Rollover to Roth IRAs from Long-Term Qualified Tuition Programs. The SECURE 2.0 Act of 2022 (the "SECURE 2.0 Act") was signed into federal law in December 2022. In addition to a number of significant retirement savings related enhancements, the SECURE 2.0 Act revises Section 529 of the Internal Revenue Code.

Effective January 1, 2024 for federal tax purposes and August 2, 2024 for Illinois tax purposes, rollovers are permitted from an Account to a Roth IRA without incurring federal income tax or penalties, subject to the following conditions:

- o The Account must be open for 15 or more years, ending with the date of the Roth IRA Rollover;
- o Contributions and associated earnings that you transfer to the Roth IRA must be in the Account for more than five (5) years, ending with the date of the Roth IRA Rollover;
- o The Internal Revenue Code permits a lifetime maximum amount of \$35,000 per Beneficiary for Roth IRA Rollovers;
- o Account assets can only be rolled over into a Roth IRA maintained for the benefit of the Beneficiary of the Account;
- o Account assets must be sent directly to the Roth IRA;
- o Roth IRA income limitations are waived for Roth IRA Rollovers; and
- o The Roth IRA contribution is subject to the Roth IRA contribution limit for the taxable year applicable to the designated beneficiary for all individual retirement plans maintained for the benefit of the designated beneficiary.

The IRS may issue additional guidance that may impact Roth IRA Rollovers, including the above referenced conditions.

State tax treatment of Roth IRA Rollover is determined by the state where you file state income tax. Account Owners and Beneficiaries should consult with a qualified tax advisor before rolling over funds from their Account to contribute to a Roth IRA. You are responsible for determining the eligibility of your Account for a Roth IRA Rollover including tracking and documenting the length of time the Account has been opened and the amount of assets in an Account eligible to be rolled into a Roth IRA.

To request a Roth IRA Rollover, please first contact your Roth IRA administrator to determine their ability and requirements to receive the rollover. Then, submit any required Roth IRA form available from your Roth IRA administrator and the appropriate Plan form found online at BrightStart.com or by calling the Plan directly at 1-877-432-7444.

Risks of Investing in the Plan

Cybersecurity Risk. With the increased use of technologies such as the Internet to conduct business, the Plan, the Investment Portfolios and the Underlying Funds are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Plan’s or an Underlying Fund’s manager(s) and other service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with an Investment Portfolio’s or Underlying Fund’s ability to calculate its Net Unit Value, impediments to trading, the inability of Account Owners or Underlying Fund shareholders (including the Trust) to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which an Underlying Fund invests, counterparties with which an Underlying Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Plan’s and the Underlying Funds’ service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Plan, the Investment Portfolios and the Underlying Funds cannot control the cybersecurity plans and systems put in place by their service providers or any other third parties whose operations may affect them. The Plan, the Investment Portfolios and the Underlying Funds could be negatively impacted as a result.

Force Majeure. None of the State of Illinois, the Trust, the Pool, the Treasurer, the Plan, or any other government agency or entity, nor any of the service providers to the Plan, are responsible for circumstances beyond their reasonable control that may negatively impact your Account. Such circumstances include, but are not limited to, regulatory or legislative changes, worldwide political uncertainties, and general economic conditions (such as inflation and unemployment rates), acts of God, acts of civil or military authority, acts of government, accidents, environmental disasters, natural disasters or events, fires, floods, earthquakes, hurricanes, explosions, lightning, suspensions of trading, epidemics, pandemics, public health crises, quarantines, wars, acts of war (whether war is declared or not), terrorism, threats of terrorism, insurrections, embargoes, cyber-attacks, riots, strikes, lockouts or other labor disturbances, disruptions of supply chains, civil unrest, revolutions, power or other mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays in or stoppages of transportation, and any other events or circumstances beyond our reasonable control whether similar or dissimilar to any of the foregoing.

Investment Risks. Through its investments, an Investment Portfolio is subject to one or more of the investment risks summarized above. The value of your Account may increase or decrease over time based on the performance of the Investment Portfolios you selected. There is a risk that you could lose part or all of the value of your Account and that your Account may be worth less than the total amount contributed to it.

No Guarantee of Attendance. There is no guarantee that a Beneficiary will be accepted for admission to an Eligible Educational Institution, a primary or secondary school, or an Apprenticeship Program, or, if admitted, will graduate or receive a degree, or otherwise be permitted to continue to be enrolled at an Eligible Educational Institution or primary or secondary school or Apprenticeship Program.

No Guarantee of Costs. Increases in Qualified Higher Education Expenses could exceed the rate of return of the Investment Portfolios over the same time period. Even if the value of all Accounts for a Beneficiary reaches the Maximum Account Balance, those funds may not be sufficient to pay all Qualified Higher Education Expenses of the Beneficiary.

Changes in Law. Changes to federal or Illinois laws, including Section 529, may adversely impact the Plan. For example, Congress could amend Section 529 or other federal law in a manner that would materially change or

eliminate the federal tax treatment described in this Plan Description. The State of Illinois could also make changes to Illinois tax law that could materially affect the Illinois tax treatment of the Plan. In addition, the U.S. Treasury Department has issued proposed regulations addressing certain aspects of Section 529, but has not issued final regulations. Final regulations, if issued, may differ from the proposed regulations and may apply retroactively. Other administrative guidance or court decisions may be issued that could affect the tax treatment described in this Plan Description.

Not an Investment in Mutual Funds, ETFs or Registered Securities. Although certain Investment Portfolios invest in mutual funds and ETFs, neither the Plan nor any of the Plan's Investment Portfolios is a mutual fund or ETF. An investment in the Plan is considered an investment in municipal fund securities that are issued and offered by the State of Illinois. These securities are not registered with the U.S. Securities and Exchange Commission ("SEC") or with any state securities commission, nor are the Plan or any of the Plan's Investment Portfolios registered as investment companies with the SEC or any state securities commission. Neither the SEC nor any state securities commission has reviewed this Plan Description.

Potential Plan Changes, including Change of the Plan Manager. The Treasurer may change or terminate the Plan. For example, the Treasurer could change the Plan's fees, add or close an Investment Portfolio, change the investments of the Investment Portfolios or change the Plan manager. In certain circumstances, the Treasurer may terminate your participation in the Plan and close your Account. Depending on the change, you may be required to participate, or be prohibited from participating, in the change if your Account was established prior to the change. If the Treasurer changes the Plan manager, your Account may automatically be invested in new investment portfolios or you may need to open a new Account in the Plan to make future contributions on behalf of your Beneficiary. There is no guarantee that such a change would be without tax implications or that Plan investment portfolios in the future will be similar to those described in this Plan Description. Certain Plan transactions, such as those that relate to changing the Plan manager, could result in the assets of the Plan being temporarily held in cash. Certain Plan transactions could also result in additional expenses or could negatively impact the performance of the Investment Portfolios.

Potential Impact on Financial Aid. The eligibility of your Beneficiary for financial aid will depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in school, as well as on the policies of the governmental agencies, school or private organizations to which the Beneficiary or the Beneficiary's family applies for financial assistance. Because saving for the expenses of education will increase the financial resources available to the Beneficiary, there will most likely be some effect on the Beneficiary's eligibility. However, because these policies vary at different institutions and can change over time, it is not possible to predict how the federal financial aid program, state or local government, private organizations or the school to which your Beneficiary applies, will treat your Account.

Medicaid Eligibility. The eligibility of an Account Owner for Medicaid assistance could be impacted by the Account Owner's ownership of an education savings account in a 529 Plan. Medicaid laws and regulations may change and you should consult with a qualified advisor regarding your particular situation.

Suitability; Investment Alternatives. None of the State of Illinois, the Trust, the Treasurer, the Plan or the Plan Manager make any representations regarding the suitability of any Investment Portfolios for any particular investor or the appropriateness of the Plan as an investment vehicle to save for Qualified Higher Education Expenses. Other types of investments may be more appropriate depending upon your residence, financial condition, tax situation, risk tolerance or the age of the Beneficiary. Various 529 Plans other than the Plan, including programs designed to provide prepaid college tuition, are currently available, as are other investment alternatives. The investments, fees, expenses, eligibility requirements, tax and other consequences and features of these alternatives may differ from those of the Plan. Before investing in the Plan, you may wish to consider alternative savings vehicles and you should consult with a qualified advisor to discuss your options.

No Insurance or Guarantee. None of the State of Illinois, the Plan, the Trust, the Treasurer, the Federal Deposit Insurance Corporation, nor any other government agency or entity, nor any of the service providers to the Plan insure any Account or guarantee any rate of return or any interest on any contribution to the Plan.

Administration of the Plan

The Plan is part of the Pool, which is an education savings program authorized by the State of Illinois and is designed to qualify as a tax-advantaged savings program under Section 529. The Treasurer acts as Trustee of Plan and is responsible for the overall administration of the Plan.

Treasurer Responsibilities. The responsibilities of the Treasurer with respect to the Plan include:

- Approving the Investment Portfolios offered in the Plan.
- Managing and operating the Plan.
- Adopting regulations for the administration of the Plan.
- Setting the dollar limit for the current maximum account balance.

The Plan Manager

The Treasurer selected TFI as the Plan Manager. TFI is a wholly owned, direct subsidiary of Teachers Insurance and Annuity Association of America (“TIAA”). TIAA, together with its companion organization, the College Retirement Equities Fund (“CREF”), forms one of America’s leading financial services organizations and one of the world’s largest pension systems, based on assets under management. TIAA-CREF Individual & Institutional Services, LLC (“Services”), a wholly owned, direct subsidiary of TIAA, serves as the primary distributor and underwriter for the Plan and provides certain underwriting and distribution services in furtherance of TFI’s marketing plan for the Plan. Services is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority.

Management Agreement. TFI and the Treasurer, on behalf of the Plan, entered into a Management Agreement under which TFI provides or arranges to be provided certain services to the Plan, including investment recommendations, recordkeeping, reporting and marketing. The Management Agreement is set to terminate on September 29, 2032. At the Treasurer’s discretion, the term may be extended until September 29, 2034.

TFI Responsibilities. The responsibilities of TFI to the Plan include:

- Providing investment recommendations for the Plan.
- Providing certain administrative and customer support services to the Plan under the direction of the Treasurer.
- Providing marketing services for the Plan.
- Providing community outreach and education services on behalf of the Plan.
- Ensuring oversight and compliance with applicable laws and regulations.

Other Information

Account Statements and Account Activity Notifications. Quarterly statements will be posted to your online account each quarter. Quarterly statements will be distributed either by mail or electronic notification, depending on your selection, only if you have made a financial transaction within the quarter. Transactions that will generate statements include: contributions made to your Account, exchanges, withdrawals made from your Account, and transaction 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 financial transactions within the year.

You will receive an account activity notification for each contribution to, and transaction in, your Account(s), except for Recurring Contributions, payroll direct deposits, systematic withdrawals, exchanges due to Automatic Dollar-Cost Averaging, and exchanges due to Account assets being automatically moved to the respective Enrolled Portfolio as the Beneficiary ages. These automated transactions will be confirmed on a quarterly basis. Each account activity notification will indicate the number of Units you own in each Investment Portfolio. If an error has been made in the amount of the contribution or the Investment Portfolio in which a particular contribution is invested, you must promptly notify the Plan.

Financial Statements. Each year, audited financial statements will be prepared for the Plan and posted on the Plan's website.

Continuing Disclosure. To comply with Rule 15c2-12(b)(5) of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Plan Manager has executed a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the benefit of the Account Owners. Under the Continuing Disclosure Certificate, the Plan Manager will provide certain financial information and operating data (the "Annual Information") relating to the Plan and notices of the occurrence of certain enumerated events set forth in the Continuing Disclosure Certificate, if material. The Annual Information will be filed on behalf of the Plan with the Electronic Municipal Market Access system (the "EMMA System") maintained by the Municipal Securities Rulemaking Board (the "MSRB"). Notices of certain enumerated events will also be filed on behalf of the Plan with the MSRB.

Tax Information

The federal and Illinois tax rules applicable to the Plan are complex and some of the rules have not yet been finalized. Their application to any particular person may vary according to facts and circumstances specific to that person. **You should consult with a qualified advisor regarding how the rules apply to your circumstances.** Any references to specific dollar amounts or percentages in this section are current only as of the date of this Plan Description; you should consult with a qualified advisor to learn if the amounts or percentages have been updated.

Federal Tax Information

Contributions. Contributions to an Account generally will not result in taxable income to the Beneficiary. Contributions are made on an after-tax basis for federal income tax purposes. A contributor may not deduct the contribution from income for purposes of determining federal income tax liability.

Incoming Rollovers. You may roll over funds (i) from an account in another state's 529 Plan to an Account in the Plan for the same Beneficiary without adverse federal income tax consequences, provided that it has been at least 12 months from the date of a previous transfer to a 529 Plan for that Beneficiary; (ii) from an account in another state's 529 Plan to an Account in the Plan for a new Beneficiary, without adverse federal income tax consequences, provided that the new Beneficiary is a Member of the Family of the previous Beneficiary or (iii) from an Account in the Plan to another Account in the Plan for a new Beneficiary without adverse federal income tax consequences, provided that the new Beneficiary is a Member of the Family of the previous Beneficiary. If you roll over funds more than once in 12 months without a change in Beneficiary, every rollover after the first may be considered a Taxable Withdrawal or a Nonqualified Withdrawal, depending on the circumstances. If you roll over funds to a new Beneficiary that is not a Member of the Family of the previous Beneficiary, that may be considered a Taxable Withdrawal or a Nonqualified Withdrawal, depending on the circumstances.

Beneficiary Change. You may change your Beneficiary to a Member of the Family of the former Beneficiary without adverse federal income tax consequences. Otherwise, the change may be subject to federal income taxes. There also may be federal gift, estate and generation-skipping transfer tax consequences of changing the Beneficiary.

Earnings. Earnings within an Account should not result in taxable income to the Account Owner or Beneficiary while the earnings are retained in the Account.

Withdrawals. All withdrawals are considered as attributable partially to contributions made to the Account and partially to earnings, if any. Only the earnings portion of a withdrawal is ever subject to federal income tax, including the Additional Tax.

The proportion of contributions and earnings for each withdrawal is determined by the Plan based on the relative portions of earnings and contributions as of the withdrawal date for the Account from which the withdrawal was made. Each withdrawal you make from your Account will fall into one of the following categories:

- Qualified Withdrawal;
- Taxable Withdrawal;
- Qualified Rollover; or
- Nonqualified Withdrawal.

The federal income tax treatment of each category of withdrawal is described below.

Qualified Withdrawals. To be a Qualified Withdrawal, the withdrawal must be used to pay for Qualified Higher Education Expenses of the Beneficiary (or sibling of the Beneficiary with respect to repayment of Qualified Education Loans). No portion of a Qualified Withdrawal is subject to federal income tax, including the Additional Tax.

Qualified Higher Education Expenses are defined generally to include certain housing and food (room and board) expenses, the cost of computers, hardware, certain software, and internet access and related services, and tuition, fees, the cost of books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution as well as certain additional enrollment and attendance costs of Beneficiaries with special needs. To be treated as Qualified Higher Education Expenses, computers, hardware, software, and internet access and related services must be used primarily by the Beneficiary while enrolled at an Eligible Educational Institution. Qualified Higher Education Expenses do not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature.

Unlike other expenses, the cost of room and board may be treated as Qualified Higher Education Expenses only if it is incurred during an academic period during which the Beneficiary is enrolled or accepted for enrollment in a degree, certificate or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution, and during which the Beneficiary is enrolled at least half-time. (Half-time is defined as half of a full-time academic workload for the course of study the Beneficiary is pursuing based on the standard at the Beneficiary's Eligible Educational Institution.) The amount of room and board expenses that may be treated as a Qualified Higher Education Expense is generally limited to the room and board allowance applicable to a student that is included by the Eligible Educational Institution in its "cost of attendance" for purposes of determining eligibility for federal education assistance for that year. For students living in housing owned or operated by the Eligible Educational Institution, if the actual invoice amount charged by the Eligible Educational Institution for room and board is higher than the "cost of attendance" figure, then the actual invoice amount may be treated as qualified room and board costs.

Any reference to Qualified Higher Education Expenses also includes: (i) a reference to tuition in connection with enrollment or attendance at a primary (i.e., elementary school) or secondary (i.e., middle school or high school) public, private or religious school up to a maximum of \$10,000 of distributions for such tuition expenses per taxable year per Beneficiary from all 529 Plans; (ii) expenses for fees, books, supplies and equipment required for the participation of a Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act; and (iii) amounts paid as principal or interest on any Qualified Education Loan of either the Beneficiary or a sibling of the Beneficiary up to a lifetime limit of \$10,000 per individual.

Distributions treated as Qualified Higher Education Expenses with respect to the loans of a sibling of a Beneficiary will count toward the limit of the sibling, not the Beneficiary. Such loan repayments may impact student loan interest deductibility.

Taxable Withdrawals. A Taxable Withdrawal is a withdrawal from your Account that is: (1) paid to a beneficiary of, or the estate of, the Beneficiary on or after the Beneficiary's death; (2) attributable to the permanent disability of the Beneficiary; (3) made on account of the receipt by the Beneficiary of a scholarship award or veterans' or other nontaxable educational assistance (other than gifts or inheritances), but only to the extent of such scholarship or assistance; (4) made on account of the Beneficiary's attendance at a military academy, but only to the extent of the costs of education attributable to such attendance; or (5) equal to the amount of the Beneficiary's relevant Qualified Higher Education Expenses that is taken into account in determining the Beneficiary's American Opportunity Credit or Lifetime Learning Credit.

The earnings portion of a Taxable Withdrawal is subject to federal income tax but not to the 10% additional federal tax imposed on the earnings portion of a Nonqualified Withdrawal.

Qualified Rollovers. A Qualified Rollover is a transfer of funds from an Account (1) to an account in another state's 529 Plan for the same Beneficiary, provided that it has been at least 12 months from the date of a previous transfer to a 529 Plan for that Beneficiary; (2) to an account in another state's 529 Plan (or an Account in the Plan for a new Beneficiary), provided that the new Beneficiary is a Member of the Family of the previous Beneficiary; (3) to a Section 529A Qualified ABLE Program ("ABLE") account for the same Beneficiary, or a Member of the Family thereof, subject to applicable ABLE contribution limits (distributions from an Account in connection with any such ABLE rollover must occur before January 1, 2026); or (4) to a Roth IRA pursuant to the conditions set forth for a "Special Rollover to Roth IRAs from Long-Term Qualified Tuition Programs". No portion of a Qualified Rollover is subject to federal income tax, including the Additional Tax.

