

**SUPPLEMENT DATED JANUARY 2024  
TO THE WEALTHFRONT COLLEGE SAVINGS PLAN  
PLAN DESCRIPTION AND PARTICIPATION AGREEMENT  
DATED AUGUST 2021**

**Please file this Supplement to the Wealthfront 529 College Savings Plan Description and Participation Agreement with your records. All defined terms used in this Supplement have the same meanings as in the Plan Description, unless otherwise specified.**

**Key Terms (Referenced on Page 11)**

**Wealthfront Advisory Fee:** A 0.25% annualized fee based on the net market value of an Account charged by Wealthfront for its investment advisory services in connection with the Plan. Nevada residents who open an Account, Wealthfront will waive its investment advisory fees on the first \$25,000 of assets in total in your Wealthfront account(s) in and outside of the Plan in the aggregate.

**Withdrawals (Referenced on Page 28)**

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

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

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

Account Owners and Beneficiaries should each consult a financial professional or tax advisor regarding the applicability of these rollovers to their personal situations. You are responsible for determining the eligibility of a 529 plan to Roth IRA rollover including tracking and documenting the length of time the 529 plan account has been opened and the amount of assets in your 529 plan account eligible to be rolled into a Roth IRA. The taxpayer has the responsibility to maintain records to document the use of funds associated with this new provision, and any reporting that may be required. If you plan to make a rollover from your 529 Plan to a Roth IRA, contact our Product Support Team at [support@wealthfront.com](mailto:support@wealthfront.com) to inquire about the process.

**Federal and State Tax Treatment (Referenced on Pages 32, 33, and 34)**

Starting January 1, 2024, the annual federal exclusion from gift taxes increased to \$18,000 for a single individual or \$36,000 for a married couple electing to split gifts.

The maximum contribution that may be made using this rule is \$90,000 for individuals and \$180,000 for married couples. Once this election is made, if the contributor makes any additional gifts to the same Beneficiary in the same or the next four years, such gifts are subject to gift or generation-skipping transfer taxes in the calendar year of the gift. However, any excess gifts may be applied against the contributor’s lifetime gift tax exemption.

### Fees and Expenses (Referenced on Pages 39, 40, 41, 42, and 43)

The following table summarizes the annual Asset-Based and Total Fees for each Designated Portfolio.

ANNUAL ASSET-BASED AND TOTAL FEES FOR EACH DESIGNATED PORTFOLIO As of December 19, 2023								
Designated Portfolio	Underlying ETF (Ticker Symbol)	Asset Class	Asset-Based Designated Portfolio Fees				Asset-Based Account Fee	Total Fee <sup>5</sup>
			Underlying ETF Fee <sup>1</sup>	Ascensus Program Management Fee	Board Fee <sup>2</sup>	Total Asset-Based Designated Portfolio Fee <sup>3</sup>	Wealthfront Advisory Fee <sup>4</sup>	
T-Bills - Designated Portfolio								
Short Treasury Bond Portfolio	iShares Short Treasury Bond ETF (SHV)	US Treasury Bills	0.15%	0.05%	0.01%	0.21%	0.25%	0.46%
Bonds - Designated Portfolios								
Corporate Bond Portfolio	iShares iBoxx \$ Investment Grade Corp Bond ETF (LQD)	US Investment Grade Corporate Bonds	0.14%	0.05%	0.01%	0.20%	0.25%	0.45%
Short-Term Inflation Protected Securities Portfolio	Vanguard Short--Term Inflation-Protected Securities ETF (VTIP)	US TIPS	0.04%	0.05%	0.01%	0.10%	0.25%	0.35%
Emerging Markets Bond Portfolio	iShares JPMorgan USD Emerging Markets Bond ETF (EMB)	Emerging Markets Bonds	0.39%	0.05%	0.01%	0.45%	0.25%	0.70%
Stocks - Designated Portfolios								
REIT Portfolio	Vanguard REIT ETF (VNQ)	US REITs	0.12%	0.05%	0.01%	0.18%	0.25%	0.43%
Dividend Stock Portfolio	Vanguard Dividend Appreciation ETF (VIG)	US Dividend Growth Stocks	0.06%	0.05%	0.01%	0.12%	0.25%	0.37%
Total Stock Market Portfolio	Vanguard Total Stock Market ETF (VTI)	US Stocks	0.03%	0.05%	0.01%	0.09%	0.25%	0.34%
International Stock Portfolio	Vanguard FTSE Developed Markets ETF (VEA)	International Developed Stocks	0.05%	0.05%	0.01%	0.11%	0.25%	0.36%
Emerging Markets Stock Portfolio	Vanguard FTSE Emerging Markets ETF (VWO)	Emerging Markets Stocks	0.08%	0.05%	0.01%	0.14%	0.25%	0.39%

<sup>1</sup> Source: Most recent Underlying ETF prospectus as of December 21, 2023

<sup>2</sup> If assets in the Plan are \$5 billion or less, each Designated Portfolio will bear an annualized fee of 0.01% based on the assets in such Designated Portfolio that is used to pay the Board Fee. However, if assets in the Plan are less than \$1 billion, the Board Fee will be an annual fixed fee equal to \$100,000, and Wealthfront (not you as the Account Owner through your investment in a Designated Portfolio) will directly pay the portion of the Board Fee equal to the difference between the 0.01% annualized fee for all Designated Portfolios and the annual fixed fee of \$100,000. If assets in the Plan are greater than \$5 billion, the annualized fee borne by each Designated Portfolio will be reduced below 0.01% based on the assets in such Designated Portfolio such that

the entire amount of the fees for all Designated Portfolios equals a fixed annual fee of \$500,000, which is paid to the Board as the Board Fee.

- <sup>3</sup> Includes the Underlying ETF Fee, Program Management Fee and Board Fee. This total is assessed against assets in the Designated Portfolios over the course of the year.
- <sup>4</sup> Wealthfront waives its investment advisory fees on the first \$25,000 it manages for Nevada residents who open a Wealthfront 529 College Savings Plan account, and this fee waiver applies to the aggregate of all of the Nevada resident's Wealthfront account assets.
- <sup>5</sup> This equals the sum of the total Asset-Based Fee for each Designated Portfolio plus the Wealthfront Advisory Fee charged to each Account, as described in the preceding footnote 4. Please note that this does not reflect the actual cost to the Account Owner based on the Account Owner's specific Individual Portfolio. Each Individual Portfolio will bear its total Asset-Based Fees based on the asset allocation of the Designated Portfolios within such Individual Portfolio. See "*Individual Portfolio Fees by Glide Path*" immediately below.

INDIVIDUAL PORTFOLIO FEES BY GLIDE PATH As of December 19, 2023						
Glide Path	Asset- Based Designated Portfolio Fees				Asset-Based Account Fee	Total Fee Range
	Combined Underlying ETF Fee Range <sup>1</sup>	Ascensus Program Management Fee	Board Fee <sup>2</sup>	Total Asset-Based Fee Range	Wealthfront Advisory Fee <sup>3</sup>	
Glide Path 100	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 95	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 90	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 85	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 80	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 75	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 70	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 65	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 60	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 55	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 50	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 45	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 40	0.09% - 0.14%	0.05%	0.01%	0.15% - 0.20%	0.25%	0.40% - 0.45%
Glide Path 35	0.10% - 0.14%	0.05%	0.01%	0.16% - 0.20%	0.25%	0.41% - 0.45%
Glide Path 30	0.10% - 0.14%	0.05%	0.01%	0.16% - 0.20%	0.25%	0.41% - 0.45%
Glide Path 25	0.11% - 0.14%	0.05%	0.01%	0.17% - 0.20%	0.25%	0.42% - 0.45%
Glide Path 20	0.12% - 0.14%	0.05%	0.01%	0.18% - 0.20%	0.25%	0.43% - 0.45%
Glide Path 15	0.12% - 0.14%	0.05%	0.01%	0.18% - 0.20%	0.25%	0.43% - 0.45%
Glide Path 10	0.12% - 0.15%	0.05%	0.01%	0.18% - 0.21%	0.25%	0.43% - 0.46%
Glide Path 5	0.12% - 0.15%	0.05%	0.01%	0.18% - 0.21%	0.25%	0.43% - 0.46%

- <sup>1</sup> For a given Glide Path, the "Combined Underlying ETF Fee Range" reflects the maximum and minimum ETF fees that you would be subject to a given time during the 18-year life of the selected Glide Path currently in place assuming that your Risk Score and the Underlying ETF Fees do not change. The "Combined Underlying ETF Fee" varies as your Individual Portfolio transitions across the allocations along the Glide Path. Please note that if your Risk Score changes, you may move to a different Glide Path and incur a different range of maximum and minimum Underlying ETF Fees as reflected in this table. Please note further that in the future, Glide Paths may vary from those currently in place due to changes in the markets, the relationships between the returns and volatilities between various asset classes, opportunities to optimize Glide Path construction, and changes in the

Designated Portfolios and their underlying ETFs.

- <sup>2</sup> If assets in the Plan are \$5 billion or less, each Designated Portfolio will bear an annualized fee of 0.01% based on the assets in such Designated Portfolio that is used to pay the Board Fee. However, if assets in the Plan are less than \$1 billion, the Board Fee will be an annual fixed fee equal to \$100,000, and Wealthfront (not you as the Account Owner through your investment in a Designated Portfolio) will directly pay the portion of the Board Fee equal to the difference between the 0.01% annualized fee for all Designated Portfolios and the annual fixed fee of \$100,000. If assets in the Plan are greater than \$5 billion, the annualized fee borne by each Designated Portfolio will be reduced below 0.01% based on the assets in such Designated Portfolio such that the entire amount of the fees for all Designated Portfolios equals a fixed annual fee of \$500,000, which is paid to the Board as the Board Fee.

### Example of Maximum Investment Costs of Individual Portfolios by Glide Path

The following table describes the approximate maximum costs of investing in an Individual Portfolio by Glide Path over different periods of time. They illustrate the hypothetical maximum expenses that you would incur over various periods if you invest \$10,000 in an Individual Portfolio made up of Designated Portfolios selected and allocated by Wealthfront in accordance with the respective Glide Path.

An Account Owner's actual cost may be higher or lower based on assumptions that are different from the following assumptions:

- A \$10,000 principal investment for the time periods shown;
- A 5% annually compounded rate of return before fees on the principal amount invested throughout the period;
- All Trust Interests are redeemed at the end of the period shown for Qualified Higher Educational Expenses (the examples do not consider the impact of any potential state or federal taxes on the redemption);
- The maximum of the annual Asset-Based Fee and Total Fee remains the same as shown in the table on pages 39;
- Account Owner will be paying the full Wealthfront Advisory Fee of 0.25% and that the Account is not subject to any Wealthfront Advisory Fees waivers or reductions.

Glide Path	Maximum Account Owner Expense Reflecting Only Asset-Based Fees			
	1 Year	3 Years	5 Years	10 Years
Glide5	\$46	\$150	\$274	\$693
Glide10	\$46	\$150	\$274	\$693
Glide15	\$45	\$148	\$271	\$685
Glide20	\$45	\$148	\$271	\$685
Glide25	\$45	\$148	\$271	\$685
Glide30	\$45	\$148	\$271	\$685
Glide35	\$45	\$148	\$271	\$685
Glide40	\$45	\$148	\$271	\$685
Glide45	\$45	\$148	\$271	\$685
Glide50	\$45	\$148	\$271	\$685
Glide55	\$45	\$147	\$269	\$678
Glide60	\$45	\$147	\$269	\$678

Glide65	\$45	\$147	\$269	\$678
Glide70	\$45	\$147	\$269	\$678
Glide75	\$45	\$147	\$269	\$678
Glide80	\$45	\$147	\$269	\$678
Glide85	\$45	\$147	\$269	\$678
Glide90	\$45	\$147	\$269	\$678
Glide95	\$45	\$147	\$269	\$678
Glide100	\$45	\$147	\$269	\$678

### Historical Investment Performance (Referenced on Pages p. A-8 and A-9)

Total Returns for period ended June 30, 2023

Portfolio Name	1 Year	3 Year	5 Year	10 Year	Since Inception 05/25/2016
<b>T-Bills- Designated Portfolio</b>					
Short Treasury Bond Portfolio	3.26%	0.95%	1.33%	—	1.06%
<b>Bonds- Designated Portfolios</b>					
Corporate Bond Portfolio	1.81%	-4.30%	1.82%	—	1.64%
Short-Term Inflation Protected Securities Portfolio	0.17%	2.20%	2.54%	—	2.03%
Emerging Markets Bond Portfolio	6.36%	-3.37%	0.38%	—	0.96%
<b>Stocks- Designated Portfolios</b>					
REIT Portfolio	-3.73%	5.74%	4.28%	—	3.96%
Dividend Stock Portfolio	15.19%	13.26%	11.59%	—	11.96%
Total Stock Market Portfolio	18.33%	13.37%	10.93%	—	12.13%
International Stock Portfolio	15.84%	8.86%	4.24%	—	6.09%
Emerging Markets Stock Portfolio	1.25%	3.78%	2.12%	—	5.41%

**The Designated Portfolio and Individual Portfolios performance information represents past performance. Past performance does not guarantee future results. The investment return and the value of a Designated Portfolio or Individual Portfolio investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data represented in the table above. Investment returns and principal value will fluctuate, so Designated Portfolio Units, when sold, may be worth more or less than their original cost.**



261 Hamilton Avenue  
Palo Alto, California 94301

## Wealthfront 529 College Savings Plan

Plan Description and Participation Agreement  
[www.wealthfront.com/college](http://www.wealthfront.com/college)

August 15, 2021

Administered by  
Nevada State Treasurer



### *Investment Products Offered*

- Are Not FDIC Insured
- May Lose Value
- Are Not Guaranteed

Readers interested in learning about the investments of this plan should refer to [Appendix A](#).

**Read this Plan Description carefully before you invest or send money.**

**This Plan Description contains important information concerning the following topics:**

- (i) fees and costs (See “*FEES AND EXPENSES*”);**
- (ii) investments and how and when the Board may change these (See “*PLAN RISKS AND DESIGNATED AND INDIVIDUAL PORTFOLIO RISKS – Potential Changes to the Plan*”);**
- (iii) portfolio investment performance (See “*APPENDIX A: Historical Investment Performance*”);**
- (iv) federal and state tax considerations (See “*FEDERAL AND STATE TAX TREATMENT*”);**
- (v) risk factors (See “*PLAN RISKS AND DESIGNATED AND INDIVIDUAL PORTFOLIO RISKS*”); and**
- (vi) limitations or penalties imposed by the Plan upon transfers between investment options, transfers to other Nevada sponsored plans, transfers to other Section 529 Plans or non-qualified distributions generally (See “*FEDERAL AND STATE TAX TREATMENT*”).**



# Table of Contents

PLAN HIGHLIGHTS.....	4
KEY TERMS.....	7
IMPORTANT NOTICES .....	12
INTRODUCTION .....	14
APPLICATION PROCESS.....	15
General.....	15
Account Application.....	15
Personal Information.....	16
Restrictions for Certain Accounts with Non-U.S. Addresses .....	16
Ownership Transfers.....	16
Designation of Successor Account Owner.....	17
No Assignments or Pledges .....	17
Account Restrictions.....	18
CONTRIBUTIONS .....	19
Electronic Funds Transfer.....	19
Checks.....	19
Recurring Contributions.....	20
Rollover Contributions and Other Transfers.....	20
Rollovers.....	20
Plan Transfers for the Account of a New Beneficiary .....	21
Plan Transfers for the Same Beneficiary .....	21
Transfer into a Plan Account from Another Plan Within the Trust for the Benefit of a New Beneficiary .....	21
Transfer into a Plan Account from Another Plan Within the Trust for the Benefit of a Same Beneficiary .....	21
Re-contribution of Refunds from Eligible Educational Institutions .....	22
Maximum Contribution Limit.....	22
Excess Contributions .....	22
Contribution Policies and Fees .....	23
Control Over the Account.....	23
Pricing of Designated Portfolio Units.....	23
COMMUNICATIONS AND STATEMENTS .....	25
WITHDRAWALS .....	26
Procedures for Withdrawals.....	26
Qualified Withdrawals .....	26
Qualified Education Expenses .....	26
Eligible Educational Institution .....	27
Refunds.....	27
Non-Qualified Withdrawals.....	27
Other Withdrawals .....	27
Residual Account Balances.....	29
529 Plans Generally.....	31
Important Tax Consideration .....	31
529 Plan Contributions and Withdrawals .....	31
Other Contributions and Transfers.....	32
Coordination with Other Education Expense Benefit Programs .....	32
Education Credits.....	32
Federal Gift and Estate Taxes .....	32
State Taxes.....	33
INVESTMENTS .....	35
FEES AND EXPENSES .....	37
Wealthfront Advisory Fee.....	37
Annual Asset-Based and Total Fees for Designated Portfolios .....	37
Certain Transaction Fees.....	43
PLAN RISKS AND DESIGNATED AND INDIVIDUAL PORTFOLIO RISKS .....	44
Wealthfront Advisory Risk .....	44

# Table of Contents

Risks of Investing in the Plan .....	44
No Guarantee of Principal or Earnings; No Insurance.....	44
Limited Investment Direction .....	45
Liquidity .....	45
Market Uncertainties and Other Events .....	45
Potential Changes to the Plan .....	45
Status of Federal and State Law and Regulations Governing the Plan .....	46
No Indemnification .....	46
Eligibility for Financial Aid.....	46
No Guarantee That Investments Will Cover Qualified Education Expenses; Inflation and Qualified Education Expenses .....	47
Education Savings and Investment Alternatives .....	47
No Guarantee of Admittance .....	47
Medicaid and Other Federal and State Benefits .....	47
Suitability and Education Savings Alternatives .....	47
Differences Between Performances of Designated Portfolios and Underlying ETFs .....	48
Differences Between Performances of Individual Portfolios and Designated Portfolios.....	48
Designated Portfolio Investment Risk .....	48
Individual Portfolio Investment Risk .....	48
Cybersecurity Risk.....	48
OTHER INFORMATION .....	50
Arbitration.....	50
Electronic Communications and Disclosure Relating to Internet Access .....	50
Continuing Disclosure .....	51
Creditor Protection Under U.S. and Nevada Law .....	51
Independent Registered Public Accounting Firm .....	52
Custodial Arrangements.....	52
Tax Reporting .....	52
Conflicts.....	52
Contact Information.....	52
Privacy Statements.....	52
Investment Risk; No Guarantee .....	53
Tax Considerations .....	54
Individual Advice .....	54
Plan Description Information.....	54
Representations.....	54
APPENDIX A: INVESTMENTS .....	1
Investments .....	1
Historical Investment Performance.....	8
Profiles of Underlying ETFs .....	9
APPENDIX B: WEALTHFRONT 529 COLLEGE SAVINGS PLAN PARTICIPATION AGREEMENT .....	1

## Plan Highlights

**PLAN HIGHLIGHTS:** The information shown in the Plan Highlights is only a summary of the Plan. More detailed information about the Plan is described in the pages that follow. Please read this entire Plan Description before investing. Capitalized terms that are not otherwise defined have the meanings set forth in “KEY TERMS” below.

Before you make contributions to the Plan, please read and understand this Plan Description and the Participation Agreement attached hereto as **APPENDIX B**. Please keep both this Plan Description and the Participation Agreement for future reference. These documents together give you important information about the Plan, including information about the investment risks associated with, and the terms under which you agree to participate in the Plan.

**Purpose of the Wealthfront 529 College Savings Plan:** To help individuals and families save for Qualified Education Expenses through a tax-advantaged investment plan sponsored by the State of Nevada. The Wealthfront 529 College Savings Plan is established under Section 529 of the Code. The Plan is open to residents of any state.

**Who’s who in the Wealthfront 529 College Savings Plan:** The State of Nevada sponsors the Plan, which is offered by the Trust. The Trust is overseen by the Board, and administered by the Nevada State Treasurer. ACSR serves as the Program Manager and, together with its affiliates, has overall responsibility for the day-to-day operations of the Plan and provides administration and recordkeeping services for the Plan. The Direct Program Management Agreement between ACSR and the Board expires in 2032. Wealthfront Advisers LLC, an SEC-registered

investment adviser, serves as the investment adviser to the Plan. Wealthfront Brokerage LLC serves as the distributor and the underwriter of the Plan. Wealthfront Brokerage also provides certain marketing services for the Plan pursuant to an Operating Agreement that expires in 2021 and which can be extended until 2026.

**Wealthfront constructs your Individual Portfolio:** Wealthfront serves as your automated investment adviser. Under the Plan, Wealthfront constructs an Individual Portfolio for you using Designated Portfolio Units from up to nine Designated Portfolios, each of which contains a single underlying ETF. Wealthfront designs your Individual Portfolio to provide a diversified asset allocation based on your individual risk tolerance as reflected by your Risk Score, which is determined by your responses to a Risk Questionnaire. Using your Risk Score, Wealthfront assigns your Individual Portfolio to one of 20 Glide Paths, each of which determines how your Individual Portfolio’s allocations of Designated Portfolios will change over time. Each Glide Path gradually shifts the asset allocations of the Designated Portfolios in your Individual Portfolio to progressively decreasing levels of expected risk as your Beneficiary’s Expected Matriculation Date approaches. Your starting point along the specific Glide Path is determined by the Beneficiary’s Expected Matriculation Date. (See “INVESTMENTS.”)

**Individual Advice:** No investment recommendation or advice received by the Account Owner from Wealthfront or any other person is provided by, or on behalf of, the State of Nevada, the Board, the Plan, or ACSR or any of its affiliates.

**Differences between the Wealthfront 529 College Savings Plan and other 529 plans:**

## Plan Highlights

Unlike many other 529 Plans, your assets are not managed in a commingled fund structure. In a commingled fund structure, you buy a single fund. In this Plan, each Individual Portfolio is managed separately, and will be allocated to up to nine Designated Portfolios as prescribed by your Risk Score and your Beneficiary's Expected Matriculation Date.

**Contribution limits:** The minimum initial contribution is \$500. Subsequent contributions must be at least \$100. The current maximum contribution limit for all Plan Accounts for the same beneficiary under all 529 savings plans sponsored by the State of Nevada is \$500,000. Although you can no longer contribute to an Account once this limit is reached, the Account may continue to grow through investment returns.

**Residency Requirements:** You do not have to be a resident of Nevada. You must simply be a U.S. citizen or resident alien.

**Beneficiary Age Limits:** None – Your Beneficiary may be of any age, from newborn to adult.

**Tax Advantages:** In general, 529 college savings plans provide for federal tax deferred growth of investments; no federal income tax on qualified withdrawals; and no gift tax on contributions up to \$75,000 (\$150,000 for spouses electing to split gifts) pro-rated over five years and contributions are considered to be completed gifts for federal gift and estate tax purposes. There are no annual adjusted gross income limits. This Plan Description does not contain legal or tax advice. You should consult your own tax advisor for more information.

**School Eligibility:** Investments may be used at any eligible post-secondary school in the

United States or abroad. For a list of eligible schools, please visit [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

**Qualified Withdrawals:** The earnings portion of qualified withdrawals are federal income tax free if used to pay for Qualified Education Expenses, including: tuition, fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution; certain costs of room and board of a Beneficiary for any academic period during which the Beneficiary is enrolled at least half-time at an Eligible Educational Institution; expenses for "special needs" services needed by a special needs Beneficiary which must be incurred in connection with the Beneficiary's enrollment or attendance at an Eligible Educational Institution; expenses for the purchase of computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code), computer software (as defined in section 197(e)(3)(B) of the Code), or Internet access and related services, if the 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; K-12 Tuition; Apprenticeship Program Expenses; and Education Loan Repayments. (See "*FEDERAL AND STATE TAX TREATMENT.*")

**If your Beneficiary decides not to go to college:** You may change your Beneficiary to a new Beneficiary who is a Member of the Family of the original Beneficiary, and that transfer will not be subject to federal income tax or penalty. You also may make withdrawals from the Account or close the Account by notifying Wealthfront. Any non-qualified withdrawals will be subject to federal and state taxes as well as a 10% federal tax penalty on earnings.

## Plan Highlights

**Fees and Expenses:** The estimated annualized Total Fee (including Underlying ETF Expense Ratio, Ascensus Program Management Fee, Wealthfront Advisory Fee and Board Fee) ranges from 0.34% to 0.70% of the assets in your Account depending on the asset allocation across the Designated Portfolios in your Individual Portfolio. (See “*FEES AND EXPENSES*.”)

**Investments:** The investments in the Plan consist of nine Designated Portfolios, each of which contains one low-cost liquid ETF. Each Designated Portfolio is divided into Designated Portfolio Units, which Wealthfront uses as building blocks to construct Individual Portfolios based on your individual Risk Score. These Designated Portfolio Units are “municipal fund securities” issued by the Trust. The underlying ETF contained within each of the Designated Portfolios is an exchange-traded investment product registered with the SEC under the Investment Company Act of 1940. (See “*INVESTMENTS*” and “*APPENDIX A - Investments*.”)

**Plan and Portfolio Risks:** You and your Beneficiary do not have access or rights to any assets of the State of Nevada or any assets of the Trust other than the assets credited to your Account for that Beneficiary. The Plan is an investment vehicle. Accounts in the Plan are subject to certain risks including: (i) the possibility that you may lose money over short or even long periods of time; (ii) the risk of changes in applicable federal and state tax laws and regulations; (iii) the risk of Plan changes including changes in fees and expenses; and (iv) the risk that contributions to the Plan may adversely affect the eligibility of the Beneficiary or you for financial aid or other benefits. Some Designated Portfolios carry more and/or different risks than others. You

should weigh such risks with the understanding that they could arise at any time during the life of your Account. (See “*PLAN RISKS AND PORTFOLIO RISKS*.”)

**No Guarantee:** When you contribute to the Plan, your money will be invested in Designated Portfolio Units. An investment in the Plan is not a bank deposit. **None of your Account, the principal you invest, nor any investment return is insured or guaranteed by any Plan Official, the federal government, the Federal Deposit Insurance Corporation (“FDIC”), or any other governmental agency.** Investment returns will vary depending upon the performance of the Designated Portfolios in your Account. **You could lose all or a portion of your investment.**

**Account Applications and Account Information:** You must complete an application online at [www.wealthfront.com/529](http://www.wealthfront.com/529). Account Owners will receive periodic Account statements and all other correspondence entirely online.

**Contact Information:**  
[support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437

**Interests in the Plan are municipal fund securities issued by the Trust overseen by the Board, and administered by the Nevada State Treasurer. The Plan, which is within the Trust, is administered by the Board and managed by the Program Manager. Interests in the Trust are sold exclusively by WB. Trust Interests (also known as Designated Portfolio Units) have not been registered with the Securities and Exchange Commission or any other state or federal governmental agency.**

## Key Terms

### KEY TERMS

Terms used in this Plan Description document have the following meanings:

**529 Plan:** A qualified tuition program established under and operated in accordance with Section 529 of the Code.

**Account:** An Account established in the Plan by you as the Account Owner.

**Account Application:** An online application to be completed by you as the Account Owner to open an Account. By completing and submitting the Account Application, you agree to be bound by the terms and conditions of the Participation Agreement.

**Account Owner:** The person or entity that establishes an Account and controls the assets held in the Account on behalf of a Beneficiary or any person or entity who becomes the successor in interest to such person or entity in accordance with the Act and Program Regulations. A non-entity Account Owner must be a natural person of legal age who is either a U.S. citizen or resident alien and has a valid Social Security number (or taxpayer identification number) with the authority to open an individual Account. An Account Owner is an investment advisory client of Wealthfront.

**ACSR:** Ascensus College Savings Recordkeeping Services, LLC, the Program Manager of the Plan.

**Act:** Chapter 353B of the Nevada Revised Statutes, as amended.

**AIA:** Ascensus Investment Advisors, LLC, an affiliate of ACSR.

**Apprenticeship Program Expenses:** Expenses for fees, books, supplies, and equipment required for the participation of a Beneficiary in an apprenticeship program registered and certified with the Secretary of

Labor under section 1 of the National Apprenticeship Act (29 U.S.C. 50).

**Ascensus:** Ascensus is used to refer collectively or individually, as the case requires, to AIA and ACSR.

**Ascensus Program Management Fee:** An 0.05% annualized fee based on the net market value of the Account charged by ACSR for its program management services.

**Asset-Based Fee:** The sum of the Underlying ETF Fees, the Ascensus Program Management Fee and the Board Fee.

**BlackRock:** BlackRock Fund Advisors.

**Beneficiary:** The individual designated by the Account Owner as the beneficiary of the Account at the time the Account is established or the individual who is designated as the new Beneficiary when the Beneficiary of an Account is changed.

