**CollegeCounts 529 Fund Advisor Plan**
**Program Disclosure Statement**

Supplement dated January 1, 2025 to the
Program Disclosure Statement dated December 31, 2023

This Supplement amends the Program Disclosure Statement dated December 31, 2023 (the "Program Disclosure Statement"). You should read this Supplement in conjunction with the Program Disclosure Statement and retain it for future reference.

**Effective January 1, 2025 - Gift Tax Annual Exclusion Increase**

For federal gift tax purposes, Contributions to an Account are considered a gift from the contributor to the Designated Beneficiary that is eligible for the annual gift tax annual exclusion. Effective January 1, 2025, the annual exclusion is increasing from $18,000 to $19,000 per donee per calendar year. A married donor whose spouse elects on a Federal Gift Tax Return Form 709 to "split" gifts with his or her spouse could contribute up to $38,000 in 2025.

In addition, you may elect to have the amount you contributed in any calendar year treated as though you made one-fifth of the Contribution that year, and one-fifth of the Contribution in each of the next four calendar years. (Such an election, however, must be made on the Federal Gift Tax Return Form 709). This means that you could contribute up to $95,000 beginning in 2025, without the Contributions being considered a taxable gift, provided that you make no other gifts to the Designated Beneficiary in the same year or in any of the succeeding four calendar years. Moreover, a married contributor whose spouse elects on a Federal Gift Tax Return Form 709 to "split" gifts with his or her spouse may contribute up to $190,000 beginning in 2025 without the Contributions being considered a taxable gift, provided that neither spouse makes any other gifts to the Designated Beneficiary in the same year or in any of the succeeding four calendar years.

Accordingly, all references to the gift tax annual exclusion found throughout this Program Disclosure Statement should be updated to reflect these increased amounts.

* * *

# Program Disclosure Statement & Account Agreement

OFFERED BY THE STATE OF ALABAMA

Northern Trust Securities, Inc.
DISTRIBUTOR

UBT 529 SERVICES, A DIVISION OF
UBT Union Bank & Trust
PROGRAM MANAGER

The Program is intended to be used only to save for educational costs as permitted for a “qualified tuition program” as defined by Section 529 of the Internal Revenue Code of 1986, as amended. The Program is not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.

*This Program Disclosure Statement is intended to comply with the College Savings Plans Network Disclosure Principles, Statement No. 7, adopted October 6, 2020.*

CollegeCounts
ADVISOR-GUIDED 529 FUND

**December 31, 2023**

# IMPORTANT LEGAL INFORMATION

This Program Disclosure Statement, together with the Account Agreement, the investment portfolios, the fund performance information, Statement of Investment Policy, and the Investment Portfolios and Allocation Guidelines, all of which can be found on the CollegeCounts 529 Advisor-Guided 529 Fund's (the "Plan") website, have been identified by the Program as the Offering Material (as defined in the College Savings Plans Network Disclosure Principles, Statement No. 7, adopted October 6, 2020) and are intended to provide substantive disclosure of the terms and conditions of an investment in the Plan. This Program Disclosure Statement contains important information you should review before opening an Account in the Plan, including information about the benefits and risks of investing. Please read it carefully and save it for future reference. Interests in the Plan have not been registered with the U.S. Securities and Exchange Commission (the "SEC"), nor with any state securities commission. Neither the SEC nor any state securities commission has approved or disapproved interests in the Plan or passed upon the adequacy or accuracy of this Program Disclosure Statement. Any representation to the contrary is a criminal offense.

Participation in the Plan does not guarantee that Contributions and the investment return on Contributions, if any, will be adequate to cover future tuition and other higher education expenses or that a Designated Beneficiary will be admitted to or permitted to continue to attend an Eligible Educational Institution.

Except for any investments made by a Participant in the Bank Savings 529 Portfolio up to the limit provided by Federal Deposit Insurance Corporation ("FDIC") insurance, neither the principal contributed to an Account, nor earnings thereon, are guaranteed or insured by the United States, the State of Alabama, the State Treasurer of Alabama (the "Treasurer"), any other state, any agency or instrumentality thereof, Union Bank and Trust Company, Northern Trust Securities, Inc., the FDIC, or any other entity. Account Owners in the Plan assume all investment risk, including the potential loss of principal and liability for additional taxes levied for federal and state Nonqualified Withdrawals.

None of the State of Alabama, the Treasurer, Union Bank and Trust Company, or Northern Trust Securities, Inc. shall have any debt or obligation to any Account Owner, Designated Beneficiary or any other person as a result of the establishment of the Plan, and none of the State of Alabama, the Treasurer, Union Bank and Trust Company, or Northern Trust Securities, Inc., assumes any risk or liability for funds invested in the Plan.

Statements in this Program Disclosure Statement concerning U.S. and Alabama tax issues are provided for general informational purposes and are not offered as tax advice to any person. Each taxpayer should seek advice based on the taxpayer's particular circumstances from a tax or legal advisor.

The Plan and its associated persons make no representations regarding the suitability of the Plan's investment portfolios for any particular investor. Other types of investments and other types of college savings vehicles may be more appropriate depending on your personal circumstances. You should consult your tax or investment advisor for more information.

No broker, dealer, registered representative, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Program Disclosure Statement, and, if any such other information is given or made, such other information or representations must not be relied upon as having been authorized by the Plan, the Treasurer, the Board, Union Bank and Trust Company, or Northern Trust Securities, Inc.

The information in this Program Disclosure Statement is subject to change from time-to-time to reflect changes in the Plan's practices and procedures, and changes in the law, and neither delivery of this Program Disclosure Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the Plan or in the law since the date of this document. If changes are made to the Plan, notification will be placed on the Plan website and the changes will become effective immediately upon posting to the Plan website. You are encouraged to visit the Plan website periodically to remain up to date on the Program information.

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

You could lose money (including the principal invested), or not make money, if you invest through the Plan.

## IMPORTANT INVESTOR INFORMATION—PLEASE READ

**Before investing in the Plan, you should consider carefully the following:**

1. **This Plan is open to the residents of any state of the United States.**
2. **Depending on the laws of your home state or that of your Designated Beneficiary, favorable state tax treatment or other benefits such as financial aid, scholarship funds, and protection from creditors, offered by such home state for investing in 529 college savings plans may be available only if you invest in such home state's 529 college savings plan;**
3. **Any state-based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision; and**
4. **You should consult with your financial, tax or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits and limitations of that state's 529 college savings plan.**

## FOR ALABAMA INVESTORS

**The State of Alabama provides the following income tax advantages when investing in the Plan:**

- **individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to:**
  - **$5,000 -or-**
  - **$10,000 for married taxpayers filing jointly who each make Contributions for Contributions per tax year to the Plan and to other Alabama Section 529 plans during that year;**
- **investment earnings on money invested in the Plan are not subject to Alabama state income tax until they are distributed; and**
- **when distributed as a Qualified Withdrawal (as defined herein), the earnings are free from Alabama state income tax.**

**See "Federal and State Tax Considerations" as defined herein.**

Accounts in the Alabama Comprehensive Education Savings Program are offered and sold as the CollegeCounts 529 Fund Direct Plan and the CollegeCounts 529 Fund Advisor Plan. Alabama also administers a prepaid tuition program called The Alabama Prepaid Affordable College Tuition Program (the "PACT Program"). The PACT Program is closed to enrollment.

This Program Disclosure Statement describes only the Accounts available through the CollegeCounts 529 Fund Advisor Plan. The CollegeCounts 529 Fund Direct Plan may offer different investment options with different investment advisors or different benefits and may be marketed differently from the CollegeCounts 529 Fund Advisor Plan described in this Program Disclosure Statement. In addition, the CollegeCounts 529 Fund Direct Plan may charge different fees than the CollegeCounts 529 Fund Advisor Plan described in this Program Disclosure Statement. You can obtain information regarding the CollegeCounts 529 Direct Plan by calling 866.529.2228 or by visiting CollegeCounts529.com.

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# TABLE OF CONTENTS

# COLLEGECOUNTS 529 FUND ADVISOR PLAN OVERVIEW

This "Plan Overview Section" provides summary information about certain key features of the Plan. It is important that you read the entire Program Disclosure Statement and Account Agreement for more detailed information about the Plan. Capitalized terms used herein are defined in Definitions of Key Terms on page 8.

| | |
|---|---|
| **Plan Structure and Providers** (more page 6, 10) | **Trustee:** Board of Trustees of CollegeCounts 529 Fund<br>**Program Manager:** UBT 529 Services, a Division of Union Bank and Trust Company (term through June 30, 2030)<br>**Distributor:** Northern Trust Securities, Inc. |
| **Investment Funds** | T. Rowe Price, DFA, Northern Funds, PGIM Investments, Fidelity, American Century, Vanguard, Neuberger Berman, Principal, Parametric, PIMCO, AllianceBernstein, BlackRock, and State Street. |
| **Plan Contact Information** | **CollegeCounts 529 Fund Advisor Plan**<br>1248 O Street, Suite 200<br>Lincoln, NE 68508<br>CollegeCounts529advisor.com<br>866.529.2228 |
| **State of Alabama Income Tax Considerations** (See "Federal and State Tax Considerations," page 42) | • Contributions may be tax deductible up to $5,000 per tax return ($10,000 if married filing jointly and both spouses make the Contribution). **Alabama tax benefits are available only to Alabama taxpayers.**<br>• Earnings in a Plan Account grow free from Alabama state income tax.<br>• Earnings portion of a Qualified Withdrawal (as defined herein) is not subject to Alabama state income tax.<br>• Nonqualified Withdrawals (as defined herein): for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount equal to the Nonqualified Withdrawal plus ten (10%) percent of such amount withdrawn. |
| **Federal Tax Considerations** (See "Federal and State Tax Considerations," page 42) | • Contributions are not deductible for federal income tax purposes.<br>• Earnings in a Plan Account grow free from federal income tax.<br>• Earnings portion of a Qualified Withdrawal is not subject to federal income tax.<br>• Earnings on a Nonqualified Withdrawal are subject to income tax and a 10% federal penalty tax. |
| **Account Owner Eligibility** (See "Opening and Maintaining an Account," page 15) | • The Plan is open to all U.S. citizens and resident aliens who are at least 19 years old, have a valid Social Security number or taxpayer identification number and have a valid permanent U.S. address (not a P.O. Box).<br>• There are no restrictions on state of residence.<br>• The Account Owner may be an individual, certain entities, a custodian under a state UGMA or UTMA account, a trust, state or local government, or a 501(c)(3) organization with a valid Social Security or taxpayer identification number. |
| **Designated Beneficiary** (See "Choosing a Designated Beneficiary," page 16) | • Must be a U.S. citizen or resident alien with a valid Social Security number.<br>• May be of any age. |
| **Contributions** (See "Contributing to an Account," page 17) | **Minimum:** No minimum contribution required.<br>**Maximum:** $475,000 per Designated Beneficiary (Maximum Account Balance Limitation).<br>**Ways to Contribute:** Check, Automatic Investment Plan, Electronic Funds Transfer, Payroll Contribution, CollegeCounts GiftED, Wire Transfer, CollegeCounts 529 Rewards Visa Card "Rewards," or Rollover from another qualified tuition program. |
| **Investment Portfolios** (See "Investment Portfolios,"page 18) | • 3 Age-Based Portfolios (Aggressive, Moderate, Conservative).<br>• 6 Target Portfolios.<br>• 24 Individual Fund Portfolios.<br>• Investment Changes allowed twice per calendar year or upon a change of Designated Beneficiary. |

<table>
<tr>
<td>Plan Costs<br>(See “Plan Fees and Expenses,” page 30)</td>
<td>
<table>
<tr><th>Underlying Fund Costs</th><th>Range</th><th>Average</th></tr>
<tr><td>Age-Based Portfolios</td><td>0.27% - 0.42%</td><td>0.40%</td></tr>
<tr><td>Target Portfolios</td><td>0.27% - 0.42%</td><td>0.38%</td></tr>
<tr><td>Individual Fund Portfolios</td><td>0.00% - 0.88%</td><td>0.40%</td></tr>
</table>
<table>
<tr><th>Sales Charges</th><th>A</th><th>C</th><th>F</th></tr>
<tr><td>Account Sales Charge</td><td>3.50%</td><td>none</td><td>none</td></tr>
<tr><td>Annual Account Servicing Fee</td><td>0.25%</td><td>0.50%</td><td>none</td></tr>
</table>
<table>
<tr><th>Other Annual Costs</th><th></th></tr>
<tr><td>Program Management Fee</td><td>0.21%</td></tr>
<tr><td>State Administration Fee</td><td>0.07%</td></tr>
<tr><td>Annual Account Fee</td><td>$12</td></tr>
</table>
(The annual account fee is waived if either the Account Owner or the Designated Beneficiary is an Alabama resident.)
</td>
</tr>
<tr>
<td>Risk Factors<br>(See “Risk Factors,” page 11)</td>
<td>
<ul>
<li>Except for any investments made by a Participant in the Bank Savings 529 Portfolio up to the limit provided by FDIC insurance, investments in the CollegeCounts 529 Fund are not guaranteed or insured by the State of Alabama, the Board, the State Treasurer of Alabama, Union Bank and Trust Company, Northern Trust Securities, Inc., the Federal Deposit Insurance Corporation, or any other entity.</li>
<li>Opening an Account involves certain risks, including:
<ul>
<li>the risk that the value of your Account may decrease, meaning you could lose money, including the principal you invest;</li>
<li>the risk of state or federal tax law changes;</li>
<li>the risk of Plan changes, including changes in fees;</li>
<li>the risk that an investment in the Plan may adversely affect the Account Owner’s or Designated Beneficiary’s eligibility for financial aid or other benefits.</li>
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</li>
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</tr>
<tr>
<td>Qualified Withdrawals<br>(See “Distributions From an Account,” page 43)</td>
<td>
Withdrawals from a Plan account used to pay for a Designated Beneficiary’s Qualified Higher Education Expenses (as defined herein) are Qualified Withdrawals and include:
<ul>
<li>tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;</li>
<li>expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance;</li>
<li>expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature;
<ul>
<li>Certain room and board expenses incurred by the Designated Beneficiary if enrolled at least half-time.
<ul>
<li>The amount treated as Qualified Higher Education Expenses shall not exceed—</li>
<li>the allowance (applicable to the student) for room and board included in the cost of attendance as determined by the Eligible Educational Institution for such period, or</li>
<li>if greater, the actual invoice amount the student residing in housing owned or operated by the Eligible Educational Institution is charged by such institution for room and board costs for such period;</li>
</ul>
</li>
</ul>
</li>
<li>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 section 1 of the National Apprenticeship Act;</li>
<li>Amounts paid as principal or interest on any Qualified Education Loan (as defined in section 221(d) of the Code) of the Designated Beneficiary or a sibling of the Designated Beneficiary (up to a lifetime maximum of $10,000 per Designated Beneficiary or sibling);</li>
<li>Tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private, or religious school (kindergarten through grade 12) up to a maximum of $10,000 during any taxable year in the aggregate from all qualified tuition programs for that Designated Beneficiary.</li>
</ul>
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# COLLEGECOUNTS 529 FUND ADVISOR PLAN

## INTRODUCTION

The CollegeCounts 529 Fund Advisor Plan (the "Plan") is part of the Alabama Comprehensive Education Savings Program (the "Program"). The Program is an education savings program authorized by the State of Alabama and is designed to qualify as a tax-advantaged savings program under Section 529 of the Code, as amended. Section 529 permits states and state agencies to sponsor qualified tuition programs under which you can open and contribute to an Account for the benefit of any individual, including adults. The Plan is a convenient and tax-advantaged way to save for the cost of college, graduate and postgraduate programs, vocational schools and other qualifying educational costs.

You may open and contribute to an Account regardless of your income. The Plan has no minimum initial or subsequent required Contributions to an Account. The Maximum Account Balance for Accounts for a Designated Beneficiary in the Plan, together with any additional accounts in other State of Alabama 529 programs for such Designated Beneficiary, is $475,000.

Investment earnings on your Contributions accumulate on a tax-deferred basis, and withdrawals are exempt from federal and Alabama state income tax if they constitute Qualified Withdrawals (as defined herein).

Individuals who contribute to the Plan and file a State of Alabama income tax return generally are allowed to deduct from their gross income for Alabama state income tax purposes up to $5,000 of Contributions per year ($10,000 for married taxpayers filing jointly if both actually contribute) for total combined Contributions to State of Alabama 529 programs.

For Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount equal to the Nonqualified Withdrawal plus ten (10%) percent of such amount withdrawn. Consult with your financial, tax, or other advisor before making a withdrawal from the Plan.

Under federal law, the Plan must prohibit the Account Owner and the Designated Beneficiary from directing the investment of any Contributions (or earnings thereon) more than two times in a calendar year. You may choose to allocate the Contributions (and earnings) among the available Portfolios described in this Program Disclosure Statement.

This Program Disclosure Statement describes only the Plan. Accounts in the Plan are sold through brokers or other financial advisors. The Board also offers the CollegeCounts 529 Fund, ("the Direct Plan"), which is another way to invest in the Program. The investment options the Plan offers and the costs of investing in the Plan are different than the investment options and costs of the Direct Plan. For more information on the Direct Plan contact 866.529.2228 or visit CollegeCounts529.com.

Certain capitalized terms have the meanings given to them in the "Definitions of Key Terms" Section beginning on page 7. Other capitalized terms are defined elsewhere in this Program Disclosure Statement.

## PLAN HIGHLIGHTS

**Eligibility.** The Plan is open to residents of any state who are at least 19 years of age, not just residents of Alabama. There are no income restrictions.

**Contribution Amounts.** The Plan has no required minimum Contribution and you may make additional Contributions at any time. However, the current Maximum Account Balance for Accounts for a Designated Beneficiary under the Plan together with any additional accounts in other State of Alabama 529 programs for such Designated Beneficiary, is $475,000.

**Qualified Withdrawals.** Under Section 529 of the Code, money in your Account withdrawn to pay the Designated Beneficiary's Qualified Higher Education Expenses are considered Qualified Withdrawals. Currently, the term Qualified Higher Education Expenses includes: (i) tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution; (ii) subject to certain limits, the Designated Beneficiary's room and board expenses if enrolled at least half-time; (iii) the purchase of computer or peripheral equipment, computer software, or Internet access and related services if they are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution; (iv) expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance; (v) expenses for tuition in connection with the Designated Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school provided that the amount of cash distributions for such expenses from all qualified tuition programs with respect to a Designated Beneficiary do not, in the aggregate, exceed $10,000 during the taxable year; (vi) tuition, fees, books, supplies, and equipment required for participation of the Beneficiary in an Apprenticeship Program; and (vii) payments on Qualified Education Loans of the Designated Beneficiary or a sibling of the Designated Beneficiary provided that the total amount of distributions from all 529 qualified tuition programs to such individual after December 31, 2018 for loan repayment do not exceed $10,000.

Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary and if made after December 22, 2017 and prior to 2026.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes when certain requirements are met. Please see "Roth IRA Rollover" for details.

The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

**Income Tax Consequences.** Under current law, federal and Alabama state income taxes on investment earnings are tax-deferred while held in an Account, and such earnings are generally free from federal and Alabama state income tax if they are used to pay the Designated Beneficiary's Qualified Higher Education Expenses. For federal tax purposes if money is withdrawn from your Account, but not used to pay the Designated Beneficiary's Qualified Higher Education Expenses, the earnings portion (if any) of the withdrawal will be treated as ordinary income to the recipient and generally will also be subject to a 10% federal penalty tax.

Individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to $5,000 per tax year ($10,000 for married taxpayers filing jointly if both actually contribute) for total combined Contributions to the Plan and other State of Alabama 529 programs during that tax year. The Contributions made to such qualifying plans are deductible on the tax return of the contributing taxpayer for the tax year in which the Contributions are made.

In the event of a Nonqualified Withdrawal from the Plan, for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount of the Nonqualified Withdrawal plus ten (10%) percent of such amount withdrawn. Such amount will be added back to the income of the contributing taxpayer in the tax year that the Nonqualified Withdrawal was distributed.

Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary and if made after December 22, 2017 and prior to 2026.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes when certain requirements are met. Please see "Roth IRA Rollover" for details.

The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

You should consult a tax advisor regarding the application of tax laws to your particular circumstances.

**Gift Tax Treatment.** See "Exhibit B- Tax Information". For federal gift tax purposes, Contributions to an Account are considered a gift from the contributor to the Designated Beneficiary that is eligible for the annual gift tax exclusion. For 2023, the annual exclusion is $17,000 per donee and will increase to $18,000 per donee in 2024 ($34,000 for 2023 for a for a married couple that elects to split their gifts on United States Gift Tax Return Form 709 increasing to $36,000 for 2024 for a married couple that elects to split their gifts) per calendar year. This means that in 2023 you may contribute up to $17,000 to an Account ($18,000 effective January 1, 2024), without the Contribution being considered a taxable gift (assuming you make no other gifts to the Designated Beneficiary in the same calendar year). In addition, if your total Contributions to an Account during a year exceed the annual exclusion for that year, you may elect to have the amount you contributed that year treated as though you made one-fifth of the Contribution that year, and one-fifth of the Contribution in each of the next four calendar years.

**An election to have the Contribution taken into account ratably over a five-year period must be made by the donor on a Federal Gift Tax Return, IRS Form 709, for the year of Contribution.**

This means that you may contribute up to $85,000 ($90,000 once the annual exclusion is increased to $18,000 effective January 1, 2024), on behalf of a Designated Beneficiary without the Contribution being considered a taxable gift, provided that you neither make nor are deemed to make any other gifts to such Designated Beneficiary in the same year or in any of the succeeding four calendar years and that you made no excess Contributions treated as gifts subject to the one-fifth rule during any of the previous four years. Moreover, a married contributor whose spouse elects on a Federal Gift Tax Return to have gifts treated as "split" with the contributor may contribute up to twice that amount ($170,000 in 2023 and increasing to $180,000 effective January 1, 2024) without the Contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Designated Beneficiary in the same year or in any of the succeeding four calendar years. The annual exclusion is indexed for inflation and therefore is expected to increase over time.

**School Eligibility.** The Designated Beneficiary can use funds in the Plan to attend any United States school (and some foreign schools), public or private, qualifying as an Eligible Educational Institution, including two-year, four-year, professional and vocational schools, and to pay certain expenses of K-12 education for a Designated Beneficiary. Apprenticeship Programs are also included. Please see the discussion above under "Qualified Withdrawals."

**Investment Flexibility.** The Board and Program Manager have designed 3 Age-Based Portfolios, 6 Target Portfolios, and 24 Individual Fund Portfolios. The Age-Based and Target Portfolios invest in specified allocations of equity, real estate, fixed income, and/or money market funds, and the Individual Fund Portfolios invest in a single underlying investment. Account Owners do not own shares of the underlying investments, but rather own shares in a Portfolio of the Plan. Working with your broker or other financial advisor you can choose a Portfolio that is tailored to meet your investment objectives and risk profile. Accounts in the CollegeCounts 529 Fund Advisor Plan are offered only through brokers or other financial advisors to allow you to obtain advice as to whether an investment in the Plan is right for you. **The underlying funds in a Portfolio may be modified from time to time by the Board in its sole discretion.**

## DEFINITIONS OF KEY TERMS

When the following capitalized terms are used in this Program Disclosure Statement, such terms shall have the meanings ascribed to such terms below:

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

**Account** means a separate account within the Plan established by an Account Owner for a named Designated Beneficiary pursuant to an Account Agreement. Each Account must be established through a broker or other financial advisor. For each Account, the Account Owner must select Fee Structure A, C or F.

**Account Agreement** means the written agreement between an Account Owner and the Board that governs the operation of each Account established under the Plan by an Account Owner, as amended and supplemented from time to time. The current Account Agreement is attached as Exhibit A to this Program Disclosure Statement.

**Account Owner** means the person or entity that has entered into an Account Agreement and established an Account on behalf of a Designated Beneficiary, or the person or entity who is the successor in interest to such person or entity in accordance with the Program Rules. The Account Owner must be at least 19 years of age. An Account Owner need not be a resident of Alabama. The Account Owner must also have a valid, permanent address in the U.S. (not a P.O. Box). The Account Owner may be an individual, certain legal entities, a custodian under a UGMA or UTMA account or a trustee of a trust. An Account owner may be a State or local government or a tax-exempt organization described in Section 501(c)(3) of the Code with a valid taxpayer identification number as part of a scholarship program operated by such government or organization. The Account Owner may make Contributions to the Account, direct investment changes, designate or change the Designated Beneficiary, request withdrawals, or request exchanges among Portfolios within the Plan.

**Act** means the Wallace Folsom Savings Investment Plan Act, §16-33C-1 to §16-33C-25 of the Code of Alabama 1975, as amended from time to time, which established and applies to the Program and the Plan.

**Age-Based Portfolio** means a diversified investment portfolio that invests in equity, real estate, fixed income, and/or money market funds that adjusts based on the age of the Designated Beneficiary.

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

**Bank Savings 529 Portfolio** means an investment option composed exclusively of a deposit in an FDIC-insured interest-bearing omnibus deposit account maintained at Union Bank and Trust Company and accommodates Designated Beneficiaries without regard to age.

**Board** means the Board of Trustees of the Program.

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

**Contribution** means cash deposited into an Account for the benefit of a Designated Beneficiary after deduction of any applicable sales charges under Fee Structure A, B, C or F.

**Designated Beneficiary** means:

- The individual designated as the Designated Beneficiary of the Account at the time the Account is established;
- The individual who is designated as the new Designated Beneficiary when the Designated Beneficiary of an Account is changed; or
- The individual receiving the benefits of an Account established by any state or local government or organization described in Section 501(c)(3) of the Code, as part of a scholarship program operated by such government or organization.

A Designated Beneficiary may be of any age. To protect certain federal tax advantages of the Plan, there are restrictions on who may be named a replacement Designated Beneficiary. The Designated Beneficiary can only be changed to a "Member of the Family" of the former Designated Beneficiary.

**Distributor** means Northern Trust Securities, Inc., a registered broker-dealer.

**Eligible Educational Institution** means an institution which is described in Section 481 of the Higher Education Act of 1965 and which is eligible to participate in a program under Title IV of such Act. This generally includes any accredited postsecondary educational institution in the United States offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential. Certain proprietary institutions, postsecondary vocational institutions, and foreign schools also are Eligible Educational Institutions. These institutions must be eligible to participate in the student aid programs provided by Title IV of the Higher Education Act of 1965. The U.S. Department of Education maintains a database of the institutions that qualify as Eligible Educational Institutions.

**Enrollment Form** means the CollegeCounts 529 Fund Advisor Plan Enrollment Form completed and signed by an Account Owner establishing an Account and agreeing to be bound by the terms of the Account Agreement.

**Fee Structure A or C** means the fee structure selected by Account Owners who establish an Account with the involvement of a broker or financial advisor as described in the Account Agreement.

**Fee Structure B** means the Fee Structure available to Account Owners who acquired Class B Units prior to the transition of the Plan from the Higher Education 529 Fund, managed by Van Kampen Asset Management, Inc. and its affiliates, to the CollegeCounts 529 Fund Advisor Plan on July 30, 2010. No new Fee Structure B Accounts may be opened, but Fee Structure B Account Owners may continue to make Contributions to their existing Accounts. For additional information on Fee Structure B Accounts, please see "Exhibit D" to this Program Disclosure Statement.

**Fee Structure F** means the fee structure available only to Account Owners who establish an Account through registered investment advisors or other financial advisors who are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management.

**Individual Fund Portfolio** means an investment Portfolio within the Plan to which an Account may be assigned and that invests in the shares of a single underlying investment.

**Investment Portfolios and Allocation Guidelines** means the Investment Portfolios and Allocation Guidelines adopted by the Board which set forth the Plan's investment Portfolios, underlying investment funds, fee structures, and asset allocations. The Board may amend the Investment Portfolios and Allocation Guidelines from time to time.

**K-12 Tuition Expenses** means expenses incurred after 2017 for tuition in connection with enrollment or attendance at an elementary or secondary school, whether public, private or religious, up to the annual limit established by Code Section 529(e).

**Maximum Account Balance** means the threshold after which additional Contributions to an Account cannot be made. The Maximum Account Balance is currently $475,000 and is applied against the aggregate value of all Plan Accounts for the Designated Beneficiary and all accounts for the same Designated Beneficiary under other Alabama Section 529 programs. The Board periodically reviews and adjusts the Maximum Account Balance to comply with the requirement under Code Section 529 that a program prevent contributions in excess of those necessary to provide for the Qualified Higher Education Expenses of the Designated Beneficiary.

**Member of the Family** means an individual who is related to the Designated Beneficiary, as defined in Section 529(e)(2) of the Code, in any of the following ways:

- A son or daughter, or a descendant of either;
- A stepson or stepdaughter;
- A brother, sister, stepbrother, or stepsister;
- The father or mother, or an ancestor of either;
- A stepfather or stepmother;
- A son or daughter of a brother or sister;
- A brother or sister of the father or mother;
- A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law;
- The spouse of the Designated Beneficiary or the spouse of any of the foregoing individuals; or
- A first cousin of the Designated Beneficiary.

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

**Nonqualifed Withdrawal** means any distribution from an Account that is not a Qualified Withdrawal and is not a Qualified Rollover Distribution.

**PACT Program** means the Alabama Prepaid Affordable College Tuition Program, a prepaid tuition program intended to qualify under Section 529 of the Code, which was established under the Act. The PACT Program is closed to future enrollment.

**Plan** means the CollegeCounts 529 Fund Advisor Plan.

**Portfolio** means any of the investment portfolios available, and to which Contributions may be made, under the Plan. An Account Owner must designate a Portfolio or Portfolios in the Enrollment Form for each Account.

**Program** means the Alabama Comprehensive Education Savings Program established in the Act.

**Program Management Agreement** means the Program Management Agreement by and between the Program Manager and the Board.

**Program Manager** means Union Bank and Trust Company of Lincoln, Nebraska. Union Bank and Trust Company does business in Alabama under the name UBT 529 Services, a Division of Union Bank and Trust Company.

**Program Rules** means the rules governing the Program adopted by the Board, as such Rules may be amended or supplemented from time to time.

**Qualified Education Loan** means a qualified education loan as defined in Section 221(d) of the Code, which generally includes indebtedness incurred solely to pay qualified higher education expenses at an Eligible Educational Institution and does not include indebtedness to certain related persons or by reason of a loan under any qualified employer plan.

**Qualified Higher Education Expenses** as defined in Section 529 of the Code, includes:

- tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;
- expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance;
- expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature;
- Certain room and board expenses incurred by the Designated Beneficiary if enrolled at least half-time.
    - The amount treated as Qualified Higher Education Expenses shall not exceed—
        - the allowance (applicable to the student) for room and board included in the cost of attendance as determined by the Eligible Educational Institution for such period, or
        - if greater, the actual invoice amount the student residing in housing owned or operated by the Eligible Educational Institution is charged by such institution for room and board costs for such period;
- 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 section 1 of the National Apprenticeship Act;

- Amounts paid as principal or interest on any Qualified Education Loan (as defined in section 221(d) of the Code) of the Designated Beneficiary or a sibling of the Designated Beneficiary (up to a lifetime maximum of $10,000 per Designated Beneficiary or sibling);
- Tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private, or religious school (kindergarten through grade 12) up to a maximum of $10,000 during any taxable year in the aggregate from all qualified tuition programs for that Designated Beneficiary.

**Qualified Rollover Distribution** means a Roth IRA Rollover or a distribution or transfer from an Account that is deposited within sixty (60) days of the distribution or transfer to:

- Another qualified tuition program for the benefit of the Designated Beneficiary, provided that any such transfer does not occur within twelve months from the date of a previous transfer to a qualified tuition program for the benefit of the Designated Beneficiary; or
- Another account in any other qualified tuition program, for the benefit of an individual who is a Member of the Family of the Designated Beneficiary.

Effective December 22, 2017 and before 2026, under Section 529(c)(3), a rollover distribution from a 529 plan to a Section 529A ABLE Account for the same Designated Beneficiary or a Member of the Family of the Designated Beneficiary's is to be treated as a qualified rollover under Section 529 for federal income tax purposes.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes when certain requirements are met. Please see "Roth IRA Rollover" for details.

The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

**Qualified Withdrawal** means a withdrawal from an Account that is used to pay the Qualified Higher Education Expenses of the Designated Beneficiary.

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

**Roth IRA Rollover** means a direct transfer from an Account to a Roth IRA on or after January 1, 2024, that meets the following requirements:

- The Account must have been maintained for the 15-year period ending on the date of the Roth IRA Rollover.
- The Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the Designated Beneficiary of the Account.
- 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.
- The amount of the Roth IRA Rollover may not exceed the aggregate amount contributed to Account (and earnings attributable thereto) before the 5-year period ending on the date of the IRA Rollover.
- The aggregate amount for all years of Roth IRA Rollovers for the same Designated Beneficiary from all 529 qualified tuition programs may not exceed $35,000.

Roth IRA Rollovers are subject to the annual contribution limit for Roth IRAs. For 2023, the limit is $6,500 and will increase to $7,000 in 2024. All contributions made during the year to individual retirement accounts for the Designated Beneficiary count towards this limit.

A Roth IRA Rollover can be made only to the extent the Designated Beneficiary has eligible compensation (e.g. wages and self-employment income) for the year. The Roth IRA modified adjusted gross income limits appear not to apply to Roth IRA Rollovers.

**Statement of Investment Policy** means the Investment Policy and Guidelines Statement adopted by the Board. The Investment Policy Statement sets forth the policies, objectives and guidelines that govern the investment of Contributions in the Program. The Board may amend the Statement of Investment Policy from time to time.

**Target Portfolio** means a diversified investment portfolio within the Plan to which an Account can be assigned that can invest in equity, real estate, fixed income, and/or money market funds.

**Treasurer** means the State of Alabama Treasurer.

**Trust Fund** means the fiduciary trust fund created under the Act to hold the assets of the Plan.

## DESCRIPTION OF THE PROGRAM

**What Is the Program?**

The Program is an education savings program established by the State of Alabama and is designed to qualify as a qualified tuition program under Section 529 of the Code, as amended. The purpose of the Program is to assist individuals in paying Qualified Higher Education Expenses at Eligible Educational Institutions and to thereby encourage students to attend colleges and universities. Federal and Alabama state income taxes on investment earnings in an Account are deferred until there is a distribution from the Account. In addition, distributions from an Account are generally free from federal and Alabama state income tax if they are made in a Qualified Withdrawal.

The Program consists of the CollegeCounts 529 Fund Advisor Plan and the CollegeCounts 529 Fund Direct Plan. This Program Disclosure Statement only pertains to Accounts in the CollegeCounts 529 Fund Advisor Plan, which is referred to in this Program Disclosure Statement as the "Plan". Accounts in the Plan are offered through brokers or other financial advisors and are intended to allow Account Owners to seek advice from their financial professional about an investment in the Plan. Before investing in the Plan, you should consult with your financial professional about whether an investment in the Plan is appropriate in light of your overall financial goals and whether an investment in the Plan is an appropriate vehicle for you to use to save for Qualified Higher Education Expenses. If you decide to invest in the Plan, you should also consult with your financial professional about the appropriate Portfolio or Portfolios in which to invest Contributions. You can obtain additional information about the CollegeCounts 529 Fund Direct Plan by visiting CollegeCounts529.com or calling the Direct Plan at 866.529.2228.

**What Is the Legal Structure of the Program?**
The Program was established by the Act. Funds contributed to Plan Accounts established pursuant to the Program are held in the Trust Fund for the sole benefit of the Account Owner and the Designated Beneficiary. The Board acts as trustee of the Trust Fund and is responsible for the overall administration of the Program. The Board has delegated day-to-day administration of the Program to the Treasurer.

The Board has selected Union Bank and Trust Company, doing business in Alabama as UBT 529 Services, a Division of Union Bank and Trust Company, to serve as Program Manager and advise the Board on the investment of Contributions to the Plan and to provide day-to-day administrative and marketing services to the Plan. The Program Manager has engaged Wilshire to advise it with respect to the structure and asset allocations of the Portfolios and the underlying investments the Portfolios utilize. In addition, the Program Manager has entered into a distribution agreement with Northern Trust Securities, Inc., under which Northern Trust Securities, Inc. will act as Distributor for the Plan. Under the Distribution Agreement, the Distributor will engage registered broker-dealers and other financial services firms and institutions to assist in marketing the Accounts to potential Account Owners. You will be able to open Accounts in the Plan and make Contributions to Accounts in the Plan through your broker or other financial advisor.

**How Does the Plan Work?**
To begin saving for education expenses you must open an Account for a named Designated Beneficiary. Money contributed to your Account, after deducting any applicable sales charges imposed under the Fee Structure you select, will be invested in the Portfolio(s) you choose. When the Designated Beneficiary of your Account incurs Qualified Higher Education Expenses, you may withdraw money from your Account to pay those Qualified Higher Education Expenses.

**What Types of Qualified Higher Education Expenses May Be Paid With Account Funds?**
Account funds may be used to pay the Qualified Higher Education Expenses of the Account's Designated Beneficiary. These generally include (i) tuition, fees, books, supplies, and equipment required for the Designated Beneficiary's enrollment or attendance at an Eligible Educational Institution; (ii) the purchase of computer or peripheral equipment, computer software, or Internet access and related services if they are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution; (iii) subject to certain limitations, these also generally include the room and board expenses of a student enrolled on at least a half-time basis; (iv) expenses for special needs services in the case of a special needs Designated Beneficiary; (v) expenses for tuition in connection with the Designated Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school. The amount of cash distributions for such expenses from all 529 qualified tuition programs with respect to a Designated Beneficiary shall, in the aggregate, not exceed $10,000 during the taxable year; (vi) tuition fees, books, supplies, and equipment required for participation of the Designated Beneficiary in an Apprenticeship Program; and (vii) payments on Qualified Education Loans of the Designated Beneficiary or a sibling of the Designated Beneficiary provided that the total amounts of distributions from all 529 qualified tuition programs to such individual after December 31, 2018 for loan repayment do not exceed $10,000.

Eligible Educational Institutions generally include accredited, postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential, including certain proprietary, postsecondary vocational, and foreign institutions. The institution must be eligible to participate in U.S. Department of Education student aid programs.

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

## RISK FACTORS

**Opening an Account involves certain risks. Among other things discussed in this Program Disclosure Statement, you should carefully consider the following risks before completing an Enrollment Form. You also should read this Program Disclosure Statement, including the Exhibits, carefully before making a decision to open an Account.**

### Plan Risks

**The Value of Your Account May Decline**
As with many investment programs, there can be no assurance that the value of your Account will grow at any particular rate or that it will not decline. The value of the securities in which the Portfolios invest will change due to a number of factors, most of which will not be in the control of the Board, the Distributor, or the Program Manager. If the value of these securities declines, you may lose some or all of the principal balance in your Account.

**Your Account Is Not Insured or Guaranteed**
Balances in your Account are not guaranteed or insured by the State of Alabama, the Board, or any instrumentality of the State of Alabama, the Treasurer, the Program Manager or any of its affiliates, the Distributor or any of its affiliates, the FDIC, (except as provided elsewhere in this Program Disclosure Statement solely with respect to investments in the Bank Savings 529 Portfolio), or any other party. You could lose money (including amounts contributed to your Account), or not make money, if you participate in the Plan.

**Not a Direct Investment in Mutual Funds and Underlying Fund Risks**
Although money contributed to the Accounts will be invested in Portfolios that hold mutual funds (among other types of investments), none of the Trust, the Plan, or any of the Plan's Portfolios is a mutual fund, and an investment in the Plan is not an investment in shares of any mutual fund. When you invest money in a Portfolio, you will receive Portfolio units. Your money will be used to purchase shares of underlying investments. However, the settlement date for the Portfolio's purchase of shares of an underlying investment typically will be one to three business days after the trade date for your purchase of Portfolio units. Depending on the amount of cash flow into or out of the Portfolio and whether the underlying investment is going up or down in value, this timing difference will likely cause the Portfolio's performance either to trail or exceed the underlying investment's performance. An investment in the Plan is an investment in municipal fund securities that are issued and offered by the Trust. These securities are not registered with the SEC or any state, nor are the Trust, the Plan, or the Portfolios registered as investment companies with the SEC or any state.

The Portfolios invest in underlying investments so the Portfolio's investment performance and risks are directly related to the performance and risks of the underlying investments. The Accounts will indirectly bear the expenses charged by the underlying investments.

**Laws Governing 529 Qualified Tuition Programs May Change**
There is a risk that federal and state laws and regulations governing 529 programs could change in the future.

The proposed Federal Treasury regulations that have been issued under Section 529 of the Code provide guidance and requirements for the establishment and operation of the Program but do not provide guidance on all aspects of the Program. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the federal tax consequences or requirements with respect to the Plan or Contributions to or withdrawals from your Account. In addition, Section 529 or other federal law could be amended in a manner that materially changes the federal tax treatment of Contributions to and withdrawals from your Account.

You should understand that changes in the law governing the federal and/or state tax consequences described in this Program Disclosure Statement might necessitate material changes to the Program and the Plan for the anticipated tax consequences to apply. No representation is made nor assurance given that any such changes may or will be made or that such changes can be made in a manner to allow Account Owners or the Designated Beneficiary to utilize those changes.

Furthermore, the Program has been established pursuant to Alabama law, the Program Rules, the Code, and applicable securities laws. Changes to any of those laws or regulations may also affect the operation and tax treatment of the Program, as described in this Program Disclosure Statement.

**Limitation on Investment Selection**
The Account Owner may only change the investment election for an Account twice per calendar year, or upon a change in Designated Beneficiary. If an Account Owner has Accounts in the Plan and other State of Alabama 529 programs for the same Designated Beneficiary, the Account Owner may change the Portfolios in all such Accounts without tax consequences, so long as the changes to all of the Accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary.

**Limited Use of Withdrawals Without Penalties**
Other than payment of the Qualified Higher Education Expenses of the Designated Beneficiary, the circumstances under which a withdrawal may be made from an Account without a penalty or adverse tax consequences are limited. See "Exhibit B – Tax Information."

**Limited Operating History of Portfolios**
The Plan's investment Portfolios have a limited operating history. Although the underlying investments have longer operating histories, past performance of a Portfolio's underlying investment(s) should not be viewed as a future prediction of that Portfolio's or its underlying investment's future performance.

**Fee Changes**
The Plan's fees and expenses and the amount of the specified fees described in this Program Disclosure Statement, including the fees the Plan imposes and the underlying investments' fees and expenses, may change from time to time during your participation in the Plan. There can be no assurance that the Plan's fees and expenses will not increase in the future.

**Changes in Program Manager**
A new program manager may be appointed either upon expiration of the Program Management Agreement or earlier in the event the Program Manager or Board terminates the agreement prior to the end of the term.

In such case, the fee or compensation structure for the successor program manager may differ from and/or be higher than the fee and compensation structure of the current Program Manager. Additionally, upon a change in program manager, the Board may change the asset allocation of Portfolios and/or underlying investments included in any Portfolio and/or eliminate or change Portfolios. The Plan with such changes may achieve performance results that are different than those achieved by the current Plan.

**Illiquidity of Account**
Funds in your Account will be subject to the terms and conditions of the Plan and the Account Agreement. These provisions may limit your ability to withdraw funds or to transfer these funds. Under no circumstances may any interest in an Account or the Plan be used as security for a loan.

**Acceptance to an Eligible Educational Institution Is Not Guaranteed**
An Account in the Plan or Program will not have any effect on whether a Designated Beneficiary will be admitted to, or permitted to continue to attend, any college or other Eligible Educational Institution.

**Educational Expenses May Exceed the Balance in Your Account**
Even if you make the maximum amount of Contributions to your Account, the balance may not be sufficient to cover the Designated Beneficiary's Qualified Higher Education Expenses.

**The Age-Based Portfolios Not Designed for K-12 Tuition**
We have not designed the Age-Based Portfolios we offer through the Plan to assist you in reaching your K-12 Tuition savings goals. Specifically, the Age-Based Portfolios are designed for Account Owners seeking to automatically invest in progressively more conservative investments as their Designated Beneficiary approaches college age. The Age-Based Portfolios' time horizons and withdrawal periods may not match those needed to meet your K-12 Tuition savings goals, which may be significantly shorter. You should consult a tax advisor and an investment advisor about investing in the Plan in light of your personal circumstances.

**Securities Laws**
Shares held by the Accounts in the Plan are generally considered municipal fund securities. The shares will not be registered as securities with the SEC or any state securities regulator. In addition, the Portfolios will not be registered as investment companies under the Investment Company Act of 1940. Neither the SEC nor any state securities commission has approved or disapproved the shares or passed upon the adequacy of the Program Disclosure Statement.

**Tax Considerations**
The federal and certain state tax consequences associated with participating in the Plan can be complex. Please see Federal and State Tax Considerations beginning on page 42. You should consult a tax advisor regarding the application of tax laws to your particular circumstances.

**Plan Contributions Do Not Create Alabama Residency**
Contributions to the Plan do not create Alabama residency status for you or a Designated Beneficiary for purposes of determining the rate of tuition charged by an Alabama educational institution or any other purpose.

**Impact on the Designated Beneficiary's Ability to Receive Financial Aid**
The eligibility of the Designated Beneficiary for financial aid may depend upon the circumstances of the Designated Beneficiary's family at the time the Designated Beneficiary enrolls in an Eligible Educational Institution, as well as on the policies of the governmental agencies, school, or private organizations to which the Designated Beneficiary and/or the Designated Beneficiary's family applies for financial assistance. Because saving for college will increase the financial resources available to the Designated Beneficiary and the Designated Beneficiary's family, it most likely will have some effect on the Designated Beneficiary's eligibility. These policies vary at different institutions and can change over time. Therefore, no person or entity can say with certainty how the federal aid programs, or the school to which the Designated Beneficiary applies, will treat your Account.

**Medicaid and Other Federal and State Benefits**
The effect of an Account on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that an Account will be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an Account during certain periods also may have the effect of delaying the disbursement of Medicaid payments. You should consult a qualified advisor to determine how an Account may affect eligibility for Medicaid or other state and federal benefits.

**Other Investment Alternatives**
Neither the Board nor the Program Manager make any representations regarding the appropriateness of the Plan or any Portfolio of the Plan as an investment alternative. Other qualified tuition programs and other education savings and investment programs, including Coverdell Education Savings Accounts, are currently available to prospective Account Owners. These programs may offer benefits, including state tax benefits, other investment options and investment control, to some Account Owners or Designated Beneficiaries that are not available under the Plan. These programs may also have lower fees and expenses than the Plan. Prospective Account Owners should also consider whether investing directly in the underlying investments would be a better option than investing in the Plan, especially if they are considering investing in the Individual Fund Portfolios. A direct investment in the underlying investments may involve lower fees and expenses than are available under the Plan. A direct investment in the underlying investments would not, however, be eligible for certain tax benefits available under the Plan.

## Investment Risks

**Each Portfolio Has Risks**
Each of the Portfolios are subject to certain risks that may affect Portfolio performance. Set forth below is a list of the major risks applicable to the Portfolios. Such list is not an exhaustive list and there are other risks which are not defined below. See "Exhibit C — Investment Portfolios and Underlying Fund Information" and the respective prospectuses of the underlying mutual funds for a description of the risks associated with the underlying investments in which the Portfolios invest.

**Market risk.** Market risk is the risk that the prices of securities will decline overall. Securities prices change every business day, based on investor reactions to economic, political, market, industry, corporate and other developments. At times, these price changes may be rapid and dramatic. Some factors may affect the market as a whole, while others affect particular industries, firms, or sizes or types of securities.

**Interest rate risk.** Interest rate risk is the risk that securities prices will decline due to rising interest rates. A rise in interest rates typically causes bond prices to fall. Bonds with longer maturities and lower credit quality tend to be more sensitive to changes in interest rates, as are mortgage-backed bonds. Short- and long- term interest rates do not necessarily move the same amount or in the same direction.

Money market investments are also affected by interest rates, particularly short-term rates, but in the opposite way: when short-term interest rates fall, money market yields usually fall as well. Bonds that can be paid off before maturity, such as mortgage-backed securities and other asset-backed securities, tend to be more volatile than other types of debt securities with respect to interest rate changes.

**Income risk.** Income risk is the chance that a fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the fund's monthly income to fluctuate.

**Income fluctuations.** Income distributions on the inflation-protected funds are likely to fluctuate considerably more than the income distributions of a typical bond fund. Income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation are expected to be high. Overall, investors can expect income fluctuations to be high for an inflation-protected fund.

**Foreign investment risk.** Investment in foreign stocks and bonds may be more risky than investments in domestic stocks and bonds. Foreign stocks and bonds tend to be more volatile, and may be less liquid, than their U.S. counterparts. The reasons for such volatility can include greater political and social instability, lower market liquidity, higher costs, less stringent investor protections, and inferior information on issuer finances. In addition, the dollar value of most foreign currencies changes daily. All of these risks tend to be higher in emerging markets than in developed markets.

**Asset-Backed Securities risk.** A Portfolio's performance could suffer to the extent the underlying funds in which it invests are exposed to asset-backed securities, including mortgage-backed securities. Asset-backed securities are subject to early amortization due to amortization or payout events that cause the security to payoff prematurely. Under those circumstances, an underlying fund may not be able to reinvest the proceeds of the payoff at a yield that is as high as that which the asset-backed security paid. In addition, asset-backed securities are subject to fluctuations in interest rates that may affect their yield or the prepayment rates on the underlying assets.

**Derivatives risk.** Certain of the underlying investments may utilize derivatives. There are certain investment risks in using derivatives, including futures contracts, options on futures, interest rate swaps and structured notes. If an underlying investment incorrectly forecasts interest rates in using derivatives, the underlying investment and any Portfolio invested in it could lose money. Price movements of a futures contract, option or structured notes may not be identical to price movements of portfolio securities or a securities index, resulting in the risk that, when an underlying investment buys a futures contract or option as a hedge, the hedge may not be completely effective. The use of these management techniques also involves the risk of loss if the advisor to an underlying investment is incorrect in its expectation of fluctuations in securities prices, interest rates or currency prices. Investments in derivatives may be illiquid, difficult to price, and result in leverage so that small changes may produce disproportionate losses for the underlying investment. Investments in derivatives may be subject to counterparty risk to a greater degree than more traditional investments. Please see the underlying mutual fund prospectus for complete details.

**Concentration risk.** To the extent that an underlying investment or Portfolio is exposed to securities of a single country, region, industry, structure, or size, its performance may be unduly affected by factors common to the type of securities involved.

**Index sampling risk.** Index sampling risk is the chance that the securities selected for an underlying investment, in the aggregate, will not provide investment performance matching that of the underlying investment's target index.

**Issuer risk.** Changes in an issuer's business prospects or financial condition, including those resulting from concerns over accounting or corporate governance practices, could significantly affect a Portfolio's performance if the Portfolio has sufficient exposure to those securities.

**Credit risk.** The value or yield of a bond or money market security could fall if its credit backing deteriorates. In more extreme cases, default or the threat of default could cause a security to lose most or all of its value. Credit risks are higher in high-yield bonds.

**Management risk.** A Portfolio's performance could suffer if the investment fund or funds in which it invests underperform.

**Individual Fund Portfolios Not as Diversified as Age-Based and Target Portfolios**

The Individual Fund Portfolios are designed to invest in a single underlying investment. Individual Fund Portfolios, by design, are not as diverse as the Age-Based and Target Portfolios which are invested in a number of different mutual funds. Since each Individual Fund Portfolio is invested in one underlying investment, the performance of the Individual Fund Portfolio is dependent on the performance of the underlying investment. Consequently, the performance of each of the Individual Fund Portfolios may be more volatile than the Age-Based and Target Portfolios.

The Program has designed the Age-Based Portfolios on the understanding that assets in a Plan Account will be used to pay for Qualified Higher Education Expenses by a Designated Beneficiary beginning at or after college age. Consequently, Age-Based Portfolios are probably not an appropriate investment choice for Designated Beneficiaries using the amounts in an Account before reaching college age. Therefore, if a Plan Participant intends to use the Account for K-12 Tuition Expenses, then such Plan Participant should carefully weigh whether an Age-Based Portfolio would be an appropriate investment choice for the Account.

**Suitability of Plan for Account Owner**

An investment in the Plan will not be an appropriate investment for all investors. Some Portfolios entail more risk than other Portfolios and may not be suitable for all Account Owners, or for the entire balance of the Account. This is particularly true for Individual Fund Portfolios which are invested in a single underlying investment. No Individual Fund Portfolio should be considered a complete investment program, but should be a part of an Account Owner's overall investment strategy designed in light of an Account Owner's particular needs and circumstances, as well as an Account Owner's determination (after consulting with his or her advisors and consultants) of the Account Owner's own risk tolerance, including the ability to withstand losses.

You should evaluate the Plan, the investment option you select, and the Portfolios in the context of your overall financial situation, investment goals, tax status, other resources and needs (such as liquidity) and other investments, including other education savings strategies.

While there is no guarantee that the Plan is or will be an appropriate investment for anyone, in particular, if you consider yourself an especially aggressive or conservative investor, you may want to save for higher education by making investments in addition to, or other than, through the Plan to seek to achieve the investment result that is appropriate for you. Because neither the Plan, the Trust, the Board, the Treasurer, the State of Alabama, Northern Trust Securities Inc. nor the Program Manager are providing you any recommendations on any investments in the Plan, you are urged to consult a financial advisor if you are unsure whether or how much to invest in the Plan or which Portfolios are suitable for you.

## OPENING AND MAINTAINING AN ACCOUNT

**Who Can Open an Account?**
An Account may be established by an individual, certain legal entities, a custodian under a State's UGMA or UTMA statute, or the trustee of a trust. The Account Owner must be at least 19 years of age and be a U.S. citizen, resident alien or legal entity with a valid Social Security number or taxpayer identification number. The Account Owner must also have a valid, permanent address in the U.S. (not a P.O. Box). There are no income limitations for the Account Owner to participate in, or benefit from, the Plan. In addition, an Account may be established by a State or local government or a tax-exempt organization described in Section 501(c)(3) of the Code as part of a scholarship program operated by such government or organization.

You do not have to be a resident of Alabama to open an account. There may be only one Account Owner per Account (joint ownership is not allowed). An Account Owner or multiple Account Owners can open more than one Account for the same Designated Beneficiary as long as the total of the balances in all such Accounts and accounts for the Designated Beneficiary in other Alabama Section 529 programs do not exceed the Maximum Account Balance.

If the prospective Account Owner is a trust, the trustee should consult with his or her legal and tax advisors before establishing an Account. This Program Disclosure Statement does not address the income or transfer tax consequences of investments in the Plan made by a trust or the propriety of such an investment under state trust law.

**How Do I Open an Account?**
To open an Account, you must complete and sign an Enrollment Form and return it to your broker or other financial advisor. By completing an Enrollment Form, you agree to be bound by the terms and conditions of the Account Agreement, which governs your rights, benefits, and obligations as an Account Owner. The current form of the Account Agreement is included as Exhibit A to this Program Disclosure Statement. You should note, however, that any amendments to the Code or Alabama laws or regulations relating to the Program may automatically amend the terms of the Account Agreement, and the Board may amend the Account Agreement at any time and for any reason by giving notice of such amendments.

If you wish to make Contributions for more than one Designated Beneficiary, you must complete an Enrollment Form and open a separate Account for each Designated Beneficiary.

You must open an Account through a broker or other financial advisor. When you open your Account, you must choose from among Fee Structure A, C or F. Fee Structure F is available only to Account Owners investing in the Program through registered investment advisors or other financial advisors who are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management. Contributions to an Account will be invested after any applicable sales charges are deducted. To open an Account, contact your broker or other financial advisor directly for specific instructions and assistance on how to complete and submit the Enrollment Form.

**How Many Accounts Can I Open?**
There is no limit on the number of Accounts you can establish. An Account Owner or multiple Account Owners can open more than one Account for the same Designated Beneficiary as long as the total of the balances in all such Accounts and accounts for the Designated Beneficiary in the other State of Alabama 529 programs do not exceed the Maximum Account Balance.

**When Can I Open an Account for an Infant?**
There are no age limitations for a Designated Beneficiary. However, at the time you open an Account, you must designate a Designated Beneficiary. If you open an Account for a newborn for whom a Social Security number has not yet been obtained, you may still designate that individual as the Designated Beneficiary, however, you must provide the Designated Beneficiary's Social Security number within ninety (90) days after opening the Account.

**Who Controls an Account?**
As Account Owner, you control the Account, including any Contributions made to the Account by third parties. The Account Owner may change the Designated Beneficiary of the Account, transfer money in the Account to another account in the Program or another qualified tuition program, or withdraw money from the Account, in each case subject to any applicable taxes or other rules as described in this Program Disclosure Statement and under applicable law.

**May I Change Ownership of a Plan Account?**
You may change ownership of your Account to another individual or entity that is eligible to be an Account Owner. When you transfer ownership of your Account, you may, but are not required to, change the Designated Beneficiary. A change of ownership of an Account will only be effective if the assignment is irrevocable and transfers all ownership rights.

To be effective, a transfer of ownership of your Account requires the current Account Owner and the new Account Owner to complete the Change of Account Owner Form. By signing the Change of Account Owner Form, the new Account Owner will be entering into an Account Agreement with the Plan and will be subject to the terms and conditions of the Plan's then-current Account Agreement. The current Account Owner's signature on the Change of Account Owner Form must be medallion signature guaranteed, or it will not be processed. You should consult your tax advisor regarding the potential gift and/or generation-skipping transfer tax consequences of changing ownership of your Account.

