



**SUPPLEMENT DATED OCTOBER 1, 2024  
TO THE NEXTGEN 529® CLIENT DIRECT SERIES  
PROGRAM DESCRIPTION AND PARTICIPATION AGREEMENT  
DATED OCTOBER 25, 2023**

The information in this Supplement amends and, to the extent it is different, supersedes information contained in the NextGen 529 Client Direct Series Program Description and Participation Agreement dated October 25, 2023, (the “Program Description”). Please read this Supplement and the Program Description carefully. Please keep them for future reference. Capitalized terms used without definition in this Supplement have the meanings set forth in the Program Description.

**BLACKOUT PERIOD IN CONNECTION WITH PORTFOLIO AND UNDERLYING FUND CHANGES**

In connection with the transfer of the 2024 BlackRock Enrollment Portfolio and the 2024 iShares Enrollment Portfolio (the “2024 Enrollment Portfolios”) to their respective Enrolled Portfolios described later in this Supplement, Accounts that hold Units of 2024 Enrollment Portfolios will be subject to a blackout period affecting certain transactions beginning on or about November 6, 2024, and ending on or about November 12, 2024. **Please carefully review the information below describing how certain transactions will be affected during the blackout period.**

Any new account application that includes a 2024 Enrollment Portfolio received during the blackout period will be rejected. Once the blackout period begins, no contributions may be made to the 2024 Enrollment Portfolios. For Accounts holding Units of the 2024 Enrollment Portfolios, withdrawal requests from an Account and investment change requests received during the blackout period will be rejected. Such requests will need to be resubmitted with respect to the Participant’s Enrolled Portfolio after the end of the blackout period. Any automated contributions or automated withdrawals that include the 2024 Enrollment Portfolio scheduled to occur for a date during the blackout period will be suspended and processed from the corresponding Enrolled Portfolio after the blackout period ends.

**DIRECT SERIES DISTRIBUTOR**

Effective July 1, 2024, all references in the Program Description to BlackRock Investments, LLC as Direct Series Distributor for units of the Client Direct Series of NextGen 529 are replaced with Northern Lights Distributors, LLC.

**ADDITIONAL SERIES**

Effective on or about November 4, 2024, the second paragraph of page 2 and the first paragraph of page 26 will be replaced with the following:

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

### **MAXIMUM CONTRIBUTION LIMIT - INCREASED TO \$545,000**

On page 6, the Maximum Contribution Limit per Designated Beneficiary increased from \$520,000 to \$545,000, effective January 1, 2024.

On page 14, the **Maximum Contribution** paragraph will be replaced with: "Contributions will be permitted if they do not cause the aggregate balance of all Accounts in the Program (including the Client Select Series, the Client Direct Series, and the Client Connect Series) for the same Designated Beneficiary (regardless of Participant) to exceed \$545,000. FAME will review and may adjust the Maximum Contribution Limit periodically. The Program Manager may return all or any part of a Contribution, including a Rollover Contribution, that exceeds these limits."

### **FEDERAL TAX TREATMENT – 2024 GIFT TAX EXCLUSION INCREASE**

On pages 7 and 37, effective January 1, 2024, Federal gift tax exclusions increased from \$17,000 to \$18,000 per year (from \$34,000 to \$36,000 per year for spouses electing to split gifts), or from \$85,000 to \$90,000 over 5 years (from \$170,000 to \$180,000 for spouses electing to split gifts) – subject to certain limitations.

### **FEDERAL TAX TREATMENT - LIFETIME TRANSFER TAX 2024 EXEMPTION INCREASED**

On page 37, effective January 1, 2024, the lifetime exemption for transfers made after December 31, 2017, and before January 1, 2026, has increased from \$12,920,000 as of 2023 to \$13,610,000 as of 2024, and the spouses' combined applicable exemption for transfers made during the same period has increased from \$25,840,000 to \$27,220,000 as of 2024.

### **RETURNED CHECK FEES ELIMINATED**

On page 13, returned check fees are eliminated. The related reference to Returned Checks on page 29 is also removed, effective May 20, 2024.

### **NON-SUFFICIENT FUNDS FEES ELIMINATED**

On page 29, all references to a non-sufficient funds fee are removed, effective May 20, 2024.

### **BLACKROCK 2024 ENROLLMENT PORTFOLIO – TRANSFER TO BLACKROCK ENROLLED PORTFOLIO**

Effective on or about November 8, 2024, substantially all the assets of the BlackRock 2024 Enrollment Portfolio will be transferred to the BlackRock Enrolled Portfolio. All Units of the BlackRock 2024 Enrollment Portfolio held in an Account will be converted into Units of the BlackRock Enrolled Portfolio with equivalent aggregate Net Asset Value. Such conversion is not subject to or counted against the twice per year limit on Portfolio exchanges. Thereafter, all Contributions identified as being intended for the BlackRock 2024 Enrollment Portfolio will be made to the BlackRock Enrolled Portfolio. Accordingly, effective upon the completion of such asset transfer and Unit conversion, all references to the BlackRock 2024 Enrollment Portfolio are deleted from the Program Description.

### **BLACKROCK 100% EQUITY PORTFOLIO AND BLACKROCK BALANCED PORTFOLIO – UNDERLYING FUND REPLACEMENTS**

Effective on or about November 4, 2024, BlackRock Large Cap Focus Value Fund, Inc. will be removed as an Underlying Fund for the BlackRock 100% Equity Portfolio and the BlackRock Balanced Portfolio. Accordingly, the following changes to the Program Description will take effect as of November 4, 2024.

All references to BlackRock Large Cap Focus Value Fund, Inc. as an Underlying Fund of the Portfolios are removed. The target Underlying Fund allocations for each Portfolio will be updated such that the target allocation to BlackRock Large Cap Focus Value Fund, Inc. will instead be reflected as a target

allocation to BlackRock Equity Dividend Fund (in addition to amounts already reflected as a target allocation to BlackRock Equity Dividend Fund for each Portfolio).

Upon such changes, the Estimated Underlying Fund Expenses for the BlackRock 100% Equity Portfolio and the BlackRock Balanced Portfolio are expected to increase to 0.47% and 0.49%, respectively, as compared to 0.45% and 0.47% previously shown for the respective Portfolios in the Program Description. Total Annual Asset-Based Fees for the BlackRock 100% Equity Portfolio and the BlackRock Balanced Portfolio are expected to increase correspondingly to 0.51% and 0.53%, respectively. Estimated Underlying Fund Expenses and Total Annual Asset-Based Fees may change from time to time. The dollar amounts shown in the Investment Cost Chart for each Portfolio are expected to increase to reflect the increased Total Annual Asset-Based Fees.

### **iSHARES 2024 ENROLLMENT PORTFOLIO – TRANSFER TO iSHARES ENROLLED PORTFOLIO**

Effective on or about November 8, 2024, substantially all the assets of the iShares 2024 Enrollment Portfolio will be transferred to the iShares Enrolled Portfolio. All Units of the iShares 2024 Enrollment Portfolio held in an Account will be converted into Units of the iShares Enrolled Portfolio with equivalent aggregate Net Asset Value. Such conversion is not subject to or counted against the twice per year limit on Portfolio exchanges. Thereafter, all Contributions identified as being intended for the iShares 2024 Enrollment Portfolio will be made to the iShares Enrolled Portfolio.

Accordingly, effective upon the completion of such asset transfer and Unit conversion, all references to the iShares 2024 Enrollment Portfolio are deleted from the Program Description.

### **iSHARES DIVERSIFIED EQUITY PORTFOLIO – UNDERLYING FUND REPLACEMENT**

Effective on or about November 4, 2024, iShares Core U.S. REIT ETF will replace iShares Cohen & Steers REIT ETF as an Underlying Fund for the iShares Diversified Equity Portfolio. Accordingly, the following changes to the Program Description will take effect as of November 4, 2024.

All references to iShares Cohen & Steers REIT ETF as an Underlying Fund of the Portfolio are replaced with references to iShares Core U.S. REIT ETF as an Underlying Fund of the Portfolio. The target Underlying Fund allocations for the Portfolio will be updated such that the target allocation to iShares Cohen & Steers REIT ETF will instead be reflected as a target allocation to iShares Core U.S. REIT ETF.

Upon such changes, the Estimated Underlying Fund Expenses for the Portfolio are expected to decrease to 0.05%, as compared to 0.07% previously shown for the Portfolio in the Program Description. Total Annual Asset-Based Fees for the Portfolio are expected to decrease correspondingly to 0.21%. Estimated Underlying Fund Expenses and Total Annual Asset-Based Fees may change from time to time. The dollar amounts shown in the Investment Cost Chart for the Portfolio are expected to decrease to reflect the decreased Total Annual Asset-Based Fees.

### **PRINCIPAL PLUS PORTFOLIO**

Effective June 1, 2024:

The “Principal Plus Portfolio” paragraph on page 25 is replaced with: “The Principal Plus Portfolio is currently invested only in two Funding Agreements issued by New York Life Insurance Company (“New York Life”) that provide for contributions to a Guaranteed Interest Account established by New York Life; these agreements are also referred to collectively herein as the “Principal Plus Portfolio Investments.” In the future, the Principal Plus Portfolio may also invest in corporate fixed-income investments and/or similar instruments.”

On page 93, effective immediately, the disclosure is replaced with the following: **“Investment Objective, Strategy and Policies** - The Principal Plus Portfolio seeks to provide current income while maintaining stability of principal. The Principal Plus Portfolio is currently invested in two Funding Agreements issued by New York Life dated, respectively, June 8, 2015 (the “2015 Funding Agreement”) and June 3, 2024 (the “2024 Funding Agreement”), respectively, although it may also invest in corporate fixed income investments and/or similar instruments. Each Funding Agreement provides a minimum rate of return on the amount invested (net of expenses) plus accrued interest. The Principal Plus Portfolio’s investment objective is subject to change. There can be no assurance that the Principal Plus Portfolio’s investment strategy will be successful.

New York Life guarantees the principal, accumulated interest and a future interest rate for a designated time period on amounts invested in the Funding Agreements. The guarantees available through the Funding Agreements are made by the insurance company to the Program, not to an individual Participant. The Funding Agreements are not registered mutual funds. None of FAME, the Program, the Direct Series Distributor, the Investment Manager or the Program Manager, or any other entity guarantee the principal, accumulated interest or the future interest rate. In addition, the principal, accumulated interest or future interest rate are not guaranteed by the FDIC, the federal government, or any other entity.

New York Life currently holds the highest financial strength ratings currently awarded to any life insurer by the major ratings agencies: Aaa from Moody’s Investors Service, Inc., AA+ from Standard & Poor’s Rating Group, A++ from A.M. Best, and AAA from Fitch Ratings. This rating information comes from the individual third-party ratings reports as of 11/17/23. None of Moody’s, Standard and Poor’s, A.M. Best or Fitch makes any representation regarding an investment in the Portfolio.

Each Funding Agreement offers a variable interest rate that is reset semi-annually on January 1 and July 1. The annualized net interest rate for the period July 1, 2024, through December 31, 2024 (after expenses of 0.15% associated with the Funding Agreements that are paid to the Investment Manager and New York Life) is 3% on the 2015 Funding Agreement and 5.2% on the 2024 Funding Agreement. The respective annualized net interest rates in effect on the Funding Agreements after December 31, 2024, may be obtained by contacting the Program Manager after such date. In no event will the declared effective annual interest rate on either Funding Agreement (net of the 0.15% expenses deducted by New York Life) be less than the minimum guaranteed rate of 1.00%. The annualized net interest rate on each Funding Agreement is determined independently by New York Life and may differ during any period from the rate in effect on the other Funding Agreement.

The 2015 Funding Agreement was terminated by the Program in June 2024, and over time, as described below, the balance in the 2015 Funding Agreement will transition into the 2024 Funding Agreement until no balance remains in the 2015 Funding Agreement. Beginning in June 2024 all new net deposits to the Principal Plus Portfolio (other than interest received on the 2015 Funding Agreement) are invested in the 2024 Funding Agreement and all net withdrawals from the Principal Plus Portfolio will be made from the 2015 Funding Agreement until no funds remain on deposit in the 2015 Funding Agreement. In addition, the balance remaining on deposit in the 2015 Funding Agreement will be withdrawn and redeposited in the 2024 Funding Agreement in six annual installments. During periods in which the annual interest rates in effect on the two Funding Agreements differ, the effective annual interest rate received by the Principal Plus Portfolio will vary on a daily basis in accordance with the relative weighting of the balances on deposit under the 2015 Funding Agreement and the 2024 Funding Agreement, respectively. The returns of the Principal Plus Portfolio may be different than the weighted interest rates offered by the two Funding Agreements.

New York Life’s commitment to the Program is based solely on its ability to pay its obligations from its general account. The commitment to the Program is not secured by any collateral. Certain limitations apply to the exchange of Units of the Principal Plus Portfolio for Units of the NextGen Savings Portfolio.

The Program Manager and the Program Custodian provide administrative services to the Principal Plus Portfolio and the Investment Manager monitors the creditworthiness of New York Life, the issuer of the Funding Agreements. Certain expenses are charged against the assets of the Principal Plus Portfolio.

**Principal Risks of Investing** – The New York Life Funding Agreements in which the Principal Plus Portfolio invests are subject to the risks of an investment that is non-diversified, has no third-party guarantees, and is subject to a failure to perform by the issuer and termination by the issuer. Because an investment in the Principal Plus Portfolio is subject to ongoing expenses, if the return that the Principal Plus Portfolio earns on its investments (including, if applicable, the minimum return on New York Life Funding Agreements during periods in which the Principal Plus Portfolio invests in such agreements) fails to exceed such expenses during a particular period, the value of an investment in the Principal Plus Portfolio may decline during such period.”



**NEXTGEN SAVINGS PORTFOLIO OPTION – CHANGE TO BANK DEPOSIT ACCOUNT**

Effective on or about September 3, 2024, on page 25, the NextGen Savings Portfolio paragraph is replaced with the following: “The NextGen Savings Portfolio is invested exclusively in a Bank Deposit Account. Although the underlying deposits in the Bank Deposit Account in the NextGen Savings Portfolio are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the NextGen Savings Portfolio are not insured or guaranteed by the FDIC or any other agency of state or federal government, FAME, the Bank, the Program Manager, the Investment Manager, their respective affiliates, or any other entity. All such deposits of a Participant held in a single ownership capacity at the Bank are subject to aggregation with that portion of the underlying deposits attributable to the Units held by the Participant in the NextGen Savings Portfolio, for purposes of the current FDIC insurance coverage limitation of \$250,000. Participants may contact the Program Manager – or visit NextGenforME.com – for current Bank Deposit Account underlying deposit details, as the identity of the Bank may change from time to time. Participants are responsible for monitoring the total amount of their assets on deposit at the Bank, including amounts held directly at the Bank outside of the NextGen Savings Portfolio.”

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**Investment products:**

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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 <b>FAME</b> <small>FINANCE AUTHORITY OF MAINE</small> <b>Program Administrator</b>	 <b>Vestwell</b> <b>Program Manager</b>
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 <b>BlackRock</b>	 <b>MERRILL LYNCH</b> <small>A BANK OF AMERICA COMPANY</small>	 <b>Northern Lights Distributors, LLC</b> <small>An Affiliate of</small> <b>ULTIMUS</b> <small>FUND SOLUTIONS</small>
<b>Investment Manager</b>	<b>Recordkeeping Agent</b>	<b>Direct Series Distributor</b>



**NEXTGEN 529<sup>®</sup>  
PROGRAM DESCRIPTION  
AND  
PARTICIPATION AGREEMENT**

**October 25, 2023**

**CLIENT DIRECT SERIES**

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

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

This Program Description and Participation Agreement will be updated from time to time to reflect changes to the Program and is subject to change without notice. The information contained in this Program Description and Participation Agreement amends and supersedes

all information contained in prior Program Descriptions and Participation Agreements. Participants should rely only on the information contained in this Program Description and Participation Agreement. No one is authorized to provide information that is different from the information contained in this Program Description and Participation Agreement.

NextGen 529 offers a variety of investment options in two separate series — the Client Direct Series and the Client Select Series. Each series offers different investment options, each with its own sales charges, fees and expense structure. Currently, some of the same investment options are available in each series. The Client Direct Series (offered through this Program Description) is available through the Finance Authority of Maine and through [www.nextgenforme.com](http://www.nextgenforme.com) and at [www.merrilledge.com](http://www.merrilledge.com). The Client Select Series (offered through a different program description) is available exclusively through financial intermediaries.

Program accounts are not bank deposits, are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, are not debt or obligations of, or guaranteed by, any bank or other financial institution or the Finance Authority of Maine, the State of Maine, the Program Manager or the Direct Series Distributor. **Participation in the Program involves investment risks, including the possible loss of principal.**

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

You can visit the Program's Web site located at [www.nextgenforme.com](http://www.nextgenforme.com)

or contact Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill"), the Program's Recordkeeping Agent, at (877) 4-NEXTGEN (463-9843).

Vestwell, the Program Manager, may be contacted at  
NextGen 529, P.O. Box 534457, Pittsburgh, PA 15253-4457,  
for overnight deliveries, at NextGen 529, Attention: 534457, 500 Ross Street, 154- 0520,  
Pittsburgh, PA 15262,  
by phone at 1-833-33NG529 (1-833-336-4529)

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

Section 529 Qualified Tuition Programs are intended to be used only to save for Qualified Higher Education Expenses. None of the Finance Authority of Maine, Vestwell State Savings, LLC, The Bank of New York Mellon, BlackRock Investments, LLC, BlackRock Advisors, LLC, Bank of America, Merrill or any Sub-Advisor, nor any of their affiliates provide legal, tax or accounting advice. You should consult your own legal and/or tax advisors before making any financial decisions.

This Program Description and Participation Agreement does not constitute an offer or other solicitation to place any Units (as defined herein) in NextGen 529 with respect to any person who is located or domiciled outside of the United States of America. Individuals who reside outside the United States are generally not eligible to open an Account (as defined herein) in NextGen 529.



**NEXTGEN 529®**  
PROGRAM DESCRIPTION

## **CLIENT DIRECT SERIES**

October 25, 2023



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## PROGRAM HIGHLIGHTS

NextGen 529 was established by the State of Maine. These Program Highlights only summarize certain features of the Program. More detailed information about the Program, including establishing a NextGen 529 Account, the Portfolios, fees and expenses, investment risks, and tax consequences, are described in the pages that follow.

Please read this entire Program Description and the Participation Agreement carefully before investing and keep them for future reference. Certain Key Terms used in this Program Description and the Participation Agreement are defined beginning on page 8.

		For More Information
<b>Program Administrator</b>	The Finance Authority of Maine administers the Program.	Page 51
<b>Program Custodian</b>	The Bank of New York Mellon provides certain custody, recordkeeping and fund accounting services for the Program.	Page 51
<b>Program Manager</b>	Vestwell State Savings, LLC, is responsible for the day-to-day operation of the Program.	Page 51
<b>Investment Manager</b>	BlackRock Advisors, LLC provides investment management services to the Program.	Page 51
<b>Direct Series Distributor</b>	BlackRock Investments, LLC provides marketing and distribution services for Units of the Client Direct Series of the Program. As of July 1, 2024, Northern Lights Distributors, LLC is expected to replace BlackRock Investments as Direct Series Distributor.	Page 51
<b>Participant (Account Owner) Eligibility</b>	<p>The Program is available (without restriction on state of residence or income) to:</p> <ul style="list-style-type: none"> <li>● Individuals who are U.S. citizens or permanent residents of the United States, reside in the United States (including U.S. territories and U.S. military bases), are at least 18 years of age and have a valid social security number or taxpayer identification number. Individuals who reside outside the United States are generally not eligible to open an Account or make new investment selections in NextGen 529.</li> <li>● Custodial and trust accounts, state or local governments, tax-exempt organizations described in section 501(c)(3) of the Code, or certain other entities, with a valid taxpayer identification number.</li> </ul>	Page 11
<b>Designated Beneficiary Eligibility</b>	The Designated Beneficiary (i.e., the individual for whom Qualified Higher Education Expenses are expected to be paid) may be any individual, regardless of age, with a valid social security number or taxpayer identification number, including the Participant.	Page 11
<b>Control of Account</b>	<p>The Participant:</p> <ul style="list-style-type: none"> <li>● Retains control of how and when Account assets are used.</li> <li>● May change the Designated Beneficiary.</li> <li>● May take Non-Qualified Withdrawals, subject to applicable federal and state income taxes on earnings and potentially a 10% additional federal tax on earnings.</li> </ul>	Page 11

## PROGRAM HIGHLIGHTS

<b>Contributions (initial)</b>	\$25 minimum (no minimum when funding an Account through payroll deduction or automated Contributions and in certain other circumstances).	<b>Page 12</b>				
<b>Contributions (subsequent)</b>	No minimum.	<b>Page 13</b>				
<b>Maximum Contribution Limit</b>	\$520,000 per Designated Beneficiary (adjusted periodically).	<b>Page 14</b>				
<b>Qualified Withdrawals</b>	Assets in an Account that are used to pay for Qualified Higher Education Expenses (as defined herein, which term includes a limited amount of expenses for primary or secondary school tuition) of the Designated Beneficiary (or sibling of the Designated Beneficiary with respect to the repayment of qualified education loans.) Qualified Higher Education Expenses may differ for federal and state income tax purposes.	<b>Page 20</b>				
<b>Investment Changes</b>	Once you have contributed to an Account in the Program and allocated your Contributions to one or more investment options, you may move any or all of your Account balance to one or more different investment options twice per calendar year, or if you change the Designated Beneficiary on your Account to a Member of the Family of the current Designated Beneficiary.	<b>Page 17</b>				
<b>Investment Options</b>	33 investment options, including 31 managed by BlackRock, as well as the Principal Plus Portfolio and the NextGen Savings Portfolio: <ul style="list-style-type: none"> <li>● 2 Suites of Year of Enrollment Portfolios</li> <li>● 5 Diversified Portfolios</li> <li>● 6 Single Fund Portfolios</li> <li>● 1 Principal Plus Portfolio</li> <li>● 1 NextGen Savings Portfolio</li> </ul>	<b>Page 24</b>				
<b>Fees and Charges</b>	<p>Total Annual Asset-Based Fees, which include Program fees and Underlying Fund expenses, vary based on the Portfolio option selected.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><b>Range of Total Annual Asset-Based Fees*</b></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Client Direct Series Units</td> <td style="text-align: center;">0.00% - 0.53%</td> </tr> </tbody> </table> <p style="font-size: small;">*As a percentage of a Portfolio's average annual net assets.</p> <ul style="list-style-type: none"> <li>● Other fees and charges may apply.</li> <li>● Underlying Fund expenses are subject to change, affecting Total Annual Asset-Based Fees.</li> </ul>		<b>Range of Total Annual Asset-Based Fees*</b>	Client Direct Series Units	0.00% - 0.53%	<b>Page 30</b>
	<b>Range of Total Annual Asset-Based Fees*</b>					
Client Direct Series Units	0.00% - 0.53%					
<b>Investment Risks and Other Considerations</b>	<ul style="list-style-type: none"> <li>● Assets in an Account are not guaranteed, and an Account may lose money.</li> <li>● Federal and state tax laws may change and may adversely affect certain tax advantages of an investment in the Program.</li> <li>● Investment options, Sub-Advisors, fees and expenses may change.</li> <li>● Contributions to an Account may affect the eligibility of the Designated Beneficiary or the Participant for federal and state benefits, such as financial aid or Medicaid.</li> </ul>	<b>Page 43</b>				

## PROGRAM HIGHLIGHTS

<b>Federal Tax Treatment</b>	<ul style="list-style-type: none"> <li>● Account earnings accrue federal income tax-free.</li> <li>● No federal income tax on Qualified Withdrawals.</li> <li>● No federal gift tax on Contributions up to \$17,000 per year (\$34,000 for spouses electing to split gifts) or \$85,000 over 5 years (\$170,000 for spouses electing to split gifts) - subject to certain limitations. Amounts above these annual limits are not subject to gift tax unless, together with other gifts, they exceed lifetime limits on gifts excluded from gift tax.</li> <li>● Contributions are generally considered completed gifts for federal gift and estate tax purposes.</li> </ul>	<b>Page 35</b>
<b>Portfolio Performance</b>	<p>Portfolio performance information as of June 30, 2023 is contained in this Program Description. Updated Portfolio performance information for all Portfolios will be available on the Program's Web site at <a href="http://www.nextgenforme.com">www.nextgenforme.com</a>. Past Portfolio performance is not indicative of future Portfolio performance.</p> <ul style="list-style-type: none"> <li>● BlackRock Portfolios Performance</li> <li>● iShares Portfolios Performance</li> <li>● Principal Plus Portfolio Performance</li> <li>● NextGen Savings Portfolio Performance</li> </ul>	<b>Page 60</b> <b>Page 79</b> <b>Page 94</b> <b>Page 96</b>
<b>State Tax Treatment</b>	<ul style="list-style-type: none"> <li>● State tax treatment varies from state to state.</li> <li>● <b>If Maine is not a Participant's home state, the Participant should contact his or her home state's Section 529 Program to learn more about potential favorable state tax treatment or other state benefits such as financial aid, scholarship funds, and protection from creditors offered by such home state for investing in that home state's Section 529 Program.</b></li> <li>● A tax deduction of up to \$1,000 per Designated Beneficiary is available to eligible Maine taxpayers for contributions made to any Section 529 Program in taxable years beginning on or after January 1, 2023.</li> </ul>	<b>Page 38</b>
<b>Special Benefits Available to Maine Residents</b>	<p>State tax deduction, Maine Matching Grant Program, Harold Alfond College Challenge Grant (also known as My Alfond Grant), the Maine Administration Fee Rebate Program, and Maine Scholarship Programs.</p>	<b>Page 49</b>

## KEY TERMS

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Note: Other terms are defined elsewhere in this Program Description

<b>“Account”</b>	The repository of all Contributions and Units identified by a formal record of transactions with respect to a particular Participant and Designated Beneficiary.
<b>“Account Application”</b>	The Program application which is used to establish an Account.
<b>“Bank”</b>	The FDIC-insured bank from time to time selected by FAME to hold deposits in the Bank Deposit Account.
<b>“Bank Deposit Account”</b>	An interest-bearing omnibus Negotiable Order of Withdrawal account held at the Bank in which deposits are FDIC-insured, subject to applicable limits.
<b>“Bank of New York Mellon”</b>	The company which currently serves as the Program Custodian.
<b>“BlackRock”</b>	BlackRock Advisors, LLC, which currently serves as the Investment Manager, and its affiliates engaged in such investment management services.
<b>“Cash Allocation Account”</b>	The Cash Allocation Account is a separate account that seeks current income, preservation of capital and liquidity. This account is invested directly in a diversified portfolio of money market securities and may also be invested in Maine CDs.
<b>“Code”</b>	The Internal Revenue Code of 1986, as amended.
<b>“Contribution”</b>	The amount contributed to an Account by a Participant or other source.
<b>“Designated Beneficiary”</b>	The individual whose Qualified Higher Education Expenses are expected to be paid from the Account, or if the Participant is a state or local government or qualifying tax-exempt organization operating a scholarship program, the recipient of a scholarship paid from the Account.
<b>“Direct Series Distributor”</b>	The company that serves as the Underwriter for Units of the Client Direct Series of the Program. Currently, BlackRock Investments, LLC serves as Direct Series Distributor. As of July 1, 2024, Northern Lights Distributors, LLC is expected to replace BlackRock Investments, LLC as Direct Series Distributor.
<b>“Diversified Portfolio”</b>	A Portfolio for which assets are invested in one or more Portfolio Investments, in accordance with a fixed asset allocation specified for such Portfolio.
<b>“Eligible Institutions of Higher Education”</b>	Accredited post-secondary educational institutions offering credit toward a bachelor’s degree, an associate’s degree, a graduate level or professional degree, or another recognized post-secondary credential which are eligible to participate in certain federal student financial aid programs. This includes certain proprietary institutions, foreign institutions and post-secondary vocational institutions.
<b>“FAME”</b>	The Finance Authority of Maine, which is the administrator of the Program.
<b>“FDIC”</b>	The Federal Deposit Insurance Corporation. The FDIC is an independent agency of the United States government that protects against the loss of deposits if an FDIC-insured bank or savings association fails, subject to applicable rules and limitations.
<b>“Investment Fund”</b>	The portion of the Program Fund invested in the Portfolio Investments.
<b>“Investment Manager”</b>	The company that provides investment management services to FAME for the Program. The Investment Manager is currently BlackRock Advisors, LLC.
<b>“Maine CDs”</b>	Certificates of deposit issued by Maine financial institutions.

## KEY TERMS

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Note: Other terms are defined elsewhere in this Program Description

<b>“NextGen Savings Portfolio Investment”</b>	The Bank Deposit Account.
<b>“Participant”</b>	The individual or entity establishing an Account or any successor to such individual or entity.
<b>“Participation Agreement”</b>	The contract between the Participant and FAME, which establishes the Account and the obligations of FAME and the Participant, as amended.
<b>“Portfolio”</b>	One of the NextGen 529 Portfolios established within the Investment Fund to which Contributions may be allocated, and that are invested in Portfolio Investments.
<b>“Portfolio Investments”</b>	The Underlying Funds and/or the Principal Plus Portfolio Investments and/or the NextGen Savings Portfolio Investment, as applicable.
<b>“Principal Plus Portfolio Investments”</b>	The guaranteed interest account (“GIA”) issued by an insurance company, and any corporate fixed-income investments and/or similar instruments in which the Principal Plus Portfolio invests.
<b>“Program”</b>	The Maine Education Savings Program (also known as NextGen 529 or NextGen). As of the date of this Program Description, the Program includes the Client Direct Series described in this Program Description and a Client Select Series that is offered through financial intermediaries and is described in a separate program description.
<b>“Program Description”</b>	This current NextGen 529 Client Direct Series Program Description and any supplements to it.
<b>“Program Fund”</b>	The Maine Education Savings Program Fund.
<b>“Program Manager”</b>	The company that is responsible for the day-to-day operation of the Program. Currently, Vestwell State Savings, LLC, is the Program Manager.
<b>“Qualified Higher Education Expenses”</b>	Expenses including tuition, fees and the costs of books, supplies and equipment required for enrollment or attendance, as well as certain room and board expenses of a Designated Beneficiary that is enrolled at least half-time at an Eligible Institution of Higher Education, expenses for the purchase of computer or peripheral equipment, computer software or Internet access and related services, if such equipment, software, access or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Institution of Higher Education, and expenses for special needs services in the case of a special needs beneficiary that are incurred in connection with enrollment or attendance at an Eligible Institution of Higher Education. Unless otherwise indicated, any reference to Qualified Higher Education Expenses also includes (i) a reference to tuition in connection with a Designated Beneficiary’s enrollment or attendance at an elementary or secondary public, private, or religious school up to a maximum of \$10,000 of distributions for such tuition expenses per taxable year per Designated Beneficiary from all Section 529 Programs; (ii) expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act; and (iii) amounts paid as principal or interest on any qualified education loan of either the Designated Beneficiary or a sibling of the Designated Beneficiary up to a lifetime limit of \$10,000 per individual.
<b>“Qualified Withdrawals”</b>	Withdrawals from an Account that are used to pay the Qualified Higher Education Expenses of the Designated Beneficiary. Unless otherwise indicated, reference to withdrawals used to pay for “Qualified Higher Education Expenses of the Designated Beneficiary” includes withdrawals to repay qualified education loans of the Designated Beneficiary’s sibling in the limited circumstances that such repayments may be treated as Qualified Higher Education Expenses.