**Board:** The Board of Trustees of the College Savings Plans of Nevada administers the Trust in conjunction with the Nevada State Treasurer.

**Board Fee:** A fee charged to each Designated Portfolio by the Board to pay for expenses related to oversight and administration of the Trust. If assets in the Plan are \$5 billion or less, each Designated Portfolio will bear an annualized fee of 0.01% based on the assets in such Designated Portfolio that is used to pay the Board Fee. However, if assets in the Plan are less than \$1 billion, the Board Fee will be an annual fixed fee equal to \$100,000 and Wealthfront (not you as the Account Owner through your investment in a Designated Portfolio) will directly pay the portion of the Board Fee equal to the difference between the 0.01% annualized fee for all Designated Portfolios and the annual fixed fee of \$100,000. If assets in the Plan are greater than \$5 billion, the annualized fee borne by



## Key Terms

each Designated Portfolio will be reduced below 0.01% based on the assets in such Designated Portfolio such that the entire amount of the fees for all Designated Portfolios equals a fixed annual fee of \$500,000, which is paid to the Board as the Board Fee.

**Code:** United States Internal Revenue Code of 1986, as amended from time to time. There are references to various sections of the Code throughout the document, including Section 529 as it exists today and as it may subsequently be amended, and regulations adopted under it.

**Designated Portfolio:** A portfolio in the Plan that contains one ETF. The Plan has nine Designated Portfolios corresponding to nine ETFs, each representing a different asset class.

**Designated Portfolio Unit:** The outstanding interests of Designated Portfolios are divided into Units. A Designated Portfolio Unit is a municipal fund security. Designated Portfolio Units are used as building blocks to construct the Individual Portfolios for each Account Owner. Also known as a “Trust Interest.”

**Direct Program Management Agreement:** An agreement by and between the Board and ACSR, as the Program Manager, to provide the Plan with administrative, Account servicing, marketing and promotion, and investment management services. The agreement between the Board and the Program Manager is now effective and will terminate in 2032, or earlier as provided in the Direct Program Management Agreement.

**Education Credit:** An education credit helps with the cost of higher education by reducing the amount of tax owed on your tax return. If the credit reduces your tax to less than zero, you may get a refund. There are two education credits available:

the American opportunity tax credit (AOTC) and the lifetime learning credit (LLC). If you have further questions around the use of these credits, along with eligibility, please speak with a tax professional.

**Education Loan Repayment:** Amounts paid as principal or interest on a loan to pay certain higher education expenses as defined in Section 221(d) of the Code, of a Beneficiary or a sibling of a Beneficiary (up to a lifetime \$10,000 limit per individual). For this specific purpose, a sibling is defined as a brother, sister, stepbrother, or stepsister, as described in section 152(d)(2)(B) of the Code and includes half-brothers and half-sisters, a legally adopted child or child placed for legal adoption. You cannot claim a federal income tax deduction for interest paid on a qualified education loan if you treat it as an Education Loan Repayment.

**ETF:** Electronic funds transfer.

**Eligible Educational Institution:** Generally, an institution as defined in the Code includes accredited post-secondary educational institutions in the United States or abroad offering credit toward an associate’s degree, a bachelor’s degree, a graduate level or professional degree, or another recognized post-secondary credential, and certain post-secondary vocational and proprietary institutions. The institution must be eligible to participate in U.S. Department of Education student financial aid programs. For a list of eligible schools, please visit [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

**ETF:** Exchange traded fund. The underlying investments in the Plan are ETFs.

**Expected Matriculation Date:** The date that your Beneficiary is expected to start attending an Eligible Educational Institution.

**Force Majeure:** Circumstances beyond the reasonable control of any Plan Official, including but not limited to regulatory or

## Key Terms

legislative changes, worldwide political uncertainties, and general economic conditions (such as including inflation and unemployment rates), acts of God, acts of civil or military authority, acts of government, accidents, environmental disasters, natural disasters or events, fires, floods, earthquakes, hurricanes, explosions, lightning, suspensions of trading, epidemics, pandemics, public health crises, quarantines, wars, acts of war (whether war is declared or not), terrorism, threats of terrorism, insurrections, embargoes, cyber-attacks, riots, strikes, lockouts or other labor disturbances, disruptions of supply chains, civil unrest, revolutions, power or other mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays in or stoppages of transportation, and any other events or circumstances beyond our reasonable control whether similar or dissimilar to any of the foregoing.

**Glide Path:** A Glide Path represents a collection of asset allocations that automatically adjusts over time to decreasing levels of expected risk as the Expected Matriculation Date approaches. You as an Account Owner are matched to an optimized Glide Path based on your Risk Score, as determined by your executed Risk Questionnaire. Your starting point along the Glide Path is determined by the Expected Matriculation Date of your Beneficiary.

**Good Order:** Good Order means that the Plan is able to validate a transaction (as determined by Wealthfront). For a contribution, Good Order also means that the EFT or check transaction, as applicable, has been effected such that the necessary funds are immediately available for investment by the Plan.

**Individual Portfolio:** A portfolio of Designated Portfolio Units that are invested in accordance with an assigned Glide Path. Wealthfront creates an Individual Portfolio

for each Account. Your Individual Portfolio is designed to be consistent with your risk tolerance as determined by your executed Risk Questionnaire. Assets in an Account are invested in accordance with your Individual Portfolio, which follows a Glide Path. In accordance with its assigned Glide Path, your Individual Portfolio automatically adjusts over time to decreasing levels of expected risk as the Expected Matriculation Date approaches.

**IRS:** Internal Revenue Service.

**K-12 Tuition:** Qualified elementary and secondary tuition expenses as defined in the Code and as may be further limited by the Plan. These expenses are defined as expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school.

**Maximum Contribution Limit:** The Maximum Contribution Limit for the Plan is currently \$500,000. For purposes of the Maximum Contribution Limit, balances for all accounts for the same Beneficiary under all 529 Plans sponsored by the State of Nevada are aggregated. The Maximum Contribution Limit is based on the aggregate market value of the Account(s) for a Beneficiary, and not solely on the aggregate contributions made to the Account(s).

**Member of the Family:** For purposes of changing the Beneficiary, a member of the family of the Beneficiary is defined by the Code as:

- Father, mother, or an ancestor of either,
- Son, daughter, or a descendant of either,
- Stepfather or stepmother,
- Stepson or stepdaughter,
- Brother, sister, stepbrother, or stepsister,
- Brother or sister of the father or mother,



## Key Terms

- Brother-in-law, sister-in-law, son-in-law, daughter-in-law, father-in-law, or mother-in-law,
- Son or daughter of a brother or sister,
- Spouse of the Beneficiary or any of the individuals mentioned above, or
- First cousin.

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

**NYSE:** New York Stock Exchange.

**Operating Agreement:** The agreement by and among ACSR, AIA, WB and Wealthfront, pursuant to which Wealthfront offers the Plan.

**Participation Agreement:** The written agreement between you as an Account Owner and the Board, substantially in the form approved by the Board. You as an Account Owner agree to the terms and conditions of the Participation Agreement by completing and submitting an Account Application.

**Plan:** The Wealthfront 529 College Savings Plan.

**Plan Officials:** The State of Nevada, the Nevada State Treasurer, staff of the Nevada State Treasurer's Office, the Plan, the Board, the Trust, any other agencies, instrumentalities or funds of the State of Nevada, the Program Manager, Wealthfront and each of their respective affiliates, officials, officers, directors, employees and representatives.

**Program:** The College Savings Plans of Nevada. The Plan is within the Program.

**Program Manager:** ACSR serves as the Plan's Program Manager and has overall responsibility for the day-to-day operations of the Plan.

**Program Regulations:** Regulations adopted and amended from time to time by the Board pursuant to the Act.

### **Qualified Education Expenses:**

Qualified higher education expenses as defined in the Code and as may be further limited by the Plan. Generally, these include the following: tuition, fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution; certain costs of room and board of a Beneficiary for any academic period during which the Beneficiary is enrolled at least half-time at an Eligible Educational Institution; expenses for "special needs" services needed by a special needs Beneficiary which must be incurred in connection with the Beneficiary's enrollment or attendance at an Eligible Educational Institution; expenses for the purchase of computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code), computer software (as defined in section 197(e)(3)(B) of the Code), or Internet access and related services, if the 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; K-12 Tuition; Apprenticeship Program Expenses; and Education Loan Repayments.

**Risk Questionnaire:** The series of questions set forth in the Account Application process used by Wealthfront to evaluate your risk tolerance, i.e., both your objective capacity to take risk in investing and your subjective willingness to take risk in investing. For example, if you have greater excess income, you have a higher objective capacity to take risk than if you had lesser excess income, and if you are more tolerant of a higher level of uncertainty of investment performance than another

## Key Terms

Account Owner for the same uncertainty of investment performance, you have a greater subjective willingness to take investment risk.

**Risk Score:** A value from 0.5 to 10, expressed in increments of 0.5 (i.e., a total of 20 possible values), that Wealthfront assigns to you based on your answers to the Risk Questionnaire that represents your risk tolerance. A lower Risk Score indicates a lower capacity and willingness to take investment risk, and a higher Risk Score indicates a higher capacity and willingness to take investment risk.

**Section 529:** Section 529 of the Code, as amended from time to time, and any regulations and other guidance issued thereunder.

**Terminal Funding Ratio:** The ratio of (A) value of your Individual Portfolio to (B) the present value of the total cost for the Beneficiary to attend an Eligible Educational Institution, both at the Expected Matriculation Date.

**Total Fee:** The sum of the Underlying ETF Fees, the Ascensus Program Management Fee, the Board Fee and the Wealthfront Advisory Fee.

**Trust:** The Nevada College Savings Trust Fund.

**Trust Interests:** Municipal fund securities, which are issued by the Trust in exchange for contributions. Designated Portfolio Units are Trust Interests.

**Underlying ETF Fee:** For each Designated Portfolio, the expenses charged by the ETFs underlying such Designated Portfolio.

**Vanguard:** The Vanguard Group, Inc.

**WB:** Wealthfront Brokerage LLC.

**Wealthfront:** Wealthfront Advisers LLC.

**Wealthfront Advisory Fee:** A 0.25% annualized fee based on the net market value of an Account charged by Wealthfront for its investment advisory services in connection with the Plan. Nevada residents who open an Account, Wealthfront will waive its investment advisory fees on the first \$15,000 of assets in total in your Wealthfront account(s) in and outside of the Plan in the aggregate.

**You:** References in this document to “you” means you in your capacity as the Account Owner.

## Important Notices

### IMPORTANT NOTICES

**Administration:** Interests in the Plan are municipal fund securities issued by the Trust overseen by the Board, and administered by the Nevada State Treasurer. The Plan, which is within the Trust, is administered by the Board and is managed by the Program Manager. Trust Interests, also known as Designated Portfolio Units, are sold exclusively by WB.

Trust Interests are not guaranteed by the State of Nevada, the Board or any other governmental entities, or Wealthfront or Ascensus or any of their respective affiliates.

**Tax Considerations:** Before you invest, consider whether your or the Beneficiary's home state offers any state tax or other benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program. Depending upon the laws of your home state or the home state of the Beneficiary, favorable state tax treatment or other state benefits such as financial aid, scholarship funds, and protection from creditors offered by that home state for investing in 529 college savings plans may be available only if you invest in the home state's college savings plan. Because different states have different tax provisions, this Plan Description contains limited information about the state tax consequences of investing in the Plan. Therefore, you should consult with your own financial, tax, or other adviser to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You also may wish to contact your home state's 529 Plan(s), or any other 529 Plan, to learn more about those plans' features, benefits and limitations. Keep in mind that any state-

based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision.

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

**Individual Advice:** Wealthfront is your automated investment adviser. No investment recommendation or advice received by you from Wealthfront or any other person is provided by, or on behalf of, the State of Nevada, the Board, the Plan, or Ascensus.

**Plan Description Information:** The information in this Plan Description is believed to be accurate as of the cover date but is subject to change without notice. You should rely only on the information contained in this Plan Description and any supplements to the Plan Description. No one is authorized to provide information that is different from the information in the most current form of this Plan Description.

Statements contained in this Plan Description that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. This Plan Description 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

## Important Notices

which it is unlawful for such person to make such an offer, solicitation, or sale.

**Special Considerations:** The Board reserves the right to:

- Refuse, change, discontinue, or temporarily suspend Account services including accepting contributions and processing distribution requests, for any reason.
- Delay sending out the proceeds of a distribution request for up to seven calendar days (this generally applies only to very large redemptions without notice or during unusual market conditions).
- Suspend or postpone payment of the proceeds of distribution requests when the NYSE is closed for any reason other than its usual weekend or holiday closings, when the SEC restricts trading, or when any emergency circumstances exist.
- Change the Plan's fees and charges.
- Add, subtract, terminate, or merge Designated Portfolios, or the underlying funds in which any Designated Portfolio invests.
- Terminate an Account if the Board determines that the Account Owner or the Beneficiary has provided false or misleading information to the Board, the Program Manager, or Wealthfront.
- Add a new, or replace the current, Program Manager.

**Read this Plan Description and Participation Agreement carefully before you invest or send money. This Plan Description contains information you should know before participating in the Plan, including information about fees and risks. Neither the SEC nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of this Plan Description. Any representation to the contrary is a criminal offense.**

# Introduction

## INTRODUCTION

The Trust is overseen by the Board and administered by the Nevada State Treasurer. The Plan is also administered by the Board and is designed to satisfy the requirements of the Code and any regulations and other guidance issued there under.

The Plan is designed as a savings vehicle for Qualified Education Expenses. Account Owners purchase Trust Interests to save for Qualified Education Expenses. This Plan Description addresses only the Plan and not any other 529 Plan within the Trust.

As Program Manager for the Plan, ACSR with certain of its affiliates has overall responsibility for the day-to-day operations of the Plan and provides administration and recordkeeping services for the Plan. Wealthfront serves as investment adviser and WB the distributor for the Plan and also provides for certain marketing services for the Plan.

Wealthfront, your investment adviser, is an automated investment service registered with the SEC. As a provider of automated investment services, Wealthfront is frequently referred to as an “automated investment adviser.” Automated investment advisers are a class of financial advisers that provide portfolio management online with minimal human intervention. Wealthfront employs algorithms based on modern portfolio theory that has served the traditional advisory community. Wealthfront currently manages over \$22 billion dollars (unaudited) in client assets through its automated investment service as of June 2021.

The investments in the Plan consist of nine Designated Portfolios, each of which contains one low-cost liquid ETF. Wealthfront uses the nine Designated Portfolios as building blocks to construct an Individual Portfolio for you based on your individual Risk Score and your Beneficiary’s Expected Matriculation Date. Designated Portfolio Units are “municipal fund securities” issued by the Trust. You should consider the structure of the Plan and the different investment strategies and risks of the Plan and the underlying ETFs in the Designated Portfolios before opening an Account. For more detailed information about the Plan’s investments, please see “*INVESTMENTS*” and **APPENDIX A**.

In addition to the Plan, the Board also sponsors the other college savings plans with other investment managers, as well as the Nevada Prepaid Tuition Plan. This Plan Description relates only to the Wealthfront 529 College Savings Plan. The other Plans administered by the Board (i) may offer different benefits or different investment options with different investment advisers, (ii) may be marketed or sold differently, and (iii) may assess different fees, withdrawal penalties, and/or sales charges. Information regarding other Nevada college savings Plans or the Prepaid Tuition Plan may be obtained from the Office of the Nevada State Treasurer at 702-486-6980 or [www.nevadatreasurer.gov](http://www.nevadatreasurer.gov).

Contact information for the College Savings Trust of Nevada is 555 E. Washington Avenue, Suite 5200, Las Vegas, NV 89101 or [702-486-6980](tel:7024866980).



# Application Process

## APPLICATION PROCESS

### General

To participate in the Plan, an Account Owner must either be (i) a natural person at least 18 years of age who is a U.S. citizen or resident alien and has a valid Social Security number (or taxpayer identification number), with the authority to open an individual Account. You must complete and sign an Account Application online, and any other documents required by the Plan for an Account to be established. There are no state residency requirements or income level restrictions to open an Account. There is no enrollment fee or charge to establish an Account.

Before investing in a 529 Plan, you should consider whether the state(s) where you or the Beneficiary live or pay state income tax sponsors a 529 plan that offers you or the Beneficiary state income tax or other benefits not available to you or the Beneficiary through the Plan. Investors should consider the structure of the Plan and the different investment strategies employed by and risks of the Designated Portfolios before opening an Account.

### Account Application

You must complete the Account Application online at [www.wealthfront.com/529](http://www.wealthfront.com/529). At the time of enrollment, you must designate a Beneficiary whose Qualified Education Expenses are expected to be paid from the Account. Accounts will not be established until Wealthfront accepts a properly completed Account Application. There may only be one Account Owner and one Beneficiary per Account. You cannot establish more than one Account for a particular Beneficiary. The Beneficiary is not required to be related to you. You may have multiple Accounts for different Beneficiaries. Also, different Account Owners may have Accounts for the same

Beneficiary within the Plan. You may name a successor Account Owner to assume control of the Account in the event of your death. A valid Social Security number (or taxpayer identification number) and date of birth must be provided for you and the Beneficiary.

At the time of enrollment, you will be required to complete and execute a Risk Questionnaire designed to assess your risk tolerance. The Risk Questionnaire serves as the guide to Wealthfront's automated investment service on how to construct your Individual Portfolio. You complete the Risk Questionnaire via the Account Application process, and Wealthfront uses it to assign you a Risk Score based on scale of 0.5 to 10 in increments of 0.5, *i.e.*, one of 20 different Risk Scores. Your completion of the Risk Questionnaire is mandatory. The Risk Questionnaire is designed to jointly assess your objective capacity to bear risk (*e.g.*, your after-tax income) as well as your subjective willingness to bear risk (*e.g.*, your anticipated reaction to a decline in the value of your Individual Portfolio).

Based on your Risk Score, Wealthfront assigns your Individual Portfolio to one of the 20 Glide Paths, each of which reflects a different balance of expected returns and expected risks. Wealthfront deems Account Owners with higher Risk Scores more risk-tolerant and applies a lower priority for certainty of the Terminal Funding Ratio. Therefore, Wealthfront assigns these Account Owners to Glide Paths that are characterized by greater expected returns and expected risks. Wealthfront deems Account Owners with lower Risk Scores to be less risk-tolerant and applies a higher priority for certainty of the Terminal Funding Ratio. Therefore, Wealthfront assigns these Account Owners to Glide Paths that are characterized by lower

## Application Process

expected returns and expected risks than those Account Owners with higher Risk Scores.

You have the opportunity to select a Risk Score that differs from this recommendation. If you select a Risk Score that is higher than the recommended Risk Score by 2.0 or more points, you are required to subsequently re-confirm the change. You can also subsequently update your Risk Scores to reflect new circumstances affecting your risk tolerance, such as having an additional child or being promoted to a significantly higher-paying job. However, you can only make changes up to two times per calendar year or upon a change of the Beneficiary.

### Personal Information

Both the Program Manager and Wealthfront act in accordance with a customer identification program required by federal law, including the USA PATRIOT Act, and obtain certain information from you in order to verify your identity. You are required to provide the following information as requested on the Plan's Account Application:

1. Full name of you and the Beneficiary;
2. Date of birth of you and the Beneficiary;
3. Social Security number (or taxpayer identification number) of you and the Beneficiary;
4. Your permanent physical street address; and
5. Phone number

Wealthfront may refuse to open an Account if the above-referenced information is not provided. If reasonable efforts to verify this information are unsuccessful, Wealthfront may take certain actions regarding the Account without prior notice to you,

including among others, rejecting contributions and transfer requests, suspending Account services, or closing the Account. Designated Portfolio Units redeemed as a result of closing an Account will be valued at the net asset value next calculated after Wealthfront decides to close the Account, and the risk of market loss, tax implications and any other expenses as a result of the liquidation, will be solely your responsibility.

### Restrictions for Certain Accounts with Non-U.S. Addresses

The Trust Interests are only available for sale in U.S. states and certain other areas subject to U.S. jurisdiction, and the Trust Interests may not be offered for sale in non-U.S. jurisdictions. You are required to maintain a legal U.S. physical address (and mailing address, if different from the physical address) in order to open an Account. Most, but not all, Air/Army Post Office (APO), Fleet Post Office (FPO), or Diplomatic Post Office (DPO) addresses are considered U.S. addresses. Once your Account is opened, if either the mailing or physical address used in connection with the Account is changed to a non-U.S. address (excluding most APO, FPO, or DPO addresses), restrictions will be placed on the Account. The restrictions will not limit your ability to redeem Trust Interests, but such restrictions will limit (and may prohibit) your ability to make additional purchases of Trust Interests, including any additional purchases scheduled as part of a recurring investment plan.

### Ownership Transfers

As an Account Owner, you may transfer ownership of an Account, without penalty, to another individual or entity to be the Account Owner in the Plan. A transfer of ownership of an Account does not require a change of the Beneficiary. A transfer of

## Application Process

ownership of an Account will only be effective if it is irrevocable and transfers all rights, title, interest and power over the Account. A change in ownership of an Account may have negative income or gift tax consequences, so contact your tax advisor before transferring ownership of an Account. To transfer ownership of an Account, complete and submit the requisite online form to Wealthfront or contact Wealthfront at [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437.

### **Designation of Successor Account Owner**

You may designate a successor Account Owner (not applicable to trust accounts), to the extent permissible under applicable law, to succeed to all of your rights, title, and interest in an Account (including, without limitation, the right to change the Beneficiary) upon your death. Such designation must either be on the original Account Application or submitted separately online. A successor Account Owner designation is not effective until it is received in Good Order by Wealthfront and processed by the Program Manager. You may revoke or change the designation of a successor Account Owner at any time by completing and submitting the requisite online form to Wealthfront or contacting Wealthfront at [support@wealthfront.com](mailto:support@wealthfront.com) or 844 995-8437. Please review [www.wealthfront.com/529](http://www.wealthfront.com/529) or contact Wealthfront at [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437 for information needed to complete the change of ownership upon succession. You should consult a tax advisor regarding tax issues that might arise on a transfer of Account Ownership by succession.

### **Changing the Beneficiary**

Section 529 generally allows for changes of the Beneficiary without adverse federal income tax consequences, as long as the new Beneficiary is a Member of the Family of

the current Beneficiary. In addition, the proposed IRS regulations provide that no federal gift tax or generation-skipping transfer tax will result, as long as the new Beneficiary is of the same generation as the current Beneficiary. Any change of the Beneficiary to a person who is not a Member of the Family of the current Beneficiary is treated as a non-qualified withdrawal subject to applicable federal and state income taxes, as well as the additional 10% federal tax on earnings.

To initiate a change of Beneficiary, you may do so online at [www.wealthfront.com/529](http://www.wealthfront.com/529). The change will be made upon the Plan's receipt of the request in Good Order. The Plan reserves the right to suspend the processing of Beneficiary transfers if it suspects that such transfers are intended to avoid the Plan's Risk Score change limits.

Upon a change in the Beneficiary, assets will be invested in accordance with the allocations of the Glide Path on an Account as determined by your Risk Score and the new Beneficiary's Expected Matriculation Date. You may change your Risk Score when changing the Beneficiary for an Account. The change may result in a loss in the value of the Account depending on market fluctuations during the time of the change.

### **No Assignments or Pledges**

Neither an Account nor any portion thereof may be assigned, transferred or pledged as security for a loan (including, but not limited to, a loan used to make contributions to the Account) or otherwise by either you or the Beneficiary, except for changes of Beneficiary, qualified rollovers, as described below, and the transfer of Account Ownership to a successor Account Owner. Any pledge of an interest in an Account will be of no force and effect.



## Application Process

### Account Restrictions

In addition to rights expressly stated elsewhere in this Plan Description, the Plan reserves the right to:

- freeze an Account and/or suspend Account services when the Plan has received reasonable notice of a dispute regarding the assets in an Account, including notice of a dispute in Account ownership or when the Plan reasonably believes a fraudulent transaction may occur or has occurred;
- freeze an Account and/or suspend Account services upon the notification to the Plan of the death of an Account Owner until the Plan receives required documentation in Good Order and reasonably believes that it is lawful to transfer Account ownership to the successor Account Owner;
- redeem an Account, without the Account Owner's permission, in cases of threatening conduct or suspicious, fraudulent or illegal activity; and
- reject a contribution for any reason, including contributions for the Plan that the Program Manager, Wealthfront or the Board believe are not in the best interests of the Plan, a Designated Portfolio or the Account Owners.

The risk of market loss, tax implications, penalties, and any other expenses, as a result of such an Account freeze or redemption will be solely the Account Owner's responsibility.

# Contributions

## CONTRIBUTIONS

The minimum initial investment in the Plan is \$500 per Account. Any additional contributions must be at least \$100 per Account. In the future, the minimum initial contribution to the Plan may be higher or lower (or may be waived from time to time) and is subject to change at any time by the Board. You also may elect to sign up to make recurring contributions. Subsequent contributions to an Account will be invested in accordance with the Glide Path on an Account as determined by your Risk Score and Beneficiary's Expected Matriculation Date on file.

You can make contributions by EFT or any other method approved by the Plan. Account Owners will receive confirmation via email or other electronic means confirming all initial and subsequent contributions.

### Electronic Funds Transfer

You may authorize Wealthfront or its designated agent to withdraw funds by EFT from a checking or savings account, subject to certain processing restrictions, for both initial and/or subsequent contributions to Accounts provided that you have submitted certain information about the bank account from which the money will be withdrawn. EFT transactions can be completed through the following means: (i) by submitting EFT instructions after enrollment, online at [www.wealthfront.com/529](http://www.wealthfront.com/529) or (ii) by contacting [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437 to initiate an EFT. The Plan may place a limit on the total dollar amount per day the Account Owner may contribute to an Account by EFT. Contributions in excess of such limit will be rejected. If you plan to contribute a large dollar amount to your Account by EFT, you may want to contact our Product Support Team at [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437

to inquire about the current limit prior to making your contribution.

Purchase requests that are received in Good Order by the Plan before 4 p.m. Eastern time on a business day will be given a trade date of the same business day of the date of receipt and will be effected at that business day's closing price for the applicable Designated Portfolio Units. Due to processing times involved with EFTs, one or more business days may elapse between the time you initiate an EFT before your purchase request will be considered to be in Good Order. Purchase requests that are received by Wealthfront in Good Order by the Plan after 4 p.m. Eastern time on a business day will be given a trade date of the next business day after the date the request is received and will be effected at that next business day's closing price for the applicable Designated Portfolio Units. If your EFT contribution cannot be processed because the bank account on which it is drawn contains insufficient funds, because of incomplete information or inaccurate information, or if the transaction would violate processing restrictions, the Plan reserves the right to suspend processing of that and future EFT contributions.

As a result of federally-mandated processing requirements for ACH transactions, the Plan will not facilitate contributions and distributions via an EFT involving a bank or other financial services company, including any branch of office thereof, located outside the territorial jurisdiction of the United States.

### Checks

Although EFT is strongly preferred, contributions also may be made by check. Contributions made by check must be written in U.S. dollars and drawn on a U.S. bank. The check should be made payable

## Contributions

and mailed according to instructions on [www.wealthfront.com/529](http://www.wealthfront.com/529).

Contributions may not be made by cash, money order, travelers checks, starter checks, credit card or bank courtesy checks, instant loan checks, third-party checks in an amount greater than \$10,000, checks dated earlier than 180 days from the date of receipt, or any other instruments the Plan deems unacceptable. No stocks, securities, or other non-cash assets will be accepted as contributions.

### Recurring Contributions

You may contribute to your Account by authorizing Wealthfront to receive periodic automated debits from a checking or savings account at your bank, if your bank is a member of the Automated Clearing House, subject to certain processing restrictions. You also may establish a recurring contribution online after an Account has been established

Your bank account will be debited on the day you designate, provided the day is a regular business day and the debit request can reasonably be processed by the Program Manager on such day. If such day is not a regular business day, then the Program Manager will attempt to process the debit request at the next regular business day.

Authorization to perform recurring contributions will remain in effect until the Plan has received notification of its termination. To be effective, a change to, or termination of, a recurring contribution must be received by Wealthfront at least five (5) business days before the next recurring contribution debit is scheduled to be deducted from your bank account. If your recurring contribution cannot be processed because the bank account on which it is drawn lacks sufficient funds or because of

incomplete or inaccurate information, or if the transaction would violate processing restrictions, the Plan reserves the right to suspend processing of that and future recurring contributions.

