



# SUPPLEMENT DATED APRIL 25, 2025, TO THE NEXTGEN 529<sup>®</sup> CLIENT SELECT SERIES PROGRAM DESCRIPTION AND PARTICIPATION AGREEMENT DATED NOVEMBER 8, 2024, AS PREVIOUSLY SUPPLEMENTED

The information in this Supplement amends and, to the extent it is different, supersedes information contained in the NextGen 529 Client Select Series Program Description and Participation Agreement dated November 8, 2024 (the “Program Description”) and any prior Supplements. Please read this Supplement, any prior Supplements, and the Program Description carefully. Please keep them for future reference. Capitalized terms used without definition in this Supplement have the meanings set forth in the Program Description.

## 1. Portfolio and Underlying Fund Name Changes

### ISHARES PORTFOLIO AND UNDERLYING FUND NAME CHANGES

Effective as of April 25, 2025, the name of each iShares Portfolio listed in the table below has been changed as follows:

Prior Portfolio Name	New Portfolio Name
iShares Core Conservative Allocation Portfolio	iShares Core 30/70 Conservative Allocation Portfolio
iShares Core Moderate Allocation Portfolio	iShares Core 40/60 Moderate Allocation Portfolio
iShares Core Growth Allocation Portfolio	iShares Core 60/40 Balanced Allocation Portfolio

Accordingly, all references to such Portfolios are replaced in accordance with the table above.

Effective as of February 19, 2025, the name of the respective Underlying Fund for each iShares Portfolio listed in the table above has been changed as follows:

Prior Underlying Fund Name	New Underlying Fund Name
iShares Core Conservative Allocation ETF	iShares Core 30/70 Conservative Allocation ETF
iShares Core Moderate Allocation ETF	iShares Core 40/60 Moderate Allocation ETF
iShares Core Growth Allocation ETF	iShares Core 60/40 Balanced Allocation ETF

Accordingly, all references to such Underlying Funds are replaced in accordance with the table above.

## 2. Portfolio and Underlying Fund Name Update

### FRANKLIN TEMPLETON CLEARBRIDGE APPRECIATION PORTFOLIO AND UNDERLYING FUND

All references to the Franklin Templeton Clearbridge Capital Appreciation Portfolio or Clearbridge Capital Appreciation Portfolio, as applicable, are replaced with references to Franklin Templeton Clearbridge Appreciation Portfolio. All references to the Clearbridge Capital Appreciation Fund as the Underlying Fund of the Portfolio are replaced with references to Clearbridge Appreciation Fund.

### 3. New Investment Options

#### YEAR OF ENROLLMENT PORTFOLIOS – NEW 2043 AND 2045 ENROLLMENT PORTFOLIOS

As of April 25, 2025, the Program will offer through the Client Select Series the following additional investment options as Year of Enrollment Portfolios:

BlackRock 2043 Enrollment Portfolio  
 BlackRock 2045 Enrollment Portfolio  
 iShares 2043 Enrollment Portfolio  
 iShares 2045 Enrollment Portfolio  
 Franklin Templeton 2043 Enrollment Portfolio  
 Franklin Templeton 2045 Enrollment Portfolio  
 MFS 2043 Enrollment Portfolio  
 MFS 2045 Enrollment Portfolio

Accordingly, as of April 25, 2025, the Program Description will be revised as follows:

On page 7, the paragraph in response to “What investment options are available through the Client Select Series?” will be revised, solely with respect to the Year of Enrollment investment options, to refer to three suites of Year of Enrollment investment options with 11 different Year of Enrollment target dates and one suite of Year of Enrollment investments options with 13 different Year of Enrollment target dates.

On pages 36-39, 42-45, and 47-50, the following rows will be added to the Unit Class Fees and Expenses tables:

A UNIT CLASS						
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expense <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
BlackRock 2045 Enrollment Portfolio	0.48%	0.00%	0.09%	0.25%	0.82%	0.25%
BlackRock 2043 Enrollment Portfolio	0.48%	0.00%	0.09%	0.25%	0.82%	0.25%

A UNIT CLASS						
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expense <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
iShares 2045 Enrollment Portfolio	0.05%	0.15%	0.09%	0.25%	0.54%	0.25%
iShares 2043 Enrollment Portfolio	0.05%	0.15%	0.09%	0.25%	0.54%	0.25%

A UNIT CLASS						
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expense <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
Franklin Templeton 2045 Enrollment Portfolio	0.63%	0.00%	0.09%	0.25%	0.97%	0.25%
Franklin Templeton 2043 Enrollment Portfolio	0.63%	0.00%	0.09%	0.25%	0.97%	0.25%

A UNIT CLASS						
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expense <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
MFS 2045 Enrollment Portfolio	0.64%	0.00%	0.09%	0.25%	0.98%	0.25%
MFS 2043 Enrollment Portfolio	0.64%	0.00%	0.09%	0.25%	0.98%	0.25%

C UNIT CLASS						
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expense <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
BlackRock 2045 Enrollment Portfolio	0.48%	0.00%	0.09%	1.00%	1.57%	1.00%
BlackRock 2043 Enrollment Portfolio	0.48%	0.00%	0.09%	1.00%	1.57%	1.00%

C UNIT CLASS						
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expense <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
iShares 2045 Enrollment Portfolio	0.05%	0.15%	0.09%	1.00%	1.29%	1.00%
iShares 2043 Enrollment Portfolio	0.05%	0.15%	0.09%	1.00%	1.29%	1.00%

C UNIT CLASS						
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expense <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
Franklin Templeton 2045 Enrollment Portfolio	0.63%	0.00%	0.09%	1.00%	1.72%	1.00%
Franklin Templeton 2043 Enrollment Portfolio	0.63%	0.00%	0.09%	1.00%	1.72%	1.00%

<b>C UNIT CLASS</b>						
	<b>Estimated Underlying Fund Expenses <sup>2</sup></b>	<b>Other Expense<sup>3</sup></b>	<b>Maine Administration Fee<sup>4</sup></b>	<b>Sales Fee<sup>5</sup></b>	<b>Total Annual Asset Based Fees<sup>6</sup></b>	<b>Maximum Contingent Deferred Sales Charge<sup>7</sup></b>
MFS 2045 Enrollment Portfolio	0.64%	0.00%	0.09%	1.00%	1.73%	1.00%
MFS 2043 Enrollment Portfolio	0.64%	0.00%	0.09%	1.00%	1.73%	1.00%

<b>I UNIT CLASS</b>						
	<b>Estimated Underlying Fund Expenses <sup>2</sup></b>	<b>Other Expense<sup>3</sup></b>	<b>Maine Administration Fee<sup>4</sup></b>	<b>Sales Fee<sup>5</sup></b>	<b>Total Annual Asset Based Fees<sup>6</sup></b>	<b>Maximum Contingent Deferred Sales Charge<sup>7</sup></b>
BlackRock 2045 Enrollment Portfolio	0.48%	0.00%	0.09%	0.00%	0.57%	0.00%
BlackRock 2043 Enrollment Portfolio	0.48%	0.00%	0.09%	0.00%	0.57%	0.00%

<b>I UNIT CLASS</b>						
	<b>Estimated Underlying Fund Expenses <sup>2</sup></b>	<b>Other Expense<sup>3</sup></b>	<b>Maine Administration Fee<sup>4</sup></b>	<b>Sales Fee<sup>5</sup></b>	<b>Total Annual Asset Based Fees<sup>6</sup></b>	<b>Maximum Contingent Deferred Sales Charge<sup>7</sup></b>
iShares 2045 Enrollment Portfolio	0.05%	0.00%	0.09%	0.00%	0.14%	0.00%
iShares 2043 Enrollment Portfolio	0.05%	0.00%	0.09%	0.00%	0.14%	0.00%

<b>I UNIT CLASS</b>						
	<b>Estimated Underlying Fund Expenses <sup>2</sup></b>	<b>Other Expense<sup>3</sup></b>	<b>Maine Administration Fee<sup>4</sup></b>	<b>Sales Fee<sup>5</sup></b>	<b>Total Annual Asset Based Fees<sup>6</sup></b>	<b>Maximum Contingent Deferred Sales Charge<sup>7</sup></b>
Franklin Templeton 2045 Enrollment Portfolio	0.63%	0.00%	0.09%	0.00%	0.72%	0.00%
Franklin Templeton 2043 Enrollment Portfolio	0.63%	0.00%	0.09%	0.00%	0.72%	0.00%

<b>I UNIT CLASS</b>						
	<b>Estimated Underlying Fund Expenses <sup>2</sup></b>	<b>Other Expense<sup>3</sup></b>	<b>Maine Administration Fee<sup>4</sup></b>	<b>Sales Fee<sup>5</sup></b>	<b>Total Annual Asset Based Fees<sup>6</sup></b>	<b>Maximum Contingent Deferred Sales Charge<sup>7</sup></b>
MFS 2045 Enrollment Portfolio	0.64%	0.00%	0.09%	0.00%	0.73%	0.00%
MFS 2043 Enrollment Portfolio	0.64%	0.00%	0.09%	0.00%	0.73%	0.00%

On pages 52-54, 55-56, and 58-59, the following rows will be added to the Investment Cost Charts:

<b>A UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
BlackRock 2045 Enrollment Portfolio	\$84	\$264	\$458	\$1,022
BlackRock 2043 Enrollment Portfolio	\$84	\$264	\$458	\$1,022

<b>A UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
iShares 2045 Enrollment Portfolio	\$55	\$174	\$303	\$680
iShares 2043 Enrollment Portfolio	\$55	\$174	\$303	\$680

<b>A UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
Franklin Templeton 2045 Enrollment Portfolio	\$100	\$311	\$540	\$1,200
Franklin Templeton 2043 Enrollment Portfolio	\$100	\$311	\$540	\$1,200

<b>A UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
MFS 2045 Enrollment Portfolio	\$101	\$315	\$546	\$1,213
MFS 2043 Enrollment Portfolio	\$101	\$315	\$546	\$1,213

<b>C UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
BlackRock 2045 Enrollment Portfolio	\$161	\$500	\$862	\$1,884
BlackRock 2043 Enrollment Portfolio	\$161	\$500	\$862	\$1,884

<b>C UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
iShares 2045 Enrollment Portfolio	\$132	\$412	\$714	\$1,571
iShares 2043 Enrollment Portfolio	\$132	\$412	\$714	\$1,571

<b>C UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
Franklin Templeton 2045 Enrollment Portfolio	\$176	\$546	\$941	\$2,048
Franklin Templeton 2043 Enrollment Portfolio	\$176	\$546	\$941	\$2,048

<b>C UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
MFS2045 Enrollment Portfolio	\$177	\$550	\$947	\$2,060
MFS 2043 Enrollment Portfolio	\$177	\$550	\$947	\$2,060

<b>I UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
BlackRock 2045 Enrollment Portfolio	\$59	\$184	\$320	\$720
BlackRock 2043 Enrollment Portfolio	\$59	\$184	\$320	\$720

<b>I UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
iShares 2045 Enrollment Portfolio	\$14	\$45	\$80	\$181
iShares 2043 Enrollment Portfolio	\$14	\$45	\$80	\$181

<b>I UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
Franklin Templeton 2045 Enrollment Portfolio	\$74	\$232	\$403	\$902
Franklin Templeton 2043 Enrollment Portfolio	\$74	\$232	\$403	\$902

<b>I UNIT CLASS</b>				
	<b>Approximate Cost of \$10,000 Investment</b>			
<b>Portfolio Option</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 years</b>
MFS 2045 Enrollment Portfolio	\$75	\$235	\$409	\$916
MFS 2043 Enrollment Portfolio	\$75	\$235	\$409	\$916

On page 85, the following columns will be added to the Current Target Underlying Fund Allocations for BlackRock Portfolios:

<b>BlackRock</b>			
<b>Underlying Fund</b>	<b>Fund Ticker</b>	<b>2045 Enrollment Portfolio</b>	<b>2043 Enrollment Portfolio</b>
<b>Domestic Equity Funds</b>			
BlackRock Capital Appreciation Fund, Inc.	MAFGX	6.00%	6.00%
BlackRock Equity Dividend Fund	MADVX	18.25%	18.25%
BlackRock Advantage Large Cap Growth Fund	CMVIX	12.00%	12.00%
iShares S&P 500 Index Fund	BSPIX	16.25%	16.25%
BlackRock Advantage Small Cap Core Fund	BDSIX	3.50%	3.50%
BlackRock Advantage Small Cap Growth Fund	PSGIX	1.00%	1.00%
<b>International Equity Funds</b>			
BlackRock International Fund	MAILX	7.25%	7.25%
iShares MSCI Total International Index Fund	BDOIX	14.50%	14.50%
BlackRock Advantage International Fund	BROIX	7.25%	7.25%
<b>Alternative Investment Fund</b>			
BlackRock Real Estate Securities Fund	BIREX	4.00%	4.00%
<b>Investment Grade Fixed Income Funds</b>			
BlackRock Low Duration Bond Portfolio	BFMSX	0.00%	0.00%
BlackRock Total Return Fund	MAHQX	6.75%	6.75%
BlackRock Inflation Protected Bond Portfolio	BPRIX	1.00%	1.00%
<b>Non-Investment Grade Fixed Income Fund</b>			
BlackRock Strategic Income Opportunities Portfolio	BSIIX	2.25%	2.25%
<b>Cash Allocation Account</b>			
Cash Allocation Account	-	0.00%	0.00%
		<b>100.00%</b>	<b>100.00%</b>

On page 102, the following columns will be added to the Current Target Underlying Fund Allocations for iShares Portfolios:

iShares			
Underlying Fund	Fund Ticker	2045 Enrollment Portfolio	2043 Enrollment Portfolio
<b>Domestic Equity Fund</b>			
iShares Core S&P Total U.S. Stock Market ETF	ITOT	56.87%	56.87%
<b>International Equity Fund</b>			
iShares Core MSCI Total International Stock ETF	IXUS	29.16%	29.16%
<b>Alternative Investment Fund</b>			
iShares Core U.S. REIT ETF	USRT	3.96%	3.96%
<b>Investment Grade Fixed Income Funds</b>			
iShares Short Treasury Bond ETF	SHV	0.00%	0.00%
iShares 1-3 Year Treasury Bond ETF	SHY	0.00%	0.00%
iShares Core U.S. Aggregate Bond ETF	AGG	7.42%	7.42%
iShares 20+ Year Treasury Bond ETF	TLT	1.48%	1.48%
iShares TIPS Bond ETF	TIP	1.11%	1.11%
		<b>100.00%</b>	<b>100.00%</b>

On page 122, the following columns will be added to the Current Target Underlying Fund Allocations for Franklin Templeton Portfolios:

Franklin Templeton			
Underlying Fund	Fund Ticker	2045 Enrollment Portfolio	2043 Enrollment Portfolio
<b>Domestic Equity Funds</b>			
Franklin Growth Fund	FCGAX	20.40%	20.40%
Putnam Large Cap Value	PEIYX	11.90%	11.90%
ClearBridge Appreciation Fund	SAPYX	20.40%	20.40%
Franklin US Large Cap Multifactor Index ETF	FLQL	15.30%	15.30%
<b>International Equity Funds</b>			
Templeton Foreign Fund	TFFAX	12.00%	12.00%
ClearBridge International Growth Fund	LMGNX	12.00%	12.00%
Templeton Developing Markets Trust	TDADX	8.00%	8.00%
<b>Investment Grade Fixed Income Funds</b>			
Putnam Core Bond Fund	PYTRX	0.00%	0.00%
Putnam Short Duration Bond	PARYX	0.00%	0.00%
Franklin U.S. Core Bond ETF	FLCB	0.00%	0.00%
Franklin Investment Grade Corporate ETF	FLCO	0.00%	0.00%
Franklin International Aggregate Bd ETF	FLIA	0.00%	0.00%
<b>Cash Allocation Account</b>			
Cash Allocation Account	-	0.00%	0.00%
		<b>100.00%</b>	<b>100.00%</b>



On page 174, the following columns will be added to the Current Target Underlying Fund Allocations for MFS Portfolios:

MFS			
Underlying Fund	Fund Ticker	2045 Enrollment Portfolio	2043 Enrollment Portfolio
<b>Domestic Equity Funds</b>			
MFS Blended Research Core Equity Fund	MUSEX	8.00%	8.00%
MFS Blended Research Growth Equity Fund	BRWJX	6.00%	6.00%
MFS Blended Research Mid Cap Equity Fund	BMSLX	10.00%	10.00%
MFS Blended Research Small Cap Equity Fund	BRSJX	5.00%	5.00%
MFS Blended Research Value Equity Fund	BRUHX	6.00%	6.00%
Massachusetts Investors Growth Stock Fund	MGTX	6.00%	6.00%
Massachusetts Investors Trust	MITIX	8.00%	8.00%
MFS Mid Cap Growth Fund	OTCIX	5.00%	5.00%
MFS Mid Cap Value Fund	MCVIX	5.00%	5.00%
MFS Value Fund	MEIIX	6.00%	6.00%
<b>International Equity Funds</b>			
MFS Blended Research International Equity Fund	BRXIX	12.00%	12.00%
MFS International New Discovery Fund	MWNIX	6.00%	6.00%
MFS Research International Fund	MRSIX	12.00%	12.00%
<b>Alternative Investment Funds</b>			
MFS Global Real Estate Fund	MGLIX	2.50%	2.50%
MFS Commodity Strategy Fund	MCSIX	2.50%	2.50%
<b>Investment Grade Fixed Income Funds</b>			
MFS Limited Maturity Fund	MQLIX	0.00%	0.00%
MFS Government Securities Fund	MGSIX	0.00%	0.00%
MFS Total Return Bond Fund	MRBIX	0.00%	0.00%
<b>Non-Investment Grade Fixed Income Funds</b>			
MFS High Income Fund	MHIIX	0.00%	0.00%
MFS Emerging Markets Debt Fund	MEDIX	0.00%	0.00%
<b>Cash Allocation Account</b>			
Cash Allocation Account	-	0.00%	0.00%
		<b>100.00%</b>	<b>100.00%</b>

#### 4. Tax Changes

##### FEDERAL TAX TREATMENT - 2025 GIFT TAX EXCLUSION INCREASED

On page 63, effective January 1, 2025, Federal gift tax exclusions increased from \$18,000 to \$19,000 per year (from \$36,000 to \$38,000 per year for spouses electing to split gifts), or from \$90,000 to \$95,000 over 5 years (from \$180,000 to \$190,000 over 5 years for spouses electing to split gifts) – subject to certain limitations.

##### FEDERAL TAX TREATMENT - LIFETIME TRANSFER TAX 2025 EXEMPTION INCREASED

On page 63, effective January 1, 2025, the lifetime exemption for transfers made after December 31, 2017, and before January 1, 2026, has increased from \$13,610,000 as of 2024 to \$13,990,000 as of 2025, and the spouses' combined applicable exemption for transfers made during the same period has increased from \$27,220,000 as of 2024 to \$27,980,000 as of 2025.

## **5. Lawful Permanent Residents**

On pages 6 and 12, references to Permanent Resident or permanent resident(s) are changed to lawful permanent resident(s).

## **6. Updates to Program and Portfolio Risks and Other Considerations**

On page 66, the Market Uncertainties and Other Events paragraph is replaced with the following:

**Market Uncertainties and Other Events** - Due to market uncertainties, the overall market value of an Account may exhibit volatility and could be subject to general economic conditions, such as changes in unemployment rates, inflation or stagflation, the imposition of tariffs or other restrictions on global trade, or a decrease in overall economic activity leading to a recession. All of these factors may cause the value of an Account to decrease (realized or unrealized losses) regardless of the Program's investment strategy for any Investment Option(s) in which an Account is invested or any systematic investing on the part of a Participant.

The following is added to the Program and Portfolio Risks and Other Considerations section immediately following the paragraph titled No Indemnification on page 69:

**Force Majeure and Other Factors:** Circumstances beyond the reasonable control of the Program Parties may affect the overall market value of an Account or your ability to transact business with the Program.



**SUPPLEMENT DATED NOVEMBER 8, 2024  
TO THE NEXTGEN 529® CLIENT SELECT SERIES  
PROGRAM DESCRIPTION AND PARTICIPATION AGREEMENT  
DATED NOVEMBER 8, 2024**

The information in this Supplement amends and, to the extent it is different, supersedes information contained in the NextGen 529 Client Select Series Program Description (the “Program Description”) and Participation Agreement dated November 8, 2024. Please read this Supplement and the Program Description carefully. Please keep them for future reference. Capitalized terms used without definition in this Supplement have the meanings set forth in the Program Description.

**BLACKOUT PERIOD IN CONNECTION WITH TRANSFER OF 2024 ENROLLMENT  
PORTFOLIOS TO ENROLLED PORTFOLIOS**

As previously disclosed in the Supplement dated October 1, 2024 to the NextGen 529® Client Select Series Program Description and Participation Agreement dated October 25, 2023, in connection with the transfer of the 2024 Enrollment Portfolios for each of the BlackRock, iShares, Franklin Templeton and MFS Year of Enrollment Portfolio suites (the “2024 Enrollment Portfolios”) to their respective Enrolled Portfolios, all Accounts that hold 2024 Enrollment Portfolios will be subject to a blackout period affecting certain transactions beginning on or about November 6, 2024, and ending on or about November 12, 2024. **Please carefully review the information below describing how certain transactions will be affected during the blackout period.**

**For clients of Merrill Lynch (Merrill)** - Any new account application that includes a 2024 Enrollment Portfolio received during the blackout period will be rejected. No contributions may be made to the 2024 Enrollment Portfolios during the blackout period. Withdrawal requests from an Account involving Units of the 2024 Enrollment Portfolios and/or investment change requests involving such Units received during the blackout period will be rejected. Such requests will need to be resubmitted with respect to the Participant’s Enrolled Portfolio after the end of the blackout period. Any automated contributions or automated withdrawals that include the 2024 Enrollment Portfolio scheduled to occur for a date during the blackout period will be suspended and processed from the corresponding Enrolled Portfolio after the blackout period ends.

**For Account Owners whose Account is not held at Merrill** – Any new account application that includes a 2024 Enrollment Portfolio received during the blackout period will be rejected, and any check received will be returned to the Participant or their Financial Intermediary. Any contributions received during the blackout period that are intended to purchase Units of the 2024 Enrollment Portfolios will be rejected. Withdrawal requests from an Account involving Units of the 2024 Enrollment Portfolios and/or investment change requests involving such Units received during the blackout period will be rejected. Such instructions will need to be re-submitted with respect to the corresponding Enrolled Portfolio after the blackout period ends. Any automated contributions or automated withdrawals that include the 2024 Enrollment Portfolio scheduled to occur for a date during the blackout period will be rejected and will need to be resubmitted with respect to the corresponding Enrolled Portfolio after the blackout period ends. After the blackout period, account holders should review, and if necessary, update their automated transaction plan.

## **CHANGES TO CERTAIN UNDERLYING FUNDS IN FRANKLIN TEMPLETON YEAR OF ENROLLMENT AND DIVERSIFIED PORTFOLIOS**

### **INVESTMENT GRADE FIXED INCOME UNDERLYING FUND REPLACEMENTS**

Effective on or about November 13, 2024, the Putnam Core Bond Fund will replace the Western Asset Core Bond Fund as an Underlying Fund of the Franklin Templeton Year of Enrollment Portfolios, the Franklin Templeton Balanced Portfolio and the Franklin Templeton Growth and Income Portfolio, and the Putnam Short Duration Fund will replace the Western Asset Short Term Bond Fund as an Underlying Fund of the same Portfolios.

Accordingly, the following changes to the Program Description will take effect as of November 13, 2024.

All references to the Western Asset Core Bond Fund are replaced with references to the Putnam Core Bond Fund, and all references to the Western Asset Short Term Bond Fund are replaced with references to the Putnam Short Duration Bond Fund.

The Estimated Underlying Fund Expenses and Total Annual Asset-Based Fees for the Portfolios are not expected to materially change due to such changes from the figures previously shown in the Program Description. Estimated Underlying Fund Expenses and Total Annual Asset-Based Fees may change from time to time.

The descriptions of the Western Asset Core Bond Fund and the Western Asset Short Term Bond Fund in the Program Description are deleted and replaced with the following:

#### **Putnam Core Bond Fund**

**Investment Objective, Strategy and Policies:** The Fund seeks high current income consistent with what the portfolio managers believe to be prudent risk. The fund invests mainly in a diversified portfolio of investment-grade fixed-income securities. The fund invests mainly in bonds of governments and private companies that are investment-grade in quality with intermediate- to long-term maturities (three years or longer). Investment-grade securities are rated at least BBB or its equivalent at the time of purchase by a nationally recognized securities rating organization, or are unrated investments that Putnam Management believes are of comparable quality.

The fund may invest in below-investment-grade investments. However, the fund will not invest in securities that are rated lower than B or its equivalent by each rating agency rating the investment, or are unrated securities that Putnam Management believes are of comparable quality. The fund will not necessarily sell an investment if its rating is reduced (or increased) after purchase.

The fund may consider, among other factors, a company's or issuer's credit, interest rate, liquidity and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments. Under normal circumstances, the fund will invest at least 80% of its net assets in bonds (bonds include any debt instrument, and may be represented by other investment instruments, including derivatives). This policy may be changed only after 60 days' notice to shareholders. In addition to bonds, the fund may also invest in other fixed-income instruments. The fund may also use derivatives, such as futures, options, certain foreign currency transactions and swap contracts, for both hedging and non-hedging purposes.

**Principal Risks of Investing:** It is important to understand that you can lose money by investing in the fund.

The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time (including periods of one year or more) for a variety of reasons, including general economic, political or financial market conditions, investor sentiment and market perceptions, government actions, geopolitical events or changes, outbreaks of infectious illnesses or other widespread public health issues, and factors related to a specific issuer, geography, industry or sector. These and other

factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings, may negatively impact the fund's performance and may exacerbate other risks to which the fund is subject.

Bond investments are subject to interest rate risk, which is the risk that the value of the fund's bond investments is likely to fall if interest rates rise. Bond investments also are subject to credit risk, which is the risk that the issuer of the bond may default on payment of interest or principal. Bond investments may be more susceptible to downgrades or defaults during economic downturns or other periods of economic stress. Interest rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds (sometimes referred to as "junk bonds"), which can be more sensitive to changes in markets, credit conditions, and interest rates and which may be considered speculative. Mortgage-backed investments, unlike traditional debt investments, are also subject to prepayment risk, which means that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. We may have to invest the proceeds from prepaid investments, including mortgage-backed investments, in other investments with less attractive terms and yields.

The fund's investments in mortgage-backed securities, and in certain other securities and derivatives, may be or become illiquid. The fund's investments in mortgage-backed securities may make the fund's net asset value more susceptible to economic, market, political and other developments affecting the residential and commercial real estate markets and the servicing of mortgage loans secured by real estate properties. During periods of difficult economic conditions, delinquencies and losses on commercial mortgage-backed investments in particular generally increase, including as a result of the effects of those conditions on commercial real estate markets, the ability of commercial tenants to make loan payments, and the ability of a property to attract and retain commercial tenants.

Our use of derivatives may increase the risks of investing in the fund by increasing investment exposure (which may be considered leverage and magnify or otherwise increase investment losses to the fund) or, in the case of many over-the-counter instruments, because of the potential inability to terminate or sell derivative positions and the potential failure of the other party to the instrument to meet its obligations. The risk of a party failing to meet its obligations may increase if the fund has significant exposure to that counterparty. The value of derivatives may move in unexpected ways due to unanticipated market movements, the use of leverage, imperfect correlation between the derivative instrument and the reference asset or other factors, especially in unusual market conditions, and volatility in the value of derivatives could adversely impact the fund's returns, obligations and exposures. Derivatives are also subject to other risks, including liquidity risk (e.g., liquidity demands arising from the requirement to make payments to a derivative counterparty), operational risk (e.g., settlement issues or system failures) and legal risk (e.g., insufficient legal documentation or contract enforceability issues).

There is no guarantee that the investment techniques, analyses, or judgments that we apply in making investment decisions for the fund will produce the intended outcome or that the investments we select for the fund will perform as well as other securities that were not selected for the fund. If the quantitative models or data that are used in managing the fund prove to be incorrect or incomplete, investment decisions made in reliance on the models or data may not produce the desired results and the fund may realize losses. We, or the fund's other service providers, may experience disruptions or operating errors that could negatively impact the fund. The fund may not achieve its goal, and it is not intended to be a complete investment program. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

You may request a copy of the current prospectus, statement of additional information, or most recent semi-annual or annual report for Putnam Core Bond Fund by calling Franklin Templeton Investments, at 1-800-DIAL BEN® (1-800-342-5236), or you can download a copy on Franklin Templeton's website at [www.franklintempleton.com](http://www.franklintempleton.com).

## Putnam Short Duration Bond Fund

**Investment Objective, Strategy and Policies:** The Fund seeks as high a rate of current income as the portfolio managers believe is consistent with preservation of capital. We invest in a diversified portfolio of fixed income securities. The fund's investments may include corporate credit, including investment-grade debt, below-investment-grade debt (sometimes referred to as "junk bonds"), bank loans and structured credit; sovereign debt, including obligations of governments in developed and emerging markets; and securitized assets, including asset-backed securities, residential mortgage-backed securities (which may be backed by non-qualified or "sub-prime" mortgages), commercial mortgage-backed securities and collateralized mortgage obligations.

Under normal circumstances, the fund will invest at least 80% of its net assets in bonds (bonds include any debt instrument, and may be represented by other investment instruments, including derivatives). This policy may be changed only after 60 days' notice to shareholders. We normally maintain an effective duration of three years or less. Effective duration provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates.

We may consider, among other factors, credit, interest rate and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments. We may also use derivatives, such as futures, options, certain foreign currency transactions and credit default, total return and interest rate swap contracts, for both hedging and non-hedging purposes.

We may invest in securities that are purchased in private placements, which may be illiquid because they are subject to restrictions on resale.

**Principal Risks of Investing:** It is important to understand that you can lose money by investing in the fund.

The effects of inflation may erode the value of your investment over time. The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political or financial market conditions, investor sentiment and market perceptions, government actions, geopolitical events or changes, outbreaks of infectious illnesses or other widespread public health issues, and factors related to a specific issuer, geography, industry or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings, may negatively impact the fund's performance, and may exacerbate other risks to which the fund is subject.

The risks associated with fixed income investments include interest rate risk, which is the risk that the value of the fund's investments is likely to fall if interest rates rise. Fixed income investments are also subject to credit risk, which is the risk that the issuer of a fixed income investment may default on payment of interest or principal. Fixed income investments may be more susceptible to downgrades or defaults during economic downturns or other periods of economic stress. Interest rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds, which can be more sensitive to changes in markets, credit conditions, and interest rates, and may be considered speculative. Mortgage- and asset-backed investments, unlike traditional debt investments, are also subject to prepayment risk, which means that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. We may have to invest the proceeds from prepaid investments, including mortgage- and asset-backed investments, in other investments with less attractive terms and yields. The fund's investments in mortgage-backed securities and asset-backed securities, and in certain other securities and derivatives, may be or become illiquid. The fund's investments in mortgage-backed securities may make the fund's net asset value more susceptible to economic, market, political and other developments affecting the residential and commercial real estate markets and the servicing of mortgage loans secured by real estate properties. During periods of difficult economic conditions, delinquencies and losses on commercial mortgage-backed investments in particular generally increase, including as a result of the effects of

those conditions on commercial real estate markets, the ability of commercial tenants to make loan payments, and the ability of a property to attract and retain commercial tenants.

The value of international investments traded in foreign currencies may be adversely impacted by fluctuations in exchange rates. International investments, particularly investments in emerging markets, may carry risks associated with potentially less stable economies or governments (such as the risk of seizure by a foreign government, the imposition of currency or other restrictions, or high levels of inflation or deflation), and may be or become illiquid.

Our use of derivatives may increase the risks of investing in the fund by increasing investment exposure (which may be considered leverage) or, in the case of many over-the-counter instruments, because of the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. The risk of a party failing to meet its obligations may increase if the fund has significant exposure to that counterparty. The value of derivatives may move in unexpected ways due to unanticipated market movements, the use of leverage, imperfect correlation between the derivative instrument and the reference asset, or other factors, especially in unusual market conditions, and volatility in the value of derivatives could adversely impact the fund's returns, obligations and exposures. Derivatives are also subject to other risks, including liquidity risk (e.g., liquidity demands arising from the requirement to make payments to a derivative counterparty), operational risk (e.g., settlement issues or system failures) and legal risk (e.g., insufficient legal documentation or contract enforceability issues).

There is no guarantee that the investment techniques, analyses, or judgments that we apply in making investment decisions for the fund will produce the intended outcome or that the investments we select for the fund will perform as well as other securities that were not selected for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could negatively impact the fund.

The fund may not achieve its goal, and it is not intended to be a complete investment program. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

You may request a copy of the current prospectus, statement of additional information, or most recent semi-annual or annual report for Putnam Short Duration Bond Fund by calling Franklin Templeton Investments, at 1-800-DIAL BEN® (1-800-342-5236), or you can download a copy on Franklin Templeton's website at [www.franklintempleton.com](http://www.franklintempleton.com).



Program Manager



Select Series Distributor  
and Investment Manager



Program Administrator

**Investment products:**

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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# NextGen 529<sup>®</sup>

## Client Select Series

**Program Description and  
Participation Agreement**

November 8, 2024



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# Program Description

NextGen 529 is a Section 529 Program administered by the Finance Authority of Maine. BlackRock Investments, LLC is the Distributor for units of the Client Select Series of NextGen 529. Vestwell State Savings, LLC is the Program Manager of NextGen 529. The Bank of New York Mellon is the Program Custodian for NextGen 529. BlackRock Advisors, LLC is the Investment Manager. This Program Description and Participation Agreement contains information you should know before participating in the Program, including information about sales charges, fees, expenses and risks. Please read it before you invest and keep it for future reference.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of this Program Description and the Participation Agreement. Any representation to the contrary is a criminal offense. These securities have not been registered with the U.S. Securities and Exchange Commission or any state securities commission.

This Program Description and Participation Agreement will be updated from time to time to reflect changes to the Program and is subject to change without notice. The information contained in this Program Description and Participation Agreement amends and supersedes all information contained in prior Program Descriptions and Participation Agreements. Participants should rely only on the information contained in this Program Description and Participation Agreement. No one is authorized to provide information and you should not rely on information that is different from the information contained in this Program Description and Participation Agreement.

The Program offers a variety of investment options through three separate series – the Client Select Series (offered through this Program Description), the Client Direct Series, and the Client Connect Series (offered through their own respective program descriptions). Each series offers different Portfolios, each with its own sales charges (this Client Select Series), fees and expense structures. Expenses associated with the Client Direct Series and Client Connect Series will generally be lower than those associated with this Client Select Series. Currently, some Year of Enrollment Portfolios and the NextGen Savings Portfolio, are offered among all three series; however, this is subject to change, and the Portfolios offered among the different Series generally may vary. Information about the Client Direct Series and the Client Connect Series is available through [www.nextgenforme.com](http://www.nextgenforme.com) or by contacting FAME. Each Series may be offered through additional or different distribution channels, as determined by FAME.

Program accounts are not bank deposits, are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration or any other government or regulatory authority, and are not debt or obligations of, or guaranteed by, any bank or other financial institution or the Finance Authority of Maine, the State of Maine, the Program Manager, the Select Series Distributor, BlackRock Advisors, LLC, Franklin Templeton Investments, Lord, Abbett & Co. LLC, Massachusetts Financial Services Company, Neuberger Berman Investment Advisers LLC or New York Life Investment Management LLC or any other organization. **Participation in the Program involves investment risks, including the possible loss of principal.**

## **Where to Obtain More Information, Forms or to Ask Questions:**

The Program may be contacted  
by phone,  
at 1-833-33-NG529 (1-833-336-4529),  
by mail,  
at NextGen 529, P.O. Box 534457, Pittsburgh, PA 15253-4457,  
for overnight deliveries,  
at NextGen 529, Attention: 534457, 500 Ross Street, 154-0520, Pittsburgh, PA 15262,  
or electronically by link from the Program's website located at [www.nextgenforme.com](http://www.nextgenforme.com)

FAME may be contacted at  
P.O. Box 949, Augusta, ME 04332-0949,  
or by phone,  
at (800) 228-3734

You can also contact your Financial Intermediary.

Section 529 Qualified Tuition Programs are intended to be used only to save for Qualified Higher Education Expenses. None of the Finance Authority of Maine, Vestwell State Savings, LLC, The Bank of New York Mellon, BlackRock Investments, LLC, BlackRock Advisors, LLC, or any Sub-Advisor, nor any of their affiliates provide legal, tax or accounting advice. You should consult your own legal and/or tax advisors before making any financial decisions. This Program Description and Participation Agreement does not constitute an offer or other solicitation to place any Units (as defined herein) in NextGen 529 with respect to any person who is located or domiciled outside of the United States of America. Individuals who reside outside the United States are generally not eligible to open an Account (as defined herein) in NextGen 529.

**November 8, 2024**

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These questions and answers are intended to give you a quick overview of some of the main features and program highlights of the NextGen 529<sup>®</sup> Program - Client Select Series.

Before investing, be sure to read the important information included in the remainder of this Program Description for a detailed explanation of the Client Select Series' features and risks. See the [Glossary of Terms](#) for capitalized terms used through the Program Description.

## GENERAL

### What is the NextGen 529 Program?

The NextGen 529 Program is a savings program established by FAME (**Finance Authority of Maine**). The Program allows you, the “**Participant**” (or “Account Owner”) to establish an account to save for the qualified higher education expenses of the Designated Beneficiary of your choosing.

### What is the Client Select Series?

The Client Select Series is a Series of the NextGen 529 Program designed for people who wish to save for the Designated Beneficiary's qualified higher education expenses using the services provided by a Financial Professional. The Select Series may incur additional charges associated with these services provided by the Financial Professional. Account Owners who utilize the Client Select Series may select among a variety of investment options that are managed by the Investment Manager or multiple Sub-Advisors.

### Are there other Series of the NextGen 529 Program available?

The NextGen 529 Program also includes two additional separate Series— the Client Direct Series and the Client Connect Series. Neither are available to Account Owners who choose to invest through a Financial Professional. Because the Client Direct Series and the Client Connect Series do not involve use of a Financial Professional, they do not require payment of sales charges associated with certain Unit classes of the Client Select Series.

The Client Direct Series and Client Connect Series are designed for people who wish to save for the Designated Beneficiary's qualified educational expenses without using a Financial Professional. They do not offer as many investment options as the Client Select Series. They are distributed through Northern Lights Distributors, LLC.

### What are the main benefits of investing in the Client Select Series?

The NextGen 529 Program, including the Client Select Series, is designed to qualify for favorable tax treatment under Section 529 of the federal tax code. If you use your Account for Qualified Higher Education Expenses, the earnings in your Account will not be subject to federal income tax or to Maine's state income tax. (For income tax treatment in states other than Maine, consult your tax advisor.) In addition, the Client Select Series enables you to select from the broadest array of investment options available from the Investment Manager and five Sub-Advisors, using the services provided by your Financial Professional.

### Are there special benefits for Maine residents who participate in the NextGen 529 Program?

Yes.

**Maine State Tax Deduction.** You may deduct up to \$1,000 per Designated Beneficiary per year on your Maine state tax return for your contributions to any Section 529 Program, including the NextGen 529 Program, during that year, as long as your federal adjusted gross income is not over \$100,000 (single or married filing separately) or \$200,000 (married filing jointly or head of household).

**Maine Matching Grant Program.** If either the Participant or the Designated Beneficiary is a Maine resident, the Account may be eligible for one or more grants under the Maine Matching Grant Program. Grants and grant amounts are determined from time to time by FAME. Grants are subject to available funding and Grant Terms and Conditions; you can find out more by contacting FAME at [www.nextgenforme.com](http://www.nextgenforme.com).

**Maine Administration Fee Rebate Program.** If either the Participant or the Designated Beneficiary is a Maine resident, an amount approximately equal to the Maine Administration Fee paid during the year on Account investments is automatically rebated to the Account

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in the following year, if such amount is at least \$2.00. To be eligible to receive the rebate, on the last business day of the calendar year the Account must have a balance of at least \$1,000. The minimum rebate is \$2.00; amounts less than \$2.00 will not be paid.

**Harold Alfond College Challenge Grant (My Alfond Grant Program).** Accounts for eligible Designated Beneficiaries may be linked to a \$500 grant funded by the Alfond Scholarship Foundation. The grant can only be used for Qualified Higher Education Expenses paid directly to an eligible institution for higher education and is subject to terms and conditions available from FAME at [www.nextgenforme.com](http://www.nextgenforme.com).

## **OPENING AN ACCOUNT**

### **How do I open an Account?**

To open an Account, you must complete and submit an Account Application and agree to the terms and conditions of the Participation Agreement included in this Program Description. In some instances, you may do so electronically through your Financial Intermediary's online platform. You should contact your Financial Professional for assistance in completing an Account Application, either on paper or electronically.

### **Who can be the Account Owner?**

The Account Owner must be an individual who is a U.S. citizen or Permanent Resident of the United States, resides in the United States (including U.S. territories and U.S. military bases), is at least 18 years old and has a valid social security number or taxpayer identification number. Certain custodians, scholarship providers and other entities can also be Account Owners. The Entity Account Application is available online at [www.nextgenforme.com](http://www.nextgenforme.com) or by contacting your Financial Professional.

### **Who can be the Account's Designated Beneficiary?**

The Account's Designated Beneficiary (the individual for whose benefit the money in the Account is intended) may be anyone of any age with a valid social security number or taxpayer identification number. The Designated Beneficiary does not have to be related to the Account Owner. The Account Owner can also be the Designated Beneficiary -- meaning you can establish an Account for your own education expenses.

### **Who controls the Account?**

The Participant is the Account Owner and controls all decisions about the Account, including who the Designated Beneficiary is, whether to change the Designated Beneficiary, how the Account is invested, when withdrawals are made from the Account and who receives the withdrawals. Unless the Account is established under applicable state UGMA/UTMA laws, the Designated Beneficiary has no rights or control with respect to the Account. However, withdrawals from the Account that are not used for the **Qualified Higher Education Expenses** of the Designated Beneficiary (or, in the case of repayment of qualified education loans, the Designated Beneficiary's sibling) are subject to income taxes on the earnings and, with limited exceptions, to a 10% additional federal penalty tax on the earnings.

### **Is there a fee for opening an Account?**

No, the NextGen 529 Program does not charge a fee for opening an Account. Certain fees assessed by the NextGen 529 Program and providers of investments in which the NextGen 529 Program invests are reflected in the value of your Account. Depending on the Unit class through which your Account balances are invested, there may be an ongoing sales charge and/or a contingent deferred sales charge (CDSC) on such investments. Although the NextGen 529 Program does not impose a fee for opening an Account, you should contact your Financial Professional for assistance in determining whether there are any fees charged by your Financial Professional in connection with opening an Account.

### **Who can contribute to an Account?**

Although the Account Owner usually makes most of the contributions to an Account, and controls all contributions made to an Account, any relative, friend or other person who would like to contribute to an Account can mail a check and Select Series contribution coupon, available at [www.nextgenforme.com](http://www.nextgenforme.com).

### **Is there a minimum contribution amount?**

There is a \$25 minimum initial contribution, which is waived when funding an Account by direct deposit through payroll deduction or through automated Contributions and in certain other circumstances. You should contact your Financial Professional for assistance in determining whether such other circumstances apply to you. There is no minimum subsequent contribution amount.

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### **Is there a maximum contribution amount?**

Yes. Additional contributions to an Account will not be accepted if they would cause the total balance in all of the accounts in the NextGen 529 Program for the same Designated Beneficiary to exceed \$545,000. FAME reviews and may adjust this contribution limit (the “Maximum Contribution Limit”) from time to time.

### **How can I make contributions to an Account?**

Contributions to an Account can be made by personal check, cashier’s check or money order, by direct deposit through payroll deduction, through an automated method for making contributions from a bank account, through an online transfer from a bank account, or by a “rollover” from an account in another 529 Program, from a Coverdell Education Savings Account or from certain U.S. savings bonds. You should contact your Financial Professional for assistance in making contributions to your Account.

## **ACCOUNT INVESTMENTS**

### **What investment options are available through the Client Select Series?**

The Client Select Series includes a variety of investment options:

- Four suites of Year of Enrollment investment options
  - three with 9 different Year of Enrollment target dates
  - one with 11 different Year of Enrollment target dates
- 11 Diversified Portfolios
- 25 Single Fund Portfolios
- the Principal Plus Portfolio and
- the NextGen Savings Portfolio

### **What is a Year of Enrollment investment option?**

The Year of Enrollment investment options are designed for Account Owners who are saving for the education or training of their Designated Beneficiary to begin close to a particular year. The specific year associated with a particular Year of Enrollment investment option is the year the NextGen 529 Program assumes the Account Owner investing in such Year of Enrollment investment option will begin making withdrawals to pay Qualified Higher Education Expenses. Once the specified year of enrollment for the applicable Year of Enrollment investment option is reached, the remaining invested funds are automatically transferred to an “Enrolled” Year of Enrollment investment option invested on the assumption that Account Owners will be withdrawing remaining funds in the near future.

The investment portfolio for each Year of Enrollment investment option consists of shares of various exchange traded funds (“ETFs”) or Mutual Funds or interests in a separate account invested in cash equivalents (collectively, “Underlying Funds”). The allocation to those Underlying Funds (other than in the “Enrolled” portfolio) changes over time (generally every three months) as the target year of enrollment approaches.

The allocation to Underlying Funds that primarily invest in equity securities generally decreases over time and the allocation to Underlying Funds that primarily invest in fixed income securities and/or cash equivalents generally increases over time. This is because over long-term periods, the earnings on equity investments generally (but not always) are higher than the earnings on fixed income and cash equivalents, whereas over shorter periods, the performance of equity investments may be worse (potentially including losses) than the performance of fixed income securities or cash equivalents (also potentially including losses).

The change in the asset allocation of a Year of Enrollment portfolio over time is referred to as the “glide path.”

An “Enrolled” Year of Enrollment portfolio is designed to have the highest allocation to fixed income securities and/or cash equivalents among the Year of Enrollment investment options.

**IMPORTANT:** Although the investment principles and “glide path” reflected in the structure of Year of Enrollment investment options are commonly used in Section 529 Programs, there is no guarantee that investing in the Year of Enrollment investment options will ensure investment gain or protect against investment losses over time, or that the investment return, if any, will be sufficient to cover the Designated Beneficiary’s expenses for which the Account was established.

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### **Can I invest my Account in more than one Year of Enrollment investment option?**

Yes. You can invest in any combination of investment options, including one or more Year of Enrollment investment options and/or one or more other investment options.

### **What is a Diversified Portfolio?**

Each Diversified Portfolio is invested in a specified combination of Portfolio Investments that provides a specified degree of investment exposure to specified asset classes such as equities, fixed income and cash equivalents. Unlike the Year of Enrollment investment options, the allocations within a specific Diversified Portfolio to particular types of asset classes are not designed to change over time.

### **What is a Single Fund Portfolio?**

Each Single Fund Portfolio is invested in only one Underlying Fund. Investing in a Single Fund Portfolio permits an Account Owner to expose an Account, or the portion of the Account invested in the Single Fund Portfolio, in a concentrated manner to the particular investment strategy of the Underlying Fund in which such Single Fund Portfolio invests its assets.

### **What is the Principal Plus Portfolio?**

The Principal Plus Portfolio is designed to preserve the value of amounts contributed to such investment option, although it is not guaranteed against investment losses. It is currently invested in two Funding Agreements issued by New York Life Insurance Company. In the future, the Principal Plus Portfolio may also invest in corporate fixed-income investments and/or similar instruments.

### **What is the NextGen Savings Portfolio?**

The NextGen Savings Portfolio is invested in a bank deposit account, currently with **Fifth Third Bank**. Amounts deposited in the NextGen Savings Portfolio are eligible for FDIC insurance, subject to applicable federal deposit insurance limits.

If you select the NextGen Savings Portfolio because of the FDIC insurance feature, you should be aware that for purposes of the current FDIC insurance coverage limitation of \$250,000, all deposits you have in the same ownership capacity at Fifth Third Bank (or if the bank that provides the bank account used in the NextGen Savings Portfolio changes in the future, such other bank) are added to the portion of the underlying deposits in the NextGen Savings Portfolio in your Account. You are responsible for monitoring the total amount of your assets held directly by you at the bank that provides the bank account used in the NextGen Savings Portfolio.

## **ACCOUNT CHANGES**

### **Can I change how my Account is invested?**

Yes, you can change how your existing Account balance is invested twice in each calendar year, and also at any time that you change the Designated Beneficiary of your Account.

At the time any new Contribution is made to your Account, you can select any available Investment Option for such new Contribution or a portion thereof, without regard to the twice per calendar year restriction.

### **Can I change the Designated Beneficiary of my Account?**

Yes, at any time you can change the Designated Beneficiary of your Account to any person who is a "member of the family" of the current Designated Beneficiary as defined in Section 529, including, among others, the current Designated Beneficiary's brother, sister, stepbrother, stepsister, spouse, child, first cousin, father, mother, stepfather, stepmother, aunt, uncle, niece or nephew. Special rules apply to Accounts established by UGMA/UTMA custodians.

### **What happens to the Account if I die before it is fully used?**

When you open an Account or at any time after, you can designate a Successor Participant by submitting the appropriate instruction to the Program in writing. Upon your death or legal incapacity, the Successor Participant would become the Account Owner and control the Account in the same way you do (including the right to withdraw assets from the Account or change the Designated Beneficiary.) In the event no Successor Participant is named on the Account Application or on another form accepted by the Program Custodian, or the named Successor Participant predeceases the Participant or does not accept ownership of the Account, the surviving spouse of the Participant, provided he or she is the natural or adoptive parent of the Designated Beneficiary, will become the Participant for



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the Account. In the event the surviving spouse is not the natural or adoptive parent of the Designated Beneficiary and the Designated Beneficiary is not a minor, the Designated Beneficiary will become the Participant for the Account. In the event there is no surviving spouse who is a parent of the Designated Beneficiary and the Designated Beneficiary is a minor, the Designated Beneficiary's custodial guardian will become the Participant for the Account. If the Designated Beneficiary has more than one custodial guardian, the earlier born guardian will become the Participant for the Account. If the Designated Beneficiary and the Participant both die and the Designated Beneficiary predeceases the Participant or dies in a manner that it cannot be determined who died first, the estate of the Designated Beneficiary will become the Participant for the Account.

Please see additional details regarding [Participation and Accounts - Death or Legal Incapacity](#) for more information on what happens to the Account should you die without designating a Successor Participant or if the designated Successor Participant dies before you do.

## USING THE ACCOUNT

### How can I use the money in my Account?

Money in your Account can be withdrawn by you at any time for any purpose. However, you will be subject to income taxes, including in most cases a 10% additional penalty tax on any earnings withdrawn for a use that is not a:

- Qualified Withdrawal for Qualified Higher Education Expenses, or
- qualified rollover to another Section 529 Program, or
- qualified rollover to a Roth IRA, or
- qualified rollover to an ABLE program before January 1, 2026, or
- permitted transfer to an account in a different Series of the NextGen 529 Program.

### What is a Qualified Higher Education Expense?

Section 529 Programs, such as NextGen 529, are mainly intended for people saving for the higher education expenses of their Designated Beneficiary, but the favorable tax treatment of investment earnings in such programs is also available for certain other categories of education-related expenses. Specifically, "Qualified Higher Education Expenses" that cause Account withdrawals to qualify for a favorable federal tax treatment include the following expenses of a Designated Beneficiary:

- Qualified Higher Education Expenses at an eligible institution of higher education. The following expenses incurred by the Designated Beneficiary at an eligible institution of higher education (see below):
  - tuition, fees and the costs of books, supplies and equipment required for enrollment or attendance at an eligible institution of higher education
  - room and board expenses of a Designated Beneficiary who is enrolled at least half-time at an eligible institution of higher education, provided they do not exceed the following amounts:
    - on-campus: actual invoice amount for room and board;
    - off-campus: up to the applicable room and board portion of the "cost of attendance" as determined by the eligible institution of higher education.
  - expenses for the purchase of computer or peripheral equipment, computer software or Internet access and related services, if used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an eligible institution of higher education
  - expenses for special needs services for a special needs Designated Beneficiary that are incurred in connection with enrollment or attendance at an eligible institution of higher education.

An eligible institution for higher education includes any accredited post-secondary educational institution offering credit towards a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential, and which is eligible to participate in federal student financial aid programs under Title IV of the Higher Education Act. This includes certain proprietary institutions, foreign institutions and post-secondary vocational institutions. A complete list of such institutions can be found at [StudentAid.gov](https://studentaid.gov).



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- Other types of Qualified Higher Education Expenses. The following types of expenses are also treated as Qualified Higher Education Expenses under the Code:
    - tuition in connection with a Designated Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school, up to a maximum of \$10,000 per year per Designated Beneficiary from all Section 529 Programs
    - expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act
    - amounts paid as principal or interest on any qualified education loan of either the Designated Beneficiary or a sibling of the Designated Beneficiary, up to a lifetime limit of \$10,000 per individual.

### **Can I withdraw money from my Account before I pay a Qualified Higher Education Expense or to reimburse myself for a Qualified Higher Education Expense I paid with other money?**

Yes. Certain Qualified Higher Education Expenses can be paid directly by the NextGen 529 Program to an eligible institution of higher education attended by the Designated Beneficiary. However, direct payment of Qualified Higher Education Expenses from an Account is not required for tax purposes. For tax purposes, withdrawals from an Account are considered made for Qualified Higher Education Expenses by comparing (i) the aggregate amount of withdrawals made in a calendar year from all accounts for the Designated Beneficiary with (ii) the aggregate amount of Qualified Higher Education Expenses of the Designated Beneficiary paid in that tax year (from sources other than scholarships or grants), provided that Qualified Higher Education Expenses used to claim an American Opportunity Tax Credit or Lifetime Learning credit or to obtain a tax-free withdrawal from a Coverdell education savings account cannot also be counted as Qualified Higher Education Expenses for purposes of withdrawals from a Section 529 Program. The timing of a withdrawal from the Account relative to the payment of Qualified Higher Education Expenses does not matter for tax purposes as long as both occur in the same calendar year. The IRS has not issued final regulations for Section 529 Programs, but under current tax filing requirements, for example, a tuition payment made in January 2025 cannot be counted as a Qualified Higher Education Expense for a withdrawal made in December 2024, but can be counted as a Qualified Higher Education Expense for any withdrawal made in 2025. If the amount of withdrawals in a calendar year from an Account and other accounts in Section 529 Programs for the Designated Beneficiary exceed the Qualified Higher Education Expenses of the Designated Beneficiary in such calendar year, the excess amount is a Non-Qualified Withdrawal. For purposes of this Program Description, a withdrawal is considered made or used for Qualified Higher Education Expenses if it satisfies the above requirements for expenditure in the same calendar year.

Notwithstanding the above, any grant funds linked to a NextGen account are limited to use for payment of Qualified Higher Education Expenses directly to an eligible institution of higher education, and cannot be used to reimburse any individual.

## **OTHER MATTERS**

### **What does it cost to invest in the Client Select Series?**

**The cost of investing in the Client Select Series varies depending on the investment option(s) you select and the Unit class(es) through which you invest.** Particular Unit classes may involve contingent deferred sales charges and/or ongoing sales charges (collectively referred to as "sales charges") that are used to pay the applicable Financial Intermediary for your Financial Professional's services. Additional fees are assessed to the Portfolios of the investment option(s) in which you may invest and to the Portfolio Investments in which such Portfolios are invested, which reduce the investment return to your Account. See "[Program Fees, Expenses and Sales Charges](#)" for the fees associated with each investment option and Unit class.

### **Are there risks to investing in the Client Select Series?**

There are risks associated with any investment. The results of the investment of your Account will vary based on, among other factors, the investment options you select, the applicable Portfolio Investments, the allocations to Portfolio Investments of different asset classes, the time period during which you invest and general trends in the stock market, bond, and short-term debt markets during such period.

The value of your Account may decline over particular periods or over the life of your investment in the NextGen 529 Client Select Series.

Withdrawals not used for Qualified Higher Education Expenses, qualified rollovers, or permitted investment changes will be subject to federal income tax and, with limited exceptions, a 10% additional penalty tax on the earnings portion of the withdrawal.

For a detailed description of these and other risks, see "[Program and Portfolio Risks and Other Considerations](#)"

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### **Are there any unusual tax aspects to investing in the NextGen 529 Program?**

One of the main tax benefits of an investment in the NextGen 529 Program under current law is that, to the extent the Account balance is applied to Qualified Withdrawals for the Qualified Higher Education Expenses of the Designated Beneficiary, no federal or Maine income taxes will be payable on the investment earnings.

However, federal and, where applicable, state income taxes will be payable on the investment earnings of any portion of the Account balance withdrawn other than through Qualified Withdrawals for the Qualified Higher Education Expenses of the Designated Beneficiary (or, in the case of repayment of qualified education loans, the Designated Beneficiary's sibling), a qualified rollover to another Section 529 Program or to a Roth IRA or, before January 1, 2026, to a qualified ABLE program, or a permitted transfer to an account in a different Series of the NextGen 529 Program. When federal income taxes are payable, a 10% penalty tax also will be payable, with limited exceptions.

For federal gift and estate tax purposes, contributions to a 529 Program, including contributions to an Account, are considered gifts from the contributor to the Designated Beneficiary, even though the Account Owner retains control over how Account balances are used. Most taxpayers are not subject to federal gift or estate taxes. See ["Tax Treatment of Investments & Withdrawals"](#) for more detail on federal gift and estate tax matters associated with contributions to an Account and the balance in an Account.

### **Does an Account have any special protections against creditors?**

Federal bankruptcy law provides some limited protections to an Account if the Account Owner files for bankruptcy and the Account's Beneficiary is a child, stepchild, grandchild or step grandchild of the Account Owner. Under Maine law, all assets in, or credited to, an Account are not subject to levy, execution, judgment or other operation of law, garnishment or other judicial enforcement, and such assets are not an asset or property of either the Participant or the Designated Beneficiary for purposes of Maine insolvency laws. Other states may have different protections, or no protections, for Accounts potentially subject to levy, execution, judgment or other operation of law, garnishment or other judicial enforcement in the applicable state.

### **Who operates the Client Select Series?**

The Finance Authority of Maine (FAME) established and administers the NextGen 529 Program, including the Client Select Series. Under a contract with FAME, BlackRock Advisors, LLC currently serves as the investment manager of the NextGen 529 Program, including the Client Select Series. Vestwell State Savings, LLC currently serves as program manager of the NextGen 529 Program, including the Client Select Series. The Bank of New York Mellon currently serves as the program custodian and recordkeeper for the Client Select Series. BlackRock Investments, LLC currently serves as the distributor of units of the Client Select Series.

### **How do I reach someone if I have questions about opening an Account or about my Account after I open it?**

Personnel are available to answer questions about the NextGen 529 Client Select Series, at 1-833-33-NG529 (1-833-336-4529), Monday - Friday, 8:00am - 8:00pm Eastern Time.

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# Participation and Accounts

The Client Select Series offered through this Program Description is available exclusively through Financial Intermediaries. Accounts may be established by: (i) individuals who are U.S. citizens or permanent residents of the United States, reside in the United States (including U.S. territories and U.S. military bases), are at least 18 years of age and have a valid social security number or taxpayer identification number, and (ii) custodial and trust accounts, state or local governments, tax-exempt organizations described in section 501(c)(3) of the Code, or certain other entities, with a valid taxpayer identification number. There is no age restriction for a Designated Beneficiary.

## ESTABLISHING AN ACCOUNT

**Account Application** – To establish an Account, a Participant must complete an Account Application and agree to the terms and conditions of this Program Description and the Participation Agreement. Either FAME or the Program Manager may require the completion of certain other documents for an Account to be established. There is no fee or charge for establishing an Account. Accounts will not be established, orders will not be executed, and the Account Application and Contribution amount will be returned if the Account Application is not complete. Signing an Account Application acknowledges receipt of this Program Description and Participation Agreement and acceptance of the terms and conditions of the Program Description and the Participation Agreement. There may be only one Participant and one Designated Beneficiary for each Account. The Participant is also the Account Owner. There is no limit to the number of Accounts that a Participant can open. A **Successor Participant** may be identified for an Account on the Account Application. Account Applications are available at [NextGenforME.com](https://NextGenforME.com) or by contacting FAME at 800-228-3734.

An individual who is a Permanent Resident of, but not a citizen of, the United States may establish an Account, provided that such individual is otherwise eligible to establish an Account. To establish an Account, any such individual must provide evidence of permanent residency in the United States and evidence of the individual's country of citizenship to the satisfaction of the Program Manager. Individuals who reside outside the United States are generally not eligible to open an Account.

**Identifying a Designated Beneficiary** – On the Account Application a Participant (other than a state or local government or tax-exempt organization described in section 501(c)(3) of the Code opening a Scholarship Account as described below) must identify a Designated Beneficiary whose Qualified Higher Education Expenses are expected to be paid from the Account. There is no limit on the number of Accounts that can be opened for the same Designated Beneficiary by different Participants. The Designated Beneficiary may be the Participant or any other individual with a valid social security number or taxpayer identification number.

**Accounts Opened by Trustees, Custodians, Guardians, and Conservators** – An authorized trustee or custodian must be identified if Contributions to an Account come from an existing trust or custodial account. Trustees opening an Account on behalf of a trust must provide representations or documentation concerning the trustees' authority or such other matters as required by the Program Custodian. In addition, guardians and conservators may open an Account provided copies of the applicable governing documents are acceptable to the Program Custodian.

**Powers of Attorney** – A Participant may authorize another individual or entity to exercise rights over an Account or to open an Account through a power of attorney. However, FAME and the Program Manager reserve the right to take instructions from a Participant's agent only if the power of attorney is presented to the Program Custodian in a form satisfactory to the Program Custodian and the request meets such other requirements as may from time to time be established by FAME and/or the Program Manager. If applicable, the power of attorney must be durable, and must include other language acceptable to the Program Manager, including the power to make or revoke gifts.

**Scholarship Accounts** – Accounts may be established by state or local governments or tax-exempt organizations described in section 501(c)(3) of the Code and most types of legal entities, including trusts, whose purposes and powers so permit. As a Participant, a government or tax-exempt organization may establish an Account as part of a scholarship program operated by such government or organization (a "Scholarship Account"). Governments and tax-exempt organizations may designate any Portfolio or combination of Portfolios in which Contributions to a Scholarship Account are to be invested. Contributions to such Scholarship Accounts will be permitted even if they cause the balance of the Account to exceed the Program's Maximum Contribution Limit. Questions regarding the establishment of Scholarship Accounts should be addressed to the Program Custodian at (833) 336-4529 or to FAME at (800) 228-3734.

**Selection of Investment Option(s)** – Investment option(s) and the percentage of each Contribution to be allocated to the Portfolio(s) selected must be indicated on the Account Application. The total allocation may not exceed 100%. All subsequent Contributions will be

invested in the selected Portfolio(s) and at the designated allocations until a new designated allocation is selected by the Participant. See [“Investment of Contributions - Investment Changes”](#) for information about changing existing investment allocations and/or changing the investment allocation of future Contributions.

**Request for Duplicate Statements** – A Participant, other than a Participant whose Account was established through Self-Directed Online Investing, may identify an interested party to receive duplicate Account statements. The interested party cannot initiate, approve or otherwise authorize any transactions or changes to the Account.

**Personal Information** – Establishment of an Account is subject to acceptance by the Program Manager, and verification of a Participant’s identity and other information regarding a Participant. A Participant must provide such documentation and other information regarding Participant, and any other person who may have an interest in an Account, as the Program Manager may deem appropriate for purposes of complying with anti-money laundering laws and regulations, the Program Manager’s anti-money laundering processes, procedures and requirements, and other applicable laws and regulations, as the same may be amended from time to time (“Identity Information”). If a Participant does not provide Identity Information requested on the Account Application, the Program Manager may refuse to open an Account for the Participant. The Program Manager may also request that a Participant provide additional Identity Information at any time after an Account is opened. If a Participant fails to provide Identity Information requested on the Account Application, or immediately upon request at any time after the Account is opened, or if the Program Manager is unable to verify any Identity Information to its satisfaction, the Program Manager may, without prior notice to the Participant, reject Contributions and withdrawal and transfer requests, suspend Account services, close the Account or take any other action permitted by applicable laws and regulations. Units redeemed as a result of closing an Account will be valued at the Units’ net asset value per Unit (“Net Asset Value”) next calculated after the Program Manager closes the Account. The risk of market loss, tax implications, and expenses resulting from the liquidation will be solely the Participant’s responsibility. References to Program Manager in this paragraph are deemed to include the Program Custodian, as applicable.

## CONTRIBUTIONS

Contributions must be made by personal check, cashier’s check or money order (collectively, “check”), direct deposit through payroll deduction, through an automated method for making Contributions from a bank account through the Program’s Automated Funding Service (“AFS”), Mobile Check Deposit via the Bank of America, Merrill Edge or My Merrill mobile applications, or through an online transfer from a bank account, to the extent that such services may be offered by the Program to Participants from time to time. All Contributions must be in U.S. dollars. A Participant will receive statements confirming the investment of his or her Contributions (and including such other information as may be required by law).

### Contributions by Check

- **Initial Contributions** — A Participant making an initial Contribution by check must generally include an initial minimum amount of \$25 with his or her Account Application, and check(s) should be made payable to “NextGen 529 FBO [Name of Designated Beneficiary]”. A separate check must be provided for each Account Application. The initial minimum amount will be waived for an Account which is eligible to be linked to the Harold Alfond College Challenge Grant. See [“Program and the Program Fund-Special Benefits Available to Maine Residents.”](#)
- **Subsequent Contributions** — There is no minimum amount for subsequent Contributions made by check. A Participant whose Financial Intermediary is Merrill Lynch and who is wishing to make subsequent Contributions by check can make a contribution via Mobile Check Deposit through the Bank of America, Merrill Edge or My Merrill mobile applications.
- **Check Instructions** — Participants who would like to mail a check should make the check payable to “NextGen 529 FBO [Name of Designated Beneficiary]”. A separate check must be provided for each Account receiving a subsequent Contribution. You must include the NextGen 529 Account number on the check.
- **Where to send Contributions** — Participants should send initial or subsequent Contribution(s) by check to their Financial Intermediary.
- **Returned Checks** — A fee of \$20, which may be deducted from the Account, is charged for each check returned to the Program due to insufficient funds in an account on which the check is drawn.

### Automatic Funding Service (“AFS”) or Automatic Transfer from Checking/Savings Account

- **In General** — A Participant may authorize the Program Custodian to perform automated, periodic debits to make Contributions to an Account from a checking or savings account at a financial institution. An authorization to perform automated, periodic deposits will remain in effect until the Program Custodian has received notification of its termination. A Participant or the Program Custodian

may terminate the enrollment in the Program's AFS at any time. Any termination of such service initiated by a Participant must be in writing and will become effective as soon as the Program Custodian has had a reasonable amount of time to act on it. The Program does not impose a fee for enrolling in the Program's AFS; however, the institution from which the funds are being debited may charge a fee. Please check with the institution.

- **Initial Contribution** — There is no Initial Contribution amount required when AFS is established for an Account. To initiate this Contribution method, a Participant must complete the AFS section of the Account Application or request and complete an Automated Funds Service Enrollment and Authorization Form.
- **Subsequent Contributions** — There is no minimum amount for subsequent AFS Contributions to an Account.

### Payroll Direct Deposit

Individuals and employees of employers offering the Program as an employee benefit may make an automatic, periodic Contribution to Account(s) through payroll direct deposit. No initial Contribution is required when a Participant chooses to fund an Account through payroll direct deposit. Employers willing to process payroll direct deposit Contributions must be able to meet the Program Manager's operational and administrative requirements. Participants who wish to make such Contributions should verify with their employer that the employer is willing to process Contributions through payroll direct deposit.

Contribution Method	Minimum Initial Contribution*	Minimum Subsequent Contribution
Check	\$25	None
Automated Funding Service or Payroll direct deposit	None	None

\*The minimum Contribution may be reduced or waived in certain circumstances.

### Rollover Contributions

- **Rollovers from Another State's Section 529 Program** — Rollover Contributions directly from another Section 529 Program to an established Account may be initiated by executing the NextGen 529 Incoming Rollover Form ("Incoming Rollover Form") and providing a statement issued by the distributing Section 529 Program that shows the principal and earnings portions of the Contribution.
  - Rollover Contributions from another Section 529 Program sent directly to a Participant may be accompanied by the Incoming Rollover Form or Account Application. Additionally, an acceptable form of documentation showing the breakdown of principal and earnings for the rollover contribution must be provided to the Program Custodian, such as a statement issued by the distributing Section 529 Program, a check stub or a letter on the letterhead of the distributing Section 529 Program.
  - Rollover Contributions to an Account from another Section 529 Program are federal income tax-free only if the rollover is deposited within 60 days after its withdrawal from the other Section 529 Program into:
    - an Account for the same Designated Beneficiary, and there have been no other Section 529 Program rollovers within the immediately preceding 12 months for the same Designated Beneficiary, or
    - an Account for a Designated Beneficiary who is a Member of the Family (defined below) of the Designated Beneficiary of the rolled-over account (see ["Tax Treatment of Investments & Withdrawals — Federal Taxation of Section 529 Programs — Federal Gift, Estate and Generation – Skipping Transfer Taxes"](#) for a discussion of possible gift or generation-skipping transfer tax consequences).

The Section 529 Program from which you are transferring funds may impose other restrictions or fees on rollovers. You should investigate them thoroughly.

- **Rollovers from Coverdell Education Savings Accounts** — Coverdell Education Savings Account ("Coverdell ESA") assets can be rolled over to an Account. In order to take advantage of a tax-free rollover from a Coverdell ESA, the rollover Contribution must be to an Account for the same Designated Beneficiary and may be accompanied by an Account Application or Incoming Rollover Form. Additionally, an acceptable form of documentation showing the breakdown of principal and earnings for the rollover contribution must be provided to the Program Custodian, such as a statement issued by the financial institution that acted as trustee or custodian of the Coverdell ESA, a check stub or a letter on the letterhead of the trustee or custodian of the Coverdell ESA. '



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- **Rollovers from Qualified U.S. Savings Bonds** — Assets invested in certain U.S. savings bonds can be rolled-over to an Account in order to take advantage of a tax-free rollover in connection with the liquidation of Series EE or Series I bonds, modified adjusted gross income limitations must not be exceeded and the rollover Contribution may be accompanied by an Account Application or Incoming Rollover Form. In addition, an account statement or IRS Form 1099-INT issued by the financial institution that redeemed the bonds showing the interest portion of the redemption proceeds must also be provided to the Program Custodian.
  - **Tax and Other Considerations** — Unless coming directly from another Section 529 Program, rollovers require the liquidation of assets and the contribution of cash to an Account. Rollover Contributions to an Account must be made within 60 days of the liquidation and withdrawal of such assets from another account. If the Participant effects a qualifying rollover, the withdrawal from the originating Section 529 Program account will not be subject to federal income tax, including the 10% additional federal tax, on earnings. Until a statement issued by the distributing Section 529 Program, trustee or custodian of the Coverdell ESA or financial institution that redeemed the U.S. savings bonds showing the principal and earnings portion of the Contribution is received, the Program will treat the entire amount of the rollover Contribution as earnings in the receiving Account for tax purposes. A Participant may be required to provide certain documentation to the distributing Section 529 Program.

**Maximum Contribution** – Contributions, including Rollover Contributions, will be permitted if they do not cause the aggregate balance of all Accounts in the Program (including the Client Select Series, the Client Direct Series, and the Client Connect Series) for the same Designated Beneficiary (regardless of Participant) to exceed \$545,000. Contributions that would cause such aggregate balance to exceed \$545,000 may be rejected in their entirety. FAME will review and may adjust the Maximum Contribution Limit periodically.

**Excess Contributions** – The Program may return all or any part of a Contribution, including Rollover Contributions, that exceeds the Maximum Contribution Limit (“Excess Contribution”). Excess Contributions may be subject to a penalty imposed by FAME, which may be deducted from the Account. The Maximum Contribution Limit is based on the aggregate balance of all Account(s) in the Program for the same Designated Beneficiary (regardless of Participant), not on the aggregate Contributions made to Accounts.

**Year-End Contributions** – Contributions for any calendar year must be received in good order by the Program Manager by 10:30 a.m. Eastern Time on the last business day of the year. Contributions postmarked in a calendar year and received by the Program Manager in the next calendar year will not be included as Contributions in the prior calendar year. Year-end Contributions received by the Program Manager that do not include all necessary documentation in good order will not be credited to an Account for that calendar year.

Generally, a Contribution is deemed received by the Program Manager on the date and time it is received by the applicable Financial Intermediary, but the timing requirements of a particular Financial Intermediary for crediting a year-end Contribution to the then-ending calendar year may vary (see “[Particular Financial Intermediary Arrangements](#)”), and each Participant should consult the applicable Financial Intermediary as to that Financial Intermediary’s timing requirements.

**UGMA/UTMA** – Custodians under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act of any state (“UGMA/ UTMA”) must execute Account Applications as UGMA/UTMA custodians to contribute UGMA/UTMA property to the Account. All Contributions to an Account held by a UGMA/UTMA custodian will be treated by the Program as being subject to the applicable UGMA/UTMA. Participants who are UGMA/UTMA custodians but also wish to retain control and ownership of other non UGMA/UTMA assets in the Program, without being subject to the UGMA/UTMA, must establish separate Accounts for such non UGMA/ UTMA assets.

A Participant maintaining an Account as a UGMA/UTMA custodian may not change the Designated Beneficiary of the Account, may not transfer ownership of the Account to anyone other than a successor UGMA/UTMA custodian or the Designated Beneficiary, and must notify the Program Manager when a successor UGMA/UTMA custodian is appointed or when the custodianship terminates under the UGMA/UTMA (at which time the successor custodian or Designated Beneficiary will become the Participant of the Account).

Because only cash Contributions to an Account are permitted, UGMA/UTMA assets outside the Program may need to be liquidated in order to contribute them to an Account, which may have income tax consequences. Also, because the Designated Beneficiary of an Account under the UGMA/UTMA is the sole beneficial owner of the Account, any tax consequences associated with the Account, including any withdrawals from the Account, will be imposed on the Designated Beneficiary (and not the UGMA/UTMA custodian who is the Participant and legal owner of the Account).

Accounts maintained by an UGMA/UTMA custodian are subject to the additional restrictions imposed by the relevant UGMA/UTMA statute, and such custodian may wish to consult a tax advisor and/ or legal counsel regarding such restrictions and their consequences for transfers or withdrawals from an Account. Neither FAME nor the Program Custodian nor any of the Program’s service providers will take any responsibility for, or be liable for any consequences related to, an UGMA/UTMA custodian’s proper or improper use, transfer, failure to transfer, or characterization of custodial funds.

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**Contribution Policies** – Following receipt of Contributions by check or by transfer of funds electronically, except as further described herein, the Program reserves the right, subject to applicable law, not to allow withdrawals of those funds (or their equivalent) for up to 15 calendar days for checks, and up to 9 calendar days for electronic transfers. For Accounts established through Self-Directed Online Investing, following receipt of one-time initial Contributions by electronic funds transfer, the Program reserves the right, subject to applicable law, not to allow withdrawals of those funds (or their equivalent) for up to 45 calendar days.

A Contribution, rollover or transfer may be refused if FAME reasonably believes that (i) the purpose is for other than funding the Qualified Higher Education Expenses of the Designated Beneficiary of an Account, (ii) there appears to be an abuse of the Program, or (iii) such transaction is unlawful. The Program may not be able to determine that a specific Contribution, rollover or transfer is for other than funding the Qualified Higher Education Expenses of a Designated Beneficiary, abusive or unlawful. The Program therefore makes no representation that all such Contributions, rollovers or transfers can or will be rejected.

## **OWNERSHIP OF CONTRIBUTIONS**

Under Maine law, the Participant retains ownership of all Contributions made to an Account and all earnings credited to such Account up to the date withdrawn for payment of the Designated Beneficiary's Qualified Higher Education Expenses or otherwise transferred to someone other than the Participant. Special rules apply to Accounts established by UGMA/UTMA custodian Participants. An Eligible Institution of Higher Education obtains ownership of the amounts disbursed from an Account to such institution with respect to the Qualified Higher Education Expenses paid to the institution at the time each disbursement is made to the institution, subject to any applicable refund policy or other policies of the institution. Although award designations under the Maine Matching Grant Program or the Harold Alfond College Challenge Grant may appear on a Participant's Account statement and such amounts may be included in the Account's activity or Account balance (including for purposes of the Maximum Contribution Limit), they are not considered to be Contributions held in the Account. Award designations under the Maine Matching Grant Program or the Harold Alfond College Challenge Grant are not owned by the Participant, may only be used to pay the Qualified Higher Education Expenses of the Designated Beneficiary at an Eligible Institution of Higher Education and are not treated as awarded until distributed to pay such expenses. Award designations may not be used to pay expenses at any school other than an Eligible Institution of Higher Education. See [“Program and the Program Fund — Special Benefits Available to Maine Residents.”](#)

Any individual or entity may make Contributions to an Account. Only the Participant will receive confirmation of Account transactions. Individuals or entities other than the Participant that contribute funds to an Account will have no subsequent control over those Contributions. Contributions by third parties may result in tax consequences to the Participant or the third party. Only the Participant may direct transfers, rollovers, selection of investment options, investment changes (as permitted under federal law), withdrawals and changes in the Participant or Designated Beneficiary.

## **CHANGE OF DESIGNATED BENEFICIARY**

**General** – Section 529 of the Code and the Proposed Regulations generally allow for changes of the Designated Beneficiary without federal income tax consequences, so long as the new Designated Beneficiary is a Member of the Family (defined below) of the current Designated Beneficiary. Special rules apply to Accounts established by UGMA/UTMA custodians. In addition, generally no federal gift tax or any generation-skipping transfer tax will result provided the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary and is assigned to the same generation as or a higher generation than the current Designated Beneficiary. Any change of the Designated Beneficiary to an individual who is not a Member of the Family of the current Designated Beneficiary should be treated as a Non-Qualified Withdrawal. See [“Tax Treatment of Investments & Withdrawals - Federal Taxation of Section 529 Programs.”](#)

To initiate a change of Designated Beneficiary to a Member of the Family of the current Designated Beneficiary, the Participant must complete and provide a NextGen 529 Change of Designated Beneficiary Form (and any additional required documentation) to the Program Manager. The change will be made upon the Program Manager's acceptance and processing of a properly completed form. A Participant also may achieve a change of Designated Beneficiary by transferring part of the assets in an existing Account to another Account for the benefit of a different Designated Beneficiary. If this is a new Account, this will require completion of an Account Application Form as well as a Change of Designated Beneficiary Form. There is no fee or charge for changing a Designated Beneficiary.

A Participant may choose to reinvest amounts currently held in an Account to any of the available Portfolio(s) when changing the Designated Beneficiary for an Account.

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**Member of the Family – A Member of the Family is the Designated Beneficiary's:**

- Father or mother, or an ancestor of either;
- Child, or a descendant of a child;
- Stepfather or stepmother;
- Stepson or stepdaughter, or a descendant of either;
- Brother, sister, stepbrother or stepsister;
- Brother or sister of the father or mother;
- Brother-in-law, sister-in-law, son-in-law, daughter-in-law, father-in-law or mother-in-law;
- Son or daughter of a brother or sister;
- Spouse or the spouse of any of the foregoing individuals; or
- First cousin.

For purposes of determining who is a "Member of the Family," a legally adopted child, foster child and stepchild of an individual is treated as the child of such individual by blood relationship, and a brother or sister includes a brother or sister by half blood.

**SUCCESSOR PARTICIPANT (Successor Owner)**

**Successor Participant** – A Participant may designate a Successor Participant ("Successor Participant") or Successor Owner. The Successor Participant shall assume all of the rights, title and interest of the current Participant with respect to an Account (including the right to withdraw assets from the Account or change the Designated Beneficiary) upon the death or legal incapacity of the current Participant. Such designation must be in writing and is not effective until received by the Program Custodian. Special rules apply to UGMA/UTMA Accounts. The Successor Participant will be required to provide the Program Custodian with a certified copy of a death certificate in the case of death of a Participant or a court order in the case of legal incapacity of the Participant and such other information, the sufficiency of which the Program Custodian will determine in its sole discretion, as the Program Custodian requires prior to taking any action regarding the Account. The Successor Participant will also be required to complete an Account Application and agree to the terms and conditions of the Program Description and the Participation Agreement. See "[Participation and Accounts — Establishing an Account](#)".

If the Participant has authorized another individual or entity to exercise rights over an Account pursuant to a power of attorney executed prior to a legal incapacity, the power of attorney will take precedence over any Successor Participant designation during the Participant's lifetime. A transfer of ownership of an Account, during the Participant's lifetime, may have income or gift tax consequences; contact a tax advisor before transferring ownership of an Account. A designation of a Successor Participant that is later accepted by the Program Custodian will govern all directions with respect to the Account following (but not prior to) the acceptance of the designation.

**DEATH OR INCAPACITY OF PARTICIPANT**

**Death of Participant (Owner)** – In the event no Successor Participant is named on the Account Application or on another form accepted by the Program Custodian, or the named Successor Participant predeceases the Participant or does not accept ownership of the Account, the surviving spouse of the Participant, provided he or she is the natural or adoptive parent of the Designated Beneficiary, will become the Participant for the Account. In the event the surviving spouse is not the natural or adoptive parent of the Designated Beneficiary, and the Designated Beneficiary is not a minor, the Designated Beneficiary will become the Participant for the Account. In the event there is no surviving spouse who is a parent of the Designated Beneficiary, and the Designated Beneficiary is a minor, the Designated Beneficiary's custodial guardian will become the Participant for the Account. If the Designated Beneficiary has more than one custodial guardian, the earlier born guardian will become the Participant for the Account. If the Designated Beneficiary and the Participant both die and the Designated Beneficiary predeceases the Participant or dies in a manner that it cannot be determined who died first, the estate of the Designated Beneficiary will become the Participant for the Account.

**Legal Incapacity of Participant (Owner)** – If the Participant has authorized another individual or entity to exercise rights over an Account pursuant to a power of attorney executed prior to a legal incapacity, the power of attorney will take precedence over any Successor Participant designation during the Participant's lifetime.

**Participant Ownership Transfers** – A Participant may transfer ownership of an Account, without penalty, to another individual or entity to be the Participant in the Program. A transfer of ownership of an Account does not require a change of the Designated Beneficiary.



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A transfer of ownership of an Account will only be effective if it is irrevocable and transfers all rights, title, interest and power over the Account. A transfer of ownership of an Account may have income or gift tax consequences; contact a tax advisor before transferring ownership of an Account. To transfer ownership of an Account, contact your Financial Intermediary or call the Program Manager at 1-833-3NG529 (1-833-336-4529).

## INVESTMENT OF CONTRIBUTIONS

The Program Manager will generally credit Contributions to an Account as of the business day received by the Program Manager, provided receipt occurs before the close of regular trading on the New York Stock Exchange on such business day. Contributions received by the Program Manager after the close of the New York Stock Exchange on a business day or on a day that is not a business day are credited to an Account on the next business day. Generally, a Contribution is deemed received by the Program Manager on the date and time it is received by the applicable Financial Intermediary, although the practices of a particular Financial Intermediary may vary (see “[Particular Financial Intermediary Arrangements](#)”), and each Participant should consult the applicable Financial Intermediary as to whether that Financial Intermediary’s arrangements with the Program permit crediting of Contributions based on the date and time the Contributions are received by such Financial Intermediary. Neither FAME nor the Program shall be responsible for and shall under no circumstances have any liability with respect to, any failure by a Financial Intermediary to accurately record or transmit to the Program Manager or to any other agent of the Program instructions regarding the allocation of Contributions or the manner in which Contributions are to be invested.

**Investment Changes** – A Participant may change how previous Contributions (and any earnings thereon) have been allocated among the available Portfolio options for all Accounts in the Program (including Accounts in other Series in the Program) for the same Designated Beneficiary twice per calendar year or upon a change of the Designated Beneficiary to a Member of the Family of the current Designated Beneficiary. However, the investment allocation of future Contributions can be changed at any time. A Participant holding multiple Accounts for the same Designated Beneficiary must submit investment change instructions (including those made by transfers to or from an Account in another Series in the Program), if any, for all such Accounts on the same day, in order for all the changes to count as just one investment change (in the aggregate) for these purposes.

Exchanges to Portfolios offered under Series of the NextGen 529 Program can only be made after a separate account is opened in such other Series prior to the desired exchange. Accounts are not permitted to directly exchange Units of the Principal Plus Portfolio for Units of the NextGen Savings Portfolio. In addition, in order to limit indirect exchanges between the Principal Plus Portfolio and the NextGen Savings Portfolio, whenever an Account exchanges Units of the Principal Plus Portfolio for Units of any Portfolio(s) other than the NextGen Savings Portfolio, for the next 90 days, the dollar value of all such exchanges will be aggregated by Portfolio (the “aggregated amount”). During that 90-day period, the Account will be permitted to acquire Units in the NextGen Savings Portfolio through exchanges, but only to the extent that, immediately after the exchange, the Account continues to hold Units in the exchanging Portfolio (i.e., the Portfolio that redeems Units as part of the exchange) that are at least equal in value to the aggregated amount on that date.

Currently, investment change requests may be initiated electronically on the customer’s or Financial Intermediary’s online portal, or in writing by submitting an Investment Change Form. Your Financial Intermediary may require alternative means for providing investment change instructions. An investment change will not affect instructions on how additional Contributions to an Account should be allocated. Investment changes may take up to five business days to process after they are received in good form, particularly during periods of market volatility and at year-end.

When the Program Custodian processes an investment change, the Program Manager redeems the Units to be exchanged and uses the proceeds to purchase the Units to be credited to your Account. Such Units will be redeemed and purchased, as applicable, at their relative Net Asset Values next calculated after the investment change request is processed by the Program Manager.

**Net Asset Value** – The Program Custodian calculates a Net Asset Value for each Unit of a particular Portfolio on each day that the New York Stock Exchange is open for trading. Net Asset Values are calculated as of the close of regular trading on the New York Stock Exchange. Regular trading on the New York Stock Exchange typically closes at 4 p.m. Eastern Time but closes earlier on certain scheduled days and may close earlier in the case of an emergency. The Net Asset Value of a Portfolio’s Units is calculated by dividing the value of the Portfolio Investments, plus any receivables and less any liabilities of such Portfolio, by the number of outstanding Units. When you make a Contribution, the Units credited to your Account will be purchased at the Net Asset Value(s) next calculated after the Contribution is invested or reinvested as described in this Program Description.

