



THE VERMONT HIGHER EDUCATION INVESTMENT PLAN

PLAN DISCLOSURE BOOKLET AND PARTICIPATION AGREEMENT

October 20, 2025

Sponsored and Administered by:
THE VERMONT STUDENT ASSISTANCE CORPORATION



Plan Manager:
Vestwell State Savings, LLC.

Accounts in the Vermont Higher Education Investment Plan ("VHEIP" or the "Plan") are not insured by the Federal Deposit Insurance Corporation ("FDIC"). Accounts in the VHEIP are not guaranteed or insured by the State of Vermont, VSAC, or their authorized agents or affiliates, or any other federal or state entity or person.

Please read and retain this Disclosure Booklet as an important document with your other records about the Plan. This Disclosure Booklet is also available on the Plan's website at www.vt529.org. You should read and understand this Disclosure Booklet before you make contributions to the Plan.

Units in the Plan have not been registered with or approved by the United States Securities and Exchange Commission or any state securities commission.

No broker, dealer, salesperson or any other person has been authorized by the **Plan Parties** (as defined in "Important Defined Terms") to give any information or to make any representations other than those contained in this document and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the Plan Parties

The information in this Disclosure Booklet and Participation Agreement ("Disclosure Booklet") is subject to change without notice, and neither delivery of this Disclosure Booklet nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes since the date of this Disclosure Booklet.

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

Qualified tuition plans developed under Section 529 of the Internal Revenue Code of 1986, as amended (the "**IRC**"), are intended to be used only to save for Qualified Higher Education Expenses. These 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. The tax information contained in this Disclosure Booklet was written to support the promotion and marketing of the Plan and was neither written nor intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding federal or state taxes or tax penalties. Taxpayers should seek tax advice from an independent tax advisor based on their own particular circumstances.

Links to third party websites are provided for informational purposes. None of the Plan Parties nor any third party makes any representation as to the accuracy of the information contained on any third-party websites. Website content and associated URLs are subject to change without notice, and links are subject to becoming outdated or broken.

THE VERMONT HIGHER EDUCATION INVESTMENT PLAN AND ITS AUTHORIZED AGENTS OR AFFILIATES MAKE NO REPRESENTATIONS REGARDING THE SUITABILITY OF THE INVESTMENT PORTFOLIOS DESCRIBED IN THIS DISCLOSURE BOOKLET FOR ANY PARTICULAR INVESTOR. OTHER TYPES OF INVESTMENTS AND OTHER TYPES OF COLLEGE SAVINGS VEHICLES MAY BE MORE APPROPRIATE DEPENDING ON YOUR PERSONAL CIRCUMSTANCES. YOU SHOULD CONSULT YOUR TAX OR INVESTMENT ADVISOR FOR MORE INFORMATION. THE INFORMATION IN THIS DISCLOSURE BOOKLET IS SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER DELIVERY OF THIS DISCLOSURE BOOKLET NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VERMONT HIGHER EDUCATION INVESTMENT PLAN SINCE THE DATE OF THIS DOCUMENT.



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INTRODUCTION TO THE PLAN

The State created the Plan to encourage people to invest for college or other post-high school programs. VSAC implements and administers the Plan under the oversight of its Board of Directors (the **"Board"**). Currently, federal and Vermont tax benefits enhance the value of investing in the Plan. The Plan is designed to meet the requirements of a qualified tuition plan under IRC Section 529 (**"Section 529"**).

The Plan is authorized by Subchapter 7 of Chapter 87, Title 16 of the Vermont Statutes Annotated (as the same may be amended from time to time, the **"Statute"**). VSAC has the authority to appoint a Plan Manager, adopt rules and regulations to implement and administer the Plan, and establish investment policies for the Plan. For additional information, see **"Oversight of the Plan."** The Board initially implemented the Plan by adopting a resolution on June 18, 1999, as amended by resolutions adopted by the Board on August 22, 2001 and August 18, 2009.

If you are not a resident of Vermont, before opening an Account you should consider whether your or your Beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in your or your Beneficiary's home state's qualified tuition program. Any state-based benefit(s) offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision.

Vestwell State Savings, LLC ("VSS") manages the Plan under the direction of VSAC. VSS and VSAC have entered into a contract (the **"Management Agreement"**) under which VSS, its affiliates, and their subcontractors provide services to the Plan. For additional information, see **"The Plan Manager and the Subcontractors."** VSAC, the Board and VSS do not provide legal, financial, investment or tax advice to any individual. Investors may wish to engage a financial professional before making any decisions regarding whether to invest in the Program.

Please note that once your Account is open, you can log in at www.vt529.org to access and update your information. This includes updating your mailing address, bank and email information, viewing Plan correspondence, making contributions and withdrawals, and managing your Investment Portfolios.

KEY FEATURES OF THE PLAN

This section provides summary information about certain key features of the Plan, but it is important that you read the entire Disclosure Booklet for more detailed information about the Plan. Capitalized terms used in this section are defined in “Important Defined Terms” or elsewhere in the Disclosure Booklet.

Feature	Description	Additional Information
State Sponsor and Administrator	The Vermont Student Assistance Corporation (“VSAC”)	<i>Oversight of the Plan</i> , page 40
Plan Manager	Vestwell State Savings, LLC (“VSS”)	<i>The Plan Manager and the Subcontractors</i> , page 41
Investment Manager	BNY Advisors, LLC Inc. (“BNY Advisors”)	<i>The Plan Manager and the Subcontractors</i> , page 41
The Recordkeeping Agent	BNY Mellon Investment Servicing (US), Inc., a subcontractor of the Custodian	<i>The Plan Manager and the Subcontractors</i> , page 41
The Custodian	The Bank of New York Mellon (“BNY”)	<i>The Plan Manager and the Subcontractors</i> , page 41
Minimum Contribution	The minimum initial contribution is \$25 per Account. The minimum subsequent contribution is \$1 (\$1 per pay period if made via payroll deduction).	<i>Contributing to Your Account</i> , page 15
Current Maximum Account Balance Limit	Maximum Account Balance Limit of \$550,000 per Beneficiary — no new contributions may be made to any Account if, at the time of a proposed contribution, the aggregate account balance of the Account and all other Accounts in the Plan for the same Beneficiary has a market value equal to or in excess of this limit. Accounts that have reached the Maximum Account Balance Limit may continue to accrue earnings.	<i>Contributing to Your Account</i> , page 15
Federal Income Tax Considerations	Contributions to an Account are not deductible for federal income tax purposes. Earnings in an Account grow tax-deferred from federal income tax. No federal income tax on Section 529 Withdrawals. For federal gift and estate tax purposes, contributions are generally considered completed gifts to the Beneficiary. Contributions up to the annual exclusion amount per Beneficiary (currently \$19,000, or \$38,000 for a married couple that elects to “split” gifts) are not subject to the gift tax. A special provision for qualified tuition programs permits the annual exclusion amount for up to 5 years to be applied in a single year. Contributions above the annual exclusion amounts may be subject to gift tax if together with all other gifts by the contributor they exceed the contributor’s lifetime unified credit for gift tax purposes.	<i>Federal and Vermont Income Tax Considerations</i> , page 12 <i>Federal and Vermont Tax Considerations</i> , page 32
Vermont Income Tax Considerations	Earnings grow tax-deferred from State income tax. A Vermont state income tax credit is available for 10% of the first \$2,500 (\$5,000 if filing jointly) contributed to an Account annually. Some Section 529 Withdrawals and Rollovers are subject to Vermont State Income Tax Credit Recapture. A repayment of the Vermont state income tax credit is required in those circumstances. The repayments are subject to assessment, penalties and interest. See “Federal and Vermont Tax Considerations” and “Vermont State Income Tax Credit” for more information. Vermont state tax benefits are available only to Vermont income tax payers. If you or your Beneficiary reside in, or have taxable income in, a state other than Vermont, see “Taxes Imposed by Other Jurisdictions.”	<i>Federal and Vermont Income Tax Considerations</i> , page 12 <i>Federal and Vermont Tax Considerations</i> , page 32 <i>Withdrawals from an Account</i> , page 36 <i>Vermont Tax Considerations</i> , page 48

Key Features of the Plan

Feature	Description	Additional Information
Section 529 Withdrawals and Rollovers	Section 529 Withdrawals are withdrawals that meet all of the conditions of Section 529 under the Internal Revenue Code. To receive favorable federal tax treatment, Section 529 Withdrawals must be used to pay for Federal Qualified Education Expenses at an Eligible Educational Institution, at a K-12 School, Qualified Apprenticeship Expenses, Qualified Education Loan Repayments or Qualified Postsecondary Credentialing Expenses. To receive favorable federal tax treatment, Section 529 Rollovers must meet certain conditions. Some Section 529 Withdrawals and Rollovers are subject to Vermont State Income Tax Credit Recapture. A repayment of the Vermont state income tax credit is required in those circumstances. The repayments are subject to assessment, penalties and interest. See “Federal and Vermont Tax Considerations” and “Vermont State Income Tax Credit” for more information. Non-Qualified Withdrawals are withdrawals that are not Section 529 Withdrawals or Section 529 Rollovers. Non-Qualified Withdrawals will be subject to income tax on earnings, and an additional 10% federal tax unless an exception applies. Non-Qualified Withdrawals and withdrawals to pay for: (1) Federal Qualified Education Expenses at a K-12 School; (2) Qualified Postsecondary Credentialing Expenses, and (3) Qualified Education Loan Repayments for expenses at non-Eligible Educational Institutions are subject to Vermont State Income Tax Credit Recapture and the assessment of penalties and interest. Section 529 Rollovers from the Plan to (1) other Section 529 qualified tuition programs, (2) Section 529A ABLÉ programs, and (3) Roth IRAs are subject to Vermont State Income Tax Recapture. For your protection, withdrawals made after certain changes to your Account may be held for up to fifteen (15) days (e.g., change in mailing address) and new bank information added to the Account will need to be verified prior to contributing or receiving funds.	<i>Withdrawals from an Account</i>, page 36 <i>Federal and Vermont Income Tax Considerations</i>, page 12 <i>Federal and Vermont Tax Considerations</i>, page 32
Investment Portfolios	20 Year of Enrollment Portfolios: Contributions to the Year of Enrollment Portfolios are invested in shares of underlying mutual funds and one or more insurance company agreements in a manner that becomes progressively more conservative as the specified target year approaches. Three static Portfolios: Contributions to the Equity Index Portfolio, Balanced Portfolio and Fixed Income Portfolio are invested in shares of underlying Mutual Funds described in Appendix B. (The legacy Diversified & Equity Index Portfolio was merged into the Equity Index portfolio effective October 20, 2025.) One Principal Preservation Portfolio: Contributions in the Capital Preservation Option are invested in one or more insurance company agreements.	<i>Investment Portfolios</i> , page 25
Transfers between Investment Portfolios	The Account Owner generally may move funds from one Investment Portfolio to another twice per calendar year or at any time upon a change in Beneficiary to a Member of the Family of the Beneficiary.	<i>Transferring Funds</i> , page 17
Current Fees and Expenses	The total annual asset-based fee for all the Investment Portfolios (other than the Capital Preservation Option) as of October 20, 2025 is between 0.15%-0.17%. Certain components of this fee will be reduced when total assets in the Plan reach certain breakpoint levels.	<i>Fees and Expenses</i> , page 21
Performance	Current performance information is available on the Plan’s website at www.vt59.org . Past performance is not necessarily indicative of future results. Your investment results may be better or worse than the performance shown.	<i>Performance</i> , page 31

Key Features of the Plan

Feature	Description	Additional Information
Risks of Investing in the Plan	Neither the Federal Deposit Insurance Corporation nor any other government agency or entity provides any insurance or guarantee to Account Owners. All investing involves risk. The value of your Account may decrease. You could lose money, including the principal amount you contribute to the Plan. Federal or state tax law changes could negatively affect participation in the Plan. All Year of Enrollment Portfolios have been designed for amounts intended to be applied to Federal Qualified Education Expenses in the specified target year, and may not be appropriate for withdrawals before or after such target year depending on your investment time horizon.	<i>Risks of Investing in the Plan</i>, page 32 <i>Introduction to the Plan</i>, page 4
Certain Additional Risks of Investing in the Plan	Certain changes could be made to the Plan which could make it less favorable to investors, including an increase in existing fees and expenses and/or the addition of new fees and expenses. VSAC may change the Plan Manager and/or the Investment Manager, merge or close Investment Portfolios or modify their investment objectives and strategies, and change underlying investments within Investment Portfolios, in each case without prior notice to or the consent of Account Owners. Assets in an Account may adversely affect the Account Owner or Beneficiary's eligibility for financial aid or other benefits. Investment returns, if any, may be less than the rate of increase in the costs of higher education.	<i>Risks of Investing in the Plan</i>, page 32 <i>Introduction to the Plan</i>, page 4 <i>Investment Portfolios</i>, page 25
Electronic Delivery	You have the option of receiving all your documents relating to the Plan electronically. Signing up for electronic delivery is as easy as going to the Plan's website at www.vt529.org logging in and updating your delivery options. See "Fees and Expenses" for more information. The Plan Manager will charge a \$20 annual Print/Mail fee to Account Owners who have not elected to receive official Plan documents via electronic delivery.	<i>Fees and Expenses</i>, page 21

IMPORTANT DEFINED TERMS

This Disclosure Booklet is intended to be as clear and understandable as possible. However, certain words and terms used throughout the Disclosure Booklet do carry special meanings in connection with the Plan. This Glossary of certain terms is included here for your convenient reference. Refer to the text throughout the Disclosure Booklet for a more complete discussion of these terms.

Term	Definition
Account	An account in the Plan opened by an Account Owner to receive contributions and to provide funds for the Federal Qualified Education Expenses of the Beneficiary.
Account Owner	Any U.S. citizen or resident alien with a Social Security Number or federal Taxpayer Identification Number of the legal age of majority in such an individual's state of residence. Accounts may also be opened by the following, although additional restrictions may apply: • Custodians for minors under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act (collectively, "UGMA/UTMA") with a Social Security Number or Taxpayer Identification Number. • Corporations, trusts and certain other types of entities with a Taxpayer Identification Number. • State or local governments (or agencies or instrumentalities thereof) and certain non-profit organizations with a Taxpayer Identification Number.
Additional 10% Tax	A 10% additional federal tax imposed on the earnings portion of certain Non-Qualified Withdrawals.
Beneficiary	Any U.S. citizen or resident alien with a Social Security Number or Taxpayer Identification Number, including the Account Owner. (No Beneficiary is required to be designated at Account opening for Accounts established by government agencies or non-profit organizations to fund scholarships).
Board	The Board of Directors of the Vermont Student Assistance Corporation.
Business Day	Any day on which the New York Stock Exchange is open.
Eligible Educational Institutions	Accredited postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree or another recognized postsecondary credential, including certain proprietary institutions and postsecondary technical and vocational schools and certain institutions in foreign countries, which are eligible to participate in a financial aid program under Title IV of the Higher Education Act of 1965.
Good Order	Good Order means any required funds and any required paperwork or electronic inputs are received in adherence with the terms of this Disclosure Booklet and are accepted by the Plan. An instruction for a transaction involving a purchase, sale or exchange of Investment Portfolio Units will be deemed made as of the Business Day on which such instructions and any required funds have been received by the Plan in Good Order before the close of regular trading (usually 4 p.m. Eastern time) on the New York Stock Exchange ("NYSE"). Notarized signatures may be required in connection with certain transactions.
Investment Portfolios or Portfolios	The investment options in the Plan to which you may allocate contributions to your Account.
IRC or Code	The Internal Revenue Code of 1986, as amended.
Management Agreement	The Agreement pursuant to which VSAC has engaged Vestwell State Savings, LLC to serve as the Plan Manager.
Maximum Account Balance Limit	The aggregate balance of your Account and all other Accounts for the same Beneficiary, beyond which you are prohibited from making additional contributions (currently \$550,000).
Member of the Family	A person related to the Beneficiary as follows: (1) a child or a descendant of a child; (2) a brother, sister, stepbrother or stepsister; (3) the father or mother, or an ancestor of either; (4) a stepfather or stepmother; (5) a son or daughter of a brother or sister; (6) a brother or sister of the father or mother; (7) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; (8) the spouse of any of the foregoing individuals or the spouse of the Beneficiary; or (9) a first cousin of the Beneficiary. For this purpose, a child includes a legally adopted child and a stepson or stepdaughter, and a brother or sister includes a half-brother or half-sister.
Military Academy	The United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy or the United States Merchant Marine Academy.

Important Defined Terms

Term	Definition
Mutual Funds/Funds	The mutual funds serving as underlying investments for each of the Investment Portfolios except for the Capital Preservation Option.
Non-Qualified Withdrawal	Any withdrawal from your Account not used to pay the Federal Qualified Education Expenses of the Beneficiary or for a Section 529 Rollover.
Participation Agreement	An agreement by and between an Account Owner and VSAC that describes each party's rights and obligations.
Plan	The Vermont Higher Education Investment Plan, also marketed under the name VT 529.
Plan Manager	Vestwell State Savings, LLC.
Plan Parties	VSAC, the Plan Manager, the Investment Manager, the Recordkeeping Agent, the Custodian, and their respective affiliates, directors, employees, agents and successors.
Qualified Apprenticeship Expenses	Fees, books, supplies and equipment required for the participation of a Beneficiary in a Registered Apprenticeship Program. See Federal Tax Considerations.
Qualified Education Expense	Expenses eligible for favorable federal tax treatment under Section 529.
Qualified Education Loan	A qualified education loan as defined in Section 221(d) of the Code. See Federal Tax Considerations.
Qualified Education Loan Repayments	Up to \$10,000 in amounts paid as principal or interest on any Qualified Education Loan of the Beneficiary or a Sibling of the Beneficiary. See Federal Tax Considerations.
Qualified K-12 Expenses	Up to \$10,000 per year (\$20,000 for taxable years after December 31, 2025) of tuition and certain other expenses in connection with enrollment or attendance at an elementary or secondary public, private or religious school as determined under applicable state law. See Federal Tax Considerations and the definition of Vermont State Income Tax Credit Recapture. Please note: withdrawals used for costs related to K-12 Schools are subject to Vermont State Income Tax Credit Recapture.
Recognized Postsecondary Credential	Industry-recognized postsecondary employment credential that is accredited by reputable organizations, listed in the Department of Defense's COOL directory, or identified by the Treasury Secretary in consultation with the Labor Secretary. It also includes a certificate of completion of an apprenticeship registered under the National Apprenticeship Act, an occupational or professional license issued or recognized by a state or the federal government or a credential defined in the Workforce Innovation and Opportunity Act. Please note: withdrawals used for costs related to Postsecondary Credentialing are subject to Vermont State Income Tax Credit Recapture
Registered Apprenticeship Program	An apprenticeship program registered and certified with the Secretary of Labor under Section 1 of the National Apprenticeship Act.
Section 529 Rollover	A rollover from an Account that meets the requirements of Section 529.
Section 529 Withdrawal	A withdrawal from an Account that meets the requirements of Section 529.
Sibling	For the purposes of Qualified Education Loan Repayments, means a brother, sister, stepbrother, stepsister, or a half-brother or half-sister of the Beneficiary.
State	The State of Vermont.
Statute	Subchapter 7 of Chapter 87, Title 16 of the Vermont Statutes Annotated (as the same may be amended from time to time).
Unit	A unit of measure used in calculating the value of the assets in your Account.
VSAC	The Vermont Student Assistance Corporation.
Vermont State Income Tax Credit Recapture	Certain Section 529 Withdrawals and Section 529 Rollovers will result in the repayment of the Vermont State Tax Credits received in prior tax years. These repayments may be subject to assessment, penalties and interest.

GETTING STARTED

This section discusses how to open your Account with the Plan. For maximum efficiency, quality, and an enhanced consumer experience, most of the Plan's features are available for you to establish and manage online through the Plan's website.

OPENING YOUR ACCOUNT

To open an Account, you must first complete the online enrollment process at www.vt529.org (the "Enrollment Process"). As part of the Enrollment Process you will acknowledge and accept the terms of this Disclosure Booklet. Accordingly, the Disclosure Booklet governs the terms of your Account. The Enrollment Process requires you to: designate an owner of the Account, select a Beneficiary, and select one or more Investment Portfolios. If you are an individual Account Owner, you will be given the opportunity to select a Successor Account Owner once you have completed opening your Account.