If you roll over funds more than once in 12 months without a change in Beneficiary, every rollover after the first may be considered a Taxable Withdrawal or a Nonqualified Withdrawal, depending on the circumstances. If you rollover funds to a new Beneficiary who is not a Member of the Family of the previous Beneficiary, that may be considered a Taxable Withdrawal or a Nonqualified Withdrawal, depending on the circumstances.

With the exception of a Special Rollover to a Roth IRA which must be direct, Qualified Rollovers may be direct or indirect. Direct Qualified Rollovers involve the transfer of funds directly from an Account to an account in another state's 529 Plan, to an Account in the Plan for a different Beneficiary, to an ABLE account for the same or a different beneficiary, or to a Roth IRA. Indirect Qualified Rollovers involve the transfer of funds from an Account to the Account Owner, who then contributes the funds to an account in another state's 529 Plan, to an Account in the Plan for a different Beneficiary, or to an ABLE account for the same or a different beneficiary. To avoid adverse federal income tax consequences, the funds received by the Account Owner from the rollover must be contributed to the new account, to an Account in the Plan, to an ABLE account within 60 days of withdrawal from the Account. If the contribution to the new account, an Account in the Plan, or an ABLE account occurs after the 60-day time frame, the rollover may be considered a Taxable Withdrawal or a Nonqualified Withdrawal, depending on the circumstances.

The 529 Plan of another state and ABLE plans may impose restrictions on or prohibit certain types of incoming rollovers. Be sure to check with the other 529 Plan and/or ABLE plan, or Roth IRA before requesting an outgoing rollover from the Plan.

Nonqualified Withdrawals. A Nonqualified Withdrawal is any withdrawal that is not: (1) a Qualified Withdrawal; (2) a Taxable Withdrawal; or (3) a Qualified Rollover.

The earnings portion of a Nonqualified Withdrawal is subject to federal income tax, including the 10% additional federal tax imposed on the earnings portion of a Nonqualified Withdrawal.

Refunds of Payments of Qualified Higher Education Expenses. If an Eligible Educational Institution refunds any portion of an amount previously withdrawn from an Account and treated as a Qualified Withdrawal, such amount will not be subject to federal and possibly state income tax if it is recontributed to a qualified tuition program for the same Beneficiary not later than 60 days after the date of the refund. If the amount of the refund is not recontributed within 60 days, the amount of the refund potentially may still be treated as a Qualified Withdrawal if the refund is used for Qualified Higher Education Expenses or may be treated as a Nonqualified Withdrawal or a Taxable Withdrawal (depending on the reason for the refund). You should consult with a qualified tax advisor regarding how the rules apply to your circumstances.

Coordination With Other Income Tax Incentives for Education. In addition to the federal income tax benefits provided to Account Owners and Beneficiaries under Section 529, benefits are provided by several other provisions of the IRC for education-related investments or expenditures. These include Coverdell ESAs, American Opportunity Credits, Lifetime Learning Credits and “qualified United States savings bonds” described in IRC Section 135 (“**qualified U.S. savings bonds**”). The available tax benefits for paying Qualified Higher Education Expenses through these programs must be coordinated in order to avoid the duplication of such benefits. Participants should consult a qualified tax advisor regarding the interaction under the IRC of the federal income tax education-incentive provisions addressing Account withdrawals.

Federal Gift, Estate and Generation-Skipping Transfer Tax Treatment. The tax treatment summarized in this section is complicated and will vary depending on your individual circumstances. You should consult with a qualified advisor regarding the application of these tax provisions to your particular circumstances.

Contributions to the Plan are generally considered completed gifts for federal tax purposes and, therefore, are potentially subject to federal gift tax. Generally, if a contributor’s contributions to an Account for a Beneficiary, together with all other gifts by the contributor to the Beneficiary during the year, are less than, or equal to, the current annual federal gift tax exclusion amount, no federal gift tax will be imposed on the contributor for gifts to the Beneficiary during that year. This annual federal gift tax exclusion amount is indexed for inflation in \$1,000 increments and therefore may be adjusted in future years.

If a contributor’s contributions to an Account for a Beneficiary in a single year exceed the current annual gift tax exclusion amount, the contributor may elect to treat up to five (5) times the current annual gift tax exclusion amount as having been made ratably over a five-year period and any excess amount will be treated as a taxable gift for that year. (For purposes of determining the amount of gifts made by the contributor to that Beneficiary in the four-year period following the year of contribution, the contributor will need to take into account the ratable portion of the Account contribution allocated to that year.)

In addition, to the extent not previously used, each contributor has a federal lifetime gift tax exemption that will be applied to gifts in excess of the annual exclusion amounts referred to above. This lifetime exemption is adjusted for inflation annually. A married couple may elect to split gifts and apply their combined lifetime gift exemption to gifts made by either spouse. Accordingly, while federal gift tax returns are required for gifts in excess of the annual gift tax exclusion amount (including gifts that the contributor elects to treat as having been made ratably over a five-year period), no federal gift tax will be due until the lifetime gift tax exemption has been used. The highest federal gift tax rate is currently 40%.

Amounts in an Account that are considered completed gifts by the contributor generally will not be included in the contributor’s gross estate for federal estate tax purposes. However, if the contributor elects to treat the gifts as having been made over a five-year period and dies before the end of the five-year period, the portion of the contribution allocable to the remaining years in the five-year period (not including the year in which the contributor died) would be includible in computing the contributor’s gross estate for federal estate tax purposes. Amounts in an Account at the death of a Beneficiary will be included in the Beneficiary’s gross estate for federal estate tax purposes to the extent such amounts are distributed to a beneficiary of, or the estate of, the Beneficiary. Each taxpayer has a federal estate tax exemption that is reduced by lifetime taxable gifts. This federal estate tax exemption is adjusted for inflation annually. The highest federal estate tax rate is currently 40%.

A change of the Beneficiary of an Account or a transfer of funds from an Account to an Account for another Beneficiary will potentially be subject to federal gift tax if the new Beneficiary is in a younger generation than the generation of the Beneficiary being replaced or is not a Member of the Family of that Beneficiary. In addition, if the new Beneficiary is in a generation two or more generations younger than the generation of the prior Beneficiary, the transfer may be subject to the federal generation-skipping transfer tax. Each taxpayer has a generation-skipping transfer tax exemption that may be allocated during life or at death. This generation-skipping transfer tax exemption is adjusted for inflation and therefore may be adjusted in future years. The highest generation-skipping transfer tax rate is currently 40%. Under the proposed regulations under Section 529, these taxes would be imposed on the prior Beneficiary.

For the 2024 tax year, the amount of the annual gift tax exclusion is \$18,000 (single filer) per year and \$36,000 (married contributors electing to split gifts). The lifetime exemption, estate tax exemption and generation-

skipping transfer tax exemption is each \$13,610,000 per contributor (\$27,220,000 for married couples). Please see the Plan's website for the current amounts.

Illinois Tax Information

Illinois tax treatment in connection with the Plan applies only to Illinois taxpayers. You should consult with a qualified advisor regarding the application of Illinois tax provisions to your particular circumstances.

Contributions. Contributions to an Account generally do not result in Illinois taxable income to the Beneficiary. Contributions to an Account may be deductible for Illinois state income tax purposes. An individual who files an individual Illinois state income tax return may deduct up to \$10,000 per tax year (\$20,000 for married taxpayers filing jointly) of total combined Contributions to the Plan, the Bright Directions Advisor-Guided 529 College Savings Program, and College Illinois! during that tax year. The \$10,000 (individual) and \$20,000 (joint) limitations on deductions will apply to the total Contributions made to the Plan, the Bright Directions Advisor-Guided 529 College Savings Program, and College Illinois! without regard to whether the Contributions are made to a single account or more than one account.

The Illinois Department of Revenue has stated (in a nonbinding general information letter) that the state income tax deduction is available to individuals other than the Account Owner who contribute to an Account. The deduction for Illinois individual income tax purposes for contributions to the Plan does not apply to transfers between Accounts of different Beneficiaries.

Withdrawals. Illinois' income taxation of withdrawals generally follows the federal income tax treatment described above, with the exception of withdrawals used for elementary or secondary school tuition. Generally, only the earnings portion of a withdrawal is ever subject to Illinois tax if it is a Nonqualified Withdrawal; however, if a withdrawal is a Nonqualified Withdrawal for Illinois tax purposes and an Illinois income tax deduction was previously taken for contributions to the Account, part or all the contributions portion of the withdrawal may be added back to Illinois income.

Taxes Imposed by Other Jurisdictions

Prospective Account Owners should consider the potential impact of any income taxes imposed by jurisdictions other than Illinois. It is possible that other state or local taxes apply to withdrawals from accumulated earnings within the Plan, depending on the residency, domicile or sources of taxable income of the Account Owner or the Beneficiary. Account Owners and Beneficiaries should consult with a qualified advisor regarding the applicability of state or local taxes imposed by other jurisdictions.

State tax treatment of withdrawals for K-12 tuition expenses, apprenticeship expenses, repayment of Qualified Education Loans, and Special Rollovers to a Roth IRA is determined by the state where you file state income tax. Please consult with a tax advisor before withdrawing funds for any such expenses, loan repayments, or rollovers.

Tax Reports

Annually, the Plan will issue a Form 1099-Q to each distributee for any withdrawal(s) made from an Account in the previous calendar year as required by the IRS. The Plan will also report withdrawals to the IRS and to the State of Illinois as may be required. Form 1099-Q shows the basis (contributions) and earnings, if any, portion for all withdrawals made from your Account. The Form 1099-Q recipient (who is generally deemed to be the Account Owner unless the withdrawal is paid to the Beneficiary or an Eligible Educational Institution on behalf of the Beneficiary or where an account is an UTMA/UGMA registration) is responsible for determining whether the earnings portion of the withdrawal is taxable, for retaining appropriate documentation to support this determination and for appropriately reporting earnings on his/her federal and Illinois income tax forms.

Other Information About Your Account

No Pledging of Account Assets. Neither you nor your Beneficiary may use your Account or any portion of your Account as security for a loan.

Protection of Your Account in the Event of a Bankruptcy. The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 expressly excludes from an individual debtor's bankruptcy estate (and, therefore, will not be available for distribution to such individual's creditors), certain assets that have been contributed to a 529 Plan account. However, bankruptcy protection for 529 Plan assets is limited and has certain conditions. To be protected, the Account Beneficiary must be (or have been during the taxable year of the contribution) a child, stepchild, grandchild or step-grandchild of the individual who files for bankruptcy protection. In addition, contributions made to all 529 Plan accounts for the same Beneficiary (meaning that your Account for a Beneficiary would be aggregated with any other account you have for the same Beneficiary in a 529 Plan in another state) are protected as follows: (1) there is no protection for any assets that are contributed fewer than 365 days before the bankruptcy filing; (2) assets are protected in an amount up to \$7,575 if they have been contributed between 365 and 720 days before the bankruptcy filing; and (3) assets are fully protected if they have been contributed more than 720 days before the bankruptcy filing. This information is not meant to be individual advice, and you should consult with a qualified advisor concerning your individual circumstances and the applicability of Illinois law.

APPENDIX A
to the Plan Description for the Bright Start Direct-Sold College Savings Program

Explanation of the Investment Risks of the Underlying Investments

Investing in the Underlying Investments involves various risks that potential investors should carefully consider. These risks can impact the performance and value of the investments. Below is a detailed explanation of the key risks associated with the Underlying Investments.

The investment risks of the Underlying Investments described below are obtained from information made available by the funds or investment adviser, such as the prospectus and other publicly available information. Though the information is believed to be reliable, neither the Plan Manager nor the Treasurer guarantee the accuracy of such information.

For the most current and complete information regarding any fund please contact the fund to obtain the most recent prospectus, which is also available by visiting the website for the respective fund. All investments carry some degree of risk which will affect the value of the fund's investments, the investment performance, and the price of its shares. It is possible to lose money by investing in a fund.

The following is a summary description of the investment risks of investing in the Ariel Fund.

Concentration Risk: The Fund is often concentrated in fewer sectors than its benchmarks, and its performance may suffer if these sectors underperform the overall stock market.

Equity Securities Risk: Investing in equity securities is risky and subject to the volatility of the markets. Equity securities represent an ownership position in a company. The prices of equity securities fluctuate based on changes in the financial condition of their issuers and on market and economic conditions. Furthermore, when the stock market declines, most equity securities, even those issued by strong companies, often will decline in value.

Small/Mid-Cap Stock Risk: Small/mid cap stocks held by the Fund could fall out of favor and returns would subsequently trail returns of the overall stock market. The performance of such stocks could also be more volatile. Small/mid cap stocks often have less predictable earnings, more limited product lines and markets, and more limited financial and management resources than large cap stocks.

Value Investing Risk: The intrinsic value of the stocks in which the Fund invests may never be recognized by the broader market.

The following is a summary description of the investment risks of investing in the Baird Short-Term Bond Fund.

Bond Market Risks: A bond's market value may be affected significantly by changes in interest rates – generally, when interest rates rise, the bond's market value declines and when interest rates decline, its market value rises ("interest rate risk"). Generally, a bond with a longer maturity will entail greater interest rate risk but have a higher yield. Conversely, a bond with a shorter maturity will entail less interest rate risk but have a lower yield ("maturity risk"). A bond's value may also be affected by changes in its credit quality rating or the issuer's financial condition ("credit quality risk"). Bonds are also generally subject to credit risk that an issuer will not make timely payments of principal and interest.

Call Risks: If the securities in which the Fund invests are redeemed by the issuer before maturity (or "called"), the Fund may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the Fund's yield. This will most likely happen when interest rates are declining.

Credit Quality Risks: Debt obligations receiving the lowest investment grade rating may have speculative characteristics and, compared to higher grade debt obligations, may have a weakened capacity to make principal and interest payments due to changes in economic conditions or other adverse circumstances. Ratings are essentially opinions of the credit quality of an issuer and may prove to be inaccurate.

Cybersecurity Risk: With the increased use of technologies such as the Internet to conduct business, the Fund is susceptible to operational, information security, and related risks. Cyber incidents affecting the Fund or its service providers may cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund's ability to calculate its net asset value ("NAV"), impediments to trading, the inability of shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

Extension Risk: Debt obligations, including mortgage- and asset-backed debt obligations, may be paid off by the borrower more slowly than anticipated, increasing the average life of such debt obligations and the sensitivity of the prices of such debt obligations to future interest rate changes.

Foreign Securities Risks: Foreign investments, even those that are U.S. dollar-denominated, may involve additional risks, including political and economic instability, differences in financial reporting standards, less regulated securities markets, and withholding of foreign taxes.

Government Obligations Risks: No assurance can be given that the U.S. government will provide financial support to U.S. government-sponsored agencies or instrumentalities where it is not specifically obligated to do so by law, such as the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). To the extent a Fund holds securities of such an issuer and that issuer defaults, the Fund might not be able to recover its investment from the U.S. government.

Liquidity Risks: Certain debt obligations may be difficult or impossible to sell at the time and price that the Advisor would like to sell. The Advisor may have to lower the price, sell other debt obligations or forego an investment opportunity, any of which may have a negative effect on the management or performance of the Fund.

Management Risks: The Advisor may err in its choices of debt obligations or portfolio mixes. Such errors could result in a negative return to the Fund and a loss to you.

Mortgage- and Asset-Backed Debt Obligations Risks: Mortgage- and asset-backed debt obligations are subject to interest rate risk. Modest movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain types of these debt obligations. When interest rates fall, mortgage- and asset-backed debt obligations may be subject to prepayment risk, which is the risk that the borrower will prepay some or the entire principal owed to the investor. When interest rates rise, certain types of mortgage- and asset-backed debt obligations are subject to extension risk, discussed below. Mortgage- and asset-backed debt obligations can also be subject to the risk of default on the underlying residential or commercial mortgage(s) or other assets.

Municipal Obligations Risks: Municipal obligations are subject to risks based on many factors, including economic and regulatory developments, changes or proposed changes in the federal and state tax structure, deregulation, court rulings, and other factors. The value of municipal obligations may be affected more by supply and demand factors or the creditworthiness of the issuer than by market interest rates. Repayment of municipal obligations depends on the ability of the issuer or project backing such obligations to generate taxes or revenues. There is a risk that interest may be taxable on a municipal obligation that is otherwise expected to produce tax-exempt interest. The repayment of principal and interest on some of the municipal obligations in which the Fund may invest may be guaranteed or insured by a monoline insurance company. If a company insuring municipal obligations in which the Fund invests experiences financial difficulties, the credit rating and price of the security may deteriorate.

Recent Market Events: U.S. and international markets have experienced significant periods of volatility due to a number of economic, political and other global macro factors. The war between Ukraine and Russia has passed its second anniversary and the October 2023 attack by Hamas and Israel's response has added to global tensions. U.S. and China relations remain strained, impacted by sluggish Chinese economic growth and numerous issues affecting trade relations. Domestically, inflation remains an area of focus since getting to the U.S. Federal Reserve Board's 2% target may prove to be more challenging than the market expects. In addition, 2024 is an election year and the current level of political discord is high. Finally, while the coronavirus (COVID-19) appears to have entered an endemic stage, significant outbreaks present a continued risk to the global economy. These and other events may cause market disruptions and could have an adverse effect on the value of the Fund's investments.

Sector Risks: From time to time, based on market or economic conditions, the Fund may have significant positions in specific sectors of the market. Potential negative market or economic developments affecting one or more of these sectors could have a greater impact on the Fund than on a fund with fewer holdings in that sector.

Valuation Risks: The debt obligations held by the Fund are generally valued using prices provided by approved pricing services or, in some cases, using prices provided by dealers or the valuation committee of the Advisor using fair valuation methodologies. The prices used by the Fund may be different from the prices used by other mutual funds or from the prices at which the Fund's debt obligations are actually bought and sold. The prices of the Fund's debt obligations may be subject to frequent and significant change and will vary depending on the information that is available to the party providing the price.

The following is a summary description of the investment risks of investing in the BlackRock High Yield Bond Fund.

Collateralized Bond Obligations Risk: The pool of high yield securities underlying collateralized bond obligations is typically separated into groupings called tranches representing different degrees of credit quality. The higher quality tranches have greater degrees of protection and pay lower interest rates. The lower tranches, with greater risk, pay higher interest rates.

Convertible Securities Risk: The market value of a convertible security performs like that of a regular debt security; that is, if market interest rates rise, the value of a convertible security usually falls. In addition, convertible securities are subject to the risk that the issuer will not be able to pay interest, principal or dividends when due, and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock, including the potential for increased volatility in the price of the convertible security.