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## STATEMENTS AND REPORTS

The Program Custodian will keep accurate and detailed records of all transactions concerning Accounts and will provide each Participant with periodic statements of each Account. The Program Custodian will not provide statements to a Participant for whom a prior statement or any other communication has been returned as undeliverable, until the Participant provides updated information to the Program in the manner required by the Program Custodian.

If a Participant does not write to the Program Custodian to object to a statement within 60 days after it has been sent to such Participant, such Participant will be considered to have approved it and to have released FAME, the Program Manager and the Program Custodian from all responsibility for matters covered by the statement. Each Participant agrees to provide all information that FAME, the Program Manager or the Program Custodian may need to comply with any legal requirements.

## OTHER PROVISIONS

**Prohibition Against Assignment, Transfer or Pledging as Security** – Neither an Account nor any portion thereof may be assigned, transferred or pledged as security (including as collateral for a loan used to make Contributions to the Account) either by the Participant or the Designated Beneficiary of the Account.

**Limitations on Satisfaction of Judgments - Maine Law** – Under Maine law, all assets in, or credited to, an Account are not subject to levy, execution, judgment or other operation of law, garnishment or other judicial enforcement, and such assets are not an asset or property of either the Participant or the Designated Beneficiary for purposes of Maine insolvency laws. A Participant, however, should consult an attorney regarding the potential treatment of an Account in a specific situation under Maine or other applicable law.

**Treatment of Account Assets under Federal Bankruptcy Law** – Federal bankruptcy law provides that Contributions to an Account that are made less than 365 days before the date of the filing of a bankruptcy petition by a Participant are part of the Participant's bankruptcy estate, and thus available to creditors.

Contributions to all Accounts for a single Designated Beneficiary made between 365 days and 720 days before the filing of a bankruptcy petition by a Participant are not considered part of the Participant's bankruptcy estate to the extent the aggregate of such Contributions does not exceed \$7,575 (subject to inflation adjustment), and thus such Contributions that do not exceed \$7,575 (subject to inflation adjustment) are not generally available to creditors in bankruptcy; provided that (i) such Contributions do not exceed the Program's Maximum Contribution Limit, and (ii) the Designated Beneficiary of such Accounts is a child, stepchild, grandchild or step grandchild of the Participant (a legally adopted child or a foster child of a Participant is treated as a child of such Participant by blood).

All Contributions to all Accounts for a single Designated Beneficiary listed in the paragraph above, if made at least 720 days before the filing of a bankruptcy petition by a Participant, are not considered part of the Participant's bankruptcy estate, and thus are not generally available to creditors in bankruptcy.

A Participant filing a bankruptcy petition must report to the bankruptcy court any interest that the Participant has in a Section 529 Program.

**Account Duration** – There is no specific deadline for the use of assets in an Account to pay for Qualified Higher Education Expenses. However, FAME reserves the right to establish a maximum duration for an Account.

**Persons Living Outside the United States** – Individuals who reside outside the United States are generally not eligible to open an Account or make new investment selections in NextGen 529. If a Participant previously residing in the United States moves outside the United States, the Program may take certain actions regarding the Account without prior notice to the Participant, including, among others, rejecting Contributions and withdrawal and investment change requests, suspending Account services, or closing the Account. Units redeemed as a result of closing an Account will be valued at the Units' Net Asset Value next calculated after the Program closes the Account. The risk of market loss, tax implications, and any other expenses, as a result of the liquidation, will be solely the Participant's responsibility.

**Account Transfer Upon Cessation of Financial Intermediary Status** – If the agreement between the Select Series Distributor and the Financial Intermediary through which a Participant established an Account is terminated by the Financial Intermediary or the Select Series Distributor, the Participant may select a different Financial Intermediary with which to associate the Account. If an Account

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remains on the books and records of the outgoing Financial Intermediary as of the effective date of the termination of the agreement between such Financial Intermediary and the Select Series Distributor, the Select Series Distributor will become the new Financial Intermediary of record for such Account. Participants whose Accounts are transferred to the Select Series Distributor as Financial Intermediary of record will receive notice of such transfer. The Select Series Distributor does not and will not offer any financial advice to Participants of such Accounts. If the Select Series Distributor becomes the Financial Intermediary for such an Account, a Participant may thereafter purchase Units of the A Unit Class only, regardless of whether the Participant otherwise satisfies the eligibility criteria stated in this Program Description to purchase A Units, and if the Account holds Units of either the C Unit Class or the I Unit Class at the time of such change in Financial Intermediary of record, the C or I Units will be exchanged for A Units, and the exchange between Unit Classes will not count towards the Program's investment change limits.

## WITHDRAWALS

**In General** – A Participant may direct a withdrawal from an Account at any time by notifying the Program Manager by mail, electronically, or in any other manner specified by the Program Manager. Generally, only the Participant of an Account may direct withdrawals from the Account. The frequency of withdrawals in a single month may be limited. A minimum withdrawal amount may also be established.

To request a withdrawal by telephone, a Participant should contact his or her Financial Intermediary or call the Program Manager at 1-833-3NG529 (1-833-336-4529). Certain Accounts or transactions are not eligible for withdrawals by telephone. If an Account or a transaction is not eligible for withdrawals by telephone, a written request for withdrawal may be submitted. To authorize a withdrawal by telephone, a Participant should have the following information available: (i) Account number; (ii) amount to be distributed; and (iii) Portfolios to be liquidated. Written requests for withdrawals from an Account must be submitted on a NextGen 529 Withdrawal Request Form; however, the Program Manager or Financial Intermediary may waive this requirement or provide additional means for withdrawal requests.

When a Participant requests a withdrawal, the Participant may request that the proceeds be delivered to the Participant, the Designated Beneficiary, or an Eligible Institution of Higher Education on behalf of the Designated Beneficiary. At this time, a Participant may not request that the proceeds be delivered to any elementary or secondary school, apprenticeship program or education loan provider. As discussed further below, the Participant is responsible for determining the tax treatment of any withdrawal from the Program.

Following the acceptance and processing of a properly completed withdrawal request by the Program Manager, Units held by your Account will be redeemed to fulfill the withdrawal. The redeemed Units will be valued at the next Net Asset Value(s) calculated after the withdrawal request is accepted by the Program Manager. Generally, a completed withdrawal request is deemed received by the Program Manager on the date and time it is received by the applicable Financial Intermediary, although the practices of a particular Financial Intermediary may vary (see “[Particular Financial Intermediary Arrangements](#)”). Each Participant should consult the applicable Financial Intermediary as to whether that Financial Intermediary's arrangements with the Program permit completed withdrawal requests to be treated as received by the Program Manager based on the date and time the request is received by such Financial Intermediary.

After such Units are redeemed, the Program Manager will deliver the proceeds to the payee. In the case of a partial withdrawal from an Account funded through the liquidation of Units that are subject to a CDSC, the amount of the CDSC generally will be paid from the remaining Account value (first from the Portfolios identified to be liquidated, and then pro-rata from other Portfolios), unless the remaining Account value is insufficient to cover the CDSC, in which case the remaining CDSC is deducted from the amount withdrawn. In the case of a full withdrawal of Account value, the amount of any applicable CDSC will be deducted from the amount withdrawn. The practices of a particular Financial Intermediary may vary, and each Participant should consult the applicable Financial Intermediary as to whether any applicable CDSC will be deducted from the amount withdrawn. During periods of market volatility and at year end, withdrawal requests may take up to five business days to process following receipt of a withdrawal request.

Withdrawals are generally processed by bank check. If a withdrawal is processed by wire transfer, the Program Manager automatically will charge a fee of \$30 for this service in addition to the requested amount. This fee may be deducted from the withdrawal proceeds. Alternatively, this fee may be added to the amount requested to be withdrawn from an Account.

Although a Participant designates the Portfolio(s) from which a particular withdrawal is made, special rules apply if the dollar amount of the withdrawal request is equal to or greater than the market value of the Units held in such Portfolio(s) at the time the withdrawal is processed. In such cases, the Program Manager will process the withdrawal request as follows:

(For purposes of these rules only, if a withdrawal request includes a request to withdraw the Alford Grant or Maine Matching Grant funds, all Maine Grant funds associated with an Account may be treated as a Portfolio, although the Maine Grant funds are not

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otherwise a Portfolio within the meaning of this Program Description. See “[Special Benefits Available to Maine Residents](#)” for more information about Maine Matching Grants.)

1. First, all of the Units held in the Portfolio(s) selected by the Participant for full liquidation will be sold (starting with the Portfolios with the smallest market value).
2. If the requested withdrawal amount is not satisfied, Units held in other Portfolio(s) selected by the Participant for withdrawal in a specified amount will be sold, starting with the Portfolios with the highest market value. If the same withdrawal dollar amount is requested from two or more Portfolios, Units held in the Portfolio with the highest market value will be sold, which could result in full liquidation of all Units in such Portfolio or a liquidation of Units only in that Portfolio.
3. In order to satisfy adjustments to a withdrawal request (for example, when the market value of Units has changed between the date of the withdrawal request and the processing date), Units held in the Portfolio(s) selected by the Participant for full liquidation will be sold (starting with the Portfolios with the highest market value). In order to satisfy any remaining adjustments, Units held in other Portfolio(s) selected by the Participant for withdrawal in a specified amount will be sold, starting with the Portfolio with the highest market value.
4. If the requested withdrawal amount is not satisfied after selling all of the Units held in the Portfolio(s) selected by the Participant, Units in other Portfolio(s) held in the Participant’s Account will be sold, starting with the Portfolio with the highest market value. However, Maine Matching Grant funds will not be liquidated to further satisfy a withdrawal request if they were not selected for withdrawal in the request made by the Participant.

If the requested withdrawal amount would not be satisfied after selling all of the Units in all of the Portfolio(s) held in a Participant’s Account (except Maine Matching Grant funds if they were not selected to be withdrawn at all in connection with a withdrawal request effected through Self-Directed Online Investing), the withdrawal request will not be processed and the Participant will be notified that there are insufficient assets in the Account to process the withdrawal request. If at any point in the process outlined above the requested withdrawal amount is satisfied, no further Units will be sold.

Accounts maintained by an UGMA/UTMA custodian are subject to the additional restrictions imposed by the relevant UGMA/ UTMA statute, and such custodian may wish to consult a tax advisor and/or legal counsel regarding such restrictions and their consequences for transfers or withdrawals from an Account.

Withdrawal requests generally will not be processed on the same day that other pending withdrawal requests or exchanges among Portfolios involving the same Account are processed.

**Tax Reporting** – For purposes of determining whether a withdrawal is federally taxable and/or subject to the 10% additional federal tax on earnings, the Participant must determine whether the withdrawal is made for the payment of Qualified Higher Education Expenses and/or fits within certain exceptions as discussed below.

On or before January 31 of each calendar year, the Program will send Form 1099-Q to each distributee for any withdrawals made from an Account in the previous calendar year. If a withdrawal is made payable to the Eligible Institution of Higher Education for the Designated Beneficiary or directly to the Designated Beneficiary, then the Designated Beneficiary is considered the distributee; for all other distributions, unless IRS guidance provides otherwise, Participant is considered the distributee. Upon receipt of the Form 1099-Q, the taxpayer will need to determine whether the distributions were used for Qualified Higher Education Expenses. If so, there is nothing to report; if the distributions were not used exclusively for Qualified Higher Education Expenses, then the taxpayer will need to report only the earnings portion of any Non-Qualified Withdrawal on his or her federal income tax forms, and may incur a 10% additional federal tax on such earnings. See “[Tax Treatment of Investments & Withdrawals - Federal Taxation of Section 529 Programs - Contributions, Earnings, and Withdrawals](#).”

State tax treatment of withdrawals varies from state to state, and withdrawals may receive different tax treatment under state law compared to federal law.

**Refunds of Payments of Qualified Higher Education Expenses** – If an Eligible Institution of Higher Education refunds any portion of an amount previously withdrawn from an Account and treated as a Qualified Withdrawal, unless such refunded amount is contributed to a Section 529 Program for the same Designated Beneficiary not later than 60 days after the date of the refund, the distributee may be required to treat the amount of the refund as a Non-Qualified Withdrawal for federal income tax purposes. Different treatment may apply if the refund is used to pay other Qualified Higher Education Expenses of the Designated Beneficiary.

**Recordkeeping** – Distributees should retain all receipts for Qualified Higher Education Expenses with their other important tax documents. The Program is not responsible for determining whether a withdrawal is a Qualified Withdrawal or Non-Qualified Withdrawal (each as defined below).

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## QUALIFIED WITHDRAWALS

A withdrawal used to pay Qualified Higher Education Expenses of the Designated Beneficiary is a Qualified Withdrawal.

**Qualified Higher Education Expenses** – “Qualified Higher Education Expenses” include:

- tuition, fees and the costs of books, supplies and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Institution of Higher Education;
- for students attending an Eligible Institution of Higher Education on at least a half-time basis, the actual costs of room and board of a Designated Beneficiary living in campus owned or operated housing or an amount equal to the allowance for room and board included in the cost of attendance of the Eligible Institution of Higher Education;
- expenses for special needs services in the case of a special needs Designated Beneficiary which are incurred in connection with enrollment or attendance at an Eligible Institution of Higher Education; and
- expenses for the purchase of computer or peripheral equipment, computer software or Internet access and related services, if such equipment, software, access or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Institution of Higher Education. However, expenses for computer technology and equipment do not include expenses for computer software designed for sports, games or hobbies unless the software is predominantly educational in nature.

A Designated Beneficiary will be considered to be enrolled at least half-time if the Designated Beneficiary is enrolled for at least half the full-time academic workload for the course of study the Designated Beneficiary is pursuing, as determined under the standards of the Eligible Institution of Higher Education where the Designated Beneficiary is enrolled. The Institution's standard for a full-time workload must equal or exceed a standard established by the U.S. Department of Education under the Higher Education Act of 1965, as amended through June 7, 2001. The Designated Beneficiary need not be enrolled on at least a half-time basis to use a Qualified Withdrawal to pay for other qualifying expenses.

**Eligible Institutions of Higher Education** – Generally, an accredited post-secondary educational institution offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential, including certain proprietary institutions, foreign institutions and post-secondary vocational institutions, is an Eligible Institution of Higher Education provided it is eligible to participate in U.S. Department of Education student financial assistance programs.

**Tuition Expenses for Elementary and Secondary Schools** – Unless otherwise indicated, any reference to Qualified Higher Education Expenses also includes a reference to tuition in connection with a Designated Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school, up to a maximum of \$10,000 of distributions for such tuition expenses per taxable year per Designated Beneficiary from all Section 529 Programs. Participants are responsible for monitoring and complying with the \$10,000 aggregate limit, including whether persons other than the Participant have made withdrawals during the same year that count towards such \$10,000 limit. Participants should consult with a tax advisor regarding the use of withdrawals to pay elementary or secondary school tuition.

The tax treatment of withdrawals used to pay for elementary or secondary school tuition may be uncertain in many states and may differ from federal and Maine tax treatment.

**Apprenticeship Programs and Qualified Education Loans** – Unless otherwise indicated, any reference to Qualified Higher Education Expenses also includes: (i) expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act; and (ii) amounts paid as principal or interest on any qualified education loan of either the Designated Beneficiary or a sibling of the Designated Beneficiary up to a lifetime limit of \$10,000 per individual. A “qualified education loan” means any indebtedness incurred by the Designated Beneficiary or a sibling of the Designated Beneficiary solely to pay qualified higher education expenses (as defined under Section 221(d)(2) of the Code) and which meets the other requirements of Section 221(d) of the Code.

Distributions treated as Qualified Higher Education Expenses with respect to the qualified education loans of a sibling of a Designated Beneficiary will count towards the limit of the sibling, not the Designated Beneficiary. Such loan repayments may impact student loan interest deductibility. Participants are responsible for monitoring and complying with the \$10,000 lifetime limit, including whether persons other than the Participant have made withdrawals during the same year or a prior year that count towards such \$10,000 limit.

The tax treatment of withdrawals used to pay for apprenticeship programs and qualified education loans may be uncertain in many states and may differ from federal and Maine tax treatment.

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## NON-QUALIFIED WITHDRAWALS AND THE ADDITIONAL TAX

**General** – A “Non-Qualified Withdrawal” is any withdrawal from an Account other than a Qualified Withdrawal or a qualifying rollover. The earnings portion of a Non-Qualified Withdrawal is subject to federal and applicable state and/or local income tax and, in many cases, a 10% additional federal tax on earnings. A Qualified Withdrawal for federal tax purposes may be a Non-Qualified Withdrawal for state tax purposes, depending on state law.

**Exceptions to the Additional Tax** – There is an exception to the 10% additional federal tax on earnings imposed for any Non-Qualified Withdrawal on account of:

- the death of the Designated Beneficiary if paid to a beneficiary of the Designated Beneficiary or the Designated Beneficiary’s estate;
- the disability of the Designated Beneficiary within the meaning of section 72(m)(7) of the Code;
- the receipt of a scholarship by the Designated Beneficiary to the extent the amount withdrawn does not exceed the amount of such scholarship;
- the use of American Opportunity tax credits (which modify the prior Hope Scholarship tax credits) or Lifetime Learning tax credits (together “Education Tax Credits”) as allowed under federal income tax law; or
- the attendance of the Designated Beneficiary at certain specified military academies.

**Death of Designated Beneficiary** – In the event of the death of the Designated Beneficiary, the Participant may exercise one or more of the following options. The Participant may request payment of the Account balance to a Designated beneficiary of the beneficiary or the Designated Beneficiary’s estate in which case the earnings portion will be subject to federal income tax and possibly state and/or local income tax on the earnings portion of the withdrawal, without imposition of the 10% additional federal tax on earnings. Alternatively, the Participant can request the return of the Account balance, the earnings portion of which will be subject to federal and potentially state and/or local income tax and may be subject to a 10% additional federal tax. Another option would be to initiate a change of Designated Beneficiary, as described in “Change of Designated Beneficiary.” Special rules apply to Accounts established by UGMA/UTMA custodians.

**Disability of Designated Beneficiary** – If the Designated Beneficiary becomes disabled within the meaning of section 72(m)(7) of the Code, the Participant may exercise one or more of the following options. The Participant may request the return of all or a portion of the Account balance, in which case the earnings portion will be subject to federal income tax and possibly state and/or local income tax on the earnings portion of the withdrawal, without imposition of the 10% additional federal tax. Alternatively, the Participant may initiate a change of Designated Beneficiary, as described in “Change of Designated Beneficiary” or, if the Designated Beneficiary is eligible for such an account and subject to applicable contribution limits, may make a rollover to a Section 529A Qualified ABLE Program (“ABLE”) for the same Designated Beneficiary, as described in “Qualifying Rollovers.” Special rules apply to Accounts established by UGMA/UTMA custodians.

**Receipt of Scholarship** – If the Designated Beneficiary receives a qualified scholarship, Account funds up to the amount of the scholarship can be withdrawn by the Participant, subject to federal income tax and possibly state and/or local income tax on the earnings portion of the withdrawal, without imposition of the 10% additional federal tax. Special rules apply to Accounts established by UGMA/UTMA custodians. Under the Proposed Regulations, a qualified scholarship includes certain educational assistance allowances under federal law and certain payments for educational expenses, or attributable to attendance at certain educational institutions, that are exempt from federal income tax. You should consult a qualified tax advisor to determine whether a particular payment or benefit constitutes a qualified scholarship.

**Attendance at Certain Military Academies** – If the Designated Beneficiary attends the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, Account funds may be withdrawn, subject to federal income tax and possibly state and/or local income tax on the earnings portion of the withdrawal, without imposition of the 10% additional federal tax on earnings to the extent the withdrawal does not exceed the costs of qualifying expenses attributable to such attendance.

**Use of Higher Education Expenses to Obtain Education Tax Credits** – If expenses that would otherwise qualify as Qualified Higher Education Expenses are applied to obtain American Opportunity tax credits or Lifetime Learning tax credits as allowed under federal income tax law, Account funds may be withdrawn, subject to federal income tax and possibly state and/or local income tax on the earnings portion of the withdrawal, without imposition of the 10% additional federal tax on earnings to the extent the withdrawal does not exceed the expenses credited towards such Education Tax Credits.



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## QUALIFYING ROLLOVERS

A Participant may direct a withdrawal from an Account for the purpose of a rollover to an account in another Section 529 Program by notifying the Program Manager by telephone or in writing. To request a rollover withdrawal by telephone, a Participant should contact the Program Manager at 1-833-3NG529 (1-833-336-4529), or the applicable Financial Intermediary. To authorize a rollover withdrawal by telephone, a Participant should have the following information available: (i) Account number; (ii) amount to be rolled over if not the entire Account balance; (iii) Portfolio(s) to be liquidated; and (iv) the name of the receiving Section 529 Program. Written requests for rollover withdrawals from an Account must be submitted on a NextGen 529 Withdrawal Request Form. If the Participant completes a qualifying rollover, the withdrawal will not be subject to federal income tax, including the 10% additional federal tax, on earnings. State tax treatment varies from state to state, and qualifying rollovers may receive different tax treatment under state law compared to federal law. Special rules apply to Accounts established by UGMA/UTMA custodians.

A Participant may also rollover amounts in an Account to an eligible Section 529A Qualified ABLE Program ("ABLE") for the same Designated Beneficiary, or a Member of the Family thereof, federal income tax-free, if such Designated Beneficiary or Member of the Family thereof meets the eligibility requirements for an account in such program and subject to applicable ABLE contribution limits. Distributions from an Account in connection with any such rollover must occur before January 1, 2026. State tax treatment varies from state to state, and ABLE rollovers may receive different tax treatment under state law compared to federal law. Special rules apply to Accounts established by UGMA/UTMA custodians.

A Participant may also rollover amounts in an Account to a Roth IRA -- subject to certain conditions (a "529-to-Roth IRA Rollover"). The conditions include, but are not limited to, the following: (i) The Account must have been maintained for the 15-year period ending on the date of the 529-to-Roth IRA Rollover; (ii) The 529-to-Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the same designated beneficiary as the Designated Beneficiary of the Account (not the Participant -- if different); (iii) Each year, the 529-to-Roth IRA Rollover will be subject to annual IRA contribution limits, minus all other IRA contributions made during the year for the same designated beneficiary. In addition, such rollovers may not exceed the amount of compensation the designated beneficiary earned during the year; (iv) The amount of the 529-to-Roth IRA Rollover may not exceed the aggregate amount contributed to the Account (and earnings attributable thereto) before the 5-year period ending on the date of such rollover; (v) The aggregate amount of 529-to-Roth IRA Rollovers for the same designated beneficiary may not exceed \$35,000; and (vi) Roth IRA income limitations are waived for 529-to-Roth IRA Rollovers. The information presented in this Program Disclosure Statement on 529-to-Roth IRAs Rollovers is based on a good faith interpretation of federal legislation enacted in December, 2022. Please consult with your financial professional or tax advisor regarding the applicability of 529-to-Roth IRA Rollovers to your personal situation.

The Section 529 Program, ABLE or Roth IRA to which you are transferring funds may impose other restrictions or fees on rollovers. You should investigate them thoroughly.

## RESIDUAL ACCOUNT BALANCES AND TERMINATION

**Residual Account Balances** – If the Designated Beneficiary graduates from an Eligible Institution of Higher Education, or chooses not to pursue higher education, and funds remain in an Account, the Participant has four options. First, the Participant may request that all or any portion of the remaining funds be withdrawn and paid (less any fees and expenses, including any applicable CDSC) to either the Participant or the Designated Beneficiary. This withdrawal may be treated as a Non-Qualified Withdrawal (subject to federal and any applicable state and/ or local income tax, and possibly the 10% additional federal tax, on earnings). Second, the Participant may authorize a change of Designated Beneficiary for the remaining funds in the Account. See ["Change of Designated Beneficiary."](#) Special rules apply to Accounts established by UGMA/UTMA custodians. Third, the Participant may keep the funds in the Account to pay future Qualified Higher Education Expenses, such as graduate or professional school expenses, of the Designated Beneficiary. Fourth, the Participant may rollover some or all of the residual balance to another Section 529 or 529A Plan, or to a Roth IRA, in accordance with applicable law and the limits of those Plans (see "Qualifying Rollovers" above).

**Termination** – The Participant may at any time close an Account by submitting a NextGen 529 Withdrawal Request Form to the Program Custodian, requesting that all the remaining funds be withdrawn and paid (less any fees and expenses) to either the Participant or the Designated Beneficiary. This withdrawal may be treated as a Non-Qualified Withdrawal (subject to federal and any applicable state and/or local income tax, and possibly the 10% additional federal tax, on earnings). FAME may terminate an Account at any time and for any reason, including if it determines that: (i) the Designated Beneficiary of an Account does not attend an Eligible Institution of Higher Education; (ii) a Participant has changed Designated Beneficiaries of an Account primarily to avoid or significantly defer federal or state and/or local income tax; or (iii) the assets in an Account are too small to be economically administered. The Program Manager or Program Custodian may also terminate an Account consistent with applicable law and the Program Manager's or

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Program Custodian's administrative procedures. None of the Program Manager, the Program Custodian or FAME is required to provide Participants with an explanation as to why their Account was terminated. Upon termination of an Account, the Program Manager or Program Custodian shall cause the investments in the Account to be liquidated and the balance to be distributed to the Participant, less any fees and expenses. This withdrawal may be treated as a Non-Qualified Withdrawal (subject to federal and any applicable state income tax and possibly the 10% additional federal tax on earnings).

## **COMMUNITY PROPERTY**

A resident of a state that has a community property law should consult his or her legal advisor for advice concerning the application of that law with respect to Accounts and related Contributions to and withdrawals from Accounts. Community property issues are beyond the scope of this Program Description.

## **PENALTIES FOR MISREPRESENTATIONS**

In the event a Participant makes any material misrepresentations or provides any erroneous information in any communication with FAME or the Program Manager, including, without limitation, on the Account Application or any Account maintenance and servicing form, FAME may terminate a Participant's Account and charge fees or expenses in addition to a 15% penalty on the investment earnings of the Account.

## **PARTICULAR FINANCIAL INTERMEDIARY ARRANGEMENTS**

Accounts established through certain Financial Intermediaries may be subject to certain policies, practices and procedures that differ from those described in this Program Description. A Participant or potential Participant should consult the applicable Financial Intermediary as to any policies, practices and procedures that differ from the general policies, practices and procedures disclosed in this Program Description.

**Accounts established through Merrill Lynch, Pierce, Fenner & Smith Incorporated** – The following information has been provided by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") with respect to Accounts established through Merrill as the Financial Intermediary:

If Participants establish or hold their Accounts on the Merrill omnibus platform, the features and policies related to portfolio unit sales charges (including CDSC, if any), portfolio unit sales charge waivers or discounts, letters of intent ("LOI") and reinstatement privileges, and C unit conversion period will be different than referenced in this Program Description and will be governed by the Merrill 529 Account Unit Class Disclosure and Terms and Conditions ("T&Cs") provided to the Participants by Merrill prior to establishing their account.

Except as described in this Merrill-specific section of the Program Description and the T&Cs, Merrill does not offer any initial sales charge discounts, CDSC waivers, LOI or reinstatement privileges (the "Discounts, Waivers and Privileges") in the 529 plans offered on the Merrill omnibus platform. To receive the Discounts, Waivers, and Privileges not offered by Merrill, you will have to invest in the Program directly or through another intermediary. Before investing in the Program through Merrill, you should consider the potential benefits and importance to you of such Discounts, Waivers, and Privileges.

For additional information on the Discounts, Waivers, and Privileges and Merrill's policies, contact a Merrill advisor or refer to the T&C. If an Account is established or held on the Merrill omnibus platform, then the units that an Account will purchase will generally be based on eligible assets or meeting other eligibility criteria as set forth in the T&Cs. 529 plans offered by Merrill on its omnibus platform typically will have two unit classes— Class A Unit and Class C Unit (or their equivalents)—each with its own fee and expense structure. Each Account will purchase a specific unit class when an initial or subsequent contribution is credited to the Account. The unit class will be automatically determined at the time of the contribution based on the Participant's eligible assets and/or meeting other eligibility criteria. Participants will not be able to select the unit class. Among other things, Class C units (or their equivalents) will be automatically converted to Class A units (or their equivalents) (not subject to an initial sales charge) after four years from their respective dates of purchase.

Please contact your Merrill advisor with any questions or to request a copy of the T&Cs.



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# Portfolios

Contributions made to an Account on behalf of a Designated Beneficiary are invested in one or more Portfolios based on an election on the Account Application (or any change to such election) made by a Participant. Assets of Portfolios are then invested in one or more Portfolio Investments recommended by the Investment Manager or a Sub-Advisor that reflect the investment strategies of the respective Portfolios, which FAME reviews and approves. There is no assurance that the strategy of any Portfolio will be successful. Participation in the Program is not considered to be part of an investment advisory service. Accordingly, the Participant will be responsible for monitoring and making investment decisions concerning his or her Account including the Portfolio(s) in which the Account is invested.

A Participant should consider which investment options are most appropriate given the other resources expected to be available to fund the Designated Beneficiary's Qualified Higher Education Expenses, and the anticipated date of first use of funds in the Account for the Designated Beneficiary. A Participant should also consider the limited ability to change investment options for Contributions (and any earnings thereon) that have already been invested in an Account.

Portfolios generally invest in one or more mutual funds, exchange traded funds or separate accounts managed by BlackRock or one of the Client Select Series' five Sub-Advisors: Franklin Templeton Investments ("Franklin Templeton"), Lord, Abnett & Co. LLC ("Lord Abnett"), New York Life Investment Management LLC ("NYLI"), Massachusetts Financial Services Company ("MFS") and Neuberger Berman Investment Advisers LLC ("Neuberger Berman"), or any of their respective affiliates. An Underlying Fund may be sub-advised by a non-affiliate of BlackRock or a Sub-Advisor, as applicable. The Principal Plus Portfolio currently invests in two Funding Agreements issued by an insurance company and may invest in corporate fixed-income investments and/or similar instruments. Under normal market conditions, the NextGen Savings Portfolio will only make deposits in the Bank Deposit Account.

## INVESTMENT OPTIONS

The Client Select Series currently consists of 4 Suites of Year of Enrollment Portfolios, 11 Diversified Portfolios, 25 Single Fund Portfolios, the Principal Plus Portfolio and the NextGen Savings Portfolio. A Participant may choose from among one or more of the Portfolios. None of the Portfolios has been designed to provide any particular total return over any particular time period or investment horizon.

***Year of Enrollment Portfolios*** – The Year of Enrollment Portfolios are designed for Participants who are saving for the education or training of the Designated Beneficiary in a particular year. Each Year of Enrollment Portfolio has (i) a specified year in which withdrawal of the invested funds for the Designated Beneficiaries of Accounts investing in such Portfolio is assumed or (ii) an "enrolled" designation indicating that the invested funds for the Designated Beneficiaries of Accounts investing in such Portfolio are assumed to be subject to withdrawal at any time.

Each Year of Enrollment Portfolio is invested in a manner that seeks to balance risk and expected returns of the Underlying Funds with the time periods remaining until the specified year of enrollment or, in the case of a Year of Enrollment Portfolio with an "enrolled" designation, that takes into account that the invested amounts are subject to withdrawal at any time. The Year of Enrollment Portfolios with a longer remaining time period until the specified year of enrollment (for example, the BlackRock 2041 Enrollment Portfolio) generally are more heavily invested in Underlying Funds that primarily invest in equity securities, while the Year of Enrollment Portfolios with a shorter remaining time period until the specified year of enrollment (for example, the BlackRock 2025 Enrollment Portfolio) and the Year of Enrollment Portfolios with an "enrolled" designation generally are more heavily invested in Underlying Funds that primarily invest in fixed income securities and/or money market securities.

The relative allocation of assets of each such Portfolio to Underlying Funds that primarily invest in equity securities, fixed income securities and money market securities, respectively, changes over time (generally on a quarterly basis) as the remaining period until the applicable "year of enrollment" shortens, with the allocation to Underlying Funds that primarily invest in equity securities generally reducing over time and the allocation to Underlying Funds that primarily invest in fixed income securities and/or money market securities generally increasing over time. This change in the asset allocation of a Year of Enrollment Portfolio as the remaining period until the applicable "year of enrollment" shortens is referred to as the "glide path" of such Year of Enrollment Portfolio. Once the year of enrollment for the applicable Year of Enrollment Portfolio is reached, the invested funds are automatically transferred as part of a Portfolio merger to an "enrolled" Year of Enrollment Portfolio which is designed to have the highest allocation to fixed income securities and money market securities among the Year of Enrollment Portfolios.

There is no guarantee that investing in the Year of Enrollment Portfolios will ensure investment gain or protect against investment losses over time, or that the investment return, if any, will be adequate to cover the Designated Beneficiary's Qualified Higher Education Expenses. For a description of the current Underlying Funds in each respective Year of Enrollment Portfolio, and of the expected

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transition over time in the allocations of the applicable Year of Enrollment Portfolios to such Underlying Funds, see “[Portfolios - Performance and Investments](#)” section of this disclosure. The actual allocations to Underlying Funds in any Year of Enrollment Portfolio at any particular time may vary from the allocations listed in this Program Description.

In selecting a Year of Enrollment Portfolio, you should consider when the Designated Beneficiary is likely to need Account assets, including whether the Designated Beneficiary is likely to need Account assets at an earlier or later date than a typical Designated Beneficiary is expected to need Account assets. Participants that are state or local governments or tax-exempt organizations described in section 501(c)(3) of the Code may invest in any Year of Enrollment Portfolio without designating a Beneficiary.

The automatic exchange from a Year of Enrollment Portfolio to another Portfolio is not subject to or counted against the twice per year limit on Portfolio exchanges that do not involve a change of Designated Beneficiary.

At any time, you may direct an exchange from a Year of Enrollment Portfolio to a different Year of Enrollment Portfolio, or to another Portfolio that is not a Year of Enrollment Portfolio, subject to the twice per year limit on Portfolio exchanges that do not involve a change of Designated Beneficiary.

**Diversified Portfolios** – The Diversified Portfolios are invested in a combination of Portfolio Investments that is consistent with the sector allocation of each Portfolio. Within the equity securities segment of a Diversified Portfolio, if any, investments will be allocated among Portfolio Investments investing primarily in domestic equity and/or international equity investments. Within the fixed income segment of a Diversified Portfolio, if any, investments will be allocated among Portfolio Investments investing primarily in investment grade debt, non-investment grade debt and money market securities. Certain Diversified Portfolios also allocate investments among Portfolio Investments investing in alternative investments. For a description of the current Portfolio Investments in each respective Diversified Portfolio, see “[Portfolios - Performance and Investments](#).”

**Single Fund Portfolios** – The Single Fund Portfolios are invested in only one Underlying Fund. For a description of the current Portfolio Investment in each respective Single Fund Portfolio, see “[Portfolios - Performance and Investments](#).”

**Principal Plus Portfolio** – The Principal Plus Portfolio is currently invested only in two Funding Agreements issued by New York Life Insurance Company (“New York Life”) that provide for deposits to a Guaranteed Interest Account established by New York Life; these agreements are also referred to collectively herein as the “Principal Plus Portfolio Investments.” In the future, the Principal Plus Portfolio may also invest in corporate fixed-income investments and/or similar instruments.

**NextGen Savings Portfolio** – The NextGen Savings Portfolio is invested exclusively in a Bank Deposit Account. Although the underlying deposits in the Bank Deposit Account in the NextGen Savings Portfolio are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the NextGen Savings Portfolio are not insured or guaranteed by the FDIC or any other agency of state or federal government, FAME, the Bank, the Program Manager, the Investment Manager, their respective affiliates, or any other entity. All such deposits of a Participant held in a single ownership capacity at the Bank are subject to aggregation with that portion of the underlying deposits attributable to the Units held by the Participant in the NextGen Savings Portfolio, for purposes of the current FDIC insurance coverage limitation of \$250,000. Participants may contact the Program Manager – or visit [www.nextgenforme.com](http://www.nextgenforme.com) – for current Bank Deposit Account underlying deposit details, as the identity of the Bank may change from time to time. Participants are responsible for monitoring the total amount of their assets on deposit at the Bank, including amounts held directly at the Bank, outside of the scope of this Program.

**Allocation of Contributions** – A Participant may choose to invest new Contributions in any of the investment options but may only change how previous Contributions (and any earnings thereon) have been allocated among the available Portfolio options for all Accounts in the Program for the same Designated Beneficiary twice per calendar year or upon a change of the Designated Beneficiary to a Member of the Family of the current Designated Beneficiary. Portfolios may merge, terminate, reorganize or cease accepting new Contributions at any time and without prior notice to Participants. See “[Program and Portfolio Risks and Other Considerations – Program and Portfolio Risks and Other Considerations – Limitations on Investment Direction](#).”

For more details concerning the Year of Enrollment Portfolios, Diversified Portfolios, Single Fund Portfolios, Principal Plus Portfolio and NextGen Savings Portfolio, see “[Portfolios - Performance and Investments](#).”

## PORTFOLIO SERIES

The Program offers a variety of investment options through three separate series — the Client Select Series (offered through this Program Description) and the Client Direct Series and the Client Connect Series (offered through their own respective program descriptions). Each series offers different Portfolios, each with its own sales charges (Client Select Series), fees

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and expense structures. Expenses associated with the Client Direct Series and Client Connect Series will generally be lower than those associated with the Client Select Series. Currently, some Year of Enrollment Portfolios and the NextGen Savings Portfolio are offered among all three series; however, this is subject to change, and the Portfolios offered among the different Series generally may vary. Information about the Client Direct Series and the Client Connect Series is available through [www.nextgenforme.com](http://www.nextgenforme.com) or by contacting FAME.

Each series may be offered through additional or different distribution channels, as determined by FAME.

## PORTFOLIO ALLOCATIONS

FAME is responsible for structuring the Portfolios, the assets of which are part of the Investment Fund. The Investment Manager or a Sub-Advisor provides recommendations as to both the investment sectors in which assets of each Portfolio are allocated and the specific Portfolio Investments for each such sector of each Portfolio. For this purpose, the investment sectors are: domestic equity, international equity, investment grade debt, non-investment grade debt, alternative investments, and money market securities. The Investment Manager or a Sub-Advisor may recommend a Portfolio Investment with a global investment objective for use in the international equity investment sector. In accordance with the investment strategies described in this Program Description, certain Portfolios may only be invested in one or a limited number of specific sectors. Certain Single Fund Portfolios invest in an Underlying Fund which may invest in a combination of one or more of the investment sectors.

Under the Program Services Agreement, FAME may: (i) approve any proposed sector allocation or combination of Portfolio Investments recommended by the Investment Manager or a Sub-Advisor; (ii) request that the Investment Manager or a Sub-Advisor deliver a revised proposed sector allocation or a different combination of proposed Portfolio Investments; or (iii) object to any proposed sector allocation or combination of Portfolio Investments. In the event that the Investment Manager or a Sub-Advisor and FAME disagree as to any proposed sector allocation or a combination of Portfolio Investments, the parties must mutually agree upon a third-party arbiter who shall recommend a proposed sector allocation or a combination of Portfolio Investments. Unless FAME objects to the arbiter's recommendation of sector allocations or Portfolio Investments, such recommendations will become the approved allocation or approved Portfolio Investments. If FAME objects to the arbiter's recommendation, FAME will determine the sector allocations or combination of Portfolio Investments.

It is anticipated that the sector allocations and combination of Portfolio Investments will be reviewed annually and may change from year to year. In particular, the current target Underlying Fund allocation and current target asset allocation may be changed at any time. The asset allocation of a Portfolio may vary from its target allocation and may be re-balanced periodically and from time to time to its target allocations. The Investment Manager or a Sub-Advisor may from time to time recommend a revised sector allocation or a revised combination of Portfolio Investments. FAME will determine whether to approve any such recommendation. It is anticipated that Portfolios will be re-balanced to reflect each new allocation. With respect to the Year of Enrollment Portfolios, it is expected that the Investment Manager and each applicable Sub-Advisor will recommend revised target Underlying Fund allocations on a quarterly basis, which will be consistent with the target asset allocations for the relevant timeframe within the glidepath applicable to each Year of Enrollment Portfolio, as approved by FAME.

## PORTFOLIO INVESTMENTS

**Underlying Funds** – The assets of each Portfolio (other than the Principal Plus Portfolio and the NextGen Savings Portfolio) are invested in Underlying Funds in accordance with the sector allocation and Underlying Fund determinations made by FAME.

Under the terms of the Program Services Agreement and Sub-Advisory Agreements, the Underlying Funds proposed by the Investment Manager, or any Sub-Advisor for the Investment Fund are expected to be mutual funds, exchange traded funds or separate accounts managed by BlackRock or a Sub-Advisor or any of their affiliates. See "[Program Services Agreement](#)." FAME may select Underlying Funds that are not managed by BlackRock or a Sub-Advisor if there are no available Underlying Funds managed by BlackRock or a Sub-Advisor within a particular investment sector that meet certain performance standards set forth in the Program Services Agreement. FAME may also waive the performance standards set forth in the Program Services Agreement.

FAME has approved the Cash Allocation Account, for Portfolios investing in cash equivalent securities (other than the Principal Plus Portfolio, the NextGen Savings Portfolio and the iShares Portfolios). The Cash Allocation Account is a separate account that seeks current income, preservation of capital and liquidity. The assets of the Cash Allocation Account are invested in a diversified portfolio of money market securities, which may primarily consist of direct U.S. Government obligations, U.S. Government agency securities, obligations of domestic and foreign banks, U.S. dollar denominated commercial paper, other short-term debt securities issued by U.S.

and foreign entities, and repurchase agreements, and may also be invested in Maine CDs. The Investment Manager is responsible for the selection and management of the money market securities in the Cash Allocation Account, other than Maine CDs. FAME may contract with a third party to select the financial institutions from which any Maine CDs are purchased, which CDs must be insured by the FDIC or fully collateralized. FAME will determine the percentage of the assets of the Cash Allocation Account that is invested in Maine CDs. It is anticipated that investments in Maine CDs, if any, will generally not exceed 10% of the assets of the Cash Allocation Account. The Cash Allocation Account is not a registered mutual fund. An investment in the Cash Allocation Account is not insured or guaranteed by any government agency, the Select Series Distributor, the Investment Manager, the Sub-Advisors, the Program Manager, the Program Custodian or FAME and involves credit and interest rate risks. Risks related to Portfolios investing in the Cash Allocation Account are discussed under “[Program and Portfolio Risks and Other Considerations - Investment Risks of Underlying Funds – Considerations Related to the Cash Allocation Account.](#)” Investment in Maine CDs involve some of the special considerations discussed under “[Program and Portfolio Risks and Other Considerations - Investment Risks of Underlying Funds - Underlying Funds Investing in Fixed Income Securities \(Including Money Market Securities\).](#)”

**Principal Plus Portfolio Investments** – The Principal Plus Portfolio is currently invested entirely in the two Funding Agreements. The Principal Plus Portfolio may also invest in corporate fixed-income investments and/or similar instruments. The Program Manager and the Program Custodian provide administrative services with respect to the Principal Plus Portfolio.

**NextGen Savings Portfolio Investment** – The NextGen Savings Portfolio is invested exclusively in the Bank Deposit Account. The Program Manager and the Program Custodian provide administrative services with respect to the NextGen Savings Portfolio.

## PORTFOLIO SELECTION

A Participant may select one or more Year of Enrollment Portfolio, Diversified Portfolio, Single Fund Portfolio, Principal Plus Portfolio, or NextGen Savings Portfolio investment options for Contributions made to his or her Account(s). For more information about the Portfolio options currently available, see “[Portfolios - Performance and Investments.](#)”

Year of Enrollment Portfolios
• BlackRock Year of Enrollment Portfolios
• iShares Year of Enrollment Portfolios
• Franklin Templeton Year of Enrollment Portfolios
• MFS Year of Enrollment Portfolios

Diversified Portfolios
• BlackRock 100% Equity Portfolio
• BlackRock 75% Equity Portfolio
• BlackRock Fixed Income Portfolio
• iShares Diversified Equity Portfolio
• iShares Diversified Fixed Income Portfolio
• Franklin Templeton Balanced Portfolio
• Franklin Templeton Growth and Income Portfolio
• Franklin Templeton Growth Portfolio
• MFS Conservative Mixed Asset Portfolio
• MFS Equity Portfolio
• MFS Fixed Income Portfolio

Single Fund Portfolios	
	• BlackRock Advantage Large Cap Core Portfolio
	• BlackRock Advantage Large Cap Growth Portfolio
	• BlackRock Equity Dividend Portfolio
	• BlackRock Global Allocation Portfolio
	• BlackRock Inflation Protected Bond Portfolio
	• iShares Core Conservative Allocation Portfolio
	• iShares Core Moderate Allocation Portfolio
	• iShares Core Growth Allocation Portfolio
	• iShares Core MSCI EAFE Portfolio
	• iShares Core MSCI EM Portfolio
	• iShares MSCI USA ESG Select Portfolio
	• iShares ESG Aware MSCI EAFE Portfolio
	• iShares ESG Aware MSCI EM Portfolio
	• iShares ESG Aware U.S. Aggregate Bond Portfolio
	• iShares TIPS Bond Portfolio
	• Franklin Templeton International Aggregate Bond ETF Portfolio
	• Franklin Templeton ClearBridge Appreciation Portfolio
	• Franklin Templeton Small Cap Value Portfolio
	• Franklin Templeton ClearBridge Small Cap Growth Portfolio
	• Lord Abbett Total Return Portfolio
	• MFS Global Equity Portfolio
	• MFS Research International Portfolio
	• MFS Value Portfolio
	• NYLI Winslow Large Cap Growth Portfolio
	• Neuberger Berman International Equity Portfolio

Principal Plus Portfolio	
	• Principal Plus Portfolio

NextGen Savings Portfolio	
	• NextGen Savings Portfolio

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# Program Fees, Expenses and Sales Charges

Each Account bears certain ongoing Portfolio fees, which are charged against the assets of the Portfolios, to pay for the distribution, servicing and administration of the Account. These Portfolio fees will reduce the value of the Account as they are incurred. Shares of Underlying Funds held by a Portfolio may be liquidated to pay Portfolio fees charged to the Portfolio. Accounts also will indirectly bear the fees and expenses, if any, of the Portfolio Investments in which the Portfolios invest.

The Portfolio fees, expenses and sales charges described below are subject to change without prior notice.

## PORTFOLIO INVESTMENT FEES AND EXPENSES

Each Portfolio indirectly bears its proportional share of the fees and expenses incurred by the Portfolio Investments in which it invests. Each Account, except Accounts invested exclusively in the NextGen Savings Portfolio, bears certain ongoing Portfolio fees, which are charged against the assets of the Portfolios, to pay for distribution, servicing and administration of the Account. The Program Manager, Select Series Distributor, Investment Manager and FAME do not currently charge any fees for the NextGen Savings Portfolio, but reserve the right to charge such fees in the future. With the exception of the NextGen Savings Portfolio, each Portfolio's investment return will be net of both the fees and expenses of the Portfolio Investments and the Portfolio fees described herein.

## ANNUAL ASSET-BASED AND OTHER FEES

***Underlying Fund Expenses*** – The assets of each Client Select Series Portfolio are invested in a share class of the Underlying Fund that does not make payments pursuant to a SEC Rule 12b-1 plan. Specifically, the assets of each Client Select Series Portfolio are invested in the Class I (or Institutional) shares of the Portfolio's Underlying Fund(s), except:

- The Principal Plus Portfolio and the NextGen Savings Portfolio, which do not invest in mutual funds;
- The iShares Portfolios, which invest in Underlying Funds that are iShares ETFs advised by BlackRock Fund Advisors, an affiliate of the Investment Manager.
- Certain Franklin Templeton Portfolios which, in addition to investing in Class I (or Institutional) shares of certain mutual funds, may invest in "advisor share class" of certain mutual funds.
- Certain Franklin Templeton Portfolios that invest in Underlying Funds that are ETFs.

The applicable share class of an Underlying Fund may not be the class of the Underlying Fund with the lowest expense ratio.

With respect to the Underlying Funds that are mutual funds, the Program Manager, Investment Manager and/or the Program Custodian have entered into agreements to provide certain operational and recordkeeping services to the Underlying Funds and to receive operational and recordkeeping fees at an annual rate of up to 0.15% of the average daily amount invested in the applicable share class of the Underlying Fund. Operational and recordkeeping fees may be paid out of an Underlying Fund's assets and are reflected in each Underlying Fund's expense ratio.

Any fees paid by the Underlying Fund to the Investment Manager, Sub-Advisor or their affiliate(s), as applicable, are included in the Underlying Fund's expenses and are indirectly incurred by a Portfolio. For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target allocation to each Underlying Fund, as shown in this Program Description. Each Portfolio's fees and expenses are based on the most recent fiscal year reported upon in the Underlying Funds' most recent prospectuses as of June 30, 2024, unless noted otherwise. Neither a Portfolio's operating expenses, nor those of the Underlying Fund, are fixed. Both may change over time. For example, changes in the overall size of a Portfolio or of an Underlying Fund tend to result in increases or decreases in the share of expense borne, directly or indirectly, by an Account. Underlying Fund expenses, as used to calculate and present a Portfolio's operating expenses in this Program Description, do not include certain expenses that are borne by the Underlying Fund, and thus indirectly by the Portfolio, such as an Underlying Fund's trading expenses (e.g., brokerage commissions when the Underlying Fund buys and sells its portfolio securities) and an Underlying Fund's pro rata share of the fees and expenses incurred indirectly by the Underlying Fund as a result of investing in other investment companies. These expenses, if applicable, will affect the performance of an Underlying Fund and the performance of a Portfolio invested in such Underlying Fund.



The Principal Plus Portfolio does not invest in mutual funds or ETFs. However, New York Life deducts an annual expense charge at the rate of 0.15% from the daily assets invested in each Funding Agreement, which amount covers expenses for risk and administration. From the annual expense charge rate, New York Life pays to the Investment Manager an amount equal to 0.10% of the daily assets invested in each Funding Agreement. The amount collected by New York Life (including the amount paid by New York Life to the Investment Manager) is not included in, and is in addition to, annual asset-based fees for the Principal Plus Portfolio shown in the Annualized Asset-Based Fee table below.

The NextGen Savings Portfolio does not invest in mutual funds or ETFs. However, Vestwell receives an annual payment at the rate of 0.35% from the interest paid on the Bank Deposit Account for its administration services to the NextGen Savings Portfolio. This annual charge deducted from the interest paid on the Bank Deposit Account is not reflected in, and is separate from, the fees and expenses for the NextGen Savings Portfolio shown in the Annualized Asset-Based Fee table below.

**Other Expenses** – With respect to A Units and C Units of the iShares Portfolios, the Investment Manager collects a fee at an annual rate of 0.15% out of the assets of the applicable Unit Class of each iShares Portfolio, which fees relate to operational and recordkeeping services performed for the iShares Portfolios. Operational and recordkeeping fees are not paid out of the assets of I Unit Class of the iShares Portfolios. The Investment Manager will pay all or a portion of such fees, and with respect to I Units of the iShares Portfolios, will pay at its own expense and out of its profits, to the Program Manager, Program Custodian and/or Financial Intermediaries that maintain Accounts in an omnibus account with the Program. The Program Manager, Program Custodian and/or Financial Intermediaries that maintain Accounts in an omnibus account with the Program provide various sub-transfer agency and other related administrative services with respect to Units of each Class Select Series Portfolio and Underlying Funds positions. These services include, for example, processing purchases, redemptions, and exchanges, dividend reinvestments, consolidated statements, tax reporting, and other recordkeeping.

**Maine Administration Fees** – FAME receives an administration fee for acting as administrator of the Program (the “Maine Administration Fee”). FAME may use the Maine Administration Fee only for the purposes permitted for the Program Fund. See [“Program Fund”](#) for additional information.

**Sales Fee** – The Select Series Distributor is entitled to receive a fee for acting as Select Series Distributor (the “Sales Fee”). Each Client Select Series Portfolio assesses an ongoing Sales Fee of 0.25% per annum for A Units and 1.00% per annum for C Units on the average daily net assets of such Portfolio, except:

- The Principal Plus Portfolio, which assesses an ongoing Sales Fee of 0.15% per annum for A Units and C Units; and
- The NextGen Savings Portfolio, which does not assess an ongoing Sales Fee.

No Sales Fee is assessed on I Units. The Sales Fees assessed by the applicable Portfolios are used to compensate the Select Series Distributor and/or a Financial Intermediary for its sales support and account services.

**Service-Based and Other Fees** – An Account may be subject to a Non-Sufficient Funds Fee or Wire Transfer Fee. If such fees are charged and an Account holds Units of more than one Portfolio, the largest Portfolio position, based on dollar value, will be liquidated first. See [“Participation and Accounts - Contributions - Contributions by Check - Returned Checks”](#) and [“Participation and Accounts - Withdrawals - In General.”](#)

Fee Type	Fee Amount
Non-Sufficient Funds Fee	\$20
Wire Transfer Fee	\$30

## UNIT CLASSES

**Purchasing Units** – The Client Select Series offers three Unit Classes – A Unit Class, C Unit Class and I Unit Class – each with its own sales charge structure and fees and expenses. Each Account will be eligible to purchase a specific Unit Class at the time that an initial or subsequent Contribution is credited to the Account. The Unit Class will be determined by application of the rules described below.

Class I Units may be purchased only by Participants that are:

- clients of Financial Intermediaries that charge such client for advisory, investment consulting or similar services; or

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- (ii) clients investing through Financial Intermediaries that have entered into an agreement with the Select Series Distributor to offer such Units on a platform that charges a transaction-based sales commission outside of the Client Select Series.

When a Contribution is made to an Account, the Contribution will be used to purchase A Units if any of the following circumstances apply:

- (i) Unless otherwise provided by the pricing policies of the applicable Financial Intermediary, the Participant had at least \$250,000 in Eligible Assets (defined below) as of September 13, 2021 or any subsequent date;
- (ii) Unless otherwise provided by the pricing policies of the applicable Financial Intermediary, Eligible Assets, including the applicable Contribution, equal at least \$250,000;
- (iii) The Account was established through an employer program designated as a “corporate plan” by the Select Series Distributor in the Select Series Distributor’s discretion;
- (iv) The Contribution is a Rollover Contribution with funds from a Section 529 Program maintained by a state other than Maine;
- (v) The Account is eligible for such purchase under the pricing policies of the applicable Financial Intermediary (discussed below under “Specialized Pricing Arrangements”); or
- (vi) Unless otherwise provided by the pricing policies of the applicable Financial Intermediary, the Participant is entitled to and has elected to purchase Class I Units.
- (vii) When the Contribution is a transfer from the Client Connect Series.

Once a Contribution has been used to purchase A Units in the circumstances described in any of clauses (i) through (vi), all subsequent Contributions to an Account will be applied to purchase A Units.

With respect to an Account for which the Select Series Program Distributor is the broker of record, the Contribution may be used to purchase A Units only. Any Contribution for such Account will be used to purchase A Units regardless of whether the circumstances above apply.

If none of the circumstances above apply, the Contribution will be used to purchase C Units (or I Units, if applicable).

When deciding whether to make an initial or subsequent Contribution to the Client Select Series, a Participant should consider all relevant factors, including:

- the Unit Class he or she will purchase based upon his or her circumstances;
- that C Units will be automatically converted into A Units after four years from their respective dates of purchase;
- the sales charges and the fees and expenses applicable to each Unit Class;
- how long Contributions are expected to be held in the Account before withdrawals are directed and whether any such withdrawals may be subject to a CDSC; and
- that due to differing fee and expense structures between the Unit Classes, the Net Asset Values of a particular Unit Class, and the investment return on a Contribution in a particular Unit Class, may be more or less than it would be for the other Unit Class.

In addition, if more than one Unit Class is held in an Account, withdrawal, transfer and rollover requests will be made from the Unit Class designated by the Participant or the Participant’s Financial Intermediary to the Program Manager. When deciding which Unit Class to redeem for a withdrawal, transfer or rollover, a Participant should consider the fees and expenses applicable to each Unit Class and whether the redemption is subject to a CDSC. Generally, C Units have higher asset-based fees than A Units of the same Portfolio. As such, absent a CDSC, C Units of a Portfolio generally should be redeemed before A Units in the same Portfolio. If a CDSC would be imposed upon the redemption of C Units, the Participant should consider redeeming A Units before C Units of the same Portfolio.



**Unit Class Sales Charges and Features** – The following table summarizes the features of each Unit Class

	<i>A Units</i>	<i>C Units</i>	<i>I Units</i>
<b>Initial Sales Charge?</b>	No	No	No
<b>Contingent Deferred Sales Charge (CDSC)?</b>	<p><b><i>A Units in all Portfolios other than Principal Plus Portfolio and NextGen Savings Portfolio</i></b>  Yes. A maximum CDSC of 0.25% is assessed in connection with amounts withdrawn, transferred or rolled over from an Account if A Units are redeemed for such purposes within one year of the respective dates of purchase.</p> <p><b><i>A Units in the Principal Plus Portfolio and NextGen Savings Portfolio</i></b>  No. However, if A Units subject to a CDSC are exchanged into the Principal Plus Portfolio or NextGen Savings Portfolio, those Units may be subject to a CDSC if later redeemed in connection with a withdrawal that occurs within one year of the original date of purchase.</p>	<p><b><i>C Units in all Portfolios other than Principal Plus Portfolio and NextGen Savings Portfolio</i></b>  Yes. A maximum CDSC of 1.00% is assessed in connection with amounts withdrawn, transferred or rolled over from an Account if C Units are redeemed for such purposes within one year of the respective dates of purchase.</p> <p><b><i>C Units in the Principal Plus Portfolio and NextGen Savings Portfolio</i></b>  No. However, if C Units subject to a CDSC are exchanged into the Principal Plus Portfolio or NextGen Savings Portfolio, those Units may be subject to a CDSC if later redeemed in connection with a withdrawal that occurs within one year of the original date of purchase.</p>	No
<b>Automatic Conversion into Different Units?</b>	No	Yes. C Units will be converted into A Units after four years from the dates of purchase.	No

**Eligible Assets** – The Participant's Eligible Assets generally are defined as the value of all Accounts held by the Participant in the Client Select Series of the Program, provided that the value of any Account(s) held in a Financial Intermediary's omnibus account will not be included unless prior to making the applicable Contribution the Participant or a Financial Intermediary notifies the Program Manager of the existence of, and establishes to the Program Manager's satisfaction the value of, such Account(s) held through an omnibus account. However, a particular Financial Intermediary may calculate a Participant's Eligible Assets using another methodology (see "[Specialized Pricing Arrangements](#)").

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## A Unit Class

**Initial Sales Charge** – A Units are not subject to an Initial Sales Charge. The full amount of each Contribution is invested in the Account.

**Contingent Deferred Sales Charge (CDSC)** – When a Participant redeems A Units of any Portfolio other than the Principal Plus Portfolio or NextGen Savings Portfolio in connection with a withdrawal, or a transfer or rollover from the Account to another Series of the Program, to another Section 529 Program, to a Section 529A ABLE account, or to a Roth IRA, the redemption may be subject to a CDSC to the extent that the A Units were purchased within one year of the redemption. The CDSC paid to the Select Series Distributor will be 0.25% of the lesser of the original cost of the A Units being redeemed or the redemption proceeds. In the case of a partial withdrawal from an Account funded through the liquidation of Units that are subject to a CDSC, the amount of the CDSC generally will be paid from the remaining Account value (first from the Portfolios identified to be liquidated, and then pro-rata from other Portfolios), unless the remaining Account value is insufficient to cover the CDSC, in which case the remaining CDSC is deducted from the amount withdrawn, although the practices of a particular Financial Intermediary may vary and each Participant should consult the applicable Financial Intermediary as to whether any applicable CDSC will instead be deducted from the amount withdrawn. In the case of a full withdrawal of Account value, the amount of any applicable CDSC will be deducted from the amount withdrawn. Each purchase of the A Unit Class has its own CDSC period, and the CDSC is determined by presuming that Contributions are withdrawn in the order in which they were made. The CDSC does not apply to earnings on any Contribution. No CDSC will be deducted from the proceeds of withdrawals from the A Unit Class of any Portfolio due to the death or disability of the Designated Beneficiary. The Program reserves the right to waive CDSC in certain circumstances.

**Unit Class Fees and Expenses** – The following tables list the fees and expenses that apply to Accounts that invest in A Units.

<b>A UNIT CLASS</b>						
	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
BlackRock 2041 Enrollment Portfolio	0.48%	0.00%	0.09%	0.25%	0.82%	0.25%
BlackRock 2038 Enrollment Portfolio	0.49%	0.00%	0.09%	0.25%	0.83%	0.25%
BlackRock 2035 Enrollment Portfolio	0.49%	0.00%	0.09%	0.25%	0.83%	0.25%
BlackRock 2033 Enrollment Portfolio	0.50%	0.00%	0.09%	0.25%	0.84%	0.25%
BlackRock 2029 Enrollment Portfolio	0.51%	0.00%	0.09%	0.25%	0.85%	0.25%
BlackRock 2027 Enrollment Portfolio	0.52%	0.00%	0.09%	0.25%	0.86%	0.25%
BlackRock 2026 Enrollment Portfolio	0.52%	0.00%	0.09%	0.25%	0.86%	0.25%
BlackRock 2025 Enrollment Portfolio	0.46%	0.00%	0.09%	0.25%	0.80%	0.25%
BlackRock Enrolled Portfolio	0.38%	0.00%	0.09%	0.25%	0.72%	0.25%
BlackRock 100% Equity Portfolio	0.47%	0.00%	0.09%	0.25%	0.81%	0.25%
BlackRock 75% Equity Portfolio	0.49%	0.00%	0.09%	0.25%	0.83%	0.25%
BlackRock Fixed Income Portfolio	0.49%	0.00%	0.09%	0.25%	0.83%	0.25%
BlackRock Global Allocation Portfolio	0.84%	0.00%	0.09%	0.25%	1.18%	0.25%
BlackRock Advantage Large Cap Core Portfolio	0.48%	0.00%	0.09%	0.25%	0.82%	0.25%
BlackRock Advantage Large Cap Growth Portfolio	0.62%	0.00%	0.09%	0.25%	0.96%	0.25%
BlackRock Equity Dividend Portfolio	0.69%	0.00%	0.09%	0.25%	1.03%	0.25%
BlackRock Inflation Protected Bond Fund Portfolio	0.84%	0.00%	0.09%	0.25%	1.18%	0.25%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See [Special Benefits Available to Maine Residents](#). The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- The Portfolio pays a Sales Fee to the Select Series Distributor with respect to the **A Unit Class**, which is used to pay Financial Intermediaries for certain sales support and account services.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.
- With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the **A Unit Class** of any Portfolio or transfers or rollovers from the Account to another Section 529 Program or to a Section 529AABLE account, within one year of the applicable Contribution. This charge may be waived in certain circumstances.

## A UNIT CLASS

	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
iShares 2041 Enrollment Portfolio	0.05%	0.15%	0.09%	0.25%	0.54%	0.25%
iShares 2038 Enrollment Portfolio	0.05%	0.15%	0.09%	0.25%	0.54%	0.25%
iShares 2035 Enrollment Portfolio	0.05%	0.15%	0.09%	0.25%	0.54%	0.25%
iShares 2033 Enrollment Portfolio	0.05%	0.15%	0.09%	0.25%	0.54%	0.25%
iShares 2029 Enrollment Portfolio	0.06%	0.15%	0.09%	0.25%	0.55%	0.25%
iShares 2027 Enrollment Portfolio	0.06%	0.15%	0.09%	0.25%	0.55%	0.25%
iShares 2026 Enrollment Portfolio	0.06%	0.15%	0.09%	0.25%	0.55%	0.25%
iShares 2025 Enrollment Portfolio	0.09%	0.15%	0.09%	0.25%	0.58%	0.25%
iShares Enrolled Portfolio	0.13%	0.15%	0.09%	0.25%	0.62%	0.25%
iShares Equity Portfolio	0.05%	0.15%	0.09%	0.25%	0.54%	0.25%
iShares Fixed Income Portfolio	0.18%	0.15%	0.09%	0.25%	0.67%	0.25%
iShares Core Conservative Allocation Portfolio	0.15%	0.15%	0.09%	0.25%	0.64%	0.25%
iShares Core Moderate Allocation Portfolio <sup>8</sup>	0.15%	0.15%	0.09%	0.25%	0.64%	0.25%
iShares Core Growth Allocation Portfolio	0.15%	0.15%	0.09%	0.25%	0.64%	0.25%
iShares MSCI USA ESG Select Portfolio	0.25%	0.15%	0.09%	0.25%	0.74%	0.25%
iShares Core MSCI EAFE Portfolio	0.07%	0.15%	0.09%	0.25%	0.56%	0.25%
iShares Core MSCI EM Portfolio	0.09%	0.15%	0.09%	0.25%	0.58%	0.25%
iShares TIPS Bond Portfolio	0.19%	0.15%	0.09%	0.25%	0.68%	0.25%
iShares ESG Aware MSCI EAFE Portfolio	0.20%	0.15%	0.09%	0.25%	0.69%	0.25%
iShares ESG Aware MSCI EM Portfolio	0.25%	0.15%	0.09%	0.25%	0.74%	0.25%
iShares ESG Aware US Aggregate Bond Portfolio	0.10%	0.15%	0.09%	0.25%	0.59%	0.25%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and recordkeeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See [Special Benefits Available to Maine Residents](#). The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- The Portfolio pays a Sales Fee to the Select Series Distributor with respect to the **A Unit Class**, which is used to pay Financial Intermediaries for certain sales support and account services.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.
- With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the **A Unit Class** of any Portfolio or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the applicable Contribution. This charge may be waived in certain circumstances.
- This Portfolio invests all of its assets in the same Underlying Fund as the iShares Balanced Portfolio in the Client Direct Series.

## A UNIT CLASS

	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
Franklin Templeton 2041 Enrollment Portfolio	0.63%	0.00%	0.09%	0.25%	0.97%	0.25%
Franklin Templeton 2038 Enrollment Portfolio	0.61%	0.00%	0.09%	0.25%	0.95%	0.25%
Franklin Templeton 2036 Enrollment Portfolio	0.60%	0.00%	0.09%	0.25%	0.94%	0.25%
Franklin Templeton 2034 Enrollment Portfolio	0.58%	0.00%	0.09%	0.25%	0.92%	0.25%
Franklin Templeton 2032 Enrollment Portfolio	0.55%	0.00%	0.09%	0.25%	0.89%	0.25%
Franklin Templeton 2030 Enrollment Portfolio	0.51%	0.00%	0.09%	0.25%	0.85%	0.25%
Franklin Templeton 2028 Enrollment Portfolio	0.46%	0.00%	0.09%	0.25%	0.80%	0.25%
Franklin Templeton 2027 Enrollment Portfolio	0.44%	0.00%	0.09%	0.25%	0.78%	0.25%
Franklin Templeton 2026 Enrollment Portfolio	0.41%	0.00%	0.09%	0.25%	0.75%	0.25%
Franklin Templeton 2025 Enrollment Portfolio	0.39%	0.00%	0.09%	0.25%	0.73%	0.25%
Franklin Templeton Enrolled Portfolio	0.36%	0.00%	0.09%	0.25%	0.70%	0.25%
Franklin Templeton Growth Portfolio	0.63%	0.00%	0.09%	0.25%	0.97%	0.25%
Franklin Templeton Growth & Income Portfolio	0.57%	0.00%	0.09%	0.25%	0.91%	0.25%
Franklin Templeton Balanced Portfolio	0.51%	0.00%	0.09%	0.25%	0.85%	0.25%
Franklin Templeton International Aggregate Bond ETF Portfolio	0.25%	0.00%	0.09%	0.25%	0.59%	0.25%
Franklin Templeton Clearbridge Appreciation Portfolio	0.64%	0.00%	0.09%	0.25%	0.98%	0.25%
Franklin Templeton Small Cap Value Portfolio	0.74%	0.00%	0.09%	0.25%	1.08%	0.25%
Franklin Templeton Clearbridge Small Cap Growth Portfolio	0.91%	0.00%	0.09%	0.25%	1.25%	0.25%
Lord Abbett Total Return Portfolio	0.41%	0.00%	0.09%	0.25%	0.75%	0.25%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and recordkeeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See [Special Benefits Available to Maine Residents](#). The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- The Portfolio pays a Sales Fee to the Select Series Distributor with respect to the **A Unit Class**, which is used to pay Financial Intermediaries for certain sales support and account services.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.
- With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the **A Unit Class** of any Portfolio or transfers or rollovers from the Account to another Section 529 Program or to a Section 529AABLE account, within one year of the applicable Contribution. This charge may be waived in certain circumstances.

## A UNIT CLASS

	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
MFS 2041 Enrollment Portfolio	0.64%	0.00%	0.09%	0.25%	0.98%	0.25%
MFS 2038 Enrollment Portfolio	0.63%	0.00%	0.09%	0.25%	0.97%	0.25%
MFS 2035 Enrollment Portfolio	0.60%	0.00%	0.09%	0.25%	0.94%	0.25%
MFS 2033 Enrollment Portfolio	0.57%	0.00%	0.09%	0.25%	0.91%	0.25%
MFS 2031 Enrollment Portfolio	0.54%	0.00%	0.09%	0.25%	0.88%	0.25%
MFS 2029 Enrollment Portfolio	0.51%	0.00%	0.09%	0.25%	0.85%	0.25%
MFS 2027 Enrollment Portfolio	0.48%	0.00%	0.09%	0.25%	0.82%	0.25%
MFS 2025 Enrollment Portfolio	0.46%	0.00%	0.09%	0.25%	0.80%	0.25%
MFS Enrolled Portfolio	0.45%	0.00%	0.09%	0.25%	0.79%	0.25%
MFS Equity Portfolio	0.65%	0.00%	0.09%	0.25%	0.99%	0.25%
MFS Fixed Income Portfolio	0.55%	0.00%	0.09%	0.25%	0.89%	0.25%
MFS Research International Portfolio	0.79%	0.00%	0.09%	0.25%	1.13%	0.25%
MFS Value Portfolio	0.54%	0.00%	0.09%	0.25%	0.88%	0.25%
MFS Conservative Mixed Asset Portfolio	0.45%	0.00%	0.09%	0.25%	0.79%	0.25%
MFS Global Equity Portfolio	0.95%	0.00%	0.09%	0.25%	1.29%	0.25%
NYLI Winslow Large Cap Growth Fund Portfolio	0.73%	0.00%	0.09%	0.25%	1.07%	0.25%
Neuberger Berman International Equity Portfolio	0.87%	0.00%	0.09%	0.25%	1.21%	0.25%
NextGen Savings Portfolio <sup>8</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Principal Plus Portfolio <sup>9</sup>	0.00%	0.20%	0.09%	0.15%	0.44%	0.00%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and recordkeeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See [Special Benefits Available to Maine Residents](#). The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- The Portfolio pays a Sales Fee to the Select Series Distributor with respect to the **A Unit Class**, which is used to pay Financial Intermediaries for certain sales support and account services.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.
- With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the **A Unit Class** of any Portfolio or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the applicable Contribution. This charge may be waived in certain circumstances.
- The NextGen Savings Portfolio does not invest in mutual funds or ETFs, and therefore has no Underlying Fund expenses. However, Vestwell receives an annual payment at the rate of 0.35% from the interest paid on the Bank Deposit Account for its administration services to the NextGen Savings Portfolio. This annual charge deducted from the interest paid on the Bank Deposit Account is not reflected in, and is separate from, the fees and expenses for the NextGen Savings Portfolio shown in the table above.
- The Principal Plus Portfolio does not invest in mutual funds or ETFs, and therefore has no Underlying Fund expenses. However, New York Life deducts an annual expense charge at the rate of 0.15% from the daily assets invested in the Funding Agreements, which amount covers expenses for risk and administration. New York Life pays to the Investment Manager an amount equal to 0.10% of the daily assets invested in the Funding Agreements. The annual expense charge deducted by New York Life out of the daily assets invested in the Funding Agreements is not reflected in, and is separate from, the fees and expenses for the Principal Plus Portfolio shown in the table above.

**Selling Compensation** – The Select Series Distributor receives the Sales Fee applicable to the A Unit Class of each Portfolio (as listed in the table above) for the Select Series Distributor’s sales support and account services. The Select Series Distributor may use the Sales Fee to compensate Financial Intermediaries. Except as noted, the Financial Intermediary receives the following compensation.

A UNIT CLASS					
All Portfolios (except the Principal Plus Portfolio and the NextGen Savings Portfolio)		Principal Plus Portfolio		NextGen Savings Portfolio	
Up-front Selling Compensation <sup>1</sup>	Ongoing Compensation <sup>2</sup>	Up-front Selling Compensation <sup>1</sup>	Ongoing Compensation <sup>2</sup>	Up-front Selling Compensation <sup>1</sup>	Ongoing Compensation <sup>2</sup>
0.25%	0.25%	0.00%	0.25%	0.00%	0.125%

1. Expressed as a percentage of the Contribution amount. If the Financial Intermediary is Merrill, the Select Series Distributor will not pay Merrill this amount except on the BlackRock Portfolios (excluding the iShares Portfolios).
2. Expressed as an annual percentage of the average daily net assets invested in the A Unit Class in an Account. Ongoing compensation is paid to the Financial Intermediary immediately upon a Contribution. Amounts shown are paid to Financial Intermediaries. Amounts shown for the NextGen Savings Portfolio are paid to Financial Intermediaries, but are not paid by the NextGen Savings Portfolio

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## C Unit Class

**Initial Sales Charge** – C Units are not subject to an Initial Sales Charge. The full amount of each Contribution is invested in the Account.

**Contingent Deferred Sales Charges** – A CDSC is imposed on withdrawals from the C Unit Class of any Portfolio held in an Account (except Principal Plus Portfolio and NextGen Savings Portfolio), or reallocations of Account balances to a different Unit Class, or transfers or rollovers from the Account to another Series of the Program, another Section 529 Program, to a Section 529A ABLE account, or to a Roth IRA, within one year of the Contribution, and is paid to the Select Series Distributor. In the case of a partial withdrawal from an Account funded through the liquidation of Units that are subject to a CDSC, the amount of the CDSC generally will be paid from the remaining Account value (first from the Portfolios identified to be liquidated, and then pro-rata from other Portfolios), unless the remaining Account value is insufficient to cover the CDSC, in which case the remaining CDSC is deducted from the amount withdrawn, although the practices of a particular Financial Intermediary may vary and each Participant should consult the applicable Financial Intermediary as to whether any applicable CDSC will instead be deducted from the amount withdrawn. In the case of a full withdrawal of Account value, the amount of any applicable CDSC will be deducted from the amount withdrawn. The CDSC is 1.00% of the lesser of the original cost of the C Units being redeemed or the redemption proceeds, except in the Principal Plus Portfolio and the NextGen Savings Portfolio, which do not have a CDSC. Each Contribution has its own CDSC period, and the CDSC is determined by deeming that Contributions are withdrawn in the order in which they were made. The CDSC does not apply to earnings on any Contribution. No CDSC will be imposed on withdrawals from the C Unit Class of any Portfolio due to the death or disability of the Designated Beneficiary. See [“Participation and Accounts – Withdrawals - In General.”](#)

The following example illustrates how the CDSC is charged.

**EXAMPLE:** Beth makes two Contributions to an Account – an initial Contribution of \$3,000 in November, 2024, and a subsequent Contribution of \$8,000 in April 2025. The full \$11,000 is invested in the C Unit Class of the Franklin Templeton Balanced Portfolio. Beth withdraws \$5,000 in December 2025 (the Account balance has grown to \$13,000). Based on the CDSC schedule, Beth (a) is not assessed a CDSC with respect to \$3,000 of the withdrawal request since the first Contribution was invested for more than one year, and (b) is assessed a CDSC of \$20 ( $1.00\% \times \$2,000$ ) with respect to the remaining \$2,000 of the withdrawal request since the second Contribution was invested for less than one year. This example is for illustrative purposes only and does not reflect the past performance of any investment in the Program nor does it guarantee future performance of any investment in the Program.

**Automatic Conversion of C Units to A Units** – On or about the third Friday of each month (or the prior or next business day if the applicable day is a holiday), C Units will be automatically converted into A Units after four years from their respective dates of purchase. Prior to the time that C Units convert to A Units, Accounts are subject to the fee and expense structure for C Units and may incur a maximum CDSC of 1.00% for C Units redeemed for a withdrawal, transfer or rollover from an Account within one year of the Contribution purchasing the C Units. Once C Units are converted into A Units, Accounts are subject to the fee and expense structure for A Units. When C Units are automatically converted into A Units, the Account will not be charged a CDSC at the time of conversion or anytime thereafter.

Because C Units may convert into A Units over time, an Account may hold both A Units and C Units. For Accounts that hold more than one Unit Class, withdrawal, transfer and rollover requests will be made from the Unit Class designated by the Participant to the Program Manager. When deciding which Unit Class to redeem for a withdrawal, transfer or rollover, a Participant should consider the fees and expenses applicable to each Unit Class and whether the redemption is subject to a CDSC. Generally, C Units have higher annual asset-based costs of investment than A Units. As such, absent a CDSC, C Units generally should be redeemed before A Units. If a CDSC would be imposed upon the redemption of C Units, the Participant should consider redeeming A Units before C Units.



**Unit Class Fees and Expenses** – The following tables list the fees and expenses that apply to Accounts that invest in C Units.

<b>C UNIT CLASS</b>						
	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
BlackRock 2041 Enrollment Portfolio	0.48%	0.00%	0.09%	1.00%	1.57%	1.00%
BlackRock 2038 Enrollment Portfolio	0.49%	0.00%	0.09%	1.00%	1.58%	1.00%
BlackRock 2035 Enrollment Portfolio	0.49%	0.00%	0.09%	1.00%	1.58%	1.00%
BlackRock 2033 Enrollment Portfolio	0.50%	0.00%	0.09%	1.00%	1.59%	1.00%
BlackRock 2029 Enrollment Portfolio	0.51%	0.00%	0.09%	1.00%	1.60%	1.00%
BlackRock 2027 Enrollment Portfolio	0.52%	0.00%	0.09%	1.00%	1.61%	1.00%
BlackRock 2026 Enrollment Portfolio	0.52%	0.00%	0.09%	1.00%	1.61%	1.00%
BlackRock 2025 Enrollment Portfolio	0.46%	0.00%	0.09%	1.00%	1.55%	1.00%
BlackRock Enrolled Portfolio	0.38%	0.00%	0.09%	1.00%	1.47%	1.00%
BlackRock 100% Equity Portfolio	0.47%	0.00%	0.09%	1.00%	1.56%	1.00%
BlackRock 75% Equity Portfolio	0.49%	0.00%	0.09%	1.00%	1.58%	1.00%
BlackRock Fixed Income Portfolio	0.49%	0.00%	0.09%	1.00%	1.58%	1.00%
BlackRock Global Allocation Portfolio	0.84%	0.00%	0.09%	1.00%	1.93%	1.00%
BlackRock Advantage Large Cap Core Portfolio	0.48%	0.00%	0.09%	1.00%	1.57%	1.00%
BlackRock Advantage Large Cap Growth Portfolio	0.62%	0.00%	0.09%	1.00%	1.71%	1.00%
BlackRock Equity Dividend Portfolio	0.69%	0.00%	0.09%	1.00%	1.78%	1.00%
BlackRock Inflation Protected Bond Fund Portfolio	0.84%	0.00%	0.09%	1.00%	1.93%	1.00%

1. Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
2. For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
3. Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
4. A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See "[Maine Administration Fee Rebate Program](#)" of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
5. The Sales Fee is paid to the Select Series Distributor and is paid to Financial Intermediaries by the Select Series Distributor.
6. Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods. After the end of the 4-year period, the C Units automatically convert into A Units (not subject to an Initial Sales Charge).
7. With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the C Unit Class of any Portfolio, or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the Contribution. This charge may be waived in certain circumstances.

## C UNIT CLASS

	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
iShares 2041 Enrollment Portfolio	0.05%	0.15%	0.09%	1.00%	1.29%	1.00%
iShares 2038 Enrollment Portfolio	0.05%	0.15%	0.09%	1.00%	1.29%	1.00%
iShares 2035 Enrollment Portfolio	0.05%	0.15%	0.09%	1.00%	1.29%	1.00%
iShares 2033 Enrollment Portfolio	0.05%	0.15%	0.09%	1.00%	1.29%	1.00%
iShares 2029 Enrollment Portfolio	0.06%	0.15%	0.09%	1.00%	1.30%	1.00%
iShares 2027 Enrollment Portfolio	0.06%	0.15%	0.09%	1.00%	1.30%	1.00%
iShares 2026 Enrollment Portfolio	0.06%	0.15%	0.09%	1.00%	1.30%	1.00%
iShares 2025 Enrollment Portfolio	0.09%	0.15%	0.09%	1.00%	1.33%	1.00%
iShares Enrolled Portfolio	0.13%	0.15%	0.09%	1.00%	1.37%	1.00%
iShares Equity Portfolio	0.05%	0.15%	0.09%	1.00%	1.29%	1.00%
iShares Fixed Income Portfolio	0.18%	0.15%	0.09%	1.00%	1.42%	1.00%
iShares Core Conservative Allocation Portfolio	0.15%	0.15%	0.09%	1.00%	1.39%	1.00%
iShares Core Moderate Allocation Portfolio <sup>8</sup>	0.15%	0.15%	0.09%	1.00%	1.39%	1.00%
iShares Core Growth Allocation Portfolio	0.15%	0.15%	0.09%	1.00%	1.39%	1.00%
iShares MSCI USA ESG Select Portfolio	0.25%	0.15%	0.09%	1.00%	1.49%	1.00%
iShares Core MSCI EAFE Portfolio	0.07%	0.15%	0.09%	1.00%	1.31%	1.00%
iShares Core MSCI EM Portfolio	0.09%	0.15%	0.09%	1.00%	1.33%	1.00%
iShares TIPS Bond Portfolio	0.19%	0.15%	0.09%	1.00%	1.43%	1.00%
iShares ESG Aware MSCI EAFE Portfolio	0.20%	0.15%	0.09%	1.00%	1.44%	1.00%
iShares ESG Aware MSCI EM Portfolio	0.25%	0.15%	0.09%	1.00%	1.49%	1.00%
iShares ESG Aware US Aggregate Bond Portfolio	0.10%	0.15%	0.09%	1.00%	1.34%	1.00%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See "[Maine Administration Fee Rebate Program](#)" of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- The Sales Fee is paid to the Select Series Distributor and is paid to Financial Intermediaries by the Select Series Distributor.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods. After the end of the 4-year period, the C Units automatically convert into A Units (not subject to an Initial Sales Charge).
- With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the C Unit Class of any Portfolio, or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the Contribution. This charge may be waived in certain circumstances.
- This Portfolio invests all of its assets in the same Underlying Fund as the iShares Balanced Portfolio in the Client Direct Series.

## C UNIT CLASS

	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
Franklin Templeton 2041 Enrollment Portfolio	0.63%	0.00%	0.09%	1.00%	1.72%	1.00%
Franklin Templeton 2038 Enrollment Portfolio	0.61%	0.00%	0.09%	1.00%	1.70%	1.00%
Franklin Templeton 2036 Enrollment Portfolio	0.60%	0.00%	0.09%	1.00%	1.69%	1.00%
Franklin Templeton 2034 Enrollment Portfolio	0.58%	0.00%	0.09%	1.00%	1.67%	1.00%
Franklin Templeton 2032 Enrollment Portfolio	0.55%	0.00%	0.09%	1.00%	1.64%	1.00%
Franklin Templeton 2030 Enrollment Portfolio	0.51%	0.00%	0.09%	1.00%	1.60%	1.00%
Franklin Templeton 2028 Enrollment Portfolio	0.46%	0.00%	0.09%	1.00%	1.55%	1.00%
Franklin Templeton 2027 Enrollment Portfolio	0.44%	0.00%	0.09%	1.00%	1.53%	1.00%
Franklin Templeton 2026 Enrollment Portfolio	0.41%	0.00%	0.09%	1.00%	1.50%	1.00%
Franklin Templeton 2025 Enrollment Portfolio	0.39%	0.00%	0.09%	1.00%	1.48%	1.00%
Franklin Templeton Enrolled Portfolio	0.36%	0.00%	0.09%	1.00%	1.45%	1.00%
Franklin Templeton Growth Portfolio	0.63%	0.00%	0.09%	1.00%	1.72%	1.00%
Franklin Templeton Growth & Income Portfolio	0.57%	0.00%	0.09%	1.00%	1.66%	1.00%
Franklin Templeton Balanced Portfolio	0.51%	0.00%	0.09%	1.00%	1.60%	1.00%
Franklin Templeton International Aggregate Bond ETF Portfolio	0.25%	0.00%	0.09%	1.00%	1.34%	1.00%
Franklin Templeton Clearbridge Capital Appreciation Portfolio	0.64%	0.00%	0.09%	1.00%	1.73%	1.00%
Franklin Templeton Small Cap Value Portfolio	0.74%	0.00%	0.09%	1.00%	1.83%	1.00%
Franklin Templeton Clearbridge Small Cap Growth Portfolio	0.91%	0.00%	0.09%	1.00%	2.00%	1.00%
Lord Abbett Total Return Portfolio	0.41%	0.00%	0.09%	1.00%	1.50%	1.00%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See "[Maine Administration Fee Rebate Program](#)" of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- The Sales Fee is paid to the Select Series Distributor and is paid to Financial Intermediaries by the Select Series Distributor.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods. After the end of the 4-year period, the C Units automatically convert into A Units (not subject to an Initial Sales Charge).
- With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the C Unit Class of any Portfolio, or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the Contribution. This charge may be waived in certain circumstances.