**Can I Name a Successor to Take Over Ownership of My Account Upon My Death?**
On your Enrollment Form, you may designate a successor Account Owner to take ownership of your Account in the event of your death. If you have already established an Account, you may designate a successor Account Owner or change your designation by completing the appropriate form available at CollegeCounts529advisor.com or through your financial advisor.

If you do not designate a successor Account Owner, then your estate, acting through your personal representative, will become the successor Account Owner. Before the successor Account Owner will be permitted to transact business with respect to your Account, he or she will be required to provide a certified copy of the death certificate and documentation reflecting his or her appointment to act on behalf of the estate, and to execute a Change of Account Owner Form, thereby entering into a new Account Agreement.

**Where Can I Obtain Additional Forms and Enrollment Kits?**
You can obtain forms and additional enrollment kits from your broker or other financial advisor. You may also obtain account maintenance forms and the Program Disclosure Statement by visiting the Plan's website at CollegeCounts529advisor.com, or by contacting the Plan at 866.529.2228.

## CHOOSING A DESIGNATED BENEFICIARY

**Who May Be a Designated Beneficiary?**
Any individual who is a U.S. citizen or resident alien with a valid federal taxpayer identification number, such as a Social Security number, can be a Designated Beneficiary. A Designated Beneficiary can be of any age and need not be a resident of the State of Alabama. Each Account may have only one Designated Beneficiary, but different Account Owners may establish different Accounts for the same Designated Beneficiary, provided that the total balances in such Accounts and all other accounts in other State of Alabama 529 programs do not exceed the Maximum Account Balance. An Account Owner may also name himself or herself as the Designated Beneficiary.

If an Account is established by a State or local government (or agency or instrumentality thereof) or an organization described in Section 501(c)(3) of the Internal Revenue Code as part of a scholarship program operated by such government or organization, the Designated Beneficiary is not required to be identified on the Enrollment Form at the time the Account is established. Such government or organization must designate the Designated Beneficiary prior to any distributions for Qualified Higher Education Expenses from the Account.

**Do I Have to Be Related to the Designated Beneficiary?**
You do not have to be related to the Designated Beneficiary to establish an Account. However, if you change the named Designated Beneficiary in the future, the new Designated Beneficiary must be a Member of the Family of the current Designated Beneficiary in order to avoid potentially adverse tax consequences.

**May I Change Designated Beneficiaries?**
As the Account Owner, you may change the Designated Beneficiary at any time without adverse federal income tax consequences if the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary. You may also change the Portfolios in which your Account is invested when you change the Designated Beneficiary. If the new Designated Beneficiary is not a Member of the Family of the current Designated Beneficiary, then the change is treated as a Nonqualified Withdrawal that is subject to taxes and a penalty. A Member of the Family is anyone who is related to the current Designated Beneficiary in one of the following ways:

- A son or daughter, or a descendant of either;
- A stepson or stepdaughter;
- A brother, sister, stepbrother, or stepsister;
- The father or mother, or an ancestor of either;
- A stepfather or stepmother;
- A son or daughter of a brother or sister;
- A brother or sister of the father or mother;
- A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law;
- The spouse of the Designated Beneficiary or the spouse of any of the foregoing individuals; or
- A first cousin of the Designated Beneficiary.

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

**The Designated Beneficiary for an Account assigned to Unit Class B may not be changed within six years after the most recent Contribution to such Account if the proposed Designated Beneficiary is 15 years old or older at the time of such proposed change.**

**If the source of Contributions to an Account was a State UGMA or UTMA account, the Designated Beneficiary of the Account may not be changed until the minor attains the legal age necessary to control the UGMA or UTMA assets.**

When you change the Designated Beneficiary, unless you direct otherwise, any money invested in a Target Portfolio or Individual Fund Portfolio will remain in such Portfolio, and any money invested in an Age-Based Portfolio will be transferred to the applicable Age-Based Portfolio based on the new Designated Beneficiary's age.

The Program has designed the Age-Based Portfolios on the understanding that assets in a Plan Account will be used to pay for Qualified Higher Education Expenses by a Designated Beneficiary beginning at or after college age. Consequently, Age-Based Portfolios are probably not an appropriate investment choice for Designated Beneficiaries using the amounts in an Account before reaching college age. Therefore, if a Plan Participant intends to use the Account for K-12 Tuition Expenses, then such Plan Participant should carefully weigh whether an Age-Based Portfolio would be an appropriate investment choice for the Account.

A change of the Designated Beneficiary of an Account or a transfer to an Account for another Designated Beneficiary may have federal gift tax or generation-skipping transfer tax consequences. You should consult your tax advisor under such circumstances.

If you change the Designated Beneficiary of your Account, the Program Manager will ask you to certify the relationship between the new Designated Beneficiary and the current Designated Beneficiary. To change the Designated Beneficiary of your Account, you should contact the broker or other financial advisor through which you opened your Account or visit the Plan's website at CollegeCounts529advisor.com to obtain the appropriate form.

## CONTRIBUTING TO AN ACCOUNT

**How do I Make Contributions to the Plan?**
All Contributions to your Account must be in cash. You can make Contributions to your Account by:

- **check payable to "CollegeCounts 529";**
- **automatic investment plan ("AIP")** - You may establish an AIP by downloading and completing and submitting the appropriate form or logging on to your account at CollegeCounts529advisor.com. If your AIP contribution cannot be processed because of insufficient funds or because of incomplete or inaccurate information, the Plan reserves the right to suspend future AIP contributions;
- **electronic funds transfer ("EFT")** - You may complete EFT contributions by logging on to your account at CollegeCounts529advisor.com. If your EFT contribution cannot be processed because of insufficient funds or because of incomplete or inaccurate information, the Plan reserves the right to suspend future EFT contributions;
- **payroll contribution** - Payroll contributions allow you to set up automatic contributions in the form of paycheck deductions. Check with your employer to see if it offers this service;
- ***CollegeCounts GiftED*** - You can send an email invitation to family and friends to allow them to contribute to your Account. Log on to your account and follow the on-screen instructions;
- **wire transfer** - please be aware that your bank may charge a fee for wire transfers;
- **"Rewards"** from your CollegeCounts 529 Rewards Visa® Card - Once you've accumulated $50 in rewards with the CollegeCounts 529 Rewards Visa® Card, those amounts will be automatically transferred at the end of each calendar quarter to the Account(s) you designate; or
- **transfer or rollover** from another 529 qualified tuition program, Coverdell Education Savings Account ("CESA"), or a qualified U.S. Savings Bond. Amounts distributed from a CESA and contributed to an Account may be treated as a tax-free distribution from the CESA. In addition, subject to certain limitations, redemption of certain qualified U.S. Savings Bonds may be tax-free if the proceeds are contributed to an Account. Certain rules and requirements must be met. For more information consult IRS Publication 970 and your financial, tax, or legal advisor.

Checks should be made payable to "CollegeCounts 529" and sent to the following address:

**Mailing Address:**

CollegeCounts 529 Fund Advisor Plan
P.O. Box 85290
Lincoln, NE 68501-5290

**Overnight or Courier Address:**

CollegeCounts 529 Fund Advisor Plan
1248 O Street, Suite 200
Lincoln, NE 68508

CollegeCounts cannot accept Contributions made with credit card convenience checks, stocks, securities, other nonbank account assets, nor may you charge Contributions to your credit card.

CollegeCounts is unable to accept wire and Automated Clearing House (ACH) purchases on days when the Federal Reserve Wire System is closed.

**How do I Rollover or Transfer Funds to My Account?**
You may open an Account or contribute to an existing Account in the Plan by rolling over or transferring funds from another 529 qualified tuition program, a CESA or certain qualified U.S. Savings Bonds. A rollover transaction from another 529 qualified tuition program is free from federal income tax if it constitutes a Qualified Rollover Distribution. A Qualified Rollover Distribution:

- is a rollover for the same Designated Beneficiary as long as there were no prior rollovers for that Designated Beneficiary in the last 12 months; or
- is a rollover if the Designated Beneficiary of the Account is changed to a Member of the Family of the current Designated Beneficiary.

The program from which you are transferring funds may impose fees or other restrictions on such a transfer, so you should investigate this option thoroughly before requesting a transfer.

The Program Manager will assume that the entire rollover contribution from another 529 qualified tuition program, a CESA or a qualified U.S. Savings Bond is earnings in the Account receiving the Contribution until the Program Manager receives appropriate documentation showing the actual earnings portion of the Contribution. This assumption is required by the Internal Revenue Service. See "Exhibit B – Tax Information" herein.

**How do I Make Contributions From a UGMA or UTMA Custodial Account?**
A custodian for a minor under a State UGMA or UTMA statute may use the assets held in the UGMA or UTMA account to open an Account in the Plan, subject to the laws of the state under which the UGMA or UTMA account was established.

If the custodian of a UGMA or UTMA account establishes an Account, the minor for whose benefit the assets are held must be the Designated Beneficiary of the Account, and the custodian will not be permitted to change the Designated Beneficiary of the Account. When the Designated Beneficiary reaches the age of majority under the applicable UGMA or UTMA statute and the custodianship terminates, the Designated Beneficiary will become the sole Account Owner with complete control over the Account. **The custodian is required to notify the Program Manager when the minor attains the age of majority under the applicable UGMA or UTMA statute.**

The conversion of non-cash UGMA or UTMA assets to cash for Contribution to an Account may be a taxable transaction. Before liquidating assets in a UGMA or UTMA account in order to contribute them to an Account, you should review the potential tax and legal consequences with your tax and legal advisors. Moreover, neither the Board, the Treasurer, the Program Manager, the Distributor, nor the Program assumes responsibility to insure, or will incur any liability for failing to insure, that a custodian applies assets held under a UGMA or UTMA custodianship for proper purposes.

**How do I Contribute CollegeCounts Visa Rewards to a CollegeCounts Account?**

The CollegeCounts 529 Rewards Visa® Card allows cardholders to earn rewards that are contributed to a designated Account. Currently, CollegeCounts 529 Rewards Visa® Card cardholders earn a 1.529% reward on qualifying purchases that accumulates and is automatically contributed to the Account the cardholder designates. A cardholder may designate up to three (3) Accounts into which rewards can be contributed. If you designate more than one Account, rewards Contributions will be split equally among the Accounts you designate. In order to obtain a CollegeCounts 529 Rewards Visa® Card, you must submit an application and be approved to receive the card. The CollegeCounts 529 Rewards Visa® Card is offered by Union Bank and Trust Company.

If you are a cardholder and your CollegeCounts 529 Rewards Visa® Card account is in good standing, after you have accumulated at least $50 in rewards those amounts will be automatically transferred at the end of each calendar quarter to the Account(s) you designate. Rewards can only be redeemed as a Contribution to the designated Account(s) and have no cash value except as a Contribution or as described in the “Rewards Program” Terms and Conditions. This Program Disclosure Statement is not intended to provide detailed information about the card and the “Rewards Program”. The card and the “Rewards Program” are administered in accordance with the terms of the credit card agreement and “Rewards Program” Terms and Conditions, as they may be amended from time to time. For additional information, please visit CollegeCounts529advisor.com.

**Can Non-Owners Make Contributions to an Account?**

Currently, anyone can make Contributions to an Account, including the Designated Beneficiary. The Alabama state income tax deduction is available to any individual who contributes to an Account and files an Alabama state income tax return. However, the Account Owner maintains control over all Contributions to an Account, including the right to change Portfolios, change the Designated Beneficiary, and request withdrawals. In addition, under current law, the federal gift and generation-skipping transfer tax consequences of a Contribution by anyone other than the Account Owner are unclear. Accordingly, if a person other than the Account Owner wishes to make a Contribution to an Account, such person should consult his or her own tax or legal advisors as to the consequences of such a Contribution.

**What is *CollegeCounts GiftED*?**

You may invite family and friends to contribute to your CollegeCounts Account through *CollegeCounts GiftED*. After your CollegeCounts Account is established, log on to your Account online at CollegeCounts529advisor.com and Select “GiftED”. Follow the online instructions to send email invitations to family and friends. Any gift Contributions will be invested according to the investment allocation currently on file for your Account. The individual making the gift Contribution does not maintain any control over the Contribution after the funds have been invested.

**What Are the Limits on the Amount I Can Contribute?**

A minimum Contribution is not required, nor do you have to contribute to your Account every year. The Plan has no minimum initial or subsequent required Contributions to an Account.

The Maximum Account Balance is $475,000.

Accounts that have reached the Maximum Account Balance may continue to accrue earnings, but additional Contributions will not be accepted and will be returned. Additional Contributions may be made in the future if the Account value falls below the Maximum Account Balance or the Maximum Account Balance is increased.

The Maximum Account Balance is based on the aggregate market value of the Account(s) for a Designated Beneficiary and not on the aggregate Contributions made to the Account(s). Contributions cannot be made to any Account for a Designated Beneficiary if the aggregate Account balance, including any proposed Contribution, for that Designated Beneficiary (including accounts for the same Designated Beneficiary in other State of Alabama 529 programs) would exceed the Maximum Account Balance. The Board may periodically review and adjust the Maximum Account Balance as needed.

**What Happens to Contributions Over the Maximum?**

The Program Manager will notify you if you have made a Contribution to an Account that exceeds the Maximum Account Balance. The Program Manager will not knowingly accept and may reject Contributions in excess of the Maximum Account Balance. If the Program Manager determines that you have made Contributions in excess of the Maximum Account Balance, the excess Contributions and any earnings thereon will be promptly refunded and may be treated as a Nonqualified Withdrawal that is subject to income tax and a federal penalty tax.

## INVESTMENT PORTFOLIOS

**How Are My Plan Contributions Invested?**

Contributions to an Account, less any applicable sales charges under Fee Structure A, B, C or F, will be invested in the Portfolio or Portfolios you select on the Enrollment Form. The Portfolios may invest in one or more mutual funds or other investment vehicles in accordance with the Statement of Investment Policy. These may include investment funds investing in domestic equity, international equity, real estate, fixed income, money market, or other asset classes.

**Requesting Additional Information: Information on the various Portfolios and a summary description of the underlying investments is included in "Exhibit C - Investment Portfolios and Mutual Fund Information." Additional information regarding the underlying mutual funds' investment strategies and their related risks can be found in the prospectus and statement of additional information ("SAI") of each underlying mutual fund. For more information about the underlying mutual funds, including copies of their prospectuses, SAIs, and annual reports, contact the underlying mutual fund, your broker or financial advisor, or visit the Plan's website at: CollegeCounts529advisor.com.**

Account Owners should periodically assess, and if appropriate, adjust their investment choices with their time horizon, risk tolerance and investment objectives in mind. The Portfolios described in this Program Disclosure Statement allow Account Owners to direct funds to specific investment categories and strategies established by the Board and as set forth in the Alabama Comprehensive Education Savings Program (ACES) Trust Fund Statement of Investment Policy.

The Plan has the following Portfolios available:

- 3 Age-Based Portfolios;
- 6 Target Portfolios; and
- 24 Individual Fund Portfolios.

The three Age-Based Portfolios are designed to reduce the Account's exposure to principal loss the closer the Designated Beneficiary gets to college age. The six Target Portfolios keep the asset allocation between equity, real estate, fixed income, and money market investments as determined by the Statement of Investment Policy over the life of your Account. The Individual Fund Portfolios, except the Bank Savings 529 Portfolio, each invest in a single mutual fund. The Age-Based, Target and Individual Fund Portfolios have been created by the Board upon recommendation by the Program Manager and Wilshire.

Contributions will be invested in the Portfolio or Portfolios the Account Owner selects on the Enrollment Form in accordance with the Statement of Investment Policy. Under federal law, neither you nor the Designated Beneficiary of your Account may exercise investment discretion, directly or indirectly, over Contributions to an Account or any earnings on such Contributions. As a result, you will not be able to select the securities in which your Account is invested. Instead, Contributions will be invested in the Portfolio or Portfolios you select in your Enrollment Form in accordance with the Investment Portfolios and Allocation Guidelines. Generally, an Account Owner may only change the Portfolio or Portfolios in which their Account is invested twice per calendar year or upon a change of Designated Beneficiary. If an Account Owner has multiple accounts in the Plan for the same Designated Beneficiary or multiple accounts in other State of Alabama 529 programs for the same Designated Beneficiary, the Account Owner may change the Portfolios in all of these accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary.

In allocating Contributions to the Portfolios, the Program Manager will follow the Alabama Comprehensive Education Savings Program (ACES) Trust Fund Statement of Investment Policy. The Statement of Investment Policy can be viewed and downloaded at CollegeCounts529advisor.com.

**The Board may amend or supplement the Statement of Investment Policy at any time which may change the Portfolios, the asset allocation within the Portfolios, and the underlying investment funds in which the Portfolios invest, including the underlying investments in which the Individual Fund Portfolios invest.**

## Age-Based Portfolios

You may choose from 3 Age-Based Options:

- Aggressive Age-Based Option
- Moderate Age-Based Option
- Conservative Age-Based Option

The Age-Based Portfolios generally invest in a mix of equity, real estate, fixed income, and money market funds allocated based on the current age of the Designated Beneficiary. The Age-Based Portfolios adjust over time so that as the Designated Beneficiary nears college age each Age-Based Portfolio's allocation between equity, real estate, fixed income, and money market funds becomes more conservative relative to the allocation in earlier years. For each Age-Based Portfolio, the Plan will automatically exchange assets from one Portfolio to another during the month the Designated Beneficiary attains the next age-band as set forth in the following table.

In consultation with your broker or other financial advisor, within the Age-Based Portfolios you may choose from among an aggressive, moderate or conservative asset allocation based on, among other factors, your investment goals and objectives, and your tolerance for market volatility and investment risk. For example, the Aggressive Age-Based Option is invested primarily in equity investment funds when the Designated Beneficiary is young.

Each Age-Based Option has nine age-based portfolios for Designated Beneficiaries of varying ages (ages 0-2; ages 3-5; ages 6-8; ages 9-10; ages 11-12; ages 13-14; ages 15-16; ages 17-18; and, ages 19 and over).

For the detailed asset allocation, mix of underlying funds, and the age ranges for each of the Portfolios, see "Exhibit C - Investment Portfolios and Mutual Fund Information." The current targeted asset allocation of each Age-Based Portfolio is set forth in the following table.

The Program has designed the Age-Based Portfolios on the understanding that assets in a Plan Account will be used to pay for Qualified Higher Education Expenses by a Designated Beneficiary beginning at or after college age. Consequently, Age-Based Portfolios are probably not an appropriate investment choice for Designated Beneficiaries using the amounts in an Account before reaching college age. Therefore, if a Plan Participant intends to use the Account for K-12 Tuition Expenses, then such Plan Participant should carefully weigh whether an Age-Based Portfolio would be an appropriate investment choice for the Account.

| COLLEGECOUNTS 529 FUND AGE-BASED OPTIONS | | | |
|---|---|---|---|
| **Designated Beneficiary Age** | **Aggressive Age-Based Option** | **Moderate Age-Based Option** | **Conservative Age-Based Option** |
| **0–2 Years** | 57% Domestic Equity<br>7% Real Assets<br>36% International Equity | 52% Domestic Equity<br>6% Real Assets<br>32% International Equity<br>10% Fixed Income | 48% Domestic Equity<br>5% Real Assets<br>27% International Equity<br>20% Fixed Income |
| **3-5 Years** | 52% Domestic Equity<br>6% Real Assets<br>32% International Equity<br>10% Fixed Income | 48% Domestic Equity<br>5% Real Assets<br>27% International Equity<br>20% Fixed Income | 42% Domestic Equity<br>5% Real Assets<br>23% International Equity<br>30% Fixed Income |
| **6-8 Years** | 48% Domestic Equity<br>5% Real Assets<br>27% International Equity<br>20% Fixed Income | 42% Domestic Equity<br>5% Real Assets<br>23% International Equity<br>30% Fixed Income | 36% Domestic Equity<br>4% Real Assets<br>20% International Equity<br>40% Fixed Income |
| **9-10 Years** | 42% Domestic Equity<br>5% Real Assets<br>23% International Equity<br>30% Fixed Income | 36% Domestic Equity<br>4% Real Assets<br>20% International Equity<br>40% Fixed Income | 30% Domestic Equity<br>4% Real Assets<br>16% International Equity<br>50% Fixed Income |
| **11-12 Years** | 36% Domestic Equity<br>4% Real Assets<br>20% International Equity<br>40% Fixed Income | 30% Domestic Equity<br>4% Real Assets<br>16% International Equity<br>50% Fixed Income | 25% Domestic Equity<br>3% Real Assets<br>12% International Equity<br>60% Fixed Income |
| **13-14 Years** | 30% Domestic Equity<br>4% Real Assets<br>16% International Equity<br>50% Fixed Income | 25% Domestic Equity<br>3% Real Assets<br>12% International Equity<br>60% Fixed Income | 20% Domestic Equity<br>2% Real Assets<br>8% International Equity<br>70% Fixed Income |
| **15-16 Years** | 25% Domestic Equity<br>3% Real Assets<br>12% International Equity<br>60% Fixed Income | 20% Domestic Equity<br>2% Real Assets<br>8% International Equity<br>70% Fixed Income | 13% Domestic Equity<br>2% Real Assets<br>5% International Equity<br>72% Fixed Income<br>8% Money Market |
| **17–18 Years** | 20% Domestic Equity<br>2% Real Assets<br>8% International Equity<br>70% Fixed Income | 13% Domestic Equity<br>2% Real Assets<br>5% International Equity<br>72% Fixed Income<br>8% Money Market | 7% Domestic Equity<br>1% Real Assets<br>2% International Equity<br>67% Fixed Income<br>23% Money Market |
| **19 and over** | 13% Domestic Equity<br>2% Real Assets<br>5% International Equity<br>72% Fixed Income<br>8% Money Market | 7% Domestic Equity<br>1% Real Assets<br>2% International Equity<br>67% Fixed Income<br>23% Money Market | 50% Fixed Income<br>50% Money Market |

## Target Portfolios

The Target Portfolios are asset allocation portfolios that invest in a set or "static" mix of equity, real estate, fixed income, or money market funds. Although the target asset allocations for these Portfolios are not expected to vary, the underlying mutual funds in which the Portfolios invest will be reviewed on an ongoing basis and may change. If you select the Target Portfolio approach, your money will remain in the Portfolio(s) of choice until you instruct the Plan to move it to another investment approach or Portfolio or until a withdrawal. None of the Target Portfolios is designed to provide any particular total return over any particular time period or investment time horizon. The allocation between equity, real estate, fixed income, and money market investments within the Target Portfolios does not change as the Designated Beneficiary gets older.

The six Target Portfolios, including their target asset allocations and ranging from the most aggressive to conservative, are briefly described below. For a detailed asset allocation and the composition of the underlying mutual funds, see "Exhibit C - Investment Portfolios and Mutual Fund Information."

**Fund 100** seeks maximum capital appreciation by investing 100% of its net assets in domestic equity, international equity and real asset mutual funds. This strategy may be appropriate for investors with longer time horizons and who are comfortable with an increased level of risk in an effort to obtain potentially higher long-term returns.

**Fund 80** seeks a high level of capital appreciation and some income by investing 80% of its net assets in domestic equity, international equity and real asset mutual funds, with the remaining 20% in fixed income investments.

**Fund 60** seeks moderate capital appreciation and income by investing 60% of its net assets in domestic equity, international equity, and real asset mutual funds with the remaining 40% invested in fixed income investments.

**Fund 40** seeks moderate income and capital appreciation by investing 40% of its net assets in domestic equity, international equity and real asset mutual funds with the remaining 60% of its net assets in fixed income funds.

**Fund 20** seeks income and some capital appreciation by investing 20% of its net assets in domestic equity, international equity and real asset mutual funds, with the remaining 80% of its net assets in fixed income and money market investments.

**Fixed Income Fund** seeks to preserve your principal investment with less volatility than an all bond portfolio, while providing modest current income by investing 50% of its net assets in money market mutual funds and 50% in fixed income funds.

Attached to this Program Disclosure Statement as "Exhibit C - Investment Portfolios and Mutual Fund Information" is a listing of the various mutual funds the Board has approved for use and the relative weighting of each underlying fund within the Age-Based and Target Portfolios. The actual weightings of any of these Portfolios may vary as well as the funds selected for such Portfolio may change. The Program Manager will rebalance the weightings in each Portfolio in the underlying funds on an ongoing basis.

| | Domestic Equity | Real Assets | International Equity | Fixed Income | Money Market |
|---|---|---|---|---|---|
| **Fund 100** | 57% | 7% | 36% | | |
| **Fund 80** | 48% | 5% | 27% | 20% | |
| **Fund 60** | 36% | 4% | 20% | 40% | |
| **Fund 40** | 25% | 3% | 12% | 60% | |
| **Fund 20** | 13% | 2% | 5% | 72% | 8% |
| **Fixed Income Fund** | | | | 50% | 50% |

## Individual Fund Portfolios

The Plan also offers 24 Individual Fund Portfolios, including the Bank Savings 529 Portfolio. You can find more detailed information on each underlying investment in "Exhibit C - Investment Portfolios and Mutual Fund Information" and in the prospectuses for each mutual fund which are available by contacting the underlying mutual fund company and at CollegeCounts529advisor.com.

Each Individual Fund Portfolio, except the Bank Savings 529 Portfolio, invests in shares of a single underlying mutual fund. In consultation with your broker or other financial advisor, you may allocate your Account balance among one or more Individual Fund Portfolios according to your investment objectives, investment time horizon, and risk tolerance. Since the Individual Fund Portfolios invest in a single mutual fund (other than the Bank Savings 529 Portfolio), their performance is based on the performance of the individual mutual funds in which they are invested. Consequently, the performance of each of the Individual Fund Portfolios may be more volatile than the Target or Age-Based Portfolios or of the Bank Savings 529 Portfolio.

Account owners do not own shares of the underlying investments directly, but rather own shares in a Portfolio of the Plan.

The Bank Savings 529 Portfolio is composed exclusively of a deposit in an interest-bearing omnibus deposit account held in trust by the Alabama Comprehensive Savings Program Trust at Union Bank and Trust Company. The Bank Savings 529 Portfolio is designed for Designated Beneficiaries of any age. Contributions to and earnings on the investments in the Bank Savings 529 Portfolio are insured by the FDIC on a per participant, pass-through basis to each account owner up to the maximum limit established by federal law, which currently is $250,000. The amount of FDIC insurance provided to an Account Owner is based on the total of: (1) the value of an Account Owner's investment in the Bank Savings 529 Portfolio, and (2) the value of all other accounts held by the Account Owner at Union Bank and Trust Company (including bank deposits), as determined in accordance with bank and FDIC rules and regulations. You are responsible for monitoring the total amount of your assets on deposit at Union Bank and Trust Company, including amounts held directly by you at Union Bank and Trust Company. All such deposits held in the same ownership capacity at Union Bank and Trust Company are subject to aggregation and to the current FDIC insurance coverage limitation of $250,000. For more information, please visit www.fdic.gov.

**The investment objectives, strategies, fees, expenses, fund performance and risks of the underlying investments in which each Individual Fund Portfolio is invested are more fully described in "Exhibit C – Investment Portfolios and Mutual Fund Information" and in each fund's prospectus, which is available from the mutual fund company, online at CollegeCounts529advisor.com, by calling a CollegeCounts 529 customer care representative at 866.529.2228 or by contacting your financial consultant.**

The Individual Fund Portfolios are briefly described as follows:

## Bank Savings 529 Portfolio

**Bank Savings 529 Portfolio –** invests solely in a Union Bank and Trust Company omnibus deposit account.

**Investment Objective –** The fund seeks income consistent with the preservation of principal and invests all of its assets in a deposit account held at Union Bank and Trust Company.

**Principal Risks –** Interest rate risk that the interest earned on the Bank Savings 529 Portfolio will not be as remunerative as other available investments; Credit risk to the extent that an investment exceeds the limit provided by FDIC insurance; Investment Risk; Ownership Risk; and Regulatory Risk.

## Money Market 529 Portfolio

**State Street Institutional U.S. Government Money Market 529 Portfolio –** invests solely in the State Street Institutional U.S. Government Money Market Fund.

**Investment Objective –** The investment objective of the fund is to seek to maximize current income, to the extent consistent with the preservation of capital and liquidity and the maintenance of a stable $1.00 per share net asset value.

**Principal Risks –** Money Market Risk, U.S. Government Securities Risk, Repurchase Agreement Risk, Stable Share Price Risk, Market Risk, Low Short-Term Interest Rates, Counterparty Risk, Debt Securities Risk, Interest Rate Risk, Income Risk, Large Shareholder Risk, Master/Feeder Structure Risk, Mortgage-Related and Other Asset-Backed Securities Risk, Rapid Changes in Interest Rates Risk, Significant Exposure to U.S. Government Agencies or Instrumentalities Risk, U.S. Treasury Obligations Risk, Variable and Floating Rate Securities Risk.

## Fixed Income 529 Portfolios

**PIMCO Short-Term 529 Portfolio –** invests solely in the PIMCO Short-Term Fund.

**Investment Objective –** The fund seeks maximum current income, consistent with preservation of capital and daily liquidity.

**Principal Risks –** Interest Rate Risk, Call Risk, Credit Risk, High Yield Risk, Market Risk, Issuer Risk, Liquidity Risk, Derivatives Risk, Equity Risk, Mortgage-Related and Other Asset-Backed Securities Risk, Collateralized Loan Obligations Risk, Foreign (Non-U.S.) Investment Risk, Currency Risk, Leveraging Risk, Management Risk, Short Exposure Risk, LIBOR Transition Risk.

**Northern Funds Bond Index 529 Portfolio –** invests solely in the Northern Funds Bond Index Fund.

**Investment Objective –** The fund seeks to provide investment results approximating the overall performance of the securities included in the Bloomberg U.S. Aggregate Bond Index.

**Principal Risks** – Market Risk, Tracking Risk, Index Risk, Sampling Risk, Interest Rate Risk, U.S. Government Securities Risk, Credit (or Default) Risk, Asset-Backed and Mortgage-Backed Securities Risk, Debt Extension Risk, Liquidity Risk, Prepayment (or Call) Risk, Sector Risk, Valuation Risk, Non-Diversification Risk.

**Fidelity Advisor Investment Grade Bond 529 Portfolios** – invests solely in the Fidelity Advisor Investment Grade Bond Fund.

**Investment Objective** – The fund seeks a high level of current income.

**Principal Risks** – Interest Rate Changes, Foreign Exposure, Prepayment, Issuer-Specific Changes, Leverage Risk, High Portfolio Turnover.

**PGIM Total Return Bond 529 Portfolio** – invests solely in the PGIM Total Return Bond Fund.

**Investment Objective** – The investment objective of the fund is total return.

**Principal Risks** – Collateralized Loan Obligations ("CLOs") Risk, "Covenant-Lite" Risk, Credit Risk, Currency Risk, Debt Obligations Risk, Derivatives Risk, Economic and Market Events Risk, Emerging Markets Risk, Floating Rate and Other Loans Risk, Foreign Securities Risk, Increase in Expenses Risk, Interest Rate Risk, Junk Bonds Risk, Large Shareholder and Large Scale Redemption Risk, Liquidity Risk, Management Risk, Market Disruption and Geopolitical Risks, Market Risk, Mortgage-Backed and Asset-Backed Securities Risk, Portfolio Turnover Risk, Reference Rate Risk, Structured Products Risk, U.S. Government and Agency Securities Risk.

**American Century Short Duration Inflation Protection Bond 529 Portfolio** – invests solely in the American Century Short Duration Inflation Protection Bond Fund.

**Investment Objective** – The fund pursues total return using a strategy that seeks to protect against U.S. inflation.

**Principal Risks** – Interest Rate Risk, Credit Risk, High-Yield Risk, Liquidity Risk, Prepayment and Extension Risk, Collateralized Obligations Risk, Derivatives Risk, Foreign Securities Risk, Market Risk, Redemption Risk, Principal Loss.

**BlackRock High Yield Bond 529 Portfolio** – invests solely in the BlackRock High Yield Bond Portfolio.

**Investment Objective** – The investment objective of the portfolio is to seek to maximize total return, consistent with income generation and prudent investment management.

**Principal Risks** – Debt Securities Risk, Junk Bonds Risk, Bank Loan Risk, Collateralized Bond Obligations Risk, Convertible Securities Risk, Derivatives Risk, Distressed Securities Risk, Dollar Rolls Risk, Emerging Markets Risk, Foreign Securities Risk, High Portfolio Turnover Risk, Illiquid Investments Risk, Leverage Risk, Market Risk and Selection Risk, Mezzanine Securities Risk, Mortgage- and Asset-Backed Securities Risks, Preferred Securities Risk, Repurchase Agreements and Purchase and Sale Contracts Risk, Reverse Repurchase Agreements Risk, Risk of Investing in the United States.

**AB Global Bond 529 Portfolio** – invests solely in the AB Global Bond Fund.

**Investment Objective** – The fund's investment objective is to generate current income consistent with preservation of capital.

**Principal Risks** – Market Risk, Interest Rate Risk, Credit Risk, Below Investment Grade Securities Risk, Duration Risk, Inflation Risk, Foreign (Non-U.S.) Risk, Emerging Market Risk, Currency Risk, Mortgage-Related and/or Other Asset-Backed Securities Risk, Leverage Risk, Derivatives Risk, Illiquid Investments Risk, Active Trading Risk, Management Risk.

## Balanced 529 Portfolio

**T. Rowe Price Balanced 529 Portfolio** – invests solely in the T. Rowe Price Balanced Fund.

**Investment Objective** – The fund seeks to provide capital growth, current income, and preservation of capital through a portfolio of stocks and fixed income securities.

**Principal Risks** – Stock investing, Fixed income markets, Interest rates, Prepayments and extensions, Credit quality, Market conditions, International investing, Emerging markets, Liquidity, Active management, Cybersecurity breaches.

## Real Estate 529 Portfolios

**DFA Real Estate Securities 529 Portfolio** – invests solely in the DFA Real Estate Securities Portfolio.

**Investment Objective** – The investment objective of the portfolio is to achieve long-term capital appreciation.

**Principal Risks** – Equity Market Risk, Small and Mid-Cap Company Risk, Risks of Concentrating in the Real Estate Industry, Derivatives Risk, Securities Lending Risk, Operational Risk, Cyber Security Risk.

**Principal Global Real Estate Securities 529 Portfolio** – invests solely in the Principal Global Real Estate Securities Fund.

**Investment Objective** – The fund seeks to generate a total return.

**Principal Risks** – Equity Securities Risk, Growth Style Risk, Smaller Companies Risk, Value Style Risk, Foreign Currency Risk, Foreign Securities Risk, Industry Concentration Risk, Real Estate Investment Trusts Risk, Real Estate Securities Risk, Redemption and Large Transaction Risk.

## Domestic (U.S.) Equity 529 Portfolios

**DFA U.S. Large Cap Value 529 Portfolio** – invests solely in the DFA U.S. Large Cap Value Portfolio.

**Investment Objective** – The investment objective of the portfolio is to achieve long-term capital appreciation.

**Principal Risks** – Equity Market Risk, Value Investment Risk, Profitability Investment Risk, Derivatives Risk, Securities Lending Risk, Operational Risk, Cyber Security Risk.

**Northern Funds Stock Index 529 Portfolio** – invests solely in the Northern Funds Stock Index Fund.

**Investment Objective** – The fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the S&P 500 Index.

**Principal Risks** – Market Risk, Tracking Risk, Sector Risk, Information Technology Sector Risk, Index Risk, Derivatives Risk, Futures Contracts Risk, Non-Diversification Risk.

**T. Rowe Price Large-Cap Growth 529 Portfolio** – invests solely in the T. Rowe Price Institutional Large-Cap Growth Fund.

**Investment Objective** – The fund seeks to provide long-term capital appreciation through investments in common stocks of growth companies.

**Principal Risks** – Growth investing, Market conditions, Stock investing, Nondiversification, Large-cap stocks, Sector exposure, Information technology sector, Convertible securities, Private placements and IPOs, Liquidity, Active management, Cybersecurity breaches.

**Northern Funds Mid Cap Index 529 Portfolio** – invests solely in the Northern Funds Mid Cap Index Fund.

**Investment Objective** – The fund seeks to provide investment results approximating the overall performance of the common stocks included in the Standard & Poor's MidCap 400 Composite Stock Price Index.

**Principal Risks** – Market Risk, Mid Cap Stock Risk, Tracking Risk, Sector Risk, Consumer Discretionary Sector Risk, Industrials Sector Risk, Index Risk, Derivatives Risk, Futures Contracts Risk, Non-Diversification Risk.

**T. Rowe Price Small-Cap Value 529 Portfolio** – invests solely in the T. Rowe Price Small-Cap Value Fund.

**Investment Objective** – The fund seeks long-term capital growth by investing primarily in small companies whose common stocks are believed to be undervalued.

**Principal Risks** – Small-cap stocks, Value investing, Stock investing, Market conditions, Sector exposure, Financial services companies, REIT investing, Foreign investing, Private placements and IPOs, Liquidity, Active management, Cybersecurity breaches.

**Northern Funds Small Cap Index 529 Portfolio** – invests solely in the Northern Funds Small Cap Index Fund.

**Investment Objective** – The fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the Russell 2000 Index.

**Principal Risks** – Market Risk, Small Cap Stock Risk, Tracking Risk, Sector Risk, Financial Sector Risk, Industrials Sector Risk, Health Care Sector Risk, Index Risk, Derivatives Risk, Futures Contracts Risk, Non-Diversification Risk.

**T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio** – invests solely in the T. Rowe Price Integrated U.S. Small-Cap Growth Equity Fund.

**Investment Objective** – The fund seeks long-term growth of capital by investing primarily in common stocks of small growth companies.

**Principal Risks** – Small-cap stocks, Quantitative models, Growth investing, Market conditions, Stock investing, Sector exposure, Active management, Cybersecurity breaches.

## International Equity 529 Portfolios

**Northern Funds International Equity Index 529 Portfolio** – invests solely in the Northern Funds International Equity Index Fund.

**Investment Objective** – The fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the MSCI EAFE Index.

**Principal Risks** – Market Risk, Foreign Securities Risk, Depositary Receipts Risk, Geographic Risk, Japan Investment Risk, European Investment Risk, Tracking Risk, Sector Risk, Financials Sector Risk, Industrials Sector Risk, Mid Cap Stock Risk, Index Risk, Derivatives Risk, Futures Contracts Risk, Valuation Risk, Non-Diversification Risk.

**Neuberger Berman International Select 529 Portfolio** – invests solely in the Neuberger Berman International Select Fund.

**Goal** – The fund seeks long-term growth of capital by investing primarily in common stocks of foreign companies.

**Principal Investment Risks** – Currency Risk, Foreign and Emerging Market Risk, Growth Stock Risk, Issuer-Specific Risk, Liquidity Risk, Market Capitalization Risk, Market Volatility Risk, Recent Market Conditions, Redemption Risk, Sector Risk, Securities Lending Risk, Value Stock Risk, Risk of Increase in Expenses, Operational and Cybersecurity Risk, Risk Management, Valuation Risk.

**DFA International Small Company 529 Portfolio** – invests solely in the DFA International Small Company Portfolio.

**Investment Objective** – The investment objective of the portfolio is to achieve long-term capital appreciation.

**Principal Risks –** Fund of Funds Risk, Equity Market Risk, Foreign Securities and Currencies Risk, Small Company Risk, Profitability Investment Risk, Value Investment Risk, Derivatives Risk, Securities Lending Risk, Operational Risk, Cyber Security Risk.

**Vanguard Emerging Markets Select Stock 529 Portfolio –** invests solely in the Vanguard Emerging Markets Select Stock Fund.

**Investment Objective –** The fund seeks to provide long-term capital appreciation.

**Principal Risks –** Stock market risk, Emerging markets risk, Country/regional risk, Currency risk, Investment style risk, Manager risk.

## Commodities 529 Portfolio

**Parametric Commodity Strategy 529 Portfolio** – invests solely in the Parametric Commodity Strategy Fund.

**Investment Objective –** The fund's investment objective is to seek total return.

**Principal Risks** – Market Risk, Commodity-Related Investments Risk, Tracking Error Risk, Derivatives Risk, ETF Risk, Leverage Risk, Interest Rate Risk, Credit Risk, U.S. Treasury Securities, Inflation-Linked Investments Risk, Money Market Instrument Risk, Sector Risk, Liquidity Risk, Rules-Based Management Risks, General Fund Investing Risks.

**For additional information on the individual underlying investments underlying the Individual Fund Portfolios, contact the underlying mutual fund company and see "Exhibit C - Investment Portfolios and Mutual Fund Information."**

**The descriptions above are taken from the most recent prospectuses (dated on or prior to December 1, 2023) of the relevant funds and are intended to provide general information regarding the mutual funds' respective investment objectives and strategies. You should consult each mutual fund's prospectus for more complete information. You can obtain the prospectus for any of the funds by contacting the underlying mutual fund company, your broker or financial advisor, or at CollegeCounts529advisor.com.**

**It is important to remember that none of the Plan, the State of Alabama or its officials/employees, the Board, the Treasurer, the Distributor, nor the Program Manager or any of its affiliates can guarantee a minimum rate of return nor can any of them guarantee that an investment will not lose value. Furthermore, funds deposited in an Account are not guaranteed or insured by the State of Alabama, the Board, the Treasurer, the Distributor, the Program Manager or its affiliates, the FDIC, except for the investments in the Bank Savings 529 Portfolio, or any other party. See "Certain Risks to Consider."**

**Can I Change My Investment Election?**
The Account Owner may change the Portfolio or Portfolios in which his or her Account is invested twice per calendar year, or upon a change of the Designated Beneficiary. If an Account Owner has multiple Accounts in the Plan for the same Designated Beneficiary, or multiple Accounts in the Plan and other State of Alabama 529 programs, the Account Owner may change the Portfolios in all such accounts without tax consequences, so long as the changes to all of the Accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary.

A transfer from another State of Alabama 529 program to the CollegeCounts 529 Fund Advisor Plan (or vice versa) for the same Designated Beneficiary, is treated as an investment change. Investment changes are permissible only twice per calendar year or upon a change of Designated Beneficiary.

A transfer from another State of Alabama 529 program to the CollegeCounts 529 Fund Advisor Plan (or vice versa), with a change of the Designated Beneficiary to a Member of the Family of the Designated Beneficiary, is not treated as an investment change for the twice per calendar year limitation.

Account Owners should periodically assess, and if appropriate, adjust their investment choices with their time horizon, risk tolerance and investment objectives in mind. To change the Portfolio or Portfolios in which your Account is invested, you should contact your broker or other financial advisor or you may log in to your account at CollegeCounts529advisor.com to complete an investment change online. You may also download the Change of Investment Option Form and complete and submit the form as directed, or call the Plan at 866.529.2228 for instructions.

The Program Manager employs procedures it considers to be reasonable to confirm that instructions communicated by telephone or Internet are genuine, including requiring certain personal identifying information prior to acting upon telephone or internet instructions. None of the Program Manager, the Plan, the Program or the Board will be liable for following telephone or internet instructions that are reasonably believed to be genuine.

**How Can I Change the Investment of my Current Balance and Future Contributions?**
You can make an investment change twice per calendar year or upon a change of Designated Beneficiary. You may change the investment of current or future Contributions by logging into your Account at CollegeCounts529advisor.com. If you complete a paper Change of Investment Option Form your current balance and all future Contributions will be invested as directed on the form.

**How Is the Value of My Account Calculated?**
The assets in your Account represent a portion of each Portfolio you have selected, expressed as a number of units. The net asset value ("NAV") of each unit of a Portfolio is based on the underlying funds in which a Portfolio invests, and is calculated for each Fee Structure by multiplying the net asset value per share of the underlying fund shares held in that Portfolio by the number of underlying fund shares held in that Portfolio, adding

any receivables attributable to that Portfolio, subtracting any liabilities (including accrued fees and expenses) attributable to that Portfolio, dividing by the number of outstanding units for that Portfolio, and rounding to the nearest cent.

The NAV for each Portfolio offered by the Program is calculated each business day the New York Stock Exchange ("NYSE") is open after the value of each underlying fund is determined. If the NAV of an underlying fund is not determined for a given day, the NAV for a Portfolio holding that underlying fund may not be able to be determined. Updated NAVs are available each day on the Plan's website. The value of your Account will increase or decrease depending on the aggregate value of the underlying funds. The value of each underlying mutual fund is determined in accordance with procedures described in its current prospectus.

**How are Units Priced?**

The unit value for each Portfolio is calculated after the NAV for each underlying mutual fund is determined. On each day the NYSE is open for business each underlying mutual fund calculates a NAV as of the close of regular trading (normally 3:00 p.m. Central Time).

Once each underlying mutual fund has calculated its respective NAV, the unit value of the Portfolios is then calculated. The Portfolio NAV is determined by dividing the dollar value of the Portfolio's net assets (i.e. total Portfolio assets minus total Portfolio liabilities) by the number of Portfolio units outstanding. On holidays or other days when the NYSE is closed, the Portfolio's unit price is not calculated, and purchase or redemption requests are not processed until the next business day.

Contribution and redemption orders for your Account that are received in good order before the close of regular trading on the NYSE on a business day and accepted by the Program Manager or its designee will be processed as follows:

- If your transaction request is received in good order on a business day before the close of regular trading on the NYSE, your request will be processed at that day's next calculated unit value.
- If your transaction request is received in good order on a business day after the close of the NYSE or at any time on a non-business day, your request will be processed at the unit value calculated on the next business day. Contribution requests accompanied by payment made via electronic transfer will be processed on the day that the bank debit occurs.

The Portfolios, except for the State Street Institutional U.S. Government Money Market 529 Portfolio and the Bank Savings 529 Portfolio, do not make distributions of their income, including dividends, interest and capital gains. The dividends and capital gains distributions of the Underlying Investments received by the Portfolios are not distributed by the Portfolios as earnings; such dividends and distributions are reinvested in the applicable underlying mutual fund(s) and are reflected in the NAV.

## PERFORMANCE

**How Have the Portfolios Performed?**

The following tables show the past performance of the Fee Structures for each of the Portfolios. Performance figures are shown reflecting the Plan's expenses and the expenses of the underlying investments, as well as the imposition of applicable sales charges and servicing fees. The performance figures below do not include the annual account fee. The information in the tables reflects the performance of the Portfolios, some of which have changed over time. If the Portfolios had been invested in the underlying investments in which they are currently invested throughout the periods for which performance is shown, the Portfolio's total returns would have been different.

**All of the performance data shown represents past performance, which is not a guarantee or indication of future results. Investment returns and principal value will fluctuate so that your Account may be worth less than the sum of your Contributions. For actual performance data of the investment Portfolios current to the most recent month-end, visit the Plan's website at CollegeCounts529advisor.com, or call 866.529.2228.**

Account Owners do not own shares of the underlying investments directly, but rather own shares in a Portfolio of the Plan. As a result, the performance of the Portfolios will differ from the performance of the underlying investments, even in circumstances where a Portfolio invests in an individual mutual fund. This is due in part to the differences in the expense ratios of the underlying funds and the Portfolios.

Performance differences between a Portfolio and its underlying investments may also result from differences in the timing of purchases. On days when Contributions are made to an Account, shares will be purchased in the underlying investment(s) the next business day. This timing difference, depending on how the markets are moving, will cause the Portfolio's performance to either trail or exceed the underlying investment's performance.

The performance information below does not include performance for the Parametric Commodity Strategy 529 Portfolio which was added to the Plan effective November 9, 2023. Performance information for the Portfolios is available to the most recent month-end on the Program's website at CollegeCounts529advisor.com.

| Fee Structure A | | Average Annual Total Returns as of September 30, 2023 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Excluding Sales Charge | | | | | | Including Sales Charge | | | | | |
| Portfolio | Inception Date | Year to Date | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception | Year to Date | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| **Age-Based Portfolios** | | | | | | | | | | | | | |
| **Aggressive Age-Based** | | | | | | | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 7.75% | 18.63% | 6.78% | 5.15% | n/a | 7.48% | 3.98% | 14.48% | 5.52% | 4.41% | n/a | 6.94% |
| Ages 3 - 5 | 9/28/2016 | 7.03% | 16.94% | 6.08% | 5.00% | n/a | 7.08% | 3.28% | 12.85% | 4.83% | 4.25% | n/a | 6.54% |
| Ages 6 - 8 | 9/28/2016 | 6.56% | 15.47% | 5.25% | 4.59% | n/a | 6.48% | 2.83% | 11.43% | 4.01% | 3.84% | n/a | 5.94% |
| Ages 9 - 10 | 9/28/2016 | 5.84% | 13.80% | 4.30% | 4.11% | n/a | 5.63% | 2.14% | 9.82% | 3.06% | 3.37% | n/a | 5.10% |
| Ages 11 - 12 | 9/28/2016 | 5.43% | 12.43% | 3.42% | 3.76% | n/a | 5.09% | 1.74% | 8.49% | 2.20% | 3.02% | n/a | 4.56% |
| Ages 13 - 14 | 9/28/2016 | 4.76% | 10.80% | 2.38% | 3.36% | n/a | 4.53% | 1.10% | 6.93% | 1.17% | 2.63% | n/a | 4.00% |
| Ages 15 - 16 | 9/28/2016 | 4.26% | 9.29% | 1.85% | 3.04% | n/a | 3.88% | 0.61% | 5.46% | 0.65% | 2.31% | n/a | 3.35% |
| Ages 17 - 18 | 9/28/2016 | 3.83% | 7.78% | 1.18% | 2.57% | n/a | 3.20% | 0.20% | 4.01% | -0.02% | 1.85% | n/a | 2.68% |
| Ages 19 + | 9/28/2016 | 3.30% | 6.37% | 0.70% | 2.17% | n/a | 2.56% | -0.31% | 2.65% | -0.49% | 1.44% | n/a | 2.04% |
| **Moderate Age-Based** | | | | | | | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 7.03% | 16.94% | 6.08% | 5.00% | n/a | 7.08% | 3.28% | 12.85% | 4.83% | 4.25% | n/a | 6.54% |
| Ages 3 - 5 | 9/28/2016 | 6.56% | 15.47% | 5.25% | 4.59% | n/a | 6.48% | 2.83% | 11.43% | 4.01% | 3.84% | n/a | 5.94% |
| Ages 6 - 8 | 9/28/2016 | 5.84% | 13.80% | 4.30% | 4.11% | n/a | 5.63% | 2.14% | 9.82% | 3.06% | 3.37% | n/a | 5.10% |
| Ages 9 - 10 | 9/28/2016 | 5.43% | 12.43% | 3.42% | 3.76% | n/a | 5.09% | 1.74% | 8.49% | 2.20% | 3.02% | n/a | 4.56% |
| Ages 11 - 12 | 9/28/2016 | 4.76% | 10.80% | 2.38% | 3.36% | n/a | 4.53% | 1.10% | 6.93% | 1.17% | 2.63% | n/a | 4.00% |
| Ages 13 - 14 | 9/28/2016 | 4.26% | 9.29% | 1.85% | 3.04% | n/a | 3.88% | 0.61% | 5.46% | 0.65% | 2.31% | n/a | 3.35% |
| Ages 15 - 16 | 9/28/2016 | 3.83% | 7.78% | 1.18% | 2.57% | n/a | 3.20% | 0.20% | 4.01% | -0.02% | 1.85% | n/a | 2.68% |
| Ages 17 - 18 | 9/28/2016 | 3.30% | 6.37% | 0.70% | 2.17% | n/a | 2.56% | -0.31% | 2.65% | -0.49% | 1.44% | n/a | 2.04% |
| Ages 19 + | 9/28/2016 | 2.82% | 4.82% | 0.06% | 1.59% | n/a | 1.76% | -0.78% | 1.16% | -1.12% | 0.87% | n/a | 1.24% |
| **Conservative Age-Based** | | | | | | | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 6.56% | 15.47% | 5.25% | 4.59% | n/a | 6.48% | 2.83% | 11.43% | 4.01% | 3.84% | n/a | 5.94% |
| Ages 3 - 5 | 9/28/2016 | 5.84% | 13.80% | 4.30% | 4.11% | n/a | 5.63% | 2.14% | 9.82% | 3.06% | 3.37% | n/a | 5.10% |
| Ages 6 - 8 | 9/28/2016 | 5.43% | 12.43% | 3.42% | 3.76% | n/a | 5.09% | 1.74% | 8.49% | 2.20% | 3.02% | n/a | 4.56% |
| Ages 9 - 10 | 9/28/2016 | 4.76% | 10.80% | 2.38% | 3.36% | n/a | 4.53% | 1.10% | 6.93% | 1.17% | 2.63% | n/a | 4.00% |
| Ages 11 - 12 | 9/28/2016 | 4.26% | 9.29% | 1.85% | 3.04% | n/a | 3.88% | 0.61% | 5.46% | 0.65% | 2.31% | n/a | 3.35% |
| Ages 13 - 14 | 9/28/2016 | 3.83% | 7.78% | 1.18% | 2.57% | n/a | 3.20% | 0.20% | 4.01% | -0.02% | 1.85% | n/a | 2.68% |
| Ages 15 - 16 | 9/28/2016 | 3.30% | 6.37% | 0.70% | 2.17% | n/a | 2.56% | -0.31% | 2.65% | -0.49% | 1.44% | n/a | 2.04% |
| Ages 17 - 18 | 9/28/2016 | 2.82% | 4.82% | 0.06% | 1.59% | n/a | 1.76% | -0.78% | 1.16% | -1.12% | 0.87% | n/a | 1.24% |
| Ages 19 + | 9/28/2016 | 2.65% | 3.60% | 0.24% | 1.16% | n/a | 0.95% | -0.94% | -0.03% | -0.95% | 0.44% | n/a | 0.44% |
| **Target Portfolios** | | | | | | | | | | | | | |
| Fund 100 | 8/2/2010 | 7.75% | 18.63% | 6.78% | 5.15% | 6.88% | 8.36% | 3.98% | 14.48% | 5.52% | 4.41% | 6.50% | 8.07% |
| Fund 80 | 8/2/2010 | 6.56% | 15.47% | 5.25% | 4.59% | 5.95% | 7.21% | 2.83% | 11.43% | 4.01% | 3.84% | 5.57% | 6.92% |
| Fund 60 | 8/2/2010 | 5.43% | 12.43% | 3.42% | 3.76% | 4.76% | 5.86% | 1.74% | 8.49% | 2.20% | 3.02% | 4.39% | 5.57% |
| Fund 40 | 8/2/2010 | 4.26% | 9.29% | 1.85% | 3.04% | 3.76% | 4.62% | 0.61% | 5.46% | 0.65% | 2.31% | 3.40% | 4.33% |
| Fund 20 | 8/2/2010 | 3.30% | 6.37% | 0.70% | 2.17% | 2.55% | 3.14% | -0.31% | 2.65% | -0.49% | 1.44% | 2.19% | 2.86% |
| Fixed Income Fund | 8/2/2010 | 2.65% | 3.60% | 0.24% | 1.16% | 0.73% | 0.88% | -0.94% | -0.03% | -0.95% | 0.44% | 0.37% | 0.61% |
| **Individual Fund Portfolios** | | | | | | | | | | | | | |
| Bank Savings 529 Portfolio | 7/1/2020 | 3.69% | 4.50% | 1.81% | n/a | n/a | 1.69% | 3.69% | 4.50% | 1.81% | n/a | n/a | 1.69% |
| State Street Institutional U.S. Government Money Market 529 Portfolio | 7/27/2016 | 3.52% | 4.33% | 1.61% | 1.45% | n/a | 1.21% | 3.52% | 4.33% | 1.61% | 1.45% | n/a | 1.21% |
| PIMCO Short-Term 529 Portfolio | 8/2/2010 | 4.20% | 4.95% | 1.05% | 1.32% | 1.28% | 1.18% | 4.20% | 4.95% | 1.05% | 1.32% | 1.28% | 1.18% |
| Northern Funds Bond Index 529 Portfolio | 8/2/2010 | -1.67% | 0.09% | -5.77% | -0.55% | 0.39% | 0.85% | -5.11% | -3.41% | -6.88% | -1.25% | 0.04% | 0.58% |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | 10/10/2012 | -0.56% | 0.84% | -5.08% | 0.32% | 0.97% | 0.66% | -4.04% | -2.69% | -6.20% | -0.39% | 0.61% | 0.34% |
| PGIM Total Return Bond 529 Portfolio | 4/28/2020 | 0.00% | 2.28% | -5.23% | n/a | n/a | -3.09% | -3.50% | -1.30% | -6.35% | n/a | n/a | -4.10% |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | 9/26/2013 | 0.64% | 1.74% | 1.17% | 2.11% | 1.04% | 1.04% | -2.89% | -1.82% | -0.03% | 1.38% | 0.68% | 0.68% |
| BlackRock High Yield Bond 529 Portfolio | 4/15/2021 | 5.97% | 10.15% | n/a | n/a | n/a | -0.94% | 2.26% | 6.29% | N/A | n/a | n/a | -2.37% |
| AB Global Bond 529 Portfolio | 4/15/2021 | -0.23% | 0.92% | n/a | n/a | n/a | -5.03% | -3.72% | -2.62% | n/a | n/a | n/a | -6.40% |
| T. Rowe Price Balanced 529 Portfolio | 8/2/2010 | 7.28% | 14.25% | 3.09% | 4.66% | 5.98% | 7.08% | 3.53% | 10.25% | 1.88% | 3.92% | 5.61% | 6.79% |
| DFA Real Estate Securities 529 Portfolio | 4/9/2019 | -6.08% | -2.49% | 2.33% | n/a | n/a | 0.44% | -9.37% | -5.90% | 1.12% | n/a | n/a | -0.35% |
| Principal Global Real Estate Securities 529 Portfolio | 4/9/2019 | -4.54% | 0.34% | -1.75% | n/a | n/a | -2.74% | -7.88% | -3.17% | -2.91% | n/a | n/a | -3.51% |
| DFA U.S. Large Cap Value 529 Portfolio | 2/6/2018 | 1.86% | 15.96% | 12.93% | 4.96% | n/a | 4.97% | -1.71% | 11.90% | 11.60% | 4.21% | n/a | 4.31% |
| Northern Funds Stock Index 529 Portfolio | 8/2/2010 | 12.58% | 20.90% | 9.48% | 9.18% | 11.12% | 12.07% | 8.64% | 16.67% | 8.19% | 8.40% | 10.73% | 11.76% |
| T. Rowe Price Large-Cap Growth 529 Portfolio | 8/2/2010 | 27.51% | 27.06% | 4.38% | 9.16% | 13.12% | 14.38% | 23.04% | 22.62% | 3.14% | 8.39% | 12.72% | 14.07% |
| Northern Funds Mid Cap Index 529 Portfolio | 8/2/2010 | 3.80% | 14.81% | 11.31% | 5.31% | 8.11% | 10.17% | 0.16% | 10.79% | 10.00% | 4.57% | 7.72% | 9.88% |
| T. Rowe Price Small Cap Value 529 Portfolio | 8/11/2021 | -1.18% | 3.34% | n/a | n/a | n/a | -7.92% | -4.64% | -0.28% | n/a | n/a | n/a | -9.45% |
| Northern Funds Small Cap Index 529 Portfolio | 8/2/2010 | 2.09% | 8.34% | 6.53% | 1.67% | 5.86% | 8.52% | -1.49% | 4.55% | 5.27% | 0.95% | 5.49% | 8.23% |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | 9/28/2016 | 7.23% | 14.97% | 3.96% | 3.78% | n/a | 8.19% | 3.47% | 10.94% | 2.73% | 3.04% | n/a | 7.64% |
| Northern Funds International Equity Index 529 Portfolio | 8/2/2010 | 6.12% | 25.49% | 5.09% | 2.59% | 3.10% | 4.26% | 2.41% | 21.10% | 3.85% | 1.86% | 2.73% | 3.98% |
| Neuberger Berman International Select 529 Portfolio | 8/2/2010 | 3.23% | 18.24% | 0.79% | 2.47% | 3.37% | 4.37% | -0.38% | 14.10% | -0.40% | 1.74% | 3.00% | 4.09% |
| DFA International Small Company 529 Portfolio | 10/10/2012 | 2.83% | 20.95% | 4.39% | 1.44% | 3.88% | 5.78% | -0.77% | 16.72% | 3.16% | 0.72% | 3.51% | 5.44% |
| Vanguard Emerging Markets Select Stock 529 Portfolio | 4/9/2019 | 3.84% | 15.61% | 0.81% | n/a | n/a | 0.00% | 0.21% | 11.56% | -0.38% | n/a | n/a | -0.79% |