## KEY TERMS

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Note: Other terms are defined elsewhere in this Program Description

<b>“Recordkeeping Agent”</b>	The company that provides recordkeeping and other services to, and makes the online platform available to, the Client Direct Series of the Program pursuant to a subcontract with the Program Manager and the Investment Manager. The Recordkeeping Agent is currently Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill”), which utilizes the Merrill Edge online investment platform. Merrill is a registered broker-dealer, registered investment adviser, Member SIPC and a wholly owned subsidiary of Bank of America Corporation.
<b>“Section 529 Program”</b>	A “qualified tuition program” established under and operated in accordance with Section 529 of the Code.
<b>“Single Fund Portfolio”</b>	A Portfolio for which assets are invested in one Underlying Fund.
<b>“Specialized Account”</b>	A scholarship account funded by a tax-exempt organization described in section 501(c)(3) of the Code or trust and administered by FAME. In the case of a Specialized Account, recordkeeping and certain other services described in this Program Description are provided by the Program Manager or an affiliate thereof, and not by the Recordkeeping Agent, and the administration of a Specialized Account may differ in some respects from that generally applicable to Accounts as described in this Program Description.
<b>“Sub-Advisor”</b>	A registered investment adviser, other than the Investment Manager, that recommends Underlying Funds and the allocation of such Underlying Funds for one or more Portfolios comprised of Underlying Funds advised by such investment adviser or any of its affiliates. There are currently no Sub-Advisors for the Client Direct Series of the Program.
<b>“Underlying Funds”</b>	One or more mutual funds, exchange traded funds (ETFs) or separate accounts in which assets of Portfolios (other than the Principal Plus Portfolio and the NextGen Savings Portfolio) are invested.
<b>“Units”</b>	Interests in a Portfolio that are purchased with Contributions to an Account.
<b>“Vestwell”</b>	Vestwell State Savings, LLC, which currently serves as the Program Manager.
<b>“Year of Enrollment Portfolio”</b>	A Portfolio with either (i) a designated “year of enrollment” in which withdrawal of the invested funds for the Designated Beneficiaries of Accounts investing in such Portfolio is assumed (though not required); the assets of such Portfolio are invested in a combination of Underlying Funds that changes to become more conservative over time as the remaining period until the applicable “year of enrollment” shortens or (ii) an “enrolled” designation indicating that the invested funds for the Designated Beneficiaries of Accounts investing in such Portfolio are assumed to be subject to withdrawal at any time; the assets of such Portfolio are invested in a combination of Underlying Funds designed to protect principal, while also seeking capital appreciation and/or income.

## **PARTICIPATION AND ACCOUNTS**



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

### **Establishing an Account**

**Account Application** — To establish an Account, a Participant must complete an Account Application and agree to the terms and conditions of this Program Description and the Participation Agreement. Either FAME or the Program Manager may require the completion of certain other documents for an Account to be established. There is no fee or charge for establishing an Account. Accounts will not be established, orders will not be executed, and the Account Application and Contribution amount will be returned if the Account Application is not complete. Signing an Account Application acknowledges receipt of this Program Description and Participation Agreement and acceptance of the terms and conditions of the Program Description and the Participation Agreement. There may be only one Participant and one Designated Beneficiary for each Account. A Successor Participant (defined below) may be identified for an Account on the Account Application. There is no limit to the number of Accounts that a Participant can open. A Participant, except a non-U.S. resident, may also establish an Account electronically through a self-directed online investing platform (“Self-Directed Online Investing”) at any time such a service is provided by the Program Manager. There is no guarantee that this service will be available at all times. In addition, certain types of Accounts may not be established through Self-Directed Online Investing and certain additional limitations may apply.

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

outside the United States are generally not eligible to open an Account.

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

**Accounts Opened by Trustees, Custodians, Guardians, and Conservators** — An authorized trustee or custodian must be identified if Contributions to an Account come from an existing trust or custodial account. Trustees opening an Account on behalf of a trust must provide representations or documentation concerning the trustees’ authority or such other matters as required by the Recordkeeping Agent. In addition, guardians and conservators may open an Account provided copies of the applicable governing documents are acceptable to the Recordkeeping Agent. Accounts may not be opened by trustees, guardians and conservators through Self-Directed Online Investing.

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

**Scholarship Accounts** — Accounts may be established by state or local governments or tax-exempt organizations described in section 501(c)(3) of the Code and most types of legal entities, including trusts, whose purposes and powers so permit. As a Participant, a government or tax-exempt organization may establish an Account as part of a scholarship program operated by such government or organization (a “Scholarship Account”). Governments and tax-exempt organizations may designate any Portfolio or combination of Portfolios in which Contributions to a Scholarship Account are to be invested. Contributions to such Scholarship Accounts will be permitted even if they cause the balance of the Account to exceed the Program’s maximum Contribution limit. Questions regarding the establishment of Scholarship Accounts should be



## PARTICIPATION AND ACCOUNTS

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addressed to the Recordkeeping Agent at (877) 4-NEXTGEN (463-9843) or to FAME at (800) 228-3734.

**Selection of Investment Option(s)** — Investment option(s) and the percentage of each Contribution to be allocated to the Portfolio(s) selected must be indicated on the Account Application, except as noted in Harold Alfond College Challenge Grant Investment Option below. The total allocation may not exceed 100%. All subsequent Contributions will be invested in the selected Portfolio(s) and at the designated allocations until a new designated allocation is selected by the Participant. See “Investment of Contributions - *Investment Changes*” for information about changing existing investment allocations and/or changing the investment allocation of future Contributions.

**Harold Alfond College Challenge Grant Investment Option** — The Harold Alfond College Challenge Grant is further described in “THE PROGRAM AND THE PROGRAM FUND — Special Benefits Available to Maine Residents.” An Account Application submitted other than through Self-Directed Online Investing which is eligible for this benefit will be accepted without investment option(s) selected. However, any Contributions received for such an Account (without investment option(s) selected), and subsequent Contributions, will be allocated 100% to and invested in the iShares Year of Enrollment Portfolio (or the BlackRock Year of Enrollment Portfolio if the Account Application was submitted prior to October 21, 2010) corresponding to the age of the Designated Beneficiary, unless and until a different investment allocation for existing and/or future Contributions is directed by the Participant. Account Applications submitted through Self-Directed Online Investing will not be accepted without investment option(s) selected. See “Investment of Contributions — Investment Changes” for information about changing existing investment allocations and/or changing the investment allocation of future Contributions.

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

**Personal Information** — Establishment of an Account is subject to acceptance by the Program Manager, and verification of a Participant’s identity and other information regarding a Participant. A Participant must provide such documentation and other information regarding Participant, and any other person who may have an interest in an Account, as the Program Manager may deem appropriate for purposes of complying with anti-money laundering laws and regulations, the Program Manager’s anti-money laundering processes, procedures and requirements, and other applicable laws and regulations, as the

same may be amended from time to time (“Identity Information”). If a Participant does not provide Identity Information requested on the Account Application, the Program Manager may refuse to open an Account for the Participant. The Program Manager may also request that a Participant provide additional Identity Information at any time after an Account is opened. If a Participant fails to provide Identity Information requested on the Account Application, or immediately upon request at any time after the Account is opened, or if the Program Manager is unable to verify any Identity Information to its satisfaction, the Program Manager may, without prior notice to the Participant, reject Contributions and withdrawal and transfer requests, suspend Account services, close the Account or take any other action permitted by applicable laws and regulations. Units redeemed as a result of closing an Account will be valued at the Units’ net asset value per Unit (“Net Asset Value”) next calculated after the Program Manager closes the Account. The risk of market loss, tax implications, and expenses resulting from the liquidation will be solely the Participant’s responsibility. References to Program Manager in this paragraph are deemed to include the Recordkeeping Agent, as applicable.

### Contributions

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

### Contributions by Check

- **Initial Contributions** — A Participant making an initial Contribution by check must generally include an initial minimum amount of \$25 with his or her Account Application, and check(s) should be made payable to “NextGen 529 FBO [Name of Designated Beneficiary]”. A separate check must be provided for each Account Application. The initial minimum amount will be waived for an Account which is eligible to be linked to the Harold Alfond College Challenge Grant. See “THE PROGRAM AND THE PROGRAM FUND-Special Benefits Available to Maine Residents.”

## PARTICIPATION AND ACCOUNTS

- **Subsequent Contributions** — There is no minimum amount for subsequent Contributions made by check. A Participant wishing to make subsequent Contributions by check can make a contribution via Mobile Check Deposit through the Bank of America, Merrill Edge or My Merrill mobile applications. Participants who would like to mail a check should make the check payable to “NextGen 529 FBO [Name of Designated Beneficiary]”. A separate check must be provided for each Account receiving a subsequent Contribution. You must include the NextGen 529 Account number on the check.
- **Where to send Contributions** — Participants should mail an initial or subsequent Contribution(s) by check to:

**If by regular mail:**

Merrill Edge  
P.O. Box 962  
Newark, NJ 07101-0962

**If by overnight mail:**

Merrill Edge  
NJ2-140-02-01  
1400 American Boulevard  
Pennington, NJ 08534

- **Returned Checks** — A fee of \$20, which may be deducted from the Account, is charged for each check returned to the Program due to insufficient funds in an account on which the check is drawn.

**Automatic Funds Transfer from Checking/Savings Account**

- **In General** — A Participant may authorize the Recordkeeping Agent to perform automated, periodic debits to make Contributions to an Account from a checking or savings account at a financial institution. An authorization to perform automated, periodic deposits will remain in effect until the Recordkeeping Agent has received notification of its termination. A Participant or the Recordkeeping Agent may terminate the enrollment in the Program’s AFS at any time. Any termination of such service initiated by a Participant must be in writing and will become effective as soon as the Recordkeeping Agent has had a reasonable amount of time to act on it. The Program does not impose a fee for enrolling in the Program’s AFS; however, the institution from which the funds are being debited may charge a fee. Please check with the institution.
- **Initial Contribution** — There is no Initial Contribution amount required when AFS is established for an Account. To initiate this Contribution method, a Participant must complete the AFS section of the Account Application or request and complete an Automated Funds Service Enrollment and Authorization Form.
- **Subsequent Contributions** — There is no minimum amount for subsequent AFS Contributions to an Account.

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

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

**Payroll Direct Deposit**

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

their employer that the employer is willing to process Contributions through payroll direct deposit.

**Rollover Contributions**

- **Rollovers from Another State’s Section 529 Program** — Rollover Contributions directly from another Section 529 Program to an established Account may be initiated by executing the NextGen 529 Incoming Rollover Form (“Incoming Rollover Form”) and providing a statement issued by the distributing

## PARTICIPATION AND ACCOUNTS

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Section 529 Program that shows the principal and earnings portions of the Contribution.

Rollover Contributions from another Section 529 Program sent directly to a Participant may be accompanied by the Incoming Rollover Form or Account Application. Additionally, an acceptable form of documentation showing the breakdown of principal and earnings for the rollover contribution must be provided to the Recordkeeping Agent, such as a statement issued by the distributing Section 529 Program, a check stub or a letter on the letterhead of the distributing Section 529 Program.

Rollover Contributions to an Account from another Section 529 Program are federal income tax-free only if the rollover is deposited within 60 days after its withdrawal from the other Section 529 Program into:

- an Account for the same Designated Beneficiary, and there have been no other Section 529 Program rollovers within the immediately preceding 12 months for the same Designated Beneficiary, or
- an Account for a Designated Beneficiary who is a Member of the Family (defined below) of the Designated Beneficiary of the rolled-over account (see “TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS — Federal Taxation of Section 529 Programs — Federal Gift, Estate and Generation — Skipping Transfer Taxes” for a discussion of possible gift or generation-skipping transfer tax consequences).

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

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

- Rollovers from Qualified U.S. Savings Bonds — Assets invested in certain U.S. savings bonds can be rolled-over to an Account in order to take advantage of a tax-free rollover in connection with the liquidation of Series EE or Series I bonds, modified adjusted gross income limitations must not be exceeded and the rollover Contribution may be accompanied by an Account Application or Incoming Rollover Form. In addition, an account statement or IRS Form 1099-INT issued by the financial institution that redeemed the bonds showing the interest portion of the redemption proceeds must also be provided to the Recordkeeping Agent.

- Tax and Other Considerations — Unless coming directly from another Section 529 Program, rollovers require the liquidation of assets and the contribution of cash to an Account. Rollover Contributions to an Account must be made within 60 days of the liquidation and withdrawal of such assets from another account. If the Participant effects a qualifying rollover, the withdrawal from the originating Section 529 Program account will not be subject to federal income tax, including the 10% additional federal tax, on earnings. Until a statement issued by the distributing Section 529 Program, trustee or custodian of the Coverdell ESA or financial institution that redeemed the U.S. savings bonds showing the principal and earnings portion of the Contribution is received, the Program will treat the entire amount of the rollover Contribution as earnings in the receiving Account for tax purposes. A Participant may be required to provide certain documentation to the distributing Section 529 Program.

**Maximum Contribution** — Currently, Contributions, including Rollover Contributions, will be permitted if they do not cause the aggregate balance of all Accounts in the Program (including the Select Series) for the same Designated Beneficiary (regardless of Participant) to exceed \$520,000. Contributions that would cause such aggregate balance to exceed \$520,000 may be rejected in their entirety. FAME will review and may adjust the Contribution limit annually, effective on or about January 1, but reserves the right to effect adjustments on other dates.

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

## PARTICIPATION AND ACCOUNTS

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

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

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

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

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

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

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

### Ownership of Contributions

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

## PARTICIPATION AND ACCOUNTS

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

### Change of Designated Beneficiary

**General** — Section 529 of the Code and the Proposed Regulations (defined on page 35) generally allow for changes of the Designated Beneficiary without federal income tax consequences, so long as the new Designated Beneficiary is a Member of the Family (defined below) of the current Designated Beneficiary. Special rules apply to Accounts established by UGMA/UTMA custodians. In addition, generally no federal gift tax or any generation-skipping transfer tax will result provided the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary and is assigned to the same generation as or a higher generation than the current Designated Beneficiary. Any change of the Designated Beneficiary to an individual who is not a Member of the Family of the current Designated Beneficiary should be treated as a Non-Qualified Withdrawal. See “TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS - Federal Taxation of Section 529 Programs.”

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

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

**Member of the Family** — A Member of the Family is the Designated Beneficiary’s:

- Father or mother, or an ancestor of either;
- Child, or a descendant of a child;
- Stepfather or stepmother;
- Stepson or stepdaughter, or a descendant of either;

- Brother, sister, stepbrother or stepsister;
- Brother or sister of the father or mother;
- Brother-in-law, sister-in-law, son-in-law, daughter-in-law, father-in-law or mother-in-law;
- Son or daughter of a brother or sister;
- Spouse or the spouse of any of the foregoing individuals; or
- First cousin.

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

### Successor Participants

**Death or Legal Incapacity of Participant** — A Participant may designate a successor Participant (“Successor Participant”). The Successor Participant shall assume all of the rights, title and interest of the current Participant with respect to an Account (including the right to withdraw assets from the Account or change the Designated Beneficiary) upon the death or legal incapacity of the current Participant. Such designation must be in writing and is not effective until received by the Recordkeeping Agent. Special rules apply to UGMA/UTMA Accounts. The Successor Participant will be required to provide the Recordkeeping Agent with a certified copy of a death certificate in the case of death of a Participant or a court order in the case of legal incapacity of the Participant and such other information, the sufficiency of which the Recordkeeping Agent will determine in its sole discretion, as the Recordkeeping Agent requires prior to taking any action regarding the Account. The Successor Participant will also be required to complete an Account Application and agree to the terms and conditions of the Program Description and the Participation Agreement. See “PARTICIPATION AND ACCOUNTS — Establishing an Account”. If the Participant has authorized another individual or entity to exercise rights over an Account pursuant to a power of attorney executed prior to a legal incapacity, the power of attorney will take precedence over any Successor Participant designation during the Participant’s lifetime. A transfer of ownership of an Account, during the Participant’s lifetime, may have income or gift tax consequences; contact a tax advisor before transferring ownership of an Account. A designation of a Successor Participant that is later accepted by the Recordkeeping Agent will govern all directions with respect to the Account following (but not prior to) the acceptance of the designation. In the event no Successor Participant is named on the Account Application or on another form accepted by the Recordkeeping Agent, or the named Successor Participant predeceases the Participant or does not accept ownership of the Account, the surviving spouse of the Participant, provided he or she is the natural or adoptive parent of the Designated Beneficiary, will become the Participant for the Account. In the event the surviving spouse is not the natural or adoptive parent

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

**Lifetime Transfers** — A Participant may transfer ownership of an Account, without penalty, to another individual or entity to be the Participant in the Program. A transfer of ownership of an Account does not require a change of the Designated Beneficiary. A transfer of ownership of an Account will only be effective if it is irrevocable and transfers all rights, title, interest and power over the Account. A transfer of ownership of an Account may have income or gift tax consequences; contact a tax advisor before transferring ownership of an Account. To transfer ownership of an Account call the Program at (877) 4-NEXTGEN (463-9843).

### Investment of Contributions

Contributions are credited as a cash receipt to an Account as of the business day received by the Recordkeeping Agent. Contributions are invested in Units of the applicable Portfolio(s) on the next business day following the credit of the Contribution to the Account at the NAV(s) calculated as of the close of regular trading on the New York Stock Exchange. on such next business day.

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

Client Direct Series Units in a Portfolio may only be exchanged for Client Direct Series Units in another Portfolio. Accounts are not permitted to directly exchange Units of the Principal Plus Portfolio for Units of the NextGen Savings Portfolio. In addition, in order to limit indirect exchanges between the Principal Plus

Portfolio and the NextGen Savings Portfolio, whenever an Account exchanges Units of the Principal Plus Portfolio for Units of any Portfolio(s) other than the NextGen Savings Portfolio, for the next 90 days, the dollar value of all such exchanges will be aggregated by Portfolio (the "aggregated amount"). During that 90-day period, the Account will be permitted to acquire Units in the NextGen Savings Portfolio through exchanges, but only to the extent that, immediately after the exchange, the Account continues to hold Units in the exchanging Portfolio (i.e., the Portfolio that redeems Units as part of the exchange) that are at least equal in value to the aggregated amount on that date.

Currently, investment change requests may be initiated electronically via [www.merrilledge.com](http://www.merrilledge.com) or in writing by submitting an Investment Change Form; however, the Recordkeeping Agent may waive this requirement or provide additional means for providing investment change instructions. An investment change will not affect instructions on how additional Contributions to an Account should be allocated. Investment changes may take up to five business days to process after they are received in good form by the Recordkeeping Agent, particularly during periods of market volatility and at year-end.

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

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

## Statements and Reports

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

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

## Other Provisions

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

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

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

Contributions to all Accounts for a single Designated Beneficiary made between 365 days and 720 days before the filing of a bankruptcy petition by a Participant are not considered part of the Participant's bankruptcy estate to the extent the aggregate of such Contributions does not exceed \$6,225, and thus such Contributions that do not exceed \$6,225 are not generally available to creditors in bankruptcy; provided that (i) such Contributions do not exceed the Program's maximum Contribution limit, and (ii) the Designated Beneficiary of such

Accounts is a child, stepchild, grandchild or step grandchild of the Participant (a legally adopted child or a foster child of a Participant is treated as a child of such Participant by blood).

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

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

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

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

## Withdrawals

***In General*** — A Participant may direct a withdrawal from an Account at any time by notifying the Recordkeeping Agent by telephone, by mail, electronically at [www.merrilledge.com](http://www.merrilledge.com), or in any other manner specified by the Recordkeeping Agent. Generally, only the Participant of an Account may direct withdrawals from the Account. The frequency of withdrawals in a single month may be limited. A minimum withdrawal amount may also be established.

To request a withdrawal by telephone, a Participant should contact the Recordkeeping Agent at 1-877-4-NEXTGEN (463-9843) for Accounts opened through Self-Directed Online Investing. Certain Accounts or transactions are not eligible for withdrawals by telephone. If an Account or a transaction is not eligible for withdrawals by telephone, a written request for withdrawal may be submitted. To authorize a withdrawal by telephone, a Participant should have the following information available: (i) Account number; (ii) amount to be distributed; and (iii) Portfolios to be liquidated. Written requests for withdrawals

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from an Account must be submitted on a NextGen 529 Withdrawal Request Form; however, the Recordkeeping Agent may waive this requirement or provide additional means for withdrawal requests.

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

Following the acceptance and processing of a properly completed withdrawal request by the Program or Recordkeeping Agent, Units held by your Account will be redeemed to fulfill the withdrawal. The redeemed Units will be valued at the next Net Asset Value(s) calculated after the withdrawal request is accepted by the Program. After such Units are redeemed, the Program Manager or Recordkeeping Agent will deliver the proceeds to the payee. During periods of market volatility and at year end, withdrawal requests may take up to five business days to process following receipt of a withdrawal request.

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

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

(For purposes of these rules only, and only if a withdrawal request is effected through [www.merrilledge.com](http://www.merrilledge.com) and includes a request to withdraw Maine Matching Grant funds, all Maine Matching Grant funds associated with an Account will be treated as a Portfolio, although Maine Matching Grant funds are not otherwise a Portfolio within the meaning of this Program Description. See "Special Benefits Available to Maine Residents" for more information about Maine Matching Grants.)

1. First, all of the Units held in the Portfolio(s) selected by the Participant for full liquidation will be sold (starting with the Portfolios with the smallest market value).

2. If the requested withdrawal amount is not satisfied, Units held in other Portfolio(s) selected by the Participant for withdrawal in a specified amount will be sold, starting with the Portfolios with the highest market value. If the same withdrawal dollar amount is requested from two or more Portfolios, Units held in the Portfolio with the highest market value will be sold, which could result in full liquidation of all Units in such Portfolio or a liquidation of Units only in that Portfolio.

3. In order to satisfy adjustments to a withdrawal request (for example, when the market value of Units has changed between the date of the withdrawal request and the processing date), Units held in the Portfolio(s) selected by the Participant for full liquidation will be sold (starting with the Portfolios with the highest market value). In order to satisfy any remaining adjustments, Units held in other Portfolio(s) selected by the Participant for withdrawal in a specified amount will be sold, starting with the Portfolio with the highest market value.

4. If the requested withdrawal amount is not satisfied after selling all of the Units held in the Portfolio(s) selected by the Participant, Units in other Portfolio(s) held in the Participant's Account will be sold, starting with the Portfolio with the highest market value. However, Maine Matching Grant funds will not be liquidated to further satisfy a withdrawal request if they were not selected for withdrawal in the request made by the Participant.

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

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

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

**Tax Reporting** — For purposes of determining whether a withdrawal is federally taxable and/or subject to the 10% additional federal tax on earnings, the Participant must



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determine whether the withdrawal is made for the payment of Qualified Higher Education Expenses and/or fits within certain exceptions as discussed below.

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

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

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

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

### Qualified Withdrawals

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

**Qualified Higher Education Expenses** — "Qualified Higher Education Expenses" include:

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

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

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

**Tuition Expenses for Elementary and Secondary Schools** — Unless otherwise indicated, any reference to

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

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

**Apprenticeship Programs and Student Loans** — Unless otherwise indicated, any reference to Qualified Higher Education Expenses also includes: (i) expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act; and (ii) amounts paid as principal or interest on any qualified education loan of either the Designated Beneficiary or a sibling of the Designated Beneficiary up to a lifetime limit of \$10,000 per individual.

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

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

### Non-Qualified Withdrawals and the Additional Tax

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

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

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

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

**Disability of Designated Beneficiary** — If the Designated Beneficiary becomes disabled within the meaning of section 72(m)(7) of the Code, the Participant may exercise one or more of the following options. The Participant may request the return of all or a portion of the Account balance, in which case the earnings portion will be subject to federal income tax and possibly state and/or local income tax on the earnings portion of the withdrawal, without imposition of the 10% additional federal tax. Alternatively, the Participant may initiate a change of Designated Beneficiary, as described in “Change of Designated Beneficiary.” Special rules apply to Accounts established by UGMA/UTMA custodians.

**Receipt of Scholarship** — If the Designated Beneficiary receives a qualified scholarship, Account funds up to the

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

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

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

### Qualifying Rollovers

A Participant may direct a withdrawal from an Account for the purpose of a rollover to an account in another Section 529 Program by notifying the Recordkeeping Agent by telephone at 1-877-4-NEXTGEN (463-9843) or in writing. To authorize a rollover withdrawal by telephone, a Participant should have the following information available: (i) Account number; (ii) amount to be rolled over if not the entire Account balance; (iii) Portfolio(s) to be liquidated; and (iv) the name of the receiving Section 529 Program. Written requests for rollover withdrawals from an Account must be submitted to the Recordkeeping Agent on a NextGen 529 Withdrawal Request Form. If the Participant completes a qualifying rollover, the withdrawal will not be subject to federal income tax, including the 10% additional federal tax, on earnings. State tax treatment varies from state to state, and qualifying rollovers may receive different tax treatment under state law compared to federal law. Special rules apply to Accounts established by UGMA/UTMA custodians.

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

Starting January 1, 2024, a Participant may also rollover amounts in an Account to a Roth IRA -- subject to certain conditions (a “529-to-Roth IRA Rollover”) The conditions include, but are not limited to, the following: (i) The Account must have been maintained for the 15-year period ending on the date of the 529-to-Roth IRA Rollover; (ii) The 529-to-Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the same designated beneficiary as the Designated Beneficiary of the Account (not the Participant – if different); (iii) Each year, the 529-to-Roth IRA Rollover will be subject to annual IRA contribution limits, minus all other IRA contributions made during the year for the same designated beneficiary. In addition, such rollovers may not exceed the amount of compensation the designated beneficiary earned during the year; (iv) The amount of the 529-to-Roth IRA Rollover may not exceed the aggregate amount contributed to the Account (and earnings attributable thereto) before the 5-year period ending on the date of such rollover; (v) The aggregate amount of 529-to-Roth IRA Rollovers for the same designated beneficiary may not exceed \$35,000; and (vi) Roth IRA income limitations are waived for 529-to-Roth IRA Rollovers. The information presented in this Program Disclosure Statement on 529-to-Roth IRAs Rollovers is based on a good faith interpretation of federal legislation enacted in December, 2022. Please consult with your financial professional or tax advisor regarding the applicability of 529-to-Roth IRA Rollovers to your personal situation.

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

### Residual Account Balances and Termination

**Residual Account Balances** — If the Designated Beneficiary graduates from an Eligible Institution of Higher Education, or chooses not to pursue higher education, and funds remain in an Account, the Participant has three options. First, the Participant may request that all or any portion of the remaining funds be withdrawn and paid (less any fees and expenses) to either the Participant or the Designated Beneficiary. This withdrawal may be treated as a Non-Qualified Withdrawal (subject to federal and

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## PARTICIPATION AND ACCOUNTS

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any applicable state and/or local income tax, and possibly the 10% additional federal tax, on earnings). Second, the Participant may authorize a change of Designated Beneficiary for the remaining funds in the Account. See “Change of Designated Beneficiary.” Special rules apply to Accounts established by UGMA/UTMA custodians. Third, the Participant may keep the funds in the Account to pay future Qualified Higher Education Expenses, such as graduate or professional school expenses, of the Designated Beneficiary. Fourth, the Participant may rollover some or all of the residual balance to another Section 529 Program or to an ABLE account, or, beginning January 1, 2024, to a Roth IRA, in accordance with applicable law (see “Qualifying Rollovers” above).

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

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

### Community Property

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

### Penalties for Misrepresentations

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



## PORTFOLIOS

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

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

Portfolios generally invest in one or more mutual funds, exchange traded funds or separate accounts managed by BlackRock or its affiliates. The Client Direct Series may also offer Portfolios managed by one or more Sub-Advisors, although currently there are no Sub-Advisors in the Client Direct Series. The Principal Plus Portfolio currently invests in a Funding Agreement issued by an insurance company, and may invest in corporate fixed-income investments and/or similar instruments. Under normal market conditions, the NextGen Savings Portfolio will only make deposits in the Bank Deposit Account.

### Investment Options

The Client Direct Series currently consists of 2 Suites of Year of Enrollment Portfolios, five Diversified Portfolios, six Single Fund Portfolios, the Principal Plus Portfolio and the NextGen Savings Portfolio. A Participant may choose from among one or more of the Portfolios. None of the Portfolios has been designed to provide any particular total return over any particular time period or investment horizon.

Year of Enrollment Portfolios — The Year of Enrollment Portfolios are designed for Participants who are saving for the education or training of the Designated Beneficiary in a particular year. Each Year of Enrollment Portfolio has (i) a specified year in which withdrawal of the invested funds for the Designated Beneficiaries of Accounts investing in such Portfolio is assumed or (ii) an “enrolled” designation indicating that the invested funds for the Designated Beneficiaries of Accounts investing in such Portfolio are assumed to be subject to withdrawal at any time. Each Year of Enrollment Portfolio is invested in a manner that seeks to balance risk and expected returns of the Underlying Funds with the time periods remaining until the specified year of enrollment or, in the case of a Year of Enrollment Portfolio with an “enrolled” designation, that takes into account that the invested amounts are subject to withdrawal at any time. The Year of Enrollment Portfolios with a longer remaining time period until the specified year of enrollment (for example, the BlackRock 2041 Enrollment Portfolio) generally are more heavily invested in Underlying Funds that primarily invest in equity securities, while the Year of Enrollment Portfolios with a shorter remaining time period until the specified year of enrollment (for example, the BlackRock 2024 Enrollment Portfolio) and the Year of Enrollment Portfolios with an “enrolled” designation generally are more heavily invested in Underlying Funds that primarily invest in fixed income securities and/or money market securities. The relative allocation of assets of each such Portfolio to Underlying Funds that primarily invest in equity securities, fixed income securities and money market securities, respectively, changes over time (generally on a quarterly basis) as the remaining period until the applicable “year of enrollment” shortens, with the allocation to Underlying Funds that primarily invest in equity securities generally reducing over time and the allocation to Underlying Funds that primarily invest in fixed income securities and/or money market securities generally increasing over time. This change in the asset allocation of a Year of Enrollment Portfolio as the remaining period until the applicable “year of enrollment” shortens is referred to as the “glide path” of such Year of Enrollment Portfolio. Once the year of enrollment for the applicable Year of Enrollment Portfolio is reached, the invested funds are automatically transferred as part of a Portfolio merger to an “enrolled” Year of Enrollment Portfolio which is designed to have the highest allocation to fixed income securities and money market securities among the Year of Enrollment Portfolios. There is no guarantee that investing in the Year of Enrollment Portfolios will ensure investment gain or protect

## PORTFOLIOS

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against investment losses over time, or that the investment return, if any, will be adequate to cover the Designated Beneficiary's Qualified Higher Education Expenses. For a description of the current Underlying Funds in each respective Year of Enrollment Portfolio, and of the expected transition over time in the allocations of the applicable Year of Enrollment Portfolios to such Underlying Funds, see "NEXTGEN PORTFOLIOS-PERFORMANCE AND INVESTMENTS." The actual allocations to Underlying Funds in any Year of Enrollment Portfolio at any particular time may vary from the allocations listed in this Program Description.

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

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

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

**Diversified Portfolios** — The Diversified Portfolios are invested in a combination of Portfolio Investments that is consistent with the sector allocation of each Portfolio. Within the equity securities segment of a Diversified Portfolio, if any, investments will be allocated among Portfolio Investments investing primarily in domestic equity and/or international equity investments. Within the fixed income segment of a Diversified Portfolio, if any, investments will be allocated among Portfolio Investments investing primarily in investment grade debt, non-investment grade debt and money market securities. Certain Diversified Portfolios invest a segment of their assets in an Underlying Fund that invests primarily in Real Estate Investment Trusts. For a description of the current Portfolio Investments in each respective Diversified Portfolio, see "PORTFOLIOS-PERFORMANCE AND INVESTMENTS."

**Single Fund Portfolios** — The Single Fund Portfolios are invested in only one Underlying Fund. For a description of the current Portfolio Investments in the Single Fund Portfolios, see "PORTFOLIOS-PERFORMANCE AND INVESTMENTS."

**Principal Plus Portfolio** — The Principal Plus Portfolio is currently invested only in a Funding Agreement issued by New York Life Insurance Company ("New York Life") that provides for deposits to a Guaranteed Interest Account established by New York Life; this agreement is also referred to herein as the "New York Life GIA." In the future, the Principal Plus Portfolio may also invest in corporate fixed-income investments and/or similar instruments.

**NextGen Savings Portfolio** — The NextGen Savings Portfolio is invested exclusively in a Bank Deposit Account. Although the underlying deposits in the Bank Deposit Account in the NextGen Savings Portfolio are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the NextGen Savings Portfolio are not insured or guaranteed by the FDIC or any other agency of state or federal government, FAME, the Bank, the Program Manager, the Investment Manager or any other entity associated with the Program. Participants are responsible for monitoring the total amount of their assets on deposit at the Bank, including amounts held directly at the Bank. All such deposits of a Participant held in a single ownership capacity at the Bank are subject to aggregation with that portion of the underlying deposits attributable to the Units held by the Participant in the NextGen Savings Portfolio, for purposes of the current FDIC insurance coverage limitation of \$250,000.