The current Participation Agreement is in Appendix II to this Disclosure Booklet. VSAC's rights and your rights as the Account Owner and the rights of your Beneficiary are established under provisions of the Statute, any regulations adopted by the Board, this Disclosure Booklet, as supplemented or updated from time to time, and the Participation Agreement. The Participation Agreement is subject to any amendments to the Statute or to federal and/or Vermont law, and may be amended at any time by VSAC to reflect any changes to the operating procedures and policies of the Plan or other changes; such amendments to the Participation Agreement, or amended Participation Agreement, will become effective upon its inclusion in any supplement to this Disclosure Booklet or updated Disclosure Booklet.

When you open an Account, you will be asked for your name, address, date of birth, Social Security Number or Tax Identification Number and other information that will allow the Plan to identify you, such as your home or mobile telephone number or additional information or documentation required to establish your identity. Until you provide the necessary information or documentation, the Plan may not be able to open your Account or effect any transactions for you. Accounts opened by entities, organizations, trustees, and custodians are subject to additional restrictions.

ACCOUNT OWNERSHIP

Those eligible to open Accounts and to act as Account Owners in the Plan include:

- Any U.S. citizen or resident alien with a valid Social Security Number or Taxpayer Identification Number ("TIN") of the legal age of majority in such an individual's state of residence. This may include a parent, grandparent, other relative or friend of the Beneficiary, or the Beneficiary;
- A corporation, trust, or certain other type of entity with a TIN;
- A state or local government (or agency or instrumentality thereof) with a TIN;
- An organization described in Section 501(c)(3) of the IRC with a TIN;
- A trustee with a valid Social Security Number or TIN; and
- A custodian for minors under UGMA/UTMA with a valid Social Security Number or TIN.

You have certain rights as an Account Owner subject to limitations described in this Disclosure Booklet. Your rights include the right to:

- Select and change a Beneficiary;
- Select and change the Investment Portfolios in which contributions are invested;
- Name a Successor Account Owner (for an individual Account Owner only);
- Change the Account Owner; and
- Request withdrawals.

UGMA/UTMA

Account Owners that are UGMA/UTMA custodians are subject to certain restrictions and limitations on their ability to make changes to their Accounts. If the custodian of an UGMA or UTMA account establishes an Account, the Account Owner records will reflect ownership under UTMA or UGMA in a custodial capacity for the Beneficiary, and the custodian will not be permitted to change the Beneficiary of the Account. Under the terms of the Participation

Getting Started

Agreement, each time an UGMA/UTMA custodian makes a withdrawal from the Account, the custodian will be deemed to certify that the distribution from the Account will be used for the benefit of the Beneficiary of the Account.

When the Beneficiary reaches the age of majority under the applicable state UGMA or UTMA statute and the custodianship terminates, the custodian is required to notify the Plan Manager. The Beneficiary will be required to provide confirmation to the Plan Manager, and, upon establishment of a new Account, the assets in the UGMA/UTMA Account will be transferred to the new Account and the Beneficiary will become the sole Account Owner of the new Account with complete control over the new Account. All contributions made to an UGMA or UTMA Account, regardless of their source, become subject to the limitations described above at the time of their contribution into such Account.

If a contribution to an UGMA or UTMA Account is made from an existing UGMA or UTMA account, the liquidation of non-cash UGMA or UTMA assets into cash for contribution to an Account may be a taxable transaction. Before liquidating assets in an UGMA or UTMA account in order to contribute them to an Account, you should review the potential tax and legal consequences with your tax and legal advisors.

None of the Plan Parties have or assume any responsibility to ensure, or will incur any liability for failing to ensure, that a custodian applies Account assets held under, or transferred from, an UGMA or UTMA custodianship for proper purposes.

NAMING YOUR BENEFICIARY

To complete the Enrollment Process, you generally must name a Beneficiary. Anyone with a valid Social Security Number or TIN who is a U.S. citizen or resident alien can be named a Beneficiary. Each Account may have only one Beneficiary, and you may have only one Account for each Beneficiary. If you wish to make contributions for more than one Beneficiary, you must complete a separate Enrollment Process and open a separate Account for each Beneficiary.

A Beneficiary need not be designated at Account opening for a scholarship Account opened by a state or local government (or agency or instrumentality thereof) or an organization described in Section 501(c)(3) of the IRC, but each person who receives an interest in the Account as a scholarship will be treated as a Beneficiary for that portion of the Account awarded to him or her.

After you have completed the Enrollment Process for an Account, you may change your Beneficiary by logging in on the Plan's website. A Beneficiary change will be a non-taxable event only if the new Beneficiary is a Member of the Family of the previous Beneficiary. The designation of a new Beneficiary who is not a Member of the Family of the previous Beneficiary will be treated for tax purposes as a Non-Qualified Withdrawal, in which case the earnings, if any, on the Account at the time of such Beneficiary change will be subject to federal taxation, including the Additional 10% Tax, and possible state taxation. See **"Federal and Vermont Tax Considerations"** for information concerning potential gift, estate and generation-skipping tax consequences of changing the Beneficiary.

CHOOSING INVESTMENT PORTFOLIOS

VSAC has established multiple Investment Portfolios for the Plan. To complete your Enrollment Process, you must select the Investment Portfolio(s) to which your contributions will be allocated. You may select any one or a combination of the Investment Portfolios, subject to certain minimum contribution limits per Account. Future contributions to your Account are not limited to your initial Investment Portfolio elections. See **"Investment Portfolios"** for summaries of the Investment Portfolios offered under the Plan.

After you have completed the Enrollment Process, you may revise your Investment Portfolio election(s) by: (1) investing in additional Investment Portfolios; (2) stopping contributions to an Investment Portfolio that you previously selected; or (3) increasing or decreasing future contributions to an Investment Portfolio that you previously selected. You may also transfer funds in your Account, subject to certain limits, to another Investment Portfolio. All of these changes may be made by logging in on the Plan's website. See **"Transferring Funds"** for more information.

NAMING A SUCCESSOR ACCOUNT OWNER FOR INDIVIDUAL ACCOUNTS

After opening their Account, an individual Account Owner may name a Successor Account Owner to become the owner of the Account in the event of that Account Owner's death (the "Successor Account Owner"). Entity Account Owners and custodians may not designate a Successor Account Owner.

Getting Started

Under Vermont law, if you are a resident of Vermont at the time of your death, your designated Successor Account Owner will become the Account Owner upon your death and the assets of the Account should not be considered assets of your estate or be subject to probate. Account Owners should seek legal counsel regarding the estate planning implications of naming a Successor Account Owner. Prior to taking any action regarding the Account following your death, your Successor Account Owner will be required to provide the Plan with your Social Security Number or TIN and a certified copy of your death certificate (or other documentation recognized under applicable law and acceptable to the Plan) and enter into a new Participation Agreement by submitting a **Change Account Owner Form**. If you are not a resident of Vermont or if you do not wish to designate a Successor Account Owner, you should consult with a legal advisor regarding whether your Account will be subject to probate procedures in the event of death.

CHANGING THE OWNERSHIP OF YOUR ACCOUNT

You may change ownership of your Account to another individual or entity that is eligible to be an Account Owner by submitting the **Change Account Owner Form**. When you transfer ownership of your Account, you are not required to change the Beneficiary. Custodial Account Owners are subject to special limitations on their ability to transfer ownership of the Account. A change in Account ownership may have federal or state tax consequences and you should consult your tax advisor prior to implementing any such change.

A transfer of the ownership of an Account will be effective only if the assignment: (1) is irrevocable; and (2) transfers all ownership, reversionary rights, powers of appointment and powers to direct the investment and withdrawal of funds.

CHANGING THE BENEFICIARY

Except as set forth below, an Account Owner may change the Beneficiary at any time without adverse federal income tax consequences if the new Beneficiary is a Member of the Family of the former Beneficiary. Upon a change in Beneficiary, the Account Owner may also change the Investment Portfolios in which the Account is invested.

However, upon completion of the change of Beneficiary, the aggregate value of the Account and any other Accounts for the new Beneficiary may not exceed the Maximum Account Balance Limit.

If the new Beneficiary is not a Member of the Family of the former Beneficiary, then the change is treated as a Non-Qualified Withdrawal of the Account assets at the time of the Beneficiary change that is subject to federal income taxes on earnings and an Additional 10% Tax, and will trigger a recapture of any Vermont state income tax credit previously claimed.

To change the Beneficiary of an Account, log into the Plan's website. A Beneficiary cannot be changed on an UGMA or UTMA Account.

DEATH OF A BENEFICIARY

Upon the death of a Beneficiary, the Account Owner can change the Beneficiary on the Account, transfer assets to another Beneficiary who is a Member of the Family of the former Beneficiary or take a Non-Qualified Withdrawal. Some Non-Qualified Withdrawals following the death of the Beneficiary are not subject to the Additional 10% Tax. See **"Federal and Vermont Tax Considerations."** Non-Qualified Withdrawals following the death of the Beneficiary are not subject to Vermont State Income Tax Credit Recapture.

FEDERAL AND VERMONT INCOME TAX CONSIDERATIONS

Investment earnings on your contributions accumulate on a tax-deferred basis while in an Account. Section 529 Withdrawals and Section 529 Rollovers are exempt from federal and Vermont income tax on earnings and in some cases are eligible for the Vermont State Income Tax Credit. Certain Section 529 Withdrawals and Section 529 Rollovers will result in the repayment of the Vermont State Income Tax Credits received in prior tax years. These repayments are subject to assessment, penalties and interest. See **"Federal and Vermont Tax Considerations"** and **"Vermont State Income Tax Credit"** for more information.

Federal and Vermont Tax Treatment of Section 529 Withdrawals in Brief¹

Section 529 Withdrawals ² – Federal & Vermont Income Tax Treatment ³	Section 529 Withdrawals – Vermont State Income Tax Credit Treatment <i>Eligible for the Vermont State Income Tax Credit:</i>
<i>Free of federal & Vermont income taxes on earnings and the Additional 10% Tax for:</i>	Yes.
Expenses at an EEI (i.e., college, graduate, other educational institutions that are eligible for federal financial aid)	Yes.
K-12 Expenses	No.
Registered Apprenticeship Expenses	Yes.
Qualified Student Loan Repayments (up to \$10,000 aggregate per Beneficiary cap)	Yes, provided the loans were used exclusively for expenses at an Eligible Educational Institution (as defined in this Disclosure Booklet). ⁴
Post-Secondary Credentialing Expenses	No.

1. Consult your tax advisor for more information.
2. A withdrawal from an Account that meets the requirements in Section 529.
3. All subject to the conditions set forth in Section 529.
4. Qualified Education Loan Repayments made for expenses at non-Eligible Educational Institutions are subject to Vermont State Income Tax Credit Recapture and the assessment of penalties and interest.

Federal and Vermont Tax Treatment of Section 529 Rollovers in Brief ¹

Type of Section 529 Rollover	Federal & Vermont Income Tax Law Treatment ²	Vermont Income Tax Credit Treatment
From your VT529 Plan to a qualified tuition program in another state.	Free of federal & Vermont income taxes on earnings and the Additional 10% Tax	May be subject to Vermont State Income Tax Credit Recapture. Consult your tax advisor.
Change of Beneficiary -- From a beneficiary's account in VHEIP to another account in VHEIP for a member of the family of the beneficiary being replaced	Free of federal & Vermont income taxes on earnings and the Additional 10% Tax	Not subject to Vermont State Income Tax Credit Recapture.
From your VT529 Plan to a qualified ABLE program under Section 529A of the Code	Free of federal & Vermont income taxes on earnings and the Additional 10% Tax	Subject to Vermont State Income Tax Credit Recapture.
From your VT 529 Plan account to a Roth IRA account for the same beneficiary	Free of federal & Vermont income taxes on earnings and the Additional 10% Tax	Subject to Vermont State Income Tax Credit Recapture.

1. Consult your tax advisor for more information.
2. All subject to the conditions set forth in Section 529.

NON-QUALIFIED WITHDRAWALS

The earnings portion (if any) of a Non-Qualified Withdrawal will be treated for federal income tax purposes as ordinary income to the recipient and may also be subject to the Additional 10% Tax, as well as recapture of any Vermont state income tax credit previously claimed.

TAXPAYERS AND RESIDENTS OF STATES OTHER THAN VERMONT

If you are not a resident of Vermont, before opening an Account you should consider whether your or the Beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that home state's qualified tuition program. Any state-based benefit(s) offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision.



CONTRIBUTING TO YOUR ACCOUNT

WHO CAN CONTRIBUTE?

Anyone (including your friends and family) may make a contribution to your Account. However, any contribution to an Account may have gift or other tax consequences to the contributor or the Account Owner. Anyone making such a contribution, other than the Account Owner, will not retain any rights with respect to such contribution. For example, only the Account Owner may give directions regarding allocations to Investment Portfolios and/or withdrawals from an Account; neither the Beneficiary nor any contributor other than the Account Owner has any control over the investment or use of the Account.

MINIMUM CONTRIBUTIONS

The minimum initial contribution amount is \$25 per Account. The minimum subsequent contribution amount is \$1.

HOW YOU CAN CONTRIBUTE TO YOUR ACCOUNT

The Plan offers a multitude of contribution methods including: (1) an automatic recurring contribution plan; (2) electronic funds transfer ("EFT"); (3) check (excluding starter and cashier's checks); (4) payroll deduction (requires additional action by you and your employer); or (5) through a Rollover.

If your chosen contribution method is the automatic contribution plan, you can change or stop your automatic contribution plan and/or change the amount or timing of your contributions by logging in to the Plan's website at www.vt529.org. Additionally, new bank information added to your account(s) will need to be verified prior to contributing or receiving funds.

If your chosen contribution method is payroll deduction, you begin the process by logging into your account at www.vt529.org to obtain the information you need to provide to your payroll provider. After collecting the information you can then enter it into your employer's HR site or contact your employer to establish payroll deduction. You must also contact your employer if you want to change your contribution amount or stop or restart payroll deduction. You may log in to your account at www.vt529.org to change how the funds submitted by your employer via payroll deduction are allocated to your Account(s).

Checks should be made payable to VT529. Contributions by check must be drawn on a banking institution located in the United States in U.S. dollars. Personal checks (excluding starter checks and cashier's checks), bank drafts, teller's checks and checks issued by a financial institution or brokerage firm payable to the Plan referencing the Account Owner are permitted, as are third party personal checks up to \$10,000.

If your chosen contribution method is by a direct Rollover, you will need to complete the Incoming Rollover Form so that the Plan can initiate a Rollover of your current account on your behalf.

For further clarification on acceptable contribution methods, please refer to the Plan's website at www.vt529.org or call toll-free at (800) 637-5860.

MAXIMUM ACCOUNT BALANCE LIMIT

You may not make additional contributions to your Account if, at the time of a proposed contribution, the aggregate account balance of the Account and all other Accounts in the Plan for the same Beneficiary reaches the "**Maximum Account Balance Limit**," currently \$550,000. Accounts that have reached the Maximum Account Balance Limit may continue to accrue earnings. This limitation on Account balances is intended to comply with the federal tax law requirement that the Plan have adequate safeguards to prevent contributions to an Account in excess of those necessary to provide for the Federal Qualified Education Expenses of the Beneficiary. The Maximum Account Balance Limit takes into consideration the total balance, including earnings, if any, of all Accounts in the Plan for the same Beneficiary. If, however, the market value of such Accounts falls below the Maximum Account Balance Limit, additional contributions will be accepted.

CONTRIBUTIONS IN EXCESS OF THE MAXIMUM ACCOUNT BALANCE LIMIT

The Plan Manager will notify you if you attempt to make a contribution to an Account that exceeds the Maximum Account Balance Limit. The Plan Manager will not knowingly accept and will reject contributions in excess of the Maximum Account Balance Limit. Contributions will be deposited up to the Maximum Account Balance Limit and the

Contributing to Your Account

remainder will be refunded. If the Plan Manager determines that a contribution in excess of the Maximum Account Balance Limit has been accepted, the excess contributions and any earnings thereon will be promptly refunded less any amounts attributable to market losses suffered between the date of the contribution and the date of the refund. If a contribution is applied to an Account and it is later determined that the contribution resulted in exceeding the Maximum Account Balance Limit, the excess contribution and any earnings will be refunded to the Account Owner. Any refund of an excess contribution may be treated as a Non-Qualified Withdrawal.



TRANSFERRING FUNDS

You may make the following transfers related to your Account:

1. Transfers, subject to certain limits, among Investment Portfolios; and
2. Rollovers.

You may transfer all or any portion of the funds already invested in any Investment Portfolio to another Investment Portfolio twice per calendar year or upon a change of the Beneficiary of your Account to a Member of the Family of the Beneficiary.

A Section 529 Rollover is a transfer of funds by any of the following methods:

Rollovers into the Plan

- A direct transfer from an account in another qualified tuition program for a beneficiary to an Account for (1) the same beneficiary (provided that a similar transfer has not been made to any qualified tuition program for an account with the same beneficiary within the previous 12 months) or (2) a person who is a Member of the Family of the beneficiary of the account from which the transfer is made, or
- A withdrawal of funds from an account in another qualified tuition program for a beneficiary, followed within sixty (60) days of that withdrawal by a contribution of those funds to an Account for (1) the same beneficiary (provided that a similar transfer has not been made to any qualified tuition program for an account with the same beneficiary within the previous 12 months) or (2) a person who is a Member of the Family of the beneficiary of the account from which the withdrawal was made.

Under IRS guidance, the Plan is required to assume that the entire amount of any contribution to an Account that is a Section 529 Rollover contribution from another qualified tuition program consists of investment earnings, unless the Plan Manager receives appropriate documentation showing the actual earnings portion of the Rollover contribution.

Section 529 Rollovers out of the Plan to another Qualified Tuition Program

- A direct transfer from your Account for a Beneficiary to an account in another qualified tuition program with (1) the same beneficiary (provided a similar transfer has not been made to any qualified tuition program for an account with the same beneficiary within the previous twelve (12) months) or (2) a beneficiary who is a Member of the Family of the Beneficiary of your Account, or
- A withdrawal of funds from your Account for a Beneficiary, followed within sixty (60) days of that withdrawal by a contribution of those funds to an account in another qualified tuition program with (1) the same beneficiary (provided a similar transfer has not been made to any qualified tuition program for an account with the same beneficiary within the previous twelve (12) months) or (2) a person who is a Member of the Family of the Beneficiary of your Account.

Section 529 Rollovers out of the Plan to a Roth IRA

A direct transfer from your Account for a Beneficiary to a Roth IRA – subject to certain conditions (“529-to-Roth IRA Rollover”). The conditions include, but are not limited to, the following:

- The Account must have been maintained for the 15-year period ending on the date of the 529-to-Roth IRA Rollover.
- The 529-to-Roth IRA Rollover must be made directly to the trustee or custodian for a Roth IRA maintained for the benefit of the same person as the Beneficiary of your Account (not for the benefit of the Account Owner – if different).
- The 529-to-Roth IRA Rollover will be subject, together with any other contributions to an IRA for the same beneficiary, to applicable IRA contribution limits for the year in which it is made and may not, together with any such other contributions, exceed the amount of compensation the Beneficiary earned during the year.
- The amount of the 529-to-Roth IRA Rollover may not exceed the aggregate amount contributed to the Account (and earnings attributable thereto) before the 5-year period ending on the date of such rollover.
- The aggregate amount of 529-to-Roth IRA Rollovers for the same Beneficiary may not exceed \$35,000.
- Roth IRA income limitations are waived for 529-to-Roth IRA Rollovers.

Transferring Funds

The information presented on 529-to-Roth IRAs Rollovers is based on a good faith interpretation of the Code. The U.S. Treasury Department and IRS may issue interpretative guidance in the future which may affect the tax treatment of such rollovers. Please consult with your financial professional or tax advisor regarding the applicability of 529-to-Roth IRA Rollovers to your personal situation.

A 529-to-Roth IRA Rollover from an Account will be subject to Vermont State Income Tax Credit Recapture if the Account Owner previously has taken the Vermont income tax credit for contributions to the Account.

Section 529 Rollovers out of the Plan to a Qualified ABLE Program

A withdrawal of funds from your Account for a Beneficiary followed within sixty (60) days of that withdrawal by a contribution of those funds to an account in a Qualified ABLE Program for (i) the same beneficiary or (ii) a person who is a Member of the Family of that beneficiary. Such a Section 529 Rollover may not, together with other contributions in the same year to the Qualified ABLE Program account, exceed the annual limit on contributions to a Qualified ABLE Program account.

