

**SUPPLEMENT DATED MAY 2024 TO THE  
COLLEGE SAVINGS IOWA 529 PLAN PROGRAM  
DESCRIPTION AND PRIVACY POLICIES DATED DECEMBER 2022**

The following information describes important changes and is supplemental to the College Savings Iowa 529 Plan Program Description and Privacy Policies ("Program Description") dated December 2022. Please keep this Supplement with your plan documents.

**REDUCTION IN TOTAL ANNUAL ASSET-BASED FEE**

Effective as of May 1, 2024, the total annual asset-based fee for each Portfolio will decrease from 0.18% to 0.17%. Accordingly, all references in the Program Description to the total annual asset-based fee will change from 0.18% to 0.17% beginning May 1, 2024 as described below.

*The following replaces the "Fees and Charges" section under the College Savings Iowa Highlights:*

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<b>Fees and Charges</b>	College Savings Iowa charges an annual asset-based fee of 0.17% (\$1.70 per \$1,000 invested) for each investment option.
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See **Part V. Costs of Investing**, page 18.

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*The following replaces the three paragraphs under the heading "Asset-Based Fee" on page 18 of the Program Description:*

Each Portfolio in College Savings Iowa is charged an annual asset-based fee of 0.17%. The asset-based fee incorporates a management fee (which includes the fees paid to Vanguard and Ascensus for their services to College Savings Iowa) and the annual fees and expenses of the Underlying Fund(s) in which each Portfolio invests. Therefore, if you invest in a Portfolio—i.e., own units issued by the Portfolio—you indirectly bear a pro rata share of the annual fees and expenses associated with the Underlying Fund(s), but your total annual asset-based fee remains 0.17%.

Neither the State of Iowa nor the state Treasurer's Office imposes any fees on the accounts in College Savings Iowa.

The table below shows the Total Annual Asset Based Fee as of May 1, 2024.

*The following replaces the table on page 18 of the Program Description:*

Portfolio	Estimated Underlying Fund Expenses*	Program Management Fee**	State Fee***	Total Annual Asset-Based Fee
Total International Stock Index Portfolio	0.08%	0.10%	—	0.17% <sup>+</sup>
Aggressive Growth Portfolio	0.04	0.13	—	0.17

Total Domestic Stock Index Portfolio	0.02	0.15	—	0.17
Blended Aggressive Growth Portfolio	0.04	0.13	—	0.17
Growth Portfolio	0.04	0.13	—	0.17
Blended Growth Portfolio	0.04	0.13	—	0.17
Moderate Growth Portfolio	0.04	0.13	—	0.17
Blended Moderate Growth Portfolio	0.04	0.13	—	0.17
Conservative Growth Portfolio	0.04	0.13	—	0.17
Blended Conservative Growth Portfolio	0.04	0.13	—	0.17
Income Portfolio	0.04	0.13	—	0.17
Blended Income Portfolio	0.04	0.13	—	0.17
Bond Index Portfolio	0.03	0.14	—	0.17
Conservative Income Portfolio****	0.03	0.14	—	0.17
Interest Accumulation Portfolio****	0.02	0.15	—	0.17

\* Estimated Underlying Fund Fees each Underlying Fund's expense ratio disclosed in its most recent prospectus as of February 29, 2024. Expenses for multiple-fund Portfolios represent a weighted average of the expenses of the Portfolio's Underlying Funds. The fees and expenses of the Underlying Funds may change. Underlying Fund Expenses include investment advisory fees and administrative and other expenses, which are paid to Vanguard, as applicable.

\*\* Vanguard and Ascensus have agreed to a specific formula for the allocation of the Program Management Fee.

\*\*\* The Trust does not charge an asset-based fee. Ascensus makes a payment to the Trust for costs related to the Program. This payment is not deducted from any Accounts.

\*\*\*\* The expense ratio of the Conservative Income Portfolio and the Interest Accumulation Portfolio may include a stable value wrap fee of between 0.15% and 0.17%, which could reduce the return of the Portfolio.

+ The sum of the Estimated Underlying Fund Expense and the Program Management Fee for Total International Stock Index Portfolio is greater than 0.17%; however, the actual amount charged to the Portfolio is the Total Annual Asset-Based Fee of 0.17%.

***The following replaces the paragraph entitled "Investment Cost Example" on page 19 of the Program Description:***

The following example is intended to help you compare the cost of investing in the Portfolios over different periods of time. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in a Portfolio. This example assumes that the Portfolio provides a return of 5% a year and that the Portfolio's annual asset-based fee of 0.17% remains the same. The results apply whether or not the investment is withdrawn at the end of the period, but they do not take into account any withdrawals that are nonqualified (defined in Part VII. Withdrawals) or otherwise subject to state or federal income taxes or to any penalties.

**Approximate Cost of a \$10,000 Investment**

1 Year	3 Years	5 Years	10 Years
\$17	\$55	\$96	\$217

**These examples do not represent actual expenses or performance from the past or for the future. Actual future expenses and performance may be higher or lower than what is shown or assumed. The table does not consider the impact of any potential state or federal taxes on the withdrawal.**

***The following replaces the information found under the heading “College Savings Iowa Could Change” found in the last paragraph on page 31 of the Program Description:***

The State of Iowa reserves the right, in its sole discretion, to discontinue College Savings Iowa or to change any aspect of the Plan. For example, changes could be made to the fees and charges; Portfolios could be added, removed or merged with other Portfolios; a Portfolio could be closed to new investors; or the Underlying Funds of a Portfolio could be changed. Depending on the nature of the change, a Participant could be required to participate, or be prohibited from participating, in the change with respect to accounts established before the change. Vanguard may not continue as investment manager, and Ascensus may not continue as recordkeeper, indefinitely. The Recordkeeping Services Agreement between Ascensus, Vanguard and the Trust expires May 12, 2028. The Savings Plan Services Agreement between Vanguard and the Trust also expires May 12, 2028. College Savings Iowa may hire new or additional entities in the future to manage all or part of College Savings Iowa.

**SUPPLEMENT DATED JANUARY 2024 TO THE  
COLLEGE SAVINGS IOWA 529 PLAN PROGRAM  
DESCRIPTION AND PRIVACY POLICIES DATED DECEMBER 2022**

The following information describes important changes and is supplemental to the College Savings Iowa 529 Plan Program Description and Privacy Policies ("Program Description") dated December 2022. Please keep this Supplement with your Plan documents.

**Iowa State Tax Deduction**

*The following replaces the content found in the fifth bullet in the "Tax Advantages" section of the College Savings Iowa Highlights, and the content found in the first paragraph under the heading "Iowa State Tax Considerations" on page 29, respectively, of the Program Description:*

- Iowa taxpayers who are Participants can deduct contributions of up to \$4,028 for 2024 (adjusted annually for inflation) per Beneficiary for Iowa state income tax purposes (subject to recapture in the event of a nonqualified withdrawal under Iowa law).

Iowa taxpayers who are Participants can deduct up to \$4,028 for 2024 (adjusted annually for inflation) of their contributions per Beneficiary, including rollovers, in determining their adjusted gross income for Iowa income tax purposes. This deduction applies to each Beneficiary account they own and contribute to. For example, married Participants who contribute to separate accounts on behalf of their two children can deduct up to \$16,112 (4 x \$4,028) in 2024.

**Gift Tax Exclusions**

*The following replaces the content found in the fourth bullet in the "Tax Advantages" section found in the "College Savings Iowa Highlights" of the Program Description:*

- No federal gift tax on contributions up to \$90,000 (single filers) and \$180,000 (married filing jointly) – prorated over five years.

*The following replaces the similar content found in the first paragraph under the heading "Federal Gift and Estate Tax Issues" on page 30 of the Program Description:*

Contributions (including certain rollover contributions) to your College Savings Iowa account generally are considered completed gifts to the Beneficiary and are eligible for the applicable annual exclusion from gift and generation-skipping transfer taxes (in 2024, \$18,000 for a single individual or \$36,000 for an electing married couple).

For example, for 2024 the maximum contribution that may be made using this rule would be \$90,000 for a single individual (or \$180,000 for an electing married couple). Once this election is made, if the contributor makes any additional gifts to the same Beneficiary in the same or the next four years, such gifts may be subject to gift or generation-skipping transfer taxes in the calendar year of the gift. However, any excess gifts can be applied against the contributor's lifetime gift-tax exclusion (\$13,610,000 for 2024).

## Federal Legislation Expands Use of 529 Plans

The SECURE 2.0 Act of 2022 (the “SECURE 2.0 Act”) was signed into federal law in December 2022. In addition to a number of significant retirement savings related enhancements, the SECURE 2.0 Act revises Section 529 of the Internal Revenue Code. Beginning January 1, 2024, rollovers will be permitted from a 529 plan account to a Roth IRA without incurring federal income tax or penalties, subject to the following conditions:

- The 529 plan account must be open for 15 or more years.
- Contributions and associated earnings that you transfer to the Roth IRA must be in the 529 plan account for more than 5 years.
- A lifetime maximum amount of \$35,000 per designated beneficiary may be rolled over from 529 plan accounts to Roth IRAs.
- 529 plan assets can only be rolled over into a Roth IRA maintained for the benefit of the designated beneficiary on the 529 Plan account.
- 529 plan assets must be sent directly in a trustee-to-trustee transfer to the Roth IRA.
- The Roth IRA contribution is subject to the Roth IRA contribution limit for the taxable year applicable to the designated beneficiary for all individual retirement plans maintained for the benefit of the designated beneficiary.

The IRS may issue guidance that may impact 529 plan account rollovers to Roth IRAs, including the above referenced conditions.

State law treatment of a Roth IRA rollover may differ from the federal tax treatment. At this time, Iowa law **has not changed** and a transfer of funds from a 529 plan to a Roth IRA is currently considered a nonqualified withdrawal under Iowa state law. Therefore, the transfer would be considered nonqualified for Iowa state income tax purposes and would be subject to recapture in most situations. Residents and taxpayers of other states should consider the tax treatments of their jurisdiction.

Participants and Beneficiaries should each consult a qualified financial professional or tax advisor regarding the applicability of these rollovers to their personal situations. You are responsible for determining the eligibility of a 529 plan to Roth IRA rollover including tracking and documenting the length of time the 529 plan account has been opened and the amount of assets in your 529 plan account eligible to be rolled into a Roth IRA. The taxpayer has the responsibility to maintain records to document the use of funds associated with this new provision. To request a rollover to a Roth IRA, please submit the appropriate form to the Plan.

## Opening and Transacting in an Account through a Financial Intermediary

*The following is added immediately following “6. Contribute to Your Account” in the section entitled “Part II. How to Enroll” on page 3 of the Program Description:*

### 7. Opening and Transacting in an Account through a Financial Intermediary

If you invest through a financial institution, such as an online investment advisor (often referred to a “robo-advisor”), or other financial intermediary that has direct access to the College Savings Iowa recordkeeping platform, you will be able to perform certain transactions directly through that financial institution’s portal by linking your College Savings Iowa account with your account held at the financial institution. To do so, you must consent and agree to authorize College Savings Iowa (the “Plan”) to allow the financial institution to access your Plan account, to share Plan account information with the financial institution, and to accept instructions from the financial institution to open a Plan account and/or perform transactions on your behalf. Your Plan account will always be held on the Plan’s recordkeeping system and you will always be able to access and transact in your account through the Plan’s website at any time. College Savings Iowa, at its discretion, may terminate the financial institution’s direct access to the Plan’s recordkeeping system.

When accessing and transacting in your account through your financial institution, there may be features, guidelines, conditions, services, and restrictions that may vary from those discussed in this Program Description. Depending on a particular financial institution’s policies, these differences may include but are not limited to: (i) minimum initial and subsequent contribution amounts; (ii) policies relating to banking instructions; (iii) policies and trade dates for contributions, including one-time EBT and recurring contributions, and payroll deduction; and (iv) hold periods on contributions. You should ask the financial institution for information on its specific policies and how they may impact your investment in the Plan. Additionally, the financial institution will receive a one-time, flat fee for each Plan account opened and funded through the financial institution. Although such compensation will not be borne by Participants, the receipt of this compensation may create a conflict of interest by influencing your financial institution to recommend an investment in the Plan over another investment. Ask your financial intermediary or visit its Web site for more information.

## Updated Average Annual Total Returns

*The following table replaces the table found under the second paragraph under “Portfolio Performance” on page 14 of the Program Description:*

**Average Annual Total Returns as of 9/30/2023**

Portfolio	Inception Date	1 Year	3 Years*	5 Years*	10 Years*	Since Inception
Total International Stock Index Portfolio	12/19/2011	20.42%	3.78%	2.66%	3.50%	5.37%
Aggressive Growth Portfolio	9/20/2001	20.42%	7.04%	6.44%	8.31%	7.64%
Total Domestic Stock Index Portfolio	12/19/2011	20.19%	9.10%	8.93%	11.07%	12.95%
Blended Aggressive Growth Portfolio	5/19/2017	18.38%	5.84%	5.89%	--	7.15%
Growth Portfolio	5/9/2001	16.38%	4.66%	5.31%	6.99%	5.87%
Blended Growth Portfolio	5/19/2017	14.24%	3.47%	4.71%	--	5.66%
Moderate Growth Portfolio	5/9/2001	12.36%	2.30%	4.13%	5.63%	5.33%
Blended Moderate Growth Portfolio	5/19/2017	10.41%	1.05%	3.45%	--	4.13%
Conservative Growth Portfolio	5/9/2001	8.42%	-0.18%	2.75%	4.15%	4.63%
Blended Conservative Growth Portfolio	5/19/2017	6.63%	-1.33%	2.14%	--	2.55%
Income Portfolio	5/9/2001	4.68%	-2.58%	1.41%	2.66%	3.85%
Blended Income Portfolio	5/19/2017	2.82%	-3.80%	0.68%	--	0.86%
Bond Index Portfolio	8/6/2003	0.60%	-5.34%	0.00%	0.95%	2.64%

Conservative Income Portfolio	8/6/2003	1.87%	-2.07%	0.96%	1.28%	2.48%
Interest Accumulation Portfolio	5/19/2017	2.27%	1.72%	1.98%	--	1.87%

\* Annualized

**The performance data shown are net of all fees and represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' Portfolio units, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com).**

# Program Description and Privacy Policies

COLLEGE SAVINGS







# Program Description and Privacy Policies

*Effective December 2022*

## College Savings Iowa Highlights

Goal of College Savings Iowa	Help individuals and families save to meet the costs of education expenses through a tax- advantaged investment plan sponsored by the State of Iowa and administered by Iowa State Treasurer.
Who's Who in College Savings Iowa	The State of Iowa sponsors College Savings Iowa, which is offered by the Iowa Educational Savings Plan Trust. Ascensus College Savings Recordkeeping Services, LLC ("Ascensus"), provides records- administration services for College Savings Iowa, and The Vanguard Group, Inc. ("Vanguard"), provides investment management services. See <b>Part I. Introduction—Important Terms to Know</b> , page 1.
Contact Information	Mail: College Savings Iowa P.O. Box 219219 Kansas City, MO 64121-9219  Website: CollegeSavingsIowa.com Email: CSI@collegesavingsiowa.com Toll-free phone: 888-672-9116
Eligibility (Participant)	College Savings Iowa is open to U.S. citizens or resident aliens who are at least 18 years old, have a Social Security number or other taxpayer identification number and have a valid U.S. street address, not just a post office box number. College Savings Iowa is also open to certain trusts and 501(c)(3) organizations.  See <b>Part II. How to Enroll</b> , page 2.
Beneficiary	The Beneficiary must be a U.S. citizen or resident alien with a Social Security number or other taxpayer identification number. You can change the Beneficiary or transfer a portion of the account to a different Beneficiary without adverse tax consequences, provided the new Beneficiary is a Member of the Family, as defined in Section 529, of the existing Beneficiary.  See <b>Part VIII. Other Account Information</b> , page 26.
Contributions	Initial Contribution: \$25 minimum (\$15 when investing through a payroll deduction plan). Additional Contributions: \$25 minimum (\$15 when investing through a payroll deduction plan).  Contributions may be made by anyone; however, only the Participant can determine how the assets are invested or used, and only the Participant is entitled to certain tax benefits.  See <b>Part VI. Contributions</b> , page 19.
Maximum Account Limit	Evaluated periodically by College Savings Iowa. The maximum account limit is currently \$420,000. Accounts that have reached the maximum account limit may continue to accrue earnings, but additional contributions are prohibited.  See <b>Part VI. Contributions—Contribution Minimums and Maximums</b> , page 20.
Investment Options and Performance	There are 14 different investment options, all managed by Vanguard: <ul style="list-style-type: none"><li>• Four Age-Based Savings Tracks.</li><li>• Ten Individual Portfolios.</li></ul> See <b>Part III. Investment Options</b> , page 3.