## C UNIT CLASS

	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees <sup>6</sup>	Maximum Contingent Deferred Sales Charge <sup>7</sup>
MFS 2041 Enrollment Portfolio	0.64%	0.00%	0.09%	1.00%	1.73%	1.00%
MFS 2038 Enrollment Portfolio	0.63%	0.00%	0.09%	1.00%	1.72%	1.00%
MFS 2035 Enrollment Portfolio	0.60%	0.00%	0.09%	1.00%	1.69%	1.00%
MFS 2033 Enrollment Portfolio	0.57%	0.00%	0.09%	1.00%	1.66%	1.00%
MFS 2031 Enrollment Portfolio	0.54%	0.00%	0.09%	1.00%	1.63%	1.00%
MFS 2029 Enrollment Portfolio	0.51%	0.00%	0.09%	1.00%	1.60%	1.00%
MFS 2027 Enrollment Portfolio	0.48%	0.00%	0.09%	1.00%	1.57%	1.00%
MFS 2025 Enrollment Portfolio	0.46%	0.00%	0.09%	1.00%	1.55%	1.00%
MFS Enrolled Portfolio	0.45%	0.00%	0.09%	1.00%	1.54%	1.00%
MFS Equity Portfolio	0.65%	0.00%	0.09%	1.00%	1.74%	1.00%
MFS Fixed Income Portfolio	0.55%	0.00%	0.09%	1.00%	1.64%	1.00%
MFS Research International Portfolio	0.79%	0.00%	0.09%	1.00%	1.88%	1.00%
MFS Value Portfolio	0.54%	0.00%	0.09%	1.00%	1.63%	1.00%
MFS Conservative Mixed Asset Portfolio	0.45%	0.00%	0.09%	1.00%	1.54%	1.00%
MFS Global Equity Portfolio	0.95%	0.00%	0.09%	1.00%	2.04%	1.00%
NYLI Winslow Large Cap Growth Fund Portfolio	0.73%	0.00%	0.09%	1.00%	1.82%	1.00%
Neuberger Berman International Equity Portfolio	0.87%	0.00%	0.09%	1.00%	1.96%	1.00%
Principal Plus Portfolio <sup>8</sup>	0.00%	0.20%	0.09%	0.15%	0.44%	0.00%
NextGen Savings Portfolio <sup>9</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See "[Maine Administration Fee Rebate Program](#)" of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- The Sales Fee is paid to the Select Series Distributor and is paid to Financial Intermediaries by the Select Series Distributor.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods. After the end of the 4-year period, the C Units automatically convert into A Units (not subject to an Initial Sales Charge).
- With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the C Unit Class of any Portfolio, or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the Contribution. This charge may be waived in certain circumstances.
- The Principal Plus Portfolio does not invest in mutual funds or ETFs, and therefore has no Underlying Fund expenses. However, New York Life deducts an annual expense charge at the rate of 0.15% from the daily assets invested in the Funding Agreements, which amount covers expenses for risk and administration. New York Life pays to the Investment Manager an amount equal to 0.10% of the daily assets invested in the Funding Agreements. The annual expense charge deducted by New York Life out of the daily assets invested in the Funding Agreements is not reflected in, and is separate from, the fees and expenses for the Principal Plus Portfolio shown in the table above.
- The NextGen Savings Portfolio does not invest in mutual funds or ETFs, and therefore has no Underlying Fund expenses. However, Vestwell receives an annual payment at the rate of 0.35% from the interest paid on the Bank Deposit Account for its administration services to the NextGen Savings Portfolio. This annual charge deducted from the interest paid on the Bank Deposit Account is not reflected in, and is separate from, the fees and expenses for the NextGen Savings Portfolio shown in the table above.

**Selling Compensation** – The Select Series Distributor receives the Sales Fee applicable to the C Unit Class of each Portfolio (as listed in the table above) for the Select Series Distributor’s sales support and account services. The Select Series Distributor may use the Sales Fee to compensate Financial Intermediaries. Except as noted, the Financial Intermediary receives the following compensation.

C UNIT CLASS					
All Portfolios (except the Principal Plus Portfolio and the NextGen Savings Portfolio)		Principal Plus Portfolio		NextGen Savings Portfolio	
Up-front Selling Compensation <sup>1</sup>	Ongoing Compensation <sup>2</sup>	Up-front Selling Compensation <sup>1</sup>	Ongoing Compensation <sup>2</sup>	Up-front Selling Compensation <sup>1</sup>	Ongoing Compensation <sup>2</sup>
1.00%	1.00%	0.00%	0.25%	0.00%	0.125%

1. Expressed as a percentage of the Contribution amount, but not deducted from the Contribution amount.

2. Expressed as an annual percentage of the average daily net assets invested in the C Unit Class in an Account. Ongoing compensation is paid to the Financial Intermediary beginning in the 13th month after a Contribution is made, except that ongoing compensation for the Principal Plus Portfolio and NextGen Savings Portfolio is paid to the Financial Intermediary immediately upon a Contribution. Amounts shown for the NextGen Savings Portfolio are paid to Financial Intermediaries. Such amounts are not paid by the NextGen Savings Portfolio. C Units will be automatically converted into A Units after four years from their respective dates of purchase. The converted A Units are subject to the applicable ongoing compensation for A Units, and are not subject to a CDSC. In addition, no up-front selling compensation is paid with respect to such converted A Units. For the ongoing compensation paid on the A Units, see the table under “[Program Fees, Expenses and Sales Charges – A Unit Class – Selling Compensation](#)”.

## I Unit Class

**Initial Sales Charge** – I Units are not subject to an Initial Sales Charge. The full amount of each Contribution is invested in the Account.

**Contingent Deferred Sales Charge (CDSC)** – I Units are not subject to a CDSC when a Participant redeems I Units of any Portfolio.

I UNIT CLASS						
	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees	Maximum Contingent Deferred Sales Charge
BlackRock 2041 Enrollment Portfolio	0.48%	0.00%	0.09%	0.00%	0.57%	0.00%
BlackRock 2038 Enrollment Portfolio	0.49%	0.00%	0.09%	0.00%	0.58%	0.00%
BlackRock 2035 Enrollment Portfolio	0.49%	0.00%	0.09%	0.00%	0.58%	0.00%
BlackRock 2033 Enrollment Portfolio	0.50%	0.00%	0.09%	0.00%	0.59%	0.00%
BlackRock 2029 Enrollment Portfolio	0.51%	0.00%	0.09%	0.00%	0.60%	0.00%
BlackRock 2027 Enrollment Portfolio	0.52%	0.00%	0.09%	0.00%	0.61%	0.00%
BlackRock 2026 Enrollment Portfolio	0.52%	0.00%	0.09%	0.00%	0.61%	0.00%
BlackRock 2025 Enrollment Portfolio	0.46%	0.00%	0.09%	0.00%	0.55%	0.00%
BlackRock Enrolled Portfolio	0.38%	0.00%	0.09%	0.00%	0.47%	0.00%
BlackRock 100% Equity Portfolio	0.47%	0.00%	0.09%	0.00%	0.56%	0.00%
BlackRock 75% Equity Portfolio	0.49%	0.00%	0.09%	0.00%	0.58%	0.00%
BlackRock Fixed Income Portfolio	0.49%	0.00%	0.09%	0.00%	0.58%	0.00%
BlackRock Global Allocation Portfolio	0.84%	0.00%	0.09%	0.00%	0.93%	0.00%
BlackRock Advantage Large Cap Core Portfolio	0.48%	0.00%	0.09%	0.00%	0.57%	0.00%
BlackRock Advantage Large Cap Growth Portfolio	0.62%	0.00%	0.09%	0.00%	0.71%	0.00%
BlackRock Equity Dividend Portfolio	0.69%	0.00%	0.09%	0.00%	0.78%	0.00%
BlackRock Inflation Protected Bond Fund Portfolio	0.84%	0.00%	0.09%	0.00%	0.93%	0.00%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See "[Maine Administration Fee Rebate Program](#)" of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.

## I UNIT CLASS

	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee <sup>5</sup>	Total Annual Asset Based Fees	Maximum Contingent Deferred Sales Charge
iShares 2041 Enrollment Portfolio	0.05%	0.00%	0.09%	0.00%	0.14%	0.00%
iShares 2038 Enrollment Portfolio	0.05%	0.00%	0.09%	0.00%	0.14%	0.00%
iShares 2035 Enrollment Portfolio	0.05%	0.00%	0.09%	0.00%	0.14%	0.00%
iShares 2033 Enrollment Portfolio	0.05%	0.00%	0.09%	0.00%	0.14%	0.00%
iShares 2029 Enrollment Portfolio	0.06%	0.00%	0.09%	0.00%	0.15%	0.00%
iShares 2027 Enrollment Portfolio	0.06%	0.00%	0.09%	0.00%	0.15%	0.00%
iShares 2026 Enrollment Portfolio	0.06%	0.00%	0.09%	0.00%	0.15%	0.00%
iShares 2025 Enrollment Portfolio	0.09%	0.00%	0.09%	0.00%	0.18%	0.00%
iShares Enrolled Portfolio	0.13%	0.00%	0.09%	0.00%	0.22%	0.00%
iShares Equity Portfolio	0.05%	0.00%	0.09%	0.00%	0.14%	0.00%
iShares Fixed Income Portfolio	0.18%	0.00%	0.09%	0.00%	0.27%	0.00%
iShares Core Conservative Allocation Portfolio	0.15%	0.00%	0.09%	0.00%	0.24%	0.00%
iShares Core Moderate Allocation Portfolio <sup>6</sup>	0.15%	0.00%	0.09%	0.00%	0.24%	0.00%
iShares Core Growth Allocation Portfolio	0.15%	0.00%	0.09%	0.00%	0.24%	0.00%
iShares MSCI USA ESG Select Portfolio	0.25%	0.00%	0.09%	0.00%	0.34%	0.00%
iShares Core MSCI EAFE Portfolio	0.07%	0.00%	0.09%	0.00%	0.16%	0.00%
iShares Core MSCI EM Portfolio	0.09%	0.00%	0.09%	0.00%	0.18%	0.00%
iShares TIPS Bond Portfolio	0.19%	0.00%	0.09%	0.00%	0.28%	0.00%
iShares ESG Aware MSCI EAFE Portfolio	0.20%	0.00%	0.09%	0.00%	0.29%	0.00%
iShares ESG Aware MSCI EM Portfolio	0.25%	0.00%	0.09%	0.00%	0.34%	0.00%
iShares ESG Aware US Aggregate Bond Portfolio	0.10%	0.00%	0.09%	0.00%	0.19%	0.00%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See "[Maine Administration Fee Rebate Program](#)" of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.
- This Portfolio invests all of its assets in the same Underlying Fund as the iShares Balanced Portfolio in the Client Direct Series.



## I UNIT CLASS

	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee	Total Annual Asset Based Fees <sup>5</sup>	Maximum Contingent Deferred Sales Charge
Franklin Templeton 2041 Enrollment Portfolio	0.63%	0.00%	0.09%	0.00%	0.72%	0.00%
Franklin Templeton 2038 Enrollment Portfolio	0.61%	0.00%	0.09%	0.00%	0.70%	0.00%
Franklin Templeton 2036 Enrollment Portfolio	0.60%	0.00%	0.09%	0.00%	0.69%	0.00%
Franklin Templeton 2034 Enrollment Portfolio	0.58%	0.00%	0.09%	0.00%	0.67%	0.00%
Franklin Templeton 2032 Enrollment Portfolio	0.55%	0.00%	0.09%	0.00%	0.64%	0.00%
Franklin Templeton 2030 Enrollment Portfolio	0.51%	0.00%	0.09%	0.00%	0.60%	0.00%
Franklin Templeton 2028 Enrollment Portfolio	0.46%	0.00%	0.09%	0.00%	0.55%	0.00%
Franklin Templeton 2027 Enrollment Portfolio	0.44%	0.00%	0.09%	0.00%	0.53%	0.00%
Franklin Templeton 2026 Enrollment Portfolio	0.41%	0.00%	0.09%	0.00%	0.50%	0.00%
Franklin Templeton 2025 Enrollment Portfolio	0.39%	0.00%	0.09%	0.00%	0.48%	0.00%
Franklin Templeton Enrolled Portfolio	0.36%	0.00%	0.09%	0.00%	0.45%	0.00%
Franklin Templeton Growth Portfolio	0.63%	0.00%	0.09%	0.00%	0.72%	0.00%
Franklin Templeton Growth & Income Portfolio	0.57%	0.00%	0.09%	0.00%	0.66%	0.00%
Franklin Templeton Balanced Portfolio	0.51%	0.00%	0.09%	0.00%	0.60%	0.00%
Franklin Templeton International Aggregate Bond ETF Portfolio	0.25%	0.00%	0.09%	0.00%	0.34%	0.00%
Franklin Templeton Clearbridge Capital Appreciation Portfolio	0.64%	0.00%	0.09%	0.00%	0.73%	0.00%
Franklin Templeton Small Cap Value Portfolio	0.74%	0.00%	0.09%	0.00%	0.83%	0.00%
Franklin Templeton Clearbridge Small Cap Growth Portfolio	0.91%	0.00%	0.09%	0.00%	1.00%	0.00%
Lord Abbett Total Return Portfolio	0.41%	0.00%	0.09%	0.00%	0.50%	0.00%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.



## I UNIT CLASS

	Portfolios incur the following Annualized Asset-Based Fees <sup>1</sup>					Additional Investor Expenses
	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Sales Fee	Total Annual Asset Based Fees <sup>5</sup>	Maximum Contingent Deferred Sales Charge
MFS 2041 Enrollment Portfolio	0.64%	0.00%	0.09%	0.00%	0.73%	0.00%
MFS 2038 Enrollment Portfolio	0.63%	0.00%	0.09%	0.00%	0.72%	0.00%
MFS 2035 Enrollment Portfolio	0.60%	0.00%	0.09%	0.00%	0.69%	0.00%
MFS 2033 Enrollment Portfolio	0.57%	0.00%	0.09%	0.00%	0.66%	0.00%
MFS 2031 Enrollment Portfolio	0.54%	0.00%	0.09%	0.00%	0.63%	0.00%
MFS 2029 Enrollment Portfolio	0.51%	0.00%	0.09%	0.00%	0.60%	0.00%
MFS 2027 Enrollment Portfolio	0.48%	0.00%	0.09%	0.00%	0.57%	0.00%
MFS 2025 Enrollment Portfolio	0.46%	0.00%	0.09%	0.00%	0.55%	0.00%
MFS Enrolled Portfolio	0.45%	0.00%	0.09%	0.00%	0.54%	0.00%
MFS Equity Portfolio	0.65%	0.00%	0.09%	0.00%	0.74%	0.00%
MFS Fixed Income Portfolio	0.55%	0.00%	0.09%	0.00%	0.64%	0.00%
MFS Research International Portfolio	0.79%	0.00%	0.09%	0.00%	0.88%	0.00%
MFS Value Portfolio	0.54%	0.00%	0.09%	0.00%	0.63%	0.00%
MFS Conservative Mixed Asset Portfolio	0.45%	0.00%	0.09%	0.00%	0.54%	0.00%
MFS Global Equity Portfolio	0.95%	0.00%	0.09%	0.00%	1.04%	0.00%
NYLI Winslow Large Cap Growth Fund Portfolio	0.73%	0.00%	0.09%	0.00%	0.82%	0.00%
Neuberger Berman International Equity Portfolio	0.87%	0.00%	0.09%	0.00%	0.96%	0.00%
Principal Plus Portfolio <sup>6</sup>	0.00%	0.20%	0.09%	0.00%	0.29%	0.00%
NextGen Savings Portfolio <sup>7</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

- Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.
- For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2024. Underlying Fund fee and expense information may change from time to time.
- Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Client Select Series Portfolio. Any operational and record-keeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.
- A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See "[Maine Administration Fee Rebate Program](#)" of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
- Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "[Investment Cost Charts](#)" of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.
- The Principal Plus Portfolio does not invest in mutual funds or ETFs, and therefore has no Underlying Fund expenses. However, New York Life deducts an annual expense charge at the rate of 0.15% from the daily assets invested in the Funding Agreements, which amount covers expenses for risk and administration. New York Life pays to the Investment Manager an amount equal to 0.10% of the daily assets invested in the Funding Agreements. The annual expense charge deducted by New York Life out of the daily assets invested in the Funding Agreements is not reflected in, and is separate from, the fees and expenses for the Principal Plus Portfolio shown in the table above.
- The NextGen Savings Portfolio does not invest in mutual funds or ETFs, and therefore has no Underlying Fund expenses. However, Vestwell receives an annual payment at the rate of 0.35% from the interest paid on the Bank Deposit Account for its administration services to the NextGen Savings Portfolio. This annual charge deducted from the interest paid on the Bank Deposit Account is not reflected in, and is separate from, the fees and expenses for the NextGen Savings Portfolio shown in the table above.

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## OTHER COMPENSATION

FAME has authorized the Investment Manager and/or its affiliates, with prior notice to FAME, to receive certain payments from the Sub-Advisors, which may be paid out of the assets of the Underlying Funds, for a variety of services with respect to Program assets invested in the Underlying Funds. The Underlying Funds may pay operational and recordkeeping fees to the Investment Manager at an annual rate of up to 0.15% of average daily amount invested in the applicable share class of the Underlying Fund. The Investment Manager and the Select Series Distributor also provide sales, distribution, marketing and other services to facilitate the Portfolios' investments in the Underlying Funds. In consideration for these services, the Investment Manager receives compensation from Sub-Advisors, out of their own assets, at an annual rate of up to 0.15%, of the average daily amount invested by the Portfolios in the Underlying Funds.

Because different Sub-Advisors and different Portfolio Investments may be subject to different fee arrangements, the Investment Manager has agreed to advise FAME in writing of each specific fee arrangement prior to the initiation or amendment thereof and to provide FAME with such additional information as may reasonably be requested with respect to any such arrangement.

The Investment Manager receives an annual payment at the rate of 0.10% from the provider of the Funding Agreements in which the Principal Plus Portfolio invests. This annual charge deducted from the amounts paid on the Funding Agreements is not reflected in, and is separate from, the fees and expenses for the Principal Plus Portfolio shown in the Annualized Asset-Based Fees table above.

Vestwell receives an annual payment at the rate of 0.35% from the interest paid on the Bank Deposit Account for its administration services to the NextGen Savings Portfolio. This annual charge deducted from the interest paid on the Bank Deposit Account is not reflected in, and is separate from, the fees and expenses for the NextGen Savings Portfolio shown in the Annualized Asset-Based Fees table above.

Pursuant to the Program Services Agreement, the Investment Manager and the Select Series Distributor make certain payments to FAME which FAME may use for its Program related administration expenses, and for its financial education and outreach and college access and completion activities. These payments are made by the Investment Manager and the Select Series Distributor out of their own assets and are not additional fees or charges against the assets of the Program or the Portfolios.

Pursuant to the Program Services Agreement, the Investment Manager is responsible for paying the Program Manager's and Program Custodian's fees and charges for the services provided for the Client Select Series by the Program Manager and the Program Custodian.

If you purchase Units through a Financial Intermediary, BlackRock or its affiliates may pay the Financial Intermediary in respect of sales of Units that BlackRock and the Financial Intermediary consider to be attributable to the sale of shares in Underlying Funds (or other underlying investment products) managed by BlackRock or its affiliates or in which BlackRock or its affiliates otherwise have an interest. These payments may create a conflict of interest by influencing the Financial Intermediary and your individual Financial Professional to recommend the Units over another investment. Ask your individual Financial Professional or visit your Financial Intermediary's website for more information.

## INVESTMENT COST CHARTS

The following tables compare the approximate costs of investing in each of the Client Select Series Portfolios (other than the Principal Plus Portfolio or the NextGen Savings Portfolio, for which cost examples are shown further below). Except as noted below, the tables below are based on the following assumptions:

- A \$10,000 Contribution invested for the time periods shown.
- Reflects Portfolio fees and Underlying Fund expenses.
- A 5% annually compounded rate of return on the net amount invested throughout each period shown.
- The total annual asset-based fees remain the same as those shown in the Annualized Asset-Based Fee table for all periods shown.
- All Units are redeemed at the end of the period shown for Qualified Higher Education Expenses (these tables do not consider the impact of any potential state or federal taxes on the redemption or the Wire Transfer Fee or Non-Sufficient Funds Fee), and the applicable CDSC is assessed in the case of the 1 year period (0.25% for A Units, 1.00% for C Units).
- C Units automatically convert into A Units after four years from their date of purchase.

A UNIT CLASS				
Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 years
<b>BlackRock</b>				
BlackRock 2041 Enrollment Portfolio	\$84	\$264	\$459	\$1,024
BlackRock 2038 Enrollment Portfolio	\$85	\$267	\$464	\$1,036
BlackRock 2035 Enrollment Portfolio	\$85	\$267	\$464	\$1,036
BlackRock 2033 Enrollment Portfolio	\$86	\$270	\$470	\$1,047
BlackRock 2029 Enrollment Portfolio	\$87	\$273	\$475	\$1,059
BlackRock 2027 Enrollment Portfolio	\$88	\$277	\$481	\$1,071
BlackRock 2026 Enrollment Portfolio	\$88	\$277	\$481	\$1,071
BlackRock 2025 Enrollment Portfolio	\$82	\$258	\$448	\$1,000
BlackRock Enrolled Portfolio	\$74	\$232	\$404	\$904
BlackRock Equity Portfolio	\$83	\$261	\$453	\$1,012
BlackRock 75% Equity Portfolio	\$85	\$267	\$464	\$1,036
BlackRock Fixed Income Portfolio	\$85	\$267	\$464	\$1,036
BlackRock Global Allocation Portfolio	\$121	\$378	\$655	\$1,446
BlackRock Advantage Large Cap Core Portfolio	\$84	\$264	\$459	\$1,024
BlackRock Advantage Large Cap Growth Portfolio	\$99	\$308	\$535	\$1,190
BlackRock Equity Dividend Portfolio	\$106	\$330	\$573	\$1,272
BlackRock Inflation Protected Bond Fund Portfolio	\$121	\$378	\$655	\$1,446

## A UNIT CLASS

Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 years
<b>iShares</b>				
iShares 2041 Enrollment Portfolio	\$56	\$174	\$304	\$684
iShares 2038 Enrollment Portfolio	\$56	\$174	\$304	\$684
iShares 2035 Enrollment Portfolio	\$56	\$174	\$304	\$684
iShares 2033 Enrollment Portfolio	\$56	\$174	\$304	\$684
iShares 2029 Enrollment Portfolio	\$57	\$178	\$310	\$696
iShares 2027 Enrollment Portfolio	\$57	\$178	\$310	\$696
iShares 2026 Enrollment Portfolio	\$57	\$178	\$310	\$696
iShares 2025 Enrollment Portfolio	\$60	\$187	\$327	\$733
iShares Enrolled Portfolio	\$64	\$200	\$349	\$782
iShares Equity Portfolio	\$56	\$174	\$304	\$684
iShares Fixed Income Portfolio	\$69	\$216	\$376	\$843
iShares Conservative Allocation Portfolio	\$66	\$206	\$360	\$806
iShares Moderate Allocation Portfolio	\$66	\$206	\$360	\$806
iShares Growth Allocation Portfolio	\$66	\$206	\$360	\$806
iShares MSCI USA ESG Select Portfolio	\$76	\$238	\$415	\$928
iShares Core MSCI EAFE Portfolio	\$58	\$181	\$315	\$709
iShares Core MSCI EM Portfolio	\$60	\$187	\$327	\$733
iShares TIPS Bond Portfolio	\$70	\$219	\$382	\$855
iShares ESG Aware MSCI EAFE Portfolio	\$71	\$222	\$387	\$867
iShares ESG Aware MSCI EM Portfolio	\$76	\$238	\$415	\$928
iShares ESG Aware US Aggregate Bond Portfolio	\$61	\$190	\$332	\$745
<b>Franklin Templeton</b>				
Franklin Templeton 2041 Enrollment Portfolio	\$100	\$311	\$541	\$1,201
Franklin Templeton 2038 Enrollment Portfolio	\$98	\$305	\$530	\$1,178
Franklin Templeton 2036 Enrollment Portfolio	\$97	\$302	\$525	\$1,166
Franklin Templeton 2034 Enrollment Portfolio	\$95	\$296	\$514	\$1,142
Franklin Templeton 2032 Enrollment Portfolio	\$92	\$286	\$497	\$1,107
Franklin Templeton 2030 Enrollment Portfolio	\$87	\$273	\$475	\$1,059
Franklin Templeton 2028 Enrollment Portfolio	\$82	\$258	\$448	\$1,000
Franklin Templeton 2027 Enrollment Portfolio	\$80	\$251	\$437	\$976
Franklin Templeton 2026 Enrollment Portfolio	\$77	\$242	\$420	\$940
Franklin Templeton 2025 Enrollment Portfolio	\$75	\$235	\$409	\$916
Franklin Templeton Enrolled Portfolio	\$72	\$226	\$393	\$879
Franklin Templeton Growth Portfolio	\$100	\$311	\$541	\$1,201
Franklin Templeton Growth & Income Portfolio	\$94	\$292	\$508	\$1,131
Franklin Templeton Balanced Portfolio	\$87	\$273	\$475	\$1,059
Franklin Templeton International Aggregate Bond ETF	\$61	\$190	\$332	\$745
Franklin Templeton Clearbridge Appreciation	\$101	\$315	\$546	\$1,213
Franklin Templeton Small Cap Value Portfolio	\$111	\$346	\$601	\$1,330
Franklin Templeton Clearbridge Small Cap Growth Portfolio	\$128	\$400	\$692	\$1,526

A UNIT CLASS				
Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 years
<b>Lord Abbett</b>				
Lord Abbett Total Return Portfolio	\$77	\$242	\$420	\$940
<b>MFS</b>				
MFS 2041 Enrollment Portfolio	\$101	\$315	\$546	\$1,213
MFS 2038 Enrollment Portfolio	\$100	\$311	\$541	\$1,201
MFS 2035 Enrollment Portfolio	\$97	\$302	\$525	\$1,166
MFS 2033 Enrollment Portfolio	\$94	\$292	\$508	\$1,131
MFS 2031 Enrollment Portfolio	\$90	\$283	\$492	\$1,095
MFS 2029 Enrollment Portfolio	\$87	\$273	\$475	\$1,059
MFS 2027 Enrollment Portfolio	\$84	\$264	\$459	\$1,024
MFS 2025 Enrollment Portfolio	\$82	\$258	\$448	\$1,000
MFS Enrolled Portfolio	\$81	\$254	\$442	\$988
MFS Equity Portfolio	\$102	\$318	\$552	\$1,225
MFS Fixed Income Portfolio	\$92	\$286	\$497	\$1,107
MFS Research International Portfolio	\$116	\$362	\$628	\$1,388
MFS Value Portfolio	\$90	\$283	\$492	\$1,095
MFS Conservative Mixed Asset Portfolio	\$81	\$254	\$442	\$988
MFS Global Equity Portfolio	\$132	\$412	\$714	\$1,571
<b>NYLI Winslow</b>				
NYLI Winslow Large Cap Growth Fund Portfolio	\$110	\$343	\$595	\$1,318
<b>Neuberger Berman</b>				
Neuberger Berman International Equity Portfolio	\$124	\$387	\$671	\$1,480
<b>Principal Plus</b>				
Principal Plus Portfolio	\$45	\$142	\$249	\$560
<b>NextGen Savings</b>				
NextGen Savings Portfolio	\$0	\$0	\$0	\$0

C UNIT CLASS				
Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 years
<b>BlackRock</b>				
BlackRock 2041 Enrollment Portfolio	\$161	\$500	\$863	\$1,885
BlackRock 2038 Enrollment Portfolio	\$162	\$503	\$868	\$1,896
BlackRock 2035 Enrollment Portfolio	\$162	\$503	\$868	\$1,896
BlackRock 2033 Enrollment Portfolio	\$163	\$506	\$873	\$1,907
BlackRock 2029 Enrollment Portfolio	\$164	\$509	\$878	\$1,918
BlackRock 2027 Enrollment Portfolio	\$165	\$512	\$884	\$1,929
BlackRock 2026 Enrollment Portfolio	\$165	\$512	\$884	\$1,929
BlackRock 2025 Enrollment Portfolio	\$159	\$494	\$852	\$1,863
BlackRock Enrolled Portfolio	\$151	\$469	\$810	\$1,774
BlackRock Equity Portfolio	\$160	\$497	\$857	\$1,874
BlackRock 75% Equity Portfolio	\$162	\$503	\$868	\$1,896
BlackRock Fixed Income Portfolio	\$162	\$503	\$868	\$1,896
BlackRock Global Allocation Portfolio	\$198	\$611	\$1,051	\$2,274
BlackRock Advantage Large Cap Core Portfolio	\$161	\$500	\$863	\$1,885
BlackRock Advantage Large Cap Growth Portfolio	\$175	\$543	\$936	\$2,038
BlackRock Equity Dividend Portfolio	\$182	\$565	\$973	\$2,114
BlackRock Inflation Protected Bond Fund Portfolio	\$198	\$611	\$1,051	\$2,274
<b>iShares</b>				
iShares 2041 Enrollment Portfolio	\$132	\$412	\$714	\$1,571
iShares 2038 Enrollment Portfolio	\$132	\$412	\$714	\$1,571
iShares 2035 Enrollment Portfolio	\$132	\$412	\$714	\$1,571
iShares 2033 Enrollment Portfolio	\$132	\$412	\$714	\$1,571
iShares 2029 Enrollment Portfolio	\$133	\$416	\$719	\$1,583
iShares 2027 Enrollment Portfolio	\$133	\$416	\$719	\$1,583
iShares 2026 Enrollment Portfolio	\$133	\$416	\$719	\$1,583
iShares 2025 Enrollment Portfolio	\$137	\$425	\$735	\$1,617
iShares Enrolled Portfolio	\$141	\$437	\$756	\$1,662
iShares Equity Portfolio	\$132	\$412	\$714	\$1,571
iShares Fixed Income Portfolio	\$146	\$453	\$783	\$1,718
iShares Conservative Allocation Portfolio	\$143	\$444	\$767	\$1,684
iShares Moderate Allocation Portfolio	\$143	\$444	\$767	\$1,684
iShares Growth Allocation Portfolio	\$143	\$444	\$767	\$1,684
iShares MSCI USA ESG Select Portfolio	\$153	\$475	\$820	\$1,796
iShares Core MSCI EAFE Portfolio	\$134	\$419	\$724	\$1,594
iShares Core MSCI EM Portfolio	\$137	\$425	\$735	\$1,617
iShares TIPS Bond Portfolio	\$147	\$456	\$788	\$1,729
iShares ESG Aware MSCI EAFE Portfolio	\$148	\$459	\$794	\$1,740
iShares ESG Aware MSCI EM Portfolio	\$153	\$475	\$820	\$1,796
iShares ESG Aware US Aggregate Bond Portfolio	\$138	\$428	\$740	\$1,628

C UNIT CLASS				
Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 years
<b>Franklin Templeton</b>				
Franklin Templeton 2041 Enrollment Portfolio	\$176	\$547	\$942	\$2,049
Franklin Templeton 2038 Enrollment Portfolio	\$174	\$540	\$931	\$2,027
Franklin Templeton 2036 Enrollment Portfolio	\$173	\$537	\$926	\$2,016
Franklin Templeton 2034 Enrollment Portfolio	\$171	\$531	\$915	\$1,995
Franklin Templeton 2032 Enrollment Portfolio	\$168	\$522	\$900	\$1,962
Franklin Templeton 2030 Enrollment Portfolio	\$164	\$509	\$878	\$1,918
Franklin Templeton 2028 Enrollment Portfolio	\$159	\$494	\$852	\$1,863
Franklin Templeton 2027 Enrollment Portfolio	\$157	\$487	\$841	\$1,841
Franklin Templeton 2026 Enrollment Portfolio	\$154	\$478	\$826	\$1,807
Franklin Templeton 2025 Enrollment Portfolio	\$152	\$472	\$815	\$1,785
Franklin Templeton Enrolled Portfolio	\$149	\$462	\$799	\$1,752
Franklin Templeton Growth Portfolio	\$176	\$547	\$942	\$2,049
Franklin Templeton Growth & Income Portfolio	\$170	\$528	\$910	\$1,984
Franklin Templeton Balanced Portfolio	\$164	\$509	\$878	\$1,918
Franklin Templeton International Aggregate Bond ETF	\$138	\$428	\$740	\$1,628
Franklin Templeton Clearbridge Appreciation	\$177	\$550	\$947	\$2,060
Franklin Templeton Small Cap Value Portfolio	\$187	\$581	\$999	\$2,168
Franklin Templeton Clearbridge Small Cap Growth Portfolio	\$205	\$633	\$1,087	\$2,348
<b>Lord Abbett</b>				
Lord Abbett Total Return Portfolio	\$154	\$478	\$826	\$1,807
<b>MFS</b>				
MFS 2041 Enrollment Portfolio	\$177	\$550	\$947	\$2,060
MFS 2038 Enrollment Portfolio	\$176	\$547	\$942	\$2,049
MFS 2035 Enrollment Portfolio	\$173	\$537	\$926	\$2,016
MFS 2033 Enrollment Portfolio	\$170	\$528	\$910	\$1,984
MFS 2031 Enrollment Portfolio	\$167	\$519	\$894	\$1,951
MFS 2029 Enrollment Portfolio	\$164	\$509	\$878	\$1,918
MFS 2027 Enrollment Portfolio	\$161	\$500	\$863	\$1,885
MFS 2025 Enrollment Portfolio	\$159	\$494	\$852	\$1,863
MFS Enrolled Portfolio	\$158	\$491	\$847	\$1,852
MFS Equity Portfolio	\$178	\$553	\$952	\$2,071
MFS Fixed Income Portfolio	\$168	\$522	\$900	\$1,962
MFS Research International Portfolio	\$193	\$596	\$1,025	\$2,221
MFS Value Portfolio	\$167	\$519	\$894	\$1,951
MFS Conservative Mixed Asset Portfolio	\$158	\$491	\$847	\$1,852
MFS Global Equity Portfolio	\$209	\$645	\$1,108	\$2,390



C UNIT CLASS				
Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 years
<b>NYLI Winslow</b>				
NYLI Winslow Large Cap Growth Fund Portfolio	\$186	\$577	\$994	\$2,157
<b>Neuberger Berman</b>				
Neuberger Berman International Equity Portfolio	\$201	\$621	\$1,067	\$2,306
<b>Principal Plus</b>				
Principal Plus Portfolio	\$45	\$142	\$249	\$560
<b>NextGen Savings</b>				
NextGen Savings Portfolio	\$0	\$0	\$0	\$0

## I UNIT CLASS

Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 years
<b>BlackRock</b>				
BlackRock 2041 Enrollment Portfolio	\$59	\$184	\$321	\$721
BlackRock 2038 Enrollment Portfolio	\$60	\$187	\$327	\$733
BlackRock 2035 Enrollment Portfolio	\$60	\$187	\$327	\$733
BlackRock 2033 Enrollment Portfolio	\$61	\$190	\$332	\$745
BlackRock 2029 Enrollment Portfolio	\$62	\$194	\$338	\$758
BlackRock 2027 Enrollment Portfolio	\$63	\$197	\$343	\$770
BlackRock 2026 Enrollment Portfolio	\$63	\$197	\$343	\$770
BlackRock 2025 Enrollment Portfolio	\$57	\$178	\$310	\$696
BlackRock Enrolled Portfolio	\$48	\$152	\$265	\$598
BlackRock Equity Portfolio	\$58	\$181	\$315	\$709
BlackRock 75% Equity Portfolio	\$60	\$187	\$327	\$733
BlackRock Fixed Income Portfolio	\$60	\$187	\$327	\$733
BlackRock Global Allocation Portfolio	\$96	\$299	\$519	\$1,154
BlackRock Advantage Large Cap Core Portfolio	\$59	\$184	\$321	\$721
BlackRock Advantage Large Cap Growth Portfolio	\$73	\$229	\$398	\$891
BlackRock Equity Dividend Portfolio	\$80	\$251	\$437	\$976
BlackRock Inflation Protected Bond Fund Portfolio	\$96	\$299	\$519	\$1,154
<b>iShares</b>				
iShares 2041 Enrollment Portfolio	\$14	\$45	\$80	\$181
iShares 2038 Enrollment Portfolio	\$14	\$45	\$80	\$181
iShares 2035 Enrollment Portfolio	\$14	\$45	\$80	\$181
iShares 2033 Enrollment Portfolio	\$14	\$45	\$80	\$181
iShares 2029 Enrollment Portfolio	\$15	\$49	\$85	\$194
iShares 2027 Enrollment Portfolio	\$15	\$49	\$85	\$194
iShares 2026 Enrollment Portfolio	\$15	\$49	\$85	\$194
iShares 2025 Enrollment Portfolio	\$19	\$58	\$102	\$232
iShares Enrolled Portfolio	\$23	\$71	\$125	\$283
iShares Equity Portfolio	\$14	\$45	\$80	\$181
iShares Fixed Income Portfolio	\$28	\$88	\$153	\$347
iShares Conservative Allocation Portfolio	\$25	\$78	\$136	\$309
iShares Moderate Allocation Portfolio	\$25	\$78	\$136	\$309
iShares Growth Allocation Portfolio	\$25	\$78	\$136	\$309
iShares MSCI USA ESG Select Portfolio	\$35	\$110	\$193	\$435
iShares Core MSCI EAFE Portfolio	\$16	\$52	\$91	\$207
iShares Core MSCI EM Portfolio	\$19	\$58	\$102	\$232
iShares TIPS Bond Portfolio	\$29	\$91	\$159	\$360
iShares ESG Aware MSCI EAFE Portfolio	\$30	\$94	\$164	\$372
iShares ESG Aware MSCI EM Portfolio	\$35	\$110	\$193	\$435
iShares ESG Aware US Aggregate Bond Portfolio	\$20	\$62	\$108	\$245

I UNIT CLASS				
Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 years
<b>Franklin Templeton</b>				
Franklin Templeton 2041 Enrollment Portfolio	\$74	\$232	\$404	\$904
Franklin Templeton 2038 Enrollment Portfolio	\$72	\$226	\$393	\$879
Franklin Templeton 2036 Enrollment Portfolio	\$71	\$222	\$387	\$867
Franklin Templeton 2034 Enrollment Portfolio	\$69	\$216	\$376	\$843
Franklin Templeton 2032 Enrollment Portfolio	\$66	\$206	\$360	\$806
Franklin Templeton 2030 Enrollment Portfolio	\$62	\$194	\$338	\$758
Franklin Templeton 2028 Enrollment Portfolio	\$57	\$178	\$310	\$696
Franklin Templeton 2027 Enrollment Portfolio	\$55	\$171	\$299	\$672
Franklin Templeton 2026 Enrollment Portfolio	\$51	\$162	\$282	\$635
Franklin Templeton 2025 Enrollment Portfolio	\$49	\$155	\$271	\$610
Franklin Templeton Enrolled Portfolio	\$46	\$146	\$254	\$573
Franklin Templeton Growth Portfolio	\$74	\$232	\$404	\$904
Franklin Templeton Growth & Income Portfolio	\$68	\$213	\$371	\$831
Franklin Templeton Balanced Portfolio	\$62	\$194	\$338	\$758
Franklin Templeton International Aggregate Bond ETF	\$35	\$110	\$193	\$435
Franklin Templeton Clearbridge Capital Appreciation	\$75	\$235	\$409	\$916
Franklin Templeton Small Cap Value Portfolio	\$85	\$267	\$464	\$1,036
Franklin Templeton Clearbridge Small Cap Growth Portfolio	\$103	\$321	\$557	\$1,237
<b>Lord Abbett</b>				
Lord Abbett Total Return Portfolio	\$51	\$162	\$282	\$635
<b>MFS</b>				
MFS 2041 Enrollment Portfolio	\$75	\$235	\$409	\$916
MFS 2038 Enrollment Portfolio	\$74	\$232	\$404	\$904
MFS 2035 Enrollment Portfolio	\$71	\$222	\$387	\$867
MFS 2033 Enrollment Portfolio	\$68	\$213	\$371	\$831
MFS 2031 Enrollment Portfolio	\$65	\$203	\$354	\$794
MFS 2029 Enrollment Portfolio	\$62	\$194	\$338	\$758
MFS 2027 Enrollment Portfolio	\$59	\$184	\$321	\$721
MFS 2025 Enrollment Portfolio	\$57	\$178	\$310	\$696
MFS Enrolled Portfolio	\$56	\$174	\$304	\$684
MFS Equity Portfolio	\$76	\$238	\$415	\$928
MFS Fixed Income Portfolio	\$66	\$206	\$360	\$806
MFS Research International Portfolio	\$90	\$283	\$492	\$1,095
MFS Value Portfolio	\$65	\$203	\$354	\$794
MFS Conservative Mixed Asset Portfolio	\$56	\$174	\$304	\$684
MFS Global Equity Portfolio	\$107	\$334	\$579	\$1,283

I UNIT CLASS				
Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 years
<b>NYLI Winslow</b>				
NYLI Winslow Large Cap Growth Fund Portfolio	\$84	\$264	\$459	\$1,024
<b>Neuberger Berman</b>				
Neuberger Berman International Equity Portfolio	\$99	\$308	\$535	\$1,190
<b>Principal Plus</b>				
Principal Plus Portfolio	\$30	\$94	\$164	\$372
<b>NextGen Savings</b>				
NextGen Savings Portfolio	\$0	\$0	\$0	\$0

## EXCHANGES OF EXISTING ACCOUNT ASSETS TO ANOTHER PORTFOLIO

Current Account assets may be reallocated twice each calendar year or upon a change of the Designated Beneficiary to a Member of the Family of the current Designated Beneficiary. Client Select Series Units may only be exchanged for Client Select Series Units in another Portfolio in the same Unit Class (i.e., A Units may be exchanged only for A Units; C Units may be exchanged only for C Units; I Units may be exchanged only for I Units). If the Select Series Distributor becomes the broker of record for an Account and the Account holds either C Units or I Units, the C Units or I Units will be exchanged for A Units, and the exchange between Unit Classes will not count towards the reallocation limits.

**Limitations on Exchange of Units of Principal Plus Portfolio for NextGen Savings Portfolio** – Accounts are not permitted to directly exchange Units of the Principal Plus Portfolio for Units of the NextGen Savings Portfolio. In addition, in order to limit indirect exchanges between the Principal Plus Portfolio and the NextGen Savings Portfolio, whenever an Account exchanges Units of the Principal Plus Portfolio for Units of any Portfolio(s) other than the NextGen Savings Portfolio, for the next 90 days, the dollar value of all such exchanges will be aggregated by Portfolio (the “aggregated amount”). During that 90-day period, the Account will be permitted to acquire Units in the NextGen Savings Portfolio through exchanges, but only to the extent that, immediately after the exchange, the Account continues to hold Units in the exchanging Portfolio (i.e., the Portfolio that redeems Units as part of the exchange) that are at least equal in value to the aggregated amount on that date.

**Sales Charges Upon Exchange of C Units** – No CDSC is imposed when an Account exchanges C Units of one Portfolio for the C Units of another Portfolio. However, if C Units subject to a CDSC are exchanged into another C Unit Portfolio, those Units may be subject to a CDSC if later withdrawn within one year of the original date of purchase.

## UNIT CLASS CHANGES

Participants are not permitted to change Unit Classes. For example, Account balances invested in C Units may not be reallocated to A Units, and Account balances invested in A Units may not be reallocated to C Units.

At the time a Participant makes a Contribution, the Participant will be required to purchase either A Units, C Units or I Units in accordance with the Program’s rules. However, after four years from the date of purchase, C Units will automatically convert into A Units.

If the Select Series Distributor becomes the broker of record for an Account and the Account holds C Units, the C Units will be exchanged for A Units.

## SPECIALIZED PRICING ARRANGEMENTS

A Participant or potential Participant should consult with their Financial Intermediary for more information. Financial Intermediaries are solely responsible for the terms and conditions of any Specialized Pricing Arrangements.

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# Tax Treatment of Investments & Withdrawals

## GENERAL

The following discussion is a summary of certain aspects of federal and state income taxation and federal and state estate and gift taxation relating to contributions to and withdrawals from Section 529 Programs. It is not exhaustive and is not intended as tax advice. The federal and state tax consequences associated with an investment in the Program are complex, and a Participant should consult a tax advisor regarding the application of the pertinent tax rules to his or her particular circumstances.

The IRS issued Proposed Regulations on August 24, 1998 (the “Proposed Regulations”), which will remain pending until withdrawn or until final regulations are issued under Section 529 of the Code. The Program as described in this Program Description and Participation Agreement has been designed to comply with Section 529 of the Code and the Proposed Regulations (to the extent not inconsistent with subsequent tax legislation and guidance from the IRS). The preamble that accompanied the Proposed Regulations states that taxpayers may rely on the Proposed Regulations. However, the Proposed Regulations do not reflect significant changes made to Section 529 of the Code since their issuance and subsequent guidance from the IRS on Section 529 Programs. Consequently, it is not likely that the Proposed Regulations will be issued as final regulations in their current form. It is not possible to predict the effect of amendment or withdrawal of the Proposed Regulations upon the Program or when final regulations may be issued.

FAME has received a private letter ruling from the IRS that the Program is a qualified tuition program and exempt from federal income tax under Section 529 of the Code. (A copy of the letter ruling is available upon request from FAME.) The ruling expressly states that final regulations have not been issued under Section 529 and that such regulations, when issued, could affect the validity of the ruling. If necessary, FAME and the Program Manager intend to modify the Program within the constraints of applicable law to enable the Program to continue to meet the requirements of Section 529 of the Code.

## FEDERAL TAXATION OF SECTION 529 PROGRAMS

The following discussion is based on the Code, Proposed Regulations, IRS published guidance and interpretations of applicable federal and Maine law existing on the date of this Program Description and Participation Agreement. It is possible that Congress, the Treasury Department, the IRS, or the courts may take actions that will affect the Code and Proposed Regulations and interpretations thereof. FAME and the Program Manager intend to modify the Program from time to time within the constraints of applicable law to enable the Program to continue to meet the requirements of Section 529 of the Code. In the event that the Program, as currently structured or as subsequently modified, does not meet the requirements of Section 529 of the Code for any reason, the tax consequences to Participants and Designated Beneficiaries will differ from those described below. Future state legislation may likewise affect the state tax treatment of Participants and Designated Beneficiaries in connection with the Program. See [“Taxation by Other States.”](#)

***Contributions, Earnings and Withdrawals*** – Contributions to Section 529 Programs are not deductible for federal income tax purposes. Earnings that accumulate in an Account and are not withdrawn are not subject to federal income tax. In addition, earnings on Contributions are not subject to federal income tax to the extent that they are withdrawn from an Account and used for Qualified Higher Education Expenses of the Designated Beneficiary (or of a sibling of the Designated Beneficiary with respect to Qualified Higher Education Expenses constituting the repayment of qualified education loans).

For tax purposes, withdrawals from an Account are considered made for Qualified Higher Education Expenses by comparing (i) the aggregate amount of withdrawals made in a calendar year from all accounts for the Designated Beneficiary with (ii) the aggregate amount of Qualified Higher Education Expenses of the Designated Beneficiary paid in that tax year (from sources other than scholarships or grants), provided that Qualified Higher Education Expenses used to claim American Opportunity Tax Credit or Lifetime Learning credit or to obtain a tax-free withdrawal from a Coverdell education savings account cannot also be counted as Qualified Higher Education Expenses for purposes of withdrawals from a Section 529 Program. Under current IRS guidance, if the amount of withdrawals in a calendar year from an Account and other accounts in Section 529 Programs for the Designated Beneficiary exceeds the Qualified Higher Education Expenses of the Designated Beneficiary in such calendar year, the excess amount is a Non-Qualified Withdrawal.

While Qualified Withdrawals are exempt from federal income tax, the earnings portion of Non-Qualified Withdrawals will generally be subject to federal income tax, including a 10% additional federal tax on earnings. If the amount withdrawn exceeds the Designated

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Beneficiary's Qualified Higher Education Expenses reduced by any tax-free education assistance received, the amount includible as ordinary income in computing the distributee's federal taxable income is based on the applicable earnings ratio. Per IRS guidance provided in the Proposed Regulations as modified by Notice 2001-81, the earnings ratio means the amount of earnings allocable to the account on the date of distribution divided by the total account balance on the last day of that calendar year. The Program will report earnings on withdrawals made each calendar year on Form 1099-Q.

If an Eligible Institution of Higher Education refunds any portion of an amount previously withdrawn from an Account and treated as a Qualified Withdrawal, unless such amount is recontributed to a Section 529 Program for the same Designated Beneficiary not later than 60 days after the date of the refund, the distributee may be required to treat the amount of the refund as a Non-Qualified Withdrawal for purposes of federal income tax. However, in that event the distributee may have the option to use the refunded amount for Qualified Higher Education Expenses in same calendar year as the withdrawal (or in the beginning of the next calendar year). Participants should consult their tax advisors for more information.

Qualified Withdrawals or qualifying rollovers (see "Qualifying Rollovers" below) consist of two parts for federal income tax purposes. A part of the withdrawal will be treated as a non-taxable return of principal and the remainder will be treated as a taxable withdrawal of earnings. The earnings portion of a withdrawal will be treated as ordinary income to the individual who is considered to have received the distribution. A 10% additional federal tax also will be imposed on the earnings portion of the Non-Qualified Withdrawal; however, there are certain exceptions to the imposition of the 10% additional tax. The exceptions are: (i) withdrawals paid to a beneficiary (or to the Designated Beneficiary's estate) on account of the death of the Designated Beneficiary; (ii) withdrawals made on account of the disability (within the meaning of section 72(m)(7) of the Code) of the Designated Beneficiary; (iii) withdrawals made on account of a scholarship received by the Designated Beneficiary, provided withdrawals do not exceed the amount of the scholarship; (iv) withdrawals made on account of a reduction in the amount of Qualified Higher Education Expenses solely because of expenses taken into account in determining the Education Tax Credits allowed under federal income tax law and (v) withdrawals made on account of the attendance of the Designated Beneficiary at certain specified military academies. See ["Participation and Accounts - Non-Qualified Withdrawals and the Additional Tax."](#)

**Qualifying Rollovers** – Qualifying rollovers are not subject to federal income tax, including the 10% additional federal tax, on earnings. A Participant may roll over all or part of the balance of an Account to another Section 529 Program that accepts rollovers without subjecting the rollover amount to federal income tax, provided certain conditions are met (i) the amount withdrawn must be placed in another Section 529 Program within 60 days of the withdrawal; and (ii) the Designated Beneficiary of the receiving Section 529 Program account must be the same Designated Beneficiary (with no other rollover to a Section 529 Program having occurred for the same Designated Beneficiary in the preceding 12 months) or a Member of the Family of the current Designated Beneficiary. Provided appropriate documentation is received by the Section 529 Program receiving the rollover, the portion of the rollover which represents earnings will be added to the earnings portion of the receiving account and amounts representing Contributions will be added to the contribution portion of the receiving Section 529 Program account. See ["Participation and Accounts - Change of Designated Beneficiary"](#) for the definition of Member of the Family and see ["Federal Gift, Estate and Generation — Skipping Transfer Taxes"](#) for certain additional information about changes of Designated Beneficiaries.

A Participant may also rollover amounts in an Account to a Section 529A Qualified ABLE Program ("ABLE") for the same Designated Beneficiary, or a Member of the Family thereof, federal income tax-free, subject to satisfaction of eligibility requirements for ABLE accounts and applicable ABLE contribution limits. Distributions from an Account in connection with any such rollover must occur before January 1, 2026.

A Participant may also rollover amounts in an Account to a Roth IRA -- subject to certain conditions (a "529-to-Roth IRA Rollover"). The conditions include, but are not limited to, the following: (i) The Account must have been maintained for the 15-year period ending on the date of the 529-to-Roth IRA Rollover; (ii) The 529-to-Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the same Designated Beneficiary as the Designated Beneficiary of the Account (not the Participant -- if different); (iii) Each year, the 529-to-Roth IRA Rollover will be subject to annual IRA contribution limits. In addition, such rollovers may not exceed the amount of compensation the Designated Beneficiary earned during the year; (iv) The amount of the 529-to-Roth IRA Rollover may not exceed the aggregate amount contributed to the Account (and earnings attributable thereto) before the 5-year period ending on the date of such rollover; (v) The aggregate amount of 529-to-Roth IRA Rollovers for the same Designated Beneficiary may not exceed \$35,000; and (vi) Roth IRA income limitations are waived for 529-to-Roth IRA Rollovers. The information presented in this Program Disclosure Statement on 529-to-Roth IRAs Rollovers is based on a good faith interpretation of federal legislation enacted in December 2022. The U.S. Treasury Department and IRS may issue interpretative guidance in the future which may affect the tax treatment of 529-to-Roth IRA Rollovers. Your financial institution or the IRA Custodian may impose other terms and conditions on 529-to-Roth IRAs Rollovers. Please consult with your financial professional or tax advisor regarding the applicability of 529-to-Roth IRA Rollovers to your personal situation.

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**Rollovers from Coverdell Education Savings Accounts** – The Code provides that for purposes of determining whether a distribution from a Coverdell ESA is includible in gross income, any amount contributed to an Account may be treated as a qualified education expense of the Designated Beneficiary. Therefore, amounts held in a Coverdell ESA may be rolled over to an Account for the same Designated Beneficiary without subjecting the rollover amount to federal income tax or penalties. Provided appropriate documentation is received by the Program Manager, the portion of the rollover representing earnings in the Coverdell ESA will be added to the earnings portion of the Account and the portion representing contributions will be added to the Contributions portion of the Account.

**Series EE and Series I Bonds** – Interest on Series EE bonds issued after December 31, 1989, as well as interest on all Series I bonds, may be completely or partially excluded from federal income tax if bond proceeds are used to pay certain Qualified Higher Education Expenses at an Eligible Institution of Higher Education or are contributed to a Section 529 Program or a Coverdell ESA in the same calendar year the bonds are redeemed. Certain income and other limitations apply, and you should consult with a qualified tax advisor. If appropriate documentation is received by the Section 529 Program receiving the proceeds of the sale of Series EE or Series I bonds, the original purchase price of the bonds redeemed and contributed to the Section 529 Program will be added to the Contributions portion of the receiving Account, with the interest added to earnings.

**Federal Gift, Estate and Generation-Skipping Transfer Taxes** – Contributions (other than most rollover contributions) to a Section 529 Program are generally considered completed gifts to the Designated Beneficiary for federal gift, estate and generation-skipping transfer (“GST”) tax purposes and are thus eligible for the annual gift and GST tax exclusion, which is currently \$18,000 per recipient per year (or \$36,000 per recipient per year, in the case of a married couple electing to split gifts on a duly filed gift tax return). Except as described in the following paragraph, if the contributor were to die while assets remained in an Account, the value of the Account would not be included in the contributor’s gross estate.

In general, contributions (other than rollover contributions) to a Section 529 Program are completed gifts in the year of contribution that qualify for the gift tax annual exclusion and GST tax exclusion, currently \$18,000 per year per Designated Beneficiary, available under the Code. However, if a contribution in a single year is greater than \$18,000, the contributor may elect to prorate the contribution against the annual exclusion ratably over a five-year period. Thus, a contributor who makes a \$90,000 (\$180,000 in the case of a married couple electing to split gifts on a duly filed gift tax return) contribution in a year, makes the election and makes no other gifts to the Designated Beneficiary during that calendar year or the next four calendar years would not incur a gift or GST tax as a result of the contribution. Any excess over the \$90,000 (or \$180,000, as the case may be) would be counted against the lifetime limit on non-taxable gifts in the calendar year of the contribution and, if the lifetime limit is exceeded, constitute a taxable gift. However, if a contributor dies before the close of the five-year period, the portion of the contribution allocable to the calendar years after that of the contributor’s death would be includible in the contributor’s estate for federal estate tax and, if applicable, GST tax purposes.

The gift tax annual exclusion is periodically adjusted for inflation. If the annual exclusion is increased during the five-year period after an election is made, an additional contribution can be made in any one or more of the remaining years without gift or GST tax consequences up to the difference between the adjusted exclusion amount and the pro-rated amount of the original contribution attributed to such year.

Under current law, each individual generally has a \$13,610,000 (as of 2024) lifetime exemption for transfers made after December 31, 2017 and before January 1, 2026, and a \$5,600,000 (as of 2018) lifetime exemption for transfers made before January 1, 2018 or after December 31, 2025 (which amounts are subject to annual adjustment to reflect inflation) that may be applied to gifts in excess of the applicable annual exclusion amount. For gifts of community property (or for a married couple who elect to split gifts of separate property) the spouses’ combined applicable exemption amount of \$27,220,000 (as of 2024) for transfers made after December 31, 2017 and before January 1, 2026, and combined applicable exclusion amount of \$11,200,000 (as of 2018) for transfers made before January 1, 2018 or after December 31, 2025 (which amounts are subject to annual adjustment to reflect inflation) may be applied.

If the Designated Beneficiary for an account is changed to, or amounts in an Account are rolled over to an Account for, a new Designated Beneficiary who is a Member of the Family of the current Designated Beneficiary and is assigned to the same or higher generation as the current Designated Beneficiary for GST tax purposes, there will be no gift or GST tax consequences. If the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary but is assigned to a younger generation than the current Designated Beneficiary for GST tax purposes, the change of Designated Beneficiary will be deemed a gift from the current Designated Beneficiary to the new Designated Beneficiary for federal gift and GST tax purposes, in which case the five-year election discussed above may be available for such purposes. (If the new Designated Beneficiary is not a Member of the Family of the current Designated Beneficiary, the income and transfer tax consequences are uncertain but may be substantial and adverse, and the Program will not permit a change of Designated Beneficiary to, or a rollover to an account for, someone who is not a Member of the Family of the current Designated Beneficiary.)



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The gross estate of a Designated Beneficiary may include the value of any interest the Designated Beneficiary has in the Section 529 Program or amounts distributed on account of the Designated Beneficiary's death. If the Participant and the Designated Beneficiary are the same person, the value of the Account will be includible in the Participant/Designated Beneficiary's gross estate.

**Coverdell ESAs and Education Tax Credits** – Amounts may be contributed to a Coverdell ESA and a Section 529 Program in the same year for the account of the same Designated Beneficiary without imposition of a penalty. Taxpayers meeting certain income threshold and other requirements may be eligible to take an Education Tax Credit against their federal income tax liability for certain education expenses. Taxpayers receiving tax-free distributions from a Section 529 Program for Qualified Higher Education Expenses will not be able to claim an Education Tax Credit for the same expenses. Furthermore, expenses used in determining the allowed Education Tax Credits will reduce the amount of a Designated Beneficiary's Qualified Higher Education Expenses to be paid from a Section 529 Program account and may result in a Non-Qualified Withdrawal. A Participant should consult a tax advisor regarding his or her eligibility to contribute to a Coverdell ESA, the availability of Education Tax Credits and the coordination of rules applicable to Coverdell ESAs, Section 529 Programs and the Education Tax Credits.

## TAXATION BY MAINE

Under Maine law, the assets of the Program Fund and all Program earnings and income from operations are exempt from all taxation by the State of Maine or any of its political subdivisions. Maine law also provides that a deposit to any Account, transfer of that Account to a Successor Participant, designation of a successor Designated Beneficiary of that Account, credit of Program earnings to that Account or distribution from that Account used for the purposes of paying Qualified Higher Education Expenses of the Designated Beneficiary of that Account does not subject that Participant, the estate of that Participant or any Designated Beneficiary to any Maine income or estate tax liability. Maine law further provides, however, that, in the event of cancellation or termination of a Participation Agreement and distribution of funds to the Participant, the increase in value over the amount deposited in the Account by the Participant may be taxable to that Participant in the year distributed.

Maine state income tax provisions generally follow the federal income tax treatment of withdrawals (including rollovers) from an Account. Similar to federal law, under Maine state income tax law:

- earnings from the investment of Contributions to an Account will not be included in computing Maine taxable income, if at all, until funds are withdrawn in whole or in part from the Account.
- a Qualified Withdrawal that is used to pay Qualified Higher Education Expenses of the Designated Beneficiary (or of a sibling of the Designated Beneficiary with respect to Qualified Higher Education Expenses constituting the repayment of qualified education loans) will not be included in taxable income and will not be subject to Maine income tax.
- a rollover to another Section 529 Program account or to a Section 529A Qualified ABLE Program account or a 529-to-Roth IRA Rollover that is not taxable for federal income tax purposes will not be subject to Maine income tax.
- the earnings portion of a Non-Qualified Withdrawal will be included in taxable income and will be subject to Maine income tax.

Individuals who file individual Maine state income tax returns will be able to deduct up to \$1,000 per Designated Beneficiary per tax year for their total combined contributions to any Section 529 Program during that tax year. The deduction is not available to taxpayers with federal adjusted gross income over \$100,000 (single or married filing separately) or \$200,000 (married filing jointly or head of household).

## TAXATION BY OTHER STATES

If the Program is not the home state plan of both the Participant and the Designated Beneficiary, the Participant should be aware of the following:

- Depending upon the laws of the Participant's home state or the Designated Beneficiary's home state, favorable state tax treatment or other benefits offered by such home state for investing in Section 529 Programs may be available only if the Participant invests in that home state's Section 529 Program.
- Any state-based benefits such as financial aid, scholarship funds, and protection from creditors offered with respect to a particular Section 529 Program should be one of the many appropriately weighted factors to be considered in making an investment decision.

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- The Participant should consult with tax, legal or other advisors to learn more about how state-based benefits (including any limitations) would apply to the Participant's specific circumstances and the Participant may also wish to contact the Participant's home state or another Section 529 Program to learn more about the features, benefits and limitations of that state's Section 529 Program.

Designated Beneficiaries and/or other distributees should likewise consult tax, legal or other advisors with respect to state-based benefits and state tax treatment. The consequences to a Participant or Designated Beneficiary of taking withdrawals from an Account, and the treatment of earnings that accumulate in an Account and are not withdrawn, will vary from state to state.

In general, if a state's income tax law conforms to the federal income tax law, a Participant who is a resident of the state should not recognize income on earnings that accumulate in an Account and are not withdrawn. When assets are withdrawn from an Account, the earnings portion should be tax-free to the extent used to pay the Qualified Higher Education Expenses of the Designated Beneficiary (or of a sibling of the Designated Beneficiary with respect to Qualified Higher Education Expenses constituting the repayment of qualified education loans). However, it is possible that a state whose income tax laws otherwise conform to the federal income tax law may assess state tax on withdrawals, transfers and/or rollovers differently than under federal income tax law.

If a state's definition of taxable income or adjusted gross income does not conform to the federal definition and the state does not have an explicit provision addressing the tax consequences of Section 529 Programs, the tax consequences to a Participant, other contributor (if any) or Designated Beneficiary may be unclear. In such cases, the earnings on an Account may be included in the Participant's or Designated Beneficiary's state taxable income when earned or withdrawn.

## **TAX REPORTS AND FILINGS**

The Program's designee will report all distributions from an Account to the IRS, the Participant and any other required persons, if any, to the extent required by federal, state or local law. Under federal law, the Program's designee will report to the IRS on IRS Form 1099-Q gross distributions from an Account, during the calendar year, along with information regarding the earnings and basis (i.e., Contributions) portions of the amount distributed. By January 31 of the year following the distribution, the Participant (or Designated Beneficiary, in the case of distributions made directly to the Designated Beneficiary or to an Eligible Institution of Higher Education for the benefit of the Designated Beneficiary) should receive a copy of such Form 1099-Q or an acceptable substitute statement. Participants and Designated Beneficiaries should check with their tax advisors about the tax impact to them of any distributions from an Account and about what, if any, information must be reported on a tax return. Because it is the responsibility of the distributee receiving Form 1099-Q to determine whether distributions from an Account result in federal, state, and/or local tax liability and/or the 10% additional federal tax on earnings, Participants and Designated Beneficiaries should retain adequate records, invoices or other documents and information to support any exemption from federal, state, and/or local taxes as well as any exemption from the 10% additional federal tax on earnings, as applicable.

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# Program and Portfolio Risks and Other Considerations

A Participant should carefully consider the matters set forth below in addition to the other information contained or referred to in this Program Description and the Participation Agreement in evaluating the establishment of an Account and the making of Contributions. The contents of this Program Description or the Participation Agreement should not be construed as legal, financial or tax advice. A Participant should consult his or her own attorneys and financial and tax advisors as to legal, financial and tax advice.

## PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS

Accounts are subject to certain risks associated with participation in the Program. In addition, certain risks may be more applicable to certain Portfolios than are other Portfolios. Portfolios investing in Underlying Funds are subject to certain risks associated with investing in Underlying Funds. See “[Investment Risks of Underlying Funds](#).” The Principal Plus Portfolio Investments are subject to certain risks. See “[Investment Risks of Principal Plus Portfolio Investments](#).” The NextGen Savings Portfolio is subject to certain risks associated with the underlying deposits in the Bank Deposit Account. See “[Investment Risks of NextGen Savings Portfolio Investment](#).”

A Participant should consider such risks in light of the possibility that they may arise at any time during the period an Account is open. A Participant should also consider that a Participant may change how previous Contributions (and any earnings thereon) have been allocated among the available Portfolio options only twice per calendar year or upon a change of the Designated Beneficiary to a Member of the Family of the current Designated Beneficiary. Non-Qualified Withdrawals are subject to income taxes and may be subject to the 10% additional federal tax on earnings.

**No Guarantee of Income or Principal** – The investments made by a Participant or others in Accounts are subject to market, interest rate and other investment risks, including the loss of principal. The value of an Account may increase or decrease, based on the return of the Portfolio(s) to which Contributions have been allocated, and the value of an Account may be more or less than the total Contributions to the Account. None of the State of Maine, FAME, any agency or instrumentality of Maine, Merrill, Vestwell, BlackRock or any Sub-Advisor or any of their affiliates, any agent or representative retained in connection with the Program or any other person, is an insurer of, makes any guarantee of or has any legal or moral obligation to insure the ultimate payout of any or all of the amount of any Contribution to an Account or that there will be any investment return, or investment return at any particular level, with respect to any Account.

**Market Uncertainties and Other Events** – Due to market uncertainties, the overall market value of an Account may exhibit volatility and could be subject to wide fluctuations in the event of force majeure. All of these factors may cause the value of an Account to decrease (realized or unrealized losses) regardless of the Program’s performance or any systematic investing on the part of a Participant.

**Limitations on Investment Direction** – FAME, not a Participant, determines the investment allocations for the Portfolio(s) to which Contributions are allocated and selects Portfolio Investments for such Portfolio(s). These determinations are effected from time to time as described under “[Portfolios — Portfolio Allocations](#)” and “[Portfolios — Performance and Investments](#).” Any Portfolio may at any time be merged, terminated, reorganized or cease issuing new Units. Any Portfolio fee structure may at any time be terminated or modified. Any such action affecting a Portfolio may result in a Participant’s Contributions being reinvested in a Portfolio different from the Portfolio in which Contributions were originally invested. With certain limited exceptions, the Participant is not permitted to withdraw funds from the Account without imposition of federal and applicable state and/or local income tax, and the 10% additional federal tax on earnings, except for application to the Qualified Higher Education Expenses of the Designated Beneficiary.

**Effect of Investment Strategy and Inflation on Qualified Higher Education Expenses** – Contributions to an Account are limited to amounts projected to be sufficient to permit all Accounts established for a Designated Beneficiary to fund Qualified Higher Education Expenses for such Designated Beneficiary for a five-year period of undergraduate attendance and a two-year period of graduate attendance. However, the balance in an Account or Accounts maintained on behalf of a Designated Beneficiary may or may not be adequate to cover the Qualified Higher Education Expenses of that Designated Beneficiary, even if Contributions to an Account are made in the maximum amount per Designated Beneficiary permitted under the Program. In addition, the level of future inflation in Qualified Higher Education Expenses is uncertain and could exceed the rate of investment return earned by any or all of the Portfolios over the corresponding periods. There is no obligation on the part of any educational institution to maintain a rate of increase in Qualified Higher Education Expenses which is in any way related to Portfolio investment results.

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The investment strategy of the Year of Enrollment Portfolios seeks to balance risk and expected returns of the Portfolio Investments with the time periods remaining until the specified year. In general, the asset allocation strategy for each of the Year of Enrollment Portfolios is expected to become increasingly conservative over time.

The investment strategies of the Diversified Portfolio, Single Fund Portfolio, Principal Plus Portfolio and NextGen Savings Portfolio investment options vary significantly from each other and from that of the Year of Enrollment Portfolios. Further, the Single Fund Portfolio, Principal Plus Portfolio and NextGen Savings Portfolio investment options may have more concentration risk. None of the Diversified Portfolios or Single Fund Portfolios investing exclusively in Underlying Funds that invest in equity securities will provide for capital preservation at any particular time, and the Diversified Portfolios and Single Fund Portfolios investing exclusively in Underlying Funds that invest in fixed income securities will not seek capital appreciation. Portfolios that primarily invest in Underlying Funds investing in equity securities may underperform certain other Portfolios, particularly if equity securities generally underperform other asset classes for any particular period of time. Portfolios that primarily invest in Underlying Funds investing in fixed income securities may underperform certain other Portfolios, particularly if fixed income securities generally underperform other asset classes for any particular period of time. The Principal Plus Portfolio which invests in Funding Agreements may underperform other investments, particularly if Funding Agreements generally underperform other asset classes for any particular period of time. See “[Investment Risks of NextGen Savings Portfolio Investment](#).” The NextGen Savings Portfolio which invests in a Bank Deposit Account may underperform other investments, particularly if FDIC-insured accounts generally underperform other asset classes for any particular period of time. See “[Investment Risks of NextGen Savings Portfolio Investment](#).”

A Participant selecting Portfolios that invest in Underlying Funds investing in equity securities should carefully review the investment risks applicable to Underlying Funds investing in equity securities. See “[Investment Risks of Underlying Funds - Underlying Funds Investing in Equity Securities](#).” A Participant selecting Portfolios that invest in Underlying Funds investing in fixed income securities should carefully review the investment risks applicable to Underlying Funds investing in fixed income securities. See “[Investment Risks of Underlying Funds - Underlying Funds Investing in Fixed Income Securities \(Including Money Market Securities\)](#).” A Participant selecting the Principal Plus Portfolio should carefully review the investment risks described under the heading “[Investment Risks of Principal Plus Portfolio Investments](#).” A Participant selecting the NextGen Savings Portfolio should carefully review the investment risks described under the heading “[Investment Risks of NextGen Savings Portfolio Investment](#).”

**Education Savings and Investment Alternatives** – A number of other Section 529 Programs and education savings and investment programs are currently available to a Participant. These programs may offer benefits, including state tax benefits, to some or all Participants or Designated Beneficiaries that are not available under the terms of the Program or applicable law. See “[Tax Treatment of Investments & Withdrawals — Taxation by Other States](#).” If a Participant or Designated Beneficiary is not a Maine resident, the state(s) where he or she lives or pays taxes may offer one or more direct sold, advisor/broker sold or prepaid tuition Section 529 Programs, and those programs may offer the Participant or Designated Beneficiary state or local income tax or other benefits not available through the Program. For instance, several states offer unlimited state income tax deductions for contributions to their own state’s Section 529 Program. Such deductions may not be available for Contributions under this Program. Other Section 529 Programs may involve fees and expenses that are more or less than those borne by Accounts under the Program and may involve investment consequences (such as recapture of deductions previously taken) that differ. Accordingly, a Participant should consider other investment alternatives before establishing an Account in the Program. Investment options also differ by Section 529 Programs.

Amounts may currently be contributed in the same year to an Account and a Coverdell ESA for the same Designated Beneficiary, without imposition of a penalty.

**Potential Program Enhancements/Changes** – FAME may offer changes to the Program, including additional investment options. A Participant who has established Accounts prior to the time an enhancement is made available may be limited in his or her ability to participate in any such enhancement. The Portfolio fees and other charges described in this Program Description and the Participation Agreement are subject to change at any time.

**Differences between Performance of the Portfolios and Underlying Investments** – The performance of the Portfolios will differ from the performance of the Underlying Funds. Because the Portfolios have higher expense ratios than the Underlying Funds, over comparable periods of time, all other things being equal, a Portfolio would have lower performance than its comparable Underlying Fund(s). However, the Underlying Fund(s) do not offer the same tax advantages as the Portfolios.

**Status of Applicable Law and Regulations** – Final regulations under Section 529 of the Code or other administrative guidance or court decisions might be issued, or the IRS or a court may interpret existing law or guidance in a manner contrary to the Program’s interpretation, which could adversely impact the federal tax consequences or requirements with respect to the Program or Contributions to, or distributions from, Accounts. Congress could also amend Section 529 of the Code or other federal law, and states could

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amend state law, in a manner that would materially change or eliminate the federal or state tax treatment described in this Program Description. There can be no assurance that such changes in law will not adversely affect the value to any Participant or Designated Beneficiary of participation in the Program. It is not possible to determine the effects, if any, on the Program of such changes. Under certain circumstances, none of FAME, the Select Series Distributor or the Program Manager are required to continue the Program. Changes in the law governing the federal and/or state tax consequences described above might necessitate material changes to the Program for the anticipated federal tax consequences to apply.

***Treatment for Federal, State and Institutional Financial Aid Purposes*** – The treatment of Account assets may have a material adverse effect on the Designated Beneficiary's eligibility to receive assistance under various federal, state, and institutional financial aid programs. For federal financial aid purposes, Account assets will be considered (i) assets of a student's parent, if the student is a dependent student and the owner of the Account is the parent or the student, or (ii) assets of the student, if the student is the owner of the Account and not a dependent student. For purposes of financial aid programs offered by states and educational institutions, the treatment of Account assets may follow or differ from the treatment described above for federal financial aid purposes. Participants and Designated Beneficiaries are advised to consult a financial aid professional and/or the state or educational institution offering a particular financial aid program, to determine how assets held in an Account may affect eligibility for financial aid.

***Limited Liquidity*** – Investments in the Program involve the risk of reduced liquidity regarding your investment. Investments in Section 529 Programs are considered less liquid than other types of investments (e.g., investments in mutual fund shares) because the circumstances in which the Participant may withdraw money from a Section 529 Program account without a penalty or adverse tax consequences are significantly more limited. After an Account is established, the Participant may only withdraw funds from the Account in limited circumstances without incurring federal and state tax liability, including the 10% additional federal tax on Non-Qualified Withdrawals. See "[Participation and Accounts - Non-Qualified Withdrawals and the Additional Tax](#)."

***Medicaid and Other Federal and State Non-Educational Benefits*** – The effect of owning Account balances on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that assets held in an Account will be viewed as a "countable resource" in determining a Participant's financial eligibility for Medicaid. Withdrawals from an Account during certain periods may also have the effect of delaying the disbursement of Medicaid payments. A Participant should consult a tax advisor to determine how assets held in an Account may affect eligibility for Medicaid or other state and federal non-educational benefits.

***No Guarantee of Performance*** – Performance information for the Portfolios should not be viewed as a prediction of future performance of any Portfolio. In view of the anticipated periodic determinations of investment allocations and Portfolio Investments for each Portfolio, the future investment results of any Portfolio cannot be expected, for any period, to be similar to the past performance of any other Portfolios or combination of Portfolio Investments.

***Certain Considerations in Connection with Potential Changes in Program Manager, Investment Manager, Select Series Distributor and/or Program Custodian*** – A new Program Manager, Investment Manager, Select Series Distributor and/or Program Custodian may be appointed either upon expiration of the term of the applicable contract with FAME or earlier in the event such contract is terminated by a party prior to its expiration. See "[Program Services Agreement](#)." Upon such expiration or termination, regardless of whether the identity of the Select Series Distributor, Investment Manager, Program Custodian and/or Program Manager changes, the fee and compensation structure for the Program, and accordingly Program expenses, might be higher or different. In addition, investment results under a successor Investment Manager may differ from investment results realized under prior investment managers for the Program.

***No Guarantees by an Educational Institution or Apprenticeship Program*** – There is no guarantee that: (i) any Designated Beneficiary will be admitted to any educational institution or apprenticeship program; (ii) assuming a Designated Beneficiary is admitted to an educational institution or apprenticeship program, that the Designated Beneficiary will be permitted to continue to attend such institution or program; (iii) any Designated Beneficiary will be treated as a state resident of any state for tuition or any other purpose; or (iv) any Designated Beneficiary will graduate or receive a degree from an educational institution or apprenticeship program.

***Cybersecurity Risk*** – The Program is highly dependent upon the computer systems of its service providers and their subcontractors. This makes the Program susceptible to operational and information security risks resulting from cyber threats and cyber-attacks which may adversely affect an Account and cause it to lose value. For instance, cyber threats and cyber-attacks may interfere with your ability to access an Account, make contributions or exchanges, request and receive distributions; they may also impact the ability to calculate net asset values and/or impede trading. Cybersecurity risks include security or privacy incidents, such as human error, unauthorized release, theft, misuse, corruption, and destruction of Account data maintained online or digitally. Cybersecurity risks also include denial of service, viruses, malware, hacking, bugs, security vulnerabilities in software, attacks on technology operations, and other disruptions that could impede the ability to maintain routine operations. Although the Program and its service providers undertake



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efforts to protect their computer systems from cyber threats and cyber-attacks, including internal processes and technological defenses that are preventative in nature, and other controls designed to provide a multi-layered security posture, there are no guarantees that the Program, the officers and employees of FAME may, or a certain Account will avoid losses due to cyber-attacks or cyber threats.

**Not a Direct Investment in Mutual Funds or Registered Securities** – Although Contributions are invested in Units in the Program, which are in turn invested in various Portfolio Investments, an investment in the Program is not an investment in the Portfolio Investments. Units in the Program are not registered with the U.S. Securities and Exchange Commission or any state, nor are the Program, the Units or the Portfolios registered as investment companies with the U.S. Securities and Exchange Commission or any state.

**No Indemnification** – Neither FAME, the Program, the Program Manager, BlackRock, nor any Sub-Advisor, will indemnify any Participant against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of the officers and employees of FAME or employees of the State of Maine. Similarly, FAME and the Program will not indemnify any Participant against losses or other claims arising from the acts, negligent or otherwise, of any service providers to the Program.

### Investment Risks of Underlying Funds

Accounts are subject to a variety of investment risks which will vary based on the sector allocations of the different Portfolios and the particular Underlying Funds selected by FAME for the Portfolios. Set forth below is a summary of certain investment risks to which specific categories of Underlying Funds may be subject, followed by a summary of general risks to which Underlying Funds may be subject. The Underlying Funds may be subject to additional risks that are not set forth below. A Participant should review the principal risks to which particular Underlying Funds may be subject, described in “[Portfolios – Performance and Investments](#)” in this Program Description. Additionally, each Underlying Fund’s current prospectus and statement of additional information contains additional information not set forth in this Program Description, which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of any Underlying Fund’s current prospectus and statement of additional information, or an Underlying Fund’s most recent semi-annual or annual report, by contacting the Investment Manager or Sub-Advisor directly. Information on how to do so is included in “[Portfolios – Performance and Investments](#)” in this Program Description.

### Underlying Funds Investing in Equity Securities

- **Market and Selection Risk** — Market risk is the risk that the financial markets will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the investments an Underlying Fund selects will underperform the market or other funds with similar investment objectives and investment strategies. The investment advisors of the Underlying Funds may emphasize a particular investment style (such as growth or value style investing). The success of these styles varies at different times and the style of a particular advisor may lead to investments that decline in value or do not achieve anticipated results. Developments that result in major disruptions to global economies and financial markets, such as pandemics, large scale acts of terrorism, and war, may magnify factors that affect a Portfolio’s or Portfolio Investment’s performance. Such disruptions could adversely affect investments and negatively impact the ability of Portfolios and Portfolio Investments to achieve their investment objectives. This could, in turn, have a significant adverse impact on the value and risk profile of your investment in the Program.
- **Pandemic Risk** — An outbreak of an infectious coronavirus in 2020 developed into a global pandemic that resulted in numerous disruptions in the market and has had significant economic impact leaving general concern and uncertainty. The impact of this pandemic 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.
- **Risk of Small Capitalization and Emerging Growth Securities** — Small capitalization or emerging growth companies may have limited product lines or markets. They may be less financially secure than larger, more established companies. They may depend on a small number of key personnel. If a product fails, or if management changes, or there are other adverse developments, an Underlying Fund’s investment in a small cap or emerging growth company may lose substantial value. Small capitalization or emerging growth securities generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization securities or the stock market as a whole.
- **Risk of Middle Capitalization Securities** — Middle capitalization company stocks can be more volatile than stocks of larger companies due to limited product lines, financial and management resources, and market and distribution channels. Their shares can be less liquid than those of larger companies, especially during market declines.
- **Geographic Concentration Risk** — An Underlying Fund that invests a substantial amount of its assets in issuers located in a single country or a limited number of countries assumes the risk that economic, political and social conditions in those countries will have a significant impact on its investment performance.

- **Emerging Markets Risk** — Foreign investment risk may affect the prices of securities issued by foreign companies located in developing countries more than those in countries with mature economies. For example, many developing countries have, in the past, experienced high rates of inflation, expropriated assets or sharply devalued currencies against the U.S. dollar, thereby causing the value of investments in companies located in those countries to decline. Transaction costs are often higher in developing countries and there may be delays in settlement procedures.
- **Investing in a Master Portfolio** — Investors in a feeder fund will acquire an indirect interest in the corresponding master portfolio. Each portfolio accepts investments from other feeder funds, and all the feeders of a given portfolio bear the portfolio's expenses in proportion to their assets. This structure may enable the funds to reduce costs through economies of scale. A larger investment portfolio may also reduce certain transaction costs to the extent that contributions to and redemptions from the portfolio from different feeders may offset each other and produce a lower net cash flow. However, each feeder can set its own transaction minimums, fund-specific expenses, and other conditions. This means that one feeder could offer access to the same portfolio on more attractive terms, or could experience better performance, than another feeder. In addition, large purchases or redemptions by one feeder fund could negatively affect the performance of other feeder funds that invest in the same portfolio. Whenever a portfolio holds a vote of its feeder funds, the fund investing in that portfolio will pass the vote through to its own shareholders. Smaller feeder funds may be harmed by the actions of larger feeder funds. For example, a larger feeder fund could have more voting power than a smaller feeder fund over the operations of its portfolio. A fund may withdraw from its master portfolio at any time and may invest all of its assets in another pooled investment vehicle or retain an investment adviser to manage the fund's assets directly.
- **IPO Risk** — Securities purchased in initial public offerings have no trading history, limited issuer information and increased volatility relative to investments with a history of performance.

#### **Underlying Funds Investing in Fixed Income Securities (Including Money Market Securities)**

- **Government Securities Risk** – An Underlying Fund may invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as the Government National Mortgage Association (“Ginnie Mae”), the Federal National Mortgage Association (“Fannie Mae”), or the Federal Home Loan Mortgage Corporation (“Freddie Mac”). Unlike Ginnie Mae securities, securities issued or guaranteed by U.S. government-related organizations such as Fannie Mae and Freddie Mac are not backed by the full faith and credit of the U.S. government and no assurance can be given that the U.S. government would provide financial support.
- **Inflation-Linked Investments Risk** – Certain Underlying Funds invest in Treasury Inflation Protected Securities (“TIPS”), which are U.S. government bonds whose principal automatically is adjusted for inflation as measured by the Consumer Price Index for All Urban Consumers (“CPI-U”), and other inflation-indexed securities issued by the U.S. Department of Treasury. Unlike traditional fixed income securities, the principal and interest payments of inflation-linked investments are adjusted periodically based on the inflation rate. The value of inflation-linked investments may be vulnerable to changes in expectations of inflation or interest rates and there is no guarantee that the Underlying Fund's use of these instruments will be successful.
- **Senior Loan Risk** – Certain Underlying Funds may invest in floating or adjustable-rate senior loans which are subject to increased credit and liquidity risks. Senior loan prices also may be adversely affected by supply-demand imbalances caused by conditions in the senior loan market or related markets. Below investment grade senior loans, like high-yield debt securities, or junk bonds, usually are more credit than interest rate sensitive, although the value of these instruments may be affected by interest rate swings in the overall fixed income market.
- **Market and Selection Risk** – Underlying Funds investing in fixed income securities are subject to both market risk and selection risk as described above.
- **Credit Risk** – Credit risk is the risk that an issuer will be unable to pay interest or repay principal when due. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.
- **Interest Rate Risk** – Interest rate risk is the risk that prices of bonds generally increase when interest rates decline and decrease when interest rates increase. Prices of longer-term obligations generally change more in response to interest rate changes than prices of shorter-term obligations. Generally, a rise in interest rates will cause the market value of a fixed rate obligation to fall, while a decline in interest rates will cause the market value of a fixed rate obligation to rise. Debt securities purchased at a premium or discount from their principal amount may respond differently to changes in interest rates.
- **Redemption and Prepayment Risk** – A bond's issuer may call a bond for redemption before it matures. If this happens to a bond the Underlying Fund holds, the Underlying Fund may lose income and may have to invest the proceeds in bonds with lower yields.



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This risk, which is known as “prepayment risk,” may particularly affect asset-backed securities. In a period of declining interest rates, borrowers may pay what they owe on the underlying assets more quickly than anticipated.

- Extension Risk – Extension risk is the risk that, when interest rates rise, certain obligations will be paid off more slowly than anticipated and the value of these securities will fall.
- Risk of Non-investment Grade Bonds – Non-investment grade bonds (also referred to as “junk bonds”) are debt securities that are rated below investment grade by the rating agencies or are unrated securities that an Underlying Fund’s management believes are of comparable quality. Although non-investment grade bonds generally pay higher rates of interest than investment grade bonds, they are high-risk investments that may cause income and principal losses for the Underlying Fund. Non-investment grade bonds generally experience more price volatility than higher rated debt securities and are generally considered speculative. In the event of an issuer’s bankruptcy, claims of other creditors may have priority over the claims of non-investment grade bond holders, leaving few or no assets available to repay non-investment grade bond holders. Non-investment grade bonds may be subject to greater prepayment risk than higher rated debt securities. Underlying Funds investing in the non-investment grade bonds may invest in distressed securities, which are securities that are subject to bankruptcy proceedings or are in default, or are at risk of being in default.
- Considerations Relating to the Cash Allocation Account – As described under “[Portfolios – Portfolio Investments](#),” a portion of the assets of the Cash Allocation Account may be invested in Maine CDs. Such investments, if any, will not generally exceed 10% of the assets of the Cash Allocation Account. To the extent that the yield on any Maine CDs is less than the yield on the money market securities in which the assets of the Cash Allocation Account would otherwise be invested, the yield of Portfolios investing in the Cash Allocation Account will be reduced.
- Mortgage Securities and Asset-Backed Securities Risk – Mortgage securities differ from conventional debt securities because principal is paid back over the life of the security rather than at maturity. An Underlying Fund may receive unscheduled prepayments of principal before the security’s maturity date due to voluntary prepayments, refinancing or foreclosure on the underlying mortgage loans. To the Underlying Fund this means a loss of anticipated interest and a portion of its principal investment represented by any premium the Underlying Fund may have paid. Mortgage prepayments generally increase when interest rates fall.
  - Mortgage securities also are subject to extension risk. An unexpected rise in interest rates could reduce the expected rate of prepayments on mortgage securities and extend their anticipated life. This could cause the price of the mortgage securities and the Underlying Fund’s share price to fall and would make the mortgage securities more sensitive to interest rate changes.
  - Issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default. Like mortgage securities, asset-backed securities are subject to prepayment and extension risks.
- Maturity Risk – Fixed income securities with shorter maturities will generally be less volatile but provide lower returns than fixed income securities with longer maturities. The average maturity of an Underlying Fund’s fixed income investments will affect the volatility of the Underlying Fund’s share price.