| Fee Structure C | | Average Annual Total Returns as of September 30, 2023 | | | | | |
|---|---|---|---|---|---|---|---|
| **Portfolio** | **Inception Date** | **Year to Date** | **1 Year** | **3 Year** | **5 Year** | **10 Year** | **Since Inception** |
| **Age-Based Portfolios** | | | | | | | |
| **Aggressive Age-Based** | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 7.53% | 18.36% | 6.51% | 4.89% | n/a | 7.22% |
| Ages 3 - 5 | 9/28/2016 | 6.80% | 16.61% | 5.83% | 4.73% | n/a | 6.81% |
| Ages 6 - 8 | 9/28/2016 | 6.37% | 15.18% | 4.99% | 4.33% | n/a | 6.22% |
| Ages 9 - 10 | 9/28/2016 | 5.64% | 13.45% | 4.03% | 3.84% | n/a | 5.36% |
| Ages 11 - 12 | 9/28/2016 | 5.19% | 12.10% | 3.15% | 3.49% | n/a | 4.83% |
| Ages 13 - 14 | 9/28/2016 | 4.52% | 10.47% | 2.10% | 3.10% | n/a | 4.27% |
| Ages 15 - 16 | 9/28/2016 | 4.10% | 9.09% | 1.61% | 2.77% | n/a | 3.61% |
| Ages 17 - 18 | 9/28/2016 | 3.64% | 7.55% | 0.91% | 2.32% | n/a | 2.94% |
| Ages 19 + | 9/28/2016 | 3.12% | 6.14% | 0.46% | 1.91% | n/a | 2.30% |
| **Moderate Age-Based** | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 6.80% | 16.61% | 5.83% | 4.73% | n/a | 6.81% |
| Ages 3 - 5 | 9/28/2016 | 6.37% | 15.18% | 4.99% | 4.33% | n/a | 6.22% |
| Ages 6 - 8 | 9/28/2016 | 5.64% | 13.45% | 4.03% | 3.84% | n/a | 5.36% |
| Ages 9 - 10 | 9/28/2016 | 5.19% | 12.10% | 3.15% | 3.49% | n/a | 4.83% |
| Ages 11 - 12 | 9/28/2016 | 4.52% | 10.47% | 2.10% | 3.10% | n/a | 4.27% |
| Ages 13 - 14 | 9/28/2016 | 4.10% | 9.09% | 1.61% | 2.77% | n/a | 3.61% |
| Ages 15 - 16 | 9/28/2016 | 3.64% | 7.55% | 0.91% | 2.32% | n/a | 2.94% |
| Ages 17 - 18 | 9/28/2016 | 3.12% | 6.14% | 0.46% | 1.91% | n/a | 2.30% |
| Ages 19 + | 9/28/2016 | 2.59% | 4.62% | -0.18% | 1.33% | n/a | 1.50% |
| **Conservative Age-Based** | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 6.37% | 15.18% | 4.99% | 4.33% | n/a | 6.22% |
| Ages 3 - 5 | 9/28/2016 | 5.64% | 13.45% | 4.03% | 3.84% | n/a | 5.36% |
| Ages 6 - 8 | 9/28/2016 | 5.19% | 12.10% | 3.15% | 3.49% | n/a | 4.83% |
| Ages 9 - 10 | 9/28/2016 | 4.52% | 10.47% | 2.10% | 3.10% | n/a | 4.27% |
| Ages 11 - 12 | 9/28/2016 | 4.10% | 9.09% | 1.61% | 2.77% | n/a | 3.61% |
| Ages 13 - 14 | 9/28/2016 | 3.64% | 7.55% | 0.91% | 2.32% | n/a | 2.94% |
| Ages 15 - 16 | 9/28/2016 | 3.12% | 6.14% | 0.46% | 1.91% | n/a | 2.30% |
| Ages 17 - 18 | 9/28/2016 | 2.59% | 4.62% | -0.18% | 1.33% | n/a | 1.50% |
| Ages 19 + | 9/28/2016 | 2.36% | 3.24% | -0.06% | 0.87% | n/a | 0.68% |
| **Target Portfolios** | | | | | | | |
| Fund 100 | 8/2/2010 | 7.53% | 18.36% | 6.51% | 4.89% | 6.62% | 8.09% |
| Fund 80 | 8/2/2010 | 6.37% | 15.18% | 4.99% | 4.33% | 5.69% | 6.94% |
| Fund 60 | 8/2/2010 | 5.19% | 12.10% | 3.15% | 3.49% | 4.50% | 5.59% |
| Fund 40 | 8/2/2010 | 4.10% | 9.09% | 1.61% | 2.77% | 3.50% | 4.35% |
| Fund 20 | 8/2/2010 | 3.12% | 6.14% | 0.46% | 1.91% | 2.29% | 2.88% |
| Fixed Income Fund | 8/2/2010 | 2.36% | 3.24% | -0.06% | 0.87% | 0.46% | 0.61% |
| **Individual Fund Portfolios** | | | | | | | |
| Bank Savings 529 Portfolio | 7/1/2020 | 3.69% | 4.50% | 1.81% | n/a | n/a | 1.69% |
| State Street Institutional U.S. Government Money Market 529 Portfolio | 7/27/2016 | 3.52% | 4.33% | 1.61% | 1.45% | n/a | 1.21% |
| PIMCO Short-Term 529 Portfolio | 8/2/2010 | 3.96% | 4.63% | 0.81% | 1.06% | 1.02% | 0.93% |
| Northern Funds Bond Index 529 Portfolio | 8/2/2010 | -1.91% | -0.19% | -6.01% | -0.81% | 0.14% | 0.59% |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | 10/10/2012 | -0.67% | 0.67% | -5.31% | 0.08% | 0.73% | 0.41% |
| PGIM Total Return Bond 529 Portfolio | 4/28/2020 | -0.11% | 2.06% | -5.45% | N/A | n/a | -3.31% |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | 9/26/2013 | 0.56% | 1.50% | 0.94% | 1.87% | 0.79% | 0.79% |
| BlackRock High Yield Bond 529 Portfolio | 4/15/2021 | 5.77% | 9.84% | n/a | n/a | n/a | -1.19% |
| AB Global Bond 529 Portfolio | 4/15/2021 | -0.34% | 0.69% | n/a | n/a | n/a | -5.25% |
| T. Rowe Price Balanced 529 Portfolio | 8/2/2010 | 7.01% | 13.93% | 2.81% | 4.38% | 5.71% | 6.81% |
| DFA Real Estate Securities 529 Portfolio | 4/9/2019 | -6.23% | -2.70% | 2.10% | n/a | n/a | 0.20% |
| Principal Global Real Estate Securities 529 Portfolio | 4/9/2019 | -4.69% | 0.12% | -2.02% | n/a | n/a | -2.99% |
| DFA U.S. Large Cap Value 529 Portfolio | 2/6/2018 | 1.65% | 15.71% | 12.63% | 4.69% | n/a | 4.70% |
| Northern Funds Stock Index 529 Portfolio | 8/2/2010 | 12.36% | 20.61% | 9.21% | 8.90% | 10.84% | 11.79% |
| T. Rowe Price Large-Cap Growth 529 Portfolio | 8/2/2010 | 27.25% | 26.74% | 4.11% | 8.89% | 12.83% | 14.09% |
| Northern Funds Mid Cap Index 529 Portfolio | 8/2/2010 | 3.62% | 14.54% | 11.03% | 5.05% | 7.84% | 9.90% |
| T. Rowe Price Small Cap Value 529 Portfolio | 8/11/2021 | -1.42% | 2.97% | n/a | n/a | n/a | -8.18% |
| Northern Funds Small Cap Index 529 Portfolio | 8/2/2010 | 1.94% | 8.11% | 6.26% | 1.42% | 5.60% | 8.25% |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | 9/28/2016 | 7.09% | 14.73% | 3.70% | 3.51% | n/a | 7.92% |
| Northern Funds International Equity Index 529 Portfolio | 8/2/2010 | 5.88% | 25.08% | 4.83% | 2.32% | 2.84% | 4.00% |
| Neuberger Berman International Select 529 Portfolio | 8/2/2010 | 3.03% | 17.89% | 0.54% | 2.21% | 3.11% | 4.11% |
| DFA International Small Company 529 Portfolio | 10/10/2012 | 2.68% | 20.68% | 4.13% | 1.18% | 3.62% | 5.52% |
| Vanguard Emerging Markets Select Stock 529 Portfolio | 4/9/2019 | 3.67% | 15.40% | 0.55% | n/a | n/a | -0.25% |

| Fee Structure F | | Average Annual Total Returns as of September 30, 2023 | | | | | |
|---|---|---|---|---|---|---|---|
| **Portfolio** | **Inception Date** | **Year to Date** | **1 Year** | **3 Year** | **5 Year** | **10 Year** | **Since Inception** |
| **Age-Based Portfolios** | | | | | | | |
| **Aggressive Age-Based** | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 7.95% | 18.91% | 7.04% | 5.41% | n/a | 7.76% |
| Ages 3 - 5 | 9/28/2016 | 7.24% | 17.26% | 6.37% | 5.26% | n/a | 7.35% |
| Ages 6 - 8 | 9/28/2016 | 6.82% | 15.76% | 5.52% | 4.86% | n/a | 6.75% |
| Ages 9 - 10 | 9/28/2016 | 5.96% | 14.06% | 4.54% | 4.36% | n/a | 5.89% |
| Ages 11 - 12 | 9/28/2016 | 5.60% | 12.73% | 3.67% | 4.01% | n/a | 5.36% |
| Ages 13 - 14 | 9/28/2016 | 4.99% | 11.04% | 2.63% | 3.63% | n/a | 4.79% |
| Ages 15 - 16 | 9/28/2016 | 4.46% | 9.60% | 2.10% | 3.29% | n/a | 4.14% |
| Ages 17 - 18 | 9/28/2016 | 4.02% | 8.01% | 1.41% | 2.82% | n/a | 3.45% |
| Ages 19 + | 9/28/2016 | 3.58% | 6.69% | 0.96% | 2.42% | n/a | 2.81% |
| **Moderate Age-Based** | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 7.24% | 17.26% | 6.37% | 5.26% | n/a | 7.35% |
| Ages 3 - 5 | 9/28/2016 | 6.82% | 15.76% | 5.52% | 4.86% | n/a | 6.75% |
| Ages 6 - 8 | 9/28/2016 | 5.96% | 14.06% | 4.54% | 4.36% | n/a | 5.89% |
| Ages 9 - 10 | 9/28/2016 | 5.60% | 12.73% | 3.67% | 4.01% | n/a | 5.36% |
| Ages 11 - 12 | 9/28/2016 | 4.99% | 11.04% | 2.63% | 3.63% | n/a | 4.79% |
| Ages 13 - 14 | 9/28/2016 | 4.46% | 9.60% | 2.10% | 3.29% | n/a | 4.14% |
| Ages 15 - 16 | 9/28/2016 | 4.02% | 8.01% | 1.41% | 2.82% | n/a | 3.45% |
| Ages 17 - 18 | 9/28/2016 | 3.58% | 6.69% | 0.96% | 2.42% | n/a | 2.81% |
| Ages 19 + | 9/28/2016 | 3.05% | 5.12% | 0.32% | 1.85% | n/a | 2.01% |
| **Conservative Age-Based** | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 6.82% | 15.76% | 5.52% | 4.86% | n/a | 6.75% |
| Ages 3 - 5 | 9/28/2016 | 5.96% | 14.06% | 4.54% | 4.36% | n/a | 5.89% |
| Ages 6 - 8 | 9/28/2016 | 5.60% | 12.73% | 3.67% | 4.01% | n/a | 5.36% |
| Ages 9 - 10 | 9/28/2016 | 4.99% | 11.04% | 2.63% | 3.63% | n/a | 4.79% |
| Ages 11 - 12 | 9/28/2016 | 4.46% | 9.60% | 2.10% | 3.29% | n/a | 4.14% |
| Ages 13 - 14 | 9/28/2016 | 4.02% | 8.01% | 1.41% | 2.82% | n/a | 3.45% |
| Ages 15 - 16 | 9/28/2016 | 3.58% | 6.69% | 0.96% | 2.42% | n/a | 2.81% |
| Ages 17 - 18 | 9/28/2016 | 3.05% | 5.12% | 0.32% | 1.85% | n/a | 2.01% |
| Ages 19 + | 9/28/2016 | 2.75% | 3.86% | 0.47% | 1.39% | n/a | 1.16% |
| **Target Portfolios** | | | | | | | |
| Fund 100 | 8/2/2010 | 7.95% | 18.91% | 7.04% | 5.41% | 7.15% | 8.63% |
| Fund 80 | 8/2/2010 | 6.82% | 15.76% | 5.52% | 4.86% | 6.22% | 7.48% |
| Fund 60 | 8/2/2010 | 5.60% | 12.73% | 3.67% | 4.01% | 5.02% | 6.13% |
| Fund 40 | 8/2/2010 | 4.46% | 9.60% | 2.10% | 3.29% | 4.03% | 4.88% |
| Fund 20 | 8/2/2010 | 3.58% | 6.69% | 0.96% | 2.42% | 2.81% | 3.44% |
| Fixed Income Fund | 8/2/2010 | 2.75% | 3.86% | 0.47% | 1.39% | 0.97% | 1.11% |
| **Individual Fund Portfolios** | | | | | | | |
| Bank Savings 529 Portfolio | 7/1/2020 | 3.69% | 4.50% | 1.81% | n/a | n/a | 1.69% |
| State Street Institutional U.S. Government Money Market 529 Portfolio | 7/27/2016 | 3.52% | 4.33% | 1.61% | 1.45% | n/a | 1.21% |
| PIMCO Short-Term 529 Portfolio | 8/2/2010 | 4.42% | 5.24% | 1.33% | 1.58% | 1.54% | 1.43% |
| Northern Funds Bond Index 529 Portfolio | 8/2/2010 | -1.55% | 0.26% | -5.57% | -0.35% | 0.63% | 1.01% |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | 10/10/2012 | -0.36% | 1.10% | -4.85% | 0.57% | 1.25% | 0.93% |
| PGIM Total Return Bond 529 Portfolio | 4/28/2020 | 0.22% | 2.49% | -4.98% | n/a | n/a | -2.84% |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | 9/26/2013 | 0.89% | 1.97% | 1.44% | 2.43% | 1.32% | 1.32% |
| BlackRock High Yield Bond 529 Portfolio | 4/15/2021 | 6.16% | 10.45% | n/a | n/a | n/a | -0.70% |
| AB Global Bond 529 Portfolio | 4/15/2021 | 0.00% | 1.14% | n/a | n/a | n/a | -4.81% |
| T. Rowe Price Balanced 529 Portfolio | 8/2/2010 | 7.44% | 14.51% | 3.33% | 4.92% | 6.24% | 7.34% |
| DFA Real Estate Securities 529 Portfolio | 4/9/2019 | -5.93% | -2.28% | 2.59% | n/a | n/a | 0.68% |
| Principal Global Real Estate Securities 529 Portfolio | 4/9/2019 | -4.39% | 0.56% | -1.52% | n/a | n/a | -2.50% |
| DFA U.S. Large Cap Value 529 Portfolio | 2/6/2018 | 1.99% | 16.22% | 13.20% | 5.22% | n/a | 5.22% |
| Northern Funds Stock Index 529 Portfolio | 8/2/2010 | 12.78% | 21.19% | 9.75% | 9.45% | 11.39% | 12.35% |
| T. Rowe Price Large-Cap Growth 529 Portfolio | 8/2/2010 | 27.75% | 27.40% | 4.64% | 9.43% | 13.41% | 14.66% |
| Northern Funds Mid Cap Index 529 Portfolio | 8/2/2010 | 3.99% | 15.09% | 11.59% | 5.58% | 8.38% | 10.44% |
| T. Rowe Price Small Cap Value 529 Portfolio | 8/11/2021 | -0.94% | 3.58% | n/a | n/a | n/a | -7.72% |
| Northern Funds Small Cap Index 529 Portfolio | 8/2/2010 | 2.30% | 8.64% | 6.80% | 1.93% | 6.13% | 8.79% |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | 9/28/2016 | 7.48% | 15.26% | 4.22% | 4.04% | n/a | 8.46% |
| Northern Funds International Equity Index 529 Portfolio | 8/2/2010 | 6.36% | 25.79% | 5.35% | 2.84% | 3.35% | 4.52% |
| Neuberger Berman International Select 529 Portfolio | 8/2/2010 | 3.42% | 18.53% | 1.03% | 2.73% | 3.63% | 4.64% |
| DFA International Small Company 529 Portfolio | 10/10/2012 | 3.09% | 21.29% | 4.66% | 1.70% | 4.13% | 6.04% |
| Vanguard Emerging Markets Select Stock 529 Portfolio | 4/9/2019 | 4.01% | 15.94% | 1.04% | n/a | n/a | 0.25% |

## PLAN FEES AND EXPENSES

**What Does the Plan Cost?**

An annual account fee of $12 will be deducted from your Account in November of each year. If you close your Account during the year, you will be charged a prorated Account fee. The annual account fee is waived if either the Account Owner or the Designated Beneficiary is an Alabama resident.

A program management fee and a state administration fee are accrued by each Portfolio under the Plan on a daily basis. These fees are not reflected as a direct charge against your Account on your account statements, but rather are reflected as an expense in the daily NAV calculation for each Portfolio, as discussed in "How is the Value of my Account Calculated" above. The program management fee is at an annual rate of 0.21% and the state administrative fee is at an annual rate of 0.07%, each of the average daily net assets of each Portfolio. Under certain circumstances, the Program Manager, in its sole discretion, may waive a portion of its program management fee with respect to a Portfolio. Any such waiver would be voluntary and may be discontinued at any time.

Each Portfolio will also indirectly bear its pro rata share of the fees and expenses of the underlying investments. Although these expenses and fees are not charged to Plan Accounts, they will reduce the investment returns realized by each Portfolio.

Accounts are offered through the Distributor and brokers or other financial advisors to provide Participants the opportunity to establish Accounts with the assistance of a financial professional. When you open an Account with the involvement of a broker or financial advisor you must choose from among Fee Structure A, C or F.

Fee Structure F is available only for Accounts Owners investing in the Program through registered investment advisors or other financial advisors who are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management. The sales charges paid to the Distributor and additional fees associated with each Fee Structure and the Program are described below.

| Asset-Based Fees* | | |
|---|---|---|
| Program Management Fee | | 0.21% |
| State Administrative Fee | | 0.07% |
| **Sales Charges** | **Account Sales Charge**** | **Annual Account Servicing Fee*** |
| Fee Structure A | 3.50% | 0.25% |
| Fee Structure C | none | 0.50% |
| Fee Structure F | none | none |
| **Additional Fees** | | |
| Annual Account Fee | | $12 |
| Annual Account Fee (Alabama Account Owner or Designated Beneficiary) | | none |
| Cancellation Fee | | none |
| Change in Designated Beneficiary | | none |
| Investment Option Change | | none |

*Deducted from Portfolio assets.
**Paid directly from each Contribution.

No Annual Account Servicing Fee is charged for the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio.

Except in circumstances described below, the initial sales charge under Fee Structure A is 3.50% of the amount of each Contribution. Contributions made to the Bank Savings 529 Portfolio, the State Street Institutional U.S. Government Money Market 529 Portfolio, or the PIMCO Short-Term 529 Portfolio under Fee Structure A are not subject to an initial sales charge. However, if you transfer funds contributed under Fee Structure A from the Bank Savings 529 Portfolio, the State Street Institutional U.S. Government Money Market 529 Portfolio, or the PIMCO Short-Term 529 Portfolio to a Portfolio in the Plan other than one of these three Portfolios, you will be assessed the sales charges applicable to such new Portfolio under Fee Structure A.

**Sales Charge Waivers:** The initial sales charge will not apply to Contributions made under Fee Structure A under the following situations:

- Purchases for employees or associated persons, and members of their immediate families (i.e., spouse, children, mother, father), of selling institutions that have entered into a selling agent agreement to sell interests in the Plan;
- If you previously paid a front-end sales charge, Contributions that constitute a Qualified Rollover Distribution from another 529 qualified tuition program or a Coverdell Education Savings Account may be made to Accounts under Fee Structure A without the imposition of an initial sales charge. This initial sales charge waiver is only available through certain broker-dealers. Check with your financial advisor to see if you are eligible before initiating a rollover.
- Purchases for customers of selling institutions that have entered into a selling agent agreement to sell interests in the Plan and have requested and received a waiver of the initial sales charge. Certain selling institutions have decided not to participate in all waivers. Check with your representative to see if your financial advisory firm makes a particular waiver available to its customers before initiating the purchase or rollover.
- "Rewards" Contributions generated from the CollegeCounts 529 Rewards Visa® Card.
- "CollegeCounts GiftED" Contributions made by a non-Account Owner.
- Purchases by participants in an employer sponsored contribution plan. In order to qualify, an employer must employ at least 25 or more employees. The financial professional working with the employer group as well as a representative for the employer company must sign the Employer Front-end Load Waiver form to certify that there are at least 25 employees working for the company.
- If you previously paid a front-end sales charge, Contributions that constitute a refund of any Qualified Higher Education Expenses from an Eligible Educational Institution, that are recontributed.
- Shares acquired through reinvestment of dividends.

All other fees applicable to Fee Structure A shares will apply.

**To receive an initial sales charge waiver under Fee Structure A, you or your financial advisor must notify the Program Manager at the time you make a Contribution that you qualify for such a waiver.**

The 3.50% initial sales charge that an Account Owner pays on each Contribution invested in Fee Structure A will be reduced depending on the aggregate Contributions to Accounts he/she has established in the Program (only the amount of the Contribution reduced by this charge is invested in the Account). This sales charge is used in part to compensate your financial advisor or broker for advising you about the Plan. A portion of the sales charge will be retained by the Program Manager or paid to your financial advisor or broker as a concession. The current sales charge rates and concessions paid to financial advisors or brokers are as follows (due to rounding, the actual sales charge for a particular transaction may be higher or lower than the rates listed):

| Amount of Total Contributions to all Accounts of an Account Owner[1] | Initial Sales Charge as a Percentage of Contribution | Up-front Selling Compensation to Financial Advisors or Brokers as a Percentage of Contribution | Ongoing Servicing Compensation To Financial Advisors or Brokers as an Annualized Percentage of Contribution |
|---|---|---|---|
| Less Than $250,000 | 3.50% | 3.00% | 0.25% |
| $250,000-$499,999 | 2.50% | 2.00% | 0.25% |
| $500,000-$999,999 | 2.00% | 1.60% | 0.25% |
| $1 million and greater[2] | 0.00% | 0.25% | 0.25% |

[1]The Maximum Account Balance is $475,000 per beneficiary.

[2]There is no initial sales charge imposed once Contributions aggregate $1,000,000 or more per Account Owner.

**Aggregating Accounts**

To receive a reduced Fee Structure A sales charge, Contributions made by you and your immediate family (your spouse and your children under the age of 21) may be aggregated if made for your own Account, and/or a UGMA or UTMA account for one of the above individuals, and/or a trust account established by the above individuals.

**Right of Accumulation**

A Right of Accumulation permits certain Account Owners to combine the value of assets in their Accounts in the Plan (regardless of the Fee Structure selected) to determine whether a reduced initial sales charge applies to the purchase of Fee Structure A Units. Purchases of the State Street Institutional U.S. Government Money Market 529 Portfolio or the Bank Savings 529 Portfolio may not be combined to reduce your Fee Structure A sales charge. The Program Manager will determine the value of Plan Units you currently own based on the greater of aggregate net Contributions or total shares multiplied by the current Net Asset Value.

**To receive a reduced initial sales charge based on the Right of Accumulation, you or your financial advisor must notify the Program Manager that you qualify for such a reduced initial sales charge at the time your Contribution is made.** The reduced initial sales charge will be granted upon confirmation of the aggregate Contributions to the applicable Accounts. Such reduced initial sales charge generally will not be applied retroactively to Contributions made prior to the Contribution that qualifies for the applicable reduced initial sales charge.

**Letter of Intent**

Under a Letter of Intent (a "Letter"), you may be able to reduce the sales charge rate that applies to your purchases of Fee Structure A Units of the Program if you purchase Fee Structure A, Fee Structure B, Fee Structure C, or Fee Structure F Units. A Letter is an investor's written statement to the Program Manager of his or her intention to purchase a specified value of Fee Structure A, Fee Structure B, Fee Structure C, Fee Structure F, Units in his or her Accounts in the Plan during the 13-month time period (the "Letter period") which begins on the date of the Account Owner's first share purchase following the establishment of the Letter. The sales charge on each purchase of Fee Structure A Units during the Letter period will be determined based on the rate that would apply to a single lump-sum purchase of Units in the amount intended to be purchased under the Letter. In submitting a Letter, the Account Owner makes no commitment to purchase Units. However, if the Account Owner does not fulfill the terms of the Letter by the end of the Letter period, he or she agrees to pay the additional initial sales charges that would have been applicable to the Fee Structure A Unit purchases that were made. The Account Owner agrees that Units equal in value to 2% of the intended purchase amount will be held in escrow by the Program Manager for that purpose, as described below. To receive a reduced initial sales charge based on a Letter, you or your financial advisor must notify the Program Manager that you qualify for such a reduced initial sales charge when placing purchase orders during the Letter period.

The escrow terms that apply to Letters are as follows:

1. Out of the initial purchase, and out of subsequent purchases if necessary, the Program Manager will hold in escrow Units equal to 2% of the intended purchase amount specified in the Letter. For example, if the intended purchase amount is $50,000, the escrow amount would be Units valued at $1,000 (computed at the offering price for a $50,000 Unit purchase). Escrowed Units are not eligible for either Qualified or Non-Qualified Withdrawals during the Letter period unless the Account Owner terminates the Letter and pays any applicable sales charge for having failed to meet the purchase requirements of the Letter.
2. If the Letter applies to more than one Account, the Account Owner can designate the Account from which Units will be escrowed. If no Account is selected, the Program Manager will escrow Units in the Account that has the highest dollar balance on the date of the first purchase under the Letter. If there are not sufficient Units to cover the escrow amount in the Account that has the highest dollar balance on such date, then the Program Manager will escrow Units in the Account(s) with the next highest balance(s). If there are not sufficient Units in the Accounts to which the Letter applies, the Program Manager may escrow Units in other Accounts that are linked for Right of Accumulation purposes. Additionally, if there are not sufficient Units available for escrow at the time

of the first purchase under the Letter, the Program Manager will escrow future purchases until the escrow amount is met.

3. If the total purchases under the Letter are less than the intended purchases specified, on the first business day after the end of the Letter period the Program Manager will redeem escrowed Units equal in value to the difference between the dollar amount of sales charges actually paid and the amount of sales charges which would have been paid if the total purchases had been made at a single time. Any Units remaining after such redemption will be released from escrow.
4. If the terms of the Letter are fulfilled, the escrowed Units will be promptly released to the Account Owner at the end of the Letter period or at the time of such fulfillment, if earlier.
5. By signing the Letter, the Account Owner irrevocably constitutes and appoints the Program Manager as attorney-in-fact to surrender for redemption any or all escrowed Units. In addition to the initial sales charge, Fee Structure A Units also bear an ongoing annual account servicing fee equal to 0.25% of the value of the Fee Structure Units. This fee is accrued daily and reflected in the NAV of each Portfolio.

**Automatic conversion of Fee Structure C Units**

Effective July 1, 2020, Fee Structure C Units automatically convert to Fee Structure A Units in the month following the tenth anniversary of the purchase date, and will thereafter be subject to the lower ongoing servicing fee applicable to Fee Structure A Units. See "What Does the Plan Cost?". If the tenth anniversary of the purchase date occurred before July 1, 2020, then the conversion will be effective July 2020. The Internal Revenue Service currently takes the position that such automatic conversions are not taxable to shareholders. Should the IRS position change, the automatic conversion feature may be suspended.

Fees set forth under Fee Structure A and C are in addition to all other fees charged against the Account. You may choose to make Contributions under more than one Fee Structure by establishing separate Accounts. The annual servicing fees applicable to each Account under each of the Fee Structures are accrued daily and reflected in the NAV of each Portfolio. In consultation with your broker or financial advisor, you should consider carefully your investment goals and objectives when considering which Fee Structure to choose for your Account, including your Designated Beneficiary's age and how often and for how long you intend to contribute to your Account.

The Program Manager may receive and retain from the underlying mutual funds payments for certain administration or other shareholder services associated with maintaining an investment in such underlying mutual funds through omnibus accounts. These amounts are paid directly to the Program Manager by the mutual funds and do not affect the value of your Account or the NAV.

Whether there are any additional transaction, service, administrative, or other fees charged directly by a broker or financial advisor with respect to an Account is a matter between the Account Owner and the financial professional and is not a feature of the Plan.

**Can I Still Contribute to Fee Structure B?**

The Plan offers Fee Structure B Accounts only to Account Owners who acquired Class B Units prior to the transition of the Plan from the Higher Education 529 Fund, managed by Van Kampen Asset Management, Inc. and its affiliates, to the CollegeCounts 529 Fund Advisor Plan on July 30, 2010. **No new Fee Structure B Accounts may be opened.** However, Fee Structure B Account Owners may continue to make Contributions to their Accounts. Additional information about Fee Structure B Accounts is set forth in "Exhibit D" to this Program Disclosure Statement.

## Fee and Expense Tables

The following tables set forth the Plan's estimate of the fees and expenses applicable to the Age-Based, Target and Individual Fund Portfolios. The actual expenses of each Portfolio may be different. The "Total Annual Asset-Based Fees" estimated below include the Program Management Fee, the state administrative fee and any applicable annual servicing fees under Fee Structure A, C, or F. Fee and expense information for Fee Structure B Accounts is set forth in "Exhibit D" to this Program Disclosure Statement.

**The following notes relate to the information contained in the tables on the following pages outlining the expenses, fees, and sales charges applicable to each Fee Structure:**

[1]For registered mutual funds, in the absence of a change that would materially affect the information, based on the most recent fiscal year reported upon in the applicable fund's most recent prospectus dated on or prior to December 1, 2023, and for Portfolios invested in multiple registered mutual funds, based on a weighted average of each fund's total annual operating expenses, in accordance with the Portfolio's asset allocation as of the date of this Program Disclosure Statement.

[2]No Annual Account Servicing Fee is charged on the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio.

[3]If you previously paid a front-end sales charge, Contributions that constitute a Qualified Rollover Distribution from another 529 qualified tuition program or a Coverdell Education Savings Account may be made to Accounts under Fee Structure A without the imposition of an initial sales charge. This initial sales charge waiver is only available through certain broker-dealers. Check with your financial advisor to see if you are eligible before initiating a rollover.

Initial Sales Charge waivers are also available for purchases for customers of selling institutions that have entered into a selling agent agreement to sell interests in the Plan and have requested and received a waiver of the initial sales charge, for employees or associated persons of selling institutions and their immediate family members, CollegeCounts 529 Rewards Visa Card Rewards Contributions, CollegeCounts GiftED Contributions made by a non-Account Owner, shares acquired through reinvestment of dividends, and Contributions that constitute a refund of any Qualified Higher Education Expenses from an Eligible Educational Institution, that are recontributed.

[4]An annual account fee of $12 will be deducted from your Account in November of each year. The annual account fee is waived if either the Account Owner or the Designated Beneficiary is an Alabama resident. If you close your Account during the year, you will be charged a pro-rated Account fee.

| Fee Structure A<br>Fee and Expense Table | Annual Asset-Based Fees | | | | | Additional Investor Expenses | |
|---|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[1] | Program Management Fees | State Fee | Annual Account Servicing Fee[2] | Total Annual Asset-Based Fees | Maximum Initial Sales Charge[3] | Account Fee[4] (Waived for Alabama Residents) |
| **Target Portfolios** | | | | | | | |
| Fund 100 | 0.40% | 0.21% | 0.07% | 0.25% | 0.93% | 3.50% | $12.00 |
| Fund 80 | 0.40% | 0.21% | 0.07% | 0.25% | 0.93% | 3.50% | $12.00 |
| Fund 60 | 0.41% | 0.21% | 0.07% | 0.25% | 0.94% | 3.50% | $12.00 |
| Fund 40 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Fund 20 | 0.39% | 0.21% | 0.07% | 0.25% | 0.92% | 3.50% | $12.00 |
| Fixed Income Fund | 0.27% | 0.21% | 0.07% | 0.25% | 0.80% | 3.50% | $12.00 |
| **Age Based Portfolios** | | | | | | | |
| **Aggressive Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 0.25% | 0.93% | 3.50% | $12.00 |
| Ages 3-5 | 0.40% | 0.21% | 0.07% | 0.25% | 0.93% | 3.50% | $12.00 |
| Ages 6-8 | 0.40% | 0.21% | 0.07% | 0.25% | 0.93% | 3.50% | $12.00 |
| Ages 9-10 | 0.41% | 0.21% | 0.07% | 0.25% | 0.94% | 3.50% | $12.00 |
| Ages 11-12 | 0.41% | 0.21% | 0.07% | 0.25% | 0.94% | 3.50% | $12.00 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Ages 15-16 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Ages 17-18 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Ages 19+ | 0.39% | 0.21% | 0.07% | 0.25% | 0.92% | 3.50% | $12.00 |
| **Moderate Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 0.25% | 0.93% | 3.50% | $12.00 |
| Ages 3-5 | 0.40% | 0.21% | 0.07% | 0.25% | 0.93% | 3.50% | $12.00 |
| Ages 6-8 | 0.41% | 0.21% | 0.07% | 0.25% | 0.94% | 3.50% | $12.00 |
| Ages 9-10 | 0.41% | 0.21% | 0.07% | 0.25% | 0.94% | 3.50% | $12.00 |
| Ages 11-12 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Ages 15-16 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Ages 17-18 | 0.39% | 0.21% | 0.07% | 0.25% | 0.92% | 3.50% | $12.00 |
| Ages 19+ | 0.35% | 0.21% | 0.07% | 0.25% | 0.88% | 3.50% | $12.00 |
| **Conservative Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 0.25% | 0.93% | 3.50% | $12.00 |
| Ages 3-5 | 0.41% | 0.21% | 0.07% | 0.25% | 0.94% | 3.50% | $12.00 |
| Ages 6-8 | 0.41% | 0.21% | 0.07% | 0.25% | 0.94% | 3.50% | $12.00 |
| Ages 9-10 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Ages 11-12 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 0.25% | 0.95% | 3.50% | $12.00 |
| Ages 15-16 | 0.39% | 0.21% | 0.07% | 0.25% | 0.92% | 3.50% | $12.00 |
| Ages 17-18 | 0.35% | 0.21% | 0.07% | 0.25% | 0.88% | 3.50% | $12.00 |
| Ages 19+ | 0.27% | 0.21% | 0.07% | 0.25% | 0.80% | 3.50% | $12.00 |

| **Fee Structure A**<br>**Fee and Expense Table** | Annual Asset-Based Fees | | | | | Additional Investor Expenses | |
|---|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[1] | Program Management Fees | State Fee | Annual Account Servicing Fee[2] | Total Annual Asset-Based Fees | Maximum Initial Sales Charge[3] | Account Fee[4] (Waived for Alabama Residents) |
| **Individual Fund Portfolios** | | | | | | | |
| Bank Savings 529 Portfolio | 0.00% | 0.21% | 0.00% | 0.00% | 0.21% | none | $12.00 |
| State Street Institutional U.S. Government Money Market 529 Portfolio | 0.12% | 0.21% | 0.00% | 0.00% | 0.33% | none | $12.00 |
| PIMCO Short-Term 529 Portfolio | 0.47% | 0.21% | 0.07% | 0.25% | 1.00% | none | $12.00 |
| Northern Funds Bond Index 529 Portfolio | 0.07% | 0.21% | 0.07% | 0.25% | 0.60% | 3.50% | $12.00 |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | 0.36% | 0.21% | 0.07% | 0.25% | 0.89% | 3.50% | $12.00 |
| PGIM Total Return Bond 529 Portfolio | 0.39% | 0.21% | 0.07% | 0.25% | 0.92% | 3.50% | $12.00 |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | 0.43% | 0.21% | 0.07% | 0.25% | 0.96% | 3.50% | $12.00 |
| BlackRock High Yield Bond 529 Portfolio | 0.60% | 0.21% | 0.07% | 0.25% | 1.13% | 3.50% | $12.00 |
| AB Global Bond 529 Portfolio | 0.51% | 0.21% | 0.07% | 0.25% | 1.04% | 3.50% | $12.00 |
| T. Rowe Price Balanced 529 Portfolio | 0.47% | 0.21% | 0.07% | 0.25% | 1.00% | 3.50% | $12.00 |
| DFA Real Estate 529 Portfolio | 0.18% | 0.21% | 0.07% | 0.25% | 0.71% | 3.50% | $12.00 |
| Principal Global Real Estate 529 Portfolio | 0.88% | 0.21% | 0.07% | 0.25% | 1.41% | 3.50% | $12.00 |
| DFA U.S. Large Cap Value 529 Portfolio | 0.21% | 0.21% | 0.07% | 0.25% | 0.74% | 3.50% | $12.00 |
| Northern Funds Stock Index 529 Portfolio | 0.05% | 0.21% | 0.07% | 0.25% | 0.58% | 3.50% | $12.00 |
| T. Rowe Price Large-Cap Growth 529 Portfolio | 0.55% | 0.21% | 0.07% | 0.25% | 1.08% | 3.50% | $12.00 |
| Northern Mid-Cap Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 0.25% | 0.63% | 3.50% | $12.00 |
| T. Rowe Price Small Cap Value 529 Portfolio | 0.70% | 0.21% | 0.07% | 0.25% | 1.23% | 3.50% | $12.00 |
| Northern Funds Small Cap Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 0.25% | 0.63% | 3.50% | $12.00 |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | 0.66% | 0.21% | 0.07% | 0.25% | 1.19% | 3.50% | $12.00 |
| Northern Funds International Equity Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 0.25% | 0.63% | 3.50% | $12.00 |
| Neuberger Berman International Select 529 Portfolio | 0.85% | 0.21% | 0.07% | 0.25% | 1.38% | 3.50% | $12.00 |
| DFA International Small Company 529 Portfolio | 0.39% | 0.21% | 0.07% | 0.25% | 0.92% | 3.50% | $12.00 |
| Vanguard Emerging Markets Select 529 Portfolio | 0.78% | 0.21% | 0.07% | 0.25% | 1.31% | 3.50% | $12.00 |
| Parametric Commodity Strategy 529 Portfolio | 0.65% | 0.21% | 0.07% | 0.25% | 1.18% | 3.50% | $12.00 |

| **Fee Structure C** Fee and Expense Table | Annual Asset-Based Fees | | | | | Additional Investor Expenses | |
|---|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[1] | Program Management Fees | State Fee | Annual Account Servicing Fee[2] | Total Annual Asset-Based Fees | Maximum Initial Sales Charge | Account Fee[4] (Waived for Alabama Residents) |
| **Target Portfolios** | | | | | | | |
| Fund 100 | 0.40% | 0.21% | 0.07% | 0.50% | 1.18% | none | $12.00 |
| Fund 80 | 0.40% | 0.21% | 0.07% | 0.50% | 1.18% | none | $12.00 |
| Fund 60 | 0.41% | 0.21% | 0.07% | 0.50% | 1.19% | none | $12.00 |
| Fund 40 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Fund 20 | 0.39% | 0.21% | 0.07% | 0.50% | 1.17% | none | $12.00 |
| Fixed Income Fund | 0.27% | 0.21% | 0.07% | 0.50% | 1.05% | none | $12.00 |
| **Age Based Portfolios** | | | | | | | |
| **Aggressive Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 0.50% | 1.18% | none | $12.00 |
| Ages 3-5 | 0.40% | 0.21% | 0.07% | 0.50% | 1.18% | none | $12.00 |
| Ages 6-8 | 0.40% | 0.21% | 0.07% | 0.50% | 1.18% | none | $12.00 |
| Ages 9-10 | 0.41% | 0.21% | 0.07% | 0.50% | 1.19% | none | $12.00 |
| Ages 11-12 | 0.41% | 0.21% | 0.07% | 0.50% | 1.19% | none | $12.00 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Ages 15-16 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Ages 17-18 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Ages 19+ | 0.39% | 0.21% | 0.07% | 0.50% | 1.17% | none | $12.00 |
| **Moderate Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 0.50% | 1.18% | none | $12.00 |
| Ages 3-5 | 0.40% | 0.21% | 0.07% | 0.50% | 1.18% | none | $12.00 |
| Ages 6-8 | 0.41% | 0.21% | 0.07% | 0.50% | 1.19% | none | $12.00 |
| Ages 9-10 | 0.41% | 0.21% | 0.07% | 0.50% | 1.19% | none | $12.00 |
| Ages 11-12 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Ages 15-16 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Ages 17-18 | 0.39% | 0.21% | 0.07% | 0.50% | 1.17% | none | $12.00 |
| Ages 19+ | 0.35% | 0.21% | 0.07% | 0.50% | 1.13% | none | $12.00 |
| **Conservative Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 0.50% | 1.18% | none | $12.00 |
| Ages 3-5 | 0.41% | 0.21% | 0.07% | 0.50% | 1.19% | none | $12.00 |
| Ages 6-8 | 0.41% | 0.21% | 0.07% | 0.50% | 1.19% | none | $12.00 |
| Ages 9-10 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Ages 11-12 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 0.50% | 1.20% | none | $12.00 |
| Ages 15-16 | 0.39% | 0.21% | 0.07% | 0.50% | 1.17% | none | $12.00 |
| Ages 17-18 | 0.35% | 0.21% | 0.07% | 0.50% | 1.13% | none | $12.00 |
| Ages 19+ | 0.27% | 0.21% | 0.07% | 0.50% | 1.05% | none | $12.00 |

| **Fee Structure C**<br>**Fee and Expense Table** | **Annual Asset-Based Fees** | | | | | **Additional Investor Expenses** | |
|---|---|---|---|---|---|---|---|
| | **Estimated Underlying Fund Expenses**[1] | **Program Management Fees** | **State Fee** | **Annual Account Servicing Fee**[2] | **Total Annual Asset-Based Fees** | **Maximum Initial Sales Charge** | **Account Fee**[4] **(Waived for Alabama Residents)** |
| **Individual Fund Portfolios** | | | | | | | |
| Bank Savings 529 Portfolio | 0.00% | 0.21% | 0.00% | 0.00% | 0.21% | none | $12.00 |
| State Street Institutional U.S. Government Money Market 529 Portfolio | 0.12% | 0.21% | 0.00% | 0.00% | 0.33% | none | $12.00 |
| PIMCO Short-Term 529 Portfolio | 0.47% | 0.21% | 0.07% | 0.50% | 1.25% | none | $12.00 |
| Northern Funds Bond Index 529 Portfolio | 0.07% | 0.21% | 0.07% | 0.50% | 0.85% | none | $12.00 |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | 0.36% | 0.21% | 0.07% | 0.50% | 1.14% | none | $12.00 |
| PGIM Total Return Bond 529 Portfolio | 0.39% | 0.21% | 0.07% | 0.50% | 1.17% | none | $12.00 |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | 0.43% | 0.21% | 0.07% | 0.50% | 1.21% | none | $12.00 |
| BlackRock High Yield Bond 529 Portfolio | 0.60% | 0.21% | 0.07% | 0.50% | 1.38% | none | $12.00 |
| AB Global Bond 529 Portfolio | 0.51% | 0.21% | 0.07% | 0.50% | 1.29% | none | $12.00 |
| T. Rowe Price Balanced 529 Portfolio | 0.47% | 0.21% | 0.07% | 0.50% | 1.25% | none | $12.00 |
| DFA Real Estate 529 Portfolio | 0.18% | 0.21% | 0.07% | 0.50% | 0.96% | none | $12.00 |
| Principal Global Real Estate 529 Portfolio | 0.88% | 0.21% | 0.07% | 0.50% | 1.66% | none | $12.00 |
| DFA U.S. Large Cap Value 529 Portfolio | 0.21% | 0.21% | 0.07% | 0.50% | 0.99% | none | $12.00 |
| Northern Funds Stock Index 529 Portfolio | 0.05% | 0.21% | 0.07% | 0.50% | 0.83% | none | $12.00 |
| T. Rowe Price Large-Cap Growth 529 Portfolio | 0.55% | 0.21% | 0.07% | 0.50% | 1.33% | none | $12.00 |
| Northern Mid-Cap Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 0.50% | 0.88% | none | $12.00 |
| T. Rowe Price Small Cap Value 529 Portfolio | 0.70% | 0.21% | 0.07% | 0.50% | 1.48% | none | $12.00 |
| Northern Funds Small Cap Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 0.50% | 0.88% | none | $12.00 |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | 0.66% | 0.21% | 0.07% | 0.50% | 1.44% | none | $12.00 |
| Northern Funds International Equity Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 0.50% | 0.88% | none | $12.00 |
| Neuberger Berman International Select 529 Portfolio | 0.85% | 0.21% | 0.07% | 0.50% | 1.63% | none | $12.00 |
| DFA International Small Company 529 Portfolio | 0.39% | 0.21% | 0.07% | 0.50% | 1.17% | none | $12.00 |
| Vanguard Emerging Markets Select 529 Portfolio | 0.78% | 0.21% | 0.07% | 0.50% | 1.56% | none | $12.00 |
| Parametric Commodity Strategy 529 Portfolio | 0.65% | 0.21% | 0.07% | 0.50% | 1.43% | none | $12.00 |

| **Fee Structure F**<br>**Fee and Expense Table** | Annual Asset-Based Fees | | | | | Additional Investor Expenses | |
|---|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[1] | Program Management Fees | State Fee | Annual Account Servicing Fee | Total Annual Asset-Based Fees | Maximum Initial Sales Charge | Account Fee[4] (Waived for Alabama Residents) |
| **Target Portfolios** | | | | | | | |
| Fund 100 | 0.40% | 0.21% | 0.07% | 0.00% | 0.68% | none | $12 |
| Fund 80 | 0.40% | 0.21% | 0.07% | 0.00% | 0.68% | none | $12 |
| Fund 60 | 0.41% | 0.21% | 0.07% | 0.00% | 0.69% | none | $12 |
| Fund 40 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Fund 20 | 0.39% | 0.21% | 0.07% | 0.00% | 0.67% | none | $12 |
| Fixed Income Fund | 0.27% | 0.21% | 0.07% | 0.00% | 0.55% | none | $12 |
| **Age Based Portfolios** | | | | | | | |
| **Aggressive Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 0.00% | 0.68% | none | $12 |
| Ages 3-5 | 0.40% | 0.21% | 0.07% | 0.00% | 0.68% | none | $12 |
| Ages 6-8 | 0.40% | 0.21% | 0.07% | 0.00% | 0.68% | none | $12 |
| Ages 9-10 | 0.41% | 0.21% | 0.07% | 0.00% | 0.69% | none | $12 |
| Ages 11-12 | 0.41% | 0.21% | 0.07% | 0.00% | 0.69% | none | $12 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Ages 15-16 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Ages 17-18 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Ages 19+ | 0.39% | 0.21% | 0.07% | 0.00% | 0.67% | none | $12 |
| **Moderate Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 0.00% | 0.68% | none | $12 |
| Ages 3-5 | 0.40% | 0.21% | 0.07% | 0.00% | 0.68% | none | $12 |
| Ages 6-8 | 0.41% | 0.21% | 0.07% | 0.00% | 0.69% | none | $12 |
| Ages 9-10 | 0.41% | 0.21% | 0.07% | 0.00% | 0.69% | none | $12 |
| Ages 11-12 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Ages 15-16 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Ages 17-18 | 0.39% | 0.21% | 0.07% | 0.00% | 0.67% | none | $12 |
| Ages 19+ | 0.35% | 0.21% | 0.07% | 0.00% | 0.63% | none | $12 |
| **Conservative Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 0.00% | 0.68% | none | $12 |
| Ages 3-5 | 0.41% | 0.21% | 0.07% | 0.00% | 0.69% | none | $12 |
| Ages 6-8 | 0.41% | 0.21% | 0.07% | 0.00% | 0.69% | none | $12 |
| Ages 9-10 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Ages 11-12 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 0.00% | 0.70% | none | $12 |
| Ages 15-16 | 0.39% | 0.21% | 0.07% | 0.00% | 0.67% | none | $12 |
| Ages 17-18 | 0.35% | 0.21% | 0.07% | 0.00% | 0.63% | none | $12 |
| Ages 19+ | 0.27% | 0.21% | 0.07% | 0.00% | 0.55% | none | $12 |

| Fee Structure F<br>Fee and Expense Table | Annual Asset-Based Fees | | | | | Additional Investor Expenses | |
|---|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[1] | Program Management Fees | State Fee | Annual Account Servicing Fee | Total Annual Asset-Based Fees | Maximum Initial Sales Charge | Account Fee[4] (Waived for Alabama Residents) |
| **Individual Fund Portfolios** | | | | | | | |
| Bank Savings 529 Portfolio | 0.00% | 0.21% | 0.00% | 0.00% | 0.21% | none | $12 |
| State Street Institutional U.S. Government Money Market 529 Portfolio | 0.12% | 0.21% | 0.00% | 0.00% | 0.33% | none | $12 |
| PIMCO Short-Term 529 Portfolio | 0.47% | 0.21% | 0.07% | 0.00% | 0.75% | none | $12 |
| Northern Funds Bond Index 529 Portfolio | 0.07% | 0.21% | 0.07% | 0.00% | 0.35% | none | $12 |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | 0.36% | 0.21% | 0.07% | 0.00% | 0.64% | none | $12 |
| PGIM Total Return Bond 529 Portfolio | 0.39% | 0.21% | 0.07% | 0.00% | 0.67% | none | $12 |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | 0.43% | 0.21% | 0.07% | 0.00% | 0.71% | none | $12 |
| BlackRock High Yield Bond 529 Portfolio | 0.60% | 0.21% | 0.07% | 0.00% | 0.88% | none | $12 |
| AB Global Bond 529 Portfolio | 0.51% | 0.21% | 0.07% | 0.00% | 0.79% | none | $12 |
| T. Rowe Price Balanced 529 Portfolio | 0.47% | 0.21% | 0.07% | 0.00% | 0.75% | none | $12 |
| DFA Real Estate 529 Portfolio | 0.18% | 0.21% | 0.07% | 0.00% | 0.46% | none | $12 |
| Principal Global Real Estate 529 Portfolio | 0.88% | 0.21% | 0.07% | 0.00% | 1.16% | none | $12 |
| DFA U.S. Large Cap Value 529 Portfolio | 0.21% | 0.21% | 0.07% | 0.00% | 0.49% | none | $12 |
| Northern Funds Stock Index 529 Portfolio | 0.05% | 0.21% | 0.07% | 0.00% | 0.33% | none | $12 |
| T. Rowe Price Large-Cap Growth 529 Portfolio | 0.55% | 0.21% | 0.07% | 0.00% | 0.83% | none | $12 |
| Northern Mid-Cap Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 0.00% | 0.38% | none | $12 |
| T. Rowe Price Small Cap Value 529 Portfolio | 0.70% | 0.21% | 0.07% | 0.00% | 0.98% | none | $12 |
| Northern Funds Small Cap Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 0.00% | 0.38% | none | $12 |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | 0.66% | 0.21% | 0.07% | 0.00% | 0.94% | none | $12 |
| Northern Funds International Equity Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 0.00% | 0.38% | none | $12 |
| Neuberger Berman International Select 529 Portfolio | 0.85% | 0.21% | 0.07% | 0.00% | 1.13% | none | $12 |
| DFA International Small Company 529 Portfolio | 0.39% | 0.21% | 0.07% | 0.00% | 0.67% | none | $12 |
| Vanguard Emerging Markets Select 529 Portfolio | 0.78% | 0.21% | 0.07% | 0.00% | 1.06% | none | $12 |
| Parametric Commodity Strategy 529 Portfolio | 0.65% | 0.21% | 0.07% | 0.00% | 0.93% | none | $12 |

## HYPOTHETICAL EXPENSE EXAMPLE

The following table compares the approximate costs of investing in the different fee structures within the Plan over different periods of time. Your actual costs may be higher or lower. The hypothetical chart assumes an initial $10,000 investment in a Plan Portfolio and a 5% annual rate of return, compounded annually on the net amount invested throughout the period. All expense ratios and asset allocations are assumed to remain the same for the duration of the periods.

The chart assumes that all withdrawals are made for Qualified Higher Education Expenses and, therefore, does not reflect the impact of potential federal, state, or local taxes or penalties. This hypothetical does not reflect actual expenses or performance from the past or future. Actual expenses may be higher or lower than those shown.

The $12 annual account fee is waived if either the Account Owner or Designated Beneficiary is an Alabama resident. Non-Alabama residents need to add an additional $12 to the One Year number; $36 to the Three Year number; $60 to the Five Year number; and, $120 to the Ten Year number in the Hypothetical Expense Table.

| HYPOTHETICAL EXPENSE EXAMPLE | Approximate Cost of a $10,000 Investment | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | One Year | | | Three Year | | | Five Year | | | Ten Year | | |
| | A | C | F | A | C | F | A | C | F | A | C | F |
| **Target Portfolios** | | | | | | | | | | | | |
| Fund 100 | $442 | $121 | $70 | $637 | $377 | $218 | $849 | $652 | $380 | $1,457 | $1,438 | $849 |
| Fund 80 | $442 | $121 | $70 | $637 | $377 | $218 | $849 | $652 | $380 | $1,457 | $1,438 | $849 |
| Fund 60 | $443 | $122 | $71 | $640 | $380 | $221 | $854 | $658 | $385 | $1,468 | $1,450 | $861 |
| Fund 40 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Fund 20 | $441 | $120 | $69 | $634 | $374 | $215 | $843 | $647 | $374 | $1,445 | $1,427 | $837 |
| Fixed Income Fund | $429 | $108 | $56 | $597 | $336 | $177 | $780 | $582 | $308 | $1,308 | $1,288 | $691 |
| **Age Based Portfolios** | | | | | | | | | | | | |
| **Aggressive Age-Based** | | | | | | | | | | | | |
| Ages 0-2 | $442 | $121 | $70 | $637 | $377 | $218 | $849 | $652 | $380 | $1,457 | $1,438 | $849 |
| Ages 3-5 | $442 | $121 | $70 | $637 | $377 | $218 | $849 | $652 | $380 | $1,457 | $1,438 | $849 |
| Ages 6-8 | $442 | $121 | $70 | $637 | $377 | $218 | $849 | $652 | $380 | $1,457 | $1,438 | $849 |
| Ages 9-10 | $443 | $122 | $71 | $640 | $380 | $221 | $854 | $658 | $385 | $1,468 | $1,450 | $861 |
| Ages 11-12 | $443 | $122 | $71 | $640 | $380 | $221 | $854 | $658 | $385 | $1,468 | $1,450 | $861 |
| Ages 13-14 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Ages 15-16 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Ages 17-18 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Ages 19+ | $441 | $120 | $69 | $634 | $374 | $215 | $843 | $647 | $374 | $1,445 | $1,427 | $837 |
| **Moderate Age-Based** | | | | | | | | | | | | |
| Ages 0-2 | $442 | $121 | $70 | $637 | $377 | $218 | $849 | $652 | $380 | $1,457 | $1,438 | $849 |
| Ages 3-5 | $442 | $121 | $70 | $637 | $377 | $218 | $849 | $652 | $380 | $1,457 | $1,438 | $849 |
| Ages 6-8 | $443 | $122 | $71 | $640 | $380 | $221 | $854 | $658 | $385 | $1,468 | $1,450 | $861 |
| Ages 9-10 | $443 | $122 | $71 | $640 | $380 | $221 | $854 | $658 | $385 | $1,468 | $1,450 | $861 |
| Ages 11-12 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Ages 13-14 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Ages 15-16 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Ages 17-18 | $441 | $120 | $69 | $634 | $374 | $215 | $843 | $647 | $374 | $1,445 | $1,427 | $837 |
| Ages 19+ | $437 | $116 | $65 | $622 | $361 | $202 | $822 | $625 | $352 | $1,400 | $1,380 | $788 |
| **Conservative Age-Based** | | | | | | | | | | | | |
| Ages 0-2 | $442 | $121 | $70 | $637 | $377 | $218 | $849 | $652 | $380 | $1,457 | $1,438 | $849 |
| Ages 3-5 | $443 | $122 | $71 | $640 | $380 | $221 | $854 | $658 | $385 | $1,468 | $1,450 | $861 |
| Ages 6-8 | $443 | $122 | $71 | $640 | $380 | $221 | $854 | $658 | $385 | $1,468 | $1,450 | $861 |
| Ages 9-10 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Ages 11-12 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Ages 13-14 | $444 | $123 | $72 | $643 | $383 | $225 | $859 | $663 | $391 | $1,480 | $1,461 | $873 |
| Ages 15-16 | $441 | $120 | $69 | $634 | $374 | $215 | $843 | $647 | $374 | $1,445 | $1,427 | $837 |
| Ages 17-18 | $437 | $116 | $65 | $622 | $361 | $202 | $822 | $625 | $352 | $1,400 | $1,380 | $788 |
| Ages 19+ | $429 | $108 | $56 | $597 | $336 | $177 | $780 | $582 | $308 | $1,308 | $1,288 | $691 |

| Approximate Cost of a $10,000 Investment (continued) | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **HYPOTHETICAL EXPENSE EXAMPLE** | **One Year** | | | **Three Year** | | | **Five Year** | | | **Ten Year** | | |
| | A | C | F | A | C | F | A | C | F | A | C | F |
| **Individual Fund Portfolios** | | | | | | | | | | | | |
| Bank Savings 529 Portfolio | $22 | $22 | $22 | $68 | $68 | $68 | $118 | $118 | $118 | $268 | $268 | $268 |
| State Street Institutional U.S. Government Money Market 529 Portfolio | $34 | $34 | $34 | $106 | $106 | $106 | $186 | $186 | $186 | $419 | $419 | $419 |
| PIMCO Short-Term 529 Portfolio | $103 | $128 | $77 | $320 | $399 | $241 | $555 | $690 | $418 | $1,229 | $1,518 | $933 |
| Northern Funds Bond Index 529 Portfolio | $409 | $87 | $36 | $536 | $272 | $113 | $674 | $473 | $197 | $1,075 | $1,052 | $444 |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | $438 | $117 | $66 | $625 | $364 | $205 | $828 | $631 | $358 | $1,411 | $1,392 | $800 |
| PGIM Total Return Bond 529 Portfolio | $441 | $120 | $69 | $634 | $374 | $215 | $843 | $647 | $374 | $1,445 | $1,427 | $837 |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | $445 | $124 | $73 | $646 | $386 | $228 | $864 | $669 | $396 | $1,491 | $1,473 | $885 |
| BlackRock High Yield Bond 529 Portfolio | $462 | $141 | $90 | $698 | $440 | $282 | $953 | $760 | $490 | $1,682 | $1,666 | $1,088 |
| AB Global Bond 529 Portfolio | $453 | $132 | $81 | $671 | $411 | $253 | $906 | $712 | $440 | $1,581 | $1,564 | $981 |
| T. Rowe Price Balanced 529 Portfolio | $449 | $128 | $77 | $659 | $399 | $241 | $885 | $690 | $418 | $1,536 | $1,518 | $933 |
| DFA Real Estate 529 Portfolio | $420 | $98 | $47 | $570 | $307 | $148 | $732 | $533 | $258 | $1,204 | $1,182 | $580 |
| Principal Global Real Estate 529 Portfolio | $489 | $170 | $119 | $783 | $527 | $370 | $1,099 | $909 | $642 | $1,990 | $1,978 | $1,415 |
| DFA U.S. Large Cap Value 529 Portfolio | $423 | $101 | $50 | $579 | $317 | $158 | $748 | $549 | $275 | $1,239 | $1,217 | $617 |
| Northern Funds Stock Index 529 Portfolio | $407 | $85 | $34 | $530 | $266 | $106 | $663 | $462 | $186 | $1,052 | $1,029 | $419 |
| T. Rowe Price Large-Cap Growth 529 Portfolio | $457 | $136 | $85 | $683 | $424 | $266 | $927 | $733 | $462 | $1,626 | $1,609 | $1,029 |
| Northern Mid-Cap Index 529 Portfolio | $412 | $90 | $39 | $545 | $282 | $122 | $690 | $490 | $214 | $1,111 | $1,088 | $481 |
| T. Rowe Price Small Cap Value 529 Portfolio | $472 | $152 | $100 | $729 | $471 | $314 | $1006 | $813 | $544 | $1,793 | $1,788 | $1,206 |
| Northern Funds Small Cap Index 529 Portfolio | $412 | $90 | $39 | $545 | $282 | $122 | $690 | $490 | $214 | $1,111 | $1,088 | $481 |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | $468 | $148 | $96 | $717 | $459 | $301 | $985 | $792 | $522 | $1,749 | $1,733 | $1,159 |
| Northern Funds International Equity Index 529 Portfolio | $412 | $90 | $39 | $545 | $282 | $122 | $690 | $490 | $214 | $1,111 | $1,088 | $481 |
| Neuberger Berman International Select 529 Portfolio | $486 | $167 | $116 | $774 | $518 | $361 | $1,083 | $893 | $625 | $1,958 | $1,945 | $1,380 |
| DFA International Small Company 529 Portfolio | $441 | $120 | $69 | $634 | $374 | $215 | $843 | $647 | $374 | $1,445 | $1,427 | $837 |
| Vanguard Emerging Markets Select 529 Portfolio | $480 | $160 | $109 | $753 | $496 | $339 | $1,047 | $856 | $587 | $1,881 | $1,867 | $1,299 |
| Parametric Commodity Strategy 529 Portfolio | $467 | $147 | $95 | $714 | $455 | $298 | $980 | $787 | $517 | $1,738 | $1,722 | $1,147 |

**Will My Financial Advisor Be Paid for Providing Assistance With Respect to My Account?**
Your financial advisor will be paid the following commissions and service fees by the Distributor in connection with the establishment and maintenance of your Account:

**Fee Structure A -** your financial advisor will be paid a 3.00% commission on each new Contribution plus an annual amount equal to 0.25% of the average daily net assets in your Account which remain invested in Fee Structure A.

Commissions will not be paid on Contributions under Fee Structure A to the Bank Savings 529 Portfolio, the State Street Institutional U.S. Government Money Market 529 Portfolio or the PIMCO Short-Term 529 Portfolio. However, if you transfer funds contributed under Fee Structure A from the Bank Savings 529 Portfolio, the State Street Institutional U.S. Government Money Market 529 Portfolio or the PIMCO Short-Term 529 Portfolio to another Portfolio in the Plan, your financial advisor will receive a 3.00% commission from the sales charge assessed in connection with the transfer of funds into such new Portfolio.

A 3.00% commission will not be paid to your financial advisor on any Contributions for which the initial sales charge has been waived. See previous discussion of Sales Charge Waivers.

Your financial advisor will not receive a percentage of the average daily net assets in your Account for any balances in the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio.

**Fee Structure C -** your financial advisor will be paid a 0.50% commission on each new Contribution, plus an annual amount equal to 0.50% of the average daily net assets in your Account which remain invested in Fee Structure C for more than twelve months.

Your financial advisor will not receive any commission on Contributions under Fee Structure C to the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio, nor receive a percentage of assets in your Account for any balances in these Portfolios.

**Fee Structure F -** your financial advisor will not be paid a commission or servicing fee with respect to your Account. Fee Structure F is only available to Account Owners who establish their Account through registered investment advisors or other financial advisors who are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management.

## FEDERAL AND STATE TAX CONSIDERATIONS

**What Are the Federal Income Tax Consequences of the Plan?**
There are two main federal income tax advantages to investing in the Plan:

- Investment earnings on the money you invest in the Plan will not be subject to federal income tax until they are distributed; and
- If the investment earnings are distributed as part of a Qualified Withdrawal, they are generally free from federal income tax.

There are, however, potential federal income tax disadvantages to an investment in the Plan when withdrawals are not used for Qualified Higher Education Expenses. To the extent that a distribution from an Account is a Nonqualified Withdrawal, the portion of the Nonqualified Withdrawal attributable to investment earnings will be ordinary income to the recipient; no part of such earnings portion will be treated as capital gain. Under current law, the tax rates on ordinary income are generally greater than the tax rates on capital gain. Additionally, to the extent that a distribution is a Nonqualified Withdrawal, the federal income tax liability of the recipient will be increased by an amount equal to 10% of any earnings portion of the distribution with certain exceptions as described herein.

**Are Contributions to the Program Tax Deductible?**
Federal law does not allow a tax deduction for Contributions to the Program. However, Contributions may be deductible up to certain limits for Alabama state income tax purposes, see Exhibit B and below.

**What Are the State of Alabama Income Tax Consequences of the Plan?**
The Alabama state income tax advantages of investing in the Plan are similar to the federal income tax advantages. Any investment earnings on money invested in the Plan will not be subject to Alabama income tax until distributed, and if investment earnings are distributed as part of a Qualified Withdrawal, such earnings are generally free from Alabama state income tax.

In addition, for Alabama state income tax purposes, a deduction is allowed up to $5,000 per taxpayer per year for Contributions. This deduction is increased up to $10,000 for married taxpayers filing a joint return where both taxpayers make such Contributions.

There are also Alabama state income tax disadvantages to an investment in the Plan. If withdrawals are not used to pay for Qualified Higher Education Expenses, then a Nonqualified Withdrawal occurs. In the event of a Nonqualified Withdrawal, the total amount of the withdrawal (including any earnings), plus 10% of the amount withdrawn, is added back to the income of the taxpayer who made the Contribution that was subject to the Nonqualified Withdrawal in the year the Nonqualified Withdrawal is distributed.

**Before investing in the CollegeCounts 529 Fund Advisor Plan you should consider carefully the following:**

1. **Depending on the laws of your home state or that of your Designated Beneficiary, favorable state tax treatment or other benefits such as financial aid, scholarship funds, and protection from creditors offered by such home state for investing in 529 college savings plans may be available only if you invest in such home state's 529 college savings plan;**
2. **Any state-based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision; and**
3. **You should consult with your financial, tax or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home**

**state or any other 529 college savings plan to learn more about the features, benefits and limitations of that state's 529 college savings plan.**

**How Is the Earnings Portion of My Account Calculated for Tax Purposes?**
For any year there is a withdrawal from your Account, the Program Manager will provide you a Form 1099-Q. This form sets forth the total amount of the withdrawal and identifies the earnings portion and the contribution portion of any such withdrawal. See "Exhibit B - Tax Information".

**What Are the Federal Gift and Estate Tax Considerations of the Plan?**

If an Account Owner dies while there is a balance in the Account, the value of the Account is generally not includible in the Account Owner's estate for federal estate tax purposes. However, amounts in an Account at the death of the Designated Beneficiary are includible in the Designated Beneficiary's gross estate. For federal gift tax purposes, Contributions to an Account are considered a gift from the contributor to the Designated Beneficiary. An Account Owner's Contributions to an Account are eligible for the annual gift tax exclusion. For 2023, the annual exclusion is $17,000 per donee and will increase to $18,000 per donee in 2024 ($34,000 for 2023 for a married couple that elect to split their gifts on United States Gift Tax Return Form 709 increasing to $36,000 for 2024 for a married couple that elects to split their gifts). This means that in 2023, you may contribute up to $17,000 to an Account ($18,000 effective January 1, 2024), without the Contribution being considered a taxable gift if you make no other gifts to the Designated Beneficiary in the same calendar year. In addition, if your total Contributions to an Account during a year exceed the annual exclusion for that year, you may elect to have the amount you contributed that year treated as though you made one-fifth of the Contribution that year, and one-fifth of the Contribution in each of the next four calendar years.

**An election to have the Contribution taken into account ratably over a five-year period must be made by the donor on a Federal Gift Tax Return, IRS Form 709, for the year of Contribution.**

This means that you may contribute up to $85,000 ($90,000 once the annual exclusion is increased to $18,000 effective January 1, 2024), on behalf of a Designated Beneficiary without the Contribution being considered a taxable gift, provided that you neither make nor are deemed to make any other gifts to such Designated Beneficiary in the same year or in any of the succeeding four calendar years, and that you made no excess Contributions treated as gifts subject to the one-fifth rule during any of the previous four years. Moreover, a married contributor whose spouse elects on a Federal Gift Tax Return to have gifts treated as "split" with the contributor may contribute up to twice that amount ($170,000 in 2023 and increasing to $180,000 effective January 1, 2024) without the Contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Designated Beneficiary in the same year or in any of the succeeding four calendar years. If the Account Owner dies before the end of the five year period, the portion of the Contributions allocable to years after the year of death will be includible in the Account Owner's gross estate for federal estate tax purposes. The annual exclusion is indexed for inflation and therefore is expected to increase over time. See "Exhibit B - Tax Information."

**Can I Contribute to, or Withdraw from, the Plan and a Coverdell Education Savings Account?**
An individual may contribute to (subject to the annual gift tax rules), or withdraw money from, both a 529 qualified tuition program account and a Coverdell Education Savings Account in the same year. However, if the total withdrawals from both accounts exceed the amount of education expenses that qualify for tax-free treatment under Section 529 of the Code, as amended, the recipient must allocate his or her qualifying education expenses between both such withdrawals in order to determine how much may be treated as tax-free under each program.

## DISTRIBUTIONS FROM AN ACCOUNT

**How Do I Request a Distribution From an Account?**
Distribution requests may be made online, in writing, or by telephone. An Account Owner may establish telephone and internet transaction privileges for an Account through the Plan's web site (CollegeCounts529advisor.com) or by calling 866.529.2228.

The Program Manager employs procedures it considers to be reasonable to confirm that instructions communicated by telephone or internet are genuine, including requiring certain personal identifying information prior to acting upon telephone or internet instructions. None of the Program Manager, the Board, the Treasurer, nor the Distributor will be liable for following telephone or internet instructions that the Program Manager reasonably believed to be genuine.

The Program Manager will review each withdrawal request to determine that all information needed to process such request has been received. Withdrawal requests will be satisfied as soon as practicable following the Program Manager's receipt and review of a properly completed withdrawal request. The Plan typically will process the withdrawal and initiate payment of a distribution within three business days. During periods of market volatility and at year-end, withdrawal requests may take up to five business days to process.

The Program does not charge a withdrawal fee, except applicable contingent deferred sales charges for Fee Structure B Accounts.

Contributions made by check, EFT or AIP will not be available for withdrawal for 5 business days.

Although the Program Manager will report the earnings portion of a withdrawal to the Internal Revenue Service, it is solely the responsibility of the person receiving the withdrawal to calculate and report any resulting tax liability.

**What Constitutes a Qualified Withdrawal?**
Under Section 529 of the Code, as amended, Qualified Withdrawals from your Account are generally free from federal income tax. A Qualified Withdrawal is a distribution that is used to pay the Qualified Higher Education Expenses of the Designated Beneficiary. Qualified Higher Education Expenses include:

- tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;
- expenses for special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance;
- expenses for the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature;
- Certain room and board expenses incurred by the Designated Beneficiary if enrolled at least half-time.
  - The amount treated as Qualified Higher Education Expenses shall not exceed—
    - the allowance (applicable to the student) for room and board included in the cost of attendance as determined by the Eligible Educational Institution for such period, or
    - if greater, the actual invoice amount the student residing in housing owned or operated by the Eligible Educational Institution is charged by such institution for room and board costs for such period;
- 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 section 1 of the National Apprenticeship Act;
- Amounts paid as principal or interest on any Qualified Education Loan (as defined in section 221(d) of the Code) of the Designated Beneficiary or a sibling of the Designated Beneficiary (up to a lifetime maximum of $10,000 per Designated Beneficiary or sibling);
- Tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private, or religious school (kindergarten through grade 12) up to a maximum of $10,000 during any taxable year in the aggregate from all qualified tuition programs for that Designated Beneficiary.

A Qualified Withdrawal may be distributed as follows:

- To the Account Owner;
- To the Account Owner's bank account;
- To the Designated Beneficiary; or
- Directly to the Eligible Educational Institution

**Should I Document Qualified Higher Education Expenses?**
You should retain documentation of all of the Designated Beneficiary's Qualified Higher Education Expenses for your records since money in your Account may be withdrawn free from federal and Alabama state income tax only if it is used to pay the Designated Beneficiary's Qualified Higher Education Expenses. The Account Owner or Designated Beneficiary is responsible for determining whether a distribution from an Account is a Qualified or Nonqualified Withdrawal and for paying any applicable taxes or penalties. Please be aware that the Internal Revenue Service or state tax officials may subject you to audit and require proof of the use of a withdrawal to pay the Designated Beneficiary's Qualified Higher Education Expenses.

**Can I Recontribute Refunded Amounts?**
In the case of a Designated Beneficiary who receives a refund of any Qualified Higher Education Expenses from an Eligible Educational Institution, the amount refunded will not be subject to federal income tax to the extent it is recontributed to a 529 plan account for the same Designated Beneficiary, but only to the extent such recontribution is made no later than 60 days after the date of such refund and does not exceed the refunded amount. It is the responsibility of the Account Owner to keep all records of the refunds and subsequent recontributions. A qualified tax advisor should be consulted to determine your eligibility for this treatment.

**When Must Withdrawals Begin?**
There is no Designated Beneficiary age or other deadline by which distributions from your Account must begin. It is important to match payment of expenses and the corresponding withdrawal in the same calendar year for tax purposes. If after a period of sixty years from the effective date of the Account Agreement, the Account has not been closed, the Account Agreement has not been terminated, and the Account has been dormant for three years, the Board, after making a reasonable effort to contact the Account Owner and the Designated Beneficiary, will close the Account and presume the Account monies, if any, constitute unclaimed and abandoned property. The monies are available to be claimed by visiting alabama.findyourunclaimedproperty.com. The Account Owner may request that the Account remain in effect beyond the sixty (60) year period by filing a written request with the Board.

**Can I Make Withdrawals for Other Purposes?**
You may withdraw money from your Account at any time subject to Plan procedures. However, to the extent that the withdrawal is a Nonqualified Withdrawal, any earnings portion of such Nonqualified Withdrawal will be includible in your income for federal income tax purposes, and will generally also be subject to a 10% federal penalty tax. Certain exceptions to the imposition of the penalty tax apply.

For Alabama state income tax purposes, the amount of the Nonqualified Withdrawal, plus 10% of the amount of the Nonqualified Withdrawal, will be included in the contributor's income for the year in which such Nonqualified Withdrawal is made.

The Account Owner or Designated Beneficiary is responsible for determining whether a distribution from an Account is a Qualified or Nonqualified Withdrawal and for paying any applicable taxes or penalties.

**What Are the Exceptions to the Federal Penalty Tax?**

The additional 10% federal penalty tax does not apply to all Nonqualified Withdrawals. Generally, Nonqualified Withdrawals are not subject to the 10% federal penalty tax if they are:

1. Paid to a Designated Beneficiary (or to the estate of the Designated Beneficiary) on or after the death of the Designated Beneficiary.
2. Made because the Designated Beneficiary is disabled. A person is considered to be disabled if he or she shows proof that he or she cannot do any substantial gainful activity because of his or her physical or mental condition. A physician must determine that his or her condition can be expected to result in death or to be of long-continued and indefinite duration.
3. Included in income because the Designated Beneficiary received a tax-free scholarship or fellowship grant; Veteran's educational assistance; employer-provided educational assistance; or any other nontaxable payments (other than gifts or inheritances) received as educational assistance. This exception applies only to the extent the distribution is not more than the scholarship, allowance, or payment.
4. Made on account of the attendance of the Designated Beneficiary at a U.S. military academy (such as the Naval Academy at Annapolis). This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance.
5. Included in income only because the Qualified Higher Education Expenses were taken into account in determining the American opportunity or lifetime learning credit.

You should consult your tax advisor regarding the application of any of the above exceptions. See also "Exhibit B - Tax Information."

**May I Roll Over My Account?**

You may direct a transfer of money from your Account to an account in another 529 qualified tuition program for the same or another Designated Beneficiary. Alternatively, you may make a withdrawal from your Account and re-deposit the withdrawn balance within 60 days into an account in another 529 qualified tuition program for the same or another Designated Beneficiary without penalty.

If the Designated Beneficiary stays the same, the transfer will be treated as an income tax-free Qualified Rollover Distribution as long as the transfer does not occur within 12 months from the date of a previous rollover to another 529 qualified tuition program for the Designated Beneficiary. If you change beneficiaries, the transfer will be treated as a Qualified Rollover Distribution only if the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary.

Section 529 permits a rollover from a 529 Plan to a Section 529A ABLE Account to qualify as a non-taxable rollover for federal income tax purposes if made for the benefit of the Designated Beneficiary or a Member of the Family of the Designated Beneficiary and if made after December 22, 2017 and prior to 2026. The State of Alabama Department of Revenue has issued guidance on certain tax matters in the form of FAQs (https://www.revenue.alabama.gov/faqs). The Plan recommends that you review these FAQs and also seek tax advice from an independent tax advisor before undertaking any such rollover.

Beginning January 1, 2024, Section 529 permits a rollover from a 529 Plan to a Roth IRA to qualify as a non-taxable rollover for federal income tax purposes. A Roth IRA Rollover is a direct transfer from an Account to a Roth IRA on or after January 1, 2024, that meets the following requirements:

- The Account must have been maintained for the 15-year period ending on the date of the Roth IRA Rollover.
- The Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the Beneficiary of the Account.
- 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.
- The amount of the Roth IRA Rollover may not exceed the aggregate amount contributed to Account (and earnings attributable thereto) before the 5-year period ending on the date of the IRA Rollover.
- The aggregate amount for all years of Roth IRA Rollovers for the same Beneficiary from all 529 qualified tuition programs may not exceed $35,000.

Roth IRA Rollovers are subject to the annual contribution limit for Roth IRAs. For 2023, the limit is $6,500 and will increase to $7,000 in 2024. All contributions made during the year to individual retirement accounts for the Beneficiary count towards this limit.

A Roth IRA Rollover can be made only to the extent the Beneficiary has eligible compensation (e.g. wages and self-employment income) for the year. The Roth IRA modified adjusted gross income limits appear not to apply to Roth IRA Rollovers.

You should consult with your tax advisor before requesting a Roth IRA Rollover.

**What Happens to an Account If the Designated Beneficiary Does Not Attend College?**

If the Designated Beneficiary does not pursue an education, at an Eligible Educational Institution you may withdraw the Account balance or change the Designated Beneficiary of the Account. A change of the Designated Beneficiary of the Account will not result in any income tax consequences so long as the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary.

To the extent that you make a Nonqualified Withdrawal from the Account, any earnings portion of such Nonqualified Withdrawal will be includible in your income for federal income tax purposes and will be subject to a 10% federal penalty tax.

For Alabama state income tax purposes, the amount of the Nonqualified Withdrawal, plus 10% of the amount of the

Nonqualified Withdrawal, will be included in the contributor's income for the year in which such Nonqualified Withdrawal is made. For more information, see "Exhibit B - Tax Information."

**How Do I Close an Account?**

To withdraw all of the funds and close your Account, contact your broker or financial advisor. The Plan does not charge any surrender or other withdrawal fees, except applicable contingent deferred sales charges for Fee Structure B Accounts. However, if you close your Account prior to the date on which the annual account fee is assessed, you will be charged a pro rated Account fee, if applicable. In addition, Contributions made by check, EFT or AIP will not be available for withdrawal for 5 business days.

If the withdrawal to close the Account is a Nonqualified Withdrawal, any earnings portion of such Nonqualified Withdrawal will be includible in your income for federal income tax purposes and will be subject to a 10% federal penalty tax. For Alabama state income tax purposes, the amount of the Nonqualified Withdrawal, plus 10% of the amount of the Nonqualified Withdrawal, (not just earnings) will be included in the contributor's income for the year in which such Nonqualified Withdrawal is made. For more information, see "Exhibit B - Tax Information."

## OTHER IMPORTANT WITHDRAWAL CONSIDERATIONS

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

**Taxable Portion of a Distribution**

The part of a distribution representing the amount paid or contributed to a qualified tuition program doesn't have to be included in income. This is a return of the investment in the plan. The Designated Beneficiary generally doesn't have to include in income any earnings distributed from a qualified tuition program if the total distribution is less than or equal to adjusted qualified education expenses. To determine if total distributions for the year are more or less than the amount of adjusted qualified education expenses, you must compare the total of all qualified tuition program distributions for the tax year to the adjusted qualified education expenses. Adjusted qualified education expenses is the total Qualified Higher Education Expenses reduced by any tax-free educational assistance. Tax-free educational assistance includes: the tax-free part of scholarships and fellowship grants; Veterans' educational assistance; the tax-free part of Pell grants; Employer-provided educational assistance; and any other nontaxable (tax-free) payments (other than gifts or inheritances) received as educational assistance.

**Coordination With American Opportunity and Lifetime Learning Credits**

An American Opportunity or Lifetime Learning Credit can be claimed in the same year the Designated Beneficiary takes a tax-free distribution from a qualified tuition program, as long as the same expenses aren't used for both benefits. This means that after the Designated Beneficiary reduces qualified education expenses by tax-free educational assistance, he or she must further reduce them by the expenses taken into account in determining the credit.

**Coordination With Coverdell Education Savings Account Distributions**

If a Designated Beneficiary receives distributions from both a qualified tuition program and a Coverdell Education Savings Account in the same year, and the total of these distributions is more than the Designated Beneficiary's adjusted Qualified Higher Education Expenses, the expenses must be allocated between the distributions. For purposes of this allocation, disregard any qualified elementary and secondary education expenses.

**Coordination With Tuition and Fees Deduction**

A tuition and fees deduction can be claimed in the same year the Designated Beneficiary takes a tax-free distribution from a qualified tuition program, as long as the same expenses aren't used for both benefits.

## LIMITATIONS AND PENALTIES

**Are There Limits on Investment Changes?**

Under federal law, neither you nor the Designated Beneficiary may exercise investment discretion, directly or indirectly, over Contributions to an Account or any earnings on such Contributions. As a result, federal law only allows you to change the Portfolio or Portfolios in which Contributions or any earnings on such Contributions are invested twice per calendar year, or upon a change of Designated Beneficiary.

If an Account Owner has multiple accounts in the Plan for the same Designated Beneficiary, or multiple accounts in the Plan and other State of Alabama 529 programs, the Account Owner may change the Portfolios in all such accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary.

**Are There Limits on Transfers to Other State of Alabama Section 529 Programs?**

Accounts in the Plan are also offered through the CollegeCounts 529 Fund Direct Plan. You may transfer money from your Plan Account to the CollegeCounts 529 Fund Direct Plan or from the CollegeCounts 529 Fund Direct Plan to your Plan Account without the imposition of any penalties, other than any applicable contingent deferred sales charges for Fee Structure B Accounts. However, any such transfer constitutes an investment change and therefore may only occur twice per calendar year, or upon a change of Designated Beneficiary.

**Are There Limitations on Transfers Out of the Program?**

You may roll over your Account to another 529 qualified tuition program without potentially adverse federal income tax consequences if, within 60 days of the withdrawal from the distributing account, such funds are transferred to or deposited into an account at another 529 qualified tuition program and only if:

1. the rollover does not occur within 12 months from the date of a previous rollover to another 529 qualified tuition program for the Designated Beneficiary; or

2. such funds are transferred to or deposited into an account at another 529 qualified tuition program for the benefit of an individual who is a "Member of the Family" of the former Designated Beneficiary.

**Are There State of Alabama Income Tax Considerations on Transfers Out of the Program?**

Qualified Withdrawals on transfers out of the Program are treated the same for Alabama state income tax purposes as for federal income tax purposes. If a rollover out of the Plan is treated as a Nonqualified Withdrawal, then the amount of such Nonqualified Withdrawal, plus an amount equal to 10% of the amount of the Nonqualified Withdrawal, (not just earnings) shall be added to the income of the contributing taxpayer in the year of the withdrawal. If a rollover out of the Plan is treated as a Qualified Withdrawal, the Qualified Withdrawal would not be subject to Alabama state income tax.

**Are There Penalties on Withdrawals From the Plan?**

The Program does not charge a withdrawal fee, except applicable contingent deferred sales charges for Fee Structure B Accounts. If an Account Owner withdraws funds as a Nonqualified Withdrawal, the earnings portion of the withdrawal will be includible in your federal gross income and subject to a 10% federal penalty tax.

The 10% additional federal penalty tax doesn't apply to distributions:

1. Paid to a Designated Beneficiary (or to the estate of the Designated Beneficiary) on or after the death of the Designated Beneficiary.
2. Made because the Designated Beneficiary is disabled. A person is considered to be disabled if he or she shows proof that he or she cannot do any substantial gainful activity because of his or her physical or mental condition. A physician must determine that his or her condition can be expected to result in death or to be of long-continued and indefinite duration.
3. Included in income because the Designated Beneficiary received a tax-free scholarship or fellowship grant; Veteran's educational assistance; employer-provided educational assistance; or any other nontaxable payments (other than gifts or inheritances) received as educational assistance. This exception applies only to the extent the distribution is not more than the scholarship, allowance, or payment.
4. Made on account of the attendance of the Designated Beneficiary at a U.S. military academy (such as the Naval Academy at Annapolis). This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance.
5. Included in income only because the Qualified Higher Education Expenses were taken into account in determining the American opportunity or lifetime learning credit.

For Alabama state income tax purposes, if an Account Owner withdraws funds as a Nonqualified Withdrawal, then the amount of the Nonqualified Withdrawal, plus an amount equal to 10% of the amount of the Nonqualified Withdrawal, shall be included in income for the Account Owner for the year in which the withdrawal was made.

## OTHER INFORMATION

**How Will Investment in the Plan Affect My Designated Beneficiary's Chances of Receiving Financial Aid?**

The eligibility of the Designated Beneficiary for financial aid may depend upon the circumstances of the Designated Beneficiary's family at the time the Designated Beneficiary enrolls in an Eligible Educational Institution, as well as on the policies of the governmental agencies, school, or private organizations to which the Designated Beneficiary and/or the Designated Beneficiary's family applies for financial assistance. These policies vary at different institutions and can change over time. Therefore, no person or entity can say with certainty how the federal aid programs, or the school to which the Designated Beneficiary applies, will treat your Account for purposes of receiving financial aid. Discuss this with school officials at the institutions to which your Designated Beneficiary applies.

**Are Contributions Part of an Account Owner's Bankruptcy Estate?**

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 protects many Section 529 accounts in federal bankruptcy proceedings subject to certain limits. Your Account will be protected if the Designated Beneficiary is your child, stepchild, grandchild, or step grandchild (including a child, stepchild, grandchild, or step grandchild through adoption or foster care) subject to the following limits:

- Contributions made to all Section 529 accounts for the same Designated Beneficiary at least 720 days before a federal bankruptcy filing are completely protected;
- Contributions made to all Section 529 accounts for the same Designated Beneficiary more than 365 days, but less than 720 days before a federal bankruptcy filing are protected up to $7,575; and
- Contributions made to all Section 529 accounts for the same Designated Beneficiary less than 365 days before a federal bankruptcy filing are not protected against creditor claims in federal bankruptcy proceedings.

Your own state law may offer additional creditor protections. You should consult your legal advisor regarding the effect of any bankruptcy filing on your Account.

**Does Alabama Law Protect Accounts From Creditors?**

The Act provides, notwithstanding any provision of any law to the contrary, money in the ACES Program shall be exempt from creditor process and shall not be liable to attachment, garnishment, or other process, nor shall it be seized, taken, appropriated, or applied by any legal or equitable process or operation of law to pay any debt or liability of any contributor or Designated Beneficiary.

**What Kind of Statements Will I Receive?**

You and your advisor will receive quarterly statements showing:

- Contributions made to the Account for that period;
- Change in Account value for the period;
- Withdrawals made from the Account for that period;

- Account fee paid during the period;
- The total value of the Account at the end of that time period.

Carefully review all confirmations and account statements to verify the accuracy of the transactions. Any discrepancies must be reported to the Program Manager within 30 days of the date of the confirmation or statement, whichever is earliest to occur. If you fail to notify us of any error, you will be considered to have approved the transaction.

To reduce the amount of duplicate mail that is sent to a household, the Program Manager will combine Account statements that have the same Account Owner and mailing address in the same mailing. The Program Manager will send one copy of the Program Disclosure Statement and other Plan communications to Account Owners at each respective household address. The Plan periodically matches and updates addresses of record against the U.S. Postal Service's change of address database to minimize undeliverable items.

You can view quarterly statements online at CollegeCounts529advisor.com. To do so, you will need to create an online user name and password and provide additional identifying information to establish your online account.

Information including prospectuses and other disclosures of all fees and expenses associated with mutual funds and other investments made by the Program is available at CollegeCounts529advisor.com and the respective underlying mutual fund web sites.

**How Can I Have Online Access to My Account?**

You can access information about your Account 24 hours a day by logging in to your Account at CollegeCounts529advisor.com. You will need to select a user name and password and follow the online steps. The Program Manager employs procedures it considers to be reasonable to confirm that instructions communicated by internet are genuine, including certain identifying information prior to acting upon internet instructions. None of the Program Manager, the Board, or the Treasurer will be liable for following internet instructions that the Program Manager reasonably believed to be genuine. To safeguard your Account, please keep your information confidential.

**Is the Program Audited?**

Each year an independent public accountant selected by the Program Manager will audit the Plan. The auditors will examine financial statements for the Plan and provide other audit, tax, and related services. The Board may also conduct audits of the Program and the Trust. The Plan's audited financial statements are available online at CollegeCounts529advisor.com.

**Where Can I Obtain Additional Information?**

To answer your questions or request an Enrollment Form, please call your broker or other financial advisor, the Program Manager, or the Distributor. You can contact the Program Manager by calling 866.529.2228 or by writing to: CollegeCounts 529 Fund Advisor Plan, P.O. Box 85290, Lincoln, NE 68501-5290.

In order to comply with Rule 15c 2-12(b)(5) promulgated in the Securities Exchange Act of 1934, as amended, (herein referred to as the "Rule"), the Board, on behalf of the Plan, has entered into a continuing disclosure agreement for the benefit of the Account Owners. Under the continuing disclosure agreement, the Board, on the Plan's behalf as permitted by law, will in compliance with the Rule provide the Plan's annual audited financial statement when available in conformity with the Rule and will provide notices of the occurrence of certain material events under the Rule and the continuing disclosure agreement, when applicable to the Plan. The Plan's audited financial statements for the fiscal year ended September 30, 2023 have been posted with the Municipal Securities Rulemaking Board.

# EXHIBIT A — ACCOUNT AGREEMENT

**For The CollegeCounts 529 Fund Advisor Plan**

Pursuant to the terms and conditions of this Account Agreement, the Account Owner, by completing and signing an Enrollment Form, hereby requests the Alabama Comprehensive Education Savings Program, marketed as the CollegeCounts 529 Fund, (hereinafter, the "Program") to open (or in the case of a successor Account Owner, to maintain) an Account in the CollegeCounts 529 Fund Advisor Plan (hereinafter, the "Plan") for the individual designated on the Enrollment Form as the Designated Beneficiary (hereinafter, "Designated Beneficiary").

**SECTION 12 OF THIS AGREEMENT IS AN ARBITRATION PROVISION. YOU SHOULD READ THE ARBITRATION PROVISION CAREFULLY. IT MAY HAVE A SUBSTANTIAL IMPACT ON YOUR RIGHTS.**

## GENERAL TERMS AND CONDITIONS

This Account Agreement among you, the Board and the Program Manager, as amended and supplemented from time to time, governs the terms of each Account you establish pursuant to your submission to the Program Manager of a properly completed Enrollment Form. By signing an Enrollment Form, you agree to be bound by the terms of this Account Agreement, as amended or supplemented from time to time, the Program Rules and the Act, as each may be amended from time to time.

The Program was established by the State under the Act to allow Account Owners to save for the Qualified Higher Education Expenses of a Designated Beneficiary at an Eligible Educational Institution. Under the Act, the Board of the Program oversees administration of the Program and its members act as trustees of the Program Trust Fund. Pursuant to the Act, the Board has delegated day-to-day administration of the Program to the Treasurer. Under the Act, the Board is authorized to employ private sector firms to provide investment management services, marketing services and administrative services for the Program. Pursuant to the Program Management Agreement, the Board has retained Union Bank and Trust Company to act as Program Manager for the Program.

**The Program Disclosure Statement for the Plan describes the terms and conditions of the Plan in greater detail and is incorporated in its entirety into this Account Agreement. Before making any investment in the Plan, you should read carefully the Program Disclosure Statement in its entirety.**

Capitalized terms not defined in this Account Agreement shall have the meanings assigned to them in the Program Disclosure Statement.

The Account Owner, the Board and the Program Manager agree as follows:

**Section 1. Accounts and Beneficiaries.**

(a) ***Opening an Account.*** To establish an Account on behalf of a Designated Beneficiary under the Program, a prospective Account Owner must execute and submit a completed Enrollment Form to the Program Manager.

(b) ***Separate Accounts.*** The Program will maintain a separate Account for each Designated Beneficiary. Each Account will be governed by an Account Agreement, the Act, the Program Disclosure Statement and the Program Rules. An Account Owner may establish multiple separate Accounts for the same Designated Beneficiary. All assets held in your Account will be held for the exclusive benefit of you and the Designated Beneficiary as provided by applicable law.

(c) ***Ownership.*** The Account Owner is the sole owner of all Contributions to an Account and any earnings thereon. Different rules may apply if the source of any Contribution to an Account is a custodial account established under a state's Uniform Gifts to Minors Act or Uniform Transfers to Minors Act.

(d) ***Naming and Changing Beneficiaries.*** You will name the Designated Beneficiary for an Account on the Enrollment Form. You can change the Designated Beneficiary at any time, subject to federal and state law and the Program Rules. In order to avoid certain adverse tax consequences, a new Designated Beneficiary must be a "Member of the Family" of the replaced Designated Beneficiary, as that term is defined under Section 529(e)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), or any other corresponding provision of future law. The designation of the new Designated Beneficiary will be effective upon the Program Manager's receipt of the appropriate form, properly completed.

(e) ***Selection of Investment Portfolios.*** Money invested in an Account will be invested in the investment Portfolio or Portfolios the Account Owner selects in the Enrollment Form. The Account Owner may change the investment Portfolio or Portfolios in which money is invested twice every calendar year, or with such other frequency as the Internal Revenue Service may provide, or upon a change of the Designated Beneficiary. The Board may change the asset allocation of any Age-Based Portfolio or Target Portfolio, add, eliminate or change the underlying investment(s) for an investment Portfolio, create additional Portfolios, or eliminate Portfolios without regard to prior selections made by Account Owners. **The Board is not obligated to provide prior notice of such changes or to update the Program Disclosure Statement prior to any such change, but may do so in the Board's sole discretion.**

If an Account Owner has multiple accounts in the Program for the same Designated Beneficiary, the Account Owner may change the Portfolio in all such accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than twice per calendar year or upon a change of Designated Beneficiary. You are responsible for ensuring that your Account has been assigned or reassigned to the correct investment Portfolio, that each Contribution has been credited to the correct Account and that your Account has been assigned to the correct Fee Structure. You must notify the Program Manager within thirty (30) days of any errors.

**Section 2. Contributions**

(a) ***Contributions To Be in Cash.*** All Contributions must be in cash. Cash means Contributions in U.S. Dollars made by (i) checks, (ii) payroll contributions made by your employer, (iii) electronic funds transfers from your bank, (iv) an automatic investment plan, (v) wire transfers, (vi) *CollegeCounts GiftED* contributions, (vii) Rewards from the CollegeCounts 529 Rewards Visa® Card, or (viii) a rollover from another 529 qualified tuition plan.

(b) ***Minimum Contributions.*** There is no minimum contribution amount. A Contribution need not be made every year.

(c) ***Additional Contributions.*** You may make additional Contributions at any time, subject to the overall limit described in the next paragraph.

(d) ***Maximum Account Balance Contribution Limitation.*** The Board will set a Maximum Account Balance for the Program. No Contribution to an Account for a Designated Beneficiary will be permitted if the aggregate balance of all Accounts for the Designated Beneficiary, including for this purpose all accounts in State of Alabama 529 programs for the Designated Beneficiary, equals or exceeds the Maximum Account Balance. Any Contribution in excess of the Maximum Account Balance will be returned to the Account Owner. The Board will determine the Maximum Account Balance for each year and such determination shall be deemed a part of this Agreement.

**Section 3. Distribution From Accounts.**

You may direct the Program Manager to distribute part or all of the money in your Account at any time.

(a) You must complete a withdrawal request form, an online withdrawal form or follow such other procedures for the withdrawal of money in an Account as the Board may designate. The Board may change the withdrawal request form or modify the procedures for withdrawing money from an Account from time to time.

(b) You acknowledge that the earnings portion of a Nonqualified Withdrawal, as defined in the Program Disclosure Statement, will be included in your income for federal tax purposes and may be subject to an additional 10% federal penalty tax. There may be additional state tax consequences associated with a Nonqualified Withdrawal and you should consult with your tax advisor.

(c) Notwithstanding any other provision of this Agreement, the Board may terminate an Account upon a determination that you or the Account's Designated Beneficiary has provided false or misleading information to the Program or the Program Manager. The Board will pay you the balance remaining in the Account, less any state or federal taxes to be withheld, if applicable.

(d) If you terminate your Account Agreement and close your Account, you will receive the fair market value of the Account on the date the Account is redeemed.

(e) If an Account Agreement has not been terminated and the Account closed after a period of sixty (60) years from its effective date, and the Account has been dormant for three years, the Board or the Program Manager, after making reasonable efforts to contact the Account Owner, will close the Account and presume that the Account balance, if any, is abandoned property. The Account Owner may request that an Account remain in effect beyond the sixty (60) year period by filing a written request with the Board.

**Section 4. Your Representations and Acknowledgments.**

You hereby represent and warrant to, and agree with the Program, the Board, and the Program Manager as follows:

(a) You acknowledge that the creation of an Account under the Program subjects your Contributions to sales charges and ongoing fees.

(b) You have received and read the Program Disclosure Statement for the CollegeCounts 529 Fund Advisor Plan and have carefully reviewed all the information contained therein, including information provided by or with respect to the Board and the Program Manager. You have been given an opportunity, within a reasonable time prior to the date of this Agreement, to ask questions and receive answers concerning (i) an investment in the Program, (ii) the terms and conditions of the Program, (iii) this Agreement, the Program Disclosure Statement, the Program Rules and the Enrollment Form, and (iv) the investment Portfolios that are available for your Account and to obtain such additional information necessary to verify the accuracy of any information furnished. You also agree that you have had the opportunity to review and hereby approve and consent to all compensation paid or received by any party connected with the Program or any of its investments.

(c) You acknowledge and agree that if the Program Disclosure Statement is in any way amended, modified or supplemented after you enter into this Account Agreement, that the terms of the Program Disclosure Statement, as amended, modified or supplemented, will be automatically incorporated into this Account Agreement as if fully set forth herein.

(d) You acknowledge and agree that the value of any Account will increase or decrease based on the investment performance and expenses of the investment Portfolio or Portfolios in which the Account is then invested. **YOU UNDERSTAND THAT THE VALUE OF ANY ACCOUNT MAY BE MORE OR LESS THAN THE AMOUNT INVESTED IN THE ACCOUNT.** You agree (i) that the Board, as required by the Code, determines from time to time the underlying funds and the types of investment portfolios made up of those funds offered by the Program, relying upon advice from investment consultants in doing so, and that (ii) you will only be permitted to select an investment portfolio offered by the Program and may only change that selection at the limited times permitted by the Program, and (iii) except for the selection of an investment Portfolio offered by the Program, you are not permitted to direct, nor will you direct, the investment of any funds contributed to the Program, either directly or indirectly. You also acknowledge and agree that neither the State of Alabama, the Board, the Treasurer, the Program Manager, the Distributor, nor any other advisor or consultant retained by or on behalf of the Program makes any guarantee that you will not suffer a loss of the amount invested in any Account nor do any of them provide you with investment advice.

(e) You understand that so long as Union Bank and Trust Company serves as Program Manager for the Program and is performing services for the Program it may be required to follow certain specific directives of the Board. When acting in such a specific directed capacity, Union Bank and Trust Company will not have any liability to you or any Designated Beneficiary of this Agreement.

(f) You acknowledge and agree that participation in the Program does not guarantee that any Designated Beneficiary: (i) will be accepted as a student by an Eligible Educational Institution; (ii) if accepted, will be permitted to continue as a student; (iii) will be treated as a state resident of any state for tuition purposes; (iv) will graduate from any Eligible Educational Institution; or (v) will achieve any particular treatment under applicable state or federal financial aid program. You also acknowledge and agree that neither the State of Alabama, the Board, the Treasurer, the Program Manager, the Distributor, nor any other advisor or consultant retained by or on behalf of the Program makes any such representation or guarantee.

(g) You acknowledge and agree that no Account will be used as collateral for any loan. Any attempted use of an Account as collateral for a loan will be void.

(h) You acknowledge and agree that the Program will not loan any assets to you or the Designated Beneficiary.

(i) You understand and acknowledge that the Program is established and maintained under Alabama law with the intent that it will meet with certain requirements in order to qualify as a qualified tuition program under Section 529 of the Internal Revenue Code. You further acknowledge that such federal and state laws are subject to change, sometimes with retroactive effect, and that neither the State of Alabama, the Board, the Treasurer, the Program Manager, the Distributor, nor any advisor or consultant retained by the Program makes any representation that such state or federal laws will not be changed or repealed, or, if changed, that such changes may not have adverse tax consequences. If the Program fails to qualify as a qualified tuition program under Section 529 of the Code, such failure may have adverse tax and other consequences to you.

(j) You acknowledge that the Program is the record owner of the shares of the underlying investments in which each Portfolio is invested and that you will have no right to vote, or direct the voting of, any proxy with respect to such shares.

(k) If you are not, or your Designated Beneficiary is not, an Alabama resident, you understand that if your or your Designated Beneficiary's state of residence offers a qualified tuition program, it may offer tax advantages or other benefits that may not be available to you or your Designated Beneficiary under the Program and that you are responsible for determining which qualified tuition program is best suited to your investment needs based on your investment objectives, time horizon, tax status and other investment holdings.

(l) You understand that with respect to residents of Alabama, Contributions to your Account may be entitled to an Alabama state income tax deduction and that the earnings portion of a distribution from an Account for Qualified Higher Education Expenses will not be subject to Alabama state income tax and your participation in the Program generally will have the Alabama income tax consequences described in the Program Disclosure Statement. Such Alabama tax laws are subject to change, sometimes with retroactive effect.

(m) If the Account Owner is a trust or other entity, then the Account Owner represents and warrants that (i) the trust or other entity is duly organized, validly existing, and in good standing under the laws of its state of organization and has the power and authority to enter into this Agreement, (ii) the execution, delivery, and performance of this Agreement by the Account Owner have been duly authorized by all necessary action on the part of the Account Owner, and (iii) this Agreement constitutes the legal, valid, and binding obligation of the Account Owner, enforceable against the Account Owner in accordance with its terms.

**Section 5. Fees and Expenses.**

The Program will make certain charges against each Account in order to provide for the costs of administration of the Accounts and such other purposes as the Board shall determine appropriate.

(a) ***Account Fee.*** Each Account will be charged an annual account fee of $12. The Account fee is deducted from your Account annually in approximately November of each year. If you close your Account during the year, you will be charged a pro rated Account fee. The annual Account fee is waived if the Account Owner or the Designated Beneficiary is a resident of Alabama.

(b) ***Program Management Fee.*** Each Portfolio is subject to a maximum program management fee at an annual rate of 0.21%.

(c) ***State Administrative Fee.*** Each Portfolio is subject to a state administrative fee at an annual rate of 0.07%.

(d) ***Investment Management Fees.*** You agree and acknowledge that each of the mutual funds or other investments also will have investment management fees and other expenses, which will be disclosed or made available on an annual basis.

(e) ***Change in Fees.*** You acknowledge and agree that the charges described above may be increased or decreased as the Board shall determine to be appropriate.

(f) ***Sales Loads, Redemption Fees, and Annual Servicing Fees.*** An Account is subject to the fees set forth in this paragraph. You may choose from among Fee Structure A, B, C or F. Except with respect to Fee Structure B as set forth below, Account Owners may elect one of the following fee structures by reflecting such election on the Enrollment Form:

(i) ***Fee Structure A.*** If you select Fee Structure A, you will pay, at the time each Contribution is made, a sales load in an amount equal to 3.50% of the Contribution, and ongoing fees at an annualized rate of 0.25% of the aggregate average fair market value of assets in your Account.

(ii) ***Fee Structure B.*** Account Owners that previously opened an Account under Unit Class B, may continue to make Contributions to such Account under Fee Structure B. No new Fee Structure B Accounts are permitted. If you make additional Contributions, you will not pay a sales load at the time each Contribution is made, but will pay ongoing fees at an annualized rate of 1.00% of the aggregate average fair market value of assets in your Account.

(iii) ***Fee Structure C.*** If you select Fee Structure C, you will not pay a sales load at the time each Contribution is made, but will pay ongoing fees at an annualized rate equal to 0.50% of the aggregate average fair market value of assets in your Account.

(iv) ***Fee Structure F.*** If you open your Account through a fee-only financial planner, you may select Fee Structure F. If you select Fee Structure F, you will not pay a sales load at the time each Contribution is made or an ongoing fee.

Fees set forth under Fee Structure A, B, C or F, if any, are in addition to all other fees charged against the Account. You may choose to make Contributions under more than one fee structure by establishing separate Accounts. The annualized fees applicable to each Account under each of the fee structures are accrued daily and reflected in the NAV of each Portfolio.

Contributions made to the Bank Savings 529 Portfolio, State Street Institutional U.S. Government Money Market 529 Portfolio or the PIMCO Short-Term 529 Portfolio under Fee Structure A are not subject to an initial sales charge. In addition, no Annual Account Servicing Fee will be charged for the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio. However, if you transfer funds contributed under Fee Structure A from the Bank Savings 529 Portfolio, State Street Institutional U.S. Government Money Market 529 Portfolio or the PIMCO Short-Term 529 Portfolio to another Portfolio in the Program, you will be assessed the sales charges applicable to such new Portfolio under Fee Structure A.

Your financial advisor will not receive a 3.00% commission on any Contributions for which the initial sales charge has been waived. In addition, your financial advisor will not receive a percentage of the average daily net assets in your Account for any balances in the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio and your financial advisor will not receive any commission on Contributions under Fee Structure C to the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio.

(g) ***Contingent Deferred Sales Charges.*** Accounts invested in Fee Structure B are subject to a contingent deferred sales charge as set forth in the following table:

**Contingent Deferred Sales Charges Under Fee Structure B**

| Years Since Contribution | Fee Structure B | Fee Structure B* |
|---|---|---|
| 0 – 1 | 5.00% | 2.00% |
| 1 – 2 | 4.00% | 1.50% |
| 2 – 3 | 3.00% | 1.00% |
| 3 – 4 | 2.50% | 0.50% |
| 4 – 5 | 1.50% | 0.00% |
| 6 and thereafter | 0.00% | 0.00% |

*Contingent deferred sales charge applicable to Fee Structure B Accounts in the PIMCO Short Term 529 Portfolio. No contingent deferred sales charge is applicable to Accounts in the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio.

**Section 6. Necessity of Qualification.** The Program intends to qualify for favorable federal tax treatment under Section 529 of the Code. You agree and acknowledge that qualification under Section 529 of the Code is vital and agree that the Board may amend this Account Agreement upon a determination that such an amendment is required to maintain such qualification.

**Section 7. Audit.** The Program Manager shall cause the Program and its assets to be audited at least annually by a certified public accountant. A copy of the annual report can be obtained by calling the Program at 866.529.2228, or by going to CollegeCounts529advisor.com.

**Section 8. Reporting.** The Program, through the Program Manager, will make quarterly reports of Account activity and the value of each Account. Account information can also be obtained via the Program's website at CollegeCounts529advisor.com.

**Section 9. Account Owner's Indemnity.** You recognize that each Account will be established based upon your statements, agreements, representations, and warranties set forth in this Account Agreement and the Enrollment Form. You agree to indemnify and to hold harmless the Board, the Program, the Treasurer, the Program Manager and its affiliates, the Distributor and its affiliates, and any representatives of the Program from and against any and all loss, damage, liability, or expense, including costs of reasonable attorneys' fees to which they may be put or which they may incur by reason of, or in connection with, any breach by you of your acknowledgments, representations, or warranties or any failure of you to fulfill any covenants or agreements set forth herein. You agree that all statements, representations, and warranties will survive the termination of your Account.

**Section 10. Amendment and Termination.** Nothing contained in the Program or this Account Agreement shall constitute an agreement or representation by the Board, the Treasurer or anyone else that the Program will continue in existence. At any time, the Board may amend the Program Rules, the Program Disclosure Statement, this Account Agreement and other Program documents, and may change the Program Manager and the investment Portfolios under the Program. In addition, the legislature of the State of Alabama may dissolve the Program at any time and dissolution of the Program may result in a distribution from your Account that may be subject to income taxes and additional tax penalties.

**Section 11. Governing Law, Jurisdiction and Venue, Waiver of Jury Trial.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Alabama. Subject to Section 12 below, you agree (on behalf of yourself and your Designated Beneficiary) that the courts located in Montgomery, Alabama, shall have exclusive jurisdiction over any legal proceedings between you (and/or your Designated Beneficiary) and the Board that arise out of or relate to this Account Agreement. In any such proceeding, you (on behalf of yourself and your Designated Beneficiary) agree to waive any right you may have to a trial by jury.

**Section 12. Arbitration.**

**YOU SHOULD READ THIS ARBITRATION PROVISION CAREFULLY. IT MAY HAVE A SUBSTANTIAL IMPACT ON YOUR RIGHTS.**

(a) ***Agreement to Arbitrate.*** Unless prohibited by applicable law, any legal dispute between you and us (as defined below) will be resolved by binding arbitration. In arbitration, a dispute is resolved by an arbitrator instead of a judge or jury. Arbitration procedures are simpler and more limited than court procedures.

(b) ***Coverage and Definitions.*** As used in this Section 12 Arbitration Provision, the following terms have the following meanings:

(i) "You," "your" and "yours" refer to the Account Owner and any successor Account Owner, acting on the Account Owner's own behalf or on behalf of the Designated Beneficiary and any successor Designated Beneficiary.

(ii) "We," "us," "our" and "ours" refer to: (A) the Program Manager; (B) any company that owns or controls the Program Manager (a "Parent Company"); and (C) any company that is controlled by a Parent Company or the Program Manager. Also, if either you or we elect to arbitrate any Claim you bring against us, the persons who may benefit by this Arbitration Provision include any other persons or companies you make a Claim against in the same proceeding. It does not include the Board, the Program or the Treasurer.

(iii) "Claim" means any legal dispute between you and us that relates to, arises out of or has anything at all to do with: (A) this Account Agreement, this Arbitration Provision or the Program; or (B) any related advertising, promotion, disclosure or notice. This includes a dispute about whether this Arbitration Provision or this Account Agreement is valid or enforceable, about when this Arbitration Provision applies and/or about whether a dispute is arbitrable. It includes disputes about constitutional provisions, statutes, ordinances, and regulations, compliance with contracts and wrongful acts of every type (whether intentional, fraudulent, reckless or negligent). This Arbitration Provision applies to actions, omissions and events prior to, on or after the date of this Account Agreement. It applies to disputes involving requests for injunctions, other equitable relief and/ or declaratory relief. However, notwithstanding any language in this Arbitration Provision to the contrary, the term "Claim" does not include any dispute that is asserted by a party on a class basis; unless and until any such dispute is finally resolved to be inappropriate for class treatment in court, such dispute shall not constitute a "Claim" hereunder, and any such dispute shall be resolved by a court and not by an arbitrator or arbitration administrator.