Risk Factors of College Savings Iowa	<p>Investing in College Savings Iowa involves certain risks, including (1) the possibility that you may lose money over short or even long periods, (2) the risk of federal and/or state tax law changes, (3) the risk of any College Savings Iowa changes, including changes in fees, and (4) the risk that contributions to a College Savings Iowa account may adversely affect the eligibility of the Beneficiary or the Participant for financial aid or other benefits.</p> <p>See <b>Part IV. Risks of Investing in the Portfolios</b>, page 16, and <b>Part X. Risks of Investing in College Savings Iowa</b>, page 31.</p>
Fees and Charges	<p>College Savings Iowa charges an annual asset-based fee of 0.18% (\$1.80 per \$1,000 invested) for each investment option.</p> <p>See <b>Part V. Costs of Investing</b>, page 18.</p>
Tax Advantages	<ul style="list-style-type: none"> <li>• Earnings accrue free from federal and Iowa income tax.</li> <li>• No federal or Iowa income tax on the earnings portion of qualified withdrawals. The earnings portion of nonqualified withdrawals is subject to federal income tax and a 10% federal penalty tax.</li> <li>• No Iowa income tax on withdrawals. Otherwise, depending on the state where you live or pay state income tax, your earnings may be subject to state income tax.</li> <li>• No federal gift tax on contributions up to \$85,000 (single filers) and \$170,000 (joint married filers)—prorated over five years.</li> <li>• Iowa taxpayers who are Participants can deduct contributions of up to \$3,785 for 2023 (adjusted annually for inflation) per Beneficiary for Iowa state income tax purposes (subject to recapture in the event of a nonqualified withdrawal under Iowa law).</li> </ul> <p>Contributions to a 529 savings plan are not deductible for federal income tax purposes.</p> <p>See <b>Part IX. Tax Treatment</b>, page 28.</p>
Qualified Withdrawals	<p>Qualified withdrawals from your account can be used to pay for tuition, room and board (with limitations), books, supplies, fees and equipment required for enrollment or attendance at any eligible educational institution in the United States or abroad, as well as computers or certain peripheral equipment, certain computer software or internet access and related services that are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an eligible educational institution. Qualified withdrawals can also be used for tuition expenses in connection with enrollment at an elementary or secondary public, private or religious school (“K–12 tuition”). Additionally, qualified withdrawals include (1) fees, books, supplies and equipment required for participation in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act (“Apprenticeship Expenses”), and (2) amounts paid as principal or interest on any qualified education loan of the Beneficiary or a sibling of the Beneficiary—provided the total amount that may be used from all accounts for repayment of loans of a Beneficiary may not exceed \$10,000 (“Loan Repayments”). You should consult your tax advisor for more information.</p> <p>See <b>Part VII. Withdrawals</b>, page 23.</p>
Account Control	<p>As a Participant, you can:</p> <ul style="list-style-type: none"> <li>• Retain control of how and when money is used.</li> <li>• Change the Beneficiary without paying federal income tax or a penalty if the new Beneficiary is a qualifying Member of the Family of the former Beneficiary.</li> <li>• Withdraw money from the account.</li> </ul> <p>See <b>Part VIII. Other Account Information</b>, page 26.</p>
Online Applications and Account Information	<ul style="list-style-type: none"> <li>• Participants may enroll online at <a href="https://CollegeSavingsIowa.com">CollegeSavingsIowa.com</a> or in paper format.</li> <li>• Participants may choose to receive periodic account statements, transaction confirmations and other personal correspondence online, rather than in paper format.</li> <li>• Participants may also process transactions, exchanges and withdrawals online, rather than in paper format.</li> </ul> <p>See <b>Part II. How to Enroll</b>, page 2.</p>
Privacy Policies	<p>All information you provide to College Savings Iowa is treated confidentially. College Savings Iowa and Ascensus have privacy policies for the benefit of Participants.</p> <p>See <b>Part XII. Privacy Policies</b>, page 35.</p>

# Program Description

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## Part I. Introduction

### General Information

College Savings Iowa is a Qualified Tuition Plan (defined in this document as a “529 plan”) organized under Iowa law in accordance with Section 529 of the Internal Revenue Code of 1986, as amended (defined in this document as “Section 529”), which means it is a tax-advantaged program intended to help an individual or family save for the cost of education.

Sponsored by the Office of the State Treasurer of Iowa and available to both residents and nonresidents of Iowa, College Savings Iowa is low-cost and offers a wide choice of investment options. Please review this document carefully and consult [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) for the most up-to-date information.

### Important Terms to Know

**Participant.** The person or entity who opens a College Savings Iowa account and who owns and controls the assets held in the account. References in this document to “you” mean you in your capacity as the Participant.

**Beneficiary.** The person designated by the Participant whose qualified education expenses may be paid (in whole or in part) using money from the account.

**College Savings Iowa.** An education savings program that is part of the Iowa Educational Savings Plan Trust (the “Trust”), a trust administered by the Iowa State Treasurer. When you invest in College Savings Iowa, you acquire an interest in the Trust; you are not the legal or beneficial owner of any mutual funds, stocks, bonds or cash instruments. College Savings Iowa has contracted with Vanguard to provide investment management and other services to College Savings Iowa and with Ascensus to provide records-administration services. “Vanguard” is used to refer collectively or individually, as the case requires, to The Vanguard Group, Inc. “Ascensus” is used to refer to Ascensus College Savings Recordkeeping Services, LLC.

Whether you plan to invest for the future education expenses of your child, grandchild, niece, nephew, friend or yourself, you can open an account and contribute to that Beneficiary’s future educational expenses. Neither you nor the Beneficiary need to be a resident of Iowa to participate in College Savings Iowa.

You can obtain any information referred to in this Program Description and manage your account by visiting the website, [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com), or by calling an education specialist at 888-672-9116.

### Important Considerations

**Investment Returns Are Not Guaranteed or Insured.** The value of your account will increase or decrease over time based on the performance of the investment options you select. At any given time, your account’s value may be less than the total amount contributed. An investment in College Savings Iowa is not insured or guaranteed by the State of Iowa, any instrumentality of the State (including College Savings Iowa), Vanguard, Ascensus, nor any of their affiliates or associated persons, or any other entity, nor do any of those persons ensure a particular level of investment return. An investment in College Savings Iowa is not a bank deposit and is not insured by the Federal Deposit Insurance Corporation or any other government agency.

**529 plans are intended to be used only to save for education expenses.** 529 plans are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. This Program Description is not intended to constitute, nor does it constitute, legal or tax advice. Taxpayers should seek tax advice from an independent financial, tax or other advisor for more information on the tax implications of investing in the Plan based on their own particular circumstances.

**State tax and other benefits:** If you are not an Iowa taxpayer, consider before investing whether your or the designated Beneficiary’s home state offers any state tax or other benefits that are only available for investments in such state’s qualified tuition program. Other state benefits may include financial aid, scholarship funds, and protection from creditors. Consult your financial, tax or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances.

**Keep in mind that state-based benefits should be one of many factors carefully considered when making an investment decision.**

**Other 529 plans sponsored by Iowa.** Iowa sponsors two investment programs through the Trust. College Savings Iowa, described in this Program Description, is available for investing directly without a financial advisor. The IAdvisor 529 Plan is sold through financial advisors and has different investment options, risks, fees and expenses. This Program Description is not intended for use in connection with accounts opened in the IAdvisor Plan. Please call 800-774-5127 or go to [iowaadvisor529.com](http://iowaadvisor529.com) for information and materials about the advisor plan.

## Part II. How to Enroll

*This section describes the quick and easy steps you follow to open a College Savings Iowa account for your Beneficiary and begin saving for his or her education.*

*Important Information About Opening New Accounts: College Savings Iowa is required by federal law to obtain from each person who opens an account certain personal information—including name, street address, Social Security number or other taxpayer identification number and date of birth, among other information—that will be used to verify his or her identity. If you do not provide this information, College Savings Iowa will not be able to open the account(s). If your identity cannot be verified, College Savings Iowa reserves the right to close your account(s) or take other steps it deems reasonable.*

### 1. Open an Account

The first step is to open an account by completing a Participant Agreement online at [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) or by mailing a completed and signed agreement to College Savings Iowa. To open an account, you must be a U.S. citizen or resident alien 18 years old or older and have a Social Security number or other taxpayer identification number. Also, you must provide a valid U.S. street address, not just a post office box number.

If you are opening an account as a trust, you must include copies of the pages of the trust agreement containing the name of the trust, the date of the trust and a listing of all trustees and their signatures. In addition, you must complete the Trustee Certification form.

If you are opening an account as an organization qualified under Section 501(c)(3) of the Internal Revenue Code, you must provide the tax identification number of the organization. In addition, you must provide (1) an incumbency certificate (identifying the officers authorized to sign on behalf of the organization); (2) a copy of the organization's 501(c)(3) letter issued by the IRS indicating they qualify under 501(c)(3); and (3) articles of incorporation with the state.

As the Participant, you own the account, and you control how the account assets are invested in College Savings Iowa's investment options and used. An account can have only one Participant, but you may name a Successor Participant who would take over control of the account if you die.

You must open a separate account for each Beneficiary. A Beneficiary can have multiple accounts established in his or her name by different Participants, but all accounts for the same Beneficiary will be used to determine compliance with the maximum account limit and the limits on the payment of K–12 tuition and Loan Repayments.

You can choose to open an account with the assistance of a financial advisor, who would generally charge a fee for

this service. You must consent and agree to authorize your financial advisor to access your account and perform certain transactions on your behalf on the appropriate form. You or College Savings Iowa and its authorized representatives, at their discretion, may terminate your financial advisor's authority to access your account.

### 2. Choose a Beneficiary

You must designate a Beneficiary for the account on the Participant Agreement. The Beneficiary must be a U.S. citizen or resident alien and have a Social Security number or other taxpayer identification number.

You may designate only one Beneficiary per account. Multiple people (for example, husband, wife, uncle, aunt, grandparent) may each establish an account for the same Beneficiary. You do not have to be related to the Beneficiary. For information on changing Beneficiaries, see **Part VIII. Other Account Information**.

### 3. Designate a Successor Participant

As Participant, you can designate a Successor Participant to succeed to all your rights, title and interest in an account (including the right to change the Beneficiary) upon your death. This designation can be made on the Participant Agreement when opening your account, or after opening an account by submitting the information online, by calling or by submitting an Account Information Change Form. See **Part VIII. Other Account Information—Designating a Successor Participant** for more information.

### 4. Choose a Trusted Contact

You can authorize the Plan to contact a person you trust and disclose to that person information about your account to address possible financial exploitation; to confirm the specifics of your current contact information, health status or the identity of any legal guardian, executor, trustee or holder of a power of attorney; or as otherwise permitted by law. You can choose to designate a trusted contact person by completing the Trusted Contact Person Form.

### 5. Select Your Investment Options

College Savings Iowa offers 14 investment options—four Age-Based Savings Tracks and ten Individual Portfolios. For each Beneficiary, you can allocate the contribution among a maximum of five investment options.

- You can choose from among four Age-Based Savings Tracks, in which your assets will be automatically exchanged from one Portfolio to another as the Beneficiary ages so the account holds more conservative investments as the Beneficiary approaches college age. Age-based options are designed for college savings and may not be appropriate for K–12 time horizons. If you're investing for K–12 goals, you may want to consider an asset mix made up of Individual Portfolios.

- You can choose from among ten Individual Portfolios, in which your assets will remain until you exchange them to a new investment option or withdraw them.

You can exchange from one investment option to another within an account twice per calendar year or whenever you change the account's Beneficiary. You can change the allocation of future contributions at any time. See **Part III. Investment Options—Changing Investment Options** for more information.

## 6. Contribute to Your Account

Your initial contribution (and additional contributions) can be made by check, electronic bank transfer (EBT), payroll deduction or recurring contribution (also known as an automatic investment plan or AIP) from the account at your financial institution. They also can be made through a rollover or transfer of assets you have in another 529 plan, a Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (UGMA/UTMA) custodial account, an education savings account or certain U.S. savings bonds issued after 1989. See **Part VI. Contributions** for more information.

## Part III. Investment Options

College Savings Iowa offers 14 investment options—four Age-Based Savings Tracks and ten Individual Portfolios. Whenever you contribute money to your account, you can allocate the contribution among a maximum of five investment options.

Regardless of how many investment options you select, you must allocate a minimum of 5% of your contribution to each.

For example, you could choose three investment options and allocate your contributions 60%—35%—5%.

No matter which option you choose, returns are not guaranteed and will fluctuate with market performance. As with any investment in securities, you can lose money by investing in College Savings Iowa.

**Important Note:** *The investment horizon for college investors is typically 1 to 22 years. Before you select your investment option(s), you should consider carefully your savings goal, the level of risk you are comfortable assuming, the length of time before your Beneficiary starts college and any other factors important to you. Please reference the **Tools & resources** link on [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) for more information to help you plan and save. During the withdrawal phase when the money is used to pay for qualified higher-education expenses, you may have less opportunity to recoup any investment losses experienced (resulting from a market downturn, for example). You should periodically assess and, if appropriate, adjust your investment choices with the same factors in mind.*

*The investment horizon for K–12 investors will typically be shorter than for college investors, and therefore age-based options may not be appropriate for K–12 investors.*

*Note also that none of the Age-Based Savings Tracks, the Individual Portfolios or Vanguard can offer any assurance that the recommended asset allocations will either maximize returns, minimize risk or be the appropriate allocation in all circumstances for every investor with a particular time horizon or risk tolerance.*

Each investment option invests in one or more mutual funds or Vanguard Short-Term Reserves Account (the Underlying Funds managed by Vanguard). Keep in mind that you will not own shares of the Underlying Funds. College Savings Iowa reserves the right to change, at any time and without prior notice, the Age-Based Savings Tracks, the Individual Portfolios or the Underlying Funds in which the Portfolios invest.

### Age-Based Savings Tracks

Designed for higher-education savings, College Savings Iowa offers four Age-Based Savings Tracks, which automatically shift from more aggressive to more conservative asset allocations as the Beneficiary approaches college age. Each track invests over time in a series of Portfolios. The particular Portfolio in which a savings track invests depends on the age of the Beneficiary. As the Beneficiary gets older, the Age-Based Savings Tracks shift from Portfolios with all or mostly stock funds to Portfolios with all or mostly bond funds and short-term reserves (other than the Aggressive Growth Age-Based Track, which has Portfolios that are predominantly invested in stock funds until the Beneficiary is 18 years old and that continue an investment in stock funds thereafter). Generally, this strategy is designed to provide the most exposure to the growth opportunities (and volatility) of stocks when the Beneficiary is younger, while focusing more on conserving principal as he or she approaches college age. College Savings Iowa will automatically exchange assets from one Portfolio to another as the Beneficiary ages. The exchange occurs during the month following the month of the Beneficiary's birth date.



























How quickly a track shifts from stock funds to bond funds and short-term reserves depends on the track you choose. The Aggressive Growth Age-Based Track is the most aggressive track, with a substantial investment in stock funds until the Beneficiary is 18, and a continuing allocation to stock funds thereafter. Accordingly, the Aggressive Growth Age-Based Track is best suited to investors who are willing to accept higher risk because of the potential for a higher return. Conversely, the Conservative Growth Age-Based Track is the most conservative track and is invested mostly in bond funds from the time a Beneficiary is 8. Accordingly, the Conservative Growth Age-Based Track is best suited to investors who are willing to forgo the potential for higher returns in exchange for potentially lower risk. The Growth



Age-Based Track and the Moderate Growth Age-Based Track provide investment options with risk/reward trade-offs that are expected to fall somewhere between those of the Aggressive Growth Age-Based Track and the Conservative Growth Age-Based Track. The Aggressive Growth, Growth, Moderate Growth, Conservative Growth, Income, Conservative Income and Interest Accumulation Portfolios are available for investment as an Individual Portfolio. In addition, you can also invest in the Total International Stock Index, Total Domestic Stock Index and Bond Index Portfolios as an Individual Portfolio.

For more information about these Portfolios, please see the Underlying Funds table and Investment Option Profiles in this section.

