# SUPPLEMENT DATED SEPTEMBER 19, 2022 TO THE NEXTGEN 529® CLIENT SELECT SERIES PROGRAM DESCRIPTION AND PARTICIPATION AGREEMENT DATED SEPTEMBER 13, 2021

The information in this Supplement amends and, to the extent it is different, supersedes information contained in the NextGen 529 Client Select Series Program Description and Participation Agreement dated September 13, 2021, as previously supplemented on February 28, 2022 (the "Program Description"). Please read this Supplement and the Program Description carefully. Please keep them for future reference. Capitalized terms used without definition in this Supplement have the meanings set forth in the Program Description.

## CHANGE TO PROGRAM MANAGER LEGAL NAME

Sumday Administration LLC was acquired earlier this year by Vestwell Holdings Inc. On August 1, 2022, Sumday Administration LLC was renamed Vestwell State Savings, LLC d/b/a Sumday Administration.

## PROGRAM DESCRIPTION REVISIONS

The following Program Description revisions are effective October 17, 2022, unless otherwise noted.

Page 9

**Program Highlights.** The chart describing **Range of Total Annual Asset-Based Fees** within **Fees and Charges** is deleted and replaced as follows:

| | **Range of Total Annual Asset-Based Fees*** |
|---|---|
| Client Select Series – A Unit Class | 0.00% - 1.22% |
| Client Select Series – C Unit Class | 0.00% - 1.97% |

Page 10

**Program Highlights.** Under **State Tax Treatment,** a third bullet is added as follows:

- Effective January 1, 2023, eligible residents of Maine who make a contribution to any Section 529 Program, including NextGen 529, in 2023 and beyond, are entitled to a Maine income tax deduction of up to $1,000 per Designated Beneficiary. The deduction may be claimed by taxpayers whose federal adjusted gross income is $100,000 or less, if filing single or married filing separately, or $200,000 or less, if filing as head of household or married filing jointly.

Pages 36 - 44

**PROGRAM FEES, EXPENSES AND SALES CHARGES**

As a result of changes to underlying funds in certain Portfolios as further described below, to be effective October 17, 2022, the Total Annual Asset-Based Fees for most of such Portfolios are expected to remain unchanged or decrease, though based on Underlying Fund expenses as found in each Fund's most recent prospectus as of June 30, 2022, some Portfolios may experience an increase of up to 0.02%, as compared to the expense ratios listed in the current Program Description. Total Annual Asset-Based Fees for all Portfolios will be updated in a new Program Description to be dated October 17, 2022.

**BLACKROCK PORTFOLIOS**

Page 80
The chart for the Age-Based Portfolios, under the heading **Current Target Underlying Fund Allocations,** is deleted and replaced with the following. As of October 17, 2022, the corresponding pie charts on Page 78 are superseded by this information.

| BlackRock | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Underlying Fund** | **Fund Ticker** | **Age-Based 0-1 Year Portfolio** | **Age-Based 2-4 Years Portfolio** | **Age-Based 5-7 Years Portfolio** | **Age-Based 8-11 Years Portfolio** | **Age-Based 12-13 Years Portfolio** | **Age-Based 14-15 Years Portfolio** | **Age-Based 16 Years Portfolio** | **Age-Based 17 Years Portfolio** | **Age-Based 18 Years Portfolio** | **Age-Based 19+ Years Portfolio** |
| **Domestic Equity Funds** | | | | | | | | | | | |
| BlackRock Large Cap Focus Value Fund, Inc. | MABAX | 6.00% | 5.50% | 5.00% | 4.25% | 3.50% | 2.75% | 2.50% | 1.75% | 1.25% | 0.75% |
| BlackRock Capital Appreciation Fund, Inc. | MAFGX | 5.50% | 5.25% | 4.75% | 4.00% | 3.25% | 2.75% | 2.25% | 1.75% | 1.25% | 0.75% |
| BlackRock Equity Dividend Fund | MADVX | 11.00% | 10.25% | 9.25% | 8.00% | 6.50% | 5.25% | 4.50% | 3.25% | 2.25% | 1.25% |
| BlackRock Advantage Large Cap Growth Fund | CMVIX | 11.25% | 10.50% | 9.50% | 8.25% | 6.75% | 5.50% | 4.50% | 3.50% | 2.25% | 1.25% |
| iShares S&P 500 Index Fund[1] | BSPIX | 15.50% | 14.00% | 12.75% | 11.50% | 8.75% | 7.50% | 6.25% | 4.50% | 3.25% | 1.75% |
| BlackRock Advantage Small Cap Core Fund | BDSIX | 3.25% | 3.00% | 2.75% | 2.50% | 2.00% | 1.50% | 1.25% | 1.00% | 0.75% | 0.50% |
| **International Equity Funds** | | | | | | | | | | | |
| BlackRock International Fund | MAILX | 8.00% | 7.25% | 6.25% | 5.50% | 5.25% | 4.50% | 3.25% | 2.50% | 1.50% | 0.75% |
| BlackRock Advantage International Fund | BROIX | 8.00% | 7.25% | 6.25% | 5.50% | 5.25% | 4.50% | 3.25% | 2.50% | 1.50% | 0.75% |
| iShares MSCI Total International Index Fund | BDOIX | 16.50% | 14.25% | 12.50% | 11.25% | 10.25% | 8.75% | 6.25% | 4.75% | 3.25% | 1.75% |
| **Alternative Investment Fund** | | | | | | | | | | | |
| BlackRock Real Estate Securities Fund | BIREX | 4.00% | 3.50% | 3.25% | 2.75% | 2.25% | 1.75% | 1.50% | 1.00% | 0.75% | 0.50% |
| **Investment Grade Fixed Income Funds** | | | | | | | | | | | |
| BlackRock Low Duration Bond Portfolio | BFMSX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.25% | 22.25% | 34.50% | 38.00% |
| BlackRock Total Return Fund | MAHQX | 6.75% | 9.75% | 12.75% | 19.75% | 15.75% | 18.75% | 28.00% | 18.75% | 10.75% | 6.50% |
| BlackRock Inflation Protected Bond Fund | BPRIX | 1.25% | 2.00% | 3.00% | 4.00% | 5.00% | 6.00% | 7.75% | 3.75% | 2.25% | 1.25% |
| BlackRock Core Bond Portfolio | BFMCX | 0.00% | 1.75% | 3.75% | 4.25% | 14.75% | 17.75% | 12.50% | 1.75% | 0.00% | 0.00% |
| **Non-Investment Grade Fixed Income Fund** | | | | | | | | | | | |
| BlackRock Strategic Income Opportunities Portfolio | BSIIX | 2.25% | 5.00% | 7.50% | 8.00% | 10.25% | 12.25% | 13.50% | 6.75% | 3.50% | 2.25% |
| **Cash Allocation Account** | | | | | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.25% | 20.00% | 30.75% | 42.00% |

Page 105

The chart for the Age-Based Portfolios, under the heading **Current Target Underlying Fund Allocations,** is deleted and replaced with the following. As of October 17, 2022, the corresponding pie charts on Page 103 are superseded by this information.

| iShares | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Underlying Fund** | **Fund Ticker** | **Age-Based 0-1 Year Portfolio** | **Age-Based 2-4 Years Portfolio** | **Age-Based 5-7 Years Portfolio** | **Age-Based 8-11 Years Portfolio** | **Age-Based 12-13 Years Portfolio** | **Age-Based 14-15 Years Portfolio** | **Age-Based 16 Years Portfolio** | **Age-Based 17 Years Portfolio** | **Age-Based 18 Years Portfolio** | **Age-Based 19+ Years Portfolio** |
| **Domestic Equity Fund** | | | | | | | | | | | |
| iShares Core S&P Total U.S. Stock Market ETF | ITOT | 53.37% | 49.38% | 44.73% | 38.84% | 31.21% | 25.81% | 21.61% | 15.98% | 11.10% | 6.18% |
| **International Equity Fund** | | | | | | | | | | | |
| iShares Core MSCI Total International Stock ETF | IXUS | 32.47% | 28.51% | 25.13% | 22.43% | 20.86% | 17.53% | 12.73% | 9.71% | 6.37% | 3.44% |
| **Alternative Investment Fund** | | | | | | | | | | | |
| iShares Cohen & Steers REIT ETF | ICF | 3.96% | 3.55% | 3.13% | 2.71% | 2.28% | 1.84% | 1.49% | 1.08% | 0.73% | 0.38% |
| **Investment Grade Fixed Income Funds** | | | | | | | | | | | |
| iShares Short Treasury Bond ETF | SHV | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.20% | 20.04% | 30.85% | 41.91% |
| iShares 1-3 Year Treasury Bond ETF | SHY | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.33% | 22.26% | 34.28% | 38.10% |
| iShares Core U.S. Aggregate Bond ETF | AGG | 7.56% | 13.75% | 20.01% | 26.68% | 33.81% | 40.60% | 51.73% | 25.11% | 14.50% | 8.69% |
| iShares 20+ Year Treasury Bond ETF | TLT | 1.51% | 2.75% | 4.00% | 5.34% | 6.77% | 8.13% | 2.15% | 2.06% | 0.00% | 0.00% |
| iShares TIPS Bond ETF | TIP | 1.13% | 2.06% | 3.00% | 4.00% | 5.07% | 6.09% | 7.76% | 3.76% | 2.17% | 1.30% |

**FRANKLIN TEMPLETON PORTFOLIOS**

Page 121
The chart for the Age-Based Portfolios, under the heading **Current Target Underlying Fund Allocations,** is deleted and replaced with the following. As of October 17, 2022, the corresponding pie charts on page 118 are superseded by this information.

| Franklin Templeton | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Underlying Fund | Fund Ticker | Age-Based 0-6 Years Portfolio | Age-Based 7-8 Years Portfolio | Age-Based 9-10 Years Portfolio | Age-Based 11-12 Years Portfolio | Age-Based 13-14 Years Portfolio | Age-Based 15 Years Portfolio | Age-Based 16 Years Portfolio | Age-Based 17 Years Portfolio | Age-Based 18 Years Portfolio | Age-Based 19 Years Portfolio | Age-Based 20+Years Portfolio |
| **Domestic Equity Funds** | | | | | | | | | | | | |
| Franklin Growth Fund | FCGAX | 25.73% | 23.10% | 20.48% | 17.85% | 15.23% | 12.60% | 9.98% | 7.35% | 4.73% | 2.36% | 0.00% |
| Franklin Growth Opportunities Fund | FRAAX | 10.29% | 9.24% | 8.19% | 7.14% | 6.09% | 5.04% | 3.99% | 2.94% | 1.89% | 0.95% | 0.00% |
| Clearbridge Large Cap Value Fund | SAIFX | 32.58% | 29.26% | 25.93% | 22.61% | 19.28% | 15.96% | 12.63% | 9.31% | 5.98% | 2.99% | 0.00% |
| **International Equity Funds** | | | | | | | | | | | | |
| Templeton Foreign Fund | TFFAX | 18.08% | 16.24% | 14.39% | 12.55% | 10.70% | 8.86% | 7.01% | 5.17% | 3.32% | 1.66% | 0.00% |
| Franklin International Growth Fund | FNGZX | 6.76% | 6.07% | 5.38% | 4.69% | 4.00% | 3.31% | 2.62% | 1.93% | 1.24% | 0.62% | 0.00% |
| Martin Currie Emerging Markets Fund | MCEIX | 4.56% | 4.09% | 3.63% | 3.16% | 2.70% | 2.23% | 1.77% | 1.30% | 0.84% | 0.42% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | | | | | |
| Western Asset Core Bond Fund | WATFX | 1.04% | 6.24% | 11.44% | 15.34% | 17.94% | 23.14% | 28.34% | 33.54% | 36.14% | 36.92% | 41.60% |
| Western Asset Core Plus Bond Fund | WACPX | 0.41% | 2.46% | 4.51% | 6.05% | 7.07% | 9.12% | 11.17% | 13.22% | 14.25% | 14.56% | 16.40% |
| Western Asset Short Term Bond Fund | SBSYX | 0.35% | 2.10% | 3.85% | 5.16% | 6.04% | 7.79% | 9.54% | 11.29% | 12.16% | 12.43% | 14.00% |
| Brandywine GLOBAL - Global Opportunities Bond Fund | GOBIX | 0.20% | 1.20% | 2.20% | 2.95% | 3.45% | 4.45% | 5.45% | 6.45% | 6.95% | 7.10% | 8.00% |
| **Cash Allocation Account** | | | | | | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 0.00% | 2.50% | 7.50% | 7.50% | 7.50% | 7.50% | 12.50% | 20.00% | 20.00% |

Page 122
The columns for the Franklin Templeton Growth, Growth and Income, and Balanced Portfolios, in the chart under the heading **Current Target Underlying Fund Allocations,** are deleted and replaced with the following. As of October 17, 2022, the corresponding pie charts on Page 119 are superseded by this information.

## Franklin Templeton (cont'd)

| Underlying Fund | Fund Ticker | Growth Portfolio | Growth and Income Portfolio | Balanced Portfolio | Global Bond Portfolio | Mutual Shares Portfolio | Small Cap Value Portfolio | Small-Mid Cap Growth Portfolio |
|---|---|---|---|---|---|---|---|---|
| **Domestic Equity Funds** | | | | | | | | |
| Franklin Growth Fund | FCGAX | 25.73% | 20.48% | 15.23% | 0.00% | 0.00% | 0.00% | 0.00% |
| Franklin Growth Opportunities Fund | FRAAX | 10.29% | 8.19% | 6.09% | 0.00% | 0.00% | 0.00% | 0.00% |
| Clearbridge Large Cap Value Fund | SAIFX | 32.58% | 25.93% | 19.28% | 0.00% | 0.00% | 0.00% | 0.00% |
| Franklin Small-Mid Cap Growth Fund | FSGAX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| Franklin Small Cap Value Fund | FVADX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% |
| Franklin Mutual Shares Fund | MUTHX | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% |
| **International Equity Funds** | | | | | | | | |
| Templeton Foreign Fund | TFFAX | 18.08% | 14.39% | 10.70% | 0.00% | 0.00% | 0.00% | 0.00% |
| Franklin International Growth Fund | FNGZX | 6.76% | 5.38% | 4.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Martin Currie Emerging Markets Fund | MCEIX | 4.56% | 3.63% | 2.70% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | |
| Western Asset Core Bond Fund | WATFX | 1.04% | 11.44% | 17.94% | 0.00% | 0.00% | 0.00% | 0.00% |
| Western Asset Core Plus Bond Fund | WACPX | 0.41% | 4.51% | 7.07% | 0.00% | 0.00% | 0.00% | 0.00% |
| Western Asset Short Term Bond Fund | SBSYX | 0.35% | 3.85% | 6.04% | 0.00% | 0.00% | 0.00% | 0.00% |
| BrandywineGLOBAL - Global Opportunities Bond Fund | GOBIX | 0.20% | 2.20% | 3.45% | 0.00% | 0.00% | 0.00% | 0.00% |
| Templeton Global Bond Fund | TGBAX | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% |
| **Cash Allocation Account** | | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 7.50% | 0.00% | 0.00% | 0.00% | 0.00% |

Pages 131-133
The fund description for the ClearBridge Small Cap Growth Fund is deleted.

**MFS PORTFOLIOS**

Page 179
The chart for the Age-Based Portfolios, under the heading **Current Target Underlying Fund Allocations,** is deleted and replaced with the following. As of October 17, 2022, the corresponding pie charts on pages 177-178 are superseded by this information.

**MFS**

| Underlying Fund | Fund Ticker | Age-Based 0-2 Years Portfolio | Age-Based 3-5 Years Portfolio | Age-Based 6-7 Years Portfolio | Age-Based 8-9 Years Portfolio | Age-Based 10-11 Years Portfolio | Age-Based 12-13 Years Portfolio | Age-Based 14-15 Years Portfolio | Age-Based 16 Years Portfolio | Age-Based 17 Years Portfolio | Age-Based 18+ Years Portfolio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Domestic Equity Funds** | | | | | | | | | | | |
| MFS Blended Research Core Equity Fund | MUSEX | 8.00% | 7.00% | 6.00% | 5.75% | 5.50% | 5.00% | 4.25% | 3.63% | 3.00% | 3.00% |
| MFS Blended Research Growth Equity Fund | BRWJX | 6.00% | 5.75% | 5.50% | 5.00% | 4.50% | 4.00% | 3.50% | 2.75% | 2.00% | 1.50% |
| MFS Blended Research Mid Cap Equity Fund | BMSLX | 10.00% | 9.50% | 9.00% | 8.00% | 7.00% | 5.25% | 3.50% | 2.75% | 2.00% | 1.00% |
| MFS Blended Research Small Cap Equity Fund | BRSJX | 5.00% | 4.50% | 4.00% | 3.50% | 3.00% | 2.25% | 1.50% | 1.25% | 1.00% | 1.00% |
| MFS Blended Research Value Equity Fund | BRUHX | 6.00% | 5.75% | 5.50% | 5.00% | 4.50% | 4.00% | 3.50% | 2.75% | 2.00% | 1.50% |
| Massachusetts Investors Growth Stock Fund | MGTIX | 6.00% | 5.75% | 5.50% | 5.00% | 4.50% | 4.00% | 3.50% | 2.75% | 2.00% | 1.50% |
| Massachusetts Investors Trust | MITIX | 8.00% | 7.00% | 6.00% | 5.75% | 5.50% | 5.00% | 4.25% | 3.63% | 3.00% | 3.00% |
| MFS Mid Cap Growth Fund | OTCIX | 5.00% | 4.75% | 4.50% | 4.00% | 3.50% | 2.75% | 1.75% | 1.37% | 1.00% | 0.50% |
| MFS Mid Cap Value Fund | MCVIX | 5.00% | 4.75% | 4.50% | 4.00% | 3.50% | 2.75% | 1.75% | 1.37% | 1.00% | 0.50% |
| MFS Value Fund | MEIIX | 6.00% | 5.75% | 5.50% | 5.00% | 4.50% | 4.00% | 3.50% | 2.75% | 2.00% | 1.50% |
| **International Equity Funds** | | | | | | | | | | | |
| MFS Blended Research International Equity Fund | BRXIX | 12.00% | 10.50% | 9.00% | 7.50% | 6.00% | 5.50% | 4.50% | 3.75% | 3.00% | 2.50% |
| MFS International New Discovery Fund | MWNIX | 6.00% | 4.50% | 3.00% | 2.00% | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MFS Research International Fund | MRSIX | 12.00% | 10.50% | 9.00% | 7.50% | 6.00% | 5.50% | 4.50% | 3.75% | 3.00% | 2.50% |
| **Alternative Investment Funds** | | | | | | | | | | | |
| MFS Global Real Estate Fund | MGLIX | 2.50% | 2.00% | 1.50% | 1.00% | 0.50% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MFS Commodity Strategy Fund | MCSIX | 2.50% | 2.00% | 1.50% | 1.00% | 0.50% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | | | | |
| MFS Limited Maturity Fund | MQLIX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 5.00% | 15.00% | 17.50% | 20.00% | 20.00% |
| MFS Government Securities Fund | MGSIX | 0.00% | 0.00% | 5.00% | 10.00% | 10.00% | 10.00% | 10.00% | 12.50% | 15.00% | 15.00% |
| MFS Total Return Bond Fund | MRBIX | 0.00% | 5.00% | 10.00% | 15.00% | 20.00% | 25.00% | 25.00% | 25.00% | 25.00% | 25.00% |
| **Non-Investment Grade Fixed Income Funds** | | | | | | | | | | | |
| MFS High Income Fund | MHIIX | 0.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 0.00% | 0.00% | 0.00% | 0.00% |
| MFS Emerging Markets Debt Fund | MEDIX | 0.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Cash Allocation Account** | | | | | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 0.00% | 0.00% | 5.00% | 5.00% | 10.00% | 12.50% | 15.00% | 20.00% |

Page 180
The columns for the MFS Equity Portfolio and MFS Fixed Income Portfolio in the chart under the heading **Current Target Underlying Fund Allocations,** are deleted and replaced with the following. As of October 17, 2022, the corresponding pie charts on pages 177-178 are superseded by this information.

| MFS (cont'd) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Underlying Fund | Fund Ticker | Equity Portfolio | Fixed Income Portfolio | Global Equity Portfolio | Value Portfolio | Research International Portfolio | Conservative Mixed Asset Portfolio |
| **Domestic Equity Funds** | | | | | | | |
| MFS Blended Research Core Equity Fund | MUSEX | 8.00% | 0.00% | 0.00% | 0.00% | 0.00% | 3.00% |
| MFS Blended Research Growth Equity Fund | BRWJX | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.50% |
| MFS Blended Research Mid Cap Equity Fund | BMSLX | 10.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.00% |
| MFS Blended Research Small Cap Equity Fund | BRSJX | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.00% |
| MFS Blended Research Value Equity Fund | BRUHX | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.50% |
| Massachusetts Investors Growth Stock Fund | MGTIX | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.50% |
| Massachusetts Investors Trust | MITIX | 8.00% | 0.00% | 0.00% | 0.00% | 0.00% | 3.00% |
| MFS Mid Cap Growth Fund | OTCIX | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.50% |
| MFS Mid Cap Value Fund | MCVIX | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.50% |
| MFS Value Fund | MEIIX | 6.00% | 0.00% | 0.00% | 100.00% | 0.00% | 1.50% |
| **International Equity Funds** | | | | | | | |
| MFS Blended Research International Equity Fund | BRXIX | 12.00% | 0.00% | 0.00% | 0.00% | 0.00% | 2.50% |
| MFS International New Discovery Fund | MWNIX | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MFS Research International Fund | MRSIX | 12.00% | 0.00% | 0.00% | 0.00% | 100.00% | 2.50% |
| **Mixed Asset Fund** | | | | | | | |
| MFS Global Equity Fund | MWEIX | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% |
| **Alternative Investment Funds** | | | | | | | |
| MFS Global Real Estate Fund | MGLIX | 2.50% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MFS Commodity Strategy Fund | MCSIX | 2.50% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | |
| MFS Limited Maturity Fund | MQLIX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 20.00% |
| MFS Government Securities Fund | MGSIX | 0.00% | 30.00% | 0.00% | 0.00% | 0.00% | 15.00% |
| MFS Total Return Bond Fund | MRBIX | 0.00% | 40.00% | 0.00% | 0.00% | 0.00% | 25.00% |
| **Non-Investment Grade Fixed Income Funds** | | | | | | | |
| MFS High Income Fund | MHIIX | 0.00% | 15.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MFS Emerging Markets Debt Fund | MEDIX | 0.00% | 15.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Cash Allocation Account** | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 20.00% |

Page 184 and following
The following fund descriptions are added (and deleted where noted) under the heading **Summary of Investment Objectives and Policies of the Underlying Funds for the MFS Portfolios**:

Page 192
The fund description for the MFS Commodity Strategy Fund is being added.

## ALTERNATIVE INVESTMENT FUNDS

### MFS Commodity Strategy Fund

***Investment Objective, Strategy and Policies –*** The Fund’s investment objective is to seek total return. MFS, the Fund’s investment advisor, seeks to achieve the fund’s objective by providing exposure to the commodities markets through investing in commodity-linked derivatives rather than investing directly in commodities. Commodities are assets with tangible properties, including oil, natural gas, agricultural products, and industrial and other precious metals. MFS expects to gain exposure to the commodities markets by investing in MFS Commodity Strategy Portfolio, a wholly-owned and controlled subsidiary organized in the Cayman Islands. MFS Commodity Strategy Portfolio is advised by MFS and has the same objective, strategies, and restrictions as the fund, except that MFS gains exposure to the commodities markets for MFS Commodity Strategy Portfolio by investing directly in commodity-linked futures, options, and/or swaps. MFS may invest up to 25% of the fund's assets (at the time of purchase) in MFS Commodity Strategy Portfolio. MFS Commodity Strategy Portfolio's investments in commodity-linked derivatives are leveraged (i.e., involves investment exposure greater than the amount of the investment). MFS expects the fund's exposure to the commodities markets to be approximately equivalent to investing all of the fund's investments in commodity-linked derivatives on an unleveraged basis. MFS allocates MFS Commodity Strategy Portfolio’s investments in commodity-linked derivatives among a variety of different commodities and commodity sectors primarily based on proprietary quantitative models. MFS may also consider current market conditions, its qualitative assessment of the risk/return characteristics of commodities and commodity sectors, and other factors in structuring MFS Commodity Strategy Portfolio's portfolio. MFS generally invests substantially all of the fund's assets not invested in MFS Commodity Strategy Portfolio in U.S. and foreign debt instruments. In addition, MFS Commodity Strategy Portfolio may also invest in U.S. and foreign debt instruments. Debt instruments include corporate bonds, U.S. Government securities, foreign government securities, securitized instruments, and other obligations to repay money borrowed. Of the fund’s direct and indirect investments in debt instruments, MFS generally invests substantially all of these investments in investment grade quality debt instruments. MFS normally invests the fund's direct and indirect investments in debt instruments across different countries and regions, but MFS may invest a significant percentage of the fund's assets in issuers in a single country or region. In addition to the commodity-linked derivatives used by MFS Commodity Strategy Portfolio as described above, MFS may use other types of derivatives for any investment purpose in managing the fund and/or MFS Commodity Strategy Portfolio. To the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments. Derivatives include futures, forward contracts, options, and swaps. Some portion of the fund's and MFS Commodity Strategy Portfolio's assets may be held in cash and/or debt instruments due to asset coverage and collateral requirements for the fund's and MFS Commodity Strategy Portfolio's investments in derivatives. MFS uses an active bottom-up investment approach to buying and selling debt investments for the fund. Debt investments are selected primarily based on fundamental analysis of individual instruments and their issuers. Quantitative screening tools that systematically evaluate debt instruments may also be considered.

***Principal Risks of Investing –*** The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, prepayment/extension risks, and active and frequent trading and temporary defensive strategy risks, as well as the risks of investing in lower-rated securities, derivatives, and foreign markets, including emerging markets, and to geographic focus, industry and sector focus, currency, leveraging, investment selection, counterparty and third party, liquidity, and large shareholder risks.

Page 195
The fund description for MFS Global High Yield Fund is deleted and the MFS Emerging Markets Debt Fund and the MFS High Income Fund are added.

**NON-INVESTMENT GRADE FIXED INCOME FUNDS**

**MFS Emerging Markets Debt Fund**

***Investment Objective, Strategy and Policies –*** The Fund's investment objective is to seek total return. MFS, the Fund's investment advisor, normally invests at least 80% of the fund's net assets in debt instruments of issuers that are tied economically to emerging market countries. Emerging market countries are countries who's financial and capital markets are in the development phase and include countries located in Latin America, Asia, Africa, the Middle East, and developing countries of Europe, primarily Eastern Europe. MFS may also invest in debt instruments of issuers that are not tied economically to emerging market countries. Debt instruments include corporate bonds, foreign government securities, U.S. Government securities, and other obligations to repay money borrowed. MFS may invest up to 100% of the fund's assets in below investment grade quality debt instruments. MFS normally invests the fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the fund's assets in issuers in a single industry, sector, country, or region. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate or currency exposure, or as alternatives to direct investments. Derivatives include futures, forward contracts, options, and swaps. MFS allocates the fund's assets across countries primarily based on fundamental economic and financial analysis of the creditworthiness of each country and the relative values of countries' external debt, currencies, and local market debt. In selecting investments, MFS may consider economic and financial fundamentals, liquidity, duration, yield curve positioning, relative value, and other factors. Quantitative tools that systematically evaluate these and other factors may also be considered. For purposes of the fund's 80% policy, net assets include the amount of any borrowings for investment purposes.

***Principal Risks of Investing –*** The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, prepayment/extension risks, and active and frequent trading and temporary defensive strategy risks, as well as the risks of investing in lower-rated securities, derivatives, and foreign markets, including emerging markets, and to geographic focus, industry and sector focus, currency, leveraging, investment selection, counterparty and third party, liquidity, and large shareholder risks.

**MFS High Income Fund**

***Investment Objective, Strategy and Policies –*** The Fund's investment objective is to seek total return. MFS, the Fund's investment advisor, normally invests at least 80% of the fund's net assets in high income debt instruments. MFS may invest the fund's assets in other types of debt instruments. Debt instruments include corporate bonds, foreign government securities, floating rate loans, and other obligations to repay money borrowed. MFS may invest up to 100% of the fund's assets in below investment grade quality debt instruments. MFS may invest the fund's assets in foreign securities. MFS normally invests the fund's assets across different industries and sectors, but MFS may invest a significant percentage of the fund's assets in issuers in a single industry or sector. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments. Derivatives include futures, forward contracts, options, and swaps. MFS uses an active bottom-up investment approach to buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers. Quantitative screening tools that systematically evaluate instruments may also be considered. In structuring the fund, MFS also considers top-down factors. For purposes of the fund's 80% policy, net assets include the amount of any borrowings for investment purposes.

***Principal Risks of Investing –*** The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, prepayment/extension risks, and active and frequent trading and temporary defensive strategy risks, as well as the risks of investing in lower-rated securities, derivatives, and foreign markets, including emerging markets, and to geographic focus, industry and sector focus, currency, leveraging, investment selection, counterparty and third party, liquidity, and large shareholder risks.

**Principal Plus Portfolio**

Page 203
The third and fourth sentences of the third paragraph under ***Investment Objective, Strategy and Policies*** are removed and replaced with:

The annualized interest rate is 2.25% through December 31, 2022 (after expenses of 0.15% associated with the New York Life GIA that are paid to the Investment Manager and New York Life). The effective rate after December 31, 2022 may be obtained by contacting the Recordkeeping Agent after such date.

Section 529 Qualified Tuition Programs are intended to be used only to save for qualified higher education expenses. None of the Finance Authority of Maine, any Sub-Advisor, the Investment Manager, the Program Manager or the Program Distributor, nor any of their affiliates provide legal, tax or accounting advice. You should consult your own legal and/or tax advisors before making any financial decisions.

**Investment products:**

**Are Not FDIC Insured | Are Not Bank Guaranteed | May Lose Value**

FINANCE AUTHORITY OF MAINE

**Program Administrator**

*NextGen* and *NextGen* 529 are trademarks of the Finance Authority of Maine.



**Program Distributor and Investment Manager**

**Program Manager**

# SUPPLEMENT DATED FEBRUARY 28, 2022 TO THE NEXTGEN 529® CLIENT SELECT SERIES PROGRAM DESCRIPTION AND PARTICIPATION AGREEMENT DATED SEPTEMBER 13, 2021

The information in this Supplement amends and, to the extent it is different, supersedes information contained in the NextGen 529 Client Select Series Program Description and Participation Agreement dated September 13, 2021 (the "Program Description"). Please read this Supplement and the Program Description carefully. Please keep them for future reference. Capitalized terms used without definition in this Supplement have the meanings set forth in the Program Description.

**CHANGE TO PROGRAM MANAGEMENT LEGAL STRUCTURE**

Vestwell Holdings, Inc., pursuant to an agreement with Mellon Holdings LLC, has acquired the Program Manager, Sumday Administration, LLC ("Sumday"), formerly a subsidiary of The Bank of New York Mellon. As a result of such transaction, Sumday is no longer affiliated with The Bank of New York Mellon. Sumday will continue to act as Program Manager. The Bank of New York Mellon or its affiliates will continue to provide custody, fund accounting and recordkeeping services.

This and other changes, including but not limited to an increase to the Maximum Contribution Limit and a change to Federal Gift Tax limitations, are described below.

**PROGRAM DESCRIPTION REVISIONS**

The following Program Description revisions are effective immediately unless otherwise noted.

Page 8

**Program Highlights**. The second column of **Program Manager** is deleted and replaced with: Sumday Administration, LLC is responsible for the day-to-day operation of the Program. The Bank of New York Mellon provides certain custody and other services to the Program.

Pages 9, 18

**Maximum Contribution Limit**. Effective January 1, 2022, the Maximum Contribution Limit (which may be adjusted periodically) is $520,000 per Designated Beneficiary.

Pages 9, 54-55

**Federal Tax Treatment**. Effective Januaty 1, 2022, the annual federal gift and GST tax exclusion is $16,000 per year ($32,000 for spouses electing to split gifts) or $80,000 over 5 years ($160,000 for spouses electing to split gifts).

Page 16

Under **Establishing an Account – Personal Information**, the following sentence is added to the end of the paragraph:

References to Program Manager in this paragraph are deemed to include a Financial Intermediary, as applicable.

Page 27
Under **Residual Account Balances and Termination – *Termination***, the following sentence is added to the end of the paragraph:

References to Program Manager in this paragraph are deemed to include a Financial Intermediary, as applicable.

Page 43
**Program Fees, Expenses and Sales Charges.** In Footnote 2 of the C Unit Class chart, the date June 30, 2022 is corrected to read June 30, 2021.

Pages 54-55
**Federal Gift, Estate and Generation-Skipping Transfer Taxes.** The second full paragraph in the left hand column on Page 55 is removed and replaced with:

Under current law, each individual generally has a $12,060,000 (as of 2022) lifetime exemption for transfers made after December 31, 2017 and before January 1, 2026, and a $5,600,000 (as of 2018) lifetime exemption for transfers made before January 1, 2018 or after December 31, 2025 (which amounts are subject to annual adjustment to reflect inflation) that may be applied to gifts in excess of the applicable annual exclusion amount. For gifts of community property (or for a married couple who elect to split gifts of separate property) the spouses' combined applicable exemption amount of $24,120,000 (as of 2022) for transfers made after December 31, 2017 and before January 1, 2026, and combined applicable exclusion amount of $11,200,000 (as of 2018) for transfers made before January 1, 2018 or after December 31, 2025 (which amounts are subject to annual adjustment to reflect inflation) may be applied.

Page 68
The text under the subheading **Sumday** is revised to read in its entirety as follows:

Sumday Administration, LLC is a subsidiary of Vestwell Holdings, Inc. Sumday provides administrative and record-keeping services to a variety of state-sponsored savings plans.

Page 68
The following is inserted immediately below the text under the Sumday subheading:

**The Bank of New York Mellon**

The Bank of New York Mellon Corporation and its consolidated subsidiaries, including The Bank of New York Mellon, provide a broad range of financial products and services in U.S. and international markets.

Page 95
**BlackRock Core Bond Portfolio**. The first sentence of the first paragraph under the subheading "Investment Objective, Strategy and Policies" is deleted and replaced with:

The investment objective of the Fund is to seek to realize a total return that exceeds that of the reference benchmark.

Page 95

**BlackRock Inflation Protected Bond Portfolio**. The third sentence of the first paragraph under the subheading "Investment Objective, Strategy and Policies" is deleted and replaced with:

The Fund maintains an average portfolio duration that is within ±40% of the duration of the Bloomberg Barclays U.S. Treasury Inflation Protected Securities Index.

Page 96

**BlackRock Low Duration Bond Portfolio**. The first sentence of the first paragraph under the subheading "Investment Objective, Strategy and Policies" is deleted and replaced with:

The Fund's investment objective is to seek total return in excess of the reference benchmark in a manner that is consistent with preservation of capital.

Page 121

**Franklin Templeton Portfolios**. The column entitled "Age-Based 7-10 Years Portfolio" in the Franklin Templeton Portfolios chart is corrected to read "Age-Based 9-10 Years Portfolio".

Page 124

**Franklin Templeton Portfolios**. The double asterisk footnote in the Franklin Templeton Portfolios Client Select Series – A Unit Class Average Annual Total Return as of June 30, 2021 (With Sales Charges **) chart is corrected to read:

**Reflects a sales charge of 0.25% assuming redemption in the first year after purchase.

Page 126

**Franklin Templeton Portfolios**. The double asterisk footnote in the Franklin Templeton Portfolios Client Select Series – C Unit Class Average Total Annual Return as of June 30, 2021 (With Sales Charges **) chart is corrected to read:

** Reflects a sales charge of 1.00% assuming redemption in the first year after purchase.

Page 203

**Principal Plus Portfolio – Investment Objective, Strategy and Policies**

The first sentence of the third paragraph is removed and replaced with:

New York Life currently holds high financial strength ratings: Aaa from Moody's Investors Service, Inc., AA+ from Standard & Poor's Rating Group, A++ from A.M.Best, and AAA from Fitch.[1]

Footnote 1 is removed and replaced with:
This information comes from individual third-party ratings reports as of September 30, 2021. None of Moody's, Standard and Poor's, A. M. Best or Fitch make any representations regarding an investment in the Portfolio.

The third sentence of the third paragraph is removed and replaced with:

The annualized interest rate of the New York Life GIA is 2.15% through June 30, 2022 (after expenses of 0.15% associated with the New York Life GIA that are paid to the Investment Manager and New York Life).

The following new paragraph is inserted between the third and fourth paragraphs:

Certain limitations apply to the exchange of Units of the Principal Plus Portfolio for Units of the NextGen Savings Portfolio. See ***Limitations on Exchange of Units of Principal Plus Portfolio for NextGen Savings Portfolio*** on Page 50.

Page 213
**Participation Agreement - Participant's Representations**. The following sentence is added to the end of Section 8(x):

References to Program Manager in this subsection are deemed to include a Financial Intermediary, as applicable.

THIS PAGE INTENTIONALLY LEFT BLANK

Section 529 Qualified Tuition Programs are intended to be used only to save for qualified higher education expenses. None of the Finance Authority of Maine, any Sub-Advisor, the Investment Manager, the Program Manager or the Program Distributor, nor any of their affiliates provide legal, tax or accounting advice. You should consult your own legal and/or tax advisors before making any financial decisions.

**Investment products:**

| | | |
|---|---|---|
| **Are Not FDIC Insured** | **Are Not Bank Guaranteed** | **May Lose Value** |

FAME
FINANCE AUTHORITY OF MAINE

**Program Administrator**



BlackRock.

**Program Distributor and Investment Manager**

sumday® | Plan Management

**Program Manager**

# NEXTGEN 529®

# PROGRAM DESCRIPTION AND PARTICIPATION AGREEMENT

## September 13, 2021

## CLIENT SELECT SERIES

NextGen 529 is a Section 529 Program administered by the Finance Authority of Maine. BlackRock Investments, LLC is the Program Distributor of NextGen 529. Sumday Administration, LLC ("Sumday") is the Program Manager of NextGen 529. This Program Description and Participation Agreement contains information you should know before participating in the Program, including information about sales charges, fees, expenses and risks. Please read it before you invest and keep it for future reference.

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

This Program Description and Participation Agreement will be updated from time to time to reflect changes to the Program and is subject to change without notice. The information contained in this Program Description and Participation Agreement amends and supersedes all information contained in prior Program Descriptions and Participation Agreements. Participants should rely only on the information contained in this Program Description and Participation Agreement. No one is authorized to provide information that is different from the information contained in this Program Description and Participation Agreement.

NextGen 529 offers a variety of investment options in two separate series – the Client Select Series and the Client Direct Series. Each series offers different investment options, each with its own sales charges, fees and expense structure. Expenses associated with the Client Direct Series will generally be lower than those associated with the Client Select Series. Currently, some of the same investment options are available in each series. The Client Select Series (offered through this Program Description) is available exclusively through Financial Intermediaries. The Client Direct Series (offered through a different program description) is available through the Finance Authority of Maine and through www.nextgenforme.com and at www.merrilledge.com.

Program accounts are not bank deposits, are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, are not debt or obligations of, or guaranteed by, any bank or other financial institution or the Finance Authority of Maine, the State of Maine, the Program Manager, the Program Distributor, BlackRock Advisors, LLC, American Century Investment Management, Inc., Franklin Templeton Investments, Lord, Abbett & Co. LLC, Massachusetts Financial Services Company, Neuberger Berman LLC or New York Life Investment Management LLC. **Participation in the Program involves investment risks, including the possible loss of principal.**

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

The Program Manager may be contacted by mail at NextGen 529™, PO Box 9670, Providence, RI 02940-9670, by phone at 1-833-33NG529 (1-833-336-4529), or electronically by link from the Program's Web site located at http://www.nextgenforme.com.

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

You can also contact your Financial Intermediary.

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

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

# FINANCE AUTHORITY OF MAINE PRIVACY POLICY

Protecting the privacy of your personal information is important to us at the Finance Authority of Maine.

- We collect nonpublic personal information about you from the following sources:
  - **Information we receive from you on applications, correspondence, communications and other forms.**
  - **Information about your transactions with respect to your Account.**

- We do not disclose any nonpublic personal information about you or our other current or former customers to anyone, except as permitted by law. **We never rent or sell your name or personal financial information. (We do share such information with our auditors, contractors and agents, such as Sumday, for your Account, and as needed to administer your Account transactions in conformance with law.)**

- We restrict access to nonpublic personal information about you to our employees who need to know the information, and to contractors and agents in order to provide service to you. **We maintain physical, electronic and procedural safeguards in compliance with federal regulations to safeguard your nonpublic personal information.**

# SUMDAY PRIVACY POLICY

Sumday Administration LLC, and its affiliates, on behalf of FAME and the Program, may collect personal information from you to service and maintain your Program Account(s), process your transactions, as well as provide you with Program documents, Account statements and other information about the Program. This information may be collected when you initially enroll in the Program, complete Program documents/forms, utilize the Program's website, conduct Program transactions, or communicate with us or the Program.

We do not sell or rent your personally identifiable information to third parties. We share your information only with our (i) affiliates and service providers that have agreed to confidentiality restrictions and use any personal information they collect on our behalf solely for the purpose of providing the contracted service to us; (ii) as otherwise described herein in order to provide you with the Program website and our website and access to the services provided to you on behalf of the Program; and (iii) to comply with all applicable laws, regulations and rules, and requests of law enforcement, regulatory and other governmental agencies. Also, we may share in aggregate, statistical form, non-personal information regarding the visitors to the Program website and our website, traffic patterns, and website usage with our partners or affiliates.

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

# BLACKROCK PRIVACY PRINCIPLES

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

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

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

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

We may share information with our affiliates to service your Account or to provide you with information about other BlackRock products or services that may be of interest to you, provided neither we nor our affiliates will provide such information to Participants or Program account beneficiaries who are Maine residents if their only relationship with us or our affiliates is through the Program. In addition, BlackRock restricts access to non-public personal information to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect non-public personal information, including procedures relating to the proper storage and disposal of such information.

Under certain circumstances, we share customer information with outside vendors who provide services to NextGen 529, such as financial institutions, fulfillment, mailing, market research and data processing vendors. In those cases, the firms with whom BlackRock does business will enter into confidentiality agreements, and the information is limited to only what is necessary to generate mailings, process transactions, analyze operations and perform other services related to an Account. We also may share your Account information with your Financial Intermediary, if you have listed one on your Account.

NextGen 529®

**NEXTGEN 529®**

**PROGRAM DESCRIPTION**

# CLIENT SELECT SERIES

**September 13, 2021**

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

# TABLE OF CONTENTS

# PROGRAM HIGHLIGHTS

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

Please read this entire Program Description and the Participation Agreement carefully before investing and keep them for future reference. Certain Key Terms used in this Program Description and the Participation Agreement are defined beginning on page 10.

| | | For More Information |
|---|---|---|
| **Program Administrator** | The Finance Authority of Maine administers the Program. | **Page 68** |
| **Program Manager** | Sumday Administration, LLC, an affiliate of The Bank of New York Mellon Corporation, is responsible for the day-to-day operation of the Program. Sumday's affiliate BNYMellon Investment Services (US), Inc. provides certain recordkeeping services for the Program and its affiliate The Bank of New York Mellon provides certain custody services for the Program. | **Page 68** |
| **Investment Manager** | BlackRock Advisors, LLC provides investment management services to the Program. | **Page 68** |
| **Program Distributor** | BlackRock Investments, LLC provides marketing and distribution services for Units in the Program. | **Page 68** |
| **Participant (Account Owner) Eligibility** | The Program is available (without restriction on state of residence or income) to:·<br>• Individuals who are U.S. citizens or permanent residents of the United States, reside in the United States (including U.S. territories and U.S. military bases), are at least 18 years of age and have a valid social security number or taxpayer identification number. Individuals who reside outside the United States are generally not eligible to open an Account or make new investment selections in NextGen 529.<br>• Custodial and trust accounts, state or local governments, tax-exempt organizations described in section 501(c)(3) of the Code, or certain other entities, with a valid taxpayer identification number. | **Page 15** |
| **Designated Beneficiary Eligibility** | The Designated Beneficiary (i.e., the individual for whom Qualified Higher Education Expenses are expected to be paid) may be any individual, regardless of age, with a valid social security number or taxpayer identification number, including the Participant. | **Page 15** |
| **Control of Account** | The Participant:<br>• Retains control of how and when Account assets are used.<br>• May change the Designated Beneficiary.<br>• May take Non-Qualified Withdrawals, subject to applicable federal and state income taxes on earnings and potentially a 10% additional federal tax on earnings. | **Pages 19-20** |
| **Contributions** | *Initial Contribution* - \$25 minimum (no minimum when funding an Account through payroll deduction or automated Contributions and in certain other circumstances.) | **Page 16** |

| | | |
|---|---|---|
| | *Subsequent Contributions* – No minimum. | |
| **Maximum Contribution Limit** | $500,000 per Designated Beneficiary (adjusted periodically). | **Page 18** |
| **Qualified Withdrawals** | Assets in an Account that are used to pay for Qualified Higher Education Expenses (as defined herein, which term includes a limited amount of expenses for primary or secondary school tuition) of the Designated Beneficiary (or sibling of the Designated Beneficiary with respect to the repayment of qualified education loans). Qualified Higher Education Expenses may differ for federal and state income tax purposes. | **Page 25** |
| **Investment Changes** | Once you have contributed to an Account in the Program and allocated your Contributions to one or more investment options, you may move any or all of your Account balance to one or more different investment options twice per calendar year, or if you change the Designated Beneficiary on your Account to a Member of the Family of the current Designated Beneficiary. | **Page 20** |
| **Investment Options** | 39 investment options, including 37 investment options managed by one of American Century, BlackRock, Franklin Templeton, Lord Abbett, MainStay, MFS or Neuberger Berman, as well as the Principal Plus Portfolio and the NextGen Savings Portfolio:<br>• 4 Age-Based Diversified Portfolios<br>• 11 Diversified Portfolios<br>• 22 Single Fund Portfolios<br>• 1 Principal Plus Portfolio<br>• 1 NextGen Savings Portfolio | **Pages 29-32** |
| **Fees and Charges** | Total Annual Asset-Based fees, which include Program Fees and Underlying Fund expenses, vary based on the Portfolio option selected.<br><br>**Range of Total Annual Asset-Based Fees***<br>Client Select Series – A Unit Class: 0.00% - 1.25%<br>Client Select Series – C Unit Class: 0.00% - 2.00%<br><br>* As a percentage of a Portfolio's average annual net assets.<br>• Other fees and charges may apply.<br>• Sales charges may apply to purchases and to certain withdrawals.<br>• Underlying Fund expenses are subject to change, affecting Total Annual Asset-Based Fees. | **Pages 33-52** |
| **Investment Risks and Other Considerations** | • Assets in an Account are not guaranteed, and an Account may lose money.<br>• Federal and state tax laws may change and may adversely affect certain tax advantages of an investment in the Program.<br>• Investment options, Sub-Advisors, sales charges, fees and expenses may change.<br>• Contributions to an Account may affect the eligibility of the Designated Beneficiary or the Participant for federal and state benefits, such as financial aid or Medicaid. | **Pages 58-66** |
| **Federal Tax Treatment** | • Account earnings accrue federal income tax-free.<br>• No federal income tax on Qualified Withdrawals.<br>• No federal gift tax on Contributions up to $15,000 per year ($30,000 for spouses electing to split gifts) or $75,000 over 5 years ($150,000 for | **Pages 53-54** |

| | | |
|---|---|---|
| | spouses electing to split gifts) – subject to certain limitations. Amounts above these annual limits are not subject to gift tax unless, together with other gifts, they exceed lifetime limits on gifts excluded from gift tax.<br>• Contributions are generally considered completed gifts for federal gift and estate tax purposes.<br>• Contributions are generally t included in the Participant's estate for federal estate tax purposes. | |
| **Portfolio Performance** | Portfolio performance information as of June 30, 2021 is contained in this Program Description. Updated Portfolio performance information for all Portfolios will be available on the Program's Web site at www.nextgenforme.com. Past Portfolio performance is not indicative of future Portfolio performance.<br>• American Century Portfolio Performance<br>• BlackRock Portfolios Performance<br>  • iShares Portfolios Performance<br>• Franklin Templeton Portfolios Performance<br>• Lord Abbett Portfolio Performance<br>• MainStay Portfolio Performance<br>• MFS Portfolios Performance<br>• Neuberger Berman Portfolio Performance<br>• Principal Plus Portfolio Performance<br>• NextGen Savings Portfolio Performance | **Pages 72-76**<br>**Pages 77-101**<br>**Pages 102-117**<br>**Pages 118-165**<br>**Pages 166-170**<br>**Pages 171-175**<br>**Pages 176-195**<br>**Pages 196-202**<br>**Pages 203-204**<br>**Pages 205-206** |
| **State Tax Treatment** | • State tax treatment varies from state to state.<br>• **If Maine is not a Participant's home state, the Participant should contact his or her home state's Section 529 Program to learn more about potential favorable state tax treatment or other state benefits such as financial aid, scholarship funds, and protection from creditors offered by such home state for investing in that home state's Section 529 Program.** | **Pages 55-57** |
| **Special Benefits Available to Maine Residents** | Maine Matching Grant Program, Harold Alfond College Challenge Grant (also known as My Alfond Grant), Maine Administration Fee rebate program and Maine Scholarship Programs. | **Page 67** |

# KEY TERMS

Note: Other terms are defined elsewhere in this Program Description

| | |
|---|---|
| **"Account"** | The repository of all Contributions and Units identified by a formal record of transactions with respect to a particular Participant and Designated Beneficiary. |
| **"Account Application"** | The Program application which is used to establish an Account. |
| **"Age-Based Diversified Portfolio"** | A Portfolio for which the assets are invested in a combination of Underlying Funds, based on the age of the Designated Beneficiary specified for such Portfolio. |
| **"Bank"** | The FDIC-insured bank from time to time selected by FAME to hold deposits in the Bank Deposit Account, currently Bank of America, N.A.. |
| **"Bank Deposit Account"** | An interest-bearing omnibus Negotiable Order of Withdrawal account held at the Bank in which deposits are FDIC-insured, subject to applicable limits. |
| **"BlackRock"** | BlackRock Advisors, LLC, which currently serves as the Investment Manager, and its affiliates engaged in such investment management services. |
| **"Cash Allocation Account"** | The Cash Allocation Account is a separate account that seeks current income, preservation of capital and liquidity. This account is invested directly in a diversified portfolio of money market securities and may also be invested in Maine CDs. |
| **"CDSC"** | A contingent deferred sales charge. The amount deducted from the proceeds of a withdrawal made within a specified time period following certain Contributions to an Account. |
| **"Code"** | The Internal Revenue Code of 1986, as amended. |
| **"Contribution"** | The amount contributed to an Account by a Participant or other source. |
| **"Designated Beneficiary"** | The individual whose Qualified Higher Education Expenses are expected to be paid from the Account, or if the Participant is a state or local government or qualifying tax-exempt organization operating a scholarship program, the recipient of a scholarship paid from the Account. |
| **"Diversified Portfolio"** | A Portfolio for which assets are invested in one or more Portfolio Investments, in accordance with a fixed asset allocation specified for such Portfolio. |
| **"Eligible Assets"** | Assets in different Accounts that are aggregated for purposes of determining whether the Participant is eligible to purchase Class A Units, as described on pages 35 and 51-52, as applicable. |
| **"Eligible Institutions of Higher Education"** | Accredited post-secondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential which are eligible to participate in certain federal student financial aid programs. This includes certain proprietary institutions, foreign institutions and post-secondary vocational institutions. |
| **"FAME"** | The Finance Authority of Maine, which is the administrator of the Program. |
| **"Financial Intermediary"** | A broker-dealer through which an Account Owner acquires Units and which is acting pursuant to an agreement with the Program Distributor. |
| **"FDIC"** | The Federal Deposit Insurance Corporation. The FDIC is an independent agency of the United States government that protects against the loss of deposits if an FDIC-insured bank or savings association fails, subject to applicable rules and limitations. |

# KEY TERMS

| | |
|---|---|
| **"Initial Sales Charge"** | A fee based on a percentage of a Contribution that was deducted from certain Contributions prior to their investment in the Account. Initial Sales Charges do not currently apply, but may have applied to prior Contributions. |
| **"Investment Fund"** | The portion of the Program Fund invested in the Portfolio Investments. |
| **"Investment Manager"** | The company that provides investment management services for the Program. The Investment Manager is currently BlackRock. |
| **"Maine CDs"** | Certificates of deposit issued by Maine financial institutions. |
| **"NextGen Savings Portfolio Investment"** | The Bank Deposit Account. |
| **"Participant"** | The individual or entity establishing an Account or any successor to such individual or entity. |
| **"Participation Agreement"** | The contract between the Participant and FAME, which establishes the Account and the obligations of FAME and the Participant, as amended. |
| **"Portfolio"** | One of the NextGen 529 Portfolios established within the Investment Fund to which Contributions may be allocated, and that are invested in Portfolio Investments. |
| **"Portfolio Investments"** | The Underlying Funds and/or the Principal Plus Portfolio Investments and/or the NextGen Savings Portfolio Investment, as applicable. |
| **"Principal Plus Portfolio Investments"** | The guaranteed interest account ("GIA") issued by an insurance company, and any corporate fixed-income investments and/or similar instruments in which the Principal Plus Portfolio invests. |
| **"Program"** | The Maine Education Savings Program, (also known as NextGen 529 or NextGen). As of the date of this Program Description, the Program includes the Client Select Series described in this Program Description and a Client Direct Series that is for self-directed investors and is described in a separate program description. |
| **"Program Description"** | This current NextGen 529 Client Select Series Program Description and any supplements to it. |
| **"Program Fund"** | The Maine Education Savings Program Fund. |
| **"Program Manager"** | The company that is responsible for the day-to-day operation of the Program. Currently, Sumday is the Program Manager. |
| **"Qualified Higher Education Expenses"** | Expenses including tuition, fees and the costs of books, supplies and equipment required for enrollment or attendance, as well as certain room and board expenses of a Designated Beneficiary that is enrolled at least half-time at an Eligible Institution of Higher Education, expenses for the purchase of computer or peripheral equipment, computer software or Internet access and related services, if such equipment, software, access or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Institution of Higher Education, and expenses for special needs services in the case of a special needs beneficiary that are incurred in connection with enrollment or attendance at an Eligible Institution of Higher Education. Unless otherwise indicated, any reference to Qualified Higher Education Expenses also includes (i) a reference to tuition in connection with a Designated Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school up to a maximum of $10,000 of distributions for such tuition expenses per taxable year per Designated Beneficiary from all Section 529 Programs; (ii) expenses for fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act; and (iii) |

| | |
|---|---|
| | amounts paid as principal or interest on any qualified education loan of either the Designated Beneficiary or a sibling of the Designated Beneficiary up to a lifetime limit of $10,000 per individual. |
| **“Qualified Withdrawals”** | Withdrawals from an Account that are used to pay the Qualified Higher Education Expenses of the Designated Beneficiary. Unless otherwise indicated, reference to withdrawals used to pay for “Qualified Higher Education Expenses of the Designated Beneficiary” includes withdrawals to repay qualified education loans of the Designated Beneficiary’s sibling in the limited circumstances that such repayments may be treated as Qualified Higher Education Expenses. |
| **“Section 529 Program”** | A “qualified tuition program” established under and operated in accordance with Section 529 of the Code. |
| **“Single Fund Portfolio”** | A Portfolio for which assets are invested in one Underlying Fund. |
| **“Sub-Advisor”** | A registered investment adviser, other than the Investment Manager, that recommends Underlying Funds and the allocation of such Underlying Funds for one or more Portfolios comprised of Underlying Funds advised by such investment adviser or any of its affiliates. |
| **“Sumday”** | Sumday Administration, LLC, which currently serves as the Program Manager. |
| **“Underlying Funds”** | One or more mutual funds or exchange traded funds (ETFs) or separate accounts in which assets of Portfolios (other than the Principal Plus Portfolio and the NextGen Savings Portfolio) are invested. |
| **“Unit Class”** | The A or C Units that represent investments within each of the Portfolios in the Client Select Series, each of which has its own sales charge and expense structure. |
| **“Units”** | Interests in a Portfolio that are purchased with Contributions to an Account. |

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

# PARTICIPATION AND ACCOUNTS

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

## Establishing an Account

***Account Application*** – To establish an Account, a Participant must work with a Financial Intermediary, complete an Account Application and agree to the terms and conditions of the Participation Agreement. FAME, the Program Manager or the applicable Financial Intermediary may require the completion of certain other documents for an Account to be established. There is no fee or charge for establishing an Account. Accounts will not be established, orders will not be executed, and the Account Application and Contribution amount will be returned if the Account Application is not complete. Signing an Account Application acknowledges receipt of this Program Description and Participation Agreement and acceptance of the terms and conditions of the Participation Agreement. There may be only one Participant and one Designated Beneficiary for each Account. A Successor Participant (defined below) may be identified for an Account on the Account Application. There is no limit to the number of Accounts that a Participant can open.

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

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

***Accounts Opened by Trustees, Custodians, Guardians, and Conservators*** – An authorized trustee or custodian must be identified if Contributions to an Account come from an existing trust or custodial account. Trustees opening an Account on behalf of a trust must provide representations or documentation concerning the trustees' authority or such other matters as required by the Program Manager. In addition, guardians and conservators may open an Account provided copies of the applicable governing documents are acceptable to the Program Manager.

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

***Scholarship Accounts*** – Accounts may be established by state or local governments or tax-exempt organizations described in section 501(c)(3) of the Code and most types of legal entities, including trusts, whose purposes and powers so permit. As a Participant, a government or tax-exempt organization may establish an Account as part of a scholarship program operated by such government or organization (a "Scholarship Account"). Governments and tax-exempt organizations may designate any Portfolio or combination of Portfolios in which Contributions to a Scholarship Account are to be invested. Contributions to such Scholarship Accounts will be permitted even if they cause the balance of the Account to exceed the Program's maximum Contribution limit. Questions regarding the establishment of Scholarship Accounts should be addressed to FAME at (800) 228-3734 or the Program Manager.

***Selection of Investment Option(s)*** – Investment option(s) and the percentage of each Contribution to be allocated to the Portfolio(s) selected must be indicated on the Account Application. The total allocation may not exceed 100%. All Contributions will be invested in the selected Portfolio(s) based upon the designated allocations until new designated allocations are selected by the Participant. See "Investment of Contributions-Investment Changes" for information about changing existing investment allocations and/or changing the investment allocation of future Contributions.

***Request for Duplicate Statements*** – A Participant may identify an interested party to receive duplicate Account statements. The interested party cannot initiate, approve or otherwise authorize any transactions or changes to the Account.

***Personal Information*** – Establishment of an Account is subject to acceptance by the Program Manager and verification of a Participant's identity and other information regarding a Participant. A Participant must provide such documentation and other information regarding Participant, and any other person who may have an interest in an Account, as the Program Manager may deem appropriate for purposes of complying with anti-money laundering laws and regulations, the Program Manager's anti-money laundering processes, procedures and requirements, and other applicable laws and regulations, as the same may be amended from time to time ("Identity Information"). If a Participant does not provide Identity Information requested on the Account Application, the Program Manager may refuse to open an Account for the Participant. The Program Manager may also request that a Participant provide additional Identity Information at any time after an Account is opened. If a Participant fails to provide Identity Information requested on the Account Application, or immediately upon request at any time after the Account is opened, or if the Program Manager is unable to verify any Identity Information to its satisfaction, the Program Manager may, without prior notice to the Participant, reject Contributions and withdrawal and transfer requests, suspend Account services, close the Account or take any other action permitted by applicable laws and regulations. Units redeemed as a result of closing an Account will be valued at the Units' net asset value per Unit ("Net Asset Value") next calculated after the Program Manager closes the Account. The risk of market loss, tax implications, and expenses resulting from the liquidation will be solely the Participant's responsibility.

## Contributions

Contributions must be made by personal check, cashier's check or money order (collectively, "check"), direct deposit through payroll deduction, through an automated method for making Contributions from a bank account through the Program's Automated Funding Service ("AFS"), or through an online transfer from a bank account, to the extent that such services may be offered by the Program to Participants from time to time. All Contributions must be in U.S. dollars. A Participant will receive statements confirming the investment of his or her Contributions (and including such other information as may be required by law).

***Contributions by Check***

- <u>Initial Contributions</u> – A Participant making an initial Contribution by check must generally include an initial minimum amount of $25 with his or her Account Application, and check(s) should be made payable to "NextGen 529 FBO [Name of Designated Beneficiary]". A separate check must be provided for each Account Application. The initial minimum amount will be waived for an Account which is eligible to be linked to the Harold Alfond College Challenge Grant. See "THE PROGRAM AND THE PROGRAM FUND-Special Benefits Available to Maine Residents."
- <u>Subsequent Contributions</u> – There is no minimum amount for subsequent Contributions. Check(s) should be made payable to "NextGen 529 FBO [Name of Designated Beneficiary]". A separate check must be provided for each Account receiving a subsequent Contribution. You must include the NextGen 529 Account number on the check.
- <u>Where to send Contributions</u> – Participants should send or deliver an initial or subsequent Contribution(s) by check to their Financial Intermediary.
- <u>Returned Checks</u> – A fee of $20, which may be deducted from the Account, is charged for each check returned to the Program due to insufficient funds in an account on which the check is drawn.

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

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

Account Application or request and complete an Automated Funds Service Enrollment and Authorization Form.

- Subsequent Contributions – There is no minimum amount for subsequent Contributions.

***Payroll Direct Deposit***

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

| Contribution Method | Minimum Initial Contribution* | Minimum Subsequent Contribution |
|---|---|---|
| Check | $25 | None |
| Automated Funding Service<br>*or*<br>Payroll direct deposit | None | None. |

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

***Rollover Contributions***

- Rollovers from Another State's Section 529 Program – Rollover Contributions directly from another Section 529 Program to an established Account may be initiated by executing the NextGen 529 Incoming Rollover Form ("Incoming Rollover Form"), if requested, and providing a statement issued by the distributing Section 529 Program that shows the principal and earnings portions of the Contribution.

  Rollover Contributions from another Section 529 Program sent directly to a Participant must be accompanied by the Incoming Rollover Form, if requested, and a statement issued by the distributing Section 529 Program that shows the principal and earnings portions of the Contribution.

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

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

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

- Rollovers from Coverdell Education Savings Accounts – Coverdell Education Savings Account ("Coverdell ESA") assets can be rolled over to an Account. In order to take advantage of a tax-free rollover from a Coverdell ESA, the rollover Contribution must be to an Account for the same Designated Beneficiary and must be accompanied by an Incoming Rollover Form, if requested. An account statement issued by the financial institution that acted as trustee or custodian of the Coverdell ESA that shows the principal and earnings portions of the rollover Contribution must also be provided to the Program Manager.

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

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

***Maximum Contribution*** – Currently, Contributions, including Rollover Contributions, will be permitted if they do not cause the aggregate balance of all Accounts in the Program (including the Direct Series) for the same Designated Beneficiary (regardless of Participant) to exceed $500,000. Contributions that would cause such aggregate balance to exceed $500,000 may be rejected in their entirety. FAME will review and may adjust the Contribution limit annually, effective on or about January 1, but reserves the right to effect adjustments on other dates.

***Excess Contributions*** – The Program Manager may return all or any part of a Contribution, including a Rollover Contribution, that exceeds the maximum allowable Contribution limit ("Excess Contribution"). Excess Contributions may be subject to a penalty imposed by FAME, which may be deducted from the

Account. The maximum allowable Contribution limit is based on the aggregate balance of all Account(s) for the same Designated Beneficiary (regardless of Participant) in the Program, not on the aggregate Contributions made to Accounts.

***Year-End Contributions*** – Contributions for any calendar year must be received in good order by the Program Manager prior to the close of trading on the New York Stock Exchange on the last business day of the year. Contributions postmarked in a calendar year and received by the Program Manager in the next calendar year will not be included as Contributions in the prior calendar year. Year-end Contributions received by the Program Manager that do not include all necessary documentation in good order will not be credited to an Account for that calendar year. Generally, a Contribution is deemed received by the Program Manager on the date and time it is received by the applicable Financial Intermediary, but the timing requirements of a particular Financial Intermediary for crediting a year-end Contribution to the then-ending calendar year may vary (see "Particular Financial Intermediary Arrangements"), and each Participant should consult the applicable Financial Intermediary as to that Financial Intermediary's timing requirements.

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

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

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

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

***Contribution Policies*** – Following receipt of Contributions by check or by transfer of funds electronically, the Program reserves the right, subject to applicable law, to not allow withdrawals of those funds (or their equivalent) for up to 15 calendar days for checks, and up to 9 calendar days for electronic transfers.

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

### Ownership of Contributions

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

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

### Change of Designated Beneficiary

***General*** – Section 529 of the Code and the Proposed Regulations (defined on page 53) generally allow for changes of the Designated Beneficiary without federal income tax consequences, so long as the new Designated Beneficiary is a Member of the Family (defined below) of the current Designated Beneficiary. Special rules apply to Accounts established by UGMA/UTMA custodians. In addition, generally no federal gift tax or any generation-skipping transfer tax will result provided the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary and is assigned to the same generation as or a higher generation than the current Designated Beneficiary. Any change of the Designated Beneficiary to an individual who is not a Member of the Family of the current Designated Beneficiary should be treated as a Non-Qualified Withdrawal. See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS - Federal Taxation of Section 529 Programs."

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

A Participant may choose to reinvest amounts currently held in an Account to any of the available Portfolio(s) when changing the Designated Beneficiary for an Account. If the Participant's Account is currently invested in an Age-Based Diversified Portfolio and the Participant chooses to reinvest in an Age-Based Diversified Portfolio upon changing the Designated Beneficiary, the Program Manager will reinvest such amounts based on the age of the new Designated Beneficiary.

***Member of the Family*** – A Member of the Family is the Designated Beneficiary's:

- Father or mother, or an ancestor of either;
- Child, or a descendant of a child;
- Stepfather or stepmother;
- Stepson or stepdaughter, or a descendant of either;
- Brother, sister, stepbrother or stepsister;
- Brother or sister of the father or mother;
- Brother-in-law, sister-in-law, son-in-law, daughter-in-law, father-in-law or mother-in-law;
- Son or daughter of a brother or sister;
- Spouse or the spouse of any of the foregoing individuals; or
- First cousin.

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

### Successor Participants

***Death or Mental Disability of Participant*** – A Participant may designate a successor Participant ("Successor Participant"). The Successor Participant shall assume all of the rights, title and interest of the current Participant with respect to an Account (including the right to withdraw assets from the Account or change the Designated Beneficiary) upon the death or mental disability of the current Participant. Such designation must be in writing and is not effective until received by the Program Manager. Special rules apply to UGMA/UTMA Accounts. The Successor Participant will be required to provide the Program Manager with a certified copy of a death certificate in the case of death of a Participant or a court order in the case of mental disability of the Participant and such other information, the sufficiency of which the Program Manager will determine in its sole discretion, as the Program Manager requires prior to taking any action regarding the Account. The Successor Participant will also be required to complete an Account Application and agree to the terms and conditions of the Participation

Agreement. See "PARTICIPATION AND ACCOUNTS – Establishing an Account". If the Participant has authorized another individual or entity to exercise rights over an Account pursuant to a power of attorney executed prior to a mental disability, the power of attorney will take precedence over any Successor Participant designation during the Participant's lifetime. A transfer of ownership of an Account, during the Participant's lifetime, may have income or gift tax consequences; contact a tax advisor before transferring ownership of an Account. A designation of a Successor Participant that is later accepted by the Program Manager will govern all directions with respect to the Account following (but not prior to) the Program Manager's acceptance of the designation. In the event no Successor Participant is named on the Account Application or on another form accepted by the Program Manager, or the named Successor Participant predeceases the Participant or does not accept ownership of the Account, the surviving spouse of the Participant, provided he or she is the natural or adoptive parent of the Designated Beneficiary, will become the Participant for the Account. In the event the surviving spouse is not the natural or adoptive parent of the Designated Beneficiary and the Designated Beneficiary is not a minor, the Designated Beneficiary will become the Participant for the Account. In the event there is no surviving spouse who is a parent of the Designated Beneficiary and the Designated Beneficiary is a minor, the Designated Beneficiary's custodial guardian will become the Participant for the Account. If the Designated Beneficiary has more than one custodial guardian, the earlier born guardian will become the Participant for the Account. If the Designated Beneficiary and the Participant both die and the Designated Beneficiary predeceases the Participant or dies in a manner that it cannot be determined who died first, the estate of the Designated Beneficiary will become the Participant for the Account.

***Lifetime Transfers*** – A Participant may transfer ownership of an Account, without penalty, to another individual or entity to be the Participant in the Program. A transfer of ownership of an Account does not require a change of the Designated Beneficiary. A transfer of ownership of an Account will only be effective if it is irrevocable and transfers all rights, title, interest and power over the Account. A transfer of ownership of an Account may have income or gift tax consequences; contact a tax advisor before transferring ownership of an Account. To transfer ownership of an Account contact your Financial Intermediary or call the Program Manager at 1-833-3NG529 (1-833-336-4529).

### Investment of Contributions

The Program Manager will generally credit Contributions to an Account as of the business day received by the Program Manager, provided receipt occurs before the close of regular trading on the New York Stock Exchange on such business day. Contributions received by the Program Manager after the close of the New York Stock Exchange on a business day or on a day that is not a business day are credited to an Account on the next business day. Generally, a Contribution is deemed received by the Program Manager on the date and time it is received by the applicable Financial Intermediary, although the practices of a particular Financial Intermediary may vary (see "Particular Financial Intermediary Arrangements"), and each Participant should consult the applicable Financial Intermediary as to whether that Financial Intermediary's arrangements with the Program permit crediting of Contributions based on the date and time the Contributions are received by such Financial Intermediary. Neither FAME nor the Program shall be responsible for, and shall under no circumstances have any liability with respect to, any failure by a Financial Intermediary to accurately record or transmit to the Program Manager or to any other agent of the Program instructions regarding the allocation of Contributions or the manner in which Contributions are to be invested.

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

Currently, investment change requests must be in writing on an Investment Change Form; however, the Program Manager may waive this requirement or provide additional means for providing investment change instructions. An investment change will not affect instructions on how additional Contributions to an Account should be allocated. Investment changes may take up to five business days to process after they are received in good form by the Program Manager, particularly during periods of market volatility and at year-end.

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

***Net Asset Value*** – The Program Manager calculates, or causes to be calculated, a Net Asset Value for each Unit of a particular Portfolio on each day that the New York Stock Exchange is open for trading. Net Asset Values are calculated as of the close of regular trading on the New York Stock Exchange. Regular trading on the New York Stock Exchange typically closes at 4 p.m. Eastern Time, but closes earlier on certain scheduled days and may close earlier in the case of an emergency. The Net Asset Value of a Portfolio's Units is calculated by dividing the value of each Portfolio Investment held in the Portfolio, plus any receivables and less any liabilities of such Portfolio, by the number of outstanding Units for a given Unit Class of the Portfolio. Each Unit Class of a particular Portfolio within the Client Select Series may have a different Net Asset Value. When you make a Contribution, the Units credited to your Account will be purchased at the Net Asset Value(s) next calculated after the Contribution is invested or reinvested by the Program Manager as described in this Program Description.

### Statements and Reports

The Program Manager will keep, or cause to be kept, accurate and detailed records of all transactions concerning Accounts and will provide, or cause to be provided, periodic statements of the applicable Account(s) to each Participant. The Program Manager will not provide statements to a Participant for whom a prior statement or any other communication has been returned as undeliverable until the Participant provides updated information in the manner required by the Program Manager.

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

### Other Provisions

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

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

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

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

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

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

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

***Persons Living Outside the United States*** – Individuals who reside outside the United States are generally not eligible to open an Account or make new investment selections in NextGen 529.

If a Participant previously residing in the United States moves outside the United States, the Program Manager may take certain actions regarding the Account without prior notice to the Participant, including, among others, rejecting Contributions and withdrawal and investment change requests, suspending Account services, or closing the Account. Units redeemed as a result of closing an Account will be valued at the Units' Net Asset Value next calculated after the Program Manager closes the Account. The risk of market loss, tax implications, and any other expenses, as a result of the liquidation, will be solely the Participant's responsibility.

***Account Transfer Upon Cessation of Financial Intermediary Status***

If the agreement between the Program Distributor and the Financial Intermediary through which a Participant established an Account is terminated by the Financial Intermediary or the Program Distributor, the Participant may select a different Financial Intermediary as the broker of record for such an Account. If an Account remains on the books and records of the outgoing Financial Intermediary as of the effective date of the termination of the agreement between such Financial Intermediary and the Program Distributor, the Program Distributor will become the new broker of record for such Account. Participants whose Accounts are transferred to the Program Distributor as broker of record will receive notice of such transfer. The Program Distributor does not and will not offer any financial advice to Participants of such Accounts. If the Program Distributor becomes the broker of record for such an Account, a Participant may thereafter purchase Units of the A Unit Class only, regardless of whether the Participant otherwise satisfies the eligibility criteria stated in this Program Description to purchase A Units, and if the Account holds Units of the C Unit Class at the time of such change in broker of record, the C Units will be exchanged for A Units, and the exchange between Unit Classes will not count towards the Program's investment change limits.

## Withdrawals

***In General*** – A Participant may direct a withdrawal from an Account at any time by notifying the Program Manager by mail, electronically, or in any other manner specified by the Program Manager. Generally, only the Participant of an Account may direct withdrawals from the Account. The frequency of withdrawals in a single month may be limited. A minimum withdrawal amount may also be established.

To request a withdrawal by telephone, a Participant should contact his or her Financial Intermediary. Certain Accounts or transactions are not eligible for withdrawals by telephone. If an Account or a transaction is not eligible for withdrawals by telephone, a written request for withdrawal may be submitted. To authorize a withdrawal by telephone, a Participant should have the following information available: (i) Account number; (ii) amount to be distributed; and (iii) Portfolios to be liquidated. Written requests for withdrawals from an Account must be submitted on a NextGen 529 Withdrawal Request Form; however, the Program Manager or Financial Intermediary may waive this requirement or provide additional means for withdrawal requests.

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

Following the acceptance and processing of a properly completed withdrawal request by the Program Manager, Units held by your Account will be redeemed to fulfill the withdrawal. The redeemed Units will be valued at the next Net Asset Value(s) calculated after the withdrawal request is accepted by the Program Manager. Generally, a completed withdrawal request is deemed received by the Program Manager on the date and time it is received by the applicable Financial Intermediary, although the practices of a particular Financial Intermediary may vary (see "Particular Financial Intermediary Arrangements"), and each Participant should consult the applicable Financial Intermediary as to whether that Financial Intermediary's arrangements with the Program permit completed withdrawal requests to be treated as received by the Program Manager based on the date and time the request is received by such Financial Intermediary. After such Units are redeemed, the Program Manager will deliver the proceeds to the payee. In the case of a partial withdrawal from an Account funded through the liquidation of Units that are subject to a CDSC, the amount of the CDSC generally will be paid from the remaining Account value (first from the Portfolios identified to be liquidated, and then pro-rata from other Portfolios), unless the remaining Account value is insufficient to cover the CDSC, in which case the remaining CDSC is deducted from the amount withdrawn, although the practices of a particular Financial Intermediary may vary and each Participant should consult the applicable Financial Intermediary as to whether any applicable CDSC will instead be deducted from the amount withdrawn. In the case of a full withdrawal of Account value, the amount of any applicable CDSC will be deducted from the amount withdrawn. During periods of market volatility and at year end, withdrawal requests may take up to five business days to process following receipt of a withdrawal request.

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

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

(For purposes of these rules only, if a withdrawal request includes a request to withdraw Maine Matching Grant funds, all Maine Matching Grant funds associated with an Account may be treated as a Portfolio, although Maine Matching Grant funds are not otherwise a Portfolio within the meaning of this Program Description. See "Special Benefits Available to Maine Residents" for more information about Maine Matching Grants.)

1. The Program Manager will sell all of the Units held in the Portfolio(s) selected by the Participant for full withdrawal (starting with the Portfolios with the smallest market value).

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

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

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

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

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

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

***Tax Reporting*** – For purposes of determining whether a withdrawal is federally taxable and/or subject to the 10% additional federal tax on earnings, the Participant must determine whether the withdrawal is made for the payment of Qualified Higher Education Expenses and/or fits within certain exceptions as discussed below.

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

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

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

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

### Qualified Withdrawals

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

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

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

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

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

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

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

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

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

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

### Non-Qualified Withdrawals and the Additional Tax

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

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

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

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

***Disability of Designated Beneficiary*** – If the Designated Beneficiary becomes disabled within the meaning of section 72(m)(7) of the Code, the Participant may exercise one or more of the following options. The Participant may request the return of all or a portion of the Account balance, in which case the earnings portion will be subject to federal income tax and possibly state and/or local income tax on the earnings portion of the withdrawal, without imposition of the 10% additional federal tax. Alternatively, the Participant may initiate a change of Designated Beneficiary, as described in "Change of Designated Beneficiary" or, if the Designated Beneficiary is eligible for such an account and subject to applicable contribution limits, may make a rollover to a Section 529A Qualified ABLE Program ("ABLE") for the same Designated Beneficiary, as described in "Qualifying Rollovers." Special rules apply to Accounts established by UGMA/UTMA custodians.

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

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

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

### Qualifying Rollovers

A Participant may direct a withdrawal from an Account for the purpose of a rollover to an account in another Section 529 Program by notifying the Program Manager by telephone or in writing. To request a rollover withdrawal by telephone, a Participant should contact the Program Manager at 1-833-3NG529 (1-833-336-4529), or the applicable Financial Intermediary. To authorize a rollover withdrawal by telephone, a Participant should have the following information available: (i) Account number; (ii) amount to be rolled over if not the entire Account balance; (iii) Portfolio(s) to be liquidated; and (iv) the name of the receiving Section 529 Program. Written requests for rollover withdrawals from an Account must be submitted on a NextGen 529 Withdrawal Request Form. If the Participant completes a qualifying rollover, the withdrawal will not be subject to federal income tax, including the 10% additional federal tax, on earnings. State tax treatment varies from state to state, and qualifying rollovers may receive different tax treatment under state law compared to federal law. Special rules apply to Accounts established by UGMA/UTMA custodians.

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

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

### Residual Account Balances and Termination

***Residual Account Balances*** – If the Designated Beneficiary graduates from an Eligible Institution of Higher Education, or chooses not to pursue higher education, and funds remain in an Account, the Participant has three options. First, the Participant may request that all or any portion of the remaining funds be withdrawn and paid (less any fees and expenses, including any applicable CDSC) to either the Participant or the Designated Beneficiary. This withdrawal may be treated as a Non-Qualified Withdrawal (subject to federal and any applicable state and/ or local income tax, and possibly the 10% additional federal tax, on earnings). Second, the Participant may authorize a change of Designated Beneficiary for the remaining funds in the Account. See "Change of Designated Beneficiary." Special rules apply to Accounts established by UGMA/UTMA custodians. Third, the Participant may keep the funds in the Account to pay future Qualified Higher Education Expenses, such as graduate or professional school expenses, of the Designated Beneficiary.

***Termination*** – The Participant may at any time close an Account by providing a NextGen 529 Withdrawal Request Form to the Program Manager, requesting that all the remaining funds be withdrawn and paid (less any fees and expenses, including any applicable CDSC) to either the Participant or the Designated Beneficiary. This withdrawal may be treated as a Non-Qualified Withdrawal (subject to federal and any applicable state and/or local income tax, and possibly the 10% additional federal tax, on earnings). FAME may terminate an Account at any time and for any reason, including if it determines that: (i) the Designated Beneficiary of an Account does not attend an Eligible Institution of Higher Education; (ii) a Participant has changed Designated Beneficiaries of an Account primarily to avoid or significantly defer federal, state and/or local income tax; or (iii) the assets in an Account are too small to be economically administered. The Program Manager may also terminate an Account consistent with applicable law and the Program Manager's administrative procedures. Neither the Program Manager nor FAME is required to provide Participants with an explanation as to why their Account was terminated. Upon termination of an Account, the Program Manager shall liquidate the investments in the Account and distribute the balance to the Participant, less any fees and expenses including any applicable CDSC. This withdrawal may be treated as a Non-Qualified Withdrawal (subject to federal and any applicable state and/or local income tax and possibly the 10% additional federal tax on earnings).

### Community Property

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

### Penalties for Misrepresentations

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

### Particular Financial Intermediary Arrangements

Accounts established through certain Financial Intermediaries may be subject to certain policies, practices and procedures that differ from those described in this Program Description. A Participant or potential Participant should consult the applicable Financial Intermediary as to any policies, practices and procedures that differ from the general policies, practices and procedures disclosed in this Program Description.

Accounts established through Merrill Lynch, Pierce, Fenner & Smith Incorporated. The following information has been provided by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") with respect to Accounts established through Merrill as the Financial Intermediary:

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

Year-end Contributions must be received by Merrill at its processing location by 10:30 a.m. Eastern Time on the last business day of the year in order to be credited to the then-ending calendar year.

Completed requests for withdrawals from an Account received by Merrill will generally be forwarded to the Program Manager within two business days following the business day on which such requests are received by Merrill, and will not be deemed received by the Program Manager until the business day and time as of which the applicable withdrawal request is received by the Program Manager. During periods of market volatility and at year end, withdrawal requests may take up to five business days to process following receipt of a withdrawal request.

# PORTFOLIOS

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

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

Portfolios generally invest in one or more mutual or exchange traded funds or separate accounts managed by BlackRock or one of the Client Select Series' six Sub-Advisors: American Century Investment Management, Inc. ("American Century"), Franklin Templeton Investments ("Franklin Templeton"), Lord, Abbett & Co. LLC ("Lord Abbett"), New York Life Investment Management LLC ("MainStay"), Massachusetts Financial Services Company ("MFS") and Neuberger Berman LLC ("Neuberger Berman"), or any of their respective affiliates. An Underlying Fund may be sub-advised by a non-affiliate of BlackRock or a Sub-Advisor, as applicable. The Principal Plus Portfolio currently invests in a Funding Agreement issued by an insurance company, and may invest in corporate fixed-income investments and/or similar instruments. Under normal market conditions, the NextGen Savings Portfolio will only make deposits in the Bank Deposit Account.

### Investment Options

The Client Select Series currently consists of four Age-Based Diversified Portfolios, 11 Diversified Portfolios, 22 Single Fund Portfolios, the Principal Plus Portfolio and the NextGen Savings Portfolio. A Participant may choose from among one or more of the Portfolios. None of the Portfolios has been designed to provide any particular total return over any particular time period or investment horizon.

***Age-Based Diversified Portfolios*** – The Age-Based Diversified Portfolios are designed for Participants who are saving for the college education of the Designated Beneficiary. They are invested in a manner that seeks to balance risk and expected returns of the Underlying Funds with the time periods remaining until a typical Designated Beneficiary is expected to enter an Eligible Institution of Higher Education. The age-bands of the Age-Based Diversified Portfolios for the benefit of younger Designated Beneficiaries (for example, the BlackRock Age-Based 0-1 Year Portfolio) generally are more heavily invested in Underlying Funds that invest in equity securities, while age-bands of the Age-Based Diversified Portfolios for older Designated Beneficiaries (for example, the BlackRock Age-Based 19+ Years Portfolio) generally are more heavily invested in Underlying Funds that invest in fixed income securities and money market securities. Please note that the age ranges in the names of the age-bands of the Age-Based Diversified Portfolios indicate the ages of the Designated Beneficiaries for whom such age-bands may be appropriate; they do not refer to the number of years remaining until a typical Designated Beneficiary is expected to need such assets for Qualified Higher Education Expenses. There is no guarantee that investing in the Age-Based Diversified Portfolios will ensure investment gain or protect against investment losses over time, or that the investment return, if any, will be adequate to cover the Designated Beneficiary's Qualified Higher Education Expenses. For a description of the current Underlying Funds in each respective Age-Based Diversified Portfolio, see "NEXTGEN PORTFOLIOS-PERFORMANCE AND INVESTMENTS."

If the Designated Beneficiary is likely to need Account assets at an earlier or later date than a typical Designated Beneficiary is expected to need Account assets, or if you are saving for educational expenses other than college, you may want to consider whether the Age-Based Diversified Portfolios are appropriate for your Designated Beneficiary.

If you elect to invest in an Age-Based Diversified Portfolio, your Account assets will be invested in the age-band that corresponds to the actual age of the Designated Beneficiary. You will not be permitted to invest in the Age-Based Diversified Portfolios based on a hypothetical age. Participants that are state or local governments or tax-exempt organizations described in section 501(c)(3) of the Code may invest in any Age-Based Diversified Portfolio without designating a beneficiary or being subject to the policies described below.

For so long as you remain invested in an Age-Based Diversified Portfolio, as your Designated Beneficiary ages, your Account assets will be automatically reinvested in the age-band that corresponds to the actual age of the Designated Beneficiary. On the business day prior to the birthday upon which the Designated Beneficiary will exceed the maximum age (if any) of the current age-band, your Units in the current age-band will be automatically redeemed and the proceeds will be used to purchase an equal dollar value of Units (of the same class) in the next age-band in the same Age-Based Diversified Portfolio (an "Age-Based Exchange"). Units in the new age-band will be posted in the Account on the Designated Beneficiary's birthday. If the Designated Beneficiary's birthday falls on a non-business day, then the Units will be posted in the Account on the first business day after the Designated Beneficiary's birthday.

For the five business days prior to an Age-Based Exchange, Contributions that are made to an Age-Based Diversified Portfolio within an Account will be invested in the age-band corresponding to the Designated Beneficiary's age as of his or her next birthday.

For the two business days prior to an Age-Based Exchange, a Participant may not:

- move any Account assets to another Program Account;
- move any assets invested in another Program Account into the Account;
- direct any withdrawals from any Portfolio in the Account; or
- roll any Account assets into another Section 529 Program or a Section 529A ABLE account.

Age-Based Exchanges will continue until you are invested in the last age-band in the applicable Age-Based Diversified Portfolio or until the Account assets are withdrawn or otherwise reinvested. Automatic Age-Based Exchanges are not subject to or counted against the twice per year limit on Portfolio exchanges that do not involve a change of Designated Beneficiary.

***Diversified Portfolios*** – The Diversified Portfolios are invested in a combination of Portfolio Investments that is consistent with the sector allocation of each Portfolio. Within the equity securities segment of a Diversified Portfolio, if any, investments will be allocated among Portfolio Investments investing primarily in domestic equity and/or international equity investments. Within the fixed income segment of a Diversified Portfolio, if any, investments will be allocated among Portfolio Investments investing primarily in investment grade debt, non-investment grade debt and money market securities. Certain Diversified Portfolios also allocate investments among Portfolio Investments investing in alternative investments. For a description of the current Portfolio Investments in each respective Diversified Portfolio, see "PORTFOLIOS-PERFORMANCE AND INVESTMENTS."

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

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

***NextGen Savings Portfolio*** – The NextGen Savings Portfolio is invested exclusively in the Bank Deposit Account currently held at Bank of America, N.A.

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

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

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

### Portfolio Series

**The Program offers a variety of investment options through two separate series – the Client Select Series (offered through this Program Description) and the Client Direct Series (offered through a different program description). Each series offers different Portfolios, each with its own sales charges, fees and expense structure. Expenses associated with the Client Direct Series will generally be lower than those associated with the Client Select Series. A particular series may not offer some or all of the Portfolios available through the other series, although currently some Age-Based Diversified Portfolios, several Diversified Portfolios, the Principal Plus Portfolio and the NextGen Savings Portfolio, are offered in both series.** Information about the Client Direct Series is available by telephone at (877) 4-NEXTGEN (463-9843), through www.nextgenforme.com and www.merrilledge.com, or by contacting FAME.

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

### Portfolio Allocations

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

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

It is anticipated that the sector allocations and combination of Portfolio Investments will be reviewed annually and may change from year to year. In particular, the current target Underlying Fund allocation and current target asset allocation may be changed at any time. The asset allocation of a Portfolio may vary from its target allocation, and may be re-balanced periodically and from time to time to its target allocations. The Investment Manager or a Sub-Advisor may from time to time recommend a revised sector allocation or a revised combination of Portfolio Investments. FAME will determine whether to approve any such recommendation. It is anticipated that Portfolios will be re-balanced to reflect each new allocation.

### Portfolio Investments

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

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

FAME has approved one Underlying Fund, the Cash Allocation Account, for Portfolios investing in cash equivalent securities (other than the Principal Plus Portfolio, the NextGen Savings Portfolio and the iShares Portfolios). The assets of the Cash

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

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

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

### Portfolio Selection

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

| Age-Based Diversified Portfolios |
| --- |
| BlackRock Age-Based Diversified Portfolio |
| iShares Age-Based Diversified Portfolio |
| Franklin Templeton Age-Based Diversified Portfolio |
| MFS Age-Based Diversified Portfolio |
| **Diversified Portfolios** |
| BlackRock 100% Equity Portfolio |
| BlackRock 75% Equity Portfolio |
| BlackRock Fixed Income Portfolio |
| iShares Diversified Equity Portfolio |
| iShares Diversified Fixed Income Portfolio |
| Franklin Templeton Balanced Portfolio |
| Franklin Templeton Growth and Income Portfolio |
| Franklin Templeton Growth Portfolio |
| MFS Conservative Mixed Asset Portfolio |
| MFS Equity Portfolio |
| MFS Fixed Income Portfolio |
| **Single Fund Portfolios** |
| American Century Inflation-Adjusted Bond Portfolio |
| BlackRock Equity Dividend Portfolio |
| BlackRock Global Allocation Portfolio |
| BlackRock Advantage Large Cap Core Portfolio |
| BlackRock Advantage Large Cap Growth Portfolio |
| iShares Core Conservative Allocation Portfolio |
| iShares Core Moderate Allocation Portfolio |
| iShares Core Growth Allocation Portfolio |
| iShares Core MSCI EAFE Portfolio |
| iShares Core MSCI EM Portfolio |
| iShares MSCI USA ESG Select Portfolio |
| iShares TIPS Bond Portfolio |
| Franklin Templeton Global Bond Portfolio |
| Franklin Templeton Mutual Shares Portfolio |
| Franklin Templeton Small Cap Value Portfolio |
| Franklin Templeton Small-Mid Cap Growth Portfolio |
| Lord Abbett Total Return Portfolio |
| MainStay Winslow Large Cap Growth Portfolio |
| MFS Global Equity Portfolio |
| MFS Research International Portfolio |
| MFS Value Portfolio |
| Neuberger Berman International Equity Portfolio |
| **Principal Plus Portfolio** |
| Principal Plus Portfolio |
| **NextGen Savings Portfolio** |
| NextGen Savings Portfolio |

# PROGRAM FEES, EXPENSES AND SALES CHARGES

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

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

## Portfolio Investment Fees and Expenses

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

## Annual Asset-Based and Other Fees

***Underlying Fund Expenses*** – The assets of each Client Select Series Portfolio are invested in a share class of the Underlying Fund that does not make payments pursuant to a SEC Rule 12b-1 plan. Specifically, the assets of each Client Select Series Portfolio are invested in the Class I (or Institutional) shares of the Portfolios' Underlying Fund(s), except:

- The Principal Plus Portfolio and the NextGen Savings Portfolio, which do not invest in mutual funds; and
- The iShares Portfolios, which invest in Underlying Funds that are iShares ETFs advised by BlackRock Fund Advisors, an affiliate of the Investment Manager.
- The American Century Inflation-Adjusted Bond Portfolio, which invests in the "investor share class" of the applicable Underlying Fund.
- Certain Franklin Templeton Portfolios which, in addition to investing in Class I (or Institutional) shares of certain mutual funds, may invest in "advisor share class" of certain mutual funds and Class Z of Franklin Mutual Shares Fund.

For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the Program Description date, and each Portfolio's fees and expenses are based on the most recent fiscal year reported upon in the Underlying Fund(s) most recent prospectus as of June 30, 2021 unless noted otherwise.

***Management and Maine Administration Fees*** – The Investment Manager is entitled to receive a management fee for acting as Investment Manager (the "Management Fee"). The Investment Manager may also receive compensation from Sub-Advisors or from Portfolio Investments or their providers. The Program Distributor is entitled to receive a fee for acting as Program Distributor (the "Sales Fee"). In addition, FAME receives an administration fee for acting as administrator of the Program (the "Maine Administration Fee"). FAME may use the Maine Administration Fee only for the purposes permitted for the Program Fund. See "The Program Fund" for additional information.

***Sales Fee*** - Each Client Select Series Portfolio assesses an ongoing Sales Fee of 0.25% per annum for A Units and 1.00% per annum for C Units on the average daily net assets of such Portfolio, except:

- The Principal Plus Portfolio, which assesses an ongoing Sales Fee of 0.15% per annum for A Units and C Units; and
- The NextGen Savings Portfolio, which does not assess an ongoing Sales Fee.

The Sales Fees assessed by the applicable Portfolios are used to compensate the Program Distributor and/or a Financial Intermediary for its sales support and account services.

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

| | |
|---|---|
| **Non-Sufficient Funds Fee** | **$20** |
| **Wire Transfer Fee** | **$30** |

### Unit Classes

***Purchasing Units*** – The Client Select Series offers two Unit Classes – A Unit Class and C Unit Class – each with its own sales charge structure and fees and expenses. Each Account is required to purchase a specific Unit Class at the time that an initial or subsequent Contribution is credited to the Account. The Unit Class will be determined by application of the rules described below.

When a Contribution is made to an Account, the Contribution will be used to purchase A Units if any of the following circumstances apply:

(i) Unless otherwise provided by the pricing policies of the applicable Financial Intermediary, the Participant had at least $250,000 in Eligible Assets (defined below) as of September 13, 2021 or any subsequent date;

(ii) Unless otherwise provided by the pricing policies of the applicable Financial Intermediary, Eligible Assets, including the applicable Contribution, equal at least $250,000;

(iii) The Account was established through an employer program designated as a "corporate plan" by the Program Distributor in the Program Distributor's discretion;

(iv) The Contribution is a Rollover Contribution with funds from a Section 529 Program maintained by a state other than Maine; or

(v) The Account is eligible for such purchase under the pricing policies of the applicable Financial Intermediary (discussed below under "Specialized Pricing Arrangements.")

Once a Contribution has been used to purchase A Units In the circumstances described in any of clauses (i) through (iii), all subsequent Contributions to an Account will be applied to purchase A Units.

With respect to an Account for which the Program Distributor is the broker of record, the Contribution may be used to purchase A Units only. Any Contribution for such Account will be used to purchase A Units regardless of whether the circumstances above apply.

If none of the circumstances above apply, the Contribution will be used to purchase C Units.

When deciding whether to make an initial or subsequent Contribution to the Client Select Series, a Participant should consider all relevant factors, including:

- the Unit Class he or she will purchase based upon his or her circumstances;
- that C Units will be automatically converted into A Units after four years from their respective dates of purchase;
- the sales charges and the fees and expenses applicable to each Unit Class;
- how long Contributions are expected to be held in the Account before withdrawals are directed and whether any such withdrawals may be subject to a CDSC;
- the age of the Designated Beneficiary; and
- that due to differing fee and expense structures between the Unit Classes, the Net Asset Values of a particular Unit Class, and the investment return on a Contribution in a particular Unit Class, may be more or less than it would be for the other Unit Class.

In addition, if more than one Unit Class is held in an Account, withdrawal, transfer and rollover requests will be made from the Unit Class designated by the Participant or the Participant's Financial Intermediary to the Program Manager. When deciding which Unit Class to redeem for a withdrawal, transfer or rollover, a Participant should consider the fees and expenses applicable to each Unit Class and whether the redemption is subject to a CDSC. Generally, C Units have higher asset-based fees than A Units of the same Portfolio. As such, absent a CDSC, C Units of a Portfolio generally should be redeemed before A Units in the same Portfolio. If a CDSC would be imposed upon the redemption of C Units, the Participant should consider redeeming A Units before C Units of the same Portfolio.

***Unit Class Sales Charges and Features*** – The following table summarizes the features of each Unit Class.

| | *A Units* | *C Units* |
|---|---|---|
| **Initial Sales Charge?** | No. | No. |
| **Contingent Deferred Sales Charge (CDSC)?** | ***A Units in all Portfolios other than Principal Plus Portfolio and NextGen Savings Portfolio***<br>Yes. A maximum CDSC of 0.25% is assessed in connection with amounts withdrawn, transferred or rolled over from an Account if A Units are redeemed for such purposes within one year of the respective dates of purchase.<br>***A Units in the Principal Plus Portfolio and NextGen Savings Portfolio***<br>No. However, if A Units subject to a CDSC are exchanged into the Principal Plus Portfolio or NextGen Savings Portfolio, those Units may be subject to a CDSC if later redeemed in connection with a withdrawal that occurs within one year of the original date of purchase. | ***C Units in all Portfolios other than Principal Plus Portfolio and NextGen Savings Portfolio***<br>Yes. A maximum CDSC of 1.00% is assessed in connection with amounts withdrawn, transferred or rolled over from an Account if C Units are redeemed for such purposes within one year of the respective dates of purchase.<br>***C Units in the Principal Plus Portfolio and NextGen Savings Portfolio***<br>No. However, if C Units subject to a CDSC are exchanged into the Principal Plus Portfolio or NextGen Savings Portfolio, those Units may be subject to a CDSC if later redeemed in connection with a withdrawal that occurs within one year of the original date of purchase. |
| **Automatic Conversion into Different Units?** | No. | Yes. C Units will be converted into A Units after four years from the dates of purchase. |

**Eligible Assets -** The Participant's Eligible Assets generally are defined as the value of all Accounts held by the Participant in the Client Select Series of the Program, provided that the value of any Account(s) held in a Financial Intermediary's omnibus account will not be included unless prior to making the applicable Contribution the Participant or a Financial Intermediary notifies the Program Manager of the existence of, and establishes to the Program Manager's satisfaction the value of, such Account(s) held through an omnibus account. However, a particular Financial Intermediary may calculate a Participant's Eligible Assets using another methodology (see "Specialized Pricing Arrangements").

### A Unit Class

***Initial Sales Charge*** – A Units are not subject to an Initial Sales Charge. The full amount of each Contribution is invested in the Account.

***Contingent Deferred Sales Charge (CDSC)*** – When a Participant redeems A Units of any Portfolio other than the Principal Plus Portfolio or NextGen Savings Portfolio in connection with a withdrawal, or a transfer or rollover from the Account to another Section 529 Program or to a Section 529A ABLE account, the redemption may be subject to a CDSC to the extent that the A Units were purchased within one year of the redemption. The CDSC paid to the Program Distributor will be 0.25% of the lesser of the original cost of the A Units being redeemed or the redemption proceeds. In the case of a partial withdrawal from an Account funded through the liquidation of Units that are subject to a CDSC, the amount of the CDSC generally will be paid from the remaining Account value (first from the Portfolios identified to be liquidated, and then pro-rata from other Portfolios), unless the remaining Account value is insufficient to cover the CDSC, in which case the remaining CDSC is deducted from the amount withdrawn, although the practices of a particular Financial Intermediary may vary and each Participant should consult the applicable Financial Intermediary as to whether any applicable CDSC will instead be deducted from the amount withdrawn. In the case of a full withdrawal of Account value, the amount of any applicable CDSC will be deducted from the amount withdrawn. Each purchase of the A Unit Class has its own CDSC period, and the CDSC is determined by presuming that Contributions are withdrawn in the order in which they were made. The CDSC does not apply to earnings on any Contribution. No CDSC will be deducted from the proceeds of withdrawals from the A Unit Class of any Portfolio due to the death or disability of the Designated Beneficiary.

# PROGRAM FEES, EXPENSES AND SALES CHARGES

***Unit Class Fees and Expenses*** **-** The following tables list the fees and expenses that apply to Accounts that invest in A Units.

| A UNIT CLASS | | | | | | |
|---|---|---|---|---|---|---|
| | *Portfolios incur the following Annual Asset-Based Fees*[1] | | | | | Additional Investor Expenses |
| | Estimated Underlying Fund Expenses[2] | Management Fee[3] | Maine Administration Fee[4] | Sales Fee[5] | Total Annual Asset-Based Fees[6] | Maximum Contingent Deferred Sales Charge[7] |
| **American Century Portfolio** American Century Inflation-Adjusted Bond Portfolio | 0.47% | 0.00% | 0.09% | 0.25% | 0.81% | 0.25% |
| **BlackRock Portfolios** BlackRock Age-Based 0-1 Year Portfolio | 0.47% | 0.00% | 0.09% | 0.25% | 0.81% | 0.25% |
| BlackRock Age-Based 2-4 Years Portfolio | 0.48% | 0.00% | 0.09% | 0.25% | 0.82% | 0.25% |
| BlackRock Age-Based 5-7 Years Portfolio | 0.48% | 0.00% | 0.09% | 0.25% | 0.82% | 0.25% |
| BlackRock Age-Based 8-11 Years Portfolio | 0.48% | 0.00% | 0.09% | 0.25% | 0.82% | 0.25% |
| BlackRock Age-Based 12-13 Years Portfolio | 0.49% | 0.00% | 0.09% | 0.25% | 0.83% | 0.25% |
| BlackRock Age-Based 14-15 Years Portfolio | 0.48% | 0.00% | 0.09% | 0.25% | 0.82% | 0.25% |
| BlackRock Age-Based 16 Years Portfolio | 0.48% | 0.00% | 0.09% | 0.25% | 0.82% | 0.25% |
| BlackRock Age-Based 17 Years Portfolio | 0.44% | 0.00% | 0.09% | 0.25% | 0.78% | 0.25% |
| BlackRock Age-Based 18 Years Portfolio | 0.39% | 0.00% | 0.09% | 0.25% | 0.73% | 0.25% |
| BlackRock Age-Based 19+ Years Portfolio | 0.36% | 0.00% | 0.09% | 0.25% | 0.70% | 0.25% |
| BlackRock 100% Equity Portfolio | 0.47% | 0.00% | 0.09% | 0.25% | 0.81% | 0.25% |
| BlackRock 75% Equity Portfolio | 0.47% | 0.00% | 0.09% | 0.25% | 0.81% | 0.25% |
| BlackRock Fixed Income Portfolio | 0.48% | 0.00% | 0.09% | 0.25% | 0.82% | 0.25% |
| BlackRock Global Allocation Portfolio | 0.83% | 0.00% | 0.09% | 0.25% | 1.17% | 0.25% |
| BlackRock Advantage Large Cap Core Portfolio | 0.48% | 0.00% | 0.09% | 0.25% | 0.82% | 0.25% |
| BlackRock Advantage Large Cap Growth Portfolio | 0.62% | 0.00% | 0.09% | 0.25% | 0.96% | 0.25% |
| BlackRock Equity Dividend Portfolio | 0.71% | 0.00% | 0.09% | 0.25% | 1.05% | 0.25% |

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

2 For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2021. Underlying Fund fee and expense information may change from time to time.

3 The Management Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by the Investment Manager.

4 A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See Maine Administration Fee Rebate Program on Page 67 of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.

5 The Portfolio pays a Sales Fee to the Program Distributor with respect to the A Unit Class, which is used to pay Financial Intermediaries for certain sales support and account services..

6 Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "Investment Cost Charts" on page 46 of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.

7 With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the A Unit Class of any Portfolio or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the applicable Contribution. This charge may be waived in certain circumstances.

## A UNIT CLASS

| | *Portfolios incur the following Annual Asset-Based Fees[1]* | | | | | Additional Investor Expenses |
|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[2] | Management Fee[3] | Maine Administration Fee[4] | Sales Fee[5] | Total Annual Asset-Based Fees[6] | Maximum Contingent Deferred Sales Charge[7] |
| iShares Age-Based 0-1 Year Portfolio | 0.08% | 0.15% | 0.09% | 0.25% | 0.57% | 0.25% |
| iShares Age-Based 2-4 Years Portfolio | 0.08% | 0.15% | 0.09% | 0.25% | 0.57% | 0.25% |
| iShares Age-Based 5-7 Years Portfolio | 0.08% | 0.15% | 0.09% | 0.25% | 0.57% | 0.25% |
| iShares Age-Based 8-11 Years Portfolio | 0.08% | 0.15% | 0.09% | 0.25% | 0.57% | 0.25% |
| iShares Age-Based 12-13 Years Portfolio | 0.08% | 0.15% | 0.09% | 0.25% | 0.57% | 0.25% |
| iShares Age-Based 14-15 Years Portfolio | 0.09% | 0.15% | 0.09% | 0.25% | 0.58% | 0.25% |
| iShares Age-Based 16 Years Portfolio | 0.08% | 0.15% | 0.09% | 0.25% | 0.57% | 0.25% |
| iShares Age-Based 17 Years Portfolio | 0.10% | 0.15% | 0.09% | 0.25% | 0.59% | 0.25% |
| iShares Age-Based 18 Years Portfolio | 0.13% | 0.15% | 0.09% | 0.25% | 0.62% | 0.25% |
| iShares Age-Based 19+ Years Portfolio | 0.15% | 0.15% | 0.09% | 0.25% | 0.64% | 0.25% |
| iShares Diversified Equity Portfolio | 0.08% | 0.15% | 0.09% | 0.25% | 0.57% | 0.25% |
| iShares Diversified Fixed Income Portfolio | 0.18% | 0.15% | 0.09% | 0.25% | 0.67% | 0.25% |
| iShares Core Conservative Allocation Portfolio | 0.25% | 0.15% | 0.09% | 0.25% | 0.74% | 0.25% |
| iShares Core Moderate Allocation Portfolio[8] | 0.25% | 0.15% | 0.09% | 0.25% | 0.74% | 0.25% |
| iShares Core Growth Allocation Portfolio | 0.25% | 0.15% | 0.09% | 0.25% | 0.74% | 0.25% |
| iShares MSCI USA ESG Select Portfolio | 0.25% | 0.15% | 0.09% | 0.25% | 0.74% | 0.25% |
| iShares Core MSCI EAFE Portfolio | 0.07% | 0.15% | 0.09% | 0.25% | 0.56% | 0.25% |
| iShares Core MSCI EM Portfolio | 0.11% | 0.15% | 0.09% | 0.25% | 0.60% | 0.25% |
| iShares TIPS Bond Portfolio | 0.19% | 0.15% | 0.09% | 0.25% | 0.68% | 0.25% |

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

2 For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2021. Underlying Fund fee and expense information may change from time to time.

3 The Management Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by the Investment Manager.

4 A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See Maine Administration Fee Rebate Program on Page 67 of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.

5 The Portfolio pays a Sales Fee to the Program Distributor with respect to the A Unit Class, which is used to pay Financial Intermediaries for certain sales support and account services..

6 Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "Investment Cost Charts" on pages 46-47 of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.

7 With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the A Unit Class of any Portfolio or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the applicable Contribution. This charge may be waived in certain circumstances.

8 This Portfolio invests all of its assets in the same Underlying Fund as the iShares Balanced Portfolio in the Client Direct Series.

## A UNIT CLASS

| | *Portfolios incur the following Annual Asset-Based Fees*[1] | | | | | Additional Investor Expenses |
|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[2] | Management Fee[3] | Maine Administration Fee[4] | Sales Fee[5] | Total Annual Asset-Based Fees[6] | Maximum Contingent Deferred Sales Charge[7] |
| **Franklin Templeton Portfolios** | | | | | | |
| Franklin Templeton Age-Based 0-6 Years Portfolio | 0.71% | 0.00% | 0.09% | 0.25% | 1.05% | 0.25% |
| Franklin Templeton Age-Based 7-8 Years Portfolio | 0.68% | 0.00% | 0.09% | 0.25% | 1.02% | 0.25% |
| Franklin Templeton Age-Based 9-10 Years Portfolio | 0.65% | 0.00% | 0.09% | 0.25% | 0.99% | 0.25% |
| Franklin Templeton Age-Based 11-12 Years Portfolio | 0.62% | 0.00% | 0.09% | 0.25% | 0.96% | 0.25% |
| Franklin Templeton Age-Based 13-14 Years Portfolio | 0.59% | 0.00% | 0.09% | 0.25% | 0.93% | 0.25% |
| Franklin Templeton Age-Based 15 Years Portfolio | 0.56% | 0.00% | 0.09% | 0.25% | 0.90% | 0.25% |
| Franklin Templeton Age-Based 16 Years Portfolio | 0.53% | 0.00% | 0.09% | 0.25% | 0.87% | 0.25% |
| Franklin Templeton Age-Based 17 Years Portfolio | 0.50% | 0.00% | 0.09% | 0.25% | 0.84% | 0.25% |
| Franklin Templeton Age-Based 18 Years Portfolio | 0.47% | 0.00% | 0.09% | 0.25% | 0.81% | 0.25% |
| Franklin Templeton Age-Based 19 Years Portfolio | 0.45% | 0.00% | 0.09% | 0.25% | 0.79% | 0.25% |
| Franklin Templeton Age-Based 20+ Years Portfolio | 0.44% | 0.00% | 0.09% | 0.25% | 0.78% | 0.25% |
| Franklin Templeton Growth Portfolio | 0.71% | 0.00% | 0.09% | 0.25% | 1.05% | 0.25% |
| Franklin Templeton Growth and Income Portfolio | 0.65% | 0.00% | 0.09% | 0.25% | 0.99% | 0.25% |
| Franklin Templeton Balanced Portfolio | 0.59% | 0.00% | 0.09% | 0.25% | 0.93% | 0.25% |
| Franklin Templeton Mutual Shares Portfolio | 0.80% | 0.00% | 0.09% | 0.25% | 1.14% | 0.25% |
| Franklin Templeton Small Cap Value Portfolio | 0.83% | 0.00% | 0.09% | 0.25% | 1.17% | 0.25% |
| Franklin Templeton Small-Mid Cap Growth Portfolio | 0.63% | 0.00% | 0.09% | 0.25% | 0.97% | 0.25% |
| Franklin Templeton Global Bond Portfolio | 0.67% | 0.00% | 0.09% | 0.25% | 1.01% | 0.25% |
| **Lord Abbett Portfolio** | | | | | | |
| Lord Abbett Total Return Portfolio | 0.42% | 0.00% | 0.09% | 0.25% | 0.76% | 0.25% |
| **MainStay Portfolio** | | | | | | |
| MainStay Winslow Large Cap Growth Portfolio | 0.72% | 0.00% | 0.09% | 0.25% | 1.06% | 0.25% |

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

2 For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2021. Underlying Fund fee and expense information may change from time to time.

3 The Management Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by the Investment Manager.

4 A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See Maine Administration Fee Rebate Program on Page 67 of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.

5 The Portfolio pays a Sales Fee to the Program Distributor with respect to the A Unit Class, which is used to pay Financial Intermediaries for certain sales support and account services..

6 Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "Investment Cost Charts" on page 47 of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.

7 With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the A Unit Class of any Portfolio or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the applicable Contribution. This charge may be waived in certain circumstances.

# PROGRAM FEES, EXPENSES AND SALES CHARGES

| A UNIT CLASS | | | | | | |
|---|---|---|---|---|---|---|
| | *Portfolios incur the following Annual Asset-Based Fees[1]* | | | | | Additional Investor Expenses |
| | Estimated Underlying Fund Expenses[2] | Management Fee[3] | Maine Administration Fee[4] | Sales Fee[5] | Total Annual Asset-Based Fees[6] | Maximum Contingent Deferred Sales Charge[7] |
| **MFS Portfolios** | | | | | | |
| MFS Age-Based 0-2 Years Portfolio | 0.66% | 0.00% | 0.09% | 0.25% | 1.00% | 0.25% |
| MFS Age-Based 3-5 Years Portfolio | 0.65% | 0.00% | 0.09% | 0.25% | 0.99% | 0.25% |
| MFS Age-Based 6-7 Years Portfolio | 0.63% | 0.00% | 0.09% | 0.25% | 0.97% | 0.25% |
| MFS Age-Based 8-9 Years Portfolio | 0.61% | 0.00% | 0.09% | 0.25% | 0.95% | 0.25% |
| MFS Age-Based 10-11 Years Portfolio | 0.57% | 0.00% | 0.09% | 0.25% | 0.91% | 0.25% |
| MFS Age-Based 12-13 Years Portfolio | 0.55% | 0.00% | 0.09% | 0.25% | 0.89% | 0.25% |
| MFS Age-Based 14-15 Years Portfolio | 0.50% | 0.00% | 0.09% | 0.25% | 0.84% | 0.25% |
| MFS Age-Based 16 Years Portfolio | 0.49% | 0.00% | 0.09% | 0.25% | 0.83% | 0.25% |
| MFS Age-Based 17 Years Portfolio | 0.48% | 0.00% | 0.09% | 0.25% | 0.82% | 0.25% |
| MFS Age-Based 18+ Years Portfolio | 0.46% | 0.00% | 0.09% | 0.25% | 0.80% | 0.25% |
| MFS Equity Portfolio | 0.66% | 0.00% | 0.09% | 0.25% | 1.00% | 0.25% |
| MFS Fixed Income Portfolio | 0.59% | 0.00% | 0.09% | 0.25% | 0.93% | 0.25% |
| MFS Research International Portfolio | 0.82% | 0.00% | 0.09% | 0.25% | 1.16% | 0.25% |
| MFS Value Portfolio | 0.58% | 0.00% | 0.09% | 0.25% | 0.92% | 0.25% |
| MFS Conservative Mixed Asset Portfolio | 0.46% | 0.00% | 0.09% | 0.25% | 0.80% | 0.25% |
| MFS Global Equity Portfolio | 0.91% | 0.00% | 0.09% | 0.25% | 1.25% | 0.25% |
| **Neuberger Berman Portfolio** | | | | | | |
| Neuberger Berman International Equity Portfolio | 0.86% | 0.00% | 0.09% | 0.25% | 1.20% | 0.25% |
| **Principal Plus Portfolio** | | | | | | |
| Principal Plus Portfolio[8] | 0.00% | 0.20% | 0.09% | 0.15% | 0.44% | 0.00% |
| **NextGen Savings Portfolio** | | | | | | |
| NextGen Savings Portfolio | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

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

2 For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2021. Underlying Fund fee and expense information may change from time to time.

3 The Management Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by the Investment Manager.

4 A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See Maine Administration Fee Rebate Program on Page 67 of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.

5 The Portfolio pays a Sales Fee to the Program Distributor with respect to the A Unit Class, which is used to pay Financial Intermediaries for certain sales support and account services.

6 Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "Investment Cost Charts" on page 47 of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods.

7 With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the A Unit Class of any Portfolio or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the applicable Contribution. This charge may be waived in certain circumstances.

8 The Principal Plus Portfolio does not invest in mutual funds or ETFs, and therefore has no Underlying Fund expenses. However, there are expenses of 0.15% associated with the New York Life GIA that reduce the interest credited under the GIA.

***Selling Compensation*** – The Program Distributor receives the Sales Fee applicable to the A Unit Class of each Portfolio (as listed in the table above) for the Program Distributor's sales support and account services. The Program Distributor may use the Sales Fee to compensate Financial Intermediaries. Except as noted, the Financial Intermediary receives the following compensation:

| A UNIT CLASS | | | | | |
|---|---|---|---|---|---|
| ***All Portfolios (except the Principal Plus Portfolio and the NextGen Savings Portfolio)*** | | ***Principal Plus Portfolio*** | | ***NextGen Savings Portfolio*** | |
| **Up-front Selling Compensation[1]** | **Ongoing Compensation[2]** | **Up-front Selling Compensation[1]** | **Ongoing Compensation[2]** | **Up-front Selling Compensation[1]** | **Ongoing Compensation[2,3]** |
| 0.25% | 0.25% | 0.00% | 0.25% | 0.00% | 0.125% |

1. Expressed as a percentage of the Contribution amount. If the Financial Intermediary is Merrill, the Program Distributor will not pay Merrill this amount except on the BlackRock Portfolios (excluding the iShares Portfolios).
2. Expressed as an annual percentage of the average daily net assets invested in the A Unit Class in an Account.
3. Amounts shown are paid to Financial Intermediaries. Such amounts are not paid by the NextGen Savings Portfolio.

### C Unit Class

***Initial Sales Charge*** – C Units are not subject to an Initial Sales Charge. The full amount of each Contribution is invested in the Account.

***Contingent Deferred Sales Charges --*** A CDSC is imposed on withdrawals from the C Unit Class of any Portfolio held in an Account (except Principal Plus Portfolio and NextGen Savings Portfolio), or reallocations of Account balances to a different Unit Class, or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the Contribution and paid to the Program Distributor. In the case of a partial withdrawal from an Account funded through the liquidation of Units that are subject to a CDSC, the amount of the CDSC generally will be paid from the remaining Account value (first from the Portfolios identified to be liquidated, and then pro-rata from other Portfolios), unless the remaining Account value is insufficient to cover the CDSC, in which case the remaining CDSC is deducted from the amount withdrawn, although the practices of a particular Financial Intermediary may vary and each Participant should consult the applicable Financial Intermediary as to whether any applicable CDSC will instead be deducted from the amount withdrawn. In the case of a full withdrawal of Account value, the amount of any applicable CDSC will be deducted from the amount withdrawn. The CDSC is 1.00% of the lesser of the original cost of the C Units being redeemed or the redemption proceeds, except in the Principal Plus Portfolio and the NextGen Savings Portfolio, which do not have a CDSC. Each Contribution has its own CDSC period, and the CDSC is determined by deeming that Contributions are withdrawn in the order in which they were made. The CDSC does not apply to earnings on any Contribution. No CDSC will be imposed on withdrawals from the C Unit Class of any Portfolio due to the death or disability of the Designated Beneficiary. See "PARTICIPATION AND ACCOUNTS – *Withdrawals - In General*."

The following example illustrates how the CDSC is charged.

**EXAMPLE:** Beth makes two Contributions to an Account – an initial Contribution of $3,000 in October 2021, and a subsequent Contribution of $8,000 in April 2022. The full $11,000 is invested in the C Unit Class of the Franklin Templeton Balanced Portfolio. Beth withdraws $5,000 in November 2022 (the Account balance has grown to $13,000). Based on the CDSC schedule, Beth (a) is not assessed a CDSC with respect to $3,000 of the withdrawal request since the first Contribution was invested for more than one year, and (b) is assessed a CDSC of $20 (1.00% X $2,000) with respect to the remaining $2,000 of the withdrawal request since the second Contribution was invested for less than one year. This example is for illustrative purposes only, and does not reflect the past performance of any investment in the Program nor does it guarantee future performance of any investment in the Program.

***Automatic Conversion of C Units to A Units*** – On or about the third Friday of each month (or the prior or next business day if the applicable day is a holiday), C Units will be automatically converted into A Units after four years from their respective dates of purchase. Prior to the time that C Units convert to A Units, Accounts are subject to the fee and expense structure for

C Units, and may incur a maximum CDSC of 1.00% for C Units redeemed for a withdrawal, transfer or rollover from an Account within one year of the Contribution purchasing the C Units. Once C Units are converted into A Units, Accounts are subject to the fee and expense structure for A Units. When C Units are automatically converted into A Units, the Account will not be charged a CDSC at the time of conversion or anytime thereafter.

Because C Units may convert into A Units over time, an Account may hold both A Units and C Units. For Accounts that hold more than one Unit Class, withdrawal, transfer and rollover requests will be made from the Unit Class designated by the Participant to the Program Manager. When deciding which Unit Class to redeem for a withdrawal, transfer or rollover, a Participant should consider the fees and expenses applicable to each Unit Class and whether the redemption is subject to a CDSC. Generally, C Units have higher annual asset-based costs of investment than A Units. As such, absent a CDSC, C Units generally should be redeemed before A Units. If a CDSC would be imposed upon the redemption of C Units, the Participant should consider redeeming A Units before C Units.

***Unit Class Fees and Expenses*** - The following tables list the fees and expenses that apply to Accounts that invest in C Units.

## C UNIT CLASS

| | *Portfolios incur the following Annual Asset-Based Fees[1]* | | | | | Additional Investor Expenses |
|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[2] | Management Fee[3] | Maine Administration Fee[4] | Sales Fee[5] | Total Annual Asset-Based Fees[6] | Maximum Contingent Deferred Sales Charge[7] |
| **American Century Portfolio** | | | | | | |
| American Century Inflation-Adjusted Bond Portfolio | 0.47% | 0.00% | 0.09% | 1.00% | 1.56% | 1.00% |
| **BlackRock Portfolios** | | | | | | |
| BlackRock Age-Based 0-1 Year Portfolio | 0.47% | 0.00% | 0.09% | 1.00% | 1.56% | 1.00% |
| BlackRock Age-Based 2-4 Years Portfolio | 0.48% | 0.00% | 0.09% | 1.00% | 1.57% | 1.00% |
| BlackRock Age-Based 5-7 Years Portfolio | 0.48% | 0.00% | 0.09% | 1.00% | 1.57% | 1.00% |
| BlackRock Age-Based 8-11 Years Portfolio | 0.48% | 0.00% | 0.09% | 1.00% | 1.57% | 1.00% |
| BlackRock Age-Based 12-13 Years Portfolio | 0.49% | 0.00% | 0.09% | 1.00% | 1.58% | 1.00% |
| BlackRock Age-Based 14-15 Years Portfolio | 0.48% | 0.00% | 0.09% | 1.00% | 1.57% | 1.00% |
| BlackRock Age-Based 16 Years Portfolio | 0.48% | 0.00% | 0.09% | 1.00% | 1.57% | 1.00% |
| BlackRock Age-Based 17 Years Portfolio | 0.44% | 0.00% | 0.09% | 1.00% | 1.53% | 1.00% |
| BlackRock Age-Based 18 Years Portfolio | 0.39% | 0.00% | 0.09% | 1.00% | 1.48% | 1.00% |
| BlackRock Age-Based 19+ Years Portfolio | 0.36% | 0.00% | 0.09% | 1.00% | 1.45% | 1.00% |
| BlackRock 100% Equity Portfolio | 0.47% | 0.00% | 0.09% | 1.00% | 1.56% | 1.00% |
| BlackRock 75% Equity Portfolio | 0.47% | 0.00% | 0.09% | 1.00% | 1.56% | 1.00% |
| BlackRock Fixed Income Portfolio | 0.48% | 0.00% | 0.09% | 1.00% | 1.57% | 1.00% |
| BlackRock Global Allocation Portfolio | 0.83% | 0.00% | 0.09% | 1.00% | 1.92% | 1.00% |
| BlackRock Advantage Large Cap Core Portfolio | 0.48% | 0.00% | 0.09% | 1.00% | 1.57% | 1.00% |
| BlackRock Advantage Large Cap Growth Portfolio | 0.62% | 0.00% | 0.09% | 1.00% | 1.71% | 1.00% |
| BlackRock Equity Dividend Portfolio | 0.71% | 0.00% | 0.09% | 1.00% | 1.80% | 1.00% |

1 Expressed as an annual percentage of the average daily net assets of each Portfolio, except the NextGen Savings Portfolio for which there are currently no Annual Asset-Based Fees or other fees or expenses, though the Investment Manager and FAME reserve the right to charge fees in the future
2 For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2021. Underlying Fund fee and expense information may change from time to time.
3 The Management Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by the Investment Manager.
4 A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See Maine Administration Fee Rebate Program on Page 67 of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.
5 The Portfolio pays a Sales Fee to the Program Distributor with respect to the C Unit Class, which is used to pay Financial Intermediaries for certain sales support and account services..
6 Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "Investment Cost Charts" on page 48 of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods. After the end of the 4-year period, the C Units automatically convert into A Units (not subject to an Initial Sales Charge).
7 With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the C Unit Class of any Portfolio, or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the Contribution. This charge may be waived in certain circumstances.

## C UNIT CLASS

| | *Portfolios incur the following Annual Asset-Based Fees[1]* | | | | | Additional Investor Expenses |
|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[2] | Management Fee[3] | Maine Administration Fee[4] | Sales Fee[5] | Total Annual Asset-Based Fees[6] | Maximum Contingent Deferred Sales Charge[7] |
| iShares Age-Based 0-1 Year Portfolio | 0.08% | 0.15% | 0.09% | 1.00% | 1.32% | 1.00% |
| iShares Age-Based 2-4 Years Portfolio | 0.08% | 0.15% | 0.09% | 1.00% | 1.32% | 1.00% |
| iShares Age-Based 5-7 Years Portfolio | 0.08% | 0.15% | 0.09% | 1.00% | 1.32% | 1.00% |
| iShares Age-Based 8-11 Years Portfolio | 0.08% | 0.15% | 0.09% | 1.00% | 1.32% | 1.00% |
| iShares Age-Based 12-13 Years Portfolio | 0.08% | 0.15% | 0.09% | 1.00% | 1.32% | 1.00% |
| iShares Age-Based 14-15 Years Portfolio | 0.09% | 0.15% | 0.09% | 1.00% | 1.33% | 1.00% |
| iShares Age-Based 16 Years Portfolio | 0.08% | 0.15% | 0.09% | 1.00% | 1.32% | 1.00% |
| iShares Age-Based 17 Years Portfolio | 0.10% | 0.15% | 0.09% | 1.00% | 1.34% | 1.00% |
| iShares Age-Based 18 Years Portfolio | 0.13% | 0.15% | 0.09% | 1.00% | 1.37% | 1.00% |
| iShares Age-Based 19+ Years Portfolio | 0.15% | 0.15% | 0.09% | 1.00% | 1.39% | 1.00% |
| iShares Diversified Equity Portfolio | 0.08% | 0.15% | 0.09% | 1.00% | 1.32% | 1.00% |
| iShares Diversified Fixed Income Portfolio | 0.18% | 0.15% | 0.09% | 1.00% | 1.42% | 1.00% |
| iShares Core Conservative Allocation Portfolio | 0.25% | 0.15% | 0.09% | 1.00% | 1.49% | 1.00% |
| iShares Core Moderate Allocation Portfolio[8] | 0.25% | 0.15% | 0.09% | 1.00% | 1.49% | 1.00% |
| iShares Core Growth Allocation Portfolio | 0.25% | 0.15% | 0.09% | 1.00% | 1.49% | 1.00% |
| iShares MSCI USA ESG Select Portfolio | 0.25% | 0.15% | 0.09% | 1.00% | 1.49% | 1.00% |
| iShares Core MSCI EAFE Portfolio | 0.07% | 0.15% | 0.09% | 1.00% | 1.31% | 1.00% |
| iShares Core MSCI EM Portfolio | 0.11% | 0.15% | 0.09% | 1.00% | 1.35% | 1.00% |
| iShares TIPS Bond Portfolio | 0.19% | 0.15% | 0.09% | 1.00% | 1.43% | 1.00% |

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

2 For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2021. Underlying Fund fee and expense information may change from time to time.

3 The Management Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by the Investment Manager.

4 A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See Maine Administration Fee Rebate Program on Page 67 of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.

5 The Portfolio pays a Sales Fee to the Program Distributor with respect to the C Unit Class, which is used to pay Financial Intermediaries for certain sales support and account services..

6 Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "Investment Cost Charts" on page 48 of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods. After the end of the 4-year period, the C Units automatically convert into A Units (not subject to an Initial Sales Charge).

7 With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the C Unit Class of any Portfolio, or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the Contribution. This charge may be waived in certain circumstances.

8 This Portfolio invests all of its assets in the same Underlying Fund as the iShares Balanced Portfolio in the Client Direct Series.

## C UNIT CLASS

| | *Portfolios incur the following Annual Asset-Based Fees[1]* | | | | | Additional Investor Expenses |
|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[2] | Management Fee[3] | Maine Administration Fee[4] | Sales Fee[5] | Total Annual Asset-Based Fees[6] | Maximum Contingent Deferred Sales Charge[7] |
| **Franklin Templeton Portfolios** | | | | | | |
| Franklin Templeton Age-Based 0-6 Years Portfolio | 0.71% | 0.00% | 0.09% | 1.00% | 1.80% | 1.00% |
| Franklin Templeton Age-Based 7-8 Years Portfolio | 0.68% | 0.00% | 0.09% | 1.00% | 1.77% | 1.00% |
| Franklin Templeton Age-Based 9-10 Years Portfolio | 0.65% | 0.00% | 0.09% | 1.00% | 1.74% | 1.00% |
| Franklin Templeton Age-Based 11-12 Years Portfolio | 0.62% | 0.00% | 0.09% | 1.00% | 1.71% | 1.00% |
| Franklin Templeton Age-Based 13-14 Years Portfolio | 0.59% | 0.00% | 0.09% | 1.00% | 1.68% | 1.00% |
| Franklin Templeton Age-Based 15 Years Portfolio | 0.56% | 0.00% | 0.09% | 1.00% | 1.65% | 1.00% |
| Franklin Templeton Age-Based 16 Years Portfolio | 0.53% | 0.00% | 0.09% | 1.00% | 1.62% | 1.00% |
| Franklin Templeton Age-Based 17 Years Portfolio | 0.50% | 0.00% | 0.09% | 1.00% | 1.59% | 1.00% |
| Franklin Templeton Age-Based 18 Years Portfolio | 0.47% | 0.00% | 0.09% | 1.00% | 1.56% | 1.00% |
| Franklin Templeton Age-Based 19 Years Portfolio | 0.45% | 0.00% | 0.09% | 1.00% | 1.54% | 1.00% |
| Franklin Templeton Age-Based 20+ Years Portfolio | 0.44% | 0.00% | 0.09% | 1.00% | 1.53% | 1.00% |
| Franklin Templeton Growth Portfolio | 0.71% | 0.00% | 0.09% | 1.00% | 1.80% | 1.00% |
| Franklin Templeton Growth and Income Portfolio | 0.65% | 0.00% | 0.09% | 1.00% | 1.74% | 1.00% |
| Franklin Templeton Balanced Portfolio | 0.59% | 0.00% | 0.09% | 1.00% | 1.68% | 1.00% |
| Franklin Templeton Mutual Shares Portfolio | 0.80% | 0.00% | 0.09% | 1.00% | 1.89% | 1.00% |
| Franklin Templeton Small Cap Value Portfolio | 0.83% | 0.00% | 0.09% | 1.00% | 1.92% | 1.00% |
| Franklin Templeton Small-Mid Cap Growth Portfolio | 0.63% | 0.00% | 0.09% | 1.00% | 1.72% | 1.00% |
| Franklin Templeton Global Bond Portfolio | 0.67% | 0.00% | 0.09% | 1.00% | 1.76% | 1.00% |

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

2 For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2022. Underlying Fund fee and expense information may change from time to time.

3 The Management Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by the Investment Manager.

4 A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See Maine Administration Fee Rebate Program on Page 68 of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.

5 The Portfolio pays a Sales Fee to the Program Distributor with respect to the C Unit Class, which is used to pay Financial Intermediaries for certain sales support and account services..

6 Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "Investment Cost Charts" on pages 48-49 of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods. After the end of the 4-year period, the C Units automatically convert into A Units (not subject to an Initial Sales Charge).

7 With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the C Unit Class of any Portfolio, or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the Contribution. This charge may be waived in certain circumstances.

# PROGRAM FEES, EXPENSES AND SALES CHARGES

## C UNIT CLASS

| | *Portfolios incur the following Annual Asset-Based Fees[1]* | | | | | Additional Investor Expenses |
|---|---|---|---|---|---|---|
| | Estimated Underlying Fund Expenses[2] | Management Fee[3] | Maine Administration Fee[4] | Sales Fee[5] | Total Annual Asset-Based Fees[6] | Maximum Contingent Deferred Sales Charge[7] |
| **Lord Abbett Portfolio** | | | | | | |
| Lord Abbett Total Return Portfolio | 0.42% | 0.00% | 0.09% | 1.00% | 1.51% | 1.00% |
| **MainStay Portfolio** | | | | | | |
| MainStay Winslow Large Cap Growth Portfolio | 0.72% | 0.00% | 0.09% | 1.00% | 1.81% | 1.00% |
| **MFS Portfolios** | | | | | | |
| MFS Age-Based 0-2 Years Portfolio | 0.66% | 0.00% | 0.09% | 1.00% | 1.75% | 1.00% |
| MFS Age-Based 3-5 Years Portfolio | 0.65% | 0.00% | 0.09% | 1.00% | 1.74% | 1.00% |
| MFS Age-Based 6-7 Years Portfolio | 0.63% | 0.00% | 0.09% | 1.00% | 1.72% | 1.00% |
| MFS Age-Based 8-9 Years Portfolio | 0.61% | 0.00% | 0.09% | 1.00% | 1.70% | 1.00% |
| MFS Age-Based 10-11 Years Portfolio | 0.57% | 0.00% | 0.09% | 1.00% | 1.66% | 1.00% |
| MFS Age-Based 12-13 Years Portfolio | 0.55% | 0.00% | 0.09% | 1.00% | 1.64% | 1.00% |
| MFS Age-Based 14-15 Years Portfolio | 0.50% | 0.00% | 0.09% | 1.00% | 1.59% | 1.00% |
| MFS Age-Based 16 Years Portfolio | 0.49% | 0.00% | 0.09% | 1.00% | 1.58% | 1.00% |
| MFS Age-Based 17 Years Portfolio | 0.48% | 0.00% | 0.09% | 1.00% | 1.57% | 1.00% |
| MFS Age-Based 18+ Years Portfolio | 0.46% | 0.00% | 0.09% | 1.00% | 1.55% | 1.00% |
| MFS Equity Portfolio | 0.66% | 0.00% | 0.09% | 1.00% | 1.75% | 1.00% |
| MFS Fixed Income Portfolio | 0.59% | 0.00% | 0.09% | 1.00% | 1.68% | 1.00% |
| MFS Research International Portfolio | 0.82% | 0.00% | 0.09% | 1.00% | 1.91% | 1.00% |
| MFS Value Portfolio | 0.58% | 0.00% | 0.09% | 1.00% | 1.67% | 1.00% |
| MFS Conservative Mixed Asset Portfolio | 0.46% | 0.00% | 0.09% | 1.00% | 1.55% | 1.00% |
| MFS Global Equity Portfolio | 0.91% | 0.00% | 0.09% | 1.00% | 2.00% | 1.00% |
| **Neuberger Berman Portfolio** | | | | | | |
| Neuberger Berman International Equity Portfolio | 0.86% | 0.00% | 0.09% | 1.00% | 1.95% | 1.00% |
| **Principal Plus Portfolio** | | | | | | |
| Principal Plus Portfolio[8] | 0.00% | 0.20% | 0.09% | 0.15% | 0.44% | 0.00% |
| **NextGen Savings Portfolio** | | | | | | |
| NextGen Savings Portfolio | 0.00% | 0.00% | 0,00% | 0.00% | 0.00% | 0.00% |

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

2 For Portfolios that invest in more than one Underlying Fund, the Underlying Fund expenses are based on a weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation. Each Portfolio's target asset allocation for Portfolio Investments is effective as of the date of this Program Description, and each Portfolio's fees and expenses are based on the Underlying Fund's or Funds' most recent prospectus as of June 30, 2021. Underlying Fund fee and expense information may change from time to time.

3 The Management Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by the Investment Manager.

4 A rebate approximately equal to the Maine Administration Fee may be provided in certain circumstances. See Maine Administration Fee Rebate Program on Page 68 of the Program Description. The Maine Administration Fee for any Portfolio may be voluntarily reduced at any time on a temporary or permanent basis by FAME.

5 The Sales Fee is paid to the Program Distributor and is paid to Financial Intermediaries by the Program Distributor.

6 Total Annual Asset-Based Fees are subject to change at any time, are assessed against assets over the course of the year, and do not include potential Contingent Deferred Sales Charges. See "Investment Cost Charts" on page 49 of the Program Description for the approximate cost of investing in the Program's Portfolios over 1-, 3-, 5- and 10-year periods. After the end of the 4-year period, the C Units automatically convert into A Units (not subject to an Initial Sales Charge).

7 With the exception of the Principal Plus Portfolio and NextGen Savings Portfolio, a CDSC is imposed on withdrawals from the C Unit Class of any Portfolio, or transfers or rollovers from the Account to another Section 529 Program or to a Section 529A ABLE account, within one year of the Contribution. This charge may be waived in certain circumstances.

8 The Principal Plus Portfolio does not invest in mutual funds or ETFs, and therefore has no Underlying Fund expenses. However, there are expenses of 0.15% associated with the New York Life GIA that reduce the interest credited under the GIA.

***Selling Compensation*** – The Program Distributor receives the Sales Fee applicable to the C Unit Class of each Portfolio (as listed in the table above) for the Program Distributor's sales support and account services. The Program Distributor may use the Sales Fee to compensate Financial Intermediaries. The Financial Intermediary receives the following compensation:

| C UNIT CLASS | | | | | |
|---|---|---|---|---|---|
| *All Portfolios (except Principal Plus and NextGen Savings Portfolios)* | | *Principal Plus Portfolio* | | *NextGen Savings Portfolio* | |
| Up-front Selling Compensation[1] | Ongoing Compensation[2] | Up-front Selling Compensation[1] | Ongoing Compensation[2] | Up-front Selling Compensation[1] | Ongoing Compensation[2] |
| 1.00% | 1.00% | 0.00% | 0.25% | 0.00% | 0.125% |

1. Expressed as a percentage of the Contribution amount, but not deducted from the Contribution amount.
2. Expressed as an annual percentage of the average daily net assets invested in the C Unit Class in an Account. Ongoing compensation is paid to the Financial Intermediary beginning in the 13th month after a Contribution is made, except that ongoing compensation for the Principal Plus Portfolio and NextGen Savings Portfolio is paid to the Financial Intermediary immediately upon a Contribution. Amounts shown for the NextGen Savings Portfolio are paid to Financial Intermediaries. Such amounts are not paid by the NextGen Savings Portfolio. C Units will be automatically converted into A Units after four years from their respective dates of purchase. The converted A Units are subject to the applicable ongoing compensation for A Units, and are not subject to a CDSC. In addition, no up-front selling compensation is paid with respect to such converted A Units. For the ongoing compensation paid on the A Units, see the table under "Program Fees, Expenses and Sales Charges – A Unit Class – Selling Compensation".

## Other Compensation

FAME has authorized the Investment Manager and/or its affiliates, with prior notice to FAME, to receive certain payments from the Sub-Advisors, the Underlying Funds and the providers of the Principal Plus Portfolio Investments for a variety of services with respect to Program assets invested in the Underlying Funds or Principal Plus Portfolio Investments. The Underlying Fund may pay fees to the Investment Manager at an annual rate of up to 0.15% of average daily amount invested in the applicable share class of the Underlying Fund. The Investment Manager will pay all or a portion of such fee to the Program Manager and/or Financial Intermediaries that maintain Accounts in an omnibus account with the Program. The Program Manager and/or Financial Intermediaries that maintain Accounts in an omnibus account with the Program provide various sub-transfer agency and other related administrative services with respect to Underlying Funds positions. These services include, for example, processing purchases, redemptions, and exchanges, dividend reinvestments, consolidated statements, tax reporting, and other recordkeeping. Any fees paid by the applicable class of an Underlying Fund to the Investment Manager with respect to amounts invested in the applicable share class are included in the Underlying Fund's expenses and are indirectly incurred by a Portfolio. The applicable share class of an Underlying Fund may not be the class of the Underlying Fund with the lowest expense ratio. The Investment Manager also provides sales, distribution, marketing and other services to facilitate the Portfolios' investments in Portfolio Investments. In consideration for these services, the Investment Manager receives compensation from Sub-Advisors , out of their own assets, at an annual rate of up to 0.15%, or in the case of the Principal Plus Portfolio, compensation from the provider of the Principal Plus Portfolio Investment of up to 0.10%, of the average daily amount invested by the Portfolios in the Portfolio Investments.

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

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

Pursuant to the Program Services Agreement, the Investment Manager is responsible for paying the Program Manager's fees and charges for the services provided to the Program by the Program Manager and its affiliates, including the Program custodian.

## Investment Cost Charts

The following tables compare the approximate costs of investing in the Client Select Series Portfolios (other than the Principal Plus Portfolio, shown further below, or the NextGen Savings

Portfolio, for which there are currently no Portfolio fees or Underlying Fund expenses). As a result of changes in fees and expenses over time, a Participant's actual cost may be higher or lower. Except as noted below, the following tables are based on the following assumptions:

- A $10,000 Contribution invested for the time periods shown.
- Reflects Portfolio fees and Underlying Fund expenses.
- A 5% annually compounded rate of return on the net amount invested throughout each period shown.
- The fees and expenses described in this Program Description apply for all periods shown.
- All Units are redeemed at the end of the period shown for Qualified Higher Education Expenses (these tables do not consider the impact of any potential state or federal taxes on the redemption), and the applicable CDSC is assessed in the case of the 1 year period (0.25% for A Units, 1.00% for C Units.)
- C Units automatically convert into A Units after four years from their date of purchase.

**Cost of a $10,000 Contribution in A Unit Class**

| Client Select Series | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| **American Century Portfolio** | | | | |
| American Century Inflation-Adjusted Bond Portfolio | $108 | $261 | $453 | $1,012 |
| **BlackRock Portfolios** | | | | |
| BlackRock Age-Based 0-1 Year Portfolio | $108 | $261 | $453 | $1,012 |
| BlackRock Age-Based 2-4 Years Portfolio | $109 | $264 | $459 | $1,024 |
| BlackRock Age-Based 5-7 Years Portfolio | $109 | $264 | $459 | $1,024 |
| BlackRock Age-Based 8-11 Years Portfolio | $109 | $264 | $459 | $1,024 |
| BlackRock Age-Based 12-13 Years Portfolio | $110 | $267 | $464 | $1,036 |
| BlackRock Age-Based 14-15 Years Portfolio | $109 | $264 | $459 | $1,024 |
| BlackRock Age-Based 16 Years Portfolio | $109 | $264 | $459 | $1,024 |
| BlackRock Age-Based 17 Years Portfolio | $105 | $251 | $437 | $976 |
| BlackRock Age-Based 18 Years Portfolio | $100 | $235 | $409 | $916 |
| BlackRock Age-Based 19+ Years Portfolio | $97 | $226 | $393 | $879 |
| BlackRock 100% Equity Portfolio | $108 | $261 | $453 | $1,012 |
| BlackRock 75% Equity Portfolio | $108 | $261 | $453 | $1,012 |
| BlackRock Fixed Income Portfolio | $109 | $264 | $459 | $1,024 |
| BlackRock Global Allocation Portfolio | $145 | $375 | $649 | $1,434 |
| BlackRock Advantage Large Cap Core Portfolio | $109 | $264 | $459 | $1,024 |
| BlackRock Advantage Large Cap Growth Portfolio | $124 | $308 | $535 | $1,190 |
| BlackRock Equity Dividend Portfolio | $133 | $337 | $584 | $1,295 |
| iShares Age-Based 0-1 Year Portfolio | $84 | $184 | $321 | $721 |
| iShares Age-Based 2-4 Years Portfolio | $84 | $184 | $321 | $721 |
| iShares Age-Based 5-7 Years Portfolio | $84 | $184 | $321 | $721 |
| iShares Age-Based 8-11 Years Portfolio | $84 | $184 | $321 | $721 |
| iShares Age-Based 12-13 Years Portfolio | $84 | $184 | $321 | $721 |
| iShares Age-Based 14-15 Years Portfolio | $85 | $187 | $327 | $733 |
| iShares Age-Based 16 Years Portfolio | $84 | $184 | $321 | $721 |
| iShares Age-Based 17 Years Portfolio | $86 | $190 | $332 | $745 |
| iShares Age-Based 18 Years Portfolio | $89 | $200 | $349 | $782 |
| iShares Age-Based 19+ Years Portfolio | $91 | $206 | $360 | $806 |
| iShares Diversified Equity Portfolio | $84 | $184 | $321 | $721 |
| iShares Diversified Fixed Income Portfolio | $94 | $216 | $376 | $843 |
| iShares Core Conservative Allocation Portfolio | $101 | $238 | $415 | $928 |
| iShares Core Moderate Allocation Portfolio | $101 | $238 | $415 | $928 |
| iShares Core Growth Allocation Portfolio | $101 | $238 | $415 | $928 |
| iShares MSCI USA ESG Select Portfolio | $101 | $238 | $415 | $928 |
| iShares Core MSCI EAFE Portfolio | $83 | $181 | $315 | $709 |
| iShares Core MSCI EM Portfolio | $87 | $194 | $338 | $758 |
| iShares TIPS Bond Portfolio | $95 | $219 | $382 | $855 |

**Cost of a $10,000 Contribution in A Unit Class**

| Client Select Series | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| **Franklin Templeton Portfolios** | | | | |
| Franklin Templeton Age-Based 0-6 Years Portfolio | $133 | $337 | $584 | $1,295 |
| Franklin Templeton Age-Based 7-8 Years Portfolio | $130 | $327 | $568 | $1,260 |
| Franklin Templeton Age-Based 9-10 Years Portfolio | $127 | $318 | $552 | $1,225 |
| Franklin Templeton Age-Based 11-12 Years Portfolio | $124 | $308 | $535 | $1,190 |
| Franklin Templeton Age-Based 13-14 Years Portfolio | $121 | $299 | $519 | $1,154 |
| Franklin Templeton Age-Based 15 Years Portfolio | $118 | $289 | $503 | $1,119 |
| Franklin Templeton Age-Based 16 Years Portfolio | $114 | $280 | $486 | $1,083 |
| Franklin Templeton Age-Based 17 Years Portfolio | $111 | $270 | $470 | $1,047 |
| Franklin Templeton Age-Based 18 Years Portfolio | $108 | $261 | $453 | $1,012 |
| Franklin Templeton Age-Based 19 Years Portfolio | $106 | $254 | $442 | $988 |
| Franklin Templeton Age-Based 20+ Years Portfolio | $105 | $251 | $437 | $976 |
| Franklin Templeton Growth Portfolio | $133 | $337 | $584 | $1,295 |
| Franklin Templeton Growth and Income Portfolio | $127 | $318 | $552 | $1,225 |
| Franklin Templeton Balanced Portfolio | $121 | $299 | $519 | $1,154 |
| Franklin Templeton Mutual Shares Portfolio | $142 | $365 | $633 | $1,400 |
| Franklin Templeton Small Cap Value Portfolio | $145 | $375 | $649 | $1,434 |
| Franklin Templeton Small-Mid Cap Growth Portfolio | $125 | $311 | $541 | $1,201 |
| Franklin Templeton Global Bond Portfolio | $129 | $324 | $563 | $1,248 |
| **Lord Abbett Portfolio** | | | | |
| Lord Abbett Total Return Portfolio | $103 | $245 | $426 | $952 |
| **MainStay Portfolio** | | | | |
| MainStay Winslow Large Cap Growth Portfolio | $134 | $340 | $590 | $1,307 |
| **MFS Portfolios** | | | | |
| MFS Age-Based 0-2 Years Portfolio | $128 | $321 | $557 | $1,237 |
| MFS Age-Based 3-5 Years Portfolio | $127 | $318 | $552 | $1,225 |
| MFS Age-Based 6-7 Years Portfolio | $125 | $311 | $541 | $1,201 |
| MFS Age-Based 8-9 Years Portfolio | $123 | $305 | $530 | $1,178 |
| MFS Age-Based 10-11 Years Portfolio | $119 | $292 | $508 | $1,131 |
| MFS Age-Based 12-13 Years Portfolio | $117 | $286 | $497 | $1,107 |
| MFS Age-Based 14-15 Years Portfolio | $111 | $270 | $470 | $1,047 |
| MFS Age-Based 16 Years Portfolio | $110 | $267 | $464 | $1,036 |
| MFS Age-Based 17 Years Portfolio | $109 | $264 | $459 | $1,024 |
| MFS Age-Based 18+ Years Portfolio | $107 | $258 | $448 | $1,000 |
| MFS Equity Portfolio | $128 | $321 | $557 | $1,237 |
| MFS Fixed Income Portfolio | $121 | $299 | $519 | $1,154 |
| MFS Research International Portfolio | $144 | $371 | $644 | $1,423 |
| MFS Value Portfolio | $120 | $296 | $514 | $1,142 |
| MFS Conservative Mixed Asset Portfolio | $107 | $258 | $448 | $1,000 |
| MFS Global Equity Portfolio | $153 | $400 | $692 | $1,526 |
| **Neuberger Berman Portfolio** | | | | |
| Neuberger Berman International Equity Portfolio | $148 | $384 | $665 | $1,469 |

# PROGRAM FEES, EXPENSES AND SALES CHARGES

### Cost of a $10,000 Contribution in C Unit Class

| Client Select Series | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| **American Century Portfolio** | | | | |
| American Century Inflation-Adjusted Bond Portfolio | $260 | $497 | $769 | $1,311 |
| **BlackRock Portfolios** | | | | |
| BlackRock Age-Based 0-1 Year Portfolio | $260 | $497 | $769 | $1,311 |
| BlackRock Age-Based 2-4 Years Portfolio | $261 | $500 | $775 | $1,323 |
| BlackRock Age-Based 5-7 Years Portfolio | $261 | $500 | $775 | $1,323 |
| BlackRock Age-Based 8-11 Years Portfolio | $261 | $500 | $775 | $1,323 |
| BlackRock Age-Based 12-13 Years Portfolio | $262 | $503 | $780 | $1,334 |
| BlackRock Age-Based 14-15 Years Portfolio | $261 | $500 | $775 | $1,323 |
| BlackRock Age-Based 16 Years Portfolio | $261 | $500 | $775 | $1,323 |
| BlackRock Age-Based 17 Years Portfolio | $257 | $487 | $753 | $1,276 |
| BlackRock Age-Based 18 Years Portfolio | $252 | $472 | $727 | $1,218 |
| BlackRock Age-Based 19+ Years Portfolio | $249 | $462 | $711 | $1,183 |
| BlackRock 100% Equity Portfolio | $260 | $497 | $769 | $1,311 |
| BlackRock 75% Equity Portfolio | $260 | $497 | $769 | $1,311 |
| BlackRock Fixed Income Portfolio | $261 | $500 | $775 | $1,323 |
| BlackRock Global Allocation Portfolio | $297 | $608 | $960 | $1,721 |
| BlackRock Advantage Large Cap Core Portfolio | $261 | $500 | $775 | $1,323 |
| BlackRock Advantage Large Cap Growth Portfolio | $275 | $543 | $849 | $1,484 |
| BlackRock Equity Dividend Portfolio | $284 | $571 | $897 | $1,586 |
| iShares Age-Based 0-1 Year Portfolio | $235 | $422 | $641 | $1,029 |
| iShares Age-Based 2-4 Years Portfolio | $235 | $422 | $641 | $1,029 |
| iShares Age-Based 5-7 Years Portfolio | $235 | $422 | $641 | $1,029 |
| iShares Age-Based 8-11 Years Portfolio | $235 | $422 | $641 | $1,029 |
| iShares Age-Based 12-13 Years Portfolio | $235 | $422 | $641 | $1,029 |
| iShares Age-Based 14-15 Years Portfolio | $237 | $425 | $646 | $1,041 |
| iShares Age-Based 16 Years Portfolio | $235 | $422 | $641 | $1,029 |
| iShares Age-Based 17 Years Portfolio | $238 | $428 | $652 | $1,053 |
| iShares Age-Based 18 Years Portfolio | $241 | $437 | $668 | $1,088 |
| iShares Age-Based 19+ Years Portfolio | $243 | $444 | $679 | $1,112 |
| iShares Diversified Equity Portfolio | $235 | $422 | $641 | $1,029 |
| iShares Diversified Fixed Income Portfolio | $246 | $453 | $695 | $1,147 |
| iShares Core Conservative Allocation Portfolio | $253 | $475 | $732 | $1,230 |
| iShares Core Moderate Allocation Portfolio | $253 | $475 | $732 | $1,230 |
| iShares Core Growth Allocation Portfolio | $253 | $475 | $732 | $1,230 |
| iShares MSCI USA ESG Select Portfolio | $253 | $475 | $732 | $1,230 |
| iShares Core MSCI EAFE Portfolio | $234 | $419 | $635 | $1,017 |
| iShares Core MSCI EM Portfolio | $239 | $431 | $657 | $1,065 |
| iShares TIPS Bond Portfolio | $247 | $456 | $700 | $1,159 |
| **Franklin Templeton Portfolios** | | | | |
| Franklin Templeton Age-Based 0-6 Years Portfolio | $284 | $571 | $897 | $1,586 |
| Franklin Templeton Age-Based 7-8 Years Portfolio | $281 | $562 | $881 | $1,552 |
| Franklin Templeton Age-Based 9-10 Years Portfolio | $278 | $553 | $865 | $1,518 |
| Franklin Templeton Age-Based 11-12 Years Portfolio | $275 | $543 | $849 | $1,484 |
| Franklin Templeton Age-Based 13-14 Years Portfolio | $272 | $534 | $833 | $1,450 |
| Franklin Templeton Age-Based 15 Years Portfolio | $269 | $525 | $817 | $1,415 |
| Franklin Templeton Age-Based 16 Years Portfolio | $266 | $515 | $801 | $1,381 |
| Franklin Templeton Age-Based 17 Years Portfolio | $263 | $506 | $785 | $1,346 |
| Franklin Templeton Age-Based 18 Years Portfolio | $260 | $497 | $769 | $1,311 |
| Franklin Templeton Age-Based 19 Years Portfolio | $258 | $491 | $759 | $1,288 |
| Franklin Templeton Age-Based 20+ Years Portfolio | $257 | $487 | $753 | $1,276 |

### Cost of a $10,000 Contribution in C Unit Class

| Client Select Series | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| Franklin Templeton Growth Portfolio | **$284** | **$571** | **$897** | **$1,586** |
| Franklin Templeton Growth and Income Portfolio | **$278** | **$553** | **$865** | **$1,518** |
| Franklin Templeton Balanced Portfolio | **$272** | **$534** | **$833** | **$1,450** |
| Franklin Templeton Mutual Shares Portfolio | **$294** | **$599** | **$944** | **$1,688** |
| Franklin Templeton Small Cap Value Portfolio | **$297** | **$608** | **$960** | **$1,721** |
| Franklin Templeton Small-Mid Cap Growth Portfolio | **$276** | **$547** | **$854** | **$1,495** |
| Franklin Templeton Global Bond Portfolio | **$280** | **$559** | **$875** | **$1,541** |
| **Lord Abbett Portfolio** | | | | |
| Lord Abbett Total Return Portfolio | **$255** | **$481** | **$743** | **$1,253** |
| **MainStay Portfolio** | | | | |
| MainStay Winslow Large Cap Growth Portfolio | **$285** | **$574** | **$902** | **$1,598** |
| **MFS Portfolios** | | | | |
| MFS Age-Based 0-2 Years Portfolio | **$279** | **$556** | **$870** | **$1,529** |
| MFS Age-Based 3-5 Years Portfolio | **$278** | **$553** | **$865** | **$1,518** |
| MFS Age-Based 6-7 Years Portfolio | **$276** | **$547** | **$854** | **$1,495** |
| MFS Age-Based 8-9 Years Portfolio | **$274** | **$540** | **$844** | **$1,472** |
| MFS Age-Based 10-11 Years Portfolio | **$270** | **$528** | **$823** | **$1,427** |
| MFS Age-Based 12-13 Years Portfolio | **$268** | **$522** | **$812** | **$1,404** |
| MFS Age-Based 14-15 Years Portfolio | **$263** | **$506** | **$785** | **$1,346** |
| MFS Age-Based 16 Years Portfolio | **$262** | **$503** | **$780** | **$1,334** |
| MFS Age-Based 17 Years Portfolio | **$261** | **$500** | **$775** | **$1,323** |
| MFS Age-Based 18+ Years Portfolio | **$259** | **$494** | **$764** | **$1,300** |
| MFS Conservative Mixed Asset Portfolio | **$259** | **$494** | **$764** | **$1,300** |
| MFS Equity Portfolio | **$279** | **$556** | **$870** | **$1,529** |
| MFS Fixed Income Portfolio | **$272** | **$534** | **$833** | **$1,450** |
| MFS Research International Portfolio | **$296** | **$605** | **$954** | **$1,710** |
| MFS Value Portfolio | **$271** | **$531** | **$828** | **$1,438** |
| MFS Global Equity Portfolio | **$305** | **$633** | **$1,001** | **$1,810** |
| **Neuberger Berman Portfolio** | | | | |
| Neuberger Berman International Equity Portfolio | **$300** | **$618** | **$975** | **$1,755** |

### Cost Example – Principal Plus Portfolio

The following table shows the approximate costs of investing in the Principal Plus Portfolio offered in the Client Select Series. A Participant's actual cost may be higher or lower. The following table is based on the following assumptions:

- A $10,000 Contribution invested for the time periods shown.
- Reflects Portfolio fees (without waivers).
- A 2.15% annually compounded gross rate of return on the net amount invested throughout the period shown.
- The fees and expenses described in this Program Description apply for all periods shown and no waivers of sales charges apply.
- All Units are redeemed at the end of the period shown for Qualified Higher Education Expenses (this table does not consider the impact of any potential state or federal taxes on the redemption).

**Cost of a $10,000 Contribution:**

| Principal Plus Portfolio | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| A Unit Class | $45 | $136 | $230 | $481 |
| C Unit Class | $45 | $136 | $230 | $481 |

**Cost Example - NextGen Savings Portfolio**

The following table shows the approximate costs of investing in the NextGen Savings Portfolio. A Participant's actual cost may be higher. The following table is based on the following assumptions:

- A $10,000 Contribution invested for the time periods shown.
- Does not reflect any Portfolio fees or sales charges since no such fees or charges currently apply to the NextGen Savings Portfolio.
- All Units are redeemed at the end of the period shown for Qualified Higher Education Expenses (this table does not consider the impact of any potential state or federal taxes on the redemption).

**Cost of a $10,000 Contribution:**

| NextGen Savings Portfolio | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| A Unit Class | $0 | $0 | $0 | $0 |
| C Unit Class | $0 | $0 | $0 | $0 |

## Exchanges of Existing Account Assets to Another Portfolio

Current Account assets may be reallocated twice each calendar year or upon a change of the Designated Beneficiary to a Member of the Family of the current Designated Beneficiary. Client Select Series Units may only be exchanged for Client Select Series Units in another Portfolio in the same Unit Class (i.e., A Units may be exchange only for A Units; C Units may be exchanged only for C Units). If the Program Distributor becomes the broker of record for an Account and the Account holds C Units, the C Units will be exchanged for A Units, and the exchange between Unit Classes will not count towards the reallocation limits.

***Limitations on Exchange of Units of Principal Plus Portfolio for NextGen Savings Portfolio*** – Accounts are not permitted to directly exchange Units of the Principal Plus Portfolio for Units of the NextGen Savings Portfolio. In addition, in order to limit indirect exchanges between the Principal Plus Portfolio and the NextGen Savings Portfolio, whenever an Account exchanges Units of the Principal Plus Portfolio for Units of any Portfolio(s) other than the NextGen Savings Portfolio, for the next 90 days, the dollar value of all such exchanges will be aggregated by Portfolio (the "aggregated amount"). During that 90-day period, the Account will be permitted to acquire Units in the NextGen Savings Portfolio through exchanges, but only to the extent that, immediately after the exchange, the Account continues to hold Units in the exchanging Portfolio (i.e., the Portfolio that redeems Units as part of the exchange) that are at least equal in value to the aggregated amount on that date.

***Sales Charges Upon Exchange of C Units***

No CDSC is imposed when an Account exchanges C Units of one Portfolio for the C Units of another Portfolio. However, if C Units subject to a CDSC are exchanged into another C Unit Portfolio, those Units may be subject to a CDSC if later withdrawn within one year of the original date of purchase.

## Unit Class Changes

Participants are not permitted to change Unit Classes. As a result, Account balances invested in C Units may not be reallocated to A Units, and Account balances invested in A Units may not be reallocated to C Units.

At the time a Participant makes a Contribution, the Participant will be required to purchase either A Units or C Units in accordance with the Program's rules. However, after four years from the date of purchase, C Units will automatically convert into A Units.

If the Program Distributor becomes the broker of record for an Account and the Account holds C Units, the C Units will be exchanged for A Units.

### Specialized Pricing Arrangements

Accounts established through certain Financial Intermediaries may be eligible to purchase A Units even if such Accounts would not be eligible if established through a different Financial Intermediary. A Participant or potential Participant should consult the applicable Financial Intermediary as to any policies that differ from the general eligibility provisions disclosed under the subheading "Unit Classes" above.

<u>Accounts established through Merrill Lynch, Pierce, Fenner & Smith Incorporated.</u>

The following information has been provided by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") with respect to Accounts established through Merrill as the Financial Intermediary:

An Account will be automatically eligible to purchase A Units if:

(1) at the time of purchase, the Account is linked to a client household relationship in one or more of the Merrill investment advisory programs listed below; and

(2) at the time of purchase the client household relationship has combined assets held in any account through Merrill (excluding insurance, annuities, 401k assets and assets in defined benefit plan accounts) that are equal to or greater than $250,000.

In addition, an Account of an employee of Merrill or one of its affiliates will be eligible to purchase A Units.

The following is a list of Merrill investment advisory programs that are included when determining eligibility: Merrill Lynch Investment Advisory Program, Managed Account Service (MAS), Strategic Portfolio Advisor Service (SPA), Merrill Guided Investment advisor programs (i.e., Merrill Guided Investing, Merrill Guided Investing with Advisor and Merrill Edge Advisory Account programs), Institutional Investment Consulting (IIC), and any future Merrill sponsored and managed investment advisory programs.

The $250,000 asset level is used to determine initial eligibility and is not a factor for continued participation in this relationship based pricing program after the date of first qualifying. If a Participant's enrollment in any of the above investment advisory programs is terminated (whether by the Participant or by Merrill), the Account will no longer be eligible for this benefit.

Merrill reserves the right to terminate this relationship based pricing program at any time with prior notice to Participants.

In addition, Merrill's definition of "Eligible Assets" for purposes of purchasing A Units differs from the Program's general definition of Eligible Assets. To calculate Eligible Assets for Contributions to Accounts for which Merrill serves as the Financial Intermediary, Merrill applies the following procedure:

(a) Merrill starts with the amount of the new Contribution.

(b) Then, on an Account-by-Account basis for Accounts on which Merrill is the Financial Intermediary and Accounts in the Direct Series of the Program (together, "Eligible Accounts"), Merrill adds the greater of:

i. The amount of the Participant's previous Contributions (without the deduction of any initial sales charges that may have applied) to any of the Participant's Eligible Accounts in the Program; or

ii. The current value for any of the Participant's Eligible Accounts in the Program, as of the close of the last business day the New York Stock Exchange was open for regular trading.

(c) Then, on an Account-by-Account basis for Eligible Accounts, Merrill also adds the greater of:

i. The amount of all previous Contributions (without the deduction of any initial sales charges that may have applied) to any Eligible Account in the Program by any Participant that shares the same primary residence as the Participant making the new Contribution (excluding any Accounts with the same Designated Beneficiary as the Account to which the new Contribution will be added); or

ii. The current value of any other Eligible Account in the Program, as of the close of the last business day the New York Stock Exchange was open for regular trading, of any Participant that shares the same primary residence as the Participant making the new Contribution (excluding any Accounts with the same Designated Beneficiary as the Account to which the new Contribution will be added).

(d) Then, on an Account-by-Account basis for Eligible Accounts, Merrill also adds the greater of:

i. The amount of all previous Contributions (without the deduction of any initial sales charges that may have applied) made by any other Participant to any Eligible Account in the Program with the same Designated Beneficiary as the Account to which the new Contribution will be added; or

ii. The current value of any other Participant's Eligible Account in the Program, as of the close of the last business day the New York Stock Exchange was open for regular trading, with the same Designated Beneficiary as the Account to which the new Contribution will be added.

(e) Then, using the sum of (a) through (d) above, Merrill subtracts all of the following:

i. The aggregate amount of withdrawals by the Participant making the new Contribution from all of the Participant's Eligible Accounts in the Program; and

ii. The aggregate amount of withdrawals for any Eligible Account in the Program by any Participant that shares the same residence as the Participant making the new Contribution (excluding any Accounts with the same Designated Beneficiary as the Account to which the new Contribution will be added); and

iii. The aggregate amount of any other Participants' withdrawals from all Eligible Accounts in the Program with the same Designated Beneficiary as the Account to which the new Contribution will be added.

The result of this calculation is the Participant's "Eligible Assets" and is used by Merrill to determine the Unit Class that the Participant will purchase. Only Eligible Assets are used by Merrill in determining the Unit Class in which a Participant may invest.

Eligible Assets are recalculated each time a Contribution is made to an Account. The procedure for calculating Eligible Assets may result in a Participant being required to purchase a different Unit Class for a particular Contribution than another Participant who made, or may make, a Contribution for the same Designated Beneficiary.

# TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS

## General

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

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

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

## Federal Taxation of Section 529 Programs

The following discussion is based on the Code, Proposed Regulations, IRS published guidance and interpretations of applicable federal and Maine law existing on the date of this Program Description and Participation Agreement. It is possible that Congress, the Treasury Department, the IRS, or the courts may take actions that will affect the Code and Proposed Regulations and interpretations thereof. FAME and the Program Manager intend to modify the Program from time to time within the constraints of applicable law to enable the Program to continue to meet the requirements of Section 529 of the Code. In the event that the Program, as currently structured or as subsequently modified, does not meet the requirements of Section 529 of the Code for any reason, the tax consequences to Participants and Designated Beneficiaries will differ from those described below. Future state legislation may likewise affect the state tax treatment of Participants and Designated Beneficiaries in connection with the Program. See "Taxation by Other States."

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

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

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

Withdrawals not used for Qualified Higher Education Expenses consist of two parts for federal income tax purposes. A part of the withdrawal will be treated as a non-taxable return of principal and the remainder will be treated as a taxable withdrawal of earnings. The earnings portion of a withdrawal will be treated as ordinary income to the individual who is considered to have received the distribution. A 10% additional federal tax also will be imposed on the earnings portion of the Non-Qualified Withdrawal; however, there are certain exceptions to the imposition of the 10% additional tax. The exceptions are: (i) withdrawals paid to a beneficiary of the Designated Beneficiary or to the Designated Beneficiary's estate made on account of the death of the Designated Beneficiary (ii) withdrawals made on account of the disability (within the meaning of section 72(m)(7) of the Code) of the Designated Beneficiary; (iii) withdrawals made on account of a scholarship received by the Designated Beneficiary, provided withdrawals do not exceed the amount of the scholarship; (iv) withdrawals made on account of a reduction in the amount of Qualified Higher Education Expenses solely because of expenses taken into account in determining the Education Tax Credits allowed under federal income tax law and (v) withdrawals made on account of the attendance of the Designated Beneficiary at certain specified military academies. See "PARTICIPATION AND ACCOUNTS - Non-Qualified Withdrawals and the Additional Tax."

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

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

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

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

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

***Federal Gift, Estate and Generation-Skipping Transfer Taxes*** – Contributions (other than most rollover contributions) to a Section 529 Program are generally considered completed gifts to the Designated Beneficiary for federal gift, estate and generation-skipping transfer ("GST") tax purposes and are thus eligible for the annual gift and GST tax exclusion, which is currently $15,000 per recipient per year (or $30,000 per recipient per year, in the case of a married couple electing to split gifts on a duly filed gift tax return). Except as described in the following paragraph, if the contributor were to die while assets remained in an Account, the value of the Account would not be included in the contributor's gross estate.

In general, contributions (other than rollover contributions) to a Section 529 Program are completed gifts in the year of contribution that qualify for the gift tax annual exclusion and GST tax exclusion, currently $15,000 per year per Designated Beneficiary, available under the Code. However, if a contribution in a single year is greater than $15,000, the contributor may elect to prorate the contribution against the annual exclusion ratably over a five-year period. Thus, a contributor who makes a $75,000 ($150,000 in the case of a married couple electing to split gifts on a duly filed gift tax return) contribution in a year, makes the election and makes no other gifts to the Designated Beneficiary during that calendar year or the next four calendar years would not incur a gift or GST tax as a result of the contribution. Any excess over the $75,000 (or $150,000, as the case may be) would be counted against the lifetime limit on non-taxable gifts in the calendar year of the contribution and, if the lifetime limit is exceeded, constitute a taxable gift. However, if a contributor dies before the close of the five-year period, the portion of the contribution allocable to the calendar years after that of the contributor's death would be includible in the contributor's estate for federal estate tax and, if applicable, GST tax purposes.

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

Under current law, each individual generally has an $11,700,000 (as of 2021) lifetime exemption for transfers made after December 31, 2017 and before January 1, 2026, and a $5,600,000 (as of 2018) lifetime exemption for transfers made before January 1, 2018 or after December 31, 2025 (which amounts are subject to annual adjustment to reflect inflation) that may be applied to gifts in excess of the applicable annual exclusion amount. For gifts of community property (or for a married couple who elect to split gifts of separate property) the spouses' combined applicable exemption amount of $23,400,000 (as of 2021) for transfers made after December 31, 2017 and before January 1, 2026, and combined applicable exclusion amount of $11,200,000 (as of 2018) for transfers made before January 1, 2018 or after December 31, 2025 (which amounts are subject to annual adjustment to reflect inflation) may be applied.

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

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

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

### Taxation by Maine

Under Maine law, the assets of the Program Fund and all Program earnings and income from operations are exempt from all taxation by the State of Maine or any of its political subdivisions. Maine law also provides that a deposit to any Account, transfer of that Account to a Successor Participant, designation of a successor Designated Beneficiary of that Account, credit of Program earnings to that Account or distribution from that Account used for the purposes of paying

Qualified Higher Education Expenses of the Designated Beneficiary of that Account does not subject that Participant, the estate of that Participant or any Designated Beneficiary to any Maine income or estate tax liability. Maine law further provides, however, that, in the event of cancellation or termination of a Participation Agreement and distribution of funds to the Participant, the increase in value over the amount deposited in the Account by the Participant may be taxable to that Participant in the year distributed.

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

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

### Taxation by Other States

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

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

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

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

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

### Tax Reports and Filings

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

# PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS

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

## Program and Portfolio Risks and Other Considerations

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

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

***No Guarantee of Income or Principal*** – The investments made by a Participant or others in Accounts are subject to market, interest rate and other investment risks, including the loss of principal. Due to differing fee and expense structures between the Unit Classes, the Net Asset Values of a particular Unit Class and the investment return on a Contribution in a particular Unit Class may be more or less than they would be for the other Unit Class. The value of an Account may increase or decrease, based on the return of the Portfolio(s) to which Contributions have been allocated, and the value of an Account may be more or less than the total Contributions to the Account. None of the State of Maine, FAME, any agency or instrumentality of Maine, Sumday, BlackRock or any Sub-Advisor or any of their affiliates, any agent or representative retained in connection with the Program or any other person, is an insurer of, makes any guarantee of or has any legal or moral obligation to insure the ultimate payout of any or all of the amount of any Contribution to an Account or that there will be any investment return, or investment return at any particular level, with respect to any Account.

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

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

# PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS

The investment strategy of the Age-Based Diversified Portfolio investment options seeks to balance risk and expected returns of the Portfolio Investments with the time periods remaining until a typical Designated Beneficiary is expected to enter an Eligible Institution of Higher Education. In general, the asset allocation strategy for each of the Age-Based Diversified Portfolio investment options is expected to become increasingly conservative over time.

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

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

***Education Savings and Investment Alternatives*** – A number of other Section 529 Programs and education savings and investment programs are currently available to a Participant. These programs may offer benefits, including state tax benefits, to some or all Participants or Designated Beneficiaries that are not available under the terms of the Program or applicable law. See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS - Taxation by Other States." If a Participant or Designated Beneficiary is not a Maine resident, the state(s) where he or she lives or pays taxes may offer one or more direct sold, advisor/ broker sold or prepaid tuition Section 529 Programs, and those programs may offer the Participant or Designated Beneficiary state or local income tax or other benefits not available through the Program. For instance, several states offer unlimited state income tax deductions for contributions to their own state's Section 529 Program. Such deductions may not be available for Contributions under this Program. Other Section 529 Programs may involve fees and expenses that are more or less than those borne by Accounts under the Program and may involve investment consequences (such as recapture of deductions previously taken) that differ. Accordingly, a Participant should consider other investment alternatives before establishing an Account in the Program. Investment options also differ by Section 529 Programs.

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

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

***Status of Applicable Law and Regulations*** – Final regulations under Section 529 of the Code or other administrative guidance or court decisions might be issued, or the IRS or a court may interpret existing law or guidance in a manner contrary to the Program's interpretation, which could adversely impact the federal tax consequences or requirements with respect to the Program or Contributions to, or distributions from, Accounts. Congress could also amend Section 529 of the Code or other federal law, and states could amend state law, in a manner that would materially change or eliminate the federal or state tax treatment described in this Program Description. There can be no assurance that such changes in law will not adversely affect the value to any Participant or Designated Beneficiary of participation in the Program. It is not possible to determine the effects, if any, on the Program of such changes. Under certain circumstances, none of FAME, the Program Distributor or the Program Manager are required to continue the Program.

Changes in the law governing the federal and/or state tax consequences described above might necessitate material changes to the Program for the anticipated federal tax consequences to apply.

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

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

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

***Certain Considerations in Connection with the Termination of the Program Services Agreement and Successor Program Managers*** – A new Program Manager, Program Distributor and/or Investment Manager may be appointed either upon expiration of the current term of the Program Services Agreement or earlier in the event Sumday, BlackRock Investments, LLC, BlackRock Advisors, LLC or FAME terminates the Program Services Agreement prior to its current term. See "THE PROGRAM SERVICES AGREEMENT." Upon such expiration or termination, regardless of whether the identity of the Program Distributor, Investment Manager and/or Program Manager changes, the fee and compensation structure for the Program, and accordingly Program expenses, might be higher or different. In addition, investment results under a successor Investment Manager may differ from investment results realized under prior investment managers for the Program.

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

## Investment Risks of Underlying Funds

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

***Underlying Funds Investing in Equity Securities***

- Market and Selection Risk – Market risk is the risk that the financial markets will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the investments an Underlying Fund selects will underperform the market or other funds with similar investment objectives and investment strategies. The investment advisors of the Underlying Funds may emphasize a particular investment style (such as growth or value style investing). The success of these styles varies at different times and the style of a particular advisor may lead to investments that decline in value or do not achieve anticipated results.

- Pandemic Risk. An outbreak of an infectious coronavirus in 2020 developed into a global pandemic that resulted in numerous disruptions in the market and has had significant economic impact leaving general concern and uncertainty. The impact of this pandemic and other epidemics and pandemics that may arise in the future could affect the economies of many nations, individual companies and the market in general ways that cannot necessarily be foreseen at the present time.
- Risk of Small Capitalization and Emerging Growth Securities Small capitalization or emerging growth companies may have limited product lines or markets. They may be less financially secure than larger, more established companies. They may depend on a small number of key personnel. If a product fails, or if management changes, or there are other adverse developments, an Underlying Fund's investment in a small cap or emerging growth company may lose substantial value. Small capitalization or emerging growth securities generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization securities or the stock market as a whole.
- Risk of Middle Capitalization Securities – Middle capitalization company stocks can be more volatile than stocks of larger companies due to limited product lines, financial and management resources, and market and distribution channels. Their shares can be less liquid than those of larger companies, especially during market declines.
- Geographic Concentration Risk – An Underlying Fund that invests a substantial amount of its assets in issuers located in a single country or a limited number of countries assumes the risk that economic, political and social conditions in those countries will have a significant impact on its investment performance.
- Emerging Markets Risk – Foreign investment risk may affect the prices of securities issued by foreign companies located in developing countries more than those in countries with mature economies. For example, many developing countries have, in the past, experienced high rates of inflation, expropriated assets or sharply devalued currencies against the U.S. dollar, thereby causing the value of investments in companies located in those countries to decline. Transaction costs are often higher in developing countries and there may be delays in settlement procedures.
- Investing in a Master Portfolio – Investors in a feeder fund will acquire an indirect interest in the corresponding master portfolio. Each portfolio accepts investments from other feeder funds, and all the feeders of a given portfolio bear the portfolio's expenses in proportion to their assets. This structure may enable the funds to reduce costs through economies of scale. A larger investment portfolio may also reduce certain transaction costs to the extent that contributions to and redemptions from the portfolio from different feeders may offset each other and produce a lower net cash flow. However, each feeder can set its own transaction minimums, fund-specific expenses, and other conditions. This means that one feeder could offer access to the same portfolio on more attractive terms, or could experience better performance, than another feeder. In addition, large purchases or redemptions by one feeder fund could negatively affect the performance of other feeder funds that invest in the same portfolio. Whenever a portfolio holds a vote of its feeder funds, the fund investing in that portfolio will pass the vote through to its own shareholders. Smaller feeder funds may be harmed by the actions of larger feeder funds. For example, a larger feeder fund could have more voting power than a smaller feeder fund over the operations of its portfolio. A fund may withdraw from its master portfolio at any time and may invest all of its assets in another pooled investment vehicle or retain an investment adviser to manage the fund's assets directly.
- IPO Risk - Securities purchased in initial public offerings have no trading history, limited issuer information and increased volatility relative to investments with a history of performance.

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

- Government Securities Risk – An Underlying Fund may invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as the Government National Mortgage

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

- Inflation-Linked Investments Risk – Certain Underlying Funds invest in Treasury Inflation Protected Securities ("TIPS"), which are U.S. government bonds whose principal automatically is adjusted for inflation as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), and other inflation-indexed securities issued by the U.S. Department of Treasury. Unlike traditional fixed income securities, the principal and interest payments of inflation-linked investments are adjusted periodically based on the inflation rate. The value of inflation-linked investments may be vulnerable to changes in expectations of inflation or interest rates and there is no guarantee that the Underlying Fund's use of these instruments will be successful.
- Senior Loan Risk – Certain Underlying Funds may invest in floating or adjustable rate senior loans which are subject to increased credit and liquidity risks. Senior loan prices also may be adversely affected by supply-demand imbalances caused by conditions in the senior loan market or related markets. Below investment grade senior loans, like high-yield debt securities, or junk bonds, usually are more credit than interest rate sensitive, although the value of these instruments may be affected by interest rate swings in the overall fixed income market.
- Market and Selection Risk – Underlying Funds investing in fixed income securities are subject to both market risk and selection risk as described above.
- Credit Risk – Credit risk is the risk that an issuer will be unable to pay interest or repay principal when due. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.
- Interest Rate Risk – Interest rate risk is the risk that prices of bonds generally increase when interest rates decline and decrease when interest rates increase. Prices of longer-term obligations generally change more in response to interest rate changes than prices of shorter-term obligations. Generally, a rise in interest rates will cause the market value of a fixed rate obligation to fall, while a decline in interest rates will cause the market value of a fixed rate obligation to rise. Debt securities purchased at a premium or discount from their principal amount may respond differently to changes in interest rates. Recently, interest rates have been historically low. However, the historically low interest rate environment increases the risks associated with rising interest rates. To the extent that a Portfolio indirectly invests in fixed income securities, the Portfolio may face a heightened level of interest rate risk, especially since the Federal Reserve Board has begun to raise interest rates.
- Redemption and Prepayment Risk – A bond's issuer may call a bond for redemption before it matures. If this happens to a bond the Underlying Fund holds, the Underlying Fund may lose income and may have to invest the proceeds in bonds with lower yields. This risk, which is known as "prepayment risk," may particularly affect asset-backed securities. In a period of declining interest rates, borrowers may pay what they owe on the underlying assets more quickly than anticipated.
- Extension Risk – Extension risk is the risk that, when interest rates rise, certain obligations will be paid off more slowly than anticipated and the value of these securities will fall.
- Risk of Non-investment Grade Bonds – Non-investment grade bonds (also referred to as "junk bonds") are debt securities that are rated below investment grade by the rating agencies or are unrated securities that an Underlying Fund's management believes are of comparable quality. Although non-investment grade bonds generally pay higher rates of interest than investment grade bonds, they are high-risk investments that may cause income and principal losses for the Underlying Fund. Non-investment grade bonds generally experience more price volatility than higher rated debt securities and are generally considered speculative. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of non-investment grade bond holders, leaving few or no assets available to repay non-investment grade bond holders. Non-investment grade bonds may be subject to greater prepayment risk than higher rated debt securities. Underlying Funds investing in the non-investment grade bonds may invest in distressed securities, which are securities that are subject to bankruptcy proceedings or are in default, or are at risk of being in default.

- Considerations Relating to the Cash Allocation Account As described under "BLACKROCK PORTFOLIOS – Cash Allocation Account," a portion of the assets of the Cash Allocation Account may be invested in Maine CDs. Such investments, if any, will not generally exceed 10% of the assets of the Cash Allocation Account. To the extent that the yield on any Maine CDs is less than the yield on the money market securities in which the assets of the Cash Allocation Account would otherwise be invested, the yield of Portfolios investing in the Cash Allocation Account will be reduced.

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

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

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

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

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

- Index Fund Selection Risk and Other Index Fund Considerations – Index funds are subject to a special selection risk. This is the risk that the funds, which may not fully replicate the relevant index, may perform differently from the securities in the index. Index funds generally do not attempt to hedge against adverse market movements and may decline in value more than other mutual funds in the event of a general market decline. In addition, an index fund has operating and other expenses that an index does not have. As a result, an index fund will tend to underperform the index to some degree over time.

- Foreign Investment Risk – Investments by an Underlying Fund outside the United States involve special risks not present in U.S. investments that can increase the chances that an Underlying Fund will lose money. In particular, changes in foreign currency exchange rates will affect the value of securities denominated in a particular currency. Investments in foreign markets also may be affected by economic or political developments or by governmental actions such as the imposition of capital controls, expropriation of assets or the imposition of punitive taxes. Other foreign market risks include foreign exchange control, settlement and custody issues, the limited size of many trading markets and the limited availability of legal remedies to investors.

- Liquidity Risk – An Underlying Fund may invest a portion of its assets in securities that lack a secondary trading market or are otherwise considered illiquid. Liquidity of a security relates to the ability to easily dispose of the security and the price to be obtained upon disposition of the security, which may be less than would be obtained for a comparable more liquid security. Such investments may affect the Underlying Fund's ability to realize its net asset value in the event of a voluntary or involuntary liquidation of its assets.

- Risk of Borrowing and Leverage – Certain Underlying Funds may borrow for investment purposes or for temporary emergency purposes including to meet redemptions. Borrowing may exaggerate changes in the net asset value of the Underlying Fund's shares and in the return on the Underlying Fund's investments. Borrowing will cost the Underlying Fund interest expense and other fees. The costs of borrowing may reduce the Underlying Fund's return. Certain securities that the Underlying Funds buy may create leverage including, for example, options. Instruments and transactions that involve leverage magnify the Underlying Fund's gains and losses and increase volatility.

- Derivatives – An Underlying Fund may use derivative instruments, including futures, forwards, options, indexed securities, inverse securities and swaps. Derivatives are financial instruments whose value is derived from another security, a commodity (such as oil or gas) or an index. Derivatives allow an Underlying Fund to increase or decrease its risk exposure more quickly and efficiently than other types of instruments. Derivatives are volatile and involve significant risks, including credit, currency, leverage, liquidity and interest rate risks.

- Non-diversification Risk – A non-diversified Underlying Fund may invest a greater percentage of its assets in the obligations of a single issuer than a diversified Underlying Fund, and consequently is more susceptible than a diversified Underlying Fund to any economic, political or regulatory occurrence that affects an individual issuer.

- Risk of Indexed and Inverse Floating Rate Securities – An Underlying Fund may invest in securities whose potential returns are directly related to changes in an underlying index or interest rate, known as indexed securities. An Underlying Fund also may invest in securities whose return is inversely related to changes in an interest rate (inverse floaters). In general, income on inverse floaters will decrease when interest rates increase and increase when interest rates decrease. Indexed securities and inverse floaters are derivative securities and can be considered speculative. Indexed and inverse securities involve credit risk, and certain indexed and inverse securities may involve currency risk, leverage risk and liquidity risk. As a result, the market value of such securities will generally be more volatile than that of fixed rate securities.

- Real Estate Investment Risk – Investment in equity securities in the real estate sector is subject to many of the same risks associated with the direct ownership of real estate, such as adverse changes in national, state or local real estate conditions (resulting from, for example, oversupply of or reduced demand for space and changes in market rental rates); obsolescence or reduced desirability of properties; general economic conditions; catastrophic events or other casualty or condemnation losses; changes in the availability, cost and terms of mortgage funds; and the impact of tax, environmental, and other laws. As demonstrated during the 2007 to early 2009 time period, investments in the real estate sector can experience a significant decline in value.

- Frequent or Active Trading or High Turnover Risk – Short-term or active trading may increase a Fund's expenses and have adverse tax consequences for the Fund. It can also cause a greater amount of the Fund's distributions to be ordinary income rather than long term capital gains. Active trading also involves market risk and selection risk.

- Sector Risk – To the extent an Underlying Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may move up and down more than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

- Short Sale Risk – An Underlying Fund may "short sale" securities, meaning it sells a security it does not own with the intention of buying it back at a lower price than it was sold. Potential losses from a short sale are unlimited if the short sale cannot be closed out.

### Investment Risks of iShares Portfolio Investments

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

- Exchange Trading Risk – The ETF Portfolios invest primarily in shares of Underlying Funds that are exchange-traded funds that, unlike mutual funds, are listed and traded on securities exchanges. There can be no assurance that an active trading market for these particular Underlying Funds will develop or be maintained. Secondary market trading in such Underlying Funds may be halted by a national securities exchange because of market conditions or for other reasons. There can be no assurance that the requirements necessary to maintain the listing of the shares of such Underlying Funds will continue to be met or will remain unchanged. BlackRock will purchase or sell shares of such Underlying Funds on the stock exchange on behalf of the ETF Portfolios at prices that, depending on market supply and demand, may be significantly higher or lower than the

Underlying Fund's most recently determined net asset value, which could affect the performance of the ETF Portfolios.

- Potential Conflicts of Interest – The Investment Manager and/or its affiliates may be buying or selling shares of such Underlying Funds at the same time the ETF Portfolios are selling or buying such shares. Although BlackRock has procedures governing its purchases and sales of shares of such Underlying Funds on a stock exchange, it is possible that the Investment Manager may be considered to benefit from such transactions if it or any of its affiliates are indirectly involved in the trade on the stock exchange.
- Index Tracking Risk – An ETF Portfolio's ability to track its Underlying Fund(s) may be affected by such factors as fees and expenses, rounding of prices, daily contributions/ redemptions, asset levels and cash balances. Additionally, because the ETF Portfolios invest primarily in Underlying Funds that are index-based, they are subject to the risks described above in Index Fund Selection Risk and Other Index Fund Considerations.

### Investment Risks of Principal Plus Portfolio Investments

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

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

### Investment Risks of NextGen Savings Portfolio Investment

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

- FDIC Insurance Risk – Although that portion of the underlying deposits in the Bank Deposit Account attributable to a Participant's Units of the NextGen Savings Portfolio, together with other deposits the Participant may have at the Bank, are eligible for FDIC insurance, subject to applicable federal deposit insurance limits, the Units of the NextGen Savings Portfolio are not insured or guaranteed by the FDIC or any other agency of state or federal government, FAME, the Bank or the Program Manager. The Participant is responsible for monitoring the total amount of assets on deposit at the Bank (including amounts in other accounts at the Bank held in the same ownership capacity) in order to determine the extent of insurance coverage available on those deposits, including deposits attributable to Units held in the NextGen Savings Portfolio.
- Interest Rate Risk – The interest rate paid by the Bank is based on a number of factors, including general economic and business conditions. The rate of interest will vary over time and can change daily without notice.
- Ownership Risk – A Participant owns Units of the NextGen Savings Portfolio, but does not have an ownership interest or any other rights as an owner of the deposits in the underlying Bank Deposit Account which comprises the NextGen Savings Portfolio. The Participant cannot access or withdraw money from the NextGen Savings Portfolio by contacting the Bank directly. The Participant must contact the Program

Manager to perform any Account transactions. The assets in the NextGen Savings Portfolio are subject to legal process to the same extent as if those assets were invested in any other Portfolio.

- Bank Changes – At any time, FAME may change the Bank that holds the deposits of the NextGen Savings Portfolio and instruct the transfer of assets of the NextGen Savings Portfolio to an underlying deposit account at a new bank insured by the FDIC. FAME reserves the right to limit the amount of money that is deposited in the Bank or a replacement bank if FAME determines (i) that such an action is necessary to protect assets, (ii) that the Bank or a replacement bank is not able or willing to take additional deposits, (iii) that the Bank or a replacement bank is to be removed from the Program, or (iv) that the Bank's or a replacement bank's financial condition or viability is in question. In such an event, the NextGen Savings Portfolio may invest in any other investment approved by FAME in its sole discretion. Any such investment may not be eligible for FDIC insurance.

- Bank Viability Risk – None of FAME, the Program, the Program Distributor, the Investment Manager or the Program Manager guarantee, in any way, the financial condition or ongoing viability of the Bank or a replacement bank.

# PROGRAM AND THE PROGRAM FUND

## Program

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

## Program Fund

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

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

## Investment Fund

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

## Special Benefits Available to Maine Residents

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

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

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

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

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

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

For more information about special benefits available to Maine residents, call FAME at 1-800-228-3734.

# PROGRAM MANAGEMENT AND ADMINISTRATION

## General

FAME administers the Program. Maine law requires that amounts deposited in the Program Fund be invested in a reasonable manner to achieve the objectives of the Program and with the discretion and care of a prudent person in similar circumstances with similar objectives. Maine law also requires that due consideration be given to rate of return, term or maturity, diversification and liquidity of investments within the Program Fund or any account in the Program Fund pertaining to the projected disbursements and expenditures from the Program Fund and the expected payments, deposits, contributions and gifts to be received. FAME is authorized under Maine law to enter into contracts for any services it determines necessary for the effective and efficient operation of the Program, which may include investment advisory and managerial services. Effective September 13, 2021, BlackRock Investments, LLC has been selected to serve as the Program Distributor, BlackRock Advisors, LLC has been selected to serve as the Investment Manager, Sumday to serve as the Program Manager, and The Bank of New York Mellon to provide certain custody services for the Program.

## Finance Authority of Maine

FAME was established by statute in 1983 as a body corporate and politic and a public instrumentality of the State of Maine. It consists of 15 voting members, as follows: the Commissioner of Economic and Community Development; the Treasurer of the State of Maine; one natural resources commissioner designated by the Governor; and twelve members appointed by the Governor (including a certified public accountant, an attorney, a commercial banker, two veterans, two persons knowledgeable in the field of natural resources enterprises or financing; an individual knowledgeable in the field of student financial assistance and an individual knowledgeable in the field of higher education), which appointments are subject to confirmation by the Maine legislature. The chief executive officer of FAME is nominated by the Governor and confirmed by the Maine legislature. The exercise by FAME of its powers is "deemed and held to be the performance of essential governmental functions." FAME has been entrusted by the Maine legislature with responsibility for the administration of numerous programs that are important to the economy of Maine in addition to the Program. Other than a Participant's right to access the assets in his or her Account, no Participant or Designated Beneficiary has access or rights to any assets of FAME or the State of Maine. The principal office of FAME is located in Augusta, Maine. FAME has established rules for the implementation of the Program, which are set forth in Chapter 611 of the Rules of FAME, as amended from time to time (the "Rule").

## Advisory Committee

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

## BlackRock

BlackRock Advisors, LLC is a registered investment adviser and was organized in 1994. BlackRock Advisors, LLC manages assets for U.S. registered investment companies and 529 plans. BlackRock Advisors, LLC and its affiliates had approximately $9.5 trillion in assets under management as of June 30, 2021. BlackRock Investments, LLC is a FINRA-registered broker-dealer and was organized in 1994. BlackRock Advisors, LLC and BlackRock Investments, LLC are indirect, wholly-owned subsidiaries of BlackRock, Inc.

## Sub-Advisors

Currently, the Client Select Series has six Sub-Advisors: American Century, Franklin Templeton, Lord Abbett, MainStay, MFS and Neuberger Berman. FAME may terminate the Sub-Advisory Agreement with any of the Sub-Advisors at any time upon 60 days' notice.

## Sumday

Sumday Administration, LLC is an indirect, wholly owned subsidiary of The Bank of New York Mellon Corporation. Sumday provides administrative and record-keeping services to a variety of state-sponsored savings plans.

The Bank of New York Mellon Corporation and its consolidated subsidiaries, including The Bank of New York Mellon and Sumday, provides a broad range of financial products and services in U.S. and international markets.

# PROGRAM SERVICES AGREEMENT

## Services and Terms

On March 25, 2021 FAME, BlackRock Investments, LLC, BlackRock Advisors, LLC, Sumday and The Bank of New York Mellon entered into the Program Services Agreement (as amended, the "Program Services Agreement"), which provides that BlackRock Investments, LLC will serve as the Program Distributor, BlackRock Advisors, LLC will serve as the Investment Manager and Sumday will serve as the Program Manager and The Bank of New York Mellon will provide certain custody services to the Program. The term of the Program Services Agreement for the Client Select Series expires on June 30, 2024. Under the Program Services Agreement, BlackRock Investments, LLC will market and distribute the Program (the "Distribution Services"), BlackRock Advisors, LLC will provide certain investment services (the "Investment Services"), Sumday will perform certain administrative and recordkeeping services and The Bank of New York Mellon will provide certain custody services (such administrative, recordkeeping and custody services, the "Administrative Services" and, collectively with the Distribution Services and the Investment Services, the "Services"). BlackRock Investments, LLC, BlackRock Advisors, LLC, Sumday and The Bank of New York Mellon are each permitted to delegate certain of their responsibilities to their affiliates without the prior consent of FAME. Sumday has delegated certain administrative and recordkeeping services to BNYMIS, an affiliate of Sumday. No delegation or assignment by BlackRock Investments, LLC, BlackRock Advisors, LLC, Sumday or The Bank of New York Mellon shall relieve the applicable entity of any of its respective responsibilities under the Program Services Agreement.

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

## Standard of Care

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

## Termination of Agreement

Each of FAME, BlackRock Investments, LLC, BlackRock Advisors, LLC, Sumday and The Bank of New York Mellon may terminate the Program Services Agreement at any time, in response to a material breach, after providing notice and an opportunity to cure. FAME may also terminate in the event subsequent federal legislation makes it unreasonable for FAME to continue the Program. BlackRock Investments, LLC, BlackRock Advisors, LLC, Sumday or The Bank of New York Mellon may also terminate if: (i) Maine adopts legislation providing that FAME, or any successor to its functions, shall no longer be authorized to administer the Program and the Program Fund; or (ii) subsequent Maine legislation adversely affects the ability of the applicable entity to continue to provide the Services or to receive applicable fees. See "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS - Program and Portfolio Risks and Other Considerations - *Certain Considerations in Connection with the Termination of the Program Services Agreement and Successor Program Managers*." The Sub-Advisory Agreements with each of the Sub-Advisors of the Portfolios may be terminated upon 60 days' notice.

## Audits

Pursuant to the Program Services Agreement and the Sub-Advisory Agreements, BlackRock, the Sub-Advisors, the Program Manager and FAME have agreed to cooperate to generate annual audited financial statements of the Portfolios and the Investment Fund. For the period ending June 30, 2021, such financial statements were audited by Landmark PLC, an independent public accounting firm. A copy of the Program's most recent Annual Report is available by request from the Program Manager at NextGen 529, PO Box 9670, Providence RI 02940-9670 or 1-833-3NG529 (1-833-336-4529), and is available on the Program's Web site located at www.nextgenforme.com.

# MISCELLANEOUS

## Securities Laws

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

## Method of Offering

Participation Agreements and Investment Fund interests may be offered by FAME and Financial Intermediaries. Certain officers and employees of FAME may, in the course of their official duties and without compensation, offer and sell Participation Agreements and Investment Fund interests without registering with the SEC as a broker-dealer. A Participant whose Accounts are established as a result of an offer by FAME or Financial Intermediaries will be considered a broker-dealer customer of the Program Distributor to the extent required by law. Participants with Accounts established through a Financial Intermediary that subsequently terminates its selling agreement with the Program Distributor, or with Accounts originally established through certain Maine distribution agents that have not entered into a selling agreement with the Program Distributor, will be considered broker-dealer customers of the Program Distributor.

## Continuing Disclosure

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

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

## SIPC Insurance and Additional Coverage

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

SIPC protection does not apply to deposits made through a bank deposit program or to other assets that are not securities.

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

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

## Obtaining Additional Information About the Program

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

Individuals or entities having questions concerning the Program, including procedures for opening an Account, or wishing to request Account Applications, Account maintenance forms or a copy of the Program's most recent Annual Report should call the Program Manager toll free at 1-833-3NG529 (1-833-336-4529), access the Program's Web site at www.nextgenforme.com or contact their Financial Intermediary. Questions or requests for information also may be addressed in writing to NextGen 529, PO Box 9670, Providence RI 02940-9670. FAME may be contacted at P.O. Box 949, Augusta, ME 04332-0949. For information about benefits available to Maine residents, contact FAME at (800) 228-3734.

# PORTFOLIOS – PERFORMANCE AND INVESTMENTS

## General

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

## Age-Based Diversified Portfolios

Age-Based Diversified Portfolios are designed for saving for the college education of the Designated Beneficiary. The assets of each Age-Based Diversified Portfolio are expected to be invested in a combination of Underlying Funds that is periodically adjusted.

In addition, the assets held within each Age-Based Diversified Portfolio will be invested in different investment sectors depending on the ages of the Designated Beneficiaries assigned to that Portfolio. For example, an age-band of an Age-Based Diversified Portfolio designed for very young Designated Beneficiaries will typically invest most of its assets in equity Underlying Funds. By contrast, an age-band of an Age-Based Diversified Portfolio designed for Designated Beneficiaries close to college age will typically invest a smaller portion of its assets in equity Underlying Funds and a greater portion of its assets in fixed income Underlying Funds and/or the Cash Allocation Account.

## Diversified Portfolios

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

## Single Fund Portfolios

Single Fund Portfolios invest in a single Underlying Fund. Each Single Fund Portfolio will have a different investment strategy. Each Single Fund Portfolio is reviewed at least annually.

## Principal Plus Portfolio

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

## NextGen Savings Portfolio

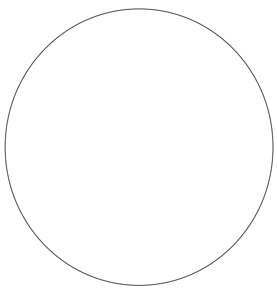
The NextGen Savings Portfolio is comprised exclusively of the Bank Deposit Account. The performance of the NextGen Savings Portfolio is based on the interest rate paid on the Bank Deposit Account.

## AMERICAN CENTURY PORTFOLIO

***General*** – All of the assets of the American Century Inflation-Adjusted Bond Portfolio are invested in Investor Class shares of the Underlying Fund that is recommended by American Century for that Portfolio and approved by FAME for use in the American Century Inflation-Adjusted Bond Portfolio.

The Underlying Fund in which the American Century Inflation-Adjusted Bond Portfolio invests is currently managed by American Century, which had $235.3 billion in assets under management as of June 30, 2021. American Century manages 89 mutual funds registered under the Investment Company Act of 1940 as of June 30, 2021.

The following chart illustrates the current target asset allocation of the American Century Inflation-Adjusted Bond Portfolio.



Investment Grade Fixed Income 100%

**American Century Inflation-Adjusted Bond Portfolio**

***Current Target Underlying Fund Allocation*** – The following chart illustrates the current target asset allocation and the current target Underlying Fund allocation for the American Century Inflation-Adjusted Bond Portfolio. This information is presented for informational purposes only.

| Underlying Fund (Investor Class Shares) | American Century | |
|---|---|---|
| | Fund Ticker | American Century Inflation-Adjusted Bond Portfolio |
| **Investment Grade Fixed Income Fund** | | |
| American Century Inflation-Adjusted Bond Fund | ACITX | 100% |

***Historical Investment Performance*** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of the American Century Portfolio as of June 30, 2021, with and without sales charges. Updated performance data will be available at www.nextgenforme.com. You may also contact your Financial Intermediary. The American Century Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. **The performance data relating to the American Century Portfolio set forth below is for the limited time period presented and is not indicative of the future performance of the American Century Portfolio.**

| *Client Select Series - A Unit Class* | | | | |
|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges) | | | |
| | 1 Year | 3 Year | Since Inception | Inception Date |
| **American Century Inflation-Adjusted Bond Portfolio** | 6.62% | 5.59% | 3.49% | 10/17/16 |

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

| Client Select Series - A Unit Class | | | | |
|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | |
| | 1 Year | 3 Year | Since Inception | Inception Date |
| **American Century Inflation-Adjusted Bond Portfolio** | 6.37% | 5.59% | 3.49% | 10/17/16 |

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

** Reflects a CDSC of 0.25% in first year after purchase.

| Client Select Series - C Unit Class | | | | |
|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges) | | | |
| | 1 Year | 3 Year | Since Inception | Inception Date |
| **American Century Inflation-Adjusted Bond Portfolio** | 5.98% | 4.84% | 2.71% | 10/17/16 |

| Client Select Series - C Unit Class | | | | |
|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges **) | | | |
| | 1 Year | 3 Year | Since Inception | Inception Date |
| **American Century Inflation-Adjusted Bond Portfolio** | 4.98% | 4.84% | 2.71% | 10/17/16 |

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

** Reflects a CDSC of 1.00% in first year of purchase.

***Summary of Investment Objectives and Policies of the Underlying Fund for the American Century Inflation-Adjusted Bond Portfolio*** – The following description summarizes the investment goals and policies of the Underlying Fund in which the American Century Inflation-Adjusted Bond Portfolio is currently invested. The description also identifies certain principal risks to which the Underlying Fund may be subject. Additional discussion of risks related to the various categories of the Underlying Fund is set forth under "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS." The investment objective of the Underlying Fund may be changed without Participant approval. The investment strategy and policies of the Underlying Fund are also subject to change.

**The summary is qualified in its entirety by reference to the detailed information included in the Underlying Fund's current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the Underlying Fund may be subject. You may request a copy of the Underlying Fund's current prospectus or statement of additional information, or the Underlying Fund's most recent semi-annual or annual report, by calling American Century at 1-800-345-6488 or by locating it on American Century's Web site at www.americancentury.com.**

## American Century Inflation-Adjusted Bond Fund

***Investment Objective, Strategy and Policies*** – The Fund seeks to provide total return and inflation protection consistent with investment in inflation-indexed securities.

Under normal market conditions, the Fund invests at least 80% of its net assets in inflation-adjusted bonds. American Century considers inflation-adjusted bonds to include inflation-indexed bonds, notes, commercial paper, short-term instruments and other debt securities issued by the U.S. Treasury, by other U.S. government agencies and instrumentalities, and by other, non-U.S. government entities such as corporations and foreign governments. Inflation-indexed securities are designed to protect the future purchasing power of the money invested in them; their principal value may be indexed for changes in inflation. In addition, the Fund may invest a portion of its assets in traditional U.S. Treasury, U.S. government agency or other non-U.S. government securities that are not inflation-indexed.

Securities issued or guaranteed by the U.S. Treasury and certain U.S. government agencies or instrumentalities, such as the Government National Mortgage Association (Ginnie Mae), are supported by the full faith and credit of the U.S. government. Securities issued or guaranteed by other U.S. government agencies or instrumentalities, such as the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank are not guaranteed by the U.S. Treasury or supported by the full faith and credit of the U.S. government. However, these agencies or instrumentalities are authorized to borrow from the U.S. Treasury to meet their obligations. In general, securities issued by non-U.S. government entities are backed only by the credit of the issuer.

The Fund invests primarily in investment-grade securities, but may also invest a portion of its assets in high-yield securities, or junk bonds. A high-yield security is one that has been rated below the four highest categories by a nationally recognized rating organization.

There are no maturity or duration restrictions for the securities in which the Fund may invest.

Although the Fund invests primarily in U.S. dollar-denominated securities, the Fund also may invest in securities denominated in foreign currencies.

To generate additional income, the Fund may purchase securities, including mortgage dollar rolls, in advance through when-issued and forward commitment transactions. The Fund may commit up to 35% of its total assets to such transactions.

The Fund also may invest in derivative instruments such as futures contracts and swap agreements (including, but not limited to, inflation swap agreements and credit default swap agreements), bank loans, securities backed by mortgages or other assets and collateralized debt obligations (including collateralized loan obligations). The Fund may invest in U.S. Treasury futures, inflation swap agreements and credit default swap agreements to manage duration, inflation and credit exposure.

When determining whether to sell a security, the Fund managers consider, among other things, current and anticipated changes in interest rates, current valuation relative to alternatives in the market, general market conditions and any other factors deemed relevant by the Fund managers.

***Principal Risks of Investing*** – Inflation-indexed securities offer a return linked to inflation. They are designed to protect investors from a loss of value due to inflation. However, inflation-indexed securities are still subject to the effects of changes in market interest rates caused by factors other than inflation, or so-called real interest rates. Because inflation-indexed securities trade at prevailing real, or after-inflation, interest rates, changes in these rates affect the fund's share value. Generally, when real interest rates rise, the Fund's share value will decline. The opposite is true when real interest rates decline. A period of rising interest rates may negatively affect the Fund's performance.

The real interest rate is the current market interest rate minus the market's inflation expectations.

The principal value of an investment is not protected or otherwise guaranteed by virtue of the Fund's investments in inflation-indexed securities. In addition, interest payments on inflation-indexed securities may be difficult to predict and may vary as the principal and/or interest is adjusted for inflation. In periods of deflation, the Fund may have no income at all from such investments.

Debt securities, even investment-grade debt securities, are subject to credit risk. Credit risk is the risk that the inability or perceived inability of the issuer to make interest and principal payments will cause the value of the securities to decrease. As a result the Fund's share price could also decrease. Changes in the credit rating of a debt security held by the Fund could have a similar effect. A high credit rating indicates a high degree of confidence by the rating organization that the issuer will be able to withstand adverse business, financial or economic conditions and make interest and principal payments on time.

A lower credit rating indicates a greater risk of non-payment. However, the Fund may invest a portion of its total assets in high-yield securities, including so-called junk bonds. A high-yield security is one that has been rated below the four highest categories by a nationally recognized rating organization. The Fund's credit quality restrictions apply at the time of purchase; the Fund will not necessarily sell securities if they are downgraded by a rating agency.

High-yield securities, or junk bonds, often have high credit risk. Issuers of high-yield securities are more vulnerable to real or perceived economic changes (such as an economic downturn or a prolonged period of rising interest rates), political changes or adverse developments specific to the issuer. In addition, lower-rated securities may be unsecured or subordinated to other obligations of the issuer. These factors may be more likely to cause an issuer of low-quality bonds to default on its obligation to pay the interest and principal due under its securities. High-yield securities (junk bonds) are also inherently speculative.

The Fund may also be subject to liquidity risk. The chance that a fund will have difficulty selling its debt securities is called liquidity risk. During periods of market turbulence or unusually low trading activity, in order to meet redemptions it may be necessary for the Fund to sell securities at prices that could have an adverse effect on the Fund's share price. The market for lower-quality debt securities is generally less liquid than the market for higher-quality securities. Adverse publicity and investor perceptions, as well as new and proposed laws, also may have a greater negative impact on the market for lower-quality securities. Changing regulatory and market conditions, including increases in interest rates and credit spreads may adversely affect the liquidity of the Fund's investments.

The Fund may invest in securities issued by foreign governments and corporations. Foreign investment involves additional risks, including fluctuations in currency exchange rates, less stable social, political and economic structures, reduced availability of public information, and lack of uniform financial reporting and regulatory practices similar to those that apply in the United States. These factors and others make investing in foreign securities generally riskier than investing in U.S. securities. Securities of foreign issuers may be less liquid, more volatile and harder to value than U.S. securities. To the extent the Fund invests in foreign securities, the overall risk of the Fund could be affected.

Investments in bank loans, loans made by banks or other financial intermediaries to borrowers, require the Fund to depend primarily upon the creditworthiness of the borrower for payment of principal and interest, exposing the Fund to the credit risk of both the financial institution and the underlying borrower. The market for bank loans may not be highly liquid and the Fund may have difficulty selling them. In connection with purchasing participations, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights with respect to any funds acquired by other lenders through set-off against the borrower, and the Fund may not directly benefit from any collateral supporting the loan in which it has purchased the participation. In addition, transactions in bank loans may take more than seven days to settle. As a result, the proceeds from the sale of bank loans may not be readily available to make additional investments or to meet the Fund's redemption obligations. Some bank loan interests may not be registered under the Securities Act of 1933 and therefore not afforded the protections of the federal securities laws.

The risks of an investment in a collateralized debt obligation depend largely on the type of the collateral securities and the class of the debt obligation in which the Fund invests. Collateralized debt obligations (CDOs) and collateralized loan obligations (CLOs) are subject to credit, interest rate, valuation, prepayment and extension risks. These securities also are subject to risk of default on the underlying asset, particularly during periods of economic downturn. The market value of CLO securities may be affected by, among other things, changes in the market value of the underlying assets held by the CLO, changes in the distributions on the underlying assets, defaults and recoveries on the underlying assets, capital gains and losses on the underlying assets, prepayments on underlying assets and the availability, prices and interest rate of underlying assets.

The use of derivative instruments involves risks different from the risks associated with investing directly in securities and other traditional instruments. The Fund's use of derivatives, and in particular its use of inflation swap agreements and credit default swap agreements, are subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. Derivatives are also subject to a number of additional risks including, liquidity, interest rate, market, and credit risk. They also involve the risk of mispricing or improper valuation, the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and the risk of default or bankruptcy of the other party to the instrument. Gains or losses involving some futures, options, and other derivatives may be substantial – in part because a relatively small price movement in these securities may result in an immediate and substantial gain or loss for the Fund.

The value of the securities owned by the Fund may go up and down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries, real or perceived adverse economic conditions or investor sentiment generally. Market risks, including political, regulatory, economic and social developments, can affect the value of the Fund's investments. Natural disasters, public health emergencies, terrorism and other unforeseeable events may lead to increased market volatility and may have adverse long-term effects on world economies and markets generally.

The Fund may need to sell securities at times it would not otherwise do so in order to meet shareholder redemption requests. The Fund could experience a loss when selling securities, particularly if the redemption requests are unusually large or frequent, occur in times of overall market turmoil or declining pricing for the securities sold or when the securities the Fund wishes to sell are illiquid. Selling securities to meet such redemption requests also may increase transaction costs or have tax consequences. To the extent that a large shareholder (including a fund of funds or 529 college savings plan) invests in the Fund, the Fund may experience relatively large redemptions as such shareholder reallocates its assets. Although the advisor seeks to minimize the impact of such transactions where possible, the Fund's performance may be adversely affected.

When-issued and forward commitments involve the risk that the security the Fund buys will lose value prior to its delivery. There also is the risk that the security will not be issued or that the other party to the transaction will not meet its obligation. If this occurs, the Fund may lose both the investment opportunity for the assets it set aside to pay for the security and any gain in the security's price.

Mortgage- and asset-backed securities represent interests in "pools" of mortgages or other assets, including consumer loans or receivables held in trust. Mortgage- and asset backed securities are subject to credit, interest rate, prepayment and extension risks. These securities also are subject to risk of default on the underlying mortgage or asset, particularly during periods of economic downturn. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.

Mortgage dollar rolls are transactions in which the Fund sells securities (usually mortgage-backed securities) and simultaneously contracts to repurchase substantially similar, but not identical, securities on a specified future date. If the counterparty to whom the Fund sells the security becomes insolvent, the Fund's right to repurchase the security may be restricted. Other risks involved in entering into mortgage dollar rolls include the risk that the value of the security may change adversely over the term of the mortgage dollar roll and that the security the Fund is required to repurchase may be worth less than the security that the Fund originally held.

At any given time Fund shares may be worth less than the price paid for them. In other words, it is possible to lose money by investing in the Fund.

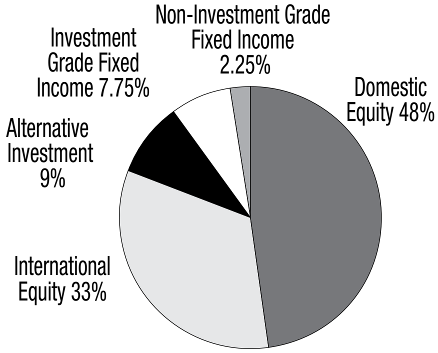
**BLACKROCK PORTFOLIOS**

***General*** – Substantially all of the assets of each BlackRock Portfolio (other than the iShares Portfolios) are invested in Institutional Class shares of the Underlying Fund(s) that are recommended by BlackRock for that Portfolio and approved by FAME for use in the BlackRock Portfolios. A portion of certain BlackRock Portfolios may be held in the Cash Allocation Account as described on page 101.

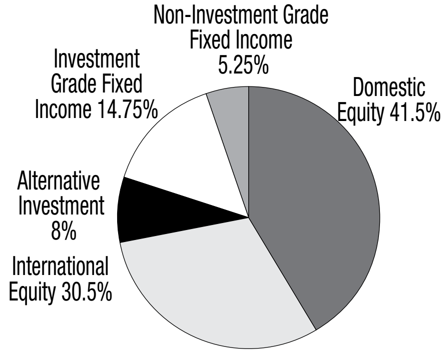
All of these Underlying Funds in which BlackRock Portfolios invest are currently managed by BlackRock. BlackRock and its affiliates had approximately $9.5 trillion in assets under management as of June 30, 2021.

The following charts illustrate the current target asset allocation of each age-band of the BlackRock Age-Based Diversified Portfolio (the iShares Portfolios begin on page 102.)

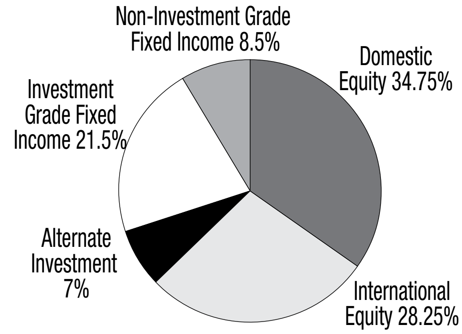
# BLACKROCK PORTFOLIOS



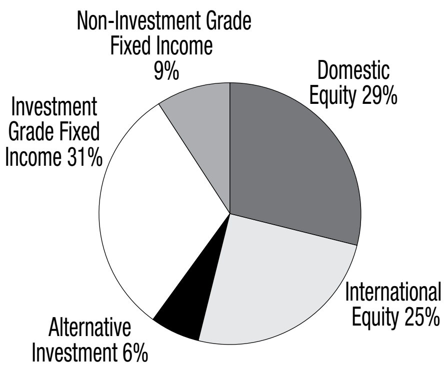

**BlackRock Age-Based**
**0-1 Year Portfolio**



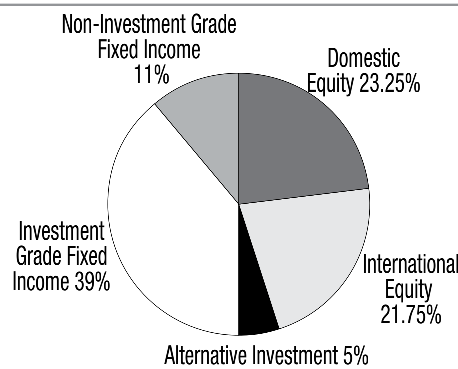

**BlackRock Age-Based**
**2-4 Years Portfolio**



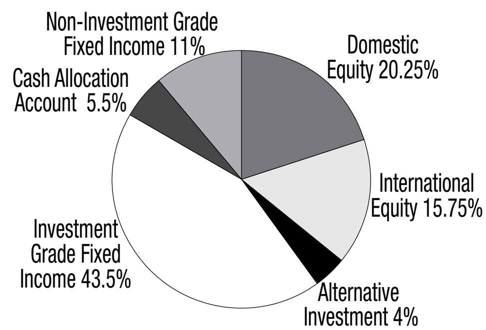

**BlackRock Age-Based**
**5-7 Years Portfolio**



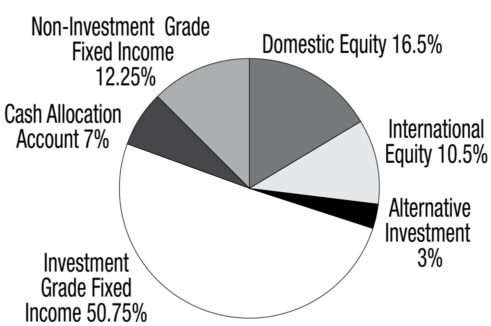

**BlackRock Age-Based**
**8-11 Years Portfolio**



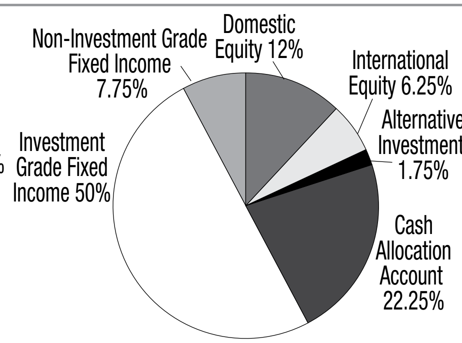

**BlackRock Age-Based**
**12-13 Years Portfolio**



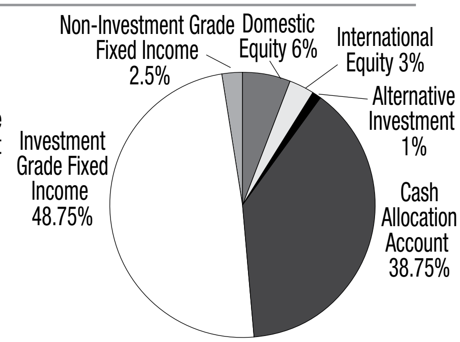

**BlackRock Age-Based**
**14-15 Years Portfolio**



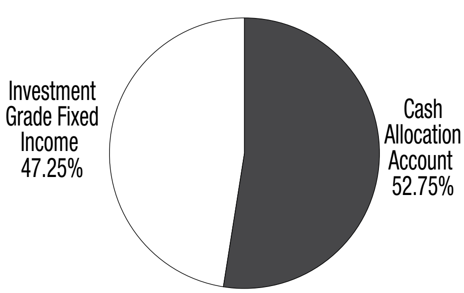

**BlackRock Age-Based**
**16 Years Portfolio**




**BlackRock Age-Based**
**17 Years Portfolio**

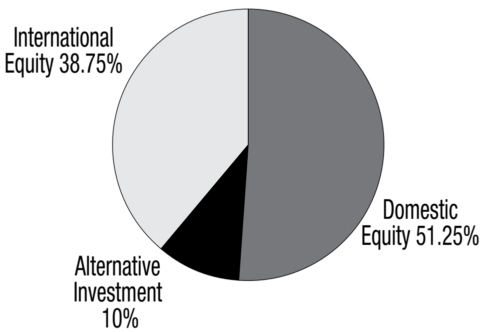



**BlackRock Age-Based**
**18 Years Portfolio**

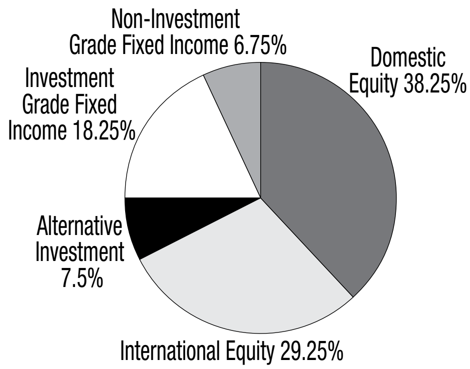



**BlackRock Age-Based**
**19+ Years Portfolio**

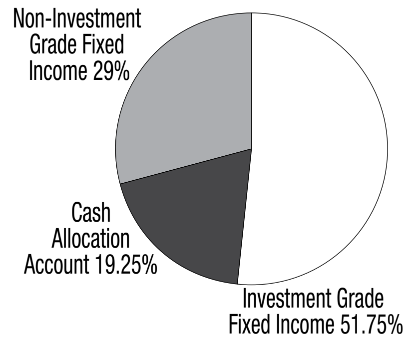
The following charts illustrate the current target asset allocation of each BlackRock Diversified Portfolio and Single Fund Portfolio (the iShares Portfolios begin on page 102).



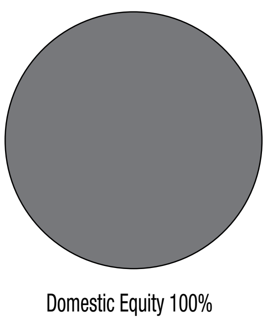

**BlackRock 100% Equity Portfolio**



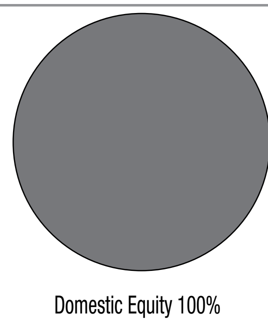

**BlackRock 75% Equity Portfolio**



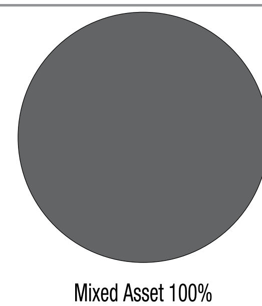

**BlackRock Fixed Income Portfolio**



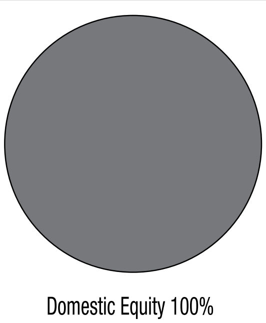

**BlackRock Advantage Large Cap Core Portfolio**




**BlackRock Advantage Large Cap Growth Portfolio**




**BlackRock Global Allocation Portfolio**[1]




**BlackRock Equity Dividend Portfolio**

[1] The Underlying Fund may invest in the domestic equity, international equity, investment grade debt, non-investment grade debt and money market securities investment sectors.

# BLACKROCK PORTFOLIOS

***Current Target Underlying Fund Allocations*** – The following charts illustrate the current target asset allocations and the current target Underlying Fund allocations within those target asset allocations for the BlackRock Portfolios (other than the iShares Portfolios which begin on page 102.) For convenience of reference, Underlying Funds are grouped by their principal asset class, although certain investments of an Underlying Fund may be made in other types of assets. This information is presented for informational purposes only.

| Underlying Fund (Institutional Shares) | BlackRock | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fund Ticker | Age-Based 0-1 Year Portfolio | Age-Based 2-4 Years Portfolio | Age-Based 5-7 Years Portfolio | Age-Based 8-11 Years Portfolio | Age-Based 12-13 Years Portfolio | Age-Based 14-15 Years Portfolio | Age-Based 16 Years Portfolio | Age-Based 17 Years Portfolio | Age-Based 18 Years Portfolio | Age-Based 19+ Years Portfolio |
| **Domestic Equity Funds** | | | | | | | | | | | |
| BlackRock Large Cap Focus Value Fund, Inc. | MABAX | 5.25% | 4.50% | 3.75% | 3.25% | 2.50% | 2.25% | 1.75% | 1.25% | 0.75% | 0.00% |
| BlackRock Capital Appreciation Fund, Inc. | MAFGX | 5.00% | 4.25% | 3.50% | 3.00% | 2.50% | 2.25% | 1.75% | 1.25% | 0.50% | 0.00% |
| BlackRock Equity Dividend Fund | MADVX | 10.00% | 8.50% | 7.25% | 6.00% | 4.75% | 4.25% | 3.50% | 2.50% | 1.25% | 0.00% |
| BlackRock Advantage Large Cap Growth Fund | CMVIX | 10.25% | 8.75% | 7.50% | 6.25% | 5.00% | 4.25% | 3.50% | 2.50% | 1.25% | 0.00% |
| iShares S&P 500 Index Fund[1] | BSPIX | 13.75% | 12.25% | 10.00% | 8.25% | 6.75% | 5.75% | 4.75% | 3.50% | 2.00% | 0.00% |
| BlackRock Advantage Small Cap Core Fund | BDSIX | 3.00% | 2.50% | 2.25% | 1.75% | 1.50% | 1.25% | 1.00% | 0.75% | 0.25% | 0.00% |
| BlackRock Advantage Small Cap Growth Fund | PSGIX | 0.75% | 0.75% | 0.50% | 0.50% | 0.25% | 0.25% | 0.25% | 0.25% | 0.00% | 0.00% |
| **International Equity Funds** | | | | | | | | | | | |
| BlackRock International Fund | MAILX | 8.25% | 7.50% | 7.00% | 6.25% | 5.50% | 4.00% | 2.50% | 1.50% | 0.75% | 0.00% |
| iShares MSCI Total International Index Fund | BDOIX | 16.50% | 15.50% | 14.25% | 12.50% | 10.75% | 7.75% | 5.50% | 3.25% | 1.50% | 0.00% |
| BlackRock Advantage International Fund | BROIX | 8.25% | 7.50% | 7.00% | 6.25% | 5.50% | 4.00% | 2.50% | 1.50% | 0.75% | 0.00% |
| **Alternative Investment Fund** | | | | | | | | | | | |
| BlackRock Real Estate Securities Fund | BIREX | 9.00% | 8.00% | 7.00% | 6.00% | 5.00% | 4.00% | 3.00% | 1.75% | 1.00% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | | | | |
| BlackRock Low Duration Bond Portfolio | BFMSX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 5.50% | 7.00% | 22.50% | 39.50% | 47.25% |
| BlackRock Total Return Fund | MAHQX | 6.75% | 10.75% | 14.00% | 22.00% | 17.25% | 19.25% | 29.50% | 22.75% | 7.75% | 0.00% |
| BlackRock Inflation Protected Bond Portfolio | BPRