

# Invest529<sup>®</sup>

## Program Description and Privacy Policy



As of September 16, 2021

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## Important Notice

This Program Description, the Account Agreement, the Application and the Privacy Policy do not constitute an offer to sell or the solicitation of an offer to buy any security other than an investment in the Invest529 program offered hereby, nor does it constitute an offer to sell or the solicitation to any person in any jurisdiction or under any circumstances in which it would be unlawful.

No security issued by the Virginia College Savings Plan (the Plan or Virginia529) has been registered with or approved by the United States Securities and Exchange Commission (SEC) or any state securities commission. Further, neither the Accounts nor this Program Description, Account Agreement, Application or Privacy Policy are subject to oversight by the Financial Industry Regulatory Authority (FINRA) or the Municipal Securities Rulemaking Board (MSRB).

There are investment, tax, and other risks associated with opening an Invest529 Account. Your investment in Invest529 Market Portfolios is not guaranteed, and is not Federal Deposit Insurance Corporation (FDIC) insured (with the exception of the FDIC-Insured Portfolio up to maximum allowable amounts) so it may lose value. Contributions to the Tuition Track Portfolio are not guaranteed or FDIC insured and include tax and other risks, including the risk that Average Tuition will decline in some years; however, this Portfolio is designed to return no less than the principal amount invested in the Portfolio. Virginia law provides that a sum sufficient appropriation must be included by the Governor in his/her annual proposed stated budget bill for the purpose of ensuring that the Plan can meet its current obligations, including Tuition Track Portfolio contractual obligations in the event of a funding shortfall.

Customers should obtain all enrollment materials, including this Program Description, and read them carefully before investing. You should keep the documents for future reference. Prospective participants should seek the advice of a professional concerning any financial, tax or legal implications related to opening an Account. **For non-Virginia residents: before investing, consider whether your or the Beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds and protections from creditors that are only available for investments in that state's Qualified Tuition Program (QTP).**

The information contained in the Program Description is believed to be accurate as of the date of the Program Description and is subject to change without prior notice. Account Owners should rely only on the information contained in the Program Description. No one is authorized to provide information about Invest529 that is different from the information contained in the Program Description. Please visit our web site, [Virginia529.com](http://Virginia529.com) or call customer service to obtain a copy of the most current Program Description. Third-party web sites referenced in this Program Description are not operated by Virginia529 and Virginia529 is not responsible for their content.

Virginia529 cannot and does not provide legal, financial or tax advice and the following information should not be considered advice to Account Owners with respect to ownership of or transactions in a Virginia529 Account.

**Section 529 QTPs are intended to be used only to save for Qualified Higher Education Expenses. These Programs are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.**

**Investing is an important decision. Account Owners should periodically assess, and if appropriate, align their investment choices with their time horizon, risk tolerance and investment objectives in mind. The current Portfolios offered through Invest529 were designed for college savers. If you choose to invest to cover the cost of tuition expenses for elementary or secondary public, private or religious schools or qualified expenses for Registered Apprenticeship Programs you should keep in mind your investment horizon. Please read this document in its entirety before making an investment decision.**

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# Invest529

## Program Description

As of September 16, 2021

This Program Description contains important information you should review before participating in the Invest529<sup>SM</sup> program (Invest529), sponsored by the Virginia College Savings Plan<sup>®</sup> (Virginia529<sup>®</sup>). Please read it carefully and keep it for future reference. No one is authorized to provide information that is different from the information contained in this Program Description. If you speak with an interpreter provided by Virginia529, please be advised that Virginia529 is not responsible for any miscommunication of facts concerning Invest529 during such conversations. The information in this Program Description is believed to be accurate as of the date of issuance and is subject to change without notice. By statute, Invest529 Accounts are not deposits or obligations of, or insured or guaranteed by, Virginia529, the Commonwealth of Virginia or any agency or instrumentality thereof, the United States government, any financial institution, the Federal Deposit Insurance Corporation (FDIC) (with the exception of the FDIC-Insured Portfolio up to the maximum allowable amount) or any other federal or state governmental agency, entity or person. Neither the Board of Virginia529 nor the Commonwealth of Virginia has a legal or moral obligation to ensure the payout of any amount of any Contribution or earnings to an Account, or guarantees that there will be any investment return, or investment return at any particular level, with respect to any Account.

Invest529 Market Portfolio Accounts involve investment risk and may lose value. The value of your Market Portfolio Account will vary depending on market conditions and the performance of the investment option you select, and it may be more or less than the amount you deposited. You could lose money – including the principal you invest – or not make money if you invest in Invest529. **Past performance of investments is not an indicator of future returns.**

Contributions in the Tuition Track Portfolio Accounts are not guaranteed or FDIC insured and include tax and other risks including the risk that Average Tuition will decline in some years; however, this Portfolio is designed to return no less than the principal amount invested in the Portfolio. Virginia law provides that a sum sufficient appropriation must be included by the Governor in his/her annual proposed stated budget bill for the purpose of ensuring that the Plan can meet its current obligations, including Tuition Track Portfolio contractual obligations, in the event of a funding shortfall.

**Virginia529 cannot provide legal, financial or tax advice concerning individual investment decisions.**

Invest529 is designed and is administered to comply with all requirements for treatment as a Qualified Tuition Program (QTP) under Section 529 of the Internal Revenue Code of 1986, as amended (IRC Section 529). As of the date of this printing, the Internal Revenue Service (IRS) has not issued final regulations concerning the application of IRC Section 529 to Qualified Tuition Programs. Final regulations, changes to the Internal Revenue Code (IRC), changes to the Code of Virginia or state or federal court decisions could affect the tax consequences of participation in a Qualified Tuition Program like Invest529. Such changes could be retroactive. Virginia529 may modify Invest529 as necessary in the future to comply with any such changes in order to preserve, if possible, favorable tax treatment.

In addition to Invest529, Virginia529 administers Prepaid529<sup>®</sup>, a prepaid tuition program; CollegeAmerica<sup>®</sup>, a college savings program featuring the American Funds<sup>®</sup> mutual fund portfolios, offered exclusively through authorized brokers and financial advisors; and CollegeWealth<sup>®</sup>, accounts previously opened through BB&T. Virginia529 continues to administer the CollegeWealth and Prepaid529 programs, however, both closed to new customers in 2017 and 2019 respectively. Prepaid529, CollegeAmerica and CollegeWealth are not described in this Program Description. For more information about Prepaid529 or CollegeWealth, please call Virginia529 customer service or visit [Virginia529.com](http://Virginia529.com). For information on CollegeAmerica, please contact your financial advisor or visit the American Funds website at [AmericanFunds.com/529](http://AmericanFunds.com/529) or call 1-800-421-0180, ext. 529.

The Virginia individual income tax deduction for Contributions to an Invest529 Account is available only to Virginia taxpayers who are Account Owners. **For non-Virginia residents: before investing, consider whether your or the Beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds and protections from creditors that are only available for investments in that state's Qualified Tuition Program.**

Please consult your financial or tax advisor for further information.

## Glossary of Terms

All terms defined in this Glossary shall, when capitalized in this Program Description, have the meaning defined in this section.

**“Account”** is the separate Invest529 account set up for each Portfolio by an Account Owner. Since each Account can have only one Portfolio, the same Account Owner may have multiple Accounts for the same Beneficiary in different Portfolios. Each investment by the same Account Owner will result in a separate Account as long as the Account Owner, the Beneficiary or the Portfolio is different. The same Account Owner may not establish multiple Accounts for the same Beneficiary in the same Portfolio.

**“Account Owner”** is defined as “Contributor” in Section 23.1-700 of the Code of Virginia (1950), as amended, means a person who is at least eighteen (18) years of age and is either a U.S. citizen or a legal U.S. resident, or a corporation, partnership, trust, charitable organization, or any other persons described in Section 7701(a)(1) of the Internal Revenue Code of 1986, as amended (26 U.S.C. Section 7701(a)(1)), and who is reflected on Virginia529’s records as the owner of record of the Account. There may only be one Account Owner per Invest529 Account. Trustees or other fiduciaries are responsible for determining whether the terms of a trust allow ownership of an Invest529 Account. Virginia529 will not interpret trust documents and the trustee or other fiduciary bears all liability for such determination. Any person or entity may make Contributions to an Invest529 Account, but only the Account Owner may execute all other Invest529 Account transactions, including Rollovers, transfers, investment option changes, cancellations, Withdrawals, or refund requests. All Contributions are deemed to come from the Account Owner for all state tax reporting and other administrative purposes regardless of the source of the funds for the Contribution. Individuals who are not Account Owners have not established a customer relationship with Invest529 and have no legal rights with regard to an Invest529 Account. Any requests to change the Account Owner must be signed by both the current Account Owner (or the current Account Owner’s personal representative) and the new designated Account Owner.

- *Tuition Track Portfolio: To open a Tuition Track Portfolio Account, either the Account Owner or the Beneficiary must be a Resident of Virginia, as that term is defined in this Program Description, at the time the Account is opened.*

**“Active Management”** is an approach to investment management which aims to outperform a particular market index or Benchmark through Asset Allocation and/or security selection decisions.

**“Agreement”** is the Program Description, as amended from time to time, including the Invest529 Account Agreement and the Application.

**“Application”** is the process (whether online or by paper copy) completed by the Account Owner and submitted to open an Invest529 Account for a designated Beneficiary.

**“Asset Allocation”** is the way an investment Portfolio is divided among various Asset Classes, such as cash investments, Bonds, and stocks. Also known as investment mix.

**“Asset Classes”** are the general categories of investments. The three major Asset Classes are cash investments, Bonds, and stocks.

**“Asset Management Fee”** is the weighted average of an underlying Fund’s annual operating expense expressed as a percentage of average net assets or a separate account’s asset-based fee. The Asset Management Fee includes asset management fees of the underlying Funds, Fund administrative fees, and any marketing and distribution fees (also known as asset-based sales charges).

**“Average Tuition”** is the weighted average of Tuition based on the number of full-time equivalent undergraduate in-state students enrolled at each four-year Virginia Public Institution. Average Tuition is determined annually by multiplying the Tuition at each four-year Virginia Public Institution by that Institution’s enrollment percentage of full-time equivalent undergraduate in-state students and then summed to reach the academic year’s weighted average Tuition. Virginia529, in its sole discretion, may adjust the formula for determining Average Tuition from time to time.

**“Benchmark”** is an unmanaged group of securities whose overall performance is used as a standard to measure investment performance.

**“Beneficiary”** is an individual who is named as the designated Beneficiary on the Application as provided for in this Program Description, and who is entitled to receive the benefits from an Invest529 Account. A Beneficiary must be either a U.S. citizen or a legal U.S. resident. A Beneficiary must have been born at the time the Beneficiary is named. An Account Owner may change the Beneficiary of an Account at any time by completing a Beneficiary Change form as provided for in this Program Description.

- *Tuition Track Portfolio: To open a Tuition Track Portfolio Account, in addition to the other requirements already mentioned in this definition, either the Account Owner or the Beneficiary must be a Resident of Virginia at the time the Account is opened. In addition, Accounts may not be opened for a Tuition Track Portfolio nor may Tuition Track Units be purchased with Contributions after the June 30th preceding the Expected Usage Date.*

**“Board”** is the Board of Virginia529.

**“Bond”** is a debt instrument or security which pays interest which may be fixed or variable.

**“Bond Fund”** is a Mutual Fund which invests in Fixed Income Securities.

**“Business Day”** is any day on which Virginia529 is open for carrying on substantially all of its functions and excludes Saturdays, Sundays, and most state holidays.

- Market Portfolios: Contributions may not be invested and Withdrawals may not be completed on normal Business Days that Virginia529 is open but the New York Stock Exchange (NYSE) is closed.

**“Contributions”** are funds contributed to an Account for the benefit of a Beneficiary to pay for (i) the Beneficiary’s Qualified Higher Education Expenses at an Eligible Educational Institution (EEI), (ii) fees, books, supplies and equipment required for the participation of a Beneficiary in a Registered Apprenticeship Program, (iii) up to \$10,000 per year of tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private or religious school, and (iv) up to \$10,000 in amounts paid as principal or interest on any Student Loan of the designated Beneficiary or a Sibling of the designated Beneficiary. Contributions must be in the form of cash, not property or Securities.

**“Current Value”** is the Withdrawal value of all Tuition Track Units at any point in time for a Tuition Track Portfolio Account. The Current Value depends on how long each Tuition Track Unit has been held in the Account and whether the Expected Usage Date has been reached. See also “Tuition Track Portfolio,” “Maturity Value” and “Maturity Date.”

**“Designated Survivor”** is the person who will assume Account ownership in the event of the Account Owner’s death. The Designated Survivor may be named by the Account Owner on the Application or by the Account Owner by submitting a Designated Survivor form. At the time they are named as such, Designated Survivors must be eligible to become Account Owners pursuant to the terms of this Agreement. The Designated Survivor does not have any control over or access to information about the Invest529 Account until and unless they become the Account Owner.

**“Disabled”** or **“Disability”** for the purposes of IRC Section 529, refers to a Beneficiary who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be Disabled unless proof of the existence thereof in such form and manner as may be required by applicable regulations is furnished.

**“Eligible Educational Institution”** (EEI) follows the definition of that term as found in IRC Section 529. Generally, the term includes accredited post-secondary educational institutions offering credit toward a bachelor’s degree, an associate’s degree, a graduate level or professional degree, or another recognized post-secondary credential. Certain proprietary institutions and post-secondary vocational institutions are also Eligible Educational Institutions. The institution must be eligible to participate in a student financial aid program under Title IV of the Higher Education Act of 1965 (20 U.S.C. Section 1088). A complete list of such institutions can be found at [fafsa.ed.gov](http://fafsa.ed.gov). Elementary and secondary public, private or religious schools are not considered Eligible Educational Institutions.

**“Equity”** is an investing term, often a synonym for stock, which means ownership in a company.

**“Expected Usage Date”** is the July 1st of the designated Beneficiary’s projected high school graduation year based on information provided in the Application or any related information with regard to a substitute Beneficiary in the event of a transfer.



**“Expense Ratio”** is a Portfolio’s annual operating expenses expressed as a percentage of average net assets. The Expense Ratio includes Asset Management Fees and the Virginia529 Invest529 Administrative Fee and is applicable to Invest529 Market Portfolios.

- *Tuition Track Portfolio: The Expense Ratio does not apply to the Tuition Track Portfolio as it does not accrue either Asset Management Fees or the Virginia529 Invest529 Administrative Fee.*

**“Fixed Income Securities”** are investments in debt instruments, such as Bonds, that pay specific interest rates.

**“Fund(s)”** are the Mutual Funds, limited partnerships or separately managed investment accounts in which assets of the Market Portfolios are invested.

**“Global Fund”** is a Mutual Fund that invests in stocks of companies both in the United States and in foreign countries.

**“Growth Fund”** is a Mutual Fund whose primary investment objective is growth of capital. It invests primarily in common stocks with growth potential.

**“High-Yield Fund”** is a Mutual Fund that invests primarily in Bonds with a credit rating of BB or lower. Because of the more speculative nature of high-yield Bonds, high-yield funds are subject to greater share price volatility and greater credit risk than other types of Bond funds.

**“Invest529 Administrative Fee”** is the fee, expressed as a percentage of average net assets, charged by Virginia529 to offset Virginia529’s general operating expenses and is applicable to all Invest529 Market Portfolios.

- *Tuition Track Portfolio: The Invest529 Administrative Fee does not apply to the Tuition Track Portfolio.*

**“Index Fund”** is a type of Mutual Fund that seeks to “track” the performance of a particular market index by buying and holding all or a representative sample of the Securities that appear in the index.

**“Inflation-Indexed Securities”** are Bonds issued by the U.S. government, government agencies, or corporations whose principal or interest payments – unlike those of conventional Bonds – are adjusted over time to reflect inflation.

**“International Fund”** is a Mutual Fund that invests in stocks of companies outside of the United States. Foreign markets present additional risks, including currency fluctuation and political instability. In the past, these risks have made prices of foreign stocks more volatile than those of U.S. stocks.

**“Investment Grade”** is a Bond whose credit quality is considered to be among the highest by independent Bond-rating agencies.

**“Market Capitalization”** is a determination of a company’s value, calculated by multiplying the total number of company stock shares outstanding by the price per share. Also called capitalization.

**“Market Fixed Income”** is a wide spectrum of public Investment Grade, taxable, Fixed Income Securities in the United States including government, corporate, and international dollar-denominated Bonds, as well as mortgage-backed and asset-backed Securities, all with maturities of more than one year.

**“Market Portfolio”** means all Portfolios offered through the Invest529 program **except** the Tuition Track Portfolio.

**“Market Unit”** is an ownership interest in an Invest529 Market Portfolio. The value of a Market Unit in an Invest529 Account is determined each Business Day by its Net Asset Value. See also “Net Asset Value.”

**“Maturity Date”** is the date on which a Tuition Track Unit in a Tuition Track Portfolio Account has reached maturity, i.e. the Expected Usage Date has been reached **AND** the Tuition Track Unit has been held for three (3) or more years. If Tuition Track Units were purchased with Contributions on multiple dates, multiple Maturity Dates will be associated with the Account. Withdrawals are paid one a “first in, first out” basis.

**“Maturity Value”** is determined by multiplying the then-current Tuition Track Unit Price by the number of Tuition Track Units in a Tuition Track Portfolio Account which have reached their Maturity Date. Maturity Value for any Tuition Track Unit is only payable after the Expected Usage Date is reached **AND** the Tuition Track Units have been held for three (3) or more years. Maturity Value will not be less than Contributions plus Tuition Track Interest.

**“Maximum Account Balance”** is defined as the total combined balance of all Accounts for a single Beneficiary in all Virginia529 programs (which includes Invest529, Prepaid529, CollegeAmerica and CollegeWealth). Once this amount reaches \$500,000 (including earnings), additional Contributions or Rollovers into the Account(s) will not be accepted unless the aggregate value drops below the Maximum Account Balance.

**“Maximum Tuition Track Portfolio Unit Balance”** is the total number of Tuition Track Units which may be purchased with Contributions on behalf of any Beneficiary, as determined by the Board, and is currently set at 1,000 Units. The Maximum Tuition Track Portfolio Unit Balance is subject to the Maximum Account Balance.

**“Member of the Family”** is defined by IRC Section 529 as follows: 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 Beneficiary or the spouse of any individual described above; or a first cousin of the Beneficiary. For purposes of determining who is a Member of the Family, a legally adopted child of an individual shall be treated as the child of such individual by blood. The terms “brother” and “sister” include half-brothers and half-sisters.

**“Mutual Fund”** is an investment vehicle that pools shareholder money and invests it in a variety of Securities. Each investor owns shares of the fund, and can buy or sell these shares at any time.

**“Net Asset Value”** (NAV) is the value of each Market Unit in a Market Portfolio calculated after 4:00 p.m. ET on each Business Day the New York Stock Exchange is open. The Net Asset Value is computed by dividing the total value of each Fund that makes up a Market Portfolio, plus any receivables and less any liabilities of the Market Portfolio, by the number of outstanding Market Units of the Market Portfolio. The Net Asset Value for a Market Portfolio applicable to calculations related to an Invest529 Account, including Contributions and both Qualified and Non-Qualified Withdrawals, is the Net Asset Value calculated for that Market Portfolio for the same Business Day the Contribution is actually invested on behalf of the Account Owner in the Market Portfolio selected or the amount to be distributed is actually withdrawn from the Market Portfolio.

- *Tuition Track Portfolio: The term “Net Asset Value” is not applicable to the Tuition Track Portfolio. The Tuition Track Unit Price changes on an annual, rather than daily, basis.*

**“Non-Qualified Withdrawal”** is a Withdrawal from an Invest529 Account made for any reason other than for: (1) the properly documented Qualified Higher Education Expenses of the Beneficiary or (2) a qualified Rollover to another Qualified Tuition Program (including an existing Prepaid529 account) or a Qualified ABL Program. Non-Qualified Withdrawals will be subject to federal income tax on the earnings and Virginia state income tax on the earnings for Virginia taxpayers, as well as a federal penalty of 10% of the earnings, reported on the taxpayer’s federal tax return. Non-Qualified Withdrawals may require the recapture of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to an Invest529 Account. Virginia529 does not determine whether a Withdrawal is Qualified or Non-Qualified. Non-Qualified Withdrawals due to a Beneficiary’s death, Disability or receipt of a scholarship (including attendance at a U.S. military academy) will not be subject to the 10% federal penalty on earnings. Scholarship Withdrawals are limited to the amount of the scholarship. The taxpayer is solely responsible for properly documenting expenses and determining whether a Withdrawal is a Qualified Withdrawal or Non-Qualified Withdrawal. Virginia529 does not perform these duties for taxpayers.

**“Passive Management”** is an approach to investment management which aims to replicate a particular market index or Benchmark and does not attempt to actively manage the portfolio.

**“Pending Settlement Period”** is addressed in the “Contributing to an Account” and “Withdrawals from an Account” sections.

**“Portfolio”** or **“Invest529 Portfolio”** is one of the investment options available to an Invest529 Account Owner. New Portfolios may be created periodically by Virginia529. Virginia529 reserves the right to make changes to the Asset Allocations of any Portfolio or to change or add investment managers or Mutual Funds at any time if it deems it appropriate to do so, and is not required to provide advance notice to Account Owners before making such changes. Virginia529 may also close Portfolios and move those Accounts into a Portfolio it deems comparable. Notice of any material change in the Asset Allocations of the Portfolios or the investment managers or Mutual Funds described in this Program Description will be provided to Account Owners as soon as it is reasonably practical to do so. Such notification may be made via Virginia529’s web site, [Virginia529.com](http://Virginia529.com).



**“Qualified Withdrawal”** is a distribution made for expenses treated as Qualified Higher Education Expenses under IRC Section 529 including: (i) Qualified Higher Education Expenses of the designated Beneficiary at an Eligible Educational Institution, (ii) fees, books, supplies and equipment required for the participation of a Beneficiary in a Registered Apprenticeship Program, (iii) up to \$10,000 per year of tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school as determined under applicable state law, (iv) up to \$10,000 in amounts paid as principal or interest on any Student Loan of the Beneficiary or a Sibling of the Beneficiary, or (v) a qualified Rollover to another Qualified Tuition Program or a Qualified ABL Program. The taxpayer is solely responsible for properly documenting expenses and determining whether a Withdrawal is a Qualified Withdrawal or Non-Qualified Withdrawal. Virginia529 does not perform these duties for taxpayers.

**“Qualified Higher Education Expenses”** are expenses allowed under IRC Section 529. Generally, these include the following: (1) tuition, all mandatory fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution; (2) expenses for special needs services in the case of a special needs Beneficiary which are incurred in connection with such enrollment or attendance; (3) computers, peripheral equipment, software, and internet service and related services as long as the computer, peripheral equipment, software and internet services and related services are primarily used by the Beneficiary during any of the years the Beneficiary is attending an Eligible Educational Institution (however, computer software designed for sports, games or hobbies are not considered Qualified Higher Education Expenses unless they are predominately educational in nature); and (4) the costs of room and board of a Beneficiary during any academic period during which the Beneficiary is enrolled at least half-time in a degree, certificate, or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution. The allowable amount of room and board expenses for students living on campus is the actual amount invoiced by the Eligible Educational Institution. For students who live off campus or at home, the allowable amount for room and board expenses is the applicable room and board amount for that period used by the Eligible Educational Institution in determining its cost of attendance. A student will be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing as determined under the standards of the institution where the student is enrolled. The institution’s standard for a full-time workload must equal or exceed the standard established by the Department of Education under the Higher Education Act and set forth in 34 Code of Federal Regulations Section 674.2(a).

Generally, an Eligible Educational Institution is any college, university, vocational school, graduate or professional school, or other postsecondary educational institution eligible to participate in a student aid program administered by the Department of Education. Qualified Withdrawals may be applied at certain foreign institutions of higher education on a case-by-case basis. Please contact the higher education institution or check the Department of Education web site at [fafsa.ed.gov](http://fafsa.ed.gov) for specific information or to determine if the institution is an Eligible Educational Institution. Elementary and secondary public, private or religious schools are not considered Eligible Educational Institutions.

Recent changes to IRC Section 529 extend favorable “Qualified Higher Education Expenses” treatment to Withdrawals for (i) fees, books, supplies and equipment required for the participation of a Beneficiary in a Registered Apprenticeship Program, (ii) up to \$10,000 per taxable year of tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school as determined under applicable state law, and (iii) up to \$10,000 in amounts paid as principal or interest on any Student Loan (a qualified education loan, as that term is defined in Section 221(d) of the IRC) of the designated Beneficiary or a Sibling of the designated Beneficiary. A Sibling for purposes of qualified Student Loan repayments means a brother, sister, stepbrother, or stepsister of the designated Beneficiary.

The \$10,000 limitation for both public, private, or religious schools and Student Loan repayments applies on a per-student basis, rather than a per-account basis. Although an individual may be the designated Beneficiary of multiple accounts (or a Sibling of a Beneficiary in the case of Student Loan repayments) that individual may receive a maximum of \$10,000 in Withdrawals without federal tax consequences, regardless of whether the funds are withdrawn from a single or multiple accounts. The information presented about these recent tax changes is based on a good faith interpretation of the statutory language. As of the date of this Program Description, the IRS has not issued final regulations and guidance on IRC Section 529, including the recent tax law changes. If, and when, material updates become available the web site at [Virginia529.com](http://Virginia529.com) and this Program Description will be updated. Please consult with your tax advisor for more information.

**“Qualified Tuition Program”** (QTP) is, as defined by IRC Section 529(b)(1), a program established and maintained by a state or agency or instrumentality thereof or by one or more Eligible Educational Institutions under which a person may make Contributions to an account which is established for the purpose of meeting the Qualified Higher Education Expenses of the designated Beneficiary of the account. Virginia529 sponsors four Qualified Tuition Programs,

Invest529, Prepaid529, CollegeWealth and CollegeAmerica; however, only Invest529 and CollegeAmerica are open to new Accounts.

**“Real Estate Investment Trust”** (REIT) is a publicly-traded company that invests in real estate and distributes almost all of its taxable income to shareholders. REITs often specialize in a particular kind of property. They can, for example, invest in real estate such as office buildings, shopping centers, or hotels; purchase real estate (an Equity REIT); and provide loans to building developers (a mortgage REIT). REITs offer the opportunity for smaller investors to invest in real estate.

**“Registered Apprenticeship Program”** is an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act.

**“Resident of Virginia”** or **“Resident”** is a person who is a resident of the Commonwealth of Virginia at the time an Application is submitted, and who is a U.S. citizen or legal U.S. resident. The term Resident of Virginia also includes (i) military personnel and their dependents who are stationed in Virginia at the time the Application is submitted or who claim Virginia as their domicile and who have authorized the withholding of Virginia income tax, and (ii) a corporation, partnership, trust, charitable organization, or any other person described in Section 7701(a)(1) of the Internal Revenue Code (26 U.S.C. Section 7701(a)(1)) having significant contact with the Commonwealth of Virginia, as determined by Virginia529.

**“Rollover”** is a tax-free reinvestment of a Withdrawal from one Qualified Tuition Program to another Qualified Tuition Program or a Qualified ABLE Program, including ABLEnow<sup>SM</sup> or ABLEAmerica<sup>®</sup>, Virginia’s Qualified ABLE Programs. Once funds are withdrawn there is a sixty (60) day time frame in which those funds must be deposited into the new Qualified Tuition Program. Federal law allows only one Rollover for the same Beneficiary during a rolling twelve (12) month period. NOTE: Requests to move funds among Invest529 or CollegeAmerica Accounts are not considered Rollovers. A request to move funds from a CollegeWealth account to an Invest529 or CollegeAmerica account is also not considered a Rollover. Please see the section titled “Changing Investment Options.”

**“Securities”** are stocks, Bonds, money market instruments, and other investment vehicles.

**“Sibling”** is, for the purposes of Student Loan repayments, a brother, sister, stepbrother, or stepsister of the designated Beneficiary.

**“Stable Value”** is a fund designed to preserve capital while providing steady, positive returns. Stable value funds are invested in wrap or investment contracts issued by insurance companies or banks, which are in turn backed by one or more high quality, diversified fixed income portfolios. The fixed income portfolios provide investment returns, while the wrap or investment contracts are designed to protect against interest rate volatility by providing for the payment of plan-related withdrawals at book value (cost plus accrued interest). These contracts also provide for periodic interest crediting rates that are used to post interest earnings to Account Owner Accounts daily. The provision for making plan-related withdrawals at book value enables the stable value fund to be accounted for daily at its book value and to post interest returns to its Account Owners.

**“Student Loan”** is a qualified education loan, as that term is defined in Section 221(d) of the IRC.

**“Sub-asset Class”** is a sub-segment of a broad asset class that is broken down to provide identification in more granular detail. Sub-asset Classes are grouped by common characteristics, also displaying characteristics of the broad asset class.

**“Tuition”** is, for the purpose of determining Average Tuition for the Tuition Track Portfolio, the normal, full-time undergraduate in-state semester or term charges for tuition and mandatory fees required and imposed as a condition of enrollment of all students by any four (4) year Virginia Public Institution. A semester of Tuition at any Virginia Public Institution only includes the normal full-time course load for students enrolled in a general course of study. Tuition does not include charges for a particular major, class or course of study, regardless of how a Virginia Public Institution characterizes the charge, including, for example, lab fees, technology fees or differential tuition, nor does it include other items including, but not limited to, room and board, individual fees related to participation in a particular sport or activity, textbooks, computers, orientation fees, matriculation fees, graduation fees, or new student fees.

**“Tuition Track Account Value”** is the value determined for any Tuition Track Portfolio Account by multiplying the number of Tuition Track Units in an Account by the Tuition Track Unit Price and does not take into account whether the Tuition Track Units have reached their Maturity Date. The Tuition Track Account Value may be different than the Current Value

or Maturity Value of Tuition Track Units in a Tuition Track Portfolio Account for Withdrawal purposes. See also “Current Value,” “Maturity Value” and “Maturity Date.”

“**Tuition Track Interest**” is the interest accrued on Tuition Track Units in a Tuition Track Portfolio Account for periods **AFTER** any Tuition Track Units have been held for more than three (3) years but **BEFORE** the Expected Usage Date has been reached. Tuition Track Interest is based on the rate of return established for the Tuition Track Portfolio by the Board and it currently tracks the quarterly performance of the Institutional Money Funds Index as reported in the Money Fund Monitor™ by iMoneyNet, formerly IBC Donoghue. The Tuition Track Interest rate is updated quarterly and its measure is subject to change without notice.

“**Tuition Track Portfolio**” is the defined benefit portfolio added to Invest529 in 2021 as the successor to the Prepaid529 Program, which closed to new enrollment in 2019. The Tuition Track Portfolio is designed to track changes in Average Tuition over time and to protect the principal invested as Contributions until the Maturity Date is reached for any Tuition Track Unit. Participation in the Tuition Track Portfolio requires that either the Account Owner or the Beneficiary be a Resident of Virginia at the time the Account is opened and no additional Contributions to the Tuition Track Portfolio are allowed after June 30th preceding the Expected Usage Date. See “The Tuition Track Portfolio” section in this Program Description for more information on the operation of the Tuition Track Portfolio.

“**Tuition Track Unit**” is an ownership interest in the Invest529 Tuition Track Portfolio. The value of a Tuition Track Unit is one percent (1%) of Average Tuition as determined annually by Virginia529 (i.e. one hundred Tuition Track Units are equal in value, at maturity, to one (1) year of Average Tuition). A maximum of 1,000 Tuition Track Units is permitted per Beneficiary, subject to the Maximum Account Balance.

“**Tuition Track Unit Price**” is the cost of one (1) Tuition Track Unit and is set by the Board annually as of July 1, based on Average Tuition. If for any reason the new Tuition Track Unit Price cannot be established or implemented by July 1 of any year, the Tuition Track Unit Price will remain unchanged until changed by the Board.

“**Virginia Public Institution**” is any state-supported public institution of higher education in the Commonwealth of Virginia recognized as such by the State Council of Higher Education of Virginia (SCHEV) and eligible to participate in the federal student aid programs.

“**Volatility**” is the degree of fluctuation in the value of a Security, Mutual Fund, or Index Fund, and it is often expressed as a mathematical measure such as a standard deviation.

“**Withdrawal**” is the process of taking money out of any Account. See also “Qualified Withdrawal” or “Non-Qualified Withdrawal.”

*Glossary Footnotes: <sup>1</sup>The Vanguard Group, Inc. (1995-2021). Glossary. Reviewed January 5, 2021, from <http://vgi.vg/1QhS9Z9>*

## Invest529 General Information

This Program Description provides details concerning the Invest529 Qualified Tuition Program offered by Virginia529, a body politic and corporate and an independent agency of the Commonwealth of Virginia, authorized by Chapter 7 of Title 23.1 of the Code of Virginia (1950), as amended (Sections 23.1-700 through 23.1-713). Applications for opening an Account are available online at [Virginia529.com](http://Virginia529.com) or by calling customer service. The Application for and ownership of an Account are governed by the terms of the Agreement, Virginia529’s enabling legislation, IRC Section 529, and any applicable rules and regulations.

## Opening an Account

To open an Account, you must complete an Application – online at [Virginia529.com](http://Virginia529.com) or through a paper copy – and submit it along with your initial Contribution. If you submit a paper Application, a nonrefundable Application processing fee of \$50 applies. Any individual who is a U.S.

### Opening an Account

- 1) Read the Program Description
- 2) Gather the information you need:
  - Name, address, SSN for the Account Owner, Beneficiary, Designated Survivor, and Authorized Individual
  - Date of birth (for the Account Owner and Beneficiary)
  - Bank information
- 3) Go online to:
  - Create a login/user profile if you don’t have a login/user profile already or don’t know your login
  - Begin the Application
  - Select the Portfolio or Portfolios you wish to invest in. Remember that selecting multiple Portfolios will create a separate Account for each Portfolio.

citizen or legal U.S. resident and who is at least eighteen (18) years old may open an Invest529 Account. If you are participating in the Tuition Track Portfolio, then either the Account Owner or the Beneficiary must be a Resident of Virginia at the time the Account is opened. There are no state residency requirements for Market Portfolios and none of the Invest529 Portfolios have income restrictions or require the Account Owner to be related to the Beneficiary. Invest529 Accounts cannot have joint ownership, and only the Account Owner may make changes to or authorize Withdrawals from the Account. The Account Owner may open multiple Accounts, selecting different Portfolios for the same Beneficiary, at the same time or in the future. Each different Portfolio will constitute a unique Account.

Under current regulations, U.S. trusts, corporations, partnerships, nonprofit organizations, custodians, guardians and other entities may open an Account. Trustees and other fiduciaries are responsible for determining whether the terms of a trust are consistent with the requirements of IRC Section 529 and thus allow ownership of an Invest529 Account. Virginia529 will not review trust or other legal documents but may require that they be provided upon request. Virginia529 may request additional information from trustees in order to complete identification verification processes. The trustee or other fiduciary bears all liability for a determination that an Invest529 Account is an appropriate investment and are also responsible both for administering an Account in a manner consistent with the requirements of IRC Section 529 and also for any market losses, charges, and tax consequences in connection with any Account Withdrawals.

**Designating a Beneficiary:** When you open an Account, you must designate a Beneficiary, who may be anyone, including yourself, who is a U.S. citizen or legal U.S. resident and was born prior to the opening of the Account. You will need to provide Virginia529 with the Beneficiary's full name, Social Security or tax identification number, and date of birth when you open the Account. Trusts, corporations, partnerships, nonprofit organizations and other persons described in IRC Section 7701(a)(1) may open Invest529 Accounts for designated Beneficiaries, or for undesignated Beneficiaries as scholarships (if the Account Owner has 501(c)(3) status).

- *Tuition Track Portfolio: In addition to the requirements listed in this section, either the Beneficiary or the Account Owner of a Tuition Track Portfolio must be a Resident of Virginia at the time the Tuition Track Portfolio Account is opened and a Beneficiary must be named before June 30th of the year in which his or her Expected Usage Date occurs.*

**Designating a Survivor:** When you open an Account, you must name a Designated Survivor, who is an individual or entity who becomes the Account Owner in the event of your death. Individuals designated must be at least eighteen (18) years old at the time of designation. Account Owners may change this designation at any time by submitting a Designated Survivor Form to Virginia529. Custodial Accounts under Uniform Transfers to Minors/Uniform Gifts to Minors (UTMA/UGMA) statutes shall name the Beneficiary's estate as the Designated Survivor. Accounts owned by trusts, corporations or other entities do not need a Designated Survivor, but should provide a successor trustee or other contact. Virginia529 may request additional information from a Designated Survivor in order to complete identification verification processes.

If an Account does not have a valid Designated Survivor at the time of the Account Owner's death, Virginia529 reserves the right to designate the current Beneficiary of the Account as the new Account Owner. If the current Beneficiary is under the age of 18, Virginia529 may designate the deceased Account Owner's executor or administrator, if any, as the custodian under the appropriate UTMA/UGMA statute for the current Beneficiary until the current Beneficiary reaches the age of 18. If no executor or administrator was named or appointed, Virginia529, in its sole discretion, may designate a parent of the current Beneficiary or other third party as the custodian.

**Designating an Authorized Individual:** When you open an Account, you may name an Authorized Individual who may not act on the Account, but who may establish online Account access as an Authorized Individual for information or may contact Virginia529 and receive information regarding the Account. The Authorized Individual may receive single or recurring duplicate Account statements upon request. No other mailings regarding the Account, such as Forms 1099-Q, Withdrawal Guides, or other information will be sent to the Authorized Individual. The Authorized Individual does not have any control or authority over the Account in any situation. The Account Owner may designate on the Application (or at any time in the future by written authorization) other individuals who may have access to Account information and may revoke such authorization at any time.

**Designating a Legal Representative:** When you open an Account, or at any time during the life of the Account, you may provide proof of a legal representative to Virginia529. Virginia529 will need to receive adequate documentation to confirm the identity and capacity of a legal representative prior to the legal representative being authorized to act on the Account Owner's behalf. Virginia529 is authorized to act upon this designation unless informed otherwise by the Account Owner or a court of competent jurisdiction.



## **Uniform Transfers to Minors Act (UTMA)/Uniform Gifts to Minors Act**

**(UGMA) Accounts:** Depending on the applicable state law, you may be able to fund an Account with existing UTMA/UGMA funds, although these types of accounts involve additional restrictions that do not apply to non-custodial Accounts. If you are using UTMA or UGMA funds to establish an Account, you must indicate that the Account is custodial by checking the appropriate box on your Application. Simply checking the appropriate box on the Application does not create a UTMA/UGMA account. Individuals rolling over funds from a UTMA/UGMA account with another Qualified Tuition Program to Virginia529 must transfer all such funds into a UTMA/UGMA account with Virginia529 for the same Beneficiary. Virginia529 is not liable for any consequences related to a custodian's improper use, transfer, or characterization of custodial funds. Virginia529 will not automatically transfer the UTMA/UGMA account to the Beneficiary when he or she turns eighteen (18) or twenty-one (21) years old, whichever is applicable. Virginia529 must be notified when the custodianship terminates and will need to receive adequate documentation to confirm the termination of the custodianship prior to honoring any request to transfer ownership of a custodial Account to the Beneficiary. Please contact a legal or tax professional to determine how to transfer existing UTMA or UGMA funds, and what the implications of such a transfer may be for your specific situation. See the "Virginia and Federal Tax Considerations" section for information regarding potential tax consequences. Please consult your legal, financial or tax advisor for more information.

## **Custodial Accounts**

Custodial Account restrictions include, but are not limited to, the following:

- Tax consequences and benefits belong to the Beneficiary
- Inability to change the Beneficiary
- The Designated Survivor must be the estate of the Beneficiary
- Non-custodial funds contributed to the custodial account are irrevocable gifts to the minor and become custodial funds.

Remember that when opening an Account online you must create a login-user profile as a custodian for custodial Accounts, separate from any login/user profile you have as an individual for non-custodial funds.

## **Contributing to an Account**

Any individual or entity can contribute funds to an Account at any time but only the Account Owner will have control over the Contributions. All Contributions to an Account are deemed to come from the Account Owner for record-keeping purposes and for the Virginia state income tax deduction. Non-Account Owners have not established a customer relationship with Virginia529 and Virginia529 has no obligation to provide non-Account Owners with any continuing disclosures, Account statements or required notices.

**Form of Contributions:** All Contributions must be made by check, money order, electronic transfer, or similar instrument in U.S. dollar denominations. Cash, credit and debit cards, checks drawn on non-U.S. banks and cryptocurrencies are not accepted. In addition, Virginia529 cannot accept Securities or other property as Account Contributions. Contributions may be made online through one-time or recurring automatic bank debit, through the Virginia529 Gift Center, by check, by payroll direct deposit (payroll deduction) if your employer offers this option, by wire transfer, by electronic bill pay or by a Rollover/transfer from another Qualified Tuition Program. Please note that international wires (those coming from outside the United States) will not be accepted. International wires will be returned and Virginia529 is not responsible for any charges associated with their return. If you wish to contribute UTMA or UGMA assets that are currently invested in Securities, these investments must first be liquidated before the proceeds can be contributed to an Account. Any tax liability related to the liquidation will be your responsibility.

**Minimum Initial Contributions:** The Minimum Initial Contribution required to open an Account is \$10.

**Subsequent Contributions:** Additional Contributions to any existing Account may be made at any time and in any amount, subject to the restriction below for a Tuition Track Portfolio Account. The minimum automatic bank debit (ACH) is \$10. Unless you open a new Account, any additional Contributions you make for that Beneficiary will be invested in your current Account.

- *Tuition Track Portfolio: Additional Tuition Track Units may be purchased with Contributions only until the June 30th preceding the Expected Usage Date.*

**Automatic Bank Debit (ACH) Contributions:** You may set up one-time or recurring bank debit Contributions from your bank account online at [Virginia529.com](https://www.virginia529.com). Account Owners may terminate recurring bank debits at any time. An authorization to make recurring bank debits will remain in effect until Virginia529 has received notification of its termination and has had a reasonable amount of time to implement the change. Virginia529, in its sole discretion, may terminate recurring bank debits if any have been returned by the bank three (3) consecutive times. Virginia529 will notify the Account Owner by mail each time a recurring bank debit is returned, and on the third notification will advise that the recurring bank debit is terminated. Please note that there is a \$10 minimum Contribution requirement

for one-time or recurring bank debits.

- *Tuition Track Portfolio: Any recurring bank debit for a Tuition Track Portfolio Account will be permanently cancelled after the June 30th preceding the Expected Usage Date.*

**Rollover Contributions:** Virginia529 will accept Rollovers from other Qualified Tuition Programs. If you are funding your Account with funds from another Qualified Tuition Program, you must provide the breakdown of the amount you contributed (basis) and the amount of earnings (gains). For Virginia529 to initiate the Rollover, you will need to first open an Invest529 Account and then complete the Move Funds process online, which authorizes Virginia529 to request the Rollover from another QTP. If you have already received the Rollover funds, you may open an Invest529 Account by completing the Account Application and Contributing the Rollover funds, and providing appropriate documentation from the other Qualified Tuition Program that shows the earnings portion of the Rollover, such as an account statement showing basis and earnings (or losses) in the account. **If such documentation is not provided to Virginia529 within sixty (60) days of receiving the Rollover, the entire Rollover will be treated as earnings, which may have tax consequences.** Please note that if the Account Owner withdraws funds from a Qualified Tuition Program with the intention of contributing these funds to a Virginia529 Account, it must be done within 60 days of the initial withdrawal. The Net Asset Value applicable to all incoming Rollovers will be the Net Asset Value calculated for the applicable Market Portfolio on the same Business Day funds are invested in the applicable Market Portfolio, or the current Tuition Track Unit Price, for Rollovers into the Tuition Track Portfolio. Please refer to the section on Pending Settlement Period for more information.

**Coverdell Education Savings Accounts:** Virginia529 will accept Contributions of funds from a Coverdell Education Savings Account (Coverdell ESA). If you are funding your Account with funds from a Coverdell ESA, you must provide the breakdown of the amount you contributed (basis) and the amount of earnings (gains). The transfer is considered a nontaxable Withdrawal from the Coverdell ESA. You will need to complete a Coverdell/U.S. Savings Bond Transfer Form and an Account Application, and provide appropriate documentation from the trustee or custodian of the Coverdell ESA that shows the earnings portion of the transfer, such as an account statement showing basis and earnings (or losses) in the account. **If such documentation is not provided to Virginia529 within sixty (60) days of receiving the Contribution, the entire transfer will be treated as earnings, which may have tax consequences.** Please consult the IRS (1-800-829-1040) or your legal, financial or tax advisor for more information

**Qualified U.S. Savings Bonds:** Virginia529 will accept Contributions of funds from qualified U.S. Savings Bonds. If you are funding an Account with funds from certain Series EE or I U.S. Savings Bonds you must provide the breakdown of the amount you contributed (basis) and the amount of interest earnings (gains). You will need to complete a Coverdell/U.S. Savings Bond Transfer Form and an Account Application, and provide appropriate documentation issued by the financial institution that redeemed the Bonds showing basis and earnings of the Bonds, such as a statement, a Form 1099-INT, or an IRS Form 8815. **If such documentation is not provided within sixty (60) days of receiving the Contribution, the entire transfer will be treated as earnings, which may have tax consequences.** Please ensure that you redeem the Bonds in the same calendar year that you fund the Invest529 Account. Please contact the Bureau of Public Debt at [Treasurydirect.gov](https://www.treasurydirect.gov) for eligibility criteria and income phase outs for the Savings Bond Education Tax Exclusion, or the IRS at 1-800-829-1040. Please consult your legal, financial or tax advisor for more information.

#### Qualified U.S. Savings Bonds

Not all bond owners may be eligible to transfer their bonds to an IRC Section 529 account. There are specific qualifications for the types of bonds that are eligible and which bond owners may participate in without tax consequences. Please visit [treasurydirect.gov](https://www.treasurydirect.gov) for specific guidelines.

**Maximum Account Balance:** The Maximum Account Balance, which is the combined total balance of all Accounts for a single Beneficiary in all Virginia529 programs (which includes Invest529, Prepaid529, CollegeAmerica and CollegeWealth), is limited to \$500,000. Multiple Accounts for the same Beneficiary will be combined for purposes of determining whether the Maximum Account Balance has been reached. Once the aggregate balance on all Virginia529 Accounts for the same Beneficiary reaches \$500,000 (including any earnings), earnings will continue to accrue but Virginia529 will not accept additional Contributions or Rollovers unless the aggregate value drops below the Maximum Account Balance. This Maximum Account Balance may be periodically recalculated at Virginia529's sole discretion. Reaching the Maximum Account Balance does not guarantee that the Account balance will be adequate to cover the Qualified Higher Education Expenses of a particular Beneficiary.

**Maximum Tuition Track Unit Balance:** For the Tuition Track Portfolio, the maximum number of Tuition Track Units permitted per Beneficiary is 1,000, subject to the Maximum Account Balance.

**Pending Settlement Period:** All Contributions will be subject to a Pending Settlement Period, which is the period of time between when a Contribution is received and the time the Contribution is actually invested on behalf of the Account



Owner in the Market Portfolio selected, or, in the case of the Tuition Track Portfolio, the period of time between when a Contribution is received and a Tuition Track Unit or Units is/are purchased. **Virginia529, at its sole discretion, may modify this Pending Settlement Period without prior notice.** Please refer to [Virginia529.com](http://Virginia529.com) for modifications to the Pending Settlement Period.

- **Market Portfolios:** Contributions in good order received in time to allow for deposit on any Business Day of the week, will generally be invested within three (3) Business Days of deposit. The Net Asset Value used to determine the number of Market Units purchased with Contributions in a selected Portfolio will be the Net Asset Value calculated for the applicable Portfolio the same Business Day funds are invested in the Portfolio.
- **Tuition Track Portfolio:** Funds contributed in good order received in time to allow for deposit on any Business Day of the week will generally purchase Tuition Track Units at the current Tuition Track Unit Price within three (3) Business Days of deposit.

Any interest earned on Contributions during the Pending Settlement Period shall accrue to Virginia529 and be used solely to defray administrative and operating expenses.

## Verification of Identity/Banking Information

Virginia529 partners with an identity verification company, operating as a Consumer Reporting Agency under the Fair Credit Reporting Act (FCRA), to perform account validation services using certain personal and/or banking information provided to Virginia529. To verify the identity and/or bank account information provided, Virginia529 may ask additional questions and/or may request additional information and documentation including, but not limited to, copies of bank statements and other identifying documentation like a Social Security card and valid government-issued photo identification. If Virginia529 is unable to verify the identity or bank account information provided, the bank account will be deactivated for the purposes of transacting business with Virginia529. The agency will provide the bank account owner with an adverse action notice with next steps in the validation process.

## Changes to an Account

**Virginia529 may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by an Account Owner or an authorized legal representative and may assume that the authority of any other authorized person continues in effect until receipt of written notice to the contrary.**

**Changing the Beneficiary:** The Account Owner may change the Beneficiary of an Account at any time. To change the Beneficiary, the Account Owner must complete a Beneficiary Change Form online at [Virginia529.com](http://Virginia529.com), indicating the relationship of the new Beneficiary to the prior Beneficiary. Virginia529 may deny or limit a Beneficiary change if it causes the cumulative value of all the accounts administered by Virginia529 (including Invest529, Prepaid529, CollegeAmerica and CollegeWealth accounts) for the new Beneficiary to exceed the Maximum Account Balance limit or the Maximum Tuition Track Portfolio Unit Balance. A change of the Beneficiary may take up to thirty (30) days to process. Once completed, Virginia529 will send a confirmation of the change of Beneficiary to the Account Owner.

A change of Beneficiary is a non-taxable event for federal income tax purposes if the new Beneficiary is a Member of the Family of the prior Beneficiary. If the new Beneficiary is a Member of the Family of the prior Beneficiary and is in the same generation as the prior Beneficiary, the change is not subject to federal gift tax or generation-skipping transfer tax. If the new Beneficiary is in a lower generation than the prior Beneficiary, the transfer will be subject to federal gift tax rules and may be subject to generation-skipping transfer taxation even if the new Beneficiary is a Member of the Family of the prior Beneficiary.

- **Tuition Track Portfolio:** If changing a Beneficiary for a Tuition Track Portfolio Account, the new Beneficiary must be a member of the same generation as the original Beneficiary and a Member of the Family of the original Beneficiary. The change must also take place prior to the Expected Usage Date of the new Beneficiary. Please consult a tax professional for specific information on these provisions and how they may affect your individual situation.

**Changing the Account Owner:** The Account Owner may transfer the ownership of an Account to another individual or entity, provided that no consideration is given or accepted for the transfer. To transfer an Account to another individual or entity, the Account Owner must submit an Account Owner Change Form online at [Virginia529.com](http://Virginia529.com). A change of Account Owner may take up to thirty (30) days to process and requires that the prospective Account Owner's identity

be verified. Once completed, Virginia529 will send a confirmation of the change of Account Owner to the new Account Owner. Once ownership is transferred, the previous Account Owner loses all control over the Account, which includes but is not limited to, online account access, the power to change the designated Beneficiary, change the investment option and to cancel the Account. All transfers shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529 and any regulations promulgated thereunder. The transfer of Account ownership to another individual may have tax consequences. Please contact a tax professional to determine the effect of any such transfer on your individual situation.

**Changing Investment Options in Market Portfolios:** The Account Owner may change all or part of their Virginia529 Market Portfolio Account holdings to another one or more investment options within Virginia529. In order to change the investment option, the Account Owner must complete and submit a Move Funds or Change Investments Form online. When Virginia529 processes a request to move funds or change investment options, Market Units in the current Market Portfolio are liquidated and proceeds are used to purchase Market Units in the new Portfolio. The Net Asset Value used to determine the number of Market Units of a Portfolio to be liquidated will be the Net Asset Value calculated for the applicable Portfolio the same Business Day funds are withdrawn from the current Portfolio and reinvested into the new Portfolio.

- *Tuition Track Portfolio: The Account Owner may move all or part of their Tuition Track Portfolio Units at their then- Current Value to another investment option within Virginia529 without tax consequences as long as the constraints imposed by the IRS and discussed below are followed, including the limitation on the number of investment option changes. In order to change the investment option, the Account Owner must complete the Move Funds or Change Investments Form process online.*

IRS regulations only permit an Account Owner to make an investment option change twice per calendar year for all Virginia529 Accounts held for a specific Beneficiary. If an Account Owner owns multiple Invest529, CollegeAmerica and/or CollegeWealth Accounts for a specific Beneficiary, changes can be submitted for each Account only if they are submitted at the same time. Submitting more than two (2) changes for a specific Beneficiary on different dates will result in such changes being treated as Non-Qualified Withdrawals for tax purposes. See “Non-Qualified Withdrawals” for further information. If the Beneficiary is changed at any point during the year, the investment option may be changed at that time.

This applies only to Contributions already invested. You may open a new Account at any time to invest future Contributions in a different investment option.

Changes to Portfolios made under the direction of Virginia529, such as changes to the allocations in the Target Enrollment Portfolios, are not considered by the IRS to be an investment option change, and do not count toward the twice-per-calendar-year restriction.

**Changing an Address:** Account Owners may update addresses online at [Virginia529.com](https://www.virginia529.com) or by calling Virginia529 customer service.

**Changing a Name:** Account Owners may change the Account Owner, Beneficiary or Designated Survivor’s name on the Account in the event of marriage, divorce, or other legitimate legal reasons. Please send a signed request and adequate legal documentation to Virginia529 in order to initiate the change.

## Examples of Changing Investment Options

Bill holds one Account for Bill Jr. and wants to change the Portfolio from Stock Market to Bond Market

- OK if there has been no more than one investment change made this calendar year on Bill Jr.’s Account. Bill can make up to two investment changes for Bill Jr., this calendar year

Bill holds two Accounts for Bill Jr. and wants to change one Portfolio from Stock to Bond and the other Portfolio from International to Inflation-Protected

- OK if the change request is submitted on the same day for both Accounts and there has been no more than one investment change made this calendar year on either Account. Bill can make up to two investment changes for Bill Jr., this calendar year

Bill holds two Accounts for Bill Jr. and wants to change one Portfolio from Stock to Bond and leave the other Account in the current Portfolio

- OK if there has been no more than one investment change made this calendar year for any Account for Bill Jr. and Bill can make up to two investment changes for Bill Jr.’s Accounts, in total this calendar year.

Bill holds one Account for Bill Jr. and wants to change the Portfolio from Stock to Bond and one Account for Jill that he does not want to change at this time

- OK if there has been no more than one investment change made this calendar year for the Account of which Bill Jr. is the Beneficiary. Bill can make up to two investment changes for Bill Jr., this calendar year. Bill can still make up to two investment changes to Jill’s Account in this calendar year.

## Withdrawals from an Account

For tax reporting purposes the IRS considers Withdrawals to be either a Qualified Withdrawal or Non-Qualified Withdrawal, each of which is described in the Glossary of Terms. The Account Owner may request a Withdrawal from their Virginia529 Account at any time by logging in to their Account online or submitting a completed and signed Invest529 Withdrawal Request Form. Any Withdrawal must be made from available funds as determined by Virginia529 in its sole discretion. Withdrawal requests received for amounts in excess of the available balance in the Account will be held five (5) Business Days or more in order to ensure sufficient funds are available to process the Withdrawal. Market Portfolio and Tuition Track Portfolio Withdrawal requests in good standing received and processed by close of business each day will generally be withdrawn from the applicable Portfolio within three (3) Business Days of receipt.

- **Market Portfolios:** The Net Asset Value used to determine the number of Market Units of a liquidated Market Portfolio will be the Net Asset Value calculated for the applicable Market Portfolio on the same Business Day the Withdrawal amount is withdrawn from the Market Portfolio. Virginia529 is not responsible for market fluctuations during the Pending Settlement Period which represents the period of time between when a Withdrawal request is received and the amount to be withdrawn is actually withdrawn from the Portfolio. Virginia529, in its sole discretion, may modify this settlement schedule without prior notice. Please refer to our web site, [Virginia529.com](http://Virginia529.com), for any modifications to the Pending Settlement Period. Please allow seven (7) to ten (10) Business Days for delivery of your Withdrawal once processed from your Account. Online Withdrawals may be processed more quickly. Virginia529 is not responsible for any late fees imposed by educational institutions, nor is Virginia529 responsible for payment of any Qualified Higher Education Expenses that exceed the current balance of an Account at the time a Withdrawal is requested or made. The amount available for Withdrawal from a Market Portfolio Account may be more or less than the amounts contributed. Virginia529 is not responsible for market fluctuations between the time of the Withdrawal request and the time the Withdrawal is processed.

• *Tuition Track Portfolio: The Current Value for Withdrawal purposes depends on how long Contributions have been held and on when Withdrawal requests are processed. See the Glossary of Terms for the Tuition Track Portfolio definition and those for Current Value and Maturity Value. The adjacent chart contains information on determining the applicable Current Value per Tuition*

*Track Unit or fraction of a Unit. Virginia529 is not responsible for any late fees imposed by educational institutions, nor is Virginia529 responsible for payment of any Qualified Higher Education Expenses that exceed the balance of an Account at the time a Withdrawal is requested or made.*

### Tuition Track Portfolio Current Value<sup>1</sup>

Unit Held Three Years	Expected Usage Date Met	Current Value
No	No	Contributions Only
Yes	No	Contributions Plus Tuition Track Interest <sup>2</sup>
No	Yes	Contributions Only
Yes	Yes	Maturity Value

<sup>1</sup> Calculated per Unit or fraction of a Unit.

<sup>2</sup> May be higher if used for postsecondary expenses due to early high school graduation or dual enrollment.

**Qualified Withdrawals:** Qualified Withdrawals are Withdrawals made for expenses treated as Qualified Higher Education Expenses under IRC Section 529 as described in the Glossary of Terms. As of the date of this Program Description, the IRS has not issued final regulations and guidance on Section 529, including the recent tax law changes. If, and when, material updates become available updates will be made to [Virginia529.com](http://Virginia529.com) and this Program Description. Please consult with your tax advisor for more information.

In an Advance Notice of Proposed Rulemaking issued on January 18, 2008, the Department of the Treasury and the IRS indicated that they are considering proposing a rule that would require Withdrawals and expenses to be matched up in the same tax year, or by March 31st of the following tax year. While there is no final rule on this issue, you should consider this possible requirement when making decisions concerning your Account(s).

**Non-Qualified Withdrawals:** Non-Qualified Withdrawals are all Withdrawals other than Qualified Withdrawals. Non-Qualified Withdrawals will be subject to federal income tax on the earnings and Virginia state income tax on the earnings for Virginia taxpayers, as well as a federal penalty of 10% of the earnings, reported on the taxpayer's federal tax return. Non-Qualified Withdrawals may require the recapture of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to an Invest529 Account. Non-Qualified Withdrawals due to a Beneficiary's death, Disability or receipt of a scholarship (including attendance at a U.S. military academy) will not be subject to the 10% federal penalty on earnings. Scholarship Withdrawals are limited to the amount

of the scholarship. Virginia529 will not withhold taxes or penalties due on a Non-Qualified Withdrawal. The taxpayer is responsible for properly documenting and reporting taxes and penalties due on the taxpayer's federal and state tax returns. Virginia529 does not perform these duties for the taxpayer. Account Owners who do not pay Virginia income tax should check with their state tax department to determine the treatment of Non-Qualified Withdrawals.

**Rollovers:** An Account Owner may roll over all or part of a Virginia529 Account to another state's Qualified Tuition Program, or a Qualified ABLE Program (including ABLEnow or ABLEAmerica, Virginia's Qualified ABLE Programs), provided that a Rollover has not been processed in the previous twelve (12) months for the same Beneficiary. Virginia529 will provide to the new program manager or administrator a statement providing the earnings portion of the Rollover. Rollovers of Accounts to another Qualified Tuition Program or a Qualified ABLE Program may be made any time the Beneficiary is changed to a Member of the Family of the prior Beneficiary. Rollovers to Prepaid529 must be to existing accounts as that program has been closed to new customers since the second quarter of 2019. Rollovers that meet IRS requirements are not subject to the 10% federal penalty and any earnings are not includible in federal adjusted gross income. Rollover information will be reported on IRS Form 1099-Q.

To request a Rollover to a non-Virginia Qualified Tuition Program or non-Virginia Qualified ABLE Program, the Account Owner must contact Virginia529 and also contact the new account administrator to determine what documentation is required to process the Rollover. All Rollovers issued to a non-Virginia Qualified Tuition Program shall be issued in a lump sum directly to the designated Qualified Tuition Program within sixty (60) days from the date of the Rollover request. Rollovers coming from non-Virginia Qualified Tuition Programs or from CollegeAmerica to Invest529 Accounts may take thirty (30) days or longer to complete once all the required documentation has been received by Virginia529. All Rollovers shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529 and any regulations promulgated pursuant thereto.

**A Rollover to a non-Virginia Qualified Tuition Program or non-Virginia Qualified ABLE Program will require the Account Owner to add back to his or her Virginia taxable income any amounts previously deducted from the Account Owner's Virginia taxable income as a result of Invest529 Contributions. Please consult a tax advisor for information specific to your individual situation.**

**Some Refunds Can Be Redeposited Into a 529 Account Tax- and Penalty-Free:** A refund received from an Eligible Educational Institution of any Qualified Higher Education Expenses paid for by a Withdrawal may be recontributed to an IRC Section 529 account tax- and penalty-free if recontributed within sixty (60) days of the date of the refund. The IRC Section 529 account into which the qualifying refund is deposited must be for the same Beneficiary for which the original Withdrawal was taken and the refund deposited cannot exceed the refunded amount. If you decide to deposit a qualifying refund, please complete the Redeposit Request Form available online at [Virginia529.com/resources/forms](https://www.virginia529.com/resources/forms).

- *Tuition Track Portfolio: In the case of depositing a refund into a Tuition Track Portfolio that was previously withdrawn from that Tuition Track Portfolio, Virginia529 shall re-establish the original Units or fractional Units in an amount equal to the recontributed refund.*

**Cancellations:** Only the Account Owner may cancel an Account and receive a refund of the Account balance. The Account Owner may submit a cancellation request online at [Virginia529.com](https://www.virginia529.com) or via written request through the mail. Please note that any written requests must specify the Account Owner's name, Beneficiary's name and the Account number, and are subject to a \$25 processing fee. See the "Non-Qualified Withdrawal" and "Virginia and Federal Tax Considerations" sections for more information. All refunds received in good order on each Business Day will be issued in a lump sum in accordance to the Pending Settlement Period.

All Withdrawals, cancellations and refunds shall be construed and administered to comply in all respects with Invest529 program rules and any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529, and any regulations promulgated pursuant thereto.

**NOTE: Virginia529 will issue an IRS Form 1099-Q (Qualified Tuition Program Payments) reflecting the earnings amount of all Withdrawals for tax purposes. If a Withdrawal was issued to a Beneficiary or an Eligible Educational Institution, the Beneficiary will receive a 1099-Q by mail at the address of record and will have access to the form online by establishing an online account login. If a Withdrawal was distributed directly to an Account Owner, the Account Owner will receive the 1099-Q by mail at the address of record and will have access to the form online. The 1099-Q recipient is solely responsible for any necessary tax reporting and determining whether a Withdrawal is a Qualified Withdrawal or a Non-Qualified Withdrawal. Please consult your legal, financial or tax advisor for more information.**



## Limits on Account Duration

• **Market Portfolios:** Account Owners have at least thirty (30) years in which to use their Invest529 Market Portfolio Account. For an Account established before the respective Beneficiary has graduated from high school, the Account Owner has 30 years after the projected date of high school graduation as stated on the Account Application to use all funds from their Account. For Accounts established after the respective Beneficiary has graduated from high school, the Account Owner has at least 30 years after the date the Account was opened to use all funds from their Account. This time period may be extended upon request. Requests for extension will be considered beginning in the twenty-ninth (29) year after high school graduation of the Beneficiary or after Account opening, whichever is later. Virginia529 will use information provided in the Application, or subsequent Beneficiary Change Form in the event the original Beneficiary was changed, to determine the projected date of high school graduation. If an Account is changed to a qualified substitute Beneficiary, the applicable 30-year time limit will be based on the new Beneficiary's projected date of high school graduation or, if the Beneficiary has already graduated from high school, 30 years from the date the Account was changed to the new Beneficiary. Any time spent by a Beneficiary as an active-duty member of any branch of the United States Armed Forces will not be counted toward the 30-year period. Written notification should be submitted to Virginia529 showing the complete length of time the Beneficiary was on active duty.

Title 10 United States Code Section 101(a) defines the United States Armed Forces as Army, Navy, Air Force, Marine Corps, Coast Guard and Space Force.

If, after the 30-year period specified above, an Account has a remaining balance, no extension has been requested and Virginia529 cannot locate the Account Owner, the Beneficiary, or any Designated Survivor within the requisite time period, Virginia529 shall report the unclaimed amounts to the State Treasurer as unclaimed property pursuant to the relevant sections of the Code of Virginia (1950), as amended. The value of any such Account turned over as unclaimed property shall be the then-current Account balance less any applicable administrative fees.

• **Tuition Track Portfolio:** A Tuition Track Portfolio Account must be depleted by the tenth (10) anniversary of the Expected Usage Date. If the Tuition Track Portfolio Account has not been depleted by the 10th anniversary of the Beneficiary's Expected Usage Date, any remaining Tuition Track Portfolio Units in the Account will be transferred to an Invest529 FDIC-Insured Account at the Maturity Value. Any time spent by a Beneficiary as an active-duty member of any branch of the United States Armed Forces will not be counted toward the 10-year period. Written notification and appropriate documentation should be submitted to Virginia529 showing the complete length of time the Beneficiary was on active duty.

## Risk Considerations of Program Participation

Invest529 is designed to facilitate tax-advantaged savings for the Qualified Higher Education Expenses of a Beneficiary at an Eligible Educational Institution. However, as with any investment product, there are various risks associated with an investment in Invest529. This section describes some of the principal risks associated with participating in the Invest529 program, but it does not constitute an exhaustive list of the factors you should consider before opening an Account and making Contributions. An Account Owner may wish to consult a financial or tax advisor before investing in Invest529. Virginia529 cannot provide legal, financial or tax advice concerning individual investment decisions.

**Please Note: Unless specifically described otherwise, the risks described within this section apply to both Market Portfolios and the Tuition Track Portfolio.**

**Terms and Conditions:** Virginia529 may change the terms and conditions of Invest529 at any time or from time to time.

**Program Changes:** Virginia529 reserves the right to make changes to its program offerings at any time. Virginia529 reserves the right to make changes to the Asset Allocations of any Portfolio or to change or add investment managers or Mutual Funds at any time if it deems it appropriate to do so and is not required to provide advance notice to Account Owners before making such changes. Virginia529 may also close Portfolios and move those Accounts into a Portfolio it deems comparable. Notice of any material change in the Asset Allocations of the Portfolios or the investment managers or Mutual Funds described in this Program Description will be provided to Account Owners as soon as it is reasonably practical to do so. Such notification may be made via [Virginia529.com](https://www.virginia529.com). Virginia529 is not required by law to continue its program offerings, to accept additional Contributions to existing Accounts, or to allow new Accounts to be opened, among other changes, although Virginia529 currently has no plans for any such limitations. If Virginia529 were to terminate Invest529, such termination may result in a Non-Qualified Withdrawal for which tax and penalties as

described herein may be assessed unless the balance is transferred or rolled over to another active Qualified Tuition Plan.

**No Guarantees:** As with any investment product, there are various risks associated with an investment in Invest529 Portfolios. Accounts are not deposits or obligations of, or insured or guaranteed by, the Commonwealth of Virginia or any agency or instrumentality thereof, the United States government, any financial institution, the FDIC (with the exception of the FDIC-Insured Portfolio up to the maximum allowable amounts), or any other agency, entity, instrumentality or person. No entity guarantees the return of principal invested or that a particular investment return will be achieved— your Account may lose value.

• *Tuition Track Portfolio: The payout of a Tuition Track Portfolio Unit is funded by Contributions to the Tuition Track Portfolio and earnings on those Contributions. Virginia law provides that a sum sufficient appropriation must be included by the Governor in his or her annual proposed state budget to ensure that the Plan can meet its current obligations including Tuition Track Portfolio contractual obligations in the event of a funding shortfall. This provision may only be changed through the annual appropriations process, which would require action by the Virginia General Assembly. Accounts are not deposits or obligations of, or insured or guaranteed by, the Commonwealth of Virginia or any agency or instrumentality thereof, the United States government, any financial institution, the FDIC, or any other agency, entity, instrumentality or person. No entity guarantees the return of principal invested or that a particular investment return will be achieved— your Account may lose value.*

**Investment Risk:** Market Portfolio Accounts involve investment risk, specifically the possibility that investments may sustain losses instead of gains because of a fall in the price of Securities, including the possible loss of principal, which means the value of an Account can and will vary over time. Past investment results offer no assurance of future returns. Each Portfolio offered by Virginia529 has different investment risks. Please see the “Market Portfolio” section for more specific information. Not every Market Portfolio is appropriate for every investor. An investment in a particular Market Portfolio may not provide an appropriate balanced investment program for all investors. You should evaluate the Market Portfolios in the context of your overall individual financial situation, investment goals, risk tolerance, and other investments. Currently, the Market Portfolios available were specifically selected for college savers. If you choose to invest to cover the cost of tuition expenses for elementary or secondary public, private, or religious schools or qualified expenses for Registered Apprenticeship Programs you should keep in mind your investment time horizon. See “Investment Risks” within the Market Portfolios section for a more specific description of various investment risks that could affect the Market Portfolios.

Developments that result in major disruptions to global economies and financial markets, such as pandemics, large scale acts of terrorism, and war, may magnify factors that affect a Market Portfolio’s performance. Such disruptions could adversely affect investments and negatively impact the ability of Market Portfolios and underlying investments to achieve their investment objectives. This could, in turn, have a significant adverse impact on the value and risk profile of your investment in Invest529.

**No Guarantee of Admission to Any Institution and Related Matters:** Having an Invest529 Account does not guarantee that: (1) a Beneficiary will be admitted to any institution of higher education, elementary or secondary school, or Registered Apprenticeship Program; (2) a Beneficiary will be allowed to continue enrollment at any such institution, school or program after admission; or (3) a Beneficiary will graduate from any such institution, school or program. Additionally, a Virginia529 Account does not establish residency for the purpose of obtaining Virginia in-state tuition benefits, which include in-state tuition rates for public institutions or the Virginia Tuition Assistance Grant for private institutions.

**No Guarantee of Meeting Qualified Higher Education Expenses:** Even if an Account balance for a Beneficiary reaches the Maximum Account Balance allowed, there is no assurance that the value of the Account will be sufficient to cover all the Qualified Higher Education Expenses, including elementary or secondary school tuition, Student Loans or Registered Apprenticeship Program expenses a Beneficiary may incur. In addition, the rate of inflation for such institutions, schools, or programs is uncertain and could exceed the rate of return on an Account’s Portfolios. Virginia529 is not responsible for paying any expenses that exceed the balance of an Account or statutory limit when a Withdrawal is requested.

**Impact on Financial Aid and Scholarship Awards:** Accounts may affect a Beneficiary’s ability to qualify for need-based financial aid and the amount of need-based financial aid they may be eligible to receive from Eligible Educational Institutions.

For financial aid programs offered by the U.S. government, the Department of Education takes into account a variety



of factors when determining need-based financial aid eligibility. The value of IRC Section 529 Account(s) owned by either the student or that student's parents is included in the value of the parents' assets for dependent students. For independent students, the value of IRC Section 529 Account(s) owned by the student is included in the student's assets. An IRC Section 529 Account owned by someone other than the student and/or their custodial parents will affect financial aid eligibility differently.

The impact to financial aid programs offered by individual Eligible Educational Institutions and other non-federal sources varies depending on each institution's calculation method, which may vary from the Department of Education's calculation. Certain private colleges and universities use a different financial aid form and do not use the Free Application for Federal Student Aid (FAFSA). Consequently, the individual institutions will need to be consulted regarding their eligibility criteria.

For Residents of Virginia, a Virginia529 Account does not impact the eligibility of receiving the Virginia Tuition Assistance Grant if the student attends an eligible Virginia private college or university.

For more information on the impact of Qualified Tuition Programs on federal financial aid eligibility, please contact the U.S. Department of Education's Office of Federal Student Aid at 1-800-433-3243 or go to [fafsa.ed.gov](https://fafsa.ed.gov). You may also wish to contact a college or university financial aid office regarding your individual financial aid circumstances.

Accounts should not affect a student's eligibility for merit-based scholarships. If a student receives a full or partial athletic scholarship that is governed by National Collegiate Athletic Association (NCAA) or conference regulations, a payment from an Account may affect that scholarship. **Please note that this is only summary information and is not intended to be advice.** Additionally, the treatment of assets in an IRC Section 529 Account by federal and non-federal financial aid programs is subject to change at any time. Please contact financial aid providers to learn of any recent changes to their respective programs. You should contact the financial aid office of your local community college, college or university for more information on the effect of an Invest529 Account on financial aid determinations.

As this latest version of the Invest529 Program Description goes to print, it is unclear whether Accounts could affect a Beneficiary's ability to qualify for need-based financial aid and the amount of need-based financial aid they may be eligible to receive in connection with attendance at an elementary or secondary public, private or religious school or participation in a Registered Apprenticeship Program.

**Eligibility for Medicaid or other Benefits:** An Account may adversely affect an Account Owner's and/or Beneficiary's eligibility for federal and state assistance programs, such as Medicaid. The treatment of assets in an IRC Section 529 Account is subject to change at any time. Please consult the agency or entity that administers the specific benefit program for additional information.

**No Shareholder Rights:** Account Owners do not have a direct ownership interest in the investments held by the Portfolio in their Account. Therefore, Account Owners do not have the rights of an owner of such investments, including the right to vote proxies.

**Limits on Account Duration:** All Accounts are limited in the amount of time they can be open before the value must be withdrawn. Please see the "Limits on Account Duration" section for more detailed information.

**Changes in Fees.** Account fees, expenses and charges are subject to change at any time, and new fees, expenses and charges may be imposed in the future without prior notice to Account Owners. Visit [Virginia529.com](https://Virginia529.com) for current information.

**Changing Legal Regulations:** There is no assurance that the current state and/or federal laws and regulations will remain the same. It is possible that the U.S. Congress, the Treasury Department, the IRS, the Commonwealth of Virginia, and other authorities or the courts may take actions that will adversely affect Invest529 and that such adverse effects may be retroactive. The Treasury Department has issued proposed regulations under IRC Section 529, an advance notice of proposed rulemaking describing new proposed regulations that may be issued under IRC Section 529 and, in conjunction with the IRS, has published certain notices with respect to the anticipated modification of the proposed regulations. Until such time that final regulations are issued, taxpayers may continue to rely on the proposed regulations and notices until further action is taken by the Treasury. The advance notice indicates that proposed rulemaking in the future may include rules relating to the tax treatment of Contributions to and participants in Qualified Tuition Programs, as well a general anti-abuse rule that will apply when accounts are established or used for purposes of avoiding transfer tax or for other purposes inconsistent with IRC Section 529. If and when issued, such regulations or any published ruling may alter the tax consequences summarized in the Program Description,

may require that changes be made to Virginia529 or its programs to achieve the tax benefits described or may have a significant effect on your Account. Possible legislative action could diminish or even terminate your Account's tax advantages. Virginia529 is not obligated to continue to offer Invest529 in the event that a change in the tax or other federal or state law makes continued operation not in the best interests of Account Owners or Beneficiaries. There can be no assurance that a change will not adversely affect Invest529 and/or the value of your investment in an Account.

**Claims Against Accounts:** Title 11 U.S.C. §541(b)(6) of the United States Bankruptcy Code provides protection in federal bankruptcy proceedings for IRC Section 529 accounts if the designated Beneficiary is the bankruptcy debtor's child, stepchild, grandchild, or step-grandchild subject to the following limits:

- Contributions made to an Account for the same designated Beneficiary at least 720 days before a federal bankruptcy filing are protected;
- Contributions made to an Account for the same designated Beneficiary more than 365 days but less than 720 days before a federal bankruptcy filing are protected up to an amount set, typically every three (3) years, by the Judicial Conference of the United States; and
- Contributions made to an Account for the same designated Beneficiary less than 365 days before a federal bankruptcy filing are typically not protected against creditor claims in federal bankruptcy proceedings.

Additionally, under Virginia law and depending on the specific circumstances, Accounts are protected from creditors of either the Account Owner or the Beneficiary.

Finally, federal law provides that your Account cannot be used as collateral for a loan.

You should consult a legal advisor about the application of these laws to your particular situation.

**Penalties for using Funds for Non-Qualified Higher Education Expenses:** Once Contributions have been made to your Account, there are limited circumstances in which they can be withdrawn without the possibility of federal and state tax consequences. Please see "Virginia and Federal Tax Considerations" for specific information on penalties.

**Limited Investment Options:** An Account Owner may only make Contributions to the Portfolios offered by Invest529.

**Limited Changes to Investment Options:** Per federal regulations, an Account Owner may only change investment options for the same Beneficiary twice per calendar year, or at any time in conjunction with a change of Beneficiary. See the "Changing Investment Options" section for more information.

**Limited Liquidity:** Contributing funds to a Virginia529 Account reduces the ability to readily access those funds (their liquidity). Once Contributions have been made to an Account, there are limited circumstances in which they can be withdrawn without negative tax consequences. Additionally, under certain circumstances, Virginia529 imposes a waiting period prior to withdrawing funds from an Account.

**Other Considerations:** An investment in Invest529 – or any Qualified Tuition Program – may not be the appropriate investment vehicle for everyone. You should evaluate other savings or investment vehicles and consult with your tax or financial advisor.

## Securities Law Considerations

Invest529 Accounts are not registered under the Securities Act of 1933, based in part on assurances received from the staff of the U.S. Securities and Exchange Commission (SEC) in a No Action Letter to the effect that it would not recommend enforcement action if the Accounts are not registered based on the representations in the letter. The Virginia State Corporation Commission has issued an order stating that the Accounts and Portfolios are exempt from Virginia state registration. Invest529 Accounts have not been registered with the securities regulatory authorities of any state. Neither the Accounts nor the Portfolios have been registered as investment companies under the Investment Company Act of 1940 (the "1940 Act") pursuant to Section 2(b) thereof, which provides that no provision of the 1940 Act applies to any instrumentality of a state. Invest529 Accounts are not subject to oversight by the Financial Industry Regulatory Authority (FINRA) or the Municipal Securities Rulemaking Board (MSRB).

## Virginia and Federal Tax Considerations

**Tax provisions related to IRC Section 529 plans are complex and each taxpayer's situation is unique. Please contact a tax professional or the IRS at 1-800-829-1040 or [irs.gov](https://www.irs.gov), and/or the Virginia Department of Taxation at 804-367-8031 or [tax.virginia.gov](https://tax.virginia.gov) for specific information on these provisions and how they may affect you. Other states may offer residents and taxpayers additional tax or other benefits, such as financial aid, scholarship funds, and protection from creditors, if they invest in their own state plan. Consult your tax advisor for more information.**

Federal Tax Treatment in General. IRC Section 529 governs the federal tax treatment of Qualified Tuition Programs such as Invest529 and the tax consequences for Account Owners and Beneficiaries of such plans. As of the date of this Program Description, the Internal Revenue Service (IRS) had not issued final regulations governing the application of IRC Section 529 to Qualified Tuition Programs. On January 18, 2008, the IRS issued an Advance Notice of Proposed Rulemaking on proposed regulations for IRC Section 529 plans. There is no specific timetable for the release of new or re-proposed IRC Section 529 regulations. Any changes will likely be applicable to existing accounts. The IRS highlighted its intention to impose a broad anti-abuse rule that would apply to the use of IRC Section 529 accounts for tax avoidance or other improper uses. Invest529 has been structured to meet all current federal requirements, and, therefore, Virginia529 itself is exempt from certain types of income tax. **Please check with a tax professional for specific information on these provisions and how they may affect you. Final regulations, changes to the Internal Revenue Code or to the Code of Virginia, or court decisions could affect the tax consequences of participation in a Qualified Tuition Program, including, but not limited to, additional restrictions or loss of tax advantages. Virginia529 may modify Invest529 as necessary in the future without prior notice to comply with any such changes and to preserve, if possible, favorable tax treatment.**

The increase in the value of an Invest529 Account (the earnings) is tax deferred, and is not taxable at the federal level if the Withdrawal is used for Qualified Higher Education Expenses. The earnings portion of Non-Qualified Withdrawals will be taxed as ordinary income in the year of the Withdrawal, reported on the taxpayer's federal tax return. Non-Qualified Withdrawals made for a reason other than the Beneficiary's death, Disability or receipt of a scholarship (including attendance at a U.S. military academy) will be subject to an additional federal penalty of 10% of the earnings, reported on the taxpayer's federal tax return. Any refund of Qualified Higher Education Expenses from Eligible Educational Institutions may not be taxable at the federal level if the refunded amount is recontributed to a Qualified Tuition Program which has the same Beneficiary and is not made after sixty (60) days of the refund. Non-Qualified Withdrawals may also require the recapture in Virginia taxable income of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to an Invest529 Account. There is no Virginia state income tax liability for the federally taxable portion of a Withdrawal made in the event of the Beneficiary's death, Disability, or receipt of a scholarship (including attendance at a U.S. military academy).

Virginia529 will apply a formula to determine the potentially taxable earnings/gains and non-taxable Contributions/basis portions of each Withdrawal made from an Account. The taxable portion is ordinary income, not capital gains. The taxable portion of a cancellation or other Non-Qualified Withdrawal will be taxed as ordinary income in the year of the Withdrawal. The taxable (earnings/gains) portion of Non-Qualified Withdrawals is subject to a 10% federal penalty.

Invest529 Contributions are NOT deductible from federal taxable income at the time of contribution. The increase in the Account's value is tax deferred at the federal level, and Withdrawals used for Qualified Higher Education Expenses are not taxed at the federal level. Please consult the IRS (1-800-829-1040) or your legal, financial or tax advisor for further information.

**Changes to Federal Estate and Gift Tax Provisions:** The 2010 Tax Relief Act made significant changes to the federal estate, gift, and generation-skipping transfer (GST) taxes. The American Taxpayer Relief Act of 2012 (ATRA) made permanent the exemption levels set by those federal estate, gift, and GST tax provisions, and raised the applicable tax rate permanently for amounts over the exemption limits from 35% to 40%. The law also makes permanent "portability" which allows a surviving spouse the right to use the unused portion of a deceased spouse's exemption. The Tax Cuts and Jobs Act of 2017 doubled the exemption amount, subject to indexing for inflation from the base year (2011). For an estate of any decedent dying in calendar year 2021, the basic exclusion amount is \$11,700,000. Please consult your tax advisor or the IRS (1-800-829-1040) regarding the specific application of these rules to your particular circumstances.

**Federal Gift Tax:** IRC Section 529 provides that Invest529 Contributions are a completed gift of a present interest for federal gift tax purposes. Contributions to Qualified Tuition Programs like Invest529 are not excluded from taxable gifts as tuition payments under IRC Section 2503(e). IRC Section 529 provides a five-year averaging provision for any Contributions in one taxable year that are greater than the current \$15,000 annual exclusion (\$30,000 for married

couples making a joint gift) from federal gift and GST tax. This means that if total Contributions and other gifts by any one Account Owner or other individual to a single Beneficiary in a calendar year is greater than \$15,000 (\$30,000 for married couples making a joint gift), the Account Owner or other individual contributing the funds may elect to average the total amount of the Contribution over a five-year period. This would allow Contributions of the maximum gift amount in 2021 of up to \$75,000 (\$150,000 for married couples making a joint gift) in one tax year without federal gift tax consequences. An Account Owner or other individual who makes a Contribution or other gift of the maximum gift amount of \$75,000 (\$150,000 for married couples making a joint gift), may not make additional gifts to the same Beneficiary until the end of the five-year averaging period without incurring federal gift tax consequences.

IRC Section 529, as amended, also provides that Withdrawals from a Qualified Tuition Program will not be treated as a taxable gift, except if it is transferred or rolled over in certain circumstances. For example, if an Invest529 Account is rolled over to a new Beneficiary who is a Member of the Family of the previous Beneficiary and who is in the same generation as the previous Beneficiary, no federal gift or GST tax will apply. If, however, the new Beneficiary is in a lower generation than the previous designated Beneficiary, federal gift tax or GST tax may apply to the amount transferred. The five-year averaging rule may be applied to changes of Beneficiary that are subject to federal gift tax. If an Account Owner transfers ownership of an Account to another individual or entity, that transfer may be deemed a gift which could trigger federal gift tax on any amount greater than \$15,000 (\$30,000 for married couples making a joint gift). Please consult the IRS (1-800-829-1040) or your legal, financial or tax advisor for further information.

**Federal Estate Tax:** Generally, no amount is includible in the Account Owner's gross estate as a result of Contributions to a Qualified Tuition Program. If, however, the Account Owner has elected five-year averaging and dies before the end of the five-year averaging period discussed above, the Account Owner's gross estate will include the portion of the Contributions allocable to periods following the Account Owner's death. IRC Section 529 also provides that the gross estate of a designated Beneficiary of a Qualified Tuition Program such as Invest529 includes amounts distributed from a Qualified Tuition Program on account of the Beneficiary's death. Please contact a tax professional or the IRS to determine the effect of federal gift and estate tax provisions on your individual situation.

**Federal Generation-Skipping Transfer (GST) Tax:** In addition to possible federal gift and estate tax consequences, the federal GST tax may apply to Contributions made to an Account if the Beneficiary is deemed to be a member of a generation that is more than one generation younger than the generation of the Account Owner or other individual contributing to the Account, or if the new Beneficiary is more than one generation below that of the previous Beneficiary. Contributions that qualify for the annual gift tax exclusion are not subject to federal GST tax. The federal GST tax exemption for a given year is equal to the exemption amount for federal estate tax purposes. Consult your tax advisor or the IRS (1-800-829-1040) regarding the specific application of these rules to your particular circumstances.

**Virginia Tax Exemption:** The Virginia General Assembly enacted a tax exemption at its 1999 session for income attributable to certain Withdrawals or refunds from an Invest529 Account. The Virginia state income tax exemption applies to income attributable to Invest529 Withdrawals used for Qualified Higher Education Expenses of a Beneficiary or refunds in the event of a Beneficiary's death, Disability, or receipt of a scholarship (including attendance at a U.S. military academy). Because earnings on IRC Section 529 account Qualified Withdrawals are excluded from federal adjusted gross income, these earnings are also automatically excluded from Virginia taxable income. The Virginia state income tax exemption is still applicable to Withdrawals made due to the Beneficiary's death, Disability or receipt of a scholarship. The earnings portion of any amount refunded in one of these cases is subject to federal income tax in the tax year in which the refund is received, but is exempt from Virginia state income tax.

**Virginia Tax Deduction:** Invest529 Account Owners who file a Virginia state individual income tax return can deduct Invest529 Contributions from their Virginia taxable income. The deduction is limited to \$4,000 per taxable year per Virginia529 account (each separate account held within Invest529, Prepaid529, CollegeAmerica and CollegeWealth), or the amount contributed to each Virginia529 account during the year, whichever is less, with unlimited carryforward until the full amount of the Contributions has been deducted. The \$4,000 per taxable year limit does not apply to Account Owners who are age 70 or above, who may deduct the entire amount of their Contributions in a single tax year. If an Account is cancelled for a reason other than the student's death, Disability, receipt of a scholarship (including attendance at a U.S. military academy), or Rollover to another Virginia529 account, any amount of the refund previously deducted from the Account Owner's Virginia taxable income as a result of Contributions to the cancelled Invest529 Account must be added back to the Account Owner's Virginia taxable income in the year the refund is received, in addition to any federal tax consequences. The Virginia Department of Taxation has not yet commented on how a Rollover from an Account to a Virginia ABLEnow account will be treated. An update to this document will be published as soon as further direction on this issue is received. Only the Account Owner of record of an Invest529 Account as of December 31 of the taxable year is eligible to take the Virginia state tax deduction for Contributions made to that Account. Individuals who choose to make Contributions to an Invest529 Account owned by another individual or



entity are not eligible for the Virginia state tax deduction. The Virginia state tax deduction for UTMA/UGMA Invest529 Accounts belongs to the Beneficiary, and is reported under the Beneficiary's Social Security number. UTMA/UGMA custodians are not eligible for the Virginia state tax deduction for Contributions made to an UTMA/UGMA Invest529 Account.

The Virginia state income tax deduction and exemption are available only to Account Owners in a Virginia529 program who file Virginia personal income tax returns. If an Account Owner or individual contributing to an Invest529 Account lives in a state other than Virginia, the state tax consequences may differ from those described here. Contributions to other states' Qualified Tuition Programs are not eligible for the Virginia state tax deduction. Before investing in Invest529, potential Account Owners and other individuals contributing to an Invest529 Account who do not live or pay taxes in Virginia should determine whether the state in which they live or pay taxes offers a Qualified Tuition Program with benefits not available through Invest529.

## Account Reporting

**Confirmations and Account Statements:** Account Owners will receive an initial confirmation of their Portfolio selection and the amount of their initial Contribution. Account Owners will receive email confirmation of any online change in investment option(s) (allowed twice per calendar year or if the Beneficiary of an Account is changed) and such change will be reflected on the next scheduled statement. Account Owners may confirm changes at any time by accessing their Account information online at [Virginia529.com](https://www.virginia529.com). All Account Owners may obtain quarterly statements online by accessing their Account, where they also may opt-in to receive paper statements; they also may contact Virginia529 customer service to opt-in to receive paper statements mailed to them. Statements will not be sent to individuals who contribute to an Invest529 Account owned by another individual or entity. Account Owners have ten (10) Business Days from the date a statement or confirmation is available online or sent to their last known mailing address (if the customer has requested paper statements) to contest any information or transactions reported. After this period, the Account Owner will be deemed to have approved the transactions reflected on the statement or confirmation and to have released Virginia529 from all associated liability. Account Owners may access Account information online at [Virginia529.com](https://www.virginia529.com) once they have completed the online registration process.

**Tax Reporting:** An IRS Form 1099-Q is sent to the Account Owner for all Withdrawals from an Account, unless the Withdrawal is made to the Beneficiary or to an institution of higher education. If the Withdrawal is made to the Beneficiary or to an institution of higher education, Virginia529 is required to send the Form 1099-Q to the Beneficiary. Virginia529 will send the 1099-Q for Withdrawals from Invest529, Prepaid529, or CollegeWealth. For Withdrawals made from a CollegeAmerica account, the 1099-Q will be provided by the American Funds or the brokerage which houses the account. If the Withdrawal was for the designated Beneficiary's Qualified Higher Education Expenses, and the total amount of all Withdrawals from 529 accounts for that Beneficiary does not exceed the Beneficiary's adjusted Qualified Higher Education Expenses, then, no federal or Virginia income tax related to that Withdrawal will normally be due. If you live in a state other than Virginia, please check to determine your state's treatment of income from another state's Qualified Tuition Program that is tax-exempt at the federal level. **Virginia529 will not determine whether an expense is a Qualified Withdrawal or a Non-Qualified Withdrawal.** Account Owners will be required to maintain records, such as invoices and textbook receipts, adequate to prove the Qualified Higher Education Expenses. The taxpayer must report the 10% of earnings federal penalty and federal income tax on the earnings for Non-Qualified Withdrawals on the taxpayer's income tax returns. These amounts will not be withheld by Virginia529. Please consult the IRS (1-800-829-1040) or your legal, financial or tax advisor for more information.

Under the Protecting Americans from Tax Hikes Act of 2015, it is no longer necessary to aggregate multiple Virginia529 savings Accounts (Invest529, CollegeAmerica or CollegeWealth) or Prepaid529 Accounts for purposes of computing the earnings portion of a Withdrawal when the accounts have the same owner and Beneficiary. If an Account Owner has more than one Virginia529 savings Account or more than one Prepaid529 Account for the same Beneficiary, the earnings will be calculated on an Account-by-Account basis for purposes of your Form 1099-Q for each year there is a Withdrawal from one of your Virginia529 savings Accounts or Prepaid529 Accounts. You will receive one Form 1099-Q that reflects the net earnings overall for both Invest529 and Prepaid529 Accounts.

## Coordination with Other Education Tax Incentives

Withdrawals from an Account may affect other education tax incentives available to an Account Owner, including but not limited to Coverdell Education Savings Accounts, the American Opportunity Tax and Lifetime Learning Credits, the

deduction for qualified tuition and related expenses, and the deduction for interest on Student Loans. The coordination between these tax incentives is complex. Please consult the IRS (1-800-829-1040) or your legal, financial or tax advisor before investing.

## Invest529 Portfolios

Account Owners may choose from among five (5) categories of Portfolio options (collectively, the “Invest529 Portfolios” or the “Portfolios”).

- 1. Target Enrollment Portfolios** are constructed to align with a future date when Withdrawals may occur. As the projected Withdrawal date approaches, the Portfolios’ Asset Allocation becomes more conservative over time as the percentage of assets invested in equities decrease and fixed income investments increase. Target Enrollment Portfolios are designed for investors who want to invest based on the year they expect to make Withdrawals.

2024 Portfolio	2033 Portfolio
2027 Portfolio	2036 Portfolio
2030 Portfolio	2039 Portfolio

- 2. Index Portfolios** track the performance of a broad market Benchmark. These Portfolios typically offer lower fees than other investment options

Total Stock Index Portfolio	Inflation-Protected Securities Portfolio
Total Bond Index Portfolio	Real Estate Investment Trust (REIT) Index Portfolio
Total International Stock Index Portfolio	

- 3. Target Risk Portfolios** hold a diversified mix of stocks, Bonds, cash and other investments and span the risk spectrum from conservative to aggressive. Target Risk Portfolios are designed for investors who want a static investment based on their risk tolerance at the time Contributions are made. Both passively and actively-managed options are available in the Target Risk Portfolios.

Conservative Income Portfolio	Active Conservative Portfolio
Moderate Growth Portfolio	Active Moderate Portfolio
Aggressive Growth Portfolio	Active Aggressive Portfolio

- 4. Principal Protected Portfolios** are designed to protect against losses to the original amount invested, generally offering more stable and predictable investment returns.

FDIC-Insured Portfolio  
Stable Value Portfolio  
Tuition Track Portfolio<sup>1</sup>

- 5. Specialty Portfolios** include investment options that do not fall into the other four (4) categories, including investment options like the ESG Portfolio which seeks returns while also focusing on long-term impacts on the environment and society through corporate governance and management of the underlying investments.

Global Equity Portfolio  
ESG Portfolio

<sup>1</sup>Please note that unlike all other portfolios described within this Program Description, the Tuition Track Portfolio is a defined benefit portfolio. Please refer to the description of the Tuition Track Portfolio below for more information.

## Market Portfolios

Each Market Portfolio invests Account Contributions in one or more Mutual Funds, limited partnerships or separate accounts managed by one or more investment manager or financial institution (the “Funds”). The Funds are Mutual Funds, limited partnerships, commingled funds, or professionally managed separate accounts. The Funds are described in further detail in the Fund Description sections, below. As an Account Owner you will not directly own shares of the Funds, but will instead own Market Units of the Portfolio(s) in which you invest. The Net Asset Value of Market Units in each Portfolio will vary from day to day, reflecting changes in the values of the Funds and the allocation of the Portfolio’s Expense Ratio. The performance of each Portfolio depends on the performance of the Funds, which in turn depends on the performance of the underlying investments of the particular Funds.



Generally, only the Target Enrollment Portfolios change their Asset Allocations over time. Contributions to your Account will purchase Market Units in the Portfolio you select, and those Units in turn are invested in a Fund or Funds, as shown in the Underlying Investments of the Invest529 Portfolios chart (Chart V). The Net Asset Value of the Market Units in each Market Portfolio will vary from day to day, reflecting changes in the values of the Funds and allocation of the Portfolio's Expense Ratio. The performance of each of these Portfolios depends on the performance of the Fund in which the Market Units are invested, which in turn depends on the performance of the Funds' holdings. Virginia529 does not pay interest or dividends generated by a Fund's investment directly to an Account. This income is automatically reinvested in the applicable Fund as earned. This may also affect the performance of an Account when compared to the Fund's performance.

Account Owners may choose different Portfolios for the same Beneficiary. This will result in multiple Accounts, one Portfolio per Account. Per IRC Section 529 regulations, Account Owners may also change their Portfolio selection twice per calendar year for the same Beneficiary without it being considered a Non-Qualified Withdrawal. The same Account Owner may not have more than one Account for the same Beneficiary in the same Portfolio.

**Depending upon market conditions and other factors, Virginia529 may create a new Portfolio or terminate an existing Portfolio when it deems it to be, in its sole discretion, in the best interests of current and potential Account Owners to do so.**

Account Owners should periodically assess, and if appropriate, adjust their investment choices with their investment time horizon, risk tolerance and investment objectives in mind. Currently, the Invest529 Portfolios available were selected for college savers. If you choose to invest to cover the cost of tuition expenses for elementary or secondary public, private or religious schools or qualified expenses for Registered Apprenticeship Programs you should keep in mind your investment horizon. IRS rules allow only two investment option changes per calendar year. Your two annual investment option changes apply to all Virginia529 Accounts you own for the same Beneficiary. Changes between Prepaid529 and other Virginia529 Accounts are considered rollovers. See "Rollovers."

## Market Portfolio Investment Risks

Virginia529 provides its customers a variety of Market Portfolios which hold one or more Funds from established investment managers or financial institutions. In addition to the general risk that an investment could lose money, including the principal you invest, each Market Portfolio has risks associated with the particular strategy of its underlying Fund. For instance, the Vanguard<sup>®1</sup> Total Bond Market Index Fund held in some Market Portfolios, is primarily subject to interest rate risk, income risk, credit risk, call/prepayment risk, index sampling risk and extension risk. The risks associated with each Market Portfolio are described briefly within this document. In addition, because investment managers or financial institutions sometimes define a particular investment risk differently, a link to the investment managers' or financial institutions' web sites is provided so that, prior to investing, customers can refer to a Fund's prospectus or financial institution's information for a full description of investment risks associated with that Fund. A copy of a prospectus can also be obtained by contacting Virginia529. For the separate accounts and limited partnerships for which a prospectus is not available, the investment risks associated with those Funds are defined within this document. For the separate omnibus accounts held with Atlantic Union Bank, the investment risks associated with the FDIC-Insured Portfolio are defined within this document.

Investment risks do not constitute the only risks you should consider before opening an Account and making Contributions. Other risks associated with participating in the Invest529 program are found in the "Risk Considerations of Program Participation" section.

- *Tuition Track Portfolio: A description of some of the risks associated with participating in the Tuition Track Portfolio are found in the "Risk Considerations of Program Participation" section.*

An Account Owner may wish to consult a financial or tax advisor before investing in Invest529.

<sup>1</sup> Vanguard is a trademark of The Vanguard Group, Inc.

## Chart I: Underlying Investments of Invest529 Market Portfolios

The assets of Invest529's Target Enrollment Portfolios are invested in a combination of Mutual Funds and separately managed accounts according to each Target Enrollment Portfolio's target Asset Allocations. The managers of these Funds and accounts and the investments managed by them include the following as of January 1, 2021.

The following chart summarizes those Funds in which the Invest529 Market Portfolios directly invest as of January 1, 2021. These Asset Allocations and managers are subject to change at any time without notice. References to the underlying fund symbols are provided to detail the description and investment objectives of the strategies and are not to be construed as the Net Asset Value associated with each Portfolio. Visit [Virginia529.com](http://Virginia529.com) for the most current information, underlying investment managers and current Benchmarks.

Underlying Investments of the Target Enrollment Portfolios			
Investment Manager	Asset Class	Fund or Separate Account	Symbol <sup>1</sup>
Sands Capital Management	Emerging Markets Equity	Touchstone Sands Capital Emerging Markets Growth Fund	TSEGX
Blackstone Property Advisors L.P.	Private Real Estate	Limited Partnership	N/A
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	RERGX
DFA Investment Dimensions Group, Inc.	Emerging Markets Equity	DFA Emerging Markets Core Equity Portfolio	DFCEX
Invesco Advisers, Inc.	Stable Value	Separate investment account for Invest529	N/A
PGIM Fixed Income	High Yield Bonds	Separate investment account for Invest529	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for Invest529	N/A
Stone Harbor Investment Partners, L.P.	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	SHMDX
Wellington Management Company	International Equity	Common Trust Fund	N/A
UBS Realty Investors LLC	Private Real Estate	Limited Partnership	N/A
The Vanguard Group, Inc.	U.S. Real Estate	Vanguard Real Estate Index Fund	VGSNX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	VBMPX
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	VSCIX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	VIIIX

Underlying Investments of Target Risk Portfolios				
Invest529 Portfolio	Allocation	Investment Manager	Fund	Symbol <sup>1</sup>
Aggressive Growth	48.00%	The Vanguard Group, Inc.	Total Stock Market Index Fund	VSMPX
	14.00%	The Vanguard Group, Inc.	Total Bond Market Index Fund	VBMPX
	32.00%	The Vanguard Group, Inc.	Total International Stock Index Fund	VTPSX
	6.00%	The Vanguard Group, Inc.	Total International Bond Index Fund	VTIFX
Moderate Growth	36.00%	The Vanguard Group, Inc.	Total Stock Market Index Fund	VSMPX
	28.00%	The Vanguard Group, Inc.	Total Bond Market Index Fund	VBMPX
	24.00%	The Vanguard Group, Inc.	Total International Stock Index Fund	VTPSX
	12.00%	The Vanguard Group, Inc.	Total International Bond Index Fund	VTIFX
Conservative Income	12.00%	The Vanguard Group, Inc.	Total Stock Market Index Fund	VSMPX
	56.00%	The Vanguard Group, Inc.	Total Bond Market Index Fund	VBMPX
	8.00%	The Vanguard Group, Inc.	Total International Stock Index Fund	VTPSX
	24.00%	The Vanguard Group, Inc.	Total International Bond Index Fund	VTIFX
Active Aggressive	7.50%	Sands Capital Management	Touchstone Sands Capital Emerging Markets Growth Fund	TSEGX
	8.75%	Capital Research and Management Co.	American Funds EuroPacific Growth Fund	RERGX
	7.50%	DFA Investment Dimensions Group, Inc.	Emerging Markets Core Equity Portfolio	DFCEX
	2.50%	Invesco Advisers, Inc.	Separate investment account for Invest529	N/A
	15.00%	Blackstone Property Advisors L.P.	Limited Partnership	N/A
		UBS Realty Investors LLC	Limited Partnership	N/A
		The Vanguard Group, Inc.	Real Estate Index Fund	VGSNX
	5.00%	PGIM Fixed Income	Separate investment account for Invest529	N/A
	11.25%	Rothschild Asset Management Inc.	Separate investment account for Invest529	N/A
5.00%	Stone Harbor Investment Partners, L.P.	Emerging Market Debt Fund	SHMDX	
8.75%	Wellington Management Company	Common Trust Fund	N/A	
7.50%	The Vanguard Group, Inc.	Total Bond Market Index Fund	VBMPX	

	17.50%	The Vanguard Group, Inc.	Institutional Index Fund	VIIIIX
	3.75%	The Vanguard Group, Inc.	Small-Cap Index Fund	VSCIX
Active Moderate	3.75%	Sands Capital Management	Touchstone Sands Capital Emerging Markets Growth Fund	TSEGX
	6.88%	Capital Research and Management Co.	American Funds EuroPacific Growth Fund	RERGX
	3.75%	DFA Investment Dimensions Group, Inc.	Emerging Markets Core Equity Portfolio	DFCEX
	20.00%	Invesco Advisers, Inc.	Separate investment account for Invest529	N/A
	7.50%	Blackstone Property Advisors L.P. UBS Realty Investors LLC The Vanguard Group, Inc.	Limited Partnership Limited Partnership Real Estate Index Fund	N/A N/A VGSNX
	5.00%	PGIM Fixed Income	Separate investment account for Invest529	N/A
	3.75%	Rothschild Asset Management Inc.	Separate investment account for Invest529	N/A
	10.00%	Stone Harbor Investment Partners, L.P.	Emerging Market Debt Fund	SHMDX
	6.88%	Wellington Management Company	Common Trust Fund	N/A
	15.00%	The Vanguard Group, Inc.	Total Bond Market Index Fund	VBMPX
	13.75%	The Vanguard Group, Inc.	Institutional Index Fund	VIIIIX
	3.75%	The Vanguard Group, Inc.	Small-Cap Index Fund	VSCIX
Active Conservative	1.25%	Sands Capital Management	Touchstone Sands Capital Emerging Markets Growth Fund	TSEGX
	3.75%	Capital Research and Management Co.	American Funds EuroPacific Growth Fund	RERGX
	1.25%	DFA Investment Dimensions Group, Inc.	Emerging Markets Core Equity Portfolio	DFCEX
	40.00%	Invesco Advisers, Inc.	Separate investment account for Invest529	N/A
	5.00%	Blackstone Property Advisors L.P. UBS Realty Investors LLC The Vanguard Group, Inc.	Limited Partnership Limited Partnership Real Estate Index Fund	N/A N/A VGSNX
	5.00%	PGIM Fixed Income	Separate investment account for Invest529	N/A
	1.25%	Rothschild Asset Management Inc.	Separate investment account for Invest529	N/A
	10.00%	Stone Harbor Investment Partners, L.P.	Emerging Market Debt Fund	SHMDX
	3.75%	Wellington Management Company	Common Trust Fund	N/A
	20.00%	The Vanguard Group, Inc.	Total Bond Market Index Fund	VBMPX
	7.50%	The Vanguard Group, Inc.	Institutional Index Fund	VIIIIX
	1.25%	The Vanguard Group, Inc.	Small-Cap Index Fund	VSCIX

Underlying Investments of Index Portfolios				
Invest529 Portfolio	Allocation	Investment Manager	Fund	Symbol <sup>1</sup>
Total Stock Market Index	100.00%	The Vanguard Group, Inc.	Total Stock Market Index Fund	VSMPX
Total Bond Market Index	100.00%	The Vanguard Group, Inc.	Total Bond Market Index Fund	VBMPX
Total International Stock Index	100.00%	The Vanguard Group, Inc.	Total International Stock Index Fund	VTPSX
Inflation-Protected Securities	100.00%	The Vanguard Group, Inc.	Inflation-Protected Securities Fund	VIPIX
REIT Index	100.00%	The Vanguard Group, Inc.	Real Estate Index Fund	VGSNX

Underlying Investments of Principal-Protected Portfolios				
Invest529 Portfolio	Allocation	Investment Manager	Fund	Symbol <sup>1</sup>
FDIC-Insured	100.00%	Union Bank & Trust	Omnibus Savings Account	N/A
Stable Value	100.00%	Invesco Advisers, Inc.	Separate investment account for Invest529	N/A

Underlying Investments of Specialty Portfolios				
Invest529 Portfolio	Allocation	Investment Manager	Fund	Symbol <sup>1</sup>
ESG Core Equity	100.00%	Parnassus Investments	Core Equity Fund	PRILX
Global Equity	19.50%	Capital Research and Management Co.	American Funds EuroPacific Growth Fund	RERGX
	7.00%	Rothschild Asset Management Inc.	Separate investment account for Invest529	N/A

	19.50%	Wellington Management Company	Common Trust Fund	N/A
	14.00%	Capital Research and Management Co.	American Funds SMALLCAP World Fund	RLLGX
	40.00%	The Vanguard Group, Inc.	Vanguard Total Stock Market Index Fund	VSMPX

<sup>1</sup>Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the Invest529 Portfolios, since the Portfolios include the Invest529 Administrative Fee of 0.09%. See "Investment Performance" for more details.

## Target Enrollment Portfolios

Invest529 offers Target Enrollment Portfolios, each of which is designed to take into account the target Beneficiary's current age and the Account Owner's investing time horizon or the number of years before the Beneficiary is expected to need funds from the Account for Qualified Higher Education Expenses. The Timeline of the Target Enrollment Portfolios chart found below summarizes the targeted current Beneficiary ages for each Target Enrollment Portfolio. You are not required to select the Portfolio that corresponds to your Beneficiary's current age. The Target Enrollment Portfolios available were designed for college savers so if you choose to invest to cover the cost of Tuition expenses for elementary or secondary public, private or religious schools or qualified expenses for Registered Apprenticeship Programs you should keep in mind your investment time horizon. Portfolios designed for older Beneficiaries are more heavily invested in Fixed Income Securities in order to try to preserve principal as the time for Withdrawals approaches. The Board selects the investment managers or Mutual Funds and an Asset Allocation for each of the Portfolios with the assistance of its Investment Advisory Committee.

Although the Asset Allocation of each Target Enrollment Portfolio is designed to correspond with a target Beneficiary's current age, Account Owners may choose to invest in a Portfolio other than the one that corresponds to any Beneficiary's current age. No Invest529 Market Portfolios, however, are protected from market Volatility and there is no guarantee that Market Portfolios will not lose value, including principal. As the Timeline of the Target Enrollment Portfolios chart shows, the Asset Allocation for each Target Enrollment Portfolio will become increasingly weighted in Fixed Income Securities over time, until it reaches the same Asset Allocation as the Stable Value Portfolio, which is invested entirely in a Stable Value Fund. The Asset Allocation strategy of each Target Enrollment Portfolio will evolve over scheduled successive periods until a Portfolio reaches the target allocation of the Stable Value Portfolio.

A new Target Enrollment Portfolio will be created approximately every three years to accommodate Account Owners who seek the maximum return/risk allocation for new Accounts, or for Beneficiaries born in subsequent years. Account Owners may choose different Portfolios for the same Beneficiary. This will result in multiple Accounts, one Portfolio per Account.

Contributions to your Account(s) will purchase Market Units in a Target Enrollment Portfolio which in turn are invested in a Fund or Funds, as shown in the Underlying Investments of the Target Enrollment Portfolios chart. The Net Asset Value of the Market Units in each Portfolio will vary from day to day, reflecting changes in the values of the Funds and the allocation of the Portfolio's Expense Ratio. The performance of each Target Enrollment Portfolio depends on the performance of the Funds, which in turn depends on the performance of the Funds' holdings. Virginia529 does not pay interest or dividends generated by a Fund's investment directly to an Account. This income is automatically reinvested in the applicable Fund as earned. This may also affect the performance of an Account when compared to the Fund's performance.

Account Owners may change their Portfolio selection twice per calendar year for the same Beneficiary. The same Account Owner may not have more than one Account for the same Beneficiary in the same Portfolio.

**Depending upon market conditions and other factors, Virginia529 may alter the rate of change in the Asset Allocation of any Portfolio and/or create a new Portfolio or Portfolio's Asset Allocation when it deems it to be, in its sole discretion, in the best interests of current and potential Account Owners to do so.**

**Fully Evolved Target Enrollment Portfolios:** A fully evolved Target Enrollment Portfolio is characterized as an Invest529 Target Enrollment Portfolio that has gone through each of the Asset Allocations and reached 100% Fixed Income. Once each Target Enrollment Portfolio has evolved to 100% Fixed Income, it is closed to new participants.

Portfolios that are fully evolved experience a gradual transition from a 100% Fixed Income allocation (currently commencing with a target allocation as follows: 65% Stable Value, 20% Market Fixed Income, 10% Emerging Markets Debt, and 5% High Yield Fixed Income) to a 100% Stable Value Fund allocation. After the two (2) year transition period,

the Portfolio is reallocated to 100% Stable Value and remains in existence for an additional three (3) years, after which the Portfolio will be permanently closed with remaining assets transferred to the Stable Value Portfolio (also 100% Stable Value).

On January 1, 2018, the 2018 Portfolio entered the two year 100% Fixed Income transition phase and was closed to new participants. 2018 Portfolio assets will be transferred to the Stable Value Portfolio on January 1, 2023. Successive Portfolios will enter the transition period on the date they are scheduled to become 100% Fixed Income. For example, the 2021 Portfolio entered the transition phase on January 1, 2021 and the 2024 Portfolio will enter on January 1, 2024.

The transition phase is part of the evolution of the Portfolios and will not be considered one of the Account Owner’s twice per year investment option changes permitted by IRC Section 529.

**NOTE:** Visit [Virginia529.com](http://Virginia529.com) for updated information on the Invest529 Target Enrollment Portfolios, underlying investment managers and current Benchmarks.

## Chart II: Timeline of the Target Enrollment Portfolios

The following chart shows the evolution of Target Enrollment Portfolios over time.

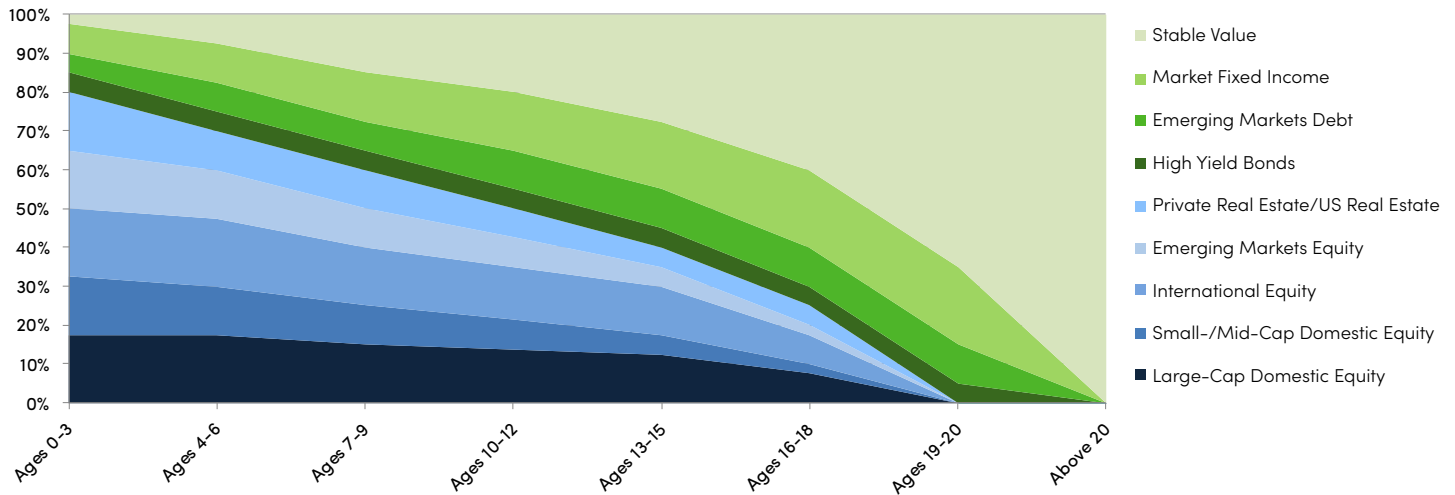
Timeline of the Target Enrollment Portfolios														
Target Enrollment Portfolios	Initial Allocation		Anticipated Initial Asset Allocation											
	January 2021		January 2024		January 2027		January 2030		January 2033		January 2036		January 2039	
2039 Portfolio (Ages 0-3)	80%	Equity	70%	Equity	60%	Equity	50%	Equity	40%	Equity	25%	Equity	0%	Equity
	20%	Fixed Income	30%	Fixed Income	40%	Fixed Income	50%	Fixed Income	60%	Fixed Income	75%	Fixed Income	100%	Fixed Income <sup>1</sup>
2036 Portfolio (Ages 4-6)	70%	Equity	60%	Equity	50%	Equity	40%	Equity	25%	Equity	0%	Equity		
	30%	Fixed Income	40%	Fixed Income	50%	Fixed Income	60%	Fixed Income	75%	Fixed Income	100%	Fixed Income <sup>1</sup>		
2033 Portfolio (Ages 7-9)	60%	Equity	50%	Equity	40%	Equity	25%	Equity	0%	Equity				
	40%	Fixed Income	50%	Fixed Income	60%	Fixed Income	75%	Fixed Income	100%	Fixed Income <sup>1</sup>				
2030 Portfolio (Ages 10-12)	50%	Equity	40%	Equity	25%	Equity	0%	Equity						
	50%	Fixed Income	60%	Fixed Income	75%	Fixed Income	100%	Fixed Income <sup>1</sup>						
2027 Portfolio (Ages 13-15)	40%	Equity	25%	Equity	0%	Equity								
	60%	Fixed Income	75%	Fixed Income	100%	Fixed Income <sup>1</sup>								
2024 Portfolio (Ages 16-18)	25%	Equity	0%	Equity										
	75%	Fixed Income	100%	Fixed Income <sup>1</sup>										

<sup>1</sup> The Portfolios will have an initial target allocation of 100% Fixed Income (65% Stable Value, 20% market Fixed Income, 10% Emerging Market Debt, and 5% high yield Bonds) and experience a gradual transition to 100% Stable Value over a two-year transition period. Once the Portfolios reach 100% Stable Value they will remain in existence for a three year period, after which they will permanently close with remaining assets transferred to the Stable Value Portfolio (100% Stable Value).



### Chart III: Glide Path Example

The chart below demonstrates the glide path of an Invest529 Target Enrollment Portfolio as it shifts to an investment mix emphasizing income and preservation of capital.



### Chart IV: Initial Target Asset Allocation of the Target Enrollment Portfolios

The following chart summarizes the initial target Asset Allocations of the Target Enrollment Portfolios as of January 1, 2021, as well as the diversification of the investment managers of the Funds and investment that make up each Portfolio. These Asset Allocations and managers are subject to change at any time without notice. Visit [Virginia529.com](http://Virginia529.com) for the most current information. Depending upon market conditions and other factors, the dates of the Target Enrollment Portfolio evolutions and the rate of change in the allocation strategy of any Portfolio may be altered without notice when it is deemed to be in the best interests of current Account Owners in the sole discretion of Virginia529.

Initial Target Asset Allocation of the Target Enrollment Portfolios as of 1/1/2021									
Investment Manager	Asset Class	2039 Portfolio	2036 Portfolio	2033 Portfolio	2030 Portfolio	2027 Portfolio	2024 Portfolio	2021 Portfolio <sup>1</sup>	2018 Portfolio <sup>2</sup>
Sands Capital Management	Emerging Markets Equity	7.50%	6.25%	5.00%	3.75%	2.50%	1.25%	0.00%	0.00%
Capital Research and Management Co.	International Equity	8.75%	8.75%	7.50%	6.88%	6.25%	3.75%	0.00%	0.00%
DFA Investment Dimensions Group, Inc.	Emerging Markets Equity	7.50%	6.25%	5.00%	3.75%	2.50%	1.25%	0.00%	0.00%
Invesco Advisers, Inc.	Stable Value	2.50%	7.50%	15.00%	20.00%	27.50%	40.00%	65.00%	100.00%
Blackstone Property Advisors L.P. UBS Realty Investors LLC The Vanguard Group, Inc.	Private Real Estate / U.S. Real Estate	15.00%	10.00%	10.00%	7.50%	5.00%	5.00%	0.00%	0.00%
PGIM Fixed Income	High Yield Bonds	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	0.00%
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	11.25%	8.33%	6.67%	3.75%	2.50%	1.25%	0.00%	0.00%
Stone Harbor Investment Partners, L.P.	Emerging Markets Debt	5.00%	7.50%	7.50%	10.00%	10.00%	10.00%	10.00%	0.00%
Wellington Management Company	International Equity	8.75%	8.75%	7.50%	6.88%	6.25%	3.75%	0.00%	0.00%
The Vanguard Group, Inc.	Market Fixed Income	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	20.00%	0.00%
The Vanguard Group, Inc.	Large-Cap Domestic Equity	17.50%	17.50%	15.00%	13.75%	12.50%	7.50%	0.00%	0.00%
The Vanguard Group, Inc.	Small-Cap Domestic Equity	3.75%	4.17%	3.33%	3.75%	2.50%	1.25%	0.00%	0.00%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> The 2021 Portfolio is the current transition Portfolio and is closed to new participants as of January 1, 2021. Please see the "Fully Evolved Target Enrollment Portfolios" section.

<sup>2</sup> The 2018 Portfolio is closed to new participants.

## Target Enrollment Portfolio Fund Descriptions

Each of the following Fund descriptions is provided by the managers of those Funds. References to the underlying fund symbols are provided to detail the description and investment objectives of the strategies and are not to be construed as the Net Asset Value associated with each Portfolio offered by Invest529.

### Large-Cap Domestic Equity

**Vanguard® Institutional Index Fund** (the “Institutional Index Fund”) seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The Institutional Index Fund employs an indexing investment approach designed to track the performance of the Standard & Poor’s (S&P) 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The Institutional Index Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The Institutional Index Fund is subject to stock market risk and investment style risk. Please refer to the Institutional Index Fund’s prospectus prior to investing for Vanguard’s full description of these risks at <http://vgi.vg/1jB51MR> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

### Small-Cap Domestic Equity

**Vanguard® Small-Cap Index Fund** (the “Small-Cap Index Fund”) seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks. The Small-Cap Index Fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The Small-Cap Index Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The Small-Cap Index Fund is subject to stock market risk and investment style risk. Please refer to the Small-Cap Index Fund’s prospectus prior to investing for Vanguard’s full description of these risks at <http://vgi.vg/1LRdwdo> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

### Small-/Mid-Cap Domestic Equity

**Rothschild & Co Asset Management US** (“Rothschild & Co”) manages an investment portfolio on behalf of Invest529 that seeks capital appreciation by investing primarily in the Equity Securities of small- to mid-sized companies with Market Capitalizations similar to those of the Russell 2500 Index (approximately \$100 million to \$23 billion). In managing portfolios, the firm uses a disciplined investment process, leveraging a proprietary stock ranking system along with fundamental research conducted by its experienced team of portfolio managers and analysts, to identify stocks it believes are likely to outperform the market because they are attractively valued, with improving fundamentals. Because investments are subject to a number of risks such as market and style risk, the firm emphasizes risk controls throughout its entire process to minimize the potential impact of these factors and to earn consistent, long-term results. The separate account managed by Rothschild & Co for Invest529 is primarily subject to stock market risk, investment style risk and manager risk. The following definitions are supplied for assistance in evaluating the separately managed account:

**Investment Style Risk:** This is the risk that returns from the types of stocks in which a Fund invests will trail returns from the overall stock market. Specific types of stocks tend to go through cycles of doing better – or worse – than the stock market in general. These periods have, in the past, lasted for as long as several years.

**Manager Risk:** This is the risk that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

**Stock Market Risk:** This is the risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

**Securities Investment Risks in General:** All securities investments are subject to the risk of loss of capital. No

guarantee, assurance or representation is made that the separate account will achieve its investment objective of long-term capital appreciation. In fact, it is possible that the separate account may sustain losses in light of the substantial investment risks it is likely to incur. Certain of the separate account's investment strategies, such as reliance upon the application of a proprietary stock ranking system developed by Rothschild & Co, combined with industry and company specific research, as a principal basis for making investment decisions and investing in small and medium capitalization companies, as well as the possibility that the separate account's portfolio may be highly concentrated, may be considered particularly risky and could, in certain circumstances, magnify the impact of any adverse market or investment developments.

**Reliance Upon Quantitative Analysis:** In making investment decisions for the separate account, Rothschild & Co will rely upon the application of quantitative tools developed by Rothschild & Co. Although Rothschild & Co has had success with this approach in the past for other investment accounts under its management, such past success for other accounts does not ensure that this approach will be a successful one for the separate account.

**Equity Securities:** Investors should be aware that equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and that those fluctuations can be pronounced. Changes in the value of the common stocks in the separate account's portfolio will result in changes in the value of the separate account.

**Small and Mid-Cap Equity Securities:** Under normal market conditions, the separate account invests substantially all of its assets in the securities of small and mid-sized companies. Although such securities often provide significant potential for appreciation, they involve higher risks in some respects than investments in securities of larger companies. The securities of small and mid-sized companies might not be traded in volumes typical of securities of larger companies. Because small and mid-sized companies normally have fewer shares outstanding than larger companies, it may be more difficult for the separate account to buy and sell significant amounts of small and medium company shares without an unfavorable impact on prevailing market prices. Thus the securities of small and medium companies are generally less liquid, and subject to more abrupt or erratic market movements than larger companies. Additionally, the risk of bankruptcy or insolvency of many small and mid-sized companies, with the attendant losses to investors, is higher than for larger companies.

**Money Market Funds:** The separate account may invest in money market mutual funds. Money market funds seek current income, a stable net asset value per share and daily liquidity. The net asset value per share of money market funds can change in value when interest rates or an issuer's creditworthiness change dramatically. There can be no guarantee that a money market fund will always be able to maintain a stable net asset value per share. If the separate account invests in money market funds, the separate account will pay any advisory fees and other expenses charged by such money market funds. These fees would be in addition to any management fee and other fees, if any, charged to the separate account.

**Diversification Risk:** Rothschild & Co expects to diversify the separate account's portfolio. However, at any given time, it is possible that Rothschild & Co may select investments that are concentrated by industry, although generally no more than 3% of the separate account's assets may at any time be invested in the equity securities of any one issuer and no more than 30% of the separate account's assets may be invested in the equity securities of issuers in the same industry. These percentages are intended to be general guidelines rather than rigid limits. Applicable percentages are measured as of the date of the last acquisition and may be exceeded, from time to time, in Rothschild & Co's sole discretion. This limited diversity could expose the separate account to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those industries.

**Competition for Investments:** Although Rothschild & Co believes that many investment opportunities exist and will develop which will be suitable for the separate account in connection with seeking to achieve its investment objective, a number of other trusts, partnerships, institutions and other investors are seeking similar objectives. The identification of attractive investment opportunities is nevertheless difficult, competitive and involves a high degree of uncertainty. There can be no assurance that sufficiently attractive investment opportunities will be found to achieve the separate account's objective of long-term capital appreciation. Similarly, while Rothschild & Co intends to invest at least 95% of the separate account's assets in small and mid-sized companies, this percentage may not be reached if insufficient investment opportunities exist or the separate account's total capital becomes too large to deploy satisfactorily. Therefore, it is possible that a portion of the separate account's assets invested in non-equity securities (e.g., fixed income securities, repurchase agreements, etc.) or held in cash may be more than anticipated. Should this become the case, the separate account may have a more difficult time achieving its objective.

**Portfolio Turnover:** The separate account may engage in frequent trading and thus the separate account's

brokerage commission to assets ratio may significantly exceed those of other investment entities.

**Economic Conditions:** Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, war, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the separate account. None of these conditions is within the control of Rothschild & Co. The profitability of a significant portion of the separate account's investment program depends to a great extent on correct assessments of the future course of price movements of securities and other investments. There can be no assurance that Rothschild & Co will be able to accurately predict these price movements. The securities markets have in recent years been characterized by great volatility and unpredictability. With respect to the investment strategies utilized by Rothschild & Co, there is always a significant degree of market risk.

## International Equity

**The American Funds' EuroPacific Growth Fund's**<sup>®</sup> investment objective is to provide you with long-term growth of capital.

The Fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment advisor believes have the potential for growth. Growth stocks are stocks that the investment advisor believes have the potential for above-average capital appreciation.

Normally the Fund will invest at least 80% of its net assets in securities of issuers in Europe and the Pacific Basin. A country will be considered part of Europe if it is part of the MSCI European indexes, and part of the Pacific Basin if any of its borders touches the Pacific Ocean. In determining the domicile of an issuer, the Fund's investment advisor will consider the domicile determination of a leading provider of global indexes, such as Morgan Stanley Capital International, and may also take into account such factors as where the company's securities are listed and where the company is legally organized, maintains principal corporate offices, conducts its principal operations and/or generates revenues. The Fund may invest a portion of its assets in common stocks and other securities of companies in emerging markets.

The investment advisor uses a system of multiple portfolio managers in managing the Fund's assets. Under this approach, the portfolio of the Fund is divided into segments managed by individual managers who decide how their respective segments will be invested.

The Fund relies on the professional judgment of its investment advisor to make decisions about the Fund's portfolio investments. The basic investment philosophy of the investment advisor is to seek to invest in attractively valued companies that, in its opinion, represent good, long-term investment opportunities. The investment advisor believes that an important way to accomplish this is through fundamental analysis, which may include meeting with company executives and employees, suppliers, customers and competitors. Securities may be sold when the investment advisor believes that they no longer represent relatively attractive investment opportunities.

Investors may lose money by investing in the Fund. The likelihood of loss may be greater if you invest for a shorter period of time. Investors in the Fund should have a long-term perspective and be able to tolerate potentially sharp declines in value. The Fund is subject to market risk, growth stock risk, risk of investing outside the U.S., emerging markets risk, issuer risk, and management risk. Please refer to the Fund's prospectus prior to investing for American Funds' full description of these risks at <http://bit.ly/1Ns8h53> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

An investor's investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, entity or person. Investors should consider how this Fund fits into their overall investment program.

**The Wellington International Contrarian Value** portfolio is an all-cap, non-benchmark-oriented approach that seeks to maximize long-term capital appreciation and generate long-term returns in excess of the MSCI EAFE Index by investing in non-US equities with market capitalizations that typically exceed US\$100 million.

The approach is contrarian, seeking to take advantage of fear, apathy, and pessimism, as well as value-oriented, preferring stocks that trade at a discount to the sector and market. From an initial universe of over 10,000 stocks, the investment team screens for companies with low price, low valuation, and low expectations, which tends to

reduce the team's universe to roughly 500 stocks. The team then focuses on the highly rated stocks from Wellington Management global industry analysts, stocks owned and followed by other global portfolio management teams, and their own investment ideas to create a portfolio with between 75 and 250 names. Areas of opportunities tend to fall into one or more of the following four categories: misunderstood negative events, consolidating industry structure, undervalued assets that could be better managed, and low return on capital with the opportunity to improve.

The key risks of the portfolio are mentioned below.

**Common Stock Risk:** Common stock are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues as well as the profitability and viability of the individual company. Equity security prices may decline as a result of adverse changes in these factors, and there is no assurance that a portfolio manager will be able to predict these changes. Some equity markets are more volatile than others and may present higher risks of loss. Common stock represents an equity or ownership interest in an issuer.

**Emerging Markets Risk:** Investments in emerging and frontier countries may present risks such as changes in currency exchange rates; less liquid markets and less available information; less government supervision of exchanges, brokers, and issuers; increased social, economic, and political uncertainty; and greater price volatility. These risks are likely significantly greater relative to developed markets.

**Smaller-Capitalization Stock Risk:** Smaller-capitalization stocks represent investments in smaller, and potentially earlier stage companies and can involve greater risks than the securities of larger companies. The share prices of small- and mid-cap companies may exhibit greater volatility than the share prices of larger-cap companies. In addition, shares of small- and mid-cap companies are often less liquid than those of larger-cap companies. The management teams of smaller companies are frequently less seasoned than those of larger companies, and smaller companies may not have significant institutional ownership.

## Emerging Markets Equity

**The Touchstone Sands Capital Emerging Markets Growth Fund** (the "Fund") seeks long-term capital appreciation. The Fund invests, under normal market conditions, at least 80% of its assets (including borrowings for investment purposes) in equity and equity-related securities issued by companies in "emerging" or "frontier" market countries. The Fund's 80% policy is a non-fundamental investment policy that can be changed by the Fund upon 60 days' prior notice to shareholders. The Fund invests primarily in a portfolio of equity securities such as common stock, preferred stock, and depositary receipts. Emerging or frontier market companies are companies of any size that are economically tied to emerging or frontier markets. The Fund will generally consider qualifying investments to be in companies that are organized under the laws of, or maintain their principal place of business in, an emerging or frontier market country; have securities that are principally traded in such countries; or derive at least 50% of revenues or profits from, or have at least 50% of their assets in, such countries. The Fund generally invests in a portfolio of 30 to 50 issuers selected on the basis of "bottom-up" research undertaken by the sub-advisor, Sands Capital Management, LLC ("Sands Capital").

The Fund classifies emerging markets as those countries not included in the MSCI World Index, a developed market index. As of March 31, 2019, the countries in the MSCI World Index included: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The country composition of the MSCI World Index can change over time. Frontier markets are those emerging market countries that have the smallest, least mature economies and least developed capital markets.

Sands Capital uses a "bottom-up" approach to investment selection, as opposed to sector or regional allocations that focuses on a company's long-term business fundamentals. Therefore, the Fund may overweight certain geographies or sectors and may underweight other geographies or sectors. Sands Capital looks for companies that have: sustainable above-average earnings growth; a leadership position in a promising business space; significant competitive advantages, such as profitability, superior quality, or Withdrawal relative to competitors, or strong brand and consumer loyalty; a clear mission in an understandable business model; financial strength; and a rational valuation in relation to competitors, the market, and business prospects.

Sands Capital generally intends for the Fund's investments to be held for an average term of three to five years,



although the Fund may hold any investment for any length of time. Sands Capital generally considers selling a security when it no longer meets the investment criteria outlined above, for risk management purposes, or if a more attractive investment opportunity presents itself.

The Fund is non-diversified and may invest a significant percentage of its assets in the securities of a single company.

The Fund's share price will fluctuate. You could lose money on your investment in the Fund and the Fund could also return less than other investments. As with any mutual fund, there is no guarantee that the Fund will achieve its investment goal. You can find more information about the Fund's investments and risks under the "Principal Investment Strategies and Risks" section of the Fund's prospectus. The Fund is subject to the principal risks summarized below.

**Equity Securities Risk:** The Fund is subject to the risk that stock prices will fall over short or extended periods of time. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by these companies may decline in response to such developments, which could result in a decline in the value of the Fund's shares.

**Large-Cap Risk:** Large-cap companies may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes, and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

**Mid-Cap Risk:** Stocks of mid-sized companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Mid-sized companies may have limited product lines or financial resources, and may be dependent upon a particular niche of the market.

**Preferred Stock Risk:** In the event an issuer is liquidated or declares bankruptcy, the claims of owners of Bonds take precedence over the claims of those who own preferred and common stock. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline.

**Small-Cap Risk:** 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 and may be dependent upon a small or inexperienced management group.

**Foreign Securities Risk:** Investing in foreign securities poses additional risks since political and economic events unique in a country or region will affect those markets and their issuers, while such events may not necessarily affect the U.S. economy or issuers located in the United States. In addition, investments in foreign securities are generally denominated in foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of the Fund's investments. There are also risks associated with foreign accounting standards, government regulation, market information, and clearance and settlement procedures. Foreign markets may be less liquid and more volatile than U.S. markets and offer less protection to investors.

**Depository Receipts Risk:** Foreign receipts, which include ADRs, Global Depository Receipts, and European Depository Receipts, are securities that evidence ownership interests in a security or a pool of securities issued by a foreign issuer. The risks of depository receipts include many risks associated with investing directly in foreign securities.

**Emerging Markets Risk:** Emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than that of issuers in other countries.

**Frontier Markets Risk:** Frontier markets have similar risks to emerging markets, except that these risks are often magnified in a frontier market due to its smaller and less developed economy. As a result, frontier markets may experience greater changes in market or economic conditions, financial stability, price volatility, currency fluctuations, and other risks inherent in foreign securities.

**Growth-Investing Risk:** Growth-oriented funds may underperform when value investing is in favor, and growth stocks may be more volatile than other stocks because they are more sensitive to investor perceptions of the issuing company's growth of earnings potential.

**Management Risk:** In managing the Fund’s portfolio, the Advisor engages one or more sub-advisors to make investment decisions for a portion of or the entire portfolio. There is a risk that the Advisor may be unable to identify and retain sub-advisors who achieve superior investment returns relative to other similar sub-advisors.

**Non-Diversification Risk:** The Fund is non-diversified, which means that it may invest a greater percentage of its assets than a diversified mutual fund in the securities of a limited number of issuers. The use of a non-diversified investment strategy may increase the volatility of the Fund’s investment performance, as the Fund may be more susceptible to risks associated with a single economic, political or regulatory event. Additional information on the Fund can be found in the prospectus at <http://bit.ly/2O3rrsM> or call Virginia529 to have a prospectus printed and mailed to you.

**DFA Investment Dimensions Group Inc.’s Emerging Markets Core Equity Portfolio** purchases a broad and diverse group of securities associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by Dimensional Fund Advisors LP’s (the “Advisor”) Investment Committee (“Approved Markets”), with a greater emphasis on small capitalization, value, and high profitability companies. The Portfolio’s increased exposure to small capitalization, value, and high profitability companies may be achieved by decreasing the allocation of the Portfolio’s assets to the largest growth or low profitability companies, which would result in a greater weight allocation to small capitalization, value, and/or high profitability companies. An equity issuer is considered a growth company primarily because it has a high price in relation to its book value. Securities are considered value stocks primarily because a company’s shares have a low price in relation to their book value. In assessing growth and value, the Advisor may consider additional factors such as price to cash flow or price to earnings ratios. In assessing profitability, the Advisor may consider different ratios, such as that of earnings or profits from operations relative to book value or assets. The criteria the Advisor uses for assessing growth, value or profitability are subject to change from time to time. The Advisor may also adjust the representation in the Emerging Markets Core Equity Portfolio of an eligible company, or exclude a company, after considering such factors as free float, momentum, trading strategies, liquidity, size, value, profitability, and other factors that the Advisor determines to be appropriate, given market conditions.

As a non-fundamental policy, under normal circumstances, the Emerging Markets Core Equity Portfolio will invest at least 80% of its net assets in emerging markets equity investments that are defined in the Prospectus as Approved Market securities.

The Emerging Markets Core Equity Portfolio may gain exposure to companies in 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 Emerging Markets Core Equity Portfolio may purchase or sell futures contracts and options on futures contracts for Approved Market or other equity market securities and indices, including those of the United States, to adjust market exposure based on actual or expected cash inflows to or outflows from the Portfolio. The Portfolio does not intend to sell futures contracts to establish short positions in individual securities or to use derivatives for purposes of speculation or leveraging investment returns.

The Emerging Markets Core Equity Portfolio may lend its portfolio securities to generate additional income.

The DFA Investment Dimensions Group Inc.’s Emerging Markets Core Equity Portfolio is primarily subject to foreign securities and currencies risk, equity market risk, small company risk, emerging markets risk, value investment risk, profitability investment risk, derivatives risk, securities lending risk, and cyber security risk. For a full description of these risks, please refer to the Portfolio’s prospectus prior to investing at <http://bit.ly/1R1Xovj> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

## Market Fixed Income

**Vanguard® Total Bond Market Index Fund** (the “Total Bond Market Index Fund”) seeks to track the performance of a broad, market-weighted bond index. The Total Bond Market Index Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Total Bond Market Index Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Total Bond Market Index Fund’s investments will be selected through the sampling process, and at least 80% of the Total Bond Market Index Fund’s assets will be invested in bonds held in the Index. The Total Bond Market Index Fund maintains a dollar-

weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

The Total Bond Market Index Fund is subject to interest rate risk, income risk, call risk, prepayment risk, extension risk, credit risk, liquidity risk, and index sampling risk. Please refer to the Total Bond Market Index Fund's prospectus prior to investing for Vanguard's full description of these risks at <http://vgi.vg/1YLgLwh> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

## High Yield Bonds

**PGIM Fixed Income** manages an investment portfolio on behalf of Invest529 that seeks to outperform its benchmark by focusing primarily on the upper quality tier (BB and B rated credits) of the high yield market, which historically has exhibited the most attractive risk/return characteristics. The firm manages higher quality High Yield bond portfolios based on the philosophy that bottom-up, research-based subsector and security selection can lead to consistent outperformance versus a broad High Yield index with a high information ratio. PGIM Fixed Income seeks to construct well diversified portfolio of performing credits that are carefully researched. Intensive fundamental research is conducted by an internal research staff to identify strong and improving credits. The breadth and experience of the research organization permit them to apply intense focus on individual Securities identified from a broad pool of investment opportunities. Portfolios are then actively managed to capture the best opportunities and minimize credit losses, within an environment of disciplined risk management oversight. PGIM Fixed Income does not take extremely large positions, either on an absolute basis or relative to benchmarks, in any single issuer or industry as a primary means to achieve outperformance, nor do they hold a significant portion of the portfolio in an Asset Class other than US High Yield bonds, such as common stocks or Emerging Markets.

The portfolio is primarily subject to credit risk, junk bond risk, Fixed Income obligation risk, market risk, and interest rate risk. Political and geopolitical risk, as applicable, is also assessed on a daily basis to help identify potential shifts in investor sentiment. The following definitions are supplied for assistance in evaluating the separately managed account:

**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, the 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 longer the maturity and the lower the credit quality of a bond, the more likely its value will decline.

**Political and Geopolitical Risk:** These are the risks associated with the world political environment, and the impact such an environment has on current market conditions and investor confidence. Such conditions make the need for daily risk monitoring even more vital.

**Junk Bonds Risk:** High-yield, high-risk bonds have predominantly speculative characteristics, including particularly high credit risk. Junk bonds tend to be less liquid 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.

**Fixed Income Obligations Risk:** 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 before it matures and the portfolio may lose income.

**Market Risk:** The value of these Securities, like other investments, may move up or down, sometimes rapidly and unpredictably. Securities markets are volatile. Regardless of how well an individual investment performs, if financial markets go down, you could lose money.

**Interest Rate Risk:** This is the risk that the Securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Debt obligations with longer maturities generally are more sensitive to interest rate changes. In addition, short-term and long-term interest rates do not necessarily move in the same direction or by the same amount. An instrument's reaction to interest rate changes depends on the timing of its interest and principal payments and the current interest rate for each of those time periods. Instruments with

floating interest rates can be less sensitive to interest rate changes. Certain types of debt obligations are also subject to prepayment and extension 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.”

## Emerging Markets Debt

**Stone Harbor Investment Partners LP’s Emerging Market Debt Fund** normally will invest at least 80% of its net assets (plus any borrowings made for investment purposes) in Emerging Markets Fixed Income Securities. “Emerging Markets Fixed Income Securities” include Fixed Income Securities and derivative instruments (including, but not limited to, spot and currency contracts, futures, options and swaps) that economically are tied to countries with Emerging Securities markets or whose performance is linked to those countries’ markets, economies or ability to repay loans. Emerging Markets Fixed Income Securities may be denominated in non-U.S. currencies or the U.S. dollar. A security or instrument is economically tied to an Emerging Market country if it is principally traded on the country’s securities markets or the issuer is organized or principally operates in the country, derives a majority of its income from its operations within the country or has a majority of its assets within the country. Emerging Markets Fixed Income Securities also include derivatives and other instruments used to hedge or gain exposure to Emerging Securities Markets (for example, futures or other derivatives whose return is based on specific Emerging Markets Securities or indices). Although the Fund is not limited in the types of derivatives it can use, the Fund currently expects that its derivatives investments will consist primarily of the following instruments and transactions: futures, options, swaps, credit linked notes and credit default swaps. The Fund may use derivatives to a significant extent.

The Fund’s investment advisor, Stone Harbor Investment Partners LP (the “Advisor”), has broad discretion to identify and invest in countries that it considers to be emerging markets securities. The Fund considers “emerging market countries” to include countries identified by the World Bank Group as being “low income countries” or which are included in a J.P. Morgan emerging market bond index. It is anticipated that the Fund will focus most of its investments in Asia, Africa, the Middle East, Latin America and the developing countries of Europe. Emerging Markets Fixed Income Securities may include, among other things, sovereign debt securities, corporate debt securities, structured notes, convertible securities, securities issued by supranational organizations, floating rate commercial loans, securitized loan participations, Rule 144A securities and derivatives related to these types of securities. The Fund seeks capital appreciation through country selection, sector selection and security selection.

The Fund is “non-diversified,” which means that it can invest a higher percentage of its assets in any one issuer or in a smaller number of issuers than a diversified fund.

Stone Harbor’s Emerging Markets Debt Fund is primarily subject to Emerging Markets Securities risk, foreign Securities risk, currency risk, interest rate risk, derivatives risk, credit risk, High Yield Securities risk, manager risk and non-diversification risk. Please refer to the Fund’s prospectus prior to investing for Stone Harbor’s full description of these risks at <http://bit.ly/1Hly9O8> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

## Private Real Estate/U.S. Real Estate

This component is comprised of two private real estate managers and a U.S. Real Estate Index fund to manage liquidity.

**Trumbull Property Fund LP** (the “Fund”) is a REIT-based fund, structured as a Delaware limited partnership that offers participation in an actively managed, primarily core portfolio of equity real estate located in major markets in the United States that seeks to provide attractive returns while limiting downside risk through property, geographic and economic diversification strategies and moderate leverage. The general partner of the Fund is Trumbull Property Fund GP LLC, which has engaged its affiliate **UBS Realty Investors LLC** as its advisor (“UBS Realty”). UBS Realty Investors LLC is the legal entity name conducting the direct US real estate business of Real Estate & Private Markets within UBS Asset Management known as “Real Estate US”.

The ongoing, long-term strategy of the Fund is to provide investors with strategic market access to high-quality private commercial real estate with the financial objective of providing superior risk-adjusted returns across the real estate cycles.

To achieve this goal, the Fund's investment strategy is composed of five elements:

- Income focus – Maximize the quality and growth of the Fund's income by acquiring and aggressively managing high quality assets in major US metropolitan markets.
- Diversification – UBS utilizes its proprietary Investable Universe Inventory Model to minimize risk through diversification by property type, geographic location and economic sector.
- Modest use of third-party leverage – The Fund has historically maintained a leverage ratio significantly lower than the NFI-ODCE average and manages to a 20% maximum. The lower leverage ratio provides for flexibility in investment structure and is often a competitive advantage in acquisitions.
- Strategic value added sub-strategy (5-15% of Fund) – A tactical "build-to-core" strategy focused on investments involving renovation, repositioning or development that will stabilize and remain a long-term hold for the Fund.
- Sustainability – Combining financial accountability and environmental responsibility for all of our stakeholders – investors, tenants, partners and employees.

The Fund focuses its efforts on the selection and management of institutional properties that produce current income or have well defined potential income, rather than attempting to time possible price changes.

The Fund seeks to provide investors with a positive total return significantly in excess of the rate of inflation in all market conditions over a full market cycle.

Among other risks, the Fund is subject to the following principal risks: Risks in investing in direct real estate generally, risks of using leverage, environmental risks, general economic and business risk, lack of liquidity, lack of control over Fund matters.

**Blackstone Property Advisors L.P.** (the "Advisor") provides investment advisory services to Blackstone's US core plus real estate business, (the "Business") which targets high-quality, substantially stabilized office, multifamily, industrial and retail core plus assets in U.S. gateway cities. As an investment advisor to the Business, the Advisor: (1) identifies and analyzes investment opportunities; (2) makes recommendations regarding the purchase and sale of investments; (3) participates in the monitoring and evaluation of investments; and (4) provides other related services in connection with the implementation of investment objectives. Investments are subject to principal risks including, but not limited to: restrictions on redemptions and withdrawals, real estate risk and REIT risk, portfolio concentration risk, market volatility risk, leverage risk and non-U.S. investment risk.

Investment strategy and risks associated with the **Vanguard Real Estate Index Fund** can be found in the Passively Managed Portfolios section of this document.

## Stable Value

**Invesco Advisers, Inc.** ("Invesco") manages the stable value portion (the "Stable Value Fund") of the Invest529 Program that invests in investment contracts (also referred to as "wrap contracts") issued by financial institutions such as insurance companies and banks. The Stable Value Fund seeks to produce stable principal balances and a stable and predictable return, while avoiding negative returns. It also seeks to protect principal, maintain liquidity for Account Owner transactions and, in most market environments, may provide a higher return than a money market fund. The wrap contracts utilized by the Stable Value Fund provide for minimal fluctuation in the value of the principal amount invested in the Stable Value Fund; however, such contracts are not guaranteed by Invesco, its affiliates or any other entity. Certain wrap contracts and the Stable Value Fund itself may be backed by diversified portfolios of bonds (typically rated Investment Grade at time of purchase), including corporate bonds, mortgage-backed securities, asset-backed securities, and U.S. government securities (collectively for the purposes of describing the Stable Value Fund, "Securities"). The Stable Value Fund's overall duration is expected to range from 2 to 4 years, although such duration will be managed opportunistically in light of market conditions and the Stable Value Fund's liquidity needs.

**The Stable Value Fund** is subject to the principal risks described below. Current and prospective Account Owners should carefully consider these risks, along with other risks referred to in this Program Description.

**Wrap Contract Risks:** These are the risks that (i) the wrap contract issuer could default, with the potential result of loss of principal should the market value of Securities backing the contract be less than the book value of the contract; (ii) costs incurred to buy the wrap contracts reduce the Stable Value Fund's return; (iii) a terminated wrap contract may be replaced with a contract with less favorable terms or higher costs; (v) poor market value



performance of underlying Securities may lead a wrap contract issuer to exercise its right to terminate the contract or constrain the management of the Stable Value Fund's investments, potentially reducing the Stable Value Fund's performance; (vi) use of a small number of wrap contract issuers concentrates exposure to the companies issuing the wrap contracts; (vii) a wrap contract could terminate, resulting in the loss of book value coverage; (viii) certain Invest529 program sponsor events, including, but not limited to, bankruptcy or termination of the Invest529 program, may result in Account Owner withdrawals or exchanges from the Stable Value Fund being made at market value lower than book value.

**Crediting Rate Risk:** This is the risk that the Stable Value Fund's credit rate will generally lag market interest rates. Wrap contract crediting rates may be affected, positively or negatively, if a large number of participants request redemptions from the Stable Value Fund or add new Contributions to the Stable Value Fund.

**Liquidity Risk:** This is the risk that Account Owners may withdraw their Stable Value Fund investment; however, an Account Owner desiring to invest in a competing option within the Invest529 program (generally a short-term bond fund or money market fund) may be required to transfer to a non-competing option and wait for a period of ninety (90) days before transferring from the Stable Value Fund to the competing option. Certain conditions provided for in a wrap contract may result in Account Owner withdrawals or exchanges from the Stable Value Fund taking place at a market value below book value.

**Management Risk:** The Stable Value Fund is actively managed and depends heavily on Invesco's judgment about markets, interest rates, or the attractiveness, relative values, liquidity or potential appreciation of investments made for the Stable Value Fund's portfolio. The Stable Value Fund could experience losses if these judgments prove to be incorrect. Additionally, legislative, regulatory, or tax developments may adversely affect management of the Stable Value Fund and, therefore, the ability of the Stable Value Fund to achieve its investment objectives.

**Market and Default Risk:** This is the risk that Securities' values may decline if the financial strength of the Securities' issuers drops and if there are changes in economic and market conditions, regional or global economic instability, or interest rate fluctuations. Such declines in values may be reflected in reduced future wrap contract crediting rates. Wrap contracts do not cover defaults by issuers of Securities in the Stable Value Fund. Substantial defaults could cause the Stable Value Fund's credited rate to fall below zero, and Account Owners who withdraw their Stable Value Fund investments from the Stable Value Fund at that time may not receive back the full principal amount contributed.

**Interest Rate and Yield Curve Risk:** This is the risk that, generally, bond prices fall as interest rates rise and rise as interest rates fall. Investors describe a bond's interest rate sensitivity using its duration as a measure of how volatile bond prices may be as interest rates change. Generally, bonds with longer periods to maturity will have a longer duration, and hence a higher likelihood of performance volatility. The longer the duration of a bond or a portfolio of bonds, the greater its sensitivity to interest rate changes.

**Call and Prepayment Risk:** This is the risk that callable bonds can be called by the company that issued them, usually so the issuer can issue new bonds at a lower interest rate. Homeowners may pay off their mortgage loans early. Both situations force the investor to reinvest the principal sooner than expected, usually at a lower interest rate. These effects may adversely affect the Stable Value Fund.

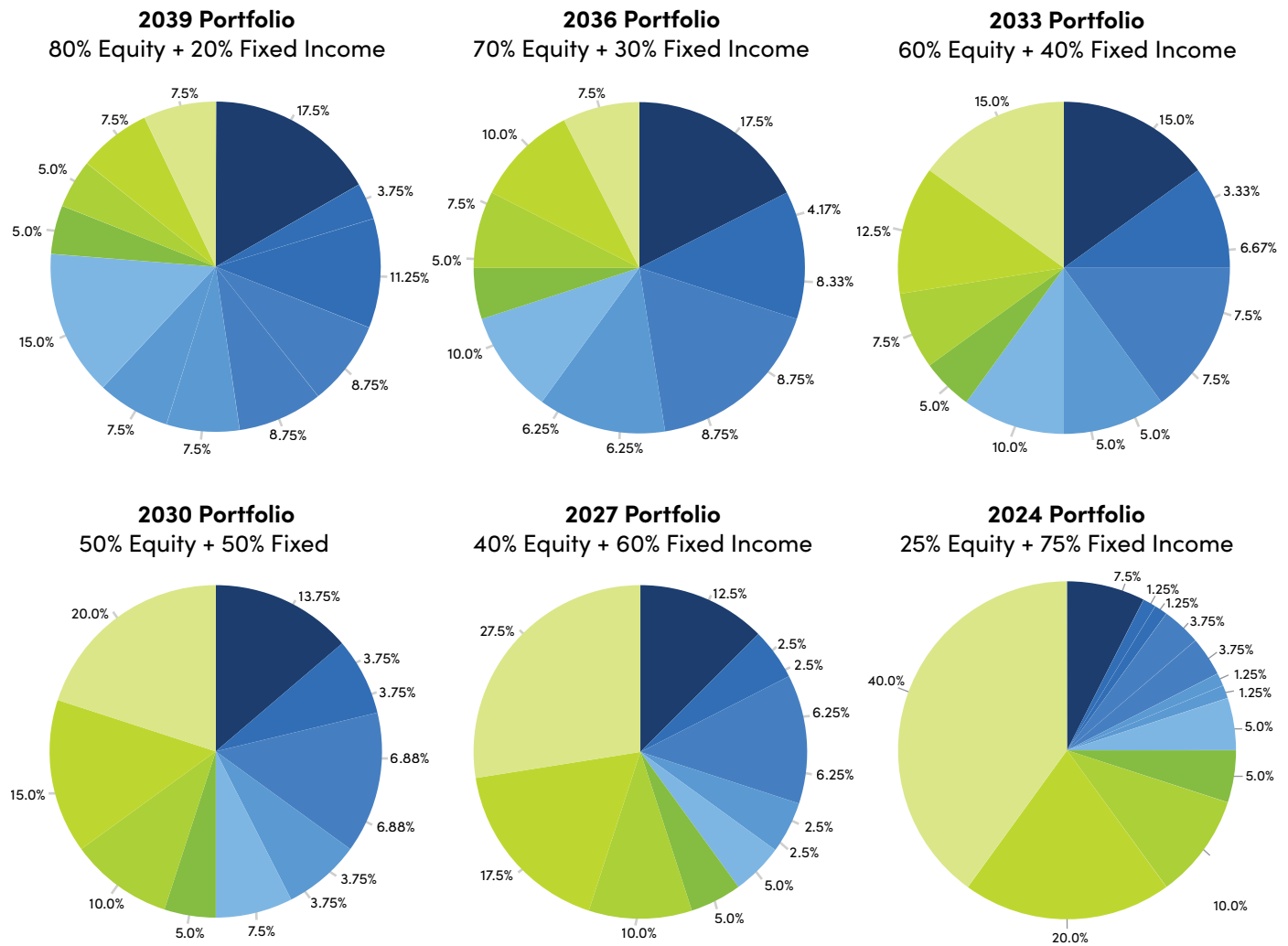
**Derivatives Risk:** The value of a derivative instrument depends largely on (and is derived from) the value of an underlying security, currency, commodity, interest rate, index or other asset (each referred to as an underlying asset). In addition to risks relating to the underlying assets, the use of derivatives may include other, possibly greater, risks, including counterparty, leverage and liquidity risks. Counterparty risk is the risk that the counterparty to the derivative contract will default on its obligation to pay the Stable Value Fund the amount owed or otherwise perform under the derivative contract. Derivatives create leverage risk because they do not require payment up front equal to the economic exposure created by owning the derivative. As a result, an adverse change in the value of the underlying asset could result in the Stable Value Fund sustaining a loss that is substantially greater than the amount invested in the derivative, which may make the Stable Value Fund's returns more volatile and increase the risk of loss. Derivative instruments may also be less liquid than more traditional investments and the Stable Value Fund may be unable to sell or close out its derivative positions at a desirable time or price. This risk may be more acute under adverse market conditions, during which the Stable Value Fund may be most in need of liquidating its derivative positions. Derivatives may also be harder to value and subject to changing government regulation that could impact the Stable Value Fund's ability to use certain derivatives or their cost. Also, derivatives used for hedging or to gain or limit exposure to a particular market segment may not provide the expected benefits, particularly during adverse market conditions.

**Mortgage- and Asset-Backed Securities Risk:** Mortgage- and asset-backed securities, including collateralized debt obligations and collateralized mortgage obligations, are particularly subject to the call and prepayment risk described above. Mortgage- and asset-backed securities also are subject to extension risk, which is the risk that an unexpected rise in interest rates could reduce the rate of prepayments, causing the price of the mortgage- and asset-backed securities and the Stable Value Fund's unit price to fall. 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 Stable Value Fund. 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 or other underwriting characteristics, and wider variances in interest rate, term, size, purpose and borrower characteristics.

**U.S. Government Obligations Risk:** Obligations of U.S. government agencies and authorities receive varying levels of support and may not be backed by the full faith and credit of the U.S. government, which could affect the Stable Value Fund's ability to recover should they default. No assurance can be given that the U.S. government will provide financial support to its agencies and authorities if it is not obligated by law to do so.

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# Target Enrollment Portfolio Target Asset Allocations



Asset Class	Manager	Fund or Separate Account
Large Cap Domestic Equity	The Vanguard Group, Inc.	Institutional Index Fund
Small Cap Domestic Equity	The Vanguard Group, Inc.	Small-Cap Index Fund
Small-/Mid Cap Domestic Equity	Rothschild Asset Management, Inc.	Separate Investment Account for Invest529
International Equity	Capital Research and Management Co.	American Funds EuroPacific Growth Fund
International Equity	Wellington Management Co.	Common Trust Fund
Emerging Markets Equity	Sands Capital Management	Touchstone Sands Capital Emerging Markets Growth Fund
Emerging Markets Equity	DFA Investment Dimensions Group, Inc.	Emerging Markets Core Equity Portfolio
US Real Estate	The Vanguard Group, Inc.	Real Estate Index Fund
Private Real Estate	Blackstone Property Advisors L.P.	Limited Partnership
Private Real Estate	UBS Realty Investors LLC	Limited Partnership
High Yield Bonds	PGIM Fixed Income	Separate Investment Account for Invest529
Emerging Markets Debt	Stone Harbor Investment Partners, L.P.	Emerging Market Debt Fund
Market Fixed Income	The Vanguard Group, Inc.	Total Bond Market Index Fund
Stable Value	Invesco Advisers, Inc.	Separate Investment Account for Invest529

# Target Risk Portfolio Fund Descriptions

## Aggressive Growth Portfolio

### Investment Objective

The Aggressive Growth Portfolio seeks to provide capital appreciation and some current income.

### Investment Strategy

The Aggressive Growth Portfolio maintains a target asset allocation of 80% equity, 20% fixed income. This target asset allocation is comprised of the following Sub-asset Classes and Funds: 48% domestic equity, managed by The Vanguard Group, Inc.; 32% international equity, managed by The Vanguard Group, Inc.; 14% market fixed income, managed by The Vanguard Group, Inc.; and 6% international fixed income, managed by The Vanguard Group, Inc. (see Chart V). A full description of each underlying Fund's investment strategy can be found in the Total Stock Market Index Portfolio, Total Bond Market Index Portfolio, Total International Stock Index Portfolio, and Total International Bond Index Fund excerpts in the Index Portfolio section of this document.

### Investment Risks

A complete description of each of the risks associated with the underlying Funds of the Aggressive Growth Portfolio can be found in the Index Portfolio section. Information on obtaining prospectuses for the respective Funds is also contained in that section.

## Moderate Growth Portfolio

### Investment Objective

The Moderate Growth Portfolio seeks to provide capital appreciation and a low to moderate level of current income.

### Investment Strategy

The Moderate Growth Portfolio maintains a target asset allocation of 60% equity, 40% fixed income. This target asset allocation is comprised of the following Sub-asset Classes and Funds: 36% domestic equity, managed by The Vanguard Group, Inc.; 24% international equity, managed by The Vanguard Group, Inc.; 28% market fixed income, managed by The Vanguard Group, Inc.; and 12% international fixed income, managed by The Vanguard Group, Inc. (see Chart V). A full description of each underlying Fund's investment strategy can be found in the Total Stock Market Index Portfolio, Total Bond Market Index Portfolio, Total International Stock Index Portfolio, and Total International Bond Index Fund excerpts in the Index Portfolio section of this document.

### Investment Risks

A complete description of each of the risks associated with the underlying Funds of the Moderate Growth Portfolio can be found in the Index Portfolio section. Information on obtaining prospectuses for the respective Funds is also contained in that section.

## Conservative Income Portfolio

### Investment Objective

The Conservative Income Portfolio seeks to provide current income and some capital appreciation.

### Investment Strategy

The Conservative Income Portfolio maintains a target asset allocation of 20% equity, 80% fixed income. This target asset allocation is comprised of the following Sub-asset Classes and Funds: 12% domestic equity, managed by The Vanguard Group, Inc.; 8% international equity, managed by The Vanguard Group, Inc.; 56% market fixed income, managed by The Vanguard Group, Inc.; and 24% international fixed income, managed by The Vanguard Group, Inc. (see Chart V). A full description of each underlying Fund's investment strategy can be found in the Total Stock Market Index Portfolio, Total Bond Market Index Portfolio, Total International Stock Index Portfolio, and Total International Bond Index Fund excerpts in the Index Portfolio section of this document.

### **Investment Risks**

A complete description of each of the risks associated with the underlying Funds of the Conservative Income Portfolio can be found in the Index Portfolio section. Information on obtaining prospectuses for the respective Funds is also contained in that section.

## **Active Aggressive Portfolio**

### **Investment Objective**

The investment objective of the Active Aggressive Portfolio is to maintain a fixed target asset allocation identical to the initial target allocation of the current 80% equity/ 20% fixed-income Target Enrollment Portfolio. This asset allocation will remain fixed and will not evolve with the Target Enrollment Portfolios.

### **Investment Strategy**

The Active Aggressive Portfolio maintains a target asset allocation of 80% equity, 20% fixed income. This target asset allocation is comprised of the following Sub-asset Classes and Funds: 17.5% allocation large-cap domestic equity, managed by The Vanguard Group, Inc.; 3.75% small-cap domestic equity, managed by The Vanguard Group, Inc.; 11.25% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 8.75% international equity, managed by Capital Research and Management Co.; 8.75% international equity managed by Wellington Management Company LLP; 7.5% emerging markets equity, managed by Sands Capital Management, LLC; 7.5% emerging markets equity, managed by DFA Investment Dimensions Group, Inc.; 15% private real estate/U.S. Real Estate, managed by UBS Realty Investors LLC, Blackstone Property Advisors L.P. and The Vanguard Group, Inc.; 5% high yield bonds, managed by PGIM Fixed Income; 5% emerging markets debt, managed by Stone Harbor Investment Partners, LP; 7.5% Market Fixed Income, managed by The Vanguard Group, Inc.; and 2.5% Stable Value, managed by Invesco Advisers, Inc. The majority of the underlying allocations of the Active Aggressive Portfolio employ an Active Management strategy. A full description of each underlying Fund's investment strategy can be found in the Target Enrollment Portfolios section of this document.

### **Investment Risks**

A complete description of each of the risks associated with the underlying Funds of the Active Aggressive Portfolio can be found in the Target Enrollment Portfolios section of this document. Information on obtaining prospectuses for the respective Funds is also contained in that section.

## **Active Moderate Portfolio**

### **Investment Objective**

The investment objective of the Active Moderate Portfolio is to maintain a fixed target asset allocation identical to the initial target allocation of the current 50% equity/ 50% fixed-income Target Enrollment Portfolio. This asset allocation will remain fixed and will not evolve with the Target Enrollment Portfolios.

### **Investment Strategy**

The Active Moderate Portfolio maintains a target asset allocation of 50% equity, 50% fixed income. This target asset allocation is comprised of the following Sub-asset Classes and Funds: 13.75% allocation large-cap domestic equity, managed by The Vanguard Group, Inc.; 3.75% small-cap domestic equity, managed by The Vanguard Group, Inc.; 3.75% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 6.875% international equity, managed by Capital Research and Management Co.; 6.875% international equity managed by Wellington Management Company LLP; 3.75% emerging markets equity, managed by Sands Capital Management, LLC; 3.75% emerging markets equity, managed by DFA Investment Dimensions Group, Inc.; 7.5% private real estate/U.S. Real Estate, managed by UBS Realty Investors LLC, Blackstone Property Advisors L.P. and The Vanguard Group, Inc.; 5% high yield Bonds, managed by PGIM Fixed Income; 10% emerging markets debt, managed by Stone Harbor Investment Partners, LP; 15% Market Fixed Income, managed by The Vanguard Group, Inc.; and 20% Stable Value, managed by Invesco Advisers, Inc. The majority of the underlying allocations of the Active Moderate Portfolio employ an Active Management strategy. A full description of each underlying Fund's investment strategy can be found in the Target Enrollment Portfolios section of this document.

### **Investment Risks**

A complete description of each of the risks associated with the underlying Funds of the Active Moderate Portfolio can be found in the Target Enrollment Portfolios section of this document. Information on obtaining prospectuses for the respective Funds is also contained in that section.



## Active Conservative Portfolio

### Investment Objective

The investment objective of the Active Conservative Portfolio is to maintain a fixed target asset allocation identical to the initial target allocation of the current 25% equity/ 75% fixed-income Target Enrollment Portfolio. This asset allocation will remain fixed and will not evolve with the Target Enrollment Portfolios.

### Investment Strategy

The Active Conservative Portfolio maintains a target asset allocation of 25% equity, 75% fixed income. This target asset allocation is comprised of the following Sub-asset Classes and Funds: 7.5% allocation large-cap domestic equity, managed by The Vanguard Group, Inc.; 1.25% small-cap domestic equity, managed by The Vanguard Group, Inc.; 1.25% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 3.75% international equity, managed by Capital Research and Management Co.; 3.75% international equity managed by Wellington Management Company LLP; 1.25% emerging markets equity, managed by Sands Capital Management, LLC; 1.25% emerging markets equity, managed by DFA Investment Dimensions Group, Inc.; 5% private real estate/U.S. Real Estate, managed by UBS Realty Advisors LLC, Blackstone Property Advisors L.P., and The Vanguard Group, Inc.; 5% high yield bonds, managed by PGIM Fixed Income; 10% emerging markets debt, managed by Stone Harbor Investment Partners, LP; 20% Market Fixed Income, managed by The Vanguard Group, Inc.; and 40% Stable Value, managed by Invesco Advisers, Inc. The majority of the underlying allocations of the Active Conservative Portfolio employ an Active Management strategy. A full description of each underlying Fund's investment strategy can be found in the Target Enrollment Portfolios section of this document.

### Investment Risks

A complete description of each of the risks associated with the underlying Funds of the Active Conservative Portfolio can be found in the Target Enrollment Portfolios section of this document. Information on obtaining prospectuses for the respective Funds is also contained in that section.

### International Fixed Income

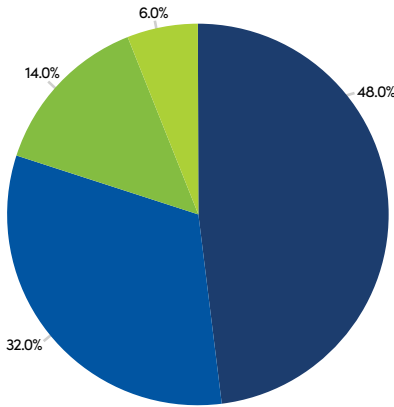
Vanguard® Total International Bond Index Fund (the "Total International Bond Index Fund") seeks to track the performance of a benchmark index that measures the investment return of non-U.S. dollar-denominated investment-grade bonds. The Total International Bond Index Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). This Index provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The Index is capped to comply with investment company diversification standards of the Internal Revenue Code, which state that, at the close of each fiscal quarter, a fund's (1) exposure to any particular bond issuer may not exceed 25% of the fund's assets, and (2) aggregate exposure to issuers that individually constitute 5% or more of the fund may not exceed 50% of the fund's assets. To help enforce these limits, if the Index, on the last business day of any month, were to have greater than 20% exposure to any particular bond issuer, or greater than 48% aggregate exposure to issuers that individually constitute 5% or more of the Index, then the excess would be reallocated to bonds of other issuers represented in the Index. The Index methodology is not designed to satisfy the diversification requirements of the Investment Company Act of 1940. The Total International Bond Index Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. Such hedging is intended to minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar. The Total International Bond Index Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Total International Bond Index Fund's investments will be selected through the sampling process and, under normal circumstances, at least 80% of the Fund's assets will be invested in bonds included in the Index. The Total International Bond Index Fund maintains a dollar-weighted average maturity consistent with that of the Index.

Vanguard Total International Bond Index Fund is subject to country/regional risk, interest rate risk, income risk, nondiversification risk, credit risk, index sampling risk, currency risk, currency hedging risk, call risk, and derivatives risk. Please refer to the Total International Bond Index Fund's prospectus prior to investing for Vanguard's full description of these risks at <http://vgi.vg/1YLgLwh> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

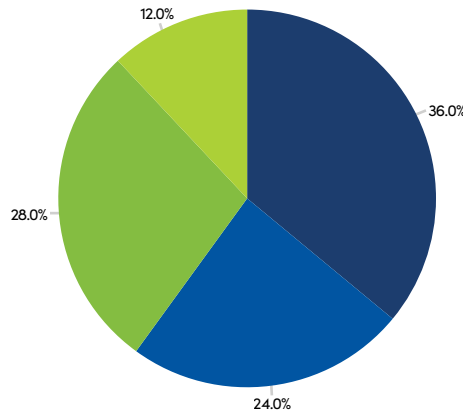
# Target Risk Portfolio Target Asset Allocations

Note: The following charts are for illustrative purposes only and should not be the sole source of information used in making your investment decisions. In addition to your own research, please read the complete Program Description and review each Fund's official web site to learn more. Please also note the investment allocations represented here are only target allocations for each Portfolio. Actual allocations may vary.

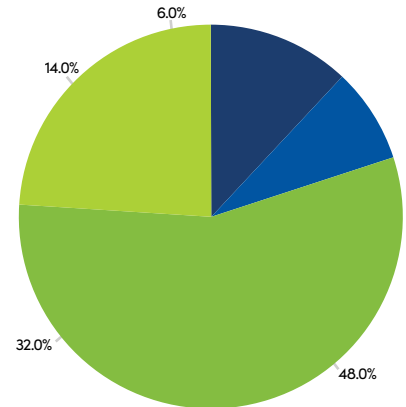
**Aggressive Growth**  
80% Equity + 20% Fixed Income



**Moderate Growth**  
60% Equity + 40% Fixed income

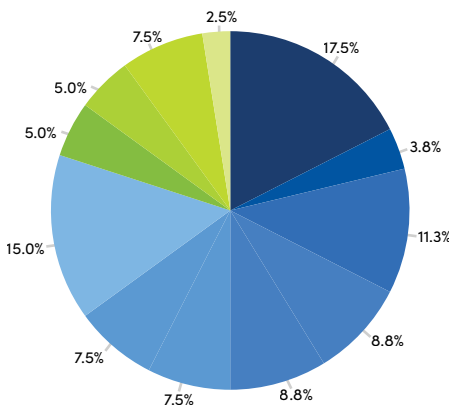


**Conservative Income**  
20% Equity + 80% Fixed Income

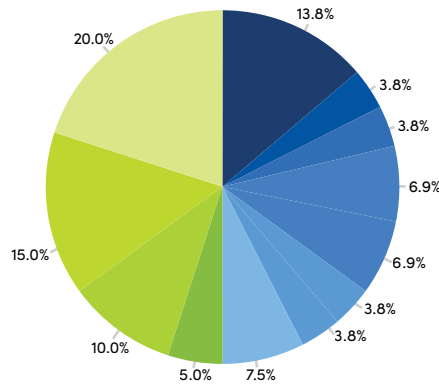


Asset Class	Manager	Fund or Separate Account
Domestic Equity	The Vanguard Group, Inc.	Total Stock Market Index Fund
International & Emerging Marketing Equity	The Vanguard Group, Inc.	Total International Stock Index Fund
Market Fixed Income	The Vanguard Group, Inc.	Total Bond Market Index Fund
International Fixed Income	The Vanguard Group, Inc.	Total International Bond Market Index Fund

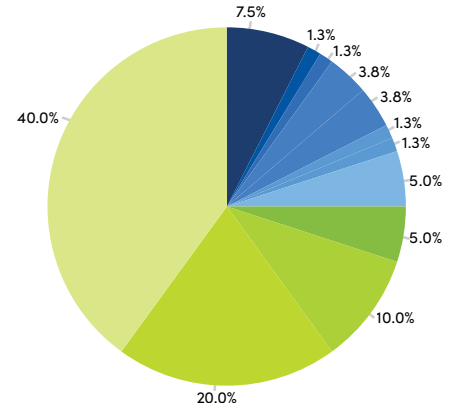
**Active Aggressive**  
80% Equity + 20% Fixed Income



**Active Moderate**  
50% Equity + 50% Fixed income



**Active Conservative**  
25% Equity + 75% Fixed Income



Asset Class	Manager	Fund or Separate Account
Large Cap Domestic Equity	The Vanguard Group, Inc.	Institutional Index Fund
Small Cap Domestic Equity	The Vanguard Group, Inc.	Small-Cap Index Fund
Small-/Mid Cap Domestic Equity	Rothschild Asset Management, Inc.	Separate Investment Account for Invest529
International Equity	Capital Research and Management Co.	American Funds EuroPacific Growth Fund
International Equity	Wellington Management Co.	Common Trust Fund
Emerging Markets Equity	Sands Capital Management	Touchstone Sands Capital Emerging Markets Growth Fund
Emerging Markets Equity	DFA Investment Dimensions Group, Inc.	Emerging Markets Core Equity Portfolio
US Real Estate	The Vanguard Group, Inc.	Real Estate Index Fund
Private Real Estate	Blackstone Property Advisors L.P.	Limited Partnership
Private Real Estate	UBS Realty Investors LLC	Limited Partnership
High Yield Bonds	PGIM Fixed Income	Separate Investment Account for Invest529
Emerging Markets Debt	Stone Harbor Investment Partners, L.P.	Emerging Market Debt Fund
Market Fixed Income	The Vanguard Group, Inc.	Total Bond Market Index Fund
Stable Value	Invesco Advisers, Inc.	Separate Investment Account for Invest529

## Index Portfolios Fund Descriptions

### Total Stock Market Index Portfolio

#### Investment Objective

The Total Stock Market Index Portfolio seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

#### Investment Strategy

The Total Stock Market Index Portfolio invests entirely in Vanguard Total Stock Market Index Fund (the “Total Stock Market Index Fund”), which employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index. The Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and NASDAQ. The Total Stock Market Index Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

#### Investment Risks

Because the Total Stock Market Index Portfolio invests entirely in Vanguard Total Stock Market Index Fund, the Portfolio is subject to stock market risk and index sampling risk. Please refer to the Total Stock Market Index Fund’s prospectus prior to investing for Vanguard’s full description of risks associated with the Fund at <http://vgi.vg/1TAUe2e> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

### Total Bond Market Index Portfolio

#### Investment Objective

The Total Bond Market Index Portfolio seeks to track the performance of a broad, market-weighted bond index.

#### Investment Strategy

The Total Bond Market Index Portfolio invests entirely in Vanguard Total Bond Market Index Fund (the “Total Bond Market Index Fund”), which employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year. The Total Bond Market Index Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Total Bond Market Index Fund’s investments will be selected through the sampling process, and at least 80% of the Fund’s assets will be invested in Bonds held in the Index. The Total Bond Market Index Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

#### Investment Risks

Because the Total Bond Market Index Portfolio invests entirely in Vanguard Total Bond Market Index Fund, the Portfolio is subject to interest rate risk, income risk, call risk, prepayment risk, extension risk, credit risk, index sampling risk, and liquidity risk. Please refer to the Total Bond Market Index Fund’s prospectus prior to investing for Vanguard’s full description of risks associated with the Fund at <http://vgi.vg/1YLgLwh> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

### Total International Stock Index Portfolio

#### Investment Objective

The Total International Stock Index Portfolio seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

### **Investment Strategy**

The Total International Stock Index Portfolio invests entirely in Vanguard Total International Stock Index Fund (the “Total International Stock Index Fund”), which employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,800 stocks of companies located in over 45 countries. The Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

### **Investment Risks**

Because the Total International Stock Index Portfolio invests entirely in Vanguard Total International Stock Index Fund, the Portfolio is subject to stock market risk, country/regional risk, currency risk, investment style risk, and emerging markets risk. Please refer to the Total International Stock Index Fund’s prospectus prior to investing for Vanguard’s full description of risks associated with the Fund at <http://vgi.vg/1lrHJ8b> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

## **Inflation-Protected Securities Portfolio**

### **Investment Objective**

The Inflation-Protected Securities Portfolio seeks to provide inflation protection and income consistent with investment in inflation-indexed securities.

### **Investment Strategy**

The Inflation-Protected Securities Portfolio invests entirely in Vanguard Inflation-Protected Securities Fund (the “Inflation-Protected Securities Fund”), which invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Inflation-Protected Securities Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the Inflation-Protected Securities Fund will be rated investment-grade, or, if unrated, will be considered by the advisor to be investment-grade.

### **Investment Risks**

Because the Inflation-Protected Securities Portfolio invests entirely in the Vanguard Inflation-Protected Securities Fund, the Portfolio is subject to income fluctuations, income fluctuation risk, interest rate risk, manager risk, liquidity risk, and derivatives risk.

The Inflation-Protected Securities Portfolio seeks to provide protection from inflation as measured by the Consumer Price Index (CPI). It is possible that the costs of higher education may increase at a rate that exceeds the rate of increase of the CPI. There is no guarantee that the Inflation-Protected Securities Portfolio will protect investors from the rising costs of higher education. Please refer to the Inflation-Protected Securities Fund’s prospectus prior to investing for Vanguard’s full description of risks associated with the Fund at <http://vgi.vg/1QWEesX> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

## **Real Estate Investment Trust (REIT) Index Portfolio**

### **Investment Objective**

The Real Estate Investment Trust (REIT) Index Portfolio seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a Benchmark index that measures the performance of publicly traded Equity REITs and other real estate-related investments.

### **Investment Strategy**

The REIT Index Portfolio invests entirely in the Vanguard Real Estate Index Fund (the “Real Estate Index Fund”), which employs an indexing investment approach designed to track the performance of the MSCI US Investable Market 25/50 Index, an index made up of stocks of large, mid-size, and small U.S. companies within the real estate sector, as classified under the Global Industry Classification Standard (GICS). The GICS real estate sector is composed of equity real estate investment trusts (known as REITs), which includes specialized REITs, and real estate management and development companies. The Real Estate Index Fund attempts to track the Index by investing all, or substantially all, of its assets—either directly or indirectly through a wholly owned subsidiary (the underlying fund), which is itself

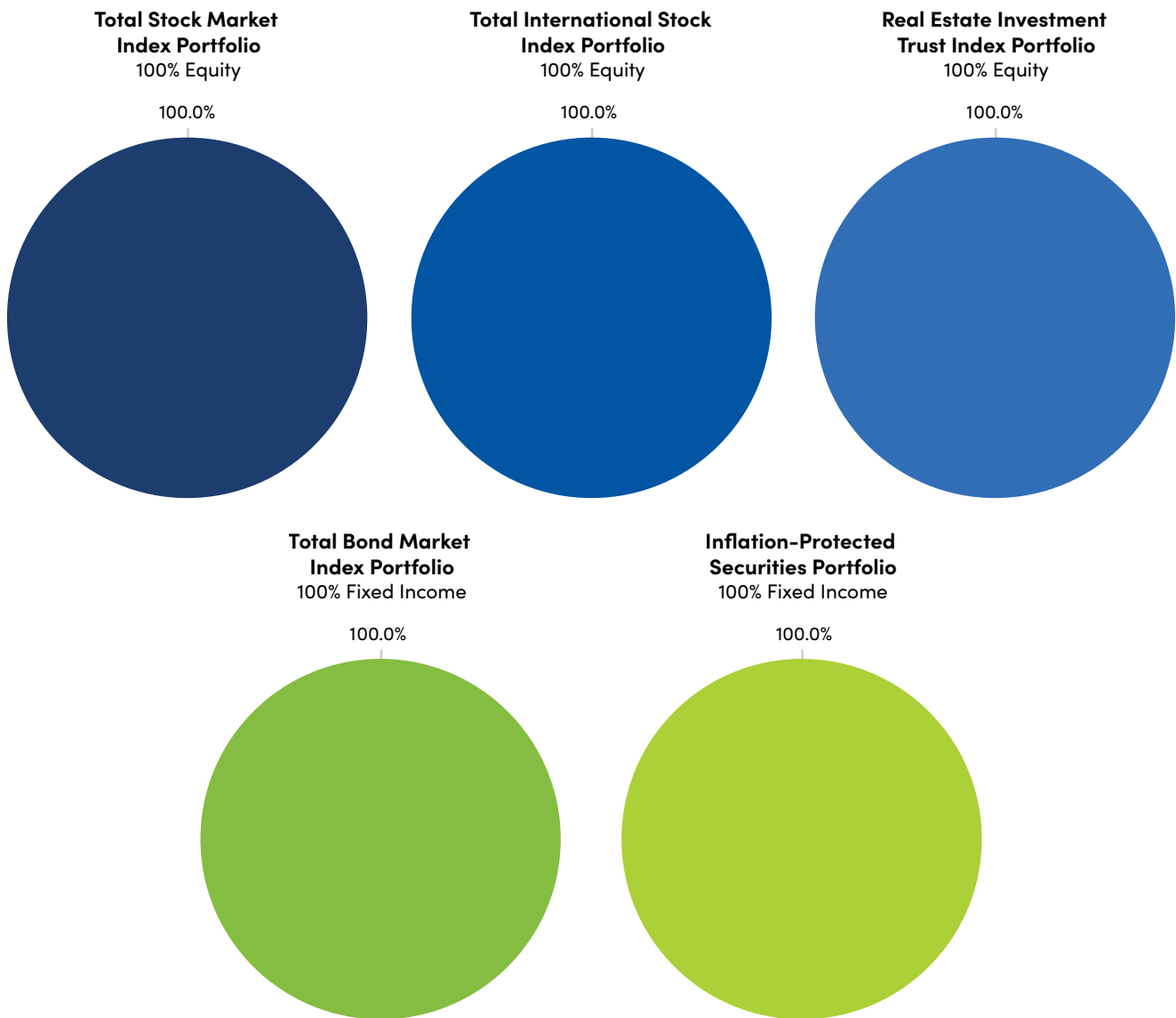
a registered investment company—in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index. The Real Estate Index Fund may invest a portion of its assets in the underlying fund.

**Investment Risks**

Because the REIT Index Portfolio invests entirely in the Vanguard Real Estate Index Fund, the Portfolio is subject to industry concentration risk, interest rate risk, stock market risk, investment style risk, and asset concentration risk. Please refer to the Real Estate Index Fund’s prospectus prior to investing for Vanguard’s full description of risks associated with the Real Estate Index Fund at <http://vgi.vg/1ZMk7A> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

**Index Portfolio Target Asset Allocations**

Note: The following charts are for illustrative purposes only and should not be the sole source of information used in making your investment decisions. In addition to your own research, please read the complete Program Description and review each Fund’s official web site to learn more. Please also note the investment allocations represented here are only target allocations for each Portfolio. Actual allocations may vary.



Asset Class	Manager	Fund or Separate Account
Domestic Equity	The Vanguard Group, Inc	Total Stock Market Index Fund
Intl & Emerging Markets Equity	The Vanguard Group, Inc	Total International Stock Index Fund
US Real Estate	The Vanguard Group, Inc	Real Estate Index Fund
Market Fixed Income	The Vanguard Group, Inc	Total Bond Market Index Fund
Inflation-Indexed Fixed Income	The Vanguard Group, Inc	Inflation-Protected Securities Fund



# Principal Protected Portfolio Fund Descriptions

## FDIC-Insured Portfolio

### Investment Objective

The Portfolio seeks income consistent with the preservation of principal.

### Investment Strategy

The Portfolio invests 100% of its assets into interest bearing deposit accounts at a bank. Specifically the Portfolio invests in omnibus deposit and certificate of deposit accounts at Atlantic Union Bank. Deposits made into the omnibus accounts on behalf of investors are pooled in these accounts where they are commingled with deposits of other investors in the Portfolio. The accounts earn competitive rates with interest compounded and paid daily into the accounts. The interest rate will be reviewed by the bank periodically and is subject to change at any time with the exception of the certificate of deposit accounts where the rate is specified for the associated term.

### FDIC Insurance

Deposits into the omnibus accounts are insured by the Federal Deposit Insurance Corporation (FDIC) to the fullest extent permitted by law on a 'pass-through' basis to each account owner up to \$250,000, currently the maximum allowable by federal law. For the purposes of determining the amount of FDIC insurance applicable to an account owner, the account owner's deposits in the omnibus accounts will be aggregated with deposits in all other eligible accounts of the account owner at Atlantic Union Bank. The amount of FDIC insurance applicable to an account owner is an individual determination subject to applicable law and the rules and regulations of the FDIC in existence from time to time.

### Investment Risks

The Portfolio invests 100% of its assets in interest bearing omnibus deposit accounts at Atlantic Union Bank. The rate of interest applicable to these accounts will be reviewed periodically and is subject to change at any time with the exception of the certificate of deposit accounts where the rate is specified for the associated term.

Investments in the Portfolio may not be insured by the FDIC to the full value of the investment. Although deposits in the omnibus accounts in which the Portfolio invests are insured by the FDIC on a 'pass-through' basis to each account owner up to \$250,000, the amount of the FDIC insurance applicable to any account owner may be less than \$250,000 if the account owner has other eligible FDIC insured accounts. In addition, the amount of FDIC insurance applicable to an account owner is subject to applicable law and the rules and regulations of the FDIC which change from time to time.

Investments in the Portfolio may not be insured by the FDIC if the FDIC determines certain requirements have not been met. Virginia529 and Atlantic Union Bank must meet certain requirements in order for FDIC insurance to 'pass through' to individual account owners invested in the Portfolio. If Virginia529 and Atlantic Union Bank do not meet those requirements, deposits in the omnibus accounts may not be insured by the FDIC.

## Stable Value Portfolio

### Investment Objective

The Stable Value Portfolio seeks to produce stable principal balances and a stable and predictable return while avoiding negative returns. It also seeks to protect principal, maintain liquidity for Account Owner transactions and, in most market environments, provide a higher return than a money market fund.

### Investment Strategy

The Stable Value Portfolio is invested entirely in a separate investment account managed by Invesco Advisers, Inc. (Invesco). Invesco invests in investment contracts (also referred to as "wrap contracts") (the "Stable Value Fund"). The investment or wrap contracts utilized provide for minimal fluctuation in principal values but the Stable Value Fund is not guaranteed by Invesco or any other entity. Invesco may invest in a portfolio of investment or wrap contracts issued by financial institutions such as insurance companies and banks. Certain investment or wrap contracts and the Stable Value Fund itself may be backed by diversified portfolios of bonds (typically rated Investment Grade at time of purchase), including corporate bonds, mortgage-backed securities, asset-backed securities, and U.S. Government securities (collectively for the purposes of describing the Stable Value Fund, "Securities"). The Stable

Value Fund's overall duration is expected to range from 2 to 4 years, although such duration will be managed opportunistically in light of market conditions and Stable Value Fund liquidity needs.

### **Investment Risks**

A complete description of each of the risks associated with the underlying stable value fund can be found in the Target Enrollment Portfolios section of this document.

## **Tuition Track Portfolio**

### **Investment Objective**

The Tuition Track Portfolio provides a defined benefit based on annual changes in Average Tuition (as defined herein) and preserves principal prior to and after the Maturity Date. Participation in the Tuition Track Portfolio requires that either the Account Owner or the Beneficiary be a Resident of Virginia at the time the Account is opened. No additional Contributions to the Tuition Track Portfolio are allowed after the June 30th preceding the Expected Usage Date.

### **Investment Strategy**

The Tuition Track Portfolio shall be invested alongside the assets of the legacy Prepaid529 program as determined by the Board. As a defined benefit Portfolio, no Account Owner or Beneficiary shall have any interest in the earnings on the Portfolio nor direct the investment of any Contributions or any related earnings, either directly or indirectly. Virginia529's Board is responsible for long-term Asset Allocation guidelines, Asset Allocation strategy and investment manager selection. At the Board's direction, the Investment Advisory Committee is responsible for, among other things, interviewing, selecting and/or terminating investment managers, including mutual funds, which professionally manage the Tuition Track Portfolio. In carrying out these duties, the Board and the Investment Advisory Committee consult with the Board's investment consultant, Mercer Investment Consulting, Inc., a registered investment advisor.

As of this writing, the following are the investment managers for the Tuition Track Portfolio: PGIM Fixed Income, Wellington Management Company, LLP, Stone Harbor Investment Partners LP, Advent Capital Management, LLC and Ferox Capital, LLP (non-core fixed-income); BlackRock, Inc. (indexed fixed-income); Dreyfus (cash); Westfield Capital Management Co., LP, and Thompson, Siegel & Walmsley LLC (small- and mid-cap equity); Vanguard (indexed equity); Private Advisors, LLC, Commonfund Capital, Inc., Aether Investment Partners, LLC and Adams Street Partners (private equity); UBS Realty Investors LLC and Related Fund Management (private real estate); Acadian Asset Management, American Funds®, and Aberdeen Asset Management, Inc. (non-U.S. equity); Sherkman Capital Management, Inc. (bank loans); Schroders Investment Management, (mortgage backed securities); DFA Investment Dimensions Group, Inc. (emerging market equity), Blackstone Partners (fund of hedge funds), LGT Capital Partners, Ltd. (private equity); Neuberger Berman Group (private equity); Horsley Bridge Partners LLC (private equity); and Golub Capital Advisors LLC (private debt). Vanguard is a trademark of The Vanguard Group, Inc. Investments and investment managers are subject to change without notice. For the most current information about investment managers, please visit [Virginia529.com](http://Virginia529.com).

### **Investment Risks**

Benefits are funded by Contributions to and investments in the Tuition Track Portfolio and earnings on those investments. Benefits accrue to Account Owners and Beneficiaries based on the annual changes to Average Tuition while preserving principal. There may be periods when Average Tuition declines from the prior year.

### **Tuition Track Unit Price**

Tuition Track Units are priced and valued based on then-current Average Tuition with one Unit representing one percent (1%) of annual Tuition. The Maximum Tuition Track Unit Balance available per Beneficiary is one thousand (1,000) units. The Tuition Track Unit Price is adjusted at least once per year, generally as of July 1, based on changes in Average Tuition. In the event of a mid-academic year Tuition increase, Average Tuition will not be adjusted without action of the Board. If, for any reason, the new Tuition Track Unit Price cannot be established or implemented by July 1st of any year, the Tuition Track Unit Price will remain unchanged until changed by the Board. Any increase would be reflected in the next academic year's Average Tuition price. The Tuition Track Unit Price does not change on a daily basis as in Invest529 Market Portfolios.

### **Determining the Current Value of a Tuition Track Unit**

The Current Value of a Tuition Track Unit for Withdrawal purposes depends on how long Tuition Track units have been held and whether the Expected Usage Date has been reached. See "Withdrawals from an Account" for more

information.

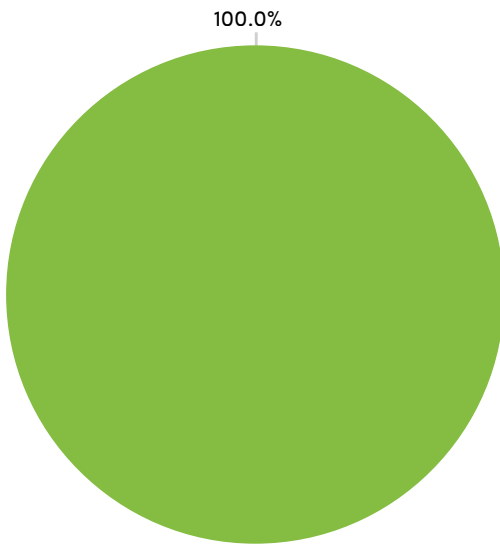
A three (3) year holding period applies to all Contributions to a Tuition Track Portfolio Account. Refunds or Withdrawals prior to the three year hold date are limited to Contributions made, less applicable fees. No interest will be paid. Withdrawals after the three year hold, but before the Expected Usage Date, are limited to Contributions made plus Tuition Track Interest on Contributions. A refund under these terms will not exceed the current Tuition Track Unit Price. Withdrawals of Units after their Maturity Date shall be paid out at the current Maturity Value. The Maturity Value will be the greater of the current Tuition Track Unit Price or Contributions received plus Tuition Track Interest. The Maturity Value on Tuition Track Units will be paid prior to the Maturity Date only if the three year hold has been met and for postsecondary Qualified Higher Education Expenses for a Beneficiary who graduates from high school early or is dual enrolled in a postsecondary course or program.

A Tuition Track Portfolio must be closed by the tenth (10) anniversary of the Beneficiary’s Expected Usage Date. Any amounts held in a Tuition Track Portfolio on the 10th anniversary of the Beneficiary’s Expected Usage Date will thereafter be automatically transferred to an Invest529 Market Portfolio Account and invested in the FDIC-insured Portfolio (or, if unavailable, to an Invest529 Portfolio designated by the Board) at the Current Value at the time of transfer. This automatic transfer to an Invest529 Market Portfolio will **NOT** count as an investment option change in the year that it occurs.

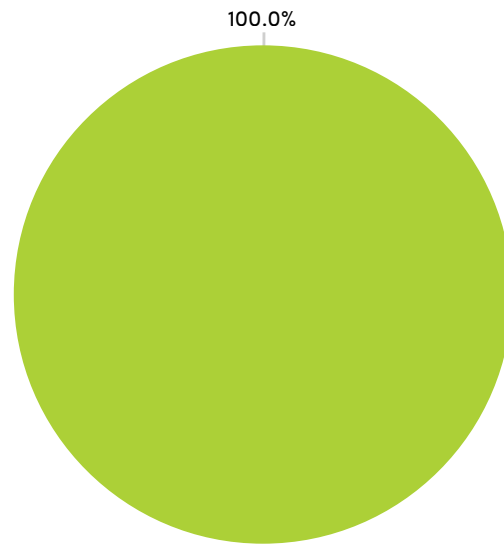
### Principal Protected Portfolio<sup>1</sup> Target Asset Allocations

Note: The following charts are for illustrative purposes only and should not be the sole source of information used in making your investment decisions. In addition to your own research, please read the complete Program Description and review each Fund’s official web site to learn more. Please also note the investment allocations represented here are only target allocations for each Portfolio. Actual allocations may vary.

**Stable Value Portfolio**  
100% Fixed Income



**FDIC-Insured Portfolio**  
100% FDIC-Insured Cash



Asset Class	Manager	Fund or Separate Account
 Stable Value	Invesco Advisers, Inc.	Separate Investment Account for Invest529
 FDIC-Insured Cash	Atlantic Union Bank	Omnibus Savings Account

<sup>1</sup>See “The Tuition Track Portfolio” in this Program Description for more information on the operation of the Principal Protected Tuition Track Portfolio.

## Specialty Portfolio Fund Descriptions

### ESG Core Equity Portfolio

#### Investment Objective

The investment objective of the ESG Core Equity Portfolio (formerly known as the “Socially Targeted Investment Portfolio”) is to achieve both capital appreciation and current income by investing primarily in a diversified portfolio of large-cap Equity Securities using financial, environmental, social, and governance (ESG) criteria.

#### Investment Strategy

The ESG Core Equity Portfolio invests entirely in the Parnassus Core Equity Fund. In general, Parnassus Investments will choose to invest in companies that it believes will generate attractive risk-adjusted returns over the long term while taking ESG factors into account. The key criteria the investment team looks for in its company-specific investment process are: future relevancy of a company’s products or services, sustainable competitive advantages, quality management and attractive valuation. The Fund invests principally in undervalued Equity Securities of large-cap companies. At least 75% of the Parnassus Core Equity Fund’s total assets will be invested in Equity Securities that pay dividends. The remaining 25% of the Fund’s total assets may be invested in non-dividend paying Equity Securities. Up to 20% of the Parnassus Core Equity Fund’s total assets can be invested in foreign Securities (typically through American Depository receipts).

#### Responsible Investment Policy

Parnassus Investments conducts fundamental research to determine a company’s financial health and its business prospects, and also takes ESG factors into account in making investment decisions. By incorporating ESG factors into its fundamental investment process, Parnassus Investments often identifies risks and opportunities that the market may have ignored. Parnassus Investments looks for companies that respect the environment, treat their employees well, and have effective equal-employment-opportunity policies and good community relations. Companies also must have strong corporate governance policies and ethical business dealings. Parnassus Investments will not invest in companies that derive significant revenues from the manufacture of alcohol, tobacco, or weapons, companies that have direct gambling operations, companies that generate electricity from nuclear power facilities, and companies engaged in the extraction, exploration, production or refining of fossil fuels. The spirit of these exclusionary screens is to avoid investment in companies with negative impacts that outweigh any potential benefits from their business activities.

#### Investment Risks

The ESG Core Equity Portfolio invests entirely in the Parnassus Core Equity Fund. Because it invests entirely in an actively managed Fund it is subject to manager risk. The Portfolio is also subject to investment style risk. The Fund’s share price may change daily based on the value of its security holdings. Stock markets can be volatile, and stock values fluctuate in response to the asset levels of individual companies and in response to general domestic and international market and economic conditions. In addition to large-cap companies, the Fund strategy may invest in small- and/or mid-cap companies, which can be more volatile than large-cap firms. Security holdings in the Fund can vary significantly from broad market indexes. Please refer to the Fund’s prospectus prior to investing for Parnassus’ full description of these risks at <http://bit.ly/1O5QDER> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

### Global Equity Portfolio

#### Investment Objective

The Portfolio seeks maintain a fixed Asset Allocation of 100% equity, which will include U.S. and Non U.S. equity.

#### Investment Strategy and Risk

The Global Equity Portfolio maintains a target asset allocation of 100% equity. This target asset allocation is comprised of the following Sub-asset Classes and Funds: 40% allocation large-cap domestic equity, Vanguard Total Stock Market Index Fund.; 7% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 19.5% international equity, American Funds Europacific Growth Fund; 19.5% international equity, Wellington Management Company LLP; and 14% small-cap global equity, American Funds SMALLCAP World Fund. A full description of each underlying Fund’s investment strategy and risk, along with information on obtaining prospectuses for the respective Funds, can be found in the sections of the Invest529 Program Description that are

listed below.

Vanguard Total Stock Market Index Fund – Index Portfolio section  
Rothschild Asset Management – Target Enrollment Portfolio section  
American Funds Europacific Growth Fund – Target Enrollment Portfolio section  
Wellington Management Company LLP – Target Enrollment Portfolio section  
American Funds SMALLCAP World Fund – Specialty Portfolio section

**The American Funds' SMALLCAP World Fund's**<sup>®</sup> investment objective is to provide long-term growth of capital. Normally the fund invests at least 80% of its net assets in growth-oriented common stocks and other equity-type securities (such as preferred stocks, convertible preferred stocks and convertible Bonds) of companies with small market capitalizations. The investment advisor currently defines "small market capitalization" companies to be companies with market capitalizations of up to \$6 billion at the time of purchase. The investment advisor has periodically re-evaluated and adjusted this definition and may continue to do so in the future. The fund may continue to hold securities of a portfolio company that subsequently appreciates above the small market capitalization threshold. Because of this, the fund may have less than 80% of its net assets in small market capitalization stocks at any given time. Under normal circumstances, the fund will invest a significant portion of its assets outside the United States, including in emerging markets.

The investment advisor uses a system of multiple portfolio managers in managing the fund's assets. Under this approach, the portfolio of the fund is divided into segments managed by individual managers who decide how their respective segments will be invested.

The fund relies on the professional judgment of its investment advisor to make decisions about the fund's portfolio investments. The basic investment philosophy of the investment advisor is to seek to invest in attractively valued companies that, in its opinion, represent good, long-term investment opportunities. The investment advisor believes that an important way to accomplish this is through fundamental analysis, which may include meeting with company executives and employees, suppliers, customers and competitors. Securities may be sold when the investment advisor believes that they no longer represent relatively attractive investment opportunities.

Investors may lose money by investing in the fund. The likelihood of loss may be greater if you invest for a shorter period of time. Investors in the fund should have a long-term perspective and be able to tolerate potentially sharp declines in value. The fund is subject to market risk, issuer risk, growth stock risk, risk of investing in small companies, risk of investing outside the U.S., emerging markets risk, and management risk. Please refer to the fund's prospectus prior to investing for American Funds' full description of these risks at <http://bit.ly/1Ns8h53> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

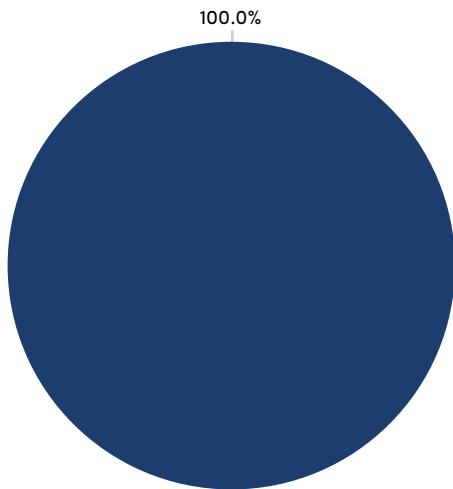
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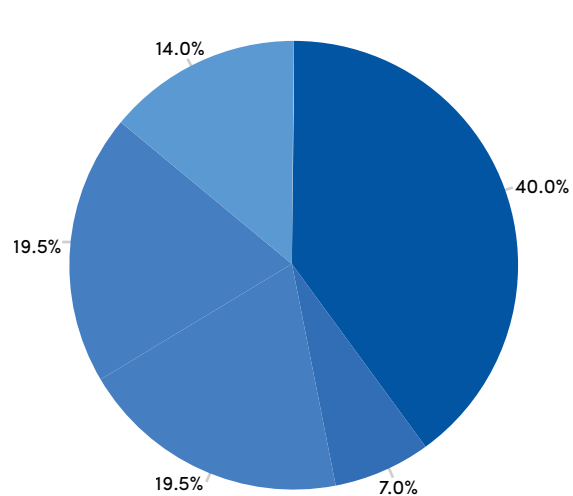
## Specialty Portfolio Target Asset Allocations

Note: The following charts are for illustrative purposes only and should not be the sole source of information used in making your investment decisions. In addition to your own research, please read the complete Program Description and review each Fund's official web site to learn more. Please also note the investment allocations represented here are only target allocations for each Portfolio. Actual allocations may vary.

**ESG Core Equity Portfolio**  
100% Equity



**Global Equity Portfolio**  
100% Equity



Asset Class	Manager	Fund or Separate Account
Large Cap Domestic Equity	Parnassus Investments	Core Equity Fund
Domestic Equity	The Vanguard Group, Inc.	Total Stock Index Fund
Small-/Mid Cap Domestic Equity	Rothschild Asset Management, Inc.	Separate Investment Account for Invest529
International Equity	Capital Research and Management Co.	American Funds EuroPacific Growth Fund
International Equity	Wellington Management Co.	Common Trust Fund
Small-Cap Global Equity	Capital Research and Management Co.	American Funds SMALLCAP World Fund

## Fees and Expenses

**Market Portfolios:** Virginia529 receives no state appropriation and is entirely self-funded. Accordingly, Virginia529 assesses the Invest529 Administrative Fee to offset Virginia529's general operating expenses, including scholarship programs and other initiatives to make postsecondary education more affordable and accessible to all Virginians. The effect of Invest529 Administrative Fee is to reduce the daily Net Asset Value of each Portfolio. In addition, each Market Portfolio has an applicable Asset Management Fee which, combined with the Invest529 Administrative Fee, provide the Expense Ratio for each Market Portfolio. The following chart shows Virginia529's fees and expenses associated with each Market Portfolio. These expenses may be increased or decreased at Virginia529's sole discretion.

**Tuition Track Portfolio:** No Invest529 Administrative Fee or Asset Management Fee is applied to the Tuition Track Portfolio.

**Other Charges:** Virginia529 will assess a \$50 Application fee for opening an Invest529 Account using a paper Application. No Application fee is assessed when opening an Account online. Virginia529 does not charge an annual Account maintenance fee, but reserves the right to charge Account Owners other administrative fees, including but not limited to fees for Rollovers, Account cancellations, Beneficiary and Account Owner changes. Current fees are set out in the following table, which may be amended by Virginia529 from time to time without notice. The most current fee schedule is available at [Virginia529.com](http://Virginia529.com). Whole or fractional Units in Invest529 Accounts may be liquidated to pay any fees, expenses or liabilities owed to Virginia529. Virginia529, in its sole discretion, reserves the right to waive certain fees in circumstances where it deems a waiver appropriate or for marketing or other purposes.

## Chart V: Invest529 Fees and Expenses

The following chart shows Virginia529's fees and expenses associated with each Portfolio. These expenses may be increased or decreased at Virginia529's sole discretion.

Invest529 Fees & Expenses			
Asset-based charges effective June 30, 2020			
Invest529 Investment Options	Asset Management Fee <sup>1</sup>	Virginia529 Administrative Fee	Total Est. Expense Ratio
<b>Target Enrollment Portfolios</b>			
2039 Portfolio <sup>2</sup>	0.45%	0.09%	0.54%
2036 Portfolio <sup>2</sup>	0.42%	0.09%	0.51%
2033 Portfolio <sup>2</sup>	0.38%	0.09%	0.47%
2030 Portfolio <sup>2</sup>	0.34%	0.09%	0.43%
2027 Portfolio <sup>2</sup>	0.29%	0.09%	0.38%
2024 Portfolio <sup>2</sup>	0.24%	0.09%	0.33%
2021 Portfolio <sup>2</sup>	0.16%	0.09%	0.25%
2018 Portfolio <sup>2,3</sup>	0.05%	0.09%	0.14%
<b>Target Risk Portfolios</b>			
Aggressive Growth <sup>4</sup>	0.04%	0.09%	0.13%
Moderate Growth <sup>4</sup>	0.04%	0.09%	0.13%
Conservative Income <sup>4</sup>	0.04%	0.09%	0.13%
Active Aggressive <sup>2</sup>	0.45%	0.09%	0.54%
Active Moderate <sup>2</sup>	0.32%	0.09%	0.41%
Active Conservative <sup>2</sup>	0.22%	0.09%	0.31%
<b>Index Portfolios</b>			
Total Stock Market Index <sup>4</sup>	0.02%	0.09%	0.11%
Total Bond Market Index <sup>4</sup>	0.03%	0.09%	0.12%
Total International Stock Index <sup>4</sup>	0.07%	0.09%	0.16%
Inflation-Protected Securities <sup>4</sup>	0.07%	0.09%	0.16%
REIT Index <sup>4</sup>	0.10%	0.09%	0.19%
<b>Principal Protected Portfolios</b>			
FDIC-Insured	0.00%	0.09%	0.09%
Stable Value	0.05%	0.09%	0.14%
Tuition Track <sup>5</sup>	0.00%	0.00%	0.00%
<b>Specialty Portfolios</b>			
ESG Core Equity	0.53%	0.09%	0.62%
Global Equity Portfolio	0.37%	0.09%	0.46%

<sup>1</sup> Reflects each underlying Fund's Expense Ratio disclosed in its June 30, 2020 prospectus. The Expense Ratio of the underlying Funds may change.

<sup>2</sup> For multi-Fund Portfolios, the Expense Ratio shown represents a weighted average of the expenses of the Portfolio's underlying Funds as disclosed in each June 30, 2020 prospectus. The fees and expenses of the underlying Funds may change.

<sup>3</sup> The 2018 and 2021 Portfolios are closed to new participants.

<sup>4</sup> These Portfolios invest in Vanguard Funds. The estimated underlying Fund expenses for these Portfolios therefore reflect each additional Fund's Asset Management Fee as disclosed in its prospectus as of June 30, 2020. Expenses shown for multi-Fund Portfolios represent a weighted average of the expenses of the underlying Funds. The fees and expenses of the underlying Funds may change.

<sup>5</sup> Unlike Market Portfolios, the Tuition Track Portfolio is a Principal Protected option that does not require daily valuations. The Invest529 Administrative Fee does not apply to the Tuition Track Portfolio.

## Chart VI: Other Fees

Other Fees <sup>1</sup>	
Type of Fee	Amount
Paper Application	\$50
Account Cancellation <sup>2</sup>	\$25
Rollover to Another QTP <sup>3</sup>	\$25
Non-sufficient Funds	\$25
Change of Account Owner or Beneficiary <sup>4</sup>	\$10
Other Administrative Fees	Set by Virginia529

<sup>1</sup> Subject to change at any time in the future at the sole discretion of Virginia529.

<sup>2</sup> Waived for online requests and in case of Beneficiary's death, Disability or receipt of scholarship.

<sup>3</sup> Waived for Rollovers to Prepaid529.

<sup>4</sup> Assessed against the Account balance.

## Chart VII: Investment Cost Example

The following chart is a hypothetical example and compares the approximate cost of investing in Invest529 over different periods of time. Your actual cost may be higher or lower. The table is based upon the following assumptions:

- A \$10,000 Contribution invested for the time periods shown.
- A five percent (5%) annualized rate of return is achieved on the amount invested throughout the calculation periods. Income earned is accrued and compounded on a daily basis (which more closely replicates the daily Net Asset Value per share calculation used by Mutual Funds).
- Total annual asset-based fees remain the same as those shown in the asset-based charges table, Invest529 Fees, throughout the calculation periods. The investment expense is calculated and accrued on a daily basis (which more closely replicates the daily Net Asset Value per share calculation used by Mutual Funds).

There are no annual Account maintenance fees assessed on Invest529 Accounts. Therefore it is not necessary to provide for any such charges in the projected investment cost calculations. The hypothetical example does not include any of the potential tax benefits associated with Contributions or tax penalties associated with Non-Qualified Withdrawals related to an investment in Invest529. This hypothetical example does not represent actual, past or future performance. Actual expenses and performance may be different than those included here.

Investment Cost Example				
Effective June 30, 2020				
Invest529 Investment Options	Approximate Cost of \$10,000 Investment			
	One Year	Three Years	Five Years	Ten Years
<b>Target Enrollment Portfolios</b>				
2039 Portfolio	\$56	\$174	\$303	\$681
2036 Portfolio	\$53	\$164	\$286	\$644
2033 Portfolio	\$49	\$152	\$264	\$595
2030 Portfolio	\$45	\$139	\$242	\$546
2027 Portfolio	\$39	\$123	\$214	\$484
2024 Portfolio	\$34	\$107	\$186	\$421
2021 Portfolio <sup>1</sup>	\$26	\$81	\$142	\$321
2018 Portfolio <sup>1</sup>	\$15	\$46	\$80	\$181
<b>Target Risk Portfolios</b>				
Aggressive Growth	\$14	\$42	\$74	\$168
Moderate Growth	\$14	\$42	\$74	\$168
Conservative Income	\$14	\$42	\$74	\$168
Active Aggressive	\$56	\$174	\$303	\$681

Active Moderate	\$42	\$132	\$231	\$521
Active Conservative	\$32	\$100	\$175	\$396
<b>Index Portfolios</b>				
Total Stock Market Index	\$12	\$36	\$63	\$142
Total Bond Market Index	\$13	\$39	\$68	\$155
Total International Stock Index	\$17	\$52	\$91	\$206
Inflation-Protected Securities	\$17	\$52	\$91	\$206
REIT Index	\$20	\$62	\$108	\$245
<b>Principal Protected Portfolios</b>				
Stable Value	\$15	\$46	\$80	\$181
FDIC-Insured	\$10	\$30	\$52	\$117
Tuition Track	\$0	\$0	\$0	\$0
<b>Specialty Portfolios</b>				
ESG Core Equity	\$64	\$199	\$347	\$779
Global Equity Portfolio	\$48	\$148	\$259	\$583

<sup>1</sup> Portfolio is closed to new participants.

## Investment Performance

Investment performance of the Invest529 Portfolios as of June 30, 2020 are in the Investment Performance chart below. Current performance information is on the Virginia529 web site at [Virginia529.com](http://Virginia529.com).

Invest529 investors should keep in mind that the net performance of the Invest529 Portfolios will differ from the performance of the Funds in which the Portfolios are invested, even where a Portfolio invests in a single Fund. This is due in part to the differences in the Asset Management Fees of the Funds and the Expense Ratios of the Invest529 Portfolios. While the Funds' Asset Management Fees are a part of the Expense Ratios of the Portfolios, the Portfolios also include the Invest529 Administrative Fee of 0.09%. Thus, in the case of a Portfolio that invests in a single Fund, the Portfolio's performance will be lower than the performance of the Fund itself. Investment Performance shown in the chart is net of all expenses.

Performance differences between the Portfolios and the Funds also result from differences in the timing of purchases. Money invested in a Portfolio will not be invested in the Funds on the same day. The timing difference may cause the Portfolio's performance to trail or exceed the performance of the Fund.

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## Chart VIII: Investment Performance

The following chart shows performance and Benchmarks of the Invest529 Portfolios since inception. Please note the following:

- Past performance is no guarantee of future results. Please review the entire Invest529 Program Description before making any investment decisions.
- All investment return information is calculated by BNY Mellon Asset Servicing. Returns are presented net of management fees and Invest529 Administrative Fees. Returns for periods greater than one (1) year are annualized.
- Newer Invest529 offerings do not yet have an established performance history for all categories listed.
- The Portfolio Benchmark is a blended composite Benchmark that reflects the asset strategic Benchmark index components for each underlying investment manager, and an adjustment reflecting the Invest529 Administrative Fee for the Portfolio.
- Performance returns are calculated at the beginning with the first full month that funds were invested.
- Tuition Track Portfolio performance will be added once historical performance is realized.

Investment Performance							
As of June 30, 2020							
Invest529 Investment Options	Inception Date	One Year	Three Years	Five Years	Ten Years	Since Inception	Estimated Expense Ratio
<b>Target Enrollment Portfolios</b>							
2039 Portfolio	January 2020	N/A	N/A	N/A	N/A	-5.68%	0.54%
2039 Portfolio Benchmark		N/A	N/A	N/A	N/A	-6.01%	
2036 Portfolio	January 2017	-0.08%	3.95%	N/A	N/A	6.06%	0.51%
2036 Portfolio Benchmark		0.80%	4.95%	N/A	N/A	6.89%	
2033 Portfolio	January 2014	0.77%	4.11%	4.99%	N/A	5.06%	0.47%
2033 Portfolio Benchmark		1.50%	4.94%	5.50%	N/A	5.43%	
2030 Portfolio	January 2011	1.47%	4.21%	4.85%	N/A	6.17%	0.43%
2030 Portfolio Benchmark		2.05%	4.92%	5.27%	N/A	6.33%	
2027 Portfolio	February 2008	2.18%	4.20%	4.68%	7.44%	4.79%	0.38%
2027 Portfolio Benchmark		2.68%	4.81%	5.05%	7.50%	4.85%	
2024 Portfolio	August 2005	3.00%	4.14%	4.49%	6.95%	5.13%	0.33%
2024 Portfolio Benchmark		3.37%	4.63%	4.79%	6.92%	4.87%	
2021 Portfolio <sup>1</sup>	January 2002	3.81%	3.91%	4.02%	6.30%	5.37%	0.25%
2021 Portfolio Benchmark		4.03%	4.28%	4.24%	6.21%	5.05%	
2018 Portfolio <sup>1</sup>	January 2000	2.73%	2.68%	2.79%	5.13%	4.13%	0.14%
2018 Portfolio Benchmark		2.72%	2.95%	2.98%	5.02%	3.24%	
<b>Target Risk Portfolios</b>							
Aggressive Growth	January 2002	3.66%	6.38%	6.56%	9.32%	6.07%	0.13%
Aggressive Growth Benchmark		3.51%	6.47%	6.66%	9.45%	6.35%	
Moderate Growth	January 2002	4.95%	6.28%	6.16%	8.05%	5.76%	0.13%
Moderate Growth Benchmark		4.77%	6.34%	6.22%	8.02%	5.96%	
Conservative Income	January 2002	6.90%	5.71%	4.97%	5.10%	4.52%	0.13%
Conservative Income Benchmark		6.74%	5.73%	5.06%	4.94%	4.53%	
Active Aggressive	October 2015	-0.71%	3.81%	N/A	N/A	6.84%	0.54%
Active Aggressive Benchmark		0.21%	4.82%	N/A	N/A	7.62%	
Active Moderate	October 2015	1.66%	4.02%	N/A	N/A	5.92%	0.41%
Active Moderate Benchmark		2.08%	4.63%	N/A	N/A	6.31%	
Active Conservative	October 2015	2.88%	3.71%	N/A	N/A	4.59%	0.31%
Active Conservative Benchmark		3.20%	4.18%	N/A	N/A	4.82%	
<b>Index Portfolios</b>							
Total Stock Market Index	August 2005	6.31%	9.93%	9.91%	13.57%	8.46%	0.11%
Total Stock Market Index Benchmark		6.37%	9.95%	9.92%	13.59%	8.47%	
Total Bond Market Index	September 2005	8.93%	5.28%	4.23%	3.67%	4.25%	0.12%



Total Bond Market Index Benchmark		8.83%	5.30%	4.26%	3.70%	4.25%	
Total International Stock Index	September 2005	-4.13%	1.03%	2.34%	5.15%	3.86%	0.16%
Total International Stock Index Benchmark		-4.25%	1.29%	2.60%	5.77%	3.68%	
Inflation-Protected Securities	September 2005	8.05%	4.80%	3.60%	3.30%	3.76%	0.16%
Inflation-Protected Securities Benchmark		8.18%	4.95%	3.64%	3.37%	3.86%	
REIT Index	September 2005	-7.06%	2.14%	5.27%	9.57%	6.28%	0.19%
REIT Index Benchmark		-7.92%	1.26%	4.77%	9.33%	5.92%	
<b>Principal Protected Portfolios</b>							
FDIC-Insured	January 2017	2.00%	1.50%	N/A	N/A	1.34%	0.09%
FDIC-Insured Benchmark		0.90%	1.13%	N/A	N/A	0.99%	
Stable Value	January 2000	2.39%	2.23%	1.99%	2.08%	3.37%	0.14%
Stable Value Benchmark		2.46%	2.63%	2.04%	1.46%	2.65%	
<b>Specialty Portfolios</b>							
ESG Core Equity	November 2009	6.78%	11.88%	10.75%	13.47%	12.61%	0.62%
ESG Core Equity Benchmark		7.41%	10.63%	10.62%	13.84%	12.99%	
Global Equity	February 2019	0.67%	N/A	N/A	N/A	5.42%	0.46%
Global Equity Benchmark		-0.49%	N/A	N/A	N/A	4.53%	

<sup>1</sup>2018 and 2021 Portfolios are closed to new participants.

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# Administration and Management

## Virginia529 Administration and Management

Virginia529 is a body politic and corporate and an independent state agency of the Commonwealth of Virginia. Virginia529's enabling legislation is codified at Sections 23.1-700 through 23.1-713 of the Code of Virginia (1950), as amended. In its 1999 Session, the General Assembly unanimously passed legislation authorizing Virginia529's Board to create one or more savings trust investment options in conformance with the provisions of IRC Section 529. Virginia529 is a special, non-reverting fund, and its enabling legislation provides that its money cannot be used by the Commonwealth of Virginia for any other purpose. The General Assembly may amend Virginia529's legislation during any regular or special session of the legislature, subject to the Governor's veto, and the General Assembly's ability to override a veto.

Virginia529 is administered by an 11-member Board, consisting of the Director of the State Council of Higher Education for Virginia or his designee; the Chancellor of the Virginia Community College System or his designee; the State Treasurer or his designee; the State Comptroller or his designee; and seven citizen members: four to be appointed by the Governor, one to be appointed by the Senate Committee on Rules and two to be appointed by the Speaker of the House of Delegates. State law mandates that the seven citizen members have significant experience in finance, accounting, law, or investment management. Members of the Board receive no compensation, but are reimbursed for actual expenses incurred in the performance of their duties. Virginia529's Chief Executive Officer is Mary G. Morris. Ms. Morris, a former tax, securities and bond attorney, as well as a former Treasurer of Virginia and Senior Assistant Attorney General for Virginia, oversees the daily administration and operations of Virginia529.

Virginia529 is required to submit an annual statement of the receipts, disbursements, and current investments for the preceding year to the Governor of the Commonwealth of Virginia, the Senate Committee on Finance, and the House Committees on Appropriations and Finance. The report includes complete financial statements covering the net position at fiscal year-end and provides information on the operation of Virginia529 during the year. The Virginia Auditor of Public Accounts, or his legally authorized representative, audits Invest529 and Virginia529's accounts annually. Virginia529 is also subject to oversight from the Joint Legislative Audit and Review Commission (JLARC).

## Invest529 Administration

Invest529 maintains separate records for each Account. Contributions to an Account will be commingled for purposes of investment only. Invest529 funds are invested with one or more outside investment managers or in Mutual Funds, depending on the Portfolio selected by the Account Owner. Mercer Investment Consulting, Inc. serves as the Board's investment consultant, and assists in the selection of outside investment managers and Mutual Funds in conjunction with the Board's Investment Advisory Committee. Please see the "Investment Options" section for more detailed information.

Account Owners, other individuals contributing to an Invest529 Account, and Beneficiaries are encouraged to consult their tax, financial or legal advisor to determine the effect of federal and state tax laws on their specific situation.

Individual tax situations vary greatly. Please consult a tax advisor concerning any legal or tax implications arising from opening an Invest529 Account. Virginia529 cannot provide legal, financial or tax advice, and the foregoing summary should not be considered advice to Account Owners with respect to ownership of or transactions in an Invest529 Account.

Section 529 Qualified Tuition Programs are intended to be used only to save for Qualified Higher Education Expenses. These programs are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.

# Invest529 Account Agreement

As of January 1, 2021

1. The Application, the Invest529 Account Agreement and the Program Description, as amended from time to time by Virginia529, form the complete and exclusive statement of the agreement between the Account Owner and Virginia529 related to the opening of an Invest529 Account (the Agreement), and this Agreement supersedes any prior agreement, oral or written, and any other communications between the parties. The Account Owner agrees to be bound by the Agreement and any amendments that Virginia529 may make to the Invest529 Account Agreement and the Program Description. Notification of such amendments may be made via [Virginia529.com](http://Virginia529.com).

2. Invest529 Accounts shall be construed in accordance with the laws of the Commonwealth of Virginia and applicable federal law, including 26 U.S.C. § 529, as amended. Venue for any action arising from or relating to Invest529 Accounts opened hereunder shall be in a state court located in Chesterfield, Virginia.

3. In the event any clause or portion of the Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from the Agreement and the remainder of the Agreement shall continue in full force and effect as if such clause or portion had never been included.

4. The Account Owner may, in compliance with the procedures described in the Program Description, transfer ownership of an Invest529 Account to another individual or entity provided no consideration is given for the transfer. Neither an Invest529 Account, nor any interest, rights or benefits in it, may be sold, nor may any interest in an Invest529 Account be used as security for any loan.

5. Virginia529 may require that any written documentation, request or any other actions Virginia529 may designate from time to time, be verified under oath.

6. The Agreement is not intended to, nor does it, confer any benefit or legal rights upon any third-party Beneficiary. The individual designated as the Beneficiary of an Invest529 Account has no independent claim, right or access to any funds in an Invest529 Account solely related to such designation. Payments directly to a Beneficiary will only be made with the Account Owner's specific written authorization for such payments.

7. Account Owners may only change investment options twice per calendar year or when the Beneficiary is changed. Invest529 shall provide a separate accounting for each Account.

8. Virginia529 reserves the right to close an account in its sole discretion. Reasons for doing so include, but are not limited to, a finding by Virginia529 that there has been a material misrepresentation related to the Agreement or the Account. In the event of closure, the Account Owner will receive a refund of the current Account balance minus any applicable penalty and fees.

9. The Account Owner understands and acknowledges that Invest529 Market Portfolio Accounts involve investment risk, including the possible loss of principal.

10. The Account Owner understands and acknowledges that Invest529 Accounts are not deposits or obligations of, or insured or guaranteed by, the Commonwealth of Virginia or any agency or instrumentality thereof, the United States government, any financial institution, the Federal Deposit Insurance Corporation (FDIC), or any other agency, entity, instrumentality or person. Market Portfolios: Past investment results of the underlying investment managers and funds in the Invest529 Market Portfolios offer no assurance of future returns.

11. The Account Owner assumes all liability for any financial losses related to an Invest529 Account. The Account Owner understands and acknowledges that there is no recourse against the Board's members, committee members or its employees individually, or against the Commonwealth of Virginia or Virginia529 in connection with an Invest529 Account. Nothing in this Agreement shall be deemed or construed as an express or implied waiver of the sovereign immunity of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth of Virginia.

12. Virginia529 shall not be liable for any losses or failure to perform its obligations under this Agreement caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, acts of war,

terrorism, strikes, power outages or any other conditions or occurrences beyond its control.

13. Virginia529 cannot and will not provide legal, financial, or tax advice, and nothing herein or in any other written materials shall be construed as such.

14. The Board's decision on any dispute, claim, or action arising out of or relating to an Invest529 Account or benefits under such Accounts shall be considered a case decision under the Code of Virginia's Administrative Process Act (APA) and all proceedings related to such dispute, claim, or action shall be conducted pursuant to APA Article 3, including judicial review which shall be provided pursuant to APA Article 5.

15. Virginia529 may develop other methods for the calculation of Average Tuition that it determines necessary and appropriate. This specifically allows Virginia529 to adapt the calculation of Average Tuition to the methods for calculating credits and tuition that may be adopted by any Virginia Public Institution in the future. This includes varying the Average Tuition payouts to accommodate different pricing structures implemented by Virginia Public Institutions.

16. All notices, changes, options and elections requested by an Account Owner must be submitted online or in writing, and received in good form by Virginia529. Virginia529 is not responsible for the accuracy of such documentation. If acceptable to Virginia529, notices, changes, options and elections relating to the Beneficiary will take effect as of the date the notice is processed by Virginia529, unless Virginia529 agrees otherwise. The Account Owner understands and acknowledges that Invest529 provisions and fees may be amended from time to time if Virginia529 determines it is in its best interests to do so. Virginia529 shall promptly notify the Account Owner of such amendments, and the Account Owner agrees to be bound thereby unless the Account Owner promptly notifies Virginia529 of the Account Owner's intent to cancel their Account or Accounts.

17. All factual determinations regarding an Account Owner's or Beneficiary's residency, Disability, the existence of hardship, and any other factual determinations regarding Accounts will be made by Virginia529 based on the facts and circumstances of each case.

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# Privacy Policy

As of January 1, 2021

Virginia College Savings Plan is an independent agency of the Commonwealth of Virginia, authorized by Chapter 7 of Title 23.1 of the Code of Virginia (1950), as amended (Sections 23-1.700 through 23-1.713).

<b>FACTS</b>	WHAT DOES VIRGINIA COLLEGE SAVINGS PLAN DO WITH YOUR PERSONAL INFORMATION?
<b>WHY?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how Virginia529 collects, shares, and protects your personal information. Please read this notice carefully to understand what is done.
<b>WHAT?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and checking account information</li> <li>• Account balances and assets</li> <li>• Account transactions and transaction history</li> </ul>
<b>HOW?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, listed are the reasons financial companies can share their customers' personal information; the reasons Virginia College Savings Plan chooses to share; and whether you can limit this sharing.

Reasons your personal information is shared	Does Virginia College Savings Plan share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes—information about your transactions and experiences	Virginia College Savings Plan has no affiliates	Not shared
For our affiliates' everyday business purposes—information about your creditworthiness	Virginia College Savings Plan has no affiliates	Not shared
For our affiliates to market to you	Virginia College Savings Plan has no affiliates	Not shared
For non-affiliates to market to you	No	Not shared

<b>Questions?</b>	Visit <a href="http://Virginia529.com">Virginia529.com</a> or call Virginia529 customer service
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Organizational Identification	
Who is providing this notice?	Virginia College Savings Plan

What does Virginia College Savings Plan do	
How does Virginia College Savings Plan protect my personal information?	To protect your personal information from unauthorized access and use, security measures are used that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Virginia College Savings Plan collect my personal information?	Your personal information is collected, for example, when you: <ul style="list-style-type: none"> <li>• Open an account or deposit money</li> <li>• Give us your contact information or provide account information</li> <li>• Make deposits or withdrawals from your account</li> </ul> Your personal information from others is also collected, such as institutions of higher education, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes— information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

What does Virginia College Savings Plan do	
Affiliates	To protect your personal information from unauthorized access and use, security measures are used that comply with federal law. These measures include computer safeguards and secured files and buildings.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Virginia College Savings Plan does not share with nonaffiliates so they can market to you</li> </ul>
Why can't I limit all sharing?	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• Our joint marketing partners include companies such as investment management firms and other financial companies</li> </ul>

What does Virginia College Savings Plan do	
<p><b>California residents only:</b> Other than for our everyday business purposes or for marketing our products and services to you, your personal information will not be shared with nonaffiliates without first giving you additional privacy choices.</p> <p><b>Vermont residents only:</b> For joint marketing, only your name, contact information and information about your transactions will be disclosed.</p>	

# invest529<sup>®</sup>

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North Chesterfield, VA 23236  
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**Virginia529.com**

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