### Rollover Contributions and Other Transfers

You may make contributions to an Account with:

- Proceeds from the withdrawal of assets held in another state's 529 Plan (a "**Rollover**"),
- Proceeds from the withdrawal of assets held in an Account in the Plan (a "**Plan Transfer**") for the benefit of a different Beneficiary, or
- Proceeds from the withdrawal of assets held in an account in another 529 Plan within the Trust (i.e., another Section 529 Plan offered by the State of Nevada) for the benefit of a different Beneficiary.

### Rollovers

You may make a Rollover contribution without imposition of federal income tax or the additional 10% federal tax if such Rollover is made within 60 days of distribution from the originating account into an account for a new Beneficiary who is a Member of the Family of the original Beneficiary. A Rollover contribution to the Plan for the benefit of the same Beneficiary may be effected without adverse tax consequences only if no other such Rollovers have occurred with respect to such Beneficiary within the prior 12 months and if the Rollover contribution is made within 60 days of distribution from the originating account.

Incoming rollovers can be direct or indirect. Direct rollovers involve the transfer of money from one 529 Plan directly to

## Contributions

another. Indirect rollovers involve the transfer of money from an account in another state's 529 Plan to the Account Owner, who then contributes the money to an Account in the Plan. To avoid penalties and federal income tax consequences, money received by an Account Owner in an indirect rollover must be contributed to the Plan within 60 days of the distribution. In addition, there may be state income tax consequences (and in some cases state-imposed penalties) resulting from a rollover out of a state's 529 Plan.

For direct rollovers, follow online instructions at [www.wealthfront.com/529](http://www.wealthfront.com/529) or contact 844-995-8437. If you plan to make an indirect rollover, contact our Product Support Team at [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437 to inquire about the process, receive guidance and to provide the necessary information about your account at the other state's 529 Plan, including all requisite tax information such as the earnings component of the rollover in order to avoid negative tax consequences from failing to provide the requisite tax information in a rollover.

### **Plan Transfers for the Account of a New Beneficiary**

You may decide to transfer to an Account for the benefit of a new Beneficiary without imposition of federal income tax or the additional 10% federal tax, if such Plan Transfer is made directly into an Account for a new Beneficiary who is a Member of the Family of the original Beneficiary. To make such a transfer, follow online instructions at [www.wealthfront.com/529](http://www.wealthfront.com/529) or contact 844-995-8437.

### **Plan Transfers for the Same Beneficiary**

You may make a transfer within the Plan for the benefit of the same Beneficiary. If the funds are transferred directly between

Accounts online, the transfer will be treated as a nontaxable investment reallocation allowable up to two times per calendar year rather than as a tax-free rollover or transfer. To make such a transfer, follow online instructions at [www.wealthfront.com/529](http://www.wealthfront.com/529) or contact 844-995-8437. However, if you take a distribution (i.e., receives a withdrawal check from the transferring Account), the withdrawal will be treated as a nonqualified withdrawal subject to federal and applicable state income tax and the additional 10% federal tax on earnings.

### **Transfer into a Plan Account from Another Plan Within the Trust for the Benefit of a New Beneficiary**

You may make a transfer to an Account with funds from an account in another plan within the Trust (i.e., another Section 529 Plan offered by the State of Nevada) for the benefit of a new Beneficiary without imposition of federal income tax or the additional 10% federal tax, if such transfer is made into an Account for a new Beneficiary who is a Member of the Family of the original Beneficiary.

If you plan to make a transfer into a Plan Account from another Plan within the Trust, you should contact our Product Support Team at [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437 to inquire about the process, receive guidance and to provide the necessary information about your account at the other state's 529 Plan, including all requisite tax information such as earnings.

### **Transfer into a Plan Account from Another Plan Within the Trust for the Benefit of a Same Beneficiary**

A transfer into an Account from another 529 Plan account within the Trust (i.e., another Section 529 Plan offered by the State of Nevada) for the benefit of the same Beneficiary will be treated as a nontaxable

## Contributions

investment reallocation allowable up to two times per calendar year rather than as a tax-free Rollover or transfer.

If you plan to make a transfer into a Plan Account from another Plan within the Trust, you should contact our Product Support Team at [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437 to inquire about the process, receive guidance and to provide the necessary information about your account at the other state's 529 Plan, including all requisite tax information such as earnings.

### **Re-contribution of Refunds from Eligible Educational Institutions**

If the Beneficiary receives from an Eligible Educational Institution a refund of funds originally withdrawn from an Account to pay for Qualified Education Expenses, such funds may be re-contributed to an account in a 529 Plan for the same Beneficiary up to the amount of the refund provided that the re-contribution is made within 60 days of the date of the refund. Such funds also will not be subject to federal income tax or the additional 10% federal tax. For tax purposes, you are responsible for maintaining proper documentation evidencing the refund from the Eligible Educational Institution.

### **Maximum Contribution Limit**

An Account Owner may continue to make contributions to an account for a designated beneficiary so long as the aggregate balance of all 529 Plan accounts for the same designated beneficiary under all 529 Plans sponsored by the State of Nevada under the Act does not exceed the Maximum Account Balance, which is currently \$500,000.

Accounts that have reached the Maximum Account Balance will continue to accrue earnings, although future contributions may not be made to such accounts. The Maximum Account Balance is based on the aggregate market value of the account(s) for

a designated beneficiary, and not solely on the aggregate contributions made to the account(s). If, however, the market value of such account(s) falls below the Maximum Account Balance, additional contributions will be accepted. The Plan may, in its discretion, refuse to accept a contribution, upon determination that acceptance of such contribution would not comply with federal or State requirements. None of Ascensus, Wealthfront Advisors LLC or its affiliates, the Board, the State of Nevada, all agencies, instrumentalities and funds of the State of Nevada, the Trust, the Plan, and their respective affiliates, officials, officers, directors, employees, and representatives (collectively, "Plan Officials") will be responsible for any loss, damage, or expense incurred in connection with a rejected or returned contribution.

The Board is required to set the Maximum Account Balance for all accounts for a designated beneficiary. The Board expects to evaluate the Maximum Account Balance annually but reserves the right to make adjustments more or less frequently. Information concerning the current Maximum Account Balance may be obtained by contacting the Plan at 1-844-995-8437. It is possible that federal law might impose different limits on maximum allowable contributions in the future. The Maximum Account Balance does not apply to Accounts maintained for a scholarship program by a state or local government (or agency or instrumentality) or organization described in Section 501(c)(3) of the Code.

### **Excess Contributions**

The Plan will not accept any contribution to the extent it would cause the Account balance to exceed the Maximum Contribution Limit ("Excess Contributions"). Excess Contributions, all or a portion of, will be rejected and returned to



## Contributions

the contributor. If a contribution is applied to an Account and later determined by the Plan to have caused the aggregate market value of the Account(s) for a Beneficiary to exceed the Maximum Contribution Limit, the Plan will refund such Excess Contribution, and any earnings thereon, to the contributor. Any refund of an Excess Contribution may be treated as a non-qualified withdrawal.

### **Contribution Policies and Fees**

Contributions made by checks, recurring contribution or EFT will not be available for withdrawal for seven (7) business days. Wealthfront may impose a fee on any recurring contribution or purchase via EFT that are cancelled due to insufficient funds at the funding source, or check returned unpaid by the financial institution upon which it is drawn, which fee may be deducted from the Account Owner's Account. (See "*FEES AND EXPENSES*.")

The Plan uses reasonable procedures to confirm that transaction requests are genuine. You may be responsible for losses resulting from fraudulent or unauthorized instructions received by the Plan, provided the Plan reasonably believes the instructions were genuine. To safeguard your Account, you are advised to keep confidential information concerning your Account.

***Contact Wealthfront immediately at [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437 if you believe there is a discrepancy between a transaction requested and the statement received or if you believe someone has obtained unauthorized access to your Account.***

Contributions may be refused if they appear to be an abuse of the Plan. Contributions to the Plan are invested in accordance with the investment policy established by the Board. The Board reserves the right to change the

investment policy for the Plan at any time, without prior notice.

### **Control Over the Account**

Although any individual or entity may make contributions to an Account, you, as the Account Owner, retain control of all contributions made to an Account as well as all earnings credited to the Account up to the date they are directed for withdrawal. A Beneficiary who is not the Account Owner has no control over any of the Account assets. Only you, as the Account Owner, will receive confirmation of Account transactions. Individuals or entities other than you that contribute funds to an Account will have no subsequent control over the contributions; you control all contributions made to an Account as well as all earnings credited to the Account. Only you, as the Account Owner, may direct transfers, rollovers, investment changes (as permitted under federal law), withdrawals and changes in the Beneficiary.

### **Pricing of Designated Portfolio Units**

Interests in the Designated Portfolios are issued in Designated Portfolio Units. The value of each Designated Portfolio Unit is calculated each business day after the close of trading on the NYSE. The value is determined by dividing the dollar value of the Designated Portfolio's net assets (*i.e.*, total Designated Portfolio assets minus total Designated Portfolio liabilities) by the number of Designated Portfolio Units for that Designated Portfolio outstanding. On holidays or other days when the NYSE is closed, the Designated Portfolio Unit values are not calculated, and the Plan does not transact purchase, exchange, transfer, or redemption requests.

When an Account Owner purchases, redeems, or exchanges Designated Portfolio Units in the Account Owner's Account, the

## Contributions

Account Owner will do so at the value of the Designated Portfolio's Units on the trade date. The trade date will be determined as follows:

- Transaction requests that are received in Good Order by the Plan before 4 p.m. Eastern time on a business day will be given a trade date of that same business day, and Designated Portfolio Units involved in that transaction will be given that business day's Designated Portfolio Unit value.
- Transaction requests that are received in Good Order by the Plan after 4 p.m. Eastern time on a business day will be given a trade date of the next business day, and Designated Portfolio Units involved in that transaction will be given the next business day's Designated Portfolio Unit value.
- In the event of Force Majeure, the Plan may experience processing delays, which may affect your trade date. In those instances, your actual trade date may be after the trade date you would have received, which may negatively affect the value of your Account.

## Communications and Statements

### COMMUNICATIONS AND STATEMENTS

The Plan is administered online and all plan communications and statements will be delivered via email or other electronic means.

You will receive monthly and quarterly statements to reflect financial transactions via email delivery or other electronic means. These transactions include: (1) contributions made to your Account; (2) withdrawals made from your Account; (3) contributions made by recurring contribution transactions; or (4) if applicable, transaction, advisory and maintenance fees incurred by the Account. You may access your monthly and/or quarterly statement(s) online at [www.wealthfront.com/529](http://www.wealthfront.com/529).

Communications will be sent by email or other electronic means for any activity in your Account, except for recurring contribution transactions, and if applicable advisory and maintenance fees; instead these transactions will appear on your monthly and/or quarterly statement.

Further, if permitted by applicable securities laws, rules and regulations, a separate confirmation for each transaction will not be sent, but rather all such transactions will appear on your monthly and/or quarterly statement.

If you receive a communication that you believe contains an error or does not accurately reflect your authorized instructions —e.g., the amount invested differs from the amount contributed— you must promptly notify the Plan of the error. If you do not notify the Plan promptly, you will be considered to have approved the information in the communication and to have released the Plan Officials from all responsibility for matters covered by the

statement. Neither the Plan nor any of the Plan Officials will be responsible for losses resulting from an error if such error resulted from fraudulent or unauthorized instructions received by the Plan that we reasonably believed were genuine. You agree to provide all information that the Board, the Program Manager or Wealthfront may need to comply with any legal reporting requirements.

You are expected to regularly and promptly review all statements and communications sent by the Plan.



# Withdrawals

## WITHDRAWALS

You may make withdrawals from your Account(s) at any time by notifying the Plan. The amount of the withdrawal is calculated at the Designated Portfolio Unit net asset value next determined after the Plan's receipt and processing of the request in Good Order.

### Procedures for Withdrawals

Except for advisory and maintenance fees incurred by the Account, only you, as the Account Owner, may direct withdrawals from your Account. To make a withdrawal from an Account, you must request a withdrawal online and provide such other information or documentation as the Plan may require. The withdrawal request will generally be processed from the Account within three (3) business days of acceptance of the request. During periods of market volatility and at year-end, withdrawal requests may take up to five (5) business days to process. Please allow ten (10) business days for the proceeds to reach you. The frequency of withdrawals in a single month may be limited. A minimum withdrawal amount also may be established by the Plan.

Withdrawals will be paid to the Account Owner, Beneficiary or Eligible Educational Institution by following the online instructions or by contacting Wealthfront at [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437 for assistance. Payments to the Account Owner can be either by ACH or wire transfer, but payments to the Beneficiary or Eligible Educational Institution can only be made by check. Withdrawals for K-12 Tuition will be made to the Account Owner only.

Withdrawals may be subject to federal and/or state tax withholding. Under federal law, the earnings portion of non-qualified

withdrawals will be subject to federal and any applicable state taxes and, unless an exception applies, to an additional 10% federal tax on earnings. (See "*FEDERAL AND STATE TAX TREATMENT*.") For purposes of determining whether a withdrawal is taxable or subject to the 10% additional tax, you must determine whether the withdrawal is made in connection with the payment of Qualified Education Expenses, as defined under the Code and discussed below, or fits within one of the exceptions to treatment as a nonqualified withdrawal as discussed below. (See "*WITHDRAWALS – Other Withdrawals*.")

### Qualified Withdrawals

The Wealthfront 529 College Savings Plan is designed for college savings. Wealthfront 529 College Savings Plan Glide Paths are not formulated for other types of Qualified Education Expenses such as Education Loan Repayment, Apprenticeship Program Expenses, or K-12 Tuition. We believe there may be alternative options better suited for shorter investment horizons. In addition, the tax treatment is less clear with respect to withdrawals for K-12 education at the state level, as determined by your state of residence, and states may ultimately determine the treatment of these withdrawals independently. You should consult your tax advisor for further guidance.

In general, a qualified withdrawal is any distribution from an Account that is used to pay for the Qualified Education Expenses of a Beneficiary.

### Qualified Education Expenses

Qualified Education Expenses currently include tuition, fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational

## Withdrawals

Institution; certain costs of room and board of a Beneficiary for any academic period during which the Beneficiary is enrolled at least half-time at an Eligible Educational Institution; expenses for “special needs” services needed by a special needs Beneficiary which must be incurred in connection with the Beneficiary’s enrollment or attendance at an Eligible Educational Institution; expenses for the purchase of computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code), computer software (as defined in section 197(e)(3)(B) of the Code), or Internet access and related services, if the 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; K-12 Tuition; Apprenticeship Program Expenses; and Education Loan Repayments.

### **Eligible Educational Institution**

Generally, Eligible Educational Institutions include accredited post-secondary educational institutions in the United States or abroad offering credit toward an associate’s degree, a bachelor’s degree, a graduate level or professional degree, or another recognized post-secondary credential, and certain post-secondary vocational and proprietary institutions. Such Eligible Educational Institutions must be eligible to participate in U.S. Department of Education student financial aid programs. For additional information, please visit [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

### **Refunds**

If the Beneficiary receives from an Eligible Educational Institution a refund of funds originally withdrawn from an Account to pay for Qualified Education Expenses, such funds may be re-contributed to an account in a 529 Plan for the same designated

Beneficiary up to the amount of the refund provided that the re-contribution is made within 60 days of the date of the refund. Such funds also will not be subject to federal income tax or the additional 10% federal tax. For tax purposes, please maintain proper documentation evidencing the refund from the Eligible Educational Institution.

### **Non-Qualified Withdrawals**

A non-qualified withdrawal is any withdrawal from an Account that is not a qualified withdrawal or listed below under “*Other Withdrawals*”. In accordance with Section 529, the earnings portion of a non-qualified withdrawal is treated as income to the distributee and is subject to federal and any applicable state income taxes as well as an additional 10% federal tax, except to the extent described below in the section entitled “*Other Withdrawals*” below. Although the Program Manager will report the earnings portion of all withdrawals, it is your final responsibility to calculate and report any tax liability and to substantiate any exemption from tax and/or penalty.

### **Other Withdrawals**

#### **Death of Beneficiary**

Upon the death of the Beneficiary, you may authorize a change in the Beneficiary who is a Member of the Family of the former Beneficiary for the Account, authorize a payment to the estate of the Beneficiary, or request the return of the Account balance. A distribution due to the death of the Beneficiary if paid to the estate of the Beneficiary will not be subject to the additional 10% federal tax on earnings, but earnings will be subject to federal and any applicable state income tax. A withdrawal of amounts in the Account, if not paid to the Beneficiary’s estate, may constitute a non-qualified withdrawal subject to federal and applicable state income taxes at the distributee’s tax rate and the additional 10%

## Withdrawals

federal tax on earnings. If you select a new Beneficiary who is a Member of the Family of the former Beneficiary, you will not owe federal income tax or a penalty.

### **Disability of Beneficiary**

If the Beneficiary becomes disabled, you may authorize a change in the Beneficiary for the Account or request the return of all or a portion of the Account balance. A withdrawal due to the qualified disability of the Beneficiary will not be subject to the additional 10% federal tax on earnings, but earnings will be subject to federal and any applicable state income tax at the Account Owner's tax rate. If you select a new Beneficiary who is a Member of the Family of the former Beneficiary, you will not owe federal income tax or a penalty. Depending on the timing and nature of the disability, you may be able to rollover some or all of the assets in the Account to an ABLE account.

### **Receipt of Scholarship**

If the Beneficiary receives a qualified scholarship, Account assets up to the amount of the scholarship may be returned to you without imposition of the additional 10% federal tax on earnings. A qualified scholarship includes certain educational assistance allowances under federal law as well as certain payments for educational expenses (or attributable to attendance at certain educational institutions) that are exempt from federal income tax. The earnings portion of a distribution due to a qualified scholarship is subject to federal and any applicable state income tax at the distributee's tax rate.

### **Rollover Distributions**

You may roll over all or part of the balance of an Account to an account in another 529 Plan not sponsored by the State of Nevada without adverse federal tax consequences

under certain circumstances. (For more information concerning this type of rollover distribution, see "*CONTRIBUTIONS – Rollover Contributions and Other Transfers.*") Currently, outgoing rollovers from the Plan can only be indirect.

### **Transfers Among Other College Savings Plans Sponsored by the State of Nevada**

Transfers of account balances among the various college savings plans sponsored by the State of Nevada are treated as investment changes subject to the twice per calendar year limitation on the reallocation of prior contributions and not as tax-free rollovers. If you reallocate your money within the Plan, that will count towards your twice per calendar year investment exchange limit. If you reach your twice per calendar year investment exchange limit, you may be prohibited under federal regulations from reallocating your investments in another 529 Plan sponsored by the State of Nevada during that year. (For more information concerning these types of transfers, see "*CONTRIBUTIONS – Rollover Contributions and Other Transfers.*")

### **Attendance at Certain Specified Military Academies**

If the Beneficiary attends the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, you may withdraw an amount up to an amount equal to the costs of advanced education attributable to the Beneficiary's attendance at the institution without incurring the additional 10% federal tax on earnings. The earnings portion of the withdrawal will be subject to federal and any applicable state income tax at the distributee's tax rate.

### **Use of Education Credits**

## Withdrawals

Taxpayers paying Qualified Education Expenses from an Account will not be able to claim Education Credits for the same expenses. Furthermore, expenses used in determining the allowed Education Credits will reduce the amount of a Beneficiary's Qualified Education Expenses to be paid from an Account as a qualified withdrawal and may result in taxable withdrawals. Such withdrawals, however, will not be subject to the additional 10% federal tax on earnings.

### **Refunds from Eligible Educational Institutions**

If the Beneficiary receives from an Eligible Educational Institution a refund of funds originally withdrawn from an Account to pay for Qualified Education Expenses, such funds up to the amount of the refund will not be subject to federal income tax or the additional 10% federal tax; provided that the funds are re-contributed to an account in a 529 Plan for the same Beneficiary, to the extent such re-contribution is made not later than 60 days after the date of the refund and does not exceed the refund amount. For tax purposes, please maintain proper documentation evidencing the refund from the Eligible Educational Institution.

### **Records Retention**

It is important that you keep all records of your distributions. The Plan does not separately report Education Loan Repayment for a sibling of the Beneficiary. Under current federal tax law, you are responsible for obtaining and retaining records, invoices, or other documentation adequate to substantiate, among other things, the following: (i) expenses that you claim are Qualified Education Expenses or other withdrawals, (ii) the death or qualified disability of the Beneficiary, (iii) the receipt by the Beneficiary of a qualified scholarship, (iv) the attendance by the Beneficiary at certain specified military

academies, (v) the use of Education Credits, or (vi) a refund from an Eligible Institution that is re-contributed to a 529 Plan within 60 days of the date of the refund.

### **Residual Account Balances**

If the Beneficiary graduates from an Eligible Educational Institution, chooses not to pursue higher education or does not have K-12 Tuition expenses and funds remain in the Account, you can choose from three options.

- A. First, if you request, the remaining funds (including earnings) will be returned to you and treated as a non-qualified withdrawal. Earnings will be subject to federal and any applicable state income tax, including the additional 10% federal tax on earnings.
- B. Second, you may authorize a change of Beneficiary for the Account to a Member of the Family of the current Beneficiary.
- C. Third, you may keep the funds in the Account to pay future Qualified Education Expenses (such as graduate or professional school expenses) of the current Beneficiary.

Option C above would not be a withdrawal, and option B above would not constitute a non-qualified withdrawal. There is no specific deadline for the use of assets in an Account to pay for Qualified Education Expenses. However, the Board may establish a maximum duration for the Account.

## Federal and State Tax Treatment

### FEDERAL AND STATE TAX TREATMENT

This section summarizes key aspects of the U.S. federal and state tax treatment of contributions to, and withdrawals from, 529 Plan accounts. The information provided below is not exhaustive. It is based on the Plan's understanding of current law and regulatory interpretations relating to 529 Plans generally and is meant to provide 529 Plan participants with general background about the tax characteristics of these programs. Neither this Federal and State Tax Treatment section, nor any other information provided throughout this Plan Description is intended to constitute, nor does it constitute, legal or tax advice. This Plan Description was developed to support the marketing of the Wealthfront 529 College Savings Plan and cannot be relied upon for purposes of avoiding the payment of federal or state tax penalties. You should consult your legal or tax advisor about the impact of federal and state tax rules and regulations on your individual situation.

The summary tax and legal description provided below is based on the Code and proposed regulations in effect as of the date of this Plan Description, as well as other administrative guidance and announcements issued by the IRS and the U.S. Department of Treasury. It is possible that Congress, the Treasury Department, the IRS, or federal or state courts may take action that will affect the tax treatment of 529 Plan contributions, earnings, or withdrawals or the availability of state tax deductions. Individual state legislation may also affect the state tax treatment of a 529 Plan for residents of that state.

**The Plan strongly encourages you and your Beneficiaries to consult with your tax advisors regarding the tax**

**consequences of contributing money to, or withdrawing money from, an Account.**

If you are not a Nevada taxpayer, consider before investing whether your or the Beneficiary's home state offers a 529 Plan that provides its taxpayers with favorable state tax and other state benefits such as financial aid, scholarship funds, and protection from creditors that may only be available through investment in the home state's 529 Plan and that are not available through investment in the Plan. Because different states have different tax provisions, this Plan Description contains limited information about the state tax consequences of investing in the Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's 529 Plan(s), or any other 529 Plan, to learn more about those plans' features, benefits and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

Federal tax reform legislation enacted December 22, 2017, included amendments to Section 529 of the Internal Revenue Code impacting qualified tuition programs such as the Wealthfront 529 College Savings Plan.

In particular:

- i. Earnings on distributions after December 31, 2017, used to pay expenses for K-12 Tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school are not subject to federal income tax to the extent that the amount of such distributions in a tax year, together with the amount of all



## Federal and State Tax Treatment

other distributions made in the same tax year to pay such expenses of the Beneficiary from any Section 529 savings plan, irrespective of whether such account is owned by the Account Owner or by another person, do not exceed \$10,000; and

- ii. Rollover Distributions made after December 22, 2017, and prior to January 1, 2026, now include rollovers to an account established for the Beneficiary or a “member of the family” of the Beneficiary in a “qualified ABLE program” established under Section 529A of the Code, subject to limitations on the amount of annual contributions from all sources to such an account. The tax treatment is less clear with respect to such rollovers at the state level, as determined by your state of residence, and states may ultimately determine the treatment of these rollovers independently. You should consult your tax advisor regarding your individual situation, including whether to rollover to an ABLE account. An ABLE account is an account as defined in Section 529A(e)(6) of the Code that is generally used to pay for qualified disability expenses of a designated beneficiary in accordance with a program established under Section 529A of the Code and sponsored by a state or state agency.

In addition, On January 1, 2018 the annual federal exclusion from gift taxes increased from \$14,000 to \$15,000 for a single individual or \$30,000 for a married couple electing to split gifts.

**529 Plans Generally:** Among the most notable tax advantages of 529 Plans is that

the earnings portion of a qualified withdrawal is exempt from federal taxes. To be eligible for these tax benefits, 529 Plan account assets must be used to pay the Qualified Education Expenses of the Beneficiary.

**Important Tax Consideration:** The U.S. Treasury Department has issued proposed regulations under Section 529. The Plan is designed to comply with the proposed regulations (except to the extent that provisions in the proposed regulations have been superseded by legislative and/or administrative changes), as well as with certain other guidance issued by the IRS under Section 529. However, there is no assurance that the proposed regulations will become the final regulations or that the IRS will not issue other guidance interpreting Section 529. In any event, you should consult with a qualified tax advisor as to the effect any change in the law could have on your Account.

**529 Plan Contributions and Withdrawals:** Federal law does not allow a tax deduction for contributions to 529 Plans. Certain tax considerations apply to the method of contribution to an Account. (See “*CONTRIBUTIONS – Rollover Contributions and Other Transfers.*”) The income earned on any such contributions may generally grow federal income tax-free until distributed. Qualified withdrawals (i.e., withdrawals to pay for the Qualified Education Expenses of a Beneficiary) and qualified rollovers are not subject to federal income taxation. The earnings portion of nonqualified withdrawals, however, is subject to all applicable federal and state income taxes and, in most cases, an additional 10% federal tax on earnings.

As described in “*WITHDRAWALS – Other Withdrawals,*” there are several exceptions

## Federal and State Tax Treatment

to the additional 10% federal tax on earnings required under Section 529 of the Code: (1) withdrawals made from the Account in the event of the Beneficiary's death (if paid to the beneficiary of the Beneficiary or the Beneficiary's estate), (2) withdrawals made from the Account in the event of the Beneficiary's disability, (3) receipt of a qualified scholarship, allowance, or similar payment made to the Beneficiary as described in Section 529(c)(6) of the Code, but only to the extent of such qualified scholarship, allowance, or payment, (4) withdrawals on Account of the Beneficiary's attendance at certain specified military academies, (5) amounts not treated as qualified withdrawals due to the use of Education Credits, (6) qualified rollovers, and (7) a refund from an Eligible Educational Institution that is re-contributed to a 529 Plan within 60 days of the date of the refund.

The earnings portion of a withdrawal will generally be calculated on an Account-by-Account basis. An Account Owner may only open one Account in the Plan for the same Beneficiary. Withdrawals from an Account will be taken proportionally from all of the Designated Portfolios in an Account.

**Qualified Rollovers:** An Account Owner may transfer all or part of the funds in a 529 Plan account to an account in another 529 Plan without adverse federal income tax consequences if, within 60 days of the withdrawal from the distributing account, such funds are transferred to or deposited into an account at another 529 Plan for the benefit of (1) an individual who is a Member of the Family of the original Beneficiary; or (2) the same Beneficiary, but only if no other such rollover distribution or transfer has been made for the benefit of such individual within the preceding 12 months. Transfers between 529 Plans sponsored by

the State of Nevada are not subject to this rule. (See "*CONTRIBUTIONS – Transfer into a Plan Account from Another Plan within the Trust for the Benefit of the Same Beneficiary.*")

**Other Contributions and Transfers:** An individual may generally transfer into a 529 Plan account, without adverse federal income tax consequences, all or part of money held in an Account for a Member of the Family of the Beneficiary if the money is transferred within 60 days of the withdrawal from the distributing account.

### **Coordination with Other Education**

**Expense Benefit Programs:** The federal tax benefits afforded to 529 Plans must be coordinated with other programs designed to provide tax benefits for meeting education expenses in order to avoid the duplication of such benefits. The coordinated programs include the Education Credits under Section 25A of the Code.

**Education Credits:** The use of Education Credits by a qualifying Account Owner and Beneficiary will not affect participation in or receipt of benefits from a 529 Plan account so long as any withdrawal from the 529 Plan account is not used for the same expenses for which the credit was claimed.