Corporate Loans Risk: Commercial banks and other financial institutions or institutional investors make corporate loans to companies that need capital to grow or restructure. Borrowers generally pay interest on corporate loans at rates that change in response to changes in market interest rates such as the Secured Overnight Financing Rate ("SOFR"), the London Interbank Offered Rate ("LIBOR") or the prime rates of U.S. banks. As a result, the value of corporate loan investments is generally less exposed to the adverse effects of shifts in market interest rates than investments that pay a fixed rate of interest. The market for corporate loans may be subject to irregular trading activity and wide bid/ask spreads. In addition, transactions in corporate loans may settle on a delayed basis. As a result, the proceeds from the sale of corporate loans may not be readily available to make additional investments or to meet the Fund's redemption obligations. To the extent the extended settlement process gives rise to short-term liquidity needs, the Fund may hold additional cash, sell investments or temporarily borrow from banks and other lenders. The corporate loans in which the Fund invests are usually rated below investment grade.

Debt Securities Risk: Debt securities, such as bonds, involve risks, such as credit risk, interest rate risk, extension risk, and prepayment risk, each of which are described in further detail below:

Credit Risk — Credit risk refers to the possibility that the issuer of a debt security (i.e., the borrower) will not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.

Interest Rate Risk — The market value of bonds and other fixed-income securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise.

The Fund may be subject to a greater risk of rising interest rates due to the recent period of historically low interest rates. For example, if interest rates increase by 1%, assuming a current portfolio duration of ten years, and all other factors being equal, the value of the Fund's investments would be expected to decrease by 10%. (Duration is a measure of the price sensitivity of a debt security or portfolio of debt securities to relative changes in interest rates.) The magnitude of these fluctuations in the market price of bonds and other fixed-income securities is generally greater for those securities with longer maturities. Fluctuations in the market price of the

Fund's investments will not affect interest income derived from instruments already owned by the Fund, but will be reflected in the Fund's net asset value. The Fund may lose money if short-term or long-term interest rates rise sharply in a manner not anticipated by Fund management.

To the extent the Fund invests in debt securities that may be prepaid at the option of the obligor (such as mortgage-backed securities), the sensitivity of such securities to changes in interest rates may increase (to the detriment of the Fund) when interest rates rise. Moreover, because rates on certain floating rate debt securities typically reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the net asset value of the Fund to the extent that it invests in floating rate debt securities. These basic principles of bond prices also apply to U.S. Government securities. A security backed by the "full faith and credit" of the U.S. Government is guaranteed only as to its stated interest rate and face value at maturity, not its current market price. Just like other fixed-income securities, government-guaranteed securities will fluctuate in value when interest rates change.

A general rise in interest rates has the potential to cause investors to move out of fixed-income securities on a large scale, which may increase redemptions from funds that hold large amounts of fixed-income securities. Heavy redemptions could cause the Fund to sell assets at inopportune times or at a loss or depressed value and could hurt the Fund's performance.

Extension Risk — When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these obligations to fall.

Prepayment Risk — When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and the Fund may have to invest the proceeds in securities with lower yields.

Derivatives Risk: The Fund's use of derivatives may increase its costs, reduce the Fund's returns and/or increase volatility. Derivatives involve significant risks, including:

Leverage Risk — The Fund's use of derivatives can magnify the Fund's gains and losses. Relatively small market movements may result in large changes in the value of a derivatives position and can result in losses that greatly exceed the amount originally invested.

Market Risk — Some derivatives are more sensitive to interest rate changes and market price fluctuations than other securities. The Fund could also suffer losses related to its derivatives positions as a result of unanticipated market movements, which losses are potentially unlimited. Finally, BlackRock may not be able to predict correctly the direction of securities prices, interest rates and other economic factors, which could cause the Fund's derivatives positions to lose value.

Counterparty Risk — Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will be unable or unwilling to fulfill its contractual obligation, and the related risks of having concentrated exposure to such a counterparty.

Illiquidity Risk — The possible lack of a liquid secondary market for derivatives and the resulting inability of the Fund to sell or otherwise close a derivatives position could expose the Fund to losses and could make derivatives more difficult for the Fund to value accurately.

Operational Risk — The use of derivatives includes the risk of potential operational issues, including documentation issues, settlement issues, systems failures, inadequate controls and human error.

Legal Risk — The risk of insufficient documentation, insufficient capacity or authority of counterparty, or legality or enforceability of a contract.

Volatility and Correlation Risk — Volatility is defined as the characteristic of a security, an index or a market to fluctuate significantly in price within a short time period. A risk of the Fund's use of derivatives is that the fluctuations in their values may not correlate with the overall securities markets.

Valuation Risk — Valuation for derivatives may not be readily available in the market. Valuation may be more difficult in times of market turmoil since many investors and market makers may be reluctant to purchase complex

instruments or quote prices for them. *Hedging Risk* — Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurance that the Fund's hedging transactions will be effective. The use of hedging may result in certain adverse tax consequences.

Tax Risk — Certain aspects of the tax treatment of derivative instruments, including swap agreements and commodity-linked derivative instruments, are currently unclear and may be affected by changes in legislation, regulations or other legally binding authority. Such treatment may be less favorable than that given to a direct investment in an underlying asset and may adversely affect the timing, character and amount of income the Fund realizes from its investments.

Regulatory Risk — Derivative contracts are subject to regulation under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") in the United States and under comparable regimes in Europe, Asia and other non-U.S. jurisdictions. Under the Dodd-Frank Act, with respect to uncleared swaps, swap dealers are required to collect variation margin from the Fund and may be required by applicable regulations to collect initial margin from the Fund. Both initial and variation margin may be comprised of cash and/or securities, subject to applicable regulatory haircuts. Shares of investment companies (other than certain money market funds) may not be posted as collateral under applicable regulations. In addition, regulations adopted by global prudential regulators that are now in effect require certain bank-regulated counterparties and certain of their affiliates to include in certain financial contracts, including many derivatives contracts, terms that delay or restrict the rights of counterparties, such as the Fund, to terminate such contracts, foreclose upon collateral, exercise other default rights or restrict transfers of credit support in the event that the counterparty and/or its affiliates are subject to certain types of resolution or insolvency proceedings. The implementation of these requirements with respect to derivatives, as well as regulations under the Dodd-Frank Act regarding clearing, mandatory trading and margining of other derivatives, may increase the costs and risks to the Fund of trading in these instruments and, as a result, may affect returns to investors in the Fund.

Distressed Securities Risk: Distressed securities are speculative and involve substantial risks in addition to the risks of investing in junk bonds. The Fund will generally not receive interest payments on the distressed securities and may incur costs to protect its investment. In addition, distressed securities involve the substantial risk that principal will not be repaid. These securities may present a substantial risk of default or may be in default at the time of investment. The Fund may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal or interest on its portfolio holdings. In any reorganization or liquidation proceeding relating to a portfolio company, the Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Distressed securities and any securities received in an exchange for such securities may be subject to restrictions on resale.

Dollar Rolls Risk: Dollar rolls involve the risk that the market value of the securities that the Fund is committed to buy may decline below the price of the securities the Fund has sold. These transactions may involve leverage.

Emerging Markets Risk: Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets.

Foreign Securities Risk: Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. These risks include:

- The Fund generally holds its foreign securities and cash in foreign banks and securities depositories, which maybe recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.
- Changes in foreign currency exchange rates can affect the value of the Fund's portfolio.
- The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.
- The governments of certain countries, or the U.S. Government with respect to certain countries, may prohibit or impose substantial restrictions through capital controls and/or sanctions on foreign

investments in the capital markets or certain industries in those countries, which may prohibit or restrict the ability to own or transfer currency, securities, derivatives or other assets.

- Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws.
- Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.
- The Fund's claims to recover foreign withholding taxes may not be successful, and if the likelihood of recovery of foreign withholding taxes materially decreases, due to, for example, a change in tax regulation or approach in the foreign country, accruals in the Fund's net asset value for such refunds may be written down partially or in full, which will adversely affect the Fund's net asset value.
- The European financial markets have recently experienced volatility and adverse trends due to concerns about economic downturns in, or rising government debt levels of, several European countries as well as acts of war in the region. These events may spread to other countries in Europe and may affect the value and liquidity of certain of the Fund's investments.

High Portfolio Turnover Risk: The Fund may engage in active and frequent trading of its portfolio securities. High portfolio turnover (more than 100%) may result in increased transaction costs to the Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities. The sale of Fund portfolio securities may result in the realization and/or distribution to shareholders of higher capital gains or losses as compared to a fund with less active trading policies. These effects of higher than normal portfolio turnover may adversely affect Fund performance.

High Yield Bonds Risk: Although junk bonds generally pay higher rates of interest than investment grade bonds, junk bonds are high risk investments that are considered speculative and may cause income and principal losses for the Fund.

Illiquid Investments Risk: The Fund may not acquire any illiquid investment if, immediately after the acquisition, the Fund would have invested more than 15% of its net assets in illiquid investments. An illiquid investment is any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. Liquid investments may become illiquid after purchase by the Fund, particularly during periods of market turmoil.

There can be no assurance that a security or instrument that is deemed to be liquid when purchased will continue to be liquid for as long as it is held by the Fund, and any security or instrument held by the Fund may be deemed an illiquid investment pursuant to the Fund's liquidity risk management program. The Fund's illiquid investments may reduce the returns of the Fund because it may be difficult to sell the illiquid investments at an advantageous time or price. In addition, if the Fund is limited in its ability to sell illiquid investments during periods when shareholders are redeeming their shares, the Fund will need to sell liquid securities to meet redemption requests and illiquid securities will become a larger portion of the Fund's holdings. An investment may be illiquid due to, among other things, the reduced number and capacity of traditional market participants to make a market in fixed-income securities or the lack of an active trading market. To the extent that the Fund's principal investment strategies involve derivatives or securities with substantial market and/or credit risk, the Fund will tend to have the greatest exposure to the risks associated with illiquid investments. Illiquid investments may be harder to value, especially in changing markets, and if the Fund is forced to sell these investments to meet redemption requests or for other cash needs, the Fund may suffer a loss. This may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed-income mutual funds may be higher than normal. In addition, when there is illiquidity in the market for certain securities, the Fund, due to limitations on illiquid investments, may be subject to purchase and sale restrictions.

Leverage Risk: Some transactions may give rise to a form of economic leverage. These transactions may include, among others, derivatives, and may expose the Fund to greater risk and increase its costs. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet the applicable requirements of the Investment Company Act of 1940, as amended, and the rules thereunder. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage.

Market Risk and Selection Risk: Market risk is the risk that one or more markets in which the Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues like pandemics or epidemics, recessions, or other events could have a significant impact on the Fund and its investments. Selection risk is the risk that the securities selected by Fund management will underperform the markets, the relevant indices or the securities selected by other funds with similar investment objectives and investment strategies. This means you may lose money.

An outbreak of an infectious coronavirus (COVID-19) that was first detected in December 2019 developed into a global pandemic that has resulted in numerous disruptions in the market and has had significant economic impact leaving general concern and uncertainty. Although vaccines have been developed and approved for use by various governments, the duration of the pandemic and its effects cannot be predicted with certainty. The impact of this coronavirus, and other epidemics and pandemics that may arise in the future, could affect the economies of many nations, individual companies and the market in general ways that cannot necessarily be foreseen at the present time.

Mezzanine Securities Risk: Mezzanine securities carry the risk that the issuer will not be able to meet its obligations and that the equity securities purchased with the mezzanine investments may lose value.

Mortgage- and Asset-Backed Securities Risks: Mortgage- and asset-backed securities represent interests in “pools” of mortgages or other assets, including consumer loans or receivables held in trust. Mortgage- and asset-backed securities are subject to credit, interest rate, prepayment and extension risks. These securities also are subject to risk of default on the underlying mortgage or asset, particularly during periods of economic downturn. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.

Preferred Securities Risk: Preferred securities may pay fixed or adjustable rates of return. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company’s preferred securities generally pay dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of preferred securities will usually react more strongly than bonds and other debt to actual or perceived changes in the company’s financial condition or prospects. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred securities of larger companies.

Repurchase Agreements and Purchase and Sale Contracts Risk: If the other party to a repurchase agreement or purchase and sale contract defaults on its obligation under the agreement, the Fund may suffer delays and incur costs or lose money in exercising its rights under the agreement. If the seller fails to repurchase the security in either situation and the market value of the security declines, the Fund may lose money.

Reverse Repurchase Agreements Risk: Reverse repurchase agreements involve the sale of securities held by the Fund with an agreement to repurchase the securities at an agreed-upon price, date and interest payment. Reverse repurchase agreements involve the risk that the other party may fail to return the securities in a timely manner or at all. The Fund could lose money if it is unable to recover the securities and the value of the collateral held by the Fund, including the value of the investments made with cash collateral, is less than the value of the securities. These events could also trigger adverse tax consequences for the Fund. In addition, reverse repurchase agreements involve the risk that the interest income earned in the investment of the proceeds will be less than the interest expense.

Risk of Investing in the United States: Certain changes in the U.S. economy, such as when the U.S. economy weakens or when its financial markets decline, may have an adverse effect on the securities to which the Fund has exposure.

The following is a summary description of the investment risks of investing in the Dimensional Funds.

China Investments Risk: There are special risks associated with investments in China and Taiwan, which are considered emerging market countries by the Advisor. The Chinese government has implemented significant economic reforms in order to liberalize trade policy, promote foreign investment in the economy, reduce government control of the economy and develop market mechanisms. But there can be no assurance that these reforms will continue or that they will be effective. Despite reforms and privatizations of companies in certain sectors, the Chinese government still exercises substantial influence over many aspects of the private sector and may own or control many companies. The Chinese government continues to maintain a major role in economic policy making and investing in China involves risks of losses due to expropriation, nationalization, confiscation of assets and property, and the imposition of restrictions on foreign investments and on repatriation of capital invested.

A reduction in spending on Chinese products and services or the institution of additional tariffs or other trade barriers, including as a result of heightened trade tensions between China and the United States may also have an adverse impact on the Chinese economy. In addition, investments in Taiwan could be adversely affected by its political and economic relationship with China. Certain securities issued by companies located or operating in China, such as China A-shares, are also subject to trading restrictions, quota limitations and less market liquidity, which could pose risks to a fund investing in such securities. In addition, investments in special structures that utilize contractual arrangements to provide exposure to certain Chinese companies, known as variable interest entities (“VIEs”), that operate in sectors in which China restricts and/or prohibits foreign investments may present additional risks. The Chinese government’s acceptance of the VIE structure is evolving. It is uncertain whether Chinese officials and regulators will withdraw their acceptance of the structure generally, or with respect to certain industries, or whether Chinese courts or arbitration bodies would decline to enforce the contractual rights of foreign investors, each of which would likely have significant, detrimental, and possibly permanent losses on the value of such investments.

Cyber Security Risk: A fund and its service providers’ use of internet, technology and information systems may expose the fund to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorized party to gain access to proprietary information, customer data, or fund assets, or cause the fund and/or its service providers to suffer data corruption or lose operational functionality.

Derivatives Risk: Derivatives are instruments, such as futures contracts, and options thereon, and foreign currency forward contracts, whose value is derived from that of other assets, rates or indices. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments. When a fund uses derivatives, the fund will be directly exposed to the risks of those derivatives. Derivative instruments are subject to a number of risks including counterparty, settlement, liquidity, interest rate, market, credit and management risks, as well as the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and a fund could lose more than the principal amount invested.

Emerging Markets Risk: Numerous emerging market countries have a history of, and continue to experience serious, and potentially continuing, economic and political problems. Stock markets in many emerging market countries are relatively small, expensive to trade in and generally have higher risks than those in developed markets. Securities in emerging markets also may be less liquid than those in developed markets and foreigners are often limited in their ability to invest in, and withdraw assets from, these markets. Additional restrictions may be imposed under other conditions. Frontier market countries generally have smaller economies or less developed capital markets and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries.

Equity Market Risk: Even a long-term investment approach cannot guarantee a profit. Economic, market, political, and issuer-specific conditions and events will cause the value of equity securities, and a fund that owns them, to rise or fall. Stock markets are volatile, with periods of rising prices and periods of falling prices.

Foreign Securities and Currencies Risk: Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities may also be exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar or that a foreign government will convert, or be forced to

convert, its currency to another currency, changing its value against the U.S. dollar). The Portfolio does not hedge foreign currency risk.

Depository receipts are generally subject to the same risks as the foreign securities that they evidence or into which they may be converted. In addition, the underlying issuers of certain depository receipts, particularly unsponsored or unregistered depository receipts, are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities. Depository receipts that are not sponsored by the issuer may be less liquid and there may be less readily available public information about the issuer.

Fund of Funds Risk: The investment performance of a fund of funds is affected by the investment performance of the underlying funds in which the fund of funds invests. The ability of a fund of funds to achieve its investment objective depends on the ability of the underlying funds to meet their investment objectives and on the Advisor's decisions regarding the allocation of a fund of funds' assets among the underlying funds. A fund of funds may allocate assets to an underlying fund or asset class that underperforms other funds or asset classes. There can be no assurance that the investment objective of a fund of funds or any underlying fund will be achieved. Through its investments in the underlying funds, a fund of funds is subject to the risks of the underlying funds' investments. When a fund of funds invests in underlying funds, investors are exposed to a proportionate share of the expenses of those underlying funds in addition to the expenses of a fund of funds. Certain risks of the Underlying Funds' investments that are principal risks of investing in the Portfolio are described below.

Operational Risk: Operational risks include human error, changes in personnel, system changes, faults in communication, and failures in systems, technology, or processes. Various operational events or circumstances are outside a fund's or its advisor's control, including instances at third parties. A fund and its advisor seek to reduce these operational risks through controls and procedures. However, measures that seek to reduce these operational risks through controls and procedures may not address every possible risk and may be inadequate to address these risks.

Profitability Investment Risk: High relative profitability stocks may perform differently from the market as a whole and an investment strategy purchasing these securities may cause a fund to at times underperform equity funds that use other investment strategies.

Securities Lending Risk: Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a fund may lose money and there may be a delay in recovering the loaned securities. A fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. Securities lending also may have certain adverse tax consequences.

Small Company Risk: Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Small and Mid-Cap Company Risk: Securities of small and mid-cap companies are often less liquid than those of large companies and this could make it difficult to sell a small or mid-cap company security at a desired time or price. As a result, small and mid-cap company stocks may fluctuate relatively more in price. In general, small and mid-capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Value Investment Risk: Value stocks may perform differently from the market as a whole and an investment strategy purchasing these securities may cause a fund to at times underperform equity funds that use other investment strategies. Value stocks can react differently to political, economic, and industry developments than the market as a whole and other types of stocks. Value stocks also may underperform the market for long periods of time.