### **Underlying Funds with ESG Investment Strategies**

- ESG Investment Strategy Risk – An Underlying Fund’s ESG investment strategy limits the types and number of investment opportunities available to the Underlying Fund and, as a result, the Underlying Fund may underperform other funds that do not have an ESG focus. The Underlying Fund’s ESG investment strategy may result in the Underlying Fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards. The companies selected for the underlying index as demonstrating ESG characteristics may not be the same companies selected by other index providers that use similar ESG screens. In addition, companies selected by the index provider may not later display positive or favorable ESG characteristics.

### **General Investment Risks Applicable to the Underlying Funds**

- Index Fund Selection Risk and Other Index Fund Considerations – Index funds are subject to a special selection risk. This is the risk that the funds, which may not fully replicate the relevant index, may perform differently from the securities in the index. Index funds generally do not attempt to hedge against adverse market movements and may decline in value more than other mutual

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funds in the event of a general market decline. In addition, an index fund has operating and other expenses that an index does not have. As a result, an index fund will tend to underperform the index to some degree over time.

- Foreign Investment Risk – Investments by an Underlying Fund outside the United States involve special risks not present in U.S. investments that can increase the chances that an Underlying Fund will lose money. In particular, changes in foreign currency exchange rates will affect the value of securities denominated in a particular currency. Investments in foreign markets also may be affected by economic or political developments or by governmental actions such as the imposition of capital controls, expropriation of assets or the imposition of punitive taxes. Other foreign market risks include foreign exchange control, settlement and custody issues, the limited size of many trading markets and the limited availability of legal remedies to investors.
- Liquidity Risk – An Underlying Fund may invest a portion of its assets in securities that lack a secondary trading market or are otherwise considered illiquid. Liquidity of a security relates to the ability to easily dispose of the security and the price to be obtained upon disposition of the security, which may be less than would be obtained for a comparable more liquid security. Such investments may affect the Underlying Fund's ability to realize its net asset value in the event of a voluntary or involuntary liquidation of its assets.
- Risk of Borrowing and Leverage – Certain Underlying Funds may borrow for investment purposes or for temporary emergency purposes including to meet redemptions. Borrowing may exaggerate changes in the net asset value of the Underlying Fund's shares and in the return on the Underlying Fund's investments. Borrowing will cost the Underlying Fund interest expense and other fees. The costs of borrowing may reduce the Underlying Fund's return. Certain securities that the Underlying Funds buy may create leverage including, for example, options. Instruments and transactions that involve leverage magnify the Underlying Fund's gains and losses and increase volatility.
- Derivatives – An Underlying Fund may use derivative instruments, including futures, forwards, options, indexed securities, inverse securities and swaps. Derivatives are financial instruments whose value is derived from another security, a commodity (such as oil or gas) or an index. Derivatives allow an Underlying Fund to increase or decrease its risk exposure more quickly and efficiently than other types of instruments. Derivatives are volatile and involve significant risks, including credit, currency, leverage, liquidity and interest rate risks.
- Non-diversification Risk – A non-diversified Underlying Fund may invest a greater percentage of its assets in the obligations of a single issuer than a diversified Underlying Fund, and consequently is more susceptible than a diversified Underlying Fund to any economic, political or regulatory occurrence that affects an individual issuer.
- Risk of Indexed and Inverse Floating Rate Securities – An Underlying Fund may invest in securities whose potential returns are directly related to changes in an underlying index or interest rate, known as indexed securities. An Underlying Fund also may invest in securities whose return is inversely related to changes in an interest rate (inverse floaters). In general, income on inverse floaters will decrease when interest rates increase and increase when interest rates decrease. Indexed securities and inverse floaters are derivative securities and can be considered speculative. Indexed and inverse securities involve credit risk, and certain indexed and inverse securities may involve currency risk, leverage risk and liquidity risk. As a result, the market value of such securities will generally be more volatile than that of fixed rate securities.
- Real Estate Investment Risk – Investment in equity securities in the real estate sector is subject to many of the same risks associated with the direct ownership of real estate, such as adverse changes in national, state or local real estate conditions (resulting from, for example, oversupply of or reduced demand for space and changes in market rental rates); obsolescence or reduced desirability of properties; general economic conditions; catastrophic events or other casualty or condemnation losses; changes in the availability, cost and terms of mortgage funds; and the impact of tax, environmental, and other laws. As demonstrated during the 2007 to early 2009 time period, investments in the real estate sector can experience a significant decline in value.
- Frequent or Active Trading or High Turnover Risk – Short-term or active trading may increase a Fund's expenses and have adverse tax consequences for the Fund. It can also cause a greater amount of the Fund's distributions to be ordinary income rather than long term capital gains. Active trading also involves market risk and selection risk.
- Sector Risk – To the extent an Underlying Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may move up and down more than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

- **Short Sale Risk** – An Underlying Fund may “short sale” securities, meaning it sells a security it does not own with the intention of buying it back at a lower price than it was sold. Potential losses from a short sale are unlimited if the short sale cannot be closed out.

### Investment Risks of iShares Portfolio Investments

In addition to the applicable investment risks described above, Accounts investing in the iShares Portfolios (or the “ETF Portfolios”) are subject to a variety of investment risks particular to exchange-traded index funds. Set forth below is a summary of certain investment risks to which the ETF Portfolios may be subject.

- **Exchange Trading Risk** – The ETF Portfolios invest primarily in shares of Underlying Funds that are exchange-traded funds that, unlike mutual funds, are listed and traded on securities exchanges. There can be no assurance that an active trading market for these particular Underlying Funds will develop or be maintained. Secondary market trading in such Underlying Funds may be halted by a national securities exchange because of market conditions or for other reasons. There can be no assurance that the requirements necessary to maintain the listing of the shares of such Underlying Funds will continue to be met or will remain unchanged. BlackRock will purchase or sell shares of such Underlying Funds on the stock exchange on behalf of the ETF Portfolios at prices that, depending on market supply and demand, may be significantly higher or lower than the Underlying Fund’s most recently determined net asset value, which could affect the performance of the ETF Portfolios.
- **Potential Conflicts of Interest** – The Investment Manager and/or its affiliates may be buying or selling shares of such Underlying Funds at the same time the ETF Portfolios are selling or buying such shares. Although BlackRock has procedures governing its purchases and sales of shares of such Underlying Funds on a stock exchange, it is possible that the Investment Manager may be considered to benefit from such transactions if it or any of its affiliates are indirectly involved in the trade on the stock exchange.
- **Index Tracking Risk** – An ETF Portfolio’s ability to track its Underlying Fund(s) may be affected by such factors as fees and expenses, rounding of prices, daily contributions/ redemptions, asset levels and cash balances. Additionally, because the ETF Portfolios invest primarily in Underlying Funds that are index-based, they are subject to the risks described above in Index Fund Selection Risk and Other Index Fund Considerations.

### Investment Risks of Principal Plus Portfolio Investments

Accounts investing in the Principal Plus Portfolio are subject to a variety of investment risks based on the particular Principal Plus Portfolio Investments selected by FAME. Set forth below is a summary of certain investment risks to which Principal Plus Portfolio Investments may be subject.

- **Non-diversification** – Because the Principal Plus Portfolio currently invests in only the Funding Agreements, the Principal Plus Portfolio is non-diversified and its returns depend solely on the financial strength and ability of New York Life to satisfy its guarantees to the Program under the Funding Agreements. A non-diversified Portfolio has more risk than a diversified Portfolio.
- **No Third-Party Guarantees** – None of the State of Maine, FAME, the Program, the Select Series Distributor, the Investment Manager or the Program Manager guarantee the principal of Contributions to the Principal Plus Portfolio, returns thereon or any rate of return.
- **Failure to Perform** – There is a risk that New York Life could fail to perform its obligations under the Funding Agreements for financial or other reasons. Such a failure could result in a loss by an affected Participant of all or part of his or her Account balances invested in the Principal Plus Portfolio.
- **No Minimum Rate of Return** – While the Funding Agreements are designed to provide a minimum rate of return on the amount invested by the Program, because the Principal Plus Portfolio is subject to fees and expenses and may also invest in other assets, the Principal Plus Portfolio will not provide a minimum overall rate of return and, if the expenses of the Principal Plus Portfolio during any period exceed the rate of return during such period, the return on the Principal Plus Portfolio during such period may be negative.
- In addition to the applicable investment risks described above, because the Principal Plus Portfolio may invest in corporate fixed-income investments and/or similar instruments, it may be subject to the risks described above in **“Underlying Funds Investing in Fixed Income Securities (Including Money Market Securities).”**

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## Investment Risks of NextGen Savings Portfolio Investment

Set forth below is a summary of certain investment risks to which the NextGen Savings Portfolio may be subject:

- FDIC Insurance Risk – Although that portion of the underlying deposits in the Bank Deposit Account attributable to a Participant's Units of the NextGen Savings Portfolio, together with other deposits the Participant may have at the Bank, are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the NextGen Savings Portfolio are not insured or guaranteed by the FDIC or any other agency of state or federal government, FAME, the Bank or the Program Manager. The Participant is responsible for monitoring the total amount of assets on deposit at the Bank (including amounts in other accounts at the Bank held in the same ownership capacity) in order to determine the extent of insurance coverage available on those deposits, including deposits attributable to Units held in the NextGen Savings Portfolio.
- Interest Rate Risk – The interest rate paid by the Bank is based on a number of factors, including general economic and business conditions and the particular methodologies used by the Bank in determining the interest rate for the Bank Deposit Account. The rate of interest will vary over time and can change daily without notice.
- Ownership Risk – A Participant owns Units of the NextGen Savings Portfolio but does not have an ownership interest or any other rights as an owner of the deposits in the underlying Bank Deposit Account which comprises the NextGen Savings Portfolio. The Participant cannot access or withdraw money from the NextGen Savings Portfolio by contacting the Bank directly. The Participant must contact the Program Manager to perform any Account transactions. The assets in the NextGen Savings Portfolio are subject to legal process to the same extent as if those assets were invested in any other Portfolio.
- Bank Changes – At any time, FAME may change the Bank that holds the deposits of the NextGen Savings Portfolio and instruct the transfer of assets of the NextGen Savings Portfolio to an underlying deposit account at a new bank insured by the FDIC. FAME reserves the right to limit the amount of money that is deposited in the Bank or a replacement bank if FAME determines (i) that such an action is necessary to protect assets, (ii) that the Bank or a replacement bank is not able or willing to take additional deposits, (iii) that the Bank or a replacement bank is to be removed from the Program, or (iv) that the Bank's or a replacement bank's financial condition or viability is in question. In such an event, the NextGen Savings Portfolio may invest in any other investment approved by FAME in its sole discretion. Any such investment may not be eligible for FDIC insurance.
- Bank Viability Risk – None of FAME, the Program, the Select Series Distributor, the Investment Manager or the Program Manager guarantee, in any way, the financial condition or ongoing viability of the Bank or a replacement bank.

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# Program and the Program Fund

## PROGRAM

The Program was established to encourage the investment of funds to be used for higher education expenses at Eligible Institutions of Higher Education, and has been amended to allow the investment of funds for limited tuition expenses at elementary or secondary public, private or religious schools. In addition, the Program permits the application of funds for qualified apprenticeship program expenses and qualified education loan repayment, subject to certain limitations. However, some Program benefits available to Maine residents may be limited to withdrawals for Qualified Higher Education Expenses of Designated Beneficiaries at Eligible Institutions of Higher Education.

## PROGRAM FUND

Maine law provides that FAME shall invest and reinvest the Program Fund for the benefit of the Program on behalf of Participants and Designated Beneficiaries, with the advice of the Advisory Committee. Amounts paid into the Program Fund generally consist of Contributions made by a Participant to the Accounts in the Investment Fund, Program Fund earnings, and any other money that has been appropriated, granted, gifted or otherwise made available for deposit in the Program Fund. All money in the Program Fund is required to be continuously applied by FAME to administer the Program and for no other purpose. Under Maine law, assets of the Program Fund must at all times be preserved, invested and expended only for purposes of the Program and must be held for the benefit of Participants and Designated Beneficiaries. Assets may not be transferred or used by the State of Maine or FAME for any purposes other than the purposes of the Program.

Maine law provides that FAME may use amounts in the Program Fund to administer the Program, including to rebate fees paid by a Participant or any class of Participants, to match Contributions by a Participant or any class of Participants or to provide scholarships to certain Designated Beneficiaries. See “[Special Benefits Available to Maine Residents](#).” In addition, FAME may use certain assets of the Program Fund to provide financial education for the benefit of students and families.

## INVESTMENT FUND

The Investment Fund is the portion of the Program Fund invested in Portfolio Investments through Contributions to Accounts. Accounts are established by a Participant pursuant to a Participation Agreement for purposes of investing Contributions in one or more Portfolios. Interests in Portfolios purchased with Contributions are represented by Units. See “[Program Fees, Expenses and Sales Charges](#).”

## SPECIAL BENEFITS AVAILABLE TO MAINE RESIDENTS

Any program that provides a benefit to Maine residents may at any time be modified, added or terminated, without prior notice.

**Maine State Tax Deduction** – Individuals who file individual Maine state income tax returns may be able to deduct up to \$1,000 per Designated Beneficiary per tax year for their total, combined contributions to any Section 529 Program during that tax year, for taxable years beginning on or after January 1, 2023. The deduction is not available to taxpayers with federal adjusted gross income over \$100,000 (single or married filing separately) or \$200,000 (married filing jointly or head of household).

**Maine Matching Grant Program** – If either the Participant or the Designated Beneficiary is a Maine resident, the Account may be eligible for one or more grants under the Maine Matching Grant Program. FAME may offer matching grants to encourage the opening of Accounts, subsequent Contributions to Accounts, and the use of automated funding options. Although allocated to a particular Account, matching grants are invested at the discretion of FAME and remain the property of FAME until withdrawn for Qualified Higher Education Expenses for a Designated Beneficiary and paid directly to an Eligible Institution of Higher Education. Grants and grant amounts are determined from time to time by FAME. Grants are subject to available funding and Grant Terms and Conditions, available from FAME or at [www.nextgenforme.com](http://www.nextgenforme.com).

**Maine Administration Fee Rebate Program** – If either the Participant or the Designated Beneficiary is a Maine resident, and the Account was subject to the Maine Administration Fee, an amount approximately equal to the Maine Administration Fee paid during the year is automatically rebated to the Account in the following year, if such amount is at least \$2.00. To be eligible to receive the rebate,

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on the last business day of the calendar year the Account must have a balance of at least \$1,000 and include Units of a Portfolio subject to the Maine Administration Fee. The minimum rebate is \$2.00; amounts less than \$2.00 will not be paid.

**Harold Alfond College Challenge Grant** – Accounts for eligible Designated Beneficiaries may be linked to a grant funded by the Alfond Scholarship Foundation for Qualified Higher Education Expenses at an Eligible Institution of Higher Education. The grant is subject to terms and conditions available from FAME or at [www.nextgenforme.com](http://www.nextgenforme.com).

**Investments in Maine Financial Institutions** – From time to time, a percentage of the cash portion of the Investment Fund may be invested in Maine CDs.

For more information about special benefits available to Maine residents, call FAME, at (800) 228-3734.

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# Program Management and Administration

## **GENERAL**

FAME administers the Program. Maine law requires that amounts deposited in the Program Fund be invested in a reasonable manner to achieve the objectives of the Program and with the discretion and care of a prudent person in similar circumstances with similar objectives. Maine law also requires that due consideration be given to rate of return, term or maturity, diversification and liquidity of investments within the Program Fund or any account in the Program Fund pertaining to the projected disbursements and expenditures from the Program Fund and the expected payments, deposits, contributions and gifts to be received. FAME is authorized under Maine law to enter into contracts for any services it determines necessary for the effective and efficient operation of the Program, which may include investment advisory and managerial services. BlackRock Investments, LLC serves as the Select Series Distributor, BlackRock Advisors, LLC serves as the Investment Manager, Vestwell serves as the Program Manager, and The Bank of New York Mellon provides certain custody and recordkeeping services for the Program.

## **FINANCE AUTHORITY OF MAINE**

FAME was established by statute in 1983 as a body corporate and politic and a public instrumentality of the State of Maine. It consists of 15 voting members, as follows: the Commissioner of Economic and Community Development; the Treasurer of the State of Maine; one natural resources commissioner designated by the Governor; and twelve members appointed by the Governor (including a certified public accountant, an attorney, a commercial banker, two veterans, two persons knowledgeable in the field of natural resources enterprises or financing; an individual knowledgeable in the field of student financial assistance and an individual knowledgeable in the field of higher education), which appointments are subject to confirmation by the Maine legislature. The chief executive officer of FAME is nominated by the Governor and confirmed by the Maine legislature. The exercise by FAME of its powers is "deemed and held to be the performance of essential governmental functions." FAME has been entrusted by the Maine legislature with responsibility for the administration of numerous programs that are important to the economy of Maine in addition to the Program. Other than a Participant's right to access the assets in his or her Account, no Participant or Designated Beneficiary has access or rights to any assets of FAME or the State of Maine. The principal office of FAME is located in Augusta, Maine. FAME has established rules for the implementation of the Program, which are set forth in Chapter 611 of the Rules of FAME, as amended from time to time (the "Rule").

## **ADVISORY COMMITTEE**

The Advisory Committee provides advice to FAME on the operation of the Program and investment of the Program Fund. The Advisory Committee consists of eight positions as follows: four members with experience in and knowledge of institutional investment of funds, appointed by the Governor; one member from the public, appointed by the Governor; and three members who are voting members of FAME, appointed by the chair of the voting members of FAME. The chair of the voting members of FAME also appoints the chair of the Advisory Committee.

## **BLACKROCK**

BlackRock Advisors, LLC is a registered investment adviser and was organized in 1994. BlackRock Advisors, LLC manages assets for U.S. registered investment companies and 529 plans. BlackRock Advisors, LLC and its affiliates had approximately \$10.6 trillion in assets under management as of June 30, 2024. BlackRock Investments, LLC is a FINRA-registered broker-dealer and was organized in 1994. BlackRock Advisors, LLC and BlackRock Investments, LLC are indirect, wholly-owned subsidiaries of BlackRock, Inc.



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## **SUB-ADVISORS**

Currently, the Client Select Series has five Sub-Advisors: Franklin Templeton, Lord Abbett, MFS, Neuberger Berman, and New York Life Investments ("NYLI"). FAME may terminate the Sub-Advisory Agreement with any of the Sub-Advisors at any time upon 60 days' notice.

## **VESTWELL**

Vestwell State Savings, LLC ("Vestwell") is a subsidiary of Vestwell Holdings Inc. Vestwell is a service provider to 529 college savings plans, ABLE plans and auto-IRA plans with over \$30 billion in assets under management as of June 30, 2024.

## **BANK OF NEW YORK MELLON**

The Bank of New York Mellon Corporation and its consolidated subsidiaries, including The Bank of New York Mellon, provide a broad range of financial products and services in U.S. and international markets. As of June 30, 2024, Bank of New York Mellon Corporation had over \$49.5 trillion in assets under custody and/or administration.

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# Program Services Agreement

## SERVICES AND TERMS

On July 1, 2024, FAME, BlackRock Investments, LLC, BlackRock Advisors, LLC, Vestwell, LLC and The Bank of New York Mellon entered into the Program Services Agreement (as amended, the “Program Services Agreement”). Under the Program Services Agreement, BlackRock Investments, LLC serves as the Select Series Distributor and provides the related distribution services (the “Distribution Services”), BlackRock Advisors, LLC provides certain investment services (the “Investment Services”), Vestwell performs program management services (the “Program Management Services”) and The Bank of New York Mellon provides certain custody, recordkeeping and fund accounting services (the “Custody, Recordkeeping and Fund Accounting Services”), and, collectively with the Distribution Services, the Investment Services, and the Program Management Services, the “Services”. BlackRock Advisors, LLC, Vestwell and The Bank of New York Mellon are each permitted to delegate certain of their responsibilities to their affiliates or to non-affiliates with FAME’s prior consent. No delegation or assignment by BlackRock Advisors, LLC, Vestwell or The Bank of New York Mellon shall relieve the applicable entity of any of its respective responsibilities under the Program Services Agreement.

The term of the Program Services Agreement is expected to expire June 30, 2029, subject to potential renewal by the parties for an additional two years.

BlackRock may periodically propose to FAME that the Program be amended to include one or more additional Portfolios.

## STANDARD OF CARE

BlackRock Investments, LLC, BlackRock Advisors, LLC and the Sub-Advisors, Vestwell and The Bank of New York Mellon are each responsible for, and must apply due diligence to effect, the performance of their respective Services under the Program Services Agreement in accordance with certain applicable legal requirements and the more favorable of their respective practices or of certain financial services industry practices.

## TERMINATION OF AGREEMENT

Each of FAME, BlackRock Investments, LLC, BlackRock Advisors, LLC, Vestwell and The Bank of New York Mellon may terminate the Program Services Agreement at any time, in response to a material breach, after providing notice and an opportunity to cure. FAME may also terminate in the event subsequent federal legislation makes it unreasonable for FAME to continue the Program. BlackRock Investments, LLC, BlackRock Advisors, LLC, Vestwell or The Bank of New York Mellon may also terminate if: (i) Maine adopts legislation providing that FAME, or any successor to its functions, shall no longer be authorized to administer the Program and the Program Fund; or (ii) subsequent Maine legislation adversely affects the ability of the applicable entity to continue to provide the Services or to receive applicable fees. See “[Program and Portfolio Risks and Other Considerations](#).”

The Sub-Advisory Agreements with each of the Sub-Advisors of the Portfolios may be terminated upon 60 days’ notice.

## AUDITS

Pursuant to the Program Services Agreement, BlackRock, Vestwell, The Bank of New York Mellon and FAME have agreed to cooperate to generate annual audited financial statements of the Portfolios and the Investment Fund. For the period ending June 30, 2024, such financial statements were audited by Landmark PLC, an independent public accounting firm. The Program’s most recent Annual Report is available on the Program’s Web site at [www.nextgenforme.com](http://www.nextgenforme.com).

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# Miscellaneous

## **SECURITIES LAWS**

The staff of the SEC has advised FAME that it will not recommend any enforcement action to the SEC if, among other things, the Participation Agreements and the interests in the Program represented by Accounts which are established thereby are distributed in reliance upon the exemption from registration provided in section 3(a)(2) under the Securities Act of 1933, as amended, in reliance on an opinion of counsel to that effect.

## **METHOD OF OFFERING**

Participation Agreements and Units of the Client Select Series may be offered by FAME pursuant to Selling and Services Agreements between BlackRock Investments, LLC and various Financial Intermediaries. Certain officers and employees of FAME may, in the course of their official duties and without compensation, offer and sell Participation Agreements and Units of the Client Select Series without registering with the SEC as a broker-dealer. A Participant whose Accounts are established as a result of an offer by Financial Intermediaries will be considered a customer of the Select Series Distributor to the extent required by law. Participants with Accounts established through a Financial Intermediary that subsequently terminates its selling agreement with the Select Series Distributor, or with Accounts originally established through certain Maine distribution agents that have not entered into a selling agreement with the Select Series Distributor, will be considered customers of the Select Series Distributor.

## **CONTINUING DISCLOSURE**

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

The respective directors, officers, members and employees of FAME shall have no liability for any act or failure to act under the Continuing Disclosure Certificate. FAME reserves the right to modify its provisions for release of information pursuant to the Continuing Disclosure Certificate to the extent not inconsistent with the valid and effective provisions of Rule 15c2-12.

## **SIPC INSURANCE AND ADDITIONAL COVERAGE**

The securities and cash held in an Account held through a Financial Intermediary that is a broker-dealer are protected by the Securities Investor Protection Corporation (SIPC) for up to \$500,000 (inclusive of up to a maximum of \$250,000 cash). SIPC only protects the custody function of the broker-dealer, which means that SIPC works to restore to customers their securities and cash that are in their accounts if and when a liquidation of such brokerage firm begins. SIPC does not protect against the decline in value of your securities.

SIPC protection does not apply to deposits made through a bank deposit program or to other assets that are not securities.

Each Account held by a separate customer (as defined by applicable law) is treated separately for purposes of the above protection.

You may obtain further information about SIPC, including the SIPC Brochure, via SIPC's website at <http://www.sipc.org> or calling SIPC at (202) 371-8300.

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## OBTAINING ADDITIONAL INFORMATION ABOUT THE PROGRAM

References made herein to certain documents and reports are summaries thereof which are not complete or definitive, and reference is made to those documents and reports for full and complete information as to the contents thereof.

Individuals or entities having questions concerning the Program, including procedures for opening an Account, or wishing to request Account Applications, Account maintenance forms or a copy of the Program's most recent Annual Report should call the Program Manager toll free at 1-833-3NG529 (1-833-336-4529), access the Program's Web site at [www.nextgenforme.com](http://www.nextgenforme.com) or contact their Financial Intermediary. Questions or requests for information also may be addressed in writing to NextGen 529, P.O. Box 534457, Pittsburgh, PA 15253-4457. FAME may be contacted at P.O. Box 949, Augusta, ME 04332-0949. For information about benefits available to Maine residents, contact FAME at (800) 228-3734.

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# Portfolios - Performance and Investments

## GENERAL

Each Portfolio offers a separate investment strategy. The Program's investment options currently consist of Year of Enrollment Portfolios, Diversified Portfolios, Single Fund Portfolios, the Principal Plus Portfolio and the NextGen Savings Portfolio. The performance of each Portfolio (other than the Principal Plus Portfolio, which invests in the Principal Plus Portfolio Investments and the NextGen Savings Portfolio, which makes deposits in the Bank Deposit Account) depends on the weighted average performance of the Underlying Funds in which it invests. The value of Units in each Portfolio varies from day to day. A Participant does not have any direct beneficial interests in the Portfolio Investment(s) held by a Portfolio and, accordingly, has no rights as an owner or shareholder of such Portfolio Investment(s).

### Year of Enrollment Portfolios

Year of Enrollment Portfolios are designed for saving for the education of the Designated Beneficiary based upon the anticipated timeline until the withdrawal of the invested funds for the Designated Beneficiary. The assets of each Year of Enrollment Portfolio are expected to be invested in a combination of Underlying Funds that is periodically adjusted. For example, when there is a long period of time remaining until the specified enrollment year of a Year of Enrollment Portfolio, such Portfolio will typically invest most of its assets in Underlying Funds that invest primarily in equity securities. By contrast, when there is a shorter period of time remaining until the specified enrollment year of a Year of Enrollment Portfolio, or if the Portfolio is an "enrolled" Portfolio, the Portfolio will typically invest a smaller portion of its assets in Underlying Funds that invest primarily in equity securities and a greater portion of its assets in Underlying Funds that invest primarily in fixed income securities and/or the Cash Allocation Account.

### Diversified Portfolios

Diversified Portfolios may invest in designated allocations of Underlying Funds. Each Diversified Portfolio will have a different investment strategy. The Underlying Funds in which the Diversified Portfolios invest, and the percentage of assets targeted for equity, fixed income, cash equivalent, or alternative investment Underlying Funds are reviewed at least annually and may change.

### Single Fund Portfolios

Single Fund Portfolios invest in a single Underlying Fund. Single Fund Portfolios will be reviewed at least annually.

### Principal Plus Portfolio

The Principal Plus Portfolio currently invests only in two Funding Agreements and may invest in corporate fixed-income investments and/ or similar instruments. The performance of the Principal Plus Portfolio depends on the weighted average performance of the Principal Plus Portfolio Investments in which it invests.

### NextGen Savings Portfolio

The NextGen Savings Portfolio invests exclusively in the Bank Deposit Account. The performance of the NextGen Savings Portfolio is based on the interest rate paid on the Bank Deposit Account.

# BlackRock Portfolios

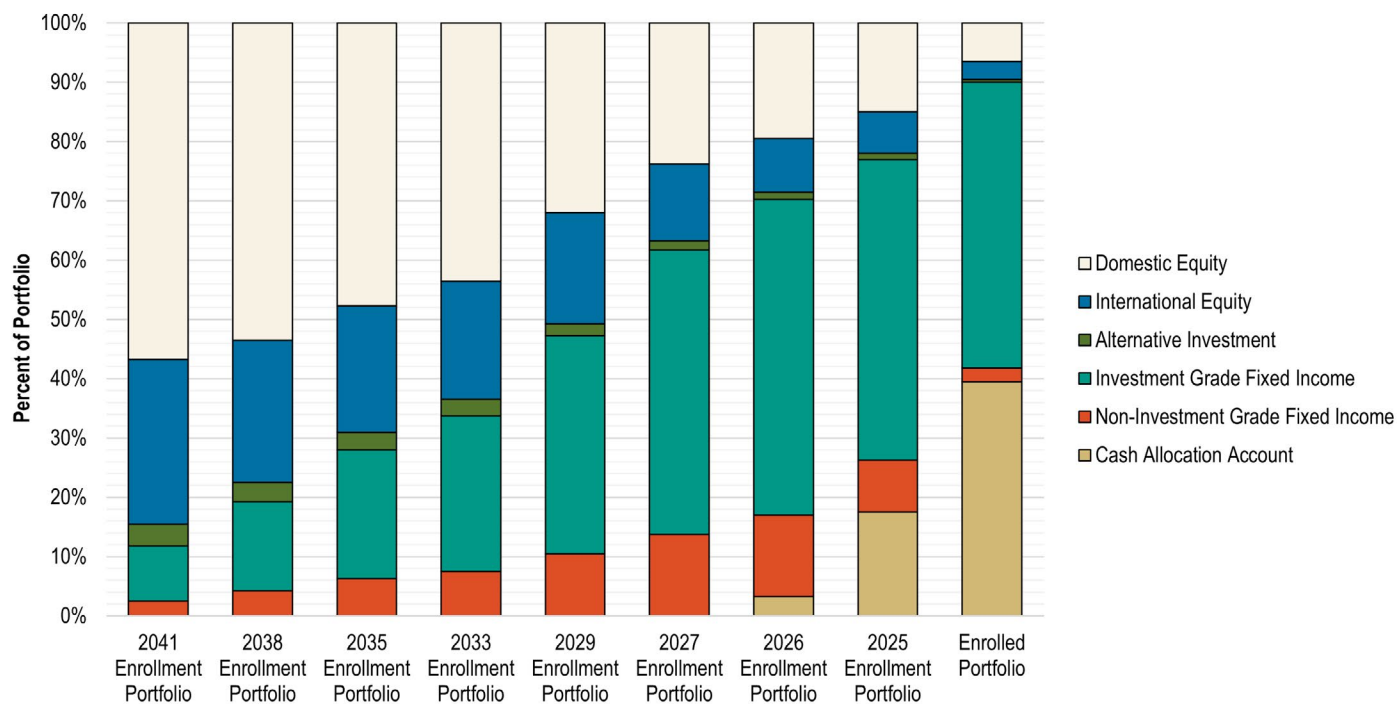
**General** – Substantially all of the assets of each BlackRock Portfolio (other than the iShares Portfolios) are invested in Institutional Class shares of the underlying BlackRock mutual funds that are recommended by BlackRock for that Portfolio and approved by FAME for use in the BlackRock Portfolios. A portion of certain BlackRock Portfolios may be held in the Cash Allocation Account. All of these Underlying Funds in which BlackRock Portfolios invest are currently managed by BlackRock. BlackRock and its affiliates had approximately \$10.6 trillion in assets under management as of June 30, 2024.

## YEAR OF ENROLLMENT PORTFOLIOS

The following chart illustrates the current target asset allocation of each BlackRock Year of Enrollment Portfolio, as of the date of this Program Description.

The target allocation of assets of each such Year of Enrollment Portfolio (other than the Enrolled Portfolio) to Underlying Funds that primarily invest in equity securities, fixed income securities and money market securities, respectively, will change over time (generally on a quarterly basis) from the target allocation shown in the following charts as the remaining period until the applicable “year of enrollment” shortens, with the allocation to Underlying Funds that primarily invest in equity securities generally reducing over time and the allocation to Underlying Funds that primarily invest in fixed income securities and/or money market securities generally increasing over time.

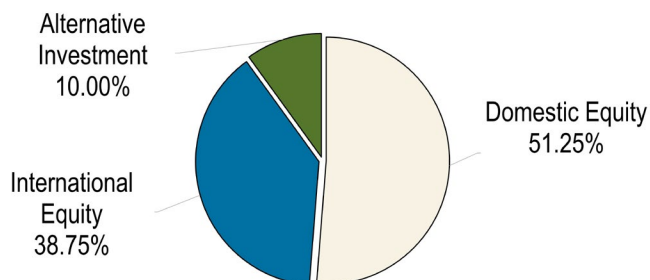
### BlackRock Year of Enrollment Asset Class Allocations



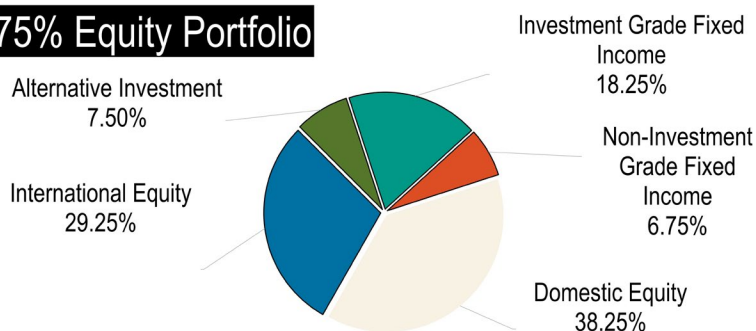
## Diversified and Single Fund Portfolios

The following pie charts illustrate the current target asset allocation of each BlackRock Diversified and Single Fund Portfolio, as of the date of this Program Description.

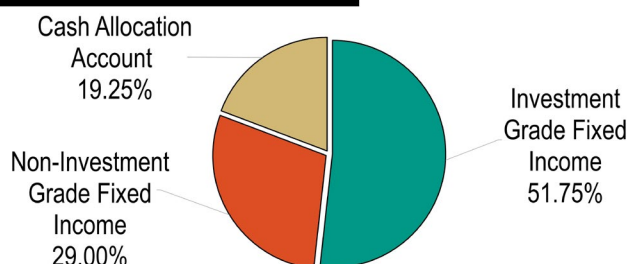
### 100% Equity Portfolio



### 75% Equity Portfolio



### Fixed Income Portfolio



### Equity Dividend Portfolio

Domestic  
Equity  
100.00%

### Advantage Large Cap Core Portfolio

Domestic  
Equity  
100.00%

### Advantage Large Cap Growth Portfolio

Domestic  
Equity  
100.00%

### Global Allocation Portfolio

Mixed Asset  
100.00%

### Inflation Protected Bond Portfolio

Investment  
Grade Fixed  
Income  
100.00%



**Current Target Underlying Fund Allocations** – The following charts illustrate the current target asset allocations and the current target Underlying Fund allocations within those target asset allocations for the BlackRock Portfolios (other than the **iShares Portfolios**), as of the date of this Program Description. The target asset allocations and target Underlying Fund allocations may change from time to time without notice to Participants. For convenience of reference, Underlying Funds are grouped by their principal asset class, although certain investments of an Underlying Fund may be made in other types of assets. This information is presented for informational purposes only.

Underlying Fund (Institutional Shares)	Fund Ticker	2041 Enrollment Portfolio	2038 Enrollment Portfolio	2035 Enrollment Portfolio	2033 Enrollment Portfolio	2029 Enrollment Portfolio	2027 Enrollment Portfolio	2026 Enrollment Portfolio	2025 Enrollment Portfolio	Enrolled Portfolio
<b>Domestic Equity Funds</b>										
BlackRock Capital Appreciation Fund, Inc.	MAFGX	6.00%	5.50%	5.00%	4.50%	3.25%	2.50%	2.00%	1.50%	0.75%
BlackRock Equity Dividend Fund	MADVX	18.00%	17.25%	15.00%	13.75%	10.25%	7.75%	6.25%	4.75%	1.75%
BlackRock Advantage Large Cap Growth Fund	CMVIX	12.00%	11.25%	10.25%	9.25%	6.75%	5.00%	4.00%	3.25%	1.50%
iShares S&P 500 Index Fund <sup>1</sup>	BSPIX	16.25%	15.50%	13.75%	12.50%	9.25%	6.75%	5.75%	4.25%	2.00%
BlackRock Advantage Small Cap Core Fund	BDSIX	3.50%	3.25%	3.00%	2.75%	2.00%	1.50%	1.25%	1.00%	0.50%
BlackRock Advantage Small Cap Growth Fund	PSGIX	1.00%	0.75%	0.75%	0.75%	0.50%	0.25%	0.25%	0.25%	0.00%
<b>International Equity Funds</b>										
BlackRock International Fund	MAILX	7.00%	6.00%	5.25%	5.00%	4.75%	3.25%	2.25%	1.75%	0.75%
iShares MSCI Total International Index Fund	BDOIX	13.75%	12.00%	10.75%	10.00%	9.25%	6.50%	4.50%	3.50%	1.50%
BlackRock Advantage International Fund	BROIX	7.00%	6.00%	5.25%	5.00%	4.75%	3.25%	2.25%	1.75%	0.75%
<b>Alternative Investment Fund</b>										
BlackRock Real Estate Securities Fund	BIREX	3.75%	3.25%	3.00%	2.75%	2.00%	1.50%	1.25%	1.00%	0.50%
<b>Investment Grade Fixed Income Funds</b>										
BlackRock Low Duration Bond Portfolio	BFMSX	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.50%	19.50%	39.75%
BlackRock Total Return Fund	MAHQX	8.00%	12.75%	18.75%	22.50%	31.50%	41.00%	41.50%	26.00%	7.00%
BlackRock Inflation Protected Bond Portfolio	BPRIX	1.25%	2.25%	3.00%	3.75%	5.25%	7.00%	8.25%	5.25%	1.50%
<b>Non-Investment Grade Fixed Income Fund</b>										
BlackRock Strategic Income Opportunities Portfolio	BSIIX	2.50%	4.25%	6.25%	7.50%	10.50%	13.75%	13.75%	8.75%	2.25%
<b>Cash Allocation Account</b>										
Cash Allocation Account	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.25%	17.50%	39.50%

1. S&P 500® is a registered trademark of The McGraw-Hill Companies.

	Fund Ticker	100% Equity Portfolio	75% Equity Portfolio	Fixed Income Portfolio	Equity Dividend Portfolio	Advantage Large Cap Core Portfolio	Advantage Large Cap Growth Portfolio	Global Allocation Portfolio	Inflation Protected Bond Portfolio
<b>Domestic Equity Funds</b>									
BlackRock Capital Appreciation Fund, Inc.	MAFGX	5.25%	4.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BlackRock Equity Dividend Fund	MADVX	16.25%	12.25%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
BlackRock Advantage Large Cap Growth Fund	CMVIX	11.00%	8.25%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
iShares S&P 500 Index Fund <sup>1</sup>	BSPIX	14.75%	11.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BlackRock Advantage Small Cap Core Fund	BDSIX	3.25%	2.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BlackRock Advantage Small Cap Growth Fund	PSGIX	0.75%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BlackRock Advantage Large Cap Core Fund	MALRX	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
<b>International Equity Funds</b>									
BlackRock International Fund	MAILX	9.75%	7.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BlackRock Advantage International Fund	BROIX	9.75%	7.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iShares MSCI Total International Index Fund	BDOIX	19.25%	14.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Alternative Investment Fund</b>									
BlackRock Real Estate Securities Fund	BIREX	10.00%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Mixed Asset Fund</b>									
(The Fund may invest in the domestic equity, international equity, investment grade fixed income, non-investment grade fixed income and money market securities investment sectors)									
BlackRock Global Allocation Fund, Inc.	MALOX	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
<b>Investment Grade Fixed Income Funds</b>									
BlackRock Low Duration Bond Portfolio	BFMSX	0.00%	9.00%	19.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BlackRock Total Return Fund	MAHGX	0.00%	6.50%	27.25%	0.00%	0.00%	0.00%	0.00%	0.00%
BlackRock Inflation Protected Bond Portfolio	BPRIX	0.00%	2.75%	5.50%	0.00%	0.00%	0.00%	0.00%	100.00%
<b>Non-Investment Grade Fixed Income Funds</b>									
BlackRock High Yield Fund	BHYIX	0.00%	4.50%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BlackRock Strategic Income Opportunities Portfolio	BSIIX	0.00%	2.25%	9.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Cash Allocation Account</b>									
Cash Allocation Account	-	0.00%	0.00%	19.25%	0.00%	0.00%	0.00%	0.00%	0.00%

1. S&P 500® is a registered trademark of The McGraw-Hill Companies.

**Historical Investment Performance** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of each BlackRock Portfolio, other than the iShares Portfolios, as of June 30, 2024, with and without sales charges. The \$50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). You may also contact your Financial Intermediary. Each BlackRock Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. The performance data relating to the BlackRock Portfolios set forth below is for the limited time period presented, is subject to the footnotes thereto, and is not indicative of the future performance of the BlackRock Portfolios.

A UNIT CLASS												
			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
BlackRock 2041 Enrollment Portfolio - A	2004-09-20	0.79%	15.84%	3.66%	9.02%	7.68%	7.29%	15.59%	3.66%	9.02%	7.68%	7.29%
BlackRock 2038 Enrollment Portfolio - A	2019-10-28	0.81%	14.82%	3.16%	N/A	N/A	8.39%	14.57%	3.16%	N/A	N/A	8.39%
BlackRock 2035 Enrollment Portfolio - A	2017-10-30	0.81%	13.62%	2.56%	7.41%	N/A	6.90%	13.37%	2.56%	7.41%	N/A	6.90%
BlackRock 2033 Enrollment Portfolio - A	2004-09-20	0.81%	12.60%	2.04%	6.62%	6.08%	6.19%	12.35%	2.04%	6.62%	6.08%	6.19%
BlackRock 2029 Enrollment Portfolio - A	2004-09-20	0.82%	10.66%	1.26%	5.62%	5.28%	5.52%	10.41%	1.26%	5.62%	5.28%	5.52%
BlackRock 2027 Enrollment Portfolio - A	2004-09-20	0.83%	9.12%	1.24%	4.98%	4.52%	4.77%	8.87%	1.24%	4.98%	4.52%	4.77%
BlackRock 2026 Enrollment Portfolio - A	2019-10-28	0.83%	7.97%	0.79%	N/A	N/A	4.09%	7.72%	0.79%	N/A	N/A	4.09%
BlackRock 2025 Enrollment Portfolio - A	2004-09-20	0.77%	7.55%	1.49%	3.56%	3.35%	3.77%	7.30%	1.49%	3.56%	3.35%	3.77%
BlackRock Enrolled Portfolio - A	2004-09-20	0.72%	6.45%	2.59%	2.13%	1.78%	2.07%	6.20%	2.59%	2.13%	1.78%	2.07%
<b>Diversified Portfolios</b>												
BlackRock 100% Equity Portfolio - A	2004-09-20	0.79%	15.97%	3.57%	9.28%	8.14%	7.78%	15.72%	3.57%	9.28%	8.14%	7.78%
BlackRock 75% Equity Portfolio - A	2004-09-20	0.80%	13.33%	2.64%	7.60%	6.81%	6.85%	13.08%	2.64%	7.60%	6.81%	6.85%
BlackRock Fixed Income Portfolio - A	2004-09-20	0.81%	5.55%	0.02%	1.70%	2.07%	3.20%	5.30%	0.02%	1.70%	2.07%	3.20%
<b>Single Fund Portfolios</b>												
BlackRock Global Allocation Portfolio - A	2005-08-01	1.18%	11.51%	-0.09%	6.34%	4.67%	5.93%	11.26%	-0.09%	6.34%	4.67%	5.93%
BlackRock Advantage Large Cap Core Portfolio - A	2004-09-21	0.82%	25.79%	8.55%	14.00%	11.79%	9.46%	25.54%	8.55%	14.00%	11.79%	9.46%
BlackRock Advantage Large Cap Growth Portfolio - A	2007-10-01	0.96%	32.30%	9.16%	16.81%	14.69%	10.83%	32.05%	9.16%	16.81%	14.69%	10.83%
BlackRock Equity Dividend Portfolio - A	2013-04-29	1.02%	12.78%	5.83%	9.48%	8.89%	9.53%	12.53%	5.83%	9.48%	8.89%	9.53%
BlackRock Inflation Protected Bond Portfolio - A****	2016-10-17	0.80%	1.85%	-2.06%	1.30%	N/A	1.29%	1.60%	-2.06%	1.30%	N/A	1.29%

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Reflects a CDSC of 0.25% in first year after purchase.

\*\*\* Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

\*\*\*\*Effective November 4, 2024, the American Century Inflation-Adjusted Bond Portfolio was renamed as the BlackRock Inflation Protected Bond Portfolio, and BlackRock Inflation Protected Bond Portfolio replaced American Century Inflation-Adjusted Bond Fund as the sole Underlying Fund for the Portfolio. As a result, the BlackRock Inflation Protected Bond Portfolio's performance for periods prior to November 4, 2024 does not reflect what its performance would have been had the Portfolio invested in the current Underlying Fund during those periods. The gross expense ratio reflects Portfolio expenses as of June 30, 2024, which does not reflect the expenses of the Portfolio as invested in the current Underlying Fund.

## C UNIT CLASS

### AVERAGE ANNUAL TOTAL RETURN\*

			Without sales charge					With sales charge				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
BlackRock 2041 Enrollment Portfolio - C	2004-09-22	1.54%	14.97%	2.87%	8.36%	7.35%	7.15%	13.97%	2.87%	8.36%	7.35%	7.15%
BlackRock 2038 Enrollment Portfolio - C	2019-10-28	1.56%	14.02%	2.41%	N/A	N/A	7.69%	13.02%	2.41%	N/A	N/A	7.69%
BlackRock 2035 Enrollment Portfolio - C	2017-10-30	1.56%	12.77%	1.79%	6.76%	N/A	6.43%	11.77%	1.79%	6.76%	N/A	6.43%
BlackRock 2033 Enrollment Portfolio - C	2004-09-21	1.56%	11.73%	1.28%	5.98%	5.76%	5.99%	10.73%	1.28%	5.98%	5.76%	5.99%
BlackRock 2029 Enrollment Portfolio - C	2004-09-22	1.57%	9.85%	0.50%	4.99%	4.97%	5.37%	8.85%	0.50%	4.99%	4.97%	5.37%
BlackRock 2027 Enrollment Portfolio - C	2004-09-23	1.58%	8.27%	0.48%	4.35%	4.22%	4.63%	7.27%	0.48%	4.35%	4.22%	4.63%
BlackRock 2026 Enrollment Portfolio - C	2019-10-28	1.58%	7.18%	0.03%	N/A	N/A	3.43%	6.18%	0.03%	N/A	N/A	3.43%
BlackRock 2025 Enrollment Portfolio - C	2004-09-27	1.52%	6.77%	0.71%	2.95%	3.04%	3.63%	5.77%	0.71%	2.95%	3.04%	3.63%
BlackRock Enrolled Portfolio - C	2004-10-15	1.47%	5.55%	1.82%	1.53%	1.48%	1.92%	4.55%	1.82%	1.53%	1.48%	1.92%
<b>Diversified Portfolios</b>												
BlackRock 100% Equity Portfolio - C	2004-09-22	1.54%	15.12%	2.80%	8.62%	7.82%	7.64%	14.12%	2.80%	8.62%	7.82%	7.64%
BlackRock 75% Equity Portfolio - C	2004-09-22	1.55%	12.51%	1.88%	6.96%	6.49%	6.70%	11.51%	1.88%	6.96%	6.49%	6.70%
BlackRock Fixed Income Portfolio - C	2004-09-22	1.56%	4.76%	-0.72%	1.10%	1.78%	3.04%	3.76%	-0.72%	1.10%	1.78%	3.04%
<b>Single Fund Portfolios</b>												
BlackRock Global Allocation Portfolio - C	2005-08-01	1.93%	10.70%	-0.83%	5.70%	4.35%	5.75%	9.70%	-0.83%	5.70%	4.35%	5.75%
BlackRock Advantage Large Cap Core Portfolio - C	2004-09-30	1.57%	24.83%	7.73%	13.32%	11.44%	9.33%	23.83%	7.73%	13.32%	11.44%	9.33%
BlackRock Advantage Large Cap Growth Portfolio - C	2007-10-01	1.71%	31.31%	8.34%	16.10%	14.34%	10.63%	30.31%	8.34%	16.10%	14.34%	10.63%
BlackRock Equity Dividend Portfolio - C	2013-04-29	1.77%	11.90%	5.03%	8.83%	8.56%	9.23%	10.90%	5.03%	8.83%	8.56%	9.23%
BlackRock Inflation Protected Bond Portfolio - C****	2016-10-17	1.55%	1.07%	-2.81%	0.70%	N/A	0.88%	0.70%	-2.81%	0.70%	N/A	0.88%

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Reflects a CDSC of 1.00% in first year after purchase.

\*\*\* Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

\*\*\*\*Effective November 4, 2024, the American Century Inflation-Adjusted Bond Portfolio was renamed as the BlackRock Inflation Protected Bond Portfolio, and BlackRock Inflation Protected Bond Portfolio replaced American Century Inflation-Adjusted Bond Fund as the sole Underlying Fund for the Portfolio. As a result, the BlackRock Inflation Protected Bond Portfolio's performance for periods prior to November 4, 2024 does not reflect what its performance would have been had the Portfolio invested in the current Underlying Fund during those periods. The gross expense ratio reflects Portfolio expenses as of June 30, 2024, which does not reflect the expenses of the Portfolio as invested in the current Underlying Fund.

# I UNIT CLASS

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
BlackRock 2041 Enrollment Portfolio - I	2022-10-17	0.54%	15.58%	N/A	N/A	N/A	21.97%	N/A	N/A	N/A	N/A	N/A
BlackRock 2038 Enrollment Portfolio - I	2022-10-17	0.56%	14.67%	N/A	N/A	N/A	20.22%	N/A	N/A	N/A	N/A	N/A
BlackRock 2035 Enrollment Portfolio - I	2022-10-17	0.56%	12.53%	N/A	N/A	N/A	17.73%	N/A	N/A	N/A	N/A	N/A
BlackRock 2033 Enrollment Portfolio - I	2022-10-17	0.56%	10.62%	N/A	N/A	N/A	15.67%	N/A	N/A	N/A	N/A	N/A
BlackRock 2029 Enrollment Portfolio - I	2022-10-17	0.57%	9.31%	N/A	N/A	N/A	13.75%	N/A	N/A	N/A	N/A	N/A
BlackRock 2027 Enrollment Portfolio - I	2022-10-17	0.58%	8.13%	N/A	N/A	N/A	12.61%	N/A	N/A	N/A	N/A	N/A
BlackRock 2026 Enrollment Portfolio - I	2022-10-17	0.58%	6.95%	N/A	N/A	N/A	10.49%	N/A	N/A	N/A	N/A	N/A
BlackRock 2025 Enrollment Portfolio - I	2022-10-17	0.52%	6.55%	N/A	N/A	N/A	8.84%	N/A	N/A	N/A	N/A	N/A
BlackRock Enrolled Portfolio - I	2022-10-17	0.47%	5.12%	N/A	N/A	N/A	5.14%	N/A	N/A	N/A	N/A	N/A
BlackRock 100% Equity Portfolio - I	2022-10-17	0.54%	15.72%	N/A	N/A	N/A	22.94%	N/A	N/A	N/A	N/A	N/A
BlackRock 75% Equity Portfolio - I	2022-10-17	0.55%	11.62%	N/A	N/A	N/A	16.99%	N/A	N/A	N/A	N/A	N/A
BlackRock Fixed Income Portfolio - I	2022-10-17	0.56%	3.74%	N/A	N/A	N/A	4.80%	N/A	N/A	N/A	N/A	N/A
BlackRock Global Allocation Portfolio - I	2022-10-17	0.93%	13.03%	N/A	N/A	N/A	15.83%	N/A	N/A	N/A	N/A	N/A
BlackRock Advantage Large Cap Core Portfolio - I	2022-10-17	0.57%	25.25%	N/A	N/A	N/A	27.56%	N/A	N/A	N/A	N/A	N/A
BlackRock Advantage Large Cap Growth Portfolio - I	2022-10-17	0.71%	31.81%	N/A	N/A	N/A	35.37%	N/A	N/A	N/A	N/A	N/A
BlackRock Equity Dividend Portfolio - I	2022-10-17	0.77%	13.92%	N/A	N/A	N/A	17.62%	N/A	N/A	N/A	N/A	N/A
BlackRock Inflation Protected Bond Portfolio - I****	2022-10-17	0.55%	3.00%	N/A	N/A	N/A	3.66%	N/A	N/A	N/A	N/A	N/A

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* The I Unit Class does not incur a sales charge. Returns are the same as those in columns Without sales charges.

\*\*\* Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

\*\*\*\*Effective November 4, 2024, the American Century Inflation-Adjusted Bond Portfolio was renamed as the BlackRock Inflation Protected Bond Portfolio, and BlackRock Inflation Protected Bond Portfolio replaced American Century Inflation-Adjusted Bond Fund as the sole Underlying Fund for the Portfolio. As a result, the BlackRock Inflation Protected Bond Portfolio's performance for periods prior to November 4, 2024 does not reflect what its performance would have been had the Portfolio invested in the current Underlying Fund during those periods. The gross expense ratio reflects Portfolio expenses as of June 30, 2024, which does not reflect the expenses of the Portfolio as invested in the current Underlying Fund.

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**Summary of Investment Objectives and Policies of the Underlying Funds for the BlackRock Portfolios** – The following descriptions summarize the investment goals and policies of the Underlying Funds in which the BlackRock Portfolios, other than the iShares Portfolios, are currently invested, as of the date of this Program Description. The descriptions also identify certain principal risks to which particular Underlying Funds may be subject. Additional discussion of risks related to the various categories of Underlying Funds is set forth under “**Program And Portfolio Risks And Other Considerations**.” The Underlying Funds’ investment strategies and principal risks are subject to change without notice to Participants.

**These summaries, provided as of October 4, 2024, are qualified in their entirety by reference to the detailed information included in each Underlying Fund’s current prospectus and statement of additional information, as may be amended or supplemented from time to time, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of any Underlying Fund’s current prospectus and statement of additional information, or an Underlying Fund’s most recent semi-annual or annual report by calling (800) 441-7762 or by locating it on BlackRock’s Web site at [www.blackrock.com](http://www.blackrock.com).**

For each Fund identified below (a “feeder fund”) that invests all its assets into another fund (a “master fund”) which has the same investment objectives and strategies, the term “Fund” shall include both the master fund and the feeder fund.

## **DOMESTIC EQUITY FUNDS**

### **BlackRock Capital Appreciation Fund, Inc.**

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Capital Appreciation Fund, Inc. is to seek long-term growth of capital. The Fund will seek to achieve its investment objective by investing primarily in a diversified portfolio consisting primarily of common stock of U.S. companies that Fund management believes have exhibited above-average growth rates in earnings over the long term. In other words, Fund management tries to choose investments that will increase in value over the long term. The Fund will generally invest at least 65% of its total assets in the following equity securities: (i) common stock; (ii) convertible preferred stock; and (iii) rights to subscribe to common stock. Of these securities the Fund generally seeks to invest primarily in common stock. The Fund may also purchase securities convertible into common stock. The Fund may invest in companies of any size but emphasizes investments in companies that have medium to large stock market capitalizations (currently, approximately \$2 billion or more).

Convertible securities generally are debt securities or preferred stock that may be converted into common stock. Convertible securities typically pay current income as either interest (debt security convertibles) or dividends (preferred stock). A convertible’s value usually reflects both the stream of current income payments and the market value of the underlying common stock. The Fund may purchase securities pursuant to the exercise of subscription rights, which allow an issuer’s existing shareholders to purchase additional common stock at a price substantially below the market price of the shares.

**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments and investment style risk. Additional principal risks are identified in the Fund’s prospectus.

### **BlackRock Equity Dividend Fund**

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Equity Dividend Fund is to seek long-term total return and current income. The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of equity securities. Under normal circumstances, the Fund will invest at least 80% of its assets in equity securities and at least 80% of its assets in dividend paying securities. The Fund may invest in securities of companies with any market capitalization, but will generally focus on large cap securities. The Fund may also invest in convertible securities and non-convertible preferred stock. Equity securities include common stock, preferred stock, securities convertible into common stock, or securities or other instruments whose price is linked to the value of common stock.

The Fund may invest up to 25% of its total assets in securities of foreign issuers. The Fund may invest in securities from any country. The Fund may invest in securities denominated in both U.S. dollars and non-U.S. dollar currencies. The Fund may invest in the securities of foreign issuers in the form of American Depositary Receipts, European Depositary Receipts or other securities convertible into securities of foreign issuers.

BlackRock chooses investments for the Fund that it believes will both increase in value over the long term and provide current income, focusing on investments that will do both instead of those that will favor current income over capital appreciation.

**Principal Risks of Investing** – The Fund is subject to the market and selection risk of equity investments, income producing stock availability risk, investment style risk, and the risk of investment in foreign securities. Additional principal risks are identified in the Fund’s prospectus.

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## BlackRock Advantage Large Cap Core Fund

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Advantage Large Cap Core Fund, a series of BlackRock Large Cap Series Funds, Inc., is to seek long-term capital growth. In other words, the Fund tries to choose investments that will increase in value. Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes in large cap equity securities and derivatives that have similar economic characteristics to such securities. For purposes of the Fund's 80% policy, large cap equity securities are equity securities that at the time of purchase have a market capitalization within the range of companies included in the Russell 1000® Index. The Fund primarily intends to invest in equity securities, which include common stock and preferred stock, or other financial instruments that are components of, or have characteristics similar to, the securities included in the Russell 1000® Index. The Russell 1000® Index is a capitalization-weighted index from a broad range of industries chosen for market size, liquidity and industry group representation. The Fund primarily seeks to buy common stock and may also invest in preferred stock. From time to time, the Fund may invest in shares of companies through "new issues" or initial public offerings. The Fund may also purchase convertible securities. The Fund may use derivatives, including options, futures, swaps, (including, but not limited to, total return swaps, some of which may be referred to as contracts for difference) and forward contracts, both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. Derivatives are financial instruments whose value is derived from another security, a currency or an index, including but not limited to the Russell 1000® Index. The use of options, futures, swaps, and forward contracts can be effective in protecting or enhancing the value of the Fund's assets.

The Fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in commodity-linked derivative instruments and investment vehicles such as exchange-traded funds that invest exclusively in commodities and are designed to provide this exposure without direct investment in physical commodities.

The Fund seeks to pursue its investment objective by investing in large cap securities in a disciplined manner, by using proprietary return forecast models that incorporate quantitative analysis. These forecast models are designed to identify aspects of mispricing across stocks which the Fund can seek to capture by over- and under-weighting particular equities while seeking to control incremental risk.

**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments, investment style risk, model risk and risk of investing in the United States. Additional principal risks are identified in the Fund's prospectus.

## BlackRock Advantage Large Cap Growth Fund

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Advantage Large Cap Growth Fund, a series of BlackRock Funds<sup>SM</sup>, is to seek long-term capital appreciation. Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes in large cap equity securities of U.S. issuers and derivatives that have similar economic characteristics to such securities. For purposes of the Fund's 80% policy, large cap equity securities are equity securities that at the time of purchase have a market capitalization within the range of companies included in the Russell 1000® Growth Index. The Fund is a growth fund and primarily intends to invest in equity securities, which include common stock and preferred stock, or other financial instruments that are components of, or have characteristics similar to, the securities included in the Russell 1000® Growth Index. The Russell 1000® Growth Index is a capitalization-weighted index from a broad range of industries chosen for market size, liquidity and industry group representation. The Fund primarily seeks to buy common stock and may also invest in preferred stock. From time to time, the Fund may invest in shares of companies through "new issues" or initial public offerings. The Fund may also purchase convertible securities. The Fund may use derivatives, including options, futures, swaps (including, but not limited to, total return swaps, some of which may be referred to as contracts for difference) and forward contracts, both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. Derivatives are financial instruments whose value is derived from another security, a currency or an index, including but not limited to the Russell 1000 Growth Index. The use of options, futures, swaps and forward contracts can be effective in protecting or enhancing the value of the Fund's assets.

The Fund seeks to pursue its investment objective by investing in large cap securities in a disciplined manner, by using proprietary return forecast models that incorporate quantitative analysis. These forecast models are designed to identify aspects of mispricing across stocks which the Fund can seek to capture by over- and under-weighting particular equities while seeking to control incremental risk. BlackRock then constructs and rebalances the portfolio by integrating its investment insights with the model-based optimization process.



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**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments, investment style risk and model risk. Additional principal risks are identified in the Fund’s prospectus.

#### **iShares S&P 500 Index Fund**

**Investment Objective, Strategy and Policies** – iShares S&P 500 Index Fund, a series of BlackRock Funds III, seeks to provide investment results that correspond to the total return performance of publicly-traded common stocks in the aggregate, as represented by the Standard & Poor’s 500® Index (the “S&P 500 Index”). The Fund pursues its investment objective by seeking to replicate the total return performance of the S&P 500 Index, which is composed of approximately 500 selected common stocks, most of which are listed on the New York Stock Exchange. The S&P 500 Index is a capitalization-weighted index from a broad range of industries chosen for market size, liquidity and industry group representation. The component stocks are weighted according to the total float-adjusted market value of their outstanding shares (i.e., they are weighted according to the public float which is the total market value of their outstanding shares readily available to the general marketplace for trading purposes). The percentage of the Fund’s assets invested in a given stock is approximately the same as the percentage such stock represents in the S&P 500 Index.

The Fund is managed by determining which securities are to be purchased or sold to reflect, to the extent feasible, the investment characteristics of its benchmark index. Under normal circumstances, at least 90% of the value of the Fund’s assets, plus the amount of any borrowing for investment purposes, is invested in securities comprising the S&P 500 Index.

The Fund is a “feeder” fund that invests all of its assets in the Master Portfolio of MIP, which has the same investment objective and strategies as the Fund. All investments are made at the Master Portfolio level. The Fund’s investment results will correspond directly to the investment results of the Master Portfolio.

**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments and the risks associated with investing in an index fund. Additional principal risks are identified in the Fund’s prospectus.

#### **BlackRock Advantage Small Cap Core Fund**

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Advantage Small Cap Core Fund, a series of BlackRock Funds<sup>SM</sup>, is to seek capital appreciation over the long term. Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus any borrowings for investment purposes in equity securities or other financial instruments that are components of, or have market capitalizations similar to, the securities included in the Russell 2000® Index. The companies included in the Russell 2000® Index have market capitalizations that range from approximately \$9.1 million to \$12.8 billion as of August 31, 2024. The Fund primarily seeks to buy common stock and may also invest in preferred stock and convertible securities. From time to time the Fund may invest in shares of companies through “new issues” or initial public offerings.

The Fund may use derivatives, including options, futures, swaps and forward contracts both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. Derivatives are financial instruments whose value is derived from another security, a commodity (such as oil or gas), a currency or an index, including but not limited to the Russell 2000® Index. The use of options, futures, swaps and forward contracts can be effective in protecting or enhancing the value of the Fund’s assets.

The Fund seeks to pursue its investment objective by investing in small cap securities in a disciplined manner, by using proprietary return forecast models that incorporate quantitative analysis. These forecast models are designed to identify aspects of mispricing across stocks which the Fund can seek to capture by over- and under-weighting particular equities while seeking to control incremental risk. The Fund’s manager then constructs and rebalances the portfolio by integrating its investment insights with the model-based optimization process.

**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments, small cap securities risk, investment style risk, and model risk. Additional principal risks are identified in the Fund’s prospectus.

#### **BlackRock Advantage Small Cap Growth Fund**

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Advantage Small Cap Growth Fund, a series of BlackRock Funds<sup>SM</sup>, is to seek long-term capital growth. Under normal circumstances, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small cap companies and at least 80% of its net assets (plus any borrowings for investment purposes) in securities or instruments of issuers located in the United States. Equity

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securities consist primarily of common stock, preferred stock, securities convertible into common stock and securities or other instruments whose price is linked to the value of common stock, such as derivatives. The Fund seeks to buy primarily common stock but also can invest in preferred stock, convertible securities and other equity securities. The Fund management team focuses on small capitalization companies that Fund management believes have above average prospects for earnings growth. Although a universal definition of small-capitalization companies does not exist, the Fund generally defines these companies as those with market capitalizations, at the time of the Fund's investment, comparable in size to the companies in the Russell 2000® Growth Index (between approximately \$19 million and \$15 billion as of December 29, 2023). In the future, the Fund may define small-capitalization companies using a different index or classification system. From time to time the Fund may invest in shares of companies through "new issues" or initial public offerings. The Fund may use derivatives, including options, warrants, futures, swaps and forward contracts both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. Derivatives are financial instruments whose value is derived from another security, a commodity (such as oil or gas), a currency or an index, including but not limited to the Russell 2000® Growth Index. The use of options, futures, swaps and forward contracts can be effective in protecting or enhancing the value of the Fund's assets.

The Fund will seek to pursue its investment objective by investing in small cap growth securities in a disciplined manner using proprietary return forecast models. These forecast models are designed to identify aspects of mispricing across stocks, which the Fund can seek to capture by over- and under-weighting particular equities while seeking to control incremental risk. The Fund also may use indexed or inverse securities.

**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments, smaller and emerging growth companies, investment style risk, and model risk. Additional principal risks are identified in the Fund's prospectus.

## INTERNATIONAL EQUITY FUNDS

### BlackRock International Fund

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock International Fund, a series of BlackRock Series, Inc., is to seek long-term capital growth through investments primarily in a diversified portfolio of equity securities of companies located outside the United States. The Fund invests primarily in stocks of companies located outside the United States. The Fund may purchase common stock, preferred stock, convertible securities and other instruments.

The Fund will invest at least 75% of its total assets in global equity securities of any market capitalization, selected for their above average return potential. The Fund may invest in securities issued by companies of all sizes but will focus mainly on medium and large capitalization companies. Companies will be located in developed countries of Europe and the Far East, and in countries with emerging capital markets anywhere in the world. The Fund may invest up to 25% of its total assets in global fixed income securities, including corporate bonds, U.S. Government debt securities, non-U.S. Government and supranational debt securities, asset-backed securities, mortgage-backed securities, emerging market debt securities and non-investment grade debt securities (high yield or junk bonds).

Fund management selects companies that it believes are undervalued or have good prospects for earnings growth. The Fund chooses investments predominantly using a "bottom up" investment style using a global sector-based investment process. The Fund's allocations to particular countries are based on Fund management's evaluation of individual companies.

Under normal circumstances, the Fund will allocate a substantial amount (approximately 40% or more — unless market conditions are not deemed favorable by Fund management, in which case the Fund would invest at least 30%) of its total assets in securities (i) of foreign government issuers, (ii) of issuers organized or located outside the United States, (iii) of issuers which primarily trade in a market located outside the United States, or (iv) of issuers doing a substantial amount of business outside the United States, which the Fund considers to be companies that derive at least 50% of their revenue or profits from business outside the United States or have at least 50% of their sales or assets outside the United States. The Fund will allocate its assets among various regions and countries, including the United States (but in no less than three different countries). For temporary defensive purposes the Fund may deviate very substantially from the allocation described above.

Fund management may, when consistent with the Fund's investment objective, buy or sell options or futures on a security or an index of securities, or enter into interest rate or foreign currency transactions, including swaps (collectively, commonly known as derivatives).

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**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments, the risk of investment in foreign securities, emerging markets risk, geographic concentration risk and investment style risk. Additional principal risks are identified in the Fund’s prospectus.

### **BlackRock Advantage International Fund**

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Advantage International Fund, a series of BlackRock Funds<sup>SM</sup>, is to provide long-term capital appreciation. Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes in non-U.S. equity securities and equity-like instruments of companies that are components of, or have characteristics similar to, the companies included in the MSCI EAFE<sup>®</sup> Index and derivatives that are tied economically to securities of the MSCI EAFE<sup>®</sup> Index. The MSCI EAFE<sup>®</sup> Index is a capitalization-weighted index from a broad range of industries chosen for market size, liquidity and industry group representation. Equity securities include common stock and preferred stock. The Fund primarily seeks to buy common stock and may also invest in preferred stock. From time to time, the Fund may invest in shares of companies through “new issues” or initial public offerings. The Fund may also purchase convertible securities.

The Fund will invest in securities of non-U.S. issuers that can be U.S. dollar based or non-U.S. dollar based on a hedged or unhedged basis. The Fund may enter into currency transactions on a hedged or unhedged basis in order to seek total return.

The Fund may use derivatives, including options, futures, swaps (including, but not limited to, total return swaps, some of which may be referred to as contracts for difference), and forward contracts, both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. Derivatives are financial instruments whose value is derived from another security, a currency or an index, including but not limited to the MSCI EAFE<sup>®</sup> Index. The use of options, futures, swaps (including, but not limited to, total return swaps, some of which may be referred to as contracts for difference), and forward contracts can be effective in protecting or enhancing the value of the Fund’s assets.

The Fund seeks to pursue its investment objective by investing in securities in a disciplined manner, by using proprietary return forecast models that incorporate quantitative analysis. These forecast models are designed to identify aspects of mispricing across stocks which the Fund can seek to capture by over- and under-weighting particular equity securities while seeking to control incremental risk. BlackRock then constructs and rebalances the portfolio by integrating its investment insights with the model-based optimization process.

**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments, the risk of investment in foreign securities, and model risk. Additional principal risks are identified in the Fund’s prospectus.

### **iShares MSCI Total International Index Fund**

**Investment Objective, Strategy and Policies** – The investment objective of iShares MSCI Total International Index Fund, a series of BlackRock Funds III, is to match the performance of the MSCI All Country World Index ex USA Index (the “MSCI ACWI ex USA Index”) in U.S. dollars with net dividends as closely as possible before the deduction of Fund expenses. The Fund employs a “passive” management approach, attempting to invest in a portfolio of assets whose performance is expected to match approximately the performance of the MSCI ACWI ex USA Index. The Fund will be substantially invested in equity securities in the MSCI ACWI ex USA Index, and will invest, under normal circumstances, at least 80% of its net assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the MSCI ACWI ex USA Index. Equity securities in which the Fund invests consist primarily of common stock, preferred stock, and securities or other instruments whose price is linked to the value of common stock.

The Fund will invest in the common stocks represented in the MSCI ACWI ex USA Index in roughly the same proportions as their weightings in the MSCI ACWI ex USA Index. The MSCI ACWI ex USA Index is a free float-adjusted market capitalization index that captures large and mid cap representation across 22 of 23 developed markets countries (excluding the United States) and 24 emerging markets countries. With 2,231 constituents, the index covers approximately 85% of the global equity opportunity set outside the United States. The component stocks have a market capitalization between \$108 million and \$600 billion as of March 31, 2024. The Fund may also engage in futures transactions. At times, the Fund may not invest in all of the common stocks in the MSCI ACWI ex USA Index, or in the same weightings as in the MSCI ACWI ex USA Index. At those times, the Fund chooses investments so that the market capitalizations, industry weightings and other fundamental characteristics of the stocks chosen are similar to the MSCI ACWI ex USA Index as a whole. The Fund may lend securities with a value up to 33 1/3% of its total assets to financial institutions that provide cash or securities issued or guaranteed by the U.S. Government as collateral. The Fund will concentrate its investments (i.e., hold 25% or

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more of its total assets) in a particular industry or group of industries to approximately the same extent that the MSCI ACWI ex USA Index is concentrated.

The Fund is a “feeder” fund that invests all of its assets in the Total International ex U.S. Index Master Portfolio (the “Master Portfolio”), a series of Master Investment Portfolio, which has the same investment objective and strategies as the Fund. All investments are made at the Master Portfolio level. The Fund’s investment results will correspond directly to the investment results of the Master Portfolio.

**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments, the risk of investment in foreign securities, and the risks of investing in an index fund. Additional principal risks are identified in the Fund’s prospectus.

## ALTERNATIVE INVESTMENT FUND

### BlackRock Real Estate Securities Fund

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Real Estate Securities Fund, a series of BlackRock Funds<sup>SM</sup>, is to seek total return comprised of long-term growth of capital and dividend income. Under normal conditions, the Fund invests at least 80% of its net assets plus any borrowings for investment purposes (measured at the time of purchase) in a portfolio of equity investments in issuers that are primarily engaged in or related to the real estate industry inside the United States. An issuer is primarily engaged in or related to the real estate industry if it derives at least 50% of its gross revenues or net profits from the ownership, development, construction, financing, management or sale of commercial, industrial or residential real estate or interests therein or has 50% of its assets in real estate or real estate interests. The Fund may invest up to 20% of its net assets plus any borrowings for investment purposes (measured at the time of purchase) in a portfolio of equity investments in issuers that are primarily engaged in or related to the real estate industry outside the United States and fixed-income investments, such as government, corporate and bank debt obligations. Real estate industry companies may include real estate investment trusts (“REITs”), REIT-like structures, or real estate operating companies whose businesses and services are related to the real estate industry. The Fund primarily buys common stock but also can invest in preferred stock and convertible securities.

The Fund concentrates its investments in securities of issuers in the real estate industry.

The Fund is classified as non-diversified under the Investment Company Act of 1940, as amended.

**Principal Risks of Investing** – The Fund is subject to real estate-related securities risk, REIT investment risk, and the market and selection risks of equity investments. Additional principal risks are identified in the Fund’s prospectus.

## MIXED ASSET FUND

### BlackRock Global Allocation Fund, Inc.

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Global Allocation Fund, Inc. is to provide high total investment return through a fully managed investment policy utilizing United States and foreign equity securities, debt and money market securities, the combination of which will be varied from time to time both with respect to types of securities and markets in response to changing market and economic trends. Total return means the combination of capital growth and investment income.

The Fund invests in a portfolio of equity, debt and money market securities. Generally, the Fund’s portfolio will include both equity and debt securities. Equity securities include common stock, preferred stock, rights and warrants or securities or other instruments whose price is linked to the value of common stock. At any given time, however, the Fund may emphasize either debt securities or equity securities. In selecting equity investments, the Fund mainly seeks securities that Fund management believes are undervalued. The Fund may buy debt securities of varying maturities, debt securities paying a fixed or fluctuating rate of interest, and debt securities of any kind, including, by way of example, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, by foreign governments or international agencies or supranational entities, or by domestic or foreign private issuers, debt securities convertible into equity securities, inflation-indexed bonds, structured notes, credit-linked notes, loan assignments and loan participations. In addition, the Fund may invest up to 35% of its total assets in “junk bonds,” corporate loans and distressed securities. The Fund may also invest in Real Estate Investment Trusts (“REITs”) and securities related to real assets (like real estate- or precious metals-related securities) such as stock, bonds or convertible bonds issued by REITs or companies that mine precious metals. The Fund may also purchase convertible securities.

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When choosing investments, Fund management considers various factors, including opportunities for equity or debt investments to increase in value, expected dividends and interest rates. The Fund generally seeks diversification across markets, industries and issuers as one of its strategies to reduce volatility. The Fund has no geographic limits on where it may invest. This flexibility allows Fund management to look for investments in markets around the world, including emerging markets, that it believes will provide the best asset allocation to meet the Fund's objective. The Fund may invest in the securities of companies of any market capitalization.

Generally, the Fund may invest in the securities of corporate and governmental issuers located anywhere in the world. The Fund may emphasize foreign securities when Fund management expects these investments to outperform U.S. securities. When choosing investment markets, Fund management considers various factors, including economic and political conditions, potential for economic growth and possible changes in currency exchange rates. In addition to investing in foreign securities, the Fund actively manages its exposure to foreign currencies through the use of forward currency contracts and other currency derivatives. The Fund may own foreign cash equivalents or foreign bank deposits as part of the Fund's investment strategy. The Fund will also invest in non-U.S. currencies. The Fund may underweight or overweight a currency based on the Fund management team's outlook.

The Fund's composite Reference Benchmark has at all times since the Fund's formation included a 40% weighting in non-U.S. securities. The Reference Benchmark is an unmanaged weighted index comprised as follows: 36% of the S&P 500® Index; 24% FTSE World (ex U.S.) Index; 24% ICE BofA Current 5-Year U.S. Treasury Index; and 16% FTSE Non-U.S. Dollar World Government Bond Index. Throughout its history, the Fund has maintained a weighting in non-U.S. securities, often exceeding the 40% Reference Benchmark weighting and rarely falling below this allocation. Under normal circumstances, the Fund will continue to allocate a substantial amount (approximately 40% or more — unless market conditions are not deemed favorable by BlackRock, in which case the Fund would invest at least 30%) of its total assets in securities of (i) foreign government issuers, (ii) issuers organized or located outside the United States, (iii) issuers which primarily trade in a market located outside the United States, or (iv) issuers doing a substantial amount of business outside the United States, which the Fund considers to be companies that derive at least 50% of their revenue or profits from business outside the United States or have at least 50% of their sales or assets outside the United States. The Fund will allocate its assets among various regions and countries including the United States (but in no less than three different countries). For temporary defensive purposes the Fund may deviate very substantially from the allocation described above.

The Fund may use derivatives, including options, futures, swaps (including, but not limited to, total return swaps that may be referred to as contracts for difference) and forward contracts, both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. The Fund may invest in indexed securities and inverse securities. The Fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in commodity-linked derivative instruments and investment vehicles such as exchange traded funds that invest exclusively in commodities and are designed to provide this exposure without direct investment in physical commodities. The Fund may also gain exposure to commodity markets by investing up to 25% of its total assets in BlackRock Cayman Global Allocation Fund I, Ltd. (the "Subsidiary"), a wholly owned subsidiary of the Fund formed in the Cayman Islands, which invests primarily in commodity-related instruments. The Subsidiary may also hold cash and invest in other instruments, including fixed income securities, either as investments or to serve as margin or collateral for the Subsidiary's derivative positions. The Subsidiary (unlike the Fund) may invest without limitation in commodity-related instruments.

**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments, the risk of investment in foreign securities and the risks of fixed-income investments. Additional principal risks are identified in the Fund's prospectus.

## INVESTMENT GRADE FIXED INCOME FUNDS

### BlackRock Inflation Protected Bond Portfolio

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Inflation Protected Bond Portfolio is to seek to maximize real return, consistent with preservation of real capital and prudent investment management. Under normal circumstances, the Fund invests at least 80% of its assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and U.S. and non-U.S. corporations.

The Fund maintains an average portfolio duration that is within  $\pm 40\%$  of the duration of the Bloomberg U.S. Treasury Inflation Protected Securities Index.

The Fund may invest up to 20% of its assets in non-investment grade bonds (high yield or junk bonds) or securities of emerging market issuers. The Fund may also invest up to 20% of its assets in non-dollar denominated securities of non-U.S. issuers, and may invest without limit in U.S. dollar denominated securities of non-U.S. issuers.

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The Fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in commodity-linked derivative instruments and investment vehicles such as exchange-traded funds that exclusively invest in commodities and are designed to provide this exposure without direct investment in physical commodities. The Fund may also gain exposure to commodity markets by investing up to 25% of its total assets in Cayman Inflation Protected Bond Portfolio, Ltd., a wholly owned subsidiary of the Fund formed in the Cayman Islands, which invests primarily in commodity related instruments. The Fund also makes investments in residential and commercial mortgage-backed securities and other asset-backed securities. Non-investment grade bonds acquired by the Fund will generally be in the lower rating categories of the major rating agencies (BB or lower by S&P Global Ratings or Ba or lower by Moody's Investors Service, Inc.) or will be determined by the management team to be of similar quality. Split rated bonds will be considered to have the higher credit rating. Split rated bonds are bonds that receive different ratings from two or more rating agencies. The Fund may buy or sell options or futures, or enter into credit default swaps and interest rate or foreign currency transactions, including swaps (collectively, commonly known as derivatives).

The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements or dollar rolls). The Fund may engage in active and frequent trading of portfolio securities to achieve its primary investment strategies.

**Principal Risks of Investing** – The Fund is subject to the risks of inflation-indexed bonds, fixed-income investments and non-investment grade securities. Additional principal risks are identified in the Fund's prospectus.

### **BlackRock Low Duration Bond Portfolio**

**Investment Objective, Strategy and Policies** – The investment objective of the BlackRock Low Duration Bond Portfolio is to seek total return in excess of the reference benchmark in a manner that is consistent with preservation of capital. The Fund invests primarily in investment grade bonds and maintains an average portfolio duration that is between 0 and 3 years. The Fund's benchmark is the ICE BofA 1-3 Year US Corporate & Government Index.

The Fund normally invests at least 80% of its assets in debt securities. The Fund may invest up to 20% of its assets in non-investment grade bonds (commonly called "high yield" or "junk bonds"). The Fund may also invest up to 35% of its assets in assets of foreign issuers, of which 10% (as a percentage of the Fund's assets) may be invested in emerging markets issuers. Up to 10% of the Fund's assets may be exposed to non-US currency risk. A bond of a foreign issuer, including an emerging market issuer, will not count toward the 10% limit on non-US currency exposure if the bond is either (i) US dollar-denominated or (ii) non-US dollar-denominated, but hedged back to US dollars.

The management team evaluates sectors of the bond market and individual securities within these sectors. The management team selects bonds from several sectors including: U.S. Treasuries and agency securities, commercial and residential mortgage-backed securities, collateralized mortgage obligations, asset-backed securities and corporate bonds.

The Fund may buy or sell options or futures on a security or an index of securities, or enter into credit default swaps and interest rate or foreign currency transactions, including swaps (collectively, commonly known as derivatives). The Fund may use derivative instruments to hedge its investments or to seek to enhance returns. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements and mortgage dollar rolls). The Fund may engage in active and frequent trading of portfolio securities to achieve its principal investment strategies.

**Principal Risks of Investing** – The Fund is subject to the risks of fixed-income investments, investments in foreign securities, mortgage- and asset-backed securities, and U.S. Government issuer risk. Additional principal risks are identified in the Fund's prospectus.

### **BlackRock Total Return Fund**

**Investment Objective, Strategy and Policies** – The investment objective of the BlackRock Total Return Fund is to realize a total return that exceeds that of the Bloomberg U.S. Aggregate Bond Index. The Fund typically invests more than 90% of its assets in a diversified portfolio of fixed-income securities such as corporate bonds and notes, mortgage-backed securities, asset-backed securities, convertible securities, preferred securities and government obligations. Both U.S. and foreign companies and governments may issue these securities.

Under normal circumstances, the Fund invests at least 80% of its assets in bonds and invests primarily in investment grade fixed-income securities. For the purposes of this strategy, "bonds" include the following: obligations issued or guaranteed by the U.S. Government or a foreign government or their agencies, instrumentalities or political subdivisions; mortgage-backed securities, including agency mortgage pass-through securities and commercial mortgage-backed securities; mortgage to-be-announced ("TBA") securities;

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debt obligations of U.S. or foreign issuers; municipal securities; and asset-backed securities. The Fund may invest in fixed-income securities of any duration or maturity.

The Fund may invest up to 30% of its net assets in securities of foreign issuers, of which 20% (as a percentage of the Fund's net assets) may be in emerging markets issuers. Investments in U.S. dollar-denominated securities of foreign issuers, excluding issuers from emerging markets, are permitted beyond the 30% limit. This means that the Fund may invest in such U.S. dollar-denominated securities of foreign issuers without limit. The Fund may also invest in derivative securities for hedging purposes or to increase the return on its investments. The Fund may also invest in credit-linked notes, credit-linked trust certificates, structured notes, or other instruments evidencing interests in special purpose vehicles, trusts, or other entities that hold or represent interests in fixed-income securities. The Fund may also enter into reverse repurchase agreements and mortgage dollar rolls.

The Fund may invest up to 20% of its net assets in fixed-income securities that are rated below investment grade by the Nationally Recognized Statistical Rating Organizations, including Moody's Investor Service, Inc., S&P Global Ratings or Fitch Ratings, Inc., or in unrated securities of equivalent credit quality. Split rated bonds will be considered to have the higher credit rating.

The Fund may invest up to 15% of its net assets in collateralized debt obligations ("CDOs"), of which 10% (as a percentage of the Fund's net assets) may be in collateralized loan obligations ("CLOs"). CDOs are types of asset-backed securities. CLOs are ordinarily issued by a trust or other special purpose entity and are typically collateralized by a pool of loans, which may include, among others, domestic and non-U.S. senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans, held by such issuer.

The Fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in commodity-linked derivative instruments and investment vehicles that exclusively invest in commodities such as exchange traded funds, which are designed to provide this exposure without direct investment in physical commodities.

The Fund may engage in active and frequent trading of portfolio securities to achieve its primary investment strategies.

**Principal Risks of Investing** – The Fund is subject to the risks of fixed-income investments, mortgage- and asset-backed securities, and U.S. Government issuer risk. Additional principal risks are identified in the Fund's prospectus.

## NON-INVESTMENT GRADE FIXED INCOME FUNDS

### BlackRock High Yield Portfolio

**Investment Objective, Strategy and Policies** – The investment objective of the BlackRock High Yield Portfolio is to seek to maximize total return, consistent with income generation and prudent investment management. The Fund invests primarily in non-investment grade bonds with maturities of ten years or less. The Fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in high yield investments and other financial instruments with economic characteristics similar to such investments. High yield investments include domestic and foreign bonds (including corporate bonds), convertible debt securities, mezzanine investments, collateralized debt obligations, bank loans, loan assignments and loan participations and mortgage-backed and asset-backed securities. Such high yield investments acquired by the Fund will generally be in the lower rating categories of the major rating agencies (BB or lower by S&P Global Ratings or Fitch Ratings, Inc. or Ba or lower by Moody's Investor Services) or will be determined by the Fund management team to be of similar quality. The Fund may also invest in other investment companies, including affiliated investment companies such as affiliated exchange-traded funds, to gain exposure to such high yield investments. Split rated bonds and other fixed-income securities (securities that receive different ratings from two or more rating agencies) are valued as follows: if three agencies rate a security, the security will be considered to have the median credit rating; if two of the three agencies rate a security, the security will be considered to have the lower credit rating. The Fund may invest up to 30% of its assets in non-dollar denominated bonds of issuers located outside of the United States. The Fund's investment in non-dollar denominated bonds may be on a currency hedged or unhedged basis. The Fund may also invest in convertible and preferred securities.

The Fund can also invest, to the extent consistent with its investment objective, in non-U.S. and emerging market securities and currencies. The Fund may invest in securities of any rating, and may invest up to 10% of its assets (measured at the time of investment) in distressed securities that are in default or the issuers of which are in bankruptcy.