### **Federal Gift and Estate Taxes:**

Contributions (including certain rollover contributions) to a 529 Plan account generally are considered completed gifts to the Beneficiary and are eligible for the applicable annual exclusion from gift and generation-skipping transfer taxes. On January 1, 2018 the annual exclusion from gift taxes increased to \$15,000 for a single individual or \$30,000 for a married couple electing to split gifts. Except in the situations described in the following paragraph, if the contributor were to die

## Federal and State Tax Treatment

while assets remain in a 529 Plan account, the value of the account would not be included in the contributor's estate. In cases where annual contributions to a 529 Plan account by a contributor exceed the applicable annual exclusion amount, the contributions are subject to federal gift tax and possibly the generation-skipping transfer tax in the year of contribution. However, in these cases, the contributor may elect to apply the contribution against the annual exclusion equally over a five-year period. This option is applicable only for contributions up to five times the available annual exclusion amount in the year of the contribution. Starting January 1, 2018, the maximum contribution that may be made using this rule is \$75,000 for individuals and \$150,000 for married couples. Once this election is made, if the contributor makes any additional gifts to the same Beneficiary in the same or the next four years, such gifts are subject to gift or generation-skipping transfer taxes in the calendar year of the gift. However, any excess gifts may be applied against the contributor's lifetime gift tax exemption.

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

If the beneficiary of a 529 Plan account is changed or amounts in an account are rolled over to a new beneficiary of the same generation as the former beneficiary and the new beneficiary is a Member of the Family of the former beneficiary, there are no gift or generation-skipping transfer tax consequences. If the new beneficiary is of a younger generation than the former

beneficiary or is not a Member of the Family of the former beneficiary, the former beneficiary will have made a taxable gift to the extent of the amount transferred. If the new beneficiary is two or more generations below the former beneficiary, the change or rollover will be subject to generation-skipping transfer tax. The five-year rule explained above may be applied here. The gross estate of a beneficiary may include the value of the 529 Plan account.

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

**State Taxes:** Before you invest, consider whether your or the beneficiary's home state offers any state tax or other benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program. You should consider many factors before deciding to invest in a 529 Plan such as the Plan, including the plan's investment options and its performance history, the plan's flexibility and features, the reputation and expertise of the plan's investment manager(s), the plan's contribution limits, the plan's fees and expenses, and federal and state tax benefits associated with an investment in the plan.

The State of Nevada does not impose an income tax on individuals. Thus, there are no State of Nevada income tax consequences to either contributors to, or recipients of money withdrawn from, the Plan. It is possible, however, that a contributor to the Plan may be entitled to a deduction in computing the income tax imposed by a state where he or she lives or pays taxes. Likewise, it is possible that a



## Federal and State Tax Treatment

recipient of money withdrawn from the Plan may be subject to income tax on those withdrawals by the state where he or she lives or pays taxes. It is also possible that amounts rolled over into the Plan from another state's 529 Plan may be subject to a state tax imposed on the rollover amount.

**You should consult with your tax advisor regarding the state tax consequences of participating in the Plan.**

# Investments

## INVESTMENTS

Wealthfront serves as your automated investment adviser. Under the Plan, Wealthfront constructs an Individual Portfolio for you using Designated Portfolio Units from up to nine Designated Portfolios, each of which contains a single underlying ETF.

The underlying ETF contained within each of the Designated Portfolios is an exchange-traded investment product registered with the SEC under the Investment Company Act of 1940. Like mutual funds, ETFs offer investors a way to pool their money in a fund that makes investments in stocks, bonds, or other assets and, in return, to receive an interest in that investment pool. Unlike mutual funds, however, ETF shares are traded on a national stock exchange and at market prices that may or may not be the same as the net asset value of the shares (the value of the ETF's assets minus its liabilities divided by the number of shares outstanding). Each Designated Portfolio invests in the shares of a single ETF chosen by Wealthfront to best represent a particular asset class. (For a listing of the Designated Portfolios and their underlying ETFs, see "*FEES AND EXPENSES*" below.)

Wealthfront designs your Individual Portfolio to provide you a diversified asset allocation based on your individual risk tolerance as reflected by your Risk Score, which is determined by your responses to a Risk Questionnaire. Using your Risk Score, Wealthfront assigns your Individual Portfolio to one out of 20 Glide Paths, each of which determines how the allocations to each Designated Portfolio within your Individual Portfolio will change over time. Each Glide Path gradually shifts the asset allocations of the Designated Portfolios in your Individual Portfolio to progressively

decreasing levels of expected risk as the Expected Matriculation Date approaches. Your starting point along the specific Glide Path is determined by the Beneficiary's Expected Matriculation Date. Thus, two Account Owners with identical Risk Scores and Beneficiaries of different ages will transition along the same Glide Path, but will start at different points on the Glide Path due to the different investment time horizons.

Wealthfront implements Glide Paths by identifying: (1) the optimal asset classes in which to invest; (2) the most efficient ETFs or other investments to represent each of those asset classes; (3) the optimized mix of asset classes based on the Account Owner's specific risk tolerance and the time until the Expected Matriculation Date; and (4) the most appropriate time to rebalance the Account Owner's Individual Portfolio. For more information concerning Wealthfront's asset allocation and Glide Path construction methodologies, please see "*APPENDIX A – Investments*".

Unlike many other 529 Plans, your assets are not managed in a commingled fund structure. In a commingled fund structure, you buy a single fund. In this Plan, each Individual Portfolio is managed separately, and will be allocated to up to nine Designated Portfolios as prescribed by your Risk Score and your Beneficiary's Expected Matriculation Date.

The Glide Path assigned to an Individual Portfolios upon Account opening will serve as your standing investment allocation for the Account. All of your additional contributions will be invested according to this standing allocation. Federal tax law permits you to move existing Account assets to a different mix of investment options only up to two times per calendar year or

## Investments

whenever the Account Owner changes the Beneficiary. When you change your Risk Score, you will change your existing Account assets to a different mix of investments. Thus, under federal tax law, you can change your Risk Score only up to two times per calendar year and upon a change in the Beneficiary. Automatic investment exchanges that occur as your Individual Portfolio moves on a Glide Path do not count towards the twice per calendar year investment exchange limit. (See “*FEDERAL AND STATE TAX TREATMENT*” for treatment of transfers between an Account in the Plan and another plan sponsored by the State of Nevada.)

Additional Designated Portfolios may be available in the future. Account Owners should be aware that any Designated Portfolio might merge, terminate, reorganize, or cease accepting new contributions. Any such action affecting a Designated Portfolio may result in your contributions being reinvested in a Designated Portfolio different from the Designated Portfolio in which contributions were originally invested. The Board may at any time, without prior notice, change the Designated Portfolios, and Wealthfront may at any time, without prior notice, change the Glide Paths as described in “*APPENDIX A – Investments – Glide Path Construction.*” There can be no assurance that Wealthfront’s investment strategy will be successful.

Please keep in mind that you will not own shares of the underlying ETFs. You are purchasing Designated Portfolio Units in the Trust, which invests your money in the underlying ETF. Contributions to the Designated Portfolios are invested in accordance with the investment policy established by the Board. The Board may

change the investment policy for the Designated Portfolios at any time.

For more detailed information about the Plan’s investments, please see **APPENDIX A**.

## Fees and Expenses

### FEES AND EXPENSES

The Board, in its sole discretion, will establish Plan fees and expenses as it deems appropriate and may change, or add new, fees and expenses at any time without prior notice. In the future, Plan expenses and fees could be higher or lower than those discussed below. Expenses and fees reduce the value of an Account.

#### **Wealthfront Advisory Fee**

If you open an Account, you are an investment advisory client of Wealthfront. Wealthfront is compensated for its advisory services by charging you an advisory fee based on the net market value of an Account (“**Wealthfront Advisory Fee**”).

Wealthfront reserves the right to reduce or waive the Wealthfront Advisory Fee for certain Accounts for any period of time as determined by Wealthfront. In addition, Wealthfront may reduce or waive its Wealthfront Advisory Fee for the Accounts of some Account Owners without notice and without reducing or waiving its Wealthfront Advisory Fees for other Plan Account Owners pursuant to Wealthfront’s policies and marketing programs and promotions as set forth on Wealthfront’s website at [www.wealthfront.com](http://www.wealthfront.com), as may be amended from time to time.

Wealthfront waives the investment advisory fees on the first \$10,000 of assets managed for Wealthfront clients who opened their initial Wealthfront advisory account prior to April 1, 2018.

Wealthfront waives its investment advisory fees on the first \$25,000 it manages for Nevada residents who open a Wealthfront 529 College Savings Plan account and this fee waiver applies to the aggregate of all of the Nevada resident’s Wealthfront account assets. Wealthfront charges an annualized Wealthfront Advisory Fee of 0.25% of the assets under management in each of your

Accounts in the Plan. Wealthfront does not charge the Wealthfront Advisory Fee in advance. The fee is calculated on a continuous basis and is deducted from your Account each month as follows:

- Wealthfront calculates your daily Wealthfront Advisory Fee, which is equal to the annual fee rate multiplied by the net market value of your Account as of the close of trading on the NYSE on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then divided by 365 (or 366 in any leap year).
- Your Wealthfront Advisory Fee for a calendar month is equal to the total of your daily Wealthfront Advisory Fees calculated during that month (less any reductions or fee waivers) and is deducted from your Account no later than the tenth business day of the following month through Wealthfront’s redemption of the appropriate amount of Designated Portfolio Units.
- Wealthfront’s fee waivers are applied proportionately across all Wealthfront advisory accounts based on the assets in each such account and the total assets in all such accounts.

#### **Annual Asset-Based and Total Fees for Designated Portfolios**

Each Designated Portfolio also is subject to the following annual Asset-Based Fees, each of which is defined in the following sections below:

- Underlying ETF Fee;
- Ascensus Program Management Fee; and
- Board Fee.

## Fees and Expenses

The above fees are deducted from Designated Portfolio assets, which means you will pay them indirectly. Each Individual Portfolio will indirectly bear its pro rata share of the Annual Asset-Based Fee of the Designated Portfolios within it. These fees and expenses reduce the return the Account Owner will receive from an investment in the Plan. The Annual Asset-Based Plan Fee of a Designated Portfolio may fluctuate as a result of fluctuations in the Underlying ETF Fee. The Board may change or add new fees at any time, without prior notice.

### **Underlying ETF Fee**

Each Individual Portfolio invested in a Designated Portfolio will indirectly bear its pro-rata share of certain expenses of the ETF (“**Underlying ETF Fee**”) underlying that Designated Portfolio. The Underlying ETF Fee, which is paid to the investment managers/sponsors of the underlying ETF in each of the Designated Portfolios, includes the annual operating expenses associated with each Designated Portfolio’s underlying investments. The Underlying ETF Fee is subject to fluctuation from time to time based on changes in these annual operating expenses.

### **Ascensus Program Management Fee**

For providing administration and program management services for the Plan, the Program Manager receives an annual fee equal to 0.05% of assets in each Designated Portfolio (“**Ascensus Program Management Fee**”) pursuant to the terms of the Operating Agreement.

### **Float Income**

The Program Manager may receive indirect compensation for the custodial services that it provides to your Account. This compensation, known as “float” income, is paid by the financial organization at which

the Program Manager maintains “clearing accounts” or by the investments in which the Program Manager invests in such clearing accounts. Float income may arise from interest that is earned on Account contributions or distributions during the time that these assets are held by the Program Manager in clearing accounts but are not invested in an Individual Portfolio. For example, if you request a distribution and receive the distribution check but do not cash it for several days, some interest may be earned while your funds remain in the clearing account.

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

### **Board Fee**

The Board collects a fee based on the assets in each Designated Portfolio (“**Board Fee**”) to pay for expenses related to oversight and administration of the Trust. If assets in the Plan are \$5 billion or less, each Designated Portfolio will bear an annualized fee of 0.01% based on the assets in such Designated Portfolio that is used to pay the Board Fee. However, if assets in the Plan are less than \$1 billion, the Board Fee will be an annual fixed fee equal to \$100,000, and Wealthfront (not you as the Account Owner through your investment in a Designated Portfolio) will directly pay the portion of the Board Fee equal to the difference between the 0.01% annualized fee for all Designated Portfolios and the annual fixed fee of \$100,000. If assets in the Plan are greater than \$5 billion, the annualized

## Fees and Expenses

fee borne by each Designated Portfolio will be reduced below 0.01% based on the assets in such Designated Portfolio such that the entire amount of the fees for all Designated

Portfolios equals a fixed annual fee of \$500,000, which is paid to the Board as the Board Fee.

The following table summarizes the annual Asset-Based and Total Fees for each Designated Portfolio.

ANNUAL ASSET-BASED AND TOTAL FEES FOR EACH DESIGNATED PORTFOLIO								
As of June 15, 2021								
Designated Portfolio	Underlying ETF (Ticker Symbol)	Asset Class	Asset-Based Designated Portfolio Fees				Asset-Based Account Fee	Total Fee <sup>5</sup>
			Underlying ETF Fee <sup>1</sup>	Ascensus Program Management Fee	Board Fee <sup>2</sup>	Total Asset-Based Designated Portfolio Fee <sup>3</sup>	Wealthfront Advisory Fee <sup>4</sup>	
T-Bills - Designated Portfolio								
Short Treasury Bond Portfolio	iShares Short Treasury Bond ETF (SHV)	US Treasury Bills	0.15%	0.05%	0.01%	0.21%	0.25%	0.46%
Bonds - Designated Portfolios								
Corporate Bond Portfolio	iShares iBoxx \$ Investment Grade Corp Bond ETF (LQD)	US Investment Grade Corporate Bonds	0.14%	0.05%	0.01%	0.20%	0.25%	0.45%
Short-Term Inflation Protected Securities Portfolio	Vanguard Short--Term Inflation-Protected Securities ETF (VTIP)	US TIPS	0.05%	0.05%	0.01%	0.11%	0.25%	0.36%
Emerging Markets Bond Portfolio	iShares JPMorgan USD Emerging Markets Bond ETF (EMB)	Emerging Markets Bonds	0.39%	0.05%	0.01%	0.45%	0.25%	0.70%
Stocks - Designated Portfolios								
REIT Portfolio	Vanguard REIT ETF (VNQ)	US REITs	0.12%	0.05%	0.01%	0.18%	0.25%	0.43%
Dividend Stock Portfolio	Vanguard Dividend Appreciation ETF (VIG)	US Dividend Growth Stocks	0.06%	0.05%	0.01%	0.12%	0.25%	0.37%
Total Stock Market Portfolio	Vanguard Total Stock Market ETF (VTI)	US Stocks	0.03%	0.05%	0.01%	0.09%	0.25%	0.34%
International Stock Portfolio	Vanguard FTSE Developed Markets ETF (VEA)	International Developed Stocks	0.05%	0.05%	0.01%	0.11%	0.25%	0.36%
Emerging Markets Stock Portfolio	Vanguard FTSE Emerging Markets ETF (VWO)	Emerging Markets Stocks	0.10%	0.05%	0.01%	0.16%	0.25%	0.41%

<sup>1</sup> Source: Most recent Underlying ETF prospectus as of June 15, 2021

<sup>2</sup> If assets in the Plan are \$5 billion or less, each Designated Portfolio will bear an annualized fee of 0.01% based on the assets in such Designated Portfolio that is used to pay the Board Fee. However, if assets in the Plan are less than \$1 billion, the Board Fee will be an annual fixed fee equal to \$100,000, and Wealthfront (not you as the Account Owner through your investment in a Designated Portfolio) will directly pay the portion of the Board Fee equal to the difference between the 0.01% annualized fee for all Designated Portfolios and the annual fixed fee of \$100,000. If assets in the Plan are greater than \$5 billion, the annualized fee borne by each Designated Portfolio will be reduced below 0.01% based on the assets in such Designated Portfolio such that the entire amount of the fees for all Designated Portfolios equals a fixed annual fee of \$500,000, which is paid to the Board as the Board Fee.

<sup>3</sup> Includes the Underlying ETF Fee, Program Management Fee and Board Fee. This total is assessed against assets in the Designated Portfolios over the course of the year.

<sup>4</sup> Wealthfront will no longer waive investment advisory fees on the first \$10,000 of assets managed for new clients who open their initial Wealthfront advisory account beginning April 1, 2018. Wealthfront Clients who opened account(s) prior to April 1, 2018 will continue to receive the benefit.

Wealthfront waives its investment advisory fees on the first \$15,000 it manages for Nevada residents who open a Wealthfront 529 College Savings Plan account and this fee waiver applies to the aggregate of all of the Nevada resident's Wealthfront account assets. This waiver will not terminate on April 1, 2018.

<sup>5</sup> This equals the sum of the total Asset-Based Fee for each Designated Portfolio plus the Wealthfront Advisory Fee charged to each Account, as described in the preceding footnote 4. Please note that this does not reflect the actual cost to the Account Owner based on the Account Owner's specific Individual Portfolio. Each Individual Portfolio will bear its total Asset-Based Fees based on the asset allocation of the Designated Portfolios within such Individual Portfolio. See *"Individual Portfolio Fees by Glide Path"* immediately below.



<b>INDIVIDUAL PORTFOLIO FEES BY GLIDE PATH</b> <b>As of June 15, 2021</b>						
Glide Path	Asset- Based Designated Portfolio Fees				Asset-Based Account Fee	Total Fee Range
	Combined Underlying ETF Fee Range <sup>1</sup>	Ascensus Program Management Fee	Board Fee <sup>2</sup>	Total Asset-Based Fee Range	Wealthfront Advisory Fee <sup>3</sup>	
Glide Path 100	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 95	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 90	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 85	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 80	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 75	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 70	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 65	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 60	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 55	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 50	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 45	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 40	0.11% - 0.15%	0.05%	0.01%	0.17% - 0.21%	0.25%	0.42% - 0.46%
Glide Path 35	0.12% - 0.15%	0.05%	0.01%	0.18% - 0.21%	0.25%	0.43% - 0.46%
Glide Path 30	0.12% - 0.15%	0.05%	0.01%	0.18% - 0.21%	0.25%	0.43% - 0.46%
Glide Path 25	0.13% - 0.15%	0.05%	0.01%	0.19% - 0.21%	0.25%	0.44% - 0.46%
Glide Path 20	0.13% - 0.15%	0.05%	0.01%	0.20% - 0.21%	0.25%	0.44% - 0.46%
Glide Path 15	0.14% - 0.15%	0.05%	0.01%	0.20% - 0.21%	0.25%	0.45% - 0.46%
Glide Path 10	0.13% - 0.15%	0.05%	0.01%	0.20% - 0.21%	0.25%	0.44% - 0.46%
Glide Path 5	0.14% - 0.15%	0.05%	0.01%	0.21% - 0.21%	0.25%	0.45% - 0.46%

<sup>1</sup> For a given Glide Path, the “Combined Underlying ETF Fee Range” reflects the maximum and minimum ETF fees that you would be subject to a given time during the 18-year life of the selected Glide Path currently in place assuming that your Risk Score and the Underlying ETF Fees do not change. The “Combined Underlying ETF Fee” varies as your Individual Portfolio transitions across the allocations along the Glide Path. Please note that if your Risk Score changes, you may move to a different Glide Path and incur a different range of maximum and minimum Underlying ETF Fees as reflected in this table. Please note further that in the future, Glide Paths may vary from those currently in place due to changes in the markets, the relationships between the returns and volatilities between various asset classes, opportunities to optimize Glide Path construction, and changes in the Designated Portfolios and their underlying ETFs.

<sup>2</sup> If assets in the Plan are \$5 billion or less, each Designated Portfolio will bear an annualized fee of 0.01% based on the assets in such Designated Portfolio that is used to pay the Board Fee. However, if assets in the Plan are less than \$1 billion, the Board Fee will be an annual fixed fee equal to \$100,000, and Wealthfront (not you as the Account Owner through your investment in a Designated Portfolio) will directly pay the portion of the Board Fee equal to the difference between the 0.01% annualized fee for all Designated Portfolios and the annual fixed fee of \$100,000. If assets in the Plan are greater than \$5 billion, the annualized fee borne by each Designated Portfolio will be reduced below 0.01% based on the assets in such Designated Portfolio such that the entire amount of the fees for all Designated Portfolios equals a fixed annual fee of \$500,000, which is paid to the Board as the Board Fee.

#### **Example of Maximum Investment Costs of Individual Portfolios by Glide Path**

The following table describes the approximate maximum costs of investing in an Individual Portfolio by Glide Path over different periods of time. They illustrate the hypothetical maximum expenses that you would incur over various periods if you invest \$10,000 in an Individual Portfolio made up of Designated Portfolios selected and allocated by Wealthfront in accordance with the respective Glide Path.

An Account Owner's actual cost may be higher or lower based on assumptions that are different from the following assumptions:

- A \$10,000 principal investment for the time periods shown;
- A 5% annually compounded rate of return on the principal amount invested throughout the period;
- All Trust Interests are redeemed at the end of the period shown for Qualified Higher Educational Expenses (the examples do not consider the impact of any potential state or federal taxes on the redemption);
- The maximum of the annual Asset-Based Fee and Total Fee remains the same as shown in the table on pages 39;
- Account Owner will be paying the full Wealthfront Advisory Fee of 0.25% and that the Account is not subject to any Wealthfront Advisory Fees waivers or reductions.

Glide Path	Maximum Account Owner Expense Reflecting Only Asset-Based Fees				Maximum Account Owner Expense Reflecting Only Asset-Based Fees			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Glide Path 5	\$21	\$66	\$116	\$258	\$47	\$147	\$257	\$581
Glide Path 10	\$21	\$66	\$115	\$255	\$47	\$147	\$257	\$578
Glide Path 15	\$21	\$65	\$114	\$254	\$46	\$146	\$256	\$577
Glide Path 20	\$21	\$65	\$113	\$252	\$46	\$146	\$255	\$574
Glide Path 25	\$21	\$65	\$113	\$251	\$46	\$146	\$254	\$573
Glide Path 30	\$21	\$65	\$112	\$250	\$46	\$146	\$254	\$573
Glide Path 35	\$21	\$65	\$111	\$249	\$46	\$145	\$253	\$572
Glide Path 40	\$21	\$64	\$111	\$247	\$46	\$145	\$252	\$570
Glide Path 45	\$21	\$64	\$110	\$245	\$46	\$145	\$252	\$568
Glide Path 50	\$21	\$64	\$110	\$244	\$46	\$145	\$252	\$567
Glide Path 55	\$20	\$63	\$109	\$241	\$46	\$143	\$251	\$564
Glide Path 60	\$20	\$62	\$109	\$240	\$46	\$143	\$251	\$563
Glide Path 65	\$20	\$62	\$109	\$238	\$46	\$143	\$250	\$561
Glide Path 70	\$20	\$62	\$108	\$234	\$46	\$143	\$250	\$557
Glide Path 75	\$20	\$62	\$107	\$231	\$46	\$143	\$249	\$554
Glide Path 80	\$20	\$62	\$106	\$227	\$46	\$143	\$248	\$550

Glide Path 85	\$20	\$61	\$103	\$220	\$46	\$142	\$245	\$542
Glide Path 90	\$20	\$58	\$97	\$211	\$45	\$139	\$238	\$534
Glide Path 95	\$20	\$57	\$95	\$206	\$45	\$138	\$237	\$529
Glide Path 100	\$20	\$56	\$95	\$209	\$45	\$137	\$237	\$532

### **Certain Transaction Fees**

The Plan also will impose certain transaction fees for the transactions specified below:

<i><b>Transaction</b></i>	<i><b>Fee Amount*</b></i>
---------------------------	---------------------------

Rejected Recurring Contribution	\$30
---------------------------------	------

Rejected EFT	\$30
--------------	------

Priority Delivery**	\$15 weekday
---------------------	--------------

Electronic Payment to School (where available)	\$10
--	------

\*Subject to change without prior notice. All fees listed may be considered non-qualified withdrawals. You should consult your tax advisor regarding calculating and reporting any tax liability as applicable.

\*\* The Plan will report the fees (and other optional convenience fees as applicable) as distributions on Form 1099-Q.

## Plan Risks

### PLAN RISKS AND DESIGNATED AND INDIVIDUAL PORTFOLIO RISKS

You should carefully consider the information in this section as well as the other information in this Plan Description before making any decisions to establish an Account or make any contributions. The contents of this Plan Description should not be construed as legal, financial, or tax advice. You should consult an attorney or a qualified financial or tax advisor with any legal, business, or tax questions you may have.

The Plan is an investment vehicle, and by opening an Account, you are establishing an investment advisory relationship with Wealthfront. **Wealthfront cannot guarantee any level of performance or that you will avoid a loss of Account assets. Any investment in securities involves the possibility of financial loss that you should be prepared to bear.**

Accounts in the Plan are subject to certain risks. Certain Designated Portfolios carry more and/or different risks than others, and Individual Portfolios are subject to varying levels of risks (more or less based on which Glide Path the Individual Portfolios track and where on the Glide Path it is) based on its constituent Designated Portfolios. You should weigh such risks with the understanding that these risks could arise at any time during the life of an Account.

#### Wealthfront Advisory Risk

There is no guarantee that Wealthfront's judgment or investment decisions about particular securities, asset classes, Glide Paths, or Individual Portfolios will necessarily produce the intended results. Wealthfront's judgment may prove to be incorrect, and you might not achieve the desired investment objectives. Wealthfront also may make future changes to the

investing algorithms and advisory services that it provides. In addition, it is possible that you or Wealthfront itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Wealthfront's software-based automated investment service. Wealthfront and its representatives are not responsible to you for losses unless caused by Wealthfront breaching its fiduciary duty to you as an investment adviser.

#### Risks of Investing in the Plan

Investing in the Plan involves certain risks, including the possibility that you may lose money over short or even long periods of time. In addition to the investment risks of the Designated Portfolios, described in **APPENDIX A**, there are certain risks relating to the Plan generally, as described more fully below.

#### No Guarantee of Principal or Earnings; No Insurance

The value of your Account may increase or decrease over time based on the performance the Designated Portfolios that constitute your Individual Portfolio. It is possible that, at any given time, your Account value may be less than the total amount contributed. None of the Plan Officials is an insurer of, makes any guarantee of, or has any legal obligations to ensure, a particular level of investment return. **You should be aware that you could lose all or a portion of your investment, depending on market conditions.**

**An investment in the Plan is not a bank deposit. The Plan is not insured or guaranteed. None of your Account, the principal you invest, nor any investment return is insured or guaranteed by the Plan Officials, the federal government,**

## Plan Risks

### **the FDIC, or any other governmental agency.**

Relative to investing for retirement, the holding period for college investors is very short (e.g., 5-20 years versus 30-60 years). Also, the need for liquidity during the withdrawal phase (to pay for Qualified Education Expenses) generally is very important. You should strongly consider the level of risk you wish to assume when completing the Risk Questionnaire upon Account opening.

### **Limited Investment Direction**

You may not direct the underlying investments in an Account. The ongoing money management is the responsibility of Wealthfront. The only manner in which you can affect the money management is to change your Risk Score, which is limited to two times per year, or upon the change of the Beneficiary. Once the permitted two per calendar year Risk Score changes are made in our Account, a subsequent Risk Score change in your Account within the same calendar year will not be processed. The choice of the underlying investments of the Designated Portfolios is subject to the approval of the Board. Automatic investment exchanges that occur as your assets move through the Glide Path do not count towards your twice per calendar year investment exchange limit.

### **Liquidity**

Investments in a Section 529 Plan are considered less liquid than other types of investments (e.g., investments in mutual fund shares) because the circumstances in which an Account owner may withdraw money from a Section 529 Plan account without a penalty or adverse tax consequences are significantly more limited.

### **Market Uncertainties and Other Events**

Due to market uncertainties, the overall market value of your Account may exhibit volatility and could be subject to wide fluctuations in response to factors, including but not limited to Force Majeure. All of these factors may cause the value of your Account to decrease (realized or unrealized losses) regardless of our performance or any systematic investing on your part. There is no assurance that any Individual Portfolio will achieve its goals.

### **Potential Changes to the Plan**

The Board reserves the right, in its sole discretion, to discontinue the Plan or to change any aspect of the Plan. For example, the Board may change the Plan's fees and expenses; add, subtract, or merge the Designated Portfolios; close a Designated Portfolio to new investors; or change the Program Manager or the underlying investment(s) of a Designated Portfolio. Depending on the nature of the change, you may be required to, or prohibited from, participating in the change with respect to Accounts established before the change. ACSR may not necessarily continue as Program Manager, and Wealthfront may not necessarily continue as investment adviser and distributor to the Plan (although Wealthfront will continue as your investment adviser until either Wealthfront or you terminate that investment advisory relationship).

If you have established Accounts prior to the time such changes are made to the Plan, you may be required to participate in such changes or may be prohibited (according to Section 529 regulations or other guidance issued by the IRS) from participating in such changes, unless you open a new Account. Furthermore, the Board may terminate the Plan by giving written notice to you, but the

## Plan Risks

Plan may not thereby be diverted from the exclusive benefit of you and the Beneficiary.