The following is a summary description of the investment risks of investing in the Dodge & Cox Funds.

Below investment-grade securities risk: Debt securities rated below investment grade, also known as high-yield or “junk” bonds generally have greater credit risk, more price volatility, and less liquidity than investment-grade securities.

Call Risk: If interest rates fall, issuers of callable bonds may repay securities with higher interest rates before maturity. This could cause the Fund to lose potential price appreciation or anticipated income and reinvest the proceeds in securities with lower interest rates.

Credit Risk: An issuer or guarantor of a debt security may be unable or unwilling to make scheduled payments of interest and principal. Actual or perceived deterioration in an issuer’s or guarantor’s financial condition may affect a security’s value.

Derivatives risk: Investing with derivatives, such as currency forward contracts, interest rate swaps, and futures contracts and other similar investments (collectively referred to as “derivatives”) involves risks additional to and possibly greater than those associated with investing directly in securities. The value of a derivative may not correlate to the value of the underlying instrument to the extent expected. A derivative can create leverage because it can result in exposure to an amount of a security, index, or other underlying investment (a “notional amount”) that is substantially larger than the derivative position’s market value. Often, the upfront payment required to enter into a derivative is much smaller than the potential for loss, which for certain types of derivatives may be unlimited. The Fund may not be able to close a derivatives position at an advantageous time or price. As a result, the Fund may be required to continue making required margin and settlement payments and, if the Fund has insufficient cash on hand to meet such requirements, it may have to sell securities from its portfolio at a time when it may be disadvantageous to do so. For over-the-counter derivatives transactions, the counterparty may be unable or unwilling to make required payments and deliveries, especially during times of financial market distress. Derivatives also can create operational and legal risk. Changes in regulation relating to a mutual fund’s use of derivatives and related instruments may make derivatives more costly, limit the availability of derivatives, or otherwise adversely affect the value or performance of derivatives and the Fund.

Emerging markets 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.

Geographic risk: From time to time the Fund may invest a substantial amount of its assets in issuers located in a single country or a limited number of countries. If the Fund focuses its investments in this manner, risks relating to economic, political and social conditions in those countries will have a significant impact on its investment performance. The Fund’s investment performance may be more volatile if it focuses its investments in certain countries, especially emerging market or frontier market countries.

Hybrid securities risk: Hybrid securities are typically subordinated to an issuer’s senior debt instruments; therefore, they are subject to greater credit risk than those senior debt instruments. Many hybrid securities are subject to provisions permitting their issuers to skip or defer distributions under specified circumstances. Hybrid securities may have limited or no voting rights and may have substantially lower overall liquidity than other securities. Certain types of hybrid securities, such as non-cumulative perpetual preferred stock, are issued predominantly by companies in the financial services industry and thus may present increased risk during times of financial upheaval, which may affect financial services companies more than other types of issuers.

Interest rate risk: Debt security prices may decline due to rising interest rates. The price of debt securities with longer maturities is typically affected more by rising interest rates than the price of debt securities with shorter maturities.

Liquidity risk: The 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. Liquidity risk may result from the lack of an active market or a reduced number and capacity of traditional market participants to make a market in fixed income securities and may be magnified during times of market stress or under circumstances that cause increased supply in the market due to unusually high selling activity.

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. Depending on the market

conditions, Dodge & Cox's investing style may perform better or worse than portfolios with a different investment style. Dodge & Cox may not make timely purchases or sales of securities for the Fund. The Fund may underperform the broad market, relevant indices, or other funds with similar objectives and investment strategies.

Market risk: Investment prices may increase or decrease, sometimes suddenly and unpredictably, due to general market conditions. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, inflation, or other events could also have a significant impact on the Fund and its investments and potentially increase the risks described above.

Mortgage- and asset-backed securities risk: Mortgage- and certain asset-backed securities permit early repayment of principal based on prepayment of the underlying assets; changes in the rate of repayment affect the price and volatility of an investment. If prepayments occur more quickly than expected, the Fund receives lower interest payments than it expects. If prepayments occur more slowly than expected, it delays the return of principal to the Fund. Securities issued by certain U.S. government-sponsored entities ("GSEs") are not issued or guaranteed by the U.S. Treasury; there is no assurance the U.S. government will provide support in the event a GSE issuer cannot meet its obligations.

Non-U.S. currency risk: Non-U.S. currencies may decline relative to the U.S. dollar, which reduces the unhedged value of investments denominated in or otherwise exposed to those currencies. Dodge & Cox may not hedge or may not be successful in hedging the Fund's currency exposure and may not be able to determine accurately the extent to which a security or its issuer is exposed to currency risk.

Non-U.S. investment risk: Securities of non-U.S. issuers may be more volatile, harder to value, and have lower overall liquidity 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 U.S. or foreign 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. securities may decline in value 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.

Sovereign and government-related debt risk: An issuer of sovereign debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due. In the event of a default by a governmental entity on a sovereign debt obligation, there may be few or no effective legal remedies for collecting on such debt.

Sovereign and government-related debt risk: An issuer of sovereign debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due. In the event of a default by a governmental entity on a sovereign debt obligation, there may be few or no effective legal remedies for collecting on such debt.

To-Be-Announced transaction risk: TBA mortgage-backed securities transactions involve an agreement under which the buyer agrees to purchase a pool of mortgage-backed securities for a fixed price with payment and delivery at a scheduled future date, typically between 30 and 60 days in the future. During the settlement period of a TBA transaction, the buyer is at risk for any decline in the value of the securities to be delivered, while the seller is at risk that the value of the securities may increase. In order to maintain TBA exposure past the scheduled settlement date, a buyer must "roll" the transaction by selling its original position and simultaneously purchasing a similar new one with a settlement date further in the future. Each time the Fund rolls a TBA position (typically every 30-60 days), it incurs transaction costs, which are borne by the Fund and its shareholders, and reduces the total return of the Fund. Maintaining TBA exposure will increase a Fund's portfolio turnover rate.

The following is a summary description of the investment risks of investing in the DWS RREEF Global Real Estate Securities Fund.

Concentration risk: Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly. Any market price movements, regulatory or technological changes,

or economic conditions affecting the particular segment of the market in which the fund concentrates may have a significant impact on the fund's performance.

Counterparty risk: A financial institution or other counterparty with whom the fund does business, or that underwrites, distributes or guarantees any investments or contracts that the fund owns or is otherwise exposed to, may decline in financial health and become unable to honor its commitments. This could cause losses for the fund or could delay the return or delivery of collateral or other assets to the fund.

Credit risk: The fund's performance could be hurt if an issuer of a debt security suffers an adverse change in financial condition that results in the issuer not making timely payments of interest or principal, a security downgrade or an inability to meet a financial obligation. Credit risk is greater for lower-rated securities.

Because the issuers of high-yield debt securities, or junk bonds (debt securities rated below the fourth highest credit rating category), may be in uncertain financial health, the prices of their debt securities can be more vulnerable to bad economic news, or even the expectation of bad news, than investment-grade debt securities. Credit risk for high-yield securities is greater than for higher-rated securities.

Currency risk: Changes in currency exchange rates may affect the value of the fund's investments and the fund's share price. The value of currencies are influenced by a variety of factors, that include: interest rates, national debt levels and trade deficits, changes in balances of payments and trade, domestic and foreign interest and inflation rates, global or regional political, economic or financial events, monetary policies of governments, actual or potential government intervention, global energy prices, political instability and government monetary policies and the buying or selling of currency by a country's government. Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the US dollar or, in the case of hedged positions, that the US dollar will decline relative to the currency being hedged. Currency exchange rates can be volatile and can change quickly and unpredictably, thereby impacting the value of the fund's investments.

Emerging markets risk: Foreign investment risks are greater in emerging markets than in developed markets. Investments in emerging markets are often considered speculative.

Foreign investment risk: The fund faces the risks inherent in foreign investing. Adverse political, economic or social developments, as well as US and foreign government actions such as the imposition of tariffs, economic and trade sanctions or embargoes, could undermine the value of the fund's foreign investments, prevent the fund from realizing the full value of its foreign investments or prevent the fund from selling foreign securities it holds.

Financial reporting standards for companies based in foreign markets differ from those in the US. Additionally, foreign securities markets generally are smaller and less liquid than US markets. To the extent that the fund invests in non-US dollar denominated foreign securities, changes in currency exchange rates may affect the US dollar value of foreign securities or the income or gain received on these securities. In addition, because non-US markets may be open on days when the fund does not price its shares, the value of the foreign securities in the fund's portfolio may change on days when shareholders will not be able to purchase or sell the fund's shares.

Interest rate risk: When interest rates rise, prices of debt securities generally decline. The longer the duration of the fund's debt securities, the more sensitive the securities will be to interest rate changes. (As a general rule, a 1% rise in interest rates means a 1% fall in value for every year of duration.) Interest rates can change in response to the supply and demand for credit, government and/or central bank monetary policy and action, inflation rates, and other factors. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility and potential illiquidity and may detract from fund performance to the extent the fund is exposed to such interest rates and/or volatility.

Liquidity risk: In certain situations, it may be difficult or impossible to sell an investment and/or the fund may sell certain investments at a price or time that is not advantageous in order to meet redemption requests or other cash needs. Unusual market conditions, such as an unusually high volume of redemptions or other similar conditions could increase liquidity risk for the fund.

Market disruption risk: Economies and financial markets throughout the world have become increasingly interconnected, which has increased the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. This includes reliance on global supply chains that are susceptible to disruptions resulting from, among other things, war and other armed conflicts, extreme weather events, and natural disasters. Such supply chain disruptions can lead to, and have led to, economic and market disruptions that have far-reaching effects on financial markets worldwide. The value of the fund's investments may be negatively affected by adverse changes in overall economic or market conditions, such as the level of economic activity and productivity, unemployment and labor force participation rates, inflation or deflation (and expectations for inflation or deflation), interest rates, demand and supply for particular products or resources including labor, and debt levels and credit ratings, among other factors. Such adverse conditions may contribute to an overall economic contraction across entire economies or markets, which may negatively impact the profitability of issuers operating in those economies or markets. In addition, geopolitical and other globally interconnected occurrences, including war, terrorism, economic uncertainty or financial crises, contagion, trade disputes, government debt crises (including defaults or downgrades) or uncertainty about government debt payments, government shutdowns, public health crises, natural disasters, supply chain disruptions, climate change and related events or conditions, have led, and in the future may lead, to disruptions in the US and world economies and markets, which may increase financial market volatility and have significant adverse direct or indirect effects on the fund and its investments. Adverse market conditions or disruptions could cause the fund to lose money, experience significant redemptions, and encounter operational difficulties. Although multiple asset classes may be affected by adverse market conditions or a particular market disruption, the duration and effects may not be the same for all types of assets.

Current military and other armed conflicts in various geographic regions, including those in Europe and the Middle East, can lead to, and have led to, economic and market disruptions, which may not be limited to the geographic region in which the conflict is occurring. Such conflicts can also result, and have resulted in some cases, in sanctions being levied by the United States, the European Union and/or other countries against countries or other actors involved in the conflict. In addition, such conflicts and related sanctions can adversely affect regional and global energy, commodities, financial and other markets and thus could affect the value of the fund's investments. The extent and duration of any military conflict, related sanctions and resulting economic and market disruptions are impossible to predict, but could be substantial.

Other market disruption events include pandemic spread of viruses, such as the novel coronavirus known as COVID-19, which have caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain disruptions. While COVID-19 is no longer considered to be a public health emergency, the fund and its investments may be adversely affected by lingering effects of this virus or future pandemic spread of viruses.

In addition, markets are becoming increasingly susceptible to disruption events resulting from the use of new and emerging technologies to engage in cyber-attacks or to take over the websites and/or social media accounts of companies, governmental entities or public officials, or to otherwise pose as or impersonate such, which then may be used to disseminate false or misleading information that can cause volatility in financial markets or for the stock of a particular company, group of companies, industry or other class of assets.

Adverse market conditions or particular market disruptions, such as those discussed above, may magnify the impact of each of the other risks described in this "MAIN RISKS" section and may increase volatility in one or more markets in which the fund invests leading to the potential for greater losses for the fund.

Operational and technology risk: Cyber-attacks, disruptions or failures that affect the fund's service providers or counterparties, issuers of securities held by the fund, or other market participants may adversely affect the fund and its shareholders, including by causing losses for the fund or impairing fund operations. For example, the fund's or its service providers' assets or sensitive or confidential information may be misappropriated, data may be corrupted and operations may be disrupted (e.g., cyber-attacks, operational failures or broader disruptions may cause the release of private shareholder information or confidential fund information, interfere with the processing of shareholder transactions, impact the ability to calculate the fund's net asset value and impede trading). Market events and disruptions also may trigger a volume of transactions that overloads current information technology and communication systems and processes, impacting the ability to conduct the fund's operations.

While the fund and its service providers may establish business continuity and other plans and processes that seek to address the possibility of and fallout from cyber-attacks, disruptions or failures, there are inherent limitations in such plans and systems, including that they do not apply to third parties, such as fund counterparties, issuers of securities held by the fund or other market participants, as well as the possibility that certain risks have not been identified or that unknown threats may emerge in the future and there is no assurance that such plans and processes will be effective. Among other situations, disruptions (for example, pandemics or health crises) that cause prolonged periods of remote work or significant employee absences at the fund's service providers could impact the ability to conduct the fund's operations. In addition, the fund cannot directly control any cybersecurity plans and systems put in place by its service providers, fund counterparties, issuers of securities held by the fund or other market participants.

Pricing risk: If market conditions make it difficult to value some investments, the fund may value these investments using more subjective methods, such as fair value pricing. In such cases, the value determined for an investment could be different from the value realized upon such investment's sale. As a result, you could pay more than the market value when buying fund shares or receive less than the market value when selling fund

Real estate securities risk: The fund may invest without limitation in securities of companies engaged principally in the real estate industry, and will therefore be susceptible to adverse economic, business, legal, regulatory or other occurrences affecting real estate companies. Real estate companies, including REITs, can be negatively affected by the risks associated with direct ownership of real estate, such as general or local economic conditions, decreases in real estate value, increases in property taxes and operating expenses, liabilities or losses due to environmental problems, extreme weather or natural disasters, delays in completion of construction, falling rents (whether due to poor demand, increased competition, overbuilding, or limitations on rents), zoning changes, rising interest rates, lack of credit, failure of borrowers to repay loans and losses from casualty or condemnation. In addition, real estate values have been subject to substantial fluctuations and declines on a local, regional and national basis in the past and may continue to be in the future. During periods of rising interest rates, real estate securities may lose appeal for investors who may be able to obtain higher yields from other income-producing investments. Rising interest rates may also mean that financing for property purchases and improvements is more costly and difficult to obtain. In addition, many real estate companies, including REITs, utilize leverage which increases investment risk. Political or regulatory pressures may restrict the eviction of real estate tenants in default. Highly leveraged real estate companies are particularly vulnerable to the effects of an economic downturn. Further, REITs are dependent upon management skills, may not be diversified and may have relatively small market capitalizations, which can increase volatility. REITs must satisfy certain requirements in order to qualify for favorable tax treatment under applicable tax laws, and a failure to qualify could adversely affect the value of the REIT. By investing in REITs through a fund, a shareholder will bear expenses of the REITs in addition to expenses of the fund and will not be entitled to the federal income tax deduction for qualified REIT dividends available to noncorporate investors that own REITs directly unless certain holding period and other requirements are satisfied.

Securities lending risk: Securities lending involves the risk that the fund may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. A delay in the recovery of loaned securities could interfere with the fund's ability to vote proxies or settle transactions. Delayed settlement may limit the ability of the fund to reinvest the proceeds of a sale of securities or prevent the fund from selling securities at times and prices it considers desirable. The fund could also lose money in the event of a decline in the value of the collateral provided for the loaned securities, or a decline in the value of any investments made with cash collateral or even a loss of rights in the collateral should the borrower of the securities fail financially while holding the securities.

Security selection risk: The securities in the fund's portfolio may decline in value. Portfolio management could be wrong in its analysis of industries, companies, economic trends, ESG factors, the relative attractiveness of different securities or other matters.

Small company risk: Small company stocks tend to be more volatile than medium-sized or large company stocks. Because stock analysts are less likely to follow small companies, less information about them is available to investors. Industry-wide reversals may have a greater impact on small companies, since they may lack the financial resources of larger companies. Small company stocks are typically less liquid than large company stocks.

Stock market risk: When stock prices fall, you should expect the value of your investment to fall as well. Stock prices can be hurt by poor management on the part of the stock's issuer, shrinking product demand and other business risks. These may affect single companies as well as groups of companies. The market as a whole may not favor the types of investments the fund makes, which could adversely affect a stock's price, regardless of how well the company performs, or the fund's ability to sell a stock at an attractive price. There is a chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising and falling prices. Events in the US and global financial markets, including actions taken by the US Federal Reserve or foreign central banks to stimulate or stabilize economic growth, may at times result in unusually high market volatility which could negatively affect performance. High market volatility may also result from significant shifts in momentum of one or more specific stocks due to unusual increases or decreases in trading activity. Momentum can change quickly, and securities subject to shifts in momentum may be more volatile than the market as a whole and returns on such securities may drop precipitously. To the extent that the fund invests in a particular geographic region, capitalization or sector, the fund's performance may be affected by the general performance of that region, capitalization or sector.

The following is a summary description of the investment risks of investing in the Goldman Sachs GQG Partners International Opportunities Fund.

Depository Receipts Risk: Foreign securities may trade in the form of depository receipts ("Depository Receipts"), which include American Depository Receipts ("ADRs"). To the extent the Fund acquires Depository Receipts through banks which do not have a contractual relationship with the foreign issuer of the security underlying the Depository Receipts to issue and service such un-sponsored Depository Receipts, there may be an increased possibility that the Fund would not become aware of and be able to respond to corporate actions such as stock splits or rights offerings involving the foreign issuer in a timely manner. In addition, the lack of information may result in inefficiencies in the valuation of such instruments. Investment in Depository Receipts does not eliminate all the risks inherent in investing in securities of non-U.S. issuers. The market value of Depository Receipts is dependent upon the market value of the underlying securities and fluctuations in the relative value of the currencies in which the Depository Receipts and the underlying securities are quoted. The issuers of Depository Receipts may discontinue issuing new Depository Receipts and withdraw existing Depository Receipts at any time, which may result in costs and delays in the distribution of the underlying assets to the Fund and may negatively impact the Fund's performance.