The Fund may buy or sell options or futures on a security or an index of securities, or enter into swap agreements, including total return, interest rate and credit default swaps, or foreign currency transactions (collectively, commonly known as derivatives). The Fund may use derivative instruments to hedge its investments or to seek to enhance returns. The Fund may seek to obtain market exposure



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to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements or dollar rolls).

The Fund may engage in active and frequent trading of portfolio securities to achieve its principal investment strategies.

**Principal Risks of Investing** – The Fund is subject to the risks of fixed-income investments and high yield bonds. Additional principal risks are identified in the Fund's prospectus.

### **BlackRock Strategic Income Opportunities Portfolio**

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Strategic Income Opportunities Portfolio is to seek total return as is consistent with preservation of capital. Under normal market conditions, the Fund will invest in a combination of fixed income securities, including, but not limited to: high yield securities, international securities, emerging markets debt and mortgages. Depending on market conditions, the Fund may invest in other market sectors. Fixed-income securities are debt obligations such as bonds and debentures, U.S. Government securities, debt obligations of domestic and non-U.S. corporations, debt obligations of non-U.S. governments and their political subdivisions, asset-backed securities, various mortgage-backed securities (both residential and commercial), other floating or variable rate obligations, convertible securities, municipal obligations and zero coupon debt securities. The Fund may invest in preferred securities, illiquid investments, exchange-traded funds ("ETFs"), including affiliated ETFs, and corporate loans. The Fund may have short positions in to-be-announced mortgage-backed securities without limit.

The Fund may invest significantly in non-investment grade bonds (high yield or junk bonds). Non-investment grade bonds acquired by the Fund will generally be in the lower rating categories of the major rating agencies (BB or lower by S&P Global Ratings, a division of S&P Global, Inc., or Ba or lower by Moody's Investors Service, Inc.) or will be determined by the management team to be of similar quality. Split rated bonds will be considered to have the higher credit rating. The Fund may invest up to 15% of its net assets in collateralized debt obligations ("CDOs"), of which 10% (as a percentage of the Fund's net assets) may be in collateralized loan obligations ("CLOs").

The Fund may also invest significantly in non-dollar denominated bonds and bonds of emerging market issuers. The Fund's investment in non-dollar denominated bonds may be on a currency hedged or unhedged basis.

The management team may, when consistent with the Fund's investment goal, buy or sell options or futures on a security or an index of securities, or enter into swap agreements, including total return, interest rate and credit default swaps, or foreign currency transactions (collectively, commonly known as derivatives). The Fund typically uses derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as currency risk. The Fund may also use derivatives for leverage, in which case their use would involve leveraging risk. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements or mortgage dollar rolls, which involve a sale by the Fund of a mortgage-backed security concurrently with an agreement by the Fund to repurchase a similar security at a later date at an agreed-upon price). The Fund may invest in indexed and inverse floating rate securities.

The Fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in commodity-linked derivative instruments and investment vehicles that exclusively invest in commodities such as ETFs, which are designed to provide this exposure without direct investment in physical commodities. The Fund may also gain exposure to commodity markets by investing up to 25% of its total assets in Cayman Strategic Income Opportunities Portfolio II, Ltd. (the "Subsidiary"), a wholly owned subsidiary of the Fund formed in the Cayman Islands, which invests primarily in commodity-related instruments.

The Fund may engage in active and frequent trading of portfolio securities to achieve its primary investment strategies.

**Principal Risks of Investing** – The Fund is subject to the risks of fixed-income investments, mortgage- and asset-backed securities, and high yield bonds. Additional principal risks are identified in the Fund's prospectus.

# iShares Portfolios

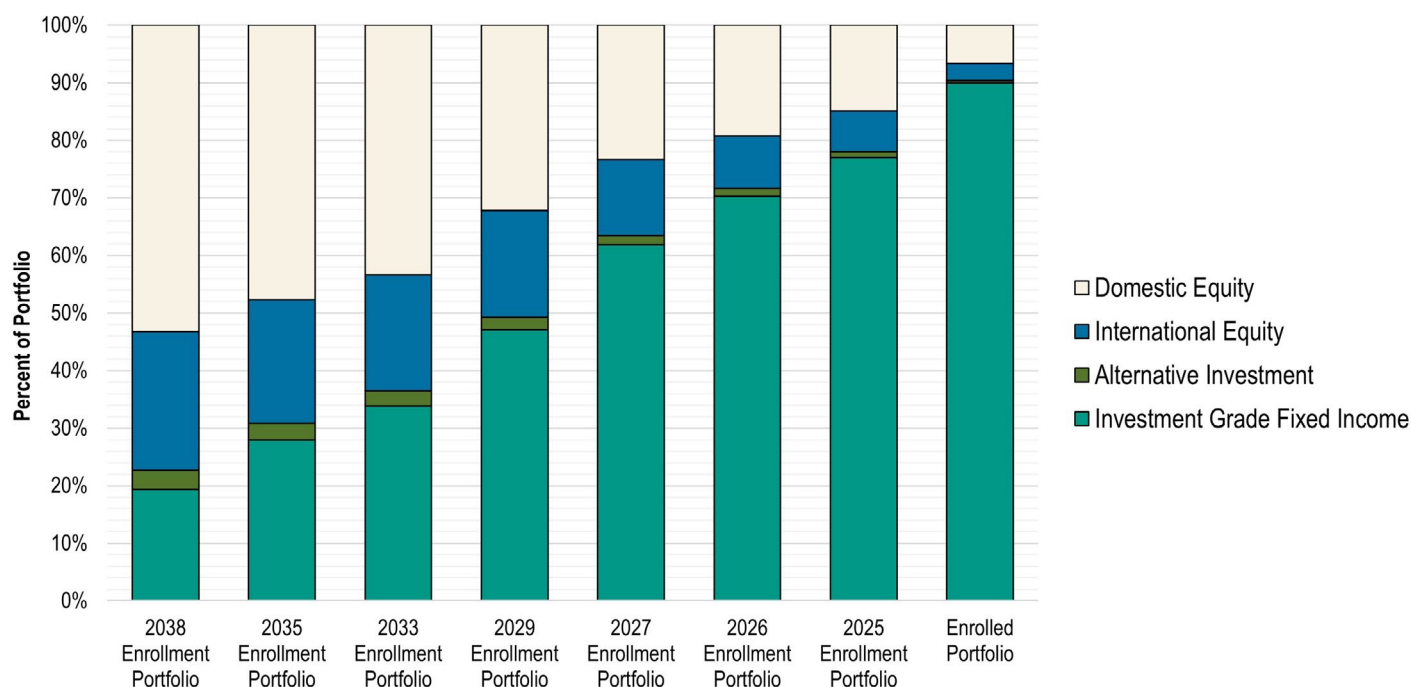
**General** — Substantially all of the assets of each iShares Portfolio (each of which is also a BlackRock Portfolio) are invested in iShares ETFs that are recommended by BlackRock for that iShares Portfolio and approved by FAME for use in that iShares Portfolio. Certain iShares Portfolios may hold cash, pending investment in the iShares ETFs that are Underlying Funds of such Portfolios.

All of the Underlying Funds in which iShares Portfolios invest are currently managed by BlackRock Fund Advisors, which is an affiliate of the Investment Manager. BlackRock and its affiliates had approximately \$10.6 trillion in assets under management as of June 30, 2024.

The following chart illustrates the current target asset allocation of each iShares Year of Enrollment Portfolio as of the date of this Program Description.

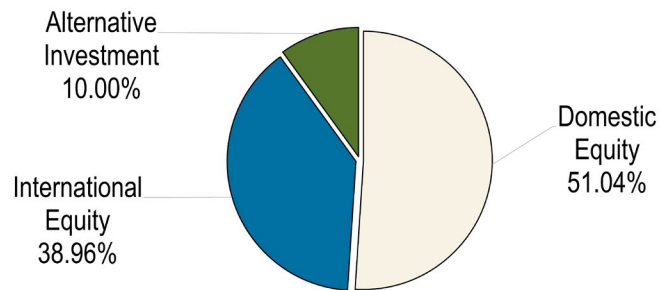
The target allocation of assets of each such Year of Enrollment Portfolio (other than the Enrolled Portfolio) to Underlying Funds that primarily invest in equity securities, fixed income securities and money market securities, respectively, will change over time (generally on a quarterly basis) from the target allocation shown in the following charts as the remaining period until the applicable “year of enrollment” shortens, with the allocation to Underlying Funds that primarily invest in equity securities generally reducing over time and the allocation to Underlying Funds that primarily invest in fixed income securities and/or money market securities generally increasing over time.

## iShares Year of Enrollment Asset Class Allocations

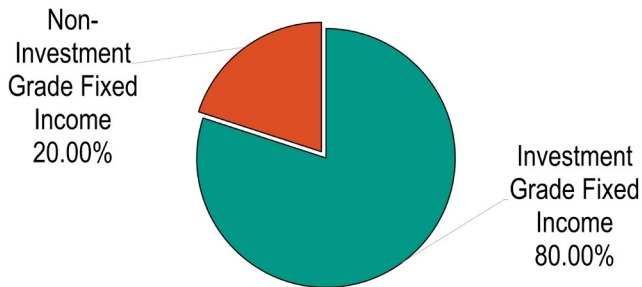


The following pie charts illustrate the current target asset allocation of each iShares Diversified Portfolio and Single Fund Portfolio as of the date of this Program Description.

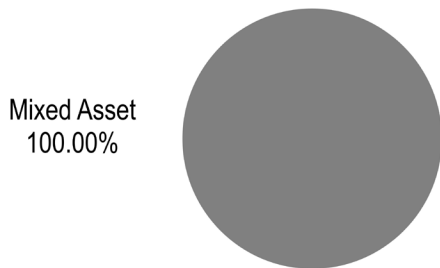
### Diversified Equity Portfolio



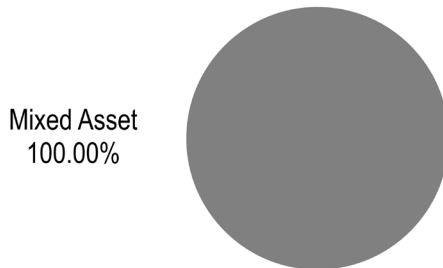
### Diversified Fixed Income Portfolio



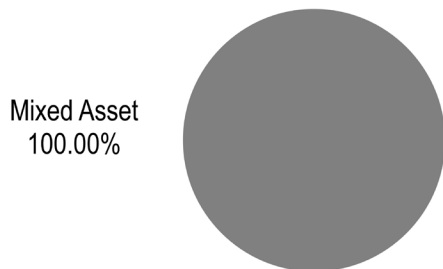
### Core Conservative Allocation Portfolio



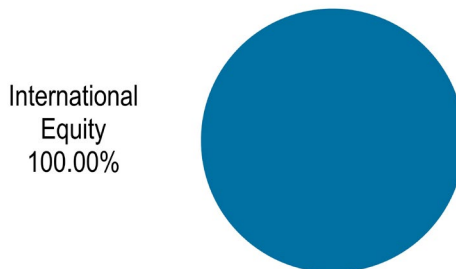
### Core Growth Allocation Portfolio



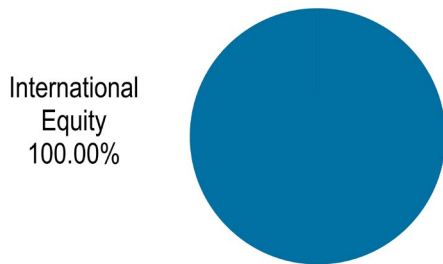
### Core Moderate Allocation Portfolio



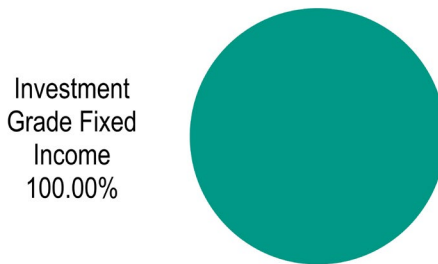
### Core MSCI EAFE Portfolio



### Core MSCI EM Portfolio

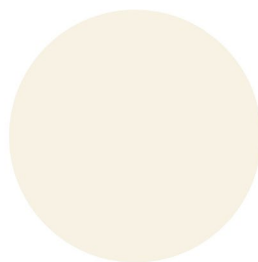


### TIPS Bond Portfolio



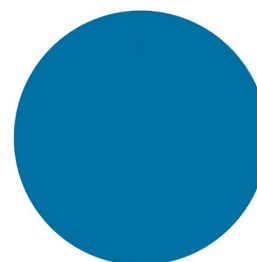
## MSCI USA ESG Select Portfolio

Domestic Equity  
100.00%



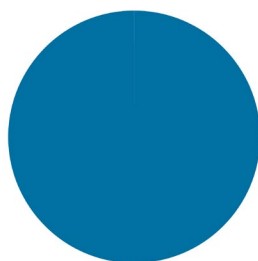
## ESG Aware MSCI EAFE Portfolio

International  
Equity  
100.00%



## ESG Aware MSCI EM Portfolio

International  
Equity  
100.00%



**Current Target Underlying Fund Allocations** – The following chart illustrates the current target asset allocations and the current target Underlying Fund allocations within those target asset allocations for the iShares Portfolios, as of the date of this Program Description. The target asset allocations and target Underlying Fund allocations may change from time to time without notice to Participants. For convenience of reference, Underlying Funds are grouped by their principal asset class, although certain investments of an Underlying Fund may be made in other types of assets. This information is presented for informational purposes only.

Underlying Fund	Fund Ticker	2041 Enrollment Portfolio	2038 Enrollment Portfolio	2035 Enrollment Portfolio	2033 Enrollment Portfolio	2029 Enrollment Portfolio	2027 Enrollment Portfolio	2026 Enrollment Portfolio	2025 Enrollment Portfolio	Enrolled Portfolio
<b>Domestic Equity Fund</b>										
iShares Core S&P Total U.S. Stock Market ETF	ITOT	56.84%	53.22%	47.72%	43.35%	32.14%	23.35%	19.24%	14.92%	6.63%
<b>International Equity Fund</b>										
iShares Core MSCI Total International Stock ETF	IXUS	27.60%	24.12%	21.43%	20.19%	18.60%	13.21%	9.13%	7.04%	2.99%
<b>Alternative Investment Fund</b>										
iShares Core U.S. REIT ETF	USRT	3.83%	3.32%	2.89%	2.63%	2.10%	1.59%	1.30%	1.00%	0.38%
<b>Investment Grade Fixed Income Funds</b>										
iShares Short Treasury Bond ETF	SHV	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.13%	17.58%	39.53%
iShares 1-3 Year Treasury Bond ETF	SHY	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.48%	19.53%	39.82%
iShares Core U.S. Aggregate Bond ETF	AGG	8.69%	14.32%	20.72%	25.06%	34.93%	46.80%	55.05%	34.72%	9.26%
iShares 20+ Year Treasury Bond ETF	TLT	1.74%	2.87%	4.14%	5.01%	6.99%	8.03%	0.42%	0.00%	0.00%
iShares TIPS Bond ETF	TIP	1.30%	2.15%	3.10%	3.76%	5.24%	7.02%	8.25%	5.21%	1.39%

Underlying Fund	Fund Ticker	Diversified Equity Portfolio	Diversified Fixed Income Portfolio	Core Conservative Allocation Portfolio	Core Growth Allocation Portfolio	Core Moderate Allocation Portfolio	Core MSCI EAFE Portfolio	Core MSCI EM Portfolio	TIPS Bond Portfolio
<b>Domestic Equity Fund</b>									
iShares Core S&P Total U.S. Stock Market ETF	ITOT	51.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>International Equity Funds</b>									
iShares Core MSCI EAFE ETF	IEFA	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
iShares Core MSCI EM ETF	IEMG	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
iShares Core MSCI Total International Stock ETF	IXUS	38.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Mixed Asset Funds</b>									
(The Funds may invest in the domestic equity, international equity, investment grade fixed income, non-investment grade fixed income, and money market securities investment sectors)									
iShares Core Conservative Allocation ETF	AOK	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iShares Core Growth Allocation ETF	AOR	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
iShares Core Moderate Allocation ETF	AOM	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
<b>Alternative Investment Fund</b>									
iShares Core U.S. REIT ETF	USRT	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Investment Grade Fixed Income Funds</b>									
iShares Short Treasury Bond ETF	SHV	0.00%	19.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iShares 1-3 Year Treasury Bond ETF	SHY	0.00%	19.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iShares Core U.S. Aggregate Bond ETF	AGG	0.00%	36.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iShares TIPS Bond ETF	TIP	0.00%	5.42%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
<b>Non-Investment Grade Fixed Income Fund</b>									
iShares iBoxx \$ High Yield Corporate Bond ETF	HYG	0.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Current Target Underlying Fund Allocations** – The following chart illustrates the current target asset allocations and the current target Underlying Fund allocations within those target asset allocations for the iShares Diversified and Single Fund Portfolio. For convenience of reference, Underlying Funds are grouped by their principal asset class, although certain investments of an Underlying Fund may be made in other types of assets. This information is presented for informational purposes only.

Underlying Fund	Fund Ticker	MSCI USA ESG Select Portfolio	ESG Aware MSCI EAFE Portfolio	ESG Aware MSCI EM Portfolio	ESG Aware U.S. Aggregate Bond Portfolio
<b>Domestic Equity Fund</b>					
iShares MSCI USA ESG Select ETF	SUSA	100.00%	0.00%	0.00%	0.00%
<b>International Equity Funds</b>					
iShares ESG Aware MSCI EAFE ETF	ESGD	0.00%	100.00%	0.00%	0.00%
iShares ESG Aware MSCI EM ETF	ESGE	0.00%	0.00%	100.00%	0.00%
<b>Investment Grade Fixed Income Fund</b>					
iShares ESG Aware U.S. Aggregate Bond ETF	EAGG	0.00%	0.00%	0.00%	100.00%

**Historical Investment Performance** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of each iShares Portfolio, as of June 30, 2024, with or without sales charges. The \$50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). You may also contact your Financial Intermediary. Each iShares Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. The performance data relating to the iShares Portfolios set forth below is for the limited time period presented, is subject to the footnotes thereto, and is not indicative of the future performance of the iShares Portfolios.

A UNIT CLASS												
			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge**				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
iShares 2041 Enrollment Portfolio - A	2013-11-12	0.54%	15.76%	3.40%	8.76%	7.75%	8.18%	15.51%	3.40%	8.76%	7.75%	8.18%
iShares 2038 Enrollment Portfolio - A	2019-10-28	0.54%	14.49%	2.68%	N/A	N/A	7.69%	14.24%	2.68%	N/A	N/A	7.69%
iShares 2035 Enrollment Portfolio - A	2017-10-30	0.54%	13.03%	1.88%	6.72%	N/A	6.37%	12.78%	1.88%	6.72%	N/A	6.37%
iShares 2033 Enrollment Portfolio - A	2013-11-19	0.54%	11.79%	1.19%	5.74%	5.74%	6.07%	11.54%	1.19%	5.74%	5.74%	6.07%
iShares 2029 Enrollment Portfolio - A	2013-11-27	0.55%	9.53%	0.16%	4.52%	4.77%	5.02%	9.28%	0.16%	4.52%	4.77%	5.02%
iShares 2027 Enrollment Portfolio - A	2013-12-06	0.55%	7.63%	0.02%	3.81%	3.85%	4.07%	7.38%	0.02%	3.81%	3.85%	4.07%
iShares 2026 Enrollment Portfolio - A	2019-10-28	0.54%	7.07%	0.06%	N/A	N/A	3.05%	6.82%	0.06%	N/A	N/A	3.05%
iShares 2025 Enrollment Portfolio - A	2013-11-15	0.58%	6.66%	0.86%	2.81%	2.73%	2.84%	6.41%	0.86%	2.81%	2.73%	2.84%
iShares Enrolled Portfolio - A	2013-12-05	0.62%	5.36%	2.07%	1.64%	1.26%	1.25%	5.11%	2.07%	1.64%	1.26%	1.25%
iShares Diversified Equity Portfolio - A	2013-11-11	0.56%	16.22%	3.56%	9.21%	8.44%	8.95%	15.97%	3.56%	9.21%	8.44%	8.95%
iShares Diversified Fixed Income Portfolio - A	2013-11-18	0.67%	4.26%	-0.85%	0.71%	1.21%	1.33%	4.01%	-0.85%	0.71%	1.21%	1.33%
iShares Core Conservative Allocation Portfolio - A	2013-11-11	0.64%	7.53%	-0.59%	2.71%	2.94%	3.22%	7.28%	-0.59%	2.71%	2.94%	3.22%
iShares Core Moderate Allocation Portfolio - A	2013-11-11	0.64%	8.94%	0.29%	3.83%	3.72%	4.04%	8.69%	0.29%	3.83%	3.72%	4.04%
iShares Core Growth Allocation Portfolio - A	2013-11-11	0.64%	11.77%	1.89%	5.91%	5.30%	5.66%	11.52%	1.89%	5.91%	5.30%	5.66%
iShares MSCI USA ESG Select Portfolio - A	2019-10-28	0.74%	20.90%	6.49%	N/A	N/A	14.76%	20.65%	6.49%	N/A	N/A	14.76%
iShares Core MSCI EAFE Portfolio - A	2019-10-28	0.56%	10.48%	1.67%	N/A	N/A	5.72%	10.23%	1.67%	N/A	N/A	5.72%
iShares Core MSCI EM Portfolio - A	2019-10-28	0.58%	11.46%	-4.92%	N/A	N/A	3.17%	11.21%	-4.92%	N/A	N/A	3.17%
iShares TIPS Bond Portfolio - A	2019-11-20	0.68%	2.14%	-1.95%	N/A	N/A	1.11%	1.89%	-1.95%	N/A	N/A	1.11%
iShares ESG Aware MSCI EAFE Portfolio - A	2022-10-17	0.69%	10.45%	N/A	N/A	N/A	22.17%	10.20%	N/A	N/A	N/A	22.17%
iShares ESG Aware MSCI EM Portfolio - A	2022-10-17	0.74%	8.21%	N/A	N/A	N/A	15.51%	7.96%	N/A	N/A	N/A	15.51%
iShares ESG Aware US Aggregate Bond Portfolio - A	2022-10-17	0.59%	1.79%	N/A	N/A	N/A	4.51%	1.54%	N/A	N/A	N/A	4.51%

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Sales Charge Reflects a CDSC of 0.25% in first year after purchase.

\*\*\*Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.



## C UNIT CLASS

### AVERAGE ANNUAL TOTAL RETURN\*

			Without sales charge					With sales charge**				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
iShares 2041 Enrollment Portfolio - C	2013-11-18	1.29%	14.91%	2.63%	8.06%	7.42%	7.75%	13.91%	2.63%	8.06%	7.42%	7.75%
iShares 2038 Enrollment Portfolio - C	2019-10-28	1.29%	13.56%	1.90%	N/A	N/A	7.02%	12.56%	1.90%	N/A	N/A	7.02%
iShares 2035 Enrollment Portfolio - C	2017-10-30	1.29%	12.20%	1.12%	6.07%	N/A	5.89%	11.20%	1.12%	6.07%	N/A	5.89%
iShares 2033 Enrollment Portfolio - C	2013-11-22	1.29%	10.98%	0.43%	5.11%	5.41%	5.73%	9.98%	0.43%	5.11%	5.41%	5.73%
iShares 2029 Enrollment Portfolio - C	2013-11-22	1.30%	8.68%	-0.59%	3.89%	4.45%	4.73%	7.68%	-0.59%	3.89%	4.45%	4.73%
iShares 2027 Enrollment Portfolio - C	2013-11-22	1.30%	6.85%	-0.73%	3.19%	3.53%	3.72%	5.85%	-0.73%	3.19%	3.53%	3.72%
iShares 2026 Enrollment Portfolio - C	2019-10-28	1.29%	6.31%	-0.68%	N/A	N/A	2.39%	5.31%	-0.68%	N/A	N/A	2.39%
iShares 2025 Enrollment Portfolio - C	2013-11-26	1.33%	5.80%	0.05%	2.18%	2.43%	2.55%	4.80%	0.05%	2.18%	2.43%	2.55%
iShares Enrolled Portfolio - C	2013-11-11	1.37%	4.57%	1.30%	1.03%	0.96%	0.96%	3.57%	1.30%	1.03%	0.96%	0.96%
iShares Diversified Equity Portfolio - C	2013-11-14	1.31%	15.37%	2.79%	8.54%	8.12%	8.55%	14.37%	2.79%	8.54%	8.12%	8.55%
iShares Diversified Fixed Income Portfolio - C	2013-11-20	1.42%	3.50%	-1.60%	0.09%	0.90%	1.07%	2.50%	-1.60%	0.09%	0.90%	1.07%
iShares Core Conservative Allocation Portfolio - C	2013-11-11	1.39%	6.78%	-1.33%	2.08%	2.64%	2.92%	5.78%	-1.33%	2.08%	2.64%	2.92%
iShares Core Moderate Allocation Portfolio - C	2013-11-11	1.39%	8.15%	-0.47%	3.20%	3.42%	3.75%	7.15%	-0.47%	3.20%	3.42%	3.75%
iShares Core Growth Allocation Portfolio - C	2013-11-11	1.39%	10.98%	1.13%	5.26%	5.00%	5.36%	9.98%	1.13%	5.26%	5.00%	5.36%
iShares MSCI USA ESG Select Portfolio - C	2019-10-28	1.49%	20.00%	5.67%	N/A	N/A	14.17%	19.00%	5.67%	N/A	N/A	14.17%
iShares Core MSCI EAFE Portfolio - C	2019-10-28	1.31%	9.62%	0.89%	N/A	N/A	5.06%	8.62%	0.89%	N/A	N/A	5.06%
iShares Core MSCI EM Portfolio - C	2019-10-28	1.33%	10.67%	-5.64%	N/A	N/A	2.54%	9.67%	-5.64%	N/A	N/A	2.54%
iShares TIPS Bond Portfolio - C	2019-12-19	1.43%	1.30%	-2.70%	N/A	N/A	0.43%	0.30%	-2.70%	N/A	N/A	0.43%
iShares ESG Aware MSCI EAFE Portfolio - C	2022-10-17	1.44%	9.68%	N/A	N/A	N/A	21.56%	8.68%	N/A	N/A	N/A	21.56%
iShares ESG Aware MSCI EM Portfolio - C	2022-10-17	1.49%	7.39%	N/A	N/A	N/A	14.82%	6.39%	N/A	N/A	N/A	14.82%
iShares ESG Aware US Aggregate Bond Portfolio - C	2022-10-17	1.34%	1.04%	N/A	N/A	N/A	3.89%	0.04%	N/A	N/A	N/A	3.89%

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

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\*\*\*Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

# I UNIT CLASS

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge**				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
iShares 2041 Enrollment Portfolio - I	2022-10-17	0.14%	16.07%	N/A	N/A	N/A	21.56%	N/A	N/A	N/A	N/A	N/A
iShares 2038 Enrollment Portfolio - I	2022-10-17	0.14%	14.70%	N/A	N/A	N/A	19.29%	N/A	N/A	N/A	N/A	N/A
iShares 2035 Enrollment Portfolio - I	2022-10-17	0.14%	13.27%	N/A	N/A	N/A	17.88%	N/A	N/A	N/A	N/A	N/A
iShares 2033 Enrollment Portfolio - I	2022-10-17	0.14%	11.97%	N/A	N/A	N/A	16.20%	N/A	N/A	N/A	N/A	N/A
iShares 2029 Enrollment Portfolio - I	2022-10-17	0.15%	10.01%	N/A	N/A	N/A	15.35%	N/A	N/A	N/A	N/A	N/A
iShares 2027 Enrollment Portfolio - I	2022-10-17	0.15%	7.71%	N/A	N/A	N/A	11.37%	N/A	N/A	N/A	N/A	N/A
iShares 2026 Enrollment Portfolio - I	2022-10-17	0.14%	7.66%	N/A	N/A	N/A	10.98%	N/A	N/A	N/A	N/A	N/A
iShares 2025 Enrollment Portfolio - I	2022-10-17	0.18%	7.30%	N/A	N/A	N/A	9.17%	N/A	N/A	N/A	N/A	N/A
iShares Enrolled Portfolio - I	2022-10-17	0.22%	4.44%	N/A	N/A	N/A	4.74%	N/A	N/A	N/A	N/A	N/A
iShares Diversified Equity Portfolio - I	2022-10-17	0.16%	16.39%	N/A	N/A	N/A	21.82%	N/A	N/A	N/A	N/A	N/A
iShares Diversified Fixed Income Portfolio - I	2022-10-17	0.27%	4.22%	N/A	N/A	N/A	4.97%	N/A	N/A	N/A	N/A	N/A
iShares Core Conservative Allocation Portfolio - I	2022-10-17	0.24%	7.97%	N/A	N/A	N/A	10.87%	N/A	N/A	N/A	N/A	N/A
iShares Core Moderate Allocation Portfolio - I	2022-10-17	0.24%	8.78%	N/A	N/A	N/A	12.07%	N/A	N/A	N/A	N/A	N/A
iShares Core Growth Allocation Portfolio - I	2022-10-17	0.24%	11.36%	N/A	N/A	N/A	15.83%	N/A	N/A	N/A	N/A	N/A
iShares MSCI USA ESG Select Portfolio - I	2022-10-17	0.34%	20.71%	N/A	N/A	N/A	25.06%	N/A	N/A	N/A	N/A	N/A
iShares Core MSCI EAFE Portfolio - I	2022-10-17	0.16%	11.00%	N/A	N/A	N/A	23.04%	N/A	N/A	N/A	N/A	N/A
iShares Core MSCI EM Portfolio - I	2022-10-17	0.18%	12.35%	N/A	N/A	N/A	17.20%	N/A	N/A	N/A	N/A	N/A
iShares TIPS Bond Portfolio - I	2022-10-17	0.28%	3.01%	N/A	N/A	N/A	3.48%	N/A	N/A	N/A	N/A	N/A
iShares ESG Aware MSCI EAFE Portfolio - I	2022-10-17	0.29%	10.77%	N/A	N/A	N/A	22.33%	N/A	N/A	N/A	N/A	N/A
iShares ESG Aware MSCI EM Portfolio - I	2022-10-17	0.34%	8.37%	N/A	N/A	N/A	15.72%	N/A	N/A	N/A	N/A	N/A
iShares ESG Aware US Aggregate Bond Portfolio - I	2022-10-17	0.19%	1.98%	N/A	N/A	N/A	4.85%	N/A	N/A	N/A	N/A	N/A

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* The I Unit Class does not incur a sales charge. Returns are the same as those in columns Without sales charges.

\*\*\* Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

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**Summary of Investment Objectives and Policies of the Underlying Funds for the iShares Portfolios** – An index is a group of securities that an index provider selects as representative of a market, market segment or specific industry sector. The index provider determines the relative weightings of the securities in the index and publishes information regarding the market value of the index. Each Underlying Fund of the iShares Portfolios (an “Underlying ETF”) is an “index fund” that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index (its “Underlying Index”) as developed by an index provider.

Each Underlying ETF’s index generally includes investments in securities that correspond generally to one of the below asset classes, as set forth in the tables on the previous pages. The asset classes are defined as follows:

**U.S. Equities** – U.S. domiciled publicly traded common stocks. **International Equities** – Non-U.S. domiciled publicly traded common stocks.

**Real Estate** – Property and real estate as represented by REITs.

**Fixed Income** – Bonds and other income-producing debt securities.

BlackRock Fund Advisors (“BFA”), the investment adviser to each Underlying ETF, is an affiliate of the Investment Manager. BFA and its affiliates are not affiliated with the index provider.

**Principal Investment Strategies of the Underlying ETFs** – BFA uses a “passive” or indexing approach to achieve each Underlying ETF’s investment objective. Unlike many investment companies, the Underlying ETFs do not try to “beat” the indexes they track and do not seek temporary defensive positions when markets decline or appear overvalued.

Indexing may eliminate the chance that the Underlying ETF will substantially outperform its Underlying Index but also may reduce some of the risks of active management, such as poor security selection. Factors such as the fees and expenses of an Underlying ETF, pricing differences, changes to an Underlying ETF and costs of complying with regulatory policies, may affect the Underlying ETF’s ability to achieve close correlation with its Underlying Index. Therefore, the return of an Underlying ETF that seeks to track an index may deviate from that of its Underlying Index. All Underlying ETFs may invest a portion of their assets in certain futures contracts, options, and swaps, as well as cash and cash equivalents, including shares of money market funds affiliated with BFA. For all Underlying ETFs, BFA uses a representative sampling indexing strategy. The Underlying ETFs’ investment strategies and principal risks are subject to change without notice to Participants.

**These summaries, provided as of October 4, 2024, are qualified in their entirety by reference to the detailed information included in each Underlying ETF’s current prospectus and statement of additional information, as may be amended or supplemented from time to time, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying ETF may be subject. You may request a copy of any Underlying ETF’s current prospectus and statement of additional information, or an Underlying ETF’s most recent semi-annual or annual report. BFA, the investment adviser of iShares® Funds, is located at 400 Howard Street, San Francisco, CA 94105. Additional information about iShares Funds is available free of charge by calling toll-free: 1-800-iShares (1-800-474-2737) or by visiting [www.iShares.com](http://www.iShares.com).**

## DOMESTIC EQUITY FUNDS

### iShares Core S&P Total U.S. Stock Market ETF

**Investment Objective, Strategy and Policies** – The iShares Core S&P Total U.S. Stock Market ETF seeks to track the investment results of a broad-based index composed of U.S. equities. The Fund seeks to track the investment results of the S&P Total Market Index™ (TMI) (the “Underlying Index”), which is comprised of the common equities included in the S&P 500® and the S&P Completion Index™. The Underlying Index consists of all U.S. common equities listed on the New York Stock Exchange (including NYSE Arca, Inc. and NYSE American), the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, Cboe BZX, Cboe BYX, Cboe EDGA and Cboe EDGX, Inc. The securities in the Underlying Index are weighted based on the float-adjusted market value of their outstanding shares. Securities with higher float-adjusted market value have a larger representation in the Underlying Index. The S&P 500 measures the performance of the large-capitalization sector of the U.S. equity market. The S&P Completion Index measures the performance of the U.S. mid-, small- and micro-capitalization sector of the U.S. equity market excluding S&P 500 constituents. As of March 31, 2024, the S&P 500 and the S&P Completion Index included approximately 86.44% and 13.5%, respectively, of the market capitalization of the Underlying Index. The Underlying Index includes large-, mid- and small-capitalization companies and may change over time. As of March 31, 2024, a significant portion of the Underlying Index is represented by securities of companies in the information technology industry or sector. The components of the Underlying Index are likely to change over time.

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The Fund generally will invest at least 80% of its assets in the component securities of its Underlying Index and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to risk of investing in the United States, equity securities risk, market risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

### **iShares MSCI USA ESG Select ETF**

**Investment Objective, Strategy and Policies** – The iShares MSCI USA ESG Select ETF seeks to track the investment results of an index composed of U.S. companies that have positive environmental, social and governance (“ESG”) characteristics as identified by the index provider. The Fund seeks to track the investment results of the MSCI USA Extended ESG Select Index (the “Underlying Index”), which is an optimized index designed to maximize exposure to positive environmental, social and governance (“ESG”) characteristics, while exhibiting risk and return characteristics similar to the MSCI USA Index. As of April 30, 2024, the Underlying Index consisted of 177 securities included in the MSCI USA Index. MSCI Inc. (the “Index Provider” or “MSCI”) analyzes each eligible company’s ESG performance using proprietary ratings covering ESG and ethics criteria. The index methodology is designed so that companies with relatively high overall ratings have a higher representation in the Underlying Index than in the MSCI USA Index and companies with relatively low overall ratings have a lower representation in the Underlying Index than in the MSCI USA Index. Exceptions may result from the Underlying Index’s objective of having risk and return characteristics similar to the MSCI USA Index. The Index Provider excludes securities of companies involved in the business of tobacco, alcohol, gambling, nuclear power and weapons, fossil fuel extraction, thermal coal power and unconventional oil and gas businesses (e.g., thermal coal extraction and generation or oil sands extraction), companies involved with conventional and controversial weapons, producers and major retailers of civilian firearms, as well as companies involved in very severe business controversies. The Index Provider defines a controversy as an instance or ongoing situation in which company operations and/or products allegedly have a negative environmental, social and/or governance impact. Each controversy case is assessed for the severity of its impact on society. The Index Provider generally classifies companies as “involved” in a particular business based on revenue or percentage of revenue thresholds (e.g., 10%) for certain products and activities in an excluded industry. The securities of certain companies will be excluded regardless of revenue measures (e.g., all companies involved in the manufacturing of controversial weapons are excluded). The Underlying Index includes large- and mid-capitalization companies and may change over time. As of April 30, 2024, a significant portion of the Underlying Index is represented by securities of companies in the technology industry or sector. The components of the Underlying Index are likely to change over time.

The Fund generally will invest at least 90% of its assets in the component securities of the Underlying Index and may invest up to 10% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to risk of investing in the United States, ESG risk, equity securities risk, market risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

## **INTERNATIONAL EQUITY FUNDS**

### **iShares Core MSCI EAFE ETF**

**Investment Objective, Strategy and Policies** – The iShares Core MSCI EAFE ETF seeks to track the investment results of an index composed of large-, mid- and small-capitalization developed market equities, excluding the U.S. and Canada. The Fund seeks to track the investment results of the MSCI EAFE IMI Index (the “Underlying Index”), which has been developed by MSCI Inc. (the “Index Provider” or “MSCI”). The Underlying Index is a free float-adjusted, market capitalization-weighted index designed to measure large-, mid- and small-capitalization equity market performance and includes stocks from Europe, Australasia and the Far East. As of July 31, 2023, the Underlying Index consisted of securities from the following 21 developed market countries or regions: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. As of July 31, 2023, a significant portion of the Underlying

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Index is represented by securities of companies in the financial and industrials industries or sectors. The components of the Underlying Index are likely to change over time.

The Fund generally will invest at least 80% of its assets in the component securities of its Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of its Underlying Index (i.e., depository receipts representing securities of the Underlying Index) and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to risk of investing in developed countries, non-U.S. securities risk, equity securities risk, market risk and index-related risk. Additional principal risks are identified in the Fund's prospectus.

### **iShares Core MSCI Emerging Markets ETF**

**Investment Objective, Strategy and Policies** – The iShares Core MSCI Emerging Markets ETF seeks to track the investment results of an index composed of large-, mid- and small-capitalization emerging market equities. The Fund seeks to track the investment results of the MSCI Emerging Markets Investable Market Index (IMI) (the “Underlying Index”), which is designed to measure large-, mid- and small-capitalization equity market performance in the global emerging markets. As of August 31, 2023, the Underlying Index consisted of securities from the following 24 emerging market countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Kuwait, Malaysia, Mexico, Peru, the Philippines, Poland, Qatar, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and the United Arab Emirates. As of August 31, 2023, the Underlying Index was comprised of 3,326 constituents. As of August 31, 2023, a significant portion of the Underlying Index is represented by securities of companies in the financials and technology industries or sectors. The components of the Underlying Index are likely to change over time.

The Fund generally will invest at least 80% of its assets in the component securities of its Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of its Underlying Index (i.e., depository receipts representing securities of the Underlying Index) and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

The Fund intends to be diversified in approximately the same proportion as the Underlying Index is diversified. The Fund may become “non-diversified,” as defined in the Investment Company Act of 1940, as amended, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the Underlying Index.

**Principal Risks of Investing** – The Fund is subject to risk of investing in emerging markets, equity securities risk, market risk and index-related risk. Additional principal risks are identified in the Fund's prospectus.

### **iShares Core MSCI Total International Stock ETF**

**Investment Objective, Strategy and Policies** – The iShares Core MSCI Total International Stock ETF seeks to track the investment results of an index composed of large-, mid- and small-capitalization non-U.S. equities. The Fund seeks to track the investment results of the MSCI ACWI ex USA IMI (the “Underlying Index”), which is a free float-adjusted market capitalization index designed to measure the combined equity market performance of developed and emerging markets countries, excluding the U.S. As of July 31, 2023, the Underlying Index consisted of securities from companies in the following countries or regions: Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kuwait, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Peru, the Philippines, Poland, Portugal, Qatar, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the United Arab Emirates and the United Kingdom. As of July 31, 2023, the Underlying Index was composed of 6,698 securities. The Underlying Index includes large-, mid- and small-capitalization companies and may change over time. As of July 31, 2023, a significant portion of the Underlying Index is represented by securities of companies in the financials industry or sector. The components of the Underlying Index are likely to change over time.

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The Fund generally will invest at least 80% of its assets in the component securities of its Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of its Underlying Index (i.e., depositary receipts representing securities of the Underlying Index) and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to risk of investing in developed countries, risk of investing in emerging markets, equity securities risk, market risk and index-related risk. Additional principal risks are identified in the Fund's prospectus.

### **iShares ESG Aware MSCI EAFE ETF**

**Investment Objective, Strategy and Policies** – The iShares ESG Aware MSCI EAFE ETF seeks to track the investment results of an index composed of large- and mid-capitalization developed market equities, excluding the U.S. and Canada that have positive environmental, social and governance (“ESG”) characteristics as identified by the index provider while exhibiting risk and return characteristics similar to those of the parent index.

The Fund seeks to track the investment results of the MSCI EAFE Extended ESG Focus Index (the “Underlying Index”), which has been developed by MSCI Inc. (the “Index Provider” or “MSCI”). The Underlying Index is an optimized index that is designed to reflect the equity performance of developed market companies (excluding the U.S. and Canada) that have favorable ESG characteristics (as determined by the Index Provider), while exhibiting risk and return characteristics similar to those of the MSCI EAFE Index (the “Parent Index”). The Index Provider begins with the Parent Index and excludes securities of companies involved in the business of tobacco, companies involved with controversial weapons, producers and retailers of civilian firearms, and companies involved in certain fossil fuels-related activity such as the production of thermal coal, thermal coal-based power generation and extraction of oil sands based on revenue or percentage of revenue thresholds for certain categories (e.g., \$20 million or 5%) and categorical exclusions for others (e.g., controversial weapons). The Index Provider also excludes companies that are directly involved in very severe, ongoing business controversies (in each case as determined by the Index Provider), and then follows a quantitative process that is designed to determine optimal weights for securities to maximize exposure to securities of companies with higher ESG ratings, subject to maintaining risk and return characteristics similar to the Parent Index. For each industry, the Index Provider identifies key ESG issues that can lead to unexpected costs for companies in the medium to long term. The Index Provider then calculates the size of each company's exposure to each key issue based on the company's business segment and geographic risk and analyzes the extent to which companies have developed robust strategies and programs to manage ESG risks and opportunities. Using a sector-specific key issue weighting model, companies are rated and ranked in comparison to their industry peers. As of August 31, 2023, the Underlying Index consisted of securities from the following 21 developed market countries or regions: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The Underlying Index includes large- and mid-capitalization companies and may change over time. As of August 31, 2023, a significant portion of the Underlying Index is represented by securities of companies in the financials and industrials industries or sectors. The components of the Underlying Index are likely to change over time.

The Fund generally will invest at least 90% of its assets in the component securities of the Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of the Underlying Index (i.e., depositary receipts representing securities of the Underlying Index) and may invest up to 10% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to risk of investing in developed countries, ESG risk, equity securities risk, market risk and index-related risk. Additional principal risks are identified in the Fund's prospectus.

### **iShares ESG Aware MSCI EM ETF**

**Investment Objective, Strategy and Policies** – The iShares ESG Aware MSCI EM ETF seeks to track the investment results of an index composed of large- and mid-capitalization emerging market equities that have positive environmental, social and governance

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(“ESG”) characteristics as identified by the index provider while exhibiting risk and return characteristics similar to those of the parent index.

The Fund seeks to track the investment results of the MSCI Emerging Markets Extended ESG Focus Index (the “Underlying Index”), which has been developed by MSCI Inc. (the “Index Provider” or “MSCI”). The Underlying Index is an optimized equity index designed to reflect the equity performance of companies that have favorable ESG characteristics (as determined by the Index Provider), while exhibiting risk and return characteristics similar to those of the MSCI Emerging Markets Index (the “Parent Index”). The Index Provider begins with the Parent Index and excludes securities of companies involved in the business of tobacco, companies involved with controversial weapons, producers and retailers of civilian firearms, companies involved in certain fossil fuels-related activity such as the production of thermal coal, thermal coal-based power generation and extraction of oil sands based on revenue or percentage of revenue thresholds for certain categories (e.g. \$20 million or 5%) and categorical exclusions for others (e.g. controversial weapons). The Index Provider also excludes companies that are directly involved in very severe, ongoing business controversies (in each case as determined by the Index Provider), and then follows a quantitative process that is designed to determine optimal weights for securities to maximize exposure to securities of companies with higher ESG ratings, subject to maintaining risk and return characteristics similar to the Parent Index. For each industry, the Index Provider identifies key ESG issues that can lead to unexpected costs for companies in the medium to long term. The Index Provider then calculates the size of each company’s exposure to each key issue based on the company’s business segment and geographic risk, and analyzes the extent to which companies have developed robust strategies and programs to manage ESG risks and opportunities. Using a sector-specific key issue weighting model, companies are rated and ranked in comparison to their industry peers. As of August 31, 2023, the Underlying Index consisted of securities from the following 22 countries: Brazil, Chile, China, Colombia, Egypt, Greece, Hungary, India, Indonesia, Kuwait, Malaysia, Mexico, Peru, Poland, Qatar, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and the United Arab Emirates. The Underlying Index includes large- and mid-capitalization companies and may change over time. As of August 31, 2023, a significant portion of the Underlying Index is represented by securities of companies in the financials and technology industries or sectors. The components of the Underlying Index are likely to change over time.

The Fund generally will invest at least 90% of its assets in the component securities of the Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of the Underlying Index (i.e., depositary receipts representing securities of the Underlying Index) and may invest up to 10% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to risk of investing in emerging markets, ESG risk, equity securities risk, market risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

## MIXED ASSET FUNDS

### iShares Core Conservative Allocation ETF

**Investment Objective, Strategy and Policies** – The iShares Core Conservative Allocation ETF seeks to track the investment results of an index composed of a portfolio of underlying equity and fixed income funds intended to represent a conservative target risk allocation strategy. The Fund is a fund of funds and seeks to achieve its investment objective by investing primarily in other iShares funds (the “Underlying Funds”) that themselves seek investment results corresponding to their own respective underlying indexes. The Underlying Funds invest primarily in distinct asset classes, such as large- or mid-capitalization U.S. or non-U.S. equity, the aggregate bond market (including allocation to international bonds as well as USD-denominated bonds) or the U.S. Treasury bond market; each such asset class has its own risk profile.

The S&P Target Risk Conservative Index (the “Underlying Index”) is composed of a portfolio of equity and fixed-income Underlying Funds and measures the performance of the S&P Dow Jones Indices LLC (the “Index Provider” or “SPDJI”) proprietary allocation model that is intended to represent a “conservative” target risk allocation strategy as defined by SPDJI. The Underlying Index seeks to emphasize exposure to fixed income, in order to produce a current income stream and avoid excessive volatility of returns. Equities are included in the Underlying Index to seek to protect long-term purchasing power.

The Fund is designed for investors seeking current income, capital preservation and avoidance of excessive volatility of returns. As of July 31, 2023, the Underlying Index included a fixed allocation of 30% of its assets in Underlying Funds that invest primarily in equity



securities and 70% of its assets in Underlying Funds that invest primarily in bonds. As of July 31, 2023, the Fund invested approximately 30.75% of its assets in Underlying Funds that invest primarily in equity securities, 66.09% of its assets in Underlying Funds that invest primarily in bonds and the remainder of its assets in Underlying Funds that invest primarily in money market instruments.

As of July 31, 2023, the Fund invested in the iShares Core International Aggregate Bond ETF, iShares Core MSCI Emerging Markets ETF, iShares Core MSCI International Developed Markets ETF, iShares Core S&P 500 ETF, iShares Core S&P Mid-Cap ETF, iShares Core S&P Small-Cap ETF, iShares Core Total USD Bond Market ETF and money market funds advised by BFA or its affiliates. BFA may add, eliminate or replace any or all Underlying Funds at any time. As of July 31, 2023, a significant portion of the Underlying Index is represented by companies in the financial industry or sector and by U.S. treasury securities. The components of the Underlying Index are likely to change over time.

The Fund generally will invest at least 80% of its assets in the component securities of its Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of its Underlying Index and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to credit risk, allocation risk, investment in Underlying Funds risk, market risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

### **iShares Core Moderate Allocation ETF**

**Investment Objective, Strategy and Policies** – The iShares Core Moderate Allocation ETF seeks to track the investment results of an index composed of a portfolio of underlying equity and fixed income funds intended to represent a moderate target risk allocation strategy. The Fund is a fund of funds and seeks to achieve its investment objective by investing primarily in other iShares funds (the “Underlying Funds”) that themselves seek investment results corresponding to their own respective underlying indexes. The Underlying Funds invest primarily in distinct asset classes, such as large- or mid-capitalization U.S. or non-U.S. equity, the aggregate bond market (including allocation to international bonds as well as USD-denominated bonds) or the U.S. Treasury bond market; each such asset class has its own risk profile.

The S&P Target Risk Moderate Index (the “Underlying Index”) is composed of a portfolio of equity and fixed-income Underlying Funds and measures the performance of the S&P Dow Jones Indices LLC (the “Index Provider” or “SPDJI”) proprietary allocation model that is intended to represent a “moderate” target risk allocation strategy as defined by SPDJI. The Underlying Index seeks to provide significant exposure to fixed income, while also providing increased opportunity for capital growth through equities.

The Fund is designed for investors seeking current income, some capital preservation and an opportunity for moderate to low capital appreciation. As of July 31, 2023, the Underlying Index included a fixed allocation of 40% of its assets in Underlying Funds that invest primarily in equity securities and 60% of its assets in Underlying Funds that invest primarily in bonds. As of July 31, 2023, the Fund invested approximately 41.90% of its assets in Underlying Funds that invest primarily in equity securities, 57.87% of its assets in Underlying Funds that invest primarily in bonds and the remainder of its assets in Underlying Funds that invest primarily in money market instruments.

As of July 31, 2023, the Fund invested in the iShares Core International Aggregate Bond ETF, iShares Core MSCI Emerging Markets ETF, iShares Core MSCI International Developed Markets ETF, iShares Core S&P 500 ETF, iShares Core S&P Mid-Cap ETF, iShares Core S&P Small-Cap ETF, iShares Core Total USD Bond Market ETF and money market funds advised by BFA or its affiliates. BFA may add, eliminate or replace any or all Underlying Funds at any time. As of July 31, 2023, a significant portion of the Underlying Index is represented by companies in the financial industry or sector and by U.S. treasury securities. The components of the Underlying Index are likely to change over time.

The Fund generally will invest at least 80% of its assets in the component securities of its Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of its Underlying Index and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

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**Principal Risks of Investing** – The Fund is subject to credit risk, equity securities risk, allocation risk, investment in Underlying Funds risk, market risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

### **iShares Core Growth Allocation ETF**

**Investment Objective, Strategy and Policies** – The iShares Core Growth Allocation ETF seeks to track the investment results of an index composed of a portfolio of underlying equity and fixed income funds intended to represent a growth allocation target risk strategy. The Fund is a fund of funds and seeks to achieve its investment objective by investing primarily in other iShares funds (the “Underlying Funds”) that themselves seek investment results corresponding to their own respective underlying indexes. The Underlying Funds invest primarily in distinct asset classes, such as large- or mid-capitalization U.S. or non-U.S. equity, the aggregate bond market (including USD-denominated bonds) or the U.S. Treasury bond market; each such asset class has its own risk profile.

The S&P Target Risk Growth Index (the “Underlying Index”) is composed of a portfolio of equity and fixed-income Underlying Funds and measures the performance of the S&P Dow Jones Indices LLC (the “Index Provider” or “SPDJ”) proprietary allocation model that is intended to represent a “growth” target risk allocation strategy as defined by SPDJI. The Underlying Index seeks to provide increased exposure to equities, while also using some fixed income exposure to dampen risk.

The Fund is designed for investors seeking moderate capital appreciation and some opportunity for current income and capital preservation. As of July 31, 2023, the Underlying Index included a fixed allocation of 60% of its assets in Underlying Funds that invest primarily in equity securities and 40% of its assets in Underlying Funds that invest primarily in bonds. As of July 31, 2023, the Fund invested approximately 61.84% of its assets in Underlying Funds that invest primarily in equity securities, 37.98% of its assets in Underlying Funds that invest primarily in bonds and the remainder of its assets in Underlying Funds that invest primarily in money market instruments.

As of July 31, 2023, the Fund invested in the iShares Core International Aggregate Bond ETF, iShares Core MSCI Emerging Markets ETF, iShares Core MSCI International Developed Markets ETF, iShares Core S&P 500 ETF, iShares Core S&P Mid-Cap ETF, iShares Core S&P Small-Cap ETF, iShares Core Total USD Bond Market ETF and money market funds advised by BFA or its affiliates. BFA may add, eliminate or replace any or all Underlying Funds at any time. As of July 31, 2023, a significant portion of the Underlying Index is represented by companies in the financial industry or sector and by U.S. treasury securities. The components of the Underlying Index are likely to change over time.

The Fund generally will invest at least 80% of its assets in the component securities of its Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of its Underlying Index and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to equity securities risk, allocation risk, investment in Underlying Funds risk, market risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

### **ALTERNATIVE INVESTMENT FUND**

#### **iShares Core U.S. REIT ETF**

**Investment Objective, Strategy and Policies** – The iShares Core U.S. REIT ETF seeks to track the investment results of an index composed of U.S. real estate equities. The Fund seeks to track the investment results of the FTSE Nareit Equity REITs Index (the “Underlying Index”), which measures the performance of U.S.-listed equity real estate investment trusts (“REITs”), excluding infrastructure REITs, mortgage REITs, and timber REITs. As of April 30, 2024, the Underlying Index is represented by the securities of 130 REITs, which invest in U.S. real estate markets and may invest in non-U.S. real estate markets. The components of the Underlying Index may change over time.

The Fund generally will invest at least 80% of its assets in the component securities of its Underlying Index and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

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The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to risk of investing in the United States, real estate companies risk, equity securities risk, market risk and index-related risk. Additional principal risks are identified in the Fund's prospectus.

## INVESTMENT GRADE FIXED INCOME FUNDS

### iShares 1-3 Year Treasury Bond ETF

**Investment Objective, Strategy and Policies** – The iShares 1-3 Year Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between one and three years. The Fund seeks to track the investment results of the ICE® U.S. Treasury 1-3 Year Bond Index (the "Underlying Index"), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to one year and less than three years. As of February 29, 2024, there were 96 issues in the Underlying Index.

The Underlying Index consists of publicly-issued U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than three years and have \$300 million or more of outstanding face value, excluding amounts held by the Federal Reserve System. In addition, the securities in the Underlying Index must be fixed-rate and denominated in U.S. dollars. Excluded from the Underlying Index are inflation-linked securities, Treasury bills, cash management bills, any government agency debt issued with or without a government guarantee and zero-coupon issues that have been stripped from coupon-paying bonds. The Underlying Index is market value weighted and the securities in the Underlying Index are updated on the last business day of each month.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index, and the Fund will invest at least 90% of its assets in U.S. Treasury securities that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

**Principal Risks of Investing** – The Fund is subject to U.S. Treasury obligations risk, interest rate risk, market risk and index-related risk. Additional principal risks are identified in the Fund's prospectus.

### iShares 20+ Year Treasury Bond ETF

**Investment Objective, Strategy and Policies** – The iShares 20+ Year Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities greater than twenty years. The Fund seeks to track the investment results of the ICE® U.S. Treasury 20+ Year Bond Index (the "Underlying Index"), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity greater than or equal to twenty years. As of February 29, 2024, there were 40 issues in the Underlying Index.

The Underlying Index consists of publicly-issued U.S. Treasury securities that have a remaining maturity greater than or equal to twenty years and have \$300 million or more of outstanding face value, excluding amounts held by the Federal Reserve System. In addition, the securities in the Underlying Index must be fixed-rate and denominated in U.S. dollars. Excluded from the Underlying Index are inflation-linked securities, Treasury bills, cash management bills, any government agency debt issued with or without a government guarantee and zero-coupon issues that have been stripped from coupon-paying bonds. The Underlying Index is market value weighted, and the securities in the Underlying Index are updated on the last business day of each month.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index, and the Fund will invest at least 90% of its assets in U.S. Treasury securities that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

**Principal Risks of Investing** – The Fund is subject to U.S. Treasury obligations risk, interest rate risk, market risk and index-related risk. Additional principal risks are identified in the Fund's prospectus.

### iShares Core U.S. Aggregate Bond ETF

**Investment Objective, Strategy and Policies** – The iShares Core U.S. Aggregate Bond ETF seeks to track the investment results of an index composed of the total U.S. investment-grade bond market. The Fund seeks to track the investment results of the Bloomberg U.S. Aggregate Bond Index (the "Underlying Index"), which measures the performance of the total U.S. investment-grade (as determined by Bloomberg Index Services Limited) bond market. As of February 29, 2024, there were 13,534 issues in the Underlying Index.

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The Underlying Index includes investment-grade U.S. Treasury bonds, government-related bonds, corporate bonds, mortgage-backed pass-through securities (“MBS”), commercial mortgage-backed securities (“CMBS”) and asset-backed securities (“ABS”) that are publicly offered for sale in the U.S. As of February 29, 2024, a significant portion of the Underlying Index is represented by MBS and U.S. Treasury securities. The components of the Underlying Index are likely to change over time.

The securities in the Underlying Index must have \$300 million or more of outstanding face value and must have at least one year remaining to maturity, with the exception of amortizing securities such as ABS and MBS, which have lower thresholds as defined by Bloomberg. In addition, the securities in the Underlying Index must be denominated in U.S. dollars and must be fixed-rate and non-convertible. Certain types of securities, such as state and local government series bonds, structured notes with embedded swaps or other special features, private placements, floating-rate securities and bonds that have been issued in one country’s currency but are traded outside of that country in a different monetary and regulatory system (e.g., Eurobonds), are excluded from the Underlying Index. The Underlying Index is market capitalization-weighted, and the securities in the Underlying Index are updated on the last business day of each month.

As of February 29, 2024, approximately 26.01% of the bonds represented in the Underlying Index were U.S. fixed-rate agency MBS. Such securities are issued by entities such as the Government National Mortgage Association (“Ginnie Mae”), the Federal National Mortgage Association (“Fannie Mae”), and the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and are backed by pools of mortgages. Most transactions in fixed-rate MBS occur through standardized contracts for future delivery in which the exact mortgage pools to be delivered are not specified until a few days prior to settlement (to-be-announced (“TBA”) transactions). The Fund may enter into such contracts on a regular basis. The Fund, pending settlement of such contracts, will invest its assets in high-quality, liquid short-term instruments, including shares of money market funds advised by BFA or its affiliates. The Fund will assume its pro rata share of the fees and expenses of any money market fund that it may invest in, in addition to the Fund’s own fees and expenses. The Fund may also acquire interests in mortgage pools through means other than such standardized contracts for future delivery.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index and TBAs that have economic characteristics that are substantially identical to the economic characteristics of the component securities of the Underlying Index, and the Fund will invest at least 90% of its assets in fixed income securities of the types included in the Underlying Index that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index as well as in fixed income securities other than the types included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to risk of investing in the United States, credit risk, interest rate risk, market risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

### **iShares Short Treasury Bond ETF**

**Investment Objective, Strategy and Policies** – The iShares Short Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities of one year or less. The Fund seeks to track the investment results of the ICE® Short US Treasury Securities Index (the “Underlying Index”), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of less than or equal to one year. Under normal circumstances, the Fund will seek to maintain a weighted average maturity of less than one year. Weighted average maturity is the U.S. dollar weighted average of the remaining term to maturity of the underlying securities in the Fund’s portfolio. As of February 29, 2024, there were 103 components in the Underlying Index.

The Underlying Index is market value-weighted based on amounts outstanding of issuances consisting of publicly issued U.S. Treasury securities that have a remaining term to final maturity of less than or equal to one year as of the rebalance date and \$1 billion or more of outstanding face value, excluding amounts held by the Federal Reserve System Open Market Account. In addition, the securities in the Underlying Index must have a fixed coupon schedule and be denominated in U.S. dollars. Excluded from the Underlying Index are inflation-linked debt and zero-coupon bonds that have been stripped from coupon-paying bonds (e.g., Separate Trading of Registered Interest and Principal of Securities). However, the amounts outstanding of qualifying coupon securities in the Underlying Index are not reduced by any individual components of such securities (i.e., coupon or principal) that have been stripped after inclusion in the Underlying Index. The Underlying Index is rebalanced on the last calendar day of each month.

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The Fund will invest at least 80% of its assets in the component securities of the Underlying Index, and the Fund will invest at least 90% of its assets in U.S. Treasury securities that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

**Principal Risks of Investing** – The Fund is subject to U.S. Treasury obligations risk, interest rate risk, market risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

### iShares TIPS Bond ETF

**Investment Objective, Strategy and Policies** – The iShares TIPS Bond ETF seeks to track the investment results of an index composed of inflation-protected U.S. Treasury bonds. The Fund seeks to track the investment results of the ICE U.S. Treasury Inflation Linked Bond Index (the “Underlying Index”), which tracks the performance of inflation-protected public obligations of the U.S. Treasury, commonly known as “TIPS,” that have a remaining maturity of more than one year. TIPS are securities issued by the U.S. Treasury that are designed to provide inflation protection to investors. TIPS are income-generating instruments whose interest and principal payments are adjusted for inflation — a sustained increase in prices that erodes the purchasing power of money. The inflation adjustment, which is typically applied monthly to the principal of the bond, follows a designated inflation index, the Consumer Price Index (“CPI”), and TIPS’ principal payments are adjusted according to changes in the CPI. A fixed coupon rate is applied to the inflation-adjusted principal so that as inflation rises, both the principal value and the interest payments increase. This can provide investors with a hedge against inflation, as it helps preserve the purchasing power of an investment. Because of this inflation adjustment feature, inflation-protected bonds typically have lower yields than conventional fixed-rate bonds.

Qualifying securities must have more than one year remaining to final maturity as of the rebalancing date and at least \$300 million of outstanding face value, excluding amounts held by the Federal Reserve System Open Market Account (“SOMA”). In addition, the securities in the Underlying Index must have a fixed coupon schedule and must be denominated in U.S. dollars. Excluded from the Underlying Index are government agency debt with or without a government guarantee, securities issued or marketed primarily to retail investors, floating rate notes, cash management and Treasury bills, original issue zero coupon securities and Separate Trading of Registered Interest and Principal Securities (or “STRIPS”). However, the amounts outstanding of qualifying securities in the Underlying Index are not reduced by any portions of such securities that have been stripped after inclusion in the Underlying Index. Index constituents are market capitalization weighted based on amounts outstanding reduced by amounts held by the Federal Reserve SOMA. The Underlying Index is rebalanced on the last calendar day of each month.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index, and the Fund will invest at least 90% of its assets in U.S. Treasury securities that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

**Principal Risks of Investing** – The Fund is subject to U.S. Treasury obligations risk, interest rate risk, market risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

### iShares ESG Aware U.S. Aggregate Bond ETF

**Investment Objective, Strategy and Policies** – The iShares ESG Aware U.S. Aggregate Bond ETF seeks to track the investment results of an index composed of U.S. dollar-denominated, investment-grade bonds from issuers generally evaluated for favorable environmental, social and governance practices while seeking to exhibit risk and return characteristics similar to those of the broad U.S. dollar-denominated investment-grade bond market.

The Fund seeks to track the investment results of the Bloomberg MSCI U.S. Aggregate ESG Focus Index (the “Underlying Index”), which has been developed by Bloomberg Finance L.P. and its affiliates (the “Index Provider” or “Bloomberg”) with environmental, social and governance (“ESG”) rating inputs from MSCI ESG Research LLC (“MSCI ESG Research”) pursuant to an agreement between MSCI ESG Research and Bloomberg Index Services Limited (a subsidiary of Bloomberg) or an affiliate. The Underlying Index is an optimized fixed-income index designed to reflect the performance of U.S. dollar-denominated, investment-grade (as determined by the Index Provider) bonds from issuers generally evaluated for favorable ESG practices (as determined by MSCI ESG Research), while seeking to exhibit risk and return characteristics similar to those of the Bloomberg U.S. Aggregate Bond Index (the “Parent Index”).

The Underlying Index includes investment-grade U.S. Treasury bonds, non-securitized government-related bonds (“government-related bonds”), corporate bonds, mortgage-backed pass-through securities (“MBS”), commercial mortgage-backed securities (“CMBS”) and asset-backed securities (“ABS”) that are publicly offered for sale in the U.S.

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To construct the Underlying Index, the Index Provider begins with the Parent Index and replicates its U.S. Treasury bond, MBS, CMBS and ABS exposures. These exposures are preserved at the weights of the Parent Index and are not subject to the Index Provider's optimization process, which is a quantitative process that seeks to determine optimal weights for securities to maximize exposure to securities of entities with higher MSCI ESG Research ratings while seeking to exhibit risk and return characteristics similar to the Parent Index. For the remaining constituents of the Parent Index (i.e., corporate bonds and government-related bonds), the Index Provider excludes securities of entities involved in the business of tobacco, entities involved with controversial weapons, producers and retailers of civilian firearms, companies involved in certain fossil fuels-related activity (such as the production of thermal coal, thermal coal-based power generation and extraction of oil sands) based on revenue or percentage of revenue thresholds for certain categories (e.g., \$20 million or 5%) and categorical exclusions for others (e.g., controversial weapons). The Index Provider also excludes entities involved in very severe business controversies (in each case as determined by MSCI ESG Research), and securities of entities without an MSCI ESG Research rating, and then follows the Index Provider's optimization process.

For each industry, MSCI ESG Research identifies key ESG issues that can lead to substantial costs or opportunities for entities (e.g., climate change, resource scarcity, demographic shifts). MSCI ESG Research then rates each entity's exposure to each key issue based on the entity's business segment and geographic risk and analyzes the extent to which entities have developed robust strategies and programs to manage ESG risks and opportunities. MSCI ESG Research scores entities based on both their risk exposure and risk management. To score well on a key issue, MSCI ESG Research assesses management practices, management performance (through demonstrated track record and other quantitative performance indicators), governance structures, and/or implications in controversies, which all may be taken as a proxy for overall management quality. Controversies, including, among other things, issues involving anticompetitive practices, toxic emissions and waste, and health and safety, occurring within the last three years lead to a deduction from the overall management score on each issue. Using a sector-specific key issue weighting model, entities are rated and ranked in comparison to their industry peers. Key issues and weights are reviewed at the end of each calendar year. Corporate governance is always weighted and analyzed for all entities.

The securities in the Underlying Index must have at least one year remaining to maturity, with the exception of amortizing securities such as ABS and MBS, which have lower thresholds as defined by the Index Provider. In addition, the securities in the Underlying Index must be denominated in U.S. dollars and must be fixed-rate and nonconvertible. Certain types of securities, such as state and local government series bonds, structured notes with embedded swaps or other special features, private placements (other than those offered pursuant to Rule 144A or Regulation S promulgated under the Securities Act of 1933, as amended (the "1933 Act")), floating rate securities and bonds that have been issued in one country's currency but are traded outside of that country in a different monetary and regulatory system (e.g., Eurobonds), are excluded from the Underlying Index. The securities in the Underlying Index are updated on the last business day of each month.

As of February 29, 2024, bonds that are subject to the Index Provider's optimization process, which composed approximately 29.77% of the bonds in the Underlying Index, received an MSCI ESG Research weighted average score of 7.9 on a scale from 0 to 10, with 10 being the highest score. As of February 29, 2024, U.S. Treasury bonds, which composed approximately 41.86% of the bonds in the Underlying Index, received an MSCI ESG Research score of 5.72. As of February 29, 2024, there were 8,088 issues in the Underlying Index. As of February 29, 2024, a significant portion of the Underlying Index is represented by MBS and U.S. Treasury securities. The components of the Underlying Index are likely to change over time.

As of February 29, 2024, approximately 26.14% of the bonds in the Underlying Index were U.S. fixed-rate agency MBS. U.S. fixed-rate agency MBS are securities issued by entities such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), and the Federal Home Loan Mortgage Corporation ("Freddie Mac") and are backed by pools of mortgages. U.S. fixed-rate agency MBS exposure does not receive any MSCI ESG Research rating as the Index Provider believes that U.S. fixed-rate agency MBS exposure is neither additive nor decremental to the Underlying Index's ESG rating profile. As such, based on currently available data, the Index Provider believes U.S. fixed-rate agency MBS exposure is ESG neutral and not inconsistent with an ESG focused exposure. Most transactions in fixed-rate MBS occur through standardized contracts for future delivery in which the exact mortgage pools to be delivered are not specified until a few days prior to settlement (to-be-announced ("TBA") transactions). The Fund may enter into such contracts on a regular basis. The Fund, pending settlement of such contracts, will invest its assets in high-quality, liquid short-term instruments, including shares of money market funds advised by BFA or its affiliates. The Fund will assume its pro rata share of the fees and expenses of any money market fund that it may invest in, in addition to the Fund's own fees and expenses. The Fund may also acquire interests in mortgage pools through means other than such standardized contracts for future delivery.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of the Underlying Index (i.e., TBAs), and the Fund will invest at least 90% of its assets in fixed income securities of the types included in the Underlying Index that BFA believes will help

the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options, and swaps contracts that BFA believes will help the Fund track the Underlying Index as well as in fixed income securities other than the types included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to risk of investing in the United States, interest rate risk, credit risk, ESG risk, market risk and index-related risk.

## NON-INVESTMENT GRADE FIXED INCOME FUND

### iShares iBoxx® \$ High Yield Corporate Bond ETF

**Investment Objective, Strategy and Policies** – The iShares iBoxx \$ High Yield Corporate Bond ETF seeks to track the investment results of an index composed of U.S. dollar-denominated, high yield corporate bonds. The Fund seeks to track the investment results of the Markit iBoxx USD Liquid High Yield Index (the “Underlying Index”), which is a rules-based index consisting of U.S. dollar-denominated, high yield (as determined by Markit Indices Limited (the “Index Provider” or “Markit”)) corporate bonds for sale in the U.S. The Underlying Index is designed to provide a broad representation of the U.S. dollar-denominated liquid high yield corporate bond market. The Underlying Index is a modified market-value weighted index with a cap on each issuer of 3%. There is no limit to the number of issues in the Underlying Index. As of February 29, 2024, the Underlying Index included approximately 1,187 constituents. As of February 29, 2024, a significant portion of the Underlying Index is represented by securities of companies in the consumer services and industrials industries or sectors. The components of the Underlying Index are likely to change over time.

Bonds in the Underlying Index are selected from the universe of eligible bonds in the Markit iBoxx USD Corporate Bond Index using defined rules. As of June 30, 2024, the bonds eligible for inclusion in the Underlying Index include U.S. dollar-denominated high yield corporate bonds that: (i) are issued by companies domiciled in countries classified as developed markets by Markit; (ii) have an average rating of sub-investment grade (ratings from Fitch Ratings, Inc. (“Fitch”), Moody’s Investors Service, Inc. (“Moody’s”) or Standard & Poor’s® Global Ratings, a subsidiary of S&P Global (“S&P Global Ratings”) are considered; if more than one agency provides a rating, the average rating is attached to the bond); (iii) are from issuers with at least \$1 billion outstanding face value; (iv) have at least \$400 million of outstanding face value; (v) have an original maturity date of less than 15 years; (vi) have at least one year to maturity; and (vii) have at least one year and 6 months to maturity for new index insertions.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index, and the Fund will invest at least 90% of its assets in fixed income securities of the types included in the Underlying Index that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index as well as in fixed income securities other than the types included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** – The Fund is subject to high yield securities risk, credit risk, market risk, income risk and index-related risk. Additional principal risks are identified in the Fund’s prospectus.

The iShares ETFs are not sponsored, endorsed, issued, sold or promoted by Markit, MSCI Inc., S&P, ICE Data Indices, Bloomberg or Barclays. None of these companies make any representation regarding the advisability of investing in the Funds. None of BlackRock Institutional Trust Company, N.A., BlackRock Fund Advisors, or any of their affiliates, are affiliated with the companies listed above.

iShares® is a registered trademark of BlackRock Fund Advisors and its affiliates.



# Franklin Templeton Portfolios

**General** – Substantially all the assets of each Franklin Templeton Portfolio are invested in Institutional Class shares of the Underlying Fund(s) that are recommended by Franklin Templeton for that Portfolio and approved by FAME for use in the Franklin Templeton Portfolios. A portion of certain Franklin Templeton Portfolios may be held in the “**Cash Allocation Account**”.

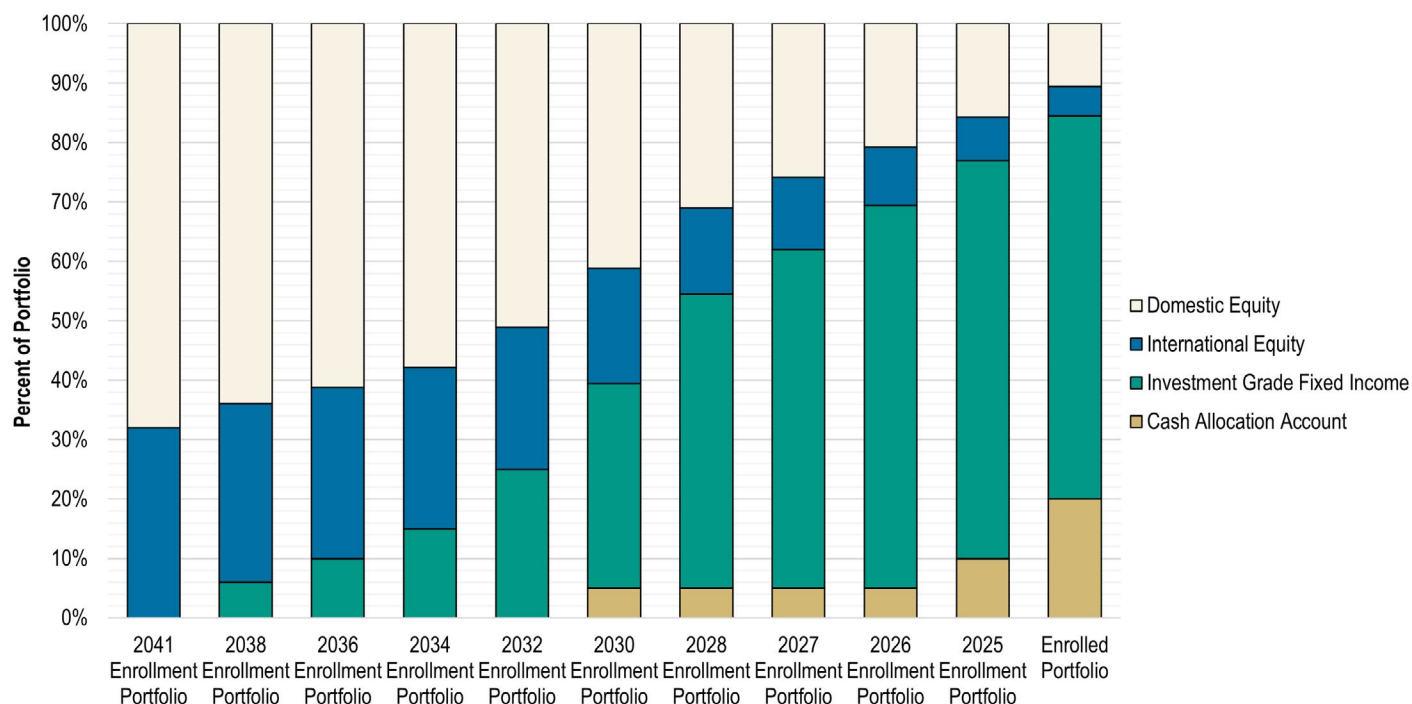
All of these Underlying Funds (excluding the Cash Allocation Account) in which Franklin Templeton Portfolios invest are currently managed by the advisory subsidiaries of Franklin Resources, Inc. (NYSE: BEN), an investment organization operating as Franklin Templeton Investments, which had over \$1.6 trillion in assets under management as of June 30, 2024. Franklin Templeton currently manages over 300 mutual funds registered under the Investment Company Act of 1940, including, in addition to mutual funds within the Franklin or Templeton fund families, mutual funds within the Brandywine, Clearbridge, Martin Currie and Western Asset fund families.

The following charts illustrate the current target asset allocation of each Franklin Templeton Year of Enrollment Portfolio.

The target allocation of assets of each such Year of Enrollment Portfolio to Underlying Funds that primarily invest in equity securities, fixed income securities and money market securities, respectively, will change over time (generally on a quarterly basis) from the target allocation shown in the following charts as the remaining period until the applicable “year of enrollment” shortens, with the allocation to Underlying Funds that primarily invest in equity securities generally reducing over time and the allocation to Underlying Funds that primarily invest in fixed income securities and/or money market securities generally increasing over time.

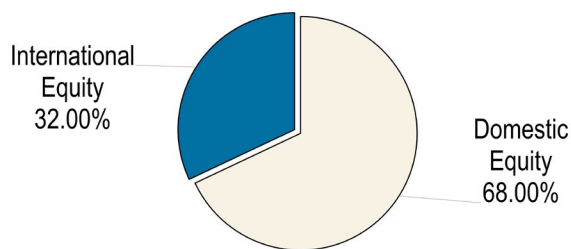
You may request a copy of the current prospectus, statement of additional information, or most recent semi-annual or annual report for the Underlying Funds by calling Franklin Templeton Investments, at 1-800-DIAL BEN® (1-800-342-5236), or you can download a copy from Franklin Templeton’s website at [www.franklintempleton.com](http://www.franklintempleton.com).

## Franklin Templeton Year of Enrollment Asset Class Allocations

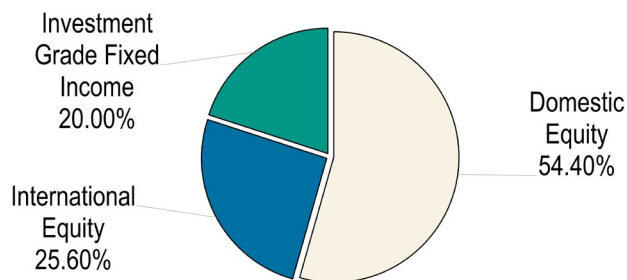


The following pie charts illustrate the current target asset allocation of each Franklin Templeton Diversified Portfolio as of the date of this Program Description.

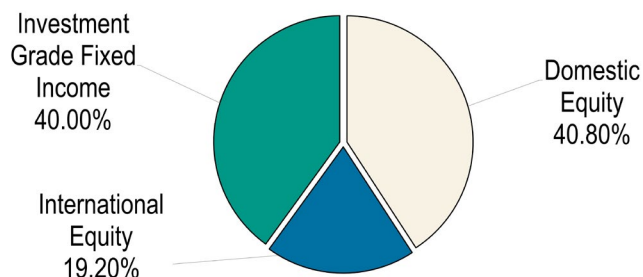
### Growth Portfolio



### Growth and Income Portfolio

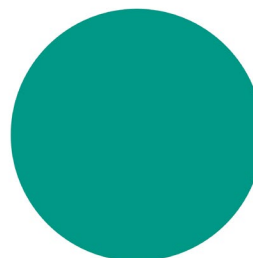


### Balanced Portfolio



### International Aggregate Bond ETF Portfolio

Investment Grade Fixed Income  
100.00%



### Clearbridge Capital Appreciation Portfolio

Domestic Equity  
100.00%



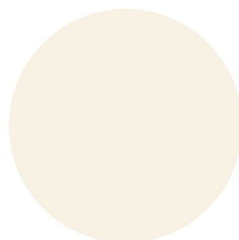
### Small CapValue Portfolio

Domestic Equity  
100.00%



### Clearbridge Small Cap Growth Portfolio

Domestic Equity  
100.00%



**Current Target Underlying Fund Allocations** – The following charts illustrate the current target asset allocations and the current target Underlying Fund allocations within those target asset allocations for the Franklin Templeton Portfolios. For convenience of reference, Underlying Funds are grouped by their principal asset class, although certain investments of an Underlying Fund may be made in other types of assets. This information is presented for informational purposes only.

Underlying Fund	Fund Ticker	2041 Enrollment Portfolio	2038 Enrollment Portfolio	2036 Enrollment Portfolio	2034 Enrollment Portfolio	2032 Enrollment Portfolio	2030 Enrollment Portfolio	2028 Enrollment Portfolio	2027 Enrollment Portfolio	2026 Enrollment Portfolio	2025 Enrollment Portfolio	Enrolled Portfolio
<b>Domestic Equity Funds</b>												
Franklin Growth Fund	FCGAX	20.40%	19.18%	18.36%	17.34%	15.30%	12.34%	9.28%	7.75%	6.22%	4.69%	3.16%
Putnam Large Cap Value	PEIYX	11.90%	11.18%	10.71%	10.12%	8.93%	7.20%	5.42%	4.52%	3.63%	2.74%	1.85%
ClearBridge Capital Appreciation Fund	SAPYX	20.40%	19.18%	18.36%	17.34%	15.30%	12.34%	9.28%	7.75%	6.22%	4.69%	3.16%
Franklin US Large Cap Multifactor Index ETF	FLQL	15.30%	14.38%	13.77%	13.00%	11.47%	9.26%	6.96%	5.82%	4.67%	3.52%	2.37%
<b>International Equity Funds</b>												
Templeton Foreign Fund	TFFAX	12.00%	11.28%	10.80%	10.20%	9.00%	7.26%	5.46%	4.56%	3.66%	2.76%	1.86%
ClearBridge International Growth Fund	LMGNX	12.00%	11.28%	10.80%	10.20%	9.00%	7.26%	5.46%	4.56%	3.66%	2.76%	1.86%
Templeton Developing Markets Trust	TDADX	8.00%	7.52%	7.20%	6.80%	6.00%	4.84%	3.64%	3.04%	2.44%	1.84%	1.24%
<b>Investment Grade Fixed Income Funds</b>												
Western Asset Core Bond Fund	WATFX	0.00%	2.13%	3.55%	5.33%	8.88%	12.25%	17.57%	20.24%	22.90%	23.79%	22.90%
Western Asset Short Term Bond Fund	SBSYX	0.00%	0.72%	1.20%	1.80%	3.00%	4.14%	5.94%	6.84%	7.74%	8.04%	7.74%
Franklin U.S. Core Bond ETF	FLCB	0.00%	1.80%	3.00%	4.50%	7.50%	10.35%	14.85%	17.10%	19.35%	20.10%	19.35%
Franklin Investment Grade Corporate ETF	FLCO	0.00%	0.45%	0.75%	1.12%	1.87%	2.58%	3.71%	4.27%	4.84%	5.02%	4.84%
Franklin International Aggregate Bond ETF	FLIA	0.00%	0.90%	1.50%	2.25%	3.75%	5.18%	7.43%	8.55%	9.67%	10.05%	9.67%
<b>Cash Allocation Account</b>												
Cash Allocation Account	-	0.00%	0.00%	0.00%	0.00%	0.00%	5.00%	5.00%	5.00%	5.00%	10.00%	20.00%

Underlying Fund	Fund Ticker	Growth Portfolio	Growth and Income Portfolio	Balanced Portfolio	International Aggregate Bond ETF Portfolio	Clearbridge Capital Appreciation Portfolio	Small Cap Value Portfolio	Clearbridge Small Cap Growth Portfolio
<b>Domestic Equity Funds</b>								
Franklin Growth Fund	FCGAX	20.40%	16.32%	12.24%	0.00%	0.00%	0.00%	0.00%
Putnam Large Cap Value	PEIYX	11.90%	9.52%	7.14%	0.00%	0.00%	0.00%	0.00%
ClearBridge Appreciation Fund	SAPYX	20.40%	16.32%	12.24%	0.00%	100.00%	0.00%	0.00%
ClearBridge Small Cap Growth Fund	SBPYX	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Franklin US Large Cap Multifactor Index ETF	FLQL	15.30%	12.24%	9.18%	0.00%	0.00%	0.00%	0.00%
Franklin Small Cap Value Fund	FVADX	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
<b>International Equity Funds</b>								
Templeton Foreign Fund	TFFAX	12.00%	9.60%	7.20%	0.00%	0.00%	0.00%	0.00%
ClearBridge International Growth Fund	LMGNX	12.00%	9.60%	7.20%	0.00%	0.00%	0.00%	0.00%
Templeton Developing Markets Trust	TDADX	8.00%	6.40%	4.80%	0.00%	0.00%	0.00%	0.00%
<b>Investment Grade Fixed Income Funds</b>								
Western Asset Core Bond Fund	WATFX	0.00%	7.10%	14.20%	0.00%	0.00%	0.00%	0.00%
Western Asset Short Term Bond Fund	SBSYX	0.00%	2.40%	4.80%	0.00%	0.00%	0.00%	0.00%
Franklin U.S. Core Bond ETF	FLCB	0.00%	6.00%	12.00%	0.00%	0.00%	0.00%	0.00%
Franklin Investment Grade Corporate ETF	FLCO	0.00%	1.50%	3.00%	0.00%	0.00%	0.00%	0.00%
Franklin International Aggregate Bond ETF	FLIA	0.00%	3.00%	6.00%	100.00%	0.00%	0.00%	0.00%
<b>Cash Allocation Account</b>								
Cash Allocation Account	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Historical Investment Performance** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of each Franklin Templeton Portfolio as of June 30, 2023, with and without sales charges. The \$50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com).