You should consider contacting the applicable qualified tuition program or Qualified ABLE Program manager or Roth IRA custodian before completing your rollover. These entities may impose fees or restrictions or reject certain rollovers which may result in adverse tax consequences. No portion of a Rollover from an Account is subject to federal taxation (including the Additional 10% Tax).

A Rollover from an Account will be subject to Vermont State Income Tax Credit Recapture if the Account Owner previously has taken the Vermont income tax credit for contributions to the Account.

Intra-Plan Rollovers

- A direct transfer from your Account for a Beneficiary to an Account for a person who is a Member of the Family of the same Beneficiary, or
- A withdrawal of funds from your Account for a Beneficiary, followed within sixty (60) days of that withdrawal by a contribution of those funds to an Account for a person who is a Member of the Family of the same Beneficiary.

Subject to the foregoing limitations you may transfer funds to an Account that is owned by you, or you may transfer funds to an Account that is owned by another Account Owner. A transfer of funds from your Account to an Account that is owned by another Account Owner may have federal or state tax consequences, and Account Owners are urged to consult their own tax advisors prior to implementing any such transfer. If a change of Beneficiary or transfer of funds causes the aggregate balance of all Accounts in the Plan for the same Beneficiary to exceed the Maximum Account Balance Limit, the excess amount will be rejected and returned.

If you are transferring funds from another qualified tuition program to an Account in the Plan, the plan from which you are transferring funds may restrict or prohibit such transfer or impose charges. You should investigate this change thoroughly before requesting such a transfer.



UNIT VALUE

Contributions to your Account purchase Units of the Investment Portfolio(s) you select. The Plan will process Account transaction requests (e.g., contributions, withdrawals, and transfers) at the Unit value of the applicable Investment Portfolio determined as of the close of business on the Business Day your Account transaction request has been received in Good Order and accepted by the Plan by the close of regular trading (usually 4 p.m. Eastern time) on the New York Stock Exchange ("NYSE"). The Plan will process Account transaction requests received in Good Order after the close of regular trading or on a day when the NYSE is not open for trading at the Unit value of the applicable Investment Portfolio determined as of the close of business on the next day of regular trading on the NYSE. The Plan will not process Account transaction requests on holidays or other days when the NYSE is closed for any reason. The Plan also reserves the right to refrain from processing Account transaction requests during any time when trading is restricted by the Securities and Exchange Commission or under any emergency circumstances.

The value of a Unit in each Investment Portfolio is computed by dividing (a) an Investment Portfolio's assets less any liabilities allocated to that Investment Portfolio by (b) the number of outstanding Units of such Investment Portfolio. Investments by certain Investment Options in one or more insurance company agreements earn a rate of interest at the declared rate then in effect, which is accrued to the Portfolio on a daily basis.



USE OF YOUR ACCOUNT

FREEZE OR TERMINATION FOR SUSPICIOUS ACTIVITY

If there is suspicious activity in connection with your Account or if an Account Owner or his or her representative makes false statements in connection with opening an Account or otherwise, VSAC and/or the Plan Manager may take such action as VSAC and/or the Plan Manager deem necessary or appropriate, including, without limitation, (i) freezing or terminating the Account or (ii) requiring that the Account Owner indemnify the Plan, VSAC, the Board, the Plan Manager other service providers, and their respective affiliates and agents. These remedies are in addition to whatever other remedies that may be available under applicable law.

NO PLEDGING OF ACCOUNT ASSETS

Neither you nor your Beneficiary may use any part of any Account or other interest in the Plan as security for a loan.

BANKRUPTCY AND RELATED MATTERS

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 expressly excludes certain funds from an individual debtor's bankruptcy estate (which funds, therefore, will not be available for distribution to such individual's creditors), if the funds are paid or contributed by such individual to an Account. The bankruptcy protection for these types of Accounts, however, is limited. Your Account will be protected in federal bankruptcy proceedings if the Beneficiary is your child, stepchild, grandchild, or step grandchild (including a child, stepchild, grandchild, or step grandchild through adoption or foster care) subject to the following limits:

- Contributions made to all Section 529 accounts for the same Beneficiary more than seven hundred twenty (720) days before a federal bankruptcy filing are completely protected;
- Contributions made to all Section 529 accounts for the same Beneficiary during the period between three hundred sixty- five (365) days, and seven hundred twenty (720) days before a federal bankruptcy filing are protected up to a limited amount set by statute; and
- Contributions made to all Section 529 accounts for the same Beneficiary three hundred sixty-five days (365) days before a federal bankruptcy filing are not protected against creditor claims in federal bankruptcy proceedings.

Your own state law may offer additional creditor protections. You should consult your legal advisor regarding the effect of any bankruptcy filing on your Account. This information is not meant to be individual advice, and Account Owners should consult with their own advisors concerning their individual circumstances.



FEES AND EXPENSES

The following table describes the Plan's fees and expenses levied against the Investment Portfolios in your Account or their underlying investments. Except for the fees listed in this section (including those listed below the Investment Cost Example table), there are currently no other fees or expenses levied against the Investment Portfolios or your Account. VSAC reserves the right to change the current fees, or to impose new or additional fees, expenses, charges or penalties in the future.

Annualized Asset-Based Fees				
Portfolio Name	Underlying Fund Expenses ³	Plan Manager Fee ^{1,2}	VSAC Fee ⁴	Total Annual Expense Ratio ⁵
2044 Enrollment Year	0.035%	0.08%	0.05%	0.17%
2043 Enrollment Year	0.035%	0.08%	0.05%	0.17%
2042 Enrollment Year	0.034%	0.08%	0.05%	0.16%
2041 Enrollment Year	0.033%	0.08%	0.05%	0.16%
2040 Enrollment Year	0.032%	0.08%	0.05%	0.16%
2039 Enrollment Year	0.032%	0.08%	0.05%	0.16%
2038 Enrollment Year	0.031%	0.08%	0.05%	0.16%
2037 Enrollment Year	0.030%	0.08%	0.05%	0.16%
2036 Enrollment Year	0.031%	0.08%	0.05%	0.16%
2035 Enrollment Year	0.030%	0.08%	0.05%	0.16%
2034 Enrollment Year	0.030%	0.08%	0.05%	0.16%
2033 Enrollment Year	0.029%	0.08%	0.05%	0.16%
2032 Enrollment Year	0.029%	0.08%	0.05%	0.16%
2031 Enrollment Year	0.028%	0.08%	0.05%	0.16%
2030 Enrollment Year	0.026%	0.08%	0.05%	0.16%
2029 Enrollment Year	0.025%	0.08%	0.05%	0.16%
2028 Enrollment Year	0.024%	0.08%	0.05%	0.15%
2027 Enrollment Year	0.023%	0.08%	0.05%	0.15%
2026 Enrollment Year	0.020%	0.08%	0.05%	0.15%
Enrolled	0.018%	0.08%	0.05%	0.15%
Equity Index Portfolio	0.026%	0.08%	0.05%	0.16%
Balanced Portfolio	0.030%	0.08%	0.05%	0.16%
Fixed-Income Portfolio	0.038%	0.08%	0.05%	0.17%
Capital Preservation Option ⁶	0.000%	0.00%	0.00%	0.00%

¹ The Plan Manager Fee may change at any time. The Plan Manager pays the Investment Manager and the Custodian, and provides funds to VSAC for marketing the Plan from this Fee. Although no fees are deducted from your Account, when you invest in the Plan you indirectly bear a pro rata portion of the Plan expenses because when fees are deducted from Plan assets, the net asset value of the Plan Units is reduced.

² Each Investment Portfolio pays the Plan Manager an annualized Plan Manager Fee equal to the stated percentage of the average daily net assets held by that Investment Portfolio.

³ For each Investment Portfolio the figures in this column are derived from publicly available information for the underlying funds as of May 31, 2025 and are based on a weighted average of the expenses of each underlying Fund's expense ratio, in accordance with the Investment Portfolio's asset allocation among its underlying Funds. Each Investment Portfolio indirectly bears its pro rata portion of the underlying Funds' expenses because when fees are deducted from an underlying Fund's assets, the value of the underlying Fund's shares is reduced.

⁴ VSAC receives this fee to offset expenses related to the administration and marketing of the Plan.

Fees and Expenses

- ⁵ The Total Annual Asset-Based Fees ("**Total Fees**") equal the Estimated Underlying Fund Expenses plus the Plan Manager Fee plus the VSAC Fee. The portion of Total Fees attributable to the Plan Manager Fee is assessed on a daily basis over the course of the year against assets in each Investment Portfolio. The portion of Total Fees attributable to Estimated Underlying Fund Expenses is indirectly borne by each Investment Portfolio as discussed in footnote (3). You should refer to the Investment Cost Example for the total assumed investment cost over 1-, 3-, 5-, and 10-year periods.
- ⁶ The Capital Preservation Option is not charged any fees by the Plan Manager or VSAC. This Option does not incur any underlying Mutual Fund expenses because it is not invested in a Mutual Fund. The Program Manager receives payments from the Nationwide Life Insurance Company Group Annuity Contract for recordkeeping and administration expenses.



INVESTMENT COST EXAMPLE

The example in the following table is intended to help you compare the cost of investing in the different Investment Portfolios over various periods of time. This example assumes that:

- You invest \$10,000 in an Account for the time periods shown below.
- Your investment has a 5% compounded return each year.
- You withdraw the assets from your Account at the end of the specified periods for Federal Qualified Education Expenses.
- Total annual asset-based fees remain the same as shown in the Fee Table.
- The example does not consider the impact of any potential state or federal taxes on the withdrawal or any Annual Print Mail Fee for Paper Delivery or any fees for additional services listed below the Investment Cost table.

Your actual costs may be higher or lower. Based on the above assumptions your costs would be:

Approximate Cost of \$10,000 Investment				
Portfolio Name	1 Year	3 Year	5 Year	10 Year
2044 Enrollment Year	\$17.04	\$53.68	\$94.02	\$213.57
2043 Enrollment Year	\$17.04	\$53.68	\$94.02	\$213.57
2042 Enrollment Year	\$16.94	\$53.38	\$94.02	\$212.35
2041 Enrollment Year	\$16.85	\$53.07	\$92.94	\$211.13
2040 Enrollment Year	\$16.75	\$52.76	\$92.41	\$209.92
2039 Enrollment Year	\$16.65	\$52.45	\$91.87	\$208.70
2038 Enrollment Year	\$16.60	\$52.31	\$91.61	\$208.12
2037 Enrollment Year	\$16.50	\$51.97	\$91.02	\$206.78
2036 Enrollment Year	\$16.56	\$52.17	\$91.37	\$207.58
2035 Enrollment Year	\$16.54	\$52.11	\$91.27	\$207.35
2034 Enrollment Year	\$16.50	\$51.98	\$91.03	\$206.81
2033 Enrollment Year	\$16.43	\$51.76	\$90.65	\$205.94
2032 Enrollment Year	\$16.38	\$51.60	\$90.38	\$205.34
2031 Enrollment Year	\$16.25	\$51.21	\$89.69	\$203.77
2030 Enrollment Year	\$16.04	\$50.52	\$88.48	\$201.04
2029 Enrollment Year	\$15.95	\$50.23	\$87.99	\$199.92
2028 Enrollment Year	\$15.95	\$50.23	\$87.99	\$199.92
2027 Enrollment Year	\$15.89	\$50.05	\$87.68	\$199.21
2026 Enrollment Year	\$15.82	\$49.83	\$87.28	\$198.32
Enrolled	\$15.27	\$48.11	\$84.27	\$191.52
Equity Index Portfolio	\$16.08	\$50.67	\$88.75	\$201.65
Balanced Portfolio	\$16.53	\$52.08	\$91.22	\$207.23
Fixed-Income Portfolio	\$17.32	\$54.56	\$95.55	\$217.03
Capital Preservation Option	\$0.00	\$0.00	\$0.00	\$0.00

ANNUAL ADMINISTRATIVE FEE FOR PAPER DELIVERY

The Plan Manager may charge a \$20 annual Print/Mail fee to Account Owners who have not elected to receive official Plan documents via electronic delivery. This fee will be deducted as \$5.00 per Account on or about 10 days prior to the end of each quarter. The fee will not be charged to Account Owners who sign up for electronic delivery of official Plan documents. Signing up for electronic delivery involves going to the Plan website at www.vt529.org, logging into your Account, and selecting electronic delivery in the Profile section. In the event that an Account Owner has elected

Investment Cost Example

electronic delivery for official Plan documents and fails to provide a valid email address, the Plan Manager will charge the \$20 Annual Administrative fee as a lump sum before sending official Plan documents to the Account Owner.

FEES FOR ADDITIONAL SERVICES

The Plan Manager may debit your Account for costs incurred in connection with failed contributions) or for additional services you request. See chart below.

Additional Services	Fee*
Annual Administrative Fee for Paper Delivery	\$20 annually, waived if account owner elects electronic distribution of plan documents
Outgoing Wire Transfer	\$30 per outgoing wire
Overnight Delivery	\$30 per delivery
Re-issuance of Check	\$15 per re-issued check
Electronic Payment to Eligible Institution (via Flywire)	\$10 per transaction
ACH Fail/Returned Check	\$25 per transaction if funds are in account
Paper Check Disbursement	\$2.50 per paper check

* Amounts can change at any time without prior notice.



INVESTMENT PORTFOLIOS

CHOOSING YOUR INVESTMENT PORTFOLIOS AND HOW THE INVESTMENT PORTFOLIOS ARE INVESTED

Building a Section 529 Account that is right for you takes planning. You should consider your education savings goals and time horizon, understand the Investment Portfolios, and select one or more Investment Portfolios you determine are appropriate for your investment needs. This section describes the types of Investment Portfolios offered under the Plan, and the principal risks involved in such Investment Portfolios. Account Owners should periodically assess, and as they deem appropriate, adjust their Investment Portfolio choices with their time horizon, risk tolerance and investment objectives in mind.

Summaries of each of the underlying Mutual Funds and the Nationwide Life Insurance Group Annuity Contract and TIAA Funding Agreement, including how to obtain a prospectus and statement of additional information for the underlying Mutual Funds can be found in Appendix B. Please keep in mind that you will not own shares of any of these Mutual Funds nor will you own any interest in a Nationwide Life Insurance Group Annuity Contract or a TIAA Life Insurance Funding Agreement. Instead, you will own interests in the Plan through Portfolio Units.

The Year of Enrollment Portfolios within the Plan are designed for withdrawals in or near the year referenced in the name of the applicable Investment Portfolio. For example, if you are saving for college expenses in 2025 and you anticipate that you will start to withdraw the money in 15 years, you might consider investing in the 2040 Enrollment Portfolio. Given the variety of Federal Qualified Education Expenses, Account Owners should take into account their most likely time horizon(s) and risk tolerances when selecting Year of Enrollment Portfolio(s). These Portfolio allocations invest with risk levels that begin as aggressive and become more conservative over a set period of time.

Each of the Static Portfolios within the Plan are designed to invest according to a specific, static risk level:

- Equity Index Portfolio (aggressive growth)
- Balanced Portfolio (balanced mix of growth and income)
- Fixed Income Portfolio (current income)
- Capital Preservation Portfolio (stability of capital and returns)

THE INVESTMENT PORTFOLIOS ARE AUTHORIZED BY VSAC

VSAC may add or remove or consolidate Investment Portfolios or change the investment allocations of, or the investments held by, any Investment Portfolio at any time. The Plan will have a commercially reasonable period to implement any such changes. The allocation tables accompanying the Investment Portfolio descriptions below indicate the target allocations to the investments underlying each Investment Portfolio as of the date of this Disclosure Booklet. Actual allocations within an Investment Portfolio may differ from target allocations during certain time periods due to differing investment performance of different underlying investments.

You may allocate your contributions to any one Investment Portfolio, or you may choose to allocate your contributions to more than one Investment Portfolio. Although Account Owners may choose among these Investment Portfolios for contributions made to their Accounts, under federal law, Account Owners may direct a change in the investment of existing Account contributions (and any earnings thereon) only twice in any calendar year or upon a change of the Beneficiary to a Member of the Family of the previous Beneficiary.

Summaries of each of the underlying Mutual Funds and the Nationwide Life Insurance Company Group Annuity Contract and TIAA Funding Agreement, including how to obtain a prospectus and statement of additional information for the underlying Mutual Funds, can be found in Appendix B. Please keep in mind that you will not own shares of any of these Mutual Funds nor will you own any interest in a Nationwide Life Insurance Company Group Annuity Contract or a TIAA Funding Agreement. Instead, you will own interests in the Plan through Portfolio Units.

None of VSAC, the Plan, the Program Manager or the Investment Manager make any recommendation with respect to any Investment Portfolio. The Investment Portfolios available in the Plan do not take into consideration your personal goals or preferences. After evaluating the information you consider to be important in making an investment choice,

Investment Portfolios

the ultimate investment decision is up to you. You may wish to consult with your tax or financial advisor for advice regarding your individual situation.

INVESTMENT MANAGER'S APPROACH TO LONG-TERM INVESTING

Strategic Asset Allocation is a long-term investment approach designed primarily for savers who seek consistent growth over extended horizons. Unlike tactical, managed or opportunistic allocation, which often responds to short-term market movements, strategic allocation establishes a disciplined and enduring framework that remains largely consistent through market cycles. The portfolio investment objectives are to optimize risk-adjusted returns by allocating across a diversified mix of asset classes with low correlations, thereby enhancing portfolio efficiency while maintaining clarity, discipline, and consistency in the investment process. Each asset class is represented by carefully selected benchmark indices, which serve as the foundation for constructing model portfolios. These indices reflect the performance characteristics of the underlying market segment and ensure that asset allocation remains aligned with the intended market exposures. Since asset allocation decisions drive the majority of long-term portfolio returns, this process represents the core of the portfolio construction philosophy. Once model portfolios are established, a rigorous search is conducted for investment vehicles—both active and passive—that best track the designated benchmarks.

YEAR OF ENROLLMENT PORTFOLIOS (RISK LEVELS SHIFT FROM AGGRESSIVE TO CONSERVATIVE)

The Year of Enrollment suite of Portfolios seeks to match up the investment objective and level of risk to the investment time horizon by taking into account when you, the Account Owner, expect to start to withdraw monies from a Year of Enrollment Portfolio to pay for the Qualified Education Expenses of your Beneficiary. Year of Enrollment Portfolios with the most distant target years are designed to seek a favorable long-term return by investing primarily in underlying investments that invest in equity securities, a strategy which generally has a high level of risk, but greater potential for returns than more conservative investments. As the target year of a specific Year of Enrollment Portfolio gets closer in time, the portion of the Year of Enrollment Portfolio allocated to underlying investments that invest in equity securities decreases, and the portion allocated to underlying investments that invests in more conservative fixed-income and money market or cash-equivalent securities increases. This intentional change over time in the asset allocation of a Year of Enrollment Portfolio results in a change in the Portfolio's risk profile, and is referred to as the "glide path." As time passes and the Beneficiary of an Account invested in a particular Year of Enrollment Portfolio (other than the Enrolled Portfolio) ages, the glide path becomes more conservative, reducing both risk and potential return. An "Enrolled" Year of Enrollment portfolio is designed to have the highest allocation to fixed income securities and/or cash equivalents among the Year of Enrollment Investment Portfolios.

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

ASSET ALLOCATIONS FOR THE YEAR OF ENROLLMENT PORTFOLIOS - 2035-2044

The following table provides the current target percentage allocation to each underlying investment within the Year of Enrollment Investment Portfolios for Enrollment Years 2035 through 2044. As discussed above, the target percentage allocation to underlying investments will change over time in accordance with the glide path for the applicable Investment Portfolio. Accordingly, the target portfolio allocation may or may not change on an annual basis.