### Age-Based Savings Tracks

Age of Beneficiary	Aggressive Growth	Growth	Moderate Growth	Conservative Growth
0–5	 <b>Aggressive Growth Portfolio</b> 100% stocks	 <b>Aggressive Growth Portfolio</b> 100% stocks	 <b>Growth Portfolio</b> 80% stocks/20% bonds	 <b>Moderate Growth Portfolio</b> 60% stocks/40% bonds
6–7	 <b>Aggressive Growth Portfolio</b> 100% stocks	 <b>Blended Aggressive Growth Portfolio</b> 90% stocks/10% bonds	 <b>Blended Growth Portfolio</b> 70% stocks/30% bonds	 <b>Blended Moderate Growth Portfolio</b> 50% stocks/50% bonds
8–9	 <b>Aggressive Growth Portfolio</b> 100% stocks	 <b>Growth Portfolio</b> 80% stocks/20% bonds	 <b>Moderate Growth Portfolio</b> 60% stocks/40% bonds	 <b>Conservative Growth Portfolio</b> 40% stocks/60% bonds
10–11	 <b>Blended Aggressive Growth Portfolio</b> 90% stocks/10% bonds	 <b>Blended Growth Portfolio</b> 70% stocks/30% bonds	 <b>Blended Moderate Growth Portfolio</b> 50% stocks/50% bonds	 <b>Blended Conservative Growth Portfolio</b> 30% stocks/70% bonds
12–13	 <b>Growth Portfolio</b> 80% stocks/20% bonds	 <b>Moderate Growth Portfolio</b> 60% stocks/40% bonds	 <b>Conservative Growth Portfolio</b> 40% stocks/60% bonds	 <b>Income Portfolio</b> 20% stocks/80% bonds
14–15	 <b>Blended Growth Portfolio</b> 70% stocks/30% bonds	 <b>Blended Moderate Growth Portfolio</b> 50% stocks/50% bonds	 <b>Blended Conservative Growth Portfolio</b> 30% stocks/70% bonds	 <b>Blended Income Portfolio</b> 10% stocks/90% bonds
16–17	 <b>Moderate Growth Portfolio</b> 60% stocks/40% bonds	 <b>Conservative Growth Portfolio</b> 40% stocks/60% bonds	 <b>Income Portfolio</b> 20% stocks/80% bonds	 <b>Conservative Income Portfolio</b> 75% bonds/25% short-term reserves
18	 <b>Conservative Growth Portfolio</b> 40% stocks/60% bonds	 <b>Blended Conservative Growth Portfolio</b> 30% stocks/70% bonds	 <b>Blended Income Portfolio</b> 10% stocks/90% bonds	 <b>Conservative Income Portfolio</b> 75% bonds/25% short-term reserves
19+	 <b>Income Portfolio</b> 20% stocks/80% bonds	 <b>Conservative Income Portfolio</b> 75% bonds/25% short-term reserves	 <b>Interest Accumulation Portfolio</b> 100% short-term reserves	 <b>Interest Accumulation Portfolio</b> 100%

● Stocks ● Bonds ● Short-term reserves

## Individual Portfolios

Unlike the Age-Based Savings Tracks, which invest in different Portfolios over time as the Beneficiary ages, the ten Individual Portfolios remain fixed over time. If you choose to invest in a Portfolio that has a significant weighting in stock funds, you may want to consider investing in a more conservative Portfolio as the Beneficiary approaches the age at which you plan to use the funds.

The Portfolios invest in Vanguard funds, referred to as “Underlying Funds,” as shown in the following table.

The Individual Portfolios available for investing are:

- Total International Stock Index Portfolio
- Aggressive Growth Portfolio
- Total Domestic Stock Index Portfolio
- Growth Portfolio
- Moderate Growth Portfolio
- Conservative Growth Portfolio
- Income Portfolio
- Bond Index Portfolio
- Conservative Income Portfolio
- Interest Accumulation Portfolio

## Underlying Funds

Portfolio	Vanguard Total International Stock Index Fund	Vanguard Institutional Total Stock Market Index Fund	Vanguard Total Bond Market Index Fund	Vanguard Total Bond Market II Index Fund	Vanguard Total International Bond Index Fund	Vanguard Short-Term Inflation- Protected Securities Index Fund	Vanguard Short-Term Reserves Account
Total International Stock Index Portfolio (100% stocks)	100%	0%	0%	0%	0%	0%	0%
Aggressive Growth Portfolio (100% stocks)	40	60	0	0	0	0	0
Total Domestic Stock Index Portfolio (100% stocks)	0	100	0	0	0	0	0
Blended Aggressive Growth Portfolio* (90% stocks, 10% bonds)	36	54	0	7	3	0	0
Growth Portfolio (80% stocks, 20% bonds)	32	48	0	14	6	0	0
Blended Growth Portfolio* (70% stocks, 30% bonds)	28	42	0	21	9	0	0
Moderate Growth Portfolio (60% stocks, 40% bonds)	24	36	0	28	12	0	0
Blended Moderate Growth Portfolio* (50% stocks, 50% bonds)	20	30	0	35	15	0	0
Conservative Growth Portfolio (40% stocks, 60% bonds)	16	24	0	42	18	0	0
Blended Conservative Growth Portfolio* (30% stocks, 70% bonds)	12	18	0	49	21	0	0
Income Portfolio (20% stocks, 80% bonds)	8	12	0	56	24	0	0
Blended Income Portfolio* (10% stocks, 90% bonds)	4	6	0	63	27	0	0
Bond Index Portfolio (100% bonds)	0	0	100	0	0	0	0
Conservative Income Portfolio (75% bonds, 25% short-term reserves)	0	0	0	34.5	22.5	18	25
Interest Accumulation Portfolio (100% short-term reserves)	0	0	0	0	0	0	100

\*Not available as an Individual Portfolio.

For a more detailed description of the Portfolios, please see [Investment Option Profiles](#). For a more detailed description of the Underlying Funds in which the Portfolios invest, please see [Underlying Fund Summaries](#).

The descriptions in the **Investment Option Profiles** section provide information about the investment objectives, strategies, risks and past performance of the Portfolios.

For the most current information about the performance and price of each Portfolio, visit [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) or call an education specialist at 888-672-9116.

### Changing Investment Options

You can move assets within an account from one investment option to another—i.e., make an exchange— twice per calendar year. Portfolio shifts within an Age- Based Savings Track are not considered exchanges, but changing from one Age-Based Savings Track to another Age-Based Savings Track or to an Individual Portfolio is considered an exchange that would be limited to twice per calendar year. (This is not a College Savings Iowa rule, but a federal rule that applies to all 529 plans.) You can also make exchanges anytime you change the account's Beneficiary. You can exchange existing assets online, by completing and mailing the appropriate form or by phone at 888-672-9116. A request for an exchange of investment options must be received by College Savings Iowa prior to the close of trading on the New York Stock Exchange on the last business day of the year to qualify as one of the two exchanges permitted in that year. You can change the allocation of future contributions at any time.

Because you can make only two exchanges per year in an account, it is important that you select an investment option that will meet your tolerance for risk regardless of market conditions.

## Investment Option Profiles

### Total International Stock Index Portfolio



● 100% stocks

#### Objective

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

#### Strategy and Risks

The Portfolio invests in Vanguard Total International Stock Index Fund, which employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market- capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 7,100 stocks of companies located in 48 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

Because it invests entirely in an international stock mutual fund, the Portfolio is subject to stock market risk, investment style risk, country/regional risk, currency risk and emerging markets risk and derivatives risk.

See *Part IV* for an explanation of these risks.

### Aggressive Growth Portfolio



● 100% stocks

#### Objective

The Aggressive Growth Portfolio seeks to provide capital appreciation.

#### Strategy and Risks

The Portfolio invests in two Vanguard stock index funds in approximately the following proportions:

- |     |  |
|-----|--|
| 60% | Vanguard Institutional Total Stock Market Index Fund |
| 40% | Vanguard Total International Stock Index Fund        |

The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the total market capitalization of the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

Because it invests entirely in stock mutual funds, the Portfolio is subject to stock market risk, country/regional risk, currency risk, emerging markets risk, index sampling risk, investment style risk and derivatives risk.

See *Part IV. for an explanation of these risks.*

### Total Domestic Stock Index Portfolio



#### Objective

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

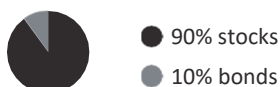
#### Strategy and Risks

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

Because it invests entirely in a stock mutual fund, the Portfolio is subject to stock market risk, index sampling risk and derivatives risk.

See *Part IV. for an explanation of these risks.*

### Blended Aggressive Growth Portfolio



#### Objective

The Blended Aggressive Growth Portfolio seeks to provide a high level of capital appreciation and low current income.

#### Strategy and Risks

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds in approximately the following proportions:

- 54% Vanguard Institutional Total Stock Market Index Fund
- 36% Vanguard Total International Stock Index Fund
- 7% Vanguard Total Bond Market II Index Fund
- 3% Vanguard Total International Bond Index Fund

The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the total market capitalization of the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-

cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

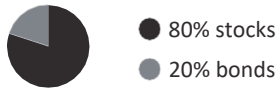
Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investments in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures.

The Portfolio is subject to stock market risk, interest rate risk, credit risk, income risk, call risk, prepayment risk and extension risk, country/regional risk, currency risk and emerging markets risk, index sampling risk, currency hedging risk, nondiversification risk and derivatives risk.

See *Part IV. for an explanation of these risks.*

## Growth Portfolio



### Objective

The Growth Portfolio seeks to provide a high level of capital appreciation and some current income.

### Strategy and Risks

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds in approximately the following proportions:

48%	Vanguard Institutional Total Stock Market Index Fund
32%	Vanguard Total International Stock Index Fund
14%	Vanguard Total Bond Market II Index Fund
6%	Vanguard Total International Bond Index Fund

The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the total market capitalization of the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

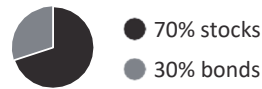
Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage- backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investments in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures.

The Portfolio is subject to stock market risk, interest rate risk, credit risk, income risk, call risk, prepayment risk and extension risk, country/regional risk, currency risk and emerging markets risk, index sampling risk, currency hedging risk, nondiversification risk and derivatives risk.

See *Part IV* for an explanation of these risks.

## Blended Growth Portfolio



### Objective

The Blended Growth Portfolio seeks to provide a moderate level of capital appreciation along with current income.

### Strategy and Risks

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds in approximately the following proportions:

42%	Vanguard Institutional Total Stock Market Index Fund
28%	Vanguard Total International Stock Index Fund
21%	Vanguard Total Bond Market II Index Fund
9%	Vanguard Total International Bond Index Fund

The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

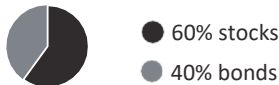
Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage- backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investments in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures.

Because it invests about 70% of its assets in stock mutual funds, the Portfolio is primarily subject to stock market risk. Approximately 30% of the Portfolio is invested in bond mutual funds, which means the Portfolio has moderate levels of interest rate risk, credit risk, income risk, call risk, prepayment risk and extension risk. In addition, the Portfolio has moderate levels of country/regional risk, currency risk and emerging markets risk, and low levels of index sampling risk, currency hedging risk, nondiversification risk and derivatives risk.

See *Part IV* for an explanation of these risks.

## Moderate Growth Portfolio



### Objective

The Moderate Growth Portfolio seeks to provide moderate levels of capital appreciation and current income.

### Strategy and Risks

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds in approximately the following proportions:

36%	Vanguard Institutional Total Stock Market Index Fund
24%	Vanguard Total International Stock Index Fund
28%	Vanguard Total Bond Market II Index Fund
12%	Vanguard Total International Bond Index Fund

The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investments in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures.

The Portfolio is subject to stock market risk, interest rate risk, credit risk, income risk, call risk, prepayment risk and extension risk, country/regional risk, currency risk and emerging markets risk, index sampling risk, currency hedging risk, nondiversification risk and derivatives risk.

See *Part IV*, for an explanation of these risks.

## Blended Moderate Growth Portfolio



### Objective

The Blended Moderate Growth Portfolio seeks to provide current income and capital appreciation.

### Strategy and Risks

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds in approximately the following proportions:

35%	Vanguard Total Bond Market II Index Fund
15%	Vanguard Total International Bond Index Fund
30%	Vanguard Institutional Total Stock Market Index Fund
20%	Vanguard Total International Stock Index Fund

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

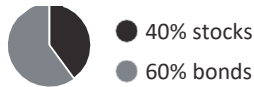
Through its investment in Vanguard Total International Bond Index Fund, the Portfolio indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investments in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures. The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

The Portfolio is subject interest rate risk, income risk, credit risk, call risk, prepayment risk, extension risk, stock market risk, country/regional risk, currency risk, emerging markets risk, index sampling risk, currency hedging risk, nondiversification risk and derivatives risk.

See *Part IV*, for an explanation of these risks.



## Conservative Growth Portfolio



### Objective

The Conservative Growth Portfolio seeks to provide moderate levels of current income and capital appreciation.

### Strategy and Risks

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds in approximately the following proportions:

42%	Vanguard Total Bond Market II Index Fund
18%	Vanguard Total International Bond Index Fund
24%	Vanguard Institutional Total Stock Market Index Fund
16%	Vanguard Total International Stock Index Fund

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

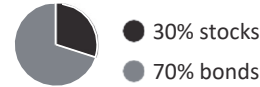
Through its investment in Vanguard Total International Bond Index Fund, the Portfolio indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investments in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures.

The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

The Portfolio is primarily subject to low to moderate levels of interest rate risk, income risk, credit risk, call risk, prepayment risk, extension risk, country/regional risk, currency risk, emerging markets risk, index sampling risk, currency hedging risk, nondiversification risk and derivatives risk.

See *Part IV* for an explanation of these risks.

## Blended Conservative Growth Portfolio



### Objective

The Blended Conservative Growth Portfolio seeks to provide a moderate level of current income along with capital appreciation.

### Strategy and Risks

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds in approximately the following proportions:

49%	Vanguard Total Bond Market II Index Fund
21%	Vanguard Total International Bond Index Fund
18%	Vanguard Institutional Total Stock Market Index Fund
12%	Vanguard Total International Stock Index Fund

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

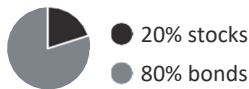
Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures.

The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

The Portfolio is subject to interest rate risk, income risk, credit risk, call risk, prepayment risk, extension risk, stock market risk, country/regional risk, currency risk, nondiversification risk, currency hedging risk, emerging markets risk, index sampling risk and derivatives risk.

See *Part IV* for an explanation of these risks.

## Income Portfolio



### Objective

The Income Portfolio seeks to provide a high level of current income and some capital appreciation.

### Strategy and Risks

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds in approximately the following proportions:

56%	Vanguard Total Bond Market II Index Fund
24%	Vanguard Total International Bond Index Fund
12%	Vanguard Institutional Total Stock Market Index Fund
8%	Vanguard Total International Stock Index Fund

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

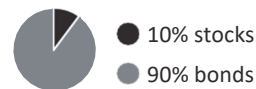
Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures.

The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

The Portfolio is subject to interest rate risk, income risk, credit risk, call risk, prepayment risk, extension risk, stock market risk, country/regional risk, currency risk, nondiversification risk, currency hedging risk, emerging markets risk, index sampling risk and derivatives risk.

See *Part IV*. for an explanation of these risks.

## Blended Income Portfolio



### Objective

The Blended Income Portfolio seeks to provide a high level of current income with low capital appreciation.

### Strategy and Risks

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds in approximately the following proportions:

63%	Vanguard Total Bond Market II Index Fund
27%	Vanguard Total International Bond Index Fund
6%	Vanguard Institutional Total Stock Market Index Fund
4%	Vanguard Total International Stock Index Fund

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures.

The Portfolio, through its investment in Vanguard Institutional Total Stock Market Index Fund, indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Fund's target index (the CRSP US Total Market Index). This Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small- and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. The Portfolio also indirectly invests in international stocks through its investment in Vanguard Total International Stock Index Fund.

The Portfolio is subject to interest rate risk, income risk, credit risk, call risk, prepayment risk, extension risk, stock market risk, country/regional risk, currency risk, nondiversification risk, currency hedging risk, emerging markets risk, index sampling risk and derivatives risk.

See *Part IV*. for an explanation of these risks.



## Bond Index Portfolio



### Objective

The Bond Index Portfolio seeks to track the performance of a broad, market-weighted bond index. In doing so, the Portfolio seeks to provide income.

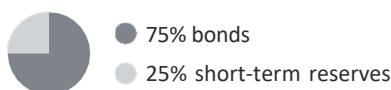
### Strategy and Risks

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

Because it invests entirely in a bond mutual fund, the Portfolio is subject to interest rate risk, income risk, call risk, prepayment risk, extension risk, credit risk, index sampling risk and derivatives risk.

See *Part IV* for an explanation of these risks.

## Conservative Income Portfolio



### Objective

The Conservative Income Portfolio seeks to provide a high level of current income.

### Strategy and Risks

The Portfolio invests in three Vanguard bond funds and one Vanguard short-term reserves account, resulting in an allocation of 75% of its assets to investment-grade bonds and 25% of its assets to short-term investments. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

34.5%	Vanguard Total Bond Market II Index Fund
18%	Vanguard Short-Term Inflation-Protected Securities Index Fund
22.5%	Vanguard Total International Bond Index Fund
25%	Vanguard Short-Term Reserves Account

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in

terms of key risk factors and other characteristics. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Short-Term Inflation-Protected Securities Index Fund, the Portfolio indirectly invests in inflation-indexed bonds issued by the U.S. government and its agencies and instrumentalities. The Fund's target index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio indirectly invests in government, government agency, corporate and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize the currency risk associated with investments in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its currency exposures.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, synthetic investment contracts (SICs) and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. Vanguard Federal Money Market Fund invests in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. For more information about Vanguard Short-Term Reserves Account, please see the **Interest Accumulation Portfolio** profile.