You may also contact your Financial Intermediary. Each Franklin Templeton Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. **The performance data relating to the Franklin Templeton Portfolios set forth below is for the limited time period presented, is subject to the footnotes thereto and is not indicative of the future performance of the Franklin Templeton Portfolios.**

A UNIT CLASS												
			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge**				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
Franklin Templeton 2041 Enrollment Portfolio - A	2023-10-31	0.97%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2038 Enrollment Portfolio - A	2023-10-31	0.95%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2036 Enrollment Portfolio - A	2004-09-20	0.94%	15.17%	3.35%	9.32%	7.66%	8.01%	14.92%	3.35%	9.32%	7.66%	8.01%
Franklin Templeton 2034 Enrollment Portfolio - A	2019-10-28	0.93%	14.46%	2.82%	N/A	N/A	8.50%	14.21%	2.82%	N/A	N/A	8.50%
Franklin Templeton 2032 Enrollment Portfolio - A	2004-09-20	0.91%	13.19%	2.12%	7.31%	6.15%	6.90%	12.94%	2.12%	7.31%	6.15%	6.90%
Franklin Templeton 2030 Enrollment Portfolio - A	2017-10-30	0.87%	11.59%	1.58%	6.31%	N/A	5.78%	11.34%	1.58%	6.31%	N/A	5.78%
Franklin Templeton 2028 Enrollment Portfolio - A	2004-09-20	0.81%	9.34%	0.99%	5.22%	4.59%	5.65%	9.09%	0.99%	5.22%	4.59%	5.65%
Franklin Templeton 2027 Enrollment Portfolio - A	2019-10-28	0.79%	8.12%	0.69%	N/A	N/A	4.44%	7.87%	0.69%	N/A	N/A	4.44%
Franklin Templeton 2026 Enrollment Portfolio - A	2017-10-30	0.76%	6.98%	0.05%	3.24%	N/A	3.30%	6.73%	0.05%	3.24%	N/A	3.30%
Franklin Templeton 2025 Enrollment Portfolio - A	2004-09-20	0.74%	5.84%	-0.52%	2.11%	2.46%	4.01%	5.59%	-0.52%	2.11%	2.46%	4.01%
Franklin Templeton Enrolled Portfolio - A	2004-09-20	0.65%	4.11%	-2.21%	-0.84%	0.39%	2.31%	3.86%	-2.21%	-0.84%	0.39%	2.31%
Franklin Templeton Growth Portfolio - A	2004-09-20	0.97%	16.53%	3.79%	9.59%	7.79%	8.08%	16.28%	3.79%	9.59%	7.79%	8.08%
Franklin Templeton Growth and Income Portfolio - A	2004-09-20	0.91%	13.32%	2.16%	7.34%	6.16%	6.90%	13.07%	2.16%	7.34%	6.16%	6.90%
Franklin Templeton Balanced Portfolio - A	2004-09-21	0.85%	10.82%	1.43%	5.50%	4.72%	5.72%	10.57%	1.43%	5.50%	4.72%	5.72%
Franklin Templeton International Aggregate Bond ETF Portfolio - A	2009-11-16	0.59%	-3.71%	-4.56%	-4.57%	-1.76%	0.76%	-3.95%	-4.56%	-4.57%	-1.76%	0.76%
Franklin Templeton Clearbridge Capital Appreciation Portfolio - A	2007-10-01	0.99%	20.26%	6.08%	7.50%	5.82%	5.11%	20.01%	6.08%	7.50%	5.82%	5.11%
Franklin Templeton Small Cap Value Portfolio - A	2007-10-01	1.09%	8.56%	2.19%	8.80%	6.51%	6.90%	8.31%	2.19%	8.80%	6.51%	6.90%
Franklin Templeton Clearbridge Small Cap Growth Portfolio - A	2007-10-08	1.25%	7.38%	-6.54%	7.81%	8.34%	7.29%	7.13%	-6.54%	7.81%	8.34%	7.29%

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Sales Charge Reflects a CDSC of 0.25% in first year after purchase.

\*\*\*Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

## C UNIT CLASS

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge**				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
Franklin Templeton 2041 Enrollment Portfolio - C	2023-10-31	1.72%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2038 Enrollment Portfolio - C	2023-10-31	1.70%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2036 Enrollment Portfolio - C	2004-09-22	1.69%	14.31%	2.58%	8.66%	7.33%	7.87%	13.31%	2.58%	8.66%	7.33%	7.87%
Franklin Templeton 2034 Enrollment Portfolio - C	2019-10-28	1.68%	13.67%	2.06%	N/A	N/A	7.80%	12.67%	2.06%	N/A	N/A	7.80%
Franklin Templeton 2032 Enrollment Portfolio - C	2004-09-24	1.66%	12.34%	1.35%	6.67%	5.84%	6.76%	11.34%	1.35%	6.67%	5.84%	6.76%
Franklin Templeton 2030 Enrollment Portfolio - C	2017-10-30	1.62%	10.74%	0.81%	5.65%	N/A	5.30%	9.74%	0.81%	5.65%	N/A	5.30%
Franklin Templeton 2028 Enrollment Portfolio - C	2004-09-22	1.56%	8.49%	0.22%	4.60%	4.26%	5.49%	7.49%	0.22%	4.60%	4.26%	5.49%
Franklin Templeton 2027 Enrollment Portfolio - C	2019-10-28	1.54%	7.35%	-0.06%	N/A	N/A	3.78%	6.35%	-0.06%	N/A	N/A	3.78%
Franklin Templeton 2026 Enrollment Portfolio - C	2017-10-30	1.51%	6.11%	-0.70%	2.62%	N/A	2.84%	5.11%	-0.70%	2.62%	N/A	2.84%
Franklin Templeton 2025 Enrollment Portfolio - C	2004-10-20	1.49%	5.07%	-1.27%	1.50%	2.16%	3.84%	4.07%	-1.27%	1.50%	2.16%	3.84%
Franklin Templeton Enrolled Portfolio - C	2004-10-26	1.40%	3.31%	-2.94%	-1.44%	0.09%	2.13%	2.31%	-2.94%	-1.44%	0.09%	2.13%
Franklin Templeton Growth Portfolio - C	2004-09-23	1.72%	15.69%	3.01%	8.93%	7.47%	7.94%	14.69%	3.01%	8.93%	7.47%	7.94%
Franklin Templeton Growth and Income Portfolio - C	2004-09-22	1.66%	12.48%	1.39%	6.69%	5.85%	6.76%	11.48%	1.39%	6.69%	5.85%	6.76%
Franklin Templeton Balanced Portfolio - C	2004-09-24	1.60%	10.00%	0.66%	4.87%	4.41%	5.57%	9.00%	0.66%	4.87%	4.41%	5.57%
Franklin Templeton International Aggregate Bond ETF Portfolio - C	2009-11-20	1.34%	-4.46%	-5.28%	-5.15%	-2.05%	0.60%	-5.41%	-5.28%	-5.15%	-2.05%	0.60%
Franklin Templeton Clearbridge Capital Appreciation Portfolio - C	2007-10-01	1.74%	19.40%	5.29%	6.86%	5.50%	4.92%	18.40%	5.29%	6.86%	5.50%	4.92%
Franklin Templeton Small Cap Value Portfolio - C	2007-10-01	1.84%	7.75%	1.42%	8.15%	6.20%	6.70%	6.75%	1.42%	8.15%	6.20%	6.70%
Franklin Templeton Clearbridge Small Cap Growth Portfolio - C	2007-10-11	2.00%	6.57%	-7.23%	7.17%	8.01%	7.08%	5.57%	-7.23%	7.17%	8.01%	7.08%

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Sales Charge Reflects a CDSC of 1.00% in first year after purchase.

\*\*\*Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

# I UNIT CLASS

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge**				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
Franklin Templeton 2041 Enrollment Portfolio - I	2023-10-31	0.72%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2038 Enrollment Portfolio - I	2023-10-31	0.70%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2036 Enrollment Portfolio - I	2022-10-17	0.69%	15.42%	N/A	N/A	N/A	23.40%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2034 Enrollment Portfolio - I	2022-10-17	0.68%	14.62%	N/A	N/A	N/A	22.43%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2032 Enrollment Portfolio - I	2022-10-17	0.66%	12.95%	N/A	N/A	N/A	20.27%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2030 Enrollment Portfolio - I	2022-10-17	0.62%	11.03%	N/A	N/A	N/A	15.56%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2028 Enrollment Portfolio - I	2022-10-17	0.56%	8.44%	N/A	N/A	N/A	13.80%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2027 Enrollment Portfolio - I	2022-10-17	0.54%	6.33%	N/A	N/A	N/A	11.80%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2026 Enrollment Portfolio - I	2022-10-17	0.51%	5.27%	N/A	N/A	N/A	10.16%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton 2025 Enrollment Portfolio - I	2022-10-17	0.49%	4.41%	N/A	N/A	N/A	9.06%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton Enrolled Portfolio - I	2022-10-17	0.40%	2.36%	N/A	N/A	N/A	4.85%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton Growth Portfolio - I	2022-10-17	0.72%	16.69%	N/A	N/A	N/A	24.26%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton Growth and Income Portfolio - I	2022-10-17	0.66%	13.07%	N/A	N/A	N/A	19.71%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton Balanced Portfolio - I	2022-10-17	0.60%	10.24%	N/A	N/A	N/A	15.08%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton International Aggregate Bond ETF Portfolio - I	2022-10-17	0.34%	-3.49%	N/A	N/A	N/A	2.91%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton Clearbridge Capital Appreciation Portfolio - I	2022-10-17	0.74%	20.75%	N/A	N/A	N/A	21.41%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton Small Cap Value Portfolio - I	2022-10-17	0.84%	9.76%	N/A	N/A	N/A	13.32%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton Clearbridge Small Cap Growth Portfolio - I	2022-10-17	1.00%	7.72%	N/A	N/A	N/A	17.31%	N/A	N/A	N/A	N/A	N/A

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* The I Unit Class does not incur a sales charge. Returns are the same as those in columns Without sales charges.

\*\*\*Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.



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**Summary of Investment Objectives and Policies of the Underlying Funds for the Franklin Templeton Portfolios** – The following descriptions summarize the investment goals and policies of the Underlying Funds in which the Franklin Templeton Portfolios are currently invested. The “**Cash Allocation Account**” is described in the Glossary. The descriptions also identify certain principal risks to which particular Underlying Funds may be subject. Additional discussion of risks related to the various categories of Underlying Funds is set forth under “**Program and Portfolio Risks and Other Considerations**.” The investment strategy of each Underlying Fund is subject to change.

**These summaries are qualified in their entirety by reference to the detailed information included in each Underlying Fund’s current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of any Underlying Fund’s current prospectus or statement of additional information, or the Underlying Fund’s most recent semi-annual or annual report by calling Franklin Templeton Investments at 1-800/DIAL BEN® (1-800-342-5236) or by locating it on Franklin Templeton’s website at [www.franklintempleton.com](http://www.franklintempleton.com).**

## DOMESTIC EQUITY FUNDS

### Franklin Growth Fund

**Investment Objective, Strategy and Policies** – The Fund’s investment goal is capital appreciation. Under normal market conditions, the Fund invests substantially in the equity securities of companies that are leaders in their industries. In selecting securities, the investment manager considers many factors, including historical and potential growth in revenues and earnings, assessment of strength and quality of management, and determination of a company’s strategic positioning in its industry. Although the Fund normally invests substantially in the equity securities (principally common stocks) of U.S.-based large and medium market capitalization companies, it may invest in companies in new and emerging industries where growth is expected to be above average and may invest up to 25% of its assets in smaller companies. The Fund’s investment manager is a research driven, fundamental investor, generally pursuing a “buy-and-hold” growth strategy. As a “bottom-up” investor focusing primarily on individual securities, the investment manager chooses companies that it believes are positioned for growth in revenues, earnings or assets. Such advantages as a particular marketing niche, proven technology, sound financial records, strong management, and industry leadership are all factors the investment manager believes point to strong growth potential. Although the investment manager searches for investments across a large number of sectors, from time to time, based on economic conditions, the Fund may have significant positions in particular sectors including technology, health care and industrials.

**Principal Risks of Investing** – You could lose money by investing in the Fund. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers is not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investments from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Growth stocks may be more expensive relative to their current earnings or assets compared to value or other stocks, and if earnings growth expectations moderate, their valuations may return to more typical norms, causing their stock prices to fall. Prices of these companies’ securities may be more volatile than other securities, particularly over the short term. In addition, investment styles can go in and out of favor, which could cause additional volatility in the prices of the Fund’s portfolio holdings.

Securities issued by small and mid-capitalization companies may be more volatile in price than those of larger companies and may involve substantial risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and

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mid-capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third-party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents. Because technology is frequently changing, new ways to carry out cyber-attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber-attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents. Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

## **Putnam Large Cap Value**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is capital growth and current income. We invest mainly in common stocks of U.S. companies, with a focus on value stocks that offer the potential for capital growth, current income, or both. Under normal circumstances, we invest at least 80% of the fund's net assets in large-cap companies, which, for purposes of this policy, are of a size similar to those in the Russell 1000 Value Index. This policy may be changed only after 60 days' notice to shareholders. As of January 31, 2024, the index was composed of companies having market capitalizations of between approximately \$362.3 million to \$832.6 billion. We may also invest in midsize companies. Value stocks are issued by companies that we believe are currently undervalued by the market. If we are correct and other investors ultimately recognize the value of the company, the price of its stock may rise. We may consider, among other factors, a company's valuation, financial strength, growth potential, competitive position in its industry, projected future earnings, cash flows and dividends when deciding whether to buy or sell investments.

**Principal Risks of Investing:** It is important to understand that you can lose money by investing in the fund. The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political or financial market conditions, investor sentiment and market perceptions, government actions, geopolitical events or changes, outbreaks of infectious illnesses or other widespread public health issues, and factors related to a specific issuer, geography, industry or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings, may negatively impact the fund's performance, and may exacerbate other risks to which the fund is subject. Companies whose stocks we believe are undervalued by the market may have experienced adverse business developments or may be subject to special risks that have caused their stocks to be out of favor. Value stocks may fail to rebound, and the market may not favor value-style investing. Income provided by the fund may be reduced by changes in the dividend policies of, and the capital resources available at, the companies in which the fund invests.

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There is no guarantee that the investment techniques, analyses, or judgments that we apply in making investment decisions for the fund will produce the intended outcome or that the investments we select for the fund will perform as well as other securities that were not selected for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could negatively impact the fund. The fund may not achieve its goal, and it is not intended to be a complete investment program. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

### **ClearBridge Appreciation Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is long-term appreciation of shareholders' capital. The fund invests primarily in equity securities of U.S. companies. The fund typically invests in medium and large capitalization companies but may also invest in small capitalization companies. The fund may invest up to 20% of its net assets in the equity securities of foreign issuers.

**Principal Risks of Investing** – Risk is inherent in all investing. The value of your investment in the fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment in the fund or your investment may not perform as well as other similar investments. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency.

The stock markets are volatile and the market prices of equity securities held by the fund may decline generally. Equity securities may have greater price volatility than other asset classes, such as fixed income securities. The market price of a security may fluctuate based on overall market conditions, such as real or perceived adverse economic or political conditions or trends, tariffs and trade disruptions, inflation, substantial economic downturn or recession, changes in interest rates, or adverse investor sentiment. Changes in market conditions will not typically have the same impact on all types of securities. If the market prices of the equity securities owned by the fund fall, the value of your investment in the fund will decline.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to factors such as economic events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes, labor strikes or other factors, political developments, armed conflicts, economic sanctions and countermeasures in response to sanctions, major cybersecurity events, the global and domestic effects of widespread or local health, weather or climate events, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, wars, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries or markets directly affected, the value and liquidity of the fund's investments may be negatively affected. Following Russia's invasion of Ukraine in 2022, Russian stocks lost all, or nearly all, of their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the fund's investments.

Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance. The United States and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the United States has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the United States and its trading partners, as well as companies directly or indirectly affected and financial markets generally. The United States government has prohibited U.S. persons from investing in Chinese companies designated as related to the Chinese military. These and possible future restrictions could limit the fund's opportunities for investment and require the sale of securities at a loss or make them illiquid. Moreover, the Chinese government is involved in a longstanding dispute with Taiwan that has included threats of invasion. If the political climate between the United States and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of the fund's assets may go down.

The market price of a security held by the fund can go up or down more than the market as a whole and can perform differently from the value of the market as a whole due to factors specifically relating to the security's issuer, such as disappointing earnings reports

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by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer or the securities markets as a whole, and conversely an industry or sector or the securities markets may be affected by a change in financial condition or other event affecting a single issuer. The fund may experience a substantial or complete loss on an individual security.

The fund may be susceptible to an increased risk of loss, including losses due to events that adversely affect the fund's investments more than the market as a whole, to the extent that the fund may, from time to time, have greater exposure to the securities of a particular issuer or issuers within the same industry or sector.

Large capitalization companies may fall out of favor with investors based on market and economic conditions. In addition, larger companies may not be able to attain the high growth rates of successful smaller companies and may be less capable of responding quickly to competitive challenges and industry changes. As a result, the fund's value may not rise as much as, or may fall more than, the value of funds that focus on companies with smaller market capitalizations.

The fund will be exposed to additional risks as a result of its investments in the securities of small and mid-capitalization companies. Small and mid-capitalization companies may fall out of favor with investors; may have limited product lines, operating histories, markets or financial resources; or may be dependent upon a limited management group. The prices of securities of small and mid-capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession. Securities of small and mid-capitalization companies may underperform large capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may have greater potential for losses.

Some assets held by the fund may be or become impossible or difficult to sell, particularly during times of market turmoil. These illiquid assets may also be difficult to value. Markets may become illiquid quickly. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers have been less willing to make markets in recent years. If the fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, or to try to limit losses, the fund may be forced to sell at a substantial loss or may not be able to sell at all.

The fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly U.S. exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards and auditing and financial recordkeeping requirements, lack of information, political, economic, financial or social instability, terrorism, armed conflicts and other geopolitical events, and the impact of tariffs and other restrictions on trade or economic sanctions. Geopolitical or other events such as nationalization or expropriation could even cause the loss of the fund's entire investment in one or more countries. In addition, there may be significant obstacles to obtaining information necessary for investigations into or litigation against issuers located in or operating in certain foreign markets, particularly emerging market countries, and shareholders may have limited legal remedies. The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic and political conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The fund may be unable or may choose not to hedge its foreign currency exposure. Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer). The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic or a natural disaster. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

The sales price the fund could receive for any particular portfolio investment may differ from the fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may

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increase significantly and affect fund investments more broadly during periods of market volatility. Investors who purchase or redeem fund shares on days when the fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the fund had not fair-valued securities or had used a different valuation methodology. The fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the fund's investments involves subjective judgment, which may prove to be incorrect.

Growth or value securities as a group may be out of favor and underperform the overall equity market while the market favors other types of securities. Growth securities typically are very sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth securities typically fall. Growth securities may also be more volatile than other investments because they often do not pay dividends. The values of growth securities tend to go down when interest rates rise because the rise in interest rates reduces the current value of future cash flows. The value approach to investing involves the risk that stocks may remain undervalued, undervaluation may become more severe, or perceived undervaluation may actually represent intrinsic value. A value stock may not increase in price as anticipated by the subadviser if other investors fail to recognize the company's value and bid up the price or the factors that the subadviser believes will increase the price of the security do not occur or do not have the anticipated effect.

The value of your investment may decrease if the adviser's judgment about the attractiveness or value of, or market trends affecting, a particular security, industry, sector or region, or about market movements, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadviser. In addition, the fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadviser and could have an adverse effect on the value or performance of the fund.

Like other funds and business enterprises, the fund, the manager, any subadvisers and their service providers are subject to the risk of cyber incidents occurring from time to time. Cybersecurity incidents, whether intentionally caused by third parties or otherwise, may allow an unauthorized party to gain access to fund assets, fund or customer data (including private shareholder information) or proprietary information, cause the fund, the manager, the subadvisers and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality, or prevent fund investors from purchasing, redeeming or exchanging shares, receiving distributions or receiving timely information regarding the fund or their investment in the fund. The fund, the manager, and the subadvisers have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the fund, the manager, and/or the subadvisers. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent or mitigate any future cybersecurity incidents. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents. New ways to carry out cyber attacks continue to develop. There is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the fund's ability to plan for or respond to a cyber attack.

## **Franklin US Large Cap Multifactor Index ETF**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is to seek to provide investment results that closely correspond, before fees and expenses, to the performance of the LibertyQ U.S. Large Cap Equity Index (the U.S. Large Cap Underlying Index). Under normal market conditions, the Fund invests at least 80% of its assets in the component securities of the U.S. Large Cap Underlying Index. The U.S. Large Cap Underlying Index is a systematic, rules-based proprietary index maintained and calculated by FTSE Russell. The U.S. Large Cap Underlying Index is based on the Russell 1000® Index using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. The Russell 1000® Index is a subset of the Russell 3000® Index and is designed to measure the performance of large capitalization stocks in the United States. As of May 31, 2024, the Russell 1000® Index represented approximately 105% of the total market capitalization of the Russell 3000® Index. It includes approximately 1,000 of the largest issuers based on a combination of their market cap and current index membership. As of May 31, 2024, the U.S. Large Cap Underlying Index was comprised of 215 securities with capitalizations ranging from \$351 million to \$3.09 trillion.

The U.S. Large Cap Underlying Index seeks to achieve a lower level of risk and higher risk-adjusted performance than the Russell 1000® Index over the long term by applying a multi-factor selection process, which is designed to select equity securities from the Russell 1000® Index that have favorable exposure to three investment style factors- quality, value and momentum.

The Fund, using a "passive" or indexing investment approach, seeks investment results that closely correspond, before fees and expenses, to the performance of the U.S. Large Cap Underlying Index. The Fund may use either a replication strategy or representative

sampling strategy. Under a replication strategy, the Fund will replicate the component securities of the U.S. Large Cap Underlying Index as closely as possible (i.e., invest in all of the component securities in their respective weightings in the U.S. Large Cap Underlying Index). However, under various circumstances, it may not be possible or practicable to replicate the U.S. Large Cap Underlying Index. In these circumstances, the Fund may use a “representative sampling” strategy whereby the Fund would invest in what it believes to be a representative sample of the component securities of the U.S. Large Cap Underlying Index, but may not track the U.S. Large Cap Underlying Index with the same degree of accuracy as would an investment vehicle replicating the entire U.S. Large Cap Underlying Index. Under the representative sampling technique, the investment manager will select securities that collectively have an investment profile similar to that of the U.S. Large Cap Underlying Index, including securities that resemble those included in U.S. Large Cap Underlying Index in terms of risk factors, performance attributes and other characteristics, such as market capitalization and industry weightings. The Fund’s portfolio is reconstituted quarterly following the quarterly reconstitution of the U.S. Large Cap Underlying Index.

The Fund may invest in equity futures (including equity index futures) and equity total return swaps to provide additional opportunities to add value and better track the performance of the U.S. Large Cap Underlying Index, such as to equitize cash and accrued income (i.e., gain equity market exposure and maintain liquidity until the Fund invests in individual securities), simulate investments in the Underlying Index, facilitate trading or minimize transaction costs. The Fund will concentrate its investments (i.e., hold 25% or more of its net assets) in a particular industry or group of industries to approximately the same extent that the U.S. Large Cap Underlying Index is concentrated. As of May 31, 2024, the U.S. Large Cap Underlying Index was concentrated in the information technology sector.

**Principal Risks of Investing** – You could lose money by investing in the Fund. Exchange-traded fund (ETF) shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government. The Fund is subject to principal risks, any of which may adversely affect the Fund’s net asset value (NAV), trading price, yield, total return, and ability to meet its investment goal.

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

There can be no assurance that the multi-factor stock selection process of the U.S. Large Cap Underlying Index will enhance performance. Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods.

Large capitalization companies may fall out of favor with investors based on market and economic conditions. Large capitalization companies may underperform relative to small and mid capitalization companies because they may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes, and may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

The U.S. Large Cap Underlying Index relies on various sources of information to assess the criteria of issuers included in the U.S. Large Cap Underlying Index (or the FTSE Russell index on which it is based), including information that may be based on assumptions and estimates. Neither the Fund nor the investment manager can offer assurances that the U.S. Large Cap Underlying Index’s calculation methodology or sources of information will provide an accurate assessment of included issuers or that the included issuers will provide the Fund with the market exposure it seeks.

There is no assurance that the U.S. Large Cap Underlying Index will be determined, composed or calculated accurately. While FTSE Russell provides descriptions of what the U.S. Large Cap Underlying Index is designed to achieve, FTSE Russell does not guarantee the quality, accuracy or completeness of data in respect of its indices, and does not guarantee that the U.S. Large Cap Underlying Index will be in line with the described index methodology. Errors in index data, index computations or the construction of the U.S. Large Cap Underlying Index in accordance with its methodology (including as a result of outdated, unreliable or unavailable market information) may occur 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. Gains, losses or costs to the Fund caused by errors in the U.S. Large Cap Underlying Index may therefore be borne by the Fund and its shareholders.

There is no guarantee that the Fund will achieve a high degree of correlation to the U.S. Large Cap Underlying Index and therefore achieve its investment goal. Market disruptions and regulatory restrictions could have an adverse effect on the Fund’s ability to adjust its exposure to the required levels in order to track the U.S. Large Cap Underlying Index. In addition, the Fund’s NAV may deviate from the U.S. Large Cap Underlying Index if the Fund fair values a portfolio security at a price other than the price used by the U.S. Large

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Cap Underlying Index for that security. To the extent that the investment manager uses a representative sampling strategy, the Fund may not track the return of the U.S. Large Cap Underlying Index as well as it would have if the Fund held all of the securities in the U.S. Large Cap Underlying Index.

Tracking error is the divergence of the Fund's performance from that of the U.S. Large Cap Underlying Index. Tracking error may occur because of differences between the securities held in the Fund's portfolio and those included in the U.S. Large Cap Underlying Index, pricing differences, transaction costs, the Fund's holding of cash, differences in timing of the accrual of dividends or interest, tax gains or losses, changes to the U.S. Large Cap Underlying Index or the need to meet various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because the Fund incurs fees and expenses, while the U.S. Large Cap Underlying Index does not.

The Fund faces numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. Any of these factors, among others, may lead to the Fund's shares trading at a premium or discount to NAV. Thus, you may pay more (or less) than NAV when you buy shares of the Fund in the secondary market, and you may receive less (or more) than NAV when you sell those shares in the secondary market. The investment manager cannot predict whether shares will trade above (premium), below (discount) or at NAV.

To the extent the Fund concentrates in a specific industry, a group of industries, sector or type of investment, the Fund will carry much greater risks of adverse developments and price movements in such industries, sectors or investments than a fund that invests in a wider variety of industries, sectors or investments. There is also the risk that the Fund will perform poorly during a slump in demand for securities of companies in such industries or sectors.

**Mid Capitalization Companies:** Securities issued by mid capitalization companies may be more volatile in price than those of larger companies and may involve substantial risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans. The markets for securities issued by mid capitalization companies also tend to be less liquid than the markets for securities issued by larger companies.

The performance of derivative instruments depends largely on the performance of an underlying security, interest rate or index, and such derivatives often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits and may experience increased tracking error. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not realize the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivatives at all. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the security, interest rate, index or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that a derivative, which usually would operate as a hedge, provides no hedging benefits at all.

Unlike many investment companies, the Fund is not actively managed and the investment manager does not attempt to take defensive positions under any market conditions, including declining markets. Therefore, the investment manager would not necessarily buy or sell a security unless that security is added or removed, respectively, from the U.S. Large Cap Underlying Index, even if that security generally is underperforming.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, authorized participants, or index providers (as applicable) and listing exchanges, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent



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or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and value of these securities could decline if the issuers experience cybersecurity incidents. Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

### **ClearBridge Small Cap Growth Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its assets in equity securities of companies with small market capitalizations and related investments. For the purposes of this 80% policy, small capitalization companies are companies with market capitalization values not exceeding (i) \$3 billion or (ii) the highest month-end market capitalization value of any stock in the Russell 2000 Index for the previous 12 months, whichever is greater. Securities of companies whose market capitalizations no longer meet this definition after purchase by the fund are still considered to be securities of small capitalization companies for purposes of the fund's 80% investment policy. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The portfolio managers use a growth-oriented investment style that emphasizes small U.S. companies.

**Principal Risks of Investing** – Risk is inherent in all investing. The value of your investment in the fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment in the fund or your investment may not perform as well as other similar investments. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the fund. The relative significance of the risks of investing in the fund may change over time.

The stock markets are volatile and the market prices of equity securities held by the fund may decline generally. Equity securities may have greater price volatility than other asset classes, such as fixed income securities. The market price of a security may fluctuate based on overall market conditions, such as real or perceived adverse economic or political conditions or trends, tariffs and trade disruptions, inflation, substantial economic downturn or recession, changes in interest rates, or adverse investor sentiment. Changes in market conditions will not typically have the same impact on all types of securities. If the market prices of the equity securities owned by the fund fall, the value of your investment in the fund will decline.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to factors such as economic events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes, labor strikes or other factors, political developments, armed conflicts, economic sanctions and countermeasures in response to sanctions, major cybersecurity events, the global and domestic effects of widespread or local health, weather or climate events, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, wars, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries or markets directly affected, the value and liquidity of the fund's investments may be negatively affected. Following Russia's invasion of Ukraine in 2022, Russian stocks lost all, or nearly all, of their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the fund's investments. Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance. The United States and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the United States has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the United States and its trading partners, as well as companies directly or indirectly affected and financial markets generally. The United States government has prohibited U.S. persons from investing in Chinese companies

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designated as related to the Chinese military. These and possible future restrictions could limit the fund's opportunities for investment and require the sale of securities at a loss or make them illiquid. Moreover, the Chinese government is involved in a longstanding dispute with Taiwan that has included threats of invasion. If the political climate between the United States and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of the fund's assets may go down.

The fund will be exposed to additional risks as a result of its investments in the securities of small capitalization companies. Small capitalization companies may fall out of favor with investors; may have limited product lines, operating histories, markets or financial resources; or may be dependent upon a limited management group. The prices of securities of small capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession. Securities of small capitalization companies may underperform large capitalization companies, may be harder to sell at times or at prices the portfolio managers believe appropriate and may have greater potential for losses.

The fund's growth-oriented investment style may increase the risks of investing in the fund. Growth securities typically are very sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth securities typically fall. Growth securities may also be more volatile than other investments because they often do not pay dividends. The values of growth securities tend to go down when interest rates rise because the rise in interest rates reduces the current value of future cash flows. Growth stocks as a group may be out of favor and underperform the overall equity market while the market favors value stocks.

The market price of a security held by the fund can go up or down more than the market as a whole and can perform differently from the value of the market as a whole due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer or the securities markets as a whole, and conversely an industry or sector or the securities markets may be affected by a change in financial condition or other event affecting a single issuer. Historically, the prices of securities of small and medium capitalization companies have generally been more volatile than those of large capitalization companies. The fund may experience a substantial or complete loss on an individual security.

Some assets held by the fund may be or become impossible or difficult to sell, particularly during times of market turmoil. These illiquid assets may also be difficult to value. Markets may become illiquid quickly. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers have been less willing to make markets in recent years. If the fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, or to try to limit losses, the fund may be forced to sell at a substantial loss or may not be able to sell at all.

The fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly U.S. exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards and auditing and financial recordkeeping requirements, lack of information, political, economic, financial or social instability, terrorism, armed conflicts and other geopolitical events, and the impact of tariffs and other restrictions on trade or economic sanctions. Geopolitical or other events such as nationalization or expropriation could even cause the loss of the fund's entire investment in one or more countries. In addition, there may be significant obstacles to obtaining information necessary for investigations into or litigation against issuers located in or operating in certain foreign markets, particularly emerging market countries, and shareholders may have limited legal remedies. The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic and political conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The fund may be unable or may choose not to hedge its foreign currency exposure. Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or

even longer). The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic or a natural disaster. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

The value of your investment may decrease if the subadviser's judgment about the attractiveness or value of, or market trends affecting, a particular security, industry, sector or region, or about market movements, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadviser. In addition, the fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadviser and could have an adverse effect on the value or performance of the fund.

The sales price the fund could receive for any particular portfolio investment may differ from the fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect fund investments more broadly during periods of market volatility. Investors who purchase or redeem fund shares on days when the fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the fund had not fair-valued securities or had used a different valuation methodology. The fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the fund's investments involves subjective judgment, which may prove to be incorrect.

The fund may be susceptible to an increased risk of loss, including losses due to events that adversely affect the fund's investments more than the market as a whole, to the extent that the fund may, from time to time, have greater exposure to the securities of a particular issuer or issuers within the same industry or sector.

Cybersecurity incidents, whether intentionally caused by third parties or otherwise, may allow an unauthorized party to gain access to fund assets, fund or customer data (including private shareholder information) or proprietary information, cause the fund, the manager, the subadvisers and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality, or prevent fund investors from purchasing, redeeming or exchanging shares, receiving distributions or receiving timely information regarding the fund or their investment in the fund. The fund, the manager, and the subadvisers have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the fund, the manager, and/or the subadvisers. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent or mitigate any future cybersecurity incidents. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents. New ways to carry out cyber-attacks continue to develop. There is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the fund's ability to plan for or respond to a cyber-attack. These and other risks are discussed in more detail in the Prospectus or in the Statement of Additional Information.

## **Franklin Small Cap Value Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is long-term total return. Under normal market conditions, the Fund invests at least 80% of its net assets in investments of small-capitalization (small-cap) companies. Small-cap companies are companies with market capitalizations (the total market value of a company's outstanding stock) not exceeding either: 1) the highest market capitalization in the Russell 2000 Index; or 2) the 12-month average of the highest market capitalization in the Russell 2000 Index, whichever is greater, at the time of purchase. As of the most recent reconstitution, the highest market capitalization in the Russell 2000 Index was \$6 billion.

The Fund generally invests in equity securities of companies that the Fund's investment manager believes are undervalued at the time of purchase and have the potential for capital appreciation. The Fund invests predominantly in common stocks. A stock price is undervalued when it trades at less than the price at which the investment manager believes it would trade if the market reflected all factors relating to the company's worth. Following this strategy, the Fund invests in companies that the investment manager believes have, for example: stock prices that are low relative to current, or historical or future earnings, book value, cash flow or sales; recent sharp price declines but the potential for good long-term earnings prospects; and valuable intangibles not reflected in the stock price. The Fund also may invest in real estate investment trusts (REITs).

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The types of companies the Fund may invest in include, among other things, those that may be considered out of favor due to actual or perceived cyclical or secular challenges, or are experiencing temporary setbacks, diminished expectations, mismanagement or undermanagement, or are financially stressed. Environmental, social and governance (ESG) related assessments of companies may also be considered. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated.

The Fund, from time to time, may have significant positions in particular sectors, such as financial services companies, industrials, consumer discretionary and technology.

The Fund may invest up to 25% of its total assets in foreign securities.

**Principal Risks of Investing** – You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Securities issued by small capitalization companies may be more volatile in price than those of larger companies and may involve substantial risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

Cyclical stocks, which typically follow the cycles of an economy through expansion, peak, recession, and recovery, tend to increase in value more quickly during periods of anticipated economic upturns than non-cyclical stocks, but they also tend to lose value more quickly in periods of anticipated economic downturns. These companies may have relatively weak balance sheets and, during economic downturns, they may have insufficient cash flow to pay their debt obligations and difficulty finding additional financing needed for their operations.

Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; diplomatic and political developments could affect the economies, industries, and securities and currency markets of the countries in which the Fund is invested, which can include rapid and adverse political changes; social instability; regional conflicts; sanctions imposed by the United States, other nations or other governmental entities, including supranational entities; terrorism; and war; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies – e.g., fluctuations may negatively affect investments denominated in foreign currencies and any income received or expenses paid by the Fund in that foreign currency.

A REIT's performance depends on the types, values and locations of the properties and companies it owns and how well those properties and companies are managed. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants' failure to pay rent or poor management. Because a REIT may be invested in a limited number of projects or in a particular market segment, it may be more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. Loss of status as a qualified REIT under the U.S. federal tax laws could adversely affect the value of a particular REIT or the market for REITs as a whole. These risks may also apply to securities of REIT-like entities domiciled outside the U.S.

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To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investments from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Financial services companies are subject to extensive government regulation that may affect their profitability in many ways, including by limiting the amount and types of loans and other commitments they can make, and the interest rates and fees they can charge. A financial services company's profitability, and therefore its stock prices, is especially sensitive to interest rate changes as well as the ability of borrowers to repay their loans. Changing regulations, continuing consolidations, and development of new products and structures all are likely to have a significant impact on financial services companies.

The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrials sector products in general. Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, these companies are at risk for environmental damage and product liability claims. Companies in this sector could be adversely affected by commodity price volatility, changes in exchange rates, imposition of export or import controls, increased competition, depletion of resources, technological developments and labor relations.

Companies in the consumer discretionary sector could be affected by, among other things, overall economic conditions, interest rates, consumer confidence, and disposable income.

Companies in the technology sector have historically been volatile due to the rapid pace of product change and development within the sector. For example, their products and services may not prove commercially successful or may become obsolete quickly. In addition, delays in or cancellation of the release of anticipated products or services may also affect the price of a technology company's stock. Technology companies are subject to significant competitive pressures, such as new market entrants, aggressive pricing and tight profit margins. The activities of these companies may also be adversely affected by changes in government regulations, worldwide technological developments or investor perception of a company and/or its products or services. The stock prices of companies operating within this sector may be subject to abrupt or erratic movements.

ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund's portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused companies. In addition, ESG considerations assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer may differ from that of investors, third-party service providers, such as ratings providers, and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data being reported by issuers and/or third-party research providers to evaluate ESG factors. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

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## INTERNATIONAL EQUITY FUNDS

### Clearbridge International Growth Fund

**Investment Objective, Strategy and Policies** – The Fund's investment goal is long-term growth of capital. The fund normally invests primarily in common stocks of foreign companies that, in the portfolio managers' opinion, appear to offer above average growth potential and trade at a significant discount to the portfolio managers' assessment of their intrinsic value. Intrinsic value, according to the portfolio managers, is the value of the company measured, to different extents depending on the type of company, on factors such as, but not limited to, the discounted value of its projected future free cash flows, the company's ability to earn returns on capital in excess of its cost of capital, private market values of similar companies and the costs to replicate the business. The fund may invest in common stocks of foreign companies of any size located throughout the world. The portfolio managers consider foreign companies to include those organized, headquartered or with substantial operations outside of the United States. However, the fund is not precluded from purchasing stocks of U.S. companies. These companies may be located, or have substantial operations, in emerging markets, provided that the fund will normally not invest more than 15% of its net assets, at the time of purchase, in securities of companies domiciled in emerging markets. The fund's policy is to remain substantially invested in common stocks or securities convertible into or exchangeable for common stock. Any income realized will be incidental to the fund's objective.

**Principal Risks of Investing** – Risk is inherent in all investing. The value of your investment in the fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment in the fund or your investment may not perform as well as other similar investments. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency.

The stock markets are volatile and the market prices of equity securities held by the fund may decline generally. Equity securities may include exchange-traded and over-the-counter common stocks, preferred stock, depositary receipts, trust certificates, limited partnership interests, warrants, rights, securities convertible into equity securities, and shares of other investment companies, including exchange-traded funds, and of real estate investment trusts. Equity securities may have greater price volatility than other asset classes, such as fixed income securities. The market price of a security may fluctuate based on overall market conditions, such as real or perceived adverse economic or political conditions or trends, tariffs and trade disruptions, inflation, substantial economic downturn or recession, changes in interest rates, or adverse investor sentiment. Changes in market conditions will not typically have the same impact on all types of securities. If the market prices of the equity securities owned by the fund fall, the value of your investment in the fund will decline. If the fund holds equity securities in a company that becomes insolvent, the fund's interests in the company will be subordinated to the interests of debtholders and general creditors of the company, and the fund may lose its entire investment.

The fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly U.S. exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards and auditing and financial recordkeeping requirements, lack of information, political, economic, financial or social instability, terrorism, armed conflicts and other geopolitical events, and the impact of tariffs and other restrictions on trade or economic sanctions. Geopolitical or other events such as nationalization or expropriation could even cause the loss of the fund's entire investment in one or more countries. In addition, there may be significant obstacles to obtaining information necessary for investigations into or litigation against issuers located in or operating in certain foreign markets, particularly emerging market countries, and shareholders may have limited legal remedies. The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic and political conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The fund may be unable or may choose not to hedge its foreign currency exposure. Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer). The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic or a natural disaster. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

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The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to factors such as economic events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes, labor strikes or other factors, political developments, armed conflicts, economic sanctions and countermeasures in response to sanctions, major cybersecurity events, the global and domestic effects of widespread or local health, weather or climate events, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, wars, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries or markets directly affected, the value and liquidity of the fund's investments may be negatively affected. Following Russia's invasion of Ukraine in 2022, Russian stocks lost all, or nearly all, of their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the fund's investments.

Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance. The United States and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the United States has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the United States and its trading partners, as well as companies directly or indirectly affected and financial markets generally. The United States government has prohibited U.S. persons from investing in Chinese companies designated as related to the Chinese military. These and possible future restrictions could limit the fund's opportunities for investment and require the sale of securities at a loss or make them illiquid. Moreover, the Chinese government is involved in a longstanding dispute with Taiwan that has included threats of invasion. If the political climate between the United States and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of the fund's assets may go down.

The market price of a security held by the fund can go up or down more than the market as a whole and can perform differently from the value of the market as a whole due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer or the securities markets as a whole, and conversely an industry or sector or the securities markets may be affected by a change in financial condition or other event affecting a single issuer. The fund may experience a substantial or complete loss on an individual security.

Large capitalization companies may fall out of favor with investors based on market and economic conditions. In addition, larger companies may not be able to attain the high growth rates of successful smaller companies and may be less capable of responding quickly to competitive challenges and industry changes. As a result, the fund's value may not rise as much as, or may fall more than, the value of funds that focus on companies with smaller market capitalizations.

The fund will be exposed to additional risks as a result of its investments in the securities of small and mid-capitalization companies. Small and mid-capitalization companies may fall out of favor with investors; may have limited product lines, operating histories, markets or financial resources; or may be dependent upon a limited management group. The prices of securities of small and mid-capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession. Securities of small and mid-capitalization companies may underperform large capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may have greater potential for losses.

The value of your investment may decrease if the manager's judgment about the attractiveness or value of, or market trends affecting, a particular security, industry, sector or region, or about market movements, is incorrect or does not produce the desired results, or



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if there are imperfections, errors or limitations in the models, tools and data used by the manager. In addition, the fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the manager and could have an adverse effect on the value or performance of the fund.

The fund's growth-oriented investment style may increase the risks of investing in the fund. Growth securities typically are very sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth securities typically fall. Growth securities may also be more volatile than other investments because they often do not pay dividends. The values of growth securities tend to go down when interest rates rise because the rise in interest rates reduces the current value of future cash flows. Growth stocks as a group may be out of favor and underperform the overall equity market while the market favors value stocks. Industry or sector focus risk. The fund may be susceptible to an increased risk of loss, including losses due to events that adversely affect the fund's investments more than the market as a whole, to the extent that the fund may, from time to time, have greater exposure to the securities of a particular issuer or issuers within the same industry or sector. Illiquidity risk. Some assets held by the fund may be or become impossible or difficult to sell and some assets that the fund wants to invest in may be impossible or difficult to purchase, particularly during times of market turmoil or due to adverse changes in the conditions of a particular issuer. These illiquid assets may also be volatile and difficult to value. Markets may become illiquid quickly. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers have been less willing to make markets in recent years. Federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the fund's ability to buy or sell such securities. During times of market turmoil, there have been, and may be, no buyers or sellers for securities in entire asset classes. If the fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, or to try to limit losses, the fund may be forced to sell at a substantial loss or may not be able to sell at all. The fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer).

Like other funds and business enterprises, the fund, the manager, the sub-administrator, the subadviser and their service providers are subject to the risk of cyber incidents occurring from time to time. Cybersecurity incidents, whether intentionally caused by third parties or otherwise, may allow an unauthorized party to gain access to fund assets, fund or customer data (including private shareholder information) or proprietary information, cause the fund, the manager, the sub-administrator, the subadviser and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality, or prevent fund investors from purchasing, redeeming or exchanging shares, receiving distributions or receiving timely information regarding the fund or their investment in the fund. The fund, the manager, the sub-administrator, and the subadviser have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the fund, the manager, the sub-administrator, and/or the subadviser. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent or mitigate any future cybersecurity incidents. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

## **Templeton Foreign Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in foreign securities. These securities are predominantly equity securities of companies located outside the U.S., including developing markets. The equity securities in which the Fund invests are predominantly common stock, and may include small and mid-capitalization companies. Although the investment manager will search for investments across a large number of regions, countries and sectors, from time to time, based on economic conditions, the Fund may have significant positions in particular countries, regions or sectors. The Fund may, from time to time, engage in currency-related derivatives, such as currency and cross-currency forwards and currency futures contracts, to seek to hedge (protect) against currency risks. The Fund may also use a variety of equity-related derivatives, which may include equity futures and equity index futures, for various purposes including enhancing Fund returns, increasing liquidity and gaining exposure to particular markets in more efficient or less expensive ways. When choosing equity investments for the Fund, the investment manager applies a "bottom-up," value-oriented, long-term approach, focusing on the market price of a company's securities relative to the investment manager's evaluation of the company's long-term earnings, asset value and cash flow potential. The investment manager also considers a company's price/earnings ratio, price/cash flow ratio, profit margins and liquidation value. The investment manager may consider selling an equity security when it believes the security has become overvalued due to either its price appreciation or changes in the company's fundamentals, or when the investment manager believes another security is a more attractive investment opportunity.

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**Principal Risks of Investing** – You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers is not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; diplomatic and political developments could affect the economies, industries, and securities and currency markets of the countries in which the Fund is invested, which can include rapid and adverse political changes; social instability; regional conflicts; sanctions imposed by the United States, other nations or other governmental entities, including supranational entities; terrorism; and war; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies – e.g., fluctuations may negatively affect investments denominated in foreign currencies and any income received or expenses paid by the Fund in that foreign currency. The risks of foreign investments may be greater in developing or emerging market countries.

Because the Fund may invest at least a significant portion of its assets in companies in a specific region, the Fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of investments held by the Fund. Current uncertainty concerning the economic consequences of Russia's military invasion of Ukraine in February 2022 which has increased market volatility.

The Fund's investments in securities of issuers in developing market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation.

A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

The trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

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To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investments from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Securities issued by small and mid-capitalization companies may be more volatile in price than those of larger companies and may involve substantial risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid-capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

The performance of derivative instruments (including currency derivatives) depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such derivatives often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivatives at all. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that a derivative, which usually would operate as a hedge, provides no hedging benefits at all.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

Because technology is frequently changing, new ways to carry out cyber-attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber-attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

### **Templeton Developing Markets Trust**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is long-term capital appreciation. Under normal market conditions, the Fund invests at least 80% of its net assets in securities of companies located or operating in "developing market countries." Developing market countries include those currently considered to be developing or emerging by the United Nations or the countries' authorities or by S&P Dow Jones, Morgan Stanley Capital International or FTSE Russell index providers. The Fund considers frontier markets to be a subset of developing markets and any investments in frontier markets will be counted toward the Fund's 80% investment policy. These countries typically are located in the Asia-Pacific region (including Hong Kong), Eastern Europe, Central and South America, the Middle East and Africa. The Fund invests primarily in the equity securities of developing market companies, principally common and preferred stocks.

The Fund's investments in equity securities may include investments in the securities of companies of any capitalization, including small and mid-capitalization companies. The Fund also invests in American, Global, and European Depositary Receipts. The Fund, from time to time, may have significant investments in one or more countries, such as China or South Korea, or in particular industries or sectors, such as information technology, financial services, consumer discretionary and communication services, based

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on economic conditions. Investments in Chinese companies also may be made through a special structure known as a variable interest entity (VIE) that is designed to provide foreign investors with exposure to Chinese companies that operate in certain sectors in which China restricts or prohibits foreign investments. In addition to the Fund's main investments, the Fund may invest up to 20% of its net assets in the securities of issuers in developed market countries.

The Fund is a "non-diversified" fund, which means it generally invests a greater portion of its assets in the securities of one or more issuers and invests overall in a smaller number of issuers than a diversified fund. It is anticipated that the Fund typically will hold the securities of approximately 50-90 issuers.

When choosing equity investments for the Fund, the investment manager applies a fundamental, research-driven, long-term approach, focusing on companies with sustainable earnings power that are trading at a discount to intrinsic worth. In assessing individual investment opportunities, the investment manager considers a variety of factors, including a company's profit and loss outlook, balance sheet strength, cash flow trends and asset value in relation to the current price of the company's securities. The investment manager also focuses on incorporating environmental, social and governance (ESG) factors throughout the investment process, including the Fund's security-selection and portfolio construction process.

The Fund focuses on companies with appropriate and/or good management of material ESG issues, and in analyzing ESG factors, the investment manager conducts a materiality-based ESG assessment through both in-depth research and engagement with companies as appropriate to assess how a company's practices are aimed at improving or maintaining the ESG footprint of its operating model. The following provides examples of ESG elements that can be taken into consideration when assessing a company:

- Environmental considerations, which can include issues such as resource efficiency, carbon emissions management, waste prevention and recycling and pollution prevention and control.
- Social considerations, which can include issues such as labor standards, fair wages, diversity and gender balance, health and safety practices and product safety.
- Governance considerations, which can include issues such as appropriate accounting practices, alignment of interests, board effectiveness, capital allocation, shareholder rights and quality of disclosures.

In addition, the investment manager assesses the potential for improvement through the Fund's engagement as an active owner. These are targeted engagements with specific goals and objectives based on scope for improvement. The investment manager seeks companies that are good or improving stewards aligned with shareholder interest and the investment manager's governance assessment includes regular dialogue with companies, monitoring material ESG issues and voting proxies.

The Fund also applies specific ESG exclusions, including companies which, according to the investment manager's analysis:

- repeatedly and/or seriously violate the United Nations Global Compact Principles;
- manufacture nuclear or controversial weapons defined as anti-personnel mines, biological & chemical weaponry, depleted uranium and cluster munitions or those that manufacture components intended for use in such weapons (companies that derive more than 5% revenue from any other weapons are also be excluded);
- derive more than 25% of their revenue from thermal coal extraction; or
- manufacture tobacco or tobacco products.

In certain circumstances, there may be times when not every investment is assessed for ESG factors and, when they are, not every ESG factor may be identified or evaluated.

The investment manager may consider selling an equity security when it believes the security has become overvalued due to either its price appreciation or changes in the company's fundamentals, when there is significant deterioration of its ESG factors, or when the investment manager believes another security is a more attractive investment opportunity.

**Principal Risks of Investing** – You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

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Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; diplomatic and political developments could affect the economies, industries, and securities and currency markets of the countries in which the Fund is invested, which can include rapid and adverse political changes; social instability; regional conflicts; sanctions imposed by the United States, other nations or other governmental entities, including supranational entities; terrorism; and war; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies – e.g., fluctuations may negatively affect investments denominated in foreign currencies and any income received or expenses paid by the Fund in that foreign currency.

There are special risks associated with investments in China, including expropriation, confiscatory taxation, nationalization and exchange control regulations (including currency blockage). Heightened geopolitical risks and adverse Government policies can have an impact on Chinese companies. In addition, investments in Taiwan and Hong Kong (Greater China) could be adversely affected by their political and economic relationship with China. Chinese companies with securities listed on U.S. securities exchanges, including those that utilize VIE structures, may be delisted if they do not meet U.S. accounting standards and auditor oversight requirements, which could significantly decrease the liquidity and value of such investments. In addition, the standards for environmental, social and corporate governance matters in Greater China tend to be lower than such standards in more developed economies. There may be significant obstacles to obtaining information necessary for investigations into or litigation against companies located in or operating in China and shareholders may have limited legal remedies.

Trade disputes and the imposition of tariffs on goods and services can affect the economies of countries in which the Fund invests, particularly those countries with large export sectors, as well as the global economy. Trade disputes can result in increased costs of production and reduced profitability for non-export-dependent companies that rely on imports to the extent a country engages in retaliatory tariffs. Trade disputes may also lead to increased currency exchange rate volatility.

Certain investments in Chinese companies are made through a special structure known as a VIE. In a VIE structure, foreign investors, such as the Fund, will only own stock in a shell company rather than directly in the VIE, which must be owned by Chinese nationals (and/or Chinese companies) to obtain the licenses and/or assets required to operate in a restricted or prohibited sector in China. The value of the shell company is derived from its ability to consolidate the VIE into its financials pursuant to contractual arrangements that allow the shell company to exert a degree of control over, and obtain economic benefits arising from, the VIE without formal legal ownership. While VIEs are a longstanding industry practice and are well known by Chinese officials and regulators, the structure historically has not been formally recognized under Chinese law and it is uncertain whether Chinese officials or regulators will withdraw their implicit acceptance of the structure. It is also uncertain whether the contractual arrangements, which may be subject to conflicts of interest between the legal owners of the VIE and foreign investors, would be enforced by Chinese courts or arbitration bodies. Prohibitions of these structures by the Chinese government, or the inability to enforce such contracts, from which the shell company derives its value, would likely cause the VIE-structured holding(s) to suffer significant, detrimental, and possibly permanent losses, and in turn, adversely affect the Fund's returns and net asset value.

Investments in South Korean securities may subject the Fund to legal, regulatory, political, currency, security, and economic risks that are specific to South Korea. In addition, economic and political developments of South Korea's neighbors or potential hostilities with North Korea may have an adverse effect on the South Korean economy.

The Fund's investments in securities of issuers in developing market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation.

The risks of investing in traditional developing markets are magnified in frontier markets countries (which are a subset of developing markets countries) because they generally have smaller economies and less developed capital markets than in traditional developing markets.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investments from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

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Securities issued by small and mid capitalization companies may be more volatile in price than those of larger companies and may involve substantial risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans. The markets for securities issued by small and mid capitalization companies also tend to be less liquid than the markets for securities issued by larger companies.

Because the Fund is non-diversified, it may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may negatively impact the Fund's performance and result in greater fluctuation in the value of the Fund's shares.

A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund's portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused issuers and may have lower or adverse ESG assessments. Consideration of ESG factors may affect the Fund's exposure to certain issuers or industries and may not work as intended. In addition, ESG considerations assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. In certain circumstances, there may be times when not every investment is assessed for ESG factors and, when they are, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer's ESG factors is subjective and will likely differ from that of investors, third party service providers (e.g., ratings providers) and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data reported by issuers and/or third-party research providers, the timeliness, completeness and accuracy of which is out of the investment manager's control. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents. Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

## **INVESTMENT GRADE FIXED-INCOME FUNDS**

### **Western Asset Core Bond Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is to maximize total return, consistent with prudent investment management and liquidity needs, by investing to obtain the average duration specified below. The fund invests in a portfolio of fixed income securities of various maturities and, under normal market conditions, will invest at least 80% of its net assets, including the amount of borrowing for investment purposes, if any, in debt and fixed income securities. Although the fund may invest in debt and fixed income securities of any maturity, under normal market conditions the target dollar-weighted average effective duration for the fund is expected to range within 20% of the average duration of the domestic bond market as a whole as estimated by the fund's

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subadviser. Effective duration seeks to measure the expected sensitivity of market price to changes in interest rates, taking into account the anticipated effects of structural complexities (for example, some bonds can be prepaid by the issuer).

The fund presently intends to limit its investments to U.S. dollar denominated securities and currently anticipates that it will generally only purchase debt securities that are rated in the Baa or BBB categories or above at the time of purchase by one or more Nationally Recognized Statistical Rating Organizations ("NRSROs") or unrated securities of comparable quality at the time of purchase (as determined by the subadviser). These securities are known as "investment grade securities." The fund may invest up to 25% of its total assets in the securities of non-U.S. issuers. The fund may invest a substantial portion of its assets in mortgage-backed and asset-backed securities.

The fund may also enter into various exchange-traded and over-the-counter derivative transactions for both hedging and non-hedging purposes, including for purposes of enhancing returns. These derivative transactions include, but are not limited to, futures, options and swaps. In particular, the fund may use interest rate swaps, credit default swaps (including buying and selling credit default swaps on individual securities and/or baskets of securities), options (including options on credit default swaps) and futures contracts to a significant extent, although the amounts invested in these instruments may change from time to time. Other instruments may also be used to a significant extent from time to time.

**Principal Risks of Investing** – Risk is inherent in all investing. The value of your investment in the fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment in the fund or your investment may not perform as well as other similar investments. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the fund. The relative significance of the risks of investing in the fund may change over time.

The market prices of securities held by the fund may go up or down, sometimes rapidly or unpredictably. If the market prices of the fund's securities fall, the value of your investment in the fund will decline. The market price of a security may fall due to general market conditions, such as real or perceived adverse economic or political conditions or trends, tariffs and trade disruptions, inflation, substantial economic downturn or recession, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. Changes in market conditions will not typically have the same impact on all types of securities.

The value of your investment will generally go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the fund. Recently, there have been inflationary price movements. As a result, fixed income securities markets may experience heightened levels of interest rate volatility and liquidity risk. The U.S. Federal Reserve has raised interest rates from historically low levels. It may continue to raise interest rates. In addition, changes in monetary policy may exacerbate the risks associated with changing interest rates. Any additional interest rate increases in the future could cause the value of the fund's holdings to decrease. It cannot be predicted when inflation will return to more normalized levels or how long financial authorities will counter inflationary pressures with monetary tightening.

The maturity of a security may be significantly longer than its duration. A security's maturity and other features may be more relevant than its duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities.

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as prices go up and the purchasing power of money goes down. The market prices of debt securities generally fall as inflation increases because the purchasing power of the principal and income is expected to be less when paid. Inflation often is accompanied or followed by a recession, or period of decline in economic activity, which may include job loss and other hardships and may cause the value of securities to go down generally.

If an issuer or guarantor of a security held by the fund or a counterparty to a financial contract with the fund defaults or its credit is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of your investment will typically decline. Changes in actual or perceived creditworthiness may occur quickly. The fund could be delayed or hindered in its enforcement of rights against an issuer, guarantor or counterparty.

Using derivatives can increase fund losses and reduce opportunities for gains, such as when market prices, interest rates, currencies, or the derivatives themselves behave in a way not anticipated by the fund's subadviser. Using derivatives also can have a leveraging effect and increase fund volatility. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may not be available at the time or price desired, may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the fund. Derivatives are generally subject to the risks applicable to the assets, rates,

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indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for the fund than an investment in the underlying asset, and those differences may affect the amount, timing and character of income distributed to shareholders. The U.S. government and foreign governments have adopted and implemented regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets.

Credit default swap contracts involve heightened risks and may result in losses to the fund. Credit default swaps may be illiquid and difficult to value. When the fund sells credit protection via a credit default swap, credit risk increases since the fund has exposure to both the issuer whose credit is the subject of the swap and the counterparty to the swap.

The value of your investment may be more volatile if the fund borrows or uses instruments, such as derivatives, that have a leveraging effect on the fund's portfolio. Other risks described in the Prospectus also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the fund would otherwise have had. The fund may also have to sell assets at inopportune times to satisfy its obligations created by the use of leverage or derivatives. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of the fund's assets. In addition, the fund's portfolio will be leveraged if it exercises its right to delay payment on a redemption, and losses will result if the value of the fund's assets declines between the time a redemption request is deemed to be received by the fund and the time the fund liquidates assets to meet redemption requests.

Some assets held by the fund may be or become impossible or difficult to sell and some assets that the fund wants to invest in may be impossible or difficult to purchase, particularly during times of market turmoil or due to adverse changes in the conditions of a particular issuer. These illiquid assets may also be volatile and difficult to value. Markets may become illiquid quickly. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers have been less willing to make markets in recent years. Federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the fund's ability to buy or sell such securities. During times of market turmoil, there have been, and may be, no buyers or sellers for securities in entire asset classes. If the fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, or to try to limit losses, the fund may be forced to sell at a substantial loss or may not be able to sell at all. The fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer).

The fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly U.S. exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards and auditing and financial recordkeeping requirements, lack of information, political, economic, financial or social instability, terrorism, armed conflicts and other geopolitical events, and the impact of tariffs and other restrictions on trade or economic sanctions. Geopolitical or other events such as nationalization or expropriation could even cause the loss of the fund's entire investment in one or more countries.

In addition, there may be significant obstacles to obtaining information necessary for investigations into or litigation against issuers located in or operating in certain foreign markets, particularly emerging market countries, and shareholders may have limited legal remedies.

The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic and political conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The fund may be unable or may choose not to hedge its foreign currency exposure.

Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic



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resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic or a natural disaster. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

Many issuers have a right to prepay their fixed income securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, the fund may not benefit from the rise in the market price of the securities that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. The fund may also lose any premium it paid to purchase the securities.

When interest rates rise, repayments of fixed income securities, particularly asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause the fund's share price to be more volatile.

To the extent the fund invests its assets in a small number of issuers, or in issuers in related businesses or that are subject to related operating risks, the fund will be more susceptible to negative events affecting those issuers.

The sales price the fund could receive for any particular portfolio investment may differ from the fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect fund investments more broadly during periods of market volatility. Investors who purchase or redeem fund shares on days when the fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the fund had not fair-valued securities or had used a different valuation methodology. The fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third-party service providers. The valuation of the fund's investments involves subjective judgment, which may prove to be incorrect.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to factors such as economic events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes, labor strikes or other factors, political developments, armed conflicts, economic sanctions and countermeasures in response to sanctions, major cybersecurity events, the global and domestic effects of widespread or local health, weather or climate events, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, wars, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries or markets directly affected, the value and liquidity of the fund's investments may be negatively affected. Following Russia's invasion of Ukraine in 2022, Russian stocks lost all, or nearly all, of their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the fund's investments.

Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance.

The United States and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the United States has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the United States and its trading partners, as well as companies directly or indirectly affected and financial markets generally. The United States government has prohibited U.S. persons from investing in Chinese companies designated as related to the Chinese military. These and possible future restrictions could limit the fund's opportunities for investment and require the sale of securities at a loss or make them illiquid. Moreover, the Chinese government is involved in a longstanding dispute with Taiwan that has included threats of invasion. If the political climate between the United States and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of the fund's assets may go down.

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There can be no assurance that the fund will engage in hedging transactions at any given time, even under volatile market conditions, or that any hedging transactions the fund engages in will be successful. Hedging transactions involve costs and may reduce gains or result in losses.

The value of the investments held by the fund for cash management or defensive investing purposes can fluctuate. Like other fixed income securities, they are subject to risk, including market, interest rate and credit risk. If the fund holds cash uninvested, the cash will be subject to the credit risk of the depository institution holding the cash and the fund will not earn income on the cash. If a significant amount of the fund's assets is used for cash management or defensive investing purposes, the fund will be less likely to achieve its investment objective. Defensive investing may not work as intended and the value of an investment in the fund may still decline.

The fund may hold U.S. government securities that are not guaranteed or backed by the full faith and credit of the U.S. government, such as those issued by Fannie Mae and Freddie Mac. The maximum potential liability of the issuers of some U.S. government obligations may greatly exceed their current resources, including any legal right to support from the U.S. government. In addition, the events surrounding the U.S. federal government debt ceiling and any resulting agreement (and similar political, economic and other developments) could adversely affect the fund's ability to achieve its investment objective. For example, a downgrade of the long-term sovereign credit rating of the U.S. could increase volatility in both stock and bond markets, result in higher interest rates and lower Treasury prices and increase the costs of all kinds of debt. These events and similar events in other areas of the world could have significant adverse effects on the economy generally and could result in significant adverse impacts on issuers of securities held by the fund and the fund itself.

In the past, the values of U.S. Government securities have been affected substantially by increased demand for them around the world. Changes in the demand for U.S. Government securities may occur at any time and may result in increased volatility in the values of those securities.

When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, mortgage refinancings and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the fund. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan. Investments in asset-backed securities are subject to similar risks. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited, and therefore certain asset-backed securities present a heightened level of risk.

The value of your investment may decrease if the subadvisors' judgment about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, or about interest rates or other market factors, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadvisors. In addition, the fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadvisors and could have an adverse effect on the value or performance of the fund.

Active and frequent trading will increase a shareholder's tax liability and the fund's transaction costs, which could detract from fund performance.

The fund may experience heavy redemptions that could cause the fund to liquidate its assets at inopportune times or unfavorable prices or increase or accelerate taxable gains or transaction costs and may negatively affect the fund's net asset value, performance, or ability to satisfy redemptions in a timely manner, which could cause the value of your investment to decline.

Like other funds and business enterprises, the fund, the manager, the subadvisors and their service providers are subject to the risk of cyber incidents occurring from time to time. Cybersecurity incidents, whether intentionally caused by third parties or otherwise, may allow an unauthorized party to gain access to fund assets, fund or customer data (including private shareholder information) or proprietary information, cause the fund, the manager, the subadvisors and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality, or prevent fund investors from purchasing, redeeming or exchanging shares, receiving distributions or receiving timely information regarding the fund or their investment in the fund. The fund, the manager, and the subadvisors have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third-party service providers may have limited indemnification obligations to the fund, the manager, and/or the subadvisors. Cybersecurity incidents may result

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in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent or mitigate any future cybersecurity incidents. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

New ways to carry out cyber-attacks continue to develop. There is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the fund's ability to plan for or respond to a cyber-attack.

These and other risks are discussed in more detail in the Prospectus or in the Statement of Additional Information.

### **Western Asset Short-Term Bond Fund**

**Investment Objective, Strategy and Policies** – The Fund seeks current income, preservation of capital and liquidity. Under normal market conditions, the fund invests at least 80% of its assets in “investment grade” fixed income securities. Securities in which the fund invests include corporate debt securities, bank obligations, mortgage- and asset-backed securities and securities issued by the U.S. government and its agencies and instrumentalities. Investment grade securities are those rated by a rating agency at the time of purchase in one of the top four ratings categories or, if unrated, are judged by the subadvisor to be of comparable quality. The fund may invest up to 25% of its assets in U.S. dollar denominated securities of non-U.S. issuers.

The fund is not a money market fund and does not seek to maintain a stable net asset value of \$1.00 per share. The fund may invest in securities of any maturity. The fund normally expects to maintain an average effective maturity of not more than three years. For the purposes of determining the fund's average effective maturity, a security's maturity date will generally be deemed to be the next interest rate reset date for an adjustable-rate security or, if earlier, the date of the next demand feature, such as a put feature, when the fund would be entitled to receive payment of principal and interest. The subadvisor may also take into account estimated future prepayments on securities, such as mortgage-backed securities, with uncertain future cash flows and estimations of call features and similar features and options. These estimates may prove to be incorrect.

Instead of, and/or in addition to, investing directly in particular securities, the fund may use instruments such as derivatives, including options, swaps, interest rate swaps, credit default swaps (including buying and selling credit default swaps and options on credit default swaps), futures contracts, and other synthetic instruments that are intended to provide economic exposure to the securities or the issuer or to be used as a hedging technique.

The fund may use one or more types of these instruments without limit, subject to applicable regulatory requirements. These instruments are taken into account when determining compliance with the fund's 80% policy.

The fund may also engage in a variety of transactions using derivatives in order to change the investment characteristics of its portfolio (such as shortening or lengthening duration) and for other purposes.

**Principal Risks of Investing** – Risk is inherent in all investing. The value of your investment in the fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment in the fund or your investment may not perform as well as other similar investments. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the fund. The relative significance of the risks of investing in the fund may change over time.

The market prices of securities held by the fund may go up or down, sometimes rapidly or unpredictably. If the market prices of the fund's securities fall, the value of your investment in the fund will decline. The market price of a security may fall due to general market conditions, such as real or perceived adverse economic or political conditions or trends, tariffs and trade disruptions, inflation, substantial economic downturn or recession, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. Changes in market conditions will not typically have the same impact on all types of securities.

The value of your investment will generally go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the fund. Recently, there have been inflationary price movements. As a result, fixed income securities markets may experience heightened levels of interest rate volatility and liquidity risk. The U.S. Federal Reserve has raised interest rates from historically low levels. It may continue to raise interest rates. In addition, changes in monetary policy may exacerbate the risks associated with changing interest rates. Any additional interest rate increases in the future could cause the value of the fund's holdings to decrease. It cannot be predicted when inflation will return to more normalized levels or how long financial authorities will counter inflationary pressures with monetary tightening.

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The maturity of a security may be significantly longer than its duration. A security's maturity and other features may be more relevant than its duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to factors such as economic events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes, labor strikes or other factors, political developments, armed conflicts, economic sanctions and countermeasures in response to sanctions, major cybersecurity events, the global and domestic effects of widespread or local health, weather or climate events, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, wars, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries or markets directly affected, the value and liquidity of the fund's investments may be negatively affected. Following Russia's invasion of Ukraine in 2022, Russian stocks lost all, or nearly all, of their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the fund's investments.

Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance.

The United States and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the United States has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the United States and its trading partners, as well as companies directly or indirectly affected and financial markets generally. The United States government has prohibited U.S. persons from investing in Chinese companies designated as related to the Chinese military. These and possible future restrictions could limit the fund's opportunities for investment and require the sale of securities at a loss or make them illiquid. Moreover, the Chinese government is involved in a longstanding dispute with Taiwan that has included threats of invasion. If the political climate between the United States and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of the fund's assets may go down.

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as prices go up and the purchasing power of money goes down. The market prices of debt securities generally fall as inflation increases because the purchasing power of the principal and income is expected to be less when paid. Inflation often is accompanied or followed by a recession, or period of decline in economic activity, which may include job loss and other hardships and may cause the value of securities to go down generally.

If an issuer or guarantor of a security held by the fund or a counterparty to a financial contract with the fund defaults or its credit is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of your investment will typically decline. Changes in actual or perceived creditworthiness may occur quickly. The fund could be delayed or hindered in its enforcement of rights against an issuer, guarantor or counterparty. Subordinated securities (meaning securities that rank below other securities with respect to claims on the issuer's assets) are more likely to suffer a credit loss than non-subordinated securities of the same issuer and will be disproportionately affected by a default, downgrade or perceived decline in creditworthiness.

High yield bonds are generally subject to greater credit risks than higher-grade bonds, including the risk of default on the payment of interest or principal. High yield bonds are considered speculative, typically have lower liquidity and are more difficult to value than higher grade bonds. High yield bonds tend to be volatile and more susceptible to adverse events, credit downgrades and negative sentiments and may be difficult to sell at a desired price, or at all, during periods of uncertainty or market turmoil.

Using derivatives can increase fund losses and reduce opportunities for gains, such as when market prices, interest rates, currencies, or the derivatives themselves behave in a way not anticipated by the fund's subadviser. Using derivatives also can have

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a leveraging effect and increase fund volatility. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may not be available at the time or price desired, may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the fund. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for the fund than an investment in the underlying asset, and those differences may affect the amount, timing and character of income distributed to shareholders. The U.S. government and foreign governments have adopted and implemented regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets.

Credit default swap contracts involve heightened risks and may result in losses to the fund. Credit default swaps may be illiquid and difficult to value. When the fund sells credit protection via a credit default swap, credit risk increases since the fund has exposure to both the issuer whose credit is the subject of the swap and the counterparty to the swap.

When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, mortgage refinancings and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the fund. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan. Investments in asset-backed securities are subject to similar risks. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited, and therefore certain asset-backed securities present a heightened level of risk.

The value of your investment may be more volatile if the fund borrows or uses instruments, such as derivatives, that have a leveraging effect on the fund's portfolio. Other risks described in the Prospectus also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the fund would otherwise have had. The fund may also have to sell assets at inopportune times to satisfy its obligations created by the use of leverage or derivatives. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of the fund's assets. In addition, the fund's portfolio will be leveraged if it exercises its right to delay payment on a redemption, and losses will result if the value of the fund's assets declines between the time a redemption request is deemed to be received by the fund and the time the fund liquidates assets to meet redemption requests.

Some assets held by the fund may be or become impossible or difficult to sell and some assets that the fund wants to invest in may be impossible or difficult to purchase, particularly during times of market turmoil or due to adverse changes in the conditions of a particular issuer. These illiquid assets may also be volatile and difficult to value. Markets may become illiquid quickly. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers have been less willing to make markets in recent years. Federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the fund's ability to buy or sell such securities. During times of market turmoil, there have been, and may be, no buyers or sellers for securities in entire asset classes. If the fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, or to try to limit losses, the fund may be forced to sell at a substantial loss or may not be able to sell at all. The fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer). The liquidity of certain assets, particularly of privately-issued and non-investment grade mortgage-backed securities, asset-backed securities and collateralized debt obligations, may be difficult to ascertain and may change over time.

The fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly U.S. exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards and auditing and financial recordkeeping requirements, lack of information, political, economic, financial or social instability, terrorism, armed conflicts and other geopolitical events, and the impact of tariffs and other restrictions on trade or economic sanctions. Geopolitical or other events such as nationalization or expropriation could even cause the loss of the fund's entire investment in one or more countries.

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In addition, there may be significant obstacles to obtaining information necessary for investigations into or litigation against issuers located in or operating in certain foreign markets, particularly emerging market countries, and shareholders may have limited legal remedies. To the extent the fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on fund performance relative to a more geographically diversified fund.

The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic and political conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The fund may be unable or may choose not to hedge its foreign currency exposure.

Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic or a natural disaster. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

The fund may be an investment option for mutual funds and ETFs that are managed by Franklin Templeton Fund Adviser, LLC and its affiliates, including Franklin Templeton investment managers, unaffiliated mutual funds and ETFs and other investors with substantial investments in the fund. As a result, from time to time, the fund may experience relatively large redemptions and could be required to liquidate its assets at inopportune times or at a loss or depressed value, which could cause the value of your investment to decline. These transactions may also accelerate the realization of taxable income to shareholders if such sales of investments result in gains, and may also increase transaction costs. 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.

Many issuers have a right to prepay their fixed income securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, the fund may not benefit from the rise in the market price of the securities that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. The fund may also lose any premium it paid to purchase the securities.

When interest rates rise, repayments of fixed income securities, particularly asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause the fund's share price to be more volatile.

To the extent the fund invests its assets in a small number of issuers, or in issuers in related businesses or that are subject to related operating risks, the fund will be more susceptible to negative events affecting those issuers.

The sales price the fund could receive for any particular portfolio investment may differ from the fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect fund investments more broadly during periods of market volatility. Investors who purchase or redeem fund shares on days when the fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the fund had not fair-valued securities or had used a different valuation methodology. The fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third-party service providers. The valuation of the fund's investments involves subjective judgment, which may prove to be incorrect.

The value of your investment may decrease if the subadvisor's judgment about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, or about interest rates or other market factors, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadvisors. In addition, the fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadvisors and could have an adverse effect on the value or performance of the fund.

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The fund may experience heavy redemptions that could cause the fund to liquidate its assets at inopportune times or unfavorable prices or increase or accelerate taxable gains or transaction costs and may negatively affect the fund's net asset value, performance, or ability to satisfy redemptions in a timely manner, which could cause the value of your investment to decline.

Like other funds and business enterprises, the fund, the manager, the subadvisors and their service providers are subject to the risk of cyber incidents occurring from time to time. Cybersecurity incidents, whether intentionally caused by third parties or otherwise, may allow an unauthorized party to gain access to fund assets, fund or customer data (including private shareholder information) or proprietary information, cause the fund, the manager, the subadvisors and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality, or prevent fund investors from purchasing, redeeming or exchanging shares, receiving distributions or receiving timely information regarding the fund or their investment in the fund. The fund, the manager, and the subadvisors have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third-party service providers may have limited indemnification obligations to the fund, the manager, and/or the subadvisors. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent or mitigate any future cybersecurity incidents. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

New ways to carry out cyber-attacks continue to develop. There is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the fund's ability to plan for or respond to a cyber-attack.

These and other risks are discussed in more detail in the Prospectus or in the Statement of Additional Information.

### **Franklin U.S. Core Bond ETF**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is total return. Under normal market conditions, the Fund invests at least 80% of its net assets in bonds of U.S. issuers, including government, corporate debt, mortgage-backed and asset-backed securities. Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures. "U.S. issuers" include entities:

- whose securities are listed or traded principally on a recognized stock exchange or over-the-counter market in the U.S.;
- that derive 50% or more of their total revenue from either goods or services produced or sales made in the U.S.;
- that have 50% or more of their assets in the U.S.; or
- that are organized under the laws of, or with principal offices in, the U.S.

"Bonds of U.S. issuers" also include: (i) securities included in the Bloomberg U.S. Aggregate Index; and (ii) bonds denominated in U.S. dollars issued by foreign banks and corporations, and registered with the SEC for sale in the U.S., such as Yankee bonds. The Fund invests predominantly in investment grade debt securities and, under normal market conditions, is generally expected to have sector, credit and duration exposures comparable to the Bloomberg U.S. Aggregate Index, the Fund's benchmark index. However, the investment manager makes investment decisions based upon its own fundamental analysis, which affects the Fund's sector, credit and duration exposures so that they may vary from the benchmark index. Investment grade debt securities are securities that are rated at the time of purchase in the top four ratings categories by one or more independent rating organizations such as S&P® Global Ratings (S&P®) (rated BBB- or better) or Moody's Investors Service (Moody's) (rated Baa3 or higher) or, if unrated, are determined to be of comparable quality by the Fund's investment manager.

An asset-backed security is a security backed by loans, leases, and other receivables. A mortgage-backed security is an interest in a pool of mortgage loans made by and packaged or "pooled" together by banks, mortgage lenders, various governmental agencies and other financial institutions for sale to investors to finance purchases of homes, commercial buildings and other real estate. The Fund's investments in mortgage-backed securities include securities that are issued or guaranteed by the U.S. government, its agencies or instrumentalities, which include mortgage pass-through securities representing interests in "pools" of mortgage loans issued or guaranteed by the Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac). Securities issued by different government agencies or instrumentalities have different levels of credit support. The Fund also invests in other types of mortgage securities that may be issued or guaranteed by private issuers including commercial mortgage-backed securities (CMBS).

The Fund may purchase or sell mortgage-backed securities on a delayed delivery or forward commitment basis through the "to-be-announced" (TBA) market. With TBA transactions, the particular securities to be delivered must meet specified terms and conditions.

For purposes of pursuing its investment goal, the Fund may enter into various interest rate and credit-related derivatives, principally U.S. Treasury futures, interest rate swaps and credit default swaps. The use of these derivative transactions may allow the Fund to

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obtain net long or short exposures to select interest rates, durations or credit risks. These derivatives may be used to enhance Fund returns, increase liquidity, gain exposure to certain instruments or markets in a more efficient or less expensive way and/or hedge risks associated with its other portfolio investments. Derivatives that provide exposure to bonds may be used to satisfy the Fund's 80% policy.

In choosing investments for the Fund, the investment manager selects securities in various market sectors based on its assessment of changing economic, market, industry and issuer conditions. The investment manager uses a "top-down" analysis of macroeconomic trends, combined with a "bottom-up" fundamental analysis of market sectors, industries and issuers, to try to take advantage of varying sector reactions to economic events. The investment manager may utilize quantitative models to identify investment opportunities as part of the portfolio construction process for the Fund. Quantitative models are proprietary systems that rely on mathematical computations to identify investment opportunities. The investment manager may consider selling a security when it believes the security has become fully valued due to either its price appreciation or changes in the issuer's fundamentals, or when the investment manager believes another security is a more attractive investment opportunity.

**Principal Risks of Investing** – You could lose money by investing in the Fund. ETF shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government. The Fund is subject to the principal risks, any of which may adversely affect the Fund's net asset value (NAV), trading price, yield, total return and ability to meet its investment goal. Unlike many ETFs, the Fund is not an index-based ETF.

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

When interest rates rise, debt security prices generally fall. The opposite is also generally true: debt security prices rise when interest rates fall. Interest rate changes are influenced by a number of factors, including government policy, monetary policy, inflation expectations, perceptions of risk, and supply of and demand for bonds. In general, securities with longer maturities or durations are more sensitive to interest rate changes.

An issuer of debt securities may fail to make interest payments or repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's or government's credit rating may affect a security's value. Mortgage-backed securities that are not issued by U.S. government agencies may have a greater risk of default because neither the U.S. government nor an agency or instrumentality have guaranteed or provided credit support to them. The credit quality of most asset-backed securities depends primarily on the credit quality of the underlying assets and the amount of credit support (if any) provided to the securities. While securities issued by Ginnie Mae are backed by the full faith and credit of the U.S. government, not all securities of the various U.S. government agencies are, including those of Fannie Mae and Freddie Mac. Also, guarantees of principal and interest payments do not apply to market prices, yields or the Fund's share price. While the U.S. government has, in the past, provided financial support to Fannie Mae and Freddie Mac, the U.S. government is not obligated by law to do so and no assurance can be given that the U.S. government will do so in the future.

Mortgage securities differ from conventional debt securities because principal is paid back periodically over the life of the security rather than at maturity. The Fund may receive unscheduled payments of principal due to voluntary prepayments, refinancings or foreclosures on the underlying mortgage loans. Because of prepayments, mortgage securities may be less effective than some other types of debt securities as a means of "locking in" long-term interest rates and may have less potential for capital appreciation during periods of falling interest rates. A reduction in the anticipated rate of principal prepayments, especially during periods of rising interest rates, may increase or extend the effective maturity and duration of mortgage securities, making them more sensitive to interest rate changes, subject to greater price volatility, and more susceptible than some other debt securities to a decline in market value when interest rates rise. Issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default. Like mortgage securities, asset-backed securities are subject to prepayment and extension risks.

The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a security, interest rate or index, and such instruments often have risks similar to their underlying instrument, in addition to other risks. Derivative instruments involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that exceeds the Fund's initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative



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and the underlying instrument so that the Fund may not realize the intended benefits. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the security, interest rate or other risk being hedged. With over-the-counter derivatives, there is the risk that the other party to the transaction will fail to perform.

The Fund's distributions to shareholders may decline when prevailing interest rates fall, when the Fund experiences defaults on debt securities it holds or when the Fund realizes a loss upon the sale of a debt security.

Mortgage-backed securities may be issued on a when-issued or delayed delivery basis, where payment and delivery take place at a future date. Because the market price of the security may fluctuate during the time before payment and delivery, the Fund assumes the risk that the value of the security at delivery may be more or less than the purchase price.

The Fund is subject to management risk because it is an actively managed ETF. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, authorized participants, or index providers (as applicable) and listing exchanges, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

The quantitative models that may be used by the investment manager as part of the Fund's portfolio construction process to identify investment opportunities have been tested on historical price data. These models are based on the assumption that price movements in most markets display similar patterns. There is the risk that market behavior will change and that the patterns upon which the forecasts in the models are based will weaken or disappear, which would reduce the ability of the models to generate an excess return. Further, as market dynamics shift over time, a previously highly successful model may become outdated, perhaps without the investment manager recognizing that fact before substantial losses are incurred. Successful operation of a model is also reliant upon the information technology systems of the investment manager and its ability to ensure those systems remain operational and that appropriate disaster recovery procedures are in place. There can be no assurance that the investment manager will be successful in maintaining effective and operational quantitative models and the related hardware and software systems.

The Fund faces numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. Any of these factors, among others, may lead to the Fund's shares trading at a premium or discount to NAV. Thus, you may pay more (or less) than NAV when you buy shares of the Fund in the secondary market, and you may receive less (or more) than NAV when you sell those shares in the secondary market. The investment manager cannot predict whether shares will trade above (premium), below (discount) or at NAV.

Only an Authorized Participant may engage in creation or redemption transactions directly with the Fund. "Authorized Participants" are broker-dealers that are permitted to create and redeem shares directly with the Fund and who have entered into agreements with the Fund's distributor. The Fund has a limited number of institutions that act as Authorized Participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other Authorized Participant is able to step forward to create or redeem Creation Units (as defined below), Fund shares may trade at a discount to NAV and possibly face trading halts and/or delisting. This risk may be more pronounced in volatile markets, potentially where there are significant redemptions in ETFs generally.

Unlike certain ETFs, the Fund expects to generally effect its creations and redemptions entirely for cash, rather than for in-kind securities. Therefore, it may be required to sell portfolio securities and subsequently recognize gains on such sales that the Fund

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might not have recognized if it were to distribute portfolio securities in-kind. As such, investments in Fund shares may be less tax-efficient than an investment in an ETF that distributes portfolio securities entirely in-kind.

Certain large shareholders, including other funds or accounts advised by the investment manager or an affiliate of the investment manager, may from time to time own a substantial amount of the Fund's shares. In addition, a third-party investor, the investment manager or an affiliate of the investment manager, an authorized participant, a lead market maker, or another entity may invest in the Fund and hold its investment for a limited period of time solely to facilitate commencement of the Fund or to facilitate the Fund's achieving a specified size or scale. There can be no assurance that any large shareholder would not redeem its investment, that the size of the Fund would be maintained at such levels or that the Fund would continue to meet applicable listing requirements. Redemptions by large shareholders could have a significant negative impact on the Fund. In addition, transactions by large shareholders may account for a large percentage of the trading volume on the listing exchange and may, therefore, have a material upward or downward effect on the market price of the shares.

### **Franklin Investment Grade Corporate ETF**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is a high level of current income as is consistent with prudent investing, while seeking preservation of capital. Under normal market conditions, the Fund invests at least 80% of its net assets in investment grade corporate debt securities and investments. Investment grade debt securities are securities that are rated at the time of purchase in the top four ratings categories by one or more independent rating organizations such as S&P Global Ratings (S&P®) (rated BBB- or better) or Moody's Investors Service (Moody's) (rated Baa3 or higher) or, if unrated, are determined to be of comparable quality by the Fund's investment manager. Corporate issuers may include corporate or other business entities in which a sovereign or governmental agency or entity may have, indirectly or directly, an interest, including a majority or greater ownership interest. The Fund invests primarily in U.S. dollar denominated corporate debt securities issued by U.S. and foreign companies. The Fund may invest in debt securities of any maturity or duration. The Fund's focus on the credit quality of its portfolio is intended to reduce credit risk and help to preserve the Fund's capital.

The Fund may also invest a portion of its assets in convertible securities, preferred securities (including preferred stock) and U.S. Treasury securities, and generally expects to invest a portion of its assets in cash, cash equivalents and high quality money market securities, including short-term U.S. government securities, commercial paper, repurchase agreements and affiliated or unaffiliated money market funds.

The Fund may invest up to 40% of its net assets in foreign securities, including those in developing markets, and up to 15% of its net assets in non-U.S. dollar denominated securities.

The Fund may enter into certain derivative transactions, principally currency forwards; interest rate and U.S. Treasury futures contracts; and swap agreements, including interest rate, fixed income total return, currency and credit default swaps (including credit default index swaps). The use of these derivative transactions may allow the Fund to obtain net long or short exposures to select currencies, interest rates, countries, durations or credit risks. These derivatives may be used to enhance Fund returns, increase liquidity, gain exposure to certain instruments or markets in a more efficient or less expensive way and/or hedge risks associated with its other portfolio investments. Derivatives that provide exposure to investment grade corporate debt securities may be used to satisfy the Fund's 80% policy.

The Fund may invest up to 15% of its net assets in collateralized debt obligations ("CDOs"), including collateralized loan obligations ("CLOs").