Foreign and Emerging Countries Risk: Foreign securities may be subject to risk of loss because of more or less foreign government regulation; less public information; less stringent investor protections; less stringent accounting, corporate governance, financial reporting and disclosure standards; and less economic, political and social stability in the countries in which the Fund invests. The imposition of sanctions, exchange controls (including repatriation restrictions), confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or from problems in share registration, settlement or custody, may also result in losses. The type and severity of sanctions and other similar measures, including counter sanctions and other retaliatory actions, that may be imposed could vary broadly in scope, and their impact is impossible to predict. For example, the imposition of sanctions and other similar measures could, among other things, cause a decline in the value and/or liquidity of securities issued by the sanctioned country or companies located in or economically tied to the sanctioned country and increase market volatility and disruption in the sanctioned country and throughout the world. Sanctions and other similar measures could limit or prevent the Fund from buying and selling securities (in the sanctioned country and other markets), significantly delay or prevent the settlement of securities transactions, and significantly impact the Fund's liquidity and performance. Foreign risk also involves the risk of negative foreign currency exchange rate fluctuations, which may cause the value of securities denominated in such foreign currency (or other instruments through which the Fund has exposure to foreign currencies) to decline in value. Currency exchange rates may fluctuate significantly over short periods of time. These risks are more pronounced in connection with the Fund's investments in securities of issuers located in, or otherwise economically tied to, emerging countries.

Geographic Risk: If the Fund focuses its investments in issuers located in a particular country or geographic region, it will subject the Fund, to a greater extent than if investments were less focused, to the risks of volatile economic cycles and/or conditions and developments that may be particular to that country or region, such as: adverse securities markets; adverse exchange rates; adverse social, political, regulatory, economic, business, environmental or other developments; or natural disasters.

Initial Public Offering Risk: The market value of IPO shares will fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about the issuer. The purchase of IPO shares may involve high transaction costs. IPO shares are subject to market risk and liquidity risk.

Investing Through Stock Connect Risk: Investing in China A Shares through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect (“Stock Connect”) program is subject to trading, clearance, settlement, and other procedures, which could pose risks to the Fund. Trading through Stock Connect is subject to market-wide trading volume and market cap quota limitations, each of which may restrict or preclude the Fund’s ability to invest in A Shares through Stock Connect. A primary feature of Stock Connect is the application of the home market’s laws and rules applicable to investors in A Shares. Therefore, the Fund’s investments in Stock Connect A Shares are generally subject to securities regulations and listing rules, among other restrictions, of the government of the People’s Republic of China. Additionally, restrictions on the timing of permitted trading activity in A Shares, including the imposition of local holidays in either Hong Kong or Mainland China and restrictions on purchasing and selling the same security on the same day, may subject the Fund to the risk of price fluctuations of China A Shares at times when the Fund is unable to add to or exit its position.

Investment Style Risk: Different investment styles (e.g., “growth”, “value” or “quantitative”) tend to shift in and out of favor depending upon market and economic conditions and investor sentiment. The Fund may outperform or underperform other funds that invest in similar asset classes but employ different investment styles.

Large Shareholder Transactions Risk: The Fund may experience adverse effects when certain large shareholders purchase or redeem large amounts of shares of the Fund. Such large shareholder redemptions, which may occur rapidly or unexpectedly, may cause the Fund to sell portfolio securities at times when it would not otherwise do so, which may negatively impact the Fund's net asset value (“NAV”) and liquidity. Similarly, large Fund share purchases may adversely affect the Fund's performance to the extent that the Fund is delayed in investing new cash or otherwise maintains a larger cash position than it ordinarily would. These transactions may also accelerate the realization of taxable income to shareholders if such sales of investments resulted in gains, and may also increase transaction costs. In addition, a large redemption could result in the Fund's current expenses being allocated over a smaller asset base, leading to an increase in the Fund's expense ratio.

Management Risk: A strategy used by the Sub-Adviser may fail to produce the intended results.

Market Risk: The market value of the securities in which the Fund invests may go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets. Events such as war, military conflict, acts of terrorism, social unrest, natural disasters, recessions, inflation, rapid interest rate changes, supply chain disruptions, sanctions, the spread of infectious illness or other public health threats could also significantly impact the Fund and its investments.

Mid-Cap and Small-Cap Risk: Investments in mid-capitalization and small-capitalization companies involve greater risks than those associated with larger, more established companies. These securities may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

Other Investment Companies Risk: By investing in other investment companies (including ETFs) indirectly through the Fund, investors will incur a proportionate share of the expenses of the other investment companies held by the Fund (including operating costs and investment management fees) in addition to the fees and expenses regularly borne by the Fund. In addition, the Fund will be affected by the investment policies, practices and performance of such investment companies in direct proportion to the amount of assets the Fund invests therein.

Participation Notes Risk: Participation notes are designed to track the return of a particular underlying equity or debt security, currency or market. Investments in participation notes involve the same risks associated with a direct investment in the underlying security, currency or market that they seek to replicate. The Fund has no rights under participation notes against the issuer of the underlying security and must rely on the creditworthiness of the counterparty to the transaction.

Portfolio Turnover Rate Risk: A high rate of portfolio turnover involves correspondingly greater expenses which must be borne by the Fund and its shareholders.

Stock Risk: Stock prices have historically risen and fallen in periodic cycles. U.S. and foreign stock markets have experienced periods of substantial price volatility in the past and may do so again in the future.

The following is a summary description of the investment risks of investing in the Nuveen Funds.

Active Management Risk: The risk that Advisors' strategy, investment selection or trading execution may cause the Fund to underperform relative to the benchmark index or mutual funds with similar investment objectives and may not produce expected returns.

Currency Risk: The risk that foreign (non-U.S.) currencies may decline in value relative to the U.S. dollar and adversely affect the value of the Fund's investments in foreign currencies, securities denominated in foreign currencies or derivative instruments that provide exposure to foreign currencies.

Derivatives Risk: The risks associated with investing in derivatives and other similar instruments (referred to collectively as "derivatives") may be different and greater than the risks associated with directly investing in the underlying securities and other instruments, and include leverage risk, market risk, counterparty risk, liquidity risk, operational risk and legal risk. The Fund may use more complex derivatives that might be particularly susceptible to liquidity, credit and counterparty risk. When investing in derivatives, the Fund may lose more than the principal amount invested.

Foreign Investment Risk: Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, currency, market or economic developments as well as armed conflicts and can result in greater price volatility and perform differently from financial instruments of U.S. issuers. This risk may be heightened in emerging or developing markets. Foreign investments may also have lower liquidity and be more difficult to value than investments in U.S. issuers. Foreign investments may also be subject to risk of loss because of more or less foreign government regulation, less public information, less stringent investor protections and less stringent accounting, corporate governance, financial reporting and disclosure standards. Changes in the value of foreign currencies may make the return on an investment increase or decrease, unrelated to the quality or performance of the investment itself. The imposition of sanctions, exchange controls (including repatriation restrictions), confiscations, trade restrictions (including tariffs) and other restrictions by the United States or other governments may also negatively impact the Fund's investments. Economic sanctions and other similar governmental actions or developments could, among other things, effectively restrict or eliminate the Fund's ability to purchase or sell certain foreign securities or groups of foreign securities, and/or thus may make the Fund's investments in such securities less liquid (or illiquid) or more difficult to value. The type and severity of sanctions and other measures that may be imposed could vary broadly in scope, and their impact is impossible to predict.

Illiquid Investments Risk: The risk that illiquid investments may be difficult to sell for the value at which they are carried, if at all, or at any price within the desired time frame.

Index Risk: The risk that the Fund's performance may not correspond to its benchmark index for any period of time and may underperform such index or the overall financial market. Additionally, to the extent that the Fund's investments vary from the composition of its benchmark index, the Fund's performance could potentially vary from the index's performance to a greater extent than if the Fund merely attempted to replicate the index.

Issuer Risk (often called Financial Risk): The risk that an issuer's earnings prospects, credit rating and overall financial position will deteriorate, causing a decline in the value of the issuer's financial instruments over short or extended periods of time.

Large-Cap Risk: The risk that large-capitalization companies are more mature and may grow more slowly than the economy as a whole and tend to go in and out of favor based on market and economic conditions.

Market Risk: The risk that market prices of portfolio investments held by the Fund may fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions. Market risk may affect a single issuer, industry or sector of the economy, or it may affect the market as a whole. Such conditions may add significantly to the risk of volatility in the net asset value (“NAV”) of the Fund’s shares and adversely affect the Fund and its investments. From time to time, the Fund may invest a significant portion of its assets in companies in one or more related sectors or industries, which would make the Fund more vulnerable to adverse developments affecting such sectors or industries.

Mid-Cap Risk: The risk that the stocks of mid-capitalization companies often experience greater price volatility, lower trading volume and lower overall liquidity than the stocks of larger, more established companies.

Non-Diversification Risk: While the Fund is considered to be a diversified investment company under the 1940 Act, the Fund may become non-diversified under the 1940 Act without Fund shareholder approval when necessary to continue to track its benchmark index. Non-diversified status means that the Fund can invest a greater percentage of its assets in the securities of a single issuer than a diversified fund. Investing in a non-diversified fund involves greater risk than investing in a diversified fund because a loss in value of a particular investment may have a greater effect on the fund’s return since that investment may represent a larger portion of the fund’s total portfolio assets.

Quantitative Analysis Risk: The risk that stocks selected using quantitative modeling and analysis could perform differently from the market as a whole and the risk that such quantitative analysis and modeling may not adequately take into account certain factors, may contain design flaws or inaccurate assumptions and may rely on inaccurate data inputs, which may result in losses to the Fund.

Small-Cap Risk: The risk that the stocks of small-capitalization companies often experience greater price volatility than large- or mid-sized companies because small-cap companies are often newer or less established than larger companies and are likely to have more limited resources, products and markets. Securities of small-cap companies often have lower overall liquidity than securities of larger companies as a result of there being a smaller market for their securities, which can have an adverse effect on the pricing of these securities and on the ability to sell these securities when Advisors deems it appropriate.

Special Situation Risk: Stocks of companies involved in acquisitions, consolidations, tender offers or exchanges, takeovers, reorganizations, mergers and other special situations can involve the risk that such situations may not materialize or may develop in unexpected ways. Consequently, those stocks can involve more risk than ordinary securities.

The following is a summary description of the investment risks of investing in the Parnassus Core Equity FundSM.

American Depositary Receipts (ADR) Risk: ADRs are receipts, issued by depository banks in the United States, for shares of a foreign-based company that entitle the holder to dividends and capital gains on the underlying security. ADRs may be sponsored or unsponsored. In a sponsored ADR arrangement, the foreign issuer assumes the obligation to pay some or all of the depository’s transaction fees. Under an unsponsored ADR arrangement, the foreign issuer assumes no obligations and the depository’s transaction fees are paid directly by the ADR holders. In addition to the risks of investing in foreign securities, there is no guarantee that an ADR issuer will continue to offer a particular ADR. As a result, the Fund may have difficulty selling the ADR or selling them quickly and efficiently at the prices at which they have been valued. The issuers of unsponsored ADRs are not obligated to disclose information that is considered material in the U.S. and voting rights with respect to the deposited securities are not passed through. ADRs may not track the prices of the underlying foreign securities on which they are based, and their values may change materially at times when U.S. markets are not open for trading.

Environmental, Social, and Governance (ESG) Investing Risk: ESG investing risk refers to the risk stemming from the environmental, social, and governance factors that the Fund applies in selecting securities. The Fund seeks to invest in high quality companies with sustainable business practices and to avoid investments in companies that do not meet its quality expectations. This may affect the Fund’s exposure to certain companies or industries and cause the Fund to forego certain investment opportunities. The Fund’s returns may be lower than other funds that do not consider ESG factors in security selection.

Equity Securities Risk: The Fund may invest in equity securities including common stocks, which include the common stock of any class or series of domestic or foreign corporations or any similar equity interest, such as a trust or partnership interest. The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or facts relating to specific companies in which the Fund invests. These investments may or may not pay dividends and may or may not carry voting rights. Common stock occupies the most junior position in a company's capital structure.

Foreign Securities Risk: The Fund may invest up to 20% of its assets in foreign securities. Foreign markets can be more volatile and less liquid than the U.S. market due to increased risks of adverse issuer, political, regulatory, market or economic developments and can perform differently from the U.S. market. Policy and legislative changes in foreign countries and other events affecting global markets, such as international conflicts and wars, epidemic and pandemic diseases, may contribute to decreased liquidity and increased volatility in the financial markets. Further, foreign companies may be subject to significantly higher levels of taxation than U.S. companies, including potentially confiscatory levels of taxation, thereby reducing the earnings potential of such foreign companies. Substantial withholding taxes may also apply to distributions from foreign companies.

Large-Capitalization Company Risk: Large-capitalization companies may be unable to respond quickly to new competitive challenges and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

Management Risk: The investment process used by the Adviser to select securities for the Fund's investment portfolio may not prove effective, and the Adviser's judgments about the attractiveness, value and potential appreciation of the Fund's investments may prove to be incorrect in that the investments chosen by the Adviser may not perform as anticipated. Certain risks are inherent in the ownership of any security, and there is no assurance that the Fund's investment objective will be achieved.

Real Estate Investment Trust (REIT) Risk: Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of any credit extended. REITs are dependent upon management skills, may not be diversified geographically or by property/ mortgage asset type, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs may be more volatile and/or more illiquid than other types of equity securities. REITs (especially mortgage REITs) are subject to interest rate risks. REITs may incur significant amounts of leverage. The Fund will indirectly bear a portion of the expenses, including management fees, paid by each REIT in which it invests, in addition to the expenses of the Fund. REITs must also meet certain requirements under the Internal Revenue Code of 1986, as amended (the "Code") to avoid entity level tax and be eligible to pass-through certain tax attributes of their income to shareholders. REITs are consequently subject to the risk of failing to meet these requirements for favorable tax treatment and of failing to maintain their exemptions from registration under the Investment Company Act of 1940. REITs are subject to the risks of changes in the Code affecting their tax status.

Small-and Mid-Capitalization Company Risk: In addition to large-capitalization companies, the Fund may invest in small-and/or mid-capitalization companies, which can be particularly sensitive to changing economic conditions since they do not have the financial resources or the well-established businesses of large-capitalization companies. Relative to the stocks of large-capitalization companies, the stocks of small and mid-capitalization companies are often thinly traded, and purchases and sales may result in higher transaction costs. Also, small-capitalization companies tend to perform poorly during times of economic stress.

Stock Market Risk: The Fund invests in common stocks, whose prices fluctuate in response to the fortunes of individual companies and in response to general market and economic conditions both in the U.S. and abroad. In the past decade, financial markets throughout the world have experienced increased volatility, decreased liquidity and heightened uncertainty. Risks associated with rising inflation, trade tensions, ongoing armed conflicts between Ukraine and Russia in Europe and among Israel, Hamas, and other militant groups in the Middle East, and the impact of epidemic and pandemic diseases. Additionally, risks associated with volatility and disruptions in the banking sector (including bank failures), interest rate increases, political events, rising government debt in the U.S. and the possibility of a national or global recession could affect the economies of many nations, including the United States, in ways that cannot be foreseen at the present time, and may adversely impact the markets in which the Fund invests. The Fund's holdings can vary significantly from broad stock market indices.

Tax Law Change Risk: All statements contained in this prospectus regarding the U.S. federal income tax consequences of an investment in the Fund are based on current law, which is subject to change at any time, potentially with retroactive effect. For example, tax legislation enacted in 2017 (the Tax Cuts and Jobs Act) resulted in fundamental changes to the Internal Revenue Code (some of which are set to expire in the next few years). More recently, the Inflation Reduction Act of 2022 will add a 15% alternative minimum tax on large corporations and a 1% excise tax on repurchases of stock by publicly traded corporations and certain affiliates. The excise tax on repurchases of stock may cause some corporations in which the Fund invests to reduce liquidity opportunities for its investors, which could potentially reduce the value of your investment in the Fund. Such legislation, as well as possible future U.S. tax legislation and administrative guidance, could materially affect the tax consequences of your investment in the Fund and the Fund's investments or holding structures.

The following is a summary description of the investment risks of investing in the RBC BlueBay Emerging Market Debt Fund.

Active Management Risk: The Fund is actively managed and its performance therefore will reflect in part the Sub-Advisor's ability to make investment decisions that are suited to achieve the Fund's investment objective.

Credit Spread Risk: The Fund's investments may be adversely affected if any of the issuers it is invested in are subject to an actual or perceived (whether by market participants, rating agencies, pricing services or otherwise) deterioration to their credit quality. Any actual or perceived deterioration may lead to an increase in the credit spreads and a decline in price of the issuer's securities.

Currency Risk: Changes in foreign currency exchange rates will affect the value of the Fund's securities and the price of the Fund's shares. Generally, when the value of the U.S. Dollar rises in value relative to a foreign currency, an investment in that country loses value because that currency is worth fewer U.S. Dollars. Devaluation of a currency by a country's government or banking authority also may have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.

Custodial Risk: The Fund may invest in markets where custodian and/or settlement systems are not fully developed. The assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the custodian will have no liability.

Derivatives Risk: Derivatives and other similar instruments (collectively referred to as "derivatives"), including options contracts, futures contracts, forwards, options on futures contracts and swap agreements (including, but not limited to, credit default swaps and swaps on exchange-traded funds), may be riskier than other types of investments and could result in losses that significantly exceed the Fund's original investment. The performance of derivatives depends largely on the performance of their underlying asset reference, rate, or index; therefore, derivatives often have risks similar to those risks of the underlying asset, reference rate or index, in addition to other risks. However, the value of a derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, reference, rate or index. Many derivatives create leverage thereby causing the Fund to be more volatile than it would have been if it had not used derivatives. Over-the-counter ("OTC") derivatives are traded bilaterally between two parties, which exposes the Fund to heightened liquidity risk, valuation risk and counterparty risk (the risk that the derivative counterparty will not fulfill its contractual obligations), including the credit risk of the derivative counterparty, compared to other types of investments. Changes in the value of a derivative may also create margin delivery or settlement payment obligations for the Fund. Certain derivatives are subject to exchange trading and/or mandatory clearing (which interposes a central clearinghouse to each participant's derivative transaction). Exchange trading, central clearing and margin requirements are intended to reduce counterparty credit risk and increase liquidity and transparency, but do not make a derivatives transaction risk-free and may subject the Fund to increased costs. The use of derivatives may not be successful, and certain of the Fund's transactions in derivatives may not perform as expected, which may prevent the Fund from realizing the intended benefits, and could result in a loss to the Fund. In addition, given their complexity, derivatives expose the Fund to risks of mispricing or improper valuation, as well as liquidity risk. The use of derivatives is also subject to operational risk which refers to risk related to potential operational issues, including documentation issues, settlement issues, system failures, inadequate controls, and human error, as well as legal risk which refers to the risk of loss resulting from insufficient documentation, insufficient capacity or authority of counterparty, or legality or enforceability of a contract.