(iv) "Administrator" means JAMS, 620 Eighth Avenue, 34th Floor, New York, NY 10018, www.jamsadr.com; the American Arbitration Association (the "AAA"), 1633 Broadway, 10th Floor, New York, NY 10019, www.adr.org; or any other company selected by mutual agreement of the parties. If both JAMS and AAA cannot or will not serve and the parties are unable to select an Administrator by mutual consent, the Administrator will be selected by a court. You may select the Administrator if you give us written notice of your selection with your notice that you are electing to arbitrate any Claim or within 20 days after we give you notice that we are electing to arbitrate any Claim (or, if you oppose in court our right to arbitrate a matter, within 20 days after the court determination). If you do not select the Administrator on time, we will select the Administrator.

(c) ***Important Notice.*** **IF YOU OR WE ELECT TO ARBITRATE A CLAIM, YOU AND WE WILL NOT HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM. ALSO, YOUR AND OUR ABILITY TO OBTAIN INFORMATION AND TO APPEAL IS MORE LIMITED IN AN ARBITRATION THAN IN A LAWSUIT. OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN A LAWSUIT IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.**

(d) ***Prohibition Against Certain Proceedings.*** **(i) NO PARTY MAY PARTICIPATE IN A CLASS-WIDE ARBITRATION, EITHER AS A PLAINTIFF, DEFENDANT OR CLASS MEMBER; (ii) NO PARTY MAY ACT AS A PRIVATE ATTORNEY GENERAL IN ANY ARBITRATION; (iii) CLAIMS BROUGHT BY OR AGAINST YOU MAY NOT BE JOINED OR CONSOLIDATED WITH CLAIMS BROUGHT BY OR AGAINST ANY OTHER PERSON IN ANY ARBITRATION; AND (iv) THE ARBITRATOR SHALL HAVE NO AUTHORITY TO CONDUCT A CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ARBITRATION OR MULTIPLE-PARTY ARBITRATION.**

(e) ***Initiating Arbitration Proceedings.*** A party asserting a Claim must first comply with Section l2(k), regarding "Notice and Cure." Additionally, a party electing arbitration must give written notice of an intention to initiate or require arbitration. This notice can be given after the beginning of a lawsuit and can be given in the papers filed in the lawsuit. If such notice is given, unless prohibited by applicable law any Claim shall be resolved by arbitration under this Arbitration Provision and, to the extent consistent with this Arbitration Provision, the applicable rules of the Administrator that are in effect at the time the Claim is filed with the Administrator. A party who has asserted a

Claim in a lawsuit may still elect arbitration with respect to any Claim that is later asserted in the same lawsuit by any other party (and in such case either party may also elect to arbitrate the original Claim). The arbitrator will be selected in accordance with the Administrator's rules. However, unless both you and we agree otherwise, the arbitrator must be a lawyer with more than 10 years of experience or a retired judge. We promise that we will not elect to arbitrate an individual Claim that you bring in small claims court or an equivalent court. However, we may elect to arbitrate a Claim that is transferred, removed or appealed to any different court.

(f) ***Arbitration Location and Costs.*** Any arbitration hearing that you attend will take place in a reasonably convenient location for you. If the amount in controversy is less than $10,000 and you object to the fees charged by the Administrator and/or arbitrator, we will consider in good faith any reasonable written request for us to bear the fees charged by the Administrator and/or arbitrator. Also, we will pay any fees or expenses we are required to pay by law or are required to pay so that a court will enforce this Arbitration Provision. Each party must pay for that party's own attorneys, experts and witnesses, provided that we will pay all such reasonable fees and costs you incur if required by applicable law and/or the Administrator's rules or if you are the prevailing party and we are required to bear such fees and costs so that a court will enforce this Arbitration Provision.

(g) ***Applicable Law.*** You and we agree that this Account Agreement and this Arbitration Provision involve interstate commerce, and this Arbitration Provision is governed by the Federal Arbitration Act ("FAA"), 9 U.S.C. § 1, et seq. The arbitrator must follow, to the extent applicable: (i) the substantive law related to any Claim; (ii) statutes of limitations; and (iii) claims of privilege recognized at law, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. Upon the timely request of any party to an arbitration proceeding, the arbitrator must provide a brief written explanation of the basis for the award. The arbitrator will determine the rules of procedure and evidence to apply, consistent with the arbitration rules of the Administrator and this Arbitration Provision. In the event a conflict between this Arbitration Provision, on the one hand, and any other Arbitration Provision between you and us or the rules or policies of the Administrator, on the other hand, this Arbitration Provision shall govern. The arbitrator will not be bound by federal, state or local rules of procedure and evidence or by state or local laws concerning arbitration proceedings.

(h) ***Getting Information.*** In addition to the parties' rights to obtain information under the Administrator's rules, any party may submit a written request to the arbitrator seeking more information. A copy of such request must be provided to the other parties. Those parties will then have the right to object in writing within 30 days. The objection must be sent to the arbitrator and the other parties. The arbitrator will decide the issue in his or her sole discretion within 20 days thereafter.

(i) ***Effect of Arbitration Award.*** Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's decision will be final and binding, except for any appeal right under the FAA and except for Claims involving more than $100,000. For these Claims, any party may appeal the award within 30 days to a three-arbitrator panel appointed pursuant to the Administrator's rules. That panel will reconsider from the start any aspect of the initial award that any party asserts was incorrectly decided. The decision of the panel shall be by majority vote and will be final and binding, except for any appeal right under the FAA. Unless applicable law (or Section 120), regarding "Corrective Action; Survivability and Severability of Terms") requires otherwise, the costs of an appeal to an arbitration panel will be borne by the appealing party, regardless of the outcome of the appeal. However, we will pay any fees or expenses we are required to pay so that a court will enforce this Arbitration Provision.

(j) ***Corrective Action; Survivability and Severability of Terms.*** A party must be given written notice and a reasonable opportunity of at least 30 days to remedy any circumstance that might preclude arbitration of a Claim. This Arbitration Provision shall survive: (i) termination of the Program; and (ii) the bankruptcy of any party. If any portion of this Arbitration Provision is deemed invalid or unenforceable, the remaining portions shall nevertheless remain in force. This Arbitration Provision can only be amended or supplemented by written Arbitration Provision.

(k) ***Notice and Cure.*** Prior to initiating litigation or arbitration regarding a Claim, the party asserting the Claim (the "Claimant") shall give the other party or parties written notice of the Claim (a "Claim Notice") and a reasonable opportunity, not less than 30 days, to cure the Claim. Any Claim Notice must explain the nature of the Claim and the relief that is demanded. The Claimant must reasonably cooperate in providing any information about the Claim that the other party or parties reasonably request.

(l) ***Arbitration Notices.*** Any notice to us under this Arbitration Provision must be sent to us by registered or certified mail or by a messenger service such as Federal Express, CollegeCounts 529 Fund, 1248 O Street, Suite 200, Lincoln, Nebraska 68508. Any such notice must be signed by you and must provide your name, address and telephone number. Any notice to you under this Arbitration Provision must be sent to you by registered or certified mail or by a messenger service such as Federal Express, at the most recent address for you we have in our records.

# EXHIBIT B — TAX INFORMATION

The following discussion summarizes certain aspects of federal and state income, gift, estate, and generation-skipping transfer tax consequences relating to the CollegeCounts 529 Fund Advisor Plan and Contributions to, earnings of, and withdrawals from the Accounts. The summary is not exhaustive and is not intended as individual tax advice. In addition, there can be no assurance that the Internal Revenue Service ("IRS") or Alabama Department of Revenue will accept the statements made herein or, if challenged, that such statements would be sustained in court. The applicable tax rules are complex, and certain of the rules are at present uncertain, and their application to any particular person may vary according to facts and circumstances specific to that person. The Internal Revenue Code and regulations thereunder, and judicial and administrative interpretations thereof, are subject to change, retroactively or prospectively, and no one under the Program will be entitled to receive or be obligated to give notice of any such changes or modifications. A qualified tax advisor should be consulted regarding the application of law in individual circumstances.

This summary is based on the current relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Alabama state tax law, and proposed Treasury regulations. It is possible that Congress, the Treasury Department, the IRS, the State of Alabama, and other taxing authorities or the courts may take actions that will adversely affect the tax law consequences described and that such adverse effects may be retroactive. No final tax regulations or rulings concerning the Program have been issued by the IRS and, when issued, such regulations or rulings may alter the tax consequences summarized herein or necessitate changes in the Program to achieve the tax benefits described. The summary does not address the potential effects on Account Owners or Designated Beneficiaries of the tax laws of any state other than Alabama.

**Alabama Income Tax Consequences**

The undistributed investment earnings in the Plan are exempt from Alabama income tax, and the earnings attributed to an Account will not be includable in the Alabama income of the Account Owner or a Designated Beneficiary until the funds are withdrawn, in whole or in part, from the Account. The Alabama income tax consequences of a withdrawal from the Account will vary depending upon whether the withdrawal constitutes a Qualified Withdrawal or a Nonqualified Withdrawal.

If the distribution constitutes a Qualified Withdrawal from an Account, generally no portion of the distribution is includable in the Alabama income of the Designated Beneficiary or the Account Owner. Similarly, no portion of a Qualified Rollover Distribution is includable in the Alabama income of either the Designated Beneficiary or the Account Owner.

However, to the extent that a withdrawal from an Account is a Nonqualified Withdrawal, then the entire amount of the Nonqualified Withdrawal (including earnings), plus an amount equal to ten (10%) percent of the amount of the Nonqualified Withdrawal is includable in income for Alabama income tax purposes of the taxpayer who made the Contribution that was subject to the Nonqualified Withdrawal in the year of the withdrawal. This is different from the treatment for federal income tax purposes. No exceptions to the recapture of the amount of the Nonqualified Withdrawal exists for Alabama income tax purposes.

Another difference between the Alabama income tax consequences and federal income tax consequences is that a Contribution to the Plan is deductible up to certain limits. Individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to $5,000 per tax year ($10,000 for married taxpayers filing jointly who each make Contributions) for total combined Contributions to the Plan and other State of Alabama 529 programs, during that year. The Contributions made to such qualifying plans are deductible on the tax return of the contributing taxpayer for the tax year in which the Contributions are made.

**Alabama Gift, Estate, Other Alabama Taxes**

The State of Alabama does not have a gift tax but does have an estate tax and generation skipping tax. Under the provisions of Alabama, the Alabama estate tax and generation skipping tax are based on the federal estate tax provisions.

**Federal Income Tax Treatment of the Trust, Contributions, and Withdrawals**

The Program is designed to be a "qualified tuition program" under Section 529 of the Code. As such, undistributed investment earnings in the Program are exempt from federal income tax. Earnings of the Program credited to an Account will not be includible in the federal gross income of the Account Owner or Designated Beneficiary until funds are withdrawn, in whole or in part, from the Account. The treatment of a withdrawal from an Account will vary depending on the nature of the withdrawal. Contributions are not deductible for federal income tax purposes.

If there are earnings in an Account, each distribution from the Account consists of two parts. One part is a return of the Contributions to the Account (the "Contributions Portion"). The other part is a distribution of earnings in the Account (the "Earnings Portion"). A pro rata calculation is made as of the date of the distribution of the Earnings Portion and the Contributions Portion of the distribution.

**Qualified Withdrawals**

If a Qualified Withdrawal is made from an Account, generally no portion of the distribution is includible in the gross income of either the Designated Beneficiary or the Account Owner.

**Qualified Rollover Distributions**

No portion of a Qualified Rollover Distribution is includible in the gross income of either the Designated Beneficiary or the Account Owner.

**Nonqualified Withdrawals**

To the extent that a withdrawal from an Account is a Nonqualified Withdrawal, the Earnings Portion of such Nonqualified Withdrawal is includible in the federal gross income of the recipient of the withdrawal for the year in which the withdrawal is made. The Contributions Portion is not includible in gross income.

Generally, the recipient of a Nonqualified Withdrawal will also be subject to a federal "penalty tax" equal to 10% of the Earnings Portion of the withdrawal.

There are, however, exceptions to the 10% federal penalty tax if they are:

1) Paid to a Designated Beneficiary (or to the estate of the Designated Beneficiary) on or after the death of the Designated Beneficiary.
2) Made because the Designated Beneficiary is disabled. A person is considered to be disabled if he or she shows proof that he or she cannot do any substantial gainful activity because of his or her physical or mental condition. A physician must determine that the condition can be expected to result in death or to be of long-continued and indefinite duration.
3) Included in income because the Designated Beneficiary received a tax-free scholarship or fellowship grant; Veteran's educational assistance; employer-provided educational assistance; or any other nontaxable payments (other than gifts or inheritances) received as educational assistance. This exception applies only to the extent the distribution is not more than the scholarship, allowance, or payment.
4) Made on account of the attendance of the Designated Beneficiary at a U.S. military academy (such as the Naval Academy at Annapolis). This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance.
5) Included in income only because the Qualified Higher Education Expenses were taken into account in determining the American opportunity or lifetime learning credit.

**Change of Designated Beneficiary**

A change in the Designated Beneficiary of an Account is not treated as a distribution if the new Designated Beneficiary is a Member of the Family of the former Designated Beneficiary. However, if the new Designated Beneficiary is not a Member of the Family of the former Designated Beneficiary, the change is treated as a Nonqualified Withdrawal by the Account Owner. A change of the Designated Beneficiary of an Account or a transfer to an Account for another Designated Beneficiary may have federal gift tax or generation-skipping transfer tax consequences.

**Annual Tax Reporting**

For any year there are withdrawals from your Account, the Program Manager will send out a Form 1099-Q. This form sets forth the total amount of the distribution and identifies the Earnings Portion and the Contribution Portion of each withdrawal. If the distribution is made to the Account Owner, the Form 1099-Q will be sent to them. If the distribution is to the Designated Beneficiary or made directly to the Eligible Educational Institution, the Form 1099-Q will be sent to the Designated Beneficiary. You should consult with your tax professional for the proper tax reporting and treatment of distributions.

**Coordination of Federal Tax Benefits**

The tax benefits afforded to qualified tuition programs such as the Program must be coordinated with other programs designed to provide tax benefits for meeting Qualified Higher Education Expenses in order to avoid the duplication of such benefits. The coordinated programs include Coverdell Education Savings Accounts under Section 530 of the Code, the Tuition and Fees Deduction, Qualified U.S. Savings Bonds used to pay higher education tuition and fees, and the American Opportunity and Lifetime Learning Credits under Section 25A of the Code. Consult your tax or legal advisor for advice on these special rules.

**Coverdell Education Savings Accounts**

An individual may contribute to, or withdraw money from, both a qualified tuition program account and a Coverdell Education Savings Account in the same year. However, to the extent the total withdrawals from both accounts exceed the amount of adjusted Qualified Higher Education Expenses that qualify for tax-free treatment under Section 529 of the Code, the recipient must allocate his or her Qualified Higher Education Expenses between both such withdrawals in order to determine how much may be treated as tax-free under each program.

**American Opportunity and Lifetime Learning Tax Credits**

The use of an American Opportunity or Lifetime Learning Credit by a qualifying Account Owner and Designated Beneficiary will not affect participation in or receipt of benefits from a qualified tuition program account, so long as any withdrawal from the account is not used for the same expenses for which the credit was claimed.

**Federal Gift, Estate, and Generation Skipping Transfer Taxes**

Contributions to an Account are considered completed gifts to the Designated Beneficiary of the Account for federal estate, gift, and generation skipping transfer tax purposes. If an Account Owner dies while there is a balance in the Account, the value of the Account is not includible in the Account Owner's gross estate for federal estate tax purposes except as set forth below. However, amounts in an Account at the death of the Designated Beneficiary are includible in the Designated Beneficiary's gross estate.

A donor's gifts to a donee in any given year will not be taxable if the gifts are eligible for, and do not in total exceed, the gift tax "annual exclusion" for such calendar year. For 2023, the annual exclusion is $17,000 per donee (increasing to $18,000 in 2024), or twice that amount (i.e., $34,000; increasing to $36,000 in 2024) for a married donor whose spouse elects on a Federal Gift Tax Return to "split" gifts with the donor. The annual exclusion is indexed for inflation and is expected to increase in the future.

Under Section 529, a donor's Contributions to an Account for a Designated Beneficiary are eligible for the gift tax annual exclusion. Contributions that qualify for the gift tax annual exclusion are also excludible for purposes of the Federal generation-skipping transfer ("GST") tax. Accordingly, so long as the donor's total Contributions to Accounts for the Designated Beneficiary in any year (together with any other gifts made by the donor to the Designated Beneficiary in such year) do not exceed the annual exclusion amount for such year, the donor's Contributions will not be considered taxable gifts and will be excludible for purposes of the GST tax.

In addition, if a donor's total Contributions to Accounts for a Designated Beneficiary in a single year exceed the annual exclusion for such year, the donor may elect to treat Contributions that total up to five times the annual exclusion (or up to ten times if the donor and his or her spouse split gifts) as having been made ratably over a five year period. Consequently, a single donor may contribute up to $85,000 in a single year (increasing to $90,000 in 2024) without incurring federal gift tax, so long as the donor makes no other gifts to the same Designated Beneficiary during the calendar year in which the Contribution is made or any of the next four calendar years.

**An election to have the Contribution taken into account ratably over a five-year period must be made by the donor on a Federal Gift Tax Return, IRS Form 709, for the year of Contribution.**

For example, an Account Owner who makes an $85,000 Contribution to an Account for a Designated Beneficiary in 2023 may elect to have that Contribution treated as a $17,000 gift in the current year and a $17,000 gift in each of the following four years. If the Account Owner makes no other Contributions or gifts to the Designated Beneficiary in the current year and each of the following four years, and has made no excess Contributions treated as gifts subject to the one-fifth rule during any of the previous four years, the Account Owner will not be treated as making any taxable gifts to the Designated Beneficiary during that five-year period. As a result, the $85,000 Contribution will not be treated as a taxable gift and will be excludible for purposes of the GST tax. However, if the Account Owner dies before the end of the five year period, the portion of the Contributions allocable to years after the year of death will be includible in the Account Owner's gross estate for federal estate tax purposes.

A change of the Designated Beneficiary of an Account or a transfer to an Account for another Designated Beneficiary may have federal gift tax consequences. Specifically, if the new Designated Beneficiary is in a younger generation than the replaced Designated Beneficiary, the change or transfer will be treated for federal gift tax purposes as a gift from the replaced Designated Beneficiary to the new Designated Beneficiary. If the new Designated Beneficiary is not a descendant of the replaced Designated Beneficiary, the new Designated Beneficiary will be considered to be in a younger generation than the replaced Designated Beneficiary if the new Designated Beneficiary is more than 12 1/2 years younger than the replaced Designated Beneficiary. Moreover, even if the new Designated Beneficiary is in the same generation as (or in an older generation than) the replaced Designated Beneficiary, the change or transfer may be treated as a gift from the replaced Designated Beneficiary to the new Designated Beneficiary if the new Designated Beneficiary is not a Member of the Family of the replaced Designated Beneficiary. Any change or transfer treated as a gift from the replaced Designated Beneficiary to the new Designated Beneficiary may cause the replaced Designated Beneficiary to be liable for federal gift tax or cause other undesirable tax consequences.

A change of the Designated Beneficiary of an Account or a transfer to an Account for another Designated Beneficiary may also have GST tax consequences. A change or transfer will be considered a generation-skipping transfer if the new Designated Beneficiary is two or more generations younger than the replaced Designated Beneficiary. Any change or transfer treated as a generation-skipping transfer from the replaced Designated Beneficiary to the new Designated Beneficiary may cause the replaced Designated Beneficiary to be liable for GST tax or cause other undesirable tax consequences.

A change of Account ownership may also have gift and/or GST tax consequences. Accordingly, Account Owners should consult their own tax advisors for guidance when considering a change of Designated Beneficiary or Account ownership.

**Lack of Certainty of Tax Consequences**

At the date of this Program Disclosure Statement, proposed regulations and other guidance have been issued under Code Section 529 upon which taxpayers may rely at least until final regulations are issued. The proposed regulations do not, however, provide guidance on various aspects of the Program. It is uncertain when final regulations will be issued. Moreover, amendments made to Section 529 in 2017, and thereafter, made significant changes for which more guidance is needed and were not part of the proposed regulations. There can be no assurance that the Federal tax consequences described herein for Account Owners and Designated Beneficiaries will continue to be applicable. Section 529 of the Code or other Federal law could be amended in a manner that would materially change or eliminate the federal tax treatment described above. The Program Manager and Board intend to modify the Program within the constraints of applicable law for the Program 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 the Account Owner and Designated Beneficiaries are uncertain, and it is possible that Account Owners could be subject to taxes currently on undistributed earnings in their respective Accounts as well as to other adverse tax consequences. A potential Account Owner may wish to consider consulting a tax advisor.

For other changes to the tax consequences of participation in the Plan, see "Risk Factors" above.

# EXHIBIT C – INVESTMENT PORTFOLIOS AND MUTUAL FUND INFORMATION

The following table shows the target investment allocations for the Age-Based and Target Portfolios. These target allocations were designed by the Board in consultation with Callan Associates, the Program Manager and Wilshire. The Program Manager rebalances the Portfolios on an ongoing basis. The Board may amend or supplement the Statement of Investment Policy at any time which may change the Portfolios, the asset allocation within the Portfolios, and the underlying investment funds in which the Portfolios invest, including the underlying investments in which the Individual Fund Portfolios invest.

## Age-Based & Target Portfolios - Asset Allocations

| **Age-Based Portfolios** | **Age of beneficiary** | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Aggressive Age-Based Option** | **0 - 2** | **3 - 5** | **6 - 8** | **9 - 10** | **11 - 12** | **13 - 14** | **15 - 16** | **17 - 18** | **19 plus** | | |
| **Moderate Age-Based Option** | | **0 - 2** | **3 - 5** | **6 - 8** | **9 - 10** | **11 - 12** | **13 - 14** | **15 - 16** | **17 - 18** | **19 plus** | |
| **Conservative Age-Based Option** | | | **0 - 2** | **3 - 5** | **6 - 8** | **9 - 10** | **11 - 12** | **13 - 14** | **15 - 16** | **17 - 18** | **19 plus** |
| | | | | | | | | | | | |
| **Target Portfolios** | **Fund 100** | | **Fund 80** | | **Fund 60** | | **Fund 40** | | **Fund 20** | | **Fixed Income Fund** |
| Underlying Mutual Funds | | | | | | | | | | | |
| State Street Institutional U.S. Government Money Market Fund | | | | | | | | | 8.0% | 23.0% | 50.0% |
| **MONEY MARKET TOTAL** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **8.0%** | **23.0%** | **50.0%** |
| PIMCO Short-Term Fund | | | | | 6.0% | 11.0% | 14.0% | 22.0% | 25.0% | 22.0% | 20.0% |
| Fidelity Advisor Investment Grade Bond Fund | | 2.5% | 5.5% | 8.0% | 9.0% | 10.5% | 11.0% | 12.0% | 11.5% | 11.5% | 7.0% |
| PGIM Total Return Bond Fund | | 2.5% | 6.5% | 10.0% | 11.0% | 12.5% | 13.0% | 15.0% | 13.5% | 13.5% | 8.0% |
| American Century Short Duration Inflation Protection Bond Fund | | 3.0% | 3.0% | 4.0% | 4.0% | 4.0% | 9.0% | 11.0% | 12.0% | 14.0% | 15.0% |
| BlackRock High Yield Bond Fund | | 1.0% | 3.0% | 5.0% | 6.0% | 7.0% | 7.0% | 5.0% | 5.0% | 3.0% | |
| AB Global Bond Fund | | 1.0% | 2.0% | 3.0% | 4.0% | 5.0% | 6.0% | 5.0% | 5.0% | 3.0% | |
| **FIXED INCOME TOTAL** | **0.0%** | **10.0%** | **20.0%** | **30.0%** | **40.0%** | **50.0%** | **60.0%** | **70.0%** | **72.0%** | **67.0%** | **50.0%** |
| Principal Global Real Estate Securities Fund | 4.0% | 3.5% | 3.0% | 3.0% | 2.5% | 2.5% | 2.0% | 1.0% | 1.0% | 1.0% | |
| **REAL ESTATE TOTAL** | **4.0%** | **3.5%** | **3.0%** | **3.0%** | **2.5%** | **2.5%** | **2.0%** | **1.0%** | **1.0%** | **1.0%** | **0.0%** |
| DFA U.S. Large Cap Value Portfolio | 11.5% | 10.5% | 10.0% | 8.5% | 7.5% | 6.0% | 5.0% | 4.0% | 3.0% | 2.0% | |
| Northern Funds Stock Index Fund | 23.0% | 21.0% | 19.0% | 17.0% | 14.0% | 12.0% | 10.0% | 8.0% | 5.0% | 2.0% | |
| T. Rowe Price Instl. Large-Cap Growth Fund | 11.5% | 10.5% | 10.0% | 8.5% | 7.5% | 6.0% | 5.0% | 4.0% | 3.0% | 2.0% | |
| Northern Funds Mid Cap Index Fund | 6.0% | 5.0% | 5.0% | 4.0% | 4.0% | 3.0% | 3.0% | 2.0% | 2.0% | 1.0% | |
| Northern Funds Small Cap Value Fund | 2.5% | 2.5% | 2.0% | 2.0% | 1.5% | 1.5% | 1.0% | 1.0% | | | |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity Fund | 2.5% | 2.5% | 2.0% | 2.0% | 1.5% | 1.5% | 1.0% | 1.0% | | | |
| **DOMESTIC EQUITY TOTAL** | **57.0%** | **52.0%** | **48.0%** | **42.0%** | **36.0%** | **30.0%** | **25.0%** | **20.0%** | **13.0%** | **7.0%** | **0.0%** |
| Northern Funds International Equity Index Fund | 10.5% | 9.5% | 8.0% | 7.0% | 6.0% | 5.0% | 4.0% | 2.5% | 2.0% | 1.0% | |
| Neuberger Berman International Select Fund | 14.0% | 12.5% | 10.5% | 9.0% | 7.5% | 6.5% | 5.0% | 3.5% | 2.0% | 1.0% | |
| DFA International Small Company Portfolio | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | 2.0% | 1.5% | 1.0% | 1.0% | | |
| Vanguard Emerging Markets Select Stock Fund | 7.0% | 6.0% | 5.0% | 4.0% | 4.0% | 2.5% | 1.5% | 1.0% | | | |
| **INTERNATIONAL EQUITY TOTAL** | **36.0%** | **32.0%** | **27.0%** | **23.0%** | **20.0%** | **16.0%** | **12.0%** | **8.0%** | **5.0%** | **2.0%** | **0.0%** |
| Parametric Commodity Strategy Fund | 3.0% | 2.5% | 2.0% | 2.0% | 1.5% | 1.5% | 1.0% | 1.0% | 1.0% | | |
| **COMMODITIES TOTAL** | **3.0%** | **2.5%** | **2.0%** | **2.0%** | **1.5%** | **1.5%** | **1.0%** | **1.0%** | **1.0%** | **0.0%** | **0.0%** |
| | | | | | | | | | | | |
| **TOTAL** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |

## MUTUAL FUND TICKER SYMBOLS AND EXPENSE RATIOS

The following table sets forth the ticker symbols and the total operating expenses, as disclosed in each fund's most recent prospectus dated on or prior to December 1, 2023, of the underlying investment funds in which the Portfolios invest.

| Fund | Ticker Symbol | Expense Ratio |
|---|---|---|
| State Street Institutional U.S. Government Money Market Fund (Premier) | GVMXX | 0.12% |
| PIMCO Short-Term Fund (Instl.) | PTSHX | 0.47% |
| Northern Funds Bond Index Fund | NOBOX | 0.07% |
| Fidelity Advisor Investment Grade Bond Fund | FIKQX | 0.36% |
| PGIM Total Return Bond Fund | PTRQX | 0.39% |
| American Century Short Duration Inflation Protection Bond Fund | APISX | 0.43% |
| BlackRock High Yield Bond Fund (Instl.) | BHYIX | 0.60% |
| AB Global Bond Fund | ANAZX | 0.51% |
| T.Rowe Price Balanced Fund (I Class) | RBAIX | 0.47% |
| DFA Real Estate Securities Fund | DFREX | 0.18% |
| Principal Global Real Estate Securities Fund | PGRSX | 0.88% |
| DFA U.S. Large Cap Value Fund | DFLVX | 0.21% |
| Northern Funds Stock Index | NOSIX | 0.05% |
| T.Rowe Price Large-cap Growth Fund (Instl.) | TRLGX | 0.55% |
| Northern Funds Mid Cap Index | NOMIX | 0.10% |
| T.Rowe Price Small Cap Value Fund | PRVIX | 0.70% |
| Northern Funds Small Cap Value Fund | NOSGX | 1.00% |
| Northern Funds Small Cap Index Fund | NSIDX | 0.10% |
| T.Rowe Price Integrated U.S. Small-Cap Growth Equity Fund (I Class) | TQAIX | 0.66% |
| Northern Funds International Equity Index Fund | NOINX | 0.10% |
| Neuberger Berman International Select Fund (Instl) | NILIX | 0.85% |
| DFA International Small Company Fund (Instl.) | DFISX | 0.39% |
| Vanguard Emerging Markets Select Stock | VMMSX | 0.78% |
| Parametric Commodity Strategy Fund | EIPCX | 0.65% |

Set forth on the following pages are summary descriptions of the funds, selected by the Board in consultation with Callan Associates, the Program Manager and Wilshire which make up the Target, Age-Based and Individual Fund Portfolios. The descriptions are taken from the most recent prospectuses of the fund dated on or prior to December 1, 2023 and are intended to summarize their respective investment objectives and policies.

**For more complete information regarding any fund, you may request a prospectus from your financial advisor, the Program Manager, or by visiting CollegeCounts529advisor.com. All investments carry some degree of risk which will affect the value of the fund's investments, investment performance, and price of its shares. It is possible to lose money by investing in the funds. For more complete information, please see each fund's Prospectus.**

## BANK SAVINGS 529 PORTFOLIO

### Investment Objective

The Bank Savings 529 Portfolio invests solely in a Union Bank and Trust Company omnibus deposit account. It seeks income consistent with preservation of principal. The Bank Savings 529 Portfolio is an omnibus deposit account pursuant to a fiduciary, custodial and/or agency relationship on behalf of the 529 Plan participants and is insured by the FDIC in the manner and up to the limits described below.

Investments in the Bank Savings 529 Portfolio will earn varying rates of interest. The interest rate generally will be equivalent to short-term deposit rates. Interest on the deposit account will be compounded daily based on the actual number of days in a year (typically 365 days, except for 366 days in leap years) and will be credited to the deposit account on a monthly basis. The interest on the deposit account is expressed as an annual percentage yield ("APY"). The APY on the deposit account will be reviewed on a periodic basis and may be recalculated as needed at any time. The minimum interest rate is 0.50% as of the date of this Program Disclosure Statement. To see the current Bank Savings 529 Portfolio APY please go to CollegeCounts529advisor.com or call 866.529.2228.

### FDIC Insurance Coverage

Subject to the application of bank and FDIC rules and regulations to each Account Owner, Contributions and earnings in the Bank Savings 529 Portfolio will be subject to FDIC insurance. By contrast, no other underlying investment is insured by the FDIC (or by any other government agency or branch). Contributions to and earnings on the investments in the Bank Savings 529 Portfolio have been structured in order to be insured by the FDIC on a per participant, pass-through basis with respect to each Account Owner up to the maximum limit established by federal law, which currently is $250,000. The amount of FDIC insurance provided to an Account Owner is based on the total of: (1) the value of an Account Owner's investment in the bank deposit account underlying investment fund, and (2) the value of all other accounts held by the Account Owner at Union Bank and Trust (including bank deposits), as determined in accordance with applicable FDIC rules and regulations. You are responsible for monitoring the total amount of your assets on deposit at Union Bank and Trust Company, including amounts held directly at Union Bank and Trust Company. All such deposits held in the same ownership capacity at Union Bank and Trust Company are subject to aggregation and to the current FDIC insurance coverage limitation of $250,000. Each Account Owner should determine whether the amount of FDIC insurance available to the Account Owner is sufficient to cover the total of the Account Owner's investment in the bank deposit account underlying investment fund plus the Account Owner's other deposits at Union Bank and Trust Company. Deposits held in different ownership capacities, as provided in FDIC rules, are insured separately. None of the CollegeCounts 529 Fund Advisor Plan, the Program Manager, the State of Alabama, the Treasurer, or any of their respective affiliates are responsible for determining the amount of FDIC insurance provided to an Account Owner. For more information, please visit www.fdic.gov.

The Bank Savings 529 Portfolio does not provide a guarantee of any level of performance or return or offer any additional guarantees. Like all of the Portfolios, neither the Contributions into the Bank Savings 529 Portfolio nor any investment return earned on the Contributions are guaranteed by the Plan, the State of Alabama, the CollegeCounts Board, the State Treasurer of Alabama, the Program Manager, the Bank or its authorized agents or their affiliates or any other federal or state entity or person.

### Investment Risks

The following is a summary of investment risks associated with the Bank Savings 529 Portfolio.

**FDIC Insurance Risk:** Although your interest in the assets of the Bank Savings 529 Portfolio on deposit at Union Bank and Trust Company, together with any other deposits you may have at Union Bank and Trust Company, are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the units of the Portfolios (including the Bank Savings 529 Portfolio), themselves are not insured or guaranteed by the FDIC or any other government agency or branch. You are responsible for monitoring the total amount of your assets on deposit (including amounts in other accounts held in the same right and legal capacity) in order to determine the extent of FDIC deposit insurance coverage available to you on those deposits, including your bank deposit account underlying investment fund and, Bank Savings 529 Portfolio deposits.

**Interest Rate Risk:** The interest rate paid by Union Bank and Trust Company is based on a number of factors, including general economic and business conditions. The rate of interest will vary over time and can change daily without notice to you. The interest rate paid on the bank deposit account underlying investment fund and Bank Savings 529 Portfolio may not be sufficient to meet your investment objectives and may be more or less than the investment returns available in other Individual Fund Portfolios.

**Ownership Risk:** You own units of the Portfolio. You do not have an ownership interest or any other rights as an owner or shareholder of the bank deposit account underlying investment fund in which the Bank Savings 529 Portfolio invests. You cannot access or withdraw your money from the Bank Savings 529 Portfolio by contacting Union Bank and Trust Company directly. You must contact the Program Manager to perform any such transactions in your Account. The assets in the bank deposit account underlying investment fund on deposit at Union Bank and Trust Company are subject to legal process such as a levy or garnishment delivered to the Program Manager to the same extent as if those assets were invested in any other investment option.

**Regulatory Risk:** The status of the FDIC regulations applicable to 529 college savings plans are subject to change at any time. It is not possible to predict the impact any such change in the regulations would have on the underlying investment fund or Bank Savings 529 Portfolio.

**Fees & Expenses**

Total Annual Fund Operating Expenses......................0.00%
Expenses deducted from Fund's assets

## STATE STREET INSTITUTIONAL U.S. GOVERNMENT MONEY MARKET FUND

### Investment Objective

The investment objective of the State Street Institutional U.S. Government Money Market Fund (the "U.S. Government Fund" or sometimes referred to in context as the "fund") is to seek to maximize current income, to the extent consistent with the preservation of capital and liquidity and the maintenance of a stable $1.00 per share net asset value ("NAV").

### Principal Investment Strategies

The U.S. Government Fund is a government money market fund and invests only in obligations issued or guaranteed as to principal and/or interest, as applicable, by the U.S. government or its agencies and instrumentalities, as well as repurchase agreements secured by such instruments. The fund may hold a portion of its assets in cash pending investment, to satisfy redemption requests or to meet the fund's other cash management needs.

The fund follows a disciplined investment process that attempts to provide stability of principal, liquidity and current income, by investing in U.S. government securities. Among other things, SSGA Funds Management, Inc. ("SSGA FM" or the "Adviser"), the investment adviser to the fund, conducts its own credit analyses of potential investments and portfolio holdings, and relies substantially on a dedicated short-term credit research team. The fund invests in accordance with regulatory requirements applicable to money market funds. Regulations require, among other things, a money market fund to invest only in short-term, high quality debt obligations (generally, securities that have remaining maturities of 397 calendar days or less, with the exception of certain floating rate securities that may have final maturities longer than 397 days but use maturity shortening provisions to meet the 397 day requirement, and that the fund believes present minimal credit risk), to maintain a maximum dollar-weighted average maturity and dollar-weighted average life of sixty (60) days or less and 120 days or less, respectively, and to meet requirements as to portfolio diversification and liquidity. All securities held by the fund are U.S. dollar-denominated, and they may have fixed, variable or floating interest rates.

The fund attempts to meet its investment objective by investing in:

- Obligations issued or guaranteed as to principal and/or interest, as applicable, by the U.S. government or its agencies and instrumentalities, such as U.S. Treasury securities and securities issued by the Government National Mortgage Association ("GNMA"), which are backed by the full faith and credit of the United States;
- Obligations issued or guaranteed by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and U.S. government-sponsored entities such as the Federal Home Loan Bank, and the Federal Farm Credit Banks Funding Corporation, which are not backed by the full faith and credit of the United States; and
- Repurchase agreements collateralized by U.S. government securities.

The fund seeks to achieve its investment objective by investing substantially all of its investable assets in the U.S. Government Portfolio, which has substantially identical investment policies to the fund. When the fund invests in this "master-feeder" structure, the fund's only investments are shares of the portfolio, and it participates in the investment returns achieved by the portfolio. Descriptions in this section of the investment activities of the "fund" also generally describe the expected investment activities of the portfolio.

### Principal Investment Risks

The fund is subject to the following risks. You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. **An investment in the fund is subject to investment risks, including possible loss of principal, is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency.** The fund's sponsor is not required to reimburse the fund for losses, and you should not expect that the sponsor will provide financial support to the fund at any time, including during periods of market stress.

**Money Market Risk:** An investment in a money market fund is not a deposit of any bank and is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund generally seeks to preserve the value of its shares at $1.00 per share, there can be no assurance that it will do so, and it is possible to lose money by investing in a money market fund. A major or unexpected change in interest rates or a decline in the credit quality of an issuer or entity providing credit support, an inactive trading market for money market instruments, or adverse market, economic, industry, political, regulatory, geopolitical, and other conditions could cause a money market fund's share price to fall below $1.00.

**U.S. Government Securities Risk:** Certain U.S. government securities are supported by the full faith and credit of the United States; others are supported by the right of the issuer to borrow from the U.S. Treasury; others are supported by the discretionary authority of the U.S. government to purchase the agency's obligations; and still others are supported only by the credit of the issuing agency, instrumentality, or enterprise. Although U.S. government-sponsored enterprises such as the Federal Home Loan Mortgage Corporation ("Freddie Mac") and the Federal National Mortgage Association ("Fannie Mae") may be chartered or sponsored by Congress, they are not funded by Congressional appropriations, and their securities are not issued by the U.S. Treasury, are not supported by the full faith and credit of the U.S. government, and involve increased credit risks.

**Repurchase Agreement Risk:** Repurchase agreements may be viewed as loans made by the fund which are collateralized by the securities subject to repurchase. If the fund's counterparty should default on its obligations and the fund is delayed or prevented from recovering the collateral, or if the value of the collateral is insufficient, the fund may realize a loss.

**Stable Share Price Risk:** If the market value of one or more of the fund's investments changes substantially, the fund may not be able to maintain a stable share price of $1.00. This risk typically is higher during periods of rapidly changing interest rates or when issuer credit quality generally is falling, and is made worse when the fund experiences significant redemption requests.

**Market Risk:** The fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, inflation, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets. Local, regional or global events such as war, military conflicts, acts of terrorism, natural disasters, the spread of infectious illness or other public health issues, or other events could have a significant impact on the fund and its investments.

**Low Short-Term Interest Rates:** During market conditions in which short-term interest rates are at low levels, the fund's yield can be very low. During these conditions, it is possible that the fund will generate an insufficient amount of income to pay its expenses, and that it will not be able to pay a daily dividend and may have a negative yield (i.e., it may lose money on an operating basis). It is possible that the fund would, during these conditions, maintain a substantial portion of its assets in cash, on which it may earn little, if any, income.

**Counterparty Risk:** The fund will be subject to credit risk with respect to the counterparties with which the fund enters into repurchase agreements and other transactions. If a counterparty fails to meet its contractual obligations, the fund may be unable to terminate the transaction, and it may be delayed or prevented from realizing on any collateral in the event of a bankruptcy or insolvency proceeding relating to the counterparty.

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

**Interest Rate Risk:** Interest rate risk is the risk that debt securities will decline in value because of increases in interest rates. The value of a security with a longer duration will be more sensitive to changes in interest rates than a similar security with a shorter duration. Interest-only and principal-only securities are especially sensitive to interest rate changes, which can affect not only their prices but can also change the income flows and repayment assumptions about those investments.

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

**Large Shareholder Risk:** To the extent a large proportion of the interests of the portfolio are held by a small number of investors (or a single investor), including funds or accounts over which the Adviser has investment discretion, the portfolio is subject to the risk that these investors will purchase or redeem portfolio interests in large amounts rapidly or unexpectedly, including as a result of an asset allocation decision made by the Adviser. These transactions could adversely affect the ability of the portfolio to conduct its investment program.

**Master/Feeder Structure Risk:** The fund pursues its objective by investing substantially all of its assets in another pooled investment vehicle (a "master fund"). The ability of the fund to meet its investment objective is directly related to the ability of the master fund to meet its investment objective. The Adviser serves as investment adviser to the master fund, leading to potential conflicts of interest. The fund will bear its pro rata portion of the expenses incurred by the master fund. Substantial redemptions by other investors in a master fund may affect the master fund's investment program adversely and limit the ability of the master fund to achieve its objective.

**Mortgage-Related and Other Asset-Backed Securities Risk:** Investments in mortgage-related and other asset-backed securities are subject to the risk of significant credit downgrades, illiquidity, and defaults to a greater extent than many other types of fixed-income investments. The liquidity of mortgage-related and asset-backed securities may change over time. During periods of falling interest rates, mortgage- and asset-backed securities may be called or prepaid, which may result in the fund having to reinvest proceeds in other investments at a lower interest rate. During periods of rising interest rates, the average life of mortgage- and asset-backed securities may extend, which may lock in a below-market interest rate, increase the security's duration and interest rate sensitivity, and reduce the value of the security. Enforcing rights against the underlying assets or collateral may be difficult, and the underlying assets or collateral may be insufficient if the issuer defaults.

**Rapid Changes in Interest Rates Risk:** Rapid changes in interest rates may cause significant requests to redeem fund shares, and possibly cause the fund to sell portfolio securities at a loss to satisfy those requests.

**Significant Exposure to U.S. Government Agencies or Instrumentalities Risk:** To the extent the fund focuses its investments in securities issued or guaranteed by U.S. government agencies or instrumentalities, any market movements, regulatory changes or changes in political or economic conditions that affect the U.S. government agencies or instrumentalities in which the fund invests may have a significant impact on the fund's performance. Events that would adversely affect the market prices of securities issued or guaranteed by one government agency or instrumentality may adversely affect the market price of securities issued or guaranteed by other government agencies or instrumentalities.

**U.S. Treasury Obligations Risk:** U.S. Treasury obligations may differ from other fixed income securities in their interest rates, maturities, times of issuance and other characteristics. Similar to other issuers, changes to the financial condition or credit rating of the U.S. government may cause the value of the fund's U.S. Treasury obligations to decline.

**Variable and Floating Rate Securities Risk:** During periods of increasing interest rates, changes in the coupon rates of variable or floating rate securities may lag behind the changes in market rates or may have limits on the maximum increases in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities will typically readjust downward resulting in a lower yield.

**Fees & Expenses**
(Based on the prospectus dated April 30, 2023)

Total Annual Fund Operating Expenses ......................0.12%
Expenses deducted from Fund's assets

## PIMCO SHORT-TERM FUND

### Investment Objective

The fund seeks maximum current income, consistent with preservation of capital and daily liquidity.

### Principal Investment Strategies

The fund seeks to achieve its investment objective by investing under normal circumstances at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. The average portfolio duration of this fund will vary based on PIMCO's market forecasts and will normally not exceed one year. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. In addition, the dollar-weighted average portfolio maturity of the fund, under normal circumstances, is expected not to exceed three years.

The fund invests primarily in investment grade debt securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") rated B or higher by Moody's Investors Service, Inc. ("Moody's"), or equivalently rated by Standard & Poor's Ratings Services ("S&P") or Fitch, Inc. ("Fitch"), or, if unrated, determined by PIMCO to be of comparable quality. In the event that ratings services assign different ratings to the same security, PIMCO will use the highest rating as the credit rating for that security. The fund may invest up to 10% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets.

The fund may invest, without limitation, in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities, subject to applicable law and any other restrictions described in the fund's prospectus or Statement of Additional Information. The fund may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis and may engage in short sales. The fund may, without limitation, 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 buy backs or dollar rolls). The fund may also invest up to 10% of its total assets in preferred securities.

### Principal Investment Risks

It is possible to lose money on an investment in the fund. The principal risks of investing in the fund, which could adversely affect its net asset value, yield and total return, are listed below.

**Interest Rate Risk:** the risk that fixed income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.

**Call Risk:** the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the fund has invested in, the fund may not recoup the full amount of its initial investment or may not realize the full anticipated earnings from the investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

**Credit Risk:** the risk that the fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, or the issuer or guarantor of collateral, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to meet its financial obligations.

**High Yield Risk:** the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity.

**Market Risk:** the risk that the value of securities owned by the fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

**Issuer Risk:** the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, changes in financial condition or credit rating, financial leverage, reputation or reduced demand for the issuer's goods or services.

**Liquidity Risk:** the risk that a particular investment may be difficult to purchase or sell and that the fund may be unable to sell illiquid investments at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income funds may be higher than normal, causing increased supply in the market due to selling activity.

**Derivatives Risk:** the risk of investing in derivative instruments (such as forwards, futures, swaps and structured securities) and other similar investments, including leverage, liquidity, interest rate, market, counterparty (including credit), operational, legal and management risks, and valuation complexity. Changes in the value of a derivative or other similar investments may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the fund could lose more than the initial amount invested. Changes in the value of a derivative or other similar instrument may also create margin delivery or settlement payment obligations for the fund. The fund's use of derivatives or other similar investments may result in losses to the fund, a reduction in the fund's returns and/or increased volatility. Over-the-counter ("OTC") derivatives or other similar investments are also subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations to the other party, as many of the protections afforded to centrally-cleared derivative transactions might not be available for OTC derivatives or other similar investments. The primary credit risk on derivatives that are exchange-traded or traded through a central clearing counterparty resides with the fund's clearing broker or the clearinghouse. Changes in regulation relating to a registered fund's use of derivatives and related instruments could potentially limit or impact the fund's ability to invest in derivatives, limit the fund's ability to employ certain strategies that use derivatives or other similar investments and/or adversely affect the value of derivatives or other similar investments and the fund's performance.

**Equity Risk:** the risk that the value of equity securities, such as common stocks and preferred securities, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

**Mortgage-Related and Other Asset-Backed Securities Risk:** the risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk and credit risk. The fund may invest in any tranche of mortgage-related or other asset-backed securities, including junior and/or equity tranches (to the extent consistent with other of the fund's guidelines), which generally carry higher levels of the foregoing risks.

**Collateralized Loan Obligations Risk:** the risk that investing in collateralized loan obligations ("CLOs") and other similarly structured investments exposes the fund to heightened credit risk, interest rate risk, liquidity risk, market risk and prepayment and extension risk, as well as the risk of default on the underlying asset. In addition, investments in CLOs carry additional risks including, but not limited to, the risk that: (i) distributions from the collateral may not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the fund may invest in tranches of CLOs that are subordinate to other tranches; (iv) the structure and complexity of the transaction and the legal documents could lead to disputes among investors regarding the characterization of proceeds; and (v) the CLO's manager may perform poorly.

**Foreign (Non-U.S.) Investment Risk:** the risk that investing in foreign (non-U.S.) securities may result in the fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes, diplomatic developments or the imposition of sanctions and other similar measures. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.

**Currency Risk:** the risk that foreign (non-U.S.) currencies will change in value relative to the U.S. dollar and affect the fund's investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies.

**Leveraging Risk:** the risk that certain transactions of the fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the fund to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.

**Management Risk:** the risk that the investment techniques and risk analyses applied by PIMCO will not produce the desired results and that actual or potential conflicts of interest, legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to PIMCO and the individual portfolio managers in connection with managing the fund and may cause PIMCO to restrict or prohibit participation in certain investments. There is no guarantee that the investment objective of the fund will be achieved.

**Short Exposure Risk:** the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale will not fulfill its contractual obligations, causing a loss to the fund.

**LIBOR Transition Risk:** the risk related to the anticipated discontinuation and replacement of the London Interbank Offered Rate ("LIBOR"). Certain instruments held by the fund rely or relied in some fashion upon LIBOR. Although the transition process away from LIBOR for most instruments has been completed, some LIBOR use is continuing and there are potential effects related to the transition away from LIBOR or the continued use of LIBOR on the fund, or on certain instruments in which the fund invests, which can be difficult to ascertain and could result in losses to the fund.

Please see "Description of Principal Risks" in the fund's prospectus for a more detailed description of the risks of investing in the fund. An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Fees & Expenses**
(Based on the prospectus dated July 31, 2023)

Total Annual Fund Operating Expenses......................0.47%
Expenses deducted from Fund's assets

## NORTHERN FUNDS BOND INDEX

### Investment Objective

The fund seeks to provide investment results approximating the overall performance of the securities included in the Bloomberg U.S. Aggregate Bond Index (the "index").

### Principal Investment Strategies

Under normal circumstances, the fund will invest substantially all (and at least 80%) of its net assets in bonds and other fixed income securities included in the index in weightings that approximate the relative composition of securities contained in the index. The fund will maintain a dollar-weighted average maturity consistent with the index, which generally ranges between five to ten years.

The index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government related and corporate securities, mortgage-backed securities (agency fixed-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities. As of May 31, 2023, the index was comprised of 13,362 constituents. It is rebalanced monthly. The fund generally rebalances its portfolio in accordance with the index.

NTI uses a "passive" or indexing approach to try to achieve the fund's investment objective. Unlike many investment companies, the fund does not try to "beat" the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. NTI will buy and sell securities in response to changes in the index as well as in response to subscriptions and redemptions.

NTI uses a representative sampling strategy to manage the fund. "Representative sampling" is investing in a representative sample of securities that collectively has an investment profile similar to that of an index. The fund may or may not hold all of the securities that are included in the index. The fund reserves the right to invest in all of the securities in the index in approximately the same proportion (i.e., replication) if NTI determines that it is in the best interest of the fund.

The fund intends to be diversified in approximately the same proportion as the index is diversified. The fund may become "non-diversified," as defined in the Investment Company Act of 1940 (the "1940 Act"), solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A "non-diversified" fund can invest a greater percentage of its assets in a small group of issuers or in any one issuer than a diversified fund can. Shareholder approval will not be sought if the fund becomes non-diversified due solely to a change in the relative market capitalization or index weighting of one or more constituents of the index.

In seeking to track the performance of the index, from time to time the fund may have a focused investment (i.e., investment exposure comprising more than 15% of its total assets) in one or more particular sectors.

NTI expects that, under normal circumstances, the quarterly performance of the fund, before fees and expenses, will track the performance of the index within a 0.95 correlation coefficient.

*The index is created and sponsored by Bloomberg Index Services Limited ("Bloomberg"), as the index provider. Bloomberg determines the composition and relative weightings of the securities in the index and publishes information regarding the market value of the index. Bloomberg does not endorse any of the securities in the index. It is not a sponsor of the Bond Index Fund and is not affiliated with the fund in any way.*

### Principal Investment Risks

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value ("NAV"), yield, total return and ability to meet its investment objective. Each risk noted below is considered a principal risk of investing in the fund, regardless of the order in which it appears. The significance of each risk factor below may change over time and you should review each risk factor carefully.

**MARKET RISK** is the risk that the value of the fund's investments may increase or decrease in response to expected, real or perceived economic, political or financial events in the U.S. or global markets. The frequency and magnitude of such changes in value cannot be predicted. Certain securities and other investments held by the fund may experience increased volatility, illiquidity, or other potentially adverse effects in response to changing market conditions, inflation, changes in interest rates, lack of liquidity in the bond or equity markets or volatility in the equity markets. Market disruptions caused by local or regional events such as financial institution failures, war, acts of terrorism, the spread of infectious illness (including epidemics and pandemics) or other public health issues, recessions or other events or adverse investor sentiment or other political, regulatory, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market. During periods of market disruption or other abnormal market conditions, the fund's exposure to risks described elsewhere in this summary will likely increase.

**TRACKING RISK** is the risk that the fund's performance may vary from the performance of the index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors. Market disruptions, regulatory restrictions or other abnormal market conditions could have an adverse effect on the fund's ability to adjust its exposure to required levels in order to track its index or cause delays in the index's rebalancing schedule. During any such delay, it is possible that the index, and, in turn, the fund will deviate from the index's stated methodology and therefore experience returns different than those that would have been achieved under a normal rebalancing schedule.

**INDEX RISK** is the risk that that the fund would not necessarily buy or sell a security unless that security is added or removed, respectively, from the index, even if that security generally is underperforming, because unlike many investment companies, the fund does not utilize an investing strategy that seeks returns in excess of the index. Additionally, the fund rebalances its portfolio in accordance with the index, and, therefore, any changes to the index's rebalance schedule will result in corresponding changes to the fund's rebalance schedule.

**SAMPLING RISK** is the risk that the fund's use of a representative sampling approach may result in increased tracking error because the securities selected for the fund in the aggregate may vary from the investment profile of the index. Additionally, the use of a representative sampling approach may result in the fund holding a smaller number of securities than the index, and, as a result, an adverse development to an issuer of securities that the fund holds could result in a greater decline in NAV than would be the case if the fund held all of the securities in the index.

**INTEREST RATE RISK** is the risk that during periods of rising interest rates, the fund's yield (and the market value of its securities) will tend to be lower than prevailing market rates; in periods of falling interest rates, the fund's yield (and the market value of its securities) will tend to be higher. In general, securities with longer maturities or durations are more sensitive to interest rate changes. 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 for the fund. During periods when inflation rates are high or rising, or during periods of low interest rates, the fund may be subject to a greater risk of rising interest rates. Changing interest rates may have unpredictable effects on the markets and the fund's investments, may result in heightened market volatility, may impact the liquidity of fixed-income securities and of the fund, and may detract from fund performance. A low or negative interest rate environment could cause the fund's earnings to fall below the fund's expense ratio, resulting in a low or negative yield and a decline in the fund's NAV.

**U.S. GOVERNMENT SECURITIES RISK** is the risk that the U.S. government will not provide financial support to its agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. Certain U.S. government securities purchased by the fund are neither issued nor guaranteed by the U.S. Treasury and, therefore, may not be backed by the full faith and credit of the United States. The maximum potential liability of the issuers of some U.S. government securities may greatly exceed their current resources, including any legal right to support from the U.S. Treasury. It is possible that the issuers of such securities will not have the funds to meet their payment obligations in the future.

**CREDIT (OR DEFAULT) RISK** is the risk that the inability or unwillingness of an issuer or guarantor of a fixed-income security, or a counterparty to a repurchase or other transaction, to meet its principal or interest payments or other financial obligations will adversely affect the value of the fund's investments and its returns. The credit quality of a debt security or of the issuer of a debt security held by the fund could deteriorate rapidly, which may impair the fund's liquidity or cause a deterioration in the fund's NAV. The fund could also be delayed or hindered in its enforcement of rights against an issuer, guarantor or counterparty.

**ASSET-BACKED AND MORTGAGE-BACKED SECURITIES RISK** Asset-backed and mortgage-backed securities may be less liquid than other bonds, and may be more sensitive than other bonds to the market's perception of issuers and creditworthiness of payees, particularly in declining general economic conditions when concern regarding mortgagees' ability to pay (e.g., the ability of homeowners, commercial mortgagees, consumers with student loans, automobile loans or credit card debtholders to make payments on the underlying loan pools) rises, which may result in the fund experiencing difficulty selling or valuing these securities. In addition, these securities may not be backed by the full faith and credit of the U.S. government, have experienced extraordinary weakness and volatility at various times in recent years, and may decline quickly in the event of a substantial economic or market downturn. Those asset-backed and mortgage-backed securities that are guaranteed as to the timely payment of interest and principal by a government entity, are not guaranteed as to market price, which will fluctuate. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain asset-backed and mortgage-backed securities.

An unexpectedly high rate of defaults on the mortgages held by a mortgage pool may adversely affect the value of mortgage backed securities and could result in losses to the fund.

Privately issued mortgage-backed securities and asset-backed securities may be less liquid than other types of securities and the fund may be unable to sell these securities at the time or price it desires. During periods of market stress or high redemptions, the fund may be forced to sell these securities at significantly reduced prices, resulting in losses. Liquid privately issued mortgage-backed securities and asset-backed securities can become illiquid during periods of market stress. Privately issued mortgage-related securities are not subject to the same underwriting requirements as those with government or government-sponsored entity guarantees and, therefore, mortgage loans underlying privately issued mortgage-related securities may have less favorable collateral, credit risk, liquidity risk or other underwriting characteristics, and wider variances in interest rate, term, size, purpose and borrower characteristics.

**DEBT EXTENSION RISK** is the risk that when interest rates rise an issuer will exercise its right to pay principal on certain debt securities held by the fund later than expected. This will cause the value of the security, and the fund's NAV, to decrease, and the fund may lose opportunities to invest in higher yielding securities.