Underlying Funds	YEAR OF ENROLLMENT PORTFOLIOS - 2044 to 2035									
	2044 Enrollment Portfolio	2043 Enrollment Portfolio	2042 Enrollment Portfolio	2041 Enrollment Portfolio	2040 Enrollment Portfolio	2039 Enrollment Portfolio	2038 Enrollment Portfolio	2037 Enrollment Portfolio	2036 Enrollment Portfolio	2035 Enrollment Portfolio
Fidelity® Total Market Index Fund (FSKAX)	59.00%	59.00%	59.00%	59.00%	59.00%	59.00%	55.50%	52.00%	48.75%	45.50%
Fidelity® International Index Fund (FSPSX)	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	21.00%	20.00%	18.75%	17.50%
Fidelity® Emerging Markets Index Fund (FPADX)	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.50%	8.00%	7.50%	7.00%
Fidelity® U.S. Bond Index Fund (FXNAX)	0.00%	0.00%	1.00%	2.00%	3.00%	4.00%	8.00%	12.00%	15.50%	19.00%
Schwab® Treasury Inflation Protected Securities Index Fund (SWRSX)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	2.00%	2.50%	3.00%
Vanguard Short-Term Bond Index Fund (VBITX)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vanguard High-Yield Corporate Fund (VWEAX)	10.00%	10.00%	9.00%	8.00%	7.00%	6.00%	5.00%	5.00%	5.00%	5.00%
TIAA-CREF Life Insurance Company Funding Agreements	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.48%	0.96%	1.44%
Nationwide Life Insurance Company Group Annuity Contract	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.52%	1.04%	1.56%

ASSET ALLOCATIONS FOR THE YEAR OF ENROLLMENT PORTFOLIOS (CONTINUED)

The following table provides the current target percentage allocation to each underlying investment within the Year of Enrollment Investment Portfolios for current Enrolled Portfolio through Enrollment Year 2034. As discussed above, the target percentage allocation to underlying investments will change over time in accordance with the glide path for the applicable Investment Portfolio. Accordingly, the target portfolio allocation may or may not change on an annual basis.

Underlying Funds	YEAR OF ENROLLMENT PORTFOLIOS - 2034 to Enrolled									
	2034 Enrollment Portfolio	2033 Enrollment Portfolio	2032 Enrollment Portfolio	2031 Enrollment Portfolio	2030 Enrollment Portfolio	2029 Enrollment Portfolio	2028 Enrollment Portfolio	2027 Enrollment Portfolio	2026 Enrollment Portfolio	Enrolled Portfolio
Fidelity® Total Market Index Fund (FSKAX)	42.25%	39.00%	36.00%	33.00%	28.00%	23.00%	18.00%	13.00%	10.00%	6.50%
Fidelity® International Index Fund (FSPSX)	16.25%	15.00%	13.50%	12.00%	10.25%	8.50%	7.00%	5.00%	3.50%	2.50%
Fidelity® Emerging Markets Index Fund (FPADX)	6.50%	6.00%	5.50%	5.00%	4.25%	3.50%	2.50%	2.00%	1.50%	1.00%
Fidelity® U.S. Bond Index Fund (FXNAX)	21.50%	23.00%	25.50%	25.00%	28.00%	28.00%	25.50%	20.00%	14.00%	10.00%
Schwab® Treasury Inflation Protected Securities Index Fund (SWRSX)	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	7.00%	8.00%	9.00%	10.00%
Vanguard Short-Term Bond Index Fund (VBITX)	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	6.00%	14.00%	15.00%	20.00%
Vanguard High-Yield Corporate Fund (VWEAX)	5.00%	5.00%	5.00%	5.00%	4.00%	4.00%	4.00%	3.00%	2.00%	0.00%
TIAA-CREF Life Insurance Company Funding Agreements*	2.40%	3.84%	4.80%	7.20%	9.60%	12.00%	14.40%	16.80%	21.60%	24.00%
Nationwide Life Insurance Company Group Annuity Contract*	2.60%	4.16%	5.20%	7.80%	10.40%	13.00%	15.60%	18.20%	23.40%	26.00%

*Portfolios with a TIAA-CREF Life Insurance Company Funding Agreement allocation will initially invest a portion of its net assets in two funding agreements issued by the TIAA-CREF Life Insurance Company until on or about February 20, 2026. On October 20, 2025 the Nationwide Life Insurance Group Annuity Contract will receive an initial funding of 20% from the TIAA-CREF Life Insurance Company Funding Agreements. The Nationwide Life Insurance Group Annuity Contract will not credit interest on October 20, 2025 and will commence crediting interest daily on October 21, 2025. Then, from the date of this Disclosure Booklet until on or about February 20, 2026 ("February Transition"), contributions and distributions from / to this portfolio will be processed at the target allocations assigned at the time of conversion, of approximately 48% in two funding agreements issued by the TIAA Funding Agreements and 52% in the Nationwide Life Insurance Group Annuity Contract.

Investment Portfolios

EQUITY INDEX PORTFOLIO (RISK LEVEL — AGGRESSIVE)

The Equity Index Portfolio seeks to aggressively pursue growth opportunities by investing in a portfolio of equity index funds with a high exposure to domestic and foreign equities. This portfolio is designed for investors with a longer time horizon and will provide the highest level of risk and the potential for higher return out of the investment options.

ASSET ALLOCATIONS FOR THE EQUITY INDEX PORTFOLIO

The following table provides the current target percentage allocation to each underlying Mutual Fund within the Equity Index Portfolio.

Portfolio Name	Fidelity® Total Market Index Fund (FSKAX)	Fidelity® International Index Fund (FSPSX)	Fidelity® Emerging Markets Index Fund (FPADX)	Fidelity® U.S. Bond Index Fund (FXNAX)	Schwab® Treasury Inflation Protected Securities Index Fund (SWRSX)	Vanguard Short-Term Bond Index Fund (VBITX)	Vanguard High-Yield Corporate Fund (VWEAX)	TIAA-CREF Life Insurance Company Funding Agreement	Nationwide Life Insurance Company Group Annuity Contract
Equity Index Portfolio	65.00%	25.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

BALANCED PORTFOLIO (RISK LEVEL — MODERATE)

This Balanced Portfolio seeks to provide a mix of capital appreciation and investment income by allocating assets to a balanced combination of underlying investments invested in equity and fixed income asset classes (at this time, the target allocation to equity funds is 60% and the target allocation to fixed-income funds is 40%). The portfolio is designed for investors with a modest tolerance for short-term market fluctuations and a desire for income and moderate capital appreciation.

ASSET ALLOCATIONS FOR THE BALANCED PORTFOLIO

The following table provides the current target percentage allocation to each underlying Mutual Fund within the Balanced Portfolio.

Portfolio Name	Fidelity® Total Market Index Fund (FSKAX)	Fidelity® International Index Fund (FSPSX)	Fidelity® Emerging Markets Index Fund (FPADX)	Fidelity® U.S. Bond Index Fund (FXNAX)	Schwab® Treasury Inflation Protected Securities Index Fund (SWRSX)	Vanguard Short-Term Bond Index Fund (VBITX)	Vanguard High-Yield Corporate Fund (VWEAX)	TIAA-CREF Life Insurance Company Funding Agreement	Nationwide Life Insurance Company Group Annuity Contract
Balanced Portfolio	39.00%	15.00%	6.00%	35.00%	0.00%	0.00%	5.00%	0.00%	0.00%

FIXED INCOME PORTFOLIO (RISK LEVEL — CONSERVATIVE)

The Fixed Income Portfolio seeks to provide preservation of capital along with a moderate rate of return through a diversified mix of underlying Mutual Funds invested in fixed-income investments. This portfolio is designed for investors with a very low tolerance for short-term market fluctuations who want low risk to principal and have a high desire for current income with limited capital appreciation.

ASSET ALLOCATIONS FOR THE FIXED INCOME PORTFOLIO

The following table provides the current target percentage of assets of the Fixed Income Portfolio allocated to each underlying Mutual Fund.

Portfolio Name	Fidelity® Total Market Index Fund (FSKAX)	Fidelity® International Index Fund (FSPSX)	Fidelity® Emerging Markets Index Fund (FPADX)	Fidelity® U.S. Bond Index Fund (FXNAX)	Schwab® Treasury Inflation Protected Securities Index Fund (SWRSX)	Vanguard Short-Term Bond Index Fund (VBITX)	Vanguard High-Yield Corporate Fund (VWEAX)	TIAA-CREF Life Insurance Company Funding Agreement	Nationwide Life Insurance Company Group Annuity Contract
Fixed-Income Portfolio	0.00%	0.00%	0.00%	70.00%	5.00%	15.00%	10.00%	0.00%	0.00%

CAPITAL PRESERVATION PORTFOLIO

The Capital Preservation Portfolio has a primary goal of capital preservation with a secondary goal of stable returns. On October 20, 2025 the Nationwide Life Insurance Company Group Annuity Contract ("Nationwide Group Annuity Contract") will receive an initial funding of 20% from the TIAA-CREF Life Insurance Company Funding Agreements ("TIAA Funding Agreements"). Nationwide Group Annuity Contract will not credit interest on October 20, 2025 and will commence crediting interest daily on October 21, 2025. Then, from the date of this Disclosure Booklet until on or about February 20, 2026 ("February Transition"), contributions and distributions from / to this portfolio will be processed at the target allocations assigned at the time of conversion, of approximately 48% in two TIAA Funding Agreements and 52% in the Nationwide Group Annuity Contract.

On or about February 20, 2026, the then current net assets invested in the TIAA Funding Agreements will be withdrawn by VSAC and reinvested into the Nationwide Life Insurance Group Annuity Contract, thereby eliminating the TIAA Funding Agreements as underlying investments for the Capital Preservation Portfolio. Until the completion of the February Transition, the Capital Preservation Portfolio bears all of the risks proportionate to its investments in the TIAA Funding Agreement and the Nationwide Life Insurance Group Annuity Contract. See Appendix B for a summary of the TIAA Funding Agreement and the Nationwide Life Insurance Group Annuity Contract. Once the February Transition is completed, all references to the TIAA Funding Agreement are deleted from this Disclosure Booklet.

The Program Manager receives a payment from the Nationwide Life Insurance Company Group Annuity Contract for recordkeeping and administration expenses. These payments, among many other factors, impact the interest crediting rate Nationwide Life Insurance Company Group Annuity Contract declares under the Group Annuity Contract. The Investment Manager recommends the Investment Portfolios to VSAC and the underlying investments for the Investment Portfolios, including the Capital Preservation Portfolio.



PERFORMANCE

The Year of Enrollment Portfolios and the Capital Preservation Portfolio are new. Performance information for the Year of Enrollment Portfolios is not shown at this time because the Investment Portfolios are new as of the date of this Disclosure Booklet. Performance information will be available on the Plan's website at www.vt529.org after the Portfolios have one full quarter of performance information.

INVESTMENT PERFORMANCE FOR JUNE 30, 2025

Performance data and benchmarks for the Equity Index Portfolio, Balanced Portfolio, Fixed Income Portfolio, and the Principal Plus Portfolio for the period ending June 30, 2025 is available at www.vt529.org and is incorporated by reference. All performance data represents past performance and is net of total annual asset-based fees. The performance data does not reflect the deduction of the Annual Print/Mail Fee, fees for additional services you may request, or the impact of any federal or state taxes.

Current performance may be lower or higher than the performance data cited. For more recent performance data, visit our website at www.vt529.org

PAST PERFORMANCE NO GUARANTEE OF FUTURE RESULTS

Past performance and short-term performance are not indicative of the future performance of any particular Portfolio. Portfolio performance information represents past performance and is no guarantee of future results and will be net of Total Annual Fees and will not reflect the impact of any potential federal or state taxes. Underlying investments and asset allocations among underlying investments are subject to change without notice. As a result, the Portfolios you invest in may have different underlying investments and asset allocations from those Portfolios for which performance is shown.

INVESTMENT RESULTS OF YOUR PORTFOLIO WILL VARY

Total returns and the principal value of investments in your Account will fluctuate based on the investment performance of the underlying investments in which the Investment Portfolios have been invested, so your investment may be worth more or less than its original value when you withdraw your money. The investment results of any Portfolio for any period cannot be expected to be similar to its investment performance for any prior period. In addition, in view of the anticipated periodic determinations of such investment allocations and selection of the underlying investments for each Portfolio, the future investment results of any Portfolio cannot be expected, for any period, to be similar to the past performance of any other Portfolios or underlying investments. Performance may be substantially affected over time by changes in the allocations among and in the underlying investments.

DIFFERENCES BETWEEN PERFORMANCE OF THE PORTFOLIOS AND UNDERLYING INVESTMENTS

The performance of the Portfolios will differ from the performance of the underlying investment. Because the Portfolios have higher expense ratios than the underlying investments, over comparable periods of time, all other things being equal, a Portfolio would have lower performance than its comparable underlying investment. However, the underlying investments do not offer the same potential tax advantages as the Portfolios. Performance differences also are caused by differences in the trade dates of Portfolio purchases.



RISKS OF INVESTING IN THE PLAN

Prospective Account Owners should carefully consider, along with other matters referred to in this Disclosure Booklet, the following risks of investing in the Plan. This Disclosure Booklet cannot and does not list every possible factor that may affect the value of an Account. Additional risks not discussed in this Disclosure Booklet may arise and an Account Owner, or an authorized representative acting on the Account Owner's behalf, must be willing and able to accept those risks. Other qualified tuition programs are available as are other investment alternatives. The investments, fees, expenses, certain eligibility requirements, tax, and other consequences and features of these alternatives may differ from features available in the Plan. Anyone considering opening or contributing to an Account should consider these alternatives prior to opening an account and should consult with qualified advisor(s). In addition to the risks discussed below there may be other risks beyond the reasonable control of the Plan Parties. An Account Owner may wish to consult a financial or tax advisor before investing in the Plan. None of the Plan Parties provide legal, financial or tax advice concerning individual investment decisions relating to the Plan.

INVESTMENT RISKS

All investments have risks, including the loss of principal. With any Investment Portfolio, there is a possibility that the investment returns over the applicable investment period will be less than the rate of increase in the costs of higher education during that period. In addition, all of the Portfolios, except the Capital Preservation Option bear asset allocation risk. Asset allocation risk is the risk that the Investment Manager's judgments about Asset allocation decisions among the funds underlying the Investment Portfolios may be incorrect, and there is no guarantee that asset allocations will produce the desired results. It is possible to lose money on your investment, whether as a result of these asset allocation decisions or due to general performance of an Investment Portfolio's underlying investments during a given period. There is a risk that you could lose part or all of the value of your Account.

Summaries of risks of the underlying investments for the Portfolios and instructions on how to obtain additional information about the underlying Mutual Funds are set forth in Appendix I.

MARKET UNCERTAINTIES AND OTHER EVENTS

Due to market uncertainties, the overall market value of your Account may exhibit volatility and could be subject to general economic conditions, such as changes in unemployment rates, inflation or stagflation, the imposition of tariffs or other restrictions on global trade, or a decrease in overall economic activity leading to a recession. All of these factors may cause the value of an Account to decrease (realized or unrealized losses) regardless of the Investment Manager's investment strategy for any Portfolios in which an Account is invested or any systematic investing on the part of an Account Owner, including automatic contributions and payroll direct deposits. There is no assurance that any Portfolio will achieve its goals.

NO INSURANCE OR GUARANTEE

Neither investments in the Plan nor earnings, if any, from investments in the Plan are insured or guaranteed by the Plan Parties, the Federal Deposit Insurance Corporation, any federal government agency or any other person or entity. Past performance is not a guarantee or representation of future performance of any investment.

FEDERAL AND VERMONT TAX CONSIDERATIONS

The federal and state tax consequences associated with participating in the Plan can be complex. Therefore, you should consult a tax advisor regarding the application of tax laws to your particular circumstances. While Section 529 Withdrawals and Section 529 Rollovers are free of federal and Vermont income taxes on earnings and the Additional 10% Tax, the Vermont state income tax credit, however, is different, and certain withdrawals that are otherwise tax free under federal and Vermont law may subject an Account Owner to Vermont State Income Tax Credit Recapture. As of the date of publication, the IRS has not issued final tax regulations regarding qualified tuition programs. Final tax regulations could affect the tax considerations under Section 529 or require changes to the Plan. Consult your tax advisor for more information.

NO GUARANTEE OF ATTENDANCE OR EXPENSE

There is no guarantee that a Beneficiary will be accepted for admission to any institution (including an Eligible Educational Institution) or if admitted, will graduate or receive a degree, or otherwise be permitted to continue to attend such institution. Increases in Federal Qualified Education Expenses could exceed the rate of return achieved by an Account invested in the Plan over the same time period. Even if the value of all Accounts for the same Beneficiary

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reaches or exceeds the Maximum Account Balance Limit, those funds may not be sufficient to pay all Federal Qualified Education Expenses of the Beneficiary.

CHANGES IN LAW

The Plan is established pursuant to the Statute, Section 529, and applicable law. Changes to the Statute, Section 529 or applicable law may affect the continued operation of the Plan as contemplated in this Disclosure Booklet. Congress could also amend Section 529 or other federal laws in a manner that would materially change or eliminate the federal tax treatment described in this Disclosure Booklet. The State could also make changes to Vermont tax law that could materially affect the Vermont tax treatment of the Plan or make changes to the Statute that could terminate or otherwise adversely affect the Plan. Changes in the law governing the federal and/or Vermont tax consequences described in this Disclosure Booklet might necessitate material changes to the Plan or termination of the Plan. Proposed federal tax regulations have been issued under Section 529 that provide some guidance, but only for the establishment and operation of certain aspects of the Plan. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the federal or State tax consequences of contributions to, investments in, or withdrawals from, Accounts.

MODIFICATION OR TERMINATION OF INVESTMENT PORTFOLIOS

VSAC may at any time modify the Plan to provide for additional or different Investment Portfolios, modify, consolidate or terminate Investment Portfolios, or make other changes to the Plan, including the termination of the Plan. The State may terminate the Plan by giving written notice to the Account Owner, but the assets in the Account may not thereby be diverted by VSAC from the exclusive benefit of the Account Owner.

RISKS RELATED TO ILLIQUIDITY

Investment in the Plan involves the risk of limited liquidity because the circumstances under which funds may be withdrawn from your Account without incurring adverse tax consequences are limited to withdrawals for Federal Qualified Education Expenses. Additionally, in certain circumstances, your ability to withdraw funds may be restricted for up to fifteen (15) days. Contributions must be on deposit for at least ten (10) days before being withdrawn.

LIMITATIONS ON REALLOCATING MONIES AMONG INVESTMENT PORTFOLIOS

You may transfer funds among Investment Portfolios twice per calendar year, and at any time upon a change in the Beneficiary of the Account to a Member of the Family of the Beneficiary.

CHANGES TO THE PLAN

VSAC may make changes to the Program, including by adding, dropping, or changing Portfolios strategies. These changes could include, without limitation: a change in the Plan's or underlying investment fees; addition or removal of a Portfolio; or a change in the asset allocation within Portfolios or underlying investments; merger or change in Portfolios or underlying investments; the closure of a Portfolio to new investors; or a change in the Plan Parties. If changes are made to the Portfolios, contributions may be reinvested in a Portfolio that is different from your original Portfolio. The policies, objectives, and guidelines of the Portfolios may also change from time to time. If the Program is terminated, a distribution of Account funds may be considered a Non-Qualified Withdrawal subject to federal income tax on earnings, and an additional 10% federal tax unless an exception applies and any applicable state taxes. Any amounts distributed are subject to any charges due; any charge, payment, or penalty required by law to be withheld; and allowances for any terminating or winding up expenses. Prior to termination of the Plan, an Account Owner may choose to make a qualifying rollover of Account assets into another Section 529 plan to avoid income taxes and penalties. In the event of a change in underlying investments, during the transition from one underlying investment to another, the Program may sell all the securities in the corresponding Portfolio before purchasing new securities. Therefore, the Portfolio may temporarily not be invested in one of its asset classes. During a transition period, a Portfolio may temporarily hold a basket of securities if the underlying investment from which it is transitioning chooses to complete the transition by exchanging one security for another. The transaction costs associated with this type of liquidation, as well as any market impact on the value of the securities being liquidated will be borne by the Portfolio and Accounts invested in the Portfolio. In this case, the Plan will seek to liquidate the securities received from the underlying investments and invest the proceeds in the replacement investments as promptly as practicable in order to minimize transaction costs. An underlying investment may also impose redemption fees. In this case, the Portfolio will bear the cost of the redemption fees.

CHANGE IN PLAN PARTIES

VSAC may change the entities that provide services to the Plan, including without limitation the Plan Manager and/or the Investment Manager or add additional Plan managers and/or investment managers. If this happens (or even if it does not), there may be material changes to certain terms and conditions of your Account, including the fees charged under the Plan. If the Plan Manager changes, you may have to open a new Account in the Plan with the successor Plan manager in order to make future contributions on behalf of your Beneficiary, or your Account assets may be automatically transferred to a new Account with the successor Plan manager. There is no guarantee that the investment portfolios offered by the Plan following a change in Plan manager or investment manager would correspond with those described in this Disclosure Booklet.