Emerging Markets Risk: The Fund primarily invests in emerging markets. The securities markets of most emerging market countries are less liquid, are especially subject to greater price volatility, have smaller market capitalizations, have less government regulation and are not subject to as extensive and frequent accounting, auditing, financial and other reporting requirements as the securities markets of more developed countries. In addition, the Fund is limited in its ability to exercise its legal rights or enforce a counterparty's legal obligations in emerging markets countries. These risks are not normally associated with investments in more developed countries.

Foreign Risk: Foreign securities may be subject to risk of loss because of less foreign government regulation, less public information, different auditing and legal standards and less economic, political, environmental and social stability in these countries. Loss may also result from the imposition of exchange controls, sanctions, trading restrictions, confiscation of assets and property and other government restrictions, or from problems in registration, settlement or custody. Foreign risk also involves the risk of negative foreign currency rate fluctuations, which may cause the value of securities denominated in such foreign currency (or other instruments through which the Fund has exposure to foreign currencies) to decline in value. Currency exchange rates may fluctuate significantly over short periods of time. Additionally, foreign securities and dividends and interest payable on those securities may be subject to foreign taxes, including taxes withheld from payments on those securities.

High Portfolio Turnover Risk: The Fund may engage in active and frequent trading of its portfolio securities. High portfolio turnover (more than 100%) may result in increased transaction costs to the Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities.

High Yield Securities Risk: High yield securities, which are non-investment grade fixed income securities and unrated securities of comparable credit quality (commonly known as "junk bonds") are considered speculative and have a higher risk of an issuer's inability to meet principal and interest payment obligations. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the junk bond markets generally and less secondary market liquidity.

Issuer/Credit Risk: There is a possibility that issuers of securities in which the Fund may invest may default on the payment of interest or principal on the securities when due, which could cause the Fund to lose money.

Interest Rate Risk: The Fund's yield and value will fluctuate as the general level of interest rates change. During periods when interest rates are low, the Fund's yield may also be low. When interest rates increase, securities held by the Fund will generally decline in value. Interest rate changes are influenced by a number of factors including government policy, inflation expectations, and supply and demand. The Fund assumes the risk that the value of the security at delivery may be more or less than the purchase price.

Investing in the European Union Risk: Investments in certain countries in the European Union are susceptible to economic risks associated with high levels of government debt. Adverse regulatory, economic and political events in European Union member states may cause the Fund's investments to decline in value. Separately, the European Union faces issues involving its membership, structure, procedures and policies. The exit of one or more member states from the European Union, such as the exit by the United Kingdom (UK), would subject its currency and banking system to increased risk. The exit by a member state will likely result in increased volatility, illiquidity and potentially lower economic growth in the affected markets, which may adversely affect a Fund's investments. Additionally, the reintroduction of national currencies in one or more Eurozone countries or the abandonment of the Euro as a currency could have major negative effects on the Funds' investments as well as the ability of the Funds' counterparties to fulfill their obligations.

Investment Grade Securities Risk: Investment grade rated securities are assigned credit ratings by ratings agencies on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review, from time to time, such assigned ratings of the securities and may subsequently downgrade the rating if economic circumstances impact the relevant bond issues. Investments in the Fund are subject to additional risks associated with municipal securities.

Leverage Risk: Some transactions may give rise to a form of economic leverage. These transactions may include, among others, derivatives, and may expose the Fund to greater risk and increase its costs. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy

its obligations. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage.

LIBOR Discontinuance or Unavailability Risk: The London Interbank Offered Rate ("LIBOR") was a leading floating rate benchmark used in loans, notes, derivatives and other instruments or investments. As a result of benchmark reforms, publication of most LIBOR settings has ceased. Some LIBOR settings continue to be published but only on a temporary, synthetic and non-representative basis. Regulated entities have generally ceased entering into new LIBOR contracts in connection with regulatory guidance or prohibitions. Public and private sector actors have worked to establish alternative reference rates to be used in place of LIBOR. There is no assurance that any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR which may affect the value, volatility, liquidity or return on certain of the Fund's loans, notes, derivatives and other instruments or investments comprising some or all of the Fund's investments and result in costs incurred in connection with changing reference rates used for positions, closing out positions and entering into new trades. Certain of the Fund's investments may have transitioned from LIBOR or will transition from LIBOR in the future. The transition from LIBOR to alternative reference rates may result in operational issues for the Fund or its investments. No assurances can be given as to the impact of the LIBOR transition (and the timing of any such impact) on the Fund and its investments.

Liquidity Risk: The Fund may be subject to the risk that a particular investment may be difficult to purchase or sell and that the Fund may be unable to sell illiquid securities (including securities deemed liquid at the time of purchase that subsequently became less liquid) at an advantageous time or price or achieve its desired level of exposure to a certain sector.

Loan Risk: The Fund may invest in loans including loans that are rated below investment grade or the unrated equivalent. Like other high yield, corporate debt instruments, such loans are subject to an increased risk of default in the payment of principal and interest as well as the other risks described under "Interest Rate Risk," "Issuer/Credit Risk," and "High Yield Securities Risk."

Market Risk: The markets in which the Fund invests may go down in value, sometimes sharply and unpredictably. The success of the Fund's investment program may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses. A Fund's investments may be overweighted from time to time in one or more sectors, which will increase the Fund's exposure to risk of loss from adverse developments affecting those sectors.

Non-Diversified Fund Risk: Because the Fund is non-diversified, it may invest a greater percentage of its assets in a particular issuer or group of issuers than a diversified fund would. This increased concentration in fewer issuers may result in the Fund's shares being more sensitive to economic results of those issuing the securities.

Small Company Risk: Stocks of smaller and less seasoned companies involve greater risks than those of larger companies. These companies may not have the management experience, financial resources, product diversification and competitive strengths of larger companies. Smaller companies may be more sensitive to changes in the economy overall. Historically, small company stocks have been more volatile than those of larger companies. As a result, the Fund's net asset value may be subject to rapid and substantial changes.

Sovereign Debt Risk: The Fund may invest in securities issued or guaranteed by foreign governmental entities (known as sovereign debt securities). These investments are subject to the risk of payment delays or defaults, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, large debt positions relative to the country's economy or failure to implement economic reforms. There is no legal or bankruptcy process for collecting sovereign debt.

Valuation Risk: The Fund's assets are generally valued based on evaluated prices received from third-party pricing services or from broker-dealers who make markets in the securities and are generally categorized as Level 2 in the fair value hierarchy. As a result, there is the risk that the values at which these investments are sold may be significantly different to the estimated fair values of these investments.

The following is a summary description of the investment risks of investing in the SPDR® Portfolio High Yield Bond ETF.

Below Investment-Grade Securities Risk: Lower-quality debt securities (“high yield” or “junk” bonds) are considered predominantly speculative, and can involve a substantially greater risk of default than higher quality debt securities. Issuers of lower-quality debt securities may have substantially greater risk of insolvency or bankruptcy than issuers of higher-quality debt securities. They can be illiquid, and their values can have significant volatility and may decline significantly over short periods of time. Lower-quality debt securities tend to be more sensitive to adverse news about the issuer, or the market or economy in general.

Communication Services Sector Risk: Communication services companies are particularly vulnerable to the potential obsolescence of products and services due to technological advancement and the innovation of competitors. Companies in the communication services sector may also be affected by other competitive pressures, such as pricing competition, as well as research and development costs, substantial capital requirements and government regulation. Additionally, fluctuating domestic and international demand, shifting demographics and often unpredictable changes in consumer tastes can drastically affect a communication services company's profitability. While all companies may be susceptible to network security breaches, certain companies in the communication services sector may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

Consumer Cyclical Sector Risk: Companies in the consumer cyclical sector are largely impacted by the performance of the overall global economy, changes in interest rates, fluctuations in supply and demand, and changes in consumer preferences. Success depends heavily on disposable household income and consumer spending. As a result, consumer cyclical companies may be adversely affected and lose value quickly in periods of economic downturns.

Debt Securities Risk: The values of debt securities may increase or decrease as a result of the following: market fluctuations, changes in interest rates, actual or perceived inability or unwillingness of issuers, guarantors or liquidity providers to make scheduled principal or interest payments, or illiquidity in debt securities markets. To the extent that interest rates rise, certain underlying obligations may be paid off substantially slower than originally anticipated and the value of those securities may fall sharply. A rising interest rate environment may cause the value of the Fund's fixed income securities to decrease, an adverse impact on the liquidity of the Fund's fixed income securities, and increased volatility of the fixed income markets. During periods when interest rates are at low levels, the Fund's yield can be low, and the Fund may have a negative yield (i.e., it may lose money on an operating basis). To the extent that interest rates fall, certain underlying obligations may be paid off substantially faster than originally anticipated. If the principal on a debt obligation is prepaid before expected, the prepayments of principal may have to be reinvested in obligations paying interest at lower rates. During periods of falling interest rates, the income received by the Fund may decline. Changes in interest rates will likely have a greater effect on the values of debt securities of longer durations. Returns on investments in debt securities could trail the returns on other investment options, including investments in equity securities.

Fluctuation of Net Asset Value, Share Premiums and Discounts Risk: As with all exchange-traded funds, Fund Shares may be bought and sold in the secondary market at market prices. The trading prices of Fund Shares in the secondary market may differ from the Fund's daily net asset value per share and there may be times when the market price of the shares is more than the net asset value per share (premium) or less than the net asset value per share (discount). This risk is heightened in times of market volatility or periods of steep market declines.

Geographic Focus Risk: The performance of a fund that is less diversified across countries or geographic regions will be closely tied to market, currency, economic, political, environmental, or regulatory conditions and developments in the countries or regions in which the fund invests, and may be more volatile than the performance of a more geographically-diversified fund.

Europe — Developed and emerging market countries in Europe will be significantly affected by the fiscal and monetary controls of the Economic and Monetary Union of the European Union (“EU”). Changes in regulations on trade, decreasing imports or exports, changes in the exchange rate of the euro and recessions among European countries may have a significant adverse effect on the economies of other European countries. In

addition, one or more countries may abandon the euro and/or withdraw from the EU. For example, on January 31, 2020, the United Kingdom formally withdrew from the EU (commonly referred to as “Brexit”) and, after a transition period, left the EU single market and customs union under the terms of a new trade agreement on December 31, 2020. The agreement governs the new relationship between the United Kingdom and EU with respect to trading goods and services, but critical aspects of the relationship remain unresolved and subject to further negotiation and agreement. The full scope and nature of the consequences of the exit are not at this time known and are unlikely to be known for a significant period of time. It is also unknown whether the United Kingdom's exit will increase the likelihood of other countries also departing the EU. Any exits from the EU, or the possibility of such exits, may have a significant impact on the United Kingdom, Europe, and global economies, which may result in increased volatility and illiquidity, new legal and regulatory uncertainties and potentially lower economic growth for such economies that could potentially have an adverse effect on the value of the Fund's investments. In addition, a number of countries in Europe have suffered terrorist attacks and additional attacks may occur in the future. Such attacks may cause uncertainty in financial markets and may adversely affect the performance of the issuers to which the Fund has exposure.

Income Risk: The Fund's income may decline due to falling interest rates or other factors. Issuers of securities held by the Fund may call or redeem the securities during periods of falling interest rates, and the Fund would likely be required to reinvest in securities paying lower interest rates. If an obligation held by the Fund is prepaid, the Fund may have to reinvest the prepayment in other obligations paying income at lower rates.

Indexing Strategy/Index Tracking Risk: The Fund is managed with an indexing investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility, and risk of the Index and, consequently, the performance, volatility, and risk of the Fund. Errors in index data, index computations or the construction of the Index in accordance with its methodology may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, which may have an adverse impact on the Fund and its shareholders. To the extent circumstances evolve in between reconstitutions, the Index may include, and the Fund may therefore hold for a period of time, securities of companies that do not align with the Index's objective and/or criteria. When there are changes made to the component securities of the Index and the Fund in turn makes similar changes to its portfolio, any transaction costs and market exposure arising from such portfolio changes will be borne directly by the Fund and its shareholders. The Fund may recognize gains as a result of rebalancing or reconstituting its securities holdings to reflect changes in the securities included in the Index. The Fund also may be required to distribute any such gains to its shareholders to avoid adverse federal income tax consequences. While the Adviser seeks to track the performance of the Index (*i.e.*, achieve a high degree of correlation with the Index), the Fund's return may not match the return of the Index. The Fund incurs a number of operating expenses not applicable to the Index, and incurs costs in buying and selling securities. In addition, the Fund may not be fully invested at times, generally as a result of cash flows into or out of the Fund or reserves of cash held by the Fund to meet redemptions. The Adviser may attempt to track the Index return by investing in fewer than all of the securities in the Index, or in some securities not included in the Index, potentially increasing the risk of divergence between the Fund's return and that of the Index.

Liquidity Risk: Lack of a ready market, stressed market conditions, or restrictions on resale may limit the ability of the Fund to sell a security at an advantageous time or price or at all. Illiquid investments may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. If the liquidity of the Fund's holdings deteriorates, it may lead to differences between the market price of Fund Shares and the net asset value of Fund Shares, and could result in the Fund Shares being less liquid. Illiquidity of the Fund's holdings may also limit the ability of the Fund to obtain cash to meet redemptions on a timely basis. In addition, the Fund, due to limitations on investments in any illiquid investments and/or the difficulty in purchasing and selling such investments, may be unable to achieve its desired level of exposure to a certain market or sector.

Market Risk: The Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, inflation, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities

markets and adversely affect global economies and markets. Local, regional or global events such as war, military conflicts, acts of terrorism, natural disasters, the spread of infectious illness or other public health issues, or other events could have a significant impact on the Fund and its investments.

Non-U.S. Securities Risk: Non-U.S. securities are subject to political, regulatory, and economic risks not present in domestic investments. There may be less information publicly available about a non-U.S. entity than about a U.S. entity, and many non-U.S. entities are not subject to accounting, auditing, legal and financial report standards comparable to those in the United States. Further, such entities and/or their securities may be subject to risks associated with currency controls; expropriation; changes in tax policy; greater market volatility; differing securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. To the extent underlying securities held by the Fund trade on foreign exchanges that are closed when the exchange on which the Fund's shares trade is open, there may be deviations between the current price of an underlying security and the last quoted price for the underlying security on the closed foreign market. These deviations could result in the Fund experiencing premiums or discounts greater than those of ETFs that invest in domestic securities. Securities traded on foreign markets may be less liquid (harder to sell) than securities traded domestically. Foreign governments may impose restrictions on the repatriation of capital to the U.S. In addition, to the extent investments are made in a limited number of countries, events in those countries will have a more significant impact on the Fund. Certain countries have recently experienced (or currently are expected to experience) negative interest rates on certain fixed-income securities, and similar interest rate conditions may be experienced in other regions. Investments in fixed-income securities with very low or negative interest rates may magnify the Fund's susceptibility to interest rate risk and diminish yield and performance, and such investments may be subject to heightened volatility and reduced liquidity.

Restricted Securities Risk: The Fund may hold securities that have not been registered for sale to the public under the U.S. federal securities laws. There can be no assurance that a trading market will exist at any time for any particular restricted security. Limitations on the resale of these securities may have an adverse effect on their marketability, and may prevent the Fund from disposing of them promptly at reasonable prices. The Fund may have to bear the expense of registering the securities for resale and the risk of substantial delays in effecting the registration. Also, restricted securities may be difficult to value because market quotations may not be readily available, and the securities may have significant volatility.

Swaps Risk: A swap is a two-party contract that generally obligates the parties to exchange payments based on a specified reference security, basket of securities, security index or index component. Swaps can involve greater risks than direct investment in securities because swaps may be leveraged and are subject to counterparty risk (e.g., the risk of a counterparty's defaulting on the obligation or bankruptcy), credit risk and pricing risk (i.e., swaps may be difficult to value). It may not be possible for the Fund to liquidate a swap position at an advantageous time or price, which may result in significant losses.

Unconstrained Sector Risk: The Fund may invest a substantial portion of its assets within one or more economic sectors or industries, which may change from time to time. Greater investment focus on one or more sectors or industries increases the potential for volatility and the risk that events negatively affecting such sectors or industries could reduce returns, potentially causing the value of the Fund's Shares to decrease, perhaps significantly.

Valuation Risk: Some portfolio holdings, potentially a large portion of the Fund's investment portfolio, may be valued on the basis of factors other than market quotations. This may occur more often in times of market turmoil or reduced liquidity. There are multiple methods that can be used to value a portfolio holding when market quotations are not readily available. The value established for any portfolio holding at a point in time might differ from what would be produced using a different methodology or if it had been priced using market quotations. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. In addition, there is no assurance that the Fund could sell or close out a portfolio position for the value established for it at any time, and it is possible that the Fund would incur a loss because a portfolio position is sold or closed out at a discount to the valuation established by the Fund at that time.

The following is a summary description of the investment risks of investing in the T. Rowe Fund and Separate Account.

Active management: The fund's overall investment program and holdings selected by the fund's investment adviser may underperform the broad markets, relevant indices, or other funds with similar objectives and investment strategies.

Convertible securities: Convertible securities are subject to risks associated with both equity and fixed income securities, including market risk, credit risk, and interest rate risk. In addition, convertible securities may be called back by the issuer prior to maturity at a price that is disadvantageous to the fund.

Credit quality: An issuer of a debt instrument could suffer an adverse change in financial condition that results in a payment default (failure to make scheduled interest or principal payments), rating downgrade, or inability to meet a financial obligation. Securities that are rated below investment grade carry greater risk of default and should be considered speculative.

Covenant lite loans: Because covenant lite loans contain few or no financial maintenance covenants, they may not include terms that permit the lender of the loan to monitor the borrower's financial performance and, if certain criteria are breached, declare a default, which would allow the lender to restructure the loan or take other action intended to help mitigate losses. As a result, the fund could experience relatively greater difficulty or delays in enforcing its rights on its holdings of covenant lite loans than its holdings of loans or securities with financial maintenance covenants, which may result in losses, especially during a downturn in the credit cycle.