In choosing investments, the Fund's investment manager selects securities in various market sectors based on the investment manager's assessment of changing economic, market, industry and issuer conditions. The investment manager uses a "top-down" analysis of macroeconomic trends, combined with a "bottom-up" fundamental analysis of market sectors, industries and issuers, to try to take advantage of varying sector reactions to economic events. The Fund's portfolio is constructed by taking into account the investment manager's desired duration and yield curve exposure, total return potential, as well as the appropriate diversification and risk profile at the issue, company and industry level. The investment manager may utilize quantitative models to identify investment opportunities as part of the portfolio construction process for the Fund. Quantitative models are proprietary systems that rely on mathematical computations to identify investment opportunities.

The investment manager may seek to sell a security if: (i) the security has moved beyond the investment manager's fair value target and there has been no meaningful positive change in the company's fundamental outlook; (ii) there has been a negative fundamental change in the issuer's credit outlook that changes the investment manager's view of the appropriate valuation; or (iii) the investment manager's views on macroeconomic or sector trends or valuations have changed, making that particular issuer (or that issuer's

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industry) less attractive for the Fund's portfolio. In addition, the investment manager may sell a security that still meets the investment manager's buy criteria if another security becomes available in the new issue or secondary market that the investment manager believes has better return potential or improves the Fund's risk profile.

**Principal Risks of Investing** – You could lose money by investing in the Fund. ETF shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government. The Fund is subject to the principal risks, any of which may adversely affect the Fund's net asset value (NAV), trading price, yield, total return and ability to meet its investment goal. Unlike many ETFs, the Fund is not an index-based ETF.

An issuer of debt securities may fail to make interest payments or repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's or government's credit rating may affect a security's value.

When interest rates rise, debt security prices generally fall. The opposite is also generally true: debt security prices rise when interest rates fall. Interest rate changes are influenced by a number of factors, including government policy, monetary policy, inflation expectations, perceptions of risk, and supply of and demand for bonds. In general, securities with longer maturities or durations are more sensitive to interest rate changes.

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

The Fund's distributions to shareholders may decline when prevailing interest rates fall, when the Fund experiences defaults on debt securities it holds or when the Fund realizes a loss upon the sale of a debt security.

Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; diplomatic and political developments could affect the economies, industries, and securities and currency markets of the countries in which the Fund is invested, which can include rapid and adverse political changes; social instability; regional conflicts; sanctions imposed by the United States, other nations or other governmental entities, including supranational entities; terrorism; and war; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies – e.g., fluctuations may negatively affect investments denominated in foreign currencies and any income received or expenses paid by the Fund in that foreign currency. The risks of foreign investments may be greater in developing or emerging market countries.

Some debt securities are subject to the risk that the debt security's effective maturity is extended because calls or prepayments are less or slower than anticipated, particularly when interest rates rise. The market value of such security may then decline and become more interest rate sensitive.

The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such instruments often have risks similar to their underlying instrument, in addition to other risks. Derivative instruments involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that exceeds the Fund's initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate or other risk being hedged. With over-the-counter derivatives, there is the risk that the other party to the transaction will fail to perform.

The risks of an investment in a CDO, a type of asset backed security, and which includes CLOs, depend largely on the type of collateral held by the special purpose entity (SPE) and the tranche of the CDO in which the Fund invests and may be affected by the performance of a CDO's collateral manager. CDOs may be deemed to be illiquid and subject to the Fund's restrictions on investments in illiquid investments. In addition to the normal risks associated with debt securities and asset backed securities (e.g., interest rate risk, credit risk and default risk), CDOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral

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securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or quality or go into default or be downgraded; (iii) the Fund may invest in tranches of a CDO that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment.

Convertible securities are subject to the risks of stocks when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the conversion feature) and debt securities when the underlying stock price is low relative to the conversion price (because the conversion feature is less valuable). The value of convertible securities may rise and fall with the market value of the underlying stock or, like a debt security, vary with changes in interest rates and the credit quality of the issuer. A convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for gain or loss than the underlying stock.

The Fund is subject to management risk because it is an actively managed ETF. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, authorized participants, or index providers (as applicable) and listing exchanges, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

The quantitative models that may be used by the investment manager as part of the Fund's portfolio construction process to identify investment opportunities have been tested on historical price data. These models are based on the assumption that price movements in most markets display similar patterns. There is the risk that market behavior will change and that the patterns upon which the forecasts in the models are based will weaken or disappear, which would reduce the ability of the models to generate an excess return. Further, as market dynamics shift over time, a previously highly successful model may become outdated, perhaps without the investment manager recognizing that fact before substantial losses are incurred. Successful operation of a model is also reliant upon the information technology systems of the investment manager and its ability to ensure those systems remain operational and that appropriate disaster recovery procedures are in place. There can be no assurance that the investment manager will be successful in maintaining effective and operational quantitative models and the related hardware and software systems.

To the extent the Fund holds cash or cash equivalents rather than securities in which it primarily invests or uses to manage risk, the Fund may not achieve its investment objectives and may underperform.

The Fund faces numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. Any of these factors, among others, may lead to the Fund's shares trading at a premium or discount to NAV. Thus, you may pay more (or less) than NAV when you buy shares of the Fund in the secondary market, and you may receive less (or more) than NAV when you sell those shares in the secondary market. The investment manager cannot predict whether shares will trade above (premium), below (discount) or at NAV. To the extent that the underlying securities held by the Fund trade on an exchange that is closed when the securities exchange on which the Fund shares list and trade is open, there may be market uncertainty about the stale security pricing (i.e., the last quote from its closed foreign market) resulting in premiums or discounts to NAV that may be greater than those experienced by other ETFs.

Only an Authorized Participant may engage in creation or redemption transactions directly with the Fund. "Authorized Participants" are broker-dealers that are permitted to create and redeem shares directly with the Fund and who have entered into agreements with the Fund's distributor. The Fund has a limited number of institutions that act as Authorized Participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other Authorized Participant is able to step forward to create or redeem Creation Units (as defined below), Fund shares may trade at a discount to NAV

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and possibly face trading halts and/or delisting. This risk may be more pronounced in volatile markets, potentially where there are significant redemptions in ETFs generally.

Certain large shareholders, including other funds or accounts advised by the investment manager or an affiliate of the investment manager, may from time to time own a substantial amount of the Fund's shares. In addition, a third-party investor, the investment manager or an affiliate of the investment manager, an authorized participant, a lead market maker, or another entity may invest in the Fund and hold its investment for a limited period of time solely to facilitate commencement of the Fund or to facilitate the Fund's achieving a specified size or scale. There can be no assurance that any large shareholder would not redeem its investment, that the size of the Fund would be maintained at such levels or that the Fund would continue to meet applicable listing requirements. Redemptions by large shareholders could have a significant negative impact on the Fund. In addition, transactions by large shareholders may account for a large percentage of the trading volume on the listing exchange and may, therefore, have a material upward or downward effect on the market price of the shares.

### **Franklin International Aggregate Bd ETF**

**Investment Objective, Strategy and Policies** – The Fund's investment goal is total investment return, consistent with prudent investing, consisting of a combination of interest income and capital appreciation. Under normal market conditions, the Fund invests at least 80% of its net assets in bonds and investments that provide exposure to bonds. Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures.

The Fund invests predominantly in fixed and floating-rate bonds issued by governments, government agencies and governmental-related or corporate issuers located outside the U.S. Bonds may be denominated and issued in the local currency or in another currency. The Fund may also invest in securities or structured products that are linked to or derive their value from another security, asset or currency of any nation. In addition, the Fund's assets are invested in issuers located in at least three countries (excluding the U.S.). The Fund may invest without limit in developing or emerging markets.

The Fund may invest in debt securities of any maturity or duration, and the average maturity or duration of debt securities in the Fund's portfolio will fluctuate depending on the investment manager's outlook on changing market, economic, and political conditions. The Fund may also invest a portion of its assets in cash or cash equivalents.

The Fund is a "non-diversified" fund, which means it generally invests a greater portion of its assets in the securities of one or more issuers and invests overall in a smaller number of issuers than a diversified fund.

Although the Fund may buy bonds rated in any category, including securities in default, it focuses on "investment grade" bonds. These are issues rated in the top four rating categories at the time of purchase by at least one independent rating agency, such as S&P Global Ratings (S&P®) or Moody's Investors Service (Moody's) or, if unrated, determined by the Fund's investment manager to be of comparable quality. The Fund may invest up to 20% of its total assets in bonds that are rated below investment grade or, if unrated, determined by the investment manager to be of comparable quality. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. For purposes of pursuing its investment goal, the investment manager seeks to hedge substantially all of the Fund's foreign currency exposure using currency related derivatives, including currency and cross currency forwards and currency futures contracts. The Fund expects to maintain extensive positions in currency related derivative instruments as a hedging technique or to implement a currency investment strategy, which exposes a large amount of the Fund's assets to obligations under these instruments. The results of such transactions may represent, from time to time, a large component of the Fund's investment returns. The use of these derivative transactions may allow the fund to obtain net long or net negative (short) exposure to selected currencies. The Fund may also enter into various other transactions involving derivatives, including interest rate/bond futures contracts and interest rate swap agreements. These derivative instruments may be used for hedging purposes. Derivatives that provide exposure to bonds may be used to satisfy the Fund's 80% policy.

When choosing investments for the Fund, the investment manager allocates the Fund's assets based upon its assessment of changing market, political and economic conditions. It considers various factors, including evaluation of interest rates, currency exchange rate changes and credit risks. The investment manager may utilize quantitative models to identify investment opportunities as part of the portfolio construction process for the Fund. Quantitative models are proprietary systems that rely on mathematical computations to identify investment opportunities.

The investment manager may consider selling a security when it believes the security has become fully valued due to either its price appreciation or changes in the issuer's fundamentals, or when the investment manager believes another security is a more attractive investment opportunity.

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**Principal Risks of Investing** – You could lose money by investing in the Fund. ETF shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government. The Fund is subject to principal risks, any of which may adversely affect the Fund's net asset value (NAV), trading price, yield, total return and ability to meet its investment goal. Unlike many ETFs, the Fund is not an index-based ETF.

Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; diplomatic and political developments could affect the economies, industries, and securities and currency markets of the countries in which the Fund is invested, which can include rapid and adverse political changes; social instability; regional conflicts; sanctions imposed by the United States, other nations or other governmental entities, including supranational entities; terrorism; and war; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies – e.g., fluctuations may negatively affect investments denominated in foreign currencies and any income received or expenses paid by the Fund in that foreign currency. The risks of foreign investments may be greater in developing or emerging market countries.

Currency management strategies may substantially change the Fund's exposure to currency exchange rates and could result in losses to the Fund if currencies do not perform as the investment manager expects. In addition, currency management strategies, to the extent that they reduce the Fund's exposure to currency risks, also reduce the Fund's ability to benefit from favorable changes in currency exchange rates. Using currency management strategies for purposes other than hedging further increases the Fund's exposure to foreign investment losses. Currency markets generally are not as regulated as securities markets. In addition, currency rates may fluctuate significantly over short periods of time, and can reduce returns. While the Fund's currency hedging approach is designed to minimize the impact of currency fluctuations on Fund returns, it does not necessarily eliminate the Fund's exposure to the currencies. The return of the currency related derivatives will not perfectly offset the actual fluctuations between the currencies and the U.S. dollar. In addition, the Fund will incur transaction costs in hedging its foreign currency exposure. The Fund's exposure to the currencies may not be hedged at all times. While the Fund seeks to hedge against currency fluctuations, it is possible that a degree of currency exposure may remain even at the time a hedging transaction is implemented. Increased volatility of the U.S. dollar relative to the currencies being hedged will generally reduce the effectiveness of the Fund's currency hedging strategy, measured on an aggregate basis. Significant differences between U.S. dollar interest rates and foreign currency interest rates may impact the effectiveness of the Fund's currency hedging strategy.

Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign investments generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due because of cash flow problems, insufficient foreign reserves, the relative size of the debt service burden to the economy as a whole, the government's policy towards principal international lenders such as the International Monetary Fund, or the political considerations to which the government may be subject. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. Some sovereign debtors have in the past been able to restructure their debt payments without the approval of some or all debt holders or to declare moratoria on payments. In the event of a default on sovereign debt, the Fund may also have limited legal recourse against the defaulting government entity.

To the extent that the Fund invests a significant portion of its assets in a specific geographic region or a particular country, the Fund will generally have more exposure to the specific regional or country risks. In the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a substantial portion of the Fund's assets are invested, the Fund may experience substantial illiquidity or reduction in the value of the Fund's investments. Adverse conditions in a certain region or country can adversely affect securities of issuers in other countries whose economies appear to be unrelated.

The Fund's investments in securities of issuers in developing market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation.

Investments in securities of European issuers involve risks that are specific to Europe, including certain legal, regulatory, political and economic risks. Current political uncertainty surrounding the European Union (EU) and its membership may increase market volatility. The financial instability of some countries in the EU, together with the risk of such instability impacting other more stable countries

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may increase the economic risk of investing in companies in Europe. One or more EU member states might exit the EU, placing the European currency and banking system in jeopardy. Efforts of the EU to further unify the economic and monetary policies of its members may increase the potential interdependence of the economies of the EU members and thereby increase the risk that adverse developments in one country will adversely affect the securities of issuers located in other countries. Current uncertainty concerning the economic consequences of Russia's military invasion of Ukraine in February 2022 has increased market volatility.

There are special risks associated with investments in China, including exposure to currency fluctuations, less liquidity, expropriation, confiscatory taxation, nationalization and exchange control regulations (including currency blockage). Inflation and rapid fluctuations in inflation and interest rates have had, and may continue to have, negative effects on the economy and securities markets of China. China is deemed by the investment manager to be an emerging markets country, which means an investment in this country has more heightened risks than general foreign investing due to a lack of established legal, political, business and social frameworks and accounting standards or auditor oversight in the country to support securities markets as well as the possibility for more widespread corruption and fraud. In addition, the standards for environmental, social and corporate governance matters in China also tend to be lower than such standards in more developed economies. Also, certain securities issued by companies located or operating in China, such as China A-Shares, are subject to trading restrictions, quota limitations, and clearing and settlement risks. In addition, there may be significant obstacles to obtaining information necessary for investigations into or litigation against companies located in or operating in China and shareholders may have limited legal remedies. Trade disputes and the imposition of tariffs on goods and services can affect the Chinese economy, particularly in light of China's large export sector, as well as the global economy. Trade disputes can result in increased costs of production and reduced profitability for non-export-dependent companies that rely on imports to the extent China engages in retaliatory tariffs. Trade disputes may also lead to increased currency exchange rate volatility.

When interest rates rise, debt security prices generally fall. The opposite is also generally true: debt security prices rise when interest rates fall. Interest rate changes are influenced by a number of factors, including government policy, monetary policy, inflation expectations, perceptions of risk, and supply of and demand for bonds. In general, securities with longer maturities or durations are more sensitive to interest rate changes.

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

An issuer of debt securities may fail to make interest payments or repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's or government's credit rating may affect a security's value.

The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such instruments often have risks similar to their underlying instrument, in addition to other risks. Derivative instruments involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that exceeds the Fund's initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate or other risk being hedged. With over-the-counter derivatives, there is the risk that the other party to the transaction will fail to perform.

Issuers of lower-rated or "high-yield" debt instruments (also known as "junk bonds") are not as strong financially as those issuing higher credit quality debt instruments. High-yield debt instruments are generally considered predominantly speculative by the applicable rating agencies as their issuers are more likely to encounter financial difficulties because they may be more highly leveraged, or because of other considerations. In addition, high yield debt instruments generally are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. The prices of high-yield debt instruments generally fluctuate more than those of higher credit quality. High-yield debt instruments are generally more illiquid (harder to sell) and harder to value. Liquidity: The trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs or in response to a specific economic event and will also generally lower the value of a security or other investments. Market prices for such securities or other investments may be volatile.

Floating rate corporate loans and corporate debt securities generally have credit ratings below investment grade and may be subject to resale restrictions. They are often issued in connection with highly leveraged transactions, and may be subject to greater credit

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risks than other investments including the possibility of default or bankruptcy. In addition, a secondary market in corporate loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may impair the ability to accurately value existing and prospective investments and to realize in a timely fashion the full value upon the sale of a corporate loan. A significant portion of floating rate investments may be “covenant lite” loans that may contain fewer or less restrictive constraints on the borrower or other borrower-friendly characteristics.

Credit-linked securities, which may be considered to be a type of structured debt investment, represent an interest in a pool of, or are otherwise collateralized by, one or more reference securities such as corporate debt obligations or credit default swaps thereon or bank loan obligations. The Fund may lose money investing in credit-linked securities if a credit event (for example, a bankruptcy or failure to pay interest or principal or a restructuring) occurs with respect to a reference security, if the underlying securities otherwise perform poorly, or if certain counterparties fail to satisfy their obligations. The market for credit-linked securities may suddenly become illiquid, making it difficult for the Fund to sell such securities promptly at an acceptable price.

The Fund’s distributions to shareholders may decline when prevailing interest rates fall, when the Fund experiences defaults on debt securities it holds or when the Fund realizes a loss upon the sale of a debt security.

Prepayment risk occurs when a debt security can be repaid in whole or in part prior to the security’s maturity and the Fund must reinvest the proceeds it receives, during periods of declining interest rates, in securities that pay a lower rate of interest. Also, if a security has been purchased at a premium, the value of the premium would be lost in the event of prepayment. Prepayments generally increase when interest rates fall.

Some debt securities are subject to the risk that the debt security’s effective maturity is extended because calls or prepayments are less or slower than anticipated, particularly when interest rates rise. The market value of such security may then decline and become more interest rate sensitive.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investments from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Because the Fund is non-diversified, it may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may negatively impact the Fund’s performance and result in greater fluctuation in the value of the Fund’s shares.

To the extent the Fund holds cash or cash equivalents rather than securities in which it primarily invests or uses to manage risk, the Fund may not achieve its investment objectives and may underperform.

The Fund is subject to management risk because it is an actively managed ETF. The Fund’s investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, authorized participants, or index providers (as applicable) and listing exchanges, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents. Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund’s ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

The quantitative models that may be used by the investment manager as part of the Fund’s portfolio construction process to identify investment opportunities have been tested on historical price data. These models are based on the assumption that price movements in most markets display similar patterns. There is the risk that market behavior will change and that the patterns upon which the forecasts in the models are based will weaken or disappear, which would reduce the ability of the models to generate an excess



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return. Further, as market dynamics shift over time, a previously highly successful model may become outdated, perhaps without the investment manager recognizing that fact before substantial losses are incurred. Successful operation of a model is also reliant upon the information technology systems of the investment manager and its ability to ensure those systems remain operational and that appropriate disaster recovery procedures are in place. There can be no assurance that the investment manager will be successful in maintaining effective and operational quantitative models and the related hardware and software systems.

The Fund faces numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. Any of these factors, among others, may lead to the Fund's shares trading at a premium or discount to NAV. Thus, you may pay more (or less) than NAV when you buy shares of the Fund in the secondary market, and you may receive less (or more) than NAV when you sell those shares in the secondary market. The investment manager cannot predict whether shares will trade above (premium), below (discount) or at NAV. To the extent that the underlying securities held by the Fund trade on an exchange that is closed when the securities exchange on which the Fund shares list and trade is open, there may be market uncertainty about the stale security pricing (i.e., the last quote from its closed foreign market) resulting in premiums or discounts to NAV that may be greater than those experienced by other ETFs.

Only an Authorized Participant may engage in creation or redemption transactions directly with the Fund. "Authorized Participants" are broker-dealers that are permitted to create and redeem shares directly with the Fund and who have entered into agreements with the Fund's distributor. The Fund has a limited number of institutions that act as Authorized Participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other Authorized Participant is able to step forward to create or redeem Creation Units (as defined below), Fund shares may trade at a discount to NAV and possibly face trading halts and/or delisting. This risk may be more pronounced in volatile markets, potentially where there are significant redemptions in ETFs generally.

Unlike certain ETFs, the Fund expects to generally effect its creations and redemptions entirely for cash, rather than for in-kind securities. Therefore, it may be required to sell portfolio securities and subsequently recognize gains on such sales that the Fund might not have recognized if it were to distribute portfolio securities in-kind. As such, investments in Fund shares may be less tax-efficient than an investment in an ETF that distributes portfolio securities entirely in-kind.

Certain large shareholders, including other funds or accounts advised by the investment manager or an affiliate of the investment manager, may from time to time own a substantial amount of the Fund's shares. In addition, a third-party investor, the investment manager or an affiliate of the investment manager, an authorized participant, a lead market maker, or another entity may invest in the Fund and hold its investment for a limited period of time solely to facilitate commencement of the Fund or to facilitate the Fund's achieving a specified size or scale. There can be no assurance that any large shareholder would not redeem its investment, that the size of the Fund would be maintained at such levels or that the Fund would continue to meet applicable listing requirements. Redemptions by large shareholders could have a significant negative impact on the Fund. In addition, transactions by large shareholders may account for a large percentage of the trading volume on the listing exchange and may, therefore, have a material upward or downward effect on the market price of the shares.

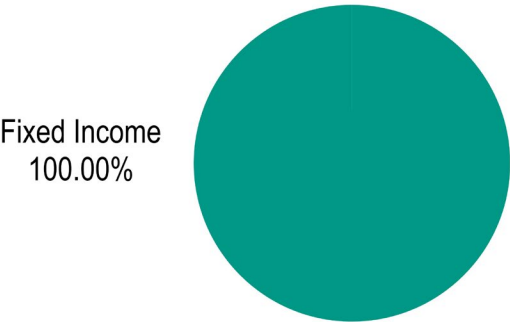
# Lord Abbett Portfolio

**General** – All of the assets of the Lord Abbett Total Return Portfolio are invested in Institutional Class shares of the Underlying Fund that is recommended by Lord Abbett and approved by FAME for use in the Lord Abbett Portfolio.

The Underlying Fund of the Lord Abbett Total Return Portfolio is currently managed by Lord, Abbett & Co. LLC, which had over \$202 billion in assets under management as of June 30, 2024. Lord Abbett currently manages 60 mutual funds registered under the Investment Company Act of 1940.

**Current Target Underlying Fund Allocation** – The following charts illustrate the current target asset allocation and the current target Underlying Fund allocation for the Lord Abbett Total Return Portfolio. This information is presented for informational purposes only.

## Total Return Portfolio



Underlying Fund (Unit I Shares)	Lord Abbett	
	Fund Ticker	Total Return Portfolio
Investment Grade Fixed Income Fund		
Lord Abbett Total Return Fund	LTRYX	100%

**Historical Investment Performance** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of the Lord Abbett Portfolio as of June 30, 2024, with and without sales charges. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). You may also contact your Financial Intermediary. The Lord Abbett Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. The performance data relating to the Lord Abbett Portfolio set forth below is for the limited time period presented and is not indicative of the future performance of the Lord Abbett Portfolio.

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge				
Lord Abbett Client Select Series	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
Lord Abbett Total Return Portfolio - A**	2015-02-23	0.75%	3.84%	-2.99%	-0.11%	N/A	1.12%	3.59%	-2.99%	-0.11%	N/A	1.12%
Lord Abbett Total Return Portfolio - C***	2015-02-23	1.50%	2.99%	-3.73%	-0.68%	N/A	0.79%	1.99%	-3.73%	-0.68%	N/A	0.79%
Lord Abbett Total Return Portfolio - I****	2022-10-17	0.50%	1.25%	N/A	N/A	N/A	2.97%	N/A	N/A	N/A	N/A	N/A

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Sales charge reflects a CDSC of 0.25% in first year after purchase

\*\*\* Sales charge reflects a CDSC of 1.00% in first year after purchase.

\*\*\*\*The I Unit Class does not incur a sales charge. Returns are the same as those in columns Without sales charges.

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**Summary of Investment Objectives and Policies of the Underlying Fund for the Lord Abbett Total Return Portfolio** – The following description summarizes the investment goals and policies of the Underlying Fund in which the Lord Abbett Total Return Portfolio is currently invested. The description also identifies certain principal risks to which the Underlying Fund may be subject. Additional discussion of risks related to the various categories of the Underlying Fund is set forth under “**Program and Portfolio Risks and Other Considerations**.” The investment strategy and risks of the Underlying Fund are subject to change.

The summary is qualified in its entirety by reference to the detailed information included in the current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of the Underlying Fund’s current prospectus or statement of additional information, or the Underlying Fund’s most recent semi-annual or annual report by calling Lord Abbett at 1-888-522-2388 or by locating it on Lord Abbett’s website at [www.lordabbett.com](http://www.lordabbett.com).

## INVESTMENT GRADE FIXED INCOME FUND

### Lord Abbett Total Return Fund

**Investment Objective, Strategy and Policies** – The Fund’s investment objective is to seek income and capital appreciation to produce a high total return.

Under normal conditions, the Fund pursues its investment objective by investing in investment grade debt (or fixed income) securities. The Fund may invest up to 20% of its net assets in high-yield debt securities (commonly referred to as “lower-rated” or “junk” bonds). The Fund may invest in debt securities issued by non-U.S. entities but denominated in U.S. dollars, and securities issued by non-U.S. entities and denominated in currencies other than the U.S. dollar. The Fund may invest up to 20% of its net assets in debt securities of non-U.S. issuers that are denominated in non-U.S. currencies.

The Fund generally may invest in the following types of debt securities:

- Securities issued or guaranteed by the U.S. Government, its agencies and instrumentalities;
- Corporate debt securities;
- Mortgage-backed, mortgage-related, and other asset-backed securities;
- Inflation-linked investments;
- Structured securities and other hybrid instruments, including collateralized loan obligations (“CLOs”); and
- Loans, including bridge loans, novations, assignments, and participations. The Fund may invest up to 10% of its net assets in floating or adjustable rate loans.

The Fund may invest in Treasury Inflation Protected Securities (“TIPS”), which are U.S. Government bonds whose principal automatically is adjusted for inflation as measured by the Consumer Price Index for All Urban Consumers (“CPI-U”), and other inflation-indexed securities issued by the U.S. Department of Treasury.

The Fund will not invest more than 25% of its total assets in any industry; however, this limitation does not apply to mortgage-backed securities, privately issued mortgage-related securities, or securities issued by the U.S. Government, its agencies and instrumentalities.

The Fund seeks to manage interest rate risk through its management of the average duration of the securities it holds in its portfolio. Under normal conditions, the Fund will maintain its average duration range within two years of the bond market’s duration as measured by the Bloomberg U.S. Aggregate Bond Index (which was approximately 6.22 years as of February 29, 2024). The duration of a security takes into account the pattern of all expected payments of interest and principal on the security over time, including how these payments are affected by changes in interest rates.

The Fund may use derivatives to hedge against risk or to gain investment exposure. Currently, the Fund expects to invest in derivatives consisting principally of futures, forwards, options, and swaps. The Fund may use derivatives to seek to enhance returns, to attempt to hedge some of its investment risk, to manage portfolio duration, as a substitute for holding the underlying asset on which the derivative instrument is based, or for cash management purposes. For example, the Fund may invest in or sell short U.S. Treasury futures, securities index futures, other futures, and/or currency forwards to adjust the Fund’s exposure to the direction of interest rates, or for other portfolio management reasons.

The Fund’s portfolio management team buys and sells securities using a relative value-oriented investment process, meaning the Fund’s portfolio management team generally seeks more investment exposure to securities believed to be undervalued and less investment exposure to securities believed to be overvalued. The Fund’s portfolio management team combines top-down and bottom-up analysis to construct its portfolio, using a blend of quantitative and fundamental research. As part of its top-down analysis, the

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Fund's portfolio management team evaluates global economic conditions, including monetary, fiscal, and regulatory policy, as well as the political and geopolitical environment, in order to identify and assess opportunities and risks across different segments of the fixed income market. The Fund's portfolio management team employs bottom-up analysis to identify and select securities for investment by the Fund based on in-depth company, industry, and market research and analysis. The Fund's portfolio management team may actively rotate sector exposure based on its assessment of relative value. The investment team may also consider the risks and return potential presented by environmental, social, and governance (ESG) factors in investment decisions. The Fund engages in active and frequent trading of its portfolio securities.

The Fund may sell a security when the Fund believes the security is less likely to benefit from the current market and economic environment, or shows signs of deteriorating fundamentals, among other reasons. The Fund may deviate from the investment strategy described above for temporary defensive purposes. The Fund may miss certain investment opportunities if defensive strategies are used and thus may not achieve its investment objective.

**Principal Risks of Investing** – As with any investment in a mutual fund, investing in the Fund involves risk, including the risk that you may receive little or no return on your investment. When you redeem your shares, they may be worth more or less than what you paid for them, which means that you may lose a portion or all of the money you invested in the Fund. The principal risks of investing in the Fund, which could adversely affect its performance, include:

### **Portfolio Management Risk**

If the strategies used and investments selected by the Fund's portfolio management team fail to produce the intended result, the Fund may suffer losses or underperform other funds with the same investment objective or strategies, even in a favorable market.

### **Market Risk**

The market values of securities will fluctuate, sometimes sharply and unpredictably, based on overall economic conditions, governmental actions or intervention, market disruptions caused by trade disputes or other factors, political developments, and other factors. Prices of equity securities tend to rise and fall more dramatically than those of debt securities.

### **Fixed Income Securities Risk**

The Fund is subject to the general risks and considerations associated with investing in debt securities, including the risk that issuers will fail to make timely payments of principal or interest or default altogether. Lower-rated securities in which the Fund may invest may be more volatile and may decline more in price in response to negative issuer developments or general economic news than higher rated securities. In addition, as interest rates rise, the Fund's investments typically will lose value.

### **High Yield Securities Risk**

High yield securities (commonly referred to as "junk" bonds) typically pay a higher yield than investment grade securities, but may have greater price fluctuations and have a higher risk of default than investment grade securities. The market for high yield securities may be less liquid due to such factors as interest rate sensitivity, negative perceptions of the junk bond markets generally, and less secondary market liquidity. This may make such securities more difficult to sell at an acceptable price, especially during periods of financial distress, increased market volatility, or significant market decline.

### **Credit Risk**

Debt securities are subject to the risk that the issuer or guarantor of a security may not make interest and principal payments as they become due or may default altogether. In addition, if the market perceives a deterioration in the creditworthiness of an issuer, the value and liquidity of securities issued by that issuer may decline. To the extent that the Fund holds below investment grade securities, these risks may be heightened. Insured debt securities have the credit risk of the insurer in addition to the credit risk of the underlying investment being insured.

### **Interest Rate Risk**

As interest rates rise, prices of bonds (including tax-exempt bonds) generally fall, typically causing the Fund's investments to lose value. Additionally, rising interest rates or lack of market participants may lead to decreased liquidity in fixed income markets. Interest rate changes generally have a more pronounced effect on the market value of fixed-rate instruments, such as corporate bonds, than they have on floating rate instruments, and typically have a greater effect on the price of fixed income securities with longer durations. A wide variety of market factors can cause interest rates to rise, including central bank monetary policy, rising inflation, and changes in general economic conditions. To the extent the Fund invests in floating rate instruments, changes in short-term market interest

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rates may affect the yield on those investments. If short-term market interest rates fall, the yield on the Fund's shares will also fall. Conversely, when short-term market interest rates rise, because of the lag between changes in such short-term rates and the resetting of the floating rates on the floating rate debt in the Fund's portfolio, the impact of rising rates may be delayed.

### **Liquidity/Redemption Risk**

The Fund may lose money when selling securities at inopportune times to fulfill shareholder redemption requests. The risk of loss may increase depending on the size and frequency of redemption requests, whether the redemption requests occur in times of overall market turmoil or declining prices, and whether the securities the Fund intends to sell have decreased in value or are illiquid. The Fund may be less able to sell illiquid securities at its desired time or price. It may be more difficult for the Fund to value its investments in illiquid securities than more liquid securities.

### **Government Securities Risk**

The Fund invests in securities issued or guaranteed by the U.S. Government or its agencies and instrumentalities (such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), or the Federal Home Loan Mortgage Corporation ("Freddie Mac")). Unlike Ginnie Mae securities, securities issued or guaranteed by U.S. Government-related organizations, such as Fannie Mae and Freddie Mac, are not backed by the full faith and credit of the U.S. Government and no assurance can be given that the U.S. Government would provide financial support.

### **Mortgage-Related and Other Asset-Backed Securities Risk**

Mortgage-related securities, including commercial mortgage-backed securities ("CMBS") and other privately issued mortgage-related securities, and other asset-backed securities may be particularly sensitive to changes in prevailing interest rates and economic conditions, including delinquencies and defaults. The prices of mortgage-related and other asset-backed securities, depending on their structure and the rate of payments, can be volatile. They are subject to prepayment risk (higher than expected prepayment rates of mortgage obligations due to a fall in market interest rates) and extension risk (lower than expected prepayment rates of mortgage obligations due to a rise in market interest rates). These risks increase the Fund's overall interest rate risk. Some mortgage-related securities receive government or private support, but there is no assurance that such support will remain in place.

### **Inflation-Linked Investments Risk**

Unlike traditional fixed income securities, the principal and interest payments of inflation-linked investments are adjusted periodically based on the inflation rate. The value of the Fund's inflation-linked investments may be vulnerable to changes in expectations of inflation or interest rates and there is no guarantee that the Fund's use of these instruments will be successful.

### **Foreign and Emerging Market Company Risk**

Investments in foreign companies and in U.S. companies with economic ties to foreign markets generally involve special risks. These companies may be more vulnerable to economic, political, and social instability and subject to less government supervision, lack of transparency, inadequate regulatory and accounting standards, and foreign taxes. Foreign company securities also include American Depositary Receipts ("ADRs"), which may be less liquid than the underlying shares in their primary trading market. Foreign securities also may subject the Fund's investments to changes in currency exchange rates. Emerging market securities generally are more volatile than other foreign securities, and are subject to greater liquidity, regulatory, and political risks. Investments in emerging markets may be considered speculative and generally are riskier than investments in more developed markets because such markets tend to develop unevenly and may never fully develop. Emerging markets are more likely to experience hyperinflation and currency devaluations. Securities of emerging market companies may have far lower trading volumes and less liquidity than securities of issuers in developed markets. Companies with economic ties to emerging markets may be susceptible to the same risks as companies organized in emerging markets.

### **Foreign Currency Risk**

Investments in securities that are denominated or receiving revenues in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedged positions, that the U.S. dollar will decline in value relative to the currency being hedged. Foreign currency exchange rates may fluctuate significantly over short periods of time.

### **Loan Risk**

Investments in floating or adjustable-rate loans are subject to increased credit and liquidity risks. Loan prices also may be adversely affected by supply-demand imbalances caused by conditions in the loan market or related markets. Below investment grade loans,

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like high-yield debt securities, or junk bonds, usually are more credit sensitive than interest rate sensitive, although the value of these instruments may be affected by interest rate swings in the overall fixed income market. Loans may be subject to structural subordination and may be subordinated to other obligations of the borrower or its subsidiaries.

### **Collateralized Loan Obligations and Other Collateralized Obligations Risk**

An investment in a CLO can be viewed as investing in (or through) another investment adviser and is subject to the layering of fees associated with such an investment. The risks of investing in a CLO generally can be summarized as a combination of economic risks of the underlying loans combined with the risks associated with the CLO structure governing the priority of payments, and include interest rate risk, credit risk, liquidity risk, prepayment risk, and the risk of default of the underlying asset, among others.

### **LIBOR Risk**

Certain instruments in which the Fund may invest have historically relied upon London Interbank Offered Rate ("LIBOR"). As of June 30, 2023, the administrator of LIBOR ceased publication of U.S. dollar LIBOR settings. Alternative reference rates to LIBOR have been established in most major currencies. The transition away from LIBOR may lead to increased volatility and illiquidity in markets that relied on LIBOR and may adversely affect the Fund's performance. The transition may also result in a reduction in the value of certain LIBOR-related investments held by the Fund or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses for the Fund.

### **Derivatives Risk**

The risks associated with derivatives may be different from and greater than the risks associated with directly investing in securities and other investments. Derivatives may increase the Fund's volatility and reduce its returns.

Derivatives may not perform as expected and the Fund may not realize the intended benefits. Whether the Fund's use of derivatives is successful may depend on, among other things, the portfolio managers' ability to correctly forecast market movements, company and industry valuation levels and trends, changes in foreign exchange and interest rates, and other factors. If the portfolio managers incorrectly forecast these and other factors, the Fund's performance could suffer. In addition, given their complexity, derivatives are subject to the risk that improper or misunderstood documentation may expose the Fund to losses.

### **High Portfolio Turnover Risk**

High portfolio turnover may result in increased transaction costs, reduced investment performance, and higher taxes resulting from increased realized capital gains, including short-term capital gains taxable as ordinary income when distributed to shareholders.

# MFS Portfolios

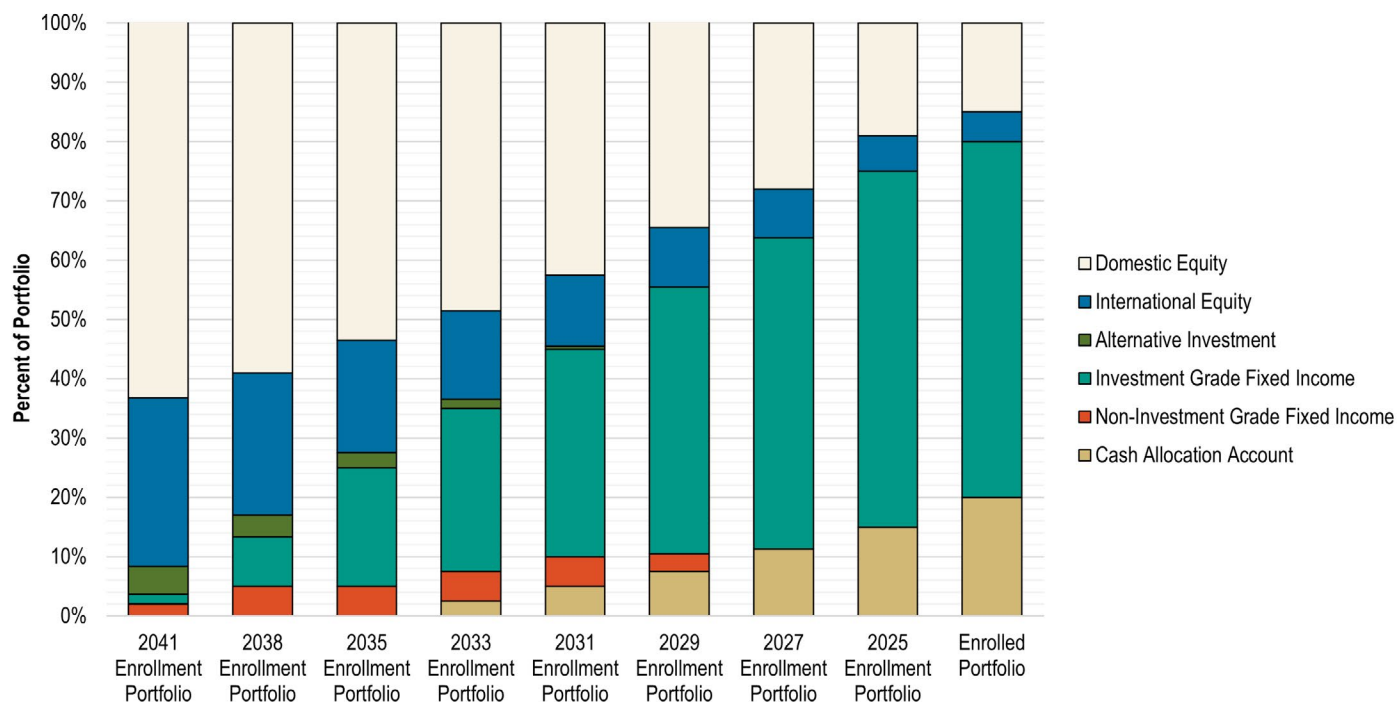
**General** – Substantially all of the assets of each MFS Portfolio are invested in Institutional Class shares of the Underlying Fund(s) that are recommended by MFS for that Portfolio and approved by FAME for use in the MFS Portfolios. A portion of certain MFS Portfolios may be held in the “**Cash Allocation Account**”.

All of these Underlying Funds (excluding the Cash Allocation Account) in which MFS Portfolios invest are currently managed by MFS or its affiliates. MFS is America’s oldest mutual fund organization. As of June 30, 2024, MFS and its affiliates had approximately \$617 billion in assets under management and served as an investment adviser to 135 investment companies (or series thereof) registered under the Investment Company Act of 1940.

The following charts illustrate the current target asset allocation of each of the MFS Year of Enrollment Portfolios.

The target allocation of assets of each such Year of Enrollment Portfolio to Underlying Funds that primarily invest in equity securities, fixed income securities and money market securities, respectively, will change over time (generally on a quarterly basis) from the target allocation shown in the following charts as the remaining period until the applicable “year of enrollment” shortens, with the allocation to Underlying Funds that primarily invest in equity securities generally reducing over time and the allocation to Underlying Funds that primarily invest in fixed income securities and/or money market securities generally increasing over time.

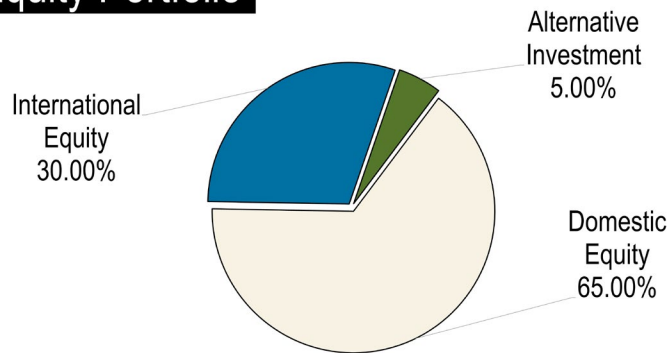
## MFS Year of Enrollment Asset Class Allocations



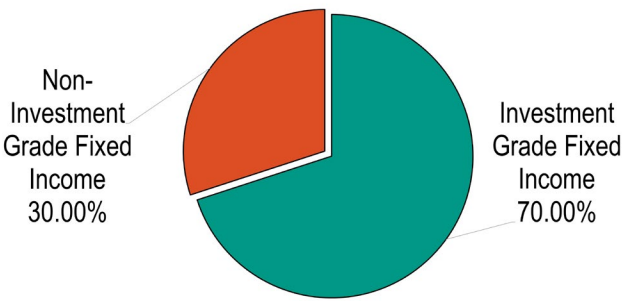


The following pie charts illustrate the current target asset allocation of each MFS Diversified Portfolio as of the date of this Program Description.

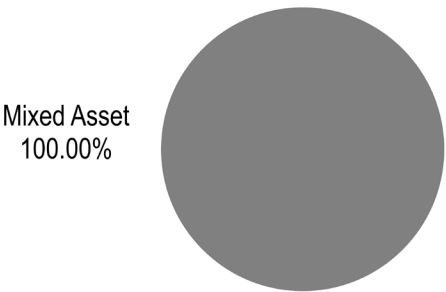
**Equity Portfolio**



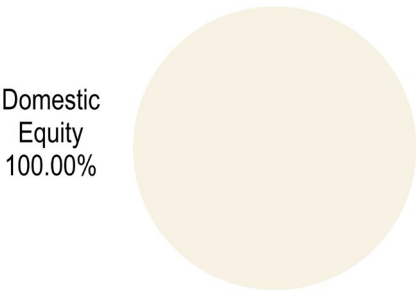
**Fixed Income Portfolio**



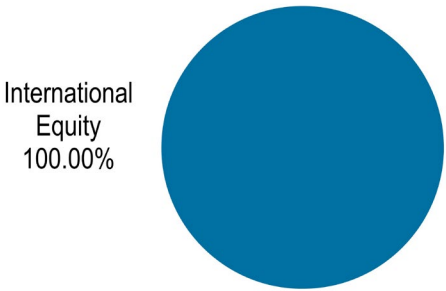
**Global Equity Portfolio**



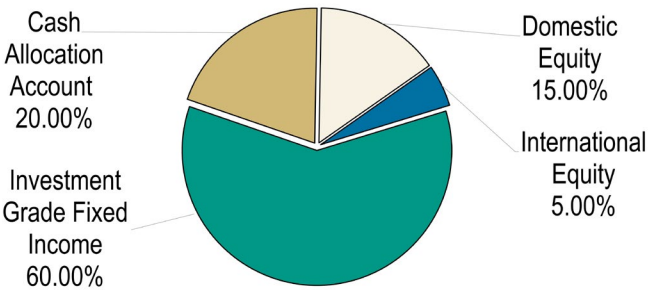
**Value Portfolio**



**Research International Portfolio**



**Conservative Mixed Asset Portfolio**



**Current Target Underlying Fund Allocations** – The following chart illustrates the current target asset allocations and the current target Underlying Fund allocations within those target asset allocations for the age-bands of the MFS Year of Enrollment Portfolios. For convenience of reference, Underlying Funds are grouped by their principal asset class, although certain investments of an Underlying Fund may be made in other types of assets. This information is presented for informational purposes only.

Underlying Fund (Class I Shares)	Fund Ticker	2041 Enrollment Portfolio	2038 Enrollment Portfolio	2035 Enrollment Portfolio	2033 Enrollment Portfolio	2031 Enrollment Portfolio	2029 Enrollment Portfolio	2027 Enrollment Portfolio	2025 Enrollment Portfolio	Enrolled Portfolio
<b>Domestic Equity Funds</b>										
MFS Blended Research Core Equity Fund	MUSEX	7.67%	6.67%	5.88%	5.63%	5.25%	4.63%	3.93%	3.00%	3.00%
MFS Blended Research Growth Equity Fund	BRWJX	5.92%	5.67%	5.25%	4.75%	4.25%	3.75%	3.13%	2.00%	1.50%
MFS Blended Research Mid Cap Equity Fund	BMSLX	9.83%	9.33%	8.50%	7.50%	6.13%	4.37%	3.13%	2.00%	1.00%
MFS Blended Research Small Cap Equity Fund	BRSJX	4.83%	4.33%	3.75%	3.25%	2.62%	1.87%	1.38%	1.00%	1.00%
MFS Blended Research Value Equity Fund	BRUHX	5.92%	5.67%	5.25%	4.75%	4.25%	3.75%	3.13%	2.00%	1.50%
Massachusetts Investors Growth Stock Fund	MGTIX	5.92%	5.67%	5.25%	4.75%	4.25%	3.75%	3.13%	2.00%	1.50%
Massachusetts Investors Trust	MITIX	7.67%	6.67%	5.88%	5.62%	5.25%	4.63%	3.93%	3.00%	3.00%
MFS Mid Cap Growth Fund	OTCIX	4.92%	4.67%	4.25%	3.75%	3.13%	2.25%	1.56%	1.00%	0.50%
MFS Mid Cap Value Fund	MCVIX	4.92%	4.67%	4.25%	3.75%	3.13%	2.25%	1.56%	1.00%	0.50%
MFS Value Fund	MEIIX	5.92%	5.65%	5.25%	4.75%	4.25%	3.75%	3.13%	2.00%	1.50%
<b>International Equity Funds</b>										
MFS Blended Research International Equity Fund	BRXIX	11.50%	10.00%	8.24%	6.75%	5.74%	5.00%	4.13%	3.00%	2.50%
MFS International New Discovery Fund	MWNIX	5.50%	4.00%	2.50%	1.50%	0.50%	0.00%	0.00%	0.00%	0.00%
MFS Research International Fund	MRSIX	11.50%	10.00%	8.25%	6.75%	5.75%	5.00%	4.13%	3.00%	2.50%
<b>Alternative Investment Funds</b>										
MFS Global Real Estate Fund	MGLIX	2.33%	1.83%	1.25%	0.75%	0.25%	0.00%	0.00%	0.00%	0.00%
MFS Commodity Strategy Fund	MCSIX	2.33%	1.83%	1.25%	0.75%	0.25%	0.00%	0.00%	0.00%	0.00%
<b>Investment Grade Fixed Income Funds</b>										
MFS Limited Maturity Fund	MQLIX	0.00%	0.00%	0.00%	0.00%	2.50%	10.00%	16.24%	20.00%	20.00%
MFS Government Securities Fund	MGSIX	0.00%	1.67%	7.50%	10.00%	10.00%	10.00%	11.24%	15.00%	15.00%
MFS Total Return Bond Fund	MRBIX	1.66%	6.67%	12.50%	17.50%	22.50%	25.00%	25.00%	25.00%	25.00%
<b>Non-Investment Grade Fixed Income Funds</b>										
MFS High Income Fund	MHIIX	0.83%	2.50%	2.50%	2.50%	2.50%	1.25%	0.00%	0.00%	0.00%
MFS Emerging Markets Debt Fund	MEDIX	0.83%	2.50%	2.50%	2.50%	2.50%	1.25%	0.00%	0.00%	0.00%
<b>Cash Allocation Account</b>										
Cash Allocation Account	-	0.00%	0.00%	0.00%	2.50%	5.00%	7.50%	11.25%	15.00%	20.00%

Underlying Fund (Class I Shares)	Fund Ticker	Equity Portfolio	Fixed Income Portfolio	Global Equity Portfolio	Value Portfolio	Research International Portfolio	Conservative Mixed Asset Portfolio
<b>Domestic Equity Funds</b>							
MFS Blended Research Core Equity Fund	MUSEX	8.00%	0.00%	0.00%	0.00%	0.00%	3.00%
MFS Blended Research Growth Equity Fund	BRWJX	6.00%	0.00%	0.00%	0.00%	0.00%	1.50%
MFS Blended Research Mid Cap Equity Fund	BMSLX	10.00%	0.00%	0.00%	0.00%	0.00%	1.00%
MFS Blended Research Small Cap Equity Fund	BRSJX	5.00%	0.00%	0.00%	0.00%	0.00%	1.00%
MFS Blended Research Value Equity Fund	BRUHX	6.00%	0.00%	0.00%	0.00%	0.00%	1.50%
Massachusetts Investors Growth Stock Fund	MGTIX	6.00%	0.00%	0.00%	0.00%	0.00%	1.50%
Massachusetts Investors Trust	MITIX	8.00%	0.00%	0.00%	0.00%	0.00%	3.00%
MFS Mid Cap Growth Fund	OTCIX	5.00%	0.00%	0.00%	0.00%	0.00%	0.50%
MFS Mid Cap Value Fund	MCVIX	5.00%	0.00%	0.00%	0.00%	0.00%	0.50%
MFS Value Fund	MEIIX	6.00%	0.00%	0.00%	100.00%	0.00%	1.50%
<b>International Equity Funds</b>							
MFS Blended Research International Equity Fund	BRXIX	12.00%	0.00%	0.00%	0.00%	0.00%	2.50%
MFS International New Discovery Fund	MWNIX	6.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MFS Research International Fund	MRSIX	12.00%	0.00%	0.00%	0.00%	100.00%	2.50%
<b>Mixed Asset Fund</b> (The Fund may invest in the domestic equity and international equity investment sectors)							
MFS Global Equity Fund	MWEIX	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
<b>Alternative Investment Funds</b>							
MFS Global Real Estate Fund	MGLIX	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%
MFS Commodity Strategy Fund	MCSIX	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Investment Grade Fixed Income Funds</b>							
MFS Limited Maturity Fund	MQLIX	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%
MFS Government Securities Fund	MGSIX	0.00%	30.00%	0.00%	0.00%	0.00%	15.00%
MFS Total Return Bond Fund	MRBIX	0.00%	40.00%	0.00%	0.00%	0.00%	25.00%
<b>Non-Investment Grade Fixed Income Funds</b>							
MFS High Income Fund	MHIIX	0.00%	15.00%	0.00%	0.00%	0.00%	0.00%
MFS Emerging Markets Debt Fund	MEDIX	0.00%	15.00%	0.00%	0.00%	0.00%	0.00%
<b>Cash Allocation Account</b>							
Cash Allocation Account	-	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%

**Historical Investment Performance** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of each MFS Portfolio as of June 30, 2023, with and without sales charges. The \$50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). You may also contact your Financial Intermediary. Each MFS Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. The assets invested in the Year of Enrollment Portfolios on behalf of particular Designated Beneficiaries are automatically transferred to a successive age-band of the Portfolio when the Designated Beneficiary reaches a given age, and may not remain invested in the referenced Portfolio for a portion of the period reported. The performance data relating to the MFS Portfolios set forth below is for the limited time period presented, is subject to the footnotes thereto and is not indicative of the future performance of the MFS Portfolios.

A UNIT CLASS												
			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge**				
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
MFS 2041 Enrollment Portfolio - A	2004-09-20	0.98%	15.95%	4.28%	9.46%	8.67%	8.58%	15.70%	4.28%	9.46%	8.67%	8.58%
MFS 2038 Enrollment Portfolio - A	2019-10-28	0.97%	15.14%	4.02%	N/A	N/A	9.03%	14.89%	4.02%	N/A	N/A	9.03%
MFS 2035 Enrollment Portfolio - A	2004-09-21	0.95%	14.01%	3.47%	8.26%	7.55%	7.73%	13.76%	3.47%	8.26%	7.55%	7.73%
MFS 2033 Enrollment Portfolio - A	2019-10-28	0.92%	12.93%	2.91%	N/A	N/A	7.56%	12.68%	2.91%	N/A	N/A	7.56%
MFS 2031 Enrollment Portfolio - A	2004-09-21	0.89%	12.00%	2.69%	6.89%	6.42%	6.83%	11.75%	2.69%	6.89%	6.42%	6.83%
MFS 2029 Enrollment Portfolio - A	2019-10-28	0.87%	10.94%	2.22%	N/A	N/A	6.09%	10.69%	2.22%	N/A	N/A	6.09%
MFS 2027 Enrollment Portfolio - A	2004-09-20	0.83%	9.64%	1.89%	5.17%	4.89%	5.45%	9.39%	1.89%	5.17%	4.89%	5.45%
MFS 2025 Enrollment Portfolio - A	2017-10-30	0.81%	8.52%	1.41%	4.38%	N/A	4.45%	8.27%	1.41%	4.38%	N/A	4.45%
MFS Enrolled Portfolio - A	2004-09-20	0.79%	6.89%	0.79%	3.07%	3.11%	3.85%	6.64%	0.79%	3.07%	3.11%	3.85%
MFS Equity Portfolio - A	2004-09-20	0.98%	15.95%	4.30%	9.48%	8.68%	8.59%	15.70%	4.30%	9.48%	8.68%	8.59%
MFS Fixed Income Portfolio - A	2004-09-20	0.89%	4.64%	-1.75%	0.71%	1.70%	3.47%	4.39%	-1.75%	0.71%	1.70%	3.47%
MFS Research International Portfolio - A	2007-10-01	1.09%	7.90%	0.39%	6.00%	4.13%	2.62%	7.65%	0.39%	6.00%	4.13%	2.62%
MFS Value Portfolio - A	2007-10-01	0.89%	12.49%	5.44%	8.79%	8.48%	7.19%	12.24%	5.44%	8.79%	8.48%	7.19%
MFS Conservative Mixed Asset Portfolio - A	2016-10-17	0.79%	6.93%	0.78%	3.07%	N/A	3.42%	6.68%	0.78%	3.07%	N/A	3.42%
MFS Global Equity Portfolio - A	2019-11-15	1.24%	5.87%	0.15%	N/A	N/A	6.12%	5.62%	0.15%	N/A	N/A	6.12%

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Sales Charge Reflects a CDSC of 0.25% in first year after purchase.

\*\*\*Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

## C UNIT CLASS

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge						With sales charge**			
Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
MFS 2041 Enrollment Portfolio - C	2004-09-23	1.73%	15.05%	3.50%	8.81%	8.35%	8.47%	14.05%	3.50%	8.81%	8.35%	8.47%
MFS 2038 Enrollment Portfolio - C	2019-10-28	1.72%	14.30%	3.24%	N/A	N/A	8.34%	13.30%	3.24%	N/A	N/A	8.34%
MFS 2035 Enrollment Portfolio - C	2004-09-24	1.70%	13.17%	2.70%	7.60%	7.23%	7.60%	12.17%	2.70%	7.60%	7.23%	7.60%
MFS 2033 Enrollment Portfolio - C	2019-10-28	1.67%	12.14%	2.15%	N/A	N/A	6.86%	11.14%	2.15%	N/A	N/A	6.86%
MFS 2031 Enrollment Portfolio - C	2004-09-24	1.64%	11.15%	1.92%	6.26%	6.10%	6.69%	10.15%	1.92%	6.26%	6.10%	6.69%
MFS 2029 Enrollment Portfolio - C	2019-10-28	1.62%	10.12%	1.48%	N/A	N/A	5.39%	9.12%	1.48%	N/A	N/A	5.39%
MFS 2027 Enrollment Portfolio - C	2004-09-27	1.58%	8.80%	1.12%	4.54%	4.58%	5.32%	7.80%	1.12%	4.54%	4.58%	5.32%
MFS 2025 Enrollment Portfolio - C	2017-10-30	1.56%	7.71%	0.66%	3.75%	N/A	3.99%	6.71%	0.66%	3.75%	N/A	3.99%
MFS Enrolled Portfolio - C	2004-10-06	1.54%	6.08%	0.02%	2.46%	2.81%	3.68%	5.08%	0.02%	2.46%	2.81%	3.68%
MFS Equity Portfolio - C	2004-09-23	1.73%	15.09%	3.52%	8.82%	8.36%	8.48%	14.09%	3.52%	8.82%	8.36%	8.48%
MFS Fixed Income Portfolio - C	2004-09-23	1.64%	3.87%	-2.47%	0.10%	1.39%	3.31%	2.87%	-2.47%	0.10%	1.39%	3.31%
MFS Research International Portfolio - C	2007-10-01	1.84%	7.09%	-0.36%	5.35%	3.82%	2.45%	6.09%	-0.36%	5.35%	3.82%	2.45%
MFS Value Portfolio - C	2007-10-01	1.64%	11.68%	4.66%	8.14%	8.15%	6.99%	10.68%	4.66%	8.14%	8.15%	6.99%
MFS Conservative Mixed Asset Portfolio - C	2016-10-17	1.54%	6.16%	0.03%	2.44%	N/A	3.03%	5.16%	0.03%	2.44%	N/A	3.03%
MFS Global Equity Portfolio - C	2019-11-06	1.99%	5.06%	-0.61%	N/A	N/A	5.71%	4.06%	-0.61%	N/A	N/A	5.71%

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Sales Charge Reflects a CDSC of 1.00% in first year after purchase.

\*\*\* Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

# I UNIT CLASS

## AVERAGE ANNUAL TOTAL RETURN\*

Year of Enrollment Portfolios***	Inception Date	Gross Expense Ratio	Without sales charge					With sales charge**				
			1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
MFS 2041 Enrollment Portfolio - I	2022-10-17	0.73%	16.58%	N/A	N/A	N/A	21.10%	N/A	N/A	N/A	N/A	N/A
MFS 2038 Enrollment Portfolio - I	2022-10-17	0.72%	15.19%	N/A	N/A	N/A	19.29%	N/A	N/A	N/A	N/A	N/A
MFS 2035 Enrollment Portfolio - I	2022-10-17	0.70%	13.41%	N/A	N/A	N/A	17.25%	N/A	N/A	N/A	N/A	N/A
MFS 2033 Enrollment Portfolio - I	2022-10-17	0.67%	11.54%	N/A	N/A	N/A	15.40%	N/A	N/A	N/A	N/A	N/A
MFS 2031 Enrollment Portfolio - I	2022-10-17	0.64%	10.73%	N/A	N/A	N/A	13.96%	N/A	N/A	N/A	N/A	N/A
MFS 2029 Enrollment Portfolio - I	2022-10-17	0.62%	10.25%	N/A	N/A	N/A	12.72%	N/A	N/A	N/A	N/A	N/A
MFS 2027 Enrollment Portfolio - I	2022-10-17	0.58%	8.67%	N/A	N/A	N/A	10.82%	N/A	N/A	N/A	N/A	N/A
MFS 2025 Enrollment Portfolio - I	2022-10-17	0.56%	7.64%	N/A	N/A	N/A	9.61%	N/A	N/A	N/A	N/A	N/A
MFS Enrolled Portfolio - I	2022-10-17	0.54%	5.91%	N/A	N/A	N/A	7.45%	N/A	N/A	N/A	N/A	N/A
MFS Equity Portfolio - I	2022-10-17	0.73%	15.14%	N/A	N/A	N/A	19.86%	N/A	N/A	N/A	N/A	N/A
MFS Fixed Income Portfolio - I	2022-10-17	0.64%	3.50%	N/A	N/A	N/A	5.37%	N/A	N/A	N/A	N/A	N/A
MFS Research International Portfolio - I	2022-10-17	0.84%	7.32%	N/A	N/A	N/A	18.46%	N/A	N/A	N/A	N/A	N/A
MFS Value Portfolio - I	2022-10-17	0.64%	11.47%	N/A	N/A	N/A	13.69%	N/A	N/A	N/A	N/A	N/A
MFS Conservative Mixed Asset Portfolio - I	2022-10-17	0.54%	5.63%	N/A	N/A	N/A	7.22%	N/A	N/A	N/A	N/A	N/A
MFS Global Equity Portfolio - I	2022-10-17	0.99%	6.15%	N/A	N/A	N/A	16.36%	N/A	N/A	N/A	N/A	N/A

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* The I Unit Class does not incur a sales charge. Returns are the same as those in columns Without sales charges.

\*\*\* Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

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**Summary of Investment Objectives and Policies of the Underlying Funds for the MFS Portfolios** – The following descriptions summarize the investment goals and policies of the Underlying Funds in which the MFS Portfolios are currently invested. The “**Cash Allocation Account**” is described in the Glossary. The descriptions also identify certain principal risks to which particular Underlying Funds may be subject. Additional discussion of risks related to the various categories of Underlying Funds is set forth under “**Program and Portfolio Risks and Other Considerations**.” The investment objective of each Underlying Fund may be changed without shareholder approval. The investment strategy and policies of each Underlying Fund is also subject to change.

**These summaries are qualified in their entirety by reference to the detailed information included in each Underlying Fund’s current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of any Underlying Fund’s current prospectus and statement of additional information, or an Underlying Fund’s most recent semi-annual or annual report by calling MFS at 1-800-225-2606, or by locating it on the MFS website at [www.mfs.com](http://www.mfs.com).**

## DOMESTIC EQUITY FUNDS

### Massachusetts Investors Growth Stock Fund

**Investment Objective, Strategy and Policies** – The Fund’s investment objective is to seek capital appreciation. MFS, the Fund’s investment adviser, normally invests at least 80% of the Fund’s net assets in stocks. Stocks include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund’s assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies). While MFS may invest the Fund’s assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund’s assets in foreign securities. MFS normally invests the Fund’s assets across different industries and sectors, but MFS may invest a significant percentage of the Fund’s assets in issuers in a single industry or sector. MFS may invest a significant percentage of the Fund’s assets in a single issuer or a small number of issuers. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer’s governance structure and practices, data protection and privacy issues, and diversity and labor practices. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers. Quantitative screening tools that systematically evaluate issuers may also be considered.

**Principal Risks of Investing** – The Fund is subject to the market, company, and investment selection risks of equity investments, to growth style investing risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of issuer, industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks.

### Massachusetts Investors Trust

**Investment Objective, Strategy and Policies** – The Fund’s investment objective is to seek capital appreciation. MFS, the Fund’s investment adviser, normally invests the Fund’s assets primarily in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund’s assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. While MFS may invest the Fund’s assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund’s assets in foreign securities. MFS normally invests the Fund’s assets across different industries and sectors, but MFS may invest a significant percentage of the Fund’s assets in issuers in a single industry or sector. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer’s earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer’s governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate an issuer’s valuation, price and earnings momentum, earnings quality, and other factors, may also be considered.



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**Principal Risks of Investing** – The Fund is subject to the market, company, and investment selection risks of equity investments, to active and frequent trading and temporary defensive strategy risks, and to the risks of industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks.

### **MFS Blended Research® Core Equity Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the Fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the Standard & Poor's 500 Stock Index, which represents the Fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. MFS uses quantitative analysis to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When an MFS fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the Fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 2% compared to the Standard & Poor's 500 Stock Index. Tracking error generally measures how the differences between the Fund's returns and the Standard & Poor's 500 Stock Index's returns have varied over a period of time.

**Principal Risks of Investing** – The Fund is subject to the market, company, and investment selection risks of equity investments, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks.

### **MFS Blended Research® Growth Equity Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the fund's investment adviser, seeks to achieve the fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the Russell 1000® Growth Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies). While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. The fund is a non-diversified fund. This means that MFS may invest a significant percentage of the fund's assets in a single issuer or a small number of issuers. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. MFS



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uses quantitative analysis to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When MFS' fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 2% compared to the Russell 1000® Growth Index. Tracking error generally measures how the differences between the Fund's returns and the Russell 1000® Growth Index's returns have varied over a period of time.

**Principal Risks of Investing** – The Fund is subject to the market, company and investment selection risks of equity investments, to growth style investment risk, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks.

### **MFS Blended Research® Mid Cap Equity Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the Russell Midcap® Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities of issuers with medium market capitalizations. MFS generally defines medium market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell Midcap® Index over the last 13 months at the time of purchase. Equity securities include common stocks, equity interests in real estate investment trusts (REITs), and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. MFS uses quantitative analysis to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. (When MFS' fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. MFS quantitative research generates ratings on a greater number of issuers than MFS fundamental research). MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 3% compared to the Russell Midcap® Index. Tracking error generally measures how the differences between the fund's returns and the Russell Midcap® Index's returns have varied over a period of time.

**Principal Risks of Investing** – The Fund is subject to the market, company and investment selection risks of equity investments, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks. In addition, there are risks of investing in mid-cap companies and REITs.

### **MFS Blended Research® Small Cap Equity Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the Fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer,

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industry, and sector weightings, market capitalization, and volatility) compared to the Russell 2000® Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities of issuers with small market capitalizations. MFS generally defines small market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell 2000® Index over the last 13 months at the time of purchase. Equity securities include common stocks, equity interests in real estate investment trusts (REITs), and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. MFS uses quantitative analysis to determine a quantitative rating for an issuer, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When MFS' fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. (MFS quantitative research generates ratings on a greater number of issues than MFS fundamental research.) MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 3% compared to the Russell 2000® Index. Tracking error generally measures how the differences between the Fund's returns and the Russell 2000® Index's returns have varied over a period of time.

***Principal Risks of Investing*** – The Fund is subject to the market, company and investment selection risks of equity investments, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks. In addition, there are risks of investing in small-cap companies and REITs.

### **MFS Blended Research® Value Equity Fund**

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the Russell 1000® Value Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities. Equity securities include common stocks, equity interest in Real Estate Investment Trusts (REITs) and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies it believes are undervalued compared to their perceived worth (value companies). While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. MFS uses quantitative analysis to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When MFS' fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. (MFS quantitative research generates ratings on a greater number of issuers than MFS fundamental research.) MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and

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sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 2% compared to the Russell 1000® Value Index. Tracking error generally measures how the differences between the Fund's returns and the Russell 1000® Index's returns have varied over a period of time.

**Principal Risks of Investing** – The Fund is subject to the market, company and investment selection risks of equity investments, to value style investing risk, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks. In addition, there are risks of investing in REITs.

### **MFS Mid Cap Growth Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in issuers with medium market capitalizations. MFS generally defines medium market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell Midcap® Growth Index over the last 13 months at the time of purchase. MFS normally invests the Fund's assets primarily in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies). MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate issuers may also be considered.

**Principal Risks of Investing** – The Fund is subject to the market, company, and investment selection risks of equity investments, to growth style investing risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks. In addition, there are risks of investing in mid-cap companies.

### **MFS Mid Cap Value Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in issuers with medium market capitalizations. MFS generally defines medium market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell Midcap® Value Index over the last 13 months at the time of purchase. MFS normally invests the Fund's assets primarily in equity securities. Equity securities include common stocks, equity interests in real estate investment trusts (REITs), and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies that it believes are undervalued compared to their perceived worth (value companies). MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate issuers may also be considered.

**Principal Risks of Investing** – The Fund is subject to the market, company, and investment selection risks of equity investments, to value style investing risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks. In addition, there are risks of investing in mid-cap companies and REITs.

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## MFS Value Fund

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests the Fund's assets primarily in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies that it believes are undervalued compared to their perceived worth (value companies). While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate an issuer's valuation, price and earnings moment, earnings quality, and other factors may also be considered.

**Principal Risks of Investing** – The Fund is subject to the market, company, and investment selection risks of equity investments, to value style investing risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of industry and sector focus, liquidity, foreign markets, cybersecurity, and large shareholder risks.

## INTERNATIONAL EQUITY FUNDS

### MFS Blended Research® International Equity Fund

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the MSCI All Country World (ex-US) Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities. Equity securities include common stocks and other securities that represent ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS normally invests the Fund's assets primarily in foreign securities, including emerging market securities. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS normally invests the Fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry, sector, country, or region. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers and their potential in light of their financial condition and market, economic, political, and regulatory conditions to determine a fundamental rating for an issuer. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. MFS uses quantitative analysis, including quantitative models that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors, to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When the fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. (MFS quantitative research generates ratings on a greater number of issuers than MFS fundamental research.) MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error

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of approximately 2% compared to the MSCI All Country World (ex-US) Index. Tracking error generally measures how the differences between the Fund's returns and the MSCI All Country World (ex-US) Index's returns have varied over a period of time.

**Principal Risks of Investing** – The Fund is subject to the market, company and investment selection risks of equity investments, to the risks of foreign markets, including emerging markets, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, to currency risk, and to the risks of quantitative investment selection, industry and sector focus, geographic focus, liquidity, cybersecurity, and large shareholder risks.

### **MFS International New Discovery Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests the Fund's assets primarily in foreign equity securities, including emerging market equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies it believes to have above average earnings growth. While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with small to medium capitalizations. MFS normally invests the Fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry, sector, country, or region. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors, may also be considered.

**Principal Risks of Investing** – The Fund is subject to the market, company, and investment selection risks of equity investments, to growth style investing risk, to active or frequent trading and temporary defensive strategy risks, to currency risk and liquidity risk, to the risks of foreign markets, including emerging markets, and to industry and sector focus risk, geographic focus risk, cybersecurity, and large shareholder risk. In addition, there are risks of investing in mid-cap and small-cap companies.

### **MFS Research International Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests the Fund's assets primarily in foreign equity securities, including emerging market equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS normally invests the Fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry, sector, country, or region. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. MFS may invest the Fund's assets in securities of companies of any size. In conjunction with a team of investment research analysts, sector leaders select investments for the Fund. MFS generally manages the fund to be sector neutral to the MSCI EAFE (Europe, Australasia, Far East) Index using MFS' custom industry and sector categories to classify the fund and the MSCI EAFE (Europe, Australasia, Far East) Index's holdings. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors, may also be considered.

**Principal Risks of Investing** – The Fund is subject to the market, company, and investment selection risks of equity investments, to the risks of foreign markets, including emerging markets, to active and frequent trading and temporary defensive strategy risks, and to currency, liquidity, industry and sector focus, geographic focus, cybersecurity, and large shareholder risks.

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## MIXED ASSET FUND

### MFS Global Equity Fund

**Investment Objective, Strategy and Policies** – The Fund’s investment objective is to seek capital appreciation. MFS, the Fund’s investment adviser, normally invests at least 80% of the fund’s net assets in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. In selecting investments for the fund, MFS is not constrained by any particular investment style. MFS may invest the fund’s assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. While MFS may invest the fund’s assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS invests the fund’s assets in U.S. and foreign securities, including emerging market securities. MFS normally invests the fund’s assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the fund’s assets in issuers in a single industry, sector, country, or region. MFS generally invests the fund’s assets in at least three different countries and invests a percentage of the fund’s net assets in securities of foreign issuers equal to at least the lesser of 40% or the percentage of foreign issuers in the MSCI World Index less 15%. MFS uses an active bottom-up investment approach to buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer’s earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer’s governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate an issuer’s valuation, price and earnings momentum, earnings quality, and other factors, may also be considered.

**Principal Risks of Investing** – The Fund is subject to the market, company and investment selection risks of equity investments, to sector focus risk, to the risks of foreign markets, including emerging markets, to currency risk, liquidity risk, cybersecurity, and large shareholder risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of geographic focus and industry and sector focus.

## ALTERNATIVE INVESTMENT FUNDS

### MFS Global Real Estate Fund

**Investment Objective, Strategy and Policies** – The Fund’s investment objective is to seek total return. MFS, the Fund’s investment adviser, normally invests at least 80% of the Fund’s net assets in U.S. and foreign real estate-related investments. MFS normally invests the Fund’s assets primarily in equity securities. MFS generally focuses the Fund’s investments in equity real estate investment trusts (REITs) as well as similar entities formed under the laws of non-U.S. countries, but may also invest in mortgage REITs, hybrid REITs and other U.S. and foreign real estate-related investments, including emerging market real estate-related investments. MFS may invest the Fund’s assets in real estate-related investments of any size. However, issuers of real estate-related investments tend to have small-to-medium market capitalizations. MFS normally allocates the Fund’s investments across different REIT managers and property types, such as apartments, retail properties, office buildings, hotels, industrial properties, health care facilities, storage facilities, manufactured housing and special use facilities, but may from time to time focus the Fund’s investments in any one or a few of these areas. MFS normally invests the Fund’s assets across different countries and regions, but MFS may invest a significant percentage of the Fund’s assets in issuers in a single country or region. MFS generally invests the fund’s assets in at least three different countries and invests a percentage of the fund’s net assets in securities of foreign issuers equal to at least the lesser of 40% or the percentage of foreign issuers in the FTSE EPRA Nareit Developed Real Estate Index less 15%. MFS may invest a significant percentage of the Fund’s assets in a single issuer or a small number of issuers. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered in selecting investments for the fund may include an issuer’s management ability, cash flows, price/funds from operations ratio, dividend yield and payment history, price/net asset value ratio, market price, and the ability of an issuer to grow from operations. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, an issuer’s governance structure and practices, social issues such as diversity and labor practices, and environmental issues such as physical and transition risks related to changes in climate.

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**Principal Risks of Investing** – The Fund is subject to the market, company and investment selection risks of equity investments, to real-estate related (including REIT) investment risk, to the risks of foreign markets, including emerging markets, to currency risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of geographic focus, issuer focus, liquidity, cybersecurity, and large shareholder risk. In addition, there are risks of investing in small- and mid-cap issuers.

### **MFS Commodity Strategy Fund**

**Investment Objective, Strategy and Policies** – The Fund’s investment objective is to seek total return. MFS, the Fund’s investment advisor, seeks to achieve the fund’s objective by providing exposure to the commodities markets through investing in commodity-linked derivatives rather than investing directly in commodities. Commodities are assets with tangible properties, including oil, natural gas, agricultural products, and industrial and other precious metals. MFS expects to gain exposure to the commodities markets by investing in MFS Commodity Strategy Portfolio, a wholly-owned and controlled subsidiary organized in the Cayman Islands. MFS Commodity Strategy Portfolio is advised by MFS and has the same objective, strategies, and restrictions as the fund, except that MFS gains exposure to the commodities markets for MFS Commodity Strategy Portfolio by investing directly in commodity-linked futures, options, and/or swaps. MFS may invest up to 25% of the fund’s assets (at the time of purchase) in MFS Commodity Strategy Portfolio. MFS Commodity Strategy Portfolio’s investments in commodity-linked derivatives are leveraged (i.e., involves investment exposure greater than the amount of the investment). MFS expects the fund’s exposure to the commodities markets to be approximately equivalent to investing all of the fund’s investments in commodity-linked derivatives on an unleveraged basis. MFS allocates MFS Commodity Strategy Portfolio’s investments in commodity-linked derivatives primarily based on proprietary quantitative models. MFS may also consider current market conditions, its qualitative assessment of the risk/return characteristics of commodities and commodity sectors, and other factors in structuring MFS Commodity Strategy Portfolio’s portfolio. MFS normally allocates the Commodity Strategy Portfolio’s commodity exposure across different commodities and commodity sectors, but MFS may expose a significant percentage of the MFS Commodity Strategy Portfolio’s assets to a particular commodity or commodity sector or a limited number of commodities or commodity sectors. MFS generally invests substantially all of the fund’s assets not invested in MFS Commodity Strategy Portfolio in U.S. and foreign debt instruments. In addition, MFS Commodity Strategy Portfolio may also invest in U.S. and foreign debt instruments. Debt instruments include corporate bonds, U.S. Government securities, foreign government securities, securitized instruments, and other obligations to repay money borrowed. Of the fund’s direct and indirect investments in debt instruments, MFS generally invests substantially all of these investments in investment grade quality debt instruments. MFS normally invests the fund’s direct and indirect investments in debt instruments across different countries and regions, but MFS may invest a significant percentage of the fund’s assets in issuers in a single country or region. In addition to the commodity-linked derivatives used by MFS Commodity Strategy Portfolio as described above, MFS may use other types of derivatives for any investment purpose in managing the fund and/or MFS Commodity Strategy Portfolio. To the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments. Derivatives include futures, forward contracts, options, and swaps. Some portion of the fund’s and MFS Commodity Strategy Portfolio’s assets may be held in cash and/or debt instruments due to collateral requirements for the fund’s and MFS Commodity Strategy Portfolio’s investments in derivatives. MFS uses an active bottom-up investment approach to buying and selling debt investments for the fund. Debt investments are selected primarily based on fundamental analysis of individual environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer’s governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate debt instruments may also be considered.

**Principal Risks of Investing** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, prepayment/extension risks, and active and frequent trading and temporary defensive strategy risks, as well as the risks of investing in lower-rated securities, derivatives, and foreign markets, including emerging markets, and to geographic focus, industry and sector focus, commodity or commodity sector focus, currency, leveraging, investment selection, counterparty and third party, liquidity, cybersecurity, and large shareholder risks.

### **INVESTMENT GRADE FIXED INCOME FUNDS**

#### **MFS Limited Maturity Fund**

**Investment Objective, Strategy and Policies** – The Fund’s investment objective is to seek total return with an emphasis on current income, but also considering capital preservation. MFS, the Fund’s investment adviser, normally invests the Fund’s assets primarily in debt instruments. Debt instruments include U.S. Government securities, corporate bonds, foreign government securities, securitized

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instruments (including mortgage-backed securities and other asset-backed securities), and other obligations to repay money borrowed. The Fund's dollar-weighted average effective maturity will normally not exceed five years. In determining an instrument's effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a call, put, pre-refunding, prepayment or redemption provision, or an adjustable coupon) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity. MFS generally invests substantially all of the Fund's assets in investment grade quality debt instruments. MFS invests the Fund's assets in U.S. securities and U.S. dollar-denominated foreign securities. MFS normally invests the Fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry, sector, country, or region. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments. Derivatives include futures, forward contracts, options, and swaps. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers in light of the issuers' financial condition and market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality and terms, any underlying assets and their credit quality, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate the structure of a debt instrument and its features may also be considered. In structuring the fund, MFS also considers top-down factors, including sector allocations, yield curve positioning, duration, macroeconomic factors, and risk management factors.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, prepayment/extension, and investment selection risks, to active and frequent trading and temporary defensive strategy risks, to leveraging, liquidity, counterparty and third party risks, as well as the risks of foreign markets, industry and sector focus, geographic focus, derivatives, cybersecurity, and large shareholder risks.

### **MFS Government Securities Fund**

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek total return with an emphasis on current income, but also considering capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in U. S. Government securities. MFS may also invest the fund's assets in other debt instruments. MFS generally invests substantially all of the Fund's assets in investment grade quality debt instruments. U.S. Government securities are securities issued or guaranteed by the U.S. Treasury, by an agency or instrumentality of the U.S. Government, or by a U.S. Government-sponsored entity, including mortgage-backed securities and other types of securitized instruments issued or guaranteed by such entities. MFS may purchase or sell securities for the Fund on a when-issued, delayed delivery, or forward commitment basis where payment and delivery take place at a future settlement date, including mortgage-backed securities purchased or sold on the to be announced (TBA) market. When MFS sells securities for the fund on a when-issued, delayed delivery, or forward commitment basis, the fund typically owns or has the right to acquire securities equivalent in kind and amount to the deliverable securities. MFS may invest the fund's assets in foreign securities. MFS may invest a significant percentage of the Fund's assets in a single issuer or a small number of issuers. MFS may engage in active and frequent trading in pursuing the fund's principal investment strategies. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate or currency exposure or as alternatives to direct investments. Derivatives include futures, forward contracts, options, and swaps. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers in light of the issuers' financial condition and market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality and terms, any underlying assets and their credit quality, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate the structure of a debt instrument and its features may also be considered. In structuring the Fund, MFS also considers top-down factors, including sector allocations, yield curve positioning, duration, macroeconomic factors, and risk management factors.



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**Principal Risks of Investing** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, and prepayment/extension risks, issuer and geographic focus risks, and active and frequent trading and temporary defensive strategy risks, as well as the risks of inflation-adjusted debt instruments, derivatives, foreign markets, when-issued, delayed delivery, and forward commitment transactions, leveraging, investment selection, counterparty and third party, liquidity, cybersecurity, and large shareholder risks.

### **MFS Total Return Bond Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek total return with an emphasis on current income, but also considering capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in debt instruments. Debt instruments include corporate bonds, U.S. Government securities, foreign government securities, securitized instruments (including mortgage-backed securities and other asset-backed securities), municipal instruments, and other obligations to repay money borrowed. MFS primarily invests the Fund's assets in investment grade quality debt instruments but may also invest in below investment grade quality debt instruments. MFS may purchase or sell securities for the Fund on a when-issued, delayed delivery, or forward commitment basis where payment and delivery take place at a future settlement date, including mortgage-backed securities purchased or sold on the to be announced (TBA) market. When MFS sells securities for the fund on a when-issued, delayed delivery, or forward commitment basis, the fund typically owns or has the right to acquire securities equivalent in kind and amount to the deliverable securities. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments. Derivatives include futures, forward contracts, options, and swaps. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers in light of the issuers' financial condition and market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality and terms, any underlying assets and their credit quality, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate the structure of a debt instrument and its features may also be considered. In structuring the Fund, MFS also considers top-down factors, including sector allocations, yield curve positioning, duration, macroeconomic factors, and risk management factors.

**Principal Risks of Investing** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, and prepayment/extension risks, active and frequent trading and temporary defensive strategy risks, as well as the risks of lower-rated securities, foreign markets, when-issued, delayed delivery, and forward commitment transactions, derivatives, municipal instruments, and to leveraging, investment selection, counterparty and third party, industry and sector focus, liquidity, cybersecurity, and large shareholder risks.

### **MFS Emerging Markets Debt Fund**

**Investment Objective, Strategy and Policies** – The Fund's investment objective is to seek total return with an emphasis on high current income, but also considering capital appreciation. MFS, the Fund's investment advisor, normally invests at least 80% of the fund's net assets in debt instruments of issuers that are tied economically to emerging market countries. Emerging market countries are countries determined to have emerging market economies, taking into account a number of factors, including whether a particular country has a low- to middle- income economy according to the International Bank for Reconstruction and Development (the World Bank), the country's designation by the International Money Fund as an emerging market, the country's inclusion in an emerging market or frontier emerging market index, and other factors that demonstrate that the country's financial and capital markets are in the development phase. Emerging market countries include countries located in Latin America, Asia, Africa, the Middle East, and developing countries of Europe, primarily Eastern Europe. MFS generally considers the issuer of a security or other investment to be tied economically to emerging market countries if: (i) the security or other investment is issued or guaranteed by the government of an emerging market country or any of its agencies, authorities or instrumentalities; (ii) the issuer is organized under the laws of, and maintains a principal office in, an emerging market country; (iii) the issuer has its principal securities trading market in an emerging market country; (iv) a third party has identified an emerging market country as the issuer's "country of risk"; (v) the issuer is included in an index which is representative of emerging market countries; (vi) the issuer derives 50% or more of its total revenues

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from goods sold or services performed in emerging market countries; or (vii) the issuer has 50% or more of its assets in emerging market countries. MFS may also invest in debt instruments of issuers that are not tied economically to emerging market countries. Debt instruments include corporate bonds, foreign government securities, U.S. Government securities, and other obligations to repay money borrowed. MFS may invest up to 100% of the fund's assets in below investment grade quality debt instruments. MFS normally invests the fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the fund's assets in issuers in a single industry, sector, country, or region. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate or currency exposure, or as alternatives to direct investments. Derivatives include futures, forward contracts, options, and swaps. MFS allocates the fund's assets across countries primarily based on fundamental economic and financial analysis of the creditworthiness of each country and the relative values of countries' external debt, currencies, and local market debt. In selecting investments, MFS may consider economic and financial fundamentals, liquidity, duration, yield curve positioning, relative value, and other factors. Quantitative tools that systematically evaluate these and other factors may also be considered. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, prepayment/extension risks, and active and frequent trading and temporary defensive strategy risks, as well as the risks of investing in lower-rated securities, derivatives, and foreign markets, including emerging markets, and to geographic focus, industry and sector focus, currency, leveraging, investment selection, counterparty and third party, liquidity, cybersecurity, and large shareholder risks.

### **MFS High Income Fund**

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek total return with an emphasis on high current income, but also considering capital appreciation. MFS, the Fund's investment advisor, normally invests at least 80% of the fund's net assets in high income debt instruments. MFS may invest the fund's assets in other types of debt instruments. Debt instruments include corporate bonds, foreign government securities, floating rate loans, and other obligations to repay money borrowed. MFS may invest up to 100% of the fund's assets in below investment grade quality debt instruments. MFS may invest the fund's assets in foreign securities. MFS normally invests the fund's assets across different industries and sectors, but MFS may invest a significant percentage of the fund's assets in issuers in a single industry or sector. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments. Derivatives include futures, forward contracts, options, and swaps. MFS uses an active bottom-up investment approach to buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis, where MFS believes such factors could materially impact the economic value of an issuer or instrument. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate instruments may also be considered. In structuring the fund, MFS also considers top-down factors including sector allocations, yield curve positioning, duration, macroeconomic factors, and risk management factors. For purposes of the fund's 80% policy, net assets include the amount of any borrowings for investment purposes.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, prepayment/extension risks, and active and frequent trading and temporary defensive strategy risks, as well as the risks of investing in lower-rated securities, derivatives, and foreign markets, including emerging markets, and to geographic focus, industry and sector focus, currency, leveraging, investment selection, counterparty and third party, liquidity, cybersecurity, and large shareholder risks.

MFS® is a registered service mark of Massachusetts Financial Services Company.

# NYLI Winslow Large Cap Growth Portfolio

**General** – All of the assets of the NYLI® Winslow Large Cap Growth Portfolio are invested in Institutional Class shares of the Underlying Fund that is recommended by NYLI and approved by FAME for use in the NYLI Winslow Large Cap Growth Portfolio.

The NYLI Winslow Large Cap Growth Portfolio is currently managed by New York Life Investment Management LLC (NYLIM). NYLIM is part of a family of affiliated global asset managers, branded as “New York Life Investments”.

NYLI currently manages 83 mutual funds registered under the Investment Company Act of 1940.

NYLIM’s assets under management (AUM) is \$102,046M \* and New York Life Investments’ AUM is \$727,312M .\*\*

\* AUM as of 6/30/24. AUM includes certain assets, such as model portfolio delivery services, that do not necessarily qualify as Regulatory Assets Under Management, as defined in the SEC’s Form ADV. AUM is reported in USD.

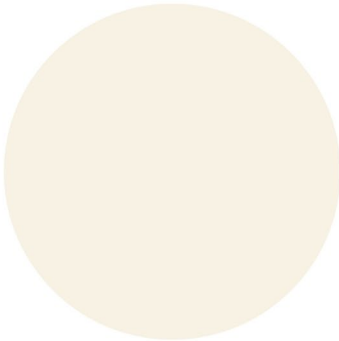
\*\* “New York Life Investments” is both a service mark, and the common trade name, of the following investment advisors (also referred to herein individually as a “boutique” and collectively as “boutiques”) affiliated with New York Life Insurance Company: Ausbil Investment Management Limited (“Ausbil”), Apogem Capital LLC (“Apogem”), Candriam S.C.A. (“Candriam”), IndexIQ Advisors LLC (“IndexIQ”), MacKay Shields LLC (“MacKay Shields”), New York Life Investment Management LLC (“NYLIM LLC”), NYL Investors LLC (“NYL Investors”), and Tristan Capital Partners LLP (“Tristan”).

Assets under management (AUM) includes assets of the investment advisers that make up “New York Life Investments” as of 6/30/2024. AUM includes certain assets, such as non-discretionary AUM, external fund selection, and overlay services, including ESG screening services, advisory consulting services, white labeling services, and model portfolio delivery services, that are not necessarily considered Regulatory Assets Under Management according to the SEC’s Form ADV. AUM is reported in USD. AUM not denominated in USD is converted at the spot rate as of 6/30/2024. The total AUM figure of “New York Life Investments” is less than the sum of the AUM of each affiliated investment adviser in the group because it does not count AUM where the same assets can be counted by more than one affiliated investment adviser.

**Current Target Underlying Fund Allocation** – The following charts illustrate the current target asset allocation and the current target Underlying Fund allocation for the NYLI Winslow Large Cap Growth Portfolio. This information is presented for informational purposes only.

## NYLI Large Cap Growth Portfolio

Domestic  
Equity  
100.00%



Underlying Fund (Class I Shares)	NYLI Winslow	
	Fund Ticker	NYLI Winslow Large Cap Growth Portfolio
Domestic Equity Fund		
NYLI Winslow Large Cap Growth Fund	MLAIX	100%

**Historical Investment Performance** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of the NYLI Portfolio as of June 30, 2024, with and without sales charges. The \$50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). You may also contact your Financial Intermediary. Past performance information for the NYLI Winslow Large Cap Growth Portfolio is not indicative of the future performance of the NYLI Portfolio.

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge				
NYLI Client Select Series	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
NYLI Winslow Large Cap Growth Portfolio - A**	2010-09-30	1.05%	37.42%	9.24%	16.88%	14.94%	15.22%	37.17%	9.24%	16.88%	14.94%	15.22%
NYLI Winslow Large Cap Growth Portfolio - C***	2010-09-29	1.80%	36.40%	8.42%	16.18%	14.59%	14.93%	35.40%	8.42%	16.18%	14.59%	14.93%
NYLI Winslow Large Cap Growth Portfolio - I****	2022-10-17	0.80%	38.31%	N/A	N/A	N/A	42.83%	N/A	N/A	N/A	N/A	N/A

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Sales charge reflects a CDSC of 0.25% in first year after purchase

\*\*\* Sales charge reflects a CDSC of 1.00% in first year after purchase

\*\*\*\*The I Unit Class does not incur a sales charge. Returns are the same as those in columns Without sales charges.

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### **Summary of Investment Objectives and Policies of the Underlying Fund for the NYLI Winslow Large Cap Growth**

**Portfolio** – The following description summarizes the investment goals and policies of the Underlying Fund in which the NYLI Winslow Large Cap Growth Portfolio is currently invested. The description also identifies certain principal risks to which the Underlying Fund may be subject. Additional discussion of risks related to the various categories of the Underlying Fund is set forth under “**Program and Portfolio Risks and Other Considerations**.” The investment strategy and risks of the Underlying Fund are subject to change.

The summary is qualified in its entirety by reference to the detailed information included in the current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the Underlying Fund may be subject. You may request a copy of the Underlying Fund’s current prospectus or statement of additional information, or the Underlying Fund’s most recent semi-annual or annual report by calling NYLI Investments at 800-624-6782, or by locating it on New York Life Investment’s website at [www.nylinvestments.com/](http://www.nylinvestments.com/) documents.

### **NYLI Winslow Large Cap Growth Fund**

**Investment Objective, Strategy and Policies** – The Fund’s investment objective is to seek long-term growth of capital. Under normal circumstances, the Fund invests at least 80% of its assets (net assets plus any borrowings for investment purposes) in large capitalization companies, which are companies having a market capitalization in excess of \$4 billion at the time of purchase. Typically, Winslow Capital Management, LLC, the Fund’s Subadvisor, invests substantially all of the Fund’s investable assets in domestic securities. However, the Fund is permitted to invest up to 20% of its net assets in foreign securities. Generally, an issuer of a security is considered to be U.S. or foreign based on the issuer’s “country of risk,” as determined by a third-party service provider such as Bloomberg.

**Investment Process** – The Fund invests in those companies that the Subadvisor believes will provide an opportunity for achieving superior portfolio returns (i.e., returns in excess of the returns of the average stock mutual fund) over the long term. The Subadvisor seeks to invest in companies that have the potential for above-average future earnings and cash flow growth with management focused on shareholder value.

When purchasing stocks for the Fund, the Subadvisor looks for companies typically having some or all of the following attributes: addressing markets with growth opportunities; leads or gains in market share; identifiable and sustainable competitive advantages; managed by a team that can perpetuate the firm’s competitive advantages; high, and preferably rising, returns on invested capital; deploys excess cash flow to enhance shareholder return; and demonstrates sound corporate governance.

As part of its qualitative assessment of each potential investment, the Subadvisor evaluates the company’s non-financial performance among certain environmental, social and governance (“ESG”) factors. The Subadvisor then determines which ESG factors may be material to a company’s future financial performance. This involves an evaluation of how the company integrates particular ESG risks and opportunities into its corporate strategy through, for example, improving governance practices, aligning management team incentives and increasing transparency into its ESG practices. The Subadvisor may give consideration to ESG factors including, but not limited to, impact on or from climate change, natural resource use, waste management practices, human capital management, product safety, supply chain management, corporate governance, business ethics and advocacy for governmental policy. ESG factors are evaluated by the Subadvisor based on data provided by independent ESG research vendors. The evaluation of ESG factors is integrated as one of several aspects of the Subadvisor’s investment process and the Subadvisor does not forgo potential investments strictly based on the evaluation of ESG factors. The Subadvisor takes a “bottom-up” investment approach when selecting investments. This means it bases investment decisions on company specific factors, not general economic conditions.

Under normal market conditions, the Subadvisor employs a sell discipline pursuant to which it may sell some or all of its position in a stock when a stock becomes fully valued, the fundamental business prospects are deteriorating, or the position exceeds limits set by the Subadvisor.

**Principal Risks of Investing** – You can lose money by investing in the Portfolio which invests in the Fund. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The investments selected by the Subadvisor may underperform the market in which the Fund invests or other investments. The Fund may receive large purchase or redemption orders which may have adverse effects on performance if the Fund were required to sell securities, invest cash or hold a relatively large amount of cash at times when it would not otherwise do so.

The principal risks of investing in the Fund are summarized below.

**Market Risk:** Changes in markets may cause the value of investments to fluctuate, which could cause the Fund to underperform other funds with similar investment objectives and strategies. Such changes may be rapid and unpredictable. From time to time, markets may

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experience periods of stress as a result of various market and economic factors for potentially prolonged periods that may result in: (i) increased market volatility; (ii) reduced market liquidity; and (iii) increased redemptions of shares. Such conditions may add significantly to the risk of volatility in the net asset value of the Fund's shares and adversely affect the Fund and its investments.

**Portfolio Management Risk:** The investment strategies, practices and risk analyses used by the Subadvisor may not produce the desired results or expected returns. The Subadvisor may give consideration to certain ESG criteria when evaluating an investment opportunity. The application of ESG criteria may result in the Fund (i) having exposure to certain securities or industry sectors that are significantly different than the composition of the Fund's benchmark; and (ii) performing differently than other funds and strategies in its peer group that do not take into account ESG criteria or the Fund's benchmark.

**Equity Securities Risk:** Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in the ability to anticipate such changes that can adversely affect the value of portfolio holdings.

**Market Capitalization Risk:** Investments in securities issued by small-, mid-, or large-cap companies will be subject to the risks associated with securities issued by companies of the applicable market capitalization. Securities of small-cap and mid-cap companies may be subject to greater price volatility, significantly lower trading volumes, cyclical, static or moderate growth prospects and greater spreads between their bid and ask prices than securities of larger companies. Smaller capitalization companies frequently rely on narrower product lines and niche markets and may be more vulnerable to adverse business or market developments. Securities issued by larger companies may have less growth potential and may not be able to attain the high growth rates of successful smaller companies, especially during strong economic periods. In addition, larger companies may be less capable of responding quickly to competitive challenges and industry changes, including those resulting from improvements in technology, and may suffer sharper price declines as a result of earnings disappointments. There is a risk that the securities issued by companies of a certain market capitalization may underperform the broader market at any given time.

**Growth Stock Risk:** If growth companies do not increase their earnings at a rate expected by investors, the market price of the stock may decline significantly, even if earnings show an absolute increase. Growth company stocks also typically lack the dividend yield that can cushion stock prices in market downturns.

**Foreign Securities Risk:** Investments in foreign (non-U.S.) securities may be riskier than investments in U.S. securities. Foreign regulatory regimes and securities markets can have less stringent investor protections and disclosure standards and less liquid trading markets than U.S. regulatory regimes and securities markets, and can experience political, social and economic developments that may affect the value of investments in foreign securities. Foreign securities may also subject the Fund's investments to changes in currency rates. 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. Economic sanctions may be, and have been, imposed against certain countries, organizations, companies, entities and/or individuals. 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 thus may make the Fund's investments in such securities less liquid or more difficult to value. Such sanctions may also cause a decline in the value of securities issued by the sanctioned country or companies located in or economically tied to the sanctioned country. In addition, as a result of economic sanctions and other similar governmental actions or developments, the Fund may be forced to sell or otherwise dispose of foreign investments at inopportune times or prices. The Fund may seek to hedge against its exposure to changes in the value of foreign currency, but there is no guarantee that such hedging techniques will be successful in reducing any related foreign currency valuation risk.

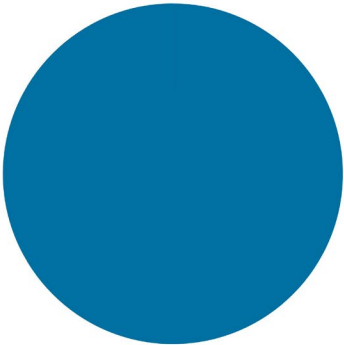
# Neuberger Berman Portfolio

**General** – All of the assets of the Neuberger Berman International Equity Portfolio are invested in Institutional Class shares of the Underlying Fund that is recommended by Neuberger Berman and approved by FAME for use in the Neuberger Berman International Equity Portfolio. The Underlying Fund of the Neuberger Berman International Equity Portfolio is currently managed by Neuberger Berman Investment Advisers LLC which had \$481 billion in assets under management as of June 30, 2024. Firm data reflects the collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC. Neuberger Berman currently manages 32 mutual funds registered under the Investment Company Act of 1940.

**Current Target Underlying Fund Allocation** – The following charts illustrate the current target asset allocation and the current target Underlying Fund allocation for the Neuberger Berman International Equity Portfolio. This information is presented for informational purposes only.

## International Equity Portfolio

International  
Equity  
100.00%



Underlying Fund	Neuberger Berman	
	Fund Ticker	International Equity Portfolio
International Equity Fund		
Neuberger Berman International Equity Fund	MLAIX	100%

**Historical Investment Performance** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of the Neuberger Berman Portfolio as of June 30, 2024, with and without sales charges. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). You may also contact your Financial Intermediary.

The Neuberger Berman Portfolio's fiscal year runs from September 1 to August 31. **The performance data relating to the Neuberger Berman Portfolio set forth below is for the limited time period presented and is not indicative of the future performance of the Neuberger Berman Portfolio.**

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge				
Neuberger Berman Client Select Series	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
Neuberger Berman International Equity Portfolio - A**	2015-02-23	1.21%	10.78%	-0.98%	5.89%	N/A	4.74%	10.53%	-0.98%	5.89%	N/A	4.74%
Neuberger Berman International Equity Portfolio - C***	2015-02-23	1.96%	9.96%	-1.73%	5.25%	N/A	4.40%	8.96%	-1.73%	5.25%	N/A	4.40%
Neuberger Berman International Equity Portfolio - I****	2022-10-17	0.96%	11.67%	N/A	N/A	N/A	20.74%	N/A	N/A	N/A	N/A	N/A

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Sales charge reflects a CDSC of 0.25% in first year after purchase

\*\*\* Sales charge reflects a CDSC of 1.00% in the first year after purchase.

\*\*\*\*The I Unit Class does not incur a sales charge. Returns are the same as those in columns Without sales charges.



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**Summary of Investment Objectives and Policies of the Underlying Fund for the Neuberger Berman International Equity Portfolio** – The following description summarizes the investment goals and policies of the Underlying Fund in which the Neuberger Berman International Equity Portfolio is currently invested. The description also identifies certain principal risks to which the Underlying Fund may be subject. Additional discussion of risks related to the various categories of the Underlying Fund is set forth under **“Program and Portfolio Risks and Other Considerations.”**

The investment strategy and risks of the Underlying Fund are subject to change.

**The summary is qualified in its entirety by reference to the detailed information included in the current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of the Underlying Fund’s current prospectus or statement of additional information, or the Underlying Fund’s most recent semi-annual or annual report by calling Neuberger Berman, at 1-800-366-6264, or by locating it on Neuberger Berman’s website at [www.nb.com](http://www.nb.com).**

## INTERNATIONAL EQUITY FUND

### Neuberger Berman International Equity Fund

**Investment Objective, Strategy and Policies** – To pursue its goal, the Fund invests mainly in common stocks of foreign companies of any size, including companies in developed and emerging markets. The Fund defines a foreign company as one that is organized outside of the United States and conducts the majority of its business abroad.

In picking stocks, the Fund managers look for what they believe to be well-managed and profitable companies that show growth potential and whose stock prices are undervalued. Factors in identifying these firms may include strong fundamentals, such as attractive cash flows and balance sheets, as well as prices that are attractive in light of projected returns. The Fund managers also consider the outlooks for various countries and regions around the world, examining economic, market, social, and political conditions.

As part of their fundamental investment analysis the Fund managers consider Environmental, Social and Governance (ESG) factors they believe are financially material to individual investments, where applicable. While this analysis is inherently subjective and may be informed by both internally generated and third-party metrics, data and other information, the Fund managers believe that the consideration of financially material ESG factors, alongside traditional financial metrics, may enhance the Fund’s overall investment process. The consideration of ESG factors does not apply to certain instruments, such as certain derivative instruments, other registered investment companies, cash and cash equivalents. The consideration of ESG factors as part of the investment process does not mean that the Fund pursues a specific “impact” or “sustainable” investment strategy.

The Fund seeks to reduce risk by diversifying among many companies and industries. Although the Fund has the flexibility to invest a significant portion of its assets in one country or region, it generally intends to invest across a broad range of countries and geographical regions. At times, the Fund managers may emphasize certain sectors or industries that they believe offers a better risk/reward opportunity.

The Fund managers follow a disciplined selling strategy and may sell a security when it reaches a target price, if a company’s business fails to perform as expected, or when other opportunities appear more attractive.

The Fund will not change its strategy of normally investing at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities, without providing shareholders at least 60 days’ notice. This test is applied at the time the Fund invests; later percentage changes caused by a change in Fund assets, market values or company circumstances will not require the Fund to dispose of a holding.

**Principal Risks of Investing** – Most of the Fund’s performance depends on what happens in international stock markets, the Fund managers’ evaluation of those developments, and the success of the Fund managers in implementing the Fund’s investment strategies. The markets’ behavior can be difficult to predict, particularly in the short term. There can be no guarantee that the Fund will achieve its goal. The Fund may take temporary defensive and cash management positions; to the extent it does, it will not be pursuing its principal investment strategies.

The actual risk exposure taken by the Fund in its investment program will vary over time, depending on various factors including the Fund managers’ evaluation of issuer, political, regulatory, market, or economic developments. There can be no guarantee that the Fund managers will be successful in their attempts to manage the risk exposure of the Fund or will appropriately evaluate or weigh the multiple factors involved in investment decisions, including issuer, market and/or instrument-specific analysis, valuation and ESG factors.

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The Fund is a mutual fund, not a bank deposit, and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. The value of your investment may fall, sometimes sharply, and you could lose money by investing in the Portfolio which invests in the Fund.

Each of the following risks, which are described in alphabetical order and not in order of any presumed importance, can significantly affect the Fund's performance. The relative importance of, or potential exposure as a result of, each of these risks will vary based on market and other investment-specific considerations.

To the extent that the Fund invests in securities or other instruments denominated in or indexed to foreign currencies, changes in currency exchange rates could adversely impact investment gains or add to investment losses. Currency exchange rates may fluctuate significantly over short periods of time and can be affected unpredictably by various factors, including investor perception and changes in interest rates; intervention, or failure to intervene, by U.S. or foreign governments, central banks or supranational entities; or by currency controls or political developments in the U.S. or abroad.

Foreign securities involve risks in addition to those associated with comparable U.S. securities. Additional risks include exposure to less developed or less efficient trading markets; social, political, diplomatic, or economic instability; trade barriers and other protectionist trade policies (including those of the U.S.); imposition of economic sanctions against a particular country or countries, organizations, companies, entities and/or individuals; significant government involvement in an economy and/or market structure; fluctuations in foreign currencies or currency redenomination; potential for default on sovereign debt; nationalization or expropriation of assets; settlement, custodial or other operational risks; higher transaction costs; confiscatory withholding or other taxes; and less stringent auditing and accounting, corporate disclosure, governance, and legal standards. As a result, foreign securities may fluctuate more widely in price, and may also be less liquid, than comparable U.S. securities. Regardless of where a company is organized or its stock is traded, its performance may be affected significantly by events in regions from which it derives its profits or in which it conducts significant operations.

Investing in emerging market countries involves risks in addition to and greater than those generally associated with investing in more developed foreign countries. The governments of emerging market countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, intervene in the financial markets, and/or impose burdensome taxes that could adversely affect security prices. To the extent a foreign security is denominated in U.S. dollars, there is also the risk that a foreign government will not let U.S. dollar-denominated assets leave the country. In addition, the economies of emerging market countries may be dependent on relatively few industries that are more susceptible to local and global changes. Emerging market countries may also have less developed legal and accounting systems, and their legal systems may deal with issuer bankruptcies and defaults differently than U.S. law would. Securities markets in emerging market countries are also relatively small and have substantially lower trading volumes. Securities of issuers in emerging market countries may be more volatile and less liquid than securities of issuers in foreign countries with more developed economies or markets and the situation may require that the Fund fair value its holdings in those countries.

Securities of issuers traded on foreign exchanges may be suspended, either by the issuers themselves, by an exchange, or by governmental authorities. The likelihood of such suspensions may be higher for securities of issuers in emerging or less-developed market countries than in countries with more developed markets. Trading suspensions may be applied from time to time to the securities of individual issuers for reasons specific to that issuer or may be applied broadly by exchanges or governmental authorities in response to market events. Suspensions may last for significant periods of time, during which trading in the securities and in instruments that reference the securities, such as derivative instruments, may be halted. In the event that the Fund holds material positions in such suspended securities or instruments, the Fund's ability to liquidate its positions or provide liquidity to investors may be compromised and the Fund could incur significant losses.

From time to time, based on market or economic conditions, the Fund may invest a significant portion of its assets in one country or geographic region. If the Fund does so, there is a greater risk that economic, political, regulatory, diplomatic, social and environmental conditions in that particular country or geographic region may have a significant impact on the Fund's performance and that the Fund's performance will be more volatile than the performance of more geographically diversified funds.

Because the prices of most growth stocks are based on future expectations, these stocks tend to be more sensitive than value stocks to bad economic news and negative earnings surprises. The Fund attempts to lessen the risk of such losses by seeking growth stocks that sell at what the adviser believes are reasonable prices. If the adviser is incorrect in its assessment of a stock's value, this strategy may not provide the expected downside protection. Bad economic news or changing investor perceptions may adversely affect growth stocks across several sectors and industries simultaneously.

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An individual security may be more volatile, and may perform differently, than the market as a whole.

From time to time, the trading market for a particular investment in which the Fund invests, or a particular type of instrument in which the Fund is invested, may become less liquid or even illiquid. Illiquid investments frequently can be more difficult to purchase or sell at an advantageous price or time, and there is a greater risk that the investments may not be sold for the price at which the Fund is carrying them. Certain investments that were liquid when the Fund purchased them may become illiquid, sometimes abruptly. Additionally, market closures due to holidays or other factors may render a security or group of securities (e.g., securities tied to a particular country or geographic region) illiquid for a period of time. An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to take advantage of other investment opportunities. Market prices for such securities or other investments may be volatile. During periods of substantial market volatility, an investment or even an entire market segment may become illiquid, sometimes abruptly, which can adversely affect the Fund's ability to limit losses.

Unexpected episodes of illiquidity, including due to market or political factors, instrument or issuer-specific factors and/or unanticipated outflows, may limit the Fund's ability to pay redemption proceeds within the allowable time period. To meet redemption requests during periods of illiquidity, the Fund may be forced to sell securities at an unfavorable time and/or under unfavorable conditions.

To the extent the Fund invests in securities of small-, mid-, or large-cap companies, it takes on the associated risks. At times, any one of these market capitalizations may be out of favor with investors. Compared to small- and midcap companies, large-cap companies may be unable to respond as quickly to changes and opportunities. Compared to large-cap companies, small- and mid-cap companies may depend on a more limited management group, may have a shorter history of operations, and may have limited product lines, markets or financial resources. The securities of small- and mid-cap companies are often more volatile and less liquid than the securities of larger companies and may be more affected than other types of securities by the underperformance of a sector or during market downturns.

Markets may be volatile and values of individual securities and other investments, including those of a particular type, may decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments that may cause broad changes in market value, public perceptions concerning these developments, and adverse investor sentiment or publicity. Geopolitical and other risks, including environmental and public health risks may add to instability in world economies and markets generally. Changes in value may be temporary or may last for extended periods. If the Fund sells a portfolio position before it reaches its market peak, it may miss out on opportunities for better performance.

Both U.S. and international markets have experienced significant volatility in recent months and years. As a result of such volatility, investment returns may fluctuate significantly. National economies are substantially interconnected, as are global financial markets, which creates the possibility that conditions in one country or region might adversely impact issuers in a different country or region. However, the interconnectedness of economies and/or markets may be diminishing, which may impact such economies and markets in ways that cannot be foreseen at this time.

Although interest rates were unusually low in recent years in the U.S. and abroad, recently, the Federal Reserve and certain foreign central banks began to raise interest rates as part of their efforts to address rising inflation. It is difficult to accurately predict the pace at which interest rates might increase, or the timing, frequency or magnitude of any such increases in interest rates. Additionally, various economic and political factors could cause the Federal Reserve or other foreign central banks to change their approach in the future and such actions may result in an economic slowdown both in the U.S. and abroad. Unexpected increases in interest rates could lead to market volatility or reduce liquidity in certain sectors of the market. Deteriorating economic fundamentals may, in turn, increase the risk of default or insolvency of particular issuers, negatively impact market value, cause credit spreads to widen, and reduce bank balance sheets. Any of these could cause an increase in market volatility or reduce liquidity across various markets.

Some countries, including the U.S., have in recent years adopted more protectionist trade policies. Slowing global economic growth, the rise in protectionist trade policies, changes to some major international trade agreements, risks associated with the trade agreement between the United Kingdom and the European Union, and the risks associated with ongoing trade negotiations with China, could affect the economies of many nations in ways that cannot necessarily be foreseen at the present time. In addition, the current strength of the U.S. dollar may decrease foreign demand for U.S. assets, which could have a negative impact on certain issuers and/or industries.

Regulators in the U.S. have proposed a number of changes to regulations involving the markets and issuers, some of which would apply to the Fund. While it is not currently known whether any of these regulations will be adopted, due to the current scope of regulations being proposed, any changes to regulation could limit the Fund's ability to pursue its investment strategies or make certain investments, may make it more costly for it to operate, which, may in turn, impact performance.

Tensions, war, or open conflict between nations, such as between Russia and Ukraine, in the Middle East, or in eastern Asia could affect the economies of many nations, including the United States. The duration of ongoing hostilities and any sanctions and related

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events cannot be predicted. Those events present material uncertainty and risk with respect to markets globally and the performance of the Fund and its investments or operations could be negatively impacted.

High public debt in the U.S. and other countries creates ongoing systemic and market risks and policymaking uncertainty. There is no assurance that the U.S. Congress will act to raise the nation's debt ceiling; a failure to do so could cause market turmoil and substantial investment risks that cannot now be fully predicted. Unexpected political, regulatory and diplomatic events within the U.S. and abroad may affect investor and consumer confidence and may adversely impact financial markets and the broader economy.

There is widespread concern about the potential effects of global climate change on property and security values. Certain issuers, industries and regions may be adversely affected by the impact of climate change in ways that cannot be foreseen. The impact of legislation, regulation and international accords related to climate change may negatively impact certain issuers and/or industries.

The Fund may experience periods of large or frequent redemptions that could cause the Fund to sell assets at inopportune times or at a loss or depressed value. Redemption risk is greater to the extent that one or more investors or intermediaries control a large percentage of investments in the Fund. In addition, redemption risk is heightened during periods of declining or illiquid markets. Large redemptions could hurt the Fund's performance, increase transaction costs, and create adverse tax consequences.

From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors or sub-sectors may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

Securities lending involves a possible delay in recovery of the loaned securities or a possible loss of rights in the collateral should the borrower fail financially. The Fund could also lose money if the value of the collateral decreases.

Value stocks may remain undervalued for extended periods of time, may decrease in value during a given period, may not ever realize what the portfolio management team believes to be their full value, or assumptions about intrinsic value or potential for appreciation may be incorrect. This may happen, among other reasons, because of a failure to anticipate which stocks or industries would benefit from changing market or economic conditions or investor preferences.

*A summary of the Fund's additional principal investment risks is as follows:*

A decline in the Fund's average net assets during the current fiscal year due to market volatility or other factors could cause the Fund's expenses for the current fiscal year to be higher than the expense information presented in "Fees and Expenses."

The Fund and its service providers, and your ability to transact with the Fund, may be negatively impacted due to operational matters arising from, among other problems, human errors, systems and technology disruptions or failures, or cybersecurity incidents. Cybersecurity incidents may allow an unauthorized party to gain access to fund assets, customer data, or proprietary information, or cause the Fund or its service providers, as well as the securities trading venues and their service providers, to suffer data corruption or lose operational functionality. Cybersecurity incidents can result from deliberate attacks or unintentional events. It is not possible for the Manager or the other Fund service providers to identify all of the cybersecurity or other operational risks that may affect the Fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects. Most issuers in which the Fund invests are heavily dependent on computers for data storage and operations, and require ready access to the internet to conduct their business. Thus, cybersecurity incidents could also affect issuers of securities in which the Fund invests, leading to significant loss of value.

Risk is an essential part of investing. No risk management program can eliminate the Fund's exposure to adverse events; at best, it may only reduce the possibility that the Fund will be affected by such events, and especially those risks that are not intrinsic to the Fund's investment program. The Fund could experience losses if judgments about risk prove to be incorrect.

The Fund may not be able to sell an investment at the price at which the Fund has valued the investment. Such differences could be significant, particularly for illiquid securities and securities that trade in relatively thin markets and/or markets that experience extreme volatility. If market or other conditions make it difficult to value an investment, the Fund may be required to value such investments using more subjective methods, known as fair value methodologies. Using fair value methodologies to price investments may result in a value that is different from an investment's most recent price and from the prices used by other funds to calculate their NAVs. The Fund uses pricing services to provide values for certain securities and there is no assurance that the Fund will be able to sell an investment at the price established by such pricing services. The Fund's ability to value its investments in an accurate and timely manner may be impacted by technological issues and/or errors by third party service providers, such as pricing services or accounting agents.

The markets' behavior is unpredictable, particularly in the short term. There can be no guarantee that the Fund will achieve its goal.

# Principal Plus Portfolio

**Investment Objective, Strategy and Policies** — The Principal Plus Portfolio seeks to provide current income while maintaining stability of principal. The Principal Plus Portfolio is currently invested in two Funding Agreements issued by New York Life dated, respectively, June 8, 2015 (the “2015 Funding Agreement”) and June 3, 2024, (the “2024 Funding Agreement”), respectively, although it may also invest in corporate fixed income investments and/or similar instruments. Each Funding Agreement provides a minimum rate of return on the amount invested (net of expenses) plus accrued interest. The Principal Plus Portfolio’s investment objective is subject to change. There can be no assurance that the Principal Plus Portfolio’s investment strategy will be successful.

New York Life guarantees the principal, accumulated interest and a future interest rate for a designated time period on amounts invested through the Funding Agreements. The guarantees available through the Funding Agreements are made by the insurance company to the Program, not to an individual Participant. The Funding Agreements are not registered mutual funds. None of FAME, the Program, the Select Series Distributor, the Investment Manager or the Program Manager, or any other entity guarantee the principal, accumulated interest or the future interest rate. In addition, the principal, accumulated interest or future interest rate are not guaranteed by the FDIC, the federal government, or any other entity.

New York Life currently holds high financial strength ratings currently awarded to any life insurer by the major ratings agencies: Aaa from Moody’s Investors Service, Inc., AA+ from Standard & Poor’s Rating Group, A++ from A.M. Best, and AAA from Fitch Ratings.<sup>1</sup> None of Moody’s, Standard and Poor’s, A.M. Best or Fitch makes any representation regarding an investment in the Portfolio.

Each Funding Agreement offers a variable interest rate that is reset semi-annually on January 1 and July 1. The annualized net interest rate for the period July 1, 2024 through December 31, 2024 (after expenses of 0.15% associated with the Funding Agreements that are paid to the Investment Manager and New York Life) is 3% on the 2015 Funding Agreement and 5.2% on the 2024 Funding Agreement. The respective annualized net interest rates in effect on the Funding Agreements after December 31, 2024 may be obtained by contacting the Program Manager after such date. In no event will the declared effective annual interest rate on either Funding Agreement (net of the 0.15% expenses deducted by New York Life) be less than the minimum guaranteed rate of 1.00%. The annualized net interest rate on each Funding Agreement is determined independently by New York Life and may differ during any period from the rate in effect on the other Funding Agreement.

The 2015 Funding Agreement was terminated by the Program in June 2024, and over time, as described below, the balance in the 2015 Funding Agreement will transition into the 2024 Funding Agreement until no balance remains in the 2015 Funding Agreement. Beginning in June 2024 all new net deposits to the Principal Plus Portfolio (other than interest received on the 2015 Funding Agreement) are invested in the 2024 Funding Agreement and all net withdrawals from the Principal Plus Portfolio will be made from the 2015 Funding Agreement until no funds remain on deposit in the 2015 Funding Agreement. In addition, the balance remaining on deposit in the 2015 Funding Agreement will be withdrawn and redeposited in the 2024 Funding Agreement in six annual installments. During periods in which the annual interest rates in effect on the two Funding Agreements differ, the effective annual interest rate received by the Principal Plus Portfolio will vary on a daily basis in accordance with the relative weighting of the balances on deposit under the 2015 Funding Agreement and the 2024 Funding Agreement, respectively. The returns of the Principal Plus Portfolio may be different than the weighted interest rates offered by the two Funding Agreements.

New York Life’s commitment to the Program is based solely on its ability to pay its obligations from its general account. The commitment to the Program is not secured by any collateral. Certain limitations apply to the exchange of Units of the Principal Plus Portfolio for Units of the NextGen Savings Portfolio. See [Investment of Contributions – Investment Changes](#). The Program Manager and the Program Custodian provide administrative services to the Principal Plus Portfolio and the Investment Manager monitors the creditworthiness of New York Life, the issuer of the Funding Agreements. Certain expenses are charged against the assets of the Principal Plus Portfolio.

**Principal Risks of Investing** — The Funding Agreements in which the Principal Plus Portfolio invests is subject to the risks of an investment that is non-diversified, has no third-party guarantees, is subject to a failure to perform by the issuer, and termination by the issuer. Because an investment in the Principal Plus Portfolio is subject to ongoing expenses, if the return that the Principal Plus Portfolio earns on its investments (including, if applicable, the minimum return on the Funding Agreements during periods in which

1. This information comes from individual third-party ratings reports as of 11/17/23. None of Moody’s, Standard and Poor’s, A.M. Best or Fitch makes any representation regarding an investment in the Portfolio

the Principal Plus Portfolio invests in such agreements) fails to exceed such expenses during a particular period, the value of an investment in the Principal Plus Portfolio may decline during such period.

**Historical Investment Performance – Principal Plus Portfolio** – The following table summarizes the average annual total return after deducting ongoing Portfolio fees of each Unit Class of the Principal Plus Portfolio as of June 30, 2024. The \$50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). You may also contact your Financial Intermediary. Although the Principal Plus Portfolio is currently invested entirely in the Funding Agreements, the Principal Plus Portfolio's investments have changed over time. At various times since its inception, the Principal Plus Portfolio has been invested in a guaranteed investment contract, the Cash Allocation Account, and the Bank Deposit Account. The historical performance of the Principal Plus Portfolio has been affected by each of these investments.

The performance data shown below represents past performance. Past performance is not a guarantee of future results. Investment returns and the principal value of Units in the Principal Plus Portfolio may fluctuate so that your Account, when redeemed, may be worth more or less than the amounts contributed to your Account. From July 16, 2014 until July 15, 2015, the former manager of the Program voluntarily waived 0.10% of the Management Fee, and FAME voluntarily waived 0.05% of the Maine Administration Fee. Without these waivers, performance shown for periods during such waivers would have been lower.

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge**				
Principal Plus Client Select Series	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
Principal Plus Portfolio - A	2004-09-20	0.44%	2.38%	2.00%	1.94%	1.68%	2.09%	N/A	N/A	N/A	N/A	N/A
Principal Plus Portfolio - C	2004-09-28	0.44%	2.43%	2.00%	1.93%	1.67%	2.02%	N/A	N/A	N/A	N/A	N/A
Principal Plus Portfolio - I	2022-10-17	0.09%	1.98%	N/A	N/A	N/A	1.75%	N/A	N/A	N/A	N/A	N/A

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns. From July 16, 2014 until July 15, 2015, the former manager of the Program voluntarily waived 0.10% of the Management Fee, and FAME voluntarily waived 0.05% of the Maine Administration Fee. Without these waivers, performance shown for periods during such waivers would have been lower.

\*\* Sales Charges are not applicable to this Portfolio.

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# NextGen Savings Portfolio

**Investment Objective, Strategy and Policies** – The NextGen Savings Portfolio seeks the preservation of principal. The NextGen Savings Portfolio will deposit 100% of its assets in the Bank Deposit Account in which deposits are FDIC-insured, subject to applicable limitations.

That portion of the underlying deposits in the Bank Deposit Account attributable to a Participant's Units held in the NextGen Savings Portfolio, together with other deposits the Participant may have at the Bank, is eligible for FDIC insurance up to a standard maximum amount, currently set at \$250,000 for a single ownership account, in accordance with the FDIC rules. As of the date of this Program Description, the Bank is Fifth Third Bank. The applicable FDIC insurance limit depends on the ownership capacity in which the assets are held, and the relevant limit will be applied in the aggregate to all deposits held in a single ownership capacity at the same Bank. Deposits held in different ownership capacities, as provided in FDIC rules, are insured separately. UGMA/UTMA Accounts are generally treated as assets of the Designated Beneficiary, and other types of trust Accounts may be treated as assets of the trustee, for purposes of the FDIC limit. Custodians of UGMA/UTMA Accounts and trustees of trust Accounts should consider how these assets will be treated for purposes of the FDIC limit. For more information, please visit [www.fdic.gov](http://www.fdic.gov).

None of FAME, the Program, the Select Series Distributor, the Investment Manager, the Program Manager or the Bank is responsible for monitoring the aggregate amount of a Participant's assets on deposit at the Bank, including assets attributable to the Units held by the Participant in the NextGen Savings Portfolio to determine whether it exceeds the limit of available FDIC insurance. Participants are responsible for monitoring the total amount of their assets on deposit at the Bank (including amounts in other accounts at the Bank held in the same ownership capacity) in order to determine the extent of insurance coverage available on those deposits, including assets attributable to the Units held by the Participant in the NextGen Savings Portfolio. If a Participant's total assets on deposit at the Bank exceed the applicable FDIC limit, the FDIC will not insure such assets in excess of the limit.

A Participant will earn a rate of return on the money contributed to the NextGen Savings Portfolio. The NextGen Savings Portfolio's return, which is based on the interest rate paid by the Bank, will be posted on a monthly basis on [www.nextgenforme.com](http://www.nextgenforme.com). The rate of interest paid by the Bank will vary over time and can change daily without notice. Over any given period, the rate of interest may be lower than the rate of return on other deposit accounts offered by the Bank outside of the Program or deposit accounts offered by other banks. Interest is accrued daily, paid monthly, and will be reflected in the net asset value of the NextGen Savings Portfolio. Interest begins to accrue on the business day the funds are received by the Bank.

**Principal Risks of Investing** – The Portfolio is subject to interest rate risk, ownership risk, bank changes, bank viability risk and FDIC insurance risk.



**Historical Investment Performance – NextGen Savings Portfolio** – The following table summarizes the average annual total return of the NextGen Savings Portfolio as of June 30, 2024. The return of the NextGen Savings Portfolio is based on the interest rate paid by the Bank during the applicable historic period on the deposits in the NextGen Savings Portfolio Investment. The current Bank and the current Bank Deposit Agreement differ, including in the manner of the Bank’s interest rate determination, from the Bank and Bank Deposit Agreement in effect during the applicable historic periods. The interest rate will vary over time at the Bank’s discretion or as otherwise set forth in the Bank Deposit Agreement without notice. The Select Series Distributor, Program Investment Manager, Program Manager and FAME do not currently charge any fees for the NextGen Savings Portfolio but reserve the right to do so in the future. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). The performance data shown below represents past performance. Past performance is not a guarantee of future results. Performance may be substantially affected over time by changes in the allocations and/or investments in which each Portfolio invests. Investment returns will fluctuate, and the principal value of Units of the NextGen Savings Portfolio may fluctuate so that your Account, when redeemed, may be worth more or less than the amounts contributed to your Account.

			AVERAGE ANNUAL TOTAL RETURN*									
			Without sales charge					With sales charge**				
NextGen Savings Client Select Series	Inception Date	Gross Expense Ratio	1YR	3YR	5YR	10YR	Since Inception	1YR	3YR	5YR	10YR	Since Inception
NextGen Savings Portfolio - A	2012-02-27	0.00%	5.14%	2.62%	1.84%	1.15%	0.96%	N/A	N/A	N/A	N/A	N/A
NextGen Savings Portfolio - C	2012-02-29	0.00%	5.14%	2.62%	1.86%	1.15%	0.96%	N/A	N/A	N/A	N/A	N/A
NextGen Savings Portfolio - I	2022-10-17	0.00%	2.17%	N/A	N/A	N/A	2.04%	N/A	N/A	N/A	N/A	N/A

\* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smooths out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.

\*\* Sales Charges are not applicable to this Portfolio.



# NextGen 529 Participation Agreement

THIS PARTICIPATION AGREEMENT contains the terms governing the Account to be established by you pursuant to the Maine Education Savings Program ("NextGen 529" or the "Program") of the Finance Authority of Maine ("FAME"). The Program has been designed to qualify for treatment as a qualified tuition program within the meaning of Section 529 of the Internal Revenue Code of 1986, as amended ("Section 529 Program"). *By signing the NextGen 529 Account Application (the "Account Application"), you have agreed to be bound by the terms of the Program Description and this Participation Agreement.*

1. **Definitions.** In this Participation Agreement, the words "you," "your," or "Participant" mean the individual who, or entity on whose behalf an individual, has signed the Account Application. The term "Designated Beneficiary" means (i) the individual identified by you, or (ii) if you are a governmental entity or a tax-exempt organization described in section 501(c)(3) of the Code, the Designated Beneficiary is the individual or individuals named by you at the time you initiate a qualified withdrawal from the Account. The term "Select Series Distributor" means BlackRock Investments, LLC or any successor distributor of Units of the Portfolios of the Client Select Series of the Program. The term "Program Manager" means Vestwell State Savings, LLC or any successor program manager appointed by FAME. The term "Investment Manager" means BlackRock Advisors, LLC or any successor investment manager appointed by FAME. The term "Program Custodian" means Bank of New York Mellon, or any successor Program Custodian appointed by FAME. The term "Act" means Chapter 417-E of Title 20-A of the Maine Revised Statutes Annotated of 1964, as amended. The term "Rule" means Chapter 611 of the Rules of FAME, as amended from time to time. Other capitalized terms used but not defined in this Participation Agreement shall have the same meaning as in the NextGen 529 Client Select Series Program Description, as amended from time to time (the "Program Description"). Unless the context otherwise requires, the term "Agreement" shall include any requirements applicable to the Participant set forth in the Program Description, to the extent not inconsistent with this Participation Agreement.
2. **Contributions.** Contributions to your Account may be made by check or by electronic funds transfer acceptable to the Program. Rollover Contributions to your Account must be accompanied by a rollover certification in a form approved by FAME and the Program Manager or Program Custodian. Individuals or entities other than you that contribute funds to your Account will have no subsequent control over the Contributions. Only you may direct transfers, rollovers, investment changes (as permitted under federal law), withdrawals and changes in the Designated Beneficiary.
  - (a) The minimum initial Contribution to an Account is \$25. An Account which is eligible to be linked to the Harold Alfond College Challenge Grant does not require an initial Contribution. If automatic, periodic Contributions are made through the Program's AFS or through payroll direct deposit, no minimum initial Contribution amount is required to open an Account.
  - (b) Contributions with respect to all Accounts for the same Designated Beneficiary will not be permitted if they would cause the aggregate balance of all Accounts for the same Designated Beneficiary (regardless of Participant) to exceed the maximum amount periodically established by FAME as the maximum Account balance for a Designated Beneficiary. Any Excess Contribution will be returned by the Program to the Participant. FAME reserves the right to establish a minimum Account balance.
  - (c) A Contribution, rollover or transfer may be refused if FAME reasonably believes that (i) the purpose is for other than funding the Qualified Higher Education Expenses of the Designated Beneficiary of an Account, (ii) there appears to be an abuse of the Program, or (iii) such transaction is unlawful. The Program may not be able to determine that a specific Contribution, rollover or transfer is for other than funding the Qualified Higher Education Expenses of a Designated Beneficiary, abusive or unlawful. The Program therefore makes no representation that all such Contributions, rollovers or transfers can or will be rejected.
3. **Investment of Contributions.** Your Account will be established so that Contributions are automatically allocated to the Portfolio(s) selected on the Account Application. For each investment option selected, Contributions will automatically be invested in the designated investment option(s). State or local governmental entities or tax-exempt organizations described in section 501(c)(3) of the Code may designate a Diversified Portfolio, a Single Fund Portfolio, a Year of Enrollment Portfolio, the Principal Plus Portfolio, the NextGen Savings Portfolio, or any combination of Portfolios in which Contributions are to be invested. Initial and subsequent Contributions to your Account will be invested in accordance with the Portfolio(s) selected, and allocations chosen, by you, as described in the Program Description, and Units of the Portfolio(s) (or any successor Portfolio(s)) selected will be allocated to your Account. Your Account will be separately maintained by the Program Custodian, but Contributions to your Account will be commingled with amounts credited to other Accounts for purposes of investment. Except to the extent permitted by federal tax law, you may not direct the investment of Contributions to your Account. You are the owner of all Contributions and all Program earnings credited to your Account under this Agreement. However, you understand and agree that you are not the owner of any Maine Matching Grant or Harold Alfond College Challenge Grant award designations and earnings thereon credited to your Account.

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4. **Withdrawals from Account.** Any amount you, your Designated Beneficiary or another person receives from your Account, as directed by you, is called a “withdrawal.” Withdrawals will be made from your Account after (i) your verbal authorization confirmed via telephone; or (ii) your submission of a NextGen 529 Withdrawal Request Form (and any additional required documentation) or any other withdrawal form required by the Program Custodian and its acceptance by the Program. Rules and limitations on withdrawals are described in the Program Description under the section titled “**Participation and Accounts.**”
5. **Change of Designated Beneficiary.** You may request that an individual who is a Member of the Family of your current Designated Beneficiary be substituted as your new Designated Beneficiary by submitting a Change of Designated Beneficiary Form (and any additional required documentation) to the Program Custodian. The change will be made upon the Program’s acceptance of the request
6. **Fees and Expenses.** (a) Certain fees (which may be rebated, reduced, waived or changed from time to time) will be charged against the assets of the Portfolios to provide for the costs of administration of the Program and the Accounts. These fees include fees of the Investment Manager, Select Series Distributor and FAME, as more fully described in the Program Description. Accounts will indirectly bear expenses of the Underlying Funds in which the Portfolios invest. In addition, each Account will be subject to such other fees and charges, including sales charges (which may be rebated, reduced, waived or changed from time to time) as described in the Program Description. Ongoing Portfolio fees and other charges are subject to change at any time. Whole or fractional Units in your Account may be liquidated to pay any fees, expenses or liabilities owed to the Investment Manager, Select Series Distributor or FAME.
- (b) The Client Select Series currently offers the Unit Classes described in the Program Description. The fees and expenses associated with each Unit Class differ. Certain Participants may not be eligible to invest in a particular Unit Class. A Participant who invests in the Client Select Series may be required to pay an Initial Sales Charge or Contingent Deferred Sales Charge. The Initial Sales Charges and Contingent Deferred Sales Charges vary depending on the Unit Class selected and the particular investment option(s) you select for your Account Contributions. The Initial Sales Charge may be reduced or waived under the circumstances described in the Program Description.
7. **Statements and Reports.** The Program will keep, or cause to be kept, accurate and detailed records of all transactions concerning your Account and will provide, or cause to be provided, periodic statements of your Account to you. The Program will not provide, or cause to be provided, statements to you if a prior statement or any other communication to you has been returned as undeliverable, until you provide updated information in the manner required by the Program. The Program will cause reports to be sent to you, the Internal Revenue Service and such other regulatory authorities as required by law. If you do not write to the Program to object to a statement or report within 60 days after it has been sent to you, you will be considered to have approved it and to have released FAME and the Program from all responsibility for matters covered by the statement or report. You agree to provide all information that FAME or the Program may need to comply with any legal statement or reporting requirements. You will continue to be responsible for filing your federal tax return and any other reports required of you by law.
- 7A. **UTMA/UGMA Accounts.** If you are the custodian of an Account opened under the Uniform Transfers to Minors Act (“UTMA”) or the Uniform Gifts to Minors Act (“UGMA”) as adopted by any jurisdiction, you agree to comply with all requirements of the applicable UTMA or UGMA law, including but not limited to the requirements that you (i) expend the UTMA or UGMA Account assets only for the use and benefit of the minor named on the Account (the “Minor”), and (ii) upon the earlier of the Minor’s attainment of the applicable termination age or the Minor’s death, transfer the UTMA or UGMA Account assets to the Minor or to the Minor’s estate. None of the Program Custodian, the Program Manager or FAME shall have any responsibility to make sure that you properly perform your duties as custodian.
- You agree that once the Program Custodian has reason to believe that the Minor has reached the termination age under applicable law, the Program Custodian may, but is not obligated to, take any or all of the following actions with respect to the UTMA or UGMA Account without further consent from you: (i) limit transactions for the UTMA or UGMA Account to liquidating orders; (ii) prohibit further Contributions into the UTMA or UGMA Account; (iii) restrict withdrawals or transfers from the UTMA or UGMA Account other than to the Minor; (iv) communicate with the Minor or the Minor’s legal representative regarding the UTMA or UGMA Account including, but not limited to, providing periodic Account statements and tax statements to the Minor or Minor’s legal representative; (v) accept liquidating orders from the Minor; and deliver the UTMA or UGMA Account assets to the Minor.

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**8. Participant's Representations.** You represent as follows:

- (a) (You have received and read the most current version of the Program Description including any applicable supplements thereto), have carefully reviewed the information it contains, and agree that its terms are incorporated into this Participation Agreement as if they were set forth herein.
- (b) You have not relied on any representations or other information, whether oral or written, and whether made by any agent or representative of FAME, the Select Series Distributor, the Program Manager, the Program Custodian, the Investment Manager or otherwise, other than as set forth in the Program Description (including any applicable amendments thereto) and in this Participation Agreement.
- (c) You are opening this Account to provide funds for Qualified Higher Education Expenses of the Designated Beneficiary of the Account.
- (d) **YOU UNDERSTAND THAT THE VALUE OF YOUR ACCOUNT MAY INCREASE OR DECREASE, BASED ON THE INVESTMENT PERFORMANCE OF THE PORTFOLIO(S) TO WHICH CONTRIBUTIONS TO YOUR ACCOUNT HAVE BEEN ALLOCATED, THAT THE VALUE OF YOUR ACCOUNT MAY BE MORE OR LESS THAN THE AMOUNT CONTRIBUTED TO YOUR ACCOUNT, AND THAT NO PERSON MAKES ANY GUARANTEE THAT YOU WILL NOT SUFFER A LOSS OF THE AMOUNT CONTRIBUTED TO THE ACCOUNT OR THAT THE VALUE OF YOUR ACCOUNT WILL BE ADEQUATE TO FUND ACTUAL QUALIFIED HIGHER EDUCATION EXPENSES.**
- (e) You understand that: (i) all Portfolio asset allocation and investment decisions will be made by FAME; (ii) except to the extent permitted by federal law, you cannot direct the investment of any Contributions to your Account (or the earnings on Contributions); and (iii) each Portfolio will invest in Portfolio investments.
- (f) You understand that: (i) the state(s) where you or your Designated Beneficiary reside or pay taxes may offer one or more direct sold, or advisor/broker sold college savings plans or prepaid tuition plans under Section 529 of the Code (each, an "In-State Plan"); and (ii) such In-State Plans may offer you state income tax or other benefits not available to you through the Program. The Program Description, this Participation Agreement, the Account Application, and the other forms approved for use in connection with the Program do not address taxes imposed by a state other than Maine, or the applicability of state or local taxes other than the Maine income tax to the Program, the Investment Fund, your participation in the Program, your investment in the Investment Fund or your Account.
- (g) You have considered investing in an In-State Plan and consulted with your tax advisor regarding the state tax consequences of investing in the Program if realizing state or local income tax or other benefits is important to you.
- (h) You have considered: (i) the availability of alternative education savings and investment programs including other Section 529 Programs available through the Select Series Distributor; (ii) the identity of the Select Series Distributor, Investment Manager, Program Custodian, Program Manager and Program Custodian, and the contract term of the Select Series Distributor, Investment Manager, Program Custodian and Program Manager; (iii) the impact an investment in the Program may have on eligibility for federal and state financial aid and non-educational benefits, such as Medicaid; (iv) the risks and other considerations of investing in the Program; (v) limitations on Contributions, withdrawals and transfers among the Portfolios; (vi) the Program's fees and expenses; and (vii) the federal, state and local estate and gift tax implications of investing in the Program.
- (i) You understand that: (i) the Program's investment options may not be suitable; and (ii) the Program may not be suitable, for all investors as a means of investing for Qualified Higher Education Expenses.
- (j) You understand that: (i) any Portfolio may at any time be merged, terminated, reorganized or cease accepting new Contributions, in FAME's sole discretion; (ii) any such action affecting a Portfolio may result in your Contributions being reinvested in a Portfolio different from the Portfolio in which your Contributions were originally invested, in FAME's sole discretion; and (iii) FAME and the Select Series Distributor may at any time terminate or modify the Portfolio fee structures.
- (k) You understand that although you own interests in a Portfolio (Units), you do not have a direct beneficial interest in the Portfolio Investments held by that Portfolio, and therefore, you do not have the rights of an owner or shareholder of any mutual funds, exchange traded funds, separate accounts, or other instruments which may comprise the Portfolio Investments.

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- (l) You understand that: (i) once a Contribution is made to an Account, your ability to withdraw funds without adverse tax consequences will be limited; (ii) the earnings portion of Non-Qualified Withdrawals may be subject to federal as well as state and/or local income taxes and potentially a 10% additional federal tax; and (iii) withdrawals may be subject to federal and state and/or local income tax withholding.
- (m) You understand that participation in the Program does not guarantee that any Designated Beneficiary: (i) will be accepted as a student by any educational institution or apprenticeship program; (ii) if accepted, will be permitted to continue as a student or in such program; (iii) will be treated as a state resident of any state for tuition purposes; (iv) will graduate from any educational institution or apprenticeship program; or (v) will receive any particular treatment under applicable state or federal financial aid programs.
- (n) You understand that the Program may ask you to provide additional documentation that may be required by applicable law or the Rule, including anti-money laundering laws, in connection with your participation in the Program and you agree to promptly comply with any such requests for additional documents.
- (o) You have accurately and truthfully completed the Account Application and any other documentation that you have furnished or subsequently furnish in connection with the opening or maintenance of, or any withdrawals from, the Account.
- (p) You understand that any false statements made by you in connection with the opening of the Account or otherwise will be deemed to be unsworn falsification within the meaning of 17-A Maine Revised Statutes Annotated Section 453 and that FAME. The Program Manager and the Program Custodian may take such action as is permitted by the Act and the Rule, including termination and distribution of your Account.
- (q) You understand that purchases and sales of Units held in your Account may be confirmed to you on periodic Account statements in lieu of an immediate confirmation. Only the Participant, and persons designated by the Participant, will receive confirmation of Account transactions.
- (r) You understand that any Contributions credited to your Account will be deemed by FAME and the Program Manager to have been received from you and that Contributions by third parties may result in tax consequences to the Participant or the third party.
- (s) You understand that if you open your Account through a Financial Intermediary, FAME or the Program may provide such Financial Intermediary with information regarding your Account.
- (t) You affirm that if you are entering into this Participation Agreement on behalf of a non-natural person, you have the authority to open your Account for the Designated Beneficiary.
- (u) You understand that, unless otherwise provided in a written agreement between you and your financial professional, or between you and FAME or the Select Series Distributor or the Investment Manager, no part of your participation in the Program will be considered the provision of an investment advisory service.
- (v) You understand that you should retain adequate records relating to withdrawals from the Account for your own tax reporting purposes.
- (w) You understand that if the person establishing the Account is a legal entity, in addition to the items set forth herein, the individual signing the Account Application and entering into this Participation Agreement for the entity represents and warrants that: (i) the entity may legally become, and thereafter be, the Participant; (ii) he or she is duly authorized to so act for the entity; (iii) the Program Description may not discuss tax consequences and other aspects of the Program of particular relevance to the entity and individuals having an interest therein; and (iv) the entity has consulted with and relied on a professional advisor, as deemed appropriate by the entity before becoming a Participant.
- (x) You understand that in order to help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an Account. When you open an Account, the Program Manager and/or FAME will ask for your name, address, date of birth and other information that will allow the Program Manager and FAME to identify you. The Program Manager or FAME may also ask to see your driver's license or other identifying documents. You understand that you must also provide such additional documents and information regarding your identity as the Program Manager may from time to time request, as described in the Program Description. References to Program Manager in this subsection are deemed to include a Financial Intermediary as applicable.
- (y) You (i) are aware that the Program's investment options are offered in three separate series, each with its own sales charges, expense structure and investment options, and that some investment options may be offered in all series, (ii) are aware that the

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expenses associated with the Client Select Series (offered through this Program Description) will generally be higher than those associated with the Client Direct Series or Client Connect Series (offered through their respective program descriptions) and (iii) believe that the Client Select Series is suitable for you.

9. **Limitation on Liability.** You recognize that FAME, the Select Series Distributor, the Investment Manager, the Program Custodian and the Program Manager are relying upon your representations set forth in this Participation Agreement and the Account Application. You agree to repay FAME, the Select Series Distributor, the Investment Manager, the Program Custodian or the Program Manager, as applicable, for any liabilities or expenses they may incur as the result of any misstatement or misrepresentation made by you or your Designated Beneficiary, any breach by you or your Designated Beneficiary of the representations contained in this Participation Agreement or any breach by you or your Designated Beneficiary of this Participation Agreement, other than those arising out of FAME's or the applicable entity's failure to perform their duties specified in this Participation Agreement or the Program Description. All of your statements, representations, and agreements shall survive the termination of this Participation Agreement.
10. **Duties of FAME, the Select Series Distributor, the Investment Manager, the Program Custodian and the Program Manager.** None of FAME, the Select Series Distributor, the Investment Manager, the Program Custodian, or the Program Manager have a duty to perform any action other than those specified in this Participation Agreement or the Program Description. FAME, the Select Series Distributor, the Investment Manager, the Program Custodian and the Program Manager may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by you or another authorized person and may assume that the authority of any other authorized person continues in effect until they receive written notice to the contrary. None of FAME, the Select Series Distributor, the Investment Manager, the Program Custodian or the Program Manager have any duty to determine or advise you of the investment, tax or other consequences of your actions, of their actions in following your directions, or of their failing to act in the absence of your directions.
11. **Transfers and Assignments.** Transfers of an Account by you to another Participant may only be made in compliance with the Program Description and with applicable law. No Account may be used as security for a loan, and any attempt to do so shall be void.
12. **Rules and Regulations.** The Account and this Agreement are subject to the Act and the Rule.
13. **Effectiveness of this Participation Agreement.** This Participation Agreement shall become effective upon the Program Custodian's acceptance of your Account Application on behalf of FAME, subject to FAME's right to reject your Account Application if, in processing the Account Application, it is determined that the Account Application has not been fully and properly completed.
14. **Amendment/Termination.** FAME may at any time: (i) amend the Program or this Participation Agreement (including, but not limited to, any amendment required for the Program to qualify for favorable federal tax treatment as a Section 529 Program) by giving written notice to you, which amendment shall be effective upon the date specified in the notice; or (ii) terminate the Program or this Participation Agreement or cause a distribution to be made from your Account to satisfy applicable laws, including anti-money laundering laws, by giving written notice to you. No provision of this Participation Agreement can be amended or waived except in writing signed by an authorized representative of FAME and the Program Manager. A termination of the Program or this Participation Agreement or such distribution from your Account by FAME may result in a Non-Qualified Withdrawal, unless certain exceptions apply, for which federal and state and/or local income tax on the earnings portion thereof and potentially a 10% additional federal tax may be assessed.
15. **Binding Nature.** This Participation Agreement shall be binding upon the parties and their respective heirs, successors, beneficiaries and permitted assigns. You agree that all of your representations and obligations under this Participation Agreement shall inure to the benefit of the Select Series Distributor, the Investment Manager and the Program Manager as well as to FAME, all of which can rely upon and enforce your representations and obligations contained in this Participation Agreement.
16. **Communications.** Communications may be sent to you at your permanent address appearing on your Account Application or at such other permanent address as you give to the Program Manager or Program Custodian in writing. All communications so sent, whether by mail, facsimile, e-mail, messenger or otherwise, will be considered to have been given to you personally upon such sending, whether or not you actually receive them. FAME and the Select Series Distributor, the Investment Manager, the Program Manager and the Program Custodian, to the extent permitted by FAME, may direct mailings to you or your Designated Beneficiary regarding products or services other than the Program.

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17. **Extraordinary Events.** FAME, the Select Series Distributor, the Investment Manager, the Program Custodian, the Program Manager and the Program Custodian shall not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes or other conditions beyond their control.
18. **Severability.** If any provision of this Agreement is held to be invalid, illegal, void or unenforceable, by reason of any law, rule, administrative order, or judicial decision, such determination will not affect the validity of the remaining provisions of this Agreement.
19. **Headings.** The heading of each provision of this Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.
20. **Governing Law.** THIS PARTICIPATION AGREEMENT WILL BE GOVERNED BY MAINE LAW, WITHOUT REGARD TO THE COMMUNITY PROPERTY LAWS OR CHOICE OF LAW RULES OF ANY STATE.
21. **Lawsuits Involving Your Account.** Except as to controversies arising between you or your Designated Beneficiary and FAME or the Select Series Distributor, Investment Manager and/or Program Manager, FAME, the Select Series Distributor, the Investment Manager, the Program Custodian and/or the Program Manager may apply to a court at any time for judicial settlement of any matter involving your Account. If FAME, the Select Series Distributor, the Investment Manager or the Program Manager does so, they must give you or your Designated Beneficiary the opportunity to participate in the court proceeding, but they also can involve other persons. Any expense incurred by FAME, the Select Series Distributor, the Investment Manager or the Program Manager in legal proceedings involving your Account, including attorney's fees and expenses, are chargeable to your Account and payable by you or your Designated Beneficiary if not paid from your Account.
22. **Disputes.** In the event of a dispute between you or your Designated Beneficiary and the chief executive officer of FAME, the dispute may be resolved in accordance with the procedures set forth in Section 15 of the Rule. You hereby submit (on behalf of yourself and your Designated Beneficiary) to exclusive jurisdiction of courts in Maine for all legal proceedings arising out of or relating to this Agreement. In any such proceeding, you (on behalf of yourself and your Designated Beneficiary) and FAME each agree to waive your rights to a trial by jury.
23. **Arbitration.** This Participation Agreement contains a predispute arbitration clause; by signing the Account Application you (on behalf of yourself and your Designated Beneficiary) agree as follows:
- You; your Designated Beneficiary and the Select Series Distributor, the Program Custodian, the Investment Manager and the Program Manager (each, a "party") are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
  - Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
  - The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
  - The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
  - The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
  - The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
  - The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

You agree (on behalf of yourself and your Designated Beneficiary) that all controversies that may arise between you or your Designated Beneficiary and the Select Series Distributor, the Program Custodian, the Program Investment Manager and/or the Program Manager involving any transaction in your Accounts with the Program or the construction, performance or breach of this Participation Agreement shall be determined by arbitration.

Any arbitration with the Select Series Distributor or Program Custodian pursuant to this provision shall be conducted only before the New York Stock Exchange, Inc., an arbitration facility provided by any other exchange of which the Select Series Distributor or the Program Custodian is a member, or the Financial Industry Regulatory Authority, Inc. (FINRA), and in accordance with the respective arbitration rules then in effect in FINRA or such other exchange but

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if you fail to make such election by registered letter or telegram addressed to the Select Series Distributor or the Program Custodian at the office where you maintain your Account before the expiration of five days after receipt of a written request from the Select Series Distributor or the Program Custodian to make such election, then Select Series Distributor or the Program Custodian may make such election. Any arbitration with the Investment Manager or the Program Manager pursuant to this provision shall be conducted in New York, New York in accordance with the rules of the American Arbitration Association.

Judgment upon the award of the arbitrators may be entered in any court, state or federal, having jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Participation Agreement except to the extent stated herein.

November 8, 2024



# Glossary

<b>“Account”</b>	The repository of all Contributions and Units identified by a formal record of transactions with respect to a particular Participant and Designated Beneficiary.
<b>“Account Application”</b>	The Program application which is used to establish an Account.
<b>“Bank”</b>	The FDIC-insured bank from time to time selected by FAME to hold deposits in the Bank Deposit Account.
<b>“Bank Deposit Account”</b>	An interest-bearing deposit account held at the Bank in which deposits are FDIC-insured, subject to applicable limits.
<b>“Bank of New York Mellon”</b>	The company which currently serves as the Program Custodian.
<b>“BlackRock”</b>	BlackRock Advisors, LLC, which currently serves as the Investment Manager, and BlackRock Investments, LLC, which serves as Select Series Distributor
<b>“CDSC”</b>	A contingent deferred sales charge. The amount deducted from the proceeds of a withdrawal made within a specified time period following certain Contributions to an Account.
<b>“Cash Allocation Account”</b>	The Cash Allocation Account is a separate account that seeks current income, preservation of capital and liquidity. This account is invested directly in a diversified portfolio of money market securities and may also be invested in Maine CDs.
<b>“Code”</b>	The Internal Revenue Code of 1986, as amended.
<b>“Contribution”</b>	The amount contributed to an Account by a Participant or other source.
<b>“Designated Beneficiary”</b>	The individual whose Qualified Higher Education Expenses are expected to be paid from the Account, or if the Participant is a state or local government or qualifying tax-exempt organization operating a scholarship program, the recipient of a scholarship paid from the Account.
<b>“Diversified Portfolio”</b>	A Portfolio for which assets are invested in one or more Portfolio Investments, in accordance with a fixed asset allocation specified for such Portfolio.
<b>“Eligible Assets”</b>	Assets in different Accounts that are aggregated for purposes of determining whether the Participant is eligible to purchase <a href="#">Class A Units</a> , as described starting on page 34, as applicable
<b>“Eligible Institutions of Higher Education”</b>	Accredited post-secondary educational institutions offering credit toward a bachelor’s degree, an associate’s degree, a graduate level or professional degree, or another recognized post-secondary credential which are eligible to participate in certain federal student financial aid programs. This includes certain proprietary institutions, foreign institutions and post-secondary vocational institutions.
<b>“FAME”</b>	The Finance Authority of Maine, which is the administrator of the Program.
<b>“FDIC”</b>	The Federal Deposit Insurance Corporation. The FDIC is an independent agency of the United States government that protects against the loss of deposits if an FDIC-insured bank or savings association fails, subject to applicable rules and limitations.
<b>“Fifth Third Bank”</b>	As of the date of publication of this Program Description, the FDIC-insured bank that hold deposits in the Bank Deposit Account.
<b>“Financial Intermediary”</b>	A firm through which an Account Owner acquires Units of the Client Select Series -- including a broker - dealer, registered investment advisory firm or other financial service provider – whose employees or contracted agents provide product recommendations, investment advice or other financial services to their clients.
<b>“Financial Professional”</b>	An individual affiliated with a Financial Intermediary firm through which an Account Owner acquires Units of the Client Select Series.
<b>“Funding Agreements”</b>	See “Principal Plus Portfolio Investments” below.



<b>“Force Majeure”</b>	Circumstances beyond the reasonable control of the Program Parties, including but 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 their reasonable control whether similar or dissimilar to any of the foregoing.
<b>“Initial Sales Charge”</b>	A fee based on a percentage of a Contribution deducted from certain Contributions prior to their investment in the Account. The Client Select Series does not currently impose Initial Sales Charges.
<b>“Investment Fund”</b>	The portion of the Program Fund invested in the Portfolio Investments.
<b>“Investment Manager”</b>	The company that provides investment management services to FAME for the Program. The Investment Manager is currently BlackRock Advisors, LLC.
<b>“Maine CDs”</b>	Certificates of deposit issued by Maine financial institutions.
<b>“NextGen Savings Portfolio Investment”</b>	The Bank Deposit Account.
<b>“Participant”</b>	The individual or entity establishing an Account or any successor to such individual or entity.
<b>“Participation Agreement”</b>	The contract between the Participant and FAME, which establishes the Account and the obligations of FAME and the Participant, as amended.
<b>“Portfolio”</b>	One of the portfolios of Portfolio Investments established within the Investment Fund for the Client Select Series to which Contributions may be allocated, and that are invested in Portfolio Investments.
<b>“Portfolio Investments”</b>	One or more of the Underlying Funds and/or the Principal Plus Portfolio Investments and/or the NextGen Savings Portfolio Investment, as applicable.
<b>“Principal Plus Portfolio Investments”</b>	The funding agreements issued by an insurance company (“Funding Agreements”), and any corporate fixed-income investments and/or similar instruments in which the Principal Plus Portfolio may invest.
<b>“Program”</b>	The Maine Education Savings Program, (also known as NextGen 529 or NextGen). As of the date of this Program Description, the Program includes the Client Select Series described in this Program Description, a Client Direct Series and a Client Connect Series that are for self-directed investors and are described in separate program descriptions. References to the Program in this Program Description are deemed to include FAME or one or more of the Program Parties acting on the Program’s behalf.
<b>“Program Custodian”</b>	The company that provides certain custody and recordkeeping services for the Program. Currently, The Bank of New York Mellon is the Program Custodian. For Accounts held in omnibus form through a Financial Intermediary, when this Program Description refers to contacting the Program Custodian to effectuate particular Account transactions or obtain or provide certain information or documentation relating to an Account, the Account Owner should communicate through the Financial Intermediary, which will contact the Program Custodian as appropriate. For such Accounts, Account statements and other documentation that this Program Description states are provided by the Program Manager or the Program Custodian may be provided instead by the Financial Intermediary.
<b>“Program Description”</b>	This current NextGen 529 Client Select Series Program Description and any supplements to it or updated versions thereof.
<b>“Program Fund”</b>	The Maine Education Savings Program Fund.

<b>“Program Manager”</b>	The company that is responsible for the day-to-day operation of the Program. Currently, Vestwell State Savings, LLC, is the Program Manager. When this Program Description refers to contacting the Program Manager to effectuate particular Account transactions or obtain or provide certain information or documentation relating to an Account, the particular communication may be transferred to and the particular transaction may be performed by the Program Custodian. For Accounts held in omnibus form through a Financial Intermediary, the Account Owner should communicate through the Financial Intermediary, which will contact the Program Manager or Program Custodian as appropriate, and Account statements and other documentation that this Program Description states are provided by the Program Manager or the Program Custodian may be provided instead by the Financial Intermediary.
<b>“Qualified Higher Education Expenses”</b>	Expenses including tuition, fees and the costs of books, supplies and equipment required for enrollment or attendance, as well as certain room and board expenses of a Designated Beneficiary that is enrolled at least half-time at an Eligible Institution of Higher Education, expenses for the purchase of computer or peripheral equipment, computer software or Internet access and related services, if such equipment, software, access or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Institution of Higher Education, and expenses for special needs services in the case of a special needs beneficiary that are incurred in connection with enrollment or attendance at an Eligible Institution of Higher Education. Unless otherwise indicated, any reference to Qualified Higher Education Expenses also includes (i) a reference to tuition in connection with a Designated Beneficiary’s enrollment or attendance at an elementary or secondary public, private, or religious school up to a maximum of \$10,000 of distributions for such tuition expenses per taxable year per Designated Beneficiary from all Section 529 Programs; (ii) expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act; and (iii) amounts paid as principal or interest on any qualified education loan of either the Designated Beneficiary or a sibling of the Designated Beneficiary up to a lifetime limit of \$10,000 per individual.
<b>“Qualified Withdrawals”</b>	Withdrawals from an Account that in the aggregate, together with other withdrawals from Section 529 Programs for the Designated Beneficiary, do not exceed the Qualified Higher Education Expenses of the Designated Beneficiary (from sources other than scholarships or grants) (from sources other than scholarships or grants) during the calendar year in which such withdrawals are made, (and such period, if any, following such calendar year as may be permitted by the IRS), provided , pro provided that Qualified Higher Education Expenses used to claim an American Opportunity Tax Credit or Lifetime Learning credit or to obtain a tax-free withdrawal from a Coverdell education savings account cannot also be counted as Qualified Higher Education Expenses for purposes of withdrawals from a Section 529 Program. provided that Qualified Higher Education Expenses used to claim an American Opportunity Tax Credit or Lifetime Learning credit or to obtain a tax-free withdrawal from a Coverdell education savings account cannot also be counted as Qualified Higher Education Expenses for purposes of withdrawals from a Section 529 Program. Unless otherwise indicated, reference to withdrawals used to pay for “Qualified Higher Education Expenses of the Designated Beneficiary” includes withdrawals used to repay qualified education loans of the Designated Beneficiary’s sibling in the limited circumstances that such repayments may be treated as Qualified Higher Education Expenses.
<b>“Section 529 Program”</b>	A “qualified tuition program” established under and operated in accordance with Section 529 of the Code.
<b>“Select Series Distributor”</b>	The company that serves as the distributor for Units of the Client Select Series of the Program. BlackRock Investments, LLC is the Select Series Distributor.
<b>“Single Fund Portfolio”</b>	A Portfolio for which assets are invested in one Underlying Fund.

<b>“Specialized Account”</b>	A scholarship account funded by a tax-exempt organization described in section 501(c)(3) of the Code or trust and administered by FAME. In the case of a Specialized Account, recordkeeping and certain other services described in this Program Description are provided by the Program Manager or an affiliate thereof, and not by the Program Custodian, and the administration of a Specialized Account may differ in some respects from that generally applicable to Accounts as described in this Program Description.
<b>“Sub-Advisor”</b>	A registered investment adviser, other than the Investment Manager, that recommends Underlying Funds and the allocation of such Underlying Funds for one or more Portfolios comprised of Underlying Funds advised by such investment adviser or any of its affiliates.
<b>“Underlying Funds”</b>	One of more mutual funds, exchange traded funds (ETFs) or separate accounts in which assets of Portfolios (other than the Principal Plus Portfolio and the NextGen Savings Portfolio) are invested.
<b>“Units”</b>	Interests in a Portfolio that are purchased with Contributions to an Account.
<b>“Unit Class”</b>	The A, C or I Units that represent investments within each of the Portfolios in the Client Select Series, each of which has its own sales charge and expense structure.
<b>“Vestwell”</b>	Vestwell State Savings, LLC, which currently serves as the Program Manager.
<b>“Year of Enrollment Portfolio”</b>	A Portfolio with either (i) a designated “year of enrollment” in which withdrawal of the invested funds for the Designated Beneficiaries of Accounts investing in such Portfolio is assumed (though not required); the assets of such Portfolio are invested in a combination of Underlying Funds that changes to become more conservative over time as the remaining period until the applicable “year of enrollment” shortens or (ii) an “enrolled” designation indicating that the invested funds for the Designated Beneficiaries of Accounts investing in such Portfolio are assumed to be subject to withdrawal at any time; the assets of such Portfolio are invested in a combination of Underlying Funds designed to protect principal, while also seeking capital appreciation and/or income.

Note: Other terms are defined elsewhere in this Program Description.

# Privacy Policies & Principles

## VESTWELL STATE SAVINGS PRIVACY PRINCIPLES

**Purpose and Scope.** Vestwell Holdings Inc. and its subsidiaries (referred to as “Vestwell”) are committed to protecting the privacy of End Users (as defined below) who visit websites it owns and operates or who access, use or register to use the Vestwell platform and any related applications and services, including services offered by its subsidiaries and affiliates (the “Vestwell Platform”) (the Vestwell websites and the Vestwell Platform are referred to collectively as the “Sites”). Vestwell’s privacy policy (the “Privacy Policy”) explains what information is collected and why it is collected; how it uses that information; and the choices it offers, including how to update information collected from the End Users.

**How is Personal Information Defined?** “Personal Information” means any information or data collected or maintained for Vestwell’s business purposes that (a) identifies an End User, including by name, signature, address, telephone number, or other unique identifier; (b) can be used to identify or authenticate an End User, including passwords, PINs, biometric data, unique identification numbers (e.g., social security numbers, EINs), answers to security questions or other personal identifiers, or (c) an account number or credit card number or debit card number, in combination with any required security code, access code, or password, that would permit access to an End User’s retirement plan account.

**How Vestwell Uses the Information Collected.** Vestwell uses the information collected to provide the Services, including to verify identity and diagnose and remediate technical and service related issues. Vestwell may also use collected information for its own general business purposes, which may include, but is not limited to, helping it analyze, research, report on, and improve the Services; assessing the effectiveness of the Services; detecting, understanding and resolving any technical issues with the Sites or servicing End User accounts; or better serving its current and prospective clients’ and investment advisors’ needs with respect to products, services, and support. Vestwell may also use collected information for marketing communications, either directly or through a third party, in relation to existing or new services, for education information it thinks might benefit the End User, or for keeping End Users up to date on industry and regulatory information and trends. End Users may opt out of receiving these marketing communications at any time (see “Choice/Opt-Out” in the full Vestwell Privacy Policy below).

- With Plan Sponsors, Employers, payroll providers, or investment advisors associated with the End User’s retirement plan or savings account;
- Vestwell subsidiaries and its service providers to carry out, improve, or maintain the Services to End Users. These may include vendors or subcontractors of Vestwell, such as hosting and information technology providers, identity verification and fraud prevention services, data analytics, and customer support services. These providers may have access to Personal Information needed to perform their functions, but are contractually restricted from using such Personal Information for purposes other than providing services for Vestwell.
- When legally required to access, use, preserve, or disclose the information to satisfy any applicable law, regulation, legal process, or enforceable governmental request;
- To detect, prevent, or otherwise address security or technical issues involving the Sites or the Vestwell Platform;
- To protect against harm to the rights, property, or safety of Vestwell, its employees, End Users, or the public as required or permitted by law;
- To enforce the terms of Vestwell’s service agreements; or
- Disclosure to federal, state or local regulators as required by applicable law.

**Information Security.** End Users’ privacy matters to Vestwell and Vestwell works hard to protect it. Vestwell utilizes the following practices:

- Encrypting data on the Vestwell Platform;
- Enforcing password complexity standards for individuals to access their accounts on the Vestwell Platform;
- Reviewing information collection, storage, and processing practices, including physical security measures, to guard against unauthorized access to Vestwell’s systems; and

Restricting access to Personal Information to Vestwell employees and trusted service providers who need to know that information to process it on Vestwell’s behalf, so that the employee or trusted service provider can perform the Services, and who are subject to strict contractual confidentiality obligations and may be disciplined or terminated if violated.

Vestwell utilizes reasonable security technologies to protect Personal Information in accordance with industry and regulatory standards, which may include monitoring and recording transactions to help detect potential fraudulent activity, and utilizing encryption, two-factor authentication, automatic logout after a specified period of inactivity, or other controls to help protect End User’s sensitive information.

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Compliance with state laws. You may have privacy protections under applicable state laws, including those for California residents. To the extent such state laws apply, we will comply with them when we share information about you or the plan.

How to contact Vestwell. Your privacy matters to us. Vestwell welcomes your comments regarding these privacy principles and practices. If you have reason to believe that Vestwell has not adhered to this privacy statement, please contact us by email at [help@vestwell.com](mailto:help@vestwell.com) or contact us at Vestwell Holdings, Inc., Legal Department, 360 Madison Avenue, 15th Floor, New York, NY 10017, (917) 979-5358. For the full Vestwell Privacy Policy, please review it here: <https://www.vestwell.com/privacy-policy>.

## **BANK OF NEW YORK MELLON PRIVACY POLICY**

The Bank of New York Mellon, and its affiliates, on behalf of FAME and the Program, may collect personal information from you to service and maintain your Program account(s) and process your transactions. This information may be collected when you initially enroll in the Program, complete Program documents/forms, utilize the Program's website, conduct Program transactions, or communicate with us or the Program.

We do not sell or rent your personally identifiable information to third parties. We share your information only (i) with our affiliates and service providers that have agreed to confidentiality restrictions and use any personal information solely for the purpose of providing the contracted service to us; (ii) with the Program Manager, Investment Manager, Client Select Series Distributor, FAME and other service providers engaged by NextGen 529 as identified to us from time to time; and (iii) to comply with all applicable laws, regulations and rules, and requests of law enforcement, regulatory and other governmental agencies. Also, we may share in aggregate, statistical form, non-personal information regarding the visitors to the Program website and our website, traffic patterns, and website usage with our partners or affiliates.

The Program website and our website may reference or provide links to third party websites (including social media bookmarking buttons that enable you to share certain content on the Program website and our website). We are not responsible for the third-party websites, and you should review the terms of use, cookie policies and privacy policies posted on such sites. Please be aware that we do not control, nor are we responsible for, the privacy policies or information practices of third parties or their websites. When you use the third-party links provided on the Program website or our website these third parties may collect personal information about you, or your online activities over time and across different websites.

## **BLACKROCK PRIVACY PRINCIPLES**

BlackRock Investments, LLC ("BlackRock"), together with its affiliates, is committed to maintaining the privacy of Participants and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our website.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about Participants, except as permitted by law, or as is necessary to respond to regulatory requests or to service Accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your Account or to provide you with information about other BlackRock products or services that may be of interest to you, provided neither we nor our affiliates will provide such information to Participants or Program account beneficiaries who are Maine residents if their only relationship with us or our affiliates is through the Program. In addition, BlackRock restricts access to non-public personal information to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect non-public personal information, including procedures relating to the proper storage and disposal of such information.

Under certain circumstances, we share customer information with outside vendors who provide services to NextGen 529, such as financial institutions, fulfillment, mailing, market research and data processing vendors. In those cases, the firms with whom BlackRock does business will enter into confidentiality agreements, and the information is limited to only what is necessary to generate mailings,



process transactions, analyze operations and perform other services related to an Account. We also may share your Account information with your financial intermediary, if you have listed one on your Account.

In addition to the privacy policy above, BlackRock and its affiliates will not provide any information about their other products or services that may be of interest to Program Participants or beneficiaries who are Maine residents if BlackRock's only relationship with such Participants or beneficiaries is through the Program.

## **BANK OF AMERICA PRIVACY NOTICE (Applicable to Merrill)**

Account owners will receive the Bank of America U.S. Consumer Privacy Notice (the "Privacy Notice") at the time a NextGen 529 Account is opened and annually where required by law. The Privacy Notice describes Bank of America's policies applicable to U.S. consumers across a number of Bank of America companies. For Participants and Designated Beneficiaries who are Maine residents and have only a Program Account relationship with Merrill, no Bank of America company (as defined in the Privacy Notice), including but not limited to Merrill, will use Customer Information provided in connection with their Program Accounts to make non-Program direct marketing offers by postal mail, telephone and/or e-mail. Accordingly, no action is required by such Participants and Designated Beneficiaries in order to prevent direct marketing offers from such Bank of America companies. If you are a Participant or a Designated Beneficiary who is a Maine resident that was introduced to the Program in connection with a relationship with a Merrill broker outside of the Program, your Merrill broker may make marketing offers to you as described in the Privacy Notice and other account documentation. You are encouraged to read the complete Privacy Notice as it contains other important information, including how Bank of America collects, manages and protects your Customer Information and what actions you can take. If you would like a copy of the Privacy Notice, please visit: the Privacy and Security Center on [www.ML.com](http://www.ML.com) or directly at <https://www.bankofamerica.com/security-center/consumer-privacy-notice/>. Alternatively, please call 1-888-341-5000.

## **FINANCE AUTHORITY OF MAINE PRIVACY POLICY**

<b>FACTS</b>	<b>WHAT DOES THE FINANCE AUTHORITY OF MAINE ("FAME") DO WITH YOUR PERSONAL INFORMATION</b>
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• First name and last name</li> <li>• Date of birth</li> <li>• Date of death</li> <li>• Hospital of birth</li> <li>• Mailing address</li> <li>• Birth mother's name, address, email address, and/or phone number</li> <li>• Mobile phone number</li> <li>• Email address</li> <li>• Social security number, Tax ID number or EIN</li> <li>• Employment information (including company name, address, and start date)</li> <li>• General financial information (such as annual income and household net worth)</li> <li>• Financial statements reflecting assets, income, and liabilities; tax returns</li> <li>• Account balances, contribution amounts, investments, and payment history</li> <li>• Credit history and credit scores</li> <li>• FAFSA filing status and information provided on or related to your FAFSA</li> <li>• Information about educational institutions you do or may attend</li> <li>• Information on race and/or gender that you may provide.</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons FAME chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does FAME share?	Can you limit this sharing?
<b>For our everyday business purposes —</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus or government agencies.	Yes	No
<b>For our marketing purposes —</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes —</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes —</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For non-affiliates to market to you</b>	Yes	Yes
<b>To limit our sharing</b>	<ul style="list-style-type: none"> <li>• Visit us online: <a href="https://famemaine.com/privacyoptout">FAMEmaine.com/privacyoptout</a> OR</li> <li>• Mail the form at the end of this notice</li> </ul> <p><b>Please note:</b> If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>	
<b>Questions?</b>	<a href="mailto:info@famemaine.com">info@famemaine.com</a>	

Who we are	
Who is providing this notice?	This notice is provided by The Finance Authority of Maine (FAME)
What we do	
How does FAME protect my personal information?	To protect your information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does FAME collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• give us your contact information</li> <li>• give us your information for the purpose of enrolling in a college savings account</li> <li>• apply to open a college savings account</li> <li>• give us your information for the purpose of obtaining or refinancing a loan, grant, tax credit or loan repayment award</li> <li>• seek advice from us</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, public or government records, or other companies, including the Alford Scholarship Foundation, Vestwell State Savings, LLC, Merrill Lynch, Pierce, Fenner &amp; Smith, Inc. ("Merrill"), The Bank of New York Mellon, certain lending institutions, and certain educational institutions.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account—unless you tell us otherwise.



Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>Our affiliates include FAME Leaders, Inc., and FAME Opportunities, Inc.</li> </ul>
<b>Non-affiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>Non-affiliates we may share personal information with include: Merrill Lynch, Pierce, Fenner &amp; Smith, Inc. ("Merrill"), Vestwell State Savings, LLC, The Bank of New York Mellon, the Alford Scholarship Foundation, certain lending institutions, certain educational institutions, state or federal government agencies.</li> </ul>
<b>Joint marketing</b>	A formal agreement between non-affiliated financial companies that together market financial products or services to you.
Other important information	
<b>Information for California, North Dakota, and Vermont Residents:</b> In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.	

-----CUT or TEAR-----



Mail-in Form to Limit Sharing	
Mark any/all you want to limit: <input type="checkbox"/> Do not share my personal information with non-affiliates to market their products and services to me.	
Name:	Mail to: Finance Authority of Maine P.O. Box 949 Augusta, ME 04332-0949
Account ID:	
Address:	
Apt. #:	
City, State, Zip:	
Phone Number:	

Program Administrator



Program Manager



Investment Manager / Program Distributor



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Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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Section 529 Qualified Tuition Programs are intended to be used only to save for qualified higher education expenses. None of the Finance Authority of Maine, any Sub-Advisor, the Investment Manager, the Program Manager or the Select Series Distributor, nor any of their affiliates provide legal, tax or accounting advice. You should consult your own legal and/or tax advisors before making any financial decisions.