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

For more details concerning the Year of Enrollment Portfolios, Diversified Portfolios, Single Fund Portfolios, Principal Plus Portfolio and NextGen Savings Portfolio, see "PORTFOLIOS-PERFORMANCE AND INVESTMENTS."

## Portfolio Series

The Program offers a variety of investment options through two separate series — the Client Direct Series (offered through this Program Description) and the Client Select Series (an advisor-sold series offered through the Client Select Series program description which can only be purchased through certain Financial Intermediaries). Each series offers different Portfolios, each with its own sales charges, fees and expense structure. Expenses associated with the Client Direct Series will generally be lower than those associated with the Client Select Series. A particular series may not offer some or all of the Portfolios available through the other series, although currently some Year of Enrollment Portfolios, several Diversified Portfolios, the Principal Plus Portfolio, and the NextGen Savings Portfolio are offered in both series. Additional information about the Client Select Series is available from the Program Manager by telephone at 1-833-33NG529 (1-833-336-4529), on the Internet through [www.nextgenforme.com](http://www.nextgenforme.com), or by contacting FAME.

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

## Portfolio Allocations

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

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

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

# PORTFOLIOS

## Portfolio Investments

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

Under the terms of the Program Services Agreement, the Underlying Funds proposed by the Investment Manager for the Investment Fund are expected to be mutual funds, exchange traded funds or separate accounts managed by BlackRock or any affiliate thereof. See “THE PROGRAM SERVICES AGREEMENT.” FAME may select Underlying Funds that are not managed by BlackRock or a Sub-Advisor if there are no available Underlying Funds managed by BlackRock or a Sub-Advisor within a particular investment sector that meet certain performance standards set forth in the Program Services Agreement. FAME may also waive the performance standards set forth in the Program Services Agreement.

FAME has approved one Underlying Fund, the Cash Allocation Account, for Portfolios investing in cash equivalent securities (other than the Principal Plus Portfolio, the NextGen Savings Portfolio and the iShares Portfolios). The assets of the Cash Allocation Account are invested in a diversified portfolio of money market securities and may also be invested in Maine CDs. The Investment Manager is responsible for the selection and management of the money market securities in the Cash Allocation Account, other than Maine CDs. FAME may contract with a third party to select the financial institutions from which any Maine CDs are purchased, which CDs must be insured by the FDIC or fully collateralized. FAME will determine the percentage of the assets of the Cash Allocation Account that is invested in Maine CDs. It is anticipated that investments in Maine CDs, if any, will generally not exceed 10% of the assets of the Cash Allocation Account. The Cash Allocation Account is not a registered mutual fund.

**Principal Plus Portfolio Investments** — The Principal Plus Portfolio is currently invested entirely in the New York Life GIA. The Principal Plus Portfolio may also invest in corporate fixed-income investments and/or similar instruments. The Program Manager provides administrative services with respect to the Principal Plus Portfolio.

**NextGen Savings Portfolio Investment** — The NextGen Savings Portfolio is comprised exclusively of the Bank Deposit Account. The Program Manager provides administrative services with respect to the NextGen Savings Portfolio.

## Portfolio Selection

A Participant may select one or more Year of Enrollment Portfolio, Diversified Portfolio, Single Fund Portfolio, Principal Plus Portfolio, or NextGen Savings Portfolio investment options for Contributions made to his or her Account(s). For more information about the Portfolio options currently available, see “PORTFOLIOS-PERFORMANCE AND INVESTMENTS.”

Year of Enrollment Portfolios
BlackRock Year of Enrollment Portfolios
iShares Year of Enrollment Portfolios
Diversified Portfolios
BlackRock 100% Equity Portfolio
BlackRock Balanced Portfolio
BlackRock Fixed Income Portfolio
iShares Diversified Equity Portfolio
iShares Diversified Fixed Income Portfolio
Single Fund Portfolios
BlackRock Equity Index Portfolio
iShares Balanced Portfolio
iShares MSCI USA ESG Select Portfolio
iShares ESG Aware MSCI EAFE Portfolio
iShares ESG Aware MSCI EM Portfolio
iShares ESG Aware U.S. Aggregate Bond Portfolio
Principal Plus Portfolio
Principal Plus Portfolio
NextGen Savings Portfolio
NextGen Savings Portfolio





## **PROGRAM FEES AND EXPENSES**

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

The Portfolio fees and expenses described below are subject to change from time to time.

### **Portfolio Investment Fees and Expenses**

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

### **Annual Asset-Based and Other Fees**

***Underlying Fund Expenses*** — All Portfolios invest in the Institutional Class shares of their Underlying Funds (except the Principal Plus Portfolio and the NextGen Savings Portfolio, which do not invest in mutual funds, and the iShares Portfolios, which invest in Underlying Funds that are iShares ETFs advised by BlackRock Fund Advisors, an affiliate of the Investment Manager).

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

Any fees paid by the Underlying Fund to the Investment Manager with respect to amounts invested in the applicable share class are included in the Underlying Fund's expenses and are indirectly incurred by a Portfolio. The applicable share class of an Underlying Fund may not be the class of the Underlying Fund with the lowest expense ratio. For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the Program Description date, and each Portfolio's fees and expenses are based on the most recent fiscal year reported upon in the Underlying Fund(s) most recent prospectus as of June 30, 2023, unless noted otherwise. Neither a Portfolio's operating expenses, nor those of the Underlying Fund, are fixed. Both may change over time. For example, changes in the overall size of a Portfolio or of an Underlying Fund tend to result in increases or decreases in the share of expense borne by the Account. Underlying Fund expenses, as used to calculate and present a Portfolio's operating expenses, also will not include all expenses of the Underlying Fund. They do not include an Underlying Fund's trading expenses (e.g., brokerage commissions when the Underlying Fund buys and sells its portfolio securities) and do not include an Underlying Fund's pro rata share of the fees and expenses incurred indirectly by the Underlying Fund as a result of investing in other investment companies. Transaction fees, which may be charged to an Account at the time Units are purchased, are not included in a Portfolio's expense ratio.

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

***Maine Administration Fees*** — FAME receives an administration fee for acting as administrator of the Program (the "Maine Administration Fee"), and currently receives a Maine Administration Fee on all Portfolios other than the NextGen Savings Portfolio.

## PROGRAM FEES AND EXPENSES

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**Other Expenses** – With respect to Units of the BlackRock Equity Index Portfolio and the iShares Portfolios, the Investment Manager collects a fee at an annual rate of up to 0.12% out of the assets of each Portfolio, which fees relate to operational and recordkeeping services performed for the Portfolios. The Investment Manager will pay all or a portion of such fees to the Program Manager, The Bank of New York Mellon and/or the Recordkeeping Agent. The Program Manager, The Bank of New York Mellon and/or the Recordkeeping Agent provide various sub-transfer agency and other related administrative services with respect to Units of each Portfolio and Underlying Funds positions. These services include, for example, processing purchases, redemptions, and exchanges, dividend reinvestments, consolidated statements, tax reporting, and other recordkeeping.

**Other Fees** — An Account may be subject to a Non-Sufficient Funds Fee or Wire Transfer Fee. If such fees are charged and an Account holds Units of more than one Portfolio, the largest Portfolio position, based on dollar value, will be liquidated first. See “PARTICIPATION AND ACCOUNTS - Contributions -

Contributions by Check - Returned Checks” and “PARTICIPATION AND ACCOUNTS - Withdrawals - *In General.*”

<b>Non-Sufficient Funds Fee</b>	<b>\$20</b>
<b>Wire Transfer Fee</b>	<b>\$30</b>

## PROGRAM FEES AND EXPENSES

### Program Fees and Expenses<sup>1</sup> | Client Direct Series

Portfolio	Estimated Underlying Fund Expenses <sup>2</sup>	Other Expenses <sup>3</sup>	Maine Administration Fee <sup>4</sup>	Total Annual Asset Based Fees <sup>5</sup>
BlackRock 2041 Enrollment Portfolio	0.45%	0.00%	0.04%	0.49%
BlackRock 2038 Enrollment Portfolio	0.47%	0.00%	0.04%	0.51%
BlackRock 2035 Enrollment Portfolio	0.47%	0.00%	0.04%	0.51%
BlackRock 2033 Enrollment Portfolio	0.47%	0.00%	0.04%	0.51%
BlackRock 2029 Enrollment Portfolio	0.48%	0.00%	0.04%	0.52%
BlackRock 2027 Enrollment Portfolio	0.49%	0.00%	0.04%	0.53%
BlackRock 2026 Enrollment Portfolio	0.49%	0.00%	0.04%	0.53%
BlackRock 2025 Enrollment Portfolio	0.43%	0.00%	0.04%	0.47%
BlackRock 2024 Enrollment Portfolio	0.40%	0.00%	0.04%	0.44%
BlackRock Enrolled Portfolio	0.38%	0.00%	0.04%	0.42%
BlackRock 100% Equity Portfolio	0.45%	0.00%	0.04%	0.49%
BlackRock Equity Index Portfolio	0.10%	0.07%	0.04%	0.21%
BlackRock Balanced Portfolio	0.47%	0.00%	0.04%	0.51%
BlackRock Fixed Income Portfolio	0.47%	0.00%	0.04%	0.51%
iShares 2041 Enrollment Portfolio	0.05%	0.12%	0.04%	0.21%
iShares 2038 Enrollment Portfolio	0.05%	0.12%	0.04%	0.21%
iShares 2035 Enrollment Portfolio	0.05%	0.12%	0.04%	0.21%
iShares 2033 Enrollment Portfolio	0.05%	0.12%	0.04%	0.21%
iShares 2029 Enrollment Portfolio	0.06%	0.12%	0.04%	0.22%
iShares 2027 Enrollment Portfolio	0.06%	0.12%	0.04%	0.22%
iShares 2026 Enrollment Portfolio	0.05%	0.12%	0.04%	0.21%
iShares 2025 Enrollment Portfolio	0.09%	0.12%	0.04%	0.25%
iShares 2024 Enrollment Portfolio	0.11%	0.12%	0.04%	0.27%
iShares Enrolled Portfolio	0.13%	0.12%	0.04%	0.29%
iShares Diversified Equity Portfolio	0.07%	0.12%	0.04%	0.23%
iShares Diversified Fixed Income Portfolio	0.18%	0.12%	0.04%	0.34%
iShares Balanced Portfolio	0.15%	0.12%	0.04%	0.31%
iShares MSCI USA ESG Select Portfolio	0.25%	0.12%	0.04%	0.41%
iShares ESG Aware MSCI EAFE Portfolio	0.20%	0.12%	0.04%	0.36%
iShares ESG Aware MSCI EM Portfolio	0.25%	0.12%	0.04%	0.41%
iShares ESG Aware US Aggregate Bond Portfolio	0.10%	0.12%	0.04%	0.26%
Principal Plus Portfolio	0.00%	0.20%	0.04%	0.24%
NextGen Savings Portfolio	0.00%	0.00%	0.00%	0.00%

## PROGRAM FEES AND EXPENSES

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<sup>1</sup> Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future.

<sup>2</sup> For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the Program Description date, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2023. Underlying Fund fee and expense information may change from time to time.

<sup>3</sup> Other Expenses in this table represents amounts, if any, collected out of the assets of the applicable Portfolio. Any operational and recordkeeping fee paid out of the assets of an Underlying Fund is reflected in Estimated Underlying Fund Expenses.

<sup>4</sup> A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See Maine Administration Fee Rebate Program on page 49 of the Program Description.

<sup>5</sup> Annual Asset-Based Fees are subject to change at any time, and are assessed against assets over the course of the year. See "Investment Cost Chart" on page 32 of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.

<sup>6</sup> The Principal Plus Portfolio does not invest in mutual funds or ETFs, and therefore has no Underlying Fund expenses. However, New York Life deducts an annual expense charge at the rate of 0.15% from the daily assets invested in the New York Life GIA, which amount covers expenses for risk and administration. New York Life pays to the Investment Manager an amount equal to 0.10% of the daily assets invested in the New York Life GIA. The annual expense charge deducted by New York Life out of the daily assets invested in the New York Life GIA is not reflected in, and is separate from, the fees and expenses for the Principal Plus Portfolio shown in the table above.

## PROGRAM FEES AND EXPENSES

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**Other Compensation** FAME has authorized the Investment Manager and/or its affiliates, with prior notice to FAME, to receive certain payments from the Underlying Funds and the providers of the Principal Plus Portfolio Investments for a variety of services with respect to Program assets invested in the Underlying Funds or Principal Plus Portfolio Investments. An Underlying Fund may pay operational and recordkeeping fees to the Investment Manager at an annual rate of up to 0.15% of average daily amount invested in the applicable share class of the Underlying Fund. The Investment Manager and BlackRock Investments, LLC while it is the Direct Series Distributor also provide sales, distribution, marketing and other services to facilitate the Portfolios' investments in Portfolio Investments. In consideration for these services, the Investment Manager receives compensation from the provider of the Principal Plus Portfolio Investment (New York Life) of up to 0.10%, of the average daily amount invested in the Principal Plus Portfolio Investment.

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

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

Pursuant to the Program Services Agreement, the Investment Manager is responsible for paying the Program Manager's and The Bank of New York Mellon's fees and charges for the services provided for the Client Direct Series by the Program Manager and The Bank of New York Mellon or its affiliates.

Pursuant to an agreement among the Investment Manager, the Program Manager and the Recordkeeping Agent, the

Investment Manager is responsible for paying the Recordkeeping Agent's fees and charges for the services provided to the Program by the Recordkeeping Agent and its affiliates.

Additionally, registered representatives of the Recordkeeping Agent may provide administrative assistance to prospective Participants in opening Accounts, and can be compensated by the Recordkeeping Agent for providing such assistance if an Account is opened. Such compensation will not come directly from the Program nor Participants, but rather will come from the Recordkeeping Agent's own assets.

### Investment Cost Chart

The following table compares the approximate costs of investing in the Client Direct Series Portfolios. As a result of changes in any applicable fees and expenses over time, a Participant's actual cost may be higher or lower.

The following table is based on the following assumptions:

- A \$10,000 Contribution invested for the time periods shown.
- For all Portfolios except Principal Plus Portfolio and NextGen Savings Portfolio, reflects Portfolio fees and Underlying Fund expenses. For Principal Plus Portfolio, reflects Portfolio fees only; for NextGen Savings Portfolio there are currently no Portfolio fees or expenses.
- An annually compounded rate of return on the net amount invested throughout the time periods shown for all Portfolios except the NextGen Savings Portfolio, as follows:
  - Principal Plus Portfolio: 2.8%
  - All other Portfolios: 5%
- The fees and expenses described in this Program Description apply for all periods shown.
- All Units are redeemed at the end of the period shown for Qualified Higher Education Expenses (this table does not consider the impact of any potential state or federal taxes on the redemption).

## PROGRAM FEES AND EXPENSES

Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 Years
BlackRock 2041 Enrollment Portfolio	\$50	\$158	\$276	\$622
BlackRock 2038 Enrollment Portfolio	\$53	\$165	\$288	\$647
BlackRock 2035 Enrollment Portfolio	\$53	\$165	\$288	\$647
BlackRock 2033 Enrollment Portfolio	\$53	\$165	\$288	\$647
BlackRock 2029 Enrollment Portfolio	\$54	\$168	\$293	\$659
BlackRock 2027 Enrollment Portfolio	\$55	\$171	\$299	\$672
BlackRock 2026 Enrollment Portfolio	\$55	\$171	\$299	\$672
BlackRock 2025 Enrollment Portfolio	\$48	\$152	\$265	\$598
BlackRock 2024 Enrollment Portfolio	\$45	\$142	\$249	\$560
BlackRock Enrolled Portfolio	\$43	\$136	\$237	\$535
BlackRock 100% Equity Portfolio	\$50	\$158	\$276	\$622
BlackRock Equity Index Portfolio	\$22	\$68	\$119	\$271
BlackRock Balanced Portfolio	\$53	\$165	\$288	\$647
BlackRock Fixed Income Portfolio	\$53	\$165	\$288	\$647

## PROGRAM FEES AND EXPENSES

Portfolio Option	Approximate Cost of \$10,000 Investment			
	1 Year	3 Years	5 Years	10 Years
iShares 2041 Enrollment Portfolio	\$22	\$68	\$119	\$271
iShares 2038 Enrollment Portfolio	\$22	\$68	\$119	\$271
iShares 2035 Enrollment Portfolio	\$22	\$68	\$119	\$271
iShares 2033 Enrollment Portfolio	\$22	\$68	\$119	\$271
iShares 2029 Enrollment Portfolio	\$23	\$71	\$125	\$283
iShares 2027 Enrollment Portfolio	\$23	\$71	\$125	\$283
iShares 2026 Enrollment Portfolio	\$22	\$68	\$119	\$271
iShares 2025 Enrollment Portfolio	\$26	\$81	\$142	\$322
iShares 2024 Enrollment Portfolio	\$28	\$88	\$153	\$347
iShares Enrolled Portfolio	\$30	\$94	\$164	\$372
iShares Diversified Equity Portfolio	\$24	\$75	\$131	\$296
iShares Diversified Fixed Income Portfolio	\$35	\$110	\$193	\$435
iShares Balanced Portfolio	\$32	\$100	\$176	\$397
iShares MSCI USA ESG Select Portfolio	\$42	\$133	\$232	\$523
iShares ESG Aware MSCI EAFE Portfolio	\$37	\$117	\$204	\$460
iShares ESG Aware MSCI EM Portfolio	\$42	\$133	\$232	\$523
iShares ESG Aware US Aggregate Bond Portfolio	\$27	\$84	\$148	\$334
Principal Plus Portfolio	\$24	\$75	\$127	\$270
NextGen Savings Portfolio	\$0	\$0	\$0	\$0



# TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS

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## General

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

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

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

## Federal Taxation of Section 529 Programs

The following discussion is based on the Code, Proposed Regulations, IRS published guidance and interpretations of applicable federal and Maine law existing on the date of this Program Description and Participation Agreement. It is possible that Congress, the Treasury Department, the IRS, or the courts may take actions that will affect the Code and Proposed Regulations and interpretations thereof. FAME and the

Program Manager intend to modify the Program from time to time within the constraints of applicable law to enable the Program to continue to meet the requirements of Section 529 of the Code. In the event that the Program, as currently structured or as subsequently modified, does not meet the requirements of Section 529 of the Code for any reason, the tax consequences to Participants and Designated Beneficiaries will differ from those described below. Future state legislation may likewise affect the state tax treatment of Participants and Designated Beneficiaries in connection with the Program. See "Taxation by Other States."

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

While Qualified Withdrawals are exempt from federal income tax, the earnings portion of Non-Qualified Withdrawals will generally be subject to federal income tax, including a 10% additional federal tax on earnings. If the amount withdrawn exceeds the Designated Beneficiary's Qualified Higher Education Expenses, the amount includible as ordinary income in computing the distributee's federal taxable income is the earnings portion of the withdrawal reduced by an amount which bears the same ratio to the earnings portion of the amount withdrawn as the Designated Beneficiary's Qualified Higher Education Expenses paid by the withdrawal from the Account bears to the amount of such withdrawal.

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

Withdrawals not used for Qualified Higher Education Expenses consist of two parts for federal income tax purposes. A part of the withdrawal will be treated as a non-taxable return of principal and the remainder will be treated as a taxable withdrawal of earnings. The earnings portion of a withdrawal will be treated as ordinary income to the individual who is considered to have received the distribution. A 10% additional federal tax also will be imposed on the earnings portion of the Non-Qualified Withdrawal; however, there are certain exceptions to the



## TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS

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imposition of the 10% additional tax. The exceptions are: (i) withdrawals paid to a beneficiary of the Designated Beneficiary or to the Designated Beneficiary's estate made on account of the death of the Designated Beneficiary; (ii) withdrawals made on account of the disability (within the meaning of section 72(m)(7) of the Code) of the Designated Beneficiary; (iii) withdrawals made on account of a scholarship received by the Designated Beneficiary, provided withdrawals do not exceed the amount of the scholarship; (iv) withdrawals made on account of a reduction in the amount of Qualified Higher Education Expenses solely because of expenses taken into account in determining the Education Tax Credits allowed under federal income tax law and (v) withdrawals made on account of the attendance of the Designated Beneficiary at certain specified military academies. See "PARTICIPATION AND ACCOUNTS - Non-Qualified Withdrawals and the Additional Tax."

The proportion of Contributions and earnings for each withdrawal is determined based on the relative portions of earnings and Contributions as of the withdrawal date for the Account from which the withdrawal was made.

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

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

Starting January 1, 2024, a Participant may also rollover amounts in an Account to a Roth IRA -- subject to certain conditions (a "529-to-Roth IRA Rollover") The conditions include, but are not limited to, the following: (i) The Account must have been maintained for the 15-year period ending on the date of the 529-to-Roth IRA Rollover; (ii) The 529-to-Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the same designated beneficiary as the Designated Beneficiary of the Account (not the Participant -- if different); (iii) Each year, the 529-to-Roth IRA Rollover will be subject to annual IRA contribution limits, minus all other IRA contributions made during the year for the same designated beneficiary. In addition, such rollovers may not exceed the amount of compensation the designated beneficiary earned during the year; (iv) The amount of the 529-to-Roth IRA Rollover may not exceed the aggregate amount contributed to the Account (and earnings attributable thereto) before the 5-year period ending on the date of such rollover; (v) The aggregate amount of 529-to-Roth IRA Rollovers for the same designated beneficiary may not exceed \$35,000; and (vi) Roth IRA income limitations are waived for 529-to-Roth IRA Rollovers. The information presented in this Program Disclosure Statement on 529-to-Roth IRAs Rollovers is based on a good faith interpretation of federal legislation enacted in December, 2022. Please consult with your financial professional or tax advisor regarding the applicability of 529-to-Roth IRA Rollovers to your personal situation.

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

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

## TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS

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Contributions portion of the receiving Account, with the interest added to earnings.

**Federal Gift, Estate and Generation-Skipping Transfer Taxes** — Contributions (other than most rollover contributions) to a Section 529 Program are generally considered completed gifts to the Designated Beneficiary for federal gift, estate and generation-skipping transfer (“GST”) tax purposes and are thus eligible for the annual gift and GST tax exclusion, which is currently \$17,000 per recipient per year (or \$34,000 per recipient per year, in the case of a married couple electing to split gifts on a duly filed gift tax return). Except as described in the following paragraph, if the contributor were to die while assets remained in an Account, the value of the Account would not be included in the contributor’s gross estate.

In general, contributions (other than rollover contributions) to a Section 529 Program are completed gifts in the year of contribution that qualify for the gift tax annual exclusion and GST tax exclusion, currently \$17,000 per year per Designated Beneficiary, available under the Code. However, if a contribution in a single year is greater than \$17,000, the contributor may elect to prorate the contribution against the annual exclusion ratably over a five-year period. Thus, a contributor who makes a \$85,000 (\$170,000 in the case of a married couple electing to split gifts on a duly filed gift tax return) contribution in a year, makes the election and makes no other gifts to the Designated Beneficiary during that calendar year or the next four calendar years would not incur a gift or GST tax as a result of the contribution. Any excess over the \$85,000 (or \$170,000, as the case may be) would be counted against the lifetime limit on non-taxable gifts in the calendar year of the contribution and, if the lifetime limit is exceeded, constitute a taxable gift. However, if a contributor dies before the close of the five-year period, the portion of the contribution allocable to the calendar years after that of the contributor’s death would be includible in the contributor’s estate for federal estate tax and, if applicable, GST tax purposes.

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

Under current law, each individual generally has a \$12,920,000 (as of 2023) lifetime exemption for transfers made after December 31, 2017 and before January 1, 2026, and a \$5,600,000 (as of 2018) lifetime exemption for transfers made before January 1, 2018 or after December 31, 2025 (which amounts are subject to annual adjustment to reflect inflation) that may be applied to gifts in excess of the applicable annual exclusion amount. For gifts of community property (or for a

married couple who elect to split gifts of separate property) the spouses’ combined applicable exemption amount of \$25,840,000 (as of 2023) for transfers made after December 31, 2017 and before January 1, 2026, and combined applicable exclusion amount of \$11,200,000 (as of 2018) for transfers made before January 1, 2018 or after December 31, 2025 (which amounts are subject to annual adjustment to reflect inflation) may be applied.

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

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

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

# TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS

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the availability of Education Tax Credits and the coordination of rules applicable to Coverdell ESAs, Section 529 Programs and the Education Tax Credits.

## Taxation by Maine

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

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

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

Individuals who file individual Maine state income tax returns will be able to deduct up to \$1,000 per Designated Beneficiary per tax year for their total combined contributions to any Section 529

Program during that tax year, for taxable years beginning on or after January 1, 2023. The deduction is not available to taxpayers with federal adjusted gross income over \$100,000 (single or married filing separately) or \$200,000 (married filing jointly or head of household).

## Taxation by Other States

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

- **Depending upon the laws of the Participant's home state or the Designated Beneficiary's home state, favorable state tax treatment or other benefits offered by such home state for investing in Section 529 Programs may be available only if the Participant invests in that home state's Section 529 Program.**
- **Any state-based benefits such as financial aid, scholarship funds, and protection from creditors offered with respect to a particular Section 529 Program should be one of the many appropriately weighted factors to be considered in making an investment decision.**
- **The Participant should consult with tax, legal or other advisors to learn more about how state-based benefits (including any limitations) would apply to the Participant's specific circumstances and the Participant may also wish to contact the Participant's home state or another Section 529 Program to learn more about the features, benefits and limitations of that state's Section 529 Program.**

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

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

## TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS

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assess state tax on withdrawals, transfers and/or rollovers differently than under federal income tax law.

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

### **Tax Reports and Filings**

The Recordkeeping Agent will report all distributions from an Account to the IRS, the Participant and any other required persons, if any, to the extent required by federal, state or local law. Under federal law, the Recordkeeping Agent will report to the IRS on IRS Form 1099-Q gross distributions from an Account during the calendar year along with information

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

# PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS

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

## **Program and Portfolio Risks and Other Considerations**

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

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

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

amount of any Contribution to an Account or that there will be any investment return, or investment return at any particular level, with respect to any Account.

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

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

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

The investment strategy of the Year of Enrollment Portfolio investment options seeks to balance risk and expected returns of the Portfolio Investments with the time periods remaining until the specified year. In general, the asset allocation strategy for

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each of the Year of Enrollment Portfolio investment options is expected to become increasingly conservative over time.

The investment strategies of the Diversified Portfolio, Single Fund Portfolio, Principal Plus Portfolio and NextGen Savings Portfolio investment options vary significantly from each other and from that of the Year of Enrollment Portfolio investment options. Further, the Single Fund Portfolio, Principal Plus Portfolio and NextGen Savings Portfolio investment options may have more concentration risk. None of the Diversified Portfolios or Single Fund Portfolios investing exclusively in Underlying Funds that invest in equity securities will provide for capital preservation at any particular time, and the Diversified Portfolios investing exclusively in Underlying Funds that invest in fixed income securities will not seek capital appreciation. Portfolios that primarily invest in Underlying Funds investing in equity securities may underperform certain other Portfolios, particularly if equity securities generally underperform other asset classes for any particular period of time. Portfolios that primarily invest in Underlying Funds investing in fixed income securities may underperform certain other Portfolios, particularly if fixed income securities generally underperform other asset classes for any particular period of time.

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

**Education Savings and Investment Alternatives** — A number of other Section 529 Programs and education savings and investment programs are currently available to a Participant. These programs may offer benefits, including state tax benefits, to some or all Participants or Designated Beneficiaries that are not available under the terms of the Program or applicable law. See “TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS — Taxation by Other States.” If a Participant or Designated Beneficiary is not a Maine resident, the state(s) where he or she lives or pays taxes may offer one or more direct sold, advisor/broker sold or prepaid tuition Section 529 Programs, and those programs may offer the Participant or Designated Beneficiary state or local income tax

or other benefits not available through the Program. For instance, several states offer unlimited state income tax deductions for contributions to their own state’s Section 529 Program. Such deductions may not be available for Contributions under this Program. Other Section 529 Programs may involve fees and expenses that are more or less than those borne by Accounts under the Program and may involve investment consequences (such as recapture of deductions previously taken) that differ. Accordingly, a Participant should consider other investment alternatives before establishing an Account in the Program. Investment options also differ by Section 529 Programs.

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

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

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

**Status of Applicable Law and Regulations** — Final regulations under Section 529 of the Code or other administrative guidance or court decisions might be issued, or the IRS or a court may interpret existing law or guidance in a manner contrary to the Program’s interpretation, which could adversely impact the federal tax consequences or requirements with respect to the Program or Contributions to, or distributions from, Accounts. Congress could also amend Section 529 of the Code or other federal law, and states could amend state law, in a manner that would materially change or eliminate the federal or state tax treatment described in this Program Description. There can be no assurance that such changes in law will not adversely affect the value to any Participant or Designated Beneficiary of participation in the Program. It is not possible to determine the effects, if any, on the Program of such changes.

Under certain circumstances, none of FAME, the Direct Series Distributor or the Program Manager are required to continue the Program. Changes in the law governing the federal and/or state

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tax consequences described above might necessitate material changes to the Program for the anticipated federal tax consequences to apply.

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

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

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

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

the past performance of any other Portfolios or combination of Portfolio Investments.

**Certain Considerations in Connection with Potential Changes in Program Manager, Investment Manager, Direct Series Distributor and/or Program Custodian** — The term of the current agreement between FAME and the Program Manager, Investment Manager, Direct Series Distributor and Program Custodian expires on June 30, 2024. FAME plans to execute a new contract with the Program Manager, Investment Manager and Program Custodian prior to June 30, 2024 for a term expiring June 30, 2029 (subject to two one-year renewals) and a contract with Northern Lights Distributors, LLC to serve as Direct Series Distributor commencing July 1, 2024. A new Program Manager, Investment Manager, Direct Series Distributor and/or Program Custodian may be appointed either upon expiration of the term of the applicable contract with FAME or earlier in the event such contract is terminated by a party prior to its expiration. Upon such expiration or termination, regardless of whether the identity of the Direct Series Distributor, Investment Manager, Program Custodian and/or Program Manager changes, the fee and compensation structure for the Program, and accordingly Program expenses, might be higher or different. In addition, investment results under a successor Investment Manager may differ from investment results realized under prior investment managers for the Program.

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

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

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

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

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

### Investment Risks of Underlying Funds

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

### Underlying Funds Investing in Equity Securities

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



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

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

- **Government Securities Risk** — An Underlying Fund may invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage

Association ("Fannie Mae"), or the Federal Home Loan Mortgage Corporation ("Freddie Mac")). Unlike Ginnie Mae securities, securities issued or guaranteed by U.S. government-related organizations such as Fannie Mae and Freddie Mac are not backed by the full faith and credit of the U.S. government and no assurance can be given that the U.S. government would provide financial support.

- **Inflation-Linked Investments Risk** — Certain Underlying Funds invest in Treasury Inflation Protected Securities ("TIPS"), which are U.S. government bonds whose principal automatically is adjusted for inflation as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), and other inflation-indexed securities issued by the U.S. Department of Treasury. Unlike traditional fixed income securities, the principal and interest payments of inflation-linked investments are adjusted periodically based on the inflation rate. The value of inflation-linked investments may be vulnerable to changes in expectations of inflation or interest rates and there is no guarantee that the Underlying Fund's use of these instruments will be successful.
- **Senior Loan Risk** — Certain Underlying Funds may invest in floating or adjustable rate senior loans which are subject to increased credit and liquidity risks. Senior loan prices also may be adversely affected by supply-demand imbalances caused by conditions in the senior loan market or related markets. Below investment grade senior loans, like high-yield debt securities, or junk bonds, usually are more credit than interest rate sensitive, although the value of these instruments may be affected by interest rate swings in the overall fixed income market.
- **Market and Selection Risk** — Underlying Funds investing in fixed income securities are subject to both market risk and selection risk as described above.
- **Credit Risk** — Credit risk is the risk that an issuer will be unable to pay interest or repay principal when due. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.
- **Interest Rate Risk** — Interest rate risk is the risk that prices of bonds generally increase when interest rates decline and decrease when interest rates increase. Prices of longer-term obligations generally change more in response to interest rate changes than prices of shorter-term obligations. Generally, a rise in interest rates will cause the market value of a fixed rate obligation to fall, while a decline in interest rates will cause the market value of a fixed rate obligation to rise. Debt securities purchased at a premium or discount from their principal amount may respond differently to changes in interest rates. Recently, interest rates have been

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historically low. However, the historically low interest rate environment increases the risks associated with rising interest rates. To the extent that a Portfolio indirectly invests in fixed income securities, the Portfolio may face a heightened level of interest rate risk, especially since the Federal Reserve Board has begun to raise interest rates.