**LIQUIDITY RISK** is the risk that certain securities may be less liquid than others, which may make them difficult or impossible to sell at the time and the price that the fund would like and the fund may have to lower the price, sell other securities instead or forgo an investment opportunity, adversely affecting the value of the fund's investments and its returns. In addition, less liquid securities may be more difficult to value and markets may become less liquid when there are fewer interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities, and if the fund is forced to sell these investments to meet redemption requests or for other cash needs, the fund may suffer a loss. 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. All of these risks may increase during periods of market turmoil and could have a negative effect on the fund's performance.

**PREPAYMENT (OR CALL) RISK** is the risk that an issuer could exercise its right to pay principal on callable debt securities held by the fund earlier than expected. Issuers may be more likely to prepay when interest rates fall, when credit spreads change, or when an issuer's credit quality improves. If this happens, the fund will 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 in lower yielding securities, which may reduce the fund's returns. The fund may also lose any premium it paid to purchase the securities.

**SECTOR RISK** is the risk that companies in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of securities of all companies in a particular sector of the market to decrease.

**VALUATION RISK** is the risk that the sale price the fund could receive for a portfolio security may differ from the fund's valuation of the security, particularly for securities that trade in low volume or volatile markets or that are valued using a fair value methodology.

In addition, the value of the securities in the fund's portfolio may change on days when shareholders will not be able to purchase or sell the fund's shares.

**NON-DIVERSIFICATION RISK** Under the 1940 Act, a fund designated as "diversified" must limit its holdings such that the securities of issuers which individually represent more than 5% of its total assets must in the aggregate represent less than 25% of its total assets. The fund is "diversified" for purposes of the 1940 Act. However, in seeking to track its index, the fund may become "non-diversified," as defined in the 1940 Act, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A non-diversified fund can invest a greater portion of its assets in the obligations or securities of a small portion of its assets in the obligations or securities of a small number of issuers or any single issuer than a diversified fund can. In such circumstances, a change in the value of one or a few issuers' securities will therefore affect the value of the fund more than if it was a diversified fund.

**As with any mutual fund, it is possible to lose money on an investment in the fund. An investment in the fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, any other government agency, or The Northern Trust Company, its affiliates, subsidiaries or any other bank.**

**Fees & Expenses**
(Based on the prospectus dated July 31, 2023)

Total Annual Fund Operating Expenses......................0.07%
Expenses deducted from Fund's assets

## FIDELITY ADVISOR INVESTMENT GRADE BOND FUND

### Investment Objective

The fund seeks a high level of current income.

### Principal Investment Strategies

- Normally investing at least 80% of assets in investment-grade debt securities (those of medium and high quality) of all types and repurchase agreements for those securities.
- Managing the fund to have similar overall interest rate risk to the Bloomberg U.S. Aggregate Bond Index.
- Allocating assets across different market sectors and maturities.
- Investing in domestic and foreign issuers.
- Analyzing the credit quality of the issuer, security-specific features, current and potential future valuation, and trading opportunities to select investments.
- Investing in lower-quality debt securities (those of less than investment-grade quality, also referred to as high yield debt securities or junk bonds).
- Engaging in transactions that have a leveraging effect on the fund, including investments in derivatives - such as swaps (interest rate, total return, and credit default), options, and futures contracts - and forward-settling securities, to adjust the fund's risk exposure.
- Investing in Fidelity's Central funds (specialized investment vehicles used by Fidelity® funds to invest in particular security types or investment disciplines) consistent with the asset classes discussed above.

### Principal Investment Risks

- **Interest Rate Changes.** Interest rate increases can cause the price of a debt security to decrease.

- **Foreign Exposure.** Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market.
- **Prepayment.** The ability of an issuer of a debt security to repay principal prior to a security's maturity can cause greater price volatility if interest rates change.
- **Issuer-Specific Changes.** The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole.

  A decline in the credit quality of an issuer or a provider of credit support or a maturity-shortening structure for a security can cause the price of a security to decrease.

  Lower-quality debt securities (those of less than investment-grade quality, also referred to as high yield debt securities or junk bonds) involve greater risk of default or price changes due to changes in the credit quality of the issuer. The value of lower-quality debt securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market, or economic developments.
- **Leverage Risk.** Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly.
- **High Portfolio Turnover.** High portfolio turnover (more than 100%) may result in increased transaction costs and potentially higher capital gains or losses. The effects of higher than normal portfolio turnover may adversely affect the fund's performance.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. You could lose money by investing in the fund.

Unlike individual debt securities, which typically pay principal at maturity, the value of an investment in the fund will fluctuate.

**Fees & Expenses**
(Based on the prospectus dated October 30, 2023)
Total Annual Fund Operating Expenses......................0.36%
Expenses deducted from Fund's assets

## PGIM TOTAL RETURN BOND FUND

### Investment Objective

The investment objective of the fund is total return.

### Principal Investment Strategies

The fund seeks to achieve its objective through a mix of current income and capital appreciation as determined by the fund's subadviser. The fund invests, under normal circumstances, at least 80% of its investable assets in bonds. For purposes of this policy, bonds include all fixed income securities, other than preferred stock, with a maturity at date of issue of greater than one year (including bonds acquired by the fund with a maturity at date of issue of greater than one year, but a remaining maturity of one year or less). The term "investable assets" refers to the fund's net assets plus any borrowings for investment purposes. The fund's investable assets will be less than its total assets to the extent that it has borrowed money for non-investment purposes, such as to meet anticipated redemptions.

The fund's subadviser allocates assets among different debt securities, including (but not limited to) U.S. Government securities, mortgage-related and asset-backed securities (including collateralized debt obligations and collateralized loan obligations), corporate debt securities and foreign debt securities. The fund may invest up to 30%of its investable assets in speculative, high risk, below investment-grade securities. These securities are also known as high-yield debt securities or junk bonds. The fund may invest up to 30% of its investable assets in foreign debt securities, including emerging market debt securities.

In managing the fund's assets, the subadviser uses a combination of top-down economic analysis and bottom-up research in conjunction with proprietary quantitative models and risk management systems. In the top-down economic analysis, the subadviser develops views on economic, policy and market trends. In its bottom-up research, the subadviser develops an internal rating and outlook on issuers. The rating and outlook are determined based on a thorough review of the financial health and trends of the issuer. The subadviser may also consider investment factors such as expected total return, yield, spread and potential for price appreciation as well as credit quality, maturity and risk. The fund may invest in a security based upon the expected total return rather than the yield of such security.

The fund may use derivatives to manage its duration, as well as to manage its foreign currency exposure, to hedge against losses, and to try to improve returns.

### Principal Risks

All investments have risks to some degree. The value of your investment in the fund, as well as the amount of return you receive on your investment, may fluctuate significantly from day-to-day and over time.

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 guaranteed to achieve its investment objective; is not a deposit with a bank; and is not insured, endorsed or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The following is a summary description of principal risks of investing in the fund.

The order of the below risk factors does not indicate the significance of any particular risk factor.

**Collateralized Loan Obligations ("CLOs") Risk.** CLOs are subject to credit, interest rate, valuation, and prepayment and extension risks. These securities also are subject to risk of default on the underlying asset, particularly during periods of economic downturn. The market value of CLOs may be affected by, among other things, changes in the market value of the underlying assets held by the CLO, changes in the distributions on the underlying assets, defaults and recoveries on the underlying assets, capital gains and losses on the underlying assets, prepayments on underlying assets and the availability, prices and interest rate of underlying assets.

**"Covenant-Lite" Risk.** Some of the loans or debt obligations in which the fund may invest or get exposure to maybe "covenant-lite", which means the loans or obligations contain fewer financial maintenance covenants than other loans or obligations (in some cases, none) and do not include terms which allow the lender to monitor the borrower's performance and declare a default if certain criteria are breached. An investment by the fund in a covenant-lite loan may potentially hinder the ability to reprice credit risk associated with the issuer and reduce the ability to restructure a problematic loan and mitigate potential loss. The fund may also experience difficulty, expenses or delays in enforcing its rights on its holdings of covenant-lite loans or obligations. As a result of these risks, the fund's exposure to losses may be increased, which could result in an adverse impact on the fund's net income and NAV.

**Credit Risk.** This is the risk that the issuer, the guarantor or the insurer of a fixed income security, or the counterparty to a contract, may be unable or unwilling to make timely principal and interest payments, or to otherwise honor its obligations. Additionally, fixed income securities could lose value due to a loss of confidence in the ability of the issuer, guarantor, insurer or counterparty to pay back debt. The lower the credit quality of a bond, the more sensitive it is to credit risk.

**Currency Risk.** The fund's net asset value could decline as a result of changes in exchange rates, which could adversely affect the fund's investments in currencies, or in securities that trade in, and receive revenues related to, currencies, or in derivatives that provide exposure to currencies. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payment of principal and interest or dividends to investors located outside the country, due to blockage of foreign currency exchanges or otherwise.

**Debt Obligations Risk.** Debt obligations are subject to credit risk, market risk and interest rate risk. The fund's holdings, share price, yield and total return may also fluctuate in response to bond market movements. The value of bonds may decline for issuer-related reasons, including management performance, financial leverage and reduced demand for the issuer's goods and services. Certain types of fixed income obligations also may be subject to **"call and redemption risk,"** which is the risk that the issuer may call a bond held by the fund for redemption before it matures and the fund may not be able to reinvest at the same rate of interest and therefore would earn less income.

**Derivatives Risk.** Derivatives involve special risks and costs and may result in losses to the fund. The successful use of derivatives requires sophisticated management, and, to the extent that derivatives are used, the fund will depend on the subadviser's ability to analyze and manage derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. Some derivatives are "leveraged" or may create economic leverage for the fund and therefore may magnify or otherwise increase investment losses to the fund. The fund's use of derivatives may also increase the amount of taxes payable by shareholders.

Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for the fund's derivatives positions. In fact, many over-the-counter derivative instruments will not have liquidity beyond the counterparty to the instrument. Over-the-counter derivative instruments also involve the risk that the other party will not meet its obligations to the fund. The use of derivatives also exposes the fund to operational issues, such as documentation and settlement issues, systems failures, inadequate control and human error.

Derivatives may also involve legal risks, such as insufficient documentation, the lack of capacity or authority of a counterparty to execute or settle a transaction, and the legality and enforceability of derivatives contracts. The U.S. Government and foreign governments have adopted (and may adopt further) regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements and risk exposure limitations. Regulation of derivatives may make derivatives more costly, limit their availability or utility to the fund, or otherwise adversely affect their performance or disrupt markets.

**Economic and Market Events Risk.** Events in the U.S. and global financial markets, including actions taken by the U.S. Federal Reserve or foreign central banks to stimulate or stabilize economic growth or the functioning of the securities markets, or otherwise reduce inflation may at times result in unusually high market volatility, which could negatively impact performance. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Relatively reduced liquidity in credit and fixed income markets could adversely affect issuers worldwide.

**Emerging Markets Risk.** The risks of foreign investments are greater for investments in or exposed to emerging markets. Emerging market countries typically have economic and political systems that are less fully developed, and can be expected to be less stable, than those of more developed countries. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation. Low trading volumes may result in a lack of liquidity and price volatility. Emerging market countries may have policies that restrict investment by non-U.S. investors, or that prevent non-U.S. investors from withdrawing their money at will.

The fund may invest in some emerging markets that subject it to risks such as those associated with illiquidity, custody of assets, different settlement and clearance procedures and asserting legal title under a developing legal and regulatory regime to a greater degree than in developed markets or even in other emerging markets.

**Floating Rate and Other Loans Risk.** The fund's ability to receive payments of principal and interest and other amounts in connection with loans (whether through participations, assignments or otherwise) will depend primarily on the financial condition of the borrower. The failure by the fund to receive scheduled interest or principal payments on a loan because of a default, bankruptcy or any other reason would adversely affect the income of the fund and would likely reduce the value of its assets. Even with loans secured by collateral, there is the risk that the value of the collateral may decline, may be insufficient to meet the obligations of the borrower, or be difficult to liquidate. In the event of a default, the fund may have difficulty collecting on any collateral and would not have the ability to collect on any collateral for an uncollateralized loan. Further, the fund's access to collateral, if any, may be limited by bankruptcy laws. Due to the nature of the private syndication of senior loans, including, for example, lack of publicly-available information, some senior loans are not as easily purchased or sold as publicly-traded securities. In addition, loan participations generally are subject to restrictions on transfer, and only limited opportunities may exist to sell loan participations in secondary markets. As a result, it may be difficult for the fund to value loans or sell loans at an acceptable price when it wants to sell them. Loans trade in an over-the-counter market, and confirmation and settlement, which are effected through standardized procedures and documentation, may take significantly longer than seven days to complete. Extended trade settlement periods may, in unusual market conditions with a high volume of shareholder redemptions, present a risk to shareholders regarding the fund's ability to pay redemption proceeds in a timely manner. In some instances, loans and loan participations are not rated by independent credit rating agencies; in such instances, a decision by the fund to invest in a particular loan or loan participation could depend exclusively on the subadviser's credit analysis of the borrower, or in the case of a loan participation, of the intermediary holding the portion of the loan that the fund has purchased. To the extent the fund invests in loans of non-U.S. issuers, the risks of investing in non-U.S. issuers are applicable. Loans may not be considered to be "securities" and as a result may not benefit from the protections of the federal securities laws, including anti-fraud protections and those with respect to the use of material non-public information, so that purchasers, such as the fund, may not have the benefit of these protections. If the fund is in possession of material non-public information about a borrower as a result of its investment in such borrower's loan, the fund may not be able to enter into a transaction with respect to a publicly-traded security of the borrower when it would otherwise be advantageous to do so.

**Foreign Securities Risk.** Investments in securities of non-U.S. issuers (including those denominated in U.S. dollars) may involve more risk than investing in securities of U.S. issuers. Foreign political, economic and legal systems, especially those in developing and emerging market countries, may be less stable and more volatile than in the United States. Foreign legal systems generally have fewer regulatory requirements than the U.S. legal system, particularly those of emerging markets. In general, less information is publicly available with respect to non-U.S. companies than U.S. companies. Non-U.S. companies generally are not subject to the same accounting, auditing, and financial reporting standards as are U.S. companies. Additionally, the changing value of foreign currencies and changes in exchange rates could also affect the value of the assets the fund holds and the fund's performance. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payment of principal and interest or dividends to investors located outside the country, due to blockage of foreign currency exchanges or otherwise. Investments in emerging markets are subject to greater volatility and price declines. In addition, the fund's investments in non-U.S. securities may be subject to the risks of nationalization or expropriation of assets, imposition of currency exchange controls or restrictions on the repatriation of non-U.S. currency, confiscatory taxation and adverse diplomatic developments. Special U.S. tax considerations may apply.

**Increase in Expenses Risk.** Your actual cost of investing in the fund may be higher than the expenses shown in the expense table for a variety of reasons. For example, expense ratios may be higher than those shown if average net assets decrease. Net assets are more likely to decrease and fund expense ratios are more likely to increase when markets are volatile. Active and frequent trading of fund securities can increase expenses.

**Interest Rate Risk.** The value of your investment may go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration debt securities. Similarly, a rise in interest rates may also have a greater negative impact on the value of equity securities whose issuers expect earnings further out in the future. For example, a fixed income security with a duration of three years is expected to decrease in value by approximately 3% if interest rates increase by 1%. This is referred to as "duration risk." When interest rates fall, the issuers of debt obligations may prepay principal more quickly than expected, and the fund may be required to reinvest the proceeds at a lower interest rate. This is referred to as "prepayment risk." When interest rates rise, debt obligations may be repaid more slowly than expected, and the value of the fund's holdings may fall sharply. This is referred to as "extension risk." The fund may lose money if short-term or long-term interest rates rise sharply or in a manner not anticipated by the subadviser.

**Junk Bonds Risk.** High-yield, high-risk bonds have predominantly speculative characteristics, including particularly high credit risk. Junk bonds tend to have lower market liquidity than higher-rated securities. The liquidity of particular issuers or industries within a particular investment category may shrink or disappear suddenly and without warning. The non-investment grade bond market can experience sudden and sharp price swings and become illiquid due to a variety of factors, including changes in economic forecasts, stock market activity, large sustained sales by major investors, a high profile default or a change in the market's psychology.

**Large Shareholder and Large Scale Redemption Risk.** Certain individuals, accounts, funds (including funds affiliated with the Manager) or institutions, including the Manager and its affiliates, may from time to time own or control a substantial amount of the fund's shares. There is no requirement that these entities maintain their investment in the fund. There is a risk that such large shareholders or that the fund's shareholders generally may redeem all or a substantial portion of their investments in the fund in a short period of time, which could have a significant negative impact on the fund's NAV, liquidity, and brokerage costs. Large redemptions could also result in tax consequences to shareholders and impact the fund's ability to implement its investment strategy. The fund's ability to pursue its investment objective after one or more large scale redemptions may be impaired and, as a result, the fund may invest a larger portion of its assets in cash or cash equivalents.

**Liquidity Risk.** Liquidity risk is the risk that the fund could not meet requests to redeem shares issued by the fund without significant dilution of remaining investors' interests in the fund. The fund may invest in instruments that trade in lower volumes and are more illiquid than other investments. If the fund is forced to sell these investments to pay redemption proceeds or for other reasons, the fund may lose money. In addition, when there is no willing buyer and investments cannot be readily sold at the desired time or price, the fund may have to accept a lower price or may not be able to sell the instrument at all. 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.

**Management Risk.** Actively managed funds are subject to management risk. The subadviser will apply investment techniques and risk analyses in making investment decisions for the fund, but the subadviser's judgments about the attractiveness, value or market trends affecting a particular security, industry or sector or about market movements may be incorrect. Additionally, the investments selected for the fund may underperform the markets in general, the fund's benchmark and other funds with similar investment objectives.

**Market Disruption and Geopolitical Risks.** Market disruption can be caused by economic, financial or political events and factors, including but not limited to, international wars or conflicts (including Russia's military invasion of Ukraine), geopolitical developments (including trading and tariff arrangements, sanctions and cybersecurity attacks), instability in regions such as Asia, Eastern Europe and the Middle East, terrorism, natural disasters and public health epidemics (including the outbreak of COVID-19 globally).

The extent and duration of such events and resulting market disruptions cannot be predicted, but could be substantial and could magnify the impact of other risks to the fund. These and other similar events could adversely affect the U.S. and foreign financial markets and lead to increased market volatility, reduced liquidity in the securities markets, significant negative impacts on issuers and the markets for certain securities and commodities and/or government intervention. They may also cause short- or long-term economic uncertainties in the United States and worldwide. Asa result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the fund's investments may be negatively impacted. Further, due to closures of certain markets and restrictions on trading certain securities, the value of certain securities held by the fund could be significantly impacted, which could lead to such securities being valued at zero.

COVID-19 and the related governmental and public responses have had and may continue to have an impact on the fund's investments and net asset value and have led and may continue to lead to increased market volatility and the potential for illiquidity in certain classes of securities and sectors of the market. They have also had and may continue to result in periods of business disruption, business closures, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for the issuers in which the fund invests. The occurrence, reoccurrence and pendency of public health epidemics could adversely affect the economies and financial markets either in specific countries or worldwide.

**Market Risk.** Securities markets may be volatile and the market prices of the fund's securities may decline. Securities fluctuate in price based on changes in an issuer's financial condition and overall market and economic conditions. If the market prices of the securities owned by the fund fall, the value of your investment in the fund will decline.

**Mortgage-Backed and Asset-Backed Securities Risk.** Mortgage-backed and asset-backed securities tend to increase in value less than other debt securities when interest rates decline, but are subject to similar risk of decline in market value during periods of rising interest rates. The values of mortgage-backed and asset-backed securities become more volatile as interest rates rise. In a period of declining interest rates, the fund may be required to reinvest more frequent prepayments on mortgage-backed and asset-backed securities in lower-yielding investments.

**Portfolio Turnover Risk.** The length of time the fund has held a particular security is not generally a consideration in investment decisions. Under certain market conditions, the fund's turnover rate may be higher than that of other mutual funds. Portfolio turnover generally involves some expense to the fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestment in other securities. These transactions may result in realization of taxable capital gains. The trading costs and tax effects associated with portfolio turnover may adversely affect the fund's investment performance.

**Reference Rate Risk.** The fund may be exposed to financial instruments that are tied to the London Interbank Offered Rate ("LIBOR") to determine payment obligations, financing terms, hedging strategies or investment value.

The United Kingdom's Financial Conduct Authority announced a phase out of LIBOR such that after June 30, 2023, the overnight, 1-month, 3-month, 6-month and 12-month U.S. dollar LIBOR settings will cease to be published or will no longer be representative. All other LIBOR settings and certain other interbank offered rates, such as the EuroOvernight Index Average ("EONIA"), ceased to be published or representative after December 31, 2021. The fund may have investments linked to other interbank offered rates that may also cease to be published in the future. Various financial industry groups have been planning for the transition away from LIBOR, but there remain challenges to converting certain securities and transactions to a new reference rate (e.g., the Secured Overnight Financing Rate("SOFR"), which is intended to replace the U.S. dollar LIBOR).

Neither the effect of the LIBOR transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR as well as loan facilities used by the fund. While some existing LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, there may be significant uncertainty regarding the effectiveness of any such alternative methodologies to replicate LIBOR. Not all existing LIBOR-based instruments may have alternative rate-setting provisions and there remains uncertainty regarding the willingness and ability of issuers to add alternative rate-setting provisions in certain existing instruments. Global regulators have advised market participants to cease entering into new contracts using LIBOR as a reference rate, and it is possible that investments in LIBOR-based instruments could invite regulatory scrutiny. There may also be challenges for the fund to enter into hedging transactions against such newly-issued instruments until a market for such hedging transactions develops. All of the aforementioned may adversely affect the fund's performance or net asset value.

**Structured Products Risk.** Holders of structured product securities bear risks of the underlying investments, index or reference obligation. Certain structured products may be thinly traded or have a limited trading market, and as a result may be characterized as illiquid. The possible lack of a liquid secondary market for structured securities and the resulting inability of the fund to sell a structured security could expose the fund to losses and could make structured securities more difficult for the fund to value accurately, which may also result in additional costs. Structured products are also subject to credit risk; the assets backing the structured product may be insufficient to pay interest or principal. In addition to the general risks associated with investments in fixed income, structured products carry additional risks, including, but not limited to: the possibility that distributions from collateral securities will not be adequate to make interest or other payments; the quality of the collateral may decline in value or default; and the possibility that the structured products are subordinate to other classes. Structured securities are generally privately negotiated debt obligations where the principal and/or interest or value of the structured security is determined by reference to the performance of a specific asset, benchmark asset, market or interest rate ("reference instrument"), and changes in the reference instrument or security may cause significant price fluctuations, or could cause the interest rate on the structured security to be reduced to zero. Holders of structured products indirectly bear risks associated with the reference instrument, are subject to counterparty risk and typically do not have direct rights against the reference instrument. Structured products may also entail structural complexity and documentation risk and there is no guarantee that the courts or administrators will interpret the priority of principal and interest payments as expected.

**U.S. Government and Agency Securities Risk.** U.S. Government and agency securities are subject to market risk, interest rate risk and credit risk. Not all U.S. Government securities are insured or guaranteed by the full faith and credit of the U.S. Government; some are only insured or guaranteed by the issuing agency, which must rely on its own resources to repay the debt. Some agency securities carry no guarantee whatsoever and the risk of default associated with these securities would be borne by the fund. The maximum potential liability of the issuers of some U.S. Government securities held by the fund may greatly exceed their current resources, including their legal right to support from the U.S. Treasury. No assurance can be given that the U.S. Government would provide financial support to any such issuers if it is not obligated to do so by law. It is possible that these issuers will not have the funds to meet their payment obligations in the future. In addition, the value of U.S. Government securities may be affected by changes in the credit rating of the U.S. Government.

**Fees & Expenses**
(Based on the prospectus dated December 30, 2022)

Total Annual Fund Operating Expenses......................0.39%
Expenses deducted from Fund's assets

## AMERICAN CENTURY SHORT DURATION INFLATION PROTECTION BOND FUND

### Investment Objective

The fund pursues total return using a strategy that seeks to protect against U.S. inflation.

### Principal Investment Strategies

Under normal market conditions, the fund invests at least 80% of its net assets in inflation-linked debt securities. These securities include inflation-linked U.S. Treasury securities, inflation-linked securities issued by U.S. government agencies and instrumentalities other than the U.S. Treasury, and inflation-linked securities issued by other entities such as domestic and foreign corporations and governments. Inflation-linked securities are designed to protect the future purchasing power of the money invested in them.

The fund may invest in securities issued or guaranteed by the U.S. Treasury and certain U.S. government agencies or instrumentalities such as the Government National Mortgage Association (Ginnie Mae). Ginnie Mae is supported by the full faith and credit of the U.S. government. Securities issued or guaranteed by other U.S. government agencies or instrumentalities, such as the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank (FHLB) are not guaranteed by the U.S. Treasury or supported by the full faith and credit of the U.S. government. However, they are authorized to borrow from the U.S. Treasury to meet their obligations.

The fund also may invest a portion of its net assets in fixed-income securities that are not linked to inflation. These securities may include other debt securities, including mortgage- and asset-backed securities, and collateralized obligations such as collateralized loan obligations and collateralized mortgage obligations, whether issued by the U.S. government, its agencies or instrumentalities, corporations or other non-governmental issuers.

The fund may invest up to 20% of its total assets in securities denominated in foreign currencies and may invest beyond this limit in U.S. dollar denominated securities of foreign issuers. The fund invests primarily in investment-grade securities, but may also invest a portion of its assets in high-yield securities, or junk bonds.

The fund also may invest in derivative instruments such as options, futures contracts, options on futures contracts, and swaps (including inflation and credit default swaps), provided that such instruments are in keeping with the fund's investment objective.

The weighted average duration of the fund's portfolio must be five years or shorter. Duration is an indication of the relative sensitivity of a security's market value to changes in interest rates. The longer the weighted average duration of the fund's portfolio, the more sensitive its market value is to interest rate fluctuations. Duration is different from maturity in that it attempts to measure the interest rate sensitivity of a security, as opposed to its expected final maturity.

To determine whether to buy or sell a security, the portfolio managers consider, among other things, various fund requirements and standards, along with economic conditions, alternative investments and interest rates.

### Principal Risks

- **Interest Rate Risk** – Inflation-linked securities trade at prevailing real interest rates. Generally, when real interest rates rise, the value of the fund's debt securities will decline. The opposite is true when real interest rates decline. The real interest rate is the current market interest rate minus the market's inflation expectations. A period of rising interest rates may negatively affect the fund's performance.
- **Credit Risk** – The inability or perceived inability of a security's issuer to make interest and principal payments may cause the value of the security to decrease. As a result the fund's share price could also decrease. Changes in the credit rating of a debt security held by the fund could have a similar effect.
- **High-Yield Risk** – Issuers of high-yield securities are more vulnerable to real or perceived economic changes (such as an economic downturn or a prolonged period of rising interest rates), political changes or adverse developments specific to an issuer. These factors may be more likely to cause an issuer of low quality bonds to default on its obligations.
- **Liquidity Risk** – During periods of market turbulence or unusually low trading activity, to meet redemptions it may be necessary for the fund to sell securities at prices that could have an adverse effect on the fund's share price. Changing regulatory and market conditions, including increases in interest rates and credit spreads may adversely affect the liquidity of the fund's investments.
- **Prepayment and Extension Risk** – The fund may invest in debt securities backed by mortgages or other assets. If these underlying assets are prepaid, the fund may benefit less from declining interest rates than funds of similar duration that invest less heavily in mortgage- and asset-backed securities. Conversely, an issuer may exercise its right to pay principal on an obligation held by the fund later than expected (extend the obligation) especially in periods of rising interest rates. These events may lengthen the duration (i.e. interest rate sensitivity) and potentially reduce the value of these securities.
- **Collateralized Obligations Risk** – Collateralized obligations, such as collateralized loan obligations (CLOs), are subject to credit, interest rate, valuation, and prepayment and extension risks. These securities also are subject to risk of default on the underlying asset, particularly during periods of economic downturn. The market value of collateralized obligations may be affected by, among other things, changes in the market value of the underlying assets held by the collateralized obligations, changes in the distributions on the underlying assets, defaults and recoveries on the underlying assets, capital gains and losses on the underlying assets, prepayments on underlying assets and the availability, and prices and interest rates of underlying assets. Some of the collateralized obligations in which the fund invests may be covenant-lite loans. Covenant-lite loans contain fewer or less restrictive constraints on the borrower. The fund may have fewer rights against a borrower and an accompanying greater risk of loss when it invests in covenant-lite loans.
- **Derivatives Risk** – The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments. Derivatives are subject to a number of risks including liquidity, interest rate, market, credit and correlation risk. Derivatives used for hedging or risk management may not operate as intended, may expose the fund to other risks, and may be insufficient to protect the fund from the risks they were intended to hedge.
- **Foreign Securities Risk** – Foreign securities are generally riskier than U.S. securities. Political events (such as civil unrest, national elections and imposition of exchange controls), social and economic events (such as labor strikes and rising inflation), natural disasters and public health emergencies occurring in a country where the fund invests could cause the fund's investments in that country to experience losses. Securities of foreign issuers may be less liquid, more volatile and harder to value than U.S. securities.
- **Market Risk** – The value of securities owned by the fund may go up and down, sometimes rapidly or unpredictably. Market risks, including political, regulatory, economic and social developments, can affect the value of the fund's investments. Natural disasters, public health emergencies, war, terrorism and other unforeseeable events may lead to increased market volatility and may have adverse long-term effects on world economies and markets generally.
- **Redemption Risk** – The fund may need to sell securities at times it would not otherwise do so to meet shareholder redemption requests. Selling securities to meet such redemptions may cause the fund to experience a loss, increase the fund's transaction costs or have tax consequences. To the extent that a large shareholder (including a fund of funds or 529 college savings plan) invests in the fund, the fund may experience relatively large redemptions as such shareholder reallocates its assets.
- **Principal Loss** – At any given time your shares may be worth less than the price you paid for them. In other words, it is possible to lose money by investing in the fund.

An investment in the fund is not a bank deposit, and it is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

**Fees & Expenses**
(Based on the prospectus dated August 1, 2023)

Total Annual Fund Operating Expenses......................0.43%
Expenses deducted from Fund's assets

## BLACKROCK HIGH YIELD BOND PORTFOLIO

### Investment Objective

The investment objective of the BlackRock High Yield Bond Portfolio (the "high yield fund" or the "fund") is to seek to maximize total return, consistent with income generation and prudent investment management.

### Principal Investment Strategies

The high yield fund invests primarily in non-investment grade bonds with maturities of ten years or less. The high yield fund normally invests at least 80% of its assets in high yield bonds. The high yield securities (commonly called "junk bonds") acquired by the high yield 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 high yield fund management team to be of similar quality. 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 nondollar denominated bonds of issuers located outside of the United States. The high yield fund's investment in nondollar denominated bonds may be on a currency hedged or unhedged basis. The fund may also invest in convertible and preferred securities. Convertible debt securities will be counted toward the fund's 80% policy to the extent they have characteristics similar to the securities included within that policy.

To add additional diversification, the management team can invest in a wide range of securities including corporate bonds, mezzanine investments, collateralized bond obligations, bank loans and mortgage-backed and asset-backed securities. The high yield fund can also invest, to the extent consistent with its investment objective, in non-U.S. and emerging market securities and currencies. The high yield 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 high yield 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 high yield 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 high yield fund may engage in active and frequent trading of portfolio securities to achieve its principal investment strategies.

### Principal Investment Risks

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 from day to day and over time. You may lose part or all of your investment in the fund or your investment may not perform as well as other similar investments. The following is a summary description of principal risks of investing in the fund. The relative significance of each risk factor below may change over time and you should review each risk factor carefully.

- **Debt Securities Risk** — Debt securities, such as bonds, involve interest rate risk, credit risk, extension risk, and prepayment risk, among other things.

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

  The fund may be subject to a greater risk of rising interest rates due to the recent period of historically low interest rates. For example, if interest rates increase by 1%, assuming a current portfolio duration of ten years, and all other factors being equal, the value of the fund's investments would be expected to decrease by 10%. (Duration is a measure of the price sensitivity of a debt security or portfolio of debt securities to relative changes in interest rates.) The magnitude of these fluctuations in the market price of bonds and other fixed-income securities is generally greater for those securities with longer maturities. Fluctuations in the market price of the fund's investments will not affect interest income derived from instruments already owned by the fund, but will be reflected in the fund's net asset value. The fund may lose money if short-term or long-term interest rates rise sharply in a manner not anticipated by fund management.

  To the extent the fund invests in debt securities that may be prepaid at the option of the obligor (such as mortgage backed securities), the sensitivity of such securities to changes in interest rates may increase (to the detriment of the fund) when interest rates rise. Moreover, because rates on certain floating rate debt securities typically reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the net asset value of the fund to the extent that it invests in floating rate debt securities.

  These basic principles of bond prices also apply to U.S. Government securities. A security backed by the "full faith and credit" of the U.S. Government is guaranteed only as to its stated interest rate and face value at maturity, not its current market price. Just like other fixed-income securities, government-guaranteed securities will fluctuate in value when interest rates change.

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

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

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

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

- **Junk Bonds Risk** — Although junk bonds generally pay higher rates of interest than investment grade bonds, junk bonds are high risk investments that are considered speculative and may cause income and principal losses for the fund.

- **Bank Loan Risk** — The market for bank loans may lack liquidity and the fund may have difficulty selling them. These investments expose the fund to the credit risk of both the financial institution and the underlying borrower.
- **Collateralized Bond Obligations Risk** — The pool of high yield securities underlying collateralized bond obligations is typically separated into groupings called tranches representing different degrees of credit quality. The higher quality tranches have greater degrees of protection and pay lower interest rates. The lower tranches, with greater risk, pay higher interest rates.
- **Convertible Securities Risk** — The market value of a convertible security performs like that of a regular debt security; that is, if market interest rates rise, the value of a convertible security usually falls. In addition, convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.
- **Derivatives Risk** — The fund's use of derivatives may increase its costs, reduce the fund's returns and/or increase volatility. Derivatives involve significant risks, including:

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

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

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

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

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

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

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

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

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

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

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

- **Distressed Securities Risk** — Distressed securities are speculative and involve substantial risks in addition to the risks of investing in junk bonds. The fund will generally not receive interest payments on the distressed securities and may incur costs to protect its investment. In addition, distressed securities involve the substantial risk that principal will not be repaid. These securities may present a substantial risk of default or may be in default at the time of investment. The fund may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal of or interest on its portfolio holdings. In any reorganization or liquidation proceeding relating to a portfolio company, the fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Distressed securities and any securities received in an exchange for such securities may be subject to restrictions on resale.
- **Dollar Rolls Risk** — Dollar rolls involve the risk that the market value of the securities that the fund is committed to buy may decline below the price of the securities the fund has sold. These transactions may involve leverage.
- **Emerging Markets Risk** — Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets.
- **Foreign Securities Risk** — Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the fund will lose money. These risks include:
  - The fund generally holds its foreign securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.
  - Changes in foreign currency exchange rates can affect the value of the fund's portfolio.
  - The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.
  - The governments of certain countries, or the U.S. Government with respect to certain countries, may prohibit or impose substantial restrictions through capital controls and/or sanctions on foreign investments in the capital markets or certain industries in those countries, which may prohibit or restrict the ability to own or transfer currency, securities, derivatives or other assets.
  - Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws.
  - Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.
  - The fund's claims to recover foreign withholding taxes may not be successful, and if the likelihood of recovery of foreign withholding taxes materially decreases, due to, for example, a change in tax regulation or approach in the foreign country, accruals in the fund's net asset value for such refunds may be written down partially or in full, which will adversely affect the fund's net asset value.
  - The European financial markets have recently experienced volatility and adverse trends due to concerns about economic downturns in, or rising government debt levels of, several European countries as well as acts of war in the region. These events may spread to other countries in Europe and may affect the value and liquidity of certain of the fund's investments.
- **High Portfolio Turnover Risk —** The fund may engage in active and frequent trading of its portfolio securities. High portfolio turnover (more than 100%) may result in increased transaction costs to the fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities. The sale of fund portfolio securities may result in the realization and/or distribution to shareholders of higher capital gains or losses as compared to a fund with less active trading policies. These effects of higher than normal portfolio turnover may adversely affect fund performance.
- **Illiquid Investments Risk** — The fund may not acquire any illiquid investment if, immediately after the acquisition, the fund would have invested more than 15% of its net assets in illiquid investments. An illiquid investment is any investment that the fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. Liquid investments may become illiquid after purchase by the fund, particularly during periods of market turmoil. There can be no assurance that a security or instrument that is deemed to be liquid when purchased will continue to be liquid for as long as it is held by the fund, and

any security or instrument held by the fund may be deemed an illiquid investment pursuant to the fund's liquidity risk management program. The fund's illiquid investments may reduce the returns of the fund because it may be difficult to sell the illiquid investments at an advantageous time or price. In addition, if the fund is limited in its ability to sell illiquid investments during periods when shareholders are redeeming their shares, the fund will need to sell liquid securities to meet redemption requests and illiquid securities will become a larger portion of the fund's holdings. An investment may be illiquid due to, among other things, the reduced number and capacity of traditional market participants to make a market in fixed-income securities or the lack of an active trading market. To the extent that the fund's principal investment strategies involve derivatives or securities with substantial market and/or credit risk, the fund will tend to have the greatest exposure to the risks associated with illiquid investments. Illiquid investments may be harder to value, especially in changing markets, and if the fund is forced to sell these investments to meet redemption requests or for other cash needs, the fund may suffer a loss. This may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed-income mutual funds may be higher than normal. In addition, when there is illiquidity in the market for certain securities, the fund, due to limitations on illiquid investments, may be subject to purchase and sale restrictions.

- **Leverage Risk** — Some transactions may give rise to a form of economic leverage. These transactions may include, among others, derivatives, and may expose the fund to greater risk and increase its costs. The use of leverage may cause the fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet the applicable requirements of the Investment Company Act of 1940, as amended, and the rules thereunder. Increases and decreases in the value of the fund's portfolio will be magnified when the fund uses leverage.
- **Market Risk and Selection Risk** — Market risk is the risk that one or more markets in which the fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues like pandemics or epidemics, recessions, or other events could have a significant impact on the fund and its investments. Selection risk is the risk that the securities selected by fund management will underperform the markets, the relevant indices or the securities selected by other funds with similar investment objectives and investment strategies. This means you may lose money.

  An outbreak of an infectious coronavirus (COVID-19) that was first detected in December 2019 developed into a global pandemic that has resulted in numerous disruptions in the market and has had significant economic impact leaving general concern and uncertainty. Although vaccines have been developed and approved for use by various governments, the duration of the pandemic and its effects cannot be predicted with certainty. The impact of this coronavirus, and other epidemics and pandemics that may arise in the future, could affect the economies of many nations, individual companies and the market in general ways that cannot necessarily be foreseen at the present time.
- **Mezzanine Securities Risk** — Mezzanine securities carry the risk that the issuer will not be able to meet its obligations and that the equity securities purchased with the mezzanine investments may lose value.
- **Mortgage- and Asset-Backed Securities Risks** — Mortgage- and asset-backed securities represent interests in "pools" of mortgages or other assets, including consumer loans or receivables held in trust. Mortgage-and asset-backed securities are subject to credit, interest rate, prepayment and extension risks. These securities also are subject to risk of default on the underlying mortgage or asset, particularly during periods of economic downturn. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.
- **Preferred Securities Risk** — Preferred securities may pay fixed or adjustable rates of return. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company's preferred securities generally pay dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of preferred securities will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred securities of larger companies.
- **Repurchase Agreements and Purchase and Sale Contracts Risk** — If the other party to a repurchase agreement or purchase and sale contract defaults on its obligation under the agreement, the fund may suffer delays and incur costs or lose money in exercising its rights under the agreement. If the seller fails to repurchase the security in either situation and the market value of the security declines, the fund may lose money.
- **Reverse Repurchase Agreements Risk** — Reverse repurchase agreements involve the sale of securities held by the fund with an agreement to repurchase the securities at an agreed-upon price, date and interest payment. Reverse repurchase agreements involve the risk that the other party may fail to return the securities in a timely manner or at all. The fund could lose money if it is unable to recover the securities and the value of the collateral held by the fund, including the value of the investments made with cash collateral, is less than the value of the securities. These events could also trigger adverse tax consequences for the fund. In addition, reverse repurchase agreements involve the risk that the interest income earned in the investment of the proceeds will be less than the interest expense.

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

**Fees & Expenses**
(Based on the prospectus dated January 27, 2023)

Total Annual Fund Operating Expenses......................0.60%
Expenses deducted from Fund's assets

## AB GLOBAL BOND FUND

### Investment Objective

The fund's investment objective is to generate current income consistent with preservation of capital.

### Principal Investment Strategies

The fund invests, under normal circumstances, at least 80% of its net assets in fixed-income securities. Under normal market conditions, the fund invests significantly in fixed-income securities of non-U.S. companies. In addition, the fund invests, under normal circumstances, in the fixed-income securities of companies located in at least three countries. The fund may invest in a broad range of fixed-income securities in both developed and emerging markets. The fund may invest across all fixed-income sectors, including U.S. and non-U.S. Government and corporate debt securities. The fund's investments may be denominated in local currency or U.S. Dollar-denominated. The fund may invest in debt securities with a range of maturities from short- to long-term. The fund may use borrowings or other leverage for investment purposes.

The adviser selects securities for purchase or sale based on its assessment of the securities' risk and return characteristics as well as the securities' impact on the overall risk and return characteristics of the fund. In making this assessment, the adviser takes into account various factors, including the credit quality and sensitivity to interest rates of the securities under consideration and of the fund's other holdings.

The adviser actively manages the fund's assets in relation to market conditions and general economic conditions and adjusts the fund's investments in an effort to best enable the fund to achieve its investment objective. Thus, the percentage of the fund's assets invested in a particular country or denominated in a particular currency will vary in accordance with the adviser's assessment of the relative yield and appreciation potential of such securities and the relationship of the country's currency to the U.S. Dollar.

Under normal circumstances, the fund invests at least 75% of its net assets in fixed-income securities rated investment grade at the time of investment and may invest up to 25% of its net assets in below investment grade fixed-income securities (commonly known as "junk bonds").

The fund may invest in mortgage-related and other asset-backed securities, loan participations and assignments, inflation-indexed securities, structured securities, variable, floating, and inverse floating-rate instruments and preferred stock, and may use other investment techniques. The fund intends, among other things, to enter into transactions such as reverse repurchase agreements and dollar rolls. The fund may invest in derivatives, such as options, futures contracts, forwards, or swaps.

### Principal Investment Risks

- **Market Risk:** The value of the fund's assets will fluctuate as the stock or bond market fluctuates. The value of its investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, including public health crises (including the occurrence of a contagious disease or illness) and regional and global conflicts, that affect large portions of the market.
- **Interest Rate Risk:** Changes in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of existing investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations. The fund may be subject to a greater risk of rising interest rates than would normally be the case due to the recent end of a period of historically low rates and the effect of potential central bank monetary policy, and government fiscal policy, initiatives and resulting market reactions to those initiatives.
- **Credit Risk:** An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security and accrued interest. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security.
- **Below Investment Grade Securities Risk:** Investments in fixed-income securities with lower ratings (commonly known as "junk bonds") are subject to a higher probability that an issuer will default or fail to meet its payment obligations. These securities may be subject to greater price volatility due to such factors as specific corporate developments and negative perceptions of the junk bond market generally and may be more difficult to trade than other types of securities.
- **Duration Risk:** Duration is a measure that relates the expected price volatility of a fixed-income security to changes in interest rates. The duration of a fixed-income security may be shorter than or equal to full maturity of a fixed-income security. Fixed-income securities with longer durations have more risk and will decrease in price as interest rates rise.
- **Inflation Risk:** This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the fund's assets can decline as can the value of the fund's distributions. This risk is significantly greater for fixed-income securities with longer maturities.

- **Foreign (Non-U.S.) Risk:** Investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be more difficult to trade due to adverse market, economic, political, regulatory or other factors.
- **Emerging Market Risk:** Investments in emerging market countries may have more risk because the markets are less developed and less liquid and are subject to increased economic, political, regulatory or other uncertainties.
- **Currency Risk:** Fluctuations in currency exchange rates may negatively affect the value of the fund's investments or reduce its returns.
- **Mortgage-Related and/or Other Asset-Backed Securities Risk:** Investments in mortgage-related and other asset-backed securities are subject to certain additional risks. The value of these securities may be particularly sensitive to changes in interest rates. These risks include "extension risk", which is the risk that, in periods of rising interest rates, issuers may delay the payment of principal, and "prepayment risk", which is the risk that in periods of falling interest rates, issuers may pay principal sooner than expected, exposing the fund to a lower rate of return upon reinvestment of principal. Mortgage-backed securities offered by nongovernmental issuers and other asset-backed securities may be subject to other risks, such as higher rates of default in the mortgages or assets backing the securities or risks associated with the nature and servicing of mortgages or assets backing the securities.
- **Leverage Risk:** To the extent the fund uses leveraging techniques, its net asset value, or NAV, may be more volatile because leverage tends to exaggerate the effect of changes in interest rates and any increase or decrease in the value of the fund's investments.
- **Derivatives Risk:** Derivatives may be difficult to price or unwind and leveraged so that small changes may produce disproportionate losses for the fund. A short position in a derivative instrument involves the risk of a theoretically unlimited increase in the value of the underlying asset, which could cause the fund to suffer a potentially unlimited loss. Derivatives, especially over-the-counter derivatives, are also subject to counterparty risk, which is the risk that the counterparty (the party on the other side of the transaction) on a derivative transaction will be unable or unwilling to honor its contractual obligations to the fund.
- **Illiquid Investments Risk:** Illiquid investments risk exists when certain investments become difficult to purchase or sell. Difficulty in selling such investments may result in sales at disadvantageous prices affecting the value of your investment in the fund. Causes of illiquid investments risk may include low trading volumes, large positions and heavy redemption of fund shares. Foreign fixed-income securities may have more illiquid investments risk because secondary trading markets for these securities may be smaller and less well-developed and the securities may trade less frequently. Illiquid investments risk may be higher in a rising interest rate environment, when the value and liquidity of fixed-income securities generally decline.
- **Active Trading Risk:** The fund expects to engage in active and frequent trading of its portfolio securities and its portfolio turnover rate may greatly exceed 100%. A higher rate of portfolio turnover increases transaction costs, which may negatively affect the fund's return. In addition, a high rate of portfolio turnover may result in substantial short-term gains, which may have adverse tax consequences for fund shareholders.
- **Management Risk:** The fund is subject to management risk because it is an actively-managed investment fund. The Adviser will apply its investment techniques and risk analyses in making investment decisions, but there is no guarantee that its techniques will produce the intended results. Some of these techniques may incorporate, or rely upon, quantitative models, but there is no guarantee that these models will generate accurate forecasts, reduce risk or otherwise perform as expected.

As with all investments, you may lose money by investing in the fund.

**Fees & Expenses**
(Based on the prospectus dated January 31, 2023)

Total Annual Fund Operating Expenses......................0.51%
Expenses deducted from Fund's assets

## T. ROWE PRICE BALANCED FUND

### Investment Objective

The fund seeks to provide capital growth, current income, and preservation of capital through a portfolio of stocks and fixed income securities.

### Principal Investment Strategies

The fund normally invests approximately 65% of its net assets in stocks and 35% of its net assets in fixed income securities, although the amount may vary based on market conditions. The fund invests at least 25% of its net assets in fixed income senior securities and may invest up to 35% of its net assets in foreign securities.

When deciding upon overall allocations between stocks and fixed income securities, the adviser may favor stocks when strong economic growth is expected and may favor fixed income securities if the economy is expected to slow sufficiently to hurt corporate profit growth. The fund invests in bonds, including foreign issues, which are primarily rated investment grade (i.e., assigned one of the four highest credit ratings by credit rating agencies or by T. Rowe Price) and are chosen from across the entire government, corporate, and asset- and mortgage-backed securities markets. Maturities generally reflect the adviser's outlook for interest rates.

When selecting particular stocks, the adviser examines relative values and prospects among growth- and value-oriented stocks, domestic and international stocks, small- to large-cap stocks, and stocks of companies involved in activities related to commodities and other real assets. Domestic stocks are drawn from the overall U.S. market and international stocks are selected primarily from large companies in developed countries, although stocks in emerging markets may also be purchased. This process draws heavily upon the adviser's proprietary stock research expertise. While the fund maintains a well-diversified portfolio, its portfolio manager may at a particular time shift stock selection toward markets or market sectors that appear to offer attractive value and appreciation potential.

A similar security selection process applies to bonds. When deciding whether to adjust duration, credit risk exposure, or allocations among the various sectors (for example, high yield or "junk" bonds, mortgage- and asset-backed securities, foreign bonds, and emerging markets bonds), the adviser weighs such factors as the outlook for inflation and the economy, corporate earnings, expected interest rate movements and currency valuations, and the yield advantage that lower-rated bonds may offer over investment-grade bonds.

### Principal Investment Risks

As with any fund, there is no guarantee that the fund will achieve its objective(s). The fund's share price fluctuates, which means you could lose money by investing in the fund. The principal risks of investing in this fund, which may be even greater in bad or uncertain market conditions, are summarized as follows:

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

**Fixed income markets** Economic and other market developments can adversely affect the fixed income securities markets. At times, participants in these markets may develop concerns about the ability of certain issuers of debt instruments to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt instruments to facilitate an orderly market. Those concerns could cause increased volatility and reduced liquidity in particular securities or in the overall fixed income markets and the related derivatives markets. A lack of liquidity or other adverse credit market conditions may hamper the fund's ability to sell the debt instruments in which it invests or to find and purchase suitable debt instruments.

**Interest rates** The prices of, and the income generated by, debt instruments held by the fund may be affected by changes in interest rates. A rise in interest rates typically causes the price of a fixed rate debt instrument to fall and its yield to rise. Conversely, a decline in interest rates typically causes the price of a fixed rate debt instrument to rise and the yield to fall. The prices and yields of inflation-linked bonds are directly impacted by the rate of inflation as well as changes in interest rates. Generally, funds with longer weighted average maturities and durations carry greater interest rate risk. Changes in monetary policy made by central banks and/or governments, such as the discontinuation and replacement of benchmark rates, are likely to affect the interest rates or yields of the securities in which the fund invests.

**Prepayments and extensions** The fund is subject to prepayment risks because the principal on mortgage-backed securities, asset-backed securities, or any debt instrument with an embedded call option may be prepaid at any time, which could reduce the security's yield and market value. The rate of prepayments tends to increase as interest rates fall, which could cause the average maturity of the portfolio to shorten. Extension risk may result from a rise in interest rates, which tends to make mortgage-backed securities, asset-backed securities, and other callable debt instruments more volatile.

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

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

**International investing** Investing in the securities of non-U.S. issuers involves special risks not typically associated with investing in U.S. issuers. Non-U.S. securities tend to be more volatile and have lower overall liquidity than investments in U.S. securities and may lose value because of adverse local, political, social, or economic developments overseas, or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, investments outside the U.S. are subject to settlement practices and regulatory and financial reporting standards that differ from those of the U.S. The risks of investing outside the U.S. are heightened for any investments in emerging markets, which are susceptible to greater volatility than investments in developed markets.

**Emerging markets** Investments in emerging market countries are subject to greater risk and overall volatility than investments in the U.S. and other developed markets. Emerging market countries tend to have economic structures that are less diverse and mature, less developed legal and regulatory regimes, and political systems that are less stable, than those of developed countries. In addition to the risks associated with investing outside the U.S., emerging markets are more susceptible to governmental interference, political and economic uncertainty, local taxes and restrictions on the fund's investments, less efficient trading markets with lower overall liquidity, and more volatile currency exchange rates.

**Liquidity** The fund may not be able to meet requests to redeem shares issued by the fund without significant dilution of the remaining shareholders' interests in the fund. In addition, the fund may not be able to sell a holding in a timely manner at a desired price. Reduced liquidity in the bond markets can result from a number of events, such as limited trading activity, reductions in bond inventory, and rapid or unexpected changes in interest rates. Markets with lower overall liquidity could lead to greater price volatility and limit the fund's ability to sell a holding at a suitable price.

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

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

**Fees & Expenses**
(Based on the prospectus dated May 1, 2023)

Total Annual Fund Operating Expenses......................0.47%
Expenses deducted from Fund's assets

## DFA REAL ESTATE SECURITIES PORTFOLIO

### Investment Objective

The investment objective of the DFA Real Estate Securities Portfolio (the "portfolio") is to achieve long-term capital appreciation.

### Principal Investment Strategies

To achieve the DFA Real Estate Securities Portfolio's investment objective, the Advisor implements an integrated investment approach that combines research, portfolio design, portfolio management, and trading functions.

The DFA Real Estate Securities Portfolio, using a market capitalization weighted approach, purchases readily marketable equity securities of companies whose principal activities include ownership, management, development, construction, or sale of residential, commercial or industrial real estate. The portfolio will principally invest in equity securities of companies in certain real estate investment trusts ("REITs") and companies engaged in residential construction and firms, except partnerships, whose principal business is to develop commercial property. The portfolio invests in companies of all sizes. A company's market capitalization is the number of its shares outstanding times its price per share. Under a market capitalization weighted approach, companies with higher market capitalizations generally represent a larger proportion of the portfolio than companies with relatively lower market capitalizations. The Advisor may adjust the representation in the portfolio of an eligible company, or exclude a company, after considering such factors as free float, price momentum, trading strategies, liquidity, size, relative price, profitability, and other factors that the Advisor determines to be appropriate. An equity issuer is considered to have a low relative price (i.e., a value stock) primarily because it has a low price in relation to its book value. In assessing relative price, the Advisor may consider additional factors such as price to cash flow or price to earnings ratios. An equity issuer is considered to have high profitability because it has high earnings or profits from operations in relation to its book value or assets. The criteria the Advisor uses for assessing relative price and profitability are subject to change from time to time.

As a non-fundamental policy, under normal circumstances, at least 80% of the DFA Real Estate Securities Portfolio's net assets will be invested in securities of companies in the real estate industry. The portfolio concentrates (i.e., invests more than 25% of its net assets) its investments in securities of companies in the real estate industry. The portfolio generally considers a company to be principally engaged in the real estate industry if the company (i) derives at least 50% of its revenue or profits from the ownership, management, development, construction, or sale of residential, commercial, industrial, or other real estate; (ii) has at least 50% of the value of its assets invested in residential, commercial, industrial, or other real estate; or (iii) is organized as a REIT or REIT-like entity. REITs and REIT-like entities are types of real estate companies that pool investors' funds for investment primarily in income producing real estate or real estate related loans or interests. The portfolio will make equity investments in securities listed on a securities exchange in the United States that is deemed appropriate by the Advisor.

The DFA Real Estate Securities Portfolio may purchase or sell futures contracts and options on futures contracts for U.S. equity securities and indices to increase or decrease equity market exposure based on actual or expected cash inflows to or outflows from the portfolio.

The DFA Real Estate Securities Portfolio may lend its portfolio securities to generate additional income.

### Principal Investment Risks

Because the value of your investment in the DFA Real Estate Securities Portfolio will fluctuate, there is the risk that you will lose money. An investment in the portfolio is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The following is a description of principal risks of investing in the portfolio.

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

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

**Risks of Concentrating in the Real Estate Industry:** The portfolio concentrates (i.e., invests more than 25% of its net assets) its investments in securities of companies in the real estate industry. The exclusive focus by portfolio on the real estate industry will cause the portfolio to be exposed to the general risks of direct real estate ownership. The value of securities in the real estate industry can be affected by changes in real estate values and rental income, property taxes, and tax and regulatory requirements. Also, the value of securities in the real estate industry may decline with changes in interest rates. Investing in REITs and REIT-like entities involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs and REIT-like entities are dependent upon management skill, may not be diversified, and are subject to heavy cash flow dependency and self-liquidation. REITs and REIT-like entities also are subject to the possibility of failing to qualify for tax free pass-through of income. Also, because REITs and REIT-like entities typically are invested in a limited number of projects or in a particular market segment, these entities are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. The performance of the portfolio may be materially different from the broad equity market.

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

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

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

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

**Fees & Expenses**

(Based on the prospectus dated February 28, 2023)

Total Annual Fund Operating Expenses......................0.18%
Expenses deducted from Fund's assets

## PRINCIPAL GLOBAL REAL ESTATE SECURITIES FUND

### Investment Objective

The fund seeks to generate a total return.

### Principal Investment Strategies

Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of U.S. and non-U.S. companies principally engaged in the real estate industry at the time of purchase. For the fund's investment policies, a real estate company has at least 50% of its assets, income, or profits derived from products or services related to the real estate industry. Real estate companies include real estate investment trusts ("REITs") and companies with substantial real estate holdings such as paper, lumber, hotel, and entertainment companies, as well as those whose products and services relate to the real estate industry, such as building supply manufacturers, mortgage lenders, and mortgage servicing companies. The fund invests in equity securities regardless of market capitalization (small, medium or large). The fund invests in value equity securities and growth equity securities.

The fund invests a significant percentage of its portfolio in REITs and foreign REIT-like entities. REITs are pooled investment vehicles that invest in income producing real estate, real estate related loans, or other types of real estate interests. REITs in the U.S. are corporations or business trusts that are permitted to eliminate corporate-level federal income taxes by meeting certain requirements of the Internal Revenue Code. Some foreign countries have adopted REIT structures that are very similar to those in the U.S. Similarities include pass-through tax treatment and portfolio diversification. Other countries have REIT structures that are significantly different than the structure in the U.S., while some countries have not adopted a REIT-like structure at all.