Cybersecurity breaches: The fund could be harmed by intentional cyberattacks and other cybersecurity breaches, including unauthorized access to the fund's assets, confidential information, or other proprietary information. In addition, a cybersecurity breach could cause one of the fund's service providers or financial intermediaries to suffer unauthorized data access, data corruption, or loss of operational functionality.

Floating rate loans: Transactions involving floating rate loans may have significantly longer settlement periods than more traditional bond investments (settlement can take longer than 7 days) and often involve borrowers whose financial condition is troubled or highly leveraged, which increases the risk that the fund may not receive its proceeds in a timely manner and that the fund may incur unexpected losses in order to pay redemption proceeds to its shareholders.

In addition, loans are not registered or regulated under the federal securities laws like most stocks and bonds, so investors in loans have less protection against improper practices than investors in registered securities. While a loan assignment typically transfers all legal and economic rights to the buyer, a loan participation typically allows the seller to maintain legal title to the loan, meaning the buyer of a loan participation generally has no direct rights against the borrower and is exposed to credit risk of both the borrower and seller of the participation.

Foreign investing: Investments in the securities of non-U.S. issuers may be adversely affected by local, political, social, and economic conditions overseas; greater volatility; reduced liquidity; or decreases in foreign currency values relative to the U.S. dollar. The risks of investing outside the U.S. are heightened for any investments in emerging markets, which are susceptible to greater volatility than investments in developed markets.

Growth investing: The fund's growth approach to investing could cause it to underperform other stock funds that employ a different investment style. Growth stocks tend to be more volatile than certain other types of stocks and their prices may fluctuate more dramatically than the overall stock market. A stock with growth characteristics can have sharp price declines due to decreases in current or expected earnings and may lack dividends that can help cushion its share price in a declining market.

Information technology sector: Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on their profit margins. Like other technology companies, information technology companies may have limited product lines, markets, financial resources, or personnel. The products of information technology companies may face obsolescence due to rapid technological developments, frequent new product introduction, unpredictable changes in growth rates, and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

Impairment of collateral: Even if a loan is secured by collateral, the value of collateral securing a floating rate loan could decline, be insufficient to satisfy the loan obligation, or be difficult to liquidate. The fund's access to the collateral could be limited by bankruptcy or by the type of loan it purchases. As a result, a collateralized senior loan may not be fully collateralized and can decline significantly in value.

Interest rates: The prices of, and the income generated by, debt instruments held by the fund may be affected by changes in interest rates. A rise in interest rates typically causes the price of a fixed rate debt instrument to fall and its yield to rise. Conversely, a decline in interest rates typically causes the price of a fixed rate debt instrument to rise and the yield to fall. Generally, funds with longer weighted average maturities and durations carry greater interest rate risk. Because interest payments on the fund's floating rate investments are typically based on a spread over another interest rate, falling interest rates will result in less income for the fund, but will not typically result in the price volatility that a fixed rate holding could experience.

Junk investing: Investments in bonds that are rated below investment grade, commonly referred to as junk bonds, and loans that are rated below investment grade, expose the fund to greater volatility and credit risk than investments in securities that are rated investment grade. Issuers of junk bonds and loans are usually not as strong financially and are more likely to suffer an adverse change in financial condition that would result in the inability to meet a financial obligation. As a result, bonds and loans rated below investment grade carry a higher risk of default and should be considered speculative.

Large-cap stocks: Securities issued by large-cap companies tend to be less volatile than securities issued by small- and mid-cap companies. However, large-cap companies may not be able to attain the high growth rates of successful small- and mid-cap companies, especially during strong economic periods, and may be unable to respond as quickly to competitive challenges.

LIBOR transition: Many financial instruments use a floating rate based on the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. As of June 2023, the publication of all settings of LIBOR has been phased out (although certain synthetic USD LIBOR rates will be published through September 2024). The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect the fund's performance and/or net asset value.

Liquidity (*T. Rowe Price Institutional Floating Rate Fund*): The fund may not be able to meet redemption requests without significantly diluting the remaining shareholders' interests in the fund. In addition, the fund may not be able to sell a holding in a timely manner at a desired price. Instruments with reduced liquidity may be harder to value and may be subject to greater price fluctuations than other investments. Floating rate loans may not have an active trading market and often have lengthy settlement periods and contractual restrictions on resale, which can delay the sale and adversely impact the sale price.

Liquidity (*T. Rowe Price Large-Cap Growth Separate Account*): A particular investment or an entire market segment may become less liquid or even illiquid, sometimes abruptly, which could limit the fund's ability to purchase or sell holdings in a timely manner at a desired price. An inability to sell a portfolio holding can adversely affect the fund's overall value or prevent the fund from being able to take advantage of other investment opportunities. Liquidity risk may be magnified during periods of substantial market volatility and unexpected episodes of illiquidity may limit the fund's ability to pay redemption proceeds without selling holdings at an unfavorable time or at a suitable price. Large redemptions may also have a negative impact on the fund's overall liquidity.

Market conditions: The value of the fund's investments may decrease, sometimes rapidly or unexpectedly, due to factors affecting an issuer held by the fund, particular industries, or the overall securities markets. A variety of factors can increase the volatility of the fund's holdings and markets generally, including economic, political, or regulatory developments, recessions, inflation, rapid interest rate changes, war, military conflict, acts of terrorism, natural disasters, and outbreaks of infectious illnesses or other widespread public health issues such as the coronavirus pandemic and related governmental and public responses (including sanctions). Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others. Government intervention in markets may impact interest rates, market volatility, and security pricing. These

adverse developments may cause broad declines in market value due to short-term market movements or for significantly longer periods during more prolonged market downturns.

Nondiversification: As a nondiversified fund, the fund has the ability to invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. As a result, poor performance by a single issuer could adversely affect fund performance more than if the fund were invested in a larger number of issuers. The fund's share price can be expected to fluctuate more than that of a similar fund that is more broadly diversified.

Prepayments: The principal on a loan or debt instrument may be prepaid prior to its maturity, reducing the potential for price gains. The rate of prepayments tends to increase as interest rates fall.

Private placements and IPOs: Investments in the stocks of privately held companies and in companies that only recently began to publicly trade, such as initial public offerings or IPOs, involve greater risks than investments in stocks of companies that have traded publicly on an exchange for extended time periods. There is significantly less information available about these companies' business models, quality of management, earnings growth potential, and other criteria that are normally considered when evaluating the investment prospects of a company. Private placements and other restricted securities held by the fund are typically considered to be illiquid and tend to be difficult to value since there are no market prices and less overall financial information available. The adviser evaluates a variety of factors when assigning a value to these holdings, but the determination involves some degree of subjectivity and the value assigned for the fund may differ from the value assigned by other mutual funds holding the same security.

Sector exposure: At times, the fund may have a significant portion of its assets invested in securities of issuers conducting business in a broadly related group of industries within the same economic sector. Issuers in the same economic sector may be similarly affected by economic or market events, making the fund more vulnerable to unfavorable developments in that economic sector than funds that invest more broadly.

Senior loans: Senior loans are subject to the risk that a court could subordinate a senior loan, which typically holds the most senior position in the issuer's capital structure, to presently existing or future indebtedness or take other action detrimental to the holders of senior loans.

Stock investing: Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is a chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising and falling prices. The value of stocks held by the fund may decline due to general weakness or volatility in the stock markets in which the fund invests or because of factors that affect a particular company or industry.

The following is a summary description of the investment risks of investing in the Vanguard Funds.

Call risk (*Vanguard Emerging Markets Government Bond Index Fund*): which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The 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 Fund's income. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate.

Call risk (*Vanguard Short-Term Bond Index Fund*): which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The 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 Fund's income. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate.

Call risk (*Vanguard Total Bond Market Index Fund*): which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The 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 Fund's income. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate. Call risk should be low for the Fund because it invests only a small portion of its assets in callable bonds.

Call risk (*Vanguard Total International Bond Index Fund*): which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The 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 Fund's income. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate. Call risk should be low for the Fund because it invests only a small portion of its assets in callable bonds.

China A-shares risk: which is the chance that the Fund may not be able to access its desired amount of China A-shares. Investing in A-shares through Stock Connect or the QFI program is subject to trading restrictions and suspensions, quota limitations and sudden changes in those limitations, and operational, clearing, and settlement risks.

Country/regional risk (*Vanguard Emerging Markets Government Bond Index Fund*): which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value and/or liquidity of securities issued by foreign governments, government agencies, and government-owned corporations. Because the Fund may invest a large portion of its assets in bonds of issuers located in any one country or region, the Fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk is especially high in emerging markets.

Country/regional risk (*Vanguard Emerging Markets Stock Index Fund*): which 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 the Fund may invest a large portion of its assets in securities of companies located in any one country or region, the Fund's performance may be hurt disproportionately by the poor performance of its investments in that area. In particular, the Fund's investments in Chinese issuers may subject the Fund to risks associated with that region, including considerable degrees of social, legal, regulatory, political, and economic uncertainty.

Country/regional risk (*Vanguard Total International Bond Index Fund*): which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value and/or liquidity of securities issued by foreign companies, governments, or government agencies. Because the Fund may invest a large portion of its assets in bonds of issuers located in a particular country or region, the Fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk for the Fund is high.

Credit risk (*Vanguard Emerging Markets Government Bond Index Fund*): which is the chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Credit risk should be high for the Fund because it invests a large portion of its assets in bonds rated below investment-grade (also known as high-yield or junk bonds).

Credit risk (*Vanguard Total International Bond Index Fund*): which is the chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Credit risk should be relatively low for the Fund because it purchases only bonds that are of investment-grade quality.

Credit risk (*Vanguard Short-Term Bond Index Fund and Vanguard Total Bond Market Index Fund*): which is the chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Credit risk should be low for the Fund because it purchases only bonds that are of investment-grade quality.

Currency risk: which 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 risk and currency hedging risk: The Fund seeks to mimic the performance of foreign bonds without regard to currency exchange rate fluctuations. To accomplish this goal, the Fund attempts to offset, or hedge, its

foreign currency exposure by entering into currency hedging transactions, primarily through the use of foreign currency exchange forward contracts (a type of derivative). However, it generally is not possible to perfectly hedge the Fund's foreign currency exposure. The Fund will decline in value if it under hedges a currency that has weakened or over hedges a currency that has strengthened relative to the U.S. dollar. In addition, the Fund will incur expenses to hedge its foreign currency exposure. By entering into currency hedging transactions, the Fund may eliminate any chance to benefit from favorable fluctuations in relevant currency exchange rates. Currency risk and currency hedging risk for the Fund is low. The Fund's use of foreign currency exchange forward contracts also subjects the Fund to counterparty risk, which is the chance that the counterparty to a currency forward contract with the Fund will be unable or unwilling to meet its financial obligations. Counterparty risk is low for the Fund.

Derivatives risk: The Fund may invest in derivatives, which may involve risks different from, and possibly greater than, those of investments directly in the underlying securities or assets.

Emerging markets risk (*Vanguard Emerging Markets Government Bond Index Fund*): which is the chance that the bonds of governments, government agencies, and government-owned corporations located in emerging markets will be substantially more volatile, and substantially less liquid, than the bonds of governments, government agencies, and government-owned corporations located in more developed foreign markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, financial reporting, accounting, and recordkeeping systems; and greater political, social, and economic instability than developed markets. Emerging markets risk is high for the Fund.

Emerging markets risk (*Vanguard Emerging Markets Stock Index Fund*): which 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 because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, financial reporting, accounting, and recordkeeping systems; and greater political, social, and economic instability than developed markets.

Extension risk (*Vanguard Emerging Markets Government Bond Index Fund*): which is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall.

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

Income fluctuations: The Fund's quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. In fact, under certain conditions, the Fund may not have any income to distribute. 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 the Fund.

Income risk (*Vanguard Emerging Markets Government Bond Index Fund and Vanguard Total Bond Market Index Fund*): which is the chance that the Fund's income will decline because of falling interest rates. Income risk should be moderate for the Fund, so investors should expect the Fund's monthly income to fluctuate accordingly.

Income risk (*Vanguard Short-Term Bond Index Fund*): which is the chance that the Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the Fund's monthly income to fluctuate accordingly.

Income risk (*Vanguard Total Bond Market Index Fund*): which is the chance that the Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds and moderate for intermediate-term bond funds, so investors should expect the Fund's monthly income to fluctuate accordingly.

Income risk (*Vanguard Total International Bond Index Fund*): which is the chance that the Fund's income will decline because of falling interest rates. Income risk should be moderate for the Fund because it invests in a diverse mix of short-, intermediate-, and long-term bonds, so investors should expect the Fund's monthly income to fluctuate accordingly.

Index replicating: which is the chance that the Fund may be prevented from holding one or more securities in the same proportion as in its target index.

Index sampling risk (*Vanguard Emerging Markets Government Bond Index Fund, Vanguard Short-Term Bond Index Fund, Vanguard Total Bond Market Index Fund and Vanguard Total International Bond Index Fund*): which is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index. Index sampling risk for the Fund is expected to be low.

Index sampling risk (*Vanguard Total Stock Market Index Fund and Vanguard Emerging Markets Stock Index Fund*): which is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index.

Industry concentration risk: which is the chance that the stocks of REITs and other real estate-related investments will decline because of adverse developments affecting the real estate industry and real property values. Because the Fund concentrates its assets in these stocks, industry concentration risk is high.

Interest rate risk (*Vanguard Emerging Markets Government Bond Index Fund*): which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the Fund because it invests primarily in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.

Interest rate risk (*Vanguard Real Estate II Index Fund*): which is the chance that REIT stock prices overall will decline and that the cost of borrowing for REITs will increase because of rising interest rates. Interest rate risk is high for the Fund.

Interest rate risk (*Vanguard Short-Term Bond Index Fund*): which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for the Fund because it invests primarily in short-term bonds, whose prices are less sensitive to interest rate changes than are the prices of longer-term bonds.

Interest rate risk (*Vanguard Total Bond Market Index Fund*): which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the Fund because it invests primarily in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.

Interest rate risk (*Vanguard Total International Bond Index Fund*), which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the Fund because it invests in a geographically diverse mix of short-, intermediate-, and long-term bonds.

Investment style risk (*Vanguard Explorer Fund*): which is the chance that returns from small- and mid-capitalization growth stocks will trail returns from the overall stock market. Historically, small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. The stock prices of small and mid-size companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.

Investment style risk (*Vanguard Institutional Index Fund*): which is the chance that returns from large-capitalization stocks will trail returns from the overall stock market. Large-cap 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.

Investment style risk (*Vanguard Real Estate II Index Fund*): which is the chance that returns from the stocks of REITs and other real estate-related investments—which typically are small- or mid-capitalization stocks—will trail returns from the overall stock market. Historically, these stocks have performed quite differently from the overall market.

Liquidity risk: which is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.

Manager risk: which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective. In addition, significant investments in the industrials, health care, and information technology sectors subject the Fund to proportionately higher exposure to the risks of these sectors.

Nondiversification risk (*Vanguard Emerging Markets Government Bond Index Fund*): which is the chance that the Fund's performance may be hurt disproportionately by the poor performance of bonds issued by just a few issuers or even a single issuer. The Fund is considered nondiversified, which means that it may invest a greater percentage of its assets in bonds issued by a small number of issuers as compared with diversified mutual funds.

Nondiversification risk (*Vanguard Real Estate II Index Fund*): which is the chance that the Fund may invest a greater percentage of its assets in a particular issuer or group of issuers or may own larger positions of an issuer's voting stock than a diversified fund.

Nondiversification risk (*Vanguard Total International Bond Index Fund*): which is the chance that the Fund's performance may be hurt disproportionately by the poor performance of bonds issued by just a few issuers or even a single issuer. The Fund is considered nondiversified, which means that it may invest a greater percentage of its assets in bonds issued by a small number of issuers as compared with diversified mutual funds.

Prepayment risk: which is the chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the Fund. The Fund would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income. Such prepayments and subsequent reinvestments would also increase the Fund's portfolio turnover rate. Prepayment risk should be moderate for the Fund.

Real interest rate risk: which is the chance that the value of a bond will fluctuate because of a change in the level of real, or after inflation, interest rates. Although inflation-indexed bonds seek to provide inflation protection, their prices may decline when real interest rates rise and vice versa. Because the Index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years, real interest rate risk is expected to be low for the Fund.

Stock market risk (*Vanguard Emerging Markets Stock Index Fund*): which 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. The Fund's investments in foreign stocks can be riskier than U.S. stock investments. Foreign stocks may be more volatile and less liquid than U.S. stocks. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions. In addition, the Fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

Stock market risk (*Vanguard Explorer Fund*): which 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.

Stock market risk (*Vanguard Institutional Index Fund*): which 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. The Fund's target index tracks a subset of the U.S. stock market, which could cause the Fund to perform differently from the overall

stock market. In addition, the Fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

Stock market risk (*Vanguard Real Estate II Index Fund*): which 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. The Fund's target index may, at times, become focused in stocks of a limited number of companies, which could cause the Fund to underperform the overall stock market.

Stock market risk (*Vanguard Total Stock Market Index Fund*): which 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, the Fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

APPENDIX B
to the Plan Description for the Bright Start Direct-Sold College Savings Program

Participation Agreement for the Bright Start Direct-Sold College Savings Program

Each term used but not defined in this Participation Agreement has the meaning given to it in the Plan Description. By signing the Application, you agree to all the terms and conditions in the Plan Description and in this Participation Agreement. Together, the Application and this Participation Agreement are referred to as the "Agreement."

This Agreement is entered into between you, the Account Owner and the Illinois State Treasurer (the "Trustee"), acting as trustee to the Bright Start College Savings Program Trust. The terms and conditions under which your Account in the Plan is offered are contained in this Agreement and the Plan Description. This Agreement becomes effective when the Plan opens an Account for you.

I, the Account Owner, hereby acknowledge and agree with and represent and warrant to the Trustee as follows:

1. Plan Description. I read and understand the Plan Description, this Agreement and the Application. When making a decision to open an Account, I did not rely on any representations or other information, whether oral or written, other than those in the Plan Description and this Agreement.

2. Purpose for Account. I am opening this Account to provide funds for the Qualified Higher Education Expenses of the Beneficiary.

3. Accurate Information. I represent and warrant that I accurately and truthfully completed the Application and that any other documentation or information I provide or forms I fill out, including withdrawal requests, related to my Account(s) will be true and correct.