During the transition from one underlying investment to another underlying investment, a Designated Portfolio may be temporarily uninvested and lack market exposure to an asset class. The transaction costs associated with any liquidation, as well as any market impact on the value of the securities being liquidated, will be borne by the Designated Portfolio and Individual Portfolios holding that Designated Portfolio.

### **Status of Federal and State Law and Regulations Governing the Plan**

Federal and state law and regulations governing the administration of Section 529 Plans could change in the future. In addition, federal and state laws on related matters, such as the funding of higher education expenses, treatment of financial aid, and tax matters are subject to frequent change. It is unknown what effect these kinds of changes could have on an account. You should also consider the potential impact of any other state laws on your Account. You should consult your tax advisor for more information.

### **No Indemnification**

Neither the Plan Officials, nor any other person will indemnify you or your Beneficiary against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of Board members or State employees.

### **Eligibility for Financial Aid**

The treatment of Account assets may have an adverse effect on your Beneficiary's eligibility to receive assistance under various federal, state, and institutional financial aid programs.

- In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of such aid required, the U.S. Department of Education takes into consideration a variety of factors, including among other things the assets owned by the student (*i.e.*, the Beneficiary) and the assets owned by the student's parents. The U.S. Department of Education generally expects the student to spend a substantially larger portion of his or her own assets on educational expenses than the parents.
- For federal financial aid purposes, Account assets will be considered (i) assets of a student's parent, if the student is a dependent student and the owner of the Account is the parent or the student, or (ii) assets of the student, if the student is the owner of the Account and not a dependent student.
- For purposes of financial aid programs offered by states, other non-federal sources, and educational institutions, the treatment of Account assets may follow or differ from the treatment described above for federal financial aid purposes. Account Owners and Beneficiaries are advised to consult a financial aid professional and/or the state or educational institution offering a particular financial aid program, to determine how assets held in an Account may affect eligibility for financial aid.
- Under Nevada law, assets in an Account are not taken into consideration in determining the eligibility of the Beneficiary, parent or guardian of the Account for a grant, scholarship or work opportunity that is based on need and offered or administered by a state agency, except as otherwise required by

## Plan Risks

the source of the funding of the grant, scholarship or work opportunity.

The federal and non-federal financial aid program treatments of assets in a 529 Plan are subject to change at any time. You therefore should check and periodically monitor the applicable laws and other official guidance, as well as particular program and institutional rules and requirements, to determine the impact of 529 Plan assets on eligibility under particular financial aid programs.

### **No Guarantee That Investments Will Cover Qualified Education Expenses; Inflation and Qualified Education Expenses**

There is no guarantee that the money in your Account will be sufficient to cover all of a Beneficiary's Qualified Education Expenses, even if contributions are made in the maximum allowable amount for the Beneficiary. The future rate of increase in Qualified Education Expenses is uncertain and could exceed the rate of investment return earned by an Account over any relevant period of time.

### **Education Savings and Investment Alternatives**

In addition to the Plan, there are many other 529 Plans, including programs designed to provide prepaid tuition and certain other educational expenses, as well as other education savings and investment alternatives. These alternative programs may offer different investment vehicles and may result in different tax and other consequences. They may have different eligibility requirements and other features, as well as fees and expenses that may be more or less than those charged by the Plan. You should consider other investment alternatives before establishing an Account.

### **No Guarantee of Admittance**

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

### **Medicaid and Other Federal and State Benefits**

The effect of an Account on eligibility for Medicaid or other state and federal benefits is uncertain. There can be no assurance that an Account will not be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an Account during certain periods may also have the effect of delaying the disbursement of Medicaid payments. Account Owners should consult a qualified advisor to determine how an Account may affect eligibility for Medicaid or other state and federal benefits.

### **Suitability and Education Savings Alternatives**

Neither the Board nor the Program Manager makes any representations regarding the suitability or appropriateness of the Designated Portfolios or Individual Portfolio as an investment. Other types of investments may be more appropriate depending upon an individual's financial status, tax situation, risk tolerance, age, investment goals, savings needs, and investment time horizons of the Account Owner or the Beneficiary.

There are programs and investment options other than the Plan available as education investment alternatives. They may entail tax and other fee or expense consequences and features different from the Plan including, for example, different investments and



## Plan Risks

different levels of Account Owner control. Anyone considering investing in the Plan may wish to consider these alternatives prior to opening an Account.

### **Differences Between Performances of Designated Portfolios and Underlying ETFs**

The performances of the Designated Portfolios will differ from the performances of the underlying ETFs constituting the Designated Portfolios. This is primarily due to differences in expense ratios and differences in the trade dates of Designated Portfolio purchases and the purchases of the underlying ETFs. The Designated Portfolios and the underlying ETFs have different expense ratios over comparable periods of time, so, all other things being equal, there also will be performance differences between the Designated Portfolios and the underlying ETFs. Performance differences also are caused by differences in the trade dates of Designated Portfolio purchases and the underlying ETF purchases. When you invest money in a Designated Portfolio, you will receive Trust Interests, i.e. the selected Designated Portfolio Units as of the appropriate trade date. (See “*CONTRIBUTIONS*.”) The Trust will use the Account Owner’s money to purchase the underlying ETFs to be held in the Designated Portfolio(s) which make up an Account Owner’s Individual Portfolio. However, the trade date for the Trust’s purchase of the underlying ETF typically will be one (1) business day after the trade date for your purchase of Trust Interests of the selected Designated Portfolio. Depending on the amount of cash flow into or out of the Designated Portfolio and whether the underlying ETF is going up or down in value, this timing difference will cause the Designated Portfolio’s performance either to trail or exceed the underlying ETF’s performance.

### **Differences Between Performances of Individual Portfolios and Designated Portfolios**

The performance of each Individual Portfolio will differ from the Designated Portfolios because it is a mix of one or more of the Designated Portfolios. Thus, an Individual Portfolio’s performance may lag that of any one Designated Portfolio due to the lower performances of other Designated Portfolios included in the Individual Portfolio.

### **Designated Portfolio Investment Risk**

Accounts are subject to a variety of investment risks that will vary depending upon the Designated Portfolio and the ETF underlying that Portfolio. **APPENDIX A** includes a summary of the investment objective and principal risks of each underlying ETF Investment. With respect to the underlying ETF, please remember that the information is only a summary of the main risks of each underlying ETF Investment; please consult each underlying ETFs prospectus and statement of additional information for additional risks that apply to each underlying ETF.

### **Individual Portfolio Investment Risk**

Accounts are subject to a variety of investment risks that will vary depending upon the Designated Portfolio(s) that constitute an Individual Portfolio. (See “Principal Risks” discussions for each ETF underlying a Designated Portfolio in “*APPENDIX A - Profiles of Underlying ETFs*.”) Moreover, it is possible that various risks of Designated Portfolios could combine to present greater risks than any single Designated Portfolio.

### **Cybersecurity Risk**

The Plan is highly dependent upon the computer systems of its service providers

## Plan Risks

and their subcontractors. This makes the Plan susceptible to operational and information security risks resulting from cyber threats and cyber-attacks which may adversely affect your Account and cause it to lose value. For instance, cyber threats and cyber-attacks may interfere with your ability to access your Account, make contributions or exchanges, request and receive distributions; they may also impact the ability to calculate net asset values and/or impede trading. Cybersecurity risks include security or privacy incidents, such as human error, unauthorized release, theft, misuse, corruption, and destruction of Account data maintained online or digitally by the Plan. Cybersecurity risks also include denial of service, viruses, malware, hacking, bugs, security vulnerabilities in software, attacks on technology operations, and other disruptions that could impede the Plan's ability to maintain routine operations. Although the Plan undertakes efforts to protect its computer systems from cyber threats and cyber-attacks, including internal processes and technological defenses that are preventative in nature, and other controls designed to provide a multi-layered security posture, there are no guarantees that the Plan, the Plan Officials, or your Account will avoid losses due to cyber-attacks or cyber threats.

### **Investment Options Not Designed for Elementary and Secondary Tuition or Education Loan Repayments**

Your Individual Portfolio has been designed exclusively for you to save for qualified higher education expenses. They have not been designed to assist you in reaching your K-12 Tuition or Education Loan Repayment savings goals. Specifically, the Glide Path becomes progressively more conservative as the Beneficiary approaches college age. The time horizon and withdrawal periods may

not match those needed to meet your K-12 Tuition or Education Loan Repayment savings goals, which may be significantly shorter. Please consult a qualified tax or investment advisor about your personal circumstances.

## Other Information

### OTHER INFORMATION

**Arbitration:** The Participation Agreement and your investment advisory agreement with Wealthfront (“Wealthfront Advisory Agreement”) each contain a mandatory pre-dispute arbitration clause, which is a condition to investing in the Plan. Any controversy or claim arising out of or relating to the Plan Description or Participation Agreement, or the breach, termination, or validity of the Plan or the Participation Agreement, shall be settled by arbitration administered by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures and its Policy on Consumer Arbitrations (except that if ACSR, Wealthfront or WB is a party to the arbitration, it may elect that arbitration will instead be subject to FINRA’s Code of Arbitration Procedure), which are made part of the Participation Agreement, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

### **Electronic Communications and Disclosure Relating to Internet Access:**

Wealthfront’s automated investment service is a software-based financial advisor, which means you must acknowledge your ability and willingness to conduct your relationship with Wealthfront on an electronic basis. Under the terms of the Participation Agreement and the Wealthfront Advisory Agreement, you agree to receive all Plan Account information, Plan Account documents and any updates or changes to the same, by accessing your account on the Wealthfront website at [www.wealthfront.com/529](http://www.wealthfront.com/529) (the “Plan Website”) and Wealthfront’s electronic communications. The signature for the Account Application, the Wealthfront advisory service, as well as all documentation related to the Plan and the

Wealthfront advisory service are managed electronically unless noted otherwise on the Wealthfront website or within this Plan Description, the Participation Agreement or in the case of Wealthfront-only communications and documents, the Wealthfront Advisory Agreement.

The Plan and your Wealthfront advisory relationship are designed so that you perform Account-related transactions and activity electronically via the Internet, including opening an Account and receiving documents. When you open an Account online, Wealthfront requires you to select a username and password. You can securely access and manage Account information – including statements, and tax forms – at the Plan Website once you have created an online username and password and successfully fund the Account. You can access documents relating to your Account on the Plan website. The only way you can receive paper copies of Plan-related documents would be to print them from a computer.

This Plan Description, the Participation Agreement, information concerning the Designated Portfolios and Individual Portfolios, and all required reports for an Account are available at the Plan Website. You should regularly visit the Plan Website. Wealthfront will provide a revised Plan Description at least annually. These materials and this information also may be supplemented throughout the year and will be available on the Plan Website. Wealthfront may archive these documents and cease providing them on the Plan Website when they become out of date and, therefore, you should consider printing or electronically saving any information posted on the Plan Website before it is removed.

## Other Information

Wealthfront may, from time to time, notify you by e-mail or other electronic means that Plan-related documents, including Account statements, have been delivered. However, this is no substitute for you regularly checking the Plan Website. You should consider printing or electronically saving any information that they may wish to retain before it is removed.

You will be required to provide your username and password to access your Account information and perform transactions on the Plan Website. You should not share your password with anyone else. Wealthfront will honor instructions from any person who provides correct identifying information and is not responsible for fraudulent transactions it believes to be genuine according to these procedures. Accordingly, you bear the risk of loss if unauthorized persons obtain your username and password and conduct any transaction on your behalf or in your name. You can reduce this risk by checking your Account information regularly, which will give you an opportunity to prevent multiple fraudulent transactions. You should avoid using passwords that can be guessed and should consider changing your password frequently. Wealthfront employees or representatives will not ask you for your password. It is your responsibility to review your Account information and to notify Wealthfront promptly of any unusual activity, including any discrepancy between your Account information and a transaction you requested, or if you believe someone has obtained unauthorized access to your Account.

Wealthfront cannot guarantee the privacy or reliability of e-mail, so it will not honor requests for transfers or changes received by e-mail, nor will Wealthfront send Account information through e-mail. All transfers or

changes should be made through the Plan Website. The Plan Website uses generally accepted and available encryption software and protocols, including Secure Socket Layer, to prevent unauthorized people from eavesdropping or intercepting information sent by or received from Wealthfront. This may require that you use certain readily available versions of web browsers. As new security software or other technology becomes available, Wealthfront may enhance its systems.

### **Continuing Disclosure**

To comply with Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934 (the “**Rule**”), the Program Manager, WB and the Board, as appropriate, will make appropriate arrangements for the benefit of Account Owners to produce and disseminate certain financial information and operating data (the “**Annual Information**”) relating to the Plan and notices of the occurrence of certain enumerated events as required by the Rule. They will make provision for the filing of the Annual Information with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“**EMMA**”). They will also make appropriate arrangements to file notices of certain enumerated events with EMMA.

### **Creditor Protection Under U.S. and Nevada Law**

Bankruptcy legislation excludes from property of the debtor’s bankruptcy estate certain assets that have been contributed to a 529 Plan account. However, bankruptcy protection in this respect is limited and has certain conditions. For a 529 Plan account to be excluded from the debtor’s estate, the Beneficiary must be a child, stepchild, grandchild, or step-grandchild (including a legally adopted child or a foster child) of the individual who files for bankruptcy protection. In addition, contributions made

## Other Information

to all 529 Plan accounts for the same Beneficiary (i) less than 365 days before the bankruptcy filing, are included in the debtor's estate; (ii) between 365 and 720 days before the bankruptcy filing, are excluded from the debtor's estate to the extent that contributions do not exceed \$6,425.00, as of April 1, 2016 (an amount revised every three years by the Judicial Conference of the United States); and (iii) more than 720 days before the bankruptcy filing, are fully excluded from the debtor's estate.

Federal bankruptcy law permits a debtor to exempt certain specified assets from liability notwithstanding the assets being property of the debtor's estate. If the debtor is domiciled in Nevada (as defined under bankruptcy law), Nevada law provides that up to \$1,000,000 of assets held in a 529 Plan account may be protected from creditors, depending on when such assets were contributed to the account and whether they are eventually used to pay qualifying higher educational expenses of the Beneficiary. However, under federal bankruptcy law, assets held in a 529 Plan account that are property of the debtor's estate are not exempt from debt for domestic support obligations.

This information is not meant to constitute individual tax or bankruptcy advice, and you should consult with your own advisors concerning your individual circumstances.

### **Independent Registered Public Accounting Firm**

Each of the Program Manager and Wealthfront has contracted with an independent registered public accounting firm to prepare annual financial statements for the Plan. The Plan's financial statements for the most recent fiscal year-end are made available on the Municipal Securities

Rulemaking Board's Electronic Municipal Market Access Dataport ("EMMA").

### **Custodial Arrangements**

The Bank of New York Mellon Corporation ("**Bank of New York Mellon**") is the Plan's custodian. As such, Bank of New York Mellon is responsible for maintaining the Plan's assets.

### **Tax Reporting**

ACSR, the Program Manager, on behalf of the Board, will report withdrawals and other matters, as applicable, to the IRS, Account Owners and other persons, if any, to the extent required pursuant to federal, state or local law, regulation or ruling.

### **Conflicts**

In the event of any conflicts, the Nevada statutes and the Code shall prevail over this Plan Description.

### **Contact Information**

If you have any questions regarding the Plan or the details contained in this Plan Description, please contact Wealthfront at [support@wealthfront.com](mailto:support@wealthfront.com) or 844-995-8437 or visit the Wealthfront website at [www.wealthfront.com/529](http://www.wealthfront.com/529).

### **Privacy Statements**

#### ***The Board of Trustees of The College Savings Plans of Nevada Privacy Statement***

The Board considers the privacy and security of the nonpublic, personal information it holds concerning each Account Owner and Beneficiary a top priority. The Board also has received an assurance from the Program Manager that it is also a top priority for the Program Manager and Wealthfront. Specifically, the Board, the Program Manager and Wealthfront adhere to the following privacy



## Other Information

policy for the benefit of current and past Account Owners and Beneficiaries:

- The types of nonpublic, personal information collected by the Board, the Program Manager and Wealthfront may include:
  - Information you or the Beneficiary provides to the Plan on the application or otherwise, such as name, address, and Social Security number;
  - Information the Board and the Program Manager may acquire as a result of administering an Account, and Wealthfront advising the Account, such as transactions (contributions or distributions) or Account balances; and
  - Information from third parties, such as credit agencies.
- The Board, the Program Manager and Wealthfront will not disclose such nonpublic, personal information to anyone except as permitted by law. You should also carefully review the privacy statements of Ascensus and Wealthfront, which are referenced below. Privacy policies may be modified or supplemented at any time.

### *Security*

The Board, the Program Manager and Wealthfront maintain appropriate physical, electronic, and procedural safeguards to protect this nonpublic, personal information about Account Owners and Beneficiaries.

### *Ascensus Privacy Statement*

Under the terms of the Direct Program Management Agreement, Ascensus is required to treat all of your and your Beneficiary's information confidentially. Ascensus is prohibited from using or disclosing such information, except as may be necessary to perform its obligations under the terms of its contract with the Board, or if required by applicable law, by court order, or other order.

### *Wealthfront and WB Privacy Statement*

Under the terms of the Operating Agreement, Wealthfront and WB are required to treat all of your and your Beneficiary's information confidentially. Wealthfront and WB are prohibited from using or disclosing such information, except as may be necessary to advise its clients and perform its obligations under the terms of the Operating Agreement, or if required by applicable law, by court order, or other order.

### *Investment Risk; No Guarantee*

Trust Interests are municipal fund securities issued by the Trust administered by the Board. When you contribute to the Plan, your money will be invested in Designated Portfolio Units of one or more Designated Portfolio(s). An investment in the Plan is not a bank deposit. **None of your Account, the principal you invest, nor any investment return is insured or guaranteed by the Plan Officials, the federal government, the FDIC, or any other governmental agency.**

Investment returns will vary depending upon the performance of the Designated Portfolios in your Account. You could lose all or a portion of your investment.

Interests in the Plan have not been registered with the SEC in reliance on an exemption from registration available for obligations



## Other Information

issued by a public instrumentality or state. In addition, interests in the Plan have not been registered with any state in reliance on an exemption from registration available for obligations issued by an instrumentality of a state.

### **Tax Considerations**

The Plan is offered to residents of all states. However, this Plan Description does not address state tax implications of the Plan.

### **Individual Advice**

No investment recommendation or advice received by the Account Owner from Wealthfront or any other person is provided by, or on behalf of, the State of Nevada, the Board, the Plan, the Program Manager or any of its affiliates.

### **Plan Description Information**

The information contained in this Plan Description is believed to be accurate as of the date hereof and is subject to change without notice. You should rely only on the information contained in this Plan Description. No one is authorized to provide information that is different from the information contained in this Plan Description.

This Plan Description 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.

This Plan Description is for informational purposes only. In the event of any conflicts, the Nevada statutes and the Code, as amended from time to time, shall prevail over this Plan Description.

**Read this Plan Description carefully before you invest or send money.**

### **Representations**

Statements contained in this Plan Description that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

# Appendix A

## APPENDIX A: INVESTMENTS

**Please carefully read this APPENDIX A, as well as the entire Plan Description, for more detailed information about the Plan's investments and the Plan's Glide Path construction before you invest or send money.**

### Investments

#### *Designated Portfolios and Underlying ETFs*

Wealthfront serves as your automated investment adviser. Under the Plan, Wealthfront constructs an Individual Portfolio for you using up to nine Designated Portfolios. Each of the Plan's Designated Portfolios consist of a low-cost, passive ETF, each tracking an industry-standard asset class index. Each underlying ETF also has a low tracking error to its benchmark as well as high liquidity. The Designated Portfolios are comprised of one low risk, short-duration U.S. Treasury Bill ETF and eight asset class ETFs (corporate bonds, Treasury inflation-protected securities (TIPS), emerging market bonds, real estate, dividend stocks, U.S. stocks, international stocks and emerging market stocks).

For further information regarding each of the ETFs underlying the Designated Portfolios, see "*Profiles of Underlying ETFs*" below. With respect to the Plan's Designated Portfolios underlying ETFs, please remember that the information in this Appendix A is only a summary of the main strategies and risks of each Designated Portfolio's underlying ETF. Please consult each underlying ETF's prospectus and statement of additional information for additional strategies and risks that may apply to each underlying ETF.

#### *Asset Allocation and Portfolio Construction*

The Wealthfront asset allocation framework applies mean variance optimization ("MVO") to identify diversified portfolios of investments that maximize the expected net-of-fee, after-tax, real investment return for a given level of expected risk, as measured by portfolio return volatility. MVO, which Wealthfront uses along with the Capital Asset Pricing Model ("CAPM") to construct portfolios, provides a powerful mathematical framework for evaluating portfolio risk-return tradeoffs and is the foundation of Modern Portfolio Theory, a widely accepted framework for managing diversified investment portfolios. The current collection of mean-variance optimal allocations produced by this procedure is illustrated in **Figure 1** below. Each of the allocations is assembled from up to nine of the Designated Portfolios listed in "Fees and Expenses" above. The figure displays a decomposition of the allocations into ETFs (left panel) and equity / bond / Treasury bills (right panel), in both cases, as a function of the targeted level of risk.

Inputs for MVO include estimates of: (a) asset return volatility for each asset class; (b) expected returns for each asset class; and (c) estimates of correlation between asset classes, i.e., how performances of asset classes vary in relation to one another. Wealthfront measures asset return volatilities using an average of standard deviations obtained from long-term and short-term historical data and forward-looking implied volatility data from option markets. Wealthfront estimates correlations between asset classes using blended composites of realized correlation using both long- and short-term time intervals.

Wealthfront uses the CAPM to derive baseline estimates of expected returns,

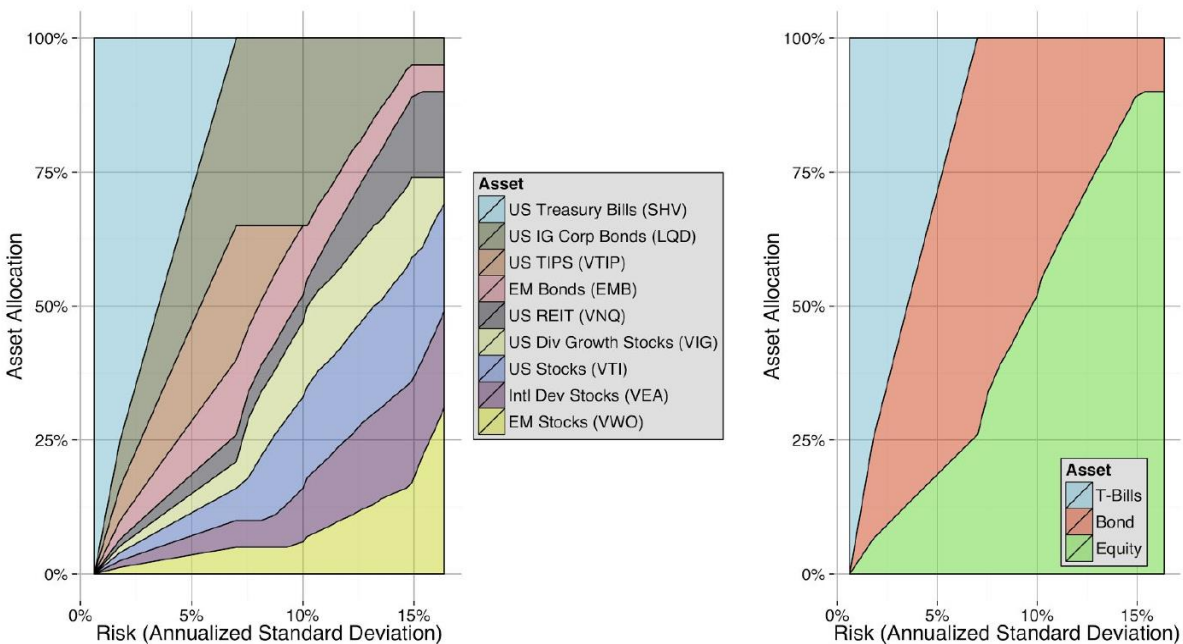
## Appendix A

which reflect expected returns in a market equilibrium based on systematic risk (as measured by market beta). Using the Black-Litterman framework, Wealthfront blends these baseline estimates with Wealthfront's long-term return expectations, which Wealthfront derives using data on interest rates, credit spreads, dividend yields, and other macroeconomic and financial market variables. Finally, Wealthfront calculates net-of-fee real expected returns by subtracting ETF expense ratios and expected inflation.

Note that Wealthfront's estimates and expectations are simply estimates and expectations. Although they are based on a number of assumptions and methodologies that Wealthfront believes are reasonable, they may vary from actual circumstances and results and are not guarantees that any particular outcome will be achieved.

Once invested, Wealthfront continuously monitors Accounts and uses trigger-based rebalancing, when necessary, to maintain optimal risk-return tradeoff as determined by MVO.

**Figure 1. Mean-Variance Efficient Asset Allocations**



### *Glide Path Construction*

A Glide Path represents a collection of mean-variance optimal asset allocations that automatically adjust over time to progressively decreasing levels of expected risk as the Expected Matriculation Date approaches, and determine how your Individual Portfolio will automatically be rebalanced over time. Glide Paths are based on the simple premise that the

longer the investment time horizon you have, i.e., the more time you have to your Beneficiary's matriculation, the greater risk you can take to potentially increase returns.

Each Account Owner's Individual Portfolio is matched to an optimized Glide Path based on the Account Owner's Risk Score, as

determined by a Risk Questionnaire, and the Account Owner's starting point along the Glide Path is determined by the Expected Matriculation Date. Thus, two Account Owners with identical Risk Scores but Beneficiaries of different ages will transition along the same Glide Path, but start at different points reflecting the difference in their investment time horizons.

The process for selecting an optimal Glide Path begins by specifying a collection of paths differing along three dimensions:

1. The risk of the initial allocation (i.e., the allocation at the inception of the Account);
2. The risk of the final allocation (i.e., the allocation at the Expected Matriculation Date); and
3. The initial time point at which the gliding is set to begin.

Adjusting these three parameters tunes the expected returns and expected risks of each Glide Path. For example, increasing the riskiness of the terminal and/or initial allocations or beginning to glide at a later date will increase the overall expected return and risk of the Glide Path. These features interact with the Account Owner's contribution pattern to determine the overall Account accumulation. In particular, holding the present value of contributions fixed, accelerating (decelerating) contributions increases (decreases) the projected accumulation, because the asset allocations earlier along the Glide Path are projected to earn higher expected returns due to their higher expected risk.

To characterize the statistical distribution of the projected Terminal Funding Ratio (i.e., ratio of Account assets to the present value of the total cost of college attendance at the time of the Beneficiary's matriculation), Wealthfront relies on a Monte Carlo simulation framework. Monte Carlo simulations rely on repeated random statistical sampling to obtain numerical

results and are used to model the probability of different outcomes in a process that cannot easily be predicted due to the intervention of random variables. Model results are hypothetical, may vary from actual results and are not guarantees that any particular outcome will be achieved.

The Monte Carlo simulation output provides a hypothetical assessment of the range of investment outcomes generated by the proposed Glide Path when combined with the Account Owner's planned contribution pattern. These simulations proceed as follows. First, for each month between the Account inception and the Expected Matriculation Date, Wealthfront simulates returns for the Designated Portfolios. Second, Wealthfront uses these simulated returns and the asset allocations specified by the Glide Path to obtain a simulated returns for Individual Portfolio for each period. The evolution of the Account's value is then determined by combining the sequence of simulated Individual Portfolio returns with the Account Owner's planned contributions. Finally, Wealthfront will use the Monte Carlo framework to simulate the evolution of the costs of college attendance, which are necessary to determine the Terminal Funding Ratio. By repeating these simulations, Wealthfront obtains a probability distribution of the Terminal Funding Ratio for each Glide Path / contribution pattern combination.

Wealthfront chooses your optimized Glide Path to balance the probability of achieving a higher Terminal Funding Ratio with its uncertainty and shortfall probability. Specifically, the expected volatility of Glide Paths decreases as Risk Scores decrease. This procedure allows Wealthfront to uniquely match each of the 20 possible Account Owner Risk Scores to a corresponding optimal Glide Path. Although Account Owners answer a Risk Questionnaire influencing the selection of their optimal Glide Path, they do not have discretion

to alter the underlying investment allocation of any Glide Path. An Account Owner may change their Risk Score at most twice in any year.

### ***Wealthfront Glide Path Characteristics***

The following table summarizes current risk characteristics of the optimal Glide Paths matched to each of the 20 possible Risk Scores. Volatilities and average allocations are reported as dollar-weighted averages over an 18-year investment horizon. These values are obtained by weighting the portfolio volatility and allocation in each month along the Glide Path by the average projected balance of the Account, which evolves due to realized market performance and equal monthly investor capital contributions.

- *Risk Score* is the score assigned to an Account Owner based on the Risk Questionnaire; a high (low) Risk Score corresponds to Account Owners with high (low) risk tolerance.
- *Volatility* is average estimated volatility of portfolio returns over the lifespan of the Glide Path.

- *Equity Allocation* reports the average share of the portfolio invested in equities along the 18-year Glide Path. The following asset classes (ETFs) are categorized as equity: US Dividend Growth Stocks, US Stocks, International Developed Stocks, Emerging Market Stocks, US REITs.
- *Bond Allocation* reports the average share of the portfolio invested in bonds along the 18-year Glide Path. The following asset classes (ETFs) are categorized as bond: Emerging Markets Bonds, US TIPS, US Investment Grade Corporate Bonds.
- *T-Bill Allocation* reports the average share of the portfolio invested in T-Bills along the 18-year Glide Path. The following asset class (ETF) is categorized as T-Bill: US Treasury Bills.

The values for Volatility, and the Equity, Bond, and T-Bill allocations are calculated as dollar-weighted averages over the life of each glide path, assuming the account owner makes a sequence of equal monthly contributions and has an 18-year investment horizon.

<b>Glide Path</b>	<b>Risk Score</b>	<b>Volatility</b>	<b>Equity Allocation</b>	<b>Bond Allocation</b>	<b>T-Bill Allocation</b>
<b>Glide - 100</b>	10.0	14.0%	81.1%	18.4%	0.5%
<b>Glide - 95</b>	9.5	13.2%	80.2%	19.3%	0.5%
<b>Glide - 90</b>	9.0	12.6%	77.0%	22.3%	0.7%
<b>Glide - 85</b>	8.5	11.7%	69.6%	29.3%	1.1%
<b>Glide - 80</b>	8.0	11.0%	63.1%	35.6%	1.4%
<b>Glide - 75</b>	7.5	10.7%	60.4%	38.0%	1.6%
<b>Glide - 70</b>	7.0	10.4%	57.9%	40.3%	1.8%
<b>Glide - 65</b>	6.5	9.8%	53.5%	44.2%	2.3%

<b>Glide Path</b>	<b>Risk Score</b>	<b>Volatility</b>	<b>Equity Allocation</b>	<b>Bond Allocation</b>	<b>T-Bill Allocation</b>
<b>Glide - 60</b>	6.0	9.5%	50.9%	46.6%	2.5%
<b>Glide - 55</b>	5.5	9.4%	49.8%	47.7%	2.5%
<b>Glide - 50</b>	5.0	8.8%	46.4%	46.5%	7.1%
<b>Glide - 45</b>	4.5	8.5%	43.8%	48.5%	7.7%
<b>Glide - 40</b>	4.0	8.2%	41.0%	50.4%	8.6%
<b>Glide - 35</b>	3.5	7.8%	38.2%	52.2%	9.6%
<b>Glide - 30</b>	3.0	7.5%	35.2%	53.8%	11.0%
<b>Glide - 25</b>	2.5	7.1%	32.0%	55.2%	12.8%
<b>Glide - 20</b>	2.0	6.6%	28.7%	56.2%	15.1%
<b>Glide - 15</b>	1.5	6.1%	25.0%	56.0%	18.9%
<b>Glide - 10</b>	1.0	5.8%	24.5%	48.9%	26.5%
<b>Glide - 5</b>	0.5	5.2%	20.7%	47.3%	32.0%

The Glide Paths have the following additional features that distinguish them from most other 529 Plans.

First, unlike many other 529 Plans, your assets are not managed in a commingled fund structure. In a commingled fund structure, you buy a single fund, and you have exactly the same investment as every other investor. In the Plan, Wealthfront manages your Individual Portfolio separately and will allocate up to nine Designated Portfolios as prescribed by your Risk Score and your Beneficiary's Expected Matriculation Date.

Second, asset allocations transition more smoothly than other plans. For example, the

Plan's Glide Paths include up to 23 intermediate asset allocations over an 18 year investment horizon, varying based on the range of risk spanned by the initial and terminal allocations. The more granular transitions are illustrated below in the left panels of **Figures 1a – 1d**.

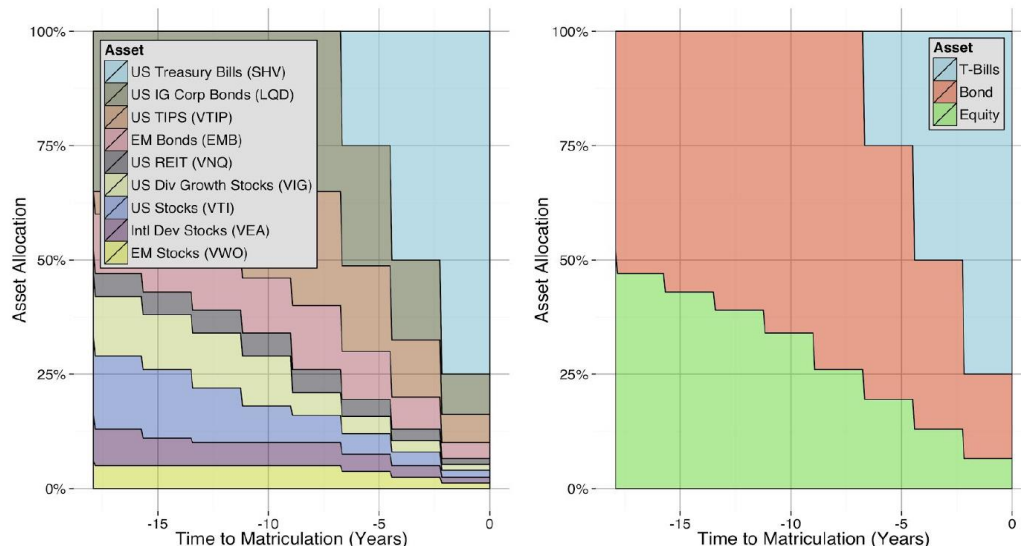
Finally, the Wealthfront 529 framework considers the impact of different contribution patterns on the Terminal Funding Ratio, specifically gradual funding versus superfunding (i.e., individual contributions up to five times the annual gift tax exemption per IRS § 529(c)(2)(B)). Superfunding significantly improves terminal funding ratios over gradual funding on a risk adjusted basis, assuming equal present value of contributions.



Intuitively, superfunding accelerates contributions, such that a larger dollar value is invested over a longer duration of time. By considering these interactions Wealthfront is able to provide additional context for Account Owners regarding their ability to meet their college savings goals given various choices of investment and contribution patterns.

The following illustrations are examples of Glide Paths and their respective asset allocations across the Plans three overall asset classes comprising T-Bills, Bonds and Equity and the nine Plan Designated Portfolios.

**Figure 1a. Wealthfront 529 Glide-5 (Least Aggressive)**



**Figure 1b. Wealthfront 529 Glide-30**

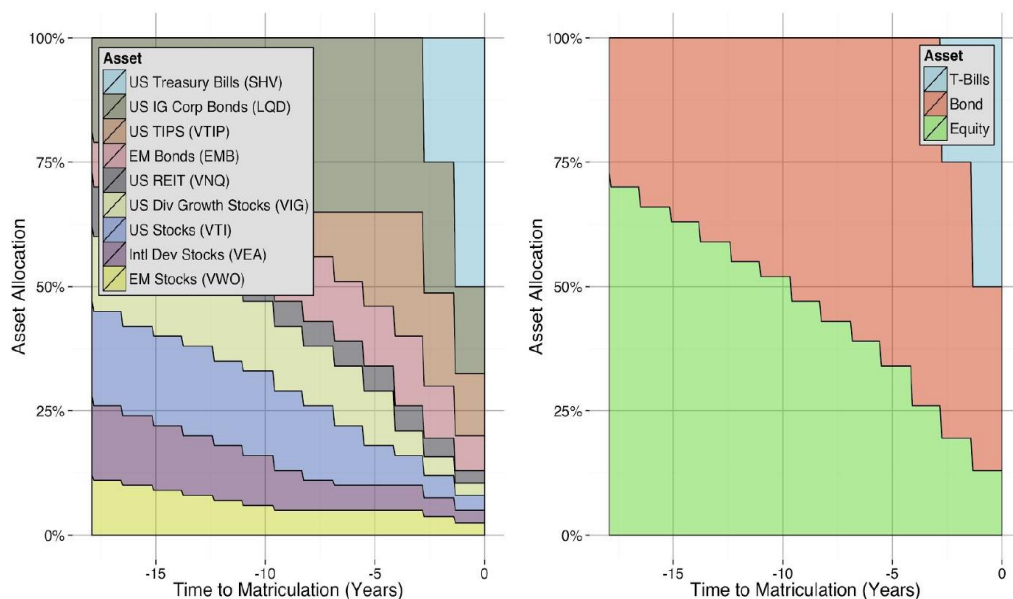


Figure 1c. Wealthfront 529 Glide-70

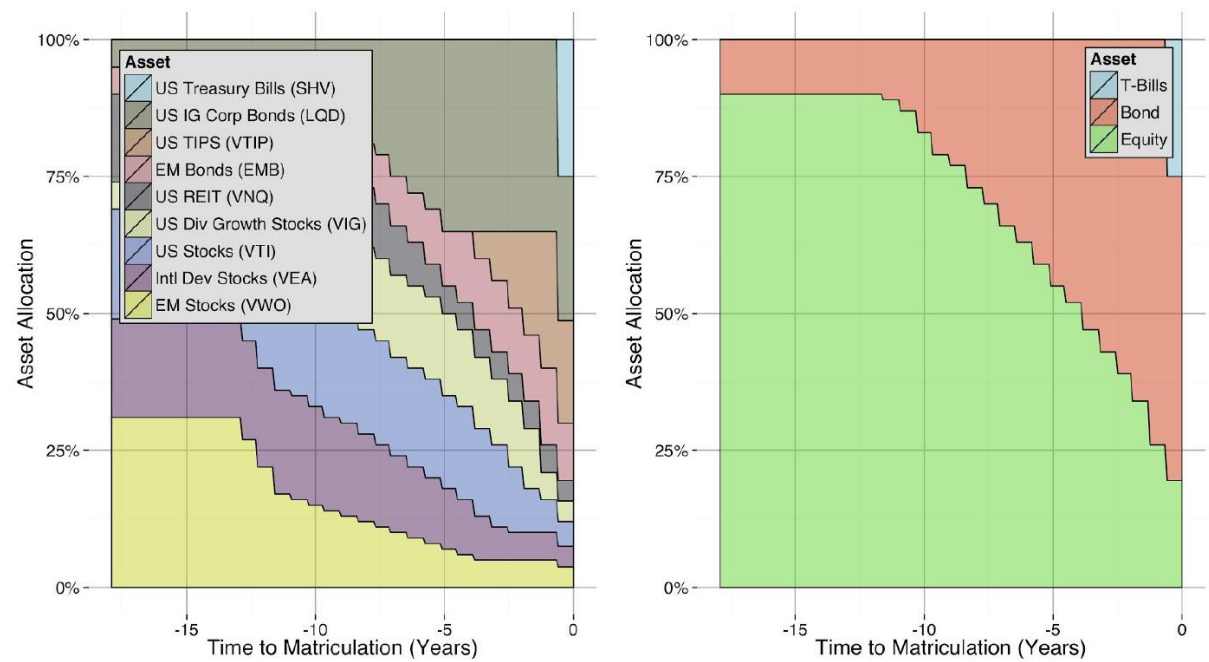
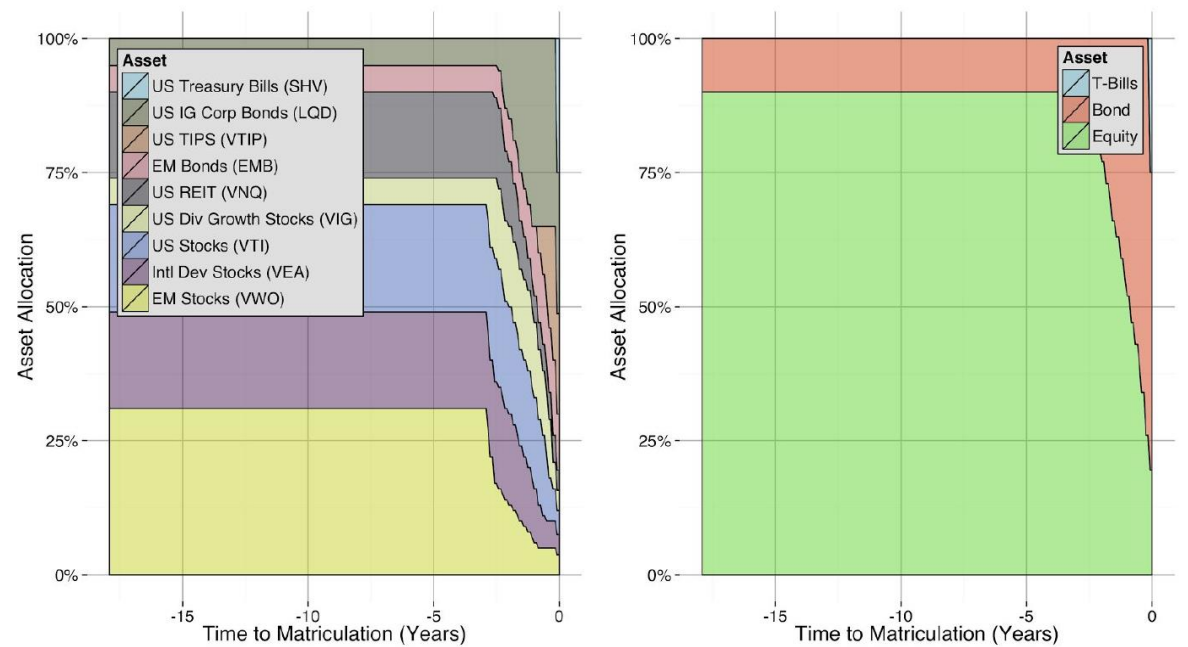


Figure 1d. Wealthfront 529 Glide-100 (Most Aggressive)



### Historical Investment Performance

The following table shows how the performance of the Designated Portfolios has varied over the periods listed. The performance data includes each Portfolio's total annual asset-based fee, but does not include other charges associated with an investment in the Plan. (See "FEES AND EXPENSES") For up to date price and performance information, go to [www.wealthfront.com/529](http://www.wealthfront.com/529). Performance information for the Glide Paths will not be made available in this Plan Description; however, performance information for your

Individual Portfolio is available online by signing into your Account at [www.wealthfront.com/529](http://www.wealthfront.com/529).

The performance data below report the realized returns for each of the Municipal Fund Securities as of the most recent quarter end (June 30, 2021). The data are reported since inception (annualized), and for the most recent year. All returns are computed net of the underlying ETF fee, state fee, and the program management fee. They are not net of Wealthfront's advisory fee

Total Returns for period ended June 30, 2021

Portfolio Name	1 Year	3 Year	5 Year	10 Year	Since Inception 05/25/2016
<b>T-Bills- Designated Portfolio</b>					
Short Treasury Bond Portfolio	-0.10%	1.24%	0.92%	—	0.91%
<b>Bonds- Designated Portfolios</b>					
Corporate Bond Portfolio	2.27%	8.49%	4.89%	—	5.43%
Short-Term Inflation Protected Securities Portfolio	5.74%	3.94%	2.53%	—	2.64%
Emerging Markets Bond Portfolio	6.75%	6.43%	4.01%	—	4.74%
<b>Stocks- Designated Portfolios</b>					
REIT Portfolio	33.39%	11.64%	6.79%	—	8.08%
Dividend Stock Portfolio	33.44%	16.70%	14.93%	—	15.10%
Total Stock Market Portfolio	43.01%	18.14%	17.27%	—	16.85%
International Stock Portfolio	35.37%	8.89%	10.49%	—	9.61%

<b>Portfolio Name</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>Since Inception 05/25/2016</b>
Emerging Markets Stock Portfolio	39.15%	11.41%	11.66%	—	12.34%

**The Designated Portfolio and Individual Portfolios performance information represents past performance. Past performance does not guarantee future results. The investment return and the value of a Designated Portfolio or Individual Portfolio investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data represented in the table above. Investment returns and principal value will fluctuate, so Designated Portfolio Units, when sold, may be worth more or less than their original cost.**

The Plan's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year.

Performance information for the Designated Portfolios or Individual Portfolios should not be viewed as a prediction of future performance of any particular Designated Portfolio or Individual Portfolio. Moreover, in view of anticipated periodic revisions of allocations and possible changes in the underlying ETFs, the future investment results of any Designated Portfolio and Individual Portfolio cannot be expected, for any period, to be similar to the past performance of any underlying ETF.

You can request a copy of the current prospectus, statement of additional information, or the most recent semiannual or annual report of any underlying ETF, and obtain performance information by visiting Vanguard's website at [www.vanguard.com](http://www.vanguard.com) or by calling 1-877-662-7447, and BlackRock's website at [www.ishares.com](http://www.ishares.com) or by calling 1-800-474-2737, as appropriate.

### **Profiles of Underlying ETFs**

The following sections offer an overview of the key aspects of each of the underlying ETFs in the Plan's Designated Portfolios. Because each of the Designated Portfolios invests 100% of its assets in one underlying ETF, this Plan

Description provides only profiles for the underlying ETFs and not for the Designated Portfolios.

All of the underlying ETFs in the Plan's Designated Portfolios are held by the Trust on behalf of the Account Owners and are not individually redeemable or saleable by an Account Owner. ETFs are funds that trade like other publicly-traded securities and are generally designed to track an index. Similar to shares of an index mutual fund, each share of an ETF represents partial ownership in an underlying portfolio of securities intended to track a market index. Unlike shares of a mutual fund, the shares of an ETF are listed on a national securities exchange and trade in the secondary market at prices that change throughout the day. The ETFs underlying the Plan's Designated Portfolios are bought on the secondary market and are not bought or redeemed directly from the issuer at net asset value per share ("NAV"). All of the Designated Portfolio ETFs are highly liquid and are listed on securities exchanges.

**An investment in the any of the Designated Portfolios are not a deposit of a bank and are not insured or guaranteed by the Plan**

**Officials, the Federal Deposit Insurance Corporation or any other government agency**

Stock ETFs

Vanguard REIT ETF Shares (VNQ or the “REIT Fund”)

Investment Manager

Vanguard

### **Investment Objective**

The Fund seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs and other real estate-related investments.

### **Principal Investment Strategies**

The Fund employs an indexing investment approach designed to track the performance of the MSCI US Investable Market Real Estate 25/50 Index, an index that is made up of stocks of large, mid-size, and small U.S. companies within the real estate sector, as classified under the Global Industry Classification Standard (GICS). The GICS real estate sector is composed of equity real estate investment trusts (known as REITs), which include specialized REITs, and real estate management and development companies.

The Fund attempts to track the Index by investing all, or substantially all, of its assets—either directly or indirectly through a wholly owned subsidiary (the underlying fund), which is itself a registered investment company—in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index. The Fund may invest a portion of its assets in the underlying fund.

### **Principal 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:

*Industry concentration risk*, which is the chance that the stocks of REITs and other real estate-related investments will decline because of adverse developments affecting the real estate industry and real property values. Because the Fund concentrates its assets in these stocks, industry concentration risk is high.

*Stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund’s target index may, at times, become focused in stocks of a limited number of companies, which could cause the Fund to underperform the overall stock market.

*Asset concentration risk*, which is the chance that, because the Fund’s target index (and therefore the Fund) tends to be heavily weighted in its ten largest holdings, the Fund’s performance may be hurt disproportionately by the poor performance of relatively few stocks.

*Interest rate risk*, which is the chance that REIT stock prices overall will decline and that the cost of borrowing for REITs will increase because of rising interest rates. Interest rate risk is high for the Fund.

*Investment style risk*, which is the chance that returns from the stocks of REITs and other real estate-related investments—which typically are small- or mid-capitalization stocks—will trail returns from the overall stock market. Historically, these stocks have performed quite differently from the overall market.



*Nondiversification risk*, which is the chance that the Fund may invest a greater percentage of its assets in a particular issuer or group of issuers or may own larger positions of an issuer's voting stock than a diversified fund.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

The Fund's ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

Although the Fund's ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the Fund's ETF Shares may be halted by the activation of individual or marketwide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of the Fund's ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or for the protection of investors.

Vanguard Dividend Appreciation ETF (VIG or the "Dividend Fund")

Investment Manager  
Vanguard

### **Investment Objective**

The Fund seeks to track the performance of a benchmark index that measures the investment

return of common stocks of companies that have a record of increasing dividends over time.

### **Principal Investment Strategies**

The Fund employs an indexing investment approach designed to track the performance of the Nasdaq US Dividend Achievers Select Index, which consists of common stocks of companies that have a record of increasing dividends over time. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

### **Principal Risks**

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

*Stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund's target index tracks a subset of the U.S. stock market, which could cause the Fund to perform differently from the overall stock market. In addition, the Fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

*Investment style risk*, which is the chance that returns from dividend-paying stocks will trail returns from the overall stock market. In addition, mid-capitalization stocks (to the extent that the Fund's assets are invested in mid-cap stocks) historically have been more volatile in price than the large-cap stocks that dominate the overall stock market. Dividend-

paying stocks tend to go through cycles of doing better—or worse— than the stock market in general. These periods have, in the past, lasted for as long as several years.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

The Fund’s ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares. Although the Fund’s ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the Fund’s ETF Shares may be halted by the activation of individual or marketwide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of the Fund’s ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or for the protection of investors.

Vanguard FTSE Emerging Markets ETF (VWO or the “Emerging Stock Fund”)

Investment Manager  
Vanguard

### **Investment Objective**

The Fund seeks to track the performance of a benchmark index that measures the investment

return of stocks issued by companies located in emerging market countries.

### **Principal Investment Strategies**

The Fund employs an indexing investment approach designed to track the performance of the FTSE Emerging Markets All Cap China A Inclusion Index, a market-capitalization-weighted index that is made up of approximately 4,125 common stocks of large-, mid-, and small-cap companies located in emerging markets around the world. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

### **Principal Risks**

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

*Stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund’s investments in foreign stocks can be riskier than U.S. stock investments. Foreign stocks may be more volatile and less liquid than U.S. stocks. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions. In addition, the Fund’s target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector. *Emerging markets risk*, which is the chance that the stocks located in emerging markets will be substantially more volatile, and

substantially less liquid, than the stocks located in more developed foreign markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, and accounting systems; and greater political, social, and economic instability than developed markets.

*Country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the Fund may invest a large portion of its assets in securities of companies located in any one country or region, the Fund’s performance may be hurt disproportionately by the poor performance of its investments in that area.

*Currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.

*China A-shares risk*, which is the chance that the Fund may not be able to access a sufficient amount of China A-shares to track its target index. China A-shares are currently only available to foreign investors through the QFII/RQFFI license or the China Stock Connect program.

*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.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

The Fund’s ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

Although the Fund’s ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the Fund’s ETF Shares may be halted by the activation of individual or marketwide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of the Fund’s ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or for the protection of investors.

Vanguard FTSE Developed Markets ETF (VEA or the “International Fund”)

Investment Manager  
Vanguard

### **Investment Objective**

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in Canada and the major markets of Europe and the Pacific region.

### **Principal Investment Strategies**

The Fund employs an indexing investment approach designed to track the performance of the FTSE Developed All Cap ex US Index, a market-capitalization-weighted index that is

made up of approximately 3873 common stocks of large-, mid-, and small-cap companies located in Canada and the major markets of Europe and the Pacific region. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

### **Principal Risks**

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

*Stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund's investments in foreign stocks can be riskier than U.S. stock investments. Foreign stocks may be more volatile and less liquid than U.S. stocks. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions. In addition, the Fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

*Country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the Fund may invest a large portion of its assets in securities of companies located in any one country or region, the Fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Significant investments in Japan and the United Kingdom (U.K.) subject the Index

and the Fund to proportionately higher exposure to Japanese and U.K. country risk. Investment style risk, which is the chance that returns from non-U.S. small- and mid-capitalization stocks will trail returns from global stock markets. Historically, non-U.S. small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the global markets, and they often perform quite differently. The stock prices of small and mid-size companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions. Currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

The Fund's ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

Although the Fund's ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the Fund's ETF Shares may be halted by the activation of individual or marketwide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of the Fund's ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange

or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or for the protection of investors.

Vanguard Total Stock Market ETF (VTI or the “Total Stock Fund”)

Investment Manager  
Vanguard

### **Investment Objective**

The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

### **Principal Investment Strategies**

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

### **Principal Risks**

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

*Stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. In addition, the Fund’s target index may, at

times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

*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.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

The Fund’s ETF Shares are listed for trading on NYSE Arca and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

Although the Fund’s ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the Fund’s ETF Shares may be halted by the activation of individual or marketwide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of the Fund’s ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or for the protection of investors.

Bond ETFs



## Vanguard Short-Term Inflation-Protected Securities ETF (VTIP or the “TIPS Fund”)

Investment Manager  
Vanguard

### Investment Objective

The Fund seeks to track the performance of a benchmark index that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than 5 years.

### Principal Investment Strategies

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index. As of September 30, 2020, the dollar-weighted average maturity of the Index was 2.7 years.

### Principal 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 fluctuations*, the Fund’s quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. In fact, under certain conditions, the Fund may not

have any income to distribute. Income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation are expected to be high. Overall, investors can expect income fluctuations to be high for the Fund.

*Real interest rate risk*, which is the chance that the value of a bond will fluctuate because of a change in the level of real, or after inflation, interest rates. Although inflation-indexed bonds seek to provide inflation protection, their prices may decline when real interest rates rise and vice versa. Because the Index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years, real interest rate risk is expected to be low for the Fund.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

The Fund’s ETF Shares are listed for trading on Nasdaq and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

Although the Fund’s ETF Shares are listed for trading on Nasdaq, it is possible that an active trading market may not be maintained. Trading of the Fund’s ETF Shares may be halted by the activation of individual or marketwide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of the Fund’s ETF Shares may also be halted if

(1) the shares are delisted from Nasdaq without first being listed on another exchange or (2) Nasdaq officials determine that such action is appropriate in the interest of a fair and orderly market or for the protection of investors.

iShares iBoxx \$ Investment Grade Corporate Bond ETF (LQD or the “Bond Fund”)

Investment Manager  
Blackrock

### **Investment Objective**

The iShares iBoxx \$ Investment Grade Corporate Bond ETF (the “Fund”) seeks to track the investment results of an index composed of U.S. dollar-denominated, investment- grade corporate bonds.

### **Principal Investment Strategies**

The Fund seeks to track the investment results of the Markit iBoxx® USD Liquid Investment Grade Index (the “Underlying Index”), which is a rules- based index consisting of U.S. dollar- denominated, investment-grade (as determined by Markit Indices Limited (the “Index Provider” or “Markit”)) corporate bonds for sale in the U.S. The Underlying Index is designed to provide a broad representation of the U.S. dollar-denominated liquid investment- grade corporate bond market. The Underlying Index is a modified market- value weighted index with a cap on each issuer of 3%. There is no limit to the number of issues in the Underlying Index. As of February 28, 2021, the Underlying Index included approximately 2,349 constituents. As of February 28, 2021, a significant portion of the Underlying Index is represented by securities of companies in the financials industry or sector. The components of the Underlying Index are likely to change over time.

The Underlying Index is a subset of the Markit iBoxx USD Corporate Bond Index, which as of February 28, 2021 is an index of 6,785 investment-grade bonds. Bonds in the Underlying Index are selected from the universe of eligible bonds in the Markit iBoxx USD Corporate Bond Index using defined rules. As of the date of this prospectus (the “Prospectus”), the bonds eligible for inclusion in the Underlying Index consist of U.S. dollar-denominated corporate bonds that: (i) are issued by companies domiciled in countries classified as developed markets by Markit; (ii) have an average rating of investment grade (ratings from Fitch Ratings, Inc., Moody’s Investors Service, Inc. or Standard & Poor’s® Global Ratings, a subsidiary of S&P Global (“S&P Global Ratings”) are considered; if more than one agency provides a rating, the average rating is attached to the bond); (iii) are from issuers with at least \$2 billion outstanding face value; (iv) have at least \$750 million of outstanding face value; (v) have at least three years to maturity; and (vi) have at least three years and 6 months to maturity for new index insertions.