- Redemption and Prepayment Risk — A bond's issuer may call a bond for redemption before it matures. If this happens to a bond the Underlying Fund holds, the Underlying Fund may lose income and may have to invest the proceeds in bonds with lower yields. This risk, which is known as "prepayment risk," may particularly affect asset-backed securities. In a period of declining interest rates, borrowers may pay what they owe on the underlying assets more quickly than anticipated.
- Extension Risk — Extension risk is the risk that, when interest rates rise, certain obligations will be paid off more slowly than anticipated and the value of these securities will fall.
- Risk of Non-investment Grade Bonds — Non-investment grade bonds (also referred to as "junk bonds") are debt securities that are rated below investment grade by the rating agencies or are unrated securities that an Underlying Fund's management believes are of comparable quality. Although non-investment grade bonds generally pay higher rates of interest than investment grade bonds, they are high-risk investments that may cause income and principal losses for the Underlying Fund. Non-investment grade bonds generally experience more price volatility than higher rated debt securities and are generally considered speculative. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of non-investment grade bond holders, leaving few or no assets available to repay non-investment grade bond holders. Non-investment grade bonds may be subject to greater prepayment risk than higher rated debt securities. Underlying Funds investing in the non-investment grade bonds may invest in distressed securities, which are securities that are subject to bankruptcy proceedings or are in default, or are at risk of being in default.
- Considerations Relating to the Cash Allocation Account — As described under "BLACKROCK PORTFOLIOS — Cash Allocation Account," a portion of the assets of the Cash Allocation Account may be invested in Maine CDs. Such investments, if any, will not generally exceed 10% of the assets of the Cash Allocation Account. To the extent that the yield on any Maine CDs is less than the yield on the money market securities in which the assets

of the Cash Allocation Account would otherwise be invested, the yield of Portfolios investing in the Cash Allocation Account will be reduced.

- Mortgage Securities and Asset-Backed Securities Risk — Mortgage securities differ from conventional debt securities because principal is paid back over the life of the security rather than at maturity. An Underlying Fund may receive unscheduled prepayments of principal before the security's maturity date due to voluntary prepayments, refinancing or foreclosure on the underlying mortgage loans. To the Underlying Fund this means a loss of anticipated interest and a portion of its principal investment represented by any premium the Underlying Fund may have paid. Mortgage prepayments generally increase when interest rates fall.

Mortgage securities also are subject to extension risk. An unexpected rise in interest rates could reduce the expected rate of prepayments on mortgage securities and extend their anticipated life. This could cause the price of the mortgage securities and the Underlying Fund's share price to fall and would make the mortgage securities more sensitive to interest rate changes.

Issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default. Like mortgage securities, asset-backed securities are subject to prepayment and extension risks.

- Maturity Risk — Fixed income securities with shorter maturities will generally be less volatile but provide lower returns than fixed income securities with longer maturities. The average maturity of an Underlying Fund's fixed income investments will affect the volatility of the Underlying Fund's share price.

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

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

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selected by the index provider may not later display positive or favorable ESG characteristics.

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

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

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- Frequent or Active Trading or High Turnover Risk — Short-term or active trading may increase a Fund's expenses and have adverse tax consequences for the Fund. It can also cause a greater amount of the Fund's distributions to be ordinary income rather than long term capital gains. Active trading also involves market risk and selection risk.
- Sector Risk – To the extent an Underlying Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may move up and down more than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.
- Short Sale Risk – An Underlying Fund may “short sale” securities, meaning it sells a security it does not own with the intention of buying it back at a lower price than it was sold. Potential losses from a short sale are unlimited if the short sale cannot be closed out.

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

- Exchange Trading Risk — The ETF Portfolios invest primarily in shares of Underlying Funds that are exchange-traded funds that, unlike mutual funds, are listed and traded on securities exchanges. There can be no assurance that an active trading market for these particular Underlying Funds will develop or be maintained. Secondary market trading in such Underlying Funds may be halted by a national securities exchange because of market conditions or for other reasons. There can be no assurance that the requirements necessary to maintain the listing of the shares of such Underlying Funds will continue to be met or will remain unchanged. BlackRock will purchase or sell shares of such Underlying Funds on the stock exchange on behalf of the ETF Portfolios at prices that, depending on market supply and demand, may be significantly higher or lower than the Underlying Fund's most recently determined net asset value, which could affect the performance of the ETF Portfolios.
- Potential Conflicts of Interest — The Investment Manager and/or its affiliates may be buying or selling shares of such Underlying Funds at the same time the ETF Portfolios are selling or buying such shares. Although BlackRock has procedures governing its purchases and sales of shares of such Underlying Funds

on a stock exchange, it is possible that the Investment Manager may be considered to benefit from such transactions if it or any of its affiliates are indirectly involved in the trade on the stock exchange.

- Index Tracking Risk — An ETF Portfolio's ability to track its Underlying Fund(s) may be affected by such factors as fees and expenses, rounding of prices, daily contributions/ redemptions, asset levels and cash balances. Additionally, because the ETF Portfolios invest primarily in Underlying Funds that are index-based, they are subject to the risks described above in Index Fund Selection Risk and Other Index Fund Considerations.

### **Investment Risks of Principal Plus Portfolio Investments**

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

- Non-diversification — Because the Principal Plus Portfolio currently invests in only the New York Life GIA, the Principal Plus Portfolio is non-diversified and its returns depend solely on the financial strength and ability of New York Life to satisfy its guarantees to the Program under the New York Life GIA. A non-diversified Portfolio has more risk than a diversified Portfolio.
- No Third-Party Guarantees — None of the State of Maine, FAME, the Program, the Direct Series Distributor, the Investment Manager or the Program Manager guarantee the principal of Contributions to the Principal Plus Portfolio, returns thereon or any rate of return.
- Failure to Perform — There is a risk that New York Life could fail to perform its obligations under the New York Life GIA for financial or other reasons. Such a failure could result in a loss by an affected Participant of all or part of his or her Account balances invested in the Principal Plus Portfolio.
- No Minimum Rate of Return — While GIAs are designed to provide a minimum rate of return on the amount invested by the Program, because the Principal Plus Portfolio is subject to fees and expenses and may also invest in other assets, the Principal Plus Portfolio will not provide a minimum overall rate of return.
- In addition to the applicable investment risks described above, because the Principal Plus Portfolio may invest in corporate fixed-income investments and/or similar

## PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS

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instruments, it may be subject to the risks described above in “*Underlying Funds Investing in Fixed Income Securities (Including Money Market Securities)*.”

### Investment Risks of NextGen Savings Portfolio Investment

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

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



## **PROGRAM AND THE PROGRAM FUND**

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### **Program**

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

### **Program Fund**

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

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

### **Investment Fund**

The Investment Fund is the portion of the Program Fund invested in Portfolio Investments through Contributions to Accounts. Accounts are established by a Participant pursuant to a Participation Agreement for purposes of investing Contributions in one or more Portfolios. Interests in Portfolios purchased with Contributions are represented by Units. See "PROGRAM FEES AND EXPENSES."

### **Special Benefits Available to Maine Residents**

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

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

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

**Maine Administration Fee Rebate Program** - If either the Participant or the Designated Beneficiary is a Maine resident, and the Account was subject to the Maine Administration Fee, an amount approximately equal to the Maine Administration Fee paid during the year is automatically rebated to the Account in the following year, if such amount is at least \$2.00. To be eligible to receive the rebate, on the last business day of the calendar year the Account must have a balance of at least \$1,000 and include Units of a Portfolio subject to the Maine Administration Fee. The minimum rebate is \$2.00; amounts less than \$2.00 will not be paid.

## PROGRAM AND THE PROGRAM FUND

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

**Maine Scholarship Programs** — FAME has opened Accounts to provide scholarships to eligible Maine students, to certain individuals in Maine's incumbent workforce seeking to save for additional education, including training and retraining, and to the dependent child or children of Maine resident members of the U.S. armed services killed while deployed in support of combat operations in Iraq or Afghanistan during certain periods of time.

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

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

Maine. FAME has established rules for the implementation of the Program, which are set forth in Chapter 611 of the Rules of FAME, as amended from time to time (the “Rule”).

### **Advisory Committee**

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

### **BlackRock**

BlackRock Advisors, LLC is a registered investment adviser and was organized in 1994. BlackRock Advisors, LLC manages assets for U.S. registered investment companies and 529 plans. BlackRock Advisors, LLC and its affiliates had approximately \$9.4 trillion in assets under management as of June 30, 2023. BlackRock Investments, LLC is a FINRA-registered broker-dealer and was organized in 1994. BlackRock Advisors, LLC and BlackRock Investments, LLC are indirect, wholly-owned subsidiaries of BlackRock, Inc.

### **Vestwell**

Vestwell State Savings, LLC (“Vestwell”) is a subsidiary of Vestwell Holdings Inc. Vestwell is a service provider to 529 college savings plans, ABLE plans and auto-IRA plans with over \$18 billion in assets under management as of June 30, 2023.

### **Bank of New York Mellon**

The Bank of New York Mellon Corporation and its consolidated subsidiaries, including The Bank of New York Mellon, provide a broad range of financial products and services in U.S. and international markets. As of June 30, 2023, Bank of New York Mellon Corporation had over \$43 trillion in assets under custody and/or administration.

### **General**

FAME administers the Program. Maine law requires that amounts deposited in the Program Fund be invested in a reasonable manner to achieve the objectives of the Program and with the discretion and care of a prudent person in similar circumstances with similar objectives. Maine law also requires that due consideration be given to rate of return, term or maturity, diversification and liquidity of investments within the Program Fund or any account in the Program Fund pertaining to the projected disbursements and expenditures from the Program Fund and the expected payments, deposits, contributions and gifts to be received. FAME is authorized under Maine law to enter into contracts for any services it determines necessary for the effective and efficient operation of the Program, which may include investment advisory and managerial services. BlackRock Investments, LLC currently serves as the Direct Series Distributor, BlackRock Advisors, LLC serves as the Investment Manager, Vestwell serves as the Program Manager and The Bank of New York Mellon provides certain custody services for the Program. It is anticipated that Northern Lights Distributors, LLC will replace BlackRock Investments, LLC as the Direct Series Distributor effective July 1, 2024.

### **Finance Authority of Maine**

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





# **PROGRAM SERVICES AGREEMENT**

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## **Services and Terms**

On March 25, 2021, FAME, BlackRock Investments, LLC, BlackRock Advisors, LLC, Sumday (now known as Vestwell) and The Bank of New York Mellon entered into the Program Services Agreement (as amended, the “Program Services Agreement”), which provides that BlackRock Investments, LLC will serve as the Direct Series Distributor, BlackRock Advisors, LLC will serve as the Investment Manager and Vestwell will serve as the Program Manager. The term of the Program Services Agreement expires on June 30, 2024. Under the Program Services Agreement, BlackRock Investments, LLC markets and distributes Units of the Client Direct Series (the “Distribution Services”), BlackRock Advisors, LLC provides certain investment services (the “Investment Services”), Vestwell performs program management services (the “Program Management Services”) and The Bank of New York Mellon provides certain custody, recordkeeping and fund accounting services (such custody, recordkeeping and fund accounting services, the “Custody, Recordkeeping and Fund Accounting Services” and, collectively with the Distribution Services, the Investment Services, and the Program Management Services, the “Services”). BlackRock Investments, LLC, BlackRock Advisors, LLC, Vestwell and The Bank of New York Mellon are each permitted to delegate certain of their responsibilities to their affiliates or to non-affiliates with FAME’s prior consent. With FAME’s consent, pursuant to an agreement among BlackRock, Vestwell and Merrill, Merrill and its affiliates will serve as Recordkeeping Agent for the Direct Series. No delegation or assignment by BlackRock Investments, LLC, BlackRock Advisors, LLC, Vestwell or The Bank of New York Mellon shall relieve the applicable entity of any of its respective responsibilities under the Program Services Agreement.

FAME plans to enter into an Amended and Restated Program Services Agreement with BlackRock Investments, LLC, BlackRock Advisors, LLC, Vestwell and The Bank of New York Mellon under which, effective July 1, 2024, BlackRock Investments, LLC will cease to provide Distribution Services for the Client Direct Series of the Program. Under the expected terms of the Amended and Restated Program Services Agreement, the term of which is expected to expire June 30, 2029 subject to potential renewal by the parties for an additional two years, BlackRock Advisors, LLC is expected to continue providing Investment Services, Vestwell is expected to continue providing Program Management Services and The Bank of New York Mellon is expected to continue providing Custody, Recordkeeping and Fund Accounting Services for the Program. Pursuant to a separate agreement FAME expects to execute

with Northern Lights Distributors, LLC, Northern Lights Distributors, LLC is expected, subject to certain conditions stated in such agreement, to serve as Direct Series Distributor and to provide the Distribution Services effective July 1, 2024.

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

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

## **Termination of Agreement**

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

## **Audits**

Pursuant to the Program Services Agreement, BlackRock, Vestwell, The Bank of New York Mellon and FAME have agreed to cooperate to generate annual audited financial statements of the Portfolios and the Investment Fund. For the period ending June 30, 2023, such financial statements were audited by Landmark PLC, an independent public accounting firm. The Program’s most recent Annual Report is available on the Program’s Web site at [www.nextgenforme.com](http://www.nextgenforme.com).

## Securities Laws

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

## Method of Offering

Participation Agreements and Units may be offered by FAME pursuant to a Selling and Services Agreement between the Direct Series Distributor and Merrill. Certain officers and employees of FAME may, in the course of their official duties and without compensation, offer and sell Participation Agreements and Units without registering with the SEC as a broker-dealer.

## Continuing Disclosure

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

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

## SIPC Insurance and Additional Coverage

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

SIPC protection does not apply to deposits made through a bank deposit program, to a Specialized Account or other Account not held by a broker-dealer, or to other assets that are not securities.

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

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

## Obtaining Additional Information About the Program

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

Individuals or entities having questions concerning the Client Direct Series of the Program, including procedures for opening an Account, or wishing to request Account Applications, Account maintenance forms should call the Recordkeeping Agent toll free at (877) 4-NEXTGEN (463-9843), or access the Program's Web site located at [www.nextgenforme.com](http://www.nextgenforme.com). The Program's most recent Annual Report may also be found on the Program's Web site. Questions or requests for information also may be addressed in writing to the Recordkeeping Agent at Merrill Edge, Attn: Service Support, P.O. Box 1501, Pennington, NJ 08534. FAME may be contacted at P.O. Box 949, Augusta, ME 04332-0949. For information about benefits available to Maine residents, contact FAME at (800) 228-3734.



## **PORTFOLIOS – PERFORMANCE AND INVESTMENTS**

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### **General**

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

### **Year of Enrollment Portfolios**

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

### **Diversified Portfolios**

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

### **Single Fund Portfolios**

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

### **Principal Plus Portfolio**

The Principal Plus Portfolio invests only in the New York Life GIA and may invest in corporate fixed-income investments and/or similar instruments. The performance of the Principal Plus Portfolio depends on the weighted average performance of the Principal Plus Portfolio Investments in which it invests.

### **NextGen Savings Portfolio**

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



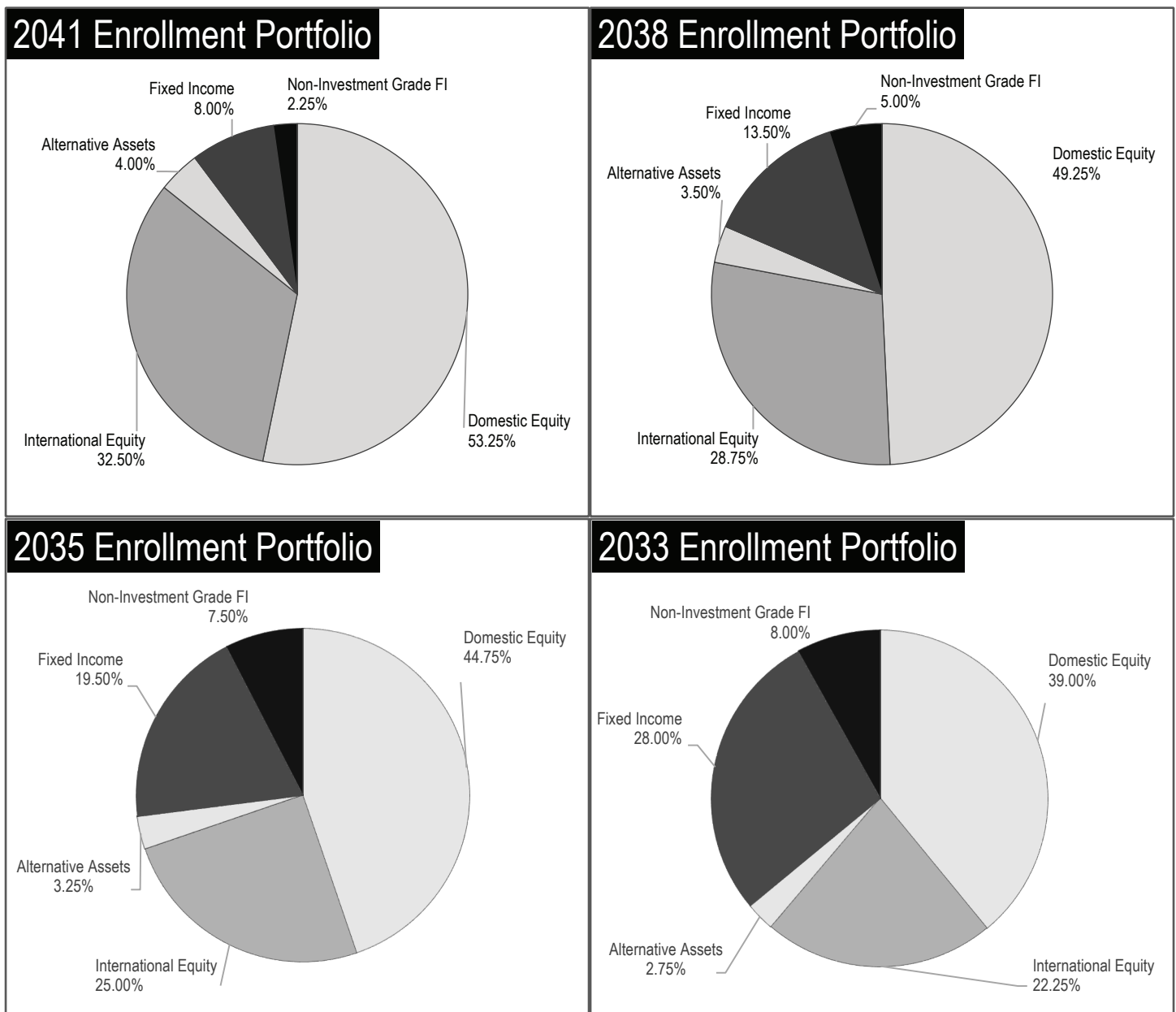
# BLACKROCK PORTFOLIOS

The following charts illustrate the current target asset allocation of each BlackRock Year of Enrollment Portfolio (the iShares Portfolios begin on page 73).

**General** — Substantially all of the assets of each BlackRock Portfolio (other than the iShares Portfolios) are invested in Institutional Class shares of the underlying BlackRock mutual funds that are recommended by BlackRock for that Portfolio and approved by FAME for use in the BlackRock Portfolios. A portion of certain BlackRock Portfolios may be held in the Cash Allocation Account as described on page 72.

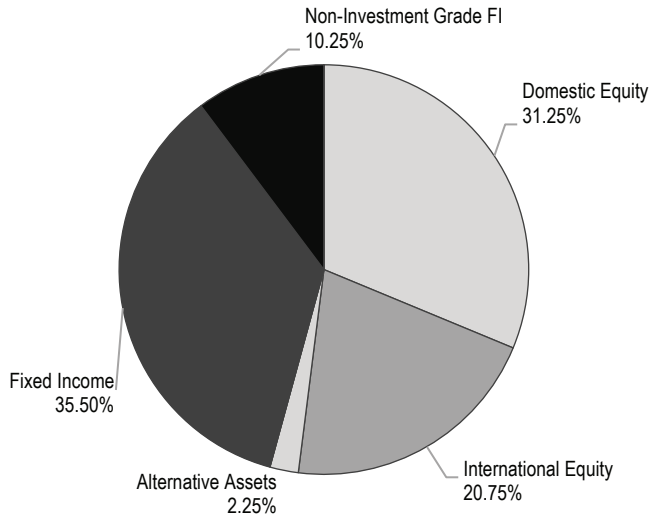
All of these Underlying Funds in which BlackRock Portfolios invest are currently managed by BlackRock. BlackRock and its affiliates had approximately \$9.4 trillion in assets under management as of June 30, 2023.

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

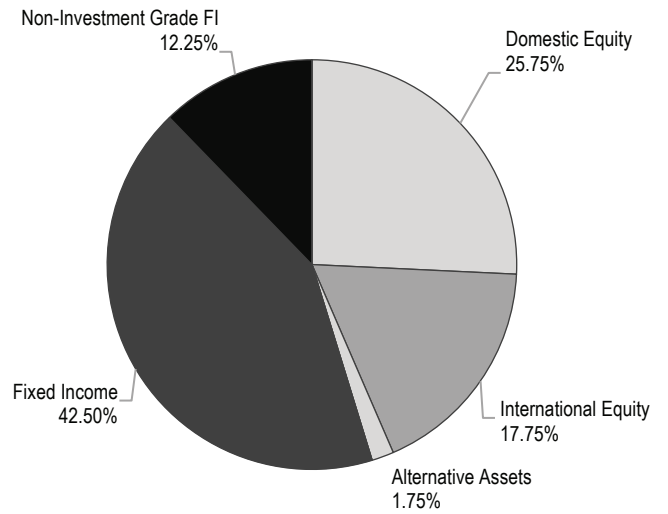


# BLACKROCK PORTFOLIOS

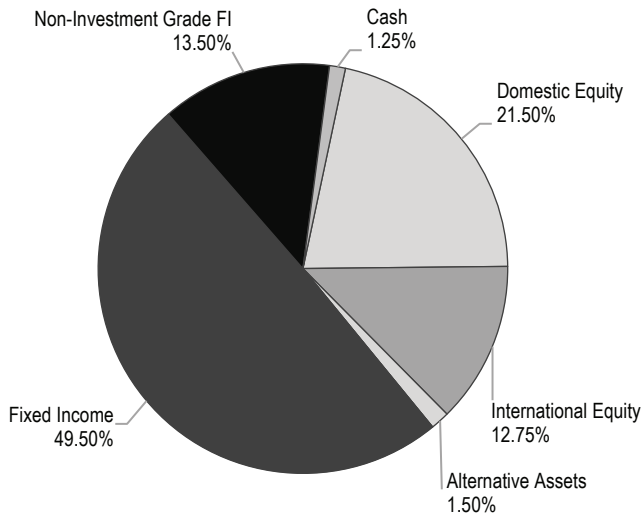
## 2029 Enrollment Portfolio



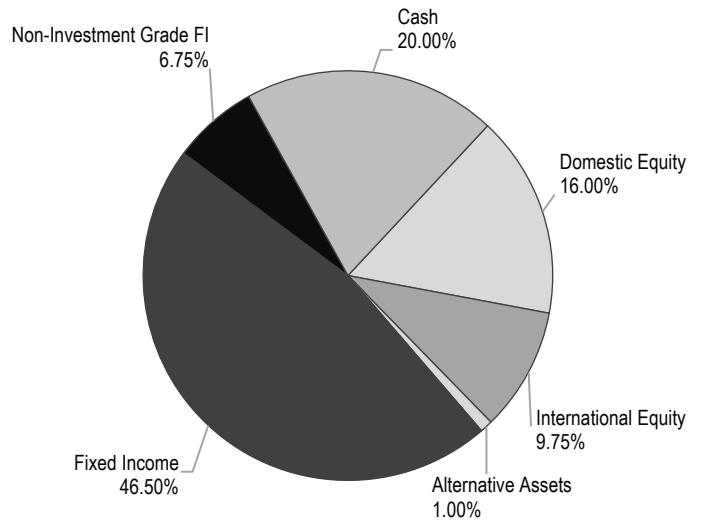
## 2027 Enrollment Portfolio



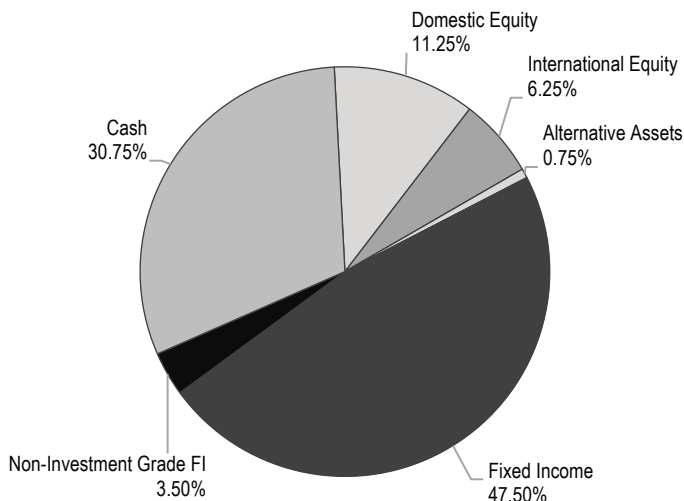
## 2026 Enrollment Portfolio



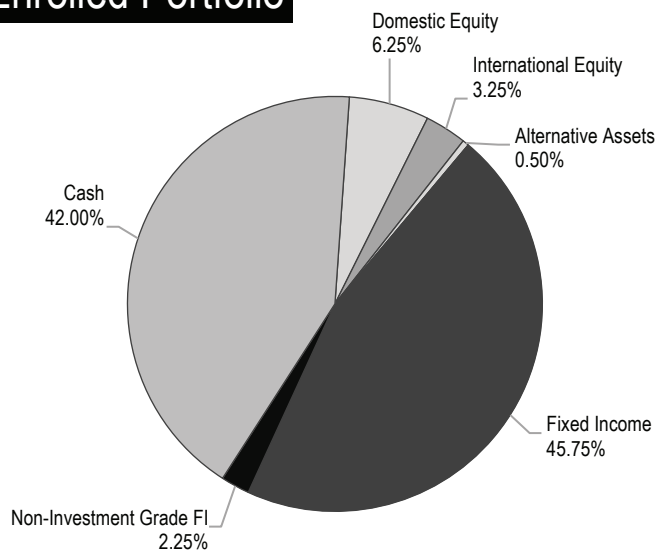
## 2025 Enrollment Portfolio



## 2024 Enrollment Portfolio

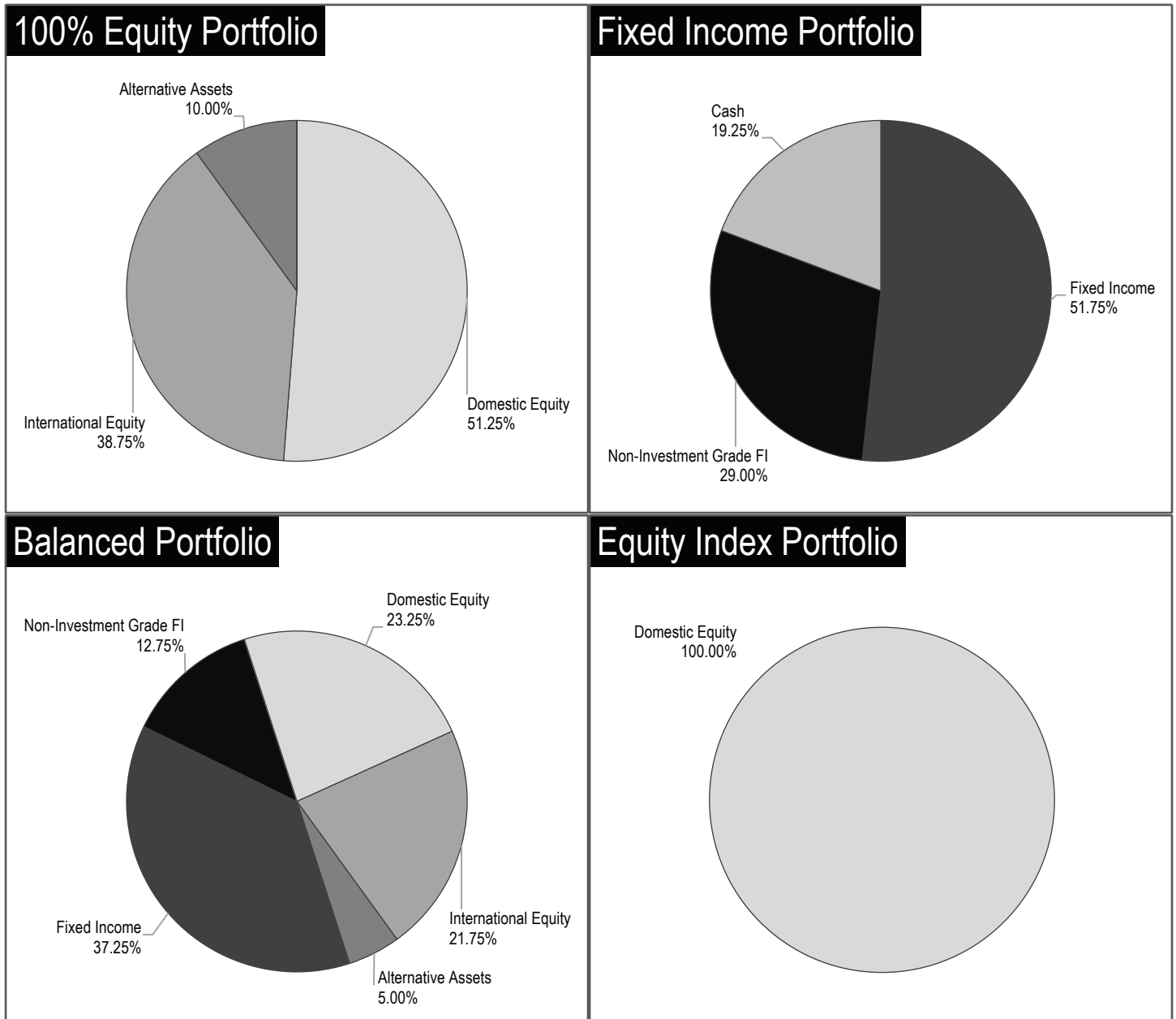


## Enrolled Portfolio



# BLACKROCK PORTFOLIOS

The following charts illustrate the current target asset allocation of each BlackRock Diversified Portfolio and Single Fund Portfolio (the iShares Portfolios begin on page 75).



## BLACKROCK PORTFOLIOS

**Current Target Underlying Fund Allocations** — The following charts illustrate the current target asset allocations and the current target Underlying Fund allocations within those target asset allocations for the BlackRock Portfolios (other than the iShares Portfolios which begin on page 77). For convenience of reference, Underlying Funds are grouped by their principal asset class, although certain investments of an Underlying Fund may be made in other types of assets. This information is presented for informational purposes only.