**Note:** The Conservative Income Portfolio invests in Vanguard Short-Term Reserves Account, which in turn invests in Vanguard Federal Money Market Fund. The Short-Term Reserves Account could lose money by investing in the Federal Money Market Fund. Although the Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it cannot guarantee it will do so. An investment in the Federal Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Federal Money Market Fund's sponsor has no legal obligation to provide financial support to the Federal Money Market Fund, and investors should not expect that the sponsor will provide financial support to the Federal Money Market Fund at any time.

Because it invests mainly in bond funds, the Portfolio is subject to income fluctuation risk, interest rate risk, credit risk, income risk, call risk, prepayment risk, extension risk, country/regional risk, nondiversification risk, currency hedging risk and index sampling risk.

See *Part IV* for an explanation of these risks.

## Interest Accumulation Portfolio



100% short-term reserves

### Objective

The Interest Accumulation Portfolio seeks income consistent with the preservation of principal.

### Strategy and Risks

The Portfolio directs all its assets into Vanguard Short-Term Reserves Account, through which the Portfolio indirectly owns funding agreements (traditional and separate account), SICs and shares of Vanguard Federal Money Market Fund. Funding agreements and SICs are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. Traditional funding agreements generally pay interest at a fixed interest rate and have fixed maturity dates that normally range from 2 to 5 years.

Separate account funding agreements and SICs pay a variable interest rate and have an average duration range between 2 and 5 years. Investments in either new funding agreements or SICs are based on available liquidity in the Portfolio and the competitiveness of offered yields, based on market conditions and trends. The Short-Term Reserves Account also purchases shares of the Federal Money Market Fund to meet normal liquidity needs.

The total amount invested in the Federal Money Market Fund is expected to range between 0% and 25%. The Federal Money Market Fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high-quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity and credit quality. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

The performance of the Interest Accumulation Portfolio will reflect the blended earnings of the funding agreements, SICs and Federal Money Market Fund shares held by the Portfolio (minus the Portfolio's expenses).

The Portfolio has a longer average maturity than money market funds, which should result in higher yields when interest rates are stable or declining. However, because only a portion of the Portfolio's investment matures each year, its yield will change more slowly than that of a money market fund. As a result, when interest rates are rising, the Portfolio's yield may fall below money market funds' yields for an extended period. The Portfolio may, from time to time, invest all or a significant portion of its assets in the Federal Money Market Fund.

**Note:** *The Interest Accumulation Portfolio invests in Vanguard Short-Term Reserves Account, which in turn invests in Vanguard Federal Money Market Fund. The Short-Term Reserves Account could lose money by investing in the Federal Money Market Fund. Although the Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it cannot guarantee it will do so. An investment in the Federal Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Federal Money Market Fund's sponsor has no legal obligation to provide financial support to the Federal Money Market Fund, and investors should not expect that the sponsor will provide financial support to the Federal Money Market Fund at any time.*

The Portfolio is subject to income risk, manager risk and credit risk. Traditional funding agreements are backed by the financial strength of the insurance companies that issue the contracts. Every effort is made to select high-quality insurance companies. However, the Portfolio may lose value if an insurance company is unable to make interest or principal payments when due.

Separate account funding agreements and SICs are issued by banks, insurance companies and other issuers and are designed to provide a stable asset value. However, unlike traditional funding agreements, they are supported by a diversified portfolio of high-quality fixed income assets and mutual funds as well as the financial strength of the issuing institution. Returns earned vary with the performance of the underlying fixed income assets or mutual funds. SICs are also called "alternative investment contracts" or "wrapped bond contracts."

See **Part IV** for an explanation of these risks.

## Portfolio Performance

Keep in mind that the performance of the Portfolios will differ from the performance of the Underlying Funds, even in circumstances in which a Portfolio invests in a single Underlying Fund. This is primarily because of differences in expense ratios and differences in the trade dates of Portfolio purchases. Because the Portfolios have higher expense ratios than the Underlying Funds, over comparable periods, all other things being equal, a Portfolio would have lower performance than its comparable Underlying Fund. (Of course, investing in the Underlying Funds does not offer the same tax advantages as investing in the Portfolios.)

When you invest in a Portfolio, you will receive Portfolio units as of the trade date. The Portfolio will use your money to purchase shares of an Underlying Fund. However, the trade

date for the Portfolio's purchase of the Underlying Fund's shares typically will be one business day after the trade date for your purchase of Portfolio units. Depending on the amount of cash flow into or out of the Portfolio and whether the Underlying Fund is going up or down in value, this timing difference will cause the Portfolio's performance either to trail or exceed the Underlying Fund's performance. If you are invested in an Age-Based Savings Track, the assets in the Portfolio in which you are currently invested ("Current Portfolio") will automatically transfer to other Portfolios as the Beneficiary ages. Accordingly, your assets in your Current Portfolio may not have been invested in the Current Portfolio for all or a portion of the period reported in the performance table shown below. Thus, your personal performance may be different than the performance for a Portfolio as shown below.

Average Annual Total Returns as of September 30, 2022

Portfolio	Inception Date	1 Year	3 Years*	5 Years*	10 Years*	Since Inception
Total International Stock Index Portfolio	12/19/2011	-25.30%	-1.27%	-0.79%	3.19%	4.07%
Aggressive Growth Portfolio	9/20/2001	-21.02	3.94	4.70	8.28	7.07
Total Domestic Stock Index Portfolio	12/19/2011	-18.11	7.48	8.42	11.17	12.30
Blended Aggressive Growth Portfolio	5/19/2017	-20.26	3.28	4.32	---	5.17
Growth Portfolio	5/9/2001	-19.57	2.58	3.88	6.91	5.40
Blended Growth Portfolio	5/19/2017	-18.81	1.92	3.43	---	4.14
Moderate Growth Portfolio	5/9/2001	-18.14	1.22	3.00	5.49	5.01
Blended Moderate Growth Portfolio	5/19/2017	-17.46	0.40	2.48	---	3.00
Conservative Growth Portfolio	5/9/2001	-16.85	-0.39	1.92	3.96	4.46
Blended Conservative Growth Portfolio	5/19/2017	-16.08	-1.12	1.44	---	1.81
Income Portfolio	5/9/2001	-15.37	-1.99	0.85	2.40	3.81
Blended Income Portfolio	5/19/2017	-14.77	-2.85	0.26	---	0.50
Bond Index Portfolio	8/6/2003	-14.77	-3.41	-0.40	0.68	2.74
Conservative Income Portfolio	8/6/2003	-8.43	-1.35	0.69	0.83	2.51
Interest Accumulation Portfolio	5/19/2017	1.29	1.69	1.84	---	1.79

\*Annualized.

*The performance data shown are net of all fees and represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' Portfolio units, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit [CollegeSavingslowa.com](http://CollegeSavingslowa.com).*

## Underlying Fund Summaries

Each Portfolio invests in one or more Underlying Funds. This section describes the investment strategies of the Underlying Funds.

**Vanguard Total International Stock Index Fund** seeks to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 7,100 stocks of companies located in 48 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

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

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

**Vanguard Total Bond Market II Index Fund** seeks to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics.

All the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

**Vanguard Total International Bond Index Fund** seeks to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). This Index provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Index includes government, government agency, corporate and securitized non-U.S., investment-grade

fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Index is capped, which means that its exposure to any particular bond issuer is limited to a maximum of 20%. Additionally, issuers that individually constitute 5% or more of the Index may not constitute, in the aggregate, more than 48% of the Index. If the Index, as constituted based on market weights, would exceed the 20% or 48% limits, the excess is reallocated to bonds of other issuers represented in the Index. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure.

The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

**Vanguard Short-Term Inflation-Protected Securities Index Fund** seeks to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0–5 Year Index. The Index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

**Vanguard Short-Term Reserves Account** indirectly owns funding agreements (traditional and separate account), SICs and shares of Vanguard Federal Money Market Fund. Funding agreements and SICs are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment.

Traditional funding agreements generally pay interest at a fixed interest rate and have fixed maturity dates that normally range from 2 to 5 years. Separate account funding agreements and SICs pay a variable interest rate and have an average duration range between 2 and 5 years. Investments in either new funding agreements or SICs are based on available liquidity in the Portfolio and the competitiveness of offered yields, based on market conditions and trends. The Short-Term Reserves Account also purchases shares of the Federal Money Market Fund to meet normal liquidity needs.

The total amount invested in the Federal Money Market Fund is expected to range between 0% and 25%. The Federal Money Market Fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high-quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity and credit quality. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

## Additional Information on the Underlying Funds

**The Target Indexes of the Underlying Funds May Change.** Each Underlying Fund that is an index fund reserves the right to substitute a different index for the index it currently tracks. This could happen if the current index is discontinued, if the Underlying Fund's agreement with the sponsor of its target index is terminated or for any other reason determined in good faith by the Underlying Fund's board of trustees. In any such instance, the substitute index would measure the same market segment as the current index.

**Additional Information Available.** Information about the investment strategies and risks of each Underlying Fund, with the exception of Vanguard Short-Term Reserves Account, is available in its current prospectus and Statement of Additional Information (SAI). You can view or download a copy of an Underlying Fund's current prospectus, SAI or its most recent semiannual or annual report by visiting Vanguard's website, [vanguard.com](http://vanguard.com). You can request delivery by mail of these documents by calling 888-672-9116. Please keep in mind that your investment in College Savings Iowa will not result in your owning shares of the Underlying Funds. Instead, you will own interests in the Trust.

## Part IV. Risks of Investing in the Portfolios

### Assessing Your Tolerance for Risk

Your asset allocation—how your contributions are divided among stocks, bonds and short-term reserves—will have a significant impact on your investment results. When choosing an investment option, consider your investment personality. Some investors find it easy to accept large market declines and so may be comfortable with a more aggressive investment option. Other investors become concerned when their balance declines by even a small percentage and may therefore be more comfortable with a more conservative investment option. Along with your approach to investing, you should consider how much you will need to save for college, other sources you will draw upon for funding college and the number of years you have to save. How long you have to save before the Beneficiary is ready for college is a very important consideration.

**An investment in a Portfolio could lose money over short or even long periods. There is no guarantee that any Portfolio will achieve its investment objective.**

### Investment Risks

**Call Risk.** This is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The Underlying Fund in which the Portfolio invests would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Underlying Fund's income. Such redemptions and subsequent reinvestments would also increase the Underlying Fund's portfolio turnover rate.

**Country/Regional Risk.** This is the chance that world events—such as political upheaval, financial troubles or natural disasters—will adversely affect the value of securities issued by companies, governments or government agencies in foreign countries or regions.

**Credit Risk.** This is the chance that the issuer of a bond owned by an Underlying Fund will fail to pay principal and interest in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.

**Currency Risk.** This is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

**Currency Hedging Risk.** This is the chance that currency hedging transactions entered into by an Underlying Fund may not perfectly offset the Underlying Fund's foreign currency exposures. Vanguard Total International Bond Index



Fund seeks to mimic the performance of foreign bonds without regard to currency exchange rate fluctuations. To accomplish this goal, the Fund attempts to offset, or hedge, its foreign currency exposures by entering into currency hedging transactions. However, because it generally is not possible to perfectly hedge the Fund's foreign exposures, the Fund may decline in value if it underhedges or overhedges in certain circumstances. Also, the Fund will incur expenses to hedge its foreign currency exposures.

**Derivatives Risk.** Each of the Underlying Funds may invest, to a limited extent, in derivatives. These investments may include futures and options contracts, warrants, convertible securities and swap agreements. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond or currency), a physical asset (such as gold, oil or wheat) or a market index (such as the S&P 500 Index). Investments in derivatives may subject the Underlying Funds to risks different from, and possibly greater than, those of the underlying securities, assets or market indexes. The Underlying Funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

**Emerging Markets Risk.** This is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.

**Extension Risk.** This is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. For Underlying Funds that invest in mortgage-backed securities, extension risk is the chance that during periods of rising interest rates, homeowners will prepay their mortgages at slower rates.

**Income Fluctuation Risk.** This is the chance that Vanguard Short-Term Inflation-Protected Securities Index Fund's quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. For that Fund, income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation rates are expected to be high. Overall, investors can expect income fluctuations to be high for the Fund.

**Income Risk.** This is the chance that falling interest rates will cause an Underlying Fund's income to decline. Income risk generally is higher for short-term bond funds and lower for long-term bond funds.

**Index Sampling Risk.** This is the chance that the securities selected for an Underlying Fund that uses the sampling method of indexing, in the aggregate, will not provide investment performance matching that of the Underlying Fund's target index.

**Interest Rate Risk.** This is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk is higher for long-term bond funds and lower for short-term bond funds.

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

**K–12 Time Horizon Risk.** If you're investing for K–12 goals, you should consider individual portfolios. Age-based options are generally designed for higher-education savings and may not be appropriate for K–12 time horizons.

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

**Nondiversification Risk.** This is the chance that an Underlying Fund's performance may be hurt disproportionately by the poor performance of securities issued by just a few or even a single issuer. Vanguard Total International Bond Index Fund is considered nondiversified, which means that it may invest a significant percentage of its assets in bonds issued by a small number of issuers.

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

**Stock Market Risk.** This is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. In addition, the target index of an Underlying Fund that is an index fund may, at times, become focused in stocks of a particular market sector, which would subject the Underlying Fund to proportionately higher exposure to the risks of that sector. Because the Underlying Fund seeks to track its target index, the Underlying Fund may underperform the overall stock market.

**Worldwide Risk.** This is the risk that foreseen and unforeseen events such as generalized warfare, pandemics and climate changes may adversely impact markets systemically for an indeterminate period on a worldwide basis.

## Part V. Costs of Investing

College Savings Iowa will establish, and may change at any time without prior notice, the fees and charges it deems appropriate for College Savings Iowa. In the future, College Savings Iowa's fees and charges could be higher or lower than those discussed in this Program Description.

### Asset-Based Fee

Each Portfolio in College Savings Iowa is charged an annual asset-based fee of 0.18%. The asset-based fee incorporates a management fee (which includes the fees paid to Vanguard and

Ascensus for their services to College Savings Iowa) and the annual fees and expenses of the Underlying Fund(s) in which each Portfolio invests. Therefore, if you invest in a Portfolio— i.e., own units issued by the Portfolio— you indirectly bear a pro rata share of the annual fees and expenses associated with the Underlying Fund(s), but your total annual asset-based fee remains 0.18%.

Neither the State of Iowa nor the state Treasurer's Office imposes any fees on the accounts in College Savings Iowa.

The table below shows the Program Management Fee and the fees and expenses of each Portfolio as of January 1, 2023.

Portfolio	Estimated Underlying Fund Expenses*	Program Management Fee	State Fee**	Total Annual Asset-Based Fee
Total International Stock Index Portfolio	0.07%	0.11%	—	0.18%
Aggressive Growth Portfolio	0.04	0.14	—	0.18
Total Domestic Stock Index Portfolio	0.02	0.16	—	0.18
Blended Aggressive Growth Portfolio	0.04	0.14	—	0.18
Growth Portfolio	0.04	0.14	—	0.18
Blended Growth Portfolio	0.04	0.14	—	0.18
Moderate Growth Portfolio	0.04	0.14	—	0.18
Blended Moderate Growth Portfolio	0.04	0.14	—	0.18
Conservative Growth Portfolio	0.04	0.14	—	0.18
Blended Conservative Growth Portfolio	0.04	0.14	—	0.18
Income Portfolio	0.04	0.14	—	0.18
Blended Income Portfolio	0.04	0.16	—	0.18
Bond Index Portfolio	0.03	0.15	—	0.18
Conservative Income Portfolio***	0.03	0.15	—	0.18
Interest Accumulation Portfolio***	0.02	0.16	—	0.18

\*Reflects expense ratios of each Underlying Fund. Expenses for multiple-fund Portfolios represent a weighted average of the expenses of the Portfolio's Underlying Funds. Underlying Fund Expenses include investment advisory fees and administrative and other expenses, which are paid to Vanguard, as applicable. Expenses are as of November 30, 2022.

\*\*The Trust does not charge an asset-based fee. Ascensus makes a payment to the Trust for costs related to the Program. This payment is not deducted from any Accounts.

\*\*\*The expense ratio of the Conservative Income Portfolio and the Interest Accumulation Portfolio may include a stable value wrap fee of between 0.15% and 0.17%, which could reduce the return of the Portfolio.

## Other Charges

College Savings Iowa reserves the right to charge an account in circumstances where College Savings Iowa incurs expenses on behalf of the account (e.g., when a check, recurring contribution, or electronic bank transfer (EBT) is returned unpaid by the financial institution upon which it is drawn). In particular, if you request delivery of distribution proceeds by priority delivery service, outgoing wire, or electronic payment to schools, the Plan will deduct the applicable fee listed in the chart below directly from your account and will include this fee amount on your annual IRS Form 1099-Q as part of the gross distributions paid to you during the year. Please consult your tax advisor regarding calculating and reporting any tax liability associated with the payment of any of these fees out of your account in a year.

New fees and charges may also be instituted in the future without prior notice.

Transaction	Fee Amount*
Returned Check/EBT/Recurring Contribution/	\$30
Priority Delivery (weekday)	\$15
Electronic Payment to Schools (where available)	\$10

\*Subject to change without prior notice.

## Investment Cost Example

The following example is intended to help you compare the cost of investing in the Portfolios over different periods of time. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in a Portfolio. This example assumes that the Portfolio provides a return of 5% a year and that the Portfolio's annual asset-based fee of 0.18% remains the same. The results apply whether or not the investment is withdrawn at the end of the period, but they do not take into account any withdrawals that are nonqualified (defined in Part VII. Withdrawals) or otherwise subject to state or federal income taxes or to any penalties.

Approximate Cost of a \$10,000 Investment			
1 year	3 years	5 years	10 years
\$18.43	\$58.01	\$101.49	\$229.92

These examples do not represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than what is shown or assumed. The table does not consider the impact of any potential state or federal taxes on the withdrawal.

## Float Income

Ascensus may receive indirect compensation for the custodial services it provides to your account. This compensation, known as "float" income, is paid by the financial organization at which Ascensus maintains "clearing accounts" or by the investments in which Ascensus invests in such clearing accounts. Float income may arise from interest earned on account contributions or distributions during the time these assets are held by Ascensus in clearing accounts but are not invested in an investment option. For example, if you request a distribution and receive the distribution check but do not cash it for several days, some interest may be earned while your funds remain in the clearing account.

These clearing accounts generally earn interest at a rate between the money market rate and that of U.S. Treasury notes. The interest paid on each of these transactions is typically small, and it is likely to represent a minor portion of the overall compensation received by Ascensus. By maintaining an account, you acknowledge that float income may be retained by Ascensus.

## Part VI. Contributions

### How to Contribute to an Account

College Savings Iowa will accept contributions made by any of the following methods:

- Check.
- Recurring contribution.
- EBT.
- Rollover from another 529 plan.
- Transfer from an education savings account (formerly known as an Education IRA).
- Transfer from a qualified U.S. savings bond.
- Transfer from an UGMA/UTMA custodial account.
- Payroll deduction plan (if your employer has agreed to make such a plan available to employees and can meet the operational requirements of College Savings Iowa).
- Transfer from a Upromise account (defined below).
- Ugift.

College Savings Iowa will not accept contributions made by cash, money order or a check made out to the Participant or Beneficiary over \$10,000, check drawn on a bank located outside the U.S. or check not in U.S. dollars, check dated past 180 days from the date of receipt, traveler's check, bank courtesy check, credit card check or postdated check. College Savings Iowa also will not accept noncash assets, such as mutual fund shares (including Vanguard fund shares) or other securities. This means that if you are rolling over assets from another 529 plan account or transferring assets from an education savings account, U.S. savings bond or UGMA/UTMA custodial account, the investment must be liquidated and sent to College Savings Iowa.

A Participant who wants to contribute on behalf of more than one Beneficiary must open a separate account for each Beneficiary.

College Savings Iowa may charge your account a reasonable fee if a contribution made to your account by check, recurring contribution or EBT is returned unpaid by the bank on which it is drawn.

See Part V. Costs of Investing—Other Charges.



## Contribution Minimums and Maximums

You can contribute as little as \$25 (\$15 by payroll deduction) to any College Savings Iowa account.

You can contribute to an account for a Beneficiary, provided the aggregate of all accounts for the same Beneficiary under all college savings plans sponsored by the State of Iowa under Section 529 does not exceed the maximum account limit, which is currently \$420,000 (adjusted periodically).

Accounts that have reached the maximum account limit can continue to accrue earnings, but the excess portion of any contribution that would cause the account balance to exceed the maximum account limit will not be accepted and will be returned to the contributor. If, however, the market value of such an account falls below the maximum account limit, additional contributions will be accepted.

College Savings Iowa evaluates the maximum account limit periodically and reserves the right to make changes as deemed appropriate. To check the current maximum account limit, visit [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com).

## Contributions by Others

Once you have established a College Savings Iowa account for a Beneficiary, anyone can contribute money to the account. However, only you, the Participant—the person who owns and controls the account—can determine how the assets are invested or used.

**Note:** *Only Participants are entitled to an Iowa state tax deduction for their contributions to a College Savings Iowa account. Therefore, non-Participants who intend to contribute to a College Savings Iowa account and who pay Iowa income tax should consider establishing a separate account for the Beneficiary.*

## Contributions by Check

Please make all checks payable to *College Savings Iowa*. If you are contributing to an established account, please include the account number on the check.

You can contribute to several of your accounts at one time by preparing one check for the total amount and designating on the check or letter of instruction the amount you want invested in each account. (If the total of the amounts indicated on the check or letter of instruction does not match the amount of the check, your contribution will not be considered in good order.) Only contributions in good order will be invested. Contributions made by check will not be available for withdrawal for seven business days.

## Recurring Contributions (Also Known as an Automatic Investment Plan or AIP)

You can contribute to a College Savings Iowa account through automatic periodic debits from a checking or savings account at your financial institution, if your financial institution is a member of the Automated Clearing House, subject to certain processing restrictions. There is no charge for establishing or maintaining recurring contributions. Either you or College Savings Iowa may terminate your ability to contribute via recurring contributions at any time.

To establish recurring contributions during enrollment, complete the appropriate section of the Participant Agreement. You can elect to authorize an annual increase to your recurring contributions. You can establish or make changes to your recurring contributions for an existing account online at [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com), over the phone or by completing the Recurring Contribution (Automatic Investment Plan)/Electronic Bank Transfer Form.

Your account at your financial institution will be debited on the day you designate, provided the day is a regular business day. If the day you designate falls on a weekend or a holiday, the debit for your recurring contribution will occur on the next business day. You will receive a trade date of one business day prior to the day the bank debit occurs. If you indicate a start date within the first four days of the month, there is a chance your investment will be credited on the last business day of the previous month. Please note that a recurring contribution with a debit date of January 1, 2, 3 or 4 will be credited in the same year as the debit date. The first debit of a recurring contribution must be at least three days from the receipt of the request to establish recurring contributions. Quarterly recurring contributions will be made on the day indicated every three months, not on a calendar-quarter basis. If no date is designated, your account at your financial institution will be debited on the 20th of the month. (If the 20th is not a business day, the debit will be made on the next business day.)

To be effective, a change to, or termination of, your recurring contributions must be received by College Savings Iowa at least five business days before the next debit is scheduled to be deducted from your account at your financial institution. If your recurring contribution cannot be processed because the account at your financial institution on which it is drawn contains insufficient funds or because of incomplete or inaccurate information, or if the transaction would violate processing restrictions, College Savings Iowa reserves the right to suspend processing of future recurring contributions.

Investments made by recurring contributions will not be available for withdrawal for seven business days.

Please note that a program of regular investment through recurring contributions cannot ensure a profit or protect against a loss.

### Contributions Through an Electronic Bank Transfer (EBT)

You can contribute to your account by authorizing College Savings Iowa to withdraw money by EBT from your checking or savings account at your financial institution, subject to certain processing restrictions. To authorize an EBT, you must be the account owner and must provide certain information about the account at your financial institution from which funds will be withdrawn (the same information required to establish a recurring contribution). Once you have provided that information, you can request an EBT from the designated account at your financial institution to your account, online at [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) or by phone at 888-672-9116.

There is no charge for requesting an EBT. If your EBT cannot be processed because the account at your financial institution on which it is drawn contains insufficient funds or because of incomplete or inaccurate information, or if the transaction would violate processing restrictions, we reserve the right to suspend processing of future EBT contributions. We may place a limit on the total dollar amount per day you may contribute to an account by EBT (currently \$150,000). Contributions in excess of the limit will be rejected or returned. If you plan to contribute a large dollar amount to your account by EBT, you may want to contact College Savings Iowa to inquire about the current limit prior to making your contribution. Contributions made by EBT will not be available for withdrawal for seven business days.

### Contributions Through Rollovers From Non-Iowa 529 Plans

You can contribute to College Savings Iowa with funds transferred from a non-Iowa 529 plan. This transaction is known as a rollover. Once every 12 months, you can roll over assets from an account in a non-Iowa 529 plan to an account in College Savings Iowa for the same Beneficiary. You can also roll over funds from an account in a non-Iowa 529 plan at any time when you change your Beneficiary, provided the new Beneficiary is a Member of the Family of the former Beneficiary (for a definition of Member of the Family, see **Part VIII. Other Account Information—Member of the Family**).

Such a transfer will be permitted only to the extent that the aggregate balance of College Savings Iowa accounts and IAdvisor 529 Plan accounts within the Trust for the new Beneficiary, including such transfer, would not exceed the maximum account limit. See **Part VI. Contributions—Contribution Minimums and Maximums**.

A 529 plan rollover that does not meet these criteria will be considered a nonqualified withdrawal from the non-Iowa 529 plan that is subject to federal income tax, an additional 10% federal penalty on earnings and, possibly, state income tax (see **Part VII. Withdrawals** for a discussion of withdrawals).

For Iowa state income tax purposes, amounts rolled over from a non-Iowa 529 plan are considered new contributions entitled to the Iowa income deduction, subject to the usual annual limitation.

Incoming rollovers can be direct or indirect. Direct rollovers involve the transfer of money from a non-Iowa 529 plan directly to College Savings Iowa. You should be aware that not all non-Iowa 529 plans permit direct rollovers of assets. Indirect rollovers involve the transfer of money from an account in a non-Iowa 529 plan to the Participant, who then contributes the money to a College Savings Iowa account.

To avoid penalties and federal income tax consequences, Participants must contribute money received in an indirect rollover to College Savings Iowa within 60 days of the distribution from the non-Iowa 529 plan account. In addition, there may be state income tax consequences (and, in some cases, state-imposed penalties) resulting from a rollover from a non-Iowa 529 plan.

You can roll over assets to a College Savings Iowa account directly (if permitted by your non-Iowa 529 plan) or indirectly, either as an initial contribution when you open an account or as an additional contribution to an existing account. You or the non-Iowa 529 plan will need to provide College Savings Iowa with an account statement or other documentation from the non-Iowa 529 plan account indicating the portion of the rollover attributable to earnings. Until College Savings Iowa receives this documentation, the entire amount of your contribution from the non-Iowa 529 plan will be treated as earnings, which would be subject to taxation in the case of a nonqualified withdrawal (see **Part VII. Withdrawals**).

### Transfer Within the Trust for the Same Beneficiary

Under Section 529, you can transfer assets directly between accounts within the Trust, in College Savings Iowa and the IAdvisor 529 Plan, up to two times per calendar year for the same Beneficiary. Such a direct transfer is considered an investment exchange for federal and state tax purposes and is therefore subject to the restrictions described under **Part III. Investment Options—Changing Investment Options**.

This type of transfer should be done directly between the accounts, without a withdrawal of money from one Iowa 529 plan, to avoid adverse federal and state tax consequences. For federal and state tax purposes, an indirect transfer involving the withdrawal of money from College Savings Iowa would be treated as a nonqualified withdrawal (and not as an investment exchange), even though it is subsequently contributed to the new account for the same Beneficiary. Such a nonqualified withdrawal would need to be contributed to the new account within 60 days to avoid adverse federal and state tax consequences. See **Part IX. Tax Treatment** for more information about taxes.

## Transfer Within the Trust for Another Beneficiary

Under Section 529, you can transfer assets within the Trust, in College Savings Iowa and the IAdvisor 529 Plan, from an account for one Beneficiary to an account for another Beneficiary, without federal income taxes or penalty if the new Beneficiary is a Member of the Family of the former Beneficiary (for a definition of Member of the Family, see **Part VIII. Other Account Information—Member of the Family**).

Such a transfer will be permitted only to the extent that the aggregate balance of College Savings Iowa accounts and IAdvisor 529 Plan accounts within the Trust for the new Beneficiary, including such transfer, would not exceed the maximum account limit. See **Part VI. Contributions—Contribution Minimums and Maximums**.

To avoid adverse federal and state tax consequences, this type of transfer should be done either directly between the accounts without a withdrawal of money from one Iowa 529 plan to another, or indirectly by contributing money to the receiving account within 60 days after the withdrawal from the prior account. For Iowa income tax purposes, an indirect transfer (with money being distributed from College Savings Iowa) may be treated as a nonqualified withdrawal (and thus may be subject to the recapture of previous Iowa state tax deductions taken for contributions to the prior account), even if the money is contributed to the new account within 60 days and is not subject to federal income tax. However, even if the recontribution of assets to the new account within 60 days is subject to recapture, it may still be eligible for the Iowa state tax deduction for contributions subject to the maximum amount deductible. See **Part IX. Tax Treatment**.

## Contributions From Education Savings Accounts or Qualified U.S. Savings Bonds

You can contribute to College Savings Iowa with proceeds from the sale of assets held in an education savings account (formerly known as an Education IRA) or from the redemption of a qualified U.S. savings bond. You will need to provide the following documentation:

- Education savings account: an account statement or other documentation issued by the financial institution that acted as custodian of the account, showing the total amount contributed to such account and the earnings in the account.
- Qualified U.S. savings bond: an account statement or Form 1099-INT or other documentation issued by the financial institution that redeemed the bond, showing the interest from the redemption of the bond.

Until College Savings Iowa receives this documentation, the entire amount of your contribution will be treated as earnings, which would be subject to taxation in the case of a nonqualified withdrawal (see **Part VII. Withdrawals**).

## Contributions From UGMA/UTMA Custodial Accounts

The custodian for a minor under the UGMA/UTMA may use the assets held in an UGMA/UTMA account to open an account in College Savings Iowa, subject to the laws of the state under which the UGMA/UTMA account was established. The minor may incur capital gains (or losses) from the sale of noncash assets held by an UGMA/UTMA account. Please contact a tax professional to determine how to transfer UGMA/UTMA custodial assets and what implications such a transfer may have for you.

UGMA/UTMA custodians should consider the following:

- Additional contributions of money not previously gifted to the Beneficiary under the UGMA/UTMA should be made to a separate and noncustodial College Savings Iowa account. A noncustodial College Savings Iowa account will allow the Participant to retain control of the assets and to make Beneficiary changes.
- The custodian can make withdrawals only as permitted by the UGMA/UTMA and College Savings Iowa.
- Because the Participant is the owner of the account, the custodian cannot change the Participant but can change the custodian to a successor custodian during the term of the custodial account under the UGMA/UTMA.
- The custodian should not change the Participant to anyone other than a successor custodian during the term of the custodial account under the UGMA/UTMA.
- When the custodianship terminates, the Beneficiary is legally entitled to take control of the account and may become the Participant, subject to the provisions of College Savings Iowa applicable to accounts established or funded with non-UGMA/UTMA assets. The custodian and/or Beneficiary will need to complete certain forms or documents to document the termination of the custodianship.
- The minor, not the custodian or parent, would generally be entitled to the Iowa income tax deduction.
- If the custodian fails to direct College Savings Iowa to transfer ownership of the account when the Beneficiary is legally entitled to take control of the account assets, College Savings Iowa may freeze the account and/or refuse to allow the custodian to transact on the account.

Neither Iowa, College Savings Iowa, Vanguard, Ascensus nor any of their affiliates or associated persons will be liable for any consequences related to UGMA/UTMA custodial accounts, including a custodian's improper use, transfer or characterization of custodial funds.

## Contributions Through Payroll Deductions

You may be eligible to make automatic contributions to your account through a payroll deduction plan if your employer has agreed to make such a plan available to employees and can meet the operational requirements of College Savings Iowa. The minimum initial and subsequent payroll deduction contribution is \$15 per Beneficiary. Please check with your employer to see whether you are eligible to contribute to College Savings Iowa through a payroll deduction plan. Forms for payroll deduction are available online at [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com). You will need to print these instructions and submit them to your employer.

Please note that a program of regular investment through payroll deduction cannot ensure a profit or protect against a loss.

## Contributions Through Upromise

You can contribute to your account by participating in Upromise (“Upromise”), a service that allows members to receive a percentage of their qualified spending with hundreds of America’s leading companies for college savings. Once you enroll in College Savings Iowa, you may link your Upromise account and your College Savings Iowa account so that all or a portion of your rewards may be automatically transferred to your College Savings Iowa account on a periodic basis, subject to a minimum transfer requirement. Go to [upromise.com](http://upromise.com) for more information on transfer minimums. Upromise is offered by Upromise, LLC, and is a separate service from College Savings Iowa. Terms and conditions apply to Upromise. Participating companies, contribution levels and terms and conditions are subject to change at any time without notice. Go to [upromise.com](http://upromise.com) to learn more.

A Participant cannot use the transfer of funds from a Upromise account as the initial funding source for a College Savings Iowa account.

## Ugift

You may invite family and friends to contribute to your College Savings Iowa accounts through Ugift, a College Savings Iowa feature. You provide a unique contribution code to selected family and friends, and gift-givers can either contribute online through an EBT or by mailing in a gift contribution coupon with a check made payable to *Ugift—College Savings Iowa*. The minimum Ugift contribution is \$25.

Gift contributions received in good order will be held for approximately five business days before being transferred into your account. Gift contributions through Ugift are subject to the general contribution limitations. Gift contributions will be invested according to the allocation on file for the account at the time the gift contribution is transferred. There may be potential tax consequences of gift contributions invested in a College Savings Iowa account. You and the gift-giver should consult a tax advisor for more information.

*Note: Only Participants are entitled to an Iowa state tax deduction for their contributions to a College Savings Iowa account. Therefore, non-Participants who contribute through Ugift to a College Savings Iowa account and who pay Iowa income tax should consider establishing a separate account for the Beneficiary.*

## Part VII. Withdrawals

Generally, you can withdraw money from your account at any time. To make a withdrawal, you must send a completed Withdrawal Request Form, complete the request online or make a request by phone. If the request is received in good order, College Savings Iowa typically will process the withdrawal within one business day. During periods of market volatility and at year-end, withdrawal requests may take up to five business days to process. Please allow ten business days for the proceeds to reach you.

Forms and instructions are available at [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) or by phone at 888-672-9116.

There are two types of withdrawals: *qualified* and *nonqualified*.

In a *qualified* withdrawal, the proceeds must be used for the qualified education expenses, which include qualified higher-education expenses, qualified K–12 education expenses, Apprenticeship Expenses or Loan Repayments (all as defined below) of your Beneficiary.

A *nonqualified withdrawal* is any withdrawal that does NOT fall into one of the following categories:

- A qualified withdrawal.
- A withdrawal paid to a beneficiary of the Beneficiary (or the estate of the Beneficiary) on or after the death of the Beneficiary.
- A withdrawal by reason of the disability of the Beneficiary.
- A withdrawal by reason of the receipt of a scholarship or attendance at certain specified military academies by the Beneficiary (to the extent that the amount withdrawn does not exceed the amount of the scholarship).
- A withdrawal rolled over into another 529 plan in accordance with Section 529 of the Internal Revenue Code.

Each of these exceptions to treatment as a nonqualified withdrawal is explained in more detail in this section.

The earnings portion of the following withdrawals is not subject to the Federal 10% Penalty and may be subject to recapture for Iowa state income tax purposes and for all other purposes is considered a nonqualified withdrawal:

- A withdrawal paid to a beneficiary of the Beneficiary (or the estate of the Beneficiary) on or after the death of the Beneficiary.
- A withdrawal by reason of the disability of the Beneficiary.
- A withdrawal by reason of the receipt of a scholarship or attendance at certain specified military academies by the Beneficiary (to the extent that the amount withdrawn does not exceed the amount of the scholarship).

For more information see “Withdrawals and Beneficiary Changes Not Subject to 10% Federal Penalty” on page 26 of the Program Description.

Qualified withdrawals will be paid in one of three ways once the request has been received by the program administrator:

- a. Directly to the eligible educational institution or K–12 institution (as defined below under K–12 Institutions) for qualified expenses only.
- b. Directly to the Participant for qualified expenses.
- c. Directly to the Beneficiary attending an eligible educational institution (not including a K–12 institution) for qualified expenses only.

Nonqualified withdrawals will be paid only to the Participant.

College Savings Iowa will not send any proceeds from your withdrawal request until all the money has been collected, meaning the money's availability in your account is confirmed.

Contributions made by check, recurring contribution or EBT will not be available for withdrawal for seven business days. If the address information you have requested the withdrawal be sent to has changed in the last nine business days, your withdrawal will be held until this waiting period has been satisfied. If the banking information you have requested the withdrawal be sent to has changed in the last 15 calendar days, your withdrawal will be held until this waiting period has been satisfied.

### Qualified Higher-Education Expenses

Qualified higher-education expenses currently include:

- Tuition, fees and the cost of books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an eligible educational institution.
- Expenses for the purchase of computer or peripheral equipment (as defined in Section 168(i)(2)(B) of the Internal Revenue Code), computer software (as defined in Section 197(e)(3)(B) of the Internal Revenue Code) or internet access and related services, if such equipment, software or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an eligible educational institution. Expenses for computer software designed for sports, games or hobbies do not qualify as qualified higher-education expenses unless the software is predominantly educational in nature.
- The cost of certain room-and-board expenses incurred while attending an eligible educational institution at least half-time. Room-and-board expenses (unlike expenses for tuition, fees, books, supplies and equipment) may be treated as a qualified higher-education expense only if the Beneficiary is enrolled at least half-time. *Half-time* is defined as half of a full-time academic workload for the course of study the Beneficiary pursues, based on the standard of the institution where he or she is enrolled. A Beneficiary need not be enrolled at least half-time to use a qualified withdrawal to pay for expenses relating to tuition, fees, books, supplies, equipment and special-needs services.

Room-and-board expenses that may be treated as qualified higher-education expenses generally will be limited to the room-and-board allowance calculated by the eligible educational institution in its "cost of attendance" for purposes of determining eligibility for federal education assistance for that year. For students living in housing owned or operated by the eligible educational institution, if the actual amount charged for room and board is higher than the "cost of attendance" figure, the actual amount can be treated as qualified room-and-board costs.

- In the case of a special-needs Beneficiary, expenses for special-needs services incurred in connection with enrollment or attendance at an eligible educational institution.
- Fees, books, supplies and equipment required for participation in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act ("Apprenticeship Expenses").
- Amounts paid as principal or interest on any qualified education loan of the Beneficiary or a sibling of the Beneficiary—provided the total amount that may be used for repayment of loans of an individual cannot exceed \$10,000 ("Loan Repayments"). Note the \$10,000 limitation is a lifetime cap per individual. Participants will be responsible for tracking their Loan Repayments in accordance with the limit.

### Qualified K–12 Education Expenses

- Account owners can withdraw up to \$10,000 per taxable year per Beneficiary from all 529 plans to pay kindergarten through 12th grade ("K–12") tuition and can treat the withdrawals as qualified expenses with respect to the federal tax benefit. It is the account owner's responsibility to comply with the \$10,000 per student per year limitation. Failure to do so would result in a nonqualified expense.
- Iowa taxpayers can use College Savings Iowa assets to pay for up to \$10,000 in K–12 tuition annually with no Iowa state tax consequences as long as the Beneficiary attends (i) an elementary or secondary school in the State of Iowa that is accredited under Iowa Code Section 256.11 and adheres to the provisions of the federal Civil Rights Act of 1964 and Iowa Code Chapter 216, or (ii) an elementary or secondary school located outside the State of Iowa that educates a Beneficiary who meets the definition of "children requiring special education" in Iowa Code Section 256B.2, if the elementary or secondary school is accredited under the laws of the state in which it is located and adhere to the Federal Civil Rights Act of 1964 and applicable state law analogous to Iowa Code Chapter 216.
- The state tax treatment of withdrawals for K–12 tuition for taxpayers in non-Iowa states will be determined by the account owner's state of residence and/or where they pay their income tax. Each state will determine the treatment of these withdrawals independently. Account owners should consult their tax advisors for further guidance.
- Account owners can request that payments for K–12 tuition be made payable to the Participant or directly to the K–12 institution.



## Eligible Educational Institutions

Eligible educational institutions include accredited postsecondary educational institutions in the United States or abroad that offer credit toward an associate degree, a bachelor's degree, a graduate-level or professional degree or another recognized postsecondary credential and certain postsecondary vocational and proprietary institutions. To be an eligible educational institution for purposes of Section 529, an institution must be eligible to participate in U.S. Department of Education student financial-aid programs.

## K–12 Institutions

K–12 Institutions are any elementary or secondary public, private or religious school. Section 529 permits withdrawals from 529 savings accounts up to an aggregate of \$10,000 per year per student for tuition expenses in connection with enrollment at a K–12 Institution.

## Qualified and Nonqualified Withdrawal Tax Liability on Earnings

The earnings portion of a qualified withdrawal is not subject to federal or Iowa state income tax but may be subject to income tax in other states. The earnings portion of a nonqualified withdrawal is treated as income to the person who receives it and thus is subject to applicable federal and state income taxes in some states (but not Iowa) and an additional 10% federal penalty. See **Part IX. Tax Treatment** for more information about taxes.

Although College Savings Iowa will report the earnings portion of all withdrawals, it is the sole responsibility of the person receiving the withdrawal to calculate and report any resulting tax liability.

## Withdrawals and Beneficiary Changes Not Subject to 10% Federal Penalty

**Death of the Beneficiary.** If the Beneficiary dies, you can select a new Beneficiary or authorize a payment to a beneficiary of the Beneficiary or the estate of the Beneficiary. A payment to a beneficiary of the Beneficiary or the estate of the Beneficiary will not be subject to the additional 10% federal penalty tax, but earnings will be subject to any applicable federal and state income tax. If you select a new Beneficiary who is a Member of the Family (as defined in **Part VIII. Other Account Information—Member of the Family**) of the former Beneficiary, the change will be treated as a qualified rollover not subject to federal income taxes or penalties.

**Disability of the Beneficiary.** If the Beneficiary becomes disabled, you can change the Beneficiary or cancel your Participant Agreement and withdraw the full balance of the account. The earnings portion of the withdrawal distribution will be subject to applicable federal and state income tax but not the 10% federal penalty tax. Alternatively, you may designate a new Beneficiary, or transfer the funds to an ABLE account (as defined in Code Section 529A(e)(6)) of the Beneficiary or a Member of the Family of the Beneficiary. If the funds are transferred to an ABLE account of the Beneficiary, or if the new Beneficiary of the account or ABLE account is a Member of the Family of the former Beneficiary (as defined in **Part VIII. Other Account Information—Member of the Family**), then the change will be treated as a qualified rollover not subject to federal income taxes or penalties.

**Receipt of Scholarship/Attendance at a U.S. Military Academy.** If the Beneficiary receives a scholarship, allowance, or similar payment (including a payment under the GI Bill), or attends a U.S. Service Academy (the U.S. Naval Academy, the U.S. Air Force Academy, the U.S. Coast Guard Academy or the U.S. Merchant Marine Academy), you can withdraw money from the account for noneducational purposes up to the amount of the scholarship or the cost of the education at a U.S. military academy without imposition of the additional 10% penalty. However, the earnings portion of the withdrawal is considered income to you, subject to applicable federal and state income tax. Alternatively, you can designate a new Beneficiary. If the new Beneficiary is a Member of the Family of the former Beneficiary (as defined in **Part VIII. Other Account Information—Member of the Family**), then the change will be treated as a qualified rollover not subject to federal income taxes or penalties.

**Rollovers to Non-Iowa 529 Plans.** You can perform a federally tax-free rollover from College Savings Iowa to a non-Iowa 529 plan for the same Beneficiary once every 12 months. However, for Iowa income tax purposes, a rollover to a non-Iowa 529 plan will be treated as a nonqualified withdrawal and taxed as income to the extent previously deducted as a contribution to College Savings Iowa.

**Rollovers to ABLE Plans.** Account owners can roll over amounts in 529 plans to ABLE plans without federal or Iowa state tax consequences. A rollover to IABLE would not qualify for the annual state tax deduction.

**Transfers Between Iowa 529 Plans.** You can transfer account balances between College Savings Iowa and the IAdvisor 529 Plan. See **Part VI. Contributions—Transfer Within the Trust for the Same Beneficiary and Transfer Within the Trust for Another Beneficiary.** This type of transfer will be treated as an exchange transaction.

## Unused Account Assets

If, at a particular point in time, you have determined that assets in an account will not be used by the Beneficiary for qualified higher-education expenses at an eligible educational institution, you have three options:

- **Designate a new Beneficiary who is a Member of the Family of the current Beneficiary.**
  - See definition in **Part VIII. Other Account Information—Member of the Family.**
  - This would not be subject to federal and state income taxes and penalties.
- **Leave the assets in the account.**
  - This would retain assets in case the Beneficiary decides to attend college or graduate school in the future or you want to designate a new Beneficiary at a later date.
- **Withdraw the remaining assets (including earnings).**
  - This would be a nonqualified withdrawal subject to applicable federal and state income taxes and penalties. See **Part IX. Tax Treatment.**

## Part VIII. Other Account Information

### Pricing of Portfolio Units

Your investment in a Portfolio results in your ownership of “units” issued by the Portfolio (in the same way your investment in a mutual fund would result in your ownership of “shares” issued by the fund). The price of a Portfolio unit is calculated each business day after the close of trading on the New York Stock Exchange (“NYSE”). The price is determined by dividing the dollar value of the Portfolio’s net assets (i.e., total Portfolio assets minus total Portfolio liabilities) by the number of Portfolio units outstanding. On holidays or other days when the NYSE is closed, the Portfolio’s unit price is not calculated, and College Savings Iowa does not transact purchase, exchange, transfer or redemption requests.

When you purchase or redeem units of a Portfolio, you will do so at the price of the Portfolio’s units on the trade date. Your trade date will be determined as follows:

- If the Plan receives your transaction request (whether to contribute money, withdraw money or exchange money between investment options) in good order on a business day prior to the close of the NYSE, your transaction will receive that day’s trade date.
- If the Plan receives your transaction request in good order on a business day after the close of the NYSE or at any time on a nonbusiness day, your transaction will receive the next business day’s trade date.

As an exception to the two points above, recurring contributions will receive a trade date of the business day before the day the debit occurs from your financial institution. See **Part VI. Contributions—Recurring Contributions (Also Known as an Automatic Investment Plan or AIP)**.

If a Force Majeure event occurs, we may experience processing delays, which may affect your trade date. In those instances, your actual trade date may occur after the trade date you would have received, which may negatively affect the value of your account. See **Part X. Risks of Investing in College Savings Iowa—Market Uncertainties and Other Events** for the definition of “Force Majeure.”

### Account Statements

You will receive quarterly account statements only if you have made financial transactions within the quarter. These transactions include: (1) contributions made to your College Savings Iowa account, including Ugift contributions, (2) withdrawals made from your College Savings Iowa account, (3) exchanges between investment options and (4) transaction fees incurred by your account. The total value of your College Savings Iowa account at the end of the quarter will also be included in your quarterly account statement.

You can view your quarterly statements online at [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) at any time. You will receive an annual account statement in January even if you have made no financial transactions within the year. To help you in preparing your tax return, the January statement will include your total contributions for the previous year. The January statement will not reflect contributions made after December 31 even if you elected to treat the contribution to your account as having been made in the prior year to claim the allowable annual deduction on your Iowa state tax return for such year.

College Savings Iowa may change the timing and/or frequency of the statements at any time. College Savings Iowa periodically matches and updates the address of record against a change-of-address database maintained by the U.S. Postal Service to reduce the possibility that items sent by first-class mail, such as account statements, will be undeliverable.

**You are expected to regularly and promptly review all transaction confirmations, account statements and any email or paper correspondence sent by College Savings Iowa. Contact the Plan immediately if you believe someone has obtained unauthorized access to your account or if you believe there is a discrepancy between a transaction you requested and your transaction confirmation.**

### Affirmative Duty to Promptly Notify Us of Errors

If you receive a confirmation you believe contains an error or does not accurately reflect your authorized instructions—e.g., the amount invested differs from the amount contributed or the contribution was not invested in the particular investment option(s) you selected—you must promptly notify College Savings Iowa of the error. If you do not notify the Plan within ten business days of the mailing of the confirmation at issue, you will be considered to have approved the information in the confirmation and to have released College Savings Iowa and its associated persons, including Vanguard and Ascensus, from all responsibility for matters covered by the confirmation. Moreover, any liability due to such an error resulting from participation in College Savings Iowa for which the Plan or any associated persons are determined to be responsible shall be limited to an amount equal to gains from market movement that would have resulted from the transaction during the ten-day period.

## Confirmations

You will receive confirmations for financial activity in your accounts except for recurring contribution and payroll deduction transactions, automatic movement of account assets to a more conservative Age-Based Savings Track as a Beneficiary ages and automatic transfers from a Upromise account to a College Savings Iowa account, which will all appear on your quarterly statement, if applicable.