BFA uses a “passive” or indexing approach to try to achieve the Fund’s investment objective. Unlike many investment companies, the Fund does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. Indexing may eliminate the chance that the Fund will substantially outperform the Underlying Index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies. BFA uses a representative sampling indexing strategy to manage the Fund. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar



to that of an applicable underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market value and industry weightings), fundamental characteristics (such as return variability, duration, maturity, credit ratings and yield) and liquidity measures similar to those of an applicable underlying index. The Fund may or may not hold all of the securities in the Underlying Index.

The Fund generally invests at least 90% of its assets in component securities of the Underlying Index and at least 95% of its assets in investment-grade corporate bonds. However, the Fund may at times invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents as well as bonds not included in its relevant Underlying Index but which BFA believes will help the Fund track its Underlying Index and which are either: (i) included in the broader index upon which the Underlying Index is based (i.e., the Markit iBoxx USD Index); or (ii) new issues which BFA believes are entering or about to enter the Underlying Index or the Markit iBoxx USD Index. The Fund may invest up to 5% of its assets in repurchase agreements collateralized by U.S. government obligations and in cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund may lend securities representing up to one-third of the value of the Fund's total assets (including the value of any collateral received).

The Underlying Index is sponsored by Markit, which is independent of the Fund and BFA. The Index Provider determines the composition and relative weightings of the securities in the Underlying Index and

publishes information regarding the market value of the Underlying Index.

**Industry Concentration Policy.** The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities), repurchase agreements collateralized by U.S. government securities, and securities of state or municipal governments and their political subdivisions are not considered to be issued by members of any industry.

### **Summary of Principal Risks**

As with any investment, you could lose all or part of your investment in the Fund, and the Fund's performance could trail that of other investments. The Fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the Fund's net asset value per share ("NAV"), trading price, yield, total return and ability to meet its investment objective. The order of the below risk factors does not indicate the significance of any particular risk factor.

*Asset Class Risk.* Securities and other assets in the Underlying Index or in the Fund's portfolio may underperform in comparison to the general financial markets, a particular financial market or other asset classes.

*Authorized Participant Concentration Risk.* Only an Authorized Participant (as defined in the Creations and Redemptions section of this prospectus (the "Prospectus")) may engage in creation or redemption transactions directly with the Fund, and none of those Authorized Participants is obligated to engage in creation and/or redemption transactions. The Fund has a limited number of institutions that may act as Authorized Participants on an agency basis

(i.e., on behalf of other market participants). To the extent that Authorized Participants exit the business or are unable to proceed with creation or redemption orders with respect to the Fund and no other Authorized Participant is able to step forward to create or redeem, Fund shares may be more likely to trade at a premium or discount to NAV and possibly face trading halts or delisting.

*Call Risk.* During periods of falling interest rates, an issuer of a callable bond held by the Fund may “call” or repay the security before its stated maturity, and the Fund may have to reinvest the proceeds in securities with lower yields, which would result in a decline in the Fund’s income, or in securities with greater risks or with other less favorable features.

*Concentration Risk.* The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund’s investments more than the market as a whole, to the extent that the Fund’s investments are concentrated in the securities and/or other assets of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class.

*Credit Risk.* Debt issuers and other counterparties may be unable or unwilling to make timely interest and/or principal payments when due or otherwise honor their obligations. Changes in an issuer’s credit rating or the market’s perception of an issuer’s creditworthiness may also adversely affect the value of the Fund’s investment in that issuer. The degree of credit risk depends on an issuer’s or counterparty’s financial condition and on the terms of an obligation.

*Cybersecurity Risk.* Failures or breaches of the electronic systems of the Fund, the Fund’s adviser, distributor, the Index Provider and other service providers, market makers, Authorized Participants or the issuers of

securities in which the Fund invests have the ability to cause disruptions, negatively impact the Fund’s business operations and/or potentially result in financial losses to the Fund and its shareholders. While the Fund has established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems. Furthermore, the Fund cannot control the cybersecurity plans and systems of the Fund’s Index Provider and other service providers, market makers, Authorized Participants or issuers of securities in which the Fund invests.

*Financials Sector Risk.* Performance of companies in the financials sector may adversely impacted by many factors, including, among others, changes in government regulations, economic conditions, and interest rates, credit rating downgrades, and decreased liquidity in credit markets. The extent to which the Fund may invest in a company that engages in securities- related activities or banking is limited by applicable law. The impact of changes in capital requirements and recent or future regulation of any individual financial company, or of the financials sector as a whole, cannot be predicted. In recent years, cyberattacks and technology malfunctions and failures have become increasingly frequent in this sector and have caused significant losses to companies in this sector, which may negatively impact the Fund.

*Geographic Risk.* A natural disaster could occur in a geographic region in which the Fund invests, which could adversely affect the economy or the business operations of companies in the specific geographic region, causing an adverse impact on the Fund’s investments in, or which are exposed to, the affected region.

*Income Risk.* The Fund's income may decline if interest rates fall. This decline in income can occur because the Fund may subsequently invest in lower- yielding bonds as bonds in its portfolio mature, are near maturity or are called, bonds in the Underlying Index are substituted, or the Fund otherwise needs to purchase additional bonds.

*Index-Related Risk.* There is no guarantee that the Fund's investment results will have a high degree of correlation to those of the Underlying Index or that the Fund will achieve its investment objective. Market disruptions and regulatory restrictions should have an adverse effect on the Fund's ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data, index computations or the construction of the Underlying Index in accordance with its methodology may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, which may have an adverse impact on the Fund and its shareholders. Unusual market conditions may cause the Index Provider to postpone a scheduled rebalance, which could cause the Underlying Index to vary from its normal or expected composition.

*Infectious Illness Risk.* An outbreak of an infectious respiratory illness, COVID- 19, caused by a novel coronavirus has resulted in travel restrictions, disruption of healthcare systems, prolonged quarantines, cancellations, supply chain disruptions, lower consumer demand, layoffs, ratings downgrades, defaults and other significant economic impacts. Certain markets have experienced temporary closures, extreme volatility, severe losses, reduced liquidity and increased trading costs. These events will have an impact on the Fund and its investments and could impact the Fund's ability to purchase or sell securities or cause elevated tracking error and increased

premiums or discounts to the Fund's NAV. Other infectious illness outbreaks in the future may result in similar impacts.

*Interest Rate Risk.* During periods of very low or negative interest rates, the Fund may be unable to maintain positive returns or pay dividends to Fund shareholders. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, result in heightened market volatility and detract from the Fund's performance to the extent the Fund is exposed to such interest rates. Additionally, under certain market conditions in which interest rates are low and the market prices for portfolio securities have increased, the Fund may have a very low, or even negative yield. A low or negative yield would cause the Fund to lose money in certain conditions and over certain time periods. An increase in interest rates will generally cause the value of securities held by the Fund to decline, may lead to heightened volatility in the fixed-income markets and may adversely affect the liquidity of certain fixed-income investments, including those held by the Fund. The historically low interest rate environment heightens the risks associated with rising interest rates.

*Issuer Risk.* The performance of the Fund depends on the performance of individual securities to which the Fund has exposure. The Fund may be adversely affected if an issuer of underlying securities held by the Fund is unable or unwilling to repay principal or interest when due. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

*Management Risk.* As the Fund will not fully replicate the Underlying Index, it is subject to

the risk that BFA's investment strategy may not produce the intended results.

*Market Risk.* The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Fund and its investments and could result in increased premiums or discounts to the Fund's NAV.

*Market Trading Risk.* The Fund faces numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruptions in the creation/redemption process. ANY OF THESE FACTORS, AMONG OTHERS, MAY LEAD TO THE FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV.

*Operational Risk.* The Fund is exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Fund's service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures. The Fund and BFA seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address significant operational risks.

*Passive Investment Risk.* The Fund is not actively managed, and BFA generally does not attempt to take defensive positions under any market conditions, including declining markets.

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

*Securities Lending Risk.* The Fund may engage in securities lending. Securities lending involves the risk that the Fund may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. The Fund could also lose money in the event of a decline in the value of collateral provided for loaned securities or a decline in the value of any investments made with cash collateral. These events could also trigger adverse tax consequences for the Fund.

*Security Risk.* Some countries and regions in which the Fund invests have experienced security concerns, such as terrorism and strained international relations. Incidents involving a country's or region's security may cause uncertainty in its markets and may adversely affect its economy and the Fund's investments.

*Tracking Error Risk.* The Fund may be subject to tracking error, which is the divergence of the Fund's performance from that of the Underlying Index. Tracking error may occur because of differences between the securities and other instruments held in the Fund's portfolio and those included in the Underlying Index, pricing differences (including, as applicable, differences between a security's price at the local market close and the Fund's valuation of a security at the time of calculation of the Fund's NAV), transaction costs incurred by the Fund, the Fund's holding of uninvested cash, differences in timing of the accrual of or the valuation of distributions, the requirements to maintain pass-through tax treatment, portfolio transactions carried out to

minimize the distribution of capital gains to shareholders, acceptance of custom baskets, changes to the Underlying Index or the costs to the Fund of complying with various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because the Fund incurs fees and expenses, while the Underlying Index does not.

*Valuation Risk.* The price the Fund could receive upon the sale of a security or other asset may differ from the Fund's valuation of the security or other asset and from the value used by the Underlying Index, particularly for securities or other assets that trade in low volume or volatile markets or that are valued using a fair value methodology as a result of trade suspensions or for other reasons. In addition, the value of the securities or other assets in the Fund's portfolio may change on days or during time periods when shareholders will not be able to purchase or sell the Fund's shares. Authorized Participants who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received had the Fund not fair-valued securities or used a different valuation methodology. The Fund's ability to value investments may be impacted by technological issues or errors by pricing services or other third-party service providers.

iShares J.P. Morgan USD Emerging Markets Bond ETF (EMB or the "Emerging Bond Fund")

Investment Manager  
Blackrock

### **Investment Objective**

The iShares J.P. Morgan USD Emerging Markets Bond ETF (the "Fund") seeks to track

the investment results of an index composed of U.S. dollar-denominated, emerging market bonds.

### **Principal Investment Strategies**

The Fund seeks to track the investment results of the J.P. Morgan EMBI® Global Core Index (the "Underlying Index"), which is a broad, diverse U.S. dollar-denominated emerging markets debt benchmark that tracks the total return of actively traded external debt instruments in emerging market countries. The methodology is designed to distribute the weight of each country within the Underlying Index by limiting the weights of countries with higher debt outstanding and reallocating this excess to countries with lower debt outstanding.

The Underlying Index was comprised of 57 countries as of October 31, 2020. As of October 31, 2020, the Underlying Index's five highest weighted countries were Indonesia, Mexico, Qatar, Saudi Arabia and the United Arab Emirates.

The Underlying Index may change its composition and weighting monthly upon rebalancing. The Underlying Index includes both fixed-rate and floating-rate instruments issued by sovereign and quasi-sovereign entities from index-eligible countries. Quasi-sovereign entities are defined as entities that are 100% guaranteed or 100% owned by the national government and reside in the index eligible country. Only instruments which meet the following criteria are considered for inclusion in the Underlying Index (i) are denominated in

U.S. dollars, (ii) have a current face amount outstanding of \$1 billion or more, (iii) have at least 2.5 years until maturity to be eligible for inclusion and, at each subsequent rebalance, have at least one year until maturity to remain in the index, (iv) are able to settle



internationally through Euroclear or another institution domiciled outside the issuing country and (v) have bid and offer prices that are available on a daily and timely basis sourced from a third party valuation vendor. As of October 31, 2020 The Underlying Index consisted of both investment-grade and non-investment-grade bonds (commonly referred to as “junk bonds”), each as defined by JPMorgan Chase & Co. (the “Index Provider” or “J.P. Morgan”). Convertible bonds are not eligible for inclusion in the Underlying Index. The Underlying Index is market value weighted and is rebalanced monthly on the last business day of the month.

Eligible issuer countries must have (1) gross national income (“GNI”) below the Index Income Ceiling (“IIC”) for three consecutive years or (2) an Index Purchasing Power Parity Ratio (the “IPR”) below the EM IPR threshold, each as defined by the Index Provider, for three consecutive years.

BFA uses a “passive” or indexing approach to try to achieve the Fund’s investment objective. Unlike many investment companies, the Fund does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. Indexing may eliminate the chance that the Fund will substantially outperform the Underlying Index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies.

BFA uses a representative sampling indexing strategy to manage the Fund. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of an applicable underlying index. The securities

selected are expected to have, in the aggregate, investment characteristics (based on factors such as market value and industry weightings), fundamental characteristics (such as return variability, duration, maturity, credit ratings and yield) and liquidity measures similar to those of an applicable underlying index. The Fund may or may not hold all of the securities in the Underlying Index. The Fund generally will invest at least 90% of its assets in the component securities of the Underlying Index and may invest up to 10% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates (“BlackRock Cash Funds”), as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index.

From time to time when conditions warrant, however, the Fund may invest at least 80% of its assets in the component securities of the Underlying Index and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of BlackRock Cash Funds, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Underlying Index is sponsored by J.P. Morgan, which is independent of the Fund and BFA. The Index Provider determines the composition and relative weightings of the securities in the Underlying Index and publishes information regarding the market value of the Underlying Index.

**Industry Concentration Policy.** The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the

same extent that the Underlying Index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities), repurchase agreements collateralized by U.S. government securities, and securities of state or municipal governments and their political subdivisions are not considered to be issued by members of any industry.

### **Summary of Principal Risks**

As with any investment, you could lose all or part of your investment in the Fund, and the Fund's performance could trail that of other investments. The Fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the Fund's net asset value per share ("NAV"), trading price, yield, total return and ability to meet its investment objective. The order of the below risk factors does not indicate the significance of any particular risk factor.

*Asset Class Risk.* Securities and other assets in the Underlying Index or in the Fund's portfolio may underperform in comparison to the general financial markets, a particular financial market or other asset classes.

*Authorized Participant Concentration Risk.* Only an Authorized Participant (as defined in the Creations and Redemptions section of this prospectus (the "Prospectus")) may engage in creation or redemption transactions directly with the Fund, and none of those Authorized Participants is obligated to engage in creation and/or redemption transactions. The Fund has a limited number of institutions that may act as Authorized Participants on an agency basis (i.e., on behalf of other market participants). To the extent that Authorized Participants exit the business or are unable to proceed with creation or redemption orders with respect to the Fund and no other Authorized Participant is able to step forward to create or redeem, Fund shares may be more likely to trade at a premium or discount to NAV and possibly

face trading halts or delisting. Authorized Participant concentration risk may be heightened for exchange-traded funds ("ETFs"), such as the Fund, that invest in securities issued by non-U.S. issuers or other securities or instruments that have lower trading volumes.

*Call Risk.* During periods of falling interest rates, an issuer of a callable bond held by the Fund may "call" or repay the security before its stated maturity, and the Fund may have to reinvest the proceeds in securities with lower yields, which would result in a decline in the Fund's income, or in securities with greater risks or with other less favorable features.

*Concentration Risk.* The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund's investments more than the market as a whole, to the extent that the Fund's investments are concentrated in the securities and/or other assets of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector, market segment or asset class.

*Credit Risk.* Debt issuers and other counterparties may be unable or unwilling to make timely interest and/or principal payments when due or otherwise honor their obligations. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also adversely affect the value of the Fund's investment in that issuer. The degree of credit risk depends on an issuer's or counterparty's financial condition and on the terms of an obligation.

*Custody Risk.* Less developed securities markets are more likely to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories.



**Cybersecurity Risk.** Failures or breaches of the electronic systems of the Fund, the Fund's adviser, distributor, the Index Provider and other service providers, market makers, Authorized Participants or the issuers of securities in which the Fund invests have the ability to cause disruptions, negatively impact the Fund's business operations and/or potentially result in financial losses to the Fund and its shareholders. While the Fund has established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems. Furthermore, the Fund cannot control the cybersecurity plans and systems of the Fund's Index Provider and other service providers, market makers, Authorized Participants or issuers of securities in which the Fund invests.

**Geographic Risk.** A natural disaster could occur in a geographic region in which the Fund invests, which could adversely affect the economy or the business operations of companies in the specific geographic region, causing an adverse impact on the Fund's investments in, or which are exposed to, the affected region.

**High Yield Securities Risk.** Securities that are rated below investment-grade (commonly referred to as "junk bonds," which may include those bonds rated below "BBB-" by S&P Global Ratings and Fitch Ratings, Inc. ("Fitch") or below "Baa3" by Moody's Investors Service, Inc. ("Moody's")), or are unrated, may be deemed speculative, may involve greater levels of risk than higher-rated securities of similar maturity and may be more likely to default.

**Illiquid Investments Risk.** The Fund may invest up to an aggregate amount of 15% of its net assets in illiquid investments. An illiquid investment is any investment that the Fund reasonably expects cannot be sold or disposed

of in current market conditions in seven calendar days or less without significantly changing the market value of the investment. To the extent the Fund holds illiquid investments, the illiquid investments may reduce the returns of the Fund because the Fund may be unable to transact at advantageous times or prices. During periods of market volatility, liquidity in the market for the Fund's shares may be impacted by the liquidity in the market for the underlying securities or instruments held by the Fund, which could lead to the Fund's shares trading at a premium or discount to the Fund's NAV.

**Income Risk.** The Fund's income may decline if interest rates fall. This decline in income can occur because the Fund may subsequently invest in lower-yielding bonds as bonds in its portfolio mature, are near maturity or are called, bonds in the Underlying Index are substituted, or the Fund otherwise needs to purchase additional bonds.

**Index-Related Risk.** There is no guarantee that the Fund's investment results will have a high degree of correlation to those of the Underlying Index or that the Fund will achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the Fund's ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data, index computations or the construction of the Underlying Index in accordance with its methodology may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, which may have an adverse impact on the Fund and its shareholders. Unusual market conditions may cause the Index Provider to postpone a scheduled rebalance, which could cause the Underlying Index to vary from its normal or expected composition.

*Infectious Illness Risk.* An outbreak of an infectious respiratory illness, COVID- 19, caused by a novel coronavirus has resulted in travel restrictions, disruption of healthcare systems, prolonged quarantines, cancellations, supply chain disruptions, lower consumer demand, layoffs, ratings downgrades, defaults and other significant economic impacts. Certain markets have experienced temporary closures, extreme volatility, severe losses, reduced liquidity and increased trading costs. These events will have an impact on the Fund and its investments and could impact the Fund's ability to purchase or sell securities or cause elevated tracking error and increased premiums or discounts to the Fund's NAV. Other infectious illness outbreaks in the future may result in similar impacts.

*Interest Rate Risk.* During periods of very low or negative interest rates, the Fund may be unable to maintain positive returns or pay dividends to Fund shareholders. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, result in heightened market volatility and detract from the Fund's performance to the extent the Fund is exposed to such interest rates. Additionally, under certain market conditions in which interest rates are low and the market prices for portfolio securities have increased, the Fund may have a very low, or even negative yield. A low or negative yield would cause the Fund to lose money in certain conditions and over certain time periods. An increase in interest rates will generally cause the value of securities held by the Fund to decline, may lead to heightened volatility in the fixed-income markets and may adversely affect the liquidity of certain fixed-income investments, including those held by the Fund. The historically low interest rate environment heightens the risks associated with rising interest rates.

*Issuer Risk.* The performance of the Fund depends on the performance of individual securities to which the Fund has exposure. The Fund may be adversely affected if an issuer of underlying securities held by the Fund is unable or unwilling to repay principal or interest when due. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

*Management Risk.* As the Fund will not fully replicate the Underlying Index, it is subject to the risk that BFA's investment strategy may not produce the intended results.

*Market Risk.* The Fund could lose money over short periods due to short- term market movements and over longer periods during more prolonged market downturns. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments and could result in increased premiums or discounts to the Fund's NAV.

*Market Trading Risk.* The Fund faces numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruptions in the creation/redemption process.

ANY OF THESE FACTORS, AMONG OTHERS, MAY LEAD TO THE FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV.

*Non-U.S. Agency Debt Risk.* The Fund invests in uncollateralized bonds issued by agencies, subdivisions or instrumentalities of foreign governments. Bonds issued by foreign government agencies, subdivisions or instrumentalities are generally backed only by the general creditworthiness and reputation of

the entity issuing the bonds and may not be backed by the full faith and credit of the foreign government. Moreover, a foreign government that explicitly provides its full faith and credit to a particular entity may be, due to changed circumstances, unable or unwilling to provide that support. A non-U.S. agency's operations and financial condition are influenced by the foreign government's economic and other policies.

*Non-U.S. Issuers Risk.* Securities issued by non-U.S. issuers carry different risks from securities issued by U.S. issuers. These risks include differences in accounting, auditing and financial reporting standards, the possibility of expropriation or confiscatory taxation, adverse changes in investment or exchange control regulations, political instability, regulatory and economic differences, and potential restrictions on the flow of international capital. The Fund is specifically exposed to Central and South American Economic Risk and Middle Eastern Economic Risk.

*Operational Risk.* The Fund is exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Fund's service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures. The Fund and BFA seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address significant operational risks.

*Passive Investment Risk.* The Fund is not actively managed, and BFA generally does not attempt to take defensive positions under any market conditions, including declining markets.

*Privatization Risk.* Some countries in which the Fund invests have privatized, or have begun the process of privatizing, certain entities and industries. Privatized entities may lose money or be re-nationalized.

*Reliance on Trading Partners Risk.* The Fund invests in countries or regions whose economies are heavily dependent upon trading with key partners. Any reduction in this trading may have an adverse impact on the Fund's investments. Through its holdings of securities of certain issuers, the Fund is specifically exposed to Asian Economic Risk, Central and South American Economic Risk, European Economic Risk and U.S. Economic Risk.

*Risk of Investing in Emerging Markets.*

Investments in emerging market issuers may be subject to a greater risk of loss than investments in issuers located or operating in more developed markets. Emerging markets may be more likely to experience inflation, political turmoil and rapid changes in economic conditions than more developed markets. Companies in many emerging markets are not subject to the same degree of regulatory requirements, accounting standards or auditor oversight as companies in more developed countries, and as a result, information about the securities in which the Fund invests may be less reliable or complete. Emerging markets often have less reliable securities valuations and greater risk associated with custody of securities than developed markets. There may be significant obstacles to obtaining information necessary for investigations into or litigation against companies and shareholders may have limited legal remedies. The Fund is not actively managed and does not select investments based on investor protection considerations.

*Risk of Investing in Russia.* Investing in Russian securities involves significant risks, including legal, regulatory, currency and

economic risks that are specific to Russia. In addition, investing in Russian securities involves risks associated with the settlement of portfolio transactions and loss of the Fund's ownership rights in its portfolio securities as a result of the system of share registration and custody in Russia. A number of jurisdictions, including the U.S., Canada and the European Union (the "EU"), have imposed economic sanctions on certain Russian individuals and Russian corporate entities. Additionally, Russia is alleged to have participated in state-sponsored cyberattacks against foreign companies and foreign governments. Actual and threatened responses to such activity, including purchasing restrictions, sanctions, tariffs or cyberattacks on the Russian government or Russian companies, may impact Russia's economy and Russian issuers of securities in which the Fund invests.

*Security Risk.* Some countries and regions in which the Fund invests have experienced security concerns, such as terrorism and strained international relations. Incidents involving a country's or region's security may cause uncertainty in its markets and may adversely affect its economy and the Fund's investments.

*Sovereign and Quasi-Sovereign Obligations Risk.* The Fund invests in securities issued by or guaranteed by non-U.S. sovereign governments and by entities affiliated with or backed by non-U.S. sovereign governments, which may be unable or unwilling to repay principal or interest when due. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt obligations or of other government debt obligations.

*Structural Risk.* The countries in which the Fund invests may be subject to considerable degrees of economic, political and social instability.

*Tracking Error Risk.* The Fund may be subject to tracking error, which is the divergence of the Fund's performance from that of the Underlying Index. Tracking error may occur because of differences between the securities and other instruments held in the Fund's portfolio and those included in the Underlying Index, pricing differences (including, as applicable, differences between a security's price at the local market close and the Fund's valuation of a security at the time of calculation of the Fund's NAV), transaction costs incurred by the Fund, the Fund's holding of uninvested cash, differences in timing of the accrual of or the valuation of distributions, the requirements to maintain pass-through tax treatment, portfolio transactions carried out to minimize the distribution of capital gains to shareholders, acceptance of custom baskets, changes to the Underlying Index or the costs to the Fund of complying with various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because the Fund incurs fees and expenses, while the Underlying Index does not. INDEX ETFs THAT TRACK INDICES WITH SIGNIFICANT WEIGHT IN EMERGING MARKETS ISSUERS MAY EXPERIENCE HIGHER TRACKING ERROR THAN OTHER ETFs THAT DO NOT TRACK SUCH INDICES.

*Valuation Risk.* The price the Fund could receive upon the sale of a security or other asset may differ from the Fund's valuation of the security or other asset and from the value used by the underlying Index, particularly for securities or other assets that trade in low volume or volatile markets or that are valued using a fair value methodology as a result of trade suspensions or for other reasons. In addition, the value of the securities or other assets in the Fund's portfolio may change on days or during time periods when shareholders

will not be able to purchase or sell the Fund's shares. Authorized Participants who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received had the Fund not fair-valued securities or used a different valuation methodology. The Fund's ability to value investments may be impacted by technological issues or errors by pricing services or other third-party service providers.

#### T-Bills ETF

iShares Short Treasury Bond ETF (SHV or the "T-Bills Fund")

Investment Manager  
Blackrock

#### **Investment Objective**

The iShares Short Treasury Bond ETF (the "Fund") seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities of one year or less.

#### **Principal Investment Strategies**

The Fund seeks to track the investment results of the ICE Short US Treasury Securities Index (the "Underlying Index"), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of less than or equal to one year. Under normal circumstances, the Fund will seek to maintain a weighted average maturity of less than one year. Weighted average maturity is the U.S. dollar weighted average of the remaining term to maturity of the underlying securities in the Fund's portfolio. As of February 28, 2021, there were 82 components in the Underlying Index.

The Underlying Index is market value weighted based on amounts outstanding of issuances consisting of publicly issued U.S. Treasury securities with at least 50 days to final maturity at the time of issuance, a remaining term to final maturity of less than or equal to one year as of the rebalance date and have \$1 billion or more of outstanding face value, excluding amounts held by the Federal Reserve System Open Market Account. In addition, the securities in the Underlying Index must have a fixed coupon schedule and be denominated in U.S. dollars. Excluded from the Underlying Index are inflation-linked debt, cash management bills, and zero-coupon bonds that have been stripped from coupon-paying bonds (e.g., Separate Trading of Registered Interest and Principal of Securities ("STRIPS")). However, the amounts outstanding of qualifying coupon securities in the Underlying Index are not reduced by any individual components of such securities (i.e., coupon or principal) that have been stripped after inclusion in the Underlying Index. The Underlying Index is rebalanced on the last calendar day of each month. BFA uses a "passive" or indexing approach to try to achieve the Fund's investment objective. Unlike many investment companies, the Fund does not try to "beat" the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. Indexing may eliminate the chance that the Fund will substantially outperform the Underlying Index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies. BFA uses a representative sampling indexing strategy to manage the Fund. "Representative sampling" is an indexing strategy that involves investing in a representative sample of securities that collectively has an



investment profile similar to that of an applicable underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market value and industry weightings), fundamental characteristics (such as return variability, duration, maturity, credit ratings and yield) and liquidity measures similar to those of an applicable underlying index. The Fund may or may not hold all of the securities in the Underlying Index.

The Fund generally invests at least 90% of its assets in the bonds of the Underlying Index and at least 95% of its assets in U.S. government bonds. The Fund may invest up to 10% of its assets in U.S. government bonds not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund also may invest up to 5% of its assets in repurchase agreements collateralized by U.S. government obligations and in cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Fund may lend securities representing up to one-third of the value of the Fund's total assets (including the value of any collateral received). The Underlying Index is sponsored by ICE Data Indices, LLC or its affiliates (collectively, the "Index Provider" or "IDI"), which is independent of the Fund and BFA. The Index Provider determines the composition and relative weightings of the securities in the Underlying Index and publishes information regarding the market value of the Underlying Index.

**Industry Concentration Policy.** The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the

same extent that the Underlying Index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities), repurchase agreements collateralized by U.S. government securities, and securities of state or municipal governments and their political subdivisions are not considered to be issued by members of any industry.

### **Summary of Principal Risks**

As with any investment, you could lose all or part of your investment in the Fund, and the Fund's performance could trail that of other investments. The Fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the Fund's net asset value per share ("NAV"), trading price, yield, total return and ability to meet its investment objective. The order of the below risk factors does not indicate the significance of any particular risk factor.