POTENTIAL IMPACT ON FINANCIAL AID AND MEDICAID ELIGIBILITY

The eligibility of your Beneficiary for financial aid will depend upon the circumstances of the Beneficiary's family at the time the Beneficiary applies for financial aid, as well as on the policies of the governmental agencies, school, or private organizations to which the Beneficiary and/or the Beneficiary's family applies for financial assistance. Because saving for college will increase the financial resources available to the Beneficiary, it may have some effect on the Beneficiary's eligibility. However, because these policies vary at different institutions and can change over time, VSAC cannot say with certainty how the federal financial aid program, or the school your Beneficiary applies to, will treat your Account.

For federal financial aid purposes, Account assets are considered (i) assets of a student's parent, if the student is a dependent student and the owner of the Account is the parent or the student, or (ii) assets of the student, if the student is the owner of the Account and not a dependent student. Generally, assets of the student reduce eligibility for certain federal financial aid by a greater percentage than do assets of the parent. Under Vermont law, amounts available for the payment of postsecondary education costs pursuant to the Plan generally are considered assets of the Beneficiary's parent(s), not the Beneficiary's assets, in determining need and eligibility for student aid as determined by applicable law.

The eligibility of an Account Owner for Medicaid assistance could be impacted by the Account Owner's ownership of an Account in the Plan. Although the result is not clear and may vary from state to state, it is possible that the assets in an Account Owner's Account may be considered available assets of the Account Owner for determining Medicaid assistance eligibility. Medicaid laws and regulations may change and Account Owners should consult their own financial and/or tax advisors for advice on their own particular situation.

SUITABILITY; INVESTMENT ALTERNATIVES

The Plan Parties make no representations regarding the suitability of the Investment Portfolios as an investment for any particular individual investor. Other types of investments may be more appropriate depending upon an individual's residence, financial status, tax situation, risk tolerance or age. Various qualified tuition programs other than the Plan are currently available, as are other investment alternatives. The investments, fees, expenses, eligibility requirements, tax and other consequences and features of these alternatives may differ from those of the Plan. Before investing in the Plan, you may wish to consider these alternatives and consult a tax or investment advisor.

NOT A DIRECT INVESTMENT IN UNDERLYING INVESTMENTS OR REGISTERED SECURITIES

Although contributions to your Account will be invested in Portfolios that invest in underlying investments, none of the Plan's Portfolios is a registered mutual fund. An investment in the Plan is considered an investment in a "municipal fund security" that is issued and offered by the Plan. These municipal fund securities are not registered with the U.S. Securities and Exchange Commission (the "SEC") or any state, nor are the Plan, or any of the Plan's Portfolios registered as investment companies with the SEC or any state.

CYBER RISKS

Failures or breaches of the electronic systems used by the Plan Parties may cause disruptions and negatively impact the Plan's operations, potentially resulting in financial losses to the Plan and its Account Owners. While business continuity plans and risk management systems seeking to address system breaches or failures have been established (including plans and systems reasonably designed to protect information related to the Account Owner and Beneficiary and other personal nonpublic information where applicable), there are inherent limitations to such plans and systems.

Although the Plan and its service providers undertake extensive efforts to protect its computer systems from cyber threats and cyberattacks, including internal processes, preventative technological defenses, and other controls

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designed to maintain a multi-layered security posture, there are no guarantees that the Plan, the Plan Parties and employees of VSAC, or any individual Account will avoid losses due to cyberattacks or cyber threats.

It is solely your responsibility to protect your account, diligently monitor all transactions in it, and to protect the security of your account credentials and email account associated with your program account. Multi-factor authentication is one way, but not the only way to minimize the risk of unauthorized transactions in your account. You are also solely responsible for updating your program account with your current contact information and keeping your account profile current at all times while you participate in the program. If you notice a transaction in your account that you did not make or authorize, it is your responsibility to contact us immediately at 800-637-5860. Any delay or failure in reporting any unauthorized transactions could affect the ability to recover funds from any unauthorized transaction and could result in a partial or total loss of your account. VSS and its parent company and affiliates, the Board, and the Program will not be responsible for any losses that are caused in whole by your failure or negligence in monitoring or protecting your account or timely reporting any potential unauthorized transactions to us.

FORCE MAJEURE RISKS

Circumstances beyond the reasonable control of the Plan Parties may affect the overall market value of an Account or your ability to transact business with the Plan.

NO RESPONSIBILITY FOR RISKS

None of the Plan Parties or any other person or entity will have any liability or obligation to reimburse Account Owners for losses relating to the risks of investing in the Plan, including Force Majeure Risks.



WITHDRAWALS FROM AN ACCOUNT

Only you, as the Account Owner, may direct withdrawals from your Account. You can direct a withdrawal at any time by logging in to the Plan's website. The Unit value used to calculate the value of a withdrawal from your Account will be the one next computed after a completed withdrawal request is received in Good Order by the Plan. If your Account is invested in more than one Investment Portfolio, you may select the Investment Portfolio(s) from which your funds are to be withdrawn to the extent permitted by Section 529. Depending on the circumstances, for security purposes, there may be a waiting period before you can make withdrawals, as outlined below. Account owners are responsible to secure and protect their identities against breaches or their email and cell phone.

- Account Owners will have to wait five (5) days after making a contribution or
- ten (10) days after a contribution made by someone other than the Account Owner before the withdrawal will be sent out.
- If you direct a withdrawal to be made to a new bank or other financial account, you will have to wait ten (10) days before such withdrawal is sent out. If you make a change to your mailing address or transfer the Account to a new Account Owner, you will have to wait fifteen (15) days before any withdrawals are sent out.

Each withdrawal you make from your Account will fall into one of the following categories:

- (1) A Section 529 Withdrawal;
- (2) A Section 529 Rollover; or
- (3) A Non-Qualified Withdrawal.

SECTION 529 WITHDRAWALS

No portion of a Section 529 Withdrawal (as defined in this Disclosure Booklet) is subject to federal taxation. A Section 529 Withdrawal is a withdrawal from your Account that is used to pay for any Federal Qualified Education Expenses of the Beneficiary, including Federal Qualified Education Expenses at an Eligible Educational Institution, Qualified Post-Secondary Credentialing Expenses, Qualified Apprenticeship Expenses, Qualified Education Loan Repayments, and Qualified K-12 Expenses.

- Federal Qualified Education Expenses at an Eligible Educational Institution include tuition, certain room and board expenses (described below), fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution, and expenses for the purchase of computer or peripheral equipment, computer software, and 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.
- Federal Qualified Education Expenses include certain additional enrollment and attendant costs of special needs beneficiaries. The cost of room and board may be treated as Federal Qualified Education Expenses only if it is incurred during an academic period during which the Beneficiary is enrolled or accepted for enrollment in a degree, certificate, or other program which leads to a recognized educational credential awarded by an Eligible Educational Institution, and during which 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 student is pursuing based on the standard at the Beneficiary's Eligible Educational Institution.) The amount of room and board expenses that may be treated as a Qualified Education Expense is generally limited to the room and board allowance applicable to the student that is included 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 invoice amount charged by the Eligible Educational Institution for room and board is higher than the "cost of attendance" figure, then the actual invoice amount may be treated as qualified room and board costs.
- "Qualified Postsecondary Credentialing Expenses" beginning July 5, 2025, are expenses allowed under IRC Section 529. Generally, these include the following, as defined by IRC Section 529(f):
 - tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary in a Recognized Postsecondary Credential Program, or any other expense incurred in connection with enrollment in or attendance at a Recognized Postsecondary Credential Program if such expenses would, if incurred in connection with enrollment or attendance at an Eligible Educational Institution, be covered under IRC Section 529(e)(3)(A);

Withdrawals From an Account

- fees for testing if such testing is required to obtain or maintain a Recognized Postsecondary Credential; and
- fees for continuing education if such education is required to maintain a Recognized Postsecondary Credential.
- “Recognized Postsecondary Credential” beginning July 5, 2025, as defined generally by IRC Section 529(f)(3), includes:
 - (1) any postsecondary employment credential that is industry recognized and is
 - (a) issued by a program that is accredited by the Institute for Credentialing Excellence, the National Commission on Certifying Agencies, or the American National Standards Institute;
 - (b) any postsecondary employment credential that is included in the Credentialing Opportunities On-Line (COOL) directory of credentialing programs (or successor directory) maintained by the Department of Defense or by any branch of the Armed Forces;
 - (c) any postsecondary employment credential identified by the Secretary of Treasury, after consultation with the Secretary of Labor, as being industry recognized;
 - (2) any certificate of completion of an apprenticeship that is registered and certified with the Secretary of Labor under the National Apprenticeship Act (29 U.S.C. 50 et seq.);
 - (3) any occupational or professional license issued or recognized by a State or the Federal Government (and any certification that satisfies a condition for obtaining such license), and
 - (4) any recognized postsecondary credential as defined in Section 3(52) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(52)), provided through an organization listed under Section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)).
- “Recognized Postsecondary Credential Program” beginning July 5, 2025, as defined generally by IRC Section 529(f)(2), includes any program to obtain a recognized postsecondary credential if
 - (1) such program is included on a State list prepared under Section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d));
 - (2) such program is listed in the public director of the Web Enabled Approval Management System (WEAMS) of the Veterans Benefits Administration, or successor directory of such program;
 - (3) an examination (developed or administered by an organization widely recognized as providing reputable credentials in the occupation) is required to obtain or maintain such credential and such organization recognizes such program as providing training or education which prepares individuals to take such examination; or
 - (4) such program is identified by the Secretary of Treasury, after consultation with the Secretary of Labor, as being a reputable program for obtaining a Recognized Postsecondary Credential.
- Qualified Apprenticeship Expenses are fees, books, supplies and equipment required for the participation of a Beneficiary in a Registered Apprenticeship Program.
- Qualified Education Loan Repayments include up to \$10,000 in the aggregate lifetime amounts paid as principal or interest on any Qualified Education Loan of the Beneficiary or a Sibling of the Beneficiary. The \$10,000 aggregate limitation on Qualified Education Loan Repayments applies on a per-student basis rather than a per Account basis. Although an individual may be the beneficiary of multiple accounts in one or more qualified tuition programs, that individual may receive a maximum of \$10,000 in distributions for Qualified Education Loan Repayments free of federal tax over that individual's lifetime, regardless of whether the funds are distributed from multiple accounts.
- Qualified K-12 Expenses. For Withdrawals made on or before July 4, 2025, up to \$10,000 per year of tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school as determined under applicable state law.
- For Withdrawals made after July 4, 2025, K-12 Expenses in connection with enrollment or attendance at an elementary or secondary public, private or religious school, as determined under applicable state law, up to a limit of \$10,000 per year (increasing to \$20,000 for withdrawals made after December 31, 2025):

Withdrawals From an Account

- (1) tuition;
- (2) curriculum and curricular materials;
- (3) books or other instructional materials;
- (4) online educational materials;
- (5) tuition for tutoring or educational classes outside of the home, including at a tutoring facility, if the tutor or instructor is not related to the student and (a) is licensed as a teacher in any State; (b) has taught at an eligible educational institution; or (c) is a subject matter expert in the relevant subject;
- (6) fees for a nationally standardized norm-referenced achievement test, an advanced placement examination, or any examinations related to college or university admission;
- (7) fees for dual enrollment in an institution of higher education; and
- (8) educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.

As of the date of publication, the IRS has not issued final regulations and guidance on Section 529. The Account Owner will be responsible for any taxes or penalties resulting from failure to comply with Section 529 and any subsequent IRS rules or guidance. If the IRS issues rules or guidance that materially changes the information set forth in this Disclosure Booklet the Program Manager and VSAC will provide updates. Please consult with your tax advisor for more information.



SECTION 529 ROLLOVERS

A Section 529 Rollover is a rollover of monies from a qualified tuition program account to another qualified tuition program, Roth IRA, or Qualified ABLE Program meeting the requirements of Section 529. Rollovers that do not meet Section 529 requirements will be subject to federal and Vermont tax.

No portion of a Rollover from an Account is subject to federal taxation (including the Additional 10% Tax).

NON-QUALIFIED WITHDRAWALS

A Non-Qualified Withdrawal is any withdrawal that does not meet the requirements of being: (1) a Section 529 Withdrawal; or (2) a Section 529 Rollover. The earnings portion of a Non-Qualified Withdrawal is subject to federal income taxation and the Additional 10% Tax except in certain limited circumstances. See "Federal and Vermont Tax Considerations." Information regarding the Vermont income taxation of withdrawals from an Account may be found in "Vermont Tax Considerations." You should consult a qualified tax advisor regarding how both state and federal tax laws may apply to your particular circumstances.

WITHDRAWALS USING THE TRUE LINK 529 VISA PREPAID CARD

The True Link 529 Visa Prepaid Card will be issued by Sunrise Banks N.A. ("Issuing Bank") in accordance with the terms of the Cardholder Agreement established by the Issuing Bank. The True Link 529 Visa Prepaid Card program will be managed by True Link Financial.

Account Owners can request a Prepaid Card at the Prepaid Card program's website managed by True Link Financial. To sign up for a True Link 529 Visa Prepaid Card you must have a valid VT529 Account first. When you sign up for your True Link 529 Visa Prepaid Card account, you will be required to agree to the Cardholder Agreement, E-Sign Consent, True Link Privacy Policy, Sunrise Banks Privacy Policy, and the True Link Terms of Service. You will also be subject to any additional card account related fees as documented in the Cardholder Agreement.

You can load your True Link 529 Visa Prepaid Card and track your transaction activity directly from your online Prepaid Card account via the True Link website. Loading your True Link 529 Visa Prepaid Card is treated like any other withdrawal. Loading your True Link 529 Visa Prepaid Card is considered a withdrawal and does not count toward the annual limit of only two changes to investment direction. Any funds loaded onto your True Link 529 Visa Prepaid Card and not spent on Qualified Education Expenses in the same calendar year (or on or before the 60th day immediately following the end of such calendar year) may be subject to federal (and possible state and/or local) income tax, including the Additional Federal Tax.

A maximum of 95% of your available VT529 Account balance can be withdrawn from your available VT529 Account balance to be loaded onto your True Link 529 Visa Prepaid Card, subject to the daily and monthly load card maximums set by the Issuing Bank. You may not add funds to your True Link 529 Visa Prepaid Card account from any other source, including credit cards, debit cards, bank accounts, cash, or by sending personal checks, cashier's checks, retailer load networks (e.g. Green Dot, MoneyGram, Western Union, etc.), or money orders to the Issuing Bank.

You may not use your True Link 529 Visa Prepaid Card for online gambling or illegal transactions. You can use the True Link 529 Visa Prepaid Card for Qualified Education Expenses online or in stores all over the U.S. that accept VISA cards. If your True Link 529 Visa Prepaid Card Account has a zero or negative balance, and has had a negative balance for 4+ consecutive months, True Link may automatically close your card without advance notice.

OVERSIGHT OF THE PLAN

VSAC is a non-profit public corporation, created in 1965 and existing under and by virtue of Chapter 87 of Title 16 of the Statute. VSAC is governed, and all of its powers are exercised, by or under the authority of an eleven-member Board, which is comprised of the following persons: five appointed by the State governor, one State senator, one State representative, the State treasurer and three members elected by the Board.

The Statute that creates the Plan and designates VSAC as an instrumentality of the State, provides, among other things, that VSAC will administer the Plan and in doing so will have the power and authority to: invest the funds received from Account Owners in appropriate investment vehicles; enter into Participation Agreements with Account Owners; and make provision for the payment of costs of administration and operation of the Plan subject to certain limitations.

Pursuant to the powers established by the Statute, VSAC has engaged Vestwell State Savings, LLC to serve as the Plan Manager under the Management Agreement.



THE PLAN MANAGER AND THE SUBCONTRACTORS

PLAN MANAGER

The Plan Manager is Vestwell State Savings, LLC. Vestwell State Savings, LLC provides a modern savings platform serving public and private investment and retirement programs.

The Plan Manager has entered into a Management Agreement with VSAC under which the Plan Manager is responsible for providing, directly or through Subcontractors, investment management, administration, recordkeeping, reporting, marketing and other services for the Plan. Vestwell's current contract to serve as Plan Manager is for a five-year term which expires October 15, 2029. This term may be extended for an additional five-year term at the discretion of VSAC, provided that VSAC notifies the Plan Manager in writing of its intention to do so at least thirty (30) days prior to the expiration date of the initial term. The Management Agreement is subject to the possibility of earlier termination under specified circumstances, such as a material breach of the Management Agreement.

INVESTMENT MANAGER

The Plan Manager has subcontracted with BNY Advisors, Inc., a subsidiary of The Bank of New York Mellon, to provide investment management services for the Plan. BNY Advisors, Inc. is an SEC- registered investment adviser. The Investment Manager provides investment management services to VSAC and the Plan, not to Account Owners.

THE CUSTODIAN AND THE RECORDKEEPING AGENT

The Plan Manager has subcontracted with The Bank of New York Mellon (BNY) to provide custodial and recordkeeping services for the Plan. BNY has subcontracted performance of the recordkeeping services to its affiliate, BNY Mellon Investment Servicing (US), Inc. BNY is responsible for maintaining the assets of the Plan.



REPORTING

CONFIRMATIONS

An Account Owner will receive an electronic transaction confirmation shortly after making a contribution, withdrawal or Investment Portfolio exchange transaction in an Account.

ACCOUNT STATEMENTS

For each quarter during which an Account is open the Account Owner will receive a statement reflecting:

- Contributions to each Investment Portfolio made to the Account during the period and aggregate contributions year-to-date.
- Withdrawals from each Investment Portfolio in the Account made during the period and aggregate withdrawals year-to-date.
- Exchanges among Investment Portfolios.
- The total value of the Account at the end of the period.

Following the last quarter of a calendar year during which an Account is open the Account Owner will receive an annual statement reflecting:

- Contributions to each Investment Portfolio, if any, made to the Account during the calendar year and aggregate contributions year-to-date.
- Withdrawals from each Investment Portfolio, if any, in the Account made during the calendar year and aggregate withdrawals year-to-date.
- Exchanges among Investment Portfolios, if any, in the Account made during the calendar year.
- The total value of the Account at the end of the period.

You can securely access your Account information at any time through the Plan's website by obtaining an online username and password through the website. Certain entity Accounts and UTMA/UGMA Accounts are not eligible for online access.

TAX REPORTS

The Plan will report withdrawals from an Account and other matters to the IRS, the State, distributees and other persons, if any, to the extent required pursuant to federal or State law, regulation or ruling. Under federal law, a separate report will be filed by the Plan with the IRS reporting withdrawals from an Account to each distributee during the applicable calendar year and reflecting, among other information, the earnings portion withdrawn from the Account during the calendar year to which the report pertains. By January 31 of the following year, each distributee will receive a copy of the report or a corresponding statement. For tax reporting purposes, the distributee is deemed to be the Account Owner, unless the withdrawal is paid directly to the Beneficiary (including to the Beneficiary's VT529 Card) or to an Eligible Educational Institution, in which case the distributee is deemed to be the Beneficiary.

FINANCIAL STATEMENTS

Each year, annual financial statements will be prepared for the Plan. These statements will not be independently audited. However, the Plan's Statement of Fiduciary Net Position and Statement of Changes in Net Fiduciary Position of the Plan will be reported in the footnotes to VSAC's annual audited financial statements, which are available online at www.vsac.org.

FEDERAL AND VERMONT TAX CONSIDERATIONS

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

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

QUALIFIED TUITION PROGRAM

The Plan is designed to be a qualified tuition program under Section 529 of the Code.

FEDERAL INCOME TAX CONSIDERATIONS

Contributions to a qualified tuition program are not deductible for federal income tax purposes. There are two primary federal income tax advantages to investing in a qualified tuition program, such as the Plan:

- Investment earnings on the money you invest in the Plan will not be subject to federal income tax until they are distributed as they are not includable in the federal gross income of either the Account Owner or the Beneficiary until funds are withdrawn, in whole or in part, from an Account; and
- If the investment earnings are distributed as part of a Section 529 Withdrawal, they are free from federal income tax.

The treatment of a withdrawal from an Account will vary depending on the nature of the withdrawal, that is, whether the withdrawal is a Section 529 Withdrawal, a Non-Qualified Withdrawal, or a Section 529 Rollover.