## Account Safeguards

You can securely access and manage your account information, including quarterly statements, transaction confirmations and tax forms, 24 hours a day by obtaining an online username and password at [CollegeSavingsIowa.com](https://CollegeSavingsIowa.com). If you open an account online, College Savings Iowa requires you to select a username and password right away. If you open an account by submitting a paper application, you can establish a username and password at [CollegeSavingsIowa.com](https://CollegeSavingsIowa.com).

To safeguard your account, it is important that you keep your account information confidential, including your username and password. Review your account statements and confirmations to ensure that no unauthorized transactions have been made, and **notify College Savings Iowa immediately if you believe someone has obtained unauthorized access to your account**. College Savings Iowa has implemented reasonable procedures to confirm transaction requests are genuine, but these measures do not guarantee fraudulent or unauthorized instructions received by College Savings Iowa will be detected. Neither College Savings Iowa nor any of its associated persons, including Vanguard and Ascensus, will be responsible for losses resulting from fraudulent or unauthorized instructions received by College Savings Iowa, provided the Plan reasonably believed the instructions were genuine. For important details about how we protect your information and how you can too, refer to Your security online at [CollegeSavingsIowa.com](https://CollegeSavingsIowa.com).

## Account Restrictions

In addition to rights expressly stated elsewhere in this Program Description, College Savings Iowa reserves the right to (1) freeze an account and/or suspend account services when College Savings Iowa has received reasonable notice of a dispute about the assets in an account, including notice of a dispute in account ownership or when College Savings Iowa reasonably believes a fraudulent transaction may occur or has occurred, (2) freeze an account and/or suspend account services upon the notification to College Savings Iowa of the death of a Participant until College Savings Iowa receives required documentation in good order and reasonably believes it is lawful to transfer the account ownership to the Successor Participant, (3) redeem an account, without the Participant's permission, in cases of threatening conduct or suspicious, fraudulent or illegal activity and (4) reject a contribution for any reason, including contributions that College Savings Iowa believe are not in the best interests of College Savings Iowa, a Portfolio or the Participants. The risk of market loss, tax implications, penalties and any other expenses, as a result of such an account freeze, redemption or rejection, will be solely the Participant's responsibility.

## Control of the Account

The Participant controls the account and the disposition of all assets held in the account, including earnings, whether contributed by the Participant or by another person. A Beneficiary has no control over any account assets.

## Designating a Successor Participant

As a Participant, you can designate a Successor Participant to succeed to all of your rights, title and interest in an account (including the right to change the Beneficiary) upon your death to the extent permissible under applicable law. This designation can be made on the Participant Agreement when opening your account. If you fail to designate a Successor Participant at the time of enrollment and subsequently decide to make a designation, or if you want to revoke or change a designation, you can submit the information online, by calling or by submitting an Account Information Change Form. In the case of an UGMA/UTMA account, the custodian cannot change the Participant but can change the custodian to a successor custodian during the term of the custodial account.

The Participant may name a Successor Participant to the account even though the Successor Participant may already have established or may have plans to establish an account.

Upon the death of a Participant, the Successor Participant must notify College Savings Iowa by calling 888-672-9116. The Successor Participant will be provided with a Transfer Due to Death of Participant Form and be instructed to return it with a certified copy of the death certificate. The change in ownership of the account will become effective for the Successor Participant once this paperwork has been received in good order and processed.

If a Participant dies without having chosen a Successor Participant for the account and the Beneficiary is younger than age 18, a surviving parent or legal guardian will become the Participant after submitting the Transfer Due to Death of Participant Form along with the required documentation. The change of ownership of the account will become effective for the surviving parent or legal guardian once this paperwork has been received in good order and processed. Upon the death of such a Participant, if the Beneficiary is age 18 or older, the Beneficiary will become the owner of the account after submitting the Transfer Due to Death of Participant Form along with the required documentation. The change in ownership of the account will become effective for the Beneficiary once this paperwork has been received in good order and processed. The parent, legal guardian or Beneficiary must notify College Savings Iowa by submitting the appropriate paperwork—please contact College Savings Iowa at 888-672-9116 for instructions.

Please note that a change in Participant may have tax consequences. Please consult your tax advisor.

## Transfer of Assets to Another Beneficiary

If you transfer assets to the account of another Beneficiary within **College Savings Iowa** and if the new Beneficiary is a Member of the Family of the prior Beneficiary (as defined in **Part VIII. Other Account Information—Member of the Family**), then the transfer will be treated as a nontaxable rollover of assets for federal income tax purposes.



## Changing the Beneficiary

To change the Beneficiary of an account, you must submit a completed Beneficiary Change Form or complete the change online at [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com). When you change the Beneficiary, you can exchange assets in the account to a different investment option. Exchanges that accompany a Beneficiary change do not count toward the federally imposed limit of two exchanges per calendar year. College Savings Iowa reserves the right to suspend the processing of Beneficiary transfers if it suspects that such transfers are intended to avoid the exchange limits.

The new Beneficiary must meet the eligibility criteria set forth in **Part II. How to Enroll—2. Choose a Beneficiary**. In addition, the new Beneficiary must be a Member of the Family (as defined below in **Member of the Family**) of the former Beneficiary.

There may be federal gift tax, estate tax or generation-skipping tax consequences in connection with changing the Beneficiary of a 529 plan account. Please consult your tax advisor.

**Note:** *When Beneficiaries change, assets invested in an Age-Based Savings Track will be moved to a different Portfolio within the same savings track corresponding to the age of the new Beneficiary (unless the new Beneficiary is in the same age bracket as the former Beneficiary or the Participant selects a different investment option).*

## Member of the Family

A Member of the Family of the Beneficiary is currently defined for purposes of Section 529 as any person related to the Beneficiary as follows:

- Father, mother or an ancestor of either;
- Son, daughter or a descendant of either;
- Stepfather or stepmother;
- Stepson or stepdaughter;
- Brother, sister, stepbrother, stepsister, half-brother, or half-sister;
- Brother or sister of the father or mother of the Beneficiary;
- 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 of the Beneficiary or spouse of any of the individuals mentioned above; and
- First cousin.

A legally adopted child of an individual is treated as the child of such individual by blood, and a half-brother or half-sister is treated as a brother or sister.

## Part IX. Tax Treatment

This section summarizes key aspects of the federal and state tax treatment of contributions to, and withdrawals from, 529 plan accounts. The information provided below is not exhaustive. It is based on an understanding of current law and regulatory interpretations relating to 529 plans generally, and it is meant to provide College Savings Iowa Participants with general background about the tax characteristics of these programs. Neither this section nor any other information provided throughout this document is intended to constitute, nor does it constitute, legal or tax advice. This document was developed to support the marketing of College Savings Iowa and cannot be relied on for purposes of avoiding the payment of federal or state taxes or penalties. College Savings Iowa *strongly encourages Participants and Beneficiaries to consult their tax and legal advisors*.

The tax and legal information provided below is based on the Internal Revenue Code of 1986, as amended (the “Code”), and on proposed regulations in effect as of the date of this document, as well as other administrative guidance and announcements issued by the Internal Revenue Service (“IRS”) and the Department of Treasury. It is possible that the U.S. Congress, the Treasury Department, the IRS or the federal or state courts may take action that will affect, including potentially retroactively, the tax treatment of 529 plan contributions, earnings, withdrawals or the availability of state tax deductions. Individual state legislation may affect the state tax treatment of 529 plans for residents of that state.

**State tax and other benefits:** If you are not an Iowa taxpayer, consider before investing whether your or the designated Beneficiary’s home state offers any state tax or other benefits that are only available for investments in such state’s qualified tuition program. Other state benefits may include financial aid, scholarship funds and protection from creditors. Consult your financial, tax or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances.

Keep in mind that state-based benefits should be one of many factors you should consider when making an investment decision.

## Iowa State Tax Considerations

Iowa taxpayers who are Participants can deduct up to \$3,785 for 2023 (adjusted annually for inflation) of their contributions per Beneficiary, including rollovers, for Iowa income tax purposes. This deduction applies to each Beneficiary account they own and contribute to. For example, married Participants who contribute to separate accounts on behalf of their two children can deduct up to \$15,140 (4 x \$3,785) in 2023.

To claim the deduction, review the instructions for Line 24 (other adjustments) of the Iowa Individual Income Tax Long Form (Iowa 1040). The instructions may refer to the Iowa Educational Savings Plan Trust. Iowa state residents can elect to treat contributions made up through the deadline (excluding extensions) for filing an individual Iowa state income tax return (generally April 30) as having been made in the prior year to claim the allowable annual deduction on their Iowa state tax return for such prior year. Any contribution sent will be designated for the year it is received in good order unless otherwise elected by the account owner. Contributions sent by U.S. mail will be treated as having been made in a particular year if the envelopes in which they are sent are postmarked on or before December 31 of that year. Contributions made by EBT will be treated as having been made in a particular year if the EBT request is submitted by 11:59 p.m., Central time, on the last calendar day of that year. Recurring contributions will be treated as having been made based on the date you designate as the day your bank account is to be debited. (If your designation date is January 1, 2, 3 or 4, the contribution will be treated as having been made in the new calendar year.) See **Part VI. Contributions—Recurring Contributions (Also Known as an Automatic Investment Plan or AIP)** for more details on designation dates.

The Iowa income tax deduction is available only to a Participant of a College Savings Iowa account and not to others who make contributions to the Participant's account. Therefore, it is recommended that each Iowa contributor establish a separate account if he or she wishes to take advantage of the state tax deduction.

All earnings are exempt from Iowa state income taxes. Contributions to College Savings Iowa previously deducted for Iowa income tax purposes must be included as Iowa income when distributed, unless they are used to pay for qualified education expenses or recontributed to the Plan within 60 days. For Iowa income tax purposes, a rollover to a non-Iowa 529 plan will be treated as a nonqualified withdrawal and taxed as income to the extent previously deducted as a contribution to College Savings Iowa.

A contributor to College Savings Iowa who is not an Iowa taxpayer may be entitled to a state income tax deduction, depending on the law of the state where he or she lives or pays taxes. Likewise, it is possible that a recipient of money withdrawn from College Savings Iowa may be subject to state income tax on those withdrawals by the state where he or she lives or pays taxes. You should consult your tax advisor.

If a Beneficiary receives from an eligible educational institution a refund of funds originally withdrawn from an account to pay for qualified higher-education expenses, such funds, up to the amount of the refund, will not be subject to adverse Iowa state tax consequences provided the funds are recontributed to the same account from which the withdrawal was made and the recontribution occurs within 60 days of the refund.

The state tax treatment of any withdrawals will be determined by the account owner's state of residence and will vary from state to state. Each state will ultimately determine the treatment of these withdrawals independently. For information on Iowa, Account owners should consult their tax advisors for further guidance.

## Taxation of 529 Plans Generally

529 plans allow individuals, trusts, organizations qualified under Section 501(c)(3) of the Internal Revenue Code and certain corporate entities to provide for the education-related expenses of a Beneficiary in a tax-advantaged manner. To be eligible for these tax benefits, the funds from a 529 plan account must be used to pay the Beneficiary's qualified education expenses as described in **Part VII. Withdrawals**.

## Federal Taxation of Contributions and Withdrawals

Federal law does not allow a deduction for contributions to 529 plans. However, the income earned on any such contributions generally may grow free of federal income tax until distributed. Qualified withdrawals (see **Part VII. Withdrawals**) and qualified rollovers are not subject to federal income tax.

Withdrawals may comprise: (1) principal, which is not taxable when distributed, and (2) earnings, if any, which may be subject to federal income tax. We determine the earnings portion based on IRS rules and report to the IRS and the recipient. However, we do not report whether the withdrawal is a qualified withdrawal or a nonqualified withdrawal. The earnings portion of a withdrawal will generally be calculated on an account-by-account basis. If you do not select a specific investment option(s) from which to take a withdrawal, the withdrawal will be taken proportionally from all the investment options in the account. If you request that a withdrawal be taken from one or more specific investment options, the earnings, for tax-reporting purposes, will be calculated based on the earnings of all the investment options in your account. Therefore, the earnings reported for tax purposes may differ from the earnings generated in the specific investment option(s) from which the withdrawal was made. You are responsible for preparing and filing the appropriate forms when completing your federal income tax return and for paying any applicable tax directly to the IRS.

The earnings portion of a nonqualified withdrawal is treated as income to the person who receives it and thus is subject to applicable federal and state income taxes in some states (but not Iowa) and an additional 10% federal penalty.

The additional 10% federal penalty does not apply to withdrawals made because of:

- Attendance at specified U.S. military academies.
- The death of the Beneficiary (if the withdrawal is paid to the Beneficiary or the estate of the Beneficiary).
- The disability of the Beneficiary.
- A qualified rollover, as described below.
- A scholarship, allowance or similar payment (including a payment under the GI Bill) made to the Beneficiary, but only to the extent of such payment.
- A refund from an eligible educational institution of qualified higher-education expenses recontributed to a 529 plan account for the same Beneficiary within 60 days of the date of the refund. The recontributed amount cannot exceed the amount of the refund.

### Taxation of Rollovers

A Participant can receive all or part of the money in a 529 plan account without adverse federal income tax consequences if, within 60 days of the withdrawal from the distributing account, the money is transferred to or deposited into an account at another 529 plan for the benefit of (1) an individual who is a Member of the Family of the former Beneficiary or (2) the same Beneficiary, but only if no other such rollover distribution or transfer has been made for the benefit of such individual within the preceding 12 months. The program allows a tax deduction for rollovers into College Savings Iowa. (Transfers between 529 plans sponsored by the State of Iowa are not subject to this rule. See **Part VI. Contributions—Transfer Within the Trust for the Same Beneficiary.**)

### Taxation of Other Contributions and Transfers

An individual generally can transfer into a 529 plan account, without adverse federal income tax consequences, all or part of:

- Money from an education savings account, described in Section 530 of the Code.
- Proceeds from the redemption of a qualified U.S. Savings Bond, described in Section 135 of the Code.

In addition, if the Beneficiary receives from an eligible educational institution a refund of funds originally withdrawn from an account to pay for qualified higher-education expenses, such funds, up to the amount of the refund, will not be subject to adverse federal income tax consequences, provided the funds are recontributed to the same or another account in a 529 plan for the same Beneficiary within 60 days of the refund.

Please consult your tax advisor.

### Federal Gift and Estate Tax Issues

Contributions (including certain rollover contributions) to your College Savings Iowa account generally are considered completed gifts to the Beneficiary and are eligible for the applicable annual exclusion from gift and generation-skipping transfer taxes (in 2023, \$17,000 for a single individual or \$34,000 for an electing married couple). Except in the situations described in the following paragraph, if the Participant were to die while assets remained in a 529 plan account, the value of the account would not be included in the Participant's estate. In cases where contributions to a 529 plan account exceed the applicable annual exclusion amount for a single Beneficiary, the contributions may be subject to federal gift tax and, possibly, the generation-skipping transfer tax in the year of contribution. However, in these cases, a contributor can elect to apply the contribution against the annual exclusion equally over a five-year period. This option is applicable only for contributions up to five times the available annual exclusion amount in the year of the contribution. For example, for 2023 the maximum contribution that may be made using this rule would be \$85,000 for a single individual (or \$170,000 for an electing married couple). Once this election is made, if the contributor makes any additional gifts to the same Beneficiary in the same or the next four years, such gifts may be subject to gift or generation-skipping transfer taxes in the calendar year of the gift. However, any excess gifts can be applied against the contributor's lifetime gift-tax exclusion (\$12,920,000 for 2023).

If the Participant chooses to use the five-year forward election and dies before the end of the five-year period, the portion of the contribution allocable to the years remaining in the five-year period (beginning with the year after the Participant's death) would be included in the Participant's estate for federal estate tax purposes.

If the Beneficiary of a 529 plan account is changed or amounts in an account are rolled over to a new Beneficiary of the same generation as the former Beneficiary (or an older generation), a gift or generation-skipping transfer tax will not apply. If the new Beneficiary is of a younger generation than the former Beneficiary, there will be a taxable gift to the extent of the amount transferred. Generation-skipping transfer taxes may apply if the new Beneficiary is two or more generations below the former Beneficiary. The five-year rule explained above may be applicable here. In certain circumstances, the gross estate of a Beneficiary may include the value of the 529 plan account.

Estate, gift and generation-skipping tax issues arising in conjunction with 529 plans can be quite complicated. You should consult your tax advisor if you have any questions about these issues in light of your personal circumstances.

## Coordination With Other Higher-Education Expense Benefit Programs

The tax benefits afforded College Savings Iowa and other 529 plans must be coordinated with other programs designed to provide tax benefits for meeting higher-education expenses, to avoid the duplication of such benefits. The coordinated programs include education savings accounts under Section 530 of the Code and the American Opportunity Tax Credit and Lifetime Learning Credit.

**Education Savings Accounts.** You can contribute money to, or withdraw money from, both a 529 plan account and an education savings account in the same year. However, to the extent the total withdrawals from both programs exceed the amount of the qualified higher-education expenses incurred that qualifies for tax-free treatment under Section 529, the Beneficiary must allocate his or her qualified higher-education expenses between both such withdrawals to determine how much can be treated as tax-free under each program.

**American Opportunity Tax Credit (AOTC) and Lifetime Learning Credit.** The use of an AOTC or Lifetime Learning Credit by a qualifying Participant and Beneficiary will not affect participation in, or receipt of, benefits from a 529 plan, so long as any withdrawal from your 529 account is not used for the same expenses for which the credit is claimed. For example, you can claim an AOTC credit to pay for tuition and request a distribution from your College Savings Iowa account for room-and-board expenses.

## Part X. Risks of Investing in College Savings Iowa

### Federal or State Law Could Change

Federal and state law and regulations governing the administration of 529 plans could change in the future. In addition, federal and state laws on related matters, such as the funding of higher-education expenses, the treatment of financial aid and tax matters, are subject to frequent change. It is unknown what impact these kinds of changes could have on an account.

### Your 529 Accounts May Impact Financial Aid Eligibility

**Note:** For Iowa residents, College Savings Iowa accounts are not considered when determining eligibility for state financial aid programs in Iowa. If you are not an Iowa resident, check with your state for more information.

Being the account owner or Beneficiary of a 529 plan account may adversely affect one's eligibility for financial aid. In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of such aid required, the U.S. Department of Education takes into consideration a variety of factors, including the assets owned by the student (i.e., the Beneficiary) and the assets owned by the student's parents. The U.S. Department of Education generally expects the student to spend a substantially larger portion of his or her own assets on educational expenses than the parents. Whether the balances in a 529 plan account will be treated as an asset of the student or parent depends on a variety of factors including if the Beneficiary is a dependent or independent student and whether the parent(s) completing the FAFSA is (are) the owner(s) of the 529 plan account. An account owner should consult a qualified financial aid advisor for further information on the impact of a 529 plan account on federal financial aid and on other forms of financial aid, including state financial aid and financial aid provided by educational institutions, in the circumstances of a particular financial aid applicant.

With respect to financial aid programs offered by educational institutions and other nonfederal sources, the effect of being the account owner or Beneficiary of a 529 plan account varies from institution to institution. Accordingly, no generalizations can be made about the impact of being the account owner or Beneficiary of a 529 plan account on the student's eligibility for financial aid, or the amount of aid the student may qualify for, from such sources. The federal and nonfederal financial aid program treatments of assets in a 529 plan are subject to change at any time. You should therefore check and periodically monitor the applicable laws and other official guidance, as well as particular program and institutional rules and requirements, to determine the impact of 529 plan assets on eligibility under particular financial aid programs.

### College Savings Iowa Could Change

The State of Iowa reserves the right, in its sole discretion, to discontinue College Savings Iowa or to change any aspect of the Plan. For example, changes could be made to the fees and charges; Portfolios could be added, removed or merged with other Portfolios; a Portfolio could be closed to new investors; or the Underlying Funds of a Portfolio could be changed. Depending on the nature of the change, a Participant could be required to participate, or be prohibited from participating, in the change with respect to accounts established before the change. Vanguard may not continue as investment manager, and Ascensus may not continue as recordkeeper, indefinitely. The Recordkeeping Services Agreement between Ascensus, Vanguard and the Trust expires May 12, 2024. The Savings Plan Services Agreement between Vanguard and the Trust also expires May 12, 2024. College Savings Iowa may hire new or additional entities in the future to manage all or part of College Savings Iowa.

## Account Investments May Not Fully Cover Education-Related Expenses

There is no guarantee that the money in your account will be sufficient to cover all of a Beneficiary's qualified higher-education expenses, even if contributions are made in the maximum allowable amount for the Beneficiary. The level of future inflation in higher-education expenses is uncertain and could exceed the rate of investment return earned by any or all of the Portfolios over any relevant period.

## No Indemnification

Neither Iowa, the Trust, College Savings Iowa, Vanguard, Ascensus nor any of their affiliates or associated persons will indemnify any Participant or Beneficiary against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of College Savings Iowa or its employees, agents, representatives or contractors.

## No Guarantee of Suitability

Iowa, the Trust, College Savings Iowa, Vanguard, Ascensus and their affiliates and associated persons make no representations about the suitability for any particular investor of the investment options offered by College Savings Iowa. Other types of investments and other college savings vehicles may be more appropriate, depending on your personal circumstances. Please consult your tax or investment advisor for more information.

## Medicaid and Other Benefits

The effect of an account on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that an account in College Savings Iowa will be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an account during certain periods also may have the effect of delaying the disbursement of Medicaid payments. You should consult a qualified advisor to determine how a 529 plan account may affect eligibility for Medicaid or other state and federal benefits.

## No Guarantee of Income or Principal

The value of an account may increase or decrease over time based on the performance of the Portfolio(s) you select. This may result in the value of the account being more or less than the amount contributed. None of College Savings Iowa, the State or any instrumentality thereof, the State Treasurer, Vanguard, Ascensus, any of their affiliates or associated persons or the underlying mutual funds makes any guarantee of, nor has any legal obligations to ensure, the ultimate payout of any amount, including a return of contributions made to an account. In addition, no level of investment return is guaranteed by College Savings Iowa, the State or any instrumentality thereof, the State Treasurer, Vanguard, Ascensus, any of their affiliates or associated persons or the underlying mutual funds. An investment in College Savings Iowa is not a bank deposit

and is not insured or guaranteed by the federal government, the Federal Deposit Insurance Corporation or any other federal or state governmental agency.

## Market Uncertainties and Other Events

Due to market uncertainties, the overall market value of your account may exhibit volatility and could be subject to wide fluctuations in response to factors, including but not limited to regulatory or legislative changes, worldwide political uncertainties, general economic conditions (such as inflation and unemployment rates), acts of God, acts of civil or military authority, acts of government, accidents, environmental disasters, natural disasters or events, fires, floods, earthquakes, hurricanes, explosions, lightning, suspensions of trading, epidemics, pandemics, public health crises, quarantines, wars, acts of war (whether war is declared or not), terrorism, threats of terrorism, insurrections, embargoes, cyber attacks, riots, strikes, lockouts or other labor disturbances, disruptions of supply chains, civil unrest, revolutions, power or other mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays in or stoppages of transportation and any other events or circumstances beyond our reasonable control whether similar or dissimilar to any of the foregoing (all enumerated and described events in this section individually and collectively, "Force Majeure"). All of these factors may cause the value of your account to decrease (realized or unrealized losses) regardless of our performance or any systematic investing on your part.

## Limited Investment Direction

In general, a Participant or Beneficiary cannot direct the investment of an account other than directing the Portfolio(s) in which to invest. Once a Portfolio selection has been made, federal regulations limit investment changes to two times within a calendar year (see **Part II. How to Enroll—5. Select Your Investment Options**). The State Treasurer has control over the Underlying Fund allocations and reserves the right to change them at his discretion, including, but not limited to, the ability to change Underlying Funds in a Portfolio, closing a Portfolio to accounts and/or additional contributions and adding new Underlying Funds.

## Allocation Methodology Risk

An account in an age-based Portfolio is subject to the risk that the allocation methodology will not meet an investor's goals. The allocation methodology will not eliminate market volatility, which could reduce the amount of funds available when the Participant intends to begin to withdraw a portion or all of a Participant's investment in the Portfolio. This risk is greater for a Participant who begins to withdraw a portion or all of the Participant's investment in the Portfolio in or around the Beneficiary's date of enrollment. Accordingly, Participants should periodically assess and, if appropriate, adjust their investment choices with their investment time horizons, risk tolerances and investment objectives in mind.



## Illiquidity

The circumstances in which account assets may be withdrawn without a penalty or adverse tax consequences are limited. This reduces the liquidity of an investment in College Savings Iowa.

## No Guarantee of Admittance

Participation in College Savings Iowa does not guarantee or otherwise provide a commitment that the Beneficiary will be admitted to or allowed to continue to attend or receive a degree from any educational institution. Participation in College Savings Iowa does not guarantee the Beneficiary will be treated as a state resident of any state for tuition or any other purpose.

# Part XI. Legal Information

## College Savings Iowa

College Savings Iowa is sponsored and administered by the Treasurer of the State of Iowa. College Savings Iowa is part of the Trust, which was created under the Code of Iowa, Chapter 12D, in 1998. College Savings Iowa, established as an investing vehicle for higher- education purposes, is designed to qualify for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder. Section 529 permits states, state agencies and eligible educational institutions to sponsor qualified tuition programs, which are tax-advantaged programs intended to help individuals and families pay the costs of education. Although College Savings Iowa is structured to comply with Section 529, there is no guarantee the IRS will treat it as a qualified tuition program for purposes of Section 529. Neither the State of Iowa, College Savings Iowa, Vanguard, Ascensus, Upromise nor any of their affiliates or associated persons makes any warranty that College Savings Iowa is a “qualified tuition program” under Section 529. College Savings Iowa has contracted with Vanguard to provide investment management and other services, and with Ascensus to provide records-administration services.

## Audits

Iowa Educational Savings Plan Trust is audited annually by Iowa’s Auditor of State, which has expertise in auditing and accounting. Iowa Educational Savings Plan Trust’s financial statements as of their most recent fiscal year ended June 30 are available on the Iowa Auditor of the State website, [auditor.iowa.gov](http://auditor.iowa.gov), or by calling their office at 515-281-5834.

## Custodian Arrangements

The Bank of New York Mellon (“Bank of New York Mellon”) is College Savings Iowa’s custodian. As such, Bank of New York Mellon is responsible for maintaining the assets and collects all income payable to and all distributions made with respect to the Underlying Funds, if applicable.

## College Savings Iowa Is Not a Mutual Fund

Although money contributed to College Savings Iowa will be invested in Portfolios that hold Vanguard mutual funds and other similar Vanguard investment vehicles, neither the Trust, College Savings Iowa nor any of the Portfolios are themselves a mutual fund. An investment in College Savings Iowa represents an interest in the Trust and entitles Participants only to those rights and benefits provided by Iowa law and the rules and policies established by the State Treasurer. This investment is not registered with the U.S. Securities and Exchange Commission (“SEC”) or any state, and neither the Trust, College Savings Iowa nor the Portfolios are registered as investment companies with the SEC or any state.

## Reservation of Rights

College Savings Iowa reserves the right to:

- Refuse, change, discontinue or temporarily suspend account services, including accepting contributions and processing of withdrawal requests, for any reason.
- Suspend processing of withdrawal requests or postpone sending out the proceeds of a withdrawal request when the NYSE is closed for any reason other than its usual weekend or holiday closings, when trading is restricted by the SEC or under any emergency circumstances.
- Establish fees and other charges, as it deems appropriate, and charge an account in any circumstance in which expenses are incurred on behalf of the account (e.g., when a check or recurring contribution is returned unpaid by the financial institution upon which it is drawn). Any fees and charges imposed on an account may be deducted directly from the account.

## Information Subject to Change

The information in this document is believed to be accurate as of the cover date but is subject to change without notice. No one is authorized to provide information that is different from the information in the most current form of this document or in supplements that accompany this document. For the most updated information, visit [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) or call 888-672-9116.

## Creditor Protection

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 expressly excludes from an individual debtor's bankruptcy estate (and, therefore, will not be available for distribution to such individual's creditors) certain assets that have been contributed to a 529 plan account. However, bankruptcy protection for 529 plan assets is limited and has certain conditions. To be protected, the account Beneficiary must be a child, stepchild, grandchild or step grandchild of the individual who files for bankruptcy protection. In addition, contributions made to all 529 plan accounts for the same Beneficiary (meaning that your account for a Beneficiary would be aggregated with any other account you have for the same Beneficiary in a 529 plan in another state) are protected as follows: (1) there is no protection for any assets contributed fewer than 365 days before the bankruptcy filing, (2) assets are protected in an amount up to \$6,425 if they have been contributed between 365 and 720 days before the bankruptcy filing and (3) assets are fully protected if they have been contributed more than 720 days before the bankruptcy filing. This information is not meant to be individual advice, and you should consult a qualified advisor about your individual circumstances and the applicability of state law to circumstances not involving federal bankruptcy law.

## Summary Only

This document is intended as a summary of College Savings Iowa. Every effort has been made to reflect in this document the applicable provisions of statutes, regulations, policies, procedures and agreements relevant to Participants and Beneficiaries. Neither Iowa, the Trust, College Savings Iowa, Vanguard, Ascensus, Upromise nor any of their affiliates or associated persons shall be liable for any inconsistency between this summary and the applicable provisions of statutes, regulations, policies, procedures and agreements.

## Conflicts

If any conflicts arise, the Iowa statutes and the Code shall prevail over this Program Description.

## Arbitration

This is a predispute arbitration clause. Any controversy or claim arising out of, or relating to, College Savings Iowa or the Participant Agreement, or the breach, termination or validity of College Savings Iowa or the Participant Agreement, including but not limited to any dispute over the scope of the arbitration clause, shall be settled by arbitration administered by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures and its Policy on Consumer Arbitrations, which are made part of the Participant Agreement, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

By the Participant signing a Participant Agreement and upon acceptance of the Participant's initial contribution by College Savings Iowa, the Participant and the other parties agree as follows:

- All parties to the College Savings Iowa Participant Agreement are giving up important rights under state law, including the right to sue each other in court and the right to a trial by jury, except as provided by the JAMS rules incorporated herein.

The Participant further understands that:

- Arbitration awards are generally final and binding; and a party's ability to have a court reverse or modify an arbitration award is 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 potential costs of arbitration may be more or less than the cost of litigation;
- The arbitrators generally do not have to explain the reason(s) for their award and College Savings Iowa does not guarantee that it will join any request the Participant may make for such an explanation;
- Arbitrators selected to hear the case may or may not be affiliated with the securities industry;
- In limited circumstances, 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 Participant Agreement and are available at [www.JAMSadr.com](http://www.JAMSadr.com); and
- No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; 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 or (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 agreement except to the extent set forth in this Arbitration section.

## Part XII. Privacy Policies

### College Savings Iowa Privacy Policy

All providers of personal financial services are required by federal law to inform their customers of their policies about privacy of customer information. College Savings Iowa, a college savings plan created and administered by the State of Iowa, may be considered a provider of personal financial services for purposes of this federal law. Accordingly, this notice is being provided to you, as a Participant of College Savings Iowa, to inform you of the policies about privacy of Participant information.

**Types of Nonpublic Personal Information College Savings Iowa Collects.** College Savings Iowa collects nonpublic personal information about you that is provided by you or obtained by College Savings Iowa with your authorization. This includes information College Savings Iowa receives from you on applications and other forms.

**Parties to Whom Information Is Disclosed.** College Savings Iowa does not disclose any nonpublic personal information about you to anyone, except as permitted by law. Permitted disclosures include, for instance, providing information to College Savings Iowa employees and to related service providers who need to know the information to assist College Savings Iowa in providing services to you. In all such situations, College Savings Iowa stresses the confidential nature of the information being shared.

**Protecting the Confidentiality and Security of Current and Former Participants' Information.** College Savings Iowa retains records relating to services provided so College Savings Iowa is better able to assist you with your education planning needs and, in some cases, to comply with governmental reporting requirements. In the case of former Participants, College Savings Iowa will continue to adhere to the privacy policies and practices as described in this notice.

To guard your nonpublic personal information, College Savings Iowa maintains physical, electronic and procedural safeguards that comply with its privacy standards.

The security of your personal and financial information is important. Please call 888-672-9116 if you have any questions. To access the State of Iowa privacy page, please visit: [CollegeSavingsIowa.com/home/privacy-policies.html](https://CollegeSavingsIowa.com/home/privacy-policies.html).

### Ascensus Privacy Policy

Under the terms of the contract between Ascensus, Vanguard and College Savings Iowa, Ascensus is required to treat all Participant information confidentially. Ascensus is prohibited from using or disclosing such information, except as may be necessary to perform its obligations under the terms of its contract with College Savings Iowa, or if required by applicable law, by court order or by other order. To access the Ascensus Privacy Statement, please visit: [CollegeSavingsIowa.com/home/privacy-policies.html](https://CollegeSavingsIowa.com/home/privacy-policies.html).



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College Savings Iowa is an Iowa trust sponsored by the Iowa State Treasurer's Office. The Treasurer of the State of Iowa sponsors and is responsible for overseeing the administration of College Savings Iowa. The Vanguard Group, Inc., serves as Investment Manager for College Savings Iowa.

Ascensus College Savings Recordkeeping Services, LLC, provides records-administration services.

*Neither the principal deposited to College Savings Iowa nor the investment return is guaranteed by the State of Iowa, the Iowa State Treasurer's Office, The Vanguard Group, Ascensus College Savings Recordkeeping Services, or any affiliate of any party.*

*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in such a fund.*

College Savings Iowa  
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