**Asset Class Risk.** Securities in the Underlying Index or in the Fund's portfolio may underperform in comparison to the general financial markets, a particular financial market or other asset classes.

#### *Authorized Participant Concentration Risk.*

Only an Authorized Participant (as defined in the Creations and Redemptions section of this prospectus (the "Prospectus")) may engage in creation or redemption transactions directly with the Fund, and none of those Authorized Participants is obligated to engage in creation and/or redemption transactions. The Fund has a limited number of institutions that may act as Authorized Participants on an agency basis (i.e., on behalf of other market participants). To the extent that Authorized Participants exit the business or are unable to proceed with creation or redemption orders with respect to the Fund and no other Authorized Participant is able to step forward to create or redeem, Fund shares may be more likely to trade at a

premium or discount to NAV and possibly face trading halts or delisting.

*Concentration Risk.* The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund's investments more than the market as a whole, to the extent that the Fund's investments are concentrated in the securities and/or other assets of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class.

*Cybersecurity Risk.* Failures or breaches of the electronic systems of the Fund, the Fund's adviser, distributor, the Index Provider and other service providers, market makers, Authorized Participants or the issuers of securities in which the Fund invests have the ability to cause disruptions, negatively impact the Fund's business operations and/or potentially result in financial losses to the Fund and its shareholders. While the Fund has established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems. Furthermore, the Fund cannot control the cybersecurity plans and systems of the Fund's Index Provider and other service providers, market makers, Authorized Participants or issuers of securities in which the Fund invests.

*Income Risk.* The Fund's income may decline if interest rates fall. This decline in income can occur because the Fund may subsequently invest in lower- yielding bonds as bonds in its portfolio mature, are near maturity or are called, bonds in the Underlying Index are substituted, or the Fund otherwise needs to purchase additional bonds.

*Index-Related Risk.* There is no guarantee that the Fund's investment results will have a high degree of correlation to those of the

Underlying Index or that the Fund will achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the Fund's ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data, index computations or the construction of the Underlying Index in accordance with its methodology may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, which may have an adverse impact on the Fund and its shareholders. Unusual market conditions may cause the Index Provider to postpone a scheduled rebalance, which could cause the Underlying Index to vary from its normal or expected composition.

*Infectious Illness Risk.* An outbreak of an infectious respiratory illness, COVID- 19, caused by a novel coronavirus has resulted in travel restrictions, disruption of healthcare systems, prolonged quarantines, cancellations, supply chain disruptions, lower consumer demand, layoffs, ratings downgrades, defaults and other significant economic impacts. Certain markets have experienced temporary closures, extreme volatility, severe losses, reduced liquidity and increased trading costs. These events will have an impact on the Fund and its investments and could impact the Fund's ability to purchase or sell securities or cause elevated tracking error and increased premiums or discounts to the Fund's NAV. Other infectious illness outbreaks in the future may result in similar impacts.

*Interest Rate Risk.* During periods of very low or negative interest rates, the Fund may be unable to maintain positive returns or pay dividends to Fund shareholders. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, result in



heightened market volatility and detract from the Fund's performance to the extent the Fund is exposed to such interest rates. Additionally, under certain market conditions in which interest rates are low and the market prices for portfolio securities have increased, the Fund may have a very low, or even negative yield. A low or negative yield would cause the Fund to lose money in certain conditions and over certain time periods. An increase in interest rates will generally cause the value of securities held by the Fund to decline, may lead to heightened volatility in the fixed-income markets and may adversely affect the liquidity of certain fixed-income investments, including those held by the Fund. The historically low interest rate environment heightens the risks associated with rising interest rates.

*Issuer Risk.* The performance of the Fund depends on the performance of individual securities to which the Fund has exposure. The Fund may be adversely affected if an issuer of underlying securities held by the Fund is unable or unwilling to repay principal or interest when due.

*Management Risk.* As the Fund will not fully replicate the Underlying Index, it is subject to the risk that BFA's investment strategy may not produce the intended results.

*Market Risk.* The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Fund and its investments and could result in increased premiums or discounts to the Fund's NAV.

*Market Trading Risk.* The Fund faces numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruptions in the creation/redemption process. ANY OF THESE FACTORS, AMONG OTHERS, MAY LEAD TO THE FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV.

*Operational Risk.* The Fund is exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Fund's service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures. The Fund and BFA seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address significant operational risks.

*Passive Investment Risk.* The Fund is not actively managed, and BFA generally does not attempt to take defensive positions under any market conditions, including declining markets.

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

*Securities Lending Risk.* The Fund may engage in securities lending. Securities lending involves the risk that the Fund may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. The Fund could also lose money in the event of a decline in the value of collateral provided for loaned

securities or a decline in the value of any investments made with cash collateral. These events could also trigger adverse tax consequences for the Fund.

*Tracking Error Risk.* The Fund may be subject to tracking error, which is the divergence of the Fund's performance from that of the Underlying Index. Tracking error may occur because of differences between the securities held in the Fund's portfolio and those included in the Underlying Index, pricing differences, transaction costs incurred by the Fund, the Fund's holding of uninvested cash, differences in timing of the accrual of or the valuation of distributions, the requirements to maintain pass-through tax treatment, portfolio transactions carried out to minimize the distribution of capital gains to shareholders, acceptance of custom baskets, changes to the Underlying Index or the costs to the Fund of complying with various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because the Fund incurs fees and expenses, while the Underlying Index does not.

*U.S. Treasury Obligations Risk.* U.S. Treasury obligations may differ from other securities in their interest rates, maturities, times of issuance and other characteristics and may provide relatively lower returns than those of other securities. Similar to other issuers, changes to the financial condition or credit rating of the U.S. government may cause the value of the Fund's U.S. Treasury obligations to decline.

## Appendix B

### APPENDIX B: WEALTHFRONT 529 COLLEGE SAVINGS PLAN PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (the “**Participation Agreement**”) is entered into between the Account Owner (“you,” “I,” “my,” “myself” or the “**Account Owner**”) whose name appears on the Wealthfront 529 College Savings Plan Account Application form (the “**Account Application**”) and the Nevada College Savings Trust Fund (the “**Trust Fund**”). The Treasurer of the State of Nevada (the “**Administrator**”) administers the Trust Fund pursuant to authority delegated by the Board of Trustees (the “**Board**”) of the College Savings Plans of Nevada (the “**Program**”). The Wealthfront 529 College Savings Plan (the “**Plan**”) has been created within the Trust Fund, which was established under Chapter 353B of the Nevada Revised Statutes (the “**Act**”) and designed to qualify for treatment as a qualified tuition program within the meaning of Section 529 of the Internal Revenue Code of 1986, as amended from time to time, and any regulations or other guidance issued thereunder (collectively, “**Section 529**”). Terms used in this Participation Agreement and not otherwise defined herein have the meanings defined in the Plan Description (the “**Plan Description**”), receipt of which is hereby acknowledged by the Account Owner.

*By signing the Account Application, you agree to be bound by the terms of this Participation Agreement, the Plan Description, and the Program Regulations described below and represent that you have completed and agree to the terms of the Participation Agreement.*

1. **Establishment of Account.** This Participation Agreement and the complete Account Application executed

by the Account Owner with respect to an account (an “**Account**”) shall constitute the entire contract between the Board, the Program Administrator and the Account Owner with respect to the Account, which Account will be managed by your investment adviser, Wealthfront Advisers LLC (“**Wealthfront**”), as described in the Plan Description. You request that the Board or the Program Administrator establish an Account pursuant to the Account Application for the benefit of the beneficiary designated on the Account Application (the “**Beneficiary**”). Your Account and this Agreement are subject to the Act and the regulations adopted and amended from time to time by the Board or the Program Administrator pursuant to the Act (the “**Program Regulations**”). Account assets will be held, subject to the Act and Section 529, for the exclusive benefit of you and the Beneficiary.

2. **Plan Management.** Ascensus College Savings Recordkeeping Services, LLC, and certain of its affiliates (collectively, the “**Program Manager**”) have been retained by the Board as the Program Administrator and has overall responsibility for the day-to-day operations of the Plan. Wealthfront and its affiliate serve as investment adviser and distributor for the Plan and also provides or arranges for certain marketing services for the Plan. Your Account will be established upon receipt of a completed Account Application and the minimum initial contribution required for an Account.
3. **Contributions to Accounts.**
  - (a) *Required Initial Contribution.* You must make an initial contribution of at least

\$500 to your Account at the time the Account is opened, or if you elect to establish a recurring contribution as described in the Plan Description, you may automatically transfer funds from a bank account to your Account in minimum amounts of \$100. In the future, the minimum initial contribution to the Plan may be higher or lower, and is subject to change at any time by the Board.

- (b) Acceptable Contribution Methods. Contributions to an Account may be made via Electronic Funds Transfer, check, recurring contribution or any other method available under the Plan.

- (c) Maximum Permissible Contributions. The Board will, from time to time, establish the maximum aggregate Account balance value (the “**Maximum Contribution Limit**”), which will limit the amount of contributions that may be made to Accounts for any one Beneficiary, as required by Section 529, the Act and the Program Regulations. Contributions that would result in an aggregate balance in all the Accounts for the same Beneficiary in excess of the Maximum Contribution Limit will not be accepted and will be returned to the contributor (the “**Contributor**”). The balance in all Accounts for the same Beneficiary established under all Section 529 college savings programs sponsored by the State of Nevada under the Act will be aggregated with the balances in all Accounts established in the Plan in applying the Maximum Contribution Limit. The current Maximum Contribution Limit is set forth in the Plan Description and is subject to change at any time by the Board.

- (d) Third Party Contributions. Individuals or entities other than the Account Owner that contribute funds to the Account will have no subsequent control over the contributions. Only the Account Owner may direct transfers, rollovers, investment changes (as permitted under federal law), withdrawals and changes in the Beneficiary. The Account Owner is the owner of all contributions and all earnings thereon credited to his or her Account under this Participation Agreement.

- (e) Right to Refuse Contributions. Contributions may be refused if the Board, the Administrator, the Program Manager or Wealthfront reasonably believes that the contributions appear to be an abuse of the Plan.

4. **Designation of Beneficiary; Change of Beneficiary.** The Account Owner will name a single Beneficiary for the Account on the Account Application. The Account Owner may change the Beneficiary of the Account without adverse federal income tax consequences, provided the new Beneficiary is a Member of the Family, within the meaning of Section 529, of the current Beneficiary. Any change in the Beneficiary of the Account to a new Beneficiary who is not a Member of the Family, within the meaning of Section 529, of the current Beneficiary will be treated as a non-qualified withdrawal subject to all applicable federal and state taxes on earnings, including the additional federal tax of 10% on such earnings. To initiate a change of Beneficiary, the Account Owner must complete and submit online a Beneficiary Change Form to Wealthfront. The change will be made upon the Plan’s receipt and acceptance of the signed, properly

completed online form(s) in Good Order. The Plan reserves the right to suspend the processing of Beneficiary transfers if it suspects that such transfers are intended to avoid the Plan's exchange and Risk Score change limits. Assets are invested in accordance with the standing investment allocation on the Account for the new Beneficiary. An Account Owner may change his or her Risk Score when changing the Beneficiary for an Account. The change may result in a loss in the value of the Account depending on market fluctuations during the time of the change.

5. **Investments.** Under the Plan, Wealthfront will construct an Individual Portfolio using up to nine Designated Portfolios (each of which contains a single low-cost, liquid exchange traded fund) as building blocks to construct a diversified asset allocation based on the Account Owner's individual Risk Score as determined by a Risk Questionnaire executed by the Account Owner and the time to the Expected College Date.
6. **Withdrawals from Accounts; Termination of Accounts.** You may direct distributions from your Account or terminate your Account at any time subject to the Plan's procedures (as described in the Plan Description) and any fees, penalties and additional tax that may be applicable as described below and in the Plan Description or as required by the Act or Section 529.
  - (a) Withdrawals from Accounts. Only the Account Owner of an Account may direct withdrawals from the Account. To make a withdrawal from an Account, the Account Owner must request a withdrawal online and provide such other

information or documentation as the Plan may require from time to time.

- (b) Tax on Non-Qualified Distributions. Non-qualified distributions will be subject to all applicable federal and state taxes on earnings, including the additional federal tax of 10% on earnings.
  - (c) Termination of Accounts. The Board or the Account Owner may terminate an Account, and the Board may terminate the Plan, in accordance with the Act, Section 529, and/or the Program Regulations at any time. If the Board, the Program Manager or Wealthfront finds that the Account Owner or a Beneficiary has provided false or misleading information to the Board, the Program Manager, Wealthfront, or an Eligible Educational Institution with respect to an Account, the Board may take such action permitted by the Act and Program Regulations such as termination of the Account and distribution of the Account balance. Upon termination of your Account, the Account balance will be distributed to the Account Owner and contributions and all earnings thereon will be subject to all applicable federal and state taxes or penalties on non-qualified distributions. The risk of market loss, tax implications, penalties, and any other expenses, as a result of such distribution of funds will be solely the Account Owner's responsibility.
7. **Account Owner's Representations.** As Account Owner, you represent and agree as follows:
    - (a) I am aware that Wealthfront creates an Individual Portfolio for my Account that is designed to be consistent with my investment objectives and risk tolerance as determined by a Risk Questionnaire

executed by myself and a “Glide Path” that gradually shifts the asset allocations in the Account to a progressively decreasing level of expected risk over which my Account will transition as the Expected College Date approaches.

- (b) I agree to electronically receive all Plan information, Account documents and any updates or changes to same, by signing in to my Account at [www.wealthfront.com/529](http://www.wealthfront.com/529) and Wealthfront’s electronic communications. I am aware that my signature for the Account Agreement as well as all documentation related to the Plan are managed electronically unless noted otherwise on the Wealthfront website or within the Plan Description.
- (e) I have carefully reviewed and understand the Plan Description, including, without limitation, the discussion of risks in the Plan Description under the heading “Plan Risks and Portfolio Risks” and in the appendix. I agree that the Plan Description is incorporated by reference herein. In making my decision to open an Account and enter into this Participation Agreement, I have not relied upon any representations or other information, whether written or oral, other than as set forth in the Plan Description and this Participation Agreement.
- (f) I understand that: (i) the value of an Account will increase or decrease based on the investment performance of the Designated Portfolio(s) in which contributions to the Account have been allocated and the underlying ETFs in which they invest or such other funds, securities or investments selected by the Board; (ii) the value of an Account may be more or less than the amount contributed to an Account; (iii) all

contributions to an Account are subject to investment risks, including the risk of loss for all or part of the contributions and any return or interest earned thereon; and (iv) the value of the Account may not be adequate to fund actual higher education expenses.

I acknowledge that there is no guarantee of a rate of return or interest on any Account. I understand that the intended tax advantages for the Account may be negatively affected by future changes in tax laws, regulations or 529 plan rules. None of the Plan Officials, insures any Account or guarantees any rate of return or any interest rate on any contribution and one of the Plan Officials, is liable for any loss incurred by any person as a result of participating in the Plan.

- (g) I understand that: (i) the state(s) in which I or the Beneficiary live or pay taxes may offer a Section 529 Plan, (ii) that Section 529 Plan may offer me or the Beneficiary state income tax or other benefits not available through the Plan, and (iii) I may want to consult with a qualified tax advisor regarding the state tax consequences of investing in the Plan.
- (h) I understand that only the Board will have the authority to make decisions concerning the ETFs or other investments in which the Designated Portfolio(s) will invest and the selection of the Program Manager and Wealthfront, as distributor and adviser to the Plan. I understand that any Portfolio may at any time be merged, terminated, reorganized or cease accepting new contributions, and any such action affecting a Portfolio may result in contributions being reinvested in a Portfolio different from the Portfolio in which contributions were originally invested.

- (i) I understand that although I own Trust Interests in the Plan's Designated Portfolio(s), I do not have a direct beneficial interest in the underlying ETF or other investments held by that Designated Portfolio and, therefore, I do not have the rights of an owner or shareholder of such underlying ETFs or other investments. I further understand that I received no advice or investment recommendation from, or on behalf of, the State of Nevada, the Board, the Plan, or the Program Manager.
- (j) I agree that each contribution to the Account shall constitute my representation that each contribution (together with the current Account and all other Accounts of which I am aware that have been established under the Plan and other Accounts known to me to have been established under the Nevada College Savings Programs or the Nevada Prepaid Tuition Program for the same Beneficiary) will not cause the aggregate balances in such Accounts to exceed the amount reasonably believed by me to be necessary to provide for the Beneficiary's future Qualified Education Expenses, and in any event will not cause such aggregate balances to exceed the Maximum Contribution Limit then in effect.
- (k) I understand that I am solely responsible for determining which qualified tuition program is best suited to my needs and objectives. I understand that each of the investment options within the Plan may not be suitable, and that the Plan may not be suitable, for all investors as a means of saving and investing for higher education costs. I have determined that an investment in the Plan is a suitable investment for me as a means of saving

for the Qualified Education Expenses of the Beneficiary of my Account.

- (l) I certify that all of the information that I provided in the Account Application and any other documentation subsequently furnished in connection with the opening or maintenance of, or any withdrawals from, the Account is and shall be accurate and complete, and I agree to notify the Board, the Program Manager or Wealthfront promptly of any material changes in such information.
- (m) I understand that participation in the Plan does not guarantee that any Beneficiary: (i) will be admitted as a student to any Eligible Educational Institution, accepted to a particular elementary or secondary school, apprenticeship program, or be allowed to continue enrollment at or graduate from an Eligible Educational Institution, an elementary or secondary school, or complete an apprenticeship program after admission.; (ii) will be treated as a state resident of any state for tuition purposes; or (iii) will achieve any particular treatment under applicable federal or state financial aid programs. Further, I understand that participation in the Plan does not guarantee Nevada in-state tuition rates at Nevada state schools.
- (n) I will not use an Account as collateral for any loan, and agree that any attempted use of an Account as collateral for a loan shall be void.
- (o) I will not assign or transfer any interest in any Account except as permitted by Section 529 or the Act, any regulations issued thereunder, or the Board, and agree that any attempted assignment or transfer of such an interest shall be void. Notwithstanding the foregoing, I understand that I may designate a



successor Account Owner to whom the Account will be assigned in the event of my death. Accounts registered as Trust accounts may not designate a Successor Account Owner.

- (p) I understand that the Plan will not lend money or other assets to any Account Owner or Beneficiary.
- (q) I understand that the Plan is established and maintained pursuant to the Act and is intended to qualify for treatment as a qualified tuition program within the meaning of Section 529. The Act and Section 529 are subject to change, and neither the Board, the Program Manager or Wealthfront makes any representations that either the Act or Section 529 regulations, rules, guidance, notices, or other guidance issued there under will not be changed or repealed, or that the terms and conditions of the Plan will remain as currently described in the Plan Description and this Participation Agreement.
- (r) I certify that I am a natural person, at least 18 years of age and a citizen or a resident of the United States of America, who resides in the United States of America or, that I have the requisite authority to enter into this Participation Agreement and to open an Account on behalf of the Beneficiary. I also certify that the person named Beneficiary of the Account is a citizen or a resident of the United States of America.
- (s) I understand that any contributions credited to my Account will be deemed by the Board, the Program Manager and Wealthfront to have been received from me and that contributions by third parties may result in adverse tax or other consequences to me or such third parties.
- (t) I agree and acknowledge that included in the Fees and Expenses section of this Participation Agreement are underlying ETF Fees charged by each of the ETFs in which Account assets are invested under the applicable Designated Portfolio(s) investments.
- (u) I understand that I am opening this Account to provide funds for Qualified Education Expenses of the Beneficiary of the Account and that I should retain adequate records relating to distributions from my Account.
- (v) I understand that the Board, the Program Administrator, the Program Manager, or Wealthfront may ask me to provide additional documentation that may be required by applicable law or the Program Regulations, and I agree to promptly comply with any such requests for additional documents.
- (w) I understand that purchases and sales of Designated Portfolio Unit(s) held in my Account may be confirmed to me on periodic electronic Account statements in lieu of an immediate confirmation.
- (x) I agree that I have been given an opportunity, within a reasonable time prior to my execution of the Account Application, to ask questions of representatives of the Plan and to receive satisfactory answers concerning: (a) my participation in the Plan; (b) the terms and conditions governing the Plan; (c) the particular investment that are available for the Beneficiary of the Account; (d) the Plan Description, the Program Regulations, the Participation Agreement and the Account Application; (e) the applicable fees and expenses charged in connection with the Plan; and (f) my

ability to obtain such additional information necessary to verify the accuracy of any information furnished.

- (y) I understand that Plan assets may be allocated among equity funds, bond funds, and other such investments.
  - (z) If I am establishing an Account as a trustee for a trust, I represent that (i) the trustee is the Account Owner; (ii) the individual executing this Agreement is duly authorized to act as trustee for the trust; (iii) the Plan Description may not discuss tax consequences and other aspects of the Plan of particular relevance to the trust and individuals having an interest therein; and (iv) the trustee, for the benefit of the trust, has consulted with and relied on a professional advisor, as deemed appropriate by the trustee, before becoming an Account Owner.
8. **Fees and Expenses.** The Account is subject to the following fees and expenses to pay for the costs of managing and administering the Plan as described in the Plan Description under the Heading “FEES AND EXPENSES” and the Accounts and all other expenses deemed necessary or appropriate by the Board:
- (a) Annual Asset-Based Plan Fee. Each of the Plans Designated Portfolios will be subject to annual asset-based charges as described in the Plan Description and each Account pays a pro rata portion of such fees based on the Designated Portfolios in the Account Owner’s Individual Portfolio in his or her Account.
  - (b) Wealthfront Advisory Fee. Each Account in the Plan will be subject to an Advisory Fee assessed by Wealthfront as described in the Plan Description.

9. **Necessity of Qualification.** The Plan intends to qualify for favorable federal tax treatment under Section 529. Because this qualification is vital to the Plan, the Board may modify the Plan or amend this Participation Agreement at any time if the Board decides that the change is needed to meet the requirements of Section 529 or the regulations administered by the IRS pursuant to Section 529, Nevada State law, or applicable rules or regulations promulgated by the Board or to ensure the proper administration of the Plan.

10. **Reports.** All Plan reports will be delivered electronically by Wealthfront. See Plan Description under “ELECTRONIC COMMUNICATIONS AND DISCLOSURE RELATING TO INTERNET ACCESS.” Wealthfront will send you periodic statements of your Account. Program Manager will provide tax reporting as required by applicable law. If you do not promptly contact the Plan to object to a statement or report after it has been sent to you, you will be considered to have approved it and to have released the Plan Officials from all responsibility for matters covered by the report. You agree to provide all information the Board, the Program Manager or Wealthfront may need to comply with any legal reporting requirements. You will continue to be responsible for filing your federal tax return and any other reports required of you by law.

11. **Amendment and Termination.** The Board may from time to time amend the Plan, this Participation Agreement, the Plan Description, or the Plan Regulations, and may suspend or terminate the Plan by giving you written notice (which amendment shall be effective upon the

date specified in the notice), but the Plan may not thereby be diverted from the exclusive benefit of you and your Beneficiary. Nothing contained in the Plan Description, this Participation Agreement, or the Program Regulations is an agreement or representation by the Board, the Program Administrator, Program Manager, Wealthfront or any other person that it will continue to maintain the Plan indefinitely. A termination of the Plan or this Participation Agreement by the Board or the Program Administrator may result in a non-qualified withdrawal for which tax and penalties may be assessed. No provision of this Participation Agreement can be amended or waived except in writing signed by an authorized representative of the Board.

12. **Effective Date; Incorporation of Account Application.** This Participation Agreement shall become effective between the Board and you upon the first deposit to your Account or the acceptance of your properly completed Account Application by the Program Manager and Wealthfront by and on behalf of the Board, whichever occurs first, subject to the Board's right to reject the Account Application if, in processing the Account Application, it is determined that the Account Application has not been fully and properly completed.
13. **Applicable Law.** This Participation Agreement is governed by the laws of Nevada without regard to its community property laws or its conflicts of laws.
14. **Extraordinary Events.** The Board, the Program Administrator, the Program Manager, or Wealthfront shall not be liable for loss failure or delay in performance of each of their obligations

related to your Account or any diminution in the value of your Account arising out of or caused, directly or indirectly, by Force Majeure.

15. **Severability.** In the event that any clause, provision, or portion of this Participation Agreement is found to be invalid, illegal, void or unenforceable by reason of any law, rule, administrative order or judicial decision of a court of competent jurisdiction, that clause or portion will be severed from this Participation Agreement and the remainder shall continue in full force and effect as if such clause or portion had never been included.
16. **Disputes.** All decisions and interpretations by the Board, the Program Administrator, the Program Manager or Wealthfront in connection with the operation of the Plan shall be final and binding upon you, the Beneficiary and any other person affected thereby. Any claim by you or your Beneficiary against the State of Nevada, the Board, the Program Administrator, the Trust, the Plan, or any of their respective officers, employees, or agents, pursuant to this Participation Agreement or the Plan shall be made solely against the assets of the Plan. If you have a substantial interest affected by a decision of the Board you may appeal to the Board in writing in accordance with the Board's procedures. The Board shall review the documentation and other submissions and make a determination within 60 days. The Board's appeal determination shall be in writing and returned to the appellant. All appeal decisions of the Board shall be final.
17. **Arbitration.** Any controversy or claim arising out of or relating to this Plan,

or the breach, termination, or validity of this Plan, including but not limited to any dispute over the scope of this arbitration clause, shall be settled by arbitration administered by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures and its Policy on Consumer Arbitrations (except that if the Program Manager or Wealthfront is a party to the arbitration, it may elect that arbitration will instead be subject to FINRA's Code of Arbitration Procedure), both of which are made part of this Agreement, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

By you signing an Account Application and upon acceptance of your initial contribution by the Plan, you, the State, the Board, the Program Administrator, the Program Manager and Wealthfront agree as follows:

- All parties to this Plan are giving up important rights under state law, including the right to sue each other in court and the right to a trial by jury, except as provided by the rules of the arbitration forum;
- Arbitration awards are generally final and binding and a party's ability to have a court reverse or modify an arbitration award is very limited;
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings;
- The potential costs of arbitration may be more or less than the cost of litigation;

- The arbitrators generally do not have to explain the reason(s) for their award and the none of the State, the Board, the Program Manager or Wealthfront guarantees that it will join any request the Account Owner may make for such an explanation;
- The arbitrator(s) selected to hear the case may or may not be affiliated with the securities industry;
- In limited circumstances, a claim that is ineligible for arbitration may be brought in court; and
- The rules of the arbitration forum are incorporated by reference into this Participation Agreement and are available by contacting the Plan or at [www.JAMSadr.com](http://www.JAMSadr.com).

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person; who has initiated in court a putative class action; or who is a member of a putative class who has opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent set forth in this section.

18. **Lawsuits Involving Your Account.** By opening an Account, you hereby submit (on behalf of yourself and your Beneficiary) to exclusive jurisdiction of courts in Nevada for all legal proceedings arising out of or relating to this Agreement. The Board, the Program

Manager, or Wealthfront may apply to a court at any time for judicial settlement of any matter involving your Account. If the Board, the Program Manager, or Wealthfront does so, they must give you or your Beneficiary the opportunity to participate in the court proceeding, but they also can involve other persons. Any expense incurred by the Board, the Program Manager, or Wealthfront in legal proceedings involving your Account, including attorney's fees and expenses, are chargeable to your Account and payable by you or your Beneficiary if not paid from your Account.

19. **Binding Nature.** This Participation Agreement shall be binding upon the parties and their respective heirs, successors, beneficiaries and permitted assigns. You agree that all of your representations and obligations under this Participation Agreement shall inure to the benefit of the Board, the Program Manager, or Wealthfront all of whom can rely upon and enforce your representations and obligations contained in this Participation Agreement

The Wealthfront 529 College Savings Plan (Plan) is administered by the Board of Trustees of the College Savings Plans of Nevada (Board). Ascensus College Savings Recordkeeping Services, LLC, (ACSR) serves as the Program Manager. ACSR has overall responsibility for the day-to-day operations. Wealthfront serves as the investment adviser, and WB serves as the distributor of the Plan and provides for certain marketing services for the Plan. Wealthfront serves as your automated investment adviser in connection with the Plan. The Plan's Designated Portfolios invest in exchange traded funds offered or managed by The Vanguard Group, Inc. and BlackRock Fund Advisors. **Investments in the Plan are not insured by the FDIC. Designated Portfolio Units are municipal fund securities, and the value of units will vary with market conditions.**

**Investment returns will vary depending upon the performance of the Designated Portfolios Wealthfront chooses for you. You could lose all or a portion of your money by investing in the Plan, depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.**

Wealthfront and the Wealthfront logo are registered service marks of Wealthfront Corporation.