Underlying Fund (Ticker)	2041 Enrollment Portfolio	2038 Enrollment Portfolio	2035 Enrollment Portfolio	2033 Enrollment Portfolio	2029 Enrollment Portfolio	2027 Enrollment Portfolio	2026 Enrollment Portfolio	2025 Enrollment Portfolio	2024 Enrollment Portfolio	Enrolled Portfolio
<b>Domestic Equity Funds</b>										
BlackRock Capital Appreciation Fund, Inc. (MAFGX)	5.50%	5.25%	4.75%	4.00%	3.25%	2.75%	2.25%	1.75%	1.25%	0.75%
BlackRock Equity Dividend Fund (MADVX)	17.00%	15.75%	14.25%	12.25%	10.00%	8.00%	7.00%	5.00%	3.50%	2.00%
BlackRock Advantage Large Cap Growth Fund (CMVIX)	11.25%	10.50%	9.50%	8.25%	6.75%	5.50%	4.50%	3.50%	2.25%	1.25%
iShares S&P 500 Index Fund <sub>1</sub> (BSPIX)	15.50%	14.00%	12.75%	11.50%	8.75%	7.50%	6.25%	4.50%	3.25%	1.75%
BlackRock Advantage Small Cap Core Fund (BDSIX)	3.25%	3.00%	2.75%	2.50%	2.00%	1.50%	1.25%	1.00%	0.75%	0.50%
BlackRock Advantage Small Cap Growth Fund (PSGIX)	0.75%	0.75%	0.75%	0.50%	0.50%	0.50%	0.25%	0.25%	0.25%	0.00%
<b>International Equity Funds</b>										
BlackRock International Fund (MAILX)	8.00%	7.25%	6.25%	5.50%	5.25%	4.50%	3.25%	2.50%	1.50%	0.75%
iShares MSCI Total International Index Fund (BDOIX)	16.50%	14.25%	12.50%	11.25%	10.25%	8.75%	6.25%	4.75%	3.25%	1.75%
BlackRock Advantage International Fund (BROIX)	8.00%	7.25%	6.25%	5.50%	5.25%	4.50%	3.25%	2.50%	1.50%	0.75%
<b>Alternative Investment Fund</b>										
BlackRock Real Estate Securities Fund (BIREX)	4.00%	3.50%	3.25%	2.75%	2.25%	1.75%	1.50%	1.00%	0.75%	0.50%
<b>Investment Grade Fixed Income Funds</b>										
BlackRock Low Duration Bond Portfolio (BFMSX)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.25%	22.25%	34.50%	38.00%
BlackRock Total Return Fund (MAHQX)	6.75%	11.50%	16.50%	24.00%	30.50%	36.50%	40.50%	20.50%	10.75%	6.50%
BlackRock Inflation Protected Bond Portfolio (BPRIX)	1.25%	2.00%	3.00%	4.00%	5.00%	6.00%	7.75%	3.75%	2.25%	1.25%
<b>Non-Investment Grade Fixed Income Fund</b>										
BlackRock Strategic Income Opportunities Portfolio (BSIIX)	2.25%	5.00%	7.50%	8.00%	10.25%	12.25%	13.50%	6.75%	3.50%	2.25%
<b>Cash Allocation Account</b>										
Cash Allocation Account	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.25%	20.00%	30.75%	42.00%

## BLACKROCK PORTFOLIOS

Underlying Fund (Ticker)	100% Equity Portfolio	Fixed Income Portfolio	Balanced Portfolio	Equity Index Portfolio
<b>Domestic Equity Funds</b>				
BlackRock Large Cap Focus Value Fund, Inc. (MABAX)	5.75%	0.00%	2.50%	0.00%
BlackRock Capital Appreciation Fund, Inc. (MAFGX)	5.25%	0.00%	2.50%	0.00%
BlackRock Equity Dividend Fund (MADVX)	10.50%	0.00%	4.75%	0.00%
BlackRock Advantage Large Cap Growth Fund (CMVIX)	11.00%	0.00%	5.00%	0.00%
iShares S&P 500 Index Fund <sup>1</sup> (BSPIX)	14.75%	0.00%	6.75%	100.00%
BlackRock Advantage Small Cap Core Fund (BDSIX)	3.25%	0.00%	1.50%	0.00%
BlackRock Advantage Small Cap Growth Fund (PSGIX)	0.75%	0.00%	0.25%	0.00%
<b>International Equity Funds</b>				
BlackRock International Fund (MAILX)	9.75%	0.00%	5.50%	0.00%
BlackRock Advantage International Fund (BROIX)	9.75%	0.00%	5.50%	0.00%
iShares MSCI Total International Index Fund (BDOIX)	19.25%	0.00%	10.75%	0.00%
<b>Alternative Investment Fund</b>				
BlackRock Real Estate Securities Fund (BIREX)	10.00%	0.00%	5.00%	0.00%
<b>Investment Grade Fixed Income Funds</b>				
BlackRock Low Duration Bond Portfolio (BFMSX)	0.00%	19.00%	19.00%	0.00%
BlackRock Total Return Fund (MAHQX)	0.00%	27.25%	12.75%	0.00%
BlackRock Inflation Protected Bond Portfolio (BPRIX)	0.00%	5.50%	5.50%	0.00%
<b>Non-Investment Grade Fixed Income Funds</b>				
BlackRock High Yield Bond Portfolio (BHYIX)	0.00%	20.00%	8.50%	0.00%
BlackRock Strategic Income Opportunities Portfolio (BSIIX)	0.00%	9.00%	4.25%	0.00%
<b>Cash Allocation Account</b>				
Cash Allocation Account	0.00%	19.25%	0.00%	0.00%

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



## BLACKROCK PORTFOLIOS

**Historical Investment Performance** — The following table summarizes the average annual total return after deducting ongoing Portfolio fees of each BlackRock Portfolio, other than the iShares Portfolios, as of June 30, 2023. The \$25 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2012, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2012, returns would be less than those shown. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). Each BlackRock Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. **The performance data relating to the BlackRock Portfolios set forth below is for the limited time periods presented, is subject to the footnoted information, and is not indicative of the future performance of the BlackRock Portfolios.**

	Average Annual Total Return* as of June 30, 2023					
	1 Year	3 Years	5 Years	10 years	Since Inception	Inception Date
<b>Year of Enrollment Portfolios<sup>1</sup></b>						
BlackRock 2041 Enrollment Portfolio	14.50%	9.58%	7.29%	8.45%	5.94%	04/30/07
BlackRock 2038 Enrollment Portfolio	13.14%	8.45%	N/A	N/A	7.02%	10/28/19
BlackRock 2035 Enrollment Portfolio	11.57%	7.16%	6.24%	N/A	6.09%	10/30/17
BlackRock 2033 Enrollment Portfolio	10.09%	5.80%	5.71%	6.83%	5.10%	04/30/07
BlackRock 2029 Enrollment Portfolio	8.63%	4.52%	5.21%	5.96%	4.70%	04/30/07
BlackRock 2027 Enrollment Portfolio	8.10%	3.92%	4.84%	5.04%	4.21%	04/30/07
BlackRock 2026 Enrollment Portfolio	6.50%	2.81%	N/A	N/A	3.38%	10/28/19
BlackRock 2025 Enrollment Portfolio	5.95%	2.35%	3.48%	3.70%	3.37%	04/30/07
BlackRock 2024 Enrollment Portfolio	5.47%	1.89%	N/A	N/A	2.09%	10/28/19
BlackRock Enrolled Portfolio	4.71%	1.11%	1.73%	1.60%	1.58%	04/30/07
<b>Diversified Portfolios</b>						
BlackRock 100% Equity Portfolio	15.47%	10.49%	7.32%	9.23%	6.34%	04/30/07
BlackRock Balanced Portfolio	8.92%	5.22%	5.08%	N/A	5.15%	06/09/14
BlackRock Fixed Income Portfolio	3.07%	0.25%	2.08%	N/A	2.11%	06/09/14
<b>Single Fund Portfolio</b>						
BlackRock Equity Index Portfolio	19.36%	14.37%	12.12%	12.66%	8.96%	04/30/07

<sup>1</sup> Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment strategies of the applicable Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio

# BLACKROCK PORTFOLIOS

## ALTERNATIVE INVESTMENT FUND

**Summary of Investment Objectives and Policies of the Underlying Funds for the BlackRock Portfolios** — The following descriptions summarize the investment goals and policies of the Underlying Funds in which the BlackRock Portfolios, other than the iShares Portfolios, are currently invested. The descriptions also identify certain principal risks to which particular Underlying Funds may be subject. Additional discussion of risks related to the various categories of Underlying Funds is set forth under “PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS.” The Underlying Funds’ investment strategies are subject to change.

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

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

### **BlackRock Large Cap Focus Value Fund, Inc.**

**Investment Objective, Strategy and Policies** — The investment objective of BlackRock Large Cap Focus Value Fund, Inc is to seek capital appreciation and, secondarily, income by investing in securities, primarily equity securities, that management of the Fund believes are undervalued and therefore represent basic investment value. Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes in large cap equity securities and derivatives that have similar economic characteristics to such securities. For purposes of the Fund’s 80% policy, large cap equity securities are equity securities that at the time of purchase have a market capitalization within the range of companies included in the Russell 1000® Value Index. Equity securities consist of common stock, preferred stock and convertible securities, other financial instruments that are components of, or have characteristics similar to, the securities included in the Russell 1000® Value Index, and American Depositary Receipts.

The Fund invests primarily in equity securities that Fund management believes are undervalued, which means that their prices are less than Fund management believes they are worth.

Fund management places particular emphasis on companies with below average price/earnings ratios that may pay above average dividends. Fund management may also determine a company is undervalued if its stock price is down because of temporary factors from which Fund management believes the company will recover. The Fund invests primarily in common stock of U.S. companies, but the Fund may invest up to 25% of its total assets in the securities of foreign companies and ADRs. The Fund generally intends to invest in not less than 30 to not more than 50 companies.

**Principal Risks of Investing** — The Fund is subject to the market and selection risks of equity investments, as well as focus risk and the special risks of value investments and foreign securities. Additional principal risks are identified in the Fund’s prospectus.

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

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

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

**Principal Risks of Investing** — The Fund is subject to the market and selection risks of equity investments, as well as the special risks of convertible securities, mid-cap securities, and investment style. Additional principal risks are identified in the Fund’s prospectus.

**BlackRock Equity Dividend Fund**

**Investment Objective, Strategy and Policies** – The investment objective of BlackRock Equity Dividend Fund is to seek long-term total return and current income. The Fund will seek to achieve its objective by investing primarily in a diversified portfolio of equity securities. Under normal circumstances, the Fund will invest at least 80% of its assets in equity securities and at least 80% of its assets in dividend paying securities. The Fund will focus on issuers that have good prospects for capital appreciation and current income. Although the Fund invests primarily in dividend paying securities, portions of the distributions paid by the Fund may not be subject to the lower income tax rates applicable to dividends. The Fund may invest in securities of companies with any market capitalization, but will generally focus on large cap securities. The Fund's portfolio, in the aggregate, will be structured in a manner designed to seek long-term capital appreciation as well as net portfolio yield in excess of the average yield of mutual funds invested primarily in U.S. equities. The Fund may also invest in convertible securities and non-convertible preferred stock. Equity securities include common stock, preferred stock, securities convertible into common stock, or securities or other instruments whose price is linked to the value of common stock.

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

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

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

**BlackRock Advantage  
Large Cap Growth Fund**

**Investment Objective, Strategy and Policies** — The investment objective of BlackRock Advantage Large Cap Growth Fund, a series of BlackRock Funds<sup>SM</sup>, is to seek long-term capital appreciation. Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes in large cap equity securities of U.S. issuers and derivatives that have similar

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

**Principal Risks of Investing** — The Fund is subject to the market and selection risks of equity investments, investment style risk and model risk, as well as the special risks of commodities related investments, convertible securities, derivatives, "new issue" securities, preferred securities, and the use of leverage. Additional principal risks are identified in the Fund's prospectus.

**iShares S&P 500 Index Fund**

**Investment Objective, Strategy and Policies** — iShares S&P 500 Index Fund, a series of BlackRock Funds III, seeks to provide investment results that correspond to the total return performance of publicly-traded common stocks in the aggregate, as represented by the Standard & Poor's 500® Index. The Fund pursues its investment objective by seeking to replicate the total return performance of the S&P 500 Index, which is composed of approximately 500 selected common stocks, most of which are listed on the New York Stock Exchange. The S&P 500 Index is a capitalization-weighted index from a broad range of industries chosen for market size, liquidity and industry group representation. The component stocks are weighted according to the total float-adjusted market

# BLACKROCK PORTFOLIOS

## ALTERNATIVE INVESTMENT FUND

value of their outstanding shares (i.e., they are weighted according to the public float which is the total market value of their outstanding shares readily available to the general marketplace for trading purposes). The percentage of the Fund's assets invested in a given stock is approximately the same as the percentage such stock represents in the S&P 500 Index.

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

The Fund also may engage in futures and other derivative securities transactions and lend its portfolio securities, each of which involves risk. The Fund may use futures contracts and other derivative transactions to manage its short-term liquidity and/or as substitutes for comparable market positions in the securities in its benchmark index. The Fund may also invest in high-quality money market instruments, including shares of money market funds advised by BlackRock Fund Advisors or its affiliates.

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

**Principal Risks of Investing** — The Fund is subject to the market and selection risks of equity investments as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

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

**Investment Objective, Strategy and Policies** — The investment objective of BlackRock Advantage Small Cap Core Fund, a series of BlackRock Funds<sup>SM</sup>, is to seek capital appreciation over the long term. Under normal circumstances, the Fund will invest at least 80% of its net assets plus any borrowings for investment purposes in equity securities or other financial instruments that are components of, or have market capitalizations similar to, the securities included in the Russell 2000® Index. The companies included in the Russell 2000® Index have market capitalizations that range from approximately \$6.4 million to \$10.5 billion as of August 31, 2022. The Fund primarily seeks to buy common stock and may also invest in preferred stock and convertible securities. From time to time the

Fund may invest in shares of companies through "new issues" or initial public offerings.

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

**Principal Risks of Investing** — The Fund is subject to the market and selection risks of equity investments, small cap securities risk, investment style risk, and model risk, as well as the special risks of convertible securities, derivatives, "new issue" securities, preferred securities, the use of leverage, high portfolio turnover risk, and investment style risk. Additional principal risks are identified in the Fund's prospectus.

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

**Investment Objective, Strategy and Policies** — The investment objective of BlackRock Advantage Small Cap Growth Fund, a series of BlackRock Funds<sup>SM</sup>, is to seek long-term capital growth. Under normal circumstances, the Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small cap companies and at least 80% of its net assets (plus any borrowings for investment purposes) in securities or instruments of issuers located in the United States. Equity securities consist primarily of common stock, preferred stock, securities convertible into common stock and securities or other instruments whose price is linked to the value of common stock, such as derivatives. The Fund seeks to buy primarily common stock but also can invest in preferred stock, convertible securities and other equity securities. The Fund management team focuses on small capitalization companies that Fund management believes have above average prospects for earnings growth. Although a universal definition of small-capitalization companies does not exist, the Fund generally defines these companies as those with market capitalizations, at the time of the Fund's investment, comparable in size to the companies in the Russell 2000® Growth Index (between approximately \$566 million and \$7.88 billion as of December 31, 2022). In the future, the Fund may define small-capitalization companies using a different index or classification system. From time to time the Fund may invest in shares of companies through

# BLACKROCK PORTFOLIOS

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## ALTERNATIVE INVESTMENT FUND

“new issues” or initial public offerings. The Fund may use derivatives, including options, warrants, futures, swaps and forward contracts both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. The use of options, futures, swaps and forward contracts can be effective in protecting or enhancing the value of the Fund’s assets.

The Fund will seek to pursue its investment objective by investing in small cap growth securities in a disciplined manner using proprietary return forecast models. These forecast models are designed to identify aspects of mispricing across stocks,

which the Fund can seek to capture by over- and under-weighting particular equities while seeking to control incremental risk.

The Fund also may use indexed or inverse securities.

***Principal Risks of Investing*** — The Fund is subject to the market and selection risks of equity investments, smaller and emerging growth companies, investment style risk, and model risk, as well as the special risks of investing in convertible securities, “new issues” securities, warrants, derivatives, leverage, and high portfolio turnover risk. Additional principal risks are identified in the Fund’s prospectus.

### BlackRock International Fund

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

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

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

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

Fund management may, when consistent with the Fund’s investment objective, buy or sell options or futures on a security or an index of securities, or enter into interest rate or foreign

currency transactions, including swaps (collectively, commonly known as derivatives).

**Principal Risks of Investing** – The Fund is subject to the market and selection risks of equity investments and to the risk of investment in foreign securities. In addition, the Fund is subject to risks associated with debt securities, emerging markets, derivatives, geographic concentration, and mid-cap securities. Additional principal risks are identified in the Fund’s prospectus.

### BlackRock Advantage International Fund

**Investment Objective, Strategy and Policies** — The investment objective of BlackRock Advantage International Fund, a series of BlackRock Funds<sup>SM</sup>, is to provide long-term capital appreciation. Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes in non-U.S. equity securities and equity-like instruments of companies that are components of, or have characteristics similar to, the companies included in the MSCI EAFE® Index and derivatives that are tied economically to securities of the MSCI EAFE Index. The MSCI EAFE Index is a capitalization-weighted index from a broad range of industries chosen for market size, liquidity and industry group representation. Equity securities include common stock, preferred stock and convertible securities. The Fund primarily seeks to buy common stock and may also invest in preferred stock and convertible securities. From time to time, the Fund may invest in shares of companies through “new issues” or initial public offerings. The Fund will invest in securities of non-U.S. issuers that can be U.S. dollar based or non-U.S. dollar based on a hedged or unhedged basis. The Fund may enter into currency transactions on a hedged or unhedged basis in order to seek total return. The Fund may use derivatives, including options, futures, swaps (including, but not limited to, total return swaps, some of which may be referred to as contracts for difference), and forward contracts, both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. Derivatives are financial instruments whose value is derived from another security, a currency or an index, including but not limited to the MSCI EAFE Index. The use of options, futures, swaps (including, but not limited to, total return swaps, some of which may be referred to as contracts for difference), and forward contracts can be effective in protecting or enhancing the value of the Fund’s assets.

**Principal Risks of Investing** — The Fund is subject to the market and selection risks of equity investments, the risk of investment in foreign securities, and model risk, as well as the

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## INTERNATIONAL EQUITY FUNDS

special risks of convertible securities, derivatives, “new issue” securities, mid cap securities, preferred securities, leverage, and high portfolio turnover risk. Additional principal risks are identified in the Fund’s prospectus.

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

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

The Fund will invest in the common stocks represented in the MSCI ACWI ex USA Index in roughly the same proportions as their weightings in the MSCI ACWI ex USA Index. The MSCI ACWI ex USA Index is a free float-adjusted market capitalization index that captures large and mid cap representation across 22 of 23 developed markets countries (excluding the United States) and 24 emerging markets countries. With 2,257 constituents, the index covers approximately 85% of the global equity opportunity set outside the United States. The component stocks have a market capitalization between \$141 million and \$413 billion as of March 31, 2023. The Fund may also engage in futures transactions. At times, the Fund may not invest in all of the common stocks in the MSCI ACWI ex USA Index, or in the same weightings as in the MSCI ACWI ex USA Index. At those times, the Fund chooses investments so that the market capitalizations, industry weightings and other fundamental characteristics of the stocks chosen are similar to the MSCI ACWI ex USA Index as a whole. The Fund may lend securities with a value up to 33 1/3% of its total assets to financial institutions that provide cash or securities issued or guaranteed by the U.S. Government as collateral. The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the MSCI ACWI ex USA Index is concentrated.

The Fund is a “feeder” fund that invests all of its assets in the Total International ex U.S. Index Master Portfolio (the “Master Portfolio”), a series of Master Investment Portfolio, which has

the same investment objective and strategies as the Fund. All investments are made at the Master Portfolio level. This structure is sometimes called a “master/feeder” structure. The Fund’s investment results will correspond directly to the investment results of the Master Portfolio. For simplicity, this prospectus uses the name of the Fund or the term “Fund” (as applicable) to include the Master Portfolio.

**Principal Risks of Investing** - The Fund is subject to the market and selection risks of equity investments, the risk of investment in foreign securities, and the risks of investing in an index fund, as well as the special risks of concentration, emerging markets, futures securities, mid cap securities, securities lending, small cap and emerging growth securities risk and tracking error risk. Additional principal risks are identified in the Fund’s prospectus.

**BlackRock Real Estate Securities Fund**

**Investment Objective, Strategy and Policies** — The investment objective of BlackRock Real Estate Securities Fund, a series of BlackRock Funds<sup>SM</sup>, is to seek total return comprised of long-term growth of capital and dividend income. Under normal conditions, the Fund invests at least 80% of its net assets plus any borrowings for investment purposes (measured at the time of purchase) in a portfolio of equity investments in issuers that are primarily engaged in or related to the real estate industry inside the United States. An issuer is primarily engaged in or related to the real estate industry if it derives at least 50% of its gross revenues or net profits from the ownership, development, construction, financing, management or sale of commercial, industrial or residential real estate or interests therein or has 50% of its assets in real estate or real estate interests. The Fund may invest up to 20% of its net assets plus any borrowings for investment purposes (measured at the time of purchase) in a portfolio of equity investments in issuers that are primarily engaged in or related to the real estate industry outside the United States and fixed-income investments, such

as government, corporate and bank debt obligations. Real estate industry companies may include real estate investment trusts (“REITs”), REIT-like structures, or real estate operating companies whose businesses and services are related to the real estate industry. The Fund primarily buys common stock but also can invest in preferred stock and convertible securities.

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

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

**Principal Risks of Investing** — The Fund is subject to real estate-related securities risk and REIT investment risk, as well as the market and selection risks of equity investments and the special risks of concentration, convertible securities, non-diversification, preferred securities, and small and mid cap securities. Additional principal risks are identified in the Fund’s prospectus.



**BlackRock Inflation Protected Bond Portfolio**

**Investment Objective, Strategy and Policies** — The investment objective of BlackRock Inflation Protected Bond Portfolio is to seek to maximize real return, consistent with preservation of real capital and prudent investment management. Under normal circumstances, the Fund invests at least 80% of its assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and U.S. and non-U.S. corporations. The Fund maintains an average portfolio duration that is within  $\pm 40\%$  of the duration of the Bloomberg U.S. Treasury Inflation Protected Securities Index. The Fund may invest up to 20% of its assets in non-investment grade bonds (high yield or junk bonds) or securities of emerging market issuers. The Fund may also invest up to 20% of its assets in non-dollar denominated securities of non-U.S. issuers, and may invest without limit in U.S. dollar denominated securities of non-U.S. issuers.

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

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

**BlackRock Low Duration Bond Portfolio**

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

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

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

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

**Principal Risks of Investing** — The Fund is subject to the risks of fixed-income investments, investments in foreign securities, and mortgage- and asset-backed securities, U.S. Government

# BLACKROCK PORTFOLIOS

## INVESTMENT GRADE FIXED INCOME FUNDS

issuer risk. Additional principal risks are identified in the Fund's prospectus.

### **BlackRock Total Return Fund**

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

Under normal circumstances, the Fund invests at least 80% of its assets in bonds and invests primarily in investment grade fixed-income securities. The Fund may invest in fixed-income securities of any duration or maturity. The Fund may invest up to 30% of its net assets in securities of foreign issuers, of which 20% (as a percentage of the Fund's net assets) may be in emerging markets issuers. Investments in U.S. dollar-denominated securities of foreign issuers, excluding issuers from emerging markets, are permitted beyond the 30% limit. This means that the Fund may invest in such U.S. dollar-denominated securities of foreign issuers without limit. The Fund may also invest in derivative securities for hedging purposes or to increase the return on its investments. The Fund may also invest in credit-linked notes, credit-linked trust certificates, structured notes, or other instruments evidencing interests in special purpose vehicles, trusts, or other entities that hold or represent interests in fixed-income securities. The Fund may also enter into reverse repurchase agreements and mortgage dollar rolls. The Fund may invest up to 20% of its net assets in fixed-income securities that are rated below investment grade by the Nationally Recognized Statistical Rating Organizations, including Moody's Investor Service, Inc., S&P Global Ratings or Fitch Ratings, Inc., or in unrated securities of equivalent credit quality. Split rated bonds will be considered to have the higher credit rating. The Fund may invest up to 15% of its net assets in collateralized debt obligations ("CDOs"), of which 10% (as a percentage of the Fund's net assets) may be in collateralized loan obligations ("CLOs"). CDOs are types of asset-backed securities. CLOs are ordinarily issued by a trust or other special purpose entity and are typically collateralized by a pool of loans, which may include, among others, domestic and non-U.S. senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans, held by such issuer.

The Fund is a "feeder" fund that invests all of its assets in a corresponding "master" portfolio, the Master Total Return

Portfolio (the "Master Portfolio"), a series of the Master Bond LLC, a mutual fund that has the same investment objectives and strategies as the Fund. All investments will be made at the level of the Master Portfolio. The Fund's investment results will correspond directly to the investment results of the underlying Master Portfolio in which it invests.

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

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

# BLACKROCK PORTFOLIOS

## NON-INVESTMENT GRADE FIXED INCOME FUNDS

### BlackRock High Yield Bond Portfolio

**Investment Objective, Strategy and Policies** — The investment objective of the BlackRock High Yield Bond Portfolio is to seek to maximize total return, consistent with income generation and prudent investment management. The Fund invests primarily in non-investment grade bonds with maturities of ten years or less. The Fund normally invests at least 80% of its assets in high yield bonds. The high yield securities (commonly called “junk bonds”) acquired by the Fund will generally be in the lower rating categories of the major rating agencies (BB or lower by S&P Global Ratings or Fitch Ratings, Inc. or Ba or lower by Moody’s Investor Services) or will be determined by the Fund management team to be of similar quality. Split rated bonds and other fixed-income securities (securities that receive different ratings from two or more rating agencies) are valued as follows: if three agencies rate a security, the security will be considered to have the median credit rating; if two of the three agencies rate a security, the security will be considered to have the lower credit rating. The Fund may invest up to 30% of its assets in non-dollar denominated bonds of issuers located outside of the United States. The Fund’s investment in non-dollar denominated bonds may be on a currency hedged or unhedged basis. The Fund may also invest in convertible and preferred securities. Convertible debt securities will be counted toward the Fund’s 80% policy to the extent they have characteristics similar to the securities included within that policy.

To add additional diversification, the management team can invest in a wide range of securities including corporate bonds, mezzanine investments, collateralized bond obligations, bank loans and mortgage-backed and asset-backed securities. The Fund can also invest, to the extent consistent with its investment objective, in non-U.S. and emerging market securities and currencies. The Fund may invest in securities of any rating, and may invest up to 10% of its assets (measured at the time of investment) in distressed securities that are in default or the issuers of which are in bankruptcy.

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

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

**Principal Risks of Investing** — The Fund is subject to the risks of fixed-income investments and junk bonds. Additional principal risks are identified in the Fund’s prospectus.

### BlackRock Strategic Income Opportunities Portfolio

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

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

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

The management team may, when consistent with the Fund’s investment goal, buy or sell options or futures on a security or an index of securities, or enter into swap agreements, including total return, interest rate and credit default swaps, or foreign

# BLACKROCK PORTFOLIOS

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## NON-INVESTMENT GRADE FIXED INCOME FUNDS

currency transactions (collectively, commonly known as derivatives). The Fund typically uses derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as currency risk. The Fund may also use derivatives for leverage, in which case their use would involve leveraging risk. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements or mortgage dollar rolls, which involve a sale by the Fund of a mortgage-backed security concurrently with an agreement by the Fund to repurchase a similar security at a later date at an agreed-upon price). The Fund may invest in indexed and inverse floating rate securities.

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

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

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

# BLACKROCK PORTFOLIOS

## CASH ALLOCATION ACCOUNT

Many of the Portfolios invest in the Cash Allocation Account.

**Investment Objective** — The Cash Allocation Account is a separate account that seeks current income, preservation of capital and liquidity. The Cash Allocation Account is invested directly in a diversified portfolio of money market securities and may also be invested in Maine CDs.

**Principal Risks of Investing** — An investment in the Cash Allocation Account is not insured or guaranteed by any government agency, the Direct Series Distributor, the Investment Manager, the Program Manager or FAME and involves credit and interest rate risks. Investment in Maine CDs involves some of the special considerations discussed under "PROGRAM AND PORTFOLIO RISKS AND OTHER

CONSIDERATIONS-Investment Risks of Underlying Funds — *Underlying Funds Investing in Fixed Income Securities (Including Money Market Securities).*"

**Composition** — Since September 5, 2001, for the periods shown, the Cash Allocation Account has been invested in securities that are high quality, short-term securities, which may primarily consist of direct U.S. Government obligations, U.S. Government agency securities, obligations of domestic and foreign banks, U.S. dollar denominated commercial paper, other short-term debt securities issued by U.S. and foreign entities, repurchase agreements, and Maine CDs. Although the Cash Allocation Account was invested in Maine CDs until September 10, 2012, the Cash Allocation Account may or may not be continuously invested in Maine CDs after such date.

Average Annual Total Return* as of June 30, 2023						
	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Cash Allocation Account	3.71%	1.28%	1.45%	0.90%	1.27%	09/05/01**

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

\*\* From August 5, 1999 through September 4, 2001, the Cash Allocation Account was invested in Class II shares of the Retirement Reserves Money Fund of the Retirement Series Trust ("Money Fund"). For the period August 5, 1999 through September 4, 2001, the average annual total return of the Money Fund's Class II shares was 5.28%.



# ISHARES PORTFOLIOS

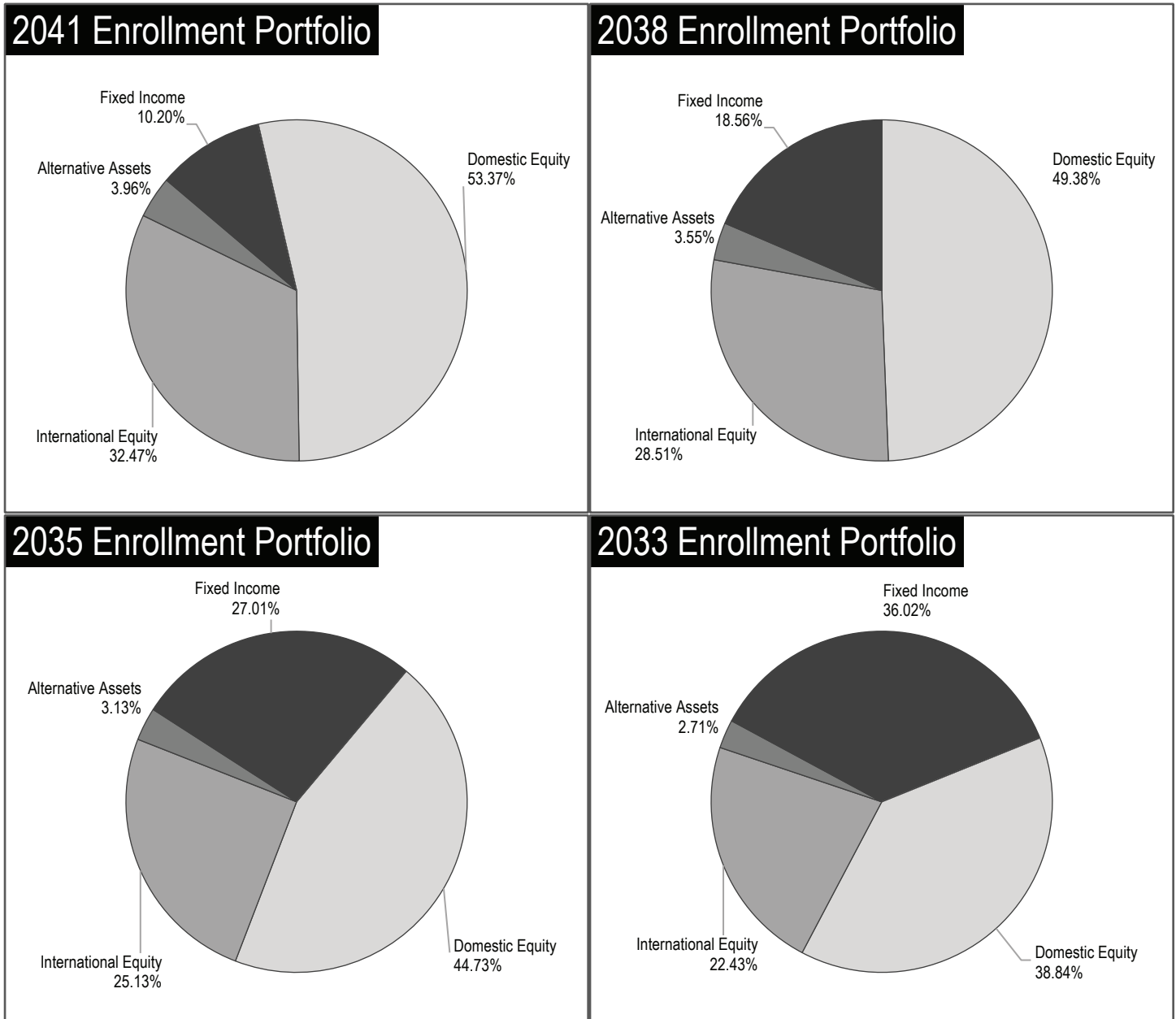
affiliates had approximately \$9.4 trillion in assets under management as of June 30, 2023.