4. Account Owner Authority. As the Account Owner, I understand that only I may (i) provide instructions on how to invest contributions to my Account(s), (ii) direct transfers, (iii) request a rollover, (iv) change the investment strategy of my Account(s) (as permitted by applicable law), (v) change the Beneficiary or (vi) request withdrawals.

5. Maximum Account Balance. I understand that the amount of any contribution to an Account that would cause the market value of such Account and all other Accounts in the Plan for the same Beneficiary to exceed the current maximum account balance, will be rejected and returned to me. I understand that the Trustee may change the current maximum account balance at any time without notice.

6. One Beneficiary per Account. I understand that there may be only one Beneficiary per Account.

7. Incoming Rollovers. If I contribute to my Account using funds from (i) an incoming rollover from another 529 Plan, (ii) a Coverdell ESA, or (iii) the redemption of a qualified U.S. savings bond, I understand that I must so inform the Plan and I must provide acceptable documentation showing the earnings portion of the contribution. If such documentation is not provided, the Plan must treat the entire amount of the contribution as earnings.

8. Allocation Instructions. I understand that on my Application, I must select one or more of the Investment Portfolios in which I want my initial contribution invested. I also must designate what percentage of the contribution made to the Account should be invested in each Investment Portfolio that I select. I understand that I can change my Allocation Instructions at any time.

9. No Investment Direction. I understand that all investment decisions for the Plan will be made by the Trustee. Although I must select the Investment Portfolio(s) in which I want contributions to my Account invested, I cannot directly or indirectly select the investments for an Investment Portfolio and an Investment Portfolio's investments may be changed at any time by the Trustee. I also understand that once invested in a particular Investment Portfolio, contributions (and earnings, if any) may be moved to another Investment Portfolio only twice per calendar year or if I change the Beneficiary for that Account.

10. Withdrawals. I understand that once a contribution is made to an Account, my ability to withdraw funds without adverse tax consequences is limited. I understand these restrictions and acknowledge that potential tax liabilities are described in the Plan Description.

11. Investment Risks. I represent that I reviewed and understand the risks related to investing in the Plan discussed in the Plan Description. I understand that investment returns are not guaranteed by the State of Illinois, the Trustee, the Trust, the Plan, or any of the service providers to the Plan (including the Plan Manager), and that I assume all investment risk of an investment in the Plan, including the potential liability for taxes and penalties that may be assessable in connection with a withdrawal from my Account(s). I understand that I can lose money by investing in the Plan.

12. No Guarantees. I understand that participation in the Plan does not guarantee that actual Qualified Higher Education Expenses will be equal to projections and estimates provided by the Plan or that contributions and the investment return, if any, on contributions will be adequate to cover the Qualified Higher Education Expenses of a Beneficiary, or that a Beneficiary will be admitted to, or if admitted will be determined to be a resident for tuition purposes, or be permitted to continue to attend an Eligible Educational Institution, any primary or secondary school, or any Apprenticeship Program, or will graduate or receive a degree from, or otherwise be permitted to continue to be enrolled at or in, any institution or program.

13. Loans. I understand that my Account(s) or any portion of my Account(s) cannot be used as collateral for any loan and that any attempt to do so shall be void.

14. Tax Records. I understand that for tax reporting purposes, I must retain adequate records relating to withdrawals from and contributions to my Account(s).

15. Transfer of Account Ownership. I understand that if I transfer an Account to any other person, I will cease to have any right, title, claim or interest in the Account and that the transfer is irrevocable.

16. Not an Investor in Underlying Investments. I understand that I am not, by virtue of my investment in an Investment Portfolio of the Plan, a shareholder in or owner of interests in such Investment Portfolio's investments. I acknowledge that the Trust is the record owner of the shares of the underlying investments in which each Portfolio is invested and that I will have no right to vote, or direct the voting of, any proxy with respect to such shares.

17. Changes to Laws. I understand that the Plan is established and maintained by the State of Illinois pursuant to the Section 16.5 of the State Treasurer's Act and is intended to qualify for certain federal income tax benefits under Section 529. I further understand that qualification under Section 529 of the Code is vital and that the Plan may be changed by the State of Illinois and the Trustee at any time if it is determined that such change is required to maintain qualification under Section 529 of the Code. I also understand that Illinois and federal laws are subject to change for any reason, sometimes with retroactive effect, and that none of the State of Illinois, the Trustee, the Trust, the Plan, or any of the service providers to the Plan (including the Plan Manager) makes any representation that such Illinois or federal laws will not be changed or repealed or that the terms and conditions of the Plan will remain as currently described in the Plan Description and this Agreement.

18. UGMA/UTMA and Trust Accounts. I understand that if I established the Account in my capacity as custodian for a minor under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (UGMA/UTMA) or as the trustee for a trust established for a minor, the Account will be subject to certain specific requirements pursuant to UGMA/UTMA or the trust, as applicable, and that I am solely responsible for compliance with such requirements, and I will:

- be required to indicate that the Account is a UGMA/UTMA Account or trust Account by checking the appropriate box on the Application;
- be required to establish the Account in my custodial or trustee capacity separate from any other accounts I may hold in my individual capacity;
- be required to provide the Plan with an original, signed certificate, a certified copy of material portions of the trust instrument, or a certified copy of a court order, that confirms the creation of a trust naming a minor as the trust beneficiary, identifies the trustee and authorizes the trustee to act on behalf of the trust beneficiary;

- be permitted to make withdrawals only in accordance with rules applicable to withdrawals under applicable UGMA/UTMA law or the trust document, as applicable;
- not be permitted to change the Beneficiary of the Account either directly or by means of a rollover, except as permitted under UGMA/UTMA or the trust document, as applicable;
- be permitted to name a successor custodian, or to change the custodian of the Account only as permitted under UGMA/UTMA or the trust document, as applicable; and
- be required to notify the Plan when the Beneficiary reaches the age of termination or is otherwise legally authorized to assume ownership of the Account so that the Beneficiary can be registered as the Account Owner and take control of the Account.

You must notify the Plan by completing the appropriate Plan form when the custodianship terminates and your designated 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. If you do not direct the Plan to transfer ownership of the Account when the Beneficiary is legally entitled to take control, the Plan may freeze the Account. Some UGMA/UTMA laws allow for more than one age at which the custodianship terminates. The Plan may freeze the Account based on the youngest allowable age of termination of the custodianship according to the UGMA/UTMA laws where the custodianship Account was established, based on the Plan's records. The UTMA or UGMA custodian who is the Account Owner may be required to provide documentation to the Plan if the age of termination of the UGMA/UTMA Account is other than the youngest allowable age under the applicable UGMA/UTMA law or if the applicable UGMA/UTMA law differs from the Plan's records. Please contact a legal or tax professional to determine how to transfer existing UGMA/UTMA funds, and what legal or tax implications such a transfer may have for your specific situation.

19. Legal Entity Account Owner. If I am a person establishing the Account on behalf of a legal entity and I sign the Application and enter into this Agreement for such entity, I represent and warrant that (i) the entity may legally become, and thereafter be, the Account Owner, (ii) I am duly authorized to act on behalf of/for the entity, (iii) the Plan Description may not discuss tax consequences and other aspects of the Plan that are relevant to the entity, and (iv) the entity has consulted with and relied on a professional advisor, as deemed appropriate by the entity, before becoming an Account Owner, (vi) the entity is duly organized, validly existing, and in good standing under the laws of its state or organization and has the power and authority to enter into this Participation Agreement.

20. Indemnification by Me. I recognize that the establishment of any Account will be based on the statements, agreements, representations, and warranties made by me in this Agreement, on Plan forms and in any other communications related to my Account(s). I agree to indemnify the State of Illinois, the Plan, the Trustee, the Trust and any of the service providers to the Plan (including the Plan Manager) and any of their affiliates or representatives from and against any and all loss, damage, liability or expense (including the costs of reasonable attorneys' fees), to which said entities may be put or which they may incur by reason of, or in connection with, any misstatement or misrepresentation made by me or a Beneficiary in the above-mentioned documents or otherwise, any breach by me of the acknowledgments, representations or warranties contained in the Agreement, or any failure by me to fulfill any covenants or obligations in this Agreement. All of my statements, representations or warranties shall survive the termination of this Agreement and this indemnification shall remain enforceable against me, notwithstanding my permitted transfer of ownership of the Account to another person.

21. Termination. I understand that the Trustee may at any time terminate the Plan and/or this Agreement, either of which may cause a distribution to be made from my Account. I further understand that I may be liable for taxes on the earnings, if any, of such a distribution. I understand that I may cancel this Agreement at any time by written notice to the Plan requesting a 100% distribution from my Account.

22. Controlling Law. This Agreement is governed by Illinois law without regard to principles of conflicts of law. Any action by you against the Treasurer or the State of Illinois can only be brought in the Illinois Court of Claims.

23. Additional Documentation. I understand that in connection with opening an Account for me, and prior to processing any Account transactions or changes requested by me after an Account is opened, the Plan may ask me to provide additional documentation and I agree to promptly comply with any such requests.

24. Duties and Rights of the Illinois Entities and the Service Providers. None of the State of Illinois, the Trustee, the Trust, the Plan, nor any of the service providers to the Plan (Including the Plan Manager) has a duty to perform any action other than those specified in the Agreement or the Plan Description. The State of Illinois,

the Trustee, the Trust, the Plan and the service providers to the Plan (including the Plan Manager) may accept and conclusively rely on any instructions or other communications reasonably believed to be from me or a person authorized by me and may assume that the authority of any authorized person continues to be in effect until they receive written notice to the contrary from me. None of the State of Illinois, the Trustee, the Trust, the Plan, nor any of the service providers to the Plan (including the Plan Manager) has any duty to determine or advise me of the investment, tax, or other consequences of my actions, of their actions in following my directions, or of their failing to act in the absence of my directions. Each of the State of Illinois, the Trustee, the Trust, the Plan and each of the service providers to the Plan (including the Plan Manager) is a third-party beneficiary of, and can rely upon and enforce, any of my agreements, representations, and warranties in this Agreement.

25. Force Majeure. None of the State of Illinois, the Trust, the Trustee, the Plan, or any other government agency or entity, nor any of the service providers to the Plan shall be liable for any loss, failure or delay in performance of each of their obligations related to an Account or any diminution in the value of an Account arising out of or caused by, directly or indirectly, circumstances beyond its reasonable control.

26. No Recourse. For any obligation or liability arising pursuant to this Participation Agreement, no recourse may be had for such obligation or liability of the Treasurer or any employee or official of the Treasurer or the State of Illinois in his or her personal or individual capacity. I hereby waive all such obligations and liabilities, if any, of the Treasurer and any such employee or official.

27. Sovereign Immunity. I acknowledge that the Treasurer and the State of Illinois reserve all immunities, defenses, rights or actions arising out of their status as a sovereign state or entity, including those under the Eleventh Amendment to the United States Constitution, and that no waiver of any such immunities, defenses, rights, or actions will be implied or otherwise deemed to exist as a result of this Participation Agreement.

28. Fees and Expenses. I acknowledge the Trust will make certain charges against each Account in order to provide the costs of administration of the Accounts and such other purposes as the Trustee shall determine appropriate.

APPENDIX C
to the Plan Description for the Bright Start Direct-Sold College Savings Program

Privacy Policy

Illinois Bright Start Direct-Sold College Savings Program Privacy Policy

Please read this notice carefully. It gives you important information about how the Illinois Bright Start Direct-Sold College Savings Program (the “Plan”) uses and protects personal information when you visit BrightStart.com or when you submit documents via mail, email or in person in connection with the Plan through its Program Manager, TIAA-CREF Tuition Financing, Inc. (“TFI” or “we”). Subject to the “Changes to our Privacy Policy” section below, this policy applies to all Account Owners in the Plan and BrightStart.com visitors.

Information We May Collect

We, on behalf of the Plan, may collect personal information about you, the successor account owner and beneficiary from various sources to provide information requested by you about the Plan, as well as to transact business with you, including to service and maintain your account in the Plan. We may obtain this personal information (which may include Social Security Number or Individual Taxpayer Identification Number (ITIN) and date of birth belonging to the Account Owner, successor account owner and Beneficiary) in any of the following ways:

- you provide it on the Plan enrollment form (“**Application**”);
- you provide it on other Plan forms;
- you provide on the Plan’s website or it is collected through “cookies” and similar text files e;
- you provide it during consultations;
- you provide it on sweepstakes or promotional materials;
- we obtain it to complete your requested transactions;
- third parties the account owner authorizes to provide information to the Plan; or
- third parties the account owner designates to have access to the Plan.

How Your Information Is Shared and Used

TFI does not disclose your personal information to any third parties so that they can market their products and services to you.

As permitted by law or contract, TFI may disclose your information to those service providers, affiliated and nonaffiliated, hired by us on behalf of the Plan and which need the information to respond to your inquiries and/or to service, maintain your account and improve the Plan’s ability to serve you and enhance your Plan benefits. TFI may also disclose your personal information, pursuant to applicable law, if it is allowed or required by its contract with the State of Illinois, or as requested by the Illinois State Treasurer.

The affiliated and non-affiliated service providers who receive your personal information may use it to:

- process your Plan transactions;
- provide you with Plan materials;
- mail you Plan account statements;
- mail, email or digitally provide you Plan communications; and
- maintain the Plan website.

These service providers provide services at TFI's direction and include marketing agencies, fulfillment companies, printing and mailing facilities. Under their agreements with TFI, these service providers are required to keep your personal information confidential and to use it only for providing the contractually required services.

For your convenience the Plan has arranged with TFI to display your account information at TIAA.org, the website of TFI's affiliate, Teachers Insurance and Annuity Association of America (including its financial affiliates, collectively, "TIAA"), in the event that you hold a retirement plan account or a retail financial account with TIAA. Your Plan account information shall only be shared for this limited purpose. However, if you prefer not to share your information with TIAA in this manner, you may opt-out in the Plan website.

The Plan has also facilitated the inclusion of your Plan account information in TIAA's financial planning advisory tools. At TIAA.org and any of its digital tools, your personal information will be stored and processed in accordance with the TIAA Privacy Notice, Terms of Use and Security.

In addition, TFI may be required by law to disclose your personal information to government agencies and other regulatory bodies (for example, for tax reporting purposes or to report suspicious transactions).

Security of Your Information. TFI protects the personal information you provide against unauthorized access, disclosure, alteration, destruction, loss or misuse. Your personal information is protected by physical, electronic and procedural safeguards in accordance with federal and state standards. These safeguards include appropriate procedures for access and use of electronic data, provisions for the secure transmission of sensitive personal information on the Plan's website, and telephone system authentication procedures.

Changes in Our Privacy Policy

TFI periodically reviews this Privacy Policy and its related practices and procedures. Any changes to this Privacy Policy will become effective upon posting of the revised Privacy Policy on BrightStart.com. If we make material changes to the Privacy Policy, we will notify you by means of a prominent notice on the Plan's website prior to the change becoming effective.

Notice About Online Privacy

The personal information that you provide through the Plan website is handled in the same way as the personal information that you provide by any other means, as described above. This section of the notice gives you additional information about the way in which personal information that is obtained online is handled.

Online Enrollment, Account Access, and Online Transactions

When you visit the Plan website, you can go to pages that are open to the general public or log on to protected pages to enroll in the Plan, access information about your account, or conduct certain transactions on your account. Once you have opened an account in the Plan, access to the secure pages of the Plan's website is permitted only after you have created a Username and Password by supplying your Social Security Number or Taxpayer Identification Number, Account Number, and zip code. The Username and Password must be supplied each time you want to access your account information online. This information serves to verify your identity.

When you enter personal data into the Plan website (including your Social Security Number or Taxpayer Identification Number and your password) to enroll or access your account online, you will log into secure pages where we use Transport Layer Security (TLS) protocol for protecting information.

To use this section of the Plan website you need a browser that supports TLS encryption and dynamic Web page construction.

If you provide personal information to effect transactions on the Plan website, a record of the transactions that you have performed while on the site is retained by the Plan.

Other Personal Information Provided by You on the Plan Website

If you decide not to enroll online and you want to request that Plan enrollment materials be mailed to you, speak with a consultant, attend a Plan webinar, or you want to subscribe to receive additional Plan information, you can click on various sections of the Plan website (i.e., the Request Information page in the Help Desk section, 529 At Work, or request e-communications directly from the home page) to provide your name, mailing address and

e-mail address, respectively. The personal information you provide on the Plan's website will be stored and used to market the Plan more effectively.

When you visit the Plan's website, we may collect information about your use of the site through "cookies." Cookies are small bits of information transferred to a computer's hard drive that allow us to know how often a user visits our site and the activities they are most interested in performing. By visiting the Plan's site, you are deemed to accept such cookies to enable you to take full advantage of specific services offered. We may also require you to accept cookies placed by a third party supporting this activity on behalf of the Plan.

The cookies collect certain technical and navigational information only, such as computer browser type, internet protocol address, pages visited, and average time spent on our websites. In addition, we capture the paths taken as you move from page to page (i.e., your "click stream" activity). This information allows us to enhance your experience while on our site.

Finally, we use cookies to establish and maintain a logged-in connection while you are in the secure section(s) of our website. For example, when you visit your account, perform transactions, update contact information or perform other activity, the cookie allows you to navigate from page to page in a secure fashion without having to repeatedly log-in.

External Links

The Plan may, from time to time, contain links to external sites operated by third parties. We are not responsible for these third-party sites or the content of such third-party sites. Once you have left the Plan website, we cannot be responsible for the protection and privacy of any information that you provide. You should exercise caution and look at the privacy policy of any website you visit.

Internet Tracking Disclosure

We do not have the protocol that offers you the choice to opt-out of internet tracking. You may reset your web browser to enable "do not track" functionality if your browser supports it.

Online Behavioral Advertising

Online Behavioral Advertising is a marketing approach where information is collected about consumers and their browsing behavior and used to share ads targeted at their interests. You may opt out of Online Behavioral Advertising by visiting the Digital Advertising Alliance (DAA) and following the optout instructions. Note: Opting out of Online Behavioral Advertising will not remove advertisements from the pages you visit. You will simply see general advertisements that aren't targeted at your interests.

Obtaining Additional Information

You may call the Plan toll-free at 1-877-432-7444 or write to the Plan at Bright Start Direct-Sold College Savings Program, P.O. Box 219288 Kansas City, MO 64121-9288.

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Document Control Date: August 2024

To contact the Plan and to obtain Plan forms:

1. Visit the Plan's website at **BrightStart.com**;
2. Call the Plan toll-free at 1-877-432-7444;
3. Or write to the Plan at
Bright Start Direct-Sold College Savings Program
P.O. Box 219288
Kansas City, MO 64121-9288