SECTION 529 WITHDRAWALS

If a Section 529 Withdrawal is made from an Account, no portion of the distribution is includable in the gross income of either the Beneficiary or the Account Owner. A Section 529 Withdrawal is a withdrawal that, together with other Section 529 Withdrawals in the same calendar year, does not exceed the Beneficiary's Federal Qualified Education Expenses for the applicable calendar year.

FEDERAL QUALIFIED EDUCATION EXPENSES

Federal Qualified Education Expenses include:

1) The following expenses at an Eligible Educational Institution:

- Tuition, fees and the costs of books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution;
- for students attending an Eligible Educational Institution on at least a half-time basis, the actual costs of room and board of a Beneficiary living in campus owned or operated housing or an amount equal to the allowance for room and board included in the cost of attendance of the Eligible Educational Institution;
- expenses for special needs services in the case of a special needs Beneficiary which are incurred in connection with enrollment or attendance at an Eligible Educational Institution;

Federal and Vermont Tax Considerations

- expenses for the purchase of computer or peripheral equipment, computer software or Internet access and related services, if such equipment, software, access or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution; expenses for computer technology and equipment do not include expenses for computer software designed for sports, games or hobbies unless the software is predominantly educational in nature.
- 2) **Qualified Apprenticeship Expenses** consisting of fees, books, supplies and equipment required for the participation of a Beneficiary in a Registered Apprenticeship Program.
- 3) **Qualified Education Loan Repayments** consisting of up to \$10,000 in amounts paid as principal or interest on any Qualified Education Loan of the Beneficiary or a Sibling of the Beneficiary. The \$10,000 limit is an aggregate limit per student (beneficiary or sibling) from all qualified tuition program accounts— not an annual tax year limit.
- 4) **Qualified K-12 Expenses** consisting of
 - For Withdrawals made on or before July 4, 2025, up to \$10,000 per year of tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school as determined under applicable state law.
 - For Withdrawals made after July 4, 2025, expenses in connection with enrollment or attendance at an elementary or secondary public, private or religious school, as determined under applicable state law, up to a limit of \$10,000 per year (increasing to \$20,000 for withdrawals made after December 31, 2025). K-12 Expenses include
 - (1) tuition;
 - (2) curriculum and curricular materials;
 - (3) books or other instructional materials;
 - (4) online educational materials;
 - (5) tuition for tutoring or educational classes outside of the home, including at a tutoring facility, if the tutor or instructor is not related to the student and (a) is licensed as a teacher in any State; (b) has taught at an eligible educational institution; or (c) is a subject matter expert in the relevant subject;
 - (6) fees for a nationally standardized norm-referenced achievement test, an advanced placement examination, or any examinations related to college or university admission;
 - (7) fees for dual enrollment in an institution of higher education; and
 - (8) educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.

The \$10,000 is an aggregate annual limit per student from all qualified tuition program accounts. Please note: withdrawals for Qualified K-12 Expenses are subject to Vermont State Income Tax Credit Recapture.

- 5) **Qualified Postsecondary Credentialing Expenses** beginning July 5, 2025, consisting of expenses allowed under IRC Section 529. Generally, these include the following, as defined by IRC Section 529(f):
 - tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Designated Beneficiary in a Recognized Postsecondary Credential Program, or any other expense incurred in connection with enrollment in or attendance at a Recognized Postsecondary Credential Program if such expenses would, if incurred in connection with enrollment or attendance at an Eligible Educational Institution, be covered under IRC Section 529(e)(3)(A);
 - fees for testing if such testing is required to obtain or maintain a Recognized Postsecondary Credential; and
 - fees for continuing education if such education is required to maintain a Recognized Postsecondary Credential.

For definitions of “Recognized Postsecondary Credential” and “Recognized Postsecondary Credential Program” see “Withdrawals from an Account”-- “Section 529 Withdrawals.”

NON-QUALIFIED WITHDRAWALS

A Non-Qualified Withdrawal is a distribution from an Account that is not a Section 529 Withdrawal or a Section 529 Rollover. The portion of Non-Qualified Withdrawals attributable to investment earnings on the Account will constitute ordinary income to the recipient of the withdrawal for the year in which the withdrawal is made. No part of the earnings portion will be treated as capital gain. Under current law, the federal tax rates on ordinary income are generally greater than the tax rates on capital gain. The contribution portion of a withdrawal is not includable in gross income.

Additionally, for a Non-Qualified Withdrawal, the federal income tax liability of the recipient will be increased by an amount equal to 10% of any earnings portion of the withdrawal distribution subject to certain exceptions set forth below.

EXCEPTIONS TO 10% PENALTY TAX

The Additional 10% Tax does not apply to Non-Qualified Withdrawals if:

- The withdrawal is paid to the estate of a Beneficiary on or after the death of the Beneficiary;
- The withdrawal is made on account of the disability of the Beneficiary. A person is considered to be disabled for this purpose if the person can document that the person cannot do any substantial gainful activity because of the person's medically determinable physical or mental impairment. A physician must determine that the condition can be expected to result in death or to be of long-continued and indefinite duration;
- The withdrawal is made on account of the Beneficiary receiving a tax-free scholarship as described in Section 25A(g)(2) of the Code, up to the amount of the scholarship received by the Beneficiary;
- The withdrawal is made on account of the attendance of the Beneficiary at the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy. This exception applies only to the extent that the amount of the distribution does not exceed the costs of advanced education (as defined in Section 2005(d)(3) of Title 10 of the U.S. Code) attributable to such attendance; or
- The withdrawal is in an amount that does not exceed the amount of Federal Qualified Education Expenses excluded in calculating Section 529 Withdrawals because they were taken into account in determining the American Opportunity tax credit or the Lifetime Learning tax credit.

You should consult your own tax advisor regarding the application of any of the above exceptions.

RECONTRIBUTIONS

The amount of any refund of any Federal Qualified Education Expenses from an Eligible Educational Institution (if, for example, the Beneficiary withdrew from the higher education institution and a portion of the tuition paid with qualified tuition program funds was refunded) may be recontributed to the Account within 60 days of the refund being made without being subject to the federal income tax on earnings or the Additional 10% Tax. The recontribution must be to a qualified tuition program for the benefit of the same beneficiary who received the refund. The entire recontributed amount will be treated as principal.

SECTION 529 ROLLOVERS

No portion of a Section 529 Rollover distribution is includable in the gross income of either the Beneficiary or the Account Owner or subject to the Additional 10% Tax.

CHANGE OF BENEFICIARY

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

EARNINGS

If there are earnings in an Account, each distribution from an Account consists of two parts. One part is a return of the contributions to the Account. The other part is a distribution of earnings in the Account. For any tax year in which a withdrawal or withdrawals are made from an Account, the Plan will cause the earnings portion of the withdrawal(s) to be calculated in accordance with applicable requirements and will provide the IRS and the Account Owner or

Federal and Vermont Tax Considerations

Beneficiary an IRS Form 1099-Q. This form will set forth the total amount of the withdrawal(s) and identify the earnings portion and the contribution portion of any withdrawal(s).

ESTATE AND GIFT TAX

For federal gift and generation-skipping transfer (“GST”) tax purposes, contributions to an Account are considered a completed gift from the contributor to the Beneficiary. Accordingly, except as described below, if an Account Owner dies while there is a balance in the Account, the value of the Account is not includable in the Account Owner’s estate for federal estate tax purposes. However, amounts in an Account at the death of the Beneficiary are includable in the Beneficiary’s gross estate.

Contributions to an Account for a Beneficiary are eligible for the federal gift tax annual exclusion. Contributions that qualify for the gift tax annual exclusion are generally also excludable for purposes of the federal GST tax, unless an election is made on the federal gift tax return to the contrary. A donor’s total contributions to an Account for the Beneficiary in any given year (together with any other gifts made by the donor to the Beneficiary in the year) will not be considered taxable gifts and will generally be excludable for purposes of the GST tax if the gifts do not in total exceed the annual exclusion for the year. Currently, the annual exclusion is \$19,000 per donee (\$38,000 for a married couple that elects on a federal gift tax return to “split” gifts). This means that in each calendar year a contributor may contribute up to \$19,000 to a Beneficiary’s Account (\$38,000 for a married couple that elects on a federal gift tax return to “split” gifts), without the contribution being considered a taxable gift, if the contributor (and the contributor’s spouse, for a married couple that elects on a federal gift tax return to “split” gifts) makes or make no other gifts to the Beneficiary in the same year. The annual exclusion is indexed for inflation and therefore is expected to increase over time.

In addition, if a contributor’s total contributions to an Account for a Beneficiary during a single year (together with any other gifts made by the contributor to the Beneficiary in the year) exceed the annual exclusion for that year, the contributor may elect to have the amount contributed that year treated as though one-fifth of the contribution was made that year, and one-fifth of the contribution in each of the next four calendar years. The contributor must make this election on the contributor’s federal gift tax return by filing IRS Form 709. This means that a contributor may contribute up to \$95,000 in a single year to an Account without the contribution being considered a taxable gift, provided that the contributor makes no other gifts to the Beneficiary in the same year in which the contribution is made and in any of the succeeding four calendar years. Moreover, a married contributor whose spouse elects on a federal gift tax return to have gifts treated as “split” with the contributor, may contribute up to twice that amount (\$190,000) in a single year without the contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Beneficiary in the same year and in any of the succeeding four calendar years.

An election to have the contribution taken into account ratably over a five-year period must be made by the donor on a federal gift tax return.

For example, an Account Owner who makes a \$95,000 contribution to an Account for a Beneficiary in 2025 may elect to have that contribution treated as a \$19,000 gift in 2025 and a \$19,000 gift in each of the following four years. If the Account Owner makes no other contributions or gifts to the Beneficiary before January 1, 2030, and has made no excess contributions treated as gifts subject to the one-fifth rule during any of the previous four years, the Account Owner will not be treated as making any taxable gifts to the Beneficiary during that five-year period. As a result, the \$95,000 contribution will not be treated as a taxable gift and also will generally be excludable for purposes of the GST tax. However, if the Account Owner (or other contributor) dies before the end of the five-year period the portion of the contributions allocable to years after the year of death will be includable in the Account Owner’s (or other contributor’s) gross estate for federal estate tax purposes.

CHANGE OF BENEFICIARY

A change of the Beneficiary of an Account or transfer of an Account to another Beneficiary may have federal gift tax consequences. An Account Owner may change the Beneficiary or transfer an Account without gift tax consequences if the new Beneficiary is a Member of the Family of the replaced Beneficiary and the new Beneficiary is assigned to the same generation as the replaced Beneficiary. If the new Beneficiary is a Member of the Family assigned to a younger generation than the replaced Beneficiary, the change will be treated for federal gift tax purposes as a gift. A change of the Beneficiary of an Account or a transfer to an Account for another Beneficiary may also have GST tax consequences. A change or transfer will be subject to the GST if the new Beneficiary is two or more generations younger than the replaced Beneficiary. A change of Account ownership may also have gift and/or GST tax consequences. Accordingly, Account Owners should consult their own tax advisors for guidance when considering a change of Beneficiary or Account ownership.

COORDINATION WITH EDUCATION TAX CREDITS

An American Opportunity or a Lifetime Learning Tax Credit may be taken in the same year that funds from your Account are withdrawn. The use will not affect participation in or receipt of benefits from an Account as long as any withdrawal from the Account is not used for the same expenses for which the credit was claimed. Please consult your own tax or financial advisor if you plan to claim these tax credits.

COVERDELL EDUCATION SAVINGS ACCOUNTS

An individual may contribute money to, or withdraw money from, both an Account and an education savings account in the same year. The same expenses, however, cannot count both as “qualified higher education expenses” for education savings account purposes and Federal Qualified Education Expenses for Plan purposes. Accordingly, to the extent the total withdrawals from both programs exceed the amount of the Federal Qualified Education Expenses incurred that qualifies for tax-free treatment under Section 529, the recipient must allocate his or her Federal Qualified Education Expenses between both such withdrawals in order to determine how much may be treated as tax-free under each program. Please consult your tax or financial advisor for further details.

LACK OF CERTAINTY

As of the date of this Disclosure Booklet, proposed regulations have been issued under Section 529 of the Code upon which taxpayers may rely at least until final regulations are issued. The proposed regulations do not, however, provide guidance on various aspects of the Plan. It is uncertain when final regulations will be issued. Therefore, there can be no assurance that the federal tax consequences described herein for Account Owners and Beneficiaries are applicable. Section 529 of the Code or other federal law could be amended in a manner that would materially change or eliminate the federal tax treatment described above. The Plan Manager and VSAC intend to modify the Plan within the constraints of applicable law for the Plan to meet the requirements of Section 529 of the Code. The Account Owner will be responsible for any taxes or penalties resulting from failure to comply with Section 529 and any subsequent IRS rules or guidance. If the IRS issues rules or guidance that materially changes the information set forth in this Disclosure Booklet the Program Manager and VSAC will provide updates. Please consult with your tax advisor for more information.



VERMONT TAX CONSIDERATIONS

The following discussion applies only with respect to Vermont taxes. Vermont state tax benefits offered in connection with the Plan are available only to Vermont taxpayers. You should consult with a qualified tax advisor regarding the application of Vermont state tax rules to your particular circumstances.

If you or the Beneficiary of your Account are residents of another state or have taxable income in another state, it is important for you to note that if that state has established a qualified tuition program under Section 529, that state's plan may offer favorable state benefits such as financial aid, scholarship funds, and protection from creditors that are only available if you invest in that state's plan, and that are not available to you or the Beneficiary if you invest in this Plan. Those benefits, if any, should be one of the many appropriately weighted factors you consider before making a decision to invest in this Plan. You should consult with a qualified advisor or contact that state's qualified tuition program to find out more about such benefits (including any applicable limitations) and to learn how the features, benefits and limitations of that state's plan may apply to your specific circumstances.

VERMONT STATE INCOME TAX CREDIT FOR CONTRIBUTIONS

The Vermont state income tax credit is available only to taxpayers to the extent of their Vermont income tax liability. Contributions to an Account do not result in Vermont taxable income to the Beneficiary. Any Vermont taxpayer who contributes to an Account may be eligible for a Vermont state income tax credit. A state taxpayer (or, in the case of married couple taxpayers filing jointly, each spouse) is eligible for a non-refundable tax credit of 10% of the first \$2,500 per Beneficiary contributed to an Account in each taxable year (i.e., a nonrefundable tax credit of up to \$250, or \$500 in the case of a married couple filing jointly, per Beneficiary per year). Rollovers from another state's qualified tuition plan into an Account in the Plan are eligible for this tax credit to the extent the amounts represent contributions to the other plan and provided they remain in the Plan for the remainder of the taxable year in which the rollover occurs. The amount of any rollover representing earnings from contributions to another state's qualified tuition plan is not eligible for this credit. For contributions to be eligible for the tax credit for a given calendar year, they must be initiated using secure online access at the Plan's website www.vt529.org or postmarked by U.S. mail prior to the end of that year. Details and examples for the Vermont income tax credit can be found in the Vermont Department of Taxes Technical Bulletin TB-66 issued September 5, 2012 as revised October 16, 2019. See <https://tax.vermont.gov/sites/tax/files/documents/TB-66.pdf>.

WITHDRAWALS

Earnings from the investment of contributions to an Account generally will not be subject to Vermont income tax until funds are withdrawn in whole or in part from the Account. Vermont income tax treatment of withdrawals is described below.

- The earnings portion of a **Section 529 Withdrawal or Section 529 Rollover** will not be subject to Vermont income tax.
- The earnings portion of a **Non-Qualified Withdrawal** will be taxed to the recipient.
- Please note: withdrawals used for Qualified K-12 Expenses and Post-Secondary Credentialing Expenses and Section 529 Rollovers out of the Plan to another state's Section 529 qualified tuition program, Roth IRAs or ABLE plans are generally subject to Vermont State Income Tax Credit Recapture (see below).

VERMONT STATE INCOME TAX CREDIT RECAPTURE

Where a distribution is used for one of the following purposes, there will be no Vermont State Income Tax Credit Recapture, penalty and interest on the withdrawal:

- (1) is used exclusively for costs of attendance at an approved postsecondary education institution as defined in 16 V.S.A. § 2822(6);
- (2) is used for a qualifying expense associated with a registered apprenticeship program pursuant to 26 U.S.C. § 529(c)(8);
- (3) is made after the death of the beneficiary or after the beneficiary becomes disabled pursuant to subdivisions (q)(2)(C) and (m)(7) of 26 U.S.C. § 72; or

Vermont Tax Considerations

- (4) is used for qualified higher education expense loan repayment pursuant to 26 U.S.C. § 529(c)(9), provided the loan being repaid was used exclusively for costs of attendance at an approved postsecondary education institution as defined in 16 V.S.A. § 2822(6).

For any other withdrawal, a Vermont income taxpayer who previously received a tax credit for a contribution to an Account must repay ten percent (10%) of the distribution, up to a maximum of the total credits received by the taxpayer, less the amount of any repayment of the credits in prior tax years. These repayments are subject to assessment, penalties and interest.

Consult with a tax advisor before making withdrawals or rollovers.

EXEMPTION OF ASSETS

The assets owned by the Plan and any income derived from those assets are exempt from income taxation by Vermont or any of its political subdivisions.

TAXES IMPOSED BY OTHER JURISDICTIONS

Prospective Account Owners should consider the potential impact of income taxes imposed by jurisdictions other than Vermont. It is possible that other state or local taxes apply to withdrawals from and/or accumulated earnings within the Plan. Account Owners and Beneficiaries should consult their tax advisors about the applicability, if at all, of state or local taxes of other jurisdictions.

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

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



APPENDIX I

The following descriptions highlight the investment objective, strategy, and principal investment risks of each underlying investment. The descriptions reference only the principal investment risks of the underlying investments; however, the current prospectus and statement of additional information of each underlying investment identify additional risks that are not discussed below and contain information not summarized in this Disclosure Booklet. The information below is qualified in all instances by reference to each underlying investment's prospectus and statement of additional information which you can obtain by visiting the website(s) or the calling the phone numbers below. You may wish to speak to an investment advisor to understand the specific risks associated with each underlying investment.

Underlying Fund	Website	Phone
Fidelity Funds	www.fidelity.com	800-343-3548
Vanguard	www.vanguard.com	877-662-7447
Schwab Funds	www.schwab.com	800-435-4000

Fidelity Total Market Index Fund (FSKAX)

INVESTMENT OBJECTIVE

The Fidelity Total Market Index Fund seeks to provide investment results that correspond to the total return of a broad range of U.S. stocks.

PRINCIPAL INVESTMENT STRATEGIES

Normally investing at least 80% of assets in common stocks included in the Dow Jones U.S. Total Stock Market IndexSM, which represents the performance of a broad range of U.S. stocks.

The Dow Jones U.S. Total Stock Market Index SM is a float-adjusted market capitalization-weighted index of approximately 5,000 common stocks of companies headquartered in the United States, on a primary U.S. exchange. The Dow Jones U.S. Total Stock Market Index SM represents the performance of a broad range of U.S. stocks.

Effective December 11, 2025, derivative instruments that provide investment exposure to the investments above or exposure to one or more market risk factors associated with such investments are included in the fund's 80% policy, consistent with the fund's investment policies and limitations with respect to investments in derivatives.

Using statistical sampling techniques based on such factors as capitalization, industry exposures, dividend yield, price-to-earnings (P/E) ratio, price-to-book (P/B) ratio, and earnings growth to attempt to replicate the returns of the Dow Jones U.S. Total Stock Market IndexSM.

Lending securities to earn income for the fund.

PRINCIPAL INVESTMENT RISKS

Stock Market Volatility.

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market, including different market sectors, and different types of securities can react differently to these developments.

Issuer-Specific Changes.

The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole.

Changes in the financial condition of an issuer or counterparty (e.g., broker-dealer or other borrower in a securities lending transaction) can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value or result in delays in recovering securities and/or capital from a counterparty.

Correlation to Index.

The performance of the fund and its underlying index may vary somewhat due to factors such as fees and expenses of the fund, transaction costs, sample selection, regulatory restrictions, and timing differences associated with additions

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to and deletions from the index. Errors in the construction or calculation of the index may occur from time to time and may not be identified and corrected for some period of time, which may have an adverse impact on the fund and its shareholders.

Passive Management Risk.

The fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the fund's index or of the actual securities included in the index. This differs from an actively managed fund, which typically seeks to outperform a benchmark index. As a result, the fund's performance could be lower than actively managed funds that may shift their portfolio assets to take advantage of market opportunities or lessen the impact of a market decline or a decline in the value of one or more issuers.

Securities Lending Risk.

Securities lending involves the risk that the borrower may fail to return the securities loaned in a timely manner or at all. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral.

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

Fidelity International Index Fund (FSPSX)

INVESTMENT OBJECTIVE

Fidelity® International Index Fund seeks to provide investment results that correspond to the total return of foreign stock markets.

PRINCIPAL INVESTMENT STRATEGIES

Normally investing at least 80% of assets in common stocks included in the MSCI EAFE Index, which represents the performance of foreign stock markets.

The MSCI EAFE Index is a capitalization-weighted index that currently includes stocks of companies located in 16 European countries (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom), Australia, New Zealand, Hong Kong, Japan, and Singapore. The MSCI EAFE Index broadly represents the performance of foreign stock markets.

Effective December 11, 2025, derivative instruments that provide investment exposure to the investments above or exposure to one or more market risk factors associated with such investments are included in the fund's 80% policy, consistent with the fund's investment policies and limitations with respect to investments in derivatives.

Using statistical sampling techniques based on such factors as capitalization, industry exposures, dividend yield, price-to-earnings (P/E) ratio, price-to-book (P/B) ratio, earnings growth, and country weightings to attempt to replicate the returns of the MSCI EAFE Index.

Lending securities to earn income for the fund.

PRINCIPAL INVESTMENT RISKS

Stock Market Volatility.

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market, including different market sectors, and different types of securities can react differently to these developments.

Foreign Exposure.

Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market.

Foreign exchange rates also can be extremely volatile.



Geographic Exposure to Europe.

Because the fund invests a meaningful portion of its assets in Europe, the fund's performance is expected to be closely tied to social, political, and economic conditions within Europe and to be more volatile than the performance of more geographically diversified funds.

Geographic Exposure to Japan.

Because the fund invests a meaningful portion of its assets in Japan, the fund's performance is expected to be closely tied to social, political, and economic conditions within Japan and to be more volatile than the performance of more geographically diversified funds.

Issuer-Specific Changes.

The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole.

Changes in the financial condition of an issuer or counterparty (e.g., broker-dealer or other borrower in a securities lending transaction) can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value or result in delays in recovering securities and/or capital from a counterparty.

Correlation to Index.

The performance of the fund and its underlying index may vary somewhat due to factors such as fees and expenses of the fund, transaction costs, sample selection, regulatory restrictions, and timing differences associated with additions to and deletions from the index. Errors in the construction or calculation of the index may occur from time to time and may not be identified and corrected for some period of time, which may have an adverse impact on the fund and its shareholders.

Passive Management Risk.

The fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the fund's index or of the actual securities included in the index. This differs from an actively managed fund, which typically seeks to outperform a benchmark index. As a result, the fund's performance could be lower than actively managed funds that may shift their portfolio assets to take advantage of market opportunities or lessen the impact of a market decline or a decline in the value of one or more issuers.

Securities Lending Risk.

Securities lending involves the risk that the borrower may fail to return the securities loaned in a timely manner or at all. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral.

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

Fidelity Emerging Markets Index Fund (FPADX)**INVESTMENT OBJECTIVE**

Fidelity® Emerging Markets Index Fund seeks to provide investment results that correspond to the total return of emerging stock markets.

PRINCIPAL INVESTMENT STRATEGIES

Normally investing at least 80% of assets in securities included in the MSCI Emerging Markets Index and in depositary receipts representing securities included in the index. The MSCI Emerging Markets Index is a market capitalization-weighted index designed to measure the investable equity market performance for global investors of emerging markets.

Effective December 11, 2025, derivative instruments that provide investment exposure to the investments above or exposure to one or more market risk factors associated with such investments are included in the fund's 80% policy, consistent with the fund's investment policies and limitations with respect to investments in derivatives.



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Using statistical sampling techniques based on such factors as capitalization, industry exposures, dividend yield, price-to-earnings (P/E) ratio, price-to-book (P/B) ratio, earnings growth, country weightings, and the effect of foreign taxes to attempt to replicate the returns of the MSCI Emerging Markets Index.

Lending securities to earn income for the fund.

PRINCIPAL INVESTMENT RISKS

Stock Market Volatility.

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market, including different market sectors, and different types of securities can react differently to these developments.

Foreign and Emerging Markets Risk.

Foreign markets, particularly emerging markets, can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market.

The extent of economic development; political stability; market depth, infrastructure, and capitalization; and regulatory oversight can be less than in more developed markets. Emerging markets typically have less established legal, accounting and financial reporting systems than those in more developed markets, which may reduce the scope or quality of financial information available to investors.

Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile.

Foreign exchange rates also can be extremely volatile.

Geographic Exposure to Asia.

Because the fund invests a meaningful portion of its assets in Asia, the fund's performance is expected to be closely tied to social, political, and economic conditions within Asia and to be more volatile than the performance of more geographically diversified funds.

Geographic Exposure to China.

Because the fund invests a meaningful portion of its assets in China, the fund's performance is expected to be closely tied to social, political, and economic conditions in China and to be more volatile than the performance of more geographically diversified funds. The fund may obtain exposure to companies based or operated in China by investing through legal structures known as variable interest entities (VIEs). Instead of directly owning the equity securities of a Chinese company, a VIE enters into service and other contracts with the Chinese company. Although the VIE has no equity ownership of the Chinese company, the contractual arrangements permit the VIE to consolidate the Chinese company into its financial statements. Intervention by the Chinese government with respect to VIEs could significantly affect the Chinese company's performance and the enforceability of the VIE's contractual arrangements with the Chinese company.

Issuer-Specific Changes.

The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole.

Changes in the financial condition of an issuer or counterparty (e.g., broker-dealer or other borrower in a securities lending transaction) can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value or result in delays in recovering securities and/or capital from a counterparty.

Correlation to Index.

The performance of the fund and its underlying index may vary somewhat due to factors such as fees and expenses of the fund, transaction costs, sample selection, regulatory restrictions, and timing differences associated with additions to and deletions from the index. Errors in the construction or calculation of the index may occur from time to time and may not be identified and corrected for some period of time, which may have an adverse impact on the fund and its shareholders.

Passive Management Risk.

The fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the fund's index or of the actual securities included in the index. This differs from an actively managed fund, which typically seeks to outperform a benchmark index. As a result, the fund's performance could be lower than actively managed funds that may shift their portfolio assets to take advantage of market opportunities or lessen the impact of a market decline or a decline in the value of one or more issuers.

Securities Lending Risk.

Securities lending involves the risk that the borrower may fail to return the securities loaned in a timely manner or at all. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral.

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

Fidelity U.S. Bond Index Fund (FXNAX)**INVESTMENT OBJECTIVE**

Fidelity® U.S. Bond Index Fund seeks to provide investment results that correspond to the aggregate price and interest performance of the debt securities in the Bloomberg U.S. Aggregate Bond Index.

PRINCIPAL INVESTMENT STRATEGIES

Normally investing at least 80% of assets in bonds included in the Bloomberg U.S. Aggregate Bond Index.

Using statistical sampling techniques based on duration, maturity, interest rate sensitivity, security structure, and credit quality to attempt to replicate the returns of the Bloomberg U.S. Aggregate Bond Index using a smaller number of securities.

Engaging in transactions that have a leveraging effect on the fund, including investments in derivatives - such as swaps (interest rate, total return, and credit default), options, and futures contracts - and forward-settling securities, to adjust the fund's risk exposure.

Investing in Fidelity's Central funds (specialized investment vehicles used by Fidelity® funds to invest in particular security types or investment disciplines) consistent with the asset classes discussed above.

PRINCIPAL INVESTMENT RISKS**Interest Rate Changes.**

Interest rate increases can cause the price of a debt security to decrease.

Foreign Exposure.

Entities located in foreign countries can be affected by adverse political, regulatory, market, or economic developments in those countries.

Prepayment.

The ability of an issuer of a debt security to repay principal prior to a security's maturity can cause greater price volatility if interest rates change.

Issuer-Specific Changes.

The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole.

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

Correlation to Index.

The performance of the fund and its underlying index may vary somewhat due to factors such as fees and expenses of the fund, transaction costs, sample selection, regulatory restrictions, and timing differences associated with additions to and deletions from the index. Errors in the construction or calculation of the index may occur from time to time and may not be identified and corrected for some period of time, which may have an adverse impact on the fund and its shareholders.

Passive Management Risk.

The fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the fund's index or of the actual securities included in the index. This differs from an actively managed fund, which typically seeks to outperform a benchmark index. As a result, the fund's performance could be lower than actively managed funds that may shift their portfolio assets to take advantage of market opportunities or lessen the impact of a market decline or a decline in the value of one or more issuers.

Leverage Risk.

Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly.

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

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

Schwab Treasury Inflation Protected Securities Index Fund (SWRSX)

INVESTMENT OBJECTIVE

This fund's goal is to track as closely as possible, before fees and expenses, the price and yield performance of the Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L). The fund's investment objective is not fundamental and therefore may be changed by the fund's board of trustees without shareholder approval.

PRINCIPAL INVESTMENT STRATEGIES

To pursue its goal, the fund generally invests in securities that are included in the Bloomberg US Treasury Inflation-Linked Bond Index[†] (Series-L)SM. The index includes all publicly-issued treasury inflation-protected securities (TIPS) that have at least one year remaining to maturity, are rated investment grade and have \$500 million or more of outstanding face value. The TIPS in the index must be denominated in U.S. dollars and must be fixed-rate and non-convertible. The index is market capitalization weighted and the TIPS in the index are updated on the last business day of each month. TIPS are publicly issued, dollar-denominated U.S. government securities issued by the U.S. Treasury that have principal and interest payments linked to an official inflation measure (as measured by the Consumer Price Index, or CPI) and their payments are supported by the full faith and credit of the United States.

It is the fund's policy that, under normal circumstances, it will invest at least 90% of its net assets (including, for this purpose, any borrowings for investment purposes) in securities included in the index. The fund will notify its shareholders at least 60 days before changing this policy. The fund will generally seek to replicate the performance of the index by giving the same weight to a given security as the index does. However, when the investment adviser believes it is in the best interest of the fund, such as to avoid purchasing odd-lots (i.e., purchasing less than the usual number of shares traded for a security), for tax considerations, or to address liquidity considerations with respect to a security, the investment adviser may cause the fund's weighting of a security to be more or less than the index's weighting of the security. The fund may sell securities that are represented in the index in anticipation of their removal from the index.

Under normal circumstances, the fund may invest up to 10% of its net assets in securities not included in the index. The principal types of these investments include those that the investment adviser believes will help the fund track the index, such as investments in (a) securities that are not represented in the index but the investment adviser anticipates will be added to the index; (b) high-quality liquid investments, such as securities issued by the U.S. government, its agencies or instrumentalities, including obligations that are not guaranteed by the U.S. Treasury, and obligations that are issued by private issuers that are guaranteed as to principal or interest by the U.S. government, its agencies or instrumentalities, and (c) investment companies. The fund may also invest in cash and cash equivalents, including

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money market funds, enter into repurchase agreements, and may lend its securities to minimize the difference in performance that naturally exists between an index fund and its corresponding index.

The investment adviser typically seeks to track the price and yield performance of the index by replicating the index. This means that the fund generally expects that it will hold the same securities as those included in the index. However, the investment adviser may use sampling techniques if the investment adviser believes such use will best help the fund to track the index or is otherwise in the best interest of the fund. Sampling techniques involve investing in a limited number of index securities that, when taken together, are expected to perform similarly to the index as a whole. These techniques are based on a variety of factors, including interest rate and yield curve risk, maturity exposures, and other risk factors and characteristics. When the fund uses sampling techniques, the fund generally expects that its yield, maturity and weighted average effective duration will be similar to those of the index.

PRINCIPAL INVESTMENT RISKS

The fund is subject to risks, any of which could cause an investor to lose money. The fund's principal risks include:

Market Risk. Financial markets rise and fall in response to a variety of factors, sometimes rapidly and unpredictably. Markets may be impacted by economic, political, regulatory and other conditions, including economic sanctions and other government actions. In addition, the occurrence of global events, such as war, terrorism, environmental disasters, natural disasters and epidemics, may also negatively affect the financial markets. As with any investment whose performance is tied to these markets, the value of an investment in the fund will fluctuate, which means that an investor could lose money over short or long periods.

Investment Style Risk. The fund is an index fund. Therefore, the fund follows the securities included in the index during upturns as well as downturns. Because of its indexing strategy, the fund does not take steps to reduce market exposure or to lessen the effects of a declining market. In addition, because of the fund's expenses, the fund's performance may be below that of the index. Errors relating to the index may occur from time to time and may not be identified by the index provider for a period of time. In addition, market disruptions could cause delays in the index's rebalancing schedule. Such errors and/or market disruptions may result in losses for the fund.

Inflation-Protected Security Risk. The value of inflation-protected securities, including TIPS, generally will fluctuate in response to changes in "real" interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. Real interest rates represent nominal (or stated) interest rates reduced by the expected impact of inflation. In addition, interest payments on inflation-indexed securities will generally vary up or down along with the rate of inflation.

Interest Rate Risk. Interest rates rise and fall over time. As with any investment whose yield reflects current interest rates, the fund's yield will change over time. During periods when interest rates are low, the fund's yield (and total return) also may be low. Changes or the anticipation of changes in interest rates also may affect the fund's share price: a rise in interest rates generally causes the fund's share price to fall. The longer the fund's portfolio duration, the more sensitive to interest rate movements its share price is likely to be. Also, a change in a central bank's monetary policy or economic conditions, among other things, may result in a change in interest rates, which could have sudden and unpredictable effects on the markets and significantly impact the value of fixed-income securities in which the fund invests. A sudden or unpredictable rise in interest rates may cause volatility and the value of fixed-income securities to decline.

Credit Risk. A decline in the credit quality of an issuer, guarantor or liquidity provider of a portfolio investment or a counterparty could cause the fund to lose money or underperform. The fund could lose money if, due to a decline in credit quality, the issuer, guarantor or liquidity provider of a portfolio investment or a counterparty fails to make, or is perceived as being unable or unwilling to make, timely principal or interest payments or otherwise honor its obligations.

Liquidity Risk. The fund may be unable to sell certain securities, such as illiquid securities, readily at a favorable time or price, or the fund may have to sell them at a loss.

Sampling Index Tracking Risk. To the extent the fund uses sampling techniques, the fund will not fully replicate the index and may hold securities not included in the index. As a result, the fund will be subject to the risk that the investment adviser's investment management strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. If the fund utilizes a sampling approach, it may not track the return of the index as well as it would if the fund purchased all of the securities in the index.

Tracking Error and Correlation Risk. As an index fund, the fund seeks to track the performance of the index, although it may not be successful in doing so. Further, there can be no guarantee that the fund will achieve a high degree of correlation between the fund's performance and that of its index. The correlation between the performance of the fund and that of its index, positive or negative, is called "tracking error." Tracking error can be caused by many factors and it may be significant.

Securities Lending Risk. Securities lending involves the risk of loss of rights in, or delay in recovery of, the loaned securities if the borrower fails to return the security loaned or becomes insolvent.

Money Market Fund Risk. The fund may invest in underlying money market funds that seek to maintain a stable \$1.00 net asset value. Although an underlying money market fund seeks to maintain a stable \$1.00 net asset value, it is possible to lose money by investing in such a money market fund. In addition, money market funds are not designed to offer capital appreciation. Certain underlying money market funds may impose a fee upon the sale of shares under certain circumstances.

For more information on the risks of investing in the fund, please see the "Fund Details" section in the prospectus.

Vanguard Short-Term Bond Index Fund (VBIX)

INVESTMENT OBJECTIVE

The Fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity.

PRINCIPAL INVESTMENT STRATEGIES

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. 1–5 Year Government/Credit Float Adjusted Index (the Index). This Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued.

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 of 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 seeks to maintain a dollar-weighted average maturity consistent with that of the Index. As of December 31, 2024, the dollar-weighted average maturity of the Index was 2.8 years. The Fund also seeks to maintain an average duration consistent with that of the Index. As of December 31, 2024, the average duration of the Index was 2.6 years.

PRINCIPAL INVESTMENT RISKS

The Fund is designed for investors with a low tolerance for risk, but you could still lose money by investing in it. The Fund is subject to the following risks, which could affect the Fund's performance, and the level of risk may vary based on market conditions:

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

Interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for the Fund because it invests primarily in short-term bonds, whose prices are less sensitive to interest rate changes than are the prices of longer-term bonds.

Call risk, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Fund 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 Fund's income. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate.

Credit risk, which is the chance that a bond issuer will fail to pay interest or principal 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. Credit risk should be low for the Fund because it purchases only bonds that are of investment-grade quality.

Index-related risks. The Fund is subject to risks associated with index investing, which include passive management risk, tracking error risk, and index provider risk. Passive management risk is the chance that the Fund's use of an indexing strategy will negatively impact the Fund's performance. Because the Fund seeks to track the performance of its target index regardless of how that index is performing, the Fund's performance may be lower than it would be if the Fund were actively managed. Tracking error risk is the chance that the Fund's performance will deviate from the performance of its target index. Tracking error risk may be heightened during times of increased market volatility or under other unusual market conditions. Index provider risk is the chance that the Fund will be negatively impacted by changes or errors made by the index provider. Any gains, losses, or costs associated with or resulting from an error made by the index provider will generally be borne by the Fund and, as a result, the Fund's shareholders.

Index sampling risk, which is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index. Index sampling risk for the Fund is expected to be low.

Liquidity risk, which is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Vanguard High Yield Corporate Fund (VWEAX)

INVESTMENT OBJECTIVE

The Fund seeks to provide a high level of current income.

PRINCIPAL INVESTMENT STRATEGIES

The Fund invests primarily in a diversified group of high-yielding, higher-risk corporate bonds—commonly known as “junk bonds”—with medium- and lower-range credit quality ratings. The Fund invests at least 80% of its assets in corporate bonds that are rated below Baa by Moody's Ratings have an equivalent rating by any other independent bond rating agency; or, if unrated, are determined to be of comparable quality by the Fund's advisors.

The Fund may not invest more than 20% of its assets in any of the following, in the aggregate: bonds with credit ratings lower than B or the equivalent, convertible securities, preferred stocks, and fixed and floating rate loans of medium- to lower-range credit quality. The loans in which the Fund may invest will be rated Baa or below by Moody's Ratings; have an equivalent rating by any other independent bond rating agency; or, if unrated, are determined to be of comparable quality by the Fund's advisors. The Fund's high-yield bonds and loans mostly have short- and intermediate-term maturities.

PRINCIPAL INVESTMENT RISKS

An investment in the Fund could lose money over short or long periods of time. You should expect the Fund's share price and total return to fluctuate within a wide range. The Fund is subject to the following risks, which could affect the Fund's performance, and the level of risk may vary based on market conditions:

Credit risk, which is the chance that a bond or loan issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond or loan to decline. Credit risk should be high for the Fund because it invests primarily in junk bonds.

Call risk, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Fund 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 Fund's income. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate. Call risk should be high for the Fund because of the high percentage of callable bonds.

Income risk, which is the chance that the Fund's income will decline because of falling interest rates. Income risk should be moderate to high for the Fund, so investors should expect the Fund's monthly income to fluctuate accordingly.

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Interest rate risk, which is the chance that bond or loan prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the Fund because it invests primarily in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.

Liquidity risk, which is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.

Extension risk, which 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. Extension risk should be low to moderate for the Fund.

Manager risk, which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

Because of the speculative nature of junk bonds, you should carefully consider the risks associated with this Fund before you purchase shares.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

TIAA-CREF Life Insurance Company Funding Agreement

INVESTMENT OBJECTIVE

The Funding Agreement seeks to preserve capital and provide a stable return.

PRINCIPAL INVESTMENT STRATEGIES

The Funding Agreement provides a minimum guaranteed rate of return on the amounts allocated to it by the Portfolio.

The minimum effective annual interest rate will be neither less than 1% nor greater than 3% at any time. The guarantee is made by the insurance company to the policyholder, VSAC, not to Account Owners. In addition to the guaranteed rate of interest to the policyholder, the Funding Agreement allows for the possibility that additional interest may be credited as declared periodically by the TIAA-CREF Life Insurance Company. The rate of any additional interest is declared in advance for a period of up to 12 months and is not guaranteed for any future periods. The current effective annual interest rate applicable to the Funding Agreement will be posted on the Plan's website.

PRINCIPAL INVESTMENT RISKS

The Funding Agreement is subject to the claims-paying ability of TIAA-CREF Life Insurance Company. The Funding Agreement is subject to the risk that the TIAA-CREF Life Insurance Company could fail to perform its obligations under the Funding Agreement for financial or other reasons.

INVESTMENT STATUS

The Funding Agreement will serve as one of the underlying investment options to the Capital Preservation Portfolio until completion of the February Transition. Once the February Transition is completed all references to the TIAA Funding Agreement are deleted from this Disclosure Booklet. See "Capital Preservation Portfolio" under "PORTFOLIOS" for more information on the February Transition.

Nationwide Life Insurance Company Guaranteed Group Annuity Contract

INVESTMENT OBJECTIVE

The objective of the Nationwide Life Insurance Company Group Annuity Contract is to provide a low-risk, competitive option for participants.

PRINCIPAL INVESTMENT STRATEGIES

The Nationwide Life Insurance Company Group Annuity Contract seeks to achieve a competitive return, consistent with, and providing for, preservation of capital, credit quality, liquidity to pay plan benefits, and reasonable tracking of interest rates. Stability and consistency while providing a competitive return are key attributes.

The guaranteed minimum interest rate under the Group Annuity Contract shall never be less than 1%. This guarantee is made by Nationwide Life Insurance Company to the State Sponsor and not to Account Owners. Nationwide credits

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interest to the Group Annuity Contract at an annual guaranteed interest rate that it declares at least 14 days prior to the rate taking effect and will be in effect for a period of 12 months. Interest rates will be reset no more frequently than annually, except for a one-time rate reset during the first year and upon termination of the Group Annuity Contract. In addition, the first year the Group Annuity Contract is in force, the annual guaranteed interest rate may be in effect for longer than one year; the rate will reset on the first calendar quarter after the one-year anniversary of the Group Annuity Contract's effective date. At no time will there be an annual guaranteed interest rate declared that is lower than the guaranteed minimum interest rate.

The Nationwide Life Insurance Company Group Annuity Contract currently does not have any explicit asset management charges. Nationwide Life Insurance Company's compensation is derived from the difference between what it earns on investments and what it credits to the Group Annuity Contract. Costs and expenses (such as plan charges and any purchase payment credits issued to the Plan, including Nationwide Life Insurance Company's compensation) are reflected in the crediting rate. The crediting rate is determined by the investment return earned on Nationwide Life Insurance Company's portfolio, reduced by expenses (including compensation to Nationwide Life Insurance Company). Purchase payment credits may be recouped upon termination of the Group Annuity Contract.

PRINCIPAL INVESTMENT RISKS

The Nationwide Life Insurance Company Group Annuity Contract is a general account product issued by Nationwide Life Insurance Company and is backed solely by the claims paying ability of Nationwide Life Insurance Company. While the Group Annuity Contract seeks to provide a low-risk, competitive option for the policyholder, VSAC, the Group Annuity Contract is not FDIC insured, is not a bank deposit and is not insured or guaranteed by the U.S. Government or any state agency and may lose value. Because the Group Annuity Contract is a fixed contract, the investment return experienced may not be similar to the returns experienced with investments with greater equity exposure.

Other factors to consider include the potential for a 90-day equity wash for transfers into competing investment options. This means that assets must first be transferred into a non-competing investment option and held there for 90 days before they can be moved into a competing option. Additionally, a Market Value Adjustment (MVA) may be assessed on transfers the Plan Manager makes when rebalancing the investment portfolios above a certain threshold specified in the Group Annuity Contract.

The Group Annuity Contract may be terminated at any time by Nationwide Life Insurance Company or the State Sponsor. Termination initiates the Group Annuity Contract payout period of five (5) years from the date of termination, which may be reduced if certain market conditions are met. Qualified Withdrawals may continue to be made during the payout period. The interest credited under the contract may be lowered upon the inception of the payout period but will never be less than the guaranteed minimum interest rate.



APPENDIX II

Participation Agreement

I hereby enter into this Participation Agreement with VSAC in order to establish, as the designated Account Owner or on behalf of the designated Account Owner, an Account in the Plan. I understand that Account investments shall represent interests in one or more Investment Portfolios of the Plan. I understand and agree that this Participation Agreement is subject to and incorporates by reference all of the information set forth in the Disclosure Booklet and the Enrollment Process. I understand that submitting the Account Application electronically signifies my acceptance of the terms of this Participation Agreement. Each capitalized term used in this Participation Agreement has the meaning set forth in the Disclosure Booklet, and such meanings are incorporated into this Participation Agreement and made a part of this Participation Agreement as if they were set forth in the body of this Participation Agreement.

By submitting the Account Application, I agree to be bound by the terms of this Participation Agreement which will be effective as of the date I submit the Account Application in Good Order.

For purposes of this Participation Agreement, “I” or “me” or “my” shall refer as the context requires to the designated Account Owner or a duly appointed representative of the Account Owner to the extent permitted by the terms of this Disclosure Booklet.

AGREEMENTS, REPRESENTATIONS, AND WARRANTIES OF THE ACCOUNT OWNER

I hereby agree with, and represent and warrant to VSAC and the other Plan Parties and their respective successors and assigns, as follows:

- 1) I have received, read and understand the Disclosure Booklet as currently in effect. I have been given the opportunity to obtain answers to all of my questions concerning the Plan, my Account and this Participation Agreement. I acknowledge that there have been no representations or other information about the Plan relied upon in entering into this Participation Agreement, whether oral or written, other than as set forth in the Disclosure Booklet, including this Participation Agreement.
- 2) I have accurately and truthfully completed the Account Application online, and any other documentation that I have furnished or will subsequently furnish in connection with the opening or maintenance of, or any withdrawals from, my Account(s) is, or will be accurate, truthful and complete, including the age indicated for the Beneficiary.
- 3) If I make false statements in connection with opening an Account or otherwise, VSAC and/or the Plan Manager may take such action as VSAC and/or the Plan Manager deem necessary or appropriate, including, without limitation, terminating my Account or requiring that I indemnify the Plan Parties.
- 4) I certify that I am opening this Account in order to provide funds for the Federal Qualified Education Expenses of the Beneficiary of the Account and that this Participation Agreement constitutes the legal, valid, and binding obligation of the Account Owner. If I am establishing an Account as a Custodian for a minor under UGMA/UTMA or in another representative capacity, I understand and acknowledge that I am assuming any responsibility for any adverse consequences resulting from the establishment of an Account.
- 5) By opening an Account I am consenting to receive emails from VSAC or their designee about the Plan and my Account. I understand that I may unsubscribe from emails about the Plan at any time. I also understand that even if I unsubscribe from emails about the Plan, VSAC reserves the right to send me administrative emails regarding my Account.
- 6) As of the date that I complete the Enrollment Process, all Account(s) under my control for the same Beneficiary have an aggregate account balance less than or equal to the Maximum Account Balance limit (currently, \$550,000). I will not knowingly make Contributions to my Account now or in the future, such that the aggregate balance of the Accounts for the same Beneficiary (regardless of Account Owner) exceed \$550,000 (or such higher Maximum Account Balance limit as to which I may be notified from time to time).
- 7) I recognize that the investment of contributions and earnings, if any, in my Account involves certain risks, and I have taken into consideration and understand the risk factors related to these investments, including, but not limited to, those set forth in the Disclosure Booklet.

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- 8) If I am a custodian or acting on behalf of an Account Owner or Beneficiary in another representative capacity (e.g., as a trustee, an officer a corporation or other entity that is an Account Owner, or pursuant to a power of attorney), each time I make a withdrawal from the Account I am certifying that the withdrawal is duly authorized under all applicable law and any governing documents that apply to the Account and is for the benefit of the party I am representing (e.g., Account Owner or the Beneficiary) and not for my own personal benefit or for that of a third person.
- 9) With respect to each Investment Portfolio, I understand and acknowledge that neither contributions to, nor earnings, if any, on my Account are guaranteed or insured by the FDIC or any person or entity, including but not limited to, the Plan Parties. I understand and acknowledge that there is no guarantee that any Investment Portfolios or any underlying investments of any Investment Portfolios' investment objectives will be achieved. I understand that neither the Plan Parties nor any other person or entity make any assurances that I will not suffer a loss of any amount invested in my Account, or that I will receive a particular return of any amount in my Account. I understand that the Investment Portfolios in the Plan are not debts, liabilities or obligations of VSAC, the State of Vermont, or any political subdivision thereof, nor shall they be deemed to constitute a pledge of the taxing power or the full faith and credit of the State of Vermont or any political subdivision thereof.
- 10) I understand and acknowledge and agree that federal and Vermont laws are subject to change, sometimes with retroactive effect, and the Plan Parties do not make any representation that such federal or Vermont laws will not be changed or repealed. I understand and acknowledge that such changes could have a negative effect on my Account.
- 11) I understand and acknowledge and agree that there is no guarantee or commitment whatsoever from the Plan Parties or any other person or entity that: (i) the Beneficiary will be admitted to any institution (including an Eligible Educational Institution); (ii) upon admission to an institution, the Beneficiary will be permitted to continue to attend; (iii) upon admission to an institution, state residency will be created for tuition, tax, financial aid eligibility or any other purpose for the Beneficiary; (iv) the Beneficiary will graduate or receive a degree from any institution; or (v) contributions and investment returns in this Account will be sufficient to cover the Federal Qualified Education Expenses of the Beneficiary.
- 12) I understand and acknowledge and agree that Vestwell State Savings, LLC, will not necessarily continue as the Plan Manager for the entire period my Account is open and that VSAC may retain in the future additional and/or different plan managers or investment manager(s) for the Plan. I acknowledge that if this occurs, or even if it does not, there is no assurance that I would not experience a material change to certain terms and conditions of the current Participation Agreement, including to the Investment Portfolios offered by the Plan and the fees and expenses of the Plan.
- 13) I understand and acknowledge and agree that I have not been advised by any of the Plan Parties to invest, or to refrain from investing, in a particular Investment Portfolio. I understand and acknowledge that the Investment Manager is an investment manager for the Plan, and not for me or my Beneficiary.
- 14) I understand and acknowledge and agree that the Plan is the record owner of the shares of any underlying investments in which each Investment Portfolio is invested and that I will have no right to vote, or direct the voting of, any proxy with respect to such shares.
- 15) I understand, acknowledge, and agree that neither VSAC nor their representatives has any duty to me to perform any action other than those specified in this Participation Agreement or the Disclosure Booklet. VSAC is not responsible for, and will not be liable, for the acts or omissions of third parties, including without limitation, the acts or omissions of your financial institution or your tax, legal, financial, or other advisors. VSAC may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by me or another authorized person and may assume that the authority of any other authorized person continues in effect until VSAC receives written notice to the contrary. VSAC has no duty to determine or advise me of the investment, tax or other consequences of my actions, or of its actions in following my directions, or of its failing to act in the absence of my directions. I understand and agree that my Account and this Participation Agreement are subject to such rules and regulations as VSAC may promulgate in accordance with State law. I also understand and agree that all decisions and interpretations by VSAC and the Plan Manager in connection with the Plan shall be final and binding on me and my Beneficiary and any successors.
- 16) I understand, acknowledge, and agree that neither the Plan Manager nor its affiliates, subcontractors or agents have a duty to perform any actions, other than those specified in the Disclosure Booklet and are not responsible for, and will not be liable, for the acts or omissions of third parties, including without limitation, the acts or

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omissions of your financial institution or your tax, legal, financial, or other advisors. The Plan Manager and its subcontractors may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by me or another authorized person and may assume that the authority of any other authorized person continues in effect until the Plan Manager receives written notice to the contrary. The Plan Manager and its affiliates, subcontractors and agents have no duty to determine or advise me of the investment, tax or other consequences of my actions, or of their actions in following your directions, or of their failing to act in the absence of my directions. I understand that the Plan Manager and its affiliates, subcontractors and agents may follow the directives of VSAC. When acting in accordance with such instructions or in its capacity as Plan Manager or as a subcontractor to the Plan Manager, neither the Plan Manager nor any of its affiliates, subcontractors and agents will have any liability to me or any Beneficiary of this Agreement.

- 17) I understand, acknowledge, and agree: (a) it is solely my responsibility to protect my Account, diligently monitor all transactions in it, and protect the security of my Account credentials and my email account associated with my Account. Understand that the Plan offers multi-factor authentication, and I agree to use multi-factor authentication as one way, but not the only way, to minimize the risk of unauthorized transactions in my Account. (b) it is solely my responsibility to update my Account with my current contact information and to keep my account profile current at all times. (c) If I notice a transaction in my Account that I did not make or authorize, it is my responsibility to contact the Plan Manager immediately at 800-637-5860. Any delay or failure in reporting any unauthorized transactions could affect the ability to recover funds from any unauthorized transaction and could result in a partial or total loss of the value of my Account. None of the Plan Parties will be responsible for any losses that are caused in whole or in part by my failure or negligence in monitoring or protecting my Account or timely reporting any potential unauthorized transactions to the Plan Manager.
- 18) I understand, acknowledge, and agree that Non-Qualified Withdrawals will be subject to federal and state income tax.
- 19) I understand, acknowledge, and agree the fees, charges or penalties applicable to my Account may change in the future.
- 20) I understand, acknowledge, and agree that the Plan is intended to be a “qualified tuition program” under Section 529 and the Plan is intended to receive favorable federal and State tax treatment. I agree that the State and VSAC may make changes to the Plan, this Agreement, and the Disclosure Booklet at any time, including without limitation, if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by Section 529 or the favorable State tax treatment provided by State law or any similar successor legislation.
- 21) I understand, acknowledge, and agree the Account and this Agreement are subject to, and incorporate by reference, the Statute, any regulations, policies and operating procedures adopted for the Plan by the State, any amendments to the Statute, other applicable statutes or these policies and operating procedures, and any rules or regulations as the State may promulgate in accordance with State law, including provisions under the Statute to prevent contributions on behalf of a Beneficiary in excess of the Maximum Account Balance Limit. Any amendments to relevant statutes or regulations automatically amend this Agreement and any amendments to policies or operating procedures shall amend this Agreement. Any amendments relating to changes in laws or regulations shall become effective no later than the effective date of the applicable law or regulation, and any amendment to this Agreement may be made, without the consent of any Account Owner or Beneficiary, through the publication of an amended or updated Participation Agreement in a supplement to the Disclosure Booklet or updated Disclosure Booklet.
- 22) I understand, acknowledge, and agree that the establishment of my Account will be based upon the agreements, representations and warranties set forth in this Agreement. I agree to indemnify and hold harmless the State, its agencies or instrumentalities, VSAC, the Plan Manager, the Subcontractors, and their respective affiliates, agents, representatives, or successors of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorneys’ fees, that any of them may incur by reason of, or in connection with, my use of the True Link 529 Visa Prepaid Card, any misstatement or misrepresentation made by me in this Agreement or otherwise with respect to my Account, and any breach by me of any of the agreements, representations or warranties contained in this Participation Agreement. All of my agreements, representations and warranties shall survive the termination of this Participation Agreement.
- 23) I understand, acknowledge, and agree that should a dispute arise out of this Participation Agreement, the Account Owner should first contact the Plan Manager to attempt resolution. The Account Owner and the Plan Manager shall first attempt to resolve it through direct discussions in a spirit of mutual cooperation. The parties hereby

establish the following out of court alternate dispute resolution procedure to be followed in the event of certain controversies or disputes involving the Account or this Participation Agreement that may arise between (a) an Account Owner and/or his or her Beneficiary and (b) VSAC, the Plan, the Plan Manager, the Subcontractors, or their respective affiliates, officers, directors, employees and agents (collectively, the "Plan Parties"). If a dispute develops between an Account Owner and/or his or her Beneficiary and the Plan Parties related to the Account Owner's Account transactions or other administrative matters involving an Account then the Account Owner and/or the Beneficiary and the applicable Plan Parties will submit to non-binding mediation to address the dispute. The Account Owner and/or the Beneficiary and the applicable Plan Parties will mutually determine the location, date, duration, and process for any such mediation effort and be bound by the terms and conditions as set forth in any settlement agreement that is executed following the mediation. Controversies between an Account Owner and/or the Beneficiary and the Plan Parties that cannot be resolved through the mediation process described above shall be heard in a court of law. The Account Owner agrees that any such litigation shall be brought in the state or federal courts located in the State of Vermont, and consents to the jurisdiction of such courts. Some controversies between an Account Owner and/or a Beneficiary and the Plan Parties may involve claims that are owned by the Plan or VSAC and can only be brought by VSAC. This provision is not intended to cover such claims.

- 24) I understand, acknowledge, and agree that subject to certain limitations, and except as otherwise provided herein, VSAC may, at any time, and from time to time, amend this Participation Agreement or the Disclosure Booklet, or suspend or terminate the Participation Agreement and the Plan, by giving written notice of such action or delivering an amended or updated Disclosure Booklet, to the Account Owner, but Account assets may not thereby be diverted from the exclusive benefit of the Account Owner and/or the Beneficiary except as permitted by applicable law. VSAC may also terminate the Plan by giving written notice of such action to the Account Owner. Nothing contained in this Participation Agreement or the Disclosure Booklet shall constitute an agreement or representation by VSAC, on its own behalf or on behalf of the Plan Manager that it will continue to maintain the Plan indefinitely. If the Plan is terminated, the balance of each Account will be paid to the Account Owner, to the extent possible, and any unclaimed assets shall be delivered by VSAC in accordance with any applicable law. If the Account has not been terminated and the Account is presumed abandoned by applicable law and regulations, VSAC, after making reasonable efforts to contact the Account Owner and the Beneficiary of the Account or their agents, shall report the unclaimed money in the Account as required by any applicable law.

MISCELLANEOUS

1. **Binding Nature; Third-Party Beneficiary.** This Agreement shall survive the death of any individual Account Owner and shall be binding upon any personal representatives, heirs, successors or assigns, as applicable. The Plan Parties are third-party beneficiaries of the agreements, representations, and warranties in this Agreement.
2. **Severability.** If any provision of this Participation Agreement or the Disclosure Booklet is held to be invalid, illegal, void or unenforceable, by reason of any law, rule, or administrative order, or by judicial decision, such determination will not affect the validity of the remaining provisions of this Participation Agreement.
3. **Headings.** The heading of each section, paragraph and provision in this Participation Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such section, paragraph and provisions.
4. **Governing Law.** This Participation Agreement shall be construed in accordance with and shall be governed by the laws of the State of Vermont, without regard to choice of law rules of any state. The Account Owner's completion of the Enrollment Process shall constitute acceptance of this Participation Agreement.

APPENDIX III

VSAC Notice of Privacy Policy

Protecting the privacy of your personal information is important to us at Vermont Student Assistance Corporation

("VSAC"). You have given this information to us so that we may provide you with financial and other forms of assistance as you pursue your post-secondary education. We understand that you trust us to keep your personal information confidential as required by law.

VSAC has a privacy policy and this Notice describes VSAC's privacy policy and the terms of our agreements with you. These authorize VSAC to disclose certain personal information about you or your Account in order to approve your application, service your Account, locate you, provide other specified services to you, improve the quality of services to you and for other reasons outlined in our agreements with you.

This Notice uses the term "nonpublic personal information." This means personal information about you which identifies you, and that is not available from public sources.

VSAC PRIVACY POLICY

1. VSAC collects nonpublic personal information about you from the following sources:
 - a. Information we receive from you on grant applications, loan applications, promissory notes and other applications and forms;
 - b. Information about your transactions with VSAC and its agents and subcontractors;
 - c. Information received from credit reporting agencies and the U.S. Department of Education; and
 - d. Information received from schools you are attending or to which you have applied for admission.
2. VSAC does not disclose any nonpublic personal information about you or our other customers to anyone, except with your consent, at your request, or as permitted by law.
3. VSAC restricts access to nonpublic personal information about you to those employees, agents, subcontractors, organizations, and schools who need to know the information to provide the services or products that are the basis of the customer relationship between you and VSAC. VSAC maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information.

Under the terms of the Management Agreement, the Plan Manager shall abide by this Privacy Policy.

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OBTAINING ADDITIONAL INFORMATION

Learn more about the Plan by visiting our website: www.vt529.org
or by calling toll-free at (800) 637-5860.