The following charts illustrate the current target asset allocation of each iShares Year of Enrollment Portfolio.

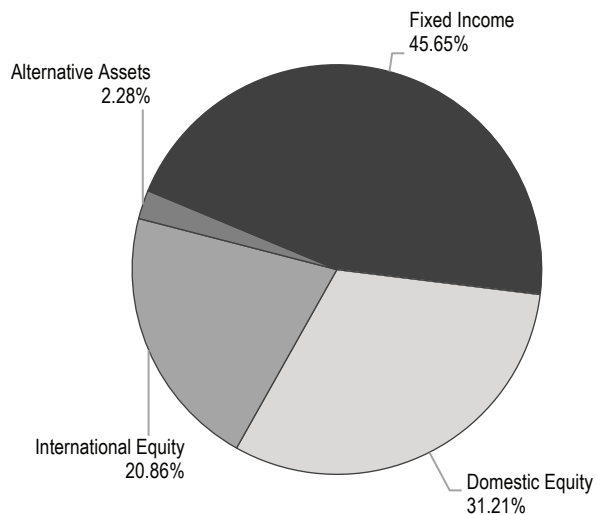
**General** — Substantially all of the assets of each iShares Portfolio (each of which is also a BlackRock Portfolio) are invested in iShares ETFs that are recommended by BlackRock for that iShares Portfolio and approved by FAME for use in that iShares Portfolio. Certain iShares Portfolios may hold cash,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

All of the Underlying Funds in which iShares Portfolios invest are currently managed by BlackRock Fund Advisors, which is an affiliate of the Investment Manager. BlackRock and its

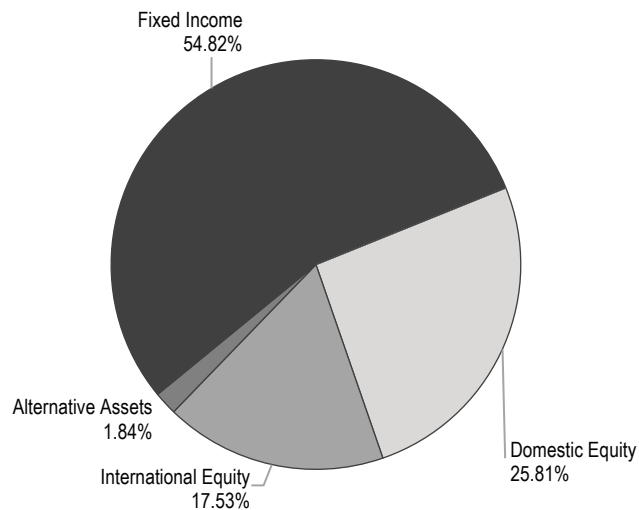
The target allocation of assets of each such Year of Enrollment Portfolio (other than the Enrolled Portfolio) to Underlying Funds that primarily invest in equity securities, fixed income securities and money market securities, respectively, will change over time (generally on a quarterly basis) from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



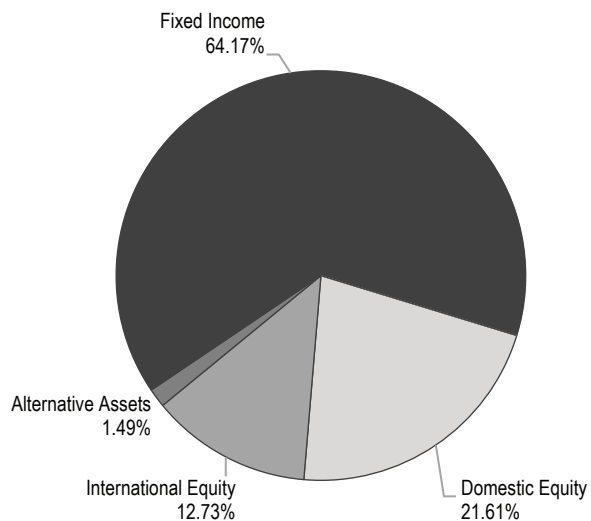
**2029 Enrollment Portfolio**



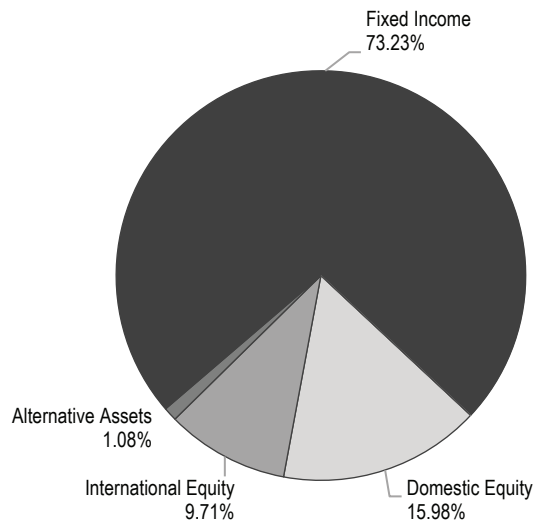
**2027 Enrollment Portfolio**



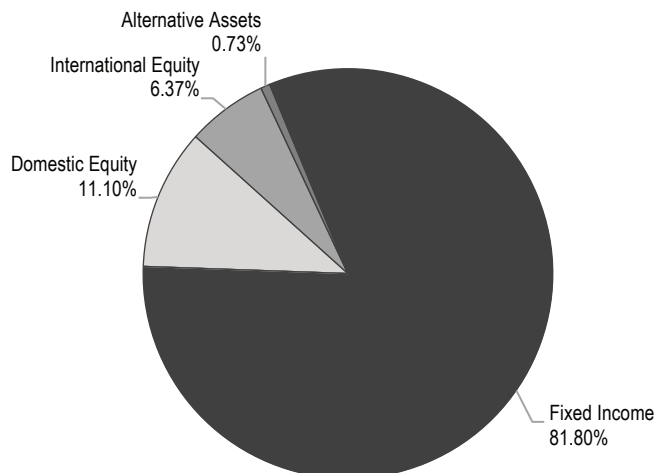
**2026 Enrollment Portfolio**



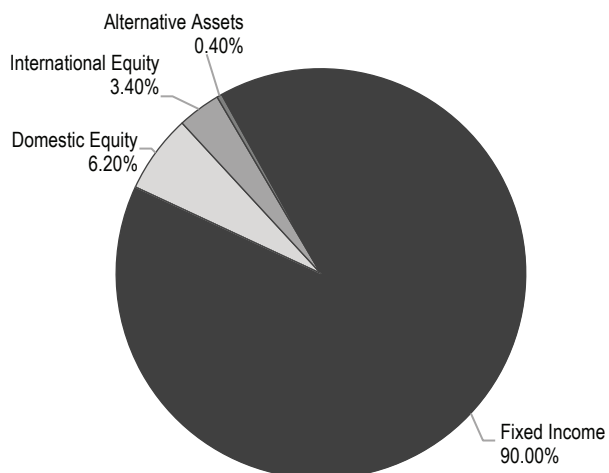
**2025 Enrollment Portfolio**



**2024 Enrollment Portfolio**

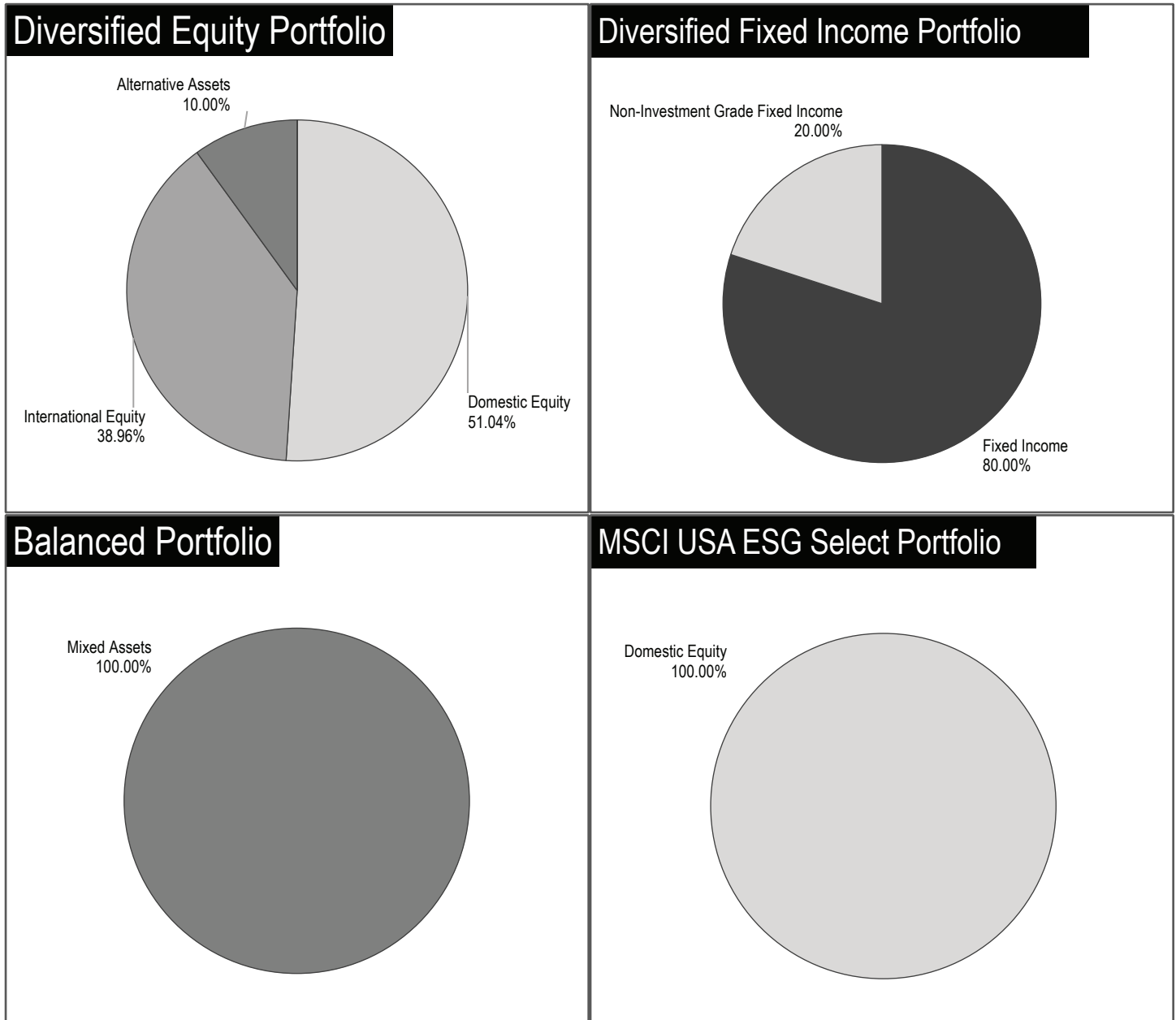


**Enrolled Portfolio**



# iSHARES PORTFOLIOS

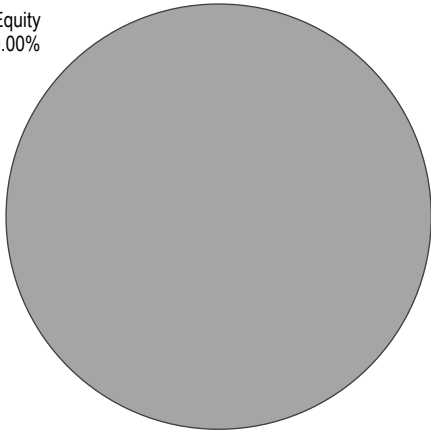
The following charts illustrate the current target asset allocation of each iShares Diversified and Single Fund Portfolio.





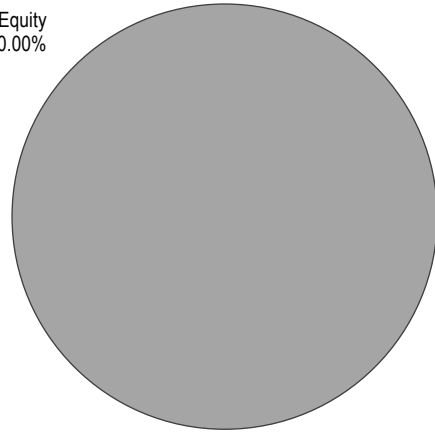
**ESG Aware MSCI EAFE Portfolio**

International Equity  
100.00%



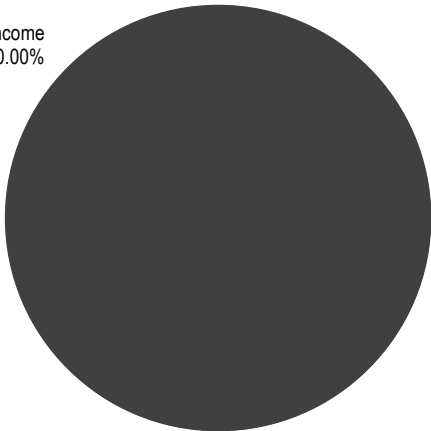
**ESG Aware MSCI EM Portfolio**

International Equity  
100.00%



**ESG Aware US Aggregate  
Bond Portfolio**

Fixed Income  
100.00%



## iSHARES PORTFOLIOS

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

Underlying Fund (Ticker)	2041 Enrollment Portfolio	2038 Enrollment Portfolio	2035 Enrollment Portfolio	2033 Enrollment Portfolio	2029 Enrollment Portfolio	2027 Enrollment Portfolio	2026 Enrollment Portfolio	2025 Enrollment Portfolio	2024 Enrollment Portfolio	Enrolled Portfolio
<b>Domestic Equity Fund</b>										
iShares Core S&P Total U.S. Stock Market ETF (ITOT)	53.37%	49.38%	44.73%	38.84%	31.21%	25.81%	21.61%	15.98%	11.10%	6.18%
<b>International Equity Fund</b>										
iShares Core MSCI Total International Stock ETF (IXUS)	32.47%	28.51%	25.13%	22.43%	20.86%	17.53%	12.73%	9.71%	6.37%	3.44%
<b>Alternative Investment Fund</b>										
iShares Core U.S. REIT ETF (USRT)	3.96%	3.55%	3.13%	2.71%	2.28%	1.84%	1.49%	1.08%	0.73%	0.38%
<b>Investment Grade Fixed Income Funds</b>										
iShares Short Treasury Bond ETF (SHV)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.20%	20.04%	30.85%	41.91%
iShares 1-3 Year Treasury Bond ETF (SHY)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.33%	22.26%	34.28%	38.10%
iShares Core U.S. Aggregate Bond ETF (AGG)	7.56%	13.75%	20.01%	26.68%	33.81%	40.60%	51.73%	25.11%	14.50%	8.69%
iShares 20+ Year Treasury Bond ETF (TLT)	1.51%	2.75%	4.00%	5.34%	6.77%	8.13%	2.15%	2.06%	0.00%	0.00%
iShares TIPS Bond ETF (TIP)	1.13%	2.06%	3.00%	4.00%	5.07%	6.09%	7.76%	3.76%	2.17%	1.30%

## iSHARES PORTFOLIOS

Underlying Fund (Ticker)	Diversified Equity Portfolio	Diversified Fixed Income Portfolio	Balanced Portfolio
<b>Domestic Equity Fund</b>			
iShares Core S&P Total U.S. Stock Market ETF (ITOT)	51.04%	0.00%	0.00%
<b>International Equity Fund</b>			
iShares Core MSCI Total International Stock ETF (IXUS)	38.96%	0.00%	0.00%
<b>Mixed Asset Fund</b>			
iShares Core Moderate Allocation ETF (AOM)	0.00%	0.00%	100.00%
<b>Alternative Investment Fund</b>			
iShares Cohen & Steers REIT ETF (ICF)	10.00%	0.00%	0.00%
<b>Investment Grade Fixed Income Funds</b>			
iShares Core U.S. Aggregate Bond ETF (AGG)	0.00%	36.15%	0.00%
iShares Short Treasury Bond ETF (SHV)	0.00%	19.31%	0.00%
iShares 1-3 Year Treasury Bond ETF (SHY)	0.00%	19.12%	0.00%
iShares TIPS Bond ETF (TIP)	0.00%	5.42%	0.00%
<b>Non-Investment Grade Fixed Income Fund</b>			
iShares iBoxx \$ High Yield Corporate Bond ETF (HYG)	0.00%	20.00%	0.00%

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

## iSHARES PORTFOLIOS

**Historical Investment Performance** — The following table summarizes the average annual total return after deducting ongoing Portfolio fees of each iShares Portfolio as of June 30, 2023. The \$25 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2012, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2012, returns would be less than those shown. Updated performance data will be available on the Internet at [www.nextgenforme.com](http://www.nextgenforme.com). Each iShares Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. **The performance data relating to the iShares Portfolios set forth below is for the limited time periods presented, is subject to the footnoted information, and is not indicative of the future performance of the iShares Portfolios.**

	Average Annual Total Return* as of June 30, 2023					
	1 Year	3 Years	5 Years	10 years	Since Inception	Inception Date
<b>Year of Enrollment Portfolios<sup>1</sup></b>						
iShares 2041 Enrollment Portfolio	12.69%	9.32%	7.29%	8.40%	8.96%	09/20/10
iShares 2038 Enrollment Portfolio	11%	7.64%	N/A	N/A	6.28%	10/28/19
iShares 2035 Enrollment Portfolio	9.48%	6.01%	5.80%	N/A	5.62%	10/30/17
iShares 2033 Enrollment Portfolio	7.94%	4.44%	5.15%	6.42%	7.11%	09/20/10
iShares 2029 Enrollment Portfolio	6.37%	2.88%	4.34%	5.39%	5.86%	09/20/10
iShares 2027 Enrollment Portfolio	5.94%	2.22%	3.86%	4.33%	4.71%	09/20/10
iShares 2026 Enrollment Portfolio	5.01%	1.51%	N/A	N/A	2.37%	10/28/19
iShares 2025 Enrollment Portfolio	4.37%	1.32%	2.80%	3%	3.25%	09/20/10
iShares 2024 Enrollment Portfolio	4.13%	1.13%	N/A	N/A	1.60%	10/28/19
iShares Enrolled Portfolio	3.66%	0.49%	1.47%	1.22%	1.19%	09/20/10
<b>Diversified Portfolios</b>						
iShares Diversified Equity Portfolio	13.56%	10.52%	7.56%	9.45%	10.22%	09/20/10
iShares Diversified Fixed Income Portfolio	1.62%	-1.19%	1.33%	1.51%	1.79%	09/20/10
<b>Single Fund Portfolios</b>						
iShares Balanced Portfolio	6.07%	2.30%	3.62%	N/A	3.63%	06/11/14
iShares MSCI USA ESG Select Portfolio	17.65%	13.17%	N/A	N/A	13.65%	10/28/19
iShares ESG Aware MSCI EAFE Portfolio	N/A	N/A	N/A	N/A	N/A	10/17/22
iShares ESG Aware MSCI EM Portfolio	N/A	N/A	N/A	N/A	N/A	10/17/22
iShares ESG Aware US Aggregate Bond Portfolio	N/A	N/A	N/A	N/A	N/A	10/17/22

<sup>1</sup> Effective October 23, 2023, the Year of Enrollment Portfolios changed their names, investment processes and investment strategies. Prior to such date, each Year of Enrollment Portfolio was an "age-based diversified portfolio" targeted to Designated Beneficiaries of a specified age group, and the asset allocation of the applicable Portfolio did not follow the "glide path" applicable to such Portfolio after such date. Performance for Year of Enrollment Portfolios for the periods prior to October 23, 2023 is based on the investment processes and investment applicable strategies of the Age-Based Diversified Portfolio that was renamed as the applicable Year of Enrollment Portfolio.

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

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

**U.S. Equities** — U.S. domiciled publicly traded common stocks.

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

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

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

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

**Principal Investment Strategies of the Underlying ETFs** — BFA uses a “passive” or indexing approach to achieve each Underlying ETF’s investment objective. Unlike many

investment companies, the Underlying ETFs do not try to “beat” the indexes they track and do not seek temporary defensive positions when markets decline or appear overvalued.

Indexing may eliminate the chance that an Underlying ETF will substantially outperform its Underlying Index but also may reduce some of the risks of active management, such as poor security selection. Factors such as the fees and expenses of an Underlying ETF, pricing differences, changes to an Underlying ETF and costs of complying with regulatory policies, may affect the Underlying ETF’s ability to achieve close correlation with its Underlying Index. Therefore, the return of an Underlying ETF that seeks to track an index may deviate from that of its Underlying Index. All Underlying ETFs may invest a portion of their assets in certain futures contracts, options, and swaps, as well as cash and cash equivalents, including shares of money market funds affiliated with BFA. For all Underlying ETFs, BFA uses a representative sampling indexing strategy.

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

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

**Investment Objective, Strategy and Policies** — The iShares Core S&P Total U.S. Stock Market ETF seeks to track the investment results of a broad-based index composed of U.S. equities. The Fund seeks to track the investment results of the S&P Total Market Index™ (TMI) (the “Underlying Index”), which is comprised of the common equities included in the S&P 500® and the S&P Completion Index™. The Underlying Index consists of all U.S. common equities listed on the New York Stock Exchange (including NYSE Arca, Inc. and NYSE American), the NASDAQ Global Select Market, the NASDAQ Select Market, the NASDAQ Capital Market, Cboe BZX, Cboe BYX, Cboe EDGA and Cboe EDGX, Inc. The securities in the Underlying Index are weighted based on the float-adjusted market value of their outstanding shares. Securities with higher float-adjusted market value have a larger representation in the Underlying Index. The S&P 500 measures the performance of the large-capitalization sector of the U.S. equity market. The S&P Completion Index measures the performance of the U.S. mid-, small- and micro-capitalization sector of the U.S. equity market excluding S&P 500 constituents. As of March 31, 2022, the S&P 500 and the S&P Completion Index included approximately 82% and 18%, respectively, of the market capitalization of the Underlying Index. The Underlying Index includes large-, mid-, small- and micro-capitalization companies and may change over time. As of March 31, 2022, a significant portion of the Underlying Index is represented by securities of companies in the financials and healthcare industries or sector. The components of the Underlying Index are likely to change over time.

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

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

**Principal Risks of Investing** — The Fund is subject to market risk and equity securities risk as well as the risks and special

considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

**iShares MSCI USA ESG Select ETF**

**Investment Objective, Strategy and Policies** — The iShares MSCI USA ESG Select ETF seeks to track the investment results of an index composed of U.S. companies that have positive environmental, social and governance (“ESG”) characteristics as identified by the index provider. The Fund seeks to track the investment results of the MSCI USA Extended ESG Select Index (the “Underlying Index”), which is an optimized index designed to maximize exposure to positive ESG characteristics, while exhibiting risk and return characteristics similar to the MSCI USA Index. As of April 30, 2022, the Underlying Index consisted of 183 securities included in the MSCI USA Index. MSCI Inc. (the “Index Provider” or “MSCI”) analyzes each eligible company’s ESG performance using proprietary ratings covering ESG and ethics criteria. The index methodology is designed so that companies with relatively high overall ratings have a higher representation in the Underlying Index than in the MSCI USA Index; and companies with relatively low overall ratings have a lower representation in the Underlying Index than in the MSCI USA Index. Exceptions may result from the Underlying Index’s objective of having risk and return characteristics similar to the MSCI USA Index. The Index Provider excludes securities of companies involved in the business of tobacco, alcohol, gambling, nuclear power and weapons, fossil fuel extraction, thermal coal power and unconventional oil and gas businesses (e.g., thermal coal extraction and generation or oil sands extraction), companies involved with conventional and controversial weapons, producers and major retailers of civilian firearms, as well as companies involved in very severe business controversies. The Index Provider defines a controversy as an instance or ongoing situation in which company operations and/or products allegedly have a negative environmental, social and/or governance impact. Each controversy case is assessed for the severity of its impact on society. The Index Provider generally classifies companies as “involved” in a particular business based on revenue or percentage of revenue thresholds (e.g., 10%) for certain products and activities in an excluded industry. The securities of certain companies will be excluded regardless of revenue measures (e.g., all companies involved in the manufacturing of controversial weapons are excluded). The Underlying Index includes large- and mid-capitalization companies and may change over time. As of April 30, 2022, a significant portion of the Underlying Index is represented by securities of companies in the technology industry or sector. The components of the Underlying Index are likely to change over time.

## DOMESTIC EQUITY FUNDS

The Fund generally invests at least 90% of its assets in securities of the Underlying Index and in depositary receipts representing securities of the Underlying Index. The Fund may invest the remainder of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index.

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

***Principal Risks of Investing*** — The Fund is subject to market risk, equity securities risk and ESG investment strategy risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

**iShares Core MSCI Total International Stock ETF**

**Investment Objective, Strategy and Policies** — The iShares Core MSCI Total International Stock ETF seeks to track the investment results of an index composed of large-, mid- and small-capitalization non-U.S. equities. The Fund seeks to track the investment results of the MSCI ACWI ex USA IMI (the “Underlying Index”), which is a free float-adjusted market capitalization index designed to measure the combined equity market performance of developed and emerging markets countries, excluding the U.S. As of July 31, 2022, the Underlying Index consisted of securities from companies in the following countries or regions: Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kuwait, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Peru, the Philippines, Poland, Portugal, Qatar, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the United Arab Emirates and the United Kingdom. As of July 31, 2022, the Underlying Index was composed of 6,670 securities. The Underlying Index includes large-, mid- and small-capitalization companies and may change over time. As of July 31, 2022, a significant portion of the Underlying Index is represented by securities of companies in the financials industry or sector. The components of the Underlying Index are likely to change over time.

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

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

**Principal Risks of Investing** — The Fund is subject to market risk, equity securities risk and non-U.S. securities risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

**iShares ESG Aware MSCI EAFE ETF**

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

The Fund seeks to track the investment results of the MSCI EAFE Extended ESG Focus Index (the “Underlying Index”), which has been developed by MSCI Inc. (the “Index Provider” or “MSCI”). The Underlying Index is an optimized index designed to reflect the equity performance of developed market companies (excluding the U.S. and Canada) that have favorable ESG characteristics (as determined by the Index Provider), while exhibiting risk and return characteristics similar to those of the MSCI EAFE Index (the “Parent Index”). The Index Provider begins with the Parent Index and excludes securities of companies involved in the business of tobacco, companies involved with controversial weapons, producers and retailers of civilian firearms, and companies involved in certain fossil fuels-related activity such as the production of thermal coal, thermal coal-based power generation and extraction of oil sands based on revenue or percentage of revenue thresholds for certain categories (e.g., \$20 million or 5%) and categorical exclusions for others (e.g., controversial weapons). The Index Provider also excludes companies that are directly involved in very severe ongoing business controversies (in each case as determined by the Index Provider), and then follows a quantitative process that is designed to determine optimal weights for securities to maximize exposure to securities of companies with higher ESG ratings, subject to maintaining risk and return characteristics similar to the Parent Index. For each industry, the Index Provider identifies key ESG issues that can lead to unexpected costs for companies in the medium to long term. The Index Provider then calculates the size of each company's exposure to each key issue based on the company's business segment and geographic risk and analyzes the extent to which companies have developed robust strategies and programs to manage ESG risks and opportunities. Using a sector-specific key issue weighting model, companies are rated and ranked in comparison to their industry peers. As of August 31, 2022, the Underlying Index consisted of securities from the following 21 developed market countries or regions: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom (the “U.K.”). The Underlying Index includes large- and mid-capitalization companies and may change over



time. As of August 31, 2021, a significant portion of the Underlying Index is represented by securities of companies in the financials and industrials industries or sectors. The components of the Underlying Index are likely to change over time.

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

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

**Principal Risks of Investing** — The Fund is subject to market risk, equity securities risk, non-U.S. securities risk and ESG investment strategy risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

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

**Investment Objective, Strategy and Policies** — The iShares ESG Aware MSCI EM ETF seeks to track the investment results of an index composed of large- and mid-capitalization emerging market equities that have positive environmental, social and governance ("ESG") characteristics as identified by the index provider while exhibiting risk and return characteristics similar to those of the parent index.

The Fund seeks to track the investment results of the MSCI Emerging Markets Extended ESG Focus Index (the "Underlying Index"), which has been developed by MSCI Inc. (the "Index Provider" or "MSCI"). The Underlying Index is an optimized equity index designed to reflect the equity performance of companies that have favorable ("ESG") characteristics (as determined by the Index Provider), while exhibiting risk and return characteristics similar to those of the MSCI Emerging Markets Index (the "Parent Index"). The Index Provider begins with the Parent Index and excludes securities of companies involved in the business of tobacco, companies involved with controversial weapons, producers and retailers of civilian firearms, companies involved in certain fossil fuels-related activity such as the production of thermal coal, thermal coal-based power generation and extraction of oil sands based on

revenue or percentage of revenue thresholds for certain categories (e.g. \$20 million or 5%) and categorical exclusions for others (e.g. controversial weapons). The Index Provider also excludes companies that are directly involved in very severe ongoing business controversies (in each case as determined by the Index Provider), and then follows a quantitative process that is designed to determine optimal weights for securities to maximize exposure to securities of companies with higher ESG ratings, subject to maintaining risk and return characteristics similar to the Parent Index. For each industry, the Index Provider identifies key ESG issues that can lead to unexpected costs for companies in the medium to long term. The Index Provider then calculates the size of each company's exposure to each key issue based on the company's business segment and geographic risk, and analyzes the extent to which companies have developed robust strategies and programs to manage ESG risks and opportunities. Using a sector-specific key issue weighting model, companies are rated and ranked in comparison to their industry peers. As of August 31, 2022, the Underlying Index consisted of securities from the following 23 countries: Brazil, Chile, China, Colombia, Czech Republic, Greece, Hungary, India, Indonesia, Kuwait, Malaysia, Mexico, Peru, the Philippines, Poland, Qatar, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and the United Arab Emirates. The Underlying Index includes large- and mid-capitalization companies and may change over time. As of August 31, 2022, a significant portion of the Underlying Index is represented by securities of companies in the financials and technology industries or sectors. The components of the Underlying Index are likely to change over time.

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

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

**Principal Risks of Investing** — The Fund is subject to market risk, equity securities risk, the risk of investing in emerging markets and ESG investment strategy risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

**iShares Core Moderate Allocation ETF**

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

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

The Fund is designed for investors seeking current income, some capital preservation and an opportunity for moderate to low capital appreciation. As of July 31, 2022, the Underlying Index included a fixed allocation of 40% of its assets in Underlying Funds that invest primarily in equity securities and 60% of its assets in Underlying Funds that invest primarily in bonds. As of July 31, 2022, the Fund invested approximately 37.17% of its assets in Underlying Funds that invest primarily in equity securities, 58.75% of its assets in Underlying Funds that invest primarily in bonds and the remainder of its assets in Underlying Funds that invest primarily in money market instruments.

As of July 31, 2022, the Fund invested in the iShares Core International Aggregate Bond ETF, iShares Core MSCI Emerging Markets ETF, iShares Core MSCI International Developed Markets ETF, iShares Core S&P 500 ETF, iShares Core S&P Mid-Cap ETF, iShares Core S&P Small-Cap ETF, iShares Core Total USD Bond Market ETF and money market funds advised by BFA or its affiliates. BFA may add, eliminate or replace any or all Underlying Funds at any time. As of July 31, 2022, a significant portion of the Underlying Index is represented by companies in the financials industry or sector and by U.S. treasury securities. The components of the Underlying Index are likely to change over time.

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

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

**Principal Risks of Investing** — The Fund is subject to market risk, affiliated fund risk, allocation risk, equity securities risk, and the risks of fixed income investments as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund’s prospectus.

**iShares Cohen & Steers REIT ETF**

**Investment Objective, Strategy and Policies** — The iShares Cohen & Steers REIT ETF seeks to track the investment results of an index composed of U.S. real estate investment trusts (“REITs”). The Fund seeks to track the investment results of the Cohen & Steers Realty Majors Index (the “Underlying Index”), which consists of 30 REITs. The objective of the Underlying Index is to represent relatively large and liquid REITs that may benefit from future consolidation and securitization of the U.S. real estate industry. REITs are selected for inclusion in the Underlying Index based on a review of several factors, including management, portfolio quality, capital structure, and sector and geographic diversification. Constituents must meet minimum market capitalization and trading volume requirements. The Underlying Index is weighted according to the total free float adjusted market value of each REIT’s outstanding shares and is adjusted quarterly so that no REIT represents more than 8% of the Underlying Index. As of April 30, 2022, a significant portion of the Underlying Index is represented by REITs. The components of the Underlying Index are likely to change over time.

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

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

**Principal Risks of Investing** — The Fund is subject to market risk, equity securities risk and real estate investment risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund’s prospectus.

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

**Investment Objective, Strategy and Policies** — The iShares Core U.S. REIT ETF seeks to track the investment results of an index composed of U.S. real estate equities. The Fund seeks to track the investment results of the FTSE Nareit Equity REITs Index (the “Underlying Index”), which measures the performance of U.S.-listed equity real estate investment trusts (“REITs”), excluding infrastructure REITs, mortgage REITs, and timber REITs. As of April 30, 2022, the Underlying Index is represented by the securities of 138 REITs, which invest in U.S. real estate markets and may invest in non-U.S. real estate markets. The components of the Underlying Index may change over time.

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

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

**Principal Risks of Investing** – The Fund is subject to market risk, equity securities risk and real estate investment risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund’s prospectus.

### **iShares 1-3 Year Treasury Bond ETF**

**Investment Objective, Strategy and Policies** — The iShares 1-3 Year Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between one and three years. The Fund seeks to track the investment results of the ICE® U.S. Treasury 1-3 Year Bond Index (the “Underlying Index”), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to one year and less than three years. As of February 28, 2023, there were 94 issues in the Underlying Index.

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

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

**Principal Risks of Investing** — The Fund is subject to the risks of fixed income securities and U.S. Treasury obligation risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

### **iShares 20+ Year Treasury Bond ETF**

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

of February 28, 2023, there were 40 issues in the Underlying Index.

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

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

**Principal Risks of Investing** — The Fund is subject to the risks of fixed income securities and U.S. Treasury obligation risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

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

**Investment Objective, Strategy and Policies** — The iShares Core U.S. Aggregate Bond ETF seeks to track the investment results of an index composed of the total U.S. investment-grade bond market. The Fund seeks to track the investment results of the Bloomberg U.S. Aggregate Bond Index (the “Underlying Index”), which measures the performance of the total U.S. investment-grade (as determined by Bloomberg Index Services Limited) bond market. As of February 28, 2023, there were 13,192 issues in the Underlying Index.

The Underlying Index includes investment-grade U.S. Treasury bonds, government-related bonds, corporate bonds, mortgage-backed pass-through securities (“MBS”), commercial mortgage-backed securities (“CMBS”) and asset-backed securities (“ABS”) that are publicly offered for sale in the U.S. As of February 28, 2023, a significant portion of the Underlying Index is represented by MBS and U.S. Treasury securities. The components of the Underlying Index are likely to change over time.

# BLACKROCK PORTFOLIOS

## INVESTMENT GRADE FIXED INCOME FUNDS

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

As of February 28, 2023, approximately 27.6% of the bonds represented in the Underlying Index were U.S. fixed-rate agency MBS. Such securities are issued by entities such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), and the Federal Home Loan Mortgage Corporation ("Freddie Mac") and are backed by pools of mortgages. Most transactions in fixed-rate MBS occur through standardized contracts for future delivery in which the exact mortgage pools to be delivered are not specified until a few days prior to settlement (to-be-announced ("TBA") transactions). The Fund may enter into such contracts on a regular basis. The Fund, pending settlement of such contracts, will invest its assets in high-quality, liquid short-term instruments, including shares of money market funds advised by BFA or its affiliates. The Fund will assume its pro rata share of the fees and expenses of any money market fund that it may invest in, in addition to the Fund's own fees and expenses. The Fund may also acquire interests in mortgage pools through means other than such standardized contracts for future delivery.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index and TBAs that have economic characteristics that are substantially identical to the economic characteristics of the component securities of the Underlying Index, and the Fund will invest at least 90% of its assets in fixed income securities of the types included in the Underlying Index that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index as well as in fixed income securities other than the types included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of

industries to approximately the same extent that the Underlying Index is concentrated.

**Principal Risks of Investing** — The Fund is subject to market risk and to the risks of fixed income investments as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

### iShares Short Treasury Bond ETF

**Investment Objective, Strategy and Policies** — The iShares Short Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities of one year or less. The Fund seeks to track the investment results of the ICE® Short US Treasury Securities Index (the "Underlying Index"), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of less than or equal to one year. Under normal circumstances, the Fund will seek to maintain a weighted average maturity of less than one year. Weighted average maturity is the U.S. dollar weighted average of the remaining term to maturity of the underlying securities in the Fund's portfolio. As of February 28, 2024, there were 104 components in the Underlying Index.

The Underlying Index is market value-weighted based on amounts outstanding of issuances consisting of publicly issued U.S. Treasury securities that have a remaining term to final maturity of less than or equal to one year as of the rebalance date and \$1 billion or more of outstanding face value, excluding amounts held by the Federal Reserve System Open Market Account. In addition, the securities in the Underlying Index must have a fixed coupon schedule and be denominated in U.S. dollars. Excluded from the Underlying Index are inflation-linked debt and zero-coupon bonds that have been stripped from coupon-paying bonds (e.g., Separate Trading of Registered Interest and Principal of Securities). However, the amounts outstanding of qualifying coupon securities in the Underlying Index are not reduced by any individual components of such securities (i.e., coupon or principal) that have been stripped after inclusion in the Underlying Index. The Underlying Index is rebalanced on the last calendar day of each month.

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

**INVESTMENT GRADE FIXED INCOME FUNDS**

**Principal Risks of Investing** — The Fund is subject to the risks of fixed income investments and U.S. Treasury obligations risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund’s prospectus.

**iShares TIPS Bond ETF**

**Investment Objective, Strategy and Policies** — The iShares TIPS Bond ETF seeks to track the investment results of an index composed of inflation-protected U.S. Treasury bonds. The Fund seeks to track the investment results of the ICE U.S. Treasury Inflation Linked Bond Index (the “Underlying Index”), which tracks the performance of inflation-protected public obligations of the U.S. Treasury, commonly known as “TIPS.” That have a remaining maturity of more than one year. TIPS are securities issued by the U.S. Treasury that are designed to provide inflation protection to investors. TIPS are income-generating instruments whose interest and principal payments are adjusted for inflation — a sustained increase in prices that erodes the purchasing power of money. The inflation adjustment, which is typically applied monthly to the principal of the bond, follows a designated inflation index, the Consumer Price Index (“CPI”), and TIPS’ principal payments are adjusted according to changes in the CPI. A fixed coupon rate is applied to the inflation-adjusted principal so that as inflation rises, both the principal value and the interest payments increase. This can provide investors with a hedge against inflation, as it helps preserve the purchasing power of an investment. Because of this inflation adjustment feature, inflation-protected bonds typically have lower yields than conventional fixed-rate bonds.

Qualifying securities must have more than one year remaining to final maturity as of the rebalancing date and at least \$300 million of outstanding face value, excluding amounts held by the Federal Reserve System Open Market Account (“SOMA”). In addition, the securities in the Underlying Index must have a fixed coupon schedule and must be denominated in U.S. dollars. Excluded from the Underlying Index are government agency debt with or without a government guarantee, securities issued or marketed primarily to retail investors, floating rate notes, cash management and Treasury bills, original issue zero coupon securities and Separate Trading of Registered Interest and Principal Securities (or “STRIPs”). However, the amounts outstanding of qualifying securities in the Underlying Index are not reduced by any portions of such securities that have been stripped after inclusion in the Underlying Index. Index constituents are market capitalization weighted based on amounts outstanding reduced by amounts held by the Federal Reserve SOMA. The Underlying Index is rebalanced on the last calendar day of each month.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index, and the Fund will invest at

least 90% of its assets in U.S. Treasury securities that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index.

**Principal Risks of Investing** — The Fund is subject to market risk, the risks of fixed income securities and TIPS securities risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund’s prospectus.

**iShares ESG Aware U.S. Aggregate Bond ETF**

**Investment Objective, Strategy and Policies** — The iShares ESG Aware U.S. Aggregate Bond ETF seeks to track the investment results of an index composed of U.S. dollar-denominated, investment-grade bonds from issuers generally evaluated for favorable environmental, social and governance practices while seeking to exhibit risk and return characteristics similar to those of the broad U.S. dollar-denominated investment-grade bond market.

The Fund seeks to track the investment results of the Bloomberg MSCI US Aggregate ESG Focus Index (the “Underlying Index”), which has been developed by Bloomberg Finance L.P. and its affiliates (the “Index Provider” or “Bloomberg”) with environmental, social and governance (“ESG”) rating inputs from MSCI ESG Research LLC (“MSCI ESG Research”) pursuant to an agreement between MSCI ESG Research and Bloomberg Index Services Limited (a subsidiary of Bloomberg) or an affiliate. The Underlying Index is an optimized fixed-income index designed to reflect the performance of U.S. dollar-denominated, investment-grade (as determined by the Index Provider) bonds from issuers generally evaluated for favorable ESG practices (as determined by MSCI ESG Research), and securities of entities without an MSCI ESG Research rating, while seeking to exhibit risk and return characteristics similar to those of the Bloomberg US Aggregate Bond Index (the “Parent Index”).

The Underlying Index includes investment-grade U.S. Treasury bonds, non-securitized government-related bonds (“government-related bonds”), corporate bonds, mortgage-backed pass-through securities (“MBS”), commercial mortgage-backed securities (“CMBS”) and asset-backed securities (“ABS”) that are publicly offered for sale in the U.S.

To construct the Underlying Index, the Index Provider begins with the Parent Index and replicates its U.S. Treasury bond, MBS, CMBS and ABS exposures. These exposures are preserved at the weights of the Parent Index and are not subject to the Index Provider’s optimization process, which is a

# BLACKROCK PORTFOLIOS

## INVESTMENT GRADE FIXED INCOME FUNDS

quantitative process that seeks to determine optimal weights for securities to maximize exposure to securities of entities with higher MSCI ESG Research ratings subject to seeking to maintain risk and return characteristics similar to the Parent Index. For the remaining constituents of the Parent Index (i.e., corporate bonds and government-related bonds), the Index Provider excludes securities of entities involved in the business of tobacco, entities involved with controversial weapons, producers and retailers of civilian firearms, companies involved in certain fossil fuels-related activity such as the production of thermal coal, thermal coal-based power generation and extraction of oil sands based on revenue or percentage of revenue thresholds for certain categories (e.g., \$20 million or 5%) and categorical exclusions for others (e.g., controversial weapons). The Index Provider also excludes entities involved in very severe business controversies (in each case as determined by MSCI ESG Research), and then follows the Index Provider's optimization process.

For each industry, MSCI ESG Research identifies key ESG issues that can lead to substantial costs or opportunities for entities (e.g., climate change, resource scarcity, demographic shifts). MSCI ESG Research then rates each entity's exposure to each key issue based on the entity's business segment and geographic risk and analyzes the extent to which entities have developed robust strategies and programs to manage ESG risks and opportunities. MSCI ESG Research scores entities based on both their risk exposure and risk management. To score well on a key issue, MSCI ESG Research assesses management practices, management performance (through demonstrated track record and other quantitative performance indicators), governance structures, and/or implications in controversies, which all may be taken as a proxy for overall management quality. Controversies, including, among other things, issues involving anticompetitive practices, toxic emissions and waste, and health and safety, occurring within the last three years lead to a deduction from the overall management score on each issue. Using a sector-specific key issue weighting model, entities are rated and ranked in comparison to their industry peers. Key issues and weights are reviewed at the end of each calendar year. Corporate governance is always weighted and analyzed for all entities.

The securities in the Underlying Index must have at least one year remaining to maturity, with the exception of amortizing securities such as ABS and MBS, which have lower thresholds as defined by the Index Provider. In addition, the securities in the Underlying Index must be denominated in U.S. dollars and must be fixed-rate and nonconvertible. Certain types of securities, such as state and local government series bonds, structured notes with embedded swaps or other special features, private placements (other than those offered pursuant to Rule 144A or Regulation S promulgated under the Securities Act of 1933, as amended (the "1933 Act")), floating rate

securities and bonds that have been issued in one country's currency but are traded outside of that country in a different monetary and regulatory system (e.g., Eurobonds), are excluded from the Underlying Index. The securities in the Underlying Index are updated on the last business day of each month.

As of February 28, 2023, bonds that are subject to the Index Provider's optimization process, which composed approximately 29.52% of the bonds in the Underlying Index, received an MSCI ESG Research weighted average score of 7.99 on a scale from 0 to 10, with 10 being the highest score. As of February 28, 2023, U.S. Treasury bonds, which composed approximately 40.75% of the bonds in the Underlying Index, received an MSCI ESG Research score of 7.99. As of February 28, 2023, there were 8,031 issues in the Underlying Index. As of February 28, 2022, a significant portion of the Underlying Index is represented by MBS and U.S. Treasury securities. The components of the Underlying Index are likely to change over time.

As of February 28, 2023, approximately 27.46% of the bonds in the Underlying Index were U.S. fixed-rate agency MBS. U.S. fixed-rate agency MBS are securities issued by entities such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), and the Federal Home Loan Mortgage Corporation ("Freddie Mac") and are backed by pools of mortgages. U.S. fixed-rate agency MBS exposure does not receive any MSCI ESG Research rating as the Index Provider believes that U.S. fixed-rate agency MBS exposure is neither additive nor decremental to the Underlying Index's ESG rating profile. As such, based on currently available data, the Index Provider believes U.S. fixed-rate agency MBS exposure is ESG neutral and not inconsistent with an ESG focused exposure. Most transactions in fixed-rate MBS occur through standardized contracts for future delivery in which the exact mortgage pools to be delivered are not specified until a few days prior to settlement (to-be-announced ("TBA") transactions). The Fund may enter into such contracts on a regular basis. The Fund, pending settlement of such contracts, will invest its assets in high-quality, liquid short-term instruments, including shares of money market funds advised by BFA or its affiliates. The Fund will assume its pro rata share of the fees and expenses of any money market fund that it may invest in, in addition to the Fund's own fees and expenses. The Fund may also acquire interests in mortgage pools through means other than such standardized contracts for future delivery.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of the Underlying Index (i.e., TBAs), and the Fund will invest at least 90% of its assets in fixed income

# BLACKROCK PORTFOLIOS

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## INVESTMENT GRADE FIXED INCOME FUNDS

securities of the types included in the Underlying Index that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options, and swaps contracts that BFA believes will help the Fund track the Underlying Index as well as in fixed income securities other than the types included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of

industries to approximately the same extent that the Underlying Index is concentrated.

***Principal Risks of Investing*** — The Fund is subject to market risk, the risks of fixed income securities and ESG investment strategy risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.



# BLACKROCK PORTFOLIOS

## NON-INVESTMENT GRADE FIXED INCOME FUND

### iShares iBoxx \$ High Yield Corporate Bond ETF

**Investment Objective, Strategy and Policies** — The iShares iBoxx \$ High Yield Corporate Bond ETF seeks to track the investment results of an index composed of U.S. dollar-denominated, high yield corporate bonds. The Fund seeks to track the investment results of the Markit iBoxx® USD Liquid High Yield Index (the “Underlying Index”), which is a rules-based index consisting of U.S. dollar-denominated, high yield (as determined by Markit Indices Limited (the “Index Provider” or “Markit”)) corporate bonds for sale in the U.S. There is no limit to the number of issues in the Underlying Index. As of February 28, 2023, the Underlying Index included approximately 1,175 constituents. As of February 28, 2023, a significant portion of the Underlying Index is represented by securities of companies in the consumer services industry or sector. The components of the Underlying Index are likely to change over time.

Bonds in the Underlying Index are selected from the universe of eligible bonds in the Markit iBoxx USD Corporate Bond Index using defined rules. As of June 30, 2023, the bonds eligible for inclusion in the Underlying Index include U.S. dollar-denominated high yield corporate bonds that: (i) are issued by companies domiciled in countries classified as developed markets by Markit; (ii) have an average rating of sub-investment grade (ratings from Fitch Ratings, Inc. (“Fitch”), Moody's Investors Service, Inc. (“Moody's”) or Standard & Poor's® Global Ratings, a subsidiary of S&P Global (“S&P Global

Ratings”) are considered; if more than one agency provides a rating, the average rating is attached to the bond); (iii) are from issuers with at least \$1 billion outstanding face value; (iv) have at least \$400 million of outstanding face value; (v) have an original maturity date of less than 15 years; (vi) have at least one year to maturity; and (vii) have at least one year and 6 months to maturity for new index insertions.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index, and the Fund will invest at least 90% of its assets in fixed income securities of the types included in the Underlying Index that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index as well as in fixed income securities other than the types included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index.

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

**Principal Risks of Investing** — The Fund is subject to market risk, the risks of fixed income investments, and high yield securities risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

The iShares ETFs are not sponsored, endorsed, issued, sold or promoted by Cohen & Steers Capital Management, Inc., Markit, MSCI Inc., S&P, ICE Data Indices, Bloomberg or Barclays. None of these companies make any representation regarding the advisability of investing in the Funds. None of BlackRock Institutional Trust Company, N.A., BlackRock Fund Advisors, or any of their affiliates, are affiliated with the companies listed above. iShares® is a registered trademark of BlackRock Fund Advisors and its affiliates.



## PRINCIPAL PLUS PORTFOLIO

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**Investment Objective, Strategy and Policies** — The Principal Plus Portfolio seeks to provide current income while maintaining stability of principal. The Principal Plus Portfolio is currently invested only in the New York Life GIA although it may also invest in corporate fixed income investments and/or similar instruments. The New York Life GIA provides a minimum rate of return on the amount invested (net of expenses) plus accrued interest. The Principal Plus Portfolio's investment objective is subject to change. There can be no assurance that the Principal Plus Portfolio's investment strategy will be successful.

Under the New York Life GIA in which the Principal Portfolio currently invests, which is issued to the Program by New York Life, New York Life guarantees the principal, accumulated interest and a future interest rate for a designated time period on amounts invested in the New York Life GIA. The guarantees available through such vehicles are made by the insurance company to the Program, not to an individual Participant. The New York Life GIA is not a registered mutual fund. None of FAME, the Program, the Direct Series Distributor, the Investment Manager or the Program Manager guarantee the principal, accumulated interest or the future interest rate. In addition, the principal, accumulated interest or future interest rate are not guaranteed by the FDIC or the federal government.

New York Life currently holds high financial strength ratings: Aaa from Moody's Investors Service, Inc., AA+ from Standard & Poor's Rating Group, A++ from A.M. Best, and AAA from Fitch.<sup>1</sup> The New York Life GIA offers a variable interest rate that is reset semi-annually on January 1 and July 1. The annualized net interest rate of the New York Life GIA is 2.65% as of July 1, 2023 through December 31, 2023 (after expenses of 0.15% associated with the New York Life GIA that are paid

to the Investment Manager and New York Life). The effective rate after December 31, 2023 may be obtained by contacting the Program Manager after such date. In no event will the declared effective annual interest rate, minus the deduction of expenses of the New York Life GIA, be less than 1.00%, which is the minimum guaranteed rate of the New York Life GIA. The returns of the Principal Plus Portfolio may be different than the interest rates offered by the New York Life GIA. New York Life's commitment to the Program is based solely on its ability to pay its obligations from its general account. The commitment to the Program is not secured by any collateral.

Certain limitations apply to the exchange of Units of the Principal Plus Portfolio for Units of the NextGen Savings Portfolio. See **Investment of Contributions – Investment Changes** on Page 17.

The Program Manager provides administrative services to the Principal Plus Portfolio and the Investment Manager monitors the creditworthiness of New York Life, the issuer of the New York Life GIA.

**Principal Risks of Investing** — The New York Life GIA in which the Principal Plus Portfolio invests is subject to the risks of an investment that is non-diversified, has no third-party guarantees, is subject to a failure to perform by the issuer, and termination by the issuer. Because an investment in the Principal Plus Portfolio is subject to ongoing expenses, if the return that the Principal Plus Portfolio earns on its investments fails to exceed such expenses, the value of an investment in the Principal Plus Portfolio will decline.

See "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS - Investment Risks of Principal Plus Portfolio Investments."

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<sup>1</sup> This information comes from individual third-party ratings reports as of 10/22/2022. None of Moody's, Standard and Poor's, A.M. Best or Fitch makes any representation regarding an investment in the Portfolio

## PRINCIPAL PLUS PORTFOLIO

**Historical Investment Performance — Principal Plus Portfolio** — The following table summarizes the average annual total return after deducting ongoing Portfolio fees of the Principal Plus Portfolio as of June 30, 2023. The \$25 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2012, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2012, returns would be less than those shown. Updated performance data will be available on the Internet at [www.nextgenforme.com](http://www.nextgenforme.com), or by calling (877) 4-NEXTGEN (463-9843). The Principal Plus Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. Although

the Principal Plus Portfolio is currently invested entirely in the New York Life GIA, the Principal Plus Portfolio's investments have changed over time. At various times since its inception, the Principal Plus Portfolio has been invested in a guaranteed investment contract, the Cash Allocation Account, and the Bank Deposit Account. The historical performance of the Principal Plus Portfolio has been affected by each of these investments. The performance data shown below represents past performance. Past performance is not a guarantee of future results. Investment returns and the principal value will fluctuate so that your Account, when redeemed, may be worth more or less than the amounts contributed to your Account.

<b>Average Annual Total Return* as of June 30, 2023</b>						
	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since Inception</b>	<b>Inception Date</b>
Principal Plus Portfolio	2.12%	2.03%	2.07%	1.73%	2.10%	04/30/07

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



## NEXTGEN SAVINGS PORTFOLIO

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**Investment Objective, Strategy and Policies** — The NextGen Savings Portfolio seeks the preservation of principal. The NextGen Savings Portfolio will deposit 100% of its assets in the Bank Deposit Account in which deposits are FDIC-insured, subject to applicable limitations.

That portion of the underlying deposits in the Bank Deposit Account attributable to a Participant's Units held in the NextGen Savings Portfolio, together with other deposits the Participant may have at the Bank, is eligible for FDIC insurance up to a standard maximum amount, currently set at \$250,000 for a single ownership account, in accordance with the FDIC rules. The applicable FDIC insurance limit depends on the ownership capacity in which the assets are held, and the relevant limit will be applied in the aggregate to all deposits held in a single ownership capacity at the same Bank. Deposits held in different ownership capacities, as provided in FDIC rules, are insured separately. UGMA/UTMA Accounts are generally treated as assets of the Designated Beneficiary, and other types of trust Accounts may be treated as assets of the trustee, for purposes of the FDIC limit. Custodians of UGMA/UTMA Accounts and trustees of trust Accounts should consider how these assets will be treated for purposes of the FDIC limit. For more information, please visit [www.fdic.gov](http://www.fdic.gov).

None of FAME, the Program, the Direct Series Distributor, the Investment Manager, the Program Manager or the Bank is

responsible for monitoring the aggregate amount of a Participant's assets on deposit at the Bank, including assets attributable to the Units held by the Participant in the NextGen Savings Portfolio to determine whether it exceeds the limit of available FDIC insurance. Participants are responsible for monitoring the total amount of their assets on deposit at the Bank (including amounts in other accounts at the Bank held in the same ownership capacity) in order to determine the extent of insurance coverage available on those deposits, including assets attributable to the Units held by the Participant in the NextGen Savings Portfolio. If a Participant's total assets on deposit at the Bank exceed the applicable FDIC limit, the FDIC will not insure such assets in excess of the limit.

A Participant will earn a rate of return on the money contributed to the NextGen Savings Portfolio. The NextGen Savings Portfolio's return, which is based on the interest rate paid by the Bank, will be posted on a monthly basis on [www.nextgenforme.com](http://www.nextgenforme.com). The rate of interest paid by the Bank will vary over time and can change daily without notice. Over any given period, the rate of interest may be lower than the rate of return on other deposit accounts offered by the Bank outside of the Program or deposit accounts offered by other banks. Interest is accrued daily, paid monthly, and will be reflected in the net asset value of the NextGen Savings Portfolio. Interest begins to accrue on the business day the funds are received by the Bank.

**Principal Risks of Investing** — The Portfolio is subject to interest rate risk, ownership risk, bank changes, bank viability risk and FDIC insurance risk.

## NEXTGEN SAVINGS PORTFOLIO

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**Historical Investment Performance — NextGen Savings Portfolio** — The following table summarizes the average annual total return of the NextGen Savings Portfolio as of June 30, 2023. There are currently no ongoing Portfolio fees or sales charges in the NextGen Savings Portfolio. The return of the NextGen Savings Portfolio is based on the interest rate paid by the Bank on the deposits in the NextGen Savings Portfolio Investment. The interest rate will vary over time at the Bank's discretion without notice. The Direct Series Distributor, Program Investment Manager, Program Manager and FAME do not

currently charge any fees for the NextGen Savings Portfolio, but reserve the right to do so in the future. Updated performance data will be available at [www.nextgenforme.com](http://www.nextgenforme.com). The performance data shown below represents past performance. Past performance is not a guarantee of future results. Performance may be substantially affected over time by changes in the allocations and/or investments in which each Portfolio invests. Investment returns and the principal value will fluctuate so that your Account, when redeemed, may be worth more or less than the amounts contributed to your Account.

<b>Average Annual Total Return* as of June 30, 2023</b>						
	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since Inception</b>	<b>Inception Date</b>
NextGen Savings Portfolio	2.59%	0.98%	1.12%	0.66%	0.60%	03/01/12

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



NEXTGEN 529®  
PARTICIPATION AGREEMENT

October 25, 2023

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# PARTICIPATION AGREEMENT

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## NextGen 529 Participation Agreement

THIS PARTICIPATION AGREEMENT contains the terms governing the Account to be established by you pursuant to the Maine Education Savings Program (“NextGen 529” or the “Program”) of the Finance Authority of Maine (“FAME”). The Program has been designed to qualify for treatment as a qualified tuition program within the meaning of Section 529 of the Internal Revenue Code of 1986, as amended (“Section 529 Program”). *By signing the NextGen 529 Account Application (the “Account Application”), you have agreed to be bound by the terms of the Program Description and this Participation Agreement.*

**1. Definitions.** In this Participation Agreement, the words “you,” “your,” or “Participant” mean the individual who, or entity on whose behalf an individual, has signed the Account Application. The term “Designated Beneficiary” means (i) the individual identified by you, or (ii) if you are a governmental entity or a tax-exempt organization described in section 501(c)(3) of the Code, the Designated Beneficiary is the individual or individuals named by you at the time you initiate a qualified withdrawal from the Account. The term “Direct Series Distributor” means BlackRock Investments, LLC or any successor distributor of Units of the Portfolios of the Client Direct Series of the Program. The term “Program Manager” means Vestwell State Savings, LLC or any successor program manager appointed by FAME. The term “Investment Manager” means BlackRock Advisors, LLC or any successor investment manager appointed by FAME. The term “Program Custodian” means The Bank of New York Mellon or any successor custodian appointed by FAME. The term “Recordkeeping Agent” means Merrill Lynch, Pierce, Fenner & Smith Incorporated or any successor recordkeeping agent appointed with FAME’s consent. The term “Act” means Chapter 417-E of Title 20-A of the Maine Revised Statutes Annotated of 1964, as amended. The term “Rule” means Chapter 611 of the Rules of FAME, as amended from time to time. Other capitalized terms used but not defined in this Participation Agreement shall have the same meaning as in the NextGen 529 Client Direct Series Program Description, as amended from time to time (the “Program Description”). Unless the context otherwise requires, the term “Agreement” shall include the Program Description, to the extent not inconsistent with this Participation Agreement.

**2. Contributions.** Contributions to your Account may be made by check or by electronic funds transfer acceptable to the Program. Rollover Contributions to your Account must be accompanied by a rollover

certification in a form approved by FAME and the Program Manager or Recordkeeping Agent. Individuals or entities other than you that contribute funds to your Account will have no subsequent control over the Contributions. Only you may direct transfers, rollovers, investment changes (as permitted under federal law), withdrawals and changes in the Designated Beneficiary.

(a) The minimum initial Contribution to an Account is \$25. An Account which is eligible to be linked to the Harold Alfond College Challenge Grant does not require an initial Contribution. If automatic, periodic Contributions are made through the Program’s AFS or through payroll direct deposit, no minimum initial Contribution amount is required to open an Account.

(b) Contributions with respect to all Accounts for the same Designated Beneficiary will not be permitted if they would cause the aggregate balance of all Accounts for the same Designated Beneficiary (regardless of Participant) to exceed the maximum amount periodically established by FAME as the maximum Account balance for a Designated Beneficiary. Any Excess Contribution will be returned by the Program to the Participant. FAME reserves the right to establish a minimum Account balance.

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

**3. Investment of Contributions.** Your Account will be established so that Contributions are automatically allocated to the Portfolio(s) selected on the Account Application. For each investment option selected, Contributions will automatically be invested in the designated investment option(s). State or local governmental entities or tax-exempt organizations described in section 501(c) (3) of the Code may

## PARTICIPATION AGREEMENT

designate a Diversified Portfolio, a Single Fund Portfolio, a Year of Enrollment Portfolio, the Principal Plus Portfolio, the NextGen Savings Portfolio, or any combination of Portfolios in which Contributions are to be invested. [FAME reserves the right, but is not obligated, to reassign investments in a Year of Enrollment Portfolio on the basis of the intended use specifically identified by you with respect to the current Designated Beneficiary (or as otherwise certified by you) if it receives satisfactory assurance that such reassignment would not disqualify the affected Accounts or the Program from treatment, for federal tax purposes, as a Section 529 Program.][~~delete?~~] Initial and subsequent Contributions to your Account will be invested in accordance with the Portfolio(s) selected, and allocations chosen, by you, as described in the Program Description, and Units of the Portfolio(s) (or any successor Portfolio(s)) selected will be allocated to your Account. Your Account will be separately maintained by the Recordkeeping Agent, but Contributions to your Account will be commingled with amounts credited to other Accounts for purposes of investment. Except to the extent permitted by federal tax law, you may not direct the investment of Contributions to your Account. You are the owner of all Contributions and all Program earnings credited to your Account under this Agreement. However, you understand and agree that you are not the owner of any Maine Matching Grant or Harold Alfond College Challenge Grant award designations and earnings thereon credited to your Account.

Notwithstanding anything in this Participation Agreement to the contrary, you understand and agree that if your Account is eligible to benefit from the Harold Alfond College Challenge Grant, and was not opened through Self-Directed Online Investing, and you did not select investment option(s) on the Account Application, any Contributions received with the Account Application, and/or future Contributions, will be allocated 100% to and invested in the iShares Year of Enrollment Portfolio (or the BlackRock Year of Enrollment Portfolio if the Account was opened prior to October 21, 2010) for the year in which the Designated Beneficiary will reach age 18, or if there is no Year of Enrollment Portfolio for such specific year, in the iShares Year of Enrollment Portfolio or, if applicable, BlackRock Year of Enrollment Portfolio for the closest year prior to the year in which the Designated Beneficiary will reach age 18, unless and until you direct differently in accordance with the Program procedures for making investment changes.

- 4. Withdrawals from Account.** Any amount you, your Designated Beneficiary or another person receives from your Account, as directed by you, is called a

“withdrawal.” Withdrawals will be made from your Account after (i) your verbal authorization confirmed via telephone; or (ii) your submission of a NextGen 529 Withdrawal Request Form (and any additional required documentation) or any other withdrawal form required by the Recordkeeping Agent and its acceptance by the Program. Rules and limitations on withdrawals are described in the Program Description under the section titled “PARTICIPATION AND ACCOUNTS.”

- 5. Change of Designated Beneficiary.** You may request that an individual who is a Member of the Family of your current Designated Beneficiary be substituted as your new Designated Beneficiary by submitting a Change of Designated Beneficiary Form (and any additional required documentation) to the Recordkeeping Agent. The change will be made upon the Program’s acceptance of the request
- 6. Fees and Expenses.** Certain fees (which may be rebated, reduced, waived or changed from time to time) will be charged against the assets of the Portfolios to provide for the costs of administration of the Program and the Accounts. These fees include fees of the Investment Manager, Direct Series Distributor and FAME, as more fully described in the Program Description. Accounts will indirectly bear expenses of the Underlying Funds in which the Portfolios invest. In addition, each Account will be subject to such other fees and charges (which may be rebated, reduced, waived or changed from time to time) as described in the Program Description. Ongoing Portfolio fees and other charges are subject to change at any time. Whole or fractional Units in your Account may be liquidated to pay any fees, expenses or liabilities owed to the Investment Manager, Direct Series Distributor or FAME.
- 7. Statements and Reports.** The Recordkeeping Agent will keep, or cause to be kept, accurate and detailed records of all transactions concerning your Account and will provide, or cause to be provided, periodic statements of your Account to you. The Recordkeeping Agent will not provide, or cause to be provided, statements to you if a prior statement or any other communication to you has been returned as undeliverable, until you provide updated information in the manner required by the Program. FAME and the Recordkeeping Agent will cause reports to be sent to you, the Internal Revenue Service and such other regulatory authorities as required by law. If you do not write to the Recordkeeping Agent to object to a statement or report within 60 days after it has been sent to you, you will be considered to have approved it and to have released FAME, the Recordkeeping Agent, the Program Custodian and the Program



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Manager from all responsibility for matters covered by the statement or report. You agree to provide all information that FAME, the Recordkeeping Agent or the Program Manager may need to comply with any legal statement or reporting requirements. You will continue to be responsible for filing your federal tax return and any other reports required of you by law.

**7A. UTMA/UGMA Accounts.** If you are the custodian of an Account opened under the Uniform Transfers to Minors Act (“UTMA”) or the Uniform Gifts to Minors Act (“UGMA”) as adopted by any jurisdiction, you agree to comply with all requirements of the applicable UTMA or UGMA law, including but not limited to the requirements that you (i) expend the UTMA or UGMA Account assets only for the use and benefit of the minor named on the Account (the “Minor”), and (ii) upon the earlier of the Minor’s attainment of the applicable termination age or the Minor’s death, transfer the UTMA or UGMA Account assets to the Minor or to the Minor’s estate. None of the Recordkeeping Agent, the Program Manager or FAME shall have any responsibility to make sure that you properly perform your duties as custodian.

You agree that once the Recordkeeping Agent has reason to believe that the Minor has reached the termination age under applicable law, the Recordkeeping Agent may, but is not obligated to, take any or all of the following actions with respect to the UTMA or UGMA Account without further consent from you: (i) limit transactions for the UTMA or UGMA Account to liquidating orders; (ii) prohibit further Contributions into the UTMA or UGMA Account; (iii) restrict withdrawals or transfers from the UTMA or UGMA Account other than to the Minor; (iv) communicate with the Minor or the Minor’s legal representative regarding the UTMA or UGMA Account including, but not limited to, providing periodic Account statements and tax statements to the Minor or Minor’s legal representative; (v) accept liquidating orders from the Minor; and deliver the UTMA or UGMA Account assets to the Minor.

**8. Participant’s Representations.** You represent as follows:

(a) You have received and read the most current version of the Program Description (including any applicable amendments thereto), have carefully reviewed the information it contains, and agree that its terms are incorporated into this Participation Agreement as if they were set forth herein.

(b) You have not relied on any representations or other information, whether oral or written, and whether made by any agent or representative of FAME, the Direct Series Distributor, the Program Manager, the Recordkeeping Agent, the Investment Manager or otherwise, other than as set forth in the Program Description (including any applicable amendments thereto) and in this Participation Agreement.

(c) You are opening this Account to provide funds for Qualified Higher Education Expenses of the Designated Beneficiary of the Account.

(d) **YOU UNDERSTAND THAT THE VALUE OF YOUR ACCOUNT MAY INCREASE OR DECREASE, BASED ON THE INVESTMENT PERFORMANCE OF THE PORTFOLIO(S) TO WHICH CONTRIBUTIONS TO YOUR ACCOUNT HAVE BEEN ALLOCATED, THAT THE VALUE OF YOUR ACCOUNT MAY BE MORE OR LESS THAN THE AMOUNT CONTRIBUTED TO YOUR ACCOUNT, AND THAT NO PERSON MAKES ANY GUARANTEE THAT YOU WILL NOT SUFFER A LOSS OF THE AMOUNT CONTRIBUTED TO THE ACCOUNT OR THAT THE VALUE OF YOUR ACCOUNT WILL BE ADEQUATE TO FUND ACTUAL QUALIFIED HIGHER EDUCATION EXPENSES.**

(e) You understand that: (i) all Portfolio asset allocation and investment decisions will be made by FAME; (ii) except to the extent permitted by federal law, you cannot direct the investment of any Contributions to your Account (or the earnings on Contributions); and (iii) each Portfolio will invest in Portfolio investments.

(f) You understand that: (i) the state(s) where you or your Designated Beneficiary reside or pay taxes may offer one or more direct sold, advisor/broker sold or prepaid tuition plans under Section 529 of the Code (each, an “In-State Plan”); and (ii) such In-State Plans may offer you state income tax or other benefits not available to you through the Program. The Program Description, this Participation Agreement, the Account Application, and the other forms approved for use in connection with the Program do not address taxes imposed by a state other than Maine, or the applicability of state or local taxes other than the Maine income tax to the Program, the Investment Fund, your participation in the Program, your investment in the Investment Fund or your Account

## PARTICIPATION AGREEMENT

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- (g) You have considered investing in an In-State Plan and consulted with your tax advisor regarding the state tax consequences of investing in the Program if realizing state or local income tax or other benefits is important to you.
- (h) You have considered: (i) the availability of alternative education savings and investment programs including other Section 529 Programs available through the Direct Series Distributor; (ii) the identity of the Direct Series Distributor, Investment Manager, Program Custodian, Program Manager and Recordkeeping Agent, and the contract term of the Direct Series Distributor, Investment Manager, Program Custodian and Program Manager; (iii) the impact an investment in the Program may have on eligibility for federal and state financial aid and non-educational benefits, such as Medicaid; (iv) the risks and other considerations of investing in the Program; (v) limitations on Contributions, withdrawals and transfers among the Portfolios; (vi) the Program's fees and expenses; and (vii) the federal, state and local estate and gift tax implications of investing in the Program.
- (i) You understand that: (i) the Program's investment options may not be suitable; and (ii) the Program may not be suitable, for all investors as a means of investing for Qualified Higher Education Expenses.
- (j) You understand that: (i) any Portfolio may at any time be merged, terminated, reorganized or cease accepting new Contributions, in FAME's sole discretion; (ii) any such action affecting a Portfolio may result in your Contributions being reinvested in a Portfolio different from the Portfolio in which your Contributions were originally invested, in FAME's sole discretion; and (iii) FAME and the Direct Series Distributor may at any time terminate or modify the Portfolio fee structures.
- (k) You understand that although you own interests in a Portfolio (Units), you do not have a direct beneficial interest in the Portfolio Investments held by that Portfolio, and therefore, you do not have the rights of an owner or shareholder of any mutual funds, exchange traded funds, separate accounts, or other instruments which may comprise the Portfolio Investments.
- (l) You understand that: (i) once a Contribution is made to an Account, your ability to withdraw funds without adverse tax consequences will be limited; (ii) the earnings portion of Non-Qualified Withdrawals may be subject to federal as well as state and/or local income taxes and potentially a 10% additional federal tax; and (iii) withdrawals may be subject to federal and state and/or local income tax withholding.
- (m) You understand that participation in the Program does not guarantee that any Designated Beneficiary: (i) will be accepted as a student by any educational institution or apprenticeship program; (ii) if accepted, will be permitted to continue as a student or in such program; (iii) will be treated as a state resident of any state for tuition purposes; (iv) will graduate from any educational institution or apprenticeship program; or (v) will receive any particular treatment under applicable state or federal financial aid programs.
- (n) You understand that FAME, the Program Manager or the Recordkeeping Agent may ask you to provide additional documentation that may be required by applicable law or the Rule, including anti-money laundering laws, in connection with your participation in the Program and you agree to promptly comply with any such requests for additional documents.
- (o) You have accurately and truthfully completed the Account Application and any other documentation that you have furnished or subsequently furnish in connection with the opening or maintenance of, or any withdrawals from, the Account.
- (p) You understand that any false statements made by you in connection with the opening of the Account or otherwise will be deemed to be unsworn falsification within the meaning of 17-A Maine Revised Statutes Annotated Section 453 and that FAME. The Program Manager and the Recordkeeping Agent may take such action as is permitted by the Act and the Rule, including termination and distribution of your Account.
- (q) You understand that purchases and sales of Units held in your Account may be confirmed to you on periodic Account statements in lieu of an immediate confirmation. Only the Participant, and persons designated by the Participant, will receive confirmation of Account transactions.
- (r) You understand that any Contributions credited to your Account will be deemed by FAME and the Program Manager to have been received from you and that Contributions by third parties may result in tax consequences to the Participant or the third party.

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- (s) You affirm that if you are entering into this Participation Agreement on behalf of a non-natural person, you have the authority to open your Account for the Designated Beneficiary.
- (t) You understand that, unless otherwise provided in a written agreement between you and FAME or the Direct Series Distributor or Investment Manager, no part of your participation in the Program will be considered the provision of an investment advisory service.
- (u) You understand that you should retain adequate records relating to withdrawals from the Account for your own tax reporting purposes.
- (v) You understand that if the person establishing the Account is a legal entity, in addition to the items set forth herein, the individual signing the Account Application and entering into this Participation Agreement for the entity represents and warrants that: (i) the entity may legally become, and thereafter be, the Participant; (ii) he or she is duly authorized to so act for the entity; (iii) the Program Description may not discuss tax consequences and other aspects of the Program of particular relevance to the entity and individuals having an interest therein; and (iv) the entity has consulted with and relied on a professional advisor, as deemed appropriate by the entity before becoming a Participant.
- (w) You understand that in order to help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an Account. When you open an Account, the Recordkeeping Agent and/or FAME will ask for your name, address, date of birth and other information that will allow the Recordkeeping Agent and FAME to identify you. The Recordkeeping Agent or FAME may also ask to see your driver's license or other identifying documents. You understand that you must also provide such additional documents and information regarding your identity as the Program Manager or the Recordkeeping Agent may from time to time request, as described in the Program Description.
- (x) You (i) are aware that the Program's investment options are offered in two separate series, each with its own sales charges, expense structure and investment options, and that some investment options may be offered in both series, (ii) are aware that the expenses associated with the Client Select Series (offered through a different program description) will generally be higher than those associated with the Client Direct Series (offered through this Program Description), and (iii) believe that the Client Direct Series is suitable for you.
- 9. Limitation on Liability.** You recognize that FAME, the Direct Series Distributor, Merrill, the Investment Manager, the Program Custodian and the Program Manager are relying upon your representations set forth in this Participation Agreement and the Account Application. You agree to repay FAME, the Direct Series Distributor, Merrill, the Investment Manager, the Program Custodian or the Program Manager, as applicable, for any liabilities or expenses they may incur as the result of any misstatement or misrepresentation made by you or your Designated Beneficiary, any breach by you or your Designated Beneficiary of the representations contained in this Participation Agreement or any breach by you or your Designated Beneficiary of this Participation Agreement, other than those arising out of FAME's or the applicable entity's failure to perform their duties specified in this Participation Agreement or the Program Description. All of your statements, representations, and agreements shall survive the termination of this Participation Agreement.
- 10. Duties of FAME, the Direct Series Distributor, the Investment Manager, the Program Custodian and the Program Manager.** None of FAME, the Direct Series Distributor, the Investment Manager, the Program Custodian, or the Program Manager have a duty to perform any action other than those specified in this Participation Agreement or the Program Description. FAME, the Direct Series Distributor, the Investment Manager, the Program Custodian and the Program Manager may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by you or another authorized person and may assume that the authority of any other authorized person continues in effect until they receive written notice to the contrary. None of FAME, the Direct Series Distributor, the Investment Manager, the Program Custodian or the Program Manager have any duty to determine or advise you of the investment, tax or other consequences of your actions, of their actions in following your directions, or of their failing to act in the absence of your directions.
- 11. Transfers and Assignments.** Transfers of an Account by you to another Participant may only be made in compliance with the Program Description and with applicable law. No Account may be used as

## PARTICIPATION AGREEMENT

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security for a loan, and any attempt to do so shall be void.

**12. Rules and Regulations.** The Account and this Agreement are subject to the Act and the Rule.

**13. Effectiveness of this Participation Agreement.** This Participation Agreement shall become effective upon the Recordkeeping Agent's acceptance of your Account Application on behalf of FAME, subject to FAME's right to reject your Account Application if, in processing the Account Application, it is determined that the Account Application has not been fully and properly completed.

**14. Amendment/Termination.** FAME may at any time: (i) amend the Program or this Participation Agreement (including, but not limited to, any amendment required for the Program to qualify for favorable federal tax treatment as a Section 529 Program) by giving written notice to you, which amendment shall be effective upon the date specified in the notice; or (ii) terminate the Program or this Participation Agreement or cause a distribution to be made from your Account to satisfy applicable laws, including anti-money laundering laws, by giving written notice to you. No provision of this Participation Agreement can be amended or waived except in writing signed by an authorized representative of FAME and the Program Manager. A termination of the Program or this Participation Agreement or such distribution from your Account by FAME may result in a Non-Qualified Withdrawal, unless certain exceptions apply, for which federal and state and/or local income tax on the earnings portion thereof and potentially a 10% additional federal tax may be assessed.

**15. Binding Nature.** This Participation Agreement shall be binding upon the parties and their respective heirs, successors, beneficiaries and permitted assigns. You agree that all of your representations and obligations under this Participation Agreement shall inure to the benefit of the Direct Series Distributor, the Investment Manager and the Program Manager as well as to FAME, all of which can rely upon and enforce your representations and obligations contained in this Participation Agreement.

**16. Communications.** Communications may be sent to you at your permanent address appearing on your Account Application or at such other permanent address as you give to the Program Manager or Recordkeeping Agent in writing. All communications so sent, whether by mail, facsimile, e-mail, messenger or otherwise, will be considered to have been given to you personally upon such sending, whether or not you

actually receive them. FAME and the Direct Series Distributor, the Investment Manager, the Program Manager and the Recordkeeping Agent, to the extent permitted by FAME, may direct mailings to you or your Designated Beneficiary regarding products or services other than the Program.

**16A. Communications by Electronic Delivery.** This provision applies only to Accounts established through Self-Directed Online Investing. Because Self-Directed Online Investing is intended to be a fully-electronic, Internet based service, all notices, statements, disclosures and other information regarding this service and your Account will be sent to you electronically via the Self-Directed Online Investing site and/or to your last-designated e-mail address. By establishing an Account through Self-Directed Online Investing, you are consenting to electronic delivery of these materials. However, the Program Manager, the Recordkeeping Agent and/or FAME may, in certain circumstances, send documents in paper form to your last-designated postal mailing address. It is your obligation to provide the Recordkeeping Agent with your most up-to-date e-mail and postal mailing addresses.

For electronic delivery you must have personal computer capability that supports high-level browser encryption and PDF file access, Internet access (at your cost) and an e-mail address. Consent for electronic delivery of documents covers all documents and disclosure required including but not limited to, the NextGen 529 Client Direct Series Program Description and Participation Agreement and all other agreements and disclosures required from time to time for services and features available with your Account, trade confirmations, Account statements, tax reporting statements, and other notices, alerts and communications concerning your Account. Electronic delivery consent remains effective until termination of your Account and may not be revoked unless you convert to an Account that does not require Internet access.

**17. Extraordinary Events.** FAME, the Direct Series Distributor, the Investment Manager, the Program Custodian, the Program Manager and the Recordkeeping Agent shall not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes or other conditions beyond their control.

**18. Severability.** If any provision of this Agreement is held to be invalid, illegal, void or unenforceable, by reason of any law, rule, administrative order, or judicial

## PARTICIPATION AGREEMENT

decision, such determination will not affect the validity of the remaining provisions of this Agreement

**19. Headings.** The heading of each provision of this Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.

**20. Governing Law.** THIS PARTICIPATION AGREEMENT WILL BE GOVERNED BY MAINE LAW, WITHOUT REGARD TO THE COMMUNITY PROPERTY LAWS OR CHOICE OF LAW RULES OF ANY STATE.

**21. Lawsuits Involving Your Account.** Except as to controversies arising between you or your Designated Beneficiary and FAME or the Direct Series Distributor, Investment Manager and/or Program Manager, FAME, the Direct Series Distributor, the Investment Manager, the Program Custodian and/or the Program Manager may apply to a court at any time for judicial settlement of any matter involving your Account. If FAME, the Direct Series Distributor, the Investment Manager or the Program Manager does so, they must give you or your Designated Beneficiary the opportunity to participate in the court proceeding, but they also can involve other persons. Any expense incurred by FAME, the Direct Series Distributor, the Investment Manager or the Program Manager in legal proceedings involving your Account, including attorney's fees and expenses, are chargeable to your Account and payable by you or your Designated Beneficiary if not paid from your Account.

**22. Disputes.** In the event of a dispute between you or your Designated Beneficiary and the chief executive officer of FAME, the dispute may be resolved in accordance with the procedures set forth in Section 15 of the Rule. You hereby submit (on behalf of yourself and your Designated Beneficiary) to exclusive jurisdiction of courts in Maine for all legal proceedings arising out of or relating to this Agreement. In any such proceeding, you (on behalf of yourself and your Designated Beneficiary) and FAME each agree to waive your rights to a trial by jury.

**23. Arbitration.** This Participation Agreement contains a predispute arbitration clause; by signing the Account Application you (on behalf of yourself and your Designated Beneficiary) agree as follows:

- You; your Designated Beneficiary and the Direct Series Distributor, the Recordkeeping Agent, the Investment Manager and the Program Manager (each, a "party") are giving up the right to sue each other in court,

including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.

- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

You agree (on behalf of yourself and your Designated Beneficiary) that all controversies that may arise between you or your Designated Beneficiary and the Direct Series Distributor, the Recordkeeping Agent, the Program Investment Manager and/or the Program Manager involving any transaction in your Accounts with the Program or the construction, performance or breach of this Participation Agreement shall be determined by arbitration.

Any arbitration with the Direct Series Distributor or Recordkeeping Agent pursuant to this provision shall be conducted only before the New York Stock Exchange, Inc., an arbitration facility provided by any other exchange of which the Direct Series Distributor or the Recordkeeping Agent is a member, or the Financial Industry Regulatory Authority, Inc. (FINRA), and in accordance with the respective arbitration rules then in effect in FINRA or such other exchange but if you fail to make such election by registered letter or telegram addressed to the Direct Series Distributor or the Recordkeeping Agent at the office where you maintain your Account before the expiration of five days after receipt of a written request from the

## PARTICIPATION AGREEMENT

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Direct Series Distributor or the Recordkeeping Agent to make such election, then Direct Series Distributor or the Recordkeeping Agent may make such election. Any arbitration with the Investment Manager or the Program Manager pursuant to this provision shall be conducted in New York, New York in accordance with the rules of the American Arbitration Association.

Judgment upon the award of the arbitrators may be entered in any court, state or federal, having jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) the customer is excluded from

the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Participation Agreement except to the extent stated herein.

October 25, 2023

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## VESTWELL STATE SAVINGS PRIVACY PRINCIPLES

**Purpose and Scope.** Vestwell Holdings Inc. and its subsidiaries (referred to as "Vestwell") are committed to protecting the privacy of End Users (as defined below) who visit websites it owns and operates or who access, use or register to use the Vestwell platform and any related applications and services, including services offered by its subsidiaries and affiliates (the "Vestwell Platform") (the Vestwell websites and the Vestwell Platform are referred to collectively as the "Sites"). Vestwell's privacy policy (the "Privacy Policy") explains what information is collected and why it is collected; how it uses that information; and the choices it offers, including how to update information collected from the End Users.

**How is Personal Information Defined?** "Personal Information" means any information or data collected or maintained for Vestwell's business purposes that (a) identifies an End User, including by name, signature, address, telephone number, or other unique identifier; (b) can be used to identify or authenticate an End User, including passwords, PINs, biometric data, unique identification numbers (e.g., social security numbers, EINs), answers to security questions or other personal identifiers, or (c) an account number or credit card number or debit card number, in combination with any required security code, access code, or password, that would permit access to an End User's retirement plan account.

**How Vestwell Uses the Information Collected.** Vestwell uses the information collected to provide the Services, including to verify identity and diagnose and remediate technical and service related issues. Vestwell may also use collected information for its own general business purposes, which may include, but is not limited to, helping it analyze, research, report on, and improve the Services; assessing the effectiveness of the Services; detecting, understanding and resolving any technical issues with the Sites or servicing End User accounts; or better serving its current and prospective clients' and investment advisors' needs with respect to products, services, and support. Vestwell may also use collected information for marketing communications, either directly or through a third party, in relation to existing or new services, for education information it thinks might benefit the End User, or for keeping End Users up to date on industry and regulatory information and trends. End Users may opt out of receiving these marketing communications at any time (see "Choice/Opt-Out" in the full Vestwell Privacy Policy below).

**Information Sharing and Disclosure.** Vestwell does not sell or rent Personal Information and only shares Personal Information with service providers or business partners under the following limited circumstances:

- With Plan Sponsors, Employers, payroll providers, or investment advisors associated with the End User's retirement plan or savings account;
- Vestwell subsidiaries and its service providers to carry out, improve, or maintain the Services to End Users. These may include vendors or subcontractors of Vestwell, such as hosting

and information technology providers, identity verification and fraud prevention services, data analytics, and customer support services. These providers may have access to Personal Information needed to perform their functions, but are contractually restricted from using such Personal Information for purposes other than providing services for Vestwell.

- When legally required to access, use, preserve, or disclose the information to satisfy any applicable law, regulation, legal process, or enforceable governmental request;
- To detect, prevent, or otherwise address security or technical issues involving the Sites or the Vestwell Platform;
- To protect against harm to the rights, property, or safety of Vestwell, its employees, End Users, or the public as required or permitted by law;
- To enforce the terms of Vestwell's service agreements; or
- Disclosure to federal, state or local regulators as required by applicable law.

**Information Security.** End Users' privacy matters to Vestwell and Vestwell works hard to protect it. Vestwell utilizes the following practices:

- Encrypting data on the Vestwell Platform;
- Enforcing password complexity standards for individuals to access their accounts on the Vestwell Platform;
- Reviewing information collection, storage, and processing practices, including physical security measures, to guard against unauthorized access to Vestwell's systems; and

Restricting access to Personal Information to Vestwell employees and trusted service providers who need to know that information to process it on Vestwell's behalf, so that the employee or trusted service provider can perform the Services, and who are subject to strict contractual confidentiality obligations and may be disciplined or terminated if violated.

Vestwell utilizes reasonable security technologies to protect Personal Information in accordance with industry and regulatory standards, which may include monitoring and recording transactions to help detect potential fraudulent activity, and utilizing encryption, two-factor authentication, automatic logout after a specified period of inactivity, or other controls to help protect End User's sensitive information.

**Compliance with state laws.** You may have privacy protections under applicable state laws, including those for California residents. To the extent such state laws apply, we will comply with them when we share information about you or the plan.

**How to contact Vestwell.** Your privacy matters to us. Vestwell welcomes your comments regarding these privacy principles and practices. If you have reason to believe that Vestwell has not adhered to this privacy statement, please contact us by email at [help@vestwell.com](mailto:help@vestwell.com) or contact us at Vestwell Holdings, Inc., Legal Department, 1410 Broadway, 23rd Floor, New York, NY 10018, (917) 979-5358. For the full Vestwell Privacy Policy, please review it here: <https://www.vestwell.com/privacy-policy>.



## BANK OF NEW YORK MELLON PRIVACY POLICY

The Bank of New York Mellon, and its affiliates, on behalf of FAME and the Program, may collect personal information from you to service and maintain your Program account(s) and process your transactions. This information may be collected when you initially enroll in the Program, complete Program documents/forms, utilize the Program's website, conduct Program transactions, or communicate with us or the Program.

We do not sell or rent your personally identifiable information to third parties. We share your information only (i) with our affiliates and service providers that have agreed to confidentiality restrictions and use any personal information solely for the purpose of providing the contracted service to us; and (ii) to comply with all applicable laws, regulations and rules, and requests of law enforcement, regulatory and other governmental agencies. Also, we may share in aggregate,

statistical form, non-personal information regarding the visitors to the Program website and our website, traffic patterns, and website usage with our partners or affiliates.

The Program website and our website may reference or provide links to third party websites (including social media bookmarking buttons that enable you to share certain content on the Program website and our website). We are not responsible for the third party websites, and you should review the terms of use, cookie policies and privacy policies posted on such sites. Please be aware that we do not control, nor are we responsible for, the privacy policies or information practices of third parties or their websites. When you use the third party links provided on the Program website or our website these third parties may collect personal information about you, or your online activities over time and across different websites.

## BLACKROCK PRIVACY PRINCIPLES

BlackRock Investments, LLC (together with its affiliates, "BlackRock") is committed to maintaining the privacy of Participants and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our website.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about Participants, except as permitted by law, or as is necessary to respond to regulatory requests or to service Accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your Account or to provide you with information about other BlackRock products or services that may be of interest to you, **provided neither we nor our affiliates will provide such**

**information to Participants or Program account beneficiaries who are Maine residents if their only relationship with us or our affiliates is through the Program.**

in addition, BlackRock restricts access to non-public personal information to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect non-public personal information, including procedures relating to the proper storage and disposal of such information.

Under certain circumstances, we share customer information with outside vendors who provide services to NextGen 529, such as financial institutions, fulfillment, mailing, market research and data processing vendors. In those cases, the firms with whom BlackRock does business will enter into confidentiality agreements, and the information is limited to

only what is necessary to generate mailings, process transactions, analyze operations and perform other services related to an Account. We also may share your Account information with your financial intermediary, if you have listed one on your Account.

In addition to the privacy policy above, BlackRock and its affiliates will not provide any information about their other products or services that may be of interest to Program Participants or beneficiaries who are Maine residents if BlackRock's only relationship with such Participants or beneficiaries is through the Program.

### **BANK OF AMERICA PRIVACY NOTICE (Applicable to Merrill)**

Account owners will receive the Bank of America U.S. Consumer Privacy Notice (the "Privacy Notice") at the time a NextGen 529 Account is opened and annually where required by law. The Privacy Notice describes Bank of America's policies applicable to U.S. consumers across a number of Bank of America companies. For Participants and Designated Beneficiaries who are Maine residents and have only a Program Account relationship with Merrill, no Bank of America company (as defined in the Privacy Notice), including but not limited to Merrill, will use Customer Information provided in connection with their Program Accounts to make non-Program direct marketing offers by postal mail, telephone and/or e-mail. Accordingly, no action is required by such Participants and Designated Beneficiaries in order to prevent direct

marketing offers from such Bank of America companies. If you are a Participant or a Designated Beneficiary who is a Maine resident that was introduced to the Program in connection with a relationship with a Merrill broker outside of the Program, your Merrill broker may make marketing offers to you as described in the Privacy Notice and other account documentation. You are encouraged to read the complete Privacy Notice as it contains other important information, including how Bank of America collects, manages and protects your Customer Information and what actions you can take. If you would like a copy of the Privacy Notice, please visit: the Privacy and Security Center on [www.ML.com](http://www.ML.com) or directly at <https://www.bankofamerica.com/security-center/consumer-privacy-notice/>. Alternatively, please call 1-888-341-5000.

# PRIVACY POLICY

## FINANCE AUTHORITY OF MAINE PRIVACY POLICY

FACTS	WHAT DOES THE FINANCE AUTHORITY OF MAINE (“FAME”) 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 we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• First name and last name</li> <li>• Date of birth</li> <li>• Date of death</li> <li>• Hospital of birth</li> <li>• Mailing address</li> <li>• Birth mother’s name, address, email address, and/or phone number</li> <li>• Mobile phone number</li> <li>• Email address</li> <li>• Social security number, Tax ID number or EIN</li> <li>• Employment information (including company name, address, and start date)</li> <li>• General financial information (such as annual income and household net worth)</li> <li>• Financial statements reflecting assets, income, and liabilities; tax returns</li> <li>• Account balances, contribution amounts, investments, and payment history</li> <li>• Credit history and credit scores</li> <li>• FAFSA filing status and information provided on or related to your FAFSA</li> <li>• Information about educational institutions you do or may attend</li> <li>• Information on race and/or gender that you may provide.</li> </ul>
<b>How?</b>	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons FAME chooses to share; and whether you can limit this sharing.

## PRIVACY POLICY

Reasons we can share your personal information	Does FAME share?	Can you limit this sharing?
<b>For our everyday business purposes —</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus or government agencies.	Yes	No
<b>For our marketing purposes —</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes —</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes —</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For non-affiliates to market to you</b>	Yes	Yes
<b>To limit our sharing</b>	<ul style="list-style-type: none"> <li>• Visit us online: <a href="http://FAMEmaine.com/privacyoptout">FAMEmaine.com/privacyoptout</a></li> <li>OR</li> <li>• Mail the form at the end of this notice</li> </ul> <p><b>Please note:</b> If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>	
<b>Questions?</b>	info@famemaine.com	

# PRIVACY POLICY

<b>Who we are</b>	
<b>Who is providing this notice?</b>	This notice is provided by The Finance Authority of Maine (FAME)
<b>What we do</b>	
<b>How does FAME protect my personal information?</b>	To protect your information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does FAME collect my personal information?</b>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• give us your contact information</li> <li>• give us your information for the purpose of enrolling in a college savings account</li> <li>• apply to open a college savings account</li> <li>• give us your information for the purpose of obtaining or refinancing a loan, grant, tax credit or loan repayment award</li> <li>• seek advice from us</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, public or government records, or other companies, including the Alford Scholarship Foundation, Vestwell State Savings, LLC, Merrill Lynch, Pierce, Fenner &amp; Smith, Inc. ("Merrill"), The Bank of New York Mellon, certain lending institutions, and certain educational institutions.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account—unless you tell us otherwise.

# PRIVACY POLICY

Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Our affiliates include FAME Leaders, Inc., and FAME Opportunities, Inc.</li> </ul>
<b>Non-affiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Non-affiliates we may share personal information with include: Merrill Lynch, Pierce, Fenner &amp; Smith, Inc. ("Merrill"), Vestwell State Savings, LLC, The Bank of New York Mellon, the Alford Scholarship Foundation, certain lending institutions, certain educational institutions, state or federal government agencies.</li> </ul>
<b>Joint marketing</b>	A formal agreement between non-affiliated financial companies that together market financial products or services to you.
Other important information	
<p><b>Information for California, North Dakota, and Vermont Residents:</b> In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.</p>	

-----CUT or TEAR-----



Mail-in Form to Limit Sharing	
Mark any/all you want to limit: <input type="checkbox"/> Do not share my personal information with non-affiliates to market their products and services to me.	
Name:	Mail to: Finance Authority of Maine P.O. Box 949 Augusta, ME 04332-0949
Account ID:	
Address:	
Apt. #:	
City, State, Zip:	
Phone Number:	

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**Program Administrator**

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**BlackRock**

Investment Manager



Program Manager



Recordkeeping Agent

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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Section 529 Qualified Tuition Programs are intended to be used only to save for qualified higher education expenses. None of the Finance Authority of Maine, the Direct Series Distributor, the Investment Manager, the Program Manager, the Program Custodian or the Recordkeeping Agent, nor any of their affiliates provide legal, tax or accounting advice. You should consult your own legal and/or tax advisors before making any financial decisions.