Under normal market conditions, the fund holds investments tied economically to at least 3 countries and invests a percentage of its net assets in securities of foreign issuers equal to at least the lesser of 40% or the percentage foreign issuers in FTSE EPRA/NAREIT Developed Markets Index minus 10%.

The fund concentrates its investments (invest more than 25% of its net assets) in securities in the real estate industry.

**Principal Investment Risks**

The value of your investment in the fund changes with the value of the fund's investments. Many factors affect that value, and it is possible to lose money by investing in the fund. An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The principal risks of investing in the fund are listed below in alphabetical order and not in order of significance.

**Equity Securities Risk.** A variety of factors can negatively impact the value of equity securities held by a fund, including a decline in the issuer's financial condition, unfavorable performance of the issuer's sector or industry, or changes in response to overall market and economic conditions. A fund's principal market segment(s) (such as market capitalization or style) may underperform other market segments or the equity markets as a whole.

- **Growth Style Risk.** Growth investing entails the risk that if growth companies do not increase their earnings at a rate expected by investors, the market price of their stock may decline significantly, even if earnings show an absolute increase. Growth company stocks also typically lack the dividend yield that can lessen price declines in market downturns.
- **Smaller Companies Risk.** Investments in smaller companies may involve greater risk and price volatility than investments in larger, more mature companies. Smaller companies may have limited product lines, markets, or financial resources; lack the competitive strength of larger companies; have less experienced managers; or depend on a few key employees. Their securities often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than securities of larger companies.
- **Value Style Risk.** Value investing entails the risk that value stocks may continue to be undervalued by the market for extended periods, including the entire period during which the stock is held by a fund, or the events that would cause the stock price to increase may not occur as anticipated or at all. Moreover, a stock that appears to be undervalued actually may be appropriately priced at a low level and, therefore, would not be profitable for the fund.

**Foreign Currency Risk.** Risks of investing in securities denominated in, or that trade in, foreign (non-U.S.) currencies include changes in foreign exchange rates and foreign exchange restrictions.

**Foreign Securities Risk.** The risks of foreign securities include loss of value as a result of: political or economic instability; nationalization, expropriation, or confiscatory taxation; settlement delays; and limited government regulation (including less stringent reporting, accounting, and disclosure standards than are required of U.S. companies).

**Industry Concentration Risk.** A fund that concentrates investments in a particular industry or group of industries has greater exposure than other funds to market, economic, and other factors affecting that industry or group of industries.

- **Real Estate.** A fund concentrating in the real estate industry is subject to the risks associated with direct ownership of real estate, securities of companies in the real estate industry, and/or real estate investment trusts. These risks are explained more fully below in Real Estate Investment Trusts (REITs) Risk and Real Estate Securities Risk.

**Real Estate Investment Trusts ("REITs") Risk.** In addition to risks associated with investing in real estate securities, REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, risks of default by borrowers, and self-liquidation. Investment in REITs also involves risks similar to risks of investing in small market capitalization companies, such as limited financial resources, less frequent and limited volume trading, and may be subject to more abrupt or erratic price movements than larger company securities. A REIT could fail to qualify for tax-free pass-through of income under the Internal Revenue Code. Fund shareholders will indirectly bear their proportionate share of the expenses of REITs in which the fund invests.

**Real Estate Securities Risk.** Investing in real estate securities subjects the fund to the risks associated with the real estate market (which are similar to the risks associated with direct ownership in real estate), including declines in real estate values, loss due to casualty or condemnation, property taxes, interest rate changes, increased expenses, cash flow of underlying real estate assets, regulatory changes (including zoning, land use, and rents), and environmental problems, as well as to the risks related to the management skill and creditworthiness of the issuer.

**Redemption and Large Transaction Risk.** Ownership of the fund's shares may be concentrated in one or a few large investors (such as funds of funds, institutional investors, and asset allocation programs) that may redeem or purchase shares in large quantities. These transactions may cause the fund to sell securities to meet redemptions or to invest additional cash at times it would not otherwise do so, which may result in increased transaction costs, increased expenses, changes to expense ratios, and adverse effects to fund performance. Such transactions may also accelerate the realization of taxable income if sales of portfolio securities result in gains. Moreover, reallocations by large shareholders among share classes of a fund may result in changes to the expense ratios of affected classes, which may increase the expenses paid by shareholders of the class that experienced the redemption.

**Fees & Expenses**
(Based on the prospectus dated March 1, 2023)

Total Annual Fund Operating Expenses......................0.88%
Expenses deducted from Fund's assets

## DFA U.S. LARGE CAP VALUE PORTFOLIO

### Investment Objective

The investment objective of the U.S. Large Cap Value Portfolio (the "portfolio") is to achieve long-term capital appreciation. The portfolio is a feeder portfolio and pursues its objective by investing substantially all of its assets in its corresponding Master Fund, The U.S. Large Cap Value Series (the "U.S. Large Cap Value Series" or the "Series") of The DFA Investment Trust Company (the "Trust"), which has the same investment objective and policies as the portfolio.

### Principal Investment Strategies

The U.S. Large Cap Value Portfolio pursues its investment objective by investing substantially all of its assets in the U.S. Large Cap Value Series. To achieve the portfolio's and the Series' investment objectives, the Advisor implements an integrated investment approach that combines research, portfolio design, portfolio management, and trading functions. As further described below, the Series' design emphasizes long-term drivers of expected returns identified by the Advisor's research, while balancing risk through broad diversification across companies and sectors. The Advisor's portfolio management and trading processes further balance those long-term drivers of expected returns with shorter-term drivers of expected returns and trading costs.

The U.S. Large Cap Value Series is designed to purchase a broad and diverse group of readily marketable securities of large U.S. companies that the Advisor determines to be value stocks. A company's market capitalization is the number of its shares outstanding times its price per share. Under a market capitalization weighted approach, companies with higher market capitalizations generally represent a larger proportion of the Series than companies with relatively lower market capitalizations. The Advisor may overweight certain stocks, including smaller companies, lower relative price stocks, and/or higher profitability stocks within the large-cap value segment of the U.S. market. An equity issuer is considered to have a low relative price (i.e., a value stock) primarily because it has a low price in relation to its book value. In assessing relative price, the Advisor may consider additional factors such as price to cash flow or price to earnings ratios. An equity issuer is considered to have high profitability because it has high earnings or profits from operations in relation to its book value or assets. The criteria the Advisor uses for assessing relative price and profitability are subject to change from time to time.

As a non-fundamental policy, under normal circumstances, the U.S. Large Cap Value Series will invest at least 80% of its net assets in securities of large cap U.S. companies. As of the date of this Prospectus, for purposes of the Series, the Advisor considers large cap companies to be companies whose market capitalizations are generally in the highest 90% of total market capitalization or companies whose market capitalizations are larger than or equal to the 1,000th largest U.S. company, whichever results in the higher market capitalization break. Total market capitalization is based on the market capitalization of eligible U.S. operating companies listed on a securities exchange in the United States that is deemed appropriate by the Advisor. Under the Advisor's market capitalization guidelines described above, based on market capitalization data as of December 31, 2022, the market capitalization of a large cap company would be $7,650 million or above. This threshold will change due to market conditions.

The Advisor may also increase or reduce the U.S. Large Cap Value Series' exposure to an eligible company, or exclude a company, based on shorter-term considerations, such as a company's price momentum. In addition, the Advisor seeks to reduce trading costs using a flexible trading approach that looks for opportunities to participate in the available market liquidity, while managing turnover and explicit transaction costs.

The U.S. Large Cap Value Series and the U.S. Large Cap Value Portfolio each may purchase or sell futures contracts and options on futures contracts for U.S. equity securities and indices to increase or decrease equity market exposure based on actual or expected cash inflows to or outflows from the series or portfolio.

The U.S. Large Cap Value Series may lend its portfolio securities to generate additional income.

### Principal Investment Risks

Because the value of your investment in the U.S. Large Cap Value Portfolio will fluctuate, there is the risk that you will lose money. An investment in the portfolio is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The following is a description of principal risks of investing in the portfolio.

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

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

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

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

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

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

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

**Fees & Expenses**
(Based on the prospectus dated February 28, 2023)
Total Annual Fund Operating Expenses......................0.21%
Expenses deducted from Fund's assets

## NORTHERN FUNDS STOCK INDEX

### Investment Objective

The fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the S&P 500® Index (the "index").

### Principal Investment Strategies

Under normal circumstances, the fund will invest substantially all (and at least 80%) of its net assets in the equity securities included in the index, in weightings that approximate the relative composition of the securities contained in the index, and in index futures approved by the Commodity Futures Trading Commission.

The index is a free float-adjusted market capitalization index consisting of 500 stocks and is a widely recognized measure of large-cap U.S. equities. As of May 31, 2023, the approximate market capitalization of the companies in the index was between $1.88 billion to $2.80 trillion. It is rebalanced quarterly. The fund generally rebalances its portfolio in accordance with the index.

NTI uses a "passive" or indexing approach to try to achieve the fund's investment objective. Unlike many investment companies, the fund does not try to "beat" the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. NTI will buy and sell securities in response to changes in the index as well as in response to subscriptions and redemptions. The fund generally invests in substantially all of the securities in the index in approximately the same proportion as the index (i.e., replication). In certain circumstances, however, the fund may not hold every security in the index or in the same proportion as the index, such as to improve tax efficiency or when it may not be practicable to fully implement a replication strategy. Rather, it will use an optimization strategy to seek to construct a portfolio that minimizes tracking error versus the index while managing transaction costs and realized capital gains and losses.

The fund intends to be diversified in approximately the same proportion as the index is diversified. The fund may become "non-diversified," as defined in the Investment Company Act of 1940 (the "1940 Act"), solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A "non-diversified" fund can invest a greater percentage of its assets in a small group of issuers or in any one issuer than a diversified fund can. Shareholder approval will not be sought if the fund becomes non-diversified due solely to a change in the relative market capitalization or index weighting of one or more constituents of the index.

In seeking to track the performance of the index, from time to time the fund may have a focused investment (i.e., investment exposure comprising more than 15% of its total assets) in one or more particular sectors. As of March 31, 2023, the fund had a focused investment in the information technology sector.

NTI expects that, under normal circumstances, the quarterly performance of the fund, before fees and expenses, will track the performance of the index within a 0.95 correlation coefficient.

The index is created and sponsored by S&P® Dow Jones Indices ("S&P"), as the index provider. S&P determines the composition and relative weightings of the securities in the index and publishes information regarding the market value of the index. S&P does not endorse any of the securities in the index. It is not a sponsor of the Stock Index Fund and is not affiliated with the fund in any way.

### Principal Investment Risks

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value ("NAV"), total return and ability to meet its investment objective. Each risk noted below is considered a principal risk of investing in the fund, regardless of the order in which it appears. The significance of each risk factor below may change over time and you should review each risk factor carefully.

**MARKET RISK** is the risk that the value of the fund's investments may increase or decrease in response to expected, real or perceived economic, political or financial events in the U.S. or global markets. The frequency and magnitude of such changes in value cannot be predicted. Certain securities and other investments held by the fund may experience increased volatility, illiquidity, or other potentially adverse effects in response to changing market conditions, inflation, changes in interest rates, lack of liquidity in the bond or equity markets or volatility in the equity markets. Market disruptions caused by local or regional events such as financial institution failures, war, acts of terrorism, the spread of infectious illness (including epidemics and pandemics) or other public health issues, recessions or other events or adverse investor sentiment or other political, regulatory, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market. During periods of market disruption or other abnormal market conditions, the fund's exposure to risks described elsewhere in this summary will likely increase.

**TRACKING RISK** is the risk that the fund's performance may vary from the performance of the index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors. Market disruptions, regulatory restrictions or other abnormal market conditions could have an adverse effect on the fund's ability to adjust its exposure to required levels in order to track its index or cause delays in the index's rebalancing schedule. During any such delay, it is possible that the index, and, in turn, the fund will deviate from the index's stated methodology and therefore experience returns different than those that would have been achieved under a normal rebalancing schedule.

**SECTOR RISK** is the risk that companies in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of securities of all companies in a particular sector of the market to decrease.

- **INFORMATION TECHNOLOGY SECTOR RISK** is the risk that securities of technology companies may be subject to greater price volatility than securities of companies in other sectors. These securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices. Technology companies also may be affected adversely by changes in technology, consumer and business purchasing patterns, government regulation and/or obsolete products or services.

**INDEX RISK** is the risk that that the fund would not necessarily buy or sell a security unless that security is added or removed, respectively, from the index, even if that security generally is underperforming, because unlike many investment companies, the fund does not utilize an investing strategy that seeks returns in excess of the index. Additionally, the fund rebalances its portfolio in accordance with the index, and, therefore, any changes to the index's rebalance schedule will result in corresponding changes to the fund's rebalance schedule.

**DERIVATIVES RISK** is the risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the fund. Derivatives are also subject to counterparty risk, which is the risk that the other party to the transaction will not perform its contractual obligations. The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with investments in more traditional securities and instruments.

- **FUTURES CONTRACTS RISK** is the risk that there will be imperfect correlation between the change in market value of the fund's securities and the price of futures contracts, which may result in the strategy not working as intended; the possible inability of the fund to sell or close out a futures contract at the desired time or price; losses due to unanticipated market movements, which potentially are unlimited; and the possible inability of the fund's investment adviser to correctly predict the direction of securities' prices, interest rates, currency exchange rates and other economic factors, which may make the fund's returns more volatile or increase the risk of loss.

**NON-DIVERSIFICATION RISK** Under the 1940 Act, a fund designated as "diversified" must limit its holdings such that the securities of issuers which individually represent more than 5% of its total assets must in the aggregate represent less than 25% of its total assets. The fund is "diversified" for purposes of the 1940 Act. However, in seeking to track its index, the fund may become "non-diversified," as defined in the 1940 Act, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A non-diversified fund can invest a greater portion of its assets in the obligations or securities of a small portion of its assets in the obligations or securities of a small number of issuers or any single issuer than a diversified fund can. In such circumstances, a change in the value of one or a few issuers' securities will therefore affect the value of the fund more than if it was a diversified fund.

**As with any mutual fund, it is possible to lose money on an investment in the fund. An investment in the fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, any other government agency, or The Northern Trust Company, its affiliates, subsidiaries or any other bank.**

**Fees & Expenses**
(Based on the prospectus dated July 31, 2023)

Total Annual Fund Operating Expenses......................0.05%
Expenses deducted from Fund's assets

## T. ROWE PRICE LARGE CAP GROWTH FUND

### Investment Objective

The fund seeks to provide long-term capital appreciation through investments in common stocks of growth companies.

### Principal Investment Strategies

The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in the securities of large-cap companies. The fund defines a large-cap company as one whose market capitalization is larger than the median market capitalization of companies in the Russell 1000® Growth Index, a widely used benchmark of the largest U.S. growth stocks. As of December 31, 2022, the unweighted median market capitalization of companies in the Russell 1000® Growth Index was approximately $14.07 billion. The market capitalizations of the companies in the fund's portfolio and the Russell index change over time; the fund will not automatically sell or cease to purchase stock of a company it already owns just because the company's market capitalization falls below the median market capitalization of companies in the Russell index.

The fund uses a growth style of investing. Accordingly, the adviser looks for companies with an above-average rate of earnings and cash flow growth and a lucrative niche in the economy that gives them the ability to sustain earnings momentum even during times of slow economic growth.

At times, the fund may have a significant portion of its assets invested in the same economic sector, such as the information technology sector.

The fund may, to a limited extent, invest in privately held companies and companies that only recently began to trade publicly.

The fund is "nondiversified," meaning it may invest a greater portion of its assets in a single issuer and own more of the issuer's voting securities than is permissible for a "diversified" fund.

### Principal Investment Risks

As with any fund, there is no guarantee that the fund will achieve its objective(s). The fund's share price fluctuates, which means you could lose money by investing in the fund. The principal risks of investing in this fund, which may be even greater in bad or uncertain market conditions, are summarized as follows:

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

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

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

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

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

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

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

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

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

**Liquidity** A particular investment or an entire market segment may become less liquid or even illiquid, sometimes abruptly, which could limit the fund's ability to purchase or sell holdings in a timely manner at a desired price. An inability to sell a portfolio holding can adversely affect the fund's overall value or prevent the fund from being able to take advantage of other investment opportunities. Liquidity risk may be magnified during periods of substantial market volatility and unexpected episodes of illiquidity may limit the fund's ability to pay redemption proceeds without selling holdings at an unfavorable time or at a suitable price. Large redemptions may also have a negative impact on the fund's overall liquidity.

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

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

**Fees & Expenses**
(Based on the prospectus dated May 1, 2023)

Total Annual Fund Operating Expenses......................0.55%
Expenses deducted from Fund's assets

## NORTHERN FUNDS MID CAP INDEX

### Investment Objective

The fund seeks to provide investment results approximating the overall performance of the common stocks included in the Standard & Poor's MidCap 400® Composite Stock Price Index ("S&P MidCap 400® Index" or "index").

### Principal Investment Strategies

Under normal circumstances, the fund will invest substantially all (and at least 80%) of its net assets in equity securities included in the S&P MidCap 400® Index, in weightings that approximate the relative composition of securities contained in the index, and in S&P MidCap 400® Index futures approved by the Commodity Futures Trading Commission.

The index is a free float-adjusted market capitalization index consisting of 400 mid-capitalization stocks. As of May 31, 2023, the approximate market capitalization of the companies in the index was between $1.36 billion and $17.06 billion. It is rebalanced quarterly. The fund generally rebalances its portfolio in accordance with the index.

NTI uses a "passive" or indexing approach to try to achieve the fund's investment objective. Unlike many investment companies, the fund does not try to "beat" the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. NTI will buy and sell securities in response to changes in the index as well as in response to subscriptions and redemptions.

The fund generally invests in substantially all of the securities in the index in approximately the same proportion as the index (i.e., replication). In certain circumstances, however, the fund may not hold every security in the index or in the same proportion as the index, such as to improve tax efficiency or when it may not be practicable to fully implement a replication strategy. Rather, it will use an optimization strategy to seek to construct a portfolio that minimizes tracking error versus the index while managing transaction costs and realized capital gains and losses.

The fund intends to be diversified in approximately the same proportion as the index is diversified. The fund may become "non-diversified," as defined in the Investment Company Act of 1940 (the "1940 Act"), solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A "non-diversified" fund can invest a greater percentage of its assets in a small group of issuers or in any one issuer than a diversified fund can. Shareholder approval will not be sought if the fund becomes non-diversified due solely to a change in the relative market capitalization or index weighting of one or more constituents of the index.

In seeking to track the performance of the index, from time to time the fund may have a focused investment (i.e., investment exposure comprising more than 15% of its total assets) in one or more particular sectors. As of March 31, 2023, the fund had focused investments in the industrials and consumer discretionary sectors.

NTI expects that, under normal circumstances, the quarterly performance of the fund, before fees and expenses, will track the performance of the index within a 0.95 correlation coefficient.

*The index is created and sponsored by S&P Dow Jones Indices ("S&P"), as the index provider. S&P determines the composition and relative weightings of the securities in the index and publishes information regarding the market value of the index. S&P does not endorse any of the securities in the index. It is not a sponsor of the Mid Cap Index Fund and is not affiliated with the fund in any way.*

### Principal Investment Risks

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value ("NAV"), total return and ability to meet its investment objective. Each risk noted below is considered a principal risk of investing in the fund, regardless of the order in which it appears. The significance of each risk factor below may change over time and you should review each risk factor carefully.

**MARKET RISK** is the risk that the value of the fund's investments may increase or decrease in response to expected, real or perceived economic, political or financial events in the U.S. or global markets. The frequency and magnitude of such changes in value cannot be predicted. Certain securities and other investments held by the fund may experience increased volatility, illiquidity, or other potentially adverse effects in response to changing market conditions, inflation, changes in interest rates, lack of liquidity in the bond or equity markets or volatility in the equity markets. Market disruptions caused by local or regional events such as financial institution failures, war, acts of terrorism, the spread of infectious illness (including epidemics and pandemics) or other public health issues, recessions or other events or adverse investor sentiment or other political, regulatory, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market. During periods of market disruption or other abnormal market conditions, the fund's exposure to risks described elsewhere in this summary will likely increase.

**MID CAP STOCK RISK** is the risk that stocks of mid-sized companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies, and may lack sufficient market liquidity. Mid-sized companies may have limited product lines or financial resources, and may be dependent upon a particular niche of the market, or may be dependent upon a small or inexperienced management group. Securities of smaller companies may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs. Generally the smaller the company size, the greater the risk.

**TRACKING RISK** is the risk that the fund's performance may vary from the performance of the index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors. Market disruptions, regulatory restrictions or other abnormal market conditions could have an adverse effect on the fund's ability to adjust its exposure to required levels in order to track its index or cause delays in the index's rebalancing schedule. During any such delay, it is possible that the index, and, in turn, the fund will deviate from the index's stated methodology and therefore experience returns different than those that would have been achieved under a normal rebalancing schedule.

**SECTOR RISK** is the risk that companies in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of securities of all companies in a particular sector of the market to decrease.

- **CONSUMER DISCRETIONARY SECTOR RISK** is the risk that companies engaged in the consumer discretionary sector may be adversely affected by fluctuations in supply and demand, supply chains, and changes in consumer preferences, social trends and marketing campaigns. Changes in consumer spending as a result of world events, political and economic conditions, government regulation, commodity price volatility, changes in exchange rates, imposition of import or export controls, increased competition, depletion of resources and labor relations also may adversely affect these companies.
- **INDUSTRIALS SECTOR RISK** is the risk that companies in the industrials sector may be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, international political and economic developments, environmental issues, and tax and governmental regulatory policies.

**INDEX RISK** is the risk that that the fund would not necessarily buy or sell a security unless that security is added or removed, respectively, from the index, even if that security generally is underperforming, because unlike many investment companies, the fund does not utilize an investing strategy that seeks returns in excess of the index. Additionally, the fund rebalances its portfolio in accordance with the index, and, therefore, any changes to the index's rebalance schedule will result in corresponding changes to the fund's rebalance schedule.

**DERIVATIVES RISK** is the risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the fund. Derivatives are also subject to counterparty risk, which is the risk that the other party to the transaction will not perform its contractual obligations. The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with investments in more traditional securities and instruments.

- **FUTURES CONTRACTS RISK** is the risk that there will be imperfect correlation between the change in market value of the fund's securities and the price of futures contracts, which may result in the strategy not working as intended; the possible inability of the fund to sell or close out a futures contract at the desired time or price; losses due to unanticipated market movements, which potentially are unlimited; and the possible inability of the fund's investment adviser to correctly predict the direction of securities' prices, interest rates, currency exchange rates and other economic factors, which may make the fund's returns more volatile or increase the risk of loss.

**NON-DIVERSIFICATION RISK** Under the 1940 Act, a fund designated as "diversified" must limit its holdings such that the securities of issuers which individually represent more than 5% of its total assets must in the aggregate represent less than 25% of its total assets. The fund is "diversified" for purposes of the 1940 Act. However, in seeking to track its index, the fund may become "non-diversified," as defined in the 1940 Act, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A non-diversified fund can invest a greater portion of its assets in the obligations or securities of a small portion of its assets in the obligations or securities of a small number of issuers or any single issuer than a diversified fund can. In such circumstances, a change in the value of one or a few issuers' securities will therefore affect the value of the Fund more than if it was a diversified fund.

**As with any mutual fund, it is possible to lose money on an investment in the fund. An investment in the fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, any other government agency, or The Northern Trust Company, its affiliates, subsidiaries or any other bank.**

**Fees & Expenses**
(Based on the prospectus dated July 31, 2023)

Total Annual Fund Operating Expenses......................0.10%
Expenses deducted from Fund's assets

## T. ROWE PRICE SMALL CAP VALUE FUND

### Investment Objective

The fund seeks long-term capital growth by investing primarily in small companies whose common stocks are believed to be undervalued.

### Principal Investment Strategies

The fund will seek the stocks of companies whose current stock prices do not appear to adequately reflect their underlying value as measured by assets, earnings, cash flow, or business franchises. Normally, the fund will invest at least 80% of its net assets (including any borrowings for investment purposes) in companies with a market capitalization that is within or below the range of companies in the Russell 2000® Index. As of December 31, 2022, the market capitalization range for the Russell 2000® Index was approximately $6.07 million to $7.93 billion. The market capitalization of the companies in the fund's portfolio and the Russell 2000® Index changes over time, and the fund will not sell a stock just because the company has grown to have a market capitalization outside the range. The fund may, on occasion, purchase companies with a market capitalization above the range.

Reflecting a value approach to investing, our in-house research team seeks to identify companies that appear to be undervalued by various measures, and may be temporarily out of favor, but have good prospects for capital appreciation. In selecting investments, the adviser generally looks for some of the following:

- low price/earnings, price/book value, or price/cash flow ratios relative to the Russell 2000® Index, a company's peers, or a company's historical norm;
- low stock price relative to a company's underlying asset values;
- above-average dividend yield relative to a company's peers or its own historical norm;
- a plan to improve the business through restructuring; and/or
- a sound balance sheet and other positive financial characteristics.

At times, the fund may have a significant portion of its assets invested in the same economic sector, such as the financial sector. While most assets will typically be invested in U.S. common stocks, including real estate investment trusts (REITs) that pool money to invest in properties and mortgages, the fund may invest in foreign stocks in keeping with its objective(s). The fund's investments may include holdings in privately held companies and companies that only recently began to trade publicly.

### Principal Investment Risks

As with any fund, there is no guarantee that the fund will achieve its objective(s). The fund's share price fluctuates, which means you could lose money by investing in the fund. The principal risks of investing in this fund, which may be even greater in bad or uncertain market conditions, are summarized as follows:

**Small-cap stocks** Investments in securities issued by small-cap companies are likely to be more volatile than investments in securities issued by larger companies. Small-cap companies often have less experienced management, narrower product lines, more limited financial resources, and less publicly available information than larger companies. In addition, small-cap companies are typically more sensitive to changes in overall economic conditions and their securities may be difficult to trade.

**Value investing** The fund's value approach to investing could cause it to underperform other stock funds that employ a different investment style. The intrinsic value of a stock with value characteristics may not be fully recognized by the market for a long time (or at all) or a stock judged to be undervalued may actually be appropriately priced at a low level. Value stocks may fail to appreciate for long periods and may never reach what the adviser believes are their full market values.

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

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

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

**Financial services companies** Because the fund may invest significantly in banks and other financial services companies, the fund is more susceptible to adverse developments affecting such companies and may perform poorly during a downturn that impacts the financial sector. Banks and other financial services companies can be adversely affected by, among other things, regulatory changes, interest rate movements, the availability of capital and cost to borrow, and the rate of debt defaults.

**REIT investing** REITs must satisfy specific requirements for favorable tax treatment and can involve unique risks in addition to the risks generally affecting the real estate industry. REITs are dependent upon the quality of their management, may have limited financial resources and heavy cash flow dependency, may be highly leveraged, may not be diversified geographically or by property type, or may own a limited number of properties.

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

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

**Liquidity** A particular investment or an entire market segment may become less liquid or even illiquid, sometimes abruptly, which could limit the fund's ability to purchase or sell holdings in a timely manner at a desired price. An inability to sell a portfolio holding can adversely affect the fund's overall value or prevent the fund from being able to take advantage of other investment opportunities. Liquidity risk may be magnified during periods of substantial market volatility and unexpected episodes of illiquidity may limit the fund's ability to pay redemption proceeds without selling holdings at an unfavorable time or at a suitable price. Large redemptions may also have a negative impact on the fund's overall liquidity.

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

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

**Fees & Expenses**
(Based on the prospectus dated May 1, 2023)

Total Annual Fund Operating Expenses ......................0.70%
Expenses deducted from Fund's assets

## NORTHERN FUNDS SMALL CAP VALUE FUND

### Investment Objective

The fund seeks to provide long-term capital appreciation. Any income received is incidental to this objective.

### Principal Investment Strategies

In seeking long-term capital appreciation, the fund will invest, under normal circumstances, at least 80% of its net assets in equity securities of small capitalization companies. Small capitalization companies generally are considered to be those whose market capitalization is, at the time the fund makes an investment, within the range of the market capitalization of companies in the Russell 2000® Value Index. Companies whose capitalization no longer meets this definition after purchase may continue to be considered small capitalization companies.

Using a quantitative analysis to evaluate financial data, NTI buys small capitalization stocks of companies believed to be worth more than is indicated by current market prices. Similarly, the management team normally will sell a security that it believes has achieved its full valuation, is not attractively priced or for other reasons. The team also may sell securities in order to maintain the desired portfolio characteristics of the fund. In determining whether a stock is attractively priced, the fund employs a strategy that uses statistics and other methods to evaluate fundamental and quantifiable stock or firm characteristics (such as relative valuation, price momentum and earnings quality). The characteristics are combined to create a proprietary multi-factor quantitative stock selection model that generates stock specific forecasts that are used along with controls intended to manage risk to determine security weightings.

Many of the companies in which the fund invests retain their earnings to finance current and future growth. These companies generally pay little or no dividends.

The fund may use derivatives such as stock index futures contracts to equitize cash and enhance portfolio liquidity.

From time to time the fund may have a focused investment (i.e., investment exposure comprising more than 15% of its total assets) in one or more particular sectors. As of March 31, 2023, the fund had focused investments in the financials and industrials sectors.

*Frank Russell Company does not endorse any of the securities in the Russell 2000 Value Index. It is not a sponsor of the Small Cap Value Fund and is not affiliated with the fund in any way.*

**Principal Investment Risks**

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value ("NAV"), total return and ability to meet its investment objective. Each risk noted below is considered a principal risk of investing in the fund, regardless of the order in which it appears. The significance of each risk factor below may change over time and you should review each risk factor carefully.

**MARKET RISK** is the risk that the value of the fund's investments may increase or decrease in response to expected, real or perceived economic, political or financial events in the U.S. or global markets. The frequency and magnitude of such changes in value cannot be predicted. Certain securities and other investments held by the fund may experience increased volatility, illiquidity, or other potentially adverse effects in response to changing market conditions, inflation, changes in interest rates, lack of liquidity in the bond or equity markets or volatility in the equity markets. Market disruptions caused by local or regional events such as financial institution failures, war, acts of terrorism, the spread of infectious illness (including epidemics and pandemics) or other public health issues, recessions or other events or adverse investor sentiment or other political, regulatory, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market. During periods of market disruption or other abnormal market conditions, the fund's exposure to risks described elsewhere in this summary will likely increase.

**SMALL CAP STOCK RISK** is the risk that stocks of smaller companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Small companies may have limited product lines or financial resources, or may be dependent upon a small or inexperienced management group, and their securities may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs. Generally, the smaller the company size, the greater the risk.

**INVESTMENT STYLE RISK** is the risk that different investment styles (e.g., "growth", "value" or "quantitative") tend to shift in and out of favor, depending on market and economic conditions as well as investor sentiment. The fund may outperform or underperform other funds that invest in similar asset classes but employ a different investment style. The fund may also employ a combination of styles that impacts its risk characteristics.

- **VALUE INVESTING RISK** is the risk that because the fund emphasizes a value style of investing that focuses on undervalued companies with characteristics for improved valuation, the fund is subject to greater risk that the market will not recognize a security's inherent value for a long time, or that a stock judged to be undervalued by the fund's adviser may actually be appropriately priced or overvalued. Value oriented funds will typically underperform when growth investing is in favor.
- **QUANTITATIVE INVESTING RISK** is the risk that the value of securities or other investments selected using quantitative analysis can perform differently from the market as a whole or from their expected performance and the fund may realize a loss. This may be as a result of the factors used in building a multifactor quantitative model, the weights placed on each factor, the accuracy of historical data utilized, and changing sources of market returns. Whenever a model is used, there is also a risk that the model will not work as planned.

**MANAGEMENT RISK** is the risk that a strategy used by the fund's investment adviser may fail to produce the intended results or that imperfections, errors or limitations in the tools and data used by the investment adviser may cause unintended results.

**SECTOR RISK** is the risk that companies in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of securities of all companies in a particular sector of the market to decrease.

- **FINANCIALS SECTOR RISK** is the risk that companies in the financials sector can be significantly affected by changes in interest rates, government regulation, the rate of corporate and consumer debt defaulted, price competition, and the availability and cost of capital, among other factors.
- **INDUSTRIALS SECTOR RISK** is the risk that companies in the industrials sector may be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, international political and economic developments, environmental issues, and tax and governmental regulatory policies.

**DERIVATIVES RISK** is the risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the fund. Derivatives are also subject to counterparty risk, which is the risk that the other party to the transaction will not perform its contractual obligations. The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with investments in more traditional securities and instruments.

- **FUTURES CONTRACTS RISK** is the risk that there will be imperfect correlation between the change in market value of the fund's securities and the price of futures contracts, which may result in the strategy not working as intended; the possible inability of the fund to sell or close out a futures contract at the desired time or price; losses due to unanticipated market movements, which potentially are unlimited; and the possible inability of the fund's investment adviser to correctly predict the direction of securities' prices, interest rates, currency exchange rates and other economic factors, which may make the fund's returns more volatile or increase the risk of loss.

**As with any mutual fund, it is possible to lose money on an investment in the fund. An investment in the fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, any other government agency, or The Northern Trust Company, its affiliates, subsidiaries or any other bank.**

**Fees & Expenses**
(Based on the prospectus dated July 31, 2023)

Total Annual Fund Operating Expenses ...................... 1.00%
Expenses deducted from Fund's assets

## NORTHERN FUNDS SMALL CAP INDEX FUND

### Investment Objective

The fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the Russell 2000® Index (the "index").

### Principal Investment Strategies

Under normal circumstances, the fund will invest substantially all (and at least 80%) of its net assets in the equity securities included in the index, in weightings that approximate the relative composition of securities contained in the index, and in index futures approved by the Commodity Futures Trading Commission.

The index measures the performance of the small-cap segment of the US equity universe. The index is a subset of the Russell 3000® Index representing approximately 7% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities included in the Russell 3000® Index based on a combination of their market cap and current index membership. As of May 31, 2023, the approximate median market capitalization of the companies in the index was $927 million. The index is rebalanced quarterly. The fund generally rebalances its portfolio in accordance with the index.

NTI uses a "passive" or indexing approach to try to achieve the fund's investment objective. Unlike many investment companies, the fund does not try to "beat" the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. NTI will buy and sell securities in response to changes in the index as well as in response to subscriptions and redemptions. The fund generally invests in substantially all of the securities in the index in approximately the same proportions as the index (i.e., replication). In certain circumstances, however, the fund may not hold every security in the index or in the same proportion as the index, such as to improve tax efficiency or when it may not be practicable to fully implement a replication strategy. Rather, it will use an optimization strategy to seek to construct a portfolio that minimizes tracking error versus the index while managing transaction costs and realized capital gains and losses.

The fund intends to be diversified in approximately the same proportion as the index is diversified. The fund may become "non-diversified," as defined in the Investment Company Act of 1940 (the "1940 Act"), solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A "non-diversified" fund can invest a greater percentage of its assets in a small group of issuers or in any one issuer than a diversified fund can. Shareholder approval will not be sought if the fund becomes non-diversified due solely to a change in the relative market capitalization or index weighting of one or more constituents of the index.

In seeking to track the performance of the index, from time to time the fund may have a focused investment (i.e., investment exposure comprising more than 15% of its total assets) in one or more particular sectors. As of March 31, 2023, the Fund had focused investments in the health care, industrials and financials sectors.

NTI expects that, under normal circumstances, the quarterly performance of the fund, before fees and expenses, will track the performance of the index within a 0.95 correlation coefficient.

*The index is created and sponsored by Frank Russell Company ("Russell"), as the index provider. Russell determines the composition and relative weightings of the securities in the index and publishes information regarding the market value of the index. Russell does not endorse any of the securities in the index. It is not a sponsor of the Small Cap Index Fund and is not affiliated with the fund in any way.*

### Principal Investment Risks

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value ("NAV"), total return and ability to meet its investment objective. Each risk noted below is considered a principal risk of investing in the fund, regardless of the order in which it appears. The significance of each risk factor below may change over time and you should review each risk factor carefully.

**MARKET RISK** is the risk that the value of the fund's investments may increase or decrease in response to expected, real or perceived economic, political or financial events in the U.S. or global markets. The frequency and magnitude of such changes in value cannot be predicted. Certain securities and other investments held by the fund may experience increased volatility, illiquidity, or other potentially adverse effects in response to changing market conditions, inflation, changes in interest rates, lack of liquidity in the bond or equity markets or volatility in the equity markets. Market disruptions caused by local or regional events such as financial institution failures, war, acts of terrorism, the spread of infectious illness (including epidemics and pandemics) or other public health issues, recessions or other events or adverse investor sentiment or other political, regulatory, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market. During periods of market disruption or other abnormal market conditions, the fund's exposure to risks described elsewhere in this summary will likely increase.

**SMALL CAP STOCK RISK** is the risk that stocks of smaller companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Small companies may have limited product lines or financial resources, or may be dependent upon a small or inexperienced management group, and their securities may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs. Generally, the smaller the company size, the greater the risk.

**TRACKING RISK** is the risk that the fund's performance may vary from the performance of the index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors. Market disruptions, regulatory restrictions or other abnormal market conditions could have an adverse effect on the fund's ability to adjust its exposure to required levels in order to track its index or cause delays in the index's rebalancing schedule. During any such delay, it is possible that the index, and, in turn, the fund will deviate from the index's stated methodology and therefore experience returns different than those that would have been achieved under a normal rebalancing schedule.

**SECTOR RISK** is the risk that companies in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of securities of all companies in a particular sector of the market to decrease.

- **FINANCIALS SECTOR RISK** is the risk that companies in the financials sector can be significantly affected by changes in interest rates, government regulation, the rate of corporate and consumer debt defaulted, price competition, and the availability and cost of capital, among other factors.
- **INDUSTRIALS SECTOR RISK** is the risk that companies in the industrials sector may be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, international political and economic developments, environmental issues, and tax and governmental regulatory policies.
- **HEALTH CARE SECTOR RISK** is the risk that companies in the health care sector may be negatively affected by scientific or technological developments, research and development costs, increased competition within the health care sector impacting prices and demand for products or services, rapid product obsolescence and patent expirations. The price of securities of health care companies may fluctuate widely due to changes in legislation or other government regulations, including uncertainty regarding health care reform and its long-term impact, reductions in government funding and the unpredictability of winning government approvals.

**INDEX RISK** is the risk that that the fund would not necessarily buy or sell a security unless that security is added or removed, respectively, from the index, even if that security generally is underperforming, because unlike many investment companies, the fund does not utilize an investing strategy that seeks returns in excess of the index. Additionally, the fund rebalances its portfolio in accordance with the index, and, therefore, any changes to the index's rebalance schedule will result in corresponding changes to the fund's rebalance schedule.

**DERIVATIVES RISK** is the risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the fund. Derivatives are also subject to counterparty risk, which is the risk that the other party to the transaction will not perform its contractual obligations. The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with investments in more traditional securities and instruments.

- **FUTURES CONTRACTS RISK** is the risk that there will be imperfect correlation between the change in market value of the fund's securities and the price of futures contracts, which may result in the strategy not working as intended; the possible inability of the fund to sell or close out a futures contract at the desired time or price; losses due to unanticipated market movements, which potentially are unlimited; and the possible inability of the fund's investment adviser to correctly predict the direction of securities' prices, interest rates, currency exchange rates and other economic factors, which may make the fund's returns more volatile or increase the risk of loss.

**NON-DIVERSIFICATION RISK** Under the 1940 Act, a fund designated as "diversified" must limit its holdings such that the securities of issuers which individually represent more than 5% of its total assets must in the aggregate represent less than 25% of its total assets. The fund is "diversified" for purposes of the 1940 Act. However, in seeking to track its index, the fund may become "non-diversified," as defined in the 1940 Act, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A non-diversified fund can invest a greater portion of its assets in the obligations or securities of a small portion of its assets in the obligations or securities of a small number of issuers or any single issuer than a diversified fund can. In such circumstances, a change in the value of one or a few issuers' securities will therefore affect the value of the fund more than if it was a diversified fund.

**As with any mutual fund, it is possible to lose money on an investment in the fund. An investment in the fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, any other government agency, or The Northern Trust Company, its affiliates, subsidiaries or any other bank.**

**Fees & Expenses**
(Based on the prospectus dated July 31, 2023)

Total Annual Fund Operating Expenses......................0.10%
Expenses deducted from Fund's assets

# T. ROWE PRICE INTEGRATED U.S. SMALL-CAP GROWTH EQUITY FUND

## Investment Objective

The fund seeks long-term growth of capital by investing primarily in common stocks of small growth companies.

## Principal Investment Strategies

The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in equity securities issued by small-cap U.S. growth companies. The fund expects to invest predominantly in common stocks.

The fund defines small-cap growth companies as those whose market capitalization, at the time of purchase, falls within the range of companies in the MSCI US Small Cap Growth Index, an index designed to capture the securities of small-cap companies exhibiting overall growth style characteristics in the U.S. As of December 31, 2022, the market capitalization range for the MSCI US Small Cap Growth Index was approximately $77.06 million to $30.59 billion. The market capitalization of the companies in the index will change over time, but the index is reconstituted at least quarterly to ensure that larger stocks do not distort the performance and characteristics of the small-cap growth opportunity set. The fund will not sell a stock just because the company has grown to a market capitalization above the range.

The fund's integrated approach to investing combines fundamental analysis and quantitative models to identify stocks that could be included in the portfolio. Stocks are selected based on a variety of metrics such as a company's valuation, profitability, stability, earnings quality, management capital allocation actions, and indicators of near-term appreciation potential.

As part of the stock selection process, the adviser focuses primarily on companies that, in the adviser's opinion, are capable of achieving and sustaining above-average, long-term earnings growth.

At times, the fund may have a significant portion of its assets invested in the same economic sector.

## Principal Investment Risks

As with any fund, there is no guarantee that the fund will achieve its objective(s). The fund's share price fluctuates, which means you could lose money by investing in the fund. The principal risks of investing in this fund, which may be even greater in bad or uncertain market conditions, are summarized as follows:

**Small-cap stocks** Investments in securities issued by small-cap companies are likely to be more volatile than investments in securities issued by larger companies. Small-cap companies often have less experienced management, narrower product lines, more limited financial resources, and less publicly available information than larger companies. In addition, small-cap companies are typically more sensitive to changes in overall economic conditions and their securities may be difficult to trade.

**Quantitative models** The fund's reliance on quantitative models and the analysis of specific metrics in constructing the fund's portfolio could cause the adviser to be unsuccessful in selecting companies for investment or determining the weighting of particular stocks in the portfolio. The impact of these metrics on a stock's performance can be difficult to predict and stocks that previously possessed certain desirable quantitative characteristics may not continue to demonstrate those same characteristics in the future. In addition, relying on quantitative models entails the risk that the models themselves may be limited or incorrect, the data on which the models rely may be incorrect or incomplete, or the models may not be implemented as intended by the adviser. Any of these factors could cause the fund to underperform funds with similar strategies that do not select stocks based on quantitative analysis.

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

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

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

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

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

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

**Fees & Expenses**
(Based on the prospectus dated May 1, 2023)

Total Annual Fund Operating Expenses......................0.66%
Expenses deducted from Fund's assets

## NORTHERN FUNDS INTERNATIONAL EQUITY INDEX FUND

### Investment Objective

The fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the MSCI EAFE® Index (the "index").

### Principal Investment Strategies

Under normal circumstances, the fund will invest substantially all (and at least 80%) of its net assets in the equity securities included in the index, in weightings that approximate the relative composition of the securities contained in the index, and in American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs"), and Global Depositary Receipts ("GDRs") representing such securities and index futures approved by the Commodity Futures Trading Commission.

The index captures large and mid-cap representation across 21 Developed Markets countries around the world, as determined by the index provider, excluding the US and Canada, and covers approximately 85% of the free float-adjusted market capitalization in each country as of May 31, 2023. As of May 31, 2023, the index was comprised of 794 constituents with market capitalizations ranging from $1.04 billion to $324.36 billion. It is rebalanced quarterly. The fund generally rebalances its portfolio in accordance with the index.

NTI uses a "passive" or indexing approach to try to achieve the fund's investment objective. Unlike many investment companies, the fund does not try to "beat" the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. NTI will buy and sell securities in response to changes in the index as well as in response to subscriptions and redemptions.

The fund generally invests in substantially all of the securities in the index in approximately the same proportions as the index (i.e., replication). In certain circumstances, however, the fund may not hold every security in the index or in the same proportion as the index, such as to improve tax efficiency or when it may not be practicable to fully implement a replication strategy. Rather, it will use an optimization strategy to seek to construct a portfolio that minimizes tracking error versus the index while managing transaction costs and realized capital gains and losses.

The fund intends to be diversified in approximately the same proportion as the index is diversified. The fund may become "non-diversified," as defined in the Investment Company Act of 1940 (the "1940 Act"), solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A "non-diversified" fund can invest a greater percentage of its assets in a small group of issuers or in any one issuer than a diversified fund can. Shareholder approval will not be sought if the fund becomes non-diversified due solely to a change in the relative market capitalization or index weighting of one or more constituents of the index.

The fund may use derivatives such as stock index futures contracts to equitize cash and enhance portfolio liquidity.

In seeking to track the performance of the index, from time to time the fund may have a focused investment (i.e., investment exposure comprising more than 15% of its total assets) in one or more particular sectors, countries or geographic regions. As of March 31, 2023, the fund had focused investments in the financials and industrials sectors and in Japan and the European Union.

NTI expects that, under normal circumstances, the quarterly performance of the fund, before fees and expenses, will track the performance of the index within a 0.95 correlation coefficient.

*The index is created and sponsored by Morgan Stanley Capital International ("MSCI"), as the index provider. MSCI determines the composition and relative weightings of the securities in the index and publishes information regarding the market value of the index. MSCI does not endorse any of the securities in the index. It is not a sponsor of the International Equity Index Fund and is not affiliated with the fund in any way.*

### Principal Investment Risks

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value ("NAV"), total return and ability to meet its investment objective. Each risk noted below is considered a principal risk of investing in the fund, regardless of the order in which it appears. The significance of each risk factor below may change over time and you should review each risk factor carefully.

**MARKET RISK** is the risk that the value of the fund's investments may increase or decrease in response to expected, real or perceived economic, political or financial events in the U.S. or global markets. The frequency and magnitude of such changes in value cannot be predicted. Certain securities and other investments held by the fund may experience increased volatility, illiquidity, or other potentially adverse effects in response to changing market conditions, inflation, changes in interest rates, lack of liquidity in the bond or equity markets or volatility in the equity markets. Market disruptions caused by local or regional events such as financial institution failures, war, acts of terrorism, the spread of infectious illness (including epidemics and pandemics) or other public health issues, recessions or other events or adverse investor sentiment or other political, regulatory, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market. During periods of market disruption or other abnormal market conditions, the fund's exposure to risks described elsewhere in this summary will likely increase.

**FOREIGN SECURITIES RISK** is the risk that investing in foreign (non-U.S.) securities may result in the fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to less liquid markets and adverse economic, political, diplomatic, financial, and regulatory factors. Foreign governments may impose limitations on foreigners' ownership of interests in local issuers, restrictions on the ability to repatriate assets, and may also impose taxes. Any of these events could cause the value of the fund's investments to decline. Foreign banks, agents and securities depositories that hold the fund's foreign assets may be subject to little or no regulatory oversight over, or independent evaluation, of their operations. Additional costs associated with investments in foreign securities may include higher custodial fees than those applicable to domestic custodial arrangements and transaction costs of foreign currency conversions. Unless the fund has hedged its foreign currency exposure, foreign securities risk also involves the risk of negative foreign currency rate fluctuations, which may cause the value of securities denominated in such foreign currency (or other instruments through which the fund has exposure to foreign currencies) to decline in value. Currency exchange rates may fluctuate significantly over short periods of time. Currency hedging strategies, if used, are not always successful. For instance, forward foreign currency exchange contracts, if used by the fund, could reduce performance if there are unanticipated changes in currency exchange rates.

**DEPOSITARY RECEIPTS RISK** Foreign securities may trade in the form of depositary receipts. In addition to investment risks associated with the underlying issuer, depositary receipts may expose the fund to additional risks associated with non-uniform terms that apply to depositary receipt programs, including credit exposure to the depository bank and to the sponsors and other parties with whom the depository bank establishes the programs, currency, political, economic, market risks and the risks of an illiquid market for depositary receipts. Depositary receipts are generally subject to the same risks as the foreign securities that they evidence or into which they may be converted. Depositary receipts may not track the price of the underlying foreign securities on which they are based, may have limited voting rights, and may have a distribution subject to a fee charged by the depository. As a result, equity shares of the underlying issuer may trade at a discount or premium to the market price of the depositary receipts.

**GEOGRAPHIC RISK** is the risk that if the fund invests a significant portion of its total assets in certain issuers within the same country or geographic region, an adverse economic, business or political development affecting that country or region may affect the value of the fund's investments more, and the fund's investments may be more volatile, than if its investments were not so concentrated in such country or region.

- **JAPAN INVESTMENT RISK** is the risk of investing in securities of Japanese issuers. The Japanese economy may be subject to considerable degrees of economic, political and social instability, which could negatively impact Japanese issuers. In recent times, Japan's economic growth rate has remained low, and it may remain low in the future. In addition, Japan is subject to the risk of natural disasters, such as earthquakes, volcanic eruptions, typhoons and tsunamis, which could negatively affect the securities of Japanese companies held by the fund.
- **EUROPEAN INVESTMENT RISK** is the risk that investments in certain countries in the European Union (the "EU") are susceptible to high economic risks due to restrictions on inflation rates, rising debt levels and fiscal and monetary controls. Decreasing imports or exports, changes in local or EU regulations on trade, changes in the exchange rate of the euro, the default or threat of default by an EU member country on its sovereign debt, and recessions in an EU member country may have significant adverse effects on the economies of the other EU member countries. Separately, the EU faces issues involving its membership, structure, procedures and policies. The exit of one or more member states from the EU, such as the departure of the United Kingdom (known as "Brexit"), will likely place the EU's currency and banking system in jeopardy and result in increased volatility, illiquidity and potentially lower economic growth in the affected markets, which will adversely affect the fund's EU investments.

**TRACKING RISK** is the risk that the fund's performance may vary from the performance of the index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors. Market disruptions, regulatory restrictions or other abnormal market conditions could have an adverse effect on the fund's ability to adjust its exposure to required levels in order to track its index or cause delays in the index's rebalancing schedule. During any such delay, it is possible that the index, and, in turn, the fund will deviate from the index's stated methodology and therefore experience returns different than those that would have been achieved under a normal rebalancing schedule.

**SECTOR RISK** is the risk that companies in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of securities of all companies in a particular sector of the market to decrease.

- **FINANCIALS SECTOR RISK** is the risk that companies in the financials sector can be significantly affected by changes in interest rates, government regulation, the rate of corporate and consumer debt defaulted, price competition, and the availability and cost of capital, among other factors.
- **INDUSTRIALS SECTOR RISK** is the risk that companies in the industrials sector may be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, international political and economic developments, environmental issues, and tax and governmental regulatory policies.

**MID CAP STOCK RISK** is the risk that stocks of mid-sized companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies, and may lack sufficient market liquidity. Mid-sized companies may have limited product lines or financial resources, and may be dependent upon a particular niche of the market, or may be dependent upon a small or inexperienced management group. Securities of smaller companies may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs. Generally the smaller the company size, the greater the risk.

**INDEX RISK** is the risk that that the fund would not necessarily buy or sell a security unless that security is added or removed, respectively, from the index, even if that security generally is underperforming, because unlike many investment companies, the fund does not utilize an investing strategy that seeks returns in excess of the index. Additionally, the fund rebalances its portfolio in accordance with the index, and, therefore, any changes to the index's rebalance schedule will result in corresponding changes to the fund's rebalance schedule.

**DERIVATIVES RISK** is the risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the fund. Derivatives are also subject to counterparty risk, which is the risk that the other party to the transaction will not perform its contractual obligations. The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with investments in more traditional securities and instruments.

- **FUTURES CONTRACTS RISK** is the risk that there will be imperfect correlation between the change in market value of the fund's securities and the price of futures contracts, which may result in the strategy not working as intended; the possible inability of the fund to sell or close out a futures contract at the desired time or price; losses due to unanticipated market movements, which potentially are unlimited; and the possible inability of the fund's investment adviser to correctly predict the direction of securities' prices, interest rates, currency exchange rates and other economic factors, which may make the fund's returns more volatile or increase the risk of loss.

**VALUATION RISK** is the risk that the sale price the fund could receive for a portfolio security may differ from the fund's valuation of the security, particularly for securities that trade in low volume or volatile markets or that are valued using a fair value methodology. In addition, the value of the securities in the fund's portfolio may change on days when shareholders will not be able to purchase or sell the fund's shares.

**NON-DIVERSIFICATION RISK** Under the 1940 Act, a fund designated as "diversified" must limit its holdings such that the securities of issuers which individually represent more than 5% of its total assets must in the aggregate represent less than 25% of its total assets. The fund is "diversified" for purposes of the 1940 Act. However, in seeking to track its index, the fund may become "non-diversified," as defined in the 1940 Act, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index. A non-diversified fund can invest a greater portion of its assets in the obligations or securities of a small portion of its assets in the obligations or securities of a small number of issuers or any single issuer than a diversified fund can. In such circumstances, a change in the value of one or a few issuers' securities will therefore affect the value of the fund more than if it was a diversified fund.

**As with any mutual fund, it is possible to lose money on an investment in the fund. An investment in the fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, any other government agency, or The Northern Trust Company, its affiliates, subsidiaries or any other bank.**

**Fees & Expenses**
(Based on the prospectus dated July 31, 2023)

Total Annual Fund Operating Expenses......................0.10%
Expenses deducted from Fund's assets

## NEUBERGER BERMAN INTERNATIONAL SELECT FUND

### Investment Objective

The fund seeks long-term growth of capital by investing primarily in common stocks of foreign companies.

### Principal Investment Strategies

To pursue its goal, the fund invests mainly in common stocks of foreign companies, 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. Under normal circumstances, at least 80% of the fund's net assets, plus the amount of any borrowings for investment purposes, will be invested in companies with a market capitalization greater than $2.5 billion at the time of purchase.

In picking stocks, the portfolio 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 portfolio managers also consider the outlooks for various countries and sectors around the world, examining economic, market, social, and political conditions.

As part of their fundamental investment analysis the portfolio managers consider Environmental, Social and Governance (ESG) factors they believe are financially material to individual investments, where applicable, as described below. While this analysis is inherently subjective and may be informed by both internally generated and third-party metrics, data and other information, the portfolio 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 remain well diversified across countries and geographical regions. At times, the portfolio managers may emphasize certain sectors or industries that they believe offers a better risk/reward opportunity.

The portfolio 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.

**Principal Investment Risks**

Most of the fund's performance depends on what happens in international stock markets, the portfolio managers' evaluation of those developments, and the success of the portfolio 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 portfolio managers' evaluation of issuer, political, regulatory, market, or economic developments. There can be no guarantee that the portfolio 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.

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 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.

**Currency Risk.** Currency risk is the risk that foreign currencies will decline in value relative to the U.S. dollar. 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 and Emerging Market Risk.** 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.); 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.

**Growth Stock Risk.** 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. When these expectations are not met or decrease, the prices of these stocks may decline, sometimes sharply, even if earnings showed an absolute increase. The fund attempts to lessen the risk of such losses by seeking growth stocks that sell at what the adviser believes are attractive prices. If the adviser is incorrect in its assessment of a stock's value, this may negatively impact the fund. Bad economic news or changing investor perceptions may adversely affect growth stocks across several sectors and industries simultaneously.

**Issuer-Specific Risk.** An individual security may be more volatile, and may perform differently, than the market as a whole.

**Liquidity Risk.** 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.

**Market Capitalization Risk.** To the extent the fund invests in securities of small-, mid-, or large-cap companies, it takes on the associated risks. At times, any of these market capitalizations may be out of favor with investors. Compared to small- and mid-cap companies, large-cap companies may be unable to respond as quickly to changes and opportunities and may grow at a slower rate. 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, less publicly available information, less stable earnings, and limited product lines, markets or financial resources. The securities of small- and mid-cap companies are often more volatile, which at times can be rapid and unpredictable, 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, during market downturns, or by adverse publicity and investor perceptions.

**Market Volatility Risk.** 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.

**Recent Market Conditions.** 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.

Russia's invasion of the Ukraine, and corresponding events in late February 2022, have had, and could continue to have, severe adverse effects on regional and global economic markets for securities and commodities. Moreover, those events have, and could continue to have, an adverse effect on global markets performance and liquidity, thereby negatively affecting the value of the fund's investments. The duration of ongoing hostilities and the vast array of sanctions and related 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.

The impact of the COVID-19 pandemic has negatively affected and could continue to affect the economies of many nations, individual companies and the global securities and commodities markets, including their liquidity, in ways that cannot necessarily be foreseen at the present time. Epidemics and/or pandemics, such as the coronavirus, have and may further result in, among other things, closing borders, extended quarantines and stay-at-home orders, order cancellations, disruptions to supply chains and customer activity, widespread business closures and layoffs, as well as general concern and uncertainty.

High public debt in the U.S. and other countries creates ongoing systemic and market risks and policymaking uncertainty.

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.

**Redemption Risk.** The fund may experience periods of large or frequent redemptions that could cause the fund to sell assets at inopportune times, which could have a negative impact on the fund's overall liquidity, 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 and the 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.

**Sector Risk.** 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 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 Risk.** 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 Stock Risk.** 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 the portfolio management team's 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:

**Risk of Increase in Expenses.** 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."

**Operational and Cybersecurity Risk.** 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 Management.** 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.

**Valuation Risk.** 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.

**Fees & Expenses**
(Based on the prospectus dated December 19, 2022)

Total Annual Fund Operating Expenses......................0.85%
Expenses deducted from Fund's assets

## DFA INTERNATIONAL SMALL COMPANY PORTFOLIO

### Investment Objective

The investment objective of the International Small Company Portfolio (the "portfolio") is to achieve long-term capital appreciation.

### Principal Investment Strategies

The International Small Company Portfolio is a "fund of funds," which means the portfolio generally allocates its assets among other funds managed by Dimensional Fund Advisors LP (the "advisor") (the "underlying funds"), although it has the ability to invest directly in securities and derivatives.

To achieve the International Small Company Portfolio's and the underlying funds' investment objectives, the advisor implements an integrated investment approach that combines research, portfolio design, portfolio management, and trading functions. As further described below, the portfolio's and the underlying funds' designs emphasize long-term drivers of expected returns identified by the advisor's research, while balancing risk through broad diversification across companies and sectors. The advisor's portfolio management and trading processes further balance those long-term drivers of expected returns with shorter-term drivers of expected returns and trading costs.

The International Small Company Portfolio is designed to provide investors with access to securities portfolios consisting of a broad range of equity securities of primarily small Canadian, Japanese, United Kingdom, Continental European and Asia Pacific companies. The portfolio also may have some exposure to small capitalization equity securities associated with other countries or regions. The portfolio pursues its investment objective by investing substantially all of its assets in the following underlying funds: The Canadian Small Company Series, The Japanese Small Company Series, The Asia Pacific Small Company Series, The United Kingdom Small Company Series and The Continental Small Company Series of The DFA Investment Trust Company. Periodically, the advisor will review the allocations for the portfolio in each Underlying Fund and may adjust allocations to the underlying funds or may add or remove underlying funds in the portfolio without notice to shareholders. Each Underlying Fund invests in small companies using a market capitalization weighted approach in each country or region designated by the advisor as an approved market for investment. A company's market capitalization is the number of its shares outstanding times its price per share. Under a market capitalization weighted approach, companies with higher market capitalizations generally represent a larger proportion of an Underlying Fund than companies with relatively lower market capitalizations. The portfolio and underlying funds may emphasize certain stocks, including smaller capitalization companies, lower relative price stocks, and/or higher profitability stocks as compared to their representation in the countries and/or regions in which the portfolio and/or underlying funds are authorized to invest. An equity issuer is considered to have a low relative price (i.e., a value stock) primarily because it has a low price in relation to its book value. In assessing relative price, the advisor may consider additional factors such as price to cash flow or price to earnings ratios. An equity issuer is considered to have high profitability because it has high earnings or profits from operations in relation to its book value or assets. The criteria the advisor uses for assessing relative price and profitability are subject to change from time to time. As a non-fundamental policy, under normal circumstances, the International Small Company Portfolio, through its investments in the underlying funds, will invest at least 80% of its net assets in securities of small companies.

The advisor may also increase or reduce the International Small Company Portfolio's and/or underlying funds' exposure to an eligible company, or exclude a company, based on shorter-term considerations, such as a company's price momentum and investment characteristics. In assessing a company's investment characteristics, the advisor considers ratios such as recent changes in assets divided by total assets. The criteria the advisor uses for assessing a company's investment characteristics are subject to change from time to time. In addition, the advisor seeks to reduce trading costs using a flexible trading approach that looks for opportunities to participate in the available market liquidity, while managing turnover and explicit transaction costs.

The International Small Company Portfolio and each Underlying Fund may invest in affiliated and unaffiliated registered and unregistered money market funds to manage its cash pending investment in other securities or to maintain liquidity for the payment of redemptions or other purposes. Investments in money market funds may involve a duplication of certain fees and expenses.

Each Underlying Fund may gain exposure to companies associated with approved markets by purchasing equity securities in the form of depositary receipts, which may be listed or traded outside the issuer's domicile country. The International Small Company Portfolio and each Underlying Fund may purchase or sell futures contracts and options on futures contracts for equity securities and indices of its approved markets or other equity market securities or indices, including those of the United States, to increase or decrease equity market exposure based on actual or expected cash inflows to or outflows from the portfolio or Underlying Fund. Because many of the portfolio's and the underlying funds' investments may be denominated in foreign currencies, the portfolio and each underlying fund may enter into foreign currency exchange transactions, including foreign currency forward contracts, in connection with the settlement of foreign securities or to transfer cash balances from one currency to another currency.

The International Small Company Portfolio and the underlying funds may lend their portfolio securities to generate additional income.

A summary of the investment strategies and policies of the underlying funds in which the International Small Company Portfolio invests as of the date of this Prospectus is described in the portfolio's prospectus in the section entitled **"ADDITIONAL INFORMATION ON INVESTMENT OBJECTIVES AND PO LICIES"**.

### Principal Investment Risks

Because the value of your investment in the International Small Company Portfolio will fluctuate, there is the risk that you will lose money. An investment in the portfolio is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The following is a description of principal risks of investing in the portfolio.

**Fund of Funds Risk:** The investment performance of the portfolio is affected by the investment performance of the underlying funds in which the portfolio invests. The ability of the portfolio to achieve its investment objective depends on the ability of the underlying funds to meet their investment objectives and on the advisor's decisions regarding the allocation of the portfolio's assets among the underlying funds. There can be no assurance that the investment objective of the portfolio or any underlying fund will be achieved. When the portfolio invests in underlying funds, investors are exposed to a proportionate share of the expenses of those underlying funds in addition to the expenses of the portfolio. Through its investments in the underlying funds, the portfolio is subject to the risks of the underlying funds' investments. The risks of the portfolio's and underlying funds' investments are described below.

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

**Foreign Securities and Currencies Risk:** Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities may also be exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar or that a foreign government will convert, or be forced to convert, its currency to another currency, changing its value against the U.S. dollar). The underlying funds do not hedge foreign currency risk.

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

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

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

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

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

**Securities Lending Risk:** Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the underlying funds may lose money and there may be a delay in recovering the loaned securities. The underlying funds could also lose money if they do not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. Securities lending also may have certain adverse tax consequences. To the extent that the portfolio holds securities directly and lends those securities, it will be also subject to the foregoing risks with respect to its loaned securities.

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

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

**Fees & Expenses**
(Based on the prospectus dated February 28, 2023)
Total Annual Fund Operating Expenses ......................0.39%
Expenses deducted from Fund's assets

## VANGUARD EMERGING MARKETS SELECT STOCK

### Investment Objective

The fund seeks to provide long-term capital appreciation.

#### Principal Investment Strategies

The fund invests mainly in equity securities of companies located in emerging markets. The fund invests in small-, mid-, and large-capitalization companies and is expected to diversify its assets among companies located in emerging markets around the world. Under normal circumstances, at least 80% of the fund's assets will be invested in common stocks of companies located in emerging markets. A company is considered to be located in an emerging market if it is organized under the laws of, or has a principal office in, an emerging country; has a class of securities whose principal securities market is in an emerging country; derives 50% or more of its total revenue from goods produced, sales made, or services provided in one or more emerging countries; or maintains 50% or more of its assets in one or more emerging countries. The fund uses multiple investment advisors. Each advisor independently selects and maintains a portfolio of equity securities for the fund.

#### Principal Investment Risks

An investment in the fund could lose money over short or long periods of time. You should expect the fund's share price and total return to fluctuate within a wide range. The fund is subject to the following risks, which could affect the fund's performance:

- *Stock market risk,* which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's investments in foreign stocks can be riskier than U.S. stock investments. Foreign stocks may be more volatile and less liquid than U.S. stocks. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions.
- *Emerging markets risk,* which is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, financial reporting, accounting, and recordkeeping systems; and greater political, social, and economic instability than developed markets.
- *Country/regional risk,* which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the fund may invest a large portion of its assets in securities of companies located in any one country or region, the fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk is especially high in emerging markets.
- *Currency risk,* which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.
- *Investment style risk*, which is the chance that returns from the types of stocks in which the fund invests will trail returns from global stock markets. Small-, mid-, and large-cap stocks each tend to go through cycles of doing better—or worse—than other segments of the stock market or the global market in general. These periods have, in the past, lasted for as long as several years. Historically, small- and mid-cap stocks have been more volatile in price than large-cap stocks. The stock prices of small and mid-size companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.
- *Manager risk,* which is the chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective. In addition, significant investment in the financial sector subjects the fund to proportionately higher exposure to the risks of this sector.

**An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.**

**Fees & Expenses**
(Based on the prospectus dated February 27, 2023)
Total Annual Fund Operating Expenses ......................0.78%
Expenses deducted from Fund's assets

## PARAMETRIC COMMODITY STRATEGY FUND

### Investment Objective

The fund's investment objective is to seek total return.

#### Principal Investment Strategies

The fund invests primarily in commodity-linked derivative instruments backed by a portfolio of fixed-income securities. The fund's portfolio of fixed-income securities is generally comprised of U.S. Treasury securities (including Treasury bills, Treasury notes, and Treasury inflation-protected securities) and money market instruments. The fund may also invest in an affiliated investment company that invests in money market instruments. The average portfolio duration of the fund's fixed-income portfolio will vary and under normal market conditions is not expected to exceed one year. Commodity-linked derivative instruments include commodity index-linked swap agreements, futures, and commodity linked notes, that provide exposure to the investment returns of the commodities markets, without investing directly in physical commodities. The fund may also invest in exchange-traded funds ("ETFs") that provide exposure to commodities. The fund seeks to gain exposure to the commodity markets, in whole or in part, through investments in PSC Commodity Subsidiary, Ltd., a wholly-owned subsidiary of the fund organized under the laws of the Cayman Islands (the "subsidiary") with the same investment objective and principal investment strategies as the fund.

The commodity-linked derivative instruments in which the fund invests are intended to provide returns based on the performance of a particular commodity or particular basket of commodities. Except as required by applicable regulation, there is no stated limit on the fund's use of derivatives for such purposes. The fund attempts to provide a diversified exposure to a variety of commodities. In this pursuit, the fund may maintain large overweight or underweight commodity positions versus the Bloomberg Commodity Index Total Return (the "index"). Similarly, the fund may hold underweight or overweight positions in particular sectors of the commodities markets versus the index.

The fund seeks to employ a top-down, disciplined and systematic investment process that emphasizes broad exposure among individual commodities and commodity sectors. This rules-based strategy utilizes targeted allocation and systematic rebalancing to attempt to exploit certain quantitative and behavioral characteristics of the commodity asset class to generate alpha (i.e. excess returns versus the index). The investment process is periodically re-evaluated and may be adjusted to ensure that the process is consistent with the fund's investment objective and strategies. Commodity exposures are selected based on factors such as volatility, liquidity, diversification, and perceived risk and potential benefit. Commodity target weights are created to attempt to reduce concentration risk relative to the index. The frequency of rebalancing depends on the correlation and volatility of the individual commodity. Rules-based rebalancing bands are set around target weights to attempt to minimize trading cost.

### Principal Investment Risks

**Market Risk.** The value of investments held by the fund may increase or decrease in response to social, economic, political, financial, public health crises or other disruptive events (whether real, expected or perceived) in the U.S. and global markets and include events such as war, natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest. These events may negatively impact broad segments of businesses and populations and may exacerbate pre-existing risks to the fund. The frequency and magnitude of resulting changes in the value of the fund's investments cannot be predicted. Certain securities and other investments held by the fund may experience increased volatility, illiquidity, or other potentially adverse effects in reaction to changing market conditions. Monetary and/or fiscal actions taken by U.S. or foreign governments to stimulate or stabilize the global economy may not be effective and could lead to high market volatility. No active trading market may exist for certain investments held by the fund, which may impair the ability of the fund to sell or to realize the current valuation of such investments in the event of the need to liquidate such assets.

**Commodity-Related Investments Risk.** The value of commodity investments will generally be affected by overall market movements and factors specific to a particular industry or commodity, which may include weather, embargoes, tariffs, and health, political, international and regulatory developments. Economic and other events (whether real or perceived) can reduce the demand for commodities, which may reduce market prices and cause the value of the fund's commodity investments to fall. The frequency and magnitude of such changes are unpredictable. Exposure to commodities and commodity markets may subject the fund to greater volatility than investments in traditional securities. No active trading market may exist for certain commodity investments, which may impair the ability of the fund to sell or to realize the full value of such investments in the event of the need to liquidate such investments. In addition, adverse market conditions may impair the liquidity of actively traded commodity investments. Commodity-linked notes may be structured such that their performance deviates significantly from the underlying index or instrument.

As noted above, the fund expects to invest in the subsidiary, which invests in commodity-related investments, as well as other permitted instruments. The subsidiary is subject to the laws of the Cayman Islands and is not subject to U.S. laws, including securities laws and their protections and provisions of the Internal Revenue Code (the "Code"). Because the subsidiary is not registered under U.S. federal securities laws, it may not be able to negotiate terms with its counterparties that are equivalent to those of a registered fund. As a result, the subsidiary may have greater exposure to those counterparties than a registered fund. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the subsidiary to operate as described, and could adversely affect the fund's investment approach. In addition, commodity-related investments generally generate income that is not qualifying income for purposes of meeting source of income tests applicable to mutual funds under the Code. The Internal Revenue Service ("IRS") has issued proposed regulations effectively providing that the subsidiary's realized annual net profit, if any, will constitute "qualifying income" only to the extent it is timely and currently repatriated to the fund (notwithstanding any previously issued private letter ruling or advice from counsel). As the fund intends to satisfy the source of income tests under the Code, its ability to invest in commodity-related investments may become limited, and the fund may incur transaction and other costs to comply with any new or additional guidance from the IRS. The tax treatment of commodity-related investments and income from the subsidiary may be adversely affected by future legislation, Treasury Regulations and/or guidance issued by the IRS that could affect the character, timing and/or amount of the fund's taxable income or any gains and distributions made by the fund.

**Tracking Error Risk.** Tracking error risk refers to the risk that the fund's performance may not match or correlate to that of the commodities or basket of commodities it attempts to track, either on a daily or aggregate basis. Factors such as fund expenses, imperfect correlation between the fund's investments and the commodities or basket of commodities, rounding of share prices, changes to the composition of the commodities or basket of commodities, regulatory policies, high portfolio turnover rate and the use of leverage all contribute to tracking error. Tracking error risk may cause the fund's performance to be less than expected.

**Derivatives Risk.** The fund's exposure to derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. The use of derivatives can lead to losses because of adverse movements in the price or value of the security, instrument, index, currency, commodity, economic indicator or event underlying a derivative ("reference instrument"), due to failure of a counterparty or due to tax or regulatory constraints. Derivatives may create leverage in the fund, which represents a non-cash exposure to the underlying reference instrument. Leverage can increase both the risk and return potential of the fund. Derivatives risk may be more significant when derivatives are used to enhance return or as a substitute for a cash investment position, rather than solely to hedge the risk of a position held by the fund. Use of derivatives involves the exercise of specialized skill and judgment, and a transaction may be unsuccessful in whole or in part because of market behavior or unexpected events. Changes in the value of a derivative (including one used for hedging) may not correlate perfectly with the underlying reference instrument. Derivative instruments traded in over-the-counter markets may be difficult to value, may be illiquid, and may be subject to wide swings in valuation caused by changes in the value of the underlying reference instrument. If a derivative's counterparty is unable to honor its commitments, the value of fund shares may decline and the fund could experience delays in (or be unable to achieve) the return of collateral or other assets held by the counterparty. The loss on derivative transactions may substantially exceed the initial investment. A derivative investment also involves the risks relating to the reference instrument underlying the investment.

**ETF Risk.** ETFs are subject to the risks of investing in the underlying securities or other investments. ETF shares may trade at a premium or discount to net asset value and are subject to secondary market trading risks. In addition, the fund will bear a pro rata portion of the operating expenses of an ETF in which it invests.

**Leverage Risk.** Certain fund transactions may give rise to leverage. Leverage can result from a non-cash exposure to an underlying reference instrument. Leverage can increase both the risk and return potential of the fund. The use of leverage may cause the fund to maintain liquid assets or liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage may cause the fund's share price to be more volatile than if it had not been leveraged, as certain types of leverage may exaggerate the effect of any increase or decrease in the value of the fund's portfolio securities. The loss on leveraged investments may substantially exceed the initial investment.

**Interest Rate Risk.** In general, the value of income securities will fluctuate based on changes in interest rates. The value of these securities is likely to increase when interest rates fall and decline when interest rates rise. Duration measures the time-weighted expected cash flows of a fixed-income security, while maturity refers to the amount of time until a fixed-income security matures. Generally, securities with longer durations or maturities are more sensitive to changes in interest rates than securities with shorter durations or maturities, causing them to be more volatile. Conversely, fixed-income securities with shorter durations or maturities will be less volatile but may provide lower returns than fixed-income securities with longer durations or maturities. In a rising interest rate environment, the duration of income securities that have the ability to be prepaid or called by the issuer may be extended. In a declining interest rate environment, the proceeds from prepaid or maturing instruments may have to be reinvested at a lower interest rate. Certain instruments held by the fund may pay an interest rate based on the London Interbank Offered Rate ("LIBOR"), which is the average offered rate for various maturities of short-term loans between certain major international banks. LIBOR is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments (such as debt instruments and derivatives) and borrowing arrangements. The ICE Benchmark Administration Limited, the administrator of LIBOR, ceased publishing certain LIBOR settings on December 31, 2021, and is expected to cease publishing the remaining LIBOR settings on June 30, 2023. Although the transition process away from LIBOR has become increasingly well defined, the impact on certain debt securities, derivatives and other financial instruments that utilize LIBOR remains uncertain. The phase-out of LIBOR may result in, among other things, increased volatility or illiquidity in markets for instruments based on LIBOR and changes in the value of such instruments.

**Credit Risk.** Investments in income securities are subject to the risk of non-payment of scheduled principal and interest. Changes in economic conditions or other circumstances may reduce the capacity of the party obligated to make principal and interest payments on such instruments and may lead to defaults. Such non-payments and defaults may reduce the value of fund shares and income distributions. The value of debt instruments also may decline because of concerns about the issuer's ability to make principal and interest payments. In addition, the credit ratings of debt instruments may be lowered if the financial condition of the party obligated to make payments with respect to such instruments deteriorates. In the event of bankruptcy of the issuer of a debt instrument, the fund could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing the instrument. In order to enforce its rights in the event of a default, bankruptcy or similar situation, the fund may be required to retain legal or similar counsel, which may increase the fund's operating expenses and adversely affect net asset value.

**U.S. Treasury Securities.** U.S. Treasury securities ("treasury securities") are obligations of the U.S. Treasury that differ in their interest rates, maturities and times of issuance. Treasury securities include any security or agreement collateralized or otherwise secured by treasury securities. As a result of their high credit quality and market liquidity, U.S. Treasury securities generally provide a lower current return than obligations of other issuers.

**Inflation-Linked Investments Risk.** Inflation-linked investments are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation-linked investment tends to decrease when real interest rates increase and increase when real interest rates decrease. Interest payments on inflation-linked investments may vary widely and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked investment will be considered taxable ordinary income, even though the fund will not receive the principal until maturity. There can be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. The fund's investments in inflation-linked investments may lose value in the event that the actual rate of inflation is different from the rate of the inflation index.

**Money Market Instrument Risk.** Money market instruments may be adversely affected by market and economic events, such as a sharp rise in prevailing short-term interest rates; adverse developments in the banking industry, which issues or guarantees many money market instruments; adverse economic, political or other developments affecting issuers of money market instruments; changes in the credit quality of issuers; and default by a counterparty.

**Sector Risk.** Because the fund may have significant investments in a particular sector of the commodities markets (such as agricultural, energy, livestock, precious metals, industrial metals and others), the value of fund shares may be affected by events that adversely affect that sector and may fluctuate more than that of a fund that invests more broadly.

**Liquidity Risk.** The fund is exposed to liquidity risk when trading volume, lack of a market maker or trading partner, large position size, market conditions, or legal restrictions impair its ability to sell particular investments or to sell them at advantageous market prices. Consequently, the fund may have to accept a lower price to sell an investment or continue to hold it or keep the position open, sell other investments to raise cash or abandon an investment opportunity, any of which could have a negative effect on the fund's performance. These effects may be exacerbated during times of financial or political stress.

**Rules-Based Management Risks.** The sub-adviser uses proprietary investment techniques and analyses in making investment decisions for the fund, seeking to achieve its investment objective while minimizing exposure to security-specific risk. The strategy seeks to take advantage of certain quantitative and behavioral market characteristics identified by the sub-adviser, utilizing a rules-based process and systematic rebalancing. A systematic investment process is dependent on the sub-adviser's skill in developing and maintaining that process. The fund's strategy has not been independently tested or validated, and there can be no assurance that it will achieve the desired results.

**General Fund Investing Risks.** The fund is not a complete investment program and there is no guarantee that the fund will achieve its investment objective. It is possible to lose money by investing in the fund. The fund is designed to be a long-term investment vehicle and is not suited for short-term trading. Investors in the fund should have a long-term investment perspective and be able to tolerate potentially sharp declines in value. Purchase and redemption activities by fund shareholders may impact the management of the fund and its ability to achieve its investment objective(s). In addition, the redemption by one or more large shareholders or groups of shareholders of their holdings in the fund could have an adverse impact on the remaining shareholders in the fund. The fund relies on various service providers, including the investment adviser and sub-adviser, if applicable, in its operations and is susceptible to operational, information security and related events (such as public health crises, cyber or hacking attacks) that may affect the service providers or the services that they provide to the fund. An investment in the fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Fees & Expenses**
(Based on the prospectus dated May 1, 2023)

Total Annual Fund Operating Expenses ....................0.65 %
Expenses deducted from Fund's assets

# EXHIBIT D – FEE STRUCTURE B INFORMATION

**Overview**

On July 30, 2010, the Higher Education 529 Fund, managed by Van Kampen Asset Management, Inc. and its affiliates (the "Prior Plan"), transitioned to the CollegeCounts 529 Fund Advisor Plan, managed by Union Bank and Trust Company. In connection with the conversion of the Prior Plan to the CollegeCounts 529 Fund Advisor Plan (the "Plan"), Account Owners who held class B units of the Prior Plan were transitioned into Accounts under the Plan's Fee Structure B. Fee Structure B Accounts are only available to Account Owners who held class B units prior to the conversion. Account Owners who held class B units in the Prior Plan may continue to make Contributions to their Fee Structure B Accounts, but no new Fee Structure B Accounts may be opened. The Designated Beneficiary for an Account assigned to Fee Structure B may not be changed within six years after the most recent Contribution to such Account if the proposed Designated Beneficiary is 15 years old or older at the time of such proposed change. Fee Structure B Accounts are generally subject to the same terms and conditions as under the Prior Plan, as described more fully below.

**Fee Structure B Fees and Expenses**

The following table sets forth the Plan's estimate of the fees and expenses applicable to the Fee Structure B Age-Based, Target and Individual Fund Portfolios. The actual expenses of each Portfolio may be different. The "Total Annual Asset-Based Fees" estimated below include the program management fee, the state administrative fee and any applicable annual servicing fees under Fee Structure B.

| **Fee Structure B**<br>**Fee and Expense Table** | Annual Asset-Based Fees | | | | | Additional Investor Expenses | |
|---|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[1] | Program Management Fees | State Fee | Annual Account Servicing Fee[2] | Total Annual Asset-Based Fees | Maximum CDSC Charge | Account Fee[3] (Waived for Alabama Residents) |
| **Target Portfolios** | | | | | | | |
| Fund 100 | 0.40% | 0.21% | 0.07% | 1.00% | 1.68% | 5.00% | $12 |
| Fund 80 | 0.40% | 0.21% | 0.07% | 1.00% | 1.68% | 5.00% | $12 |
| Fund 60 | 0.41% | 0.21% | 0.07% | 1.00% | 1.69% | 5.00% | $12 |
| Fund 40 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Fund 20 | 0.39% | 0.21% | 0.07% | 1.00% | 1.67% | 5.00% | $12 |
| Fixed Income Fund | 0.27% | 0.21% | 0.07% | 1.00% | 1.55% | 5.00% | $12 |
| **Age Based Portfolios** | | | | | | | |
| **Aggressive Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 1.00% | 1.68% | 5.00% | $12 |
| Ages 3-5 | 0.40% | 0.21% | 0.07% | 1.00% | 1.68% | 5.00% | $12 |
| Ages 6-8 | 0.40% | 0.21% | 0.07% | 1.00% | 1.68% | 5.00% | $12 |
| Ages 9-10 | 0.41% | 0.21% | 0.07% | 1.00% | 1.69% | 5.00% | $12 |
| Ages 11-12 | 0.41% | 0.21% | 0.07% | 1.00% | 1.69% | 5.00% | $12 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Ages 15-16 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Ages 17-18 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Ages 19+ | 0.39% | 0.21% | 0.07% | 1.00% | 1.67% | 5.00% | $12 |
| **Moderate Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 1.00% | 1.68% | 5.00% | $12 |
| Ages 3-5 | 0.40% | 0.21% | 0.07% | 1.00% | 1.68% | 5.00% | $12 |
| Ages 6-8 | 0.41% | 0.21% | 0.07% | 1.00% | 1.69% | 5.00% | $12 |
| Ages 9-10 | 0.41% | 0.21% | 0.07% | 1.00% | 1.69% | 5.00% | $12 |
| Ages 11-12 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Ages 15-16 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Ages 17-18 | 0.39% | 0.21% | 0.07% | 1.00% | 1.67% | 5.00% | $12 |
| Ages 19+ | 0.35% | 0.21% | 0.07% | 1.00% | 1.63% | 5.00% | $12 |
| **Conservative Age-Based** | | | | | | | |
| Ages 0-2 | 0.40% | 0.21% | 0.07% | 1.00% | 1.68% | 5.00% | $12 |
| Ages 3-5 | 0.41% | 0.21% | 0.07% | 1.00% | 1.69% | 5.00% | $12 |
| Ages 6-8 | 0.41% | 0.21% | 0.07% | 1.00% | 1.69% | 5.00% | $12 |
| Ages 9-10 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Ages 11-12 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Ages 13-14 | 0.42% | 0.21% | 0.07% | 1.00% | 1.70% | 5.00% | $12 |
| Ages 15-16 | 0.39% | 0.21% | 0.07% | 1.00% | 1.67% | 5.00% | $12 |
| Ages 17-18 | 0.35% | 0.21% | 0.07% | 1.00% | 1.63% | 5.00% | $12 |
| Ages 19+ | 0.27% | 0.21% | 0.07% | 1.00% | 1.55% | 5.00% | $12 |

| Fee Structure B<br>Fee and Expense Table | Annual Asset-Based Fees | | | | | Additional Investor Expenses | |
|---|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[1] | Program Management Fees | State Fee | Annual Account Servicing Fee[2] | Total Annual Asset-Based Fees | Maximum CDSC Charge | Account Fee[3] (Waived for Alabama Residents) |
| **Individual Fund Portfolios** | | | | | | | |
| Bank Savings 529 Portfolio | 0.00% | 0.21% | 0.00% | 0.00% | 0.21% | none | $12 |
| State Street Institutional U.S. Government Money Market 529 Portfolio | 0.12% | 0.21% | 0.00% | 0.00% | 0.33% | none | $12 |
| PIMCO Short-Term 529 Portfolio | 0.47% | 0.21% | 0.07% | 0.75% | 1.50% | 2.00% | $12 |
| Northern Funds Bond Index 529 Portfolio | 0.07% | 0.21% | 0.07% | 1.00% | 1.35% | 5.00% | $12 |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | 0.36% | 0.21% | 0.07% | 1.00% | 1.64% | 5.00% | $12 |
| PGIM Total Return Bond 529 Portfolio | 0.39% | 0.21% | 0.07% | 1.00% | 1.67% | 5.00% | $12 |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | 0.43% | 0.21% | 0.07% | 1.00% | 1.71% | 5.00% | $12 |
| BlackRock High Yield Bond 529 Portfolio | 0.60% | 0.21% | 0.07% | 1.00% | 1.88% | 5.00% | $12 |
| AB Global Bond 529 Portfolio | 0.51% | 0.21% | 0.07% | 1.00% | 1.79% | 5.00% | $12 |
| T. Rowe Price Balanced 529 Portfolio | 0.47% | 0.21% | 0.07% | 1.00% | 1.75% | 5.00% | $12 |
| DFA Real Estate 529 Portfolio | 0.18% | 0.21% | 0.07% | 1.00% | 1.46% | 5.00% | $12 |
| Principal Global Real Estate 529 Portfolio | 0.88% | 0.21% | 0.07% | 1.00% | 2.16% | 5.00% | $12 |
| DFA U.S. Large Cap Value 529 Portfolio | 0.21% | 0.21% | 0.07% | 1.00% | 1.49% | 5.00% | $12 |
| Northern Funds Stock Index 529 Portfolio | 0.05% | 0.21% | 0.07% | 1.00% | 1.33% | 5.00% | $12 |
| T. Rowe Price Large-Cap Growth 529 Portfolio | 0.55% | 0.21% | 0.07% | 1.00% | 1.83% | 5.00% | $12 |
| Northern Mid-Cap Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 1.00% | 1.38% | 5.00% | $12 |
| T. Rowe Price Small Cap Value 529 Portfolio | 0.70% | 0.21% | 0.07% | 1.00% | 1.98% | 5.00% | $12 |
| Northern Funds Small Cap Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 1.00% | 1.38% | 5.00% | $12 |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | 0.66% | 0.21% | 0.07% | 1.00% | 1.94% | 5.00% | $12 |
| Northern Funds International Equity Index 529 Portfolio | 0.10% | 0.21% | 0.07% | 1.00% | 1.38% | 5.00% | $12 |
| Neuberger Berman International Select 529 Portfolio | 0.85% | 0.21% | 0.07% | 1.00% | 2.13% | 5.00% | $12 |
| DFA International Small Company 529 Portfolio | 0.39% | 0.21% | 0.07% | 1.00% | 1.67% | 5.00% | $12 |
| Vanguard Emerging Markets Select 529 Portfolio | 0.78% | 0.21% | 0.07% | 1.00% | 2.06% | 5.00% | $12 |
| Parametric Commodity Strategy 529 Portfolio | 0.65% | 0.21% | 0.07% | 1.00% | 1.93% | 5.00% | $12 |

[1]For registered mutual funds, in the absence of a change that would materially affect the information, based on the most recent fiscal year reported upon in the applicable fund's most recent prospectus dated on or prior to December 1, 2023, and for Portfolios invested in multiple registered mutual funds, based on a weighted average of each fund's total annual operating expenses, in accordance with the Portfolio's asset allocation as of the date of this Program Disclosure Statement.

[2]No Annual Account Servicing Fee is charged on the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio.

[3]An annual account fee of $12 will be deducted from your Account in November of each year. The annual account fee is waived if either the Account Owner or the Designated Beneficiary is an Alabama resident. If you close your Account during the year, you will be charged a pro-rated Account fee.

## HYPOTHETICAL EXPENSE EXAMPLE

The following table compares the approximate costs of investing in Fee Structure B within the Plan over different periods of time. Your actual costs may be higher or lower. The hypothetical chart assumes an initial $10,000 investment in a Plan Portfolio and a 5% annual rate of return, compounded annually on the net amount invested throughout the period. All expense ratios and asset allocations are assumed to remain the same for the duration of the periods.

The chart assumes that all withdrawals are made for Qualified Higher Education Expenses and, therefore, does not reflect the impact of potential federal, state, or local taxes. This hypothetical does not reflect actual expenses or performance from the past or future. Actual expenses may be higher or lower than those shown.

The $12 annual account fee is waived if either the Account Owner or Designated Beneficiary is an Alabama resident. Non-Alabama residents need to add an additional $12 to the One Year number; $36 to the Three Year number; $60 to the Five Year number; and, $120 to the Ten Year number in the Hypothetical Expense Table.

| HYPOTHETICAL EXPENSE EXAMPLE | Approximate Cost of a $10,000 Investment: One Year | | Three Year | | Five Year | | Ten Year | |
|---|---|---|---|---|---|---|---|---|
| | B[1] | B[2] | B[1] | B[2] | B[1] | B[2] | B[1] | B[2] |
| **Target Portfolios** | | | | | | | | |
| Fund 100 | $172 | $672 | $534 | $834 | $919 | $1,069 | $2,000 | $2,000 |
| Fund 80 | $172 | $672 | $534 | $834 | $919 | $1,069 | $2,000 | $2,000 |
| Fund 60 | $173 | $673 | $537 | $837 | $925 | $1,075 | $2,010 | $2,010 |
| Fund 40 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Fund 20 | $171 | $671 | $531 | $831 | $914 | $1,064 | $1,989 | $1,989 |
| Fixed Income Fund | $159 | $659 | $493 | $793 | $850 | $1,000 | $1,856 | $1,856 |
| **Age Based Portfolios** | | | | | | | | |
| **Aggressive Age-Based** | | | | | | | | |
| Ages 0-2 | $172 | $672 | $534 | $834 | $919 | $1,069 | $2,000 | $2,000 |
| Ages 3-5 | $172 | $672 | $534 | $834 | $919 | $1,069 | $2,000 | $2,000 |
| Ages 6-8 | $172 | $672 | $534 | $834 | $919 | $1,069 | $2,000 | $2,000 |
| Ages 9-10 | $173 | $673 | $537 | $837 | $925 | $1,075 | $2,010 | $2,010 |
| Ages 11-12 | $173 | $673 | $537 | $837 | $925 | $1,075 | $2,010 | $2,010 |
| Ages 13-14 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Ages 15-16 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Ages 17-18 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Ages 19+ | $171 | $671 | $531 | $831 | $914 | $1,064 | $1,989 | $1,989 |
| **Moderate Age-Based** | | | | | | | | |
| Ages 0-2 | $172 | $672 | $534 | $834 | $919 | $1,069 | $2,000 | $2,000 |
| Ages 3-5 | $172 | $672 | $534 | $834 | $919 | $1,069 | $2,000 | $2,000 |
| Ages 6-8 | $173 | $673 | $537 | $837 | $925 | $1,075 | $2,010 | $2,010 |
| Ages 9-10 | $173 | $673 | $537 | $837 | $925 | $1,075 | $2,010 | $2,010 |
| Ages 11-12 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Ages 13-14 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Ages 15-16 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Ages 17-18 | $171 | $671 | $531 | $831 | $914 | $1,064 | $1,989 | $1,989 |
| Ages 19+ | $167 | $667 | $518 | $818 | $893 | $1,043 | $1,945 | $1,945 |
| **Conservative Age-Based** | | | | | | | | |
| Ages 0-2 | $172 | $672 | $534 | $834 | $919 | $1,069 | $2,000 | $2,000 |
| Ages 3-5 | $173 | $673 | $537 | $837 | $925 | $1,075 | $2,010 | $2,010 |
| Ages 6-8 | $173 | $673 | $537 | $837 | $925 | $1,075 | $2,010 | $2,010 |
| Ages 9-10 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Ages 11-12 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Ages 13-14 | $174 | $674 | $540 | $840 | $930 | $1,080 | $2,021 | $2,021 |
| Ages 15-16 | $171 | $671 | $531 | $831 | $914 | $1,064 | $1,989 | $1,989 |
| Ages 17-18 | $167 | $667 | $518 | $818 | $893 | $1,043 | $1,945 | $1,945 |
| Ages 19+ | $159 | $659 | $493 | $793 | $850 | $1,000 | $1,856 | $1,856 |

[1]Assumes no redemption

[2]Assumes redemption at the end of the period

| Approximate Cost of a $10,000 Investment (continued) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **HYPOTHETICAL EXPENSE EXAMPLE** | One Year | | Three Year | | Five Year | | Ten Year | |
| | B[1] | B[2] | B[1] | B[2] | B[1] | B[2] | B[1] | B[2] |
| **Individual Fund Portfolios** | | | | | | | | |
| Bank Savings 529 Portfolio | $22 | $22 | $68 | $68 | $118 | $118 | $268 | $268 |
| State Street Institutional U.S. Government Money Market 529 Portfolio | $34 | $34 | $106 | $106 | $186 | $186 | $419 | $419 |
| PIMCO Short-Term 529 Portfolio | $154 | $354 | $477 | $577 | $824 | $824 | $1,801 | $1,801 |
| Northern Funds Bond Index 529 Portfolio | $138 | $638 | $430 | $730 | $744 | $894 | $1,632 | $1,632 |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | $168 | $668 | $521 | $821 | $898 | $1,048 | $1,956 | $1,956 |
| PGIM Total Return Bond 529 Portfolio | $171 | $671 | $531 | $831 | $914 | $1,064 | $1,989 | $1,989 |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | $175 | $675 | $543 | $843 | $935 | $1,085 | $2,032 | $2,032 |
| BlackRock High Yield Bond 529 Portfolio | $193 | $693 | $596 | $896 | $1,025 | $1,175 | $2,217 | $2,217 |
| AB Global Bond 529 Portfolio | $183 | $683 | $568 | $868 | $977 | $1,127 | $2,119 | $2,119 |
| T. Rowe Price Balanced 529 Portfolio | $179 | $679 | $556 | $856 | $956 | $1,106 | $2,076 | $2,076 |
| DFA Real Estate 529 Portfolio | $150 | $650 | $465 | $765 | $803 | $953 | $1,756 | $1,756 |
| Principal Global Real Estate 529 Portfolio | $221 | $721 | $683 | $983 | $1,170 | $1,320 | $2,513 | $2,513 |
| DFA U.S. Large Cap Value 529 Portfolio | $153 | $653 | $474 | $774 | $819 | $969 | $1,789 | $1,789 |
| Northern Funds Stock Index 529 Portfolio | $136 | $636 | $424 | $724 | $733 | $883 | $1,609 | $1,609 |
| T. Rowe Price Large-Cap Growth 529 Portfolio | $188 | $688 | $580 | $880 | $998 | $1,148 | $2,163 | $2,163 |
| Northern Mid-Cap Index 529 Portfolio | $141 | $641 | $440 | $740 | $760 | $910 | $1,666 | $1,666 |
| T. Rowe Price Small Cap Value 529 Portfolio | $203 | $703 | $627 | $927 | $1,077 | $1,227 | $2,323 | $2,323 |
| Northern Funds Small Cap Index 529 Portfolio | $141 | $641 | $440 | $740 | $760 | $910 | $1,666 | $1,666 |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | $199 | $699 | $615 | $915 | $1,056 | $1,206 | $2,281 | $2,281 |
| Northern Funds International Equity Index 529 Portfolio | $141 | $641 | $440 | $740 | $760 | $910 | $1,666 | $1,666 |
| Neuberger Berman International Select 529 Portfolio | $218 | $718 | $674 | $974 | $1,155 | $1,305 | $2,482 | $2,482 |
| DFA International Small Company 529 Portfolio | $171 | $671 | $531 | $831 | $914 | $1,064 | $1,989 | $1,989 |
| Vanguard Emerging Markets Select 529 Portfolio | $211 | $711 | $652 | $952 | $1,119 | $1,269 | $2,408 | $2,408 |
| Parametric Commodity Strategy 529 Portfolio | $198 | $698 | $612 | $912 | $1,051 | $1,201 | $2,270 | $2,270 |

[1]Assumes no redemption

[2]Assumes redemption at the end of the period

## PERFORMANCE

**How Have the Portfolios Performed?**

The following table shows the past performance for each of the Portfolios. Performance figures are shown reflecting the Plan's expenses and the expenses of the underlying investment funds, as well as the imposition of applicable sales charges and servicing fees. The performance figures below do not include the annual account fee. The information in the table reflects the performance of the Portfolios, some of which have changed over time. If the Portfolios had been invested in the investment funds in which they are currently invested throughout the periods for which performance is shown, the Portfolio's total returns would have been different.

**All of the performance data shown for the underlying funds represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate so that your Account may be worth less than the sum of your Contributions. For actual performance data of the investment Portfolios current to the most recent month-end, visit the Plan's website at CollegeCounts529advisor.com, or call 866.529.2228.**

Account Owners do not own shares of the underlying investments directly, but rather own shares in a Portfolio of the Program. As a result, the performance of the Portfolios will differ from the performance of the underlying investments, even in circumstances where a Portfolio invests in an individual mutual fund. This is due in part to the differences in the expense ratios of the underlying funds and the Portfolios.

Performance differences between a Portfolio and its underlying mutual funds may also result from differences in the timing of purchases. On days when Contributions are made to an Account, shares will be purchased in the underlying mutual fund(s) the next business day. This timing difference, depending on how the markets are moving, will cause the Portfolio's performance to either trail or exceed the underlying mutual fund's performance.

The performance information below does not include performance for the Parametric Commodity Strategy 529 Portfolio which was added to the Plan effective November 9, 2023. Performance information for the Portfolios is available to the most recent month-end on the Program's website at CollegeCounts529advisor.com.

| Fee Structure B | | Average Annual Total Returns September 30, 2023 | | | | | |
|---|---|---|---|---|---|---|---|
| **Portfolio** | **Inception Date** | **Year to Date** | **1 Year** | **3 Year** | **5 Year** | **10 Year** | **Since Inception** |
| **Age-Based Portfolios** | | | | | | | |
| **Aggressive Age-Based** | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 7.19% | 17.83% | 6.01% | 4.38% | n/a | 6.70% |
| Ages 3 - 5 | 9/28/2016 | 6.65% | 16.40% | 20.16% | 12.78% | n/a | 12.56% |
| Ages 6 - 8 | 9/28/2016 | 5.84% | 14.44% | 4.48% | 3.81% | n/a | 5.69% |
| Ages 9 - 10 | 9/28/2016 | 5.22% | 12.97% | 3.93% | 3.60% | n/a | 5.04% |
| Ages 11 - 12 | 9/28/2016 | 5.38% | 12.39% | 3.04% | 3.21% | n/a | 4.49% |
| Ages 13 - 14 | 9/28/2016 | 4.18% | 10.01% | 1.67% | 2.63% | n/a | 3.78% |
| Ages 15 - 16 | 9/28/2016 | 3.71% | 8.64% | 1.22% | 2.34% | n/a | 3.16% |
| Ages 17 - 18 | 9/28/2016 | 3.31% | 7.13% | 0.54% | 1.89% | n/a | 2.48% |
| Ages 19 + | 9/28/2016 | 2.86% | 5.80% | 0.12% | 1.51% | n/a | 1.88% |
| **Moderate Age-Based** | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 6.65% | 16.40% | 20.16% | 12.78% | n/a | 12.56% |
| Ages 3 - 5 | 9/28/2016 | 5.84% | 14.44% | 4.48% | 3.81% | n/a | 5.69% |
| Ages 6 - 8 | 9/28/2016 | 5.22% | 12.97% | 3.93% | 3.60% | n/a | 5.04% |
| Ages 9 - 10 | 9/28/2016 | 5.38% | 12.39% | 3.04% | 3.21% | n/a | 4.49% |
| Ages 11 - 12 | 9/28/2016 | 4.18% | 10.01% | 1.67% | 2.63% | n/a | 3.78% |
| Ages 13 - 14 | 9/28/2016 | 3.71% | 8.64% | 1.22% | 2.34% | n/a | 3.16% |
| Ages 15 - 16 | 9/28/2016 | 3.31% | 7.13% | 0.54% | 1.89% | n/a | 2.48% |
| Ages 17 - 18 | 9/28/2016 | 2.86% | 5.80% | 0.12% | 1.51% | n/a | 1.88% |
| Ages 19 + | 9/28/2016 | 2.38% | 4.26% | -0.52% | 0.93% | n/a | 1.06% |
| **Conservative Age-Based** | | | | | | | |
| Ages 0 - 2 | 9/28/2016 | 5.84% | 14.44% | 4.48% | 3.81% | n/a | 5.69% |
| Ages 3 - 5 | 9/28/2016 | 5.22% | 12.97% | 3.93% | 3.60% | n/a | 5.04% |
| Ages 6 - 8 | 9/28/2016 | 5.38% | 12.39% | 3.04% | 3.21% | n/a | 4.49% |
| Ages 9 - 10 | 9/28/2016 | 4.18% | 10.01% | 1.67% | 2.63% | n/a | 3.78% |
| Ages 11 - 12 | 9/28/2016 | 3.71% | 8.64% | 1.22% | 2.34% | n/a | 3.16% |
| Ages 13 - 14 | 9/28/2016 | 3.31% | 7.13% | 0.54% | 1.89% | n/a | 2.48% |
| Ages 15 - 16 | 9/28/2016 | 2.86% | 5.80% | 0.12% | 1.51% | n/a | 1.88% |
| Ages 17 - 18 | 9/28/2016 | 2.38% | 4.26% | -0.52% | 0.93% | n/a | 1.06% |
| Ages 19 + | 9/28/2016 | 2.10% | 2.93% | -0.42% | 0.46% | n/a | 0.24% |
| **Target Portfolios** | | | | | | | |
| Fund 100 | 8/2/2010 | 7.19% | 17.83% | 6.01% | 4.38% | 6.10% | 7.56% |
| Fund 80 | 8/2/2010 | 5.84% | 14.44% | 4.48% | 3.81% | 5.16% | 6.41% |
| Fund 60 | 8/2/2010 | 5.38% | 12.39% | 3.04% | 3.21% | 4.10% | 5.17% |
| Fund 40 | 8/2/2010 | 3.71% | 8.64% | 1.22% | 2.34% | 3.03% | 3.87% |
| Fund 20 | 8/2/2010 | 2.86% | 5.80% | 0.12% | 1.51% | 1.84% | 2.41% |
| Fixed Income Fund | 8/2/2010 | 2.10% | 2.93% | -0.42% | 0.46% | 0.02% | 0.15% |
| **Individual Fund Portfolios** | | | | | | | |
| Bank Savings 529 Portfolio | 7/1/2020 | 3.69% | 4.50% | 1.81% | n/a | n/a | 1.69% |
| State Street Institutional U.S. Government Money Market 529 Portfolio | 7/27/2016 | 3.52% | 4.33% | 1.61% | 1.45% | n/a | 1.21% |
| PIMCO Short-Term 529 Portfolio | 8/2/2010 | 3.80% | 4.49% | 0.59% | 0.82% | 0.77% | 0.68% |
| Northern Funds Bond Index 529 Portfolio | 8/2/2010 | -2.32% | -0.69% | -6.47% | -1.29% | -0.37% | 0.09% |
| Fidelity Advisor Investment Grade Bond 529 Portfolio | 10/10/2012 | -1.00% | 0.10% | -5.76% | -0.44% | 0.24% | -0.08% |
| PGIM Total Return Bond 529 Portfolio | 4/28/2020 | -0.45% | 1.50% | -5.82% | n/a | n/a | -3.73% |
| American Century Short Duration Inflation Protection Bond 529 Portfolio | 9/26/2013 | 0.19% | 1.08% | 0.52% | 1.46% | 0.32% | 0.32% |
| BlackRock High Yield Bond 529 Portfolio | 4/15/2021 | 5.39% | 9.35% | n/a | n/a | n/a | -1.69% |
| AB Global Bond 529 Portfolio | 4/15/2021 | -0.69% | 0.12% | n/a | n/a | n/a | -5.74% |
| T. Rowe Price Balanced 529 Portfolio | 8/2/2010 | 6.69% | 13.47% | 2.35% | 3.90% | 5.20% | 6.29% |
| DFA Real Estate Securities 529 Portfolio | 4/9/2019 | -6.63% | -3.24% | 1.57% | n/a | n/a | -0.31% |
| Principal Global Real Estate Securities 529 Portfolio | 4/9/2019 | -5.12% | -0.47% | -2.52% | n/a | n/a | -3.49% |
| DFA U.S. Large Cap Value 529 Portfolio | 2/6/2018 | 1.28% | 15.22% | 12.20% | 4.23% | n/a | 4.23% |
| Northern Funds Stock Index 529 Portfolio | 8/2/2010 | 11.97% | 20.07% | 8.73% | 8.39% | 10.30% | 11.24% |
| T. Rowe Price Large-Cap Growth 529 Portfolio | 8/2/2010 | 26.79% | 26.13% | 3.61% | 8.36% | 12.28% | 13.52% |
| Northern Funds Mid Cap Index 529 Portfolio | 8/2/2010 | 3.24% | 14.00% | 10.52% | 4.55% | 7.32% | 9.36% |
| T. Rowe Price Small Cap Value 529 Portfolio | 8/11/2021 | -1.55% | 2.73% | n/a | n/a | n/a | -8.39% |
| Northern Funds Small Cap Index 529 Portfolio | 8/2/2010 | 1.56% | 7.60% | 5.78% | 0.93% | 5.08% | 7.72% |
| T. Rowe Price Integrated U.S. Small-Cap Growth Equity 529 Portfolio | 9/28/2016 | 6.67% | 14.06% | 3.17% | 2.99% | n/a | 7.38% |
| Northern Funds International Equity Index 529 Portfolio | 8/2/2010 | 5.57% | 24.62% | 4.38% | 1.86% | 2.36% | 3.50% |
| Neuberger Berman International Select 529 Portfolio | 8/2/2010 | 2.64% | 17.38% | 0.08% | 1.73% | 2.62% | 3.60% |
| DFA International Small Company 529 Portfolio | 10/10/2012 | 2.27% | 19.97% | 3.62% | 0.68% | 3.14% | 5.02% |
| Vanguard Emerging Markets Select Stock 529 Portfolio | 4/9/2019 | 3.20% | 14.71% | 0.04% | n/a | n/a | -0.75% |

**Contingent Deferred Sales Charge**

Under Fee Structure B, no initial sales charge will be imposed when a Contribution is made to an Account. As a result, the full amount of a Contribution will be used to purchase Fee Structure B units. However, a contingent deferred sales charge will be imposed at the time of a withdrawal from a Fee Structure B Account as set forth in the table below.

| Years Since Contribution | Fee Structure B | Fee Structure B* |
|---|---|---|
| 0 – 1 | 5.00% | 2.00% |
| 1 – 2 | 4.00% | 1.50% |
| 2 – 3 | 3.00% | 1.00% |
| 3 – 4 | 2.50% | 0.50% |
| 4 – 5 | 1.50% | 0.00% |
| 6 and thereafter | 0.00% | 0.00% |

*Contingent deferred sales charge applicable to Fee Structure B Accounts in the PIMCO Short Term 529 Portfolio. No contingent deferred sales charge is applicable to Accounts in the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio.

For each withdrawal that is subject to a contingent deferred sales charge, such sales charge will apply to the lower of the original amount of the Contribution and the amount of the withdrawal. As a result, the contingent deferred sales charge will not apply to any appreciation in the value of a Contribution above its original value. In determining whether a contingent deferred sales charge applies to a withdrawal from a particular Account, the units that have been held in the Account the longest period of time will be treated as redeemed first and the units that have been held in the Account for the shortest period of time will be treated as redeemed last. This approach generally will result in the lowest amount of contingent deferred sales charges being paid. However, this approach only applies to the calculation of any applicable contingent deferred sales charge and will not impact the calculation of earnings in an Account for tax purposes.

If an Account Owner changes the Portfolio in which an Account is invested from another Portfolio to the Bank Savings 529 Portfolio, the State Street Institutional U.S. Government Money Market 529 Portfolio or the PIMCO Short Term 529 Portfolio, or from the Bank Savings 529 Portfolio, the State Street Institutional U.S. Government Money Market 529 Portfolio or the PIMCO Short Term 529 Portfolio to another Portfolio, the contingent deferred sales charge will be determined by applying the contingent deferred sales charge in the table above applicable to the Plan's Portfolios other than the Bank Savings 529 Portfolio, the State Street Institutional U.S. Government Money Market 529 Portfolio and the PIMCO Short Term 529 Portfolio.

Under Fee Structure B, your financial advisor will be paid a 4.00% commission by the Program Manager on new Contributions to your Fee Structure B Account, except for Contributions to the Bank Savings 529 Portfolio, the State Street Institutional U.S. Government Money Market 529 Portfolio or the PIMCO Short Term 529 Portfolio. For Fee Structure B Accounts invested in the PIMCO Short Term 529 Portfolio, your financial advisor will receive a 2.00% commission on new Contributions. No commission will be paid on Contributions to Accounts in the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio. The Program Manager will pay any selling agent commissions from its own funds and not from Contributions or the Plan's assets.

In the case of a Designated Beneficiary who receives a refund of any Qualified Higher Education Expenses from an Eligible Educational Institution and recontributes the refunded amount, the amount recontributed will not be subject to a contingent deferred sales charge nor will a commission be paid on the recontributed amount.

In addition to the amounts, as set forth in the table above, Fee Structure B Accounts are subject to an annual servicing fee in an amount equal to 1.00% of the aggregate average fair market value of assets in the Account, except for Accounts invested in the Bank Savings 529 Portfolio, the State Street Institutional U.S. Government Money Market 529 Portfolio or the PIMCO Short Term 529 Portfolio. For Accounts invested in the PIMCO Short Term 529 Portfolio, the annual servicing fee will be equal to 0.75%. No annual servicing fee will be charged on Accounts invested in the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio.

Your financial advisor will receive a reallowance in the amount of 0.25% of the aggregate average fair market value of assets held in your Fee Structure B Account, except for Accounts invested in the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio. No reallowance will be payable for Accounts invested in the Bank Savings 529 Portfolio or the State Street Institutional U.S. Government Money Market 529 Portfolio.

Under Fee Structure B, contingent deferred sales charges will be waived: (a) for withdrawals that are made within one year of the death or disability (as defined by the Code) of the Account Owner or the Designated Beneficiary, as applicable; (b) for withdrawals made as a result of the receipt of a scholarship or as a result of attendance at a U.S. Military Academy, and (c) in connection with the closing of an Account initiated by the Board or the Program Manager (except for Account closings initiated by the Board or the Program Manager because the Account Owner has provided false or misleading information to the Board or the Program Manager). To receive a contingent deferred sales charge waiver, you or your financial advisor must let the Program Manager know at the time you make a withdrawal that you qualify for such a waiver. You will receive the contingent deferred sales charge waiver upon receipt of such notification and the Program Manager's determination, in its sole discretion, of your eligibility. These contingent deferred sales charge waivers may be amended or terminated at any time without prior notice.

**Conversion to Fee Structure A**

Approximately eight (8) years after the initial Contribution to an Account under Fee Structure B (or Unit Class B under the Prior Plan), the Program Manager will establish a separate Account that will be assigned to Fee Structure A. The Fee Structure A Account which the Program Manager establishes will also be governed by the Account Agreement, as amended and supplemented as of the date of establishment of that Account and from time to time thereafter. Fee Structure B units will then be transferred to that Account in the month following the eighth anniversary of the purchase date. The converted Fee Structure B units will then be subject to the annual servicing fee applicable to Fee Structure A Accounts (i.e., 0.25%) and will no longer be subject to the annual servicing fee applicable to Fee Structure B Accounts. No initial sales charge, contingent deferred sales charge, fee or other expenses will be incurred in connection with the conversion of Fee Structure B units to Fee Structure A units. The conversion of Fee Structure B units to Fee Structure A units under these circumstances will not be treated as a withdrawal, nor will it be treated as a taxable event for federal income tax purposes.

# COLLEGECOUNTS 529 FUND ADVISOR PLAN - ADDITIONAL INFORMATION REGARDING FINANCIAL PRIVACY

Offering excellent service along with protecting your privacy is important to the CollegeCounts 529 Fund Advisor Plan ("Plan").

When you do business with the Plan you are asked to provide us with personal information. This information is important because it helps us to effectively process your transactions and helps efforts to prevent access to personal financial information by unauthorized persons. We also gather certain information to comply with laws and regulations that govern the financial services industry.

Union Bank and Trust Company, as the Program Manager of the Plan, provides the day-to-day administrative services of the Plan, including the gathering of personal information to effectively serve our customers. We may disclose information we have collected to companies who help us maintain and service your Account. For example, we may share information with other companies and professionals who need information to process your Account and provide other record keeping services. Each company with whom we share information has agreed to abide by the following and is strictly prohibited from disclosing or using the information for any purpose other than the purposes for which it is provided to them.

As an Account Owner of the Plan, this details how we use and safeguard the information you provide to us.

If you have any questions about Union Bank and Trust Company's Financial Privacy Policy, please contact the Plan at 866.529.2228.

## THE INFORMATION WE COLLECT

We collect information about you from the following sources:

- Information you give us on applications or other forms
- Information about your transactions with us

## DISCLOSURE OF INFORMATION

The Plan does not disclose the personal information of current or former Account Owners and/or Designated Beneficiaries to any other person outside the Plan, unless you consent or it is permitted under applicable federal and state laws. The Plan may also disclose your personal information if it is allowed or required by its contract with the state of Alabama, or as requested by the Treasurer. With your consent or if allowed by law, we will provide your personal information to the financial advisor you designate.

## CONFIDENTIALITY AND SECURITY

We restrict access to information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to protect this information.

## OUTSIDE SERVICE PROVIDERS/MARKETERS

We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

CollegeCounts
ADVISOR-GUIDED 529 FUND

P.O. Box 85290 • Lincoln, NE 68501-5290

Offered by the
State of Alabama

UBT 529 Services, a Division of
UBT
Union Bank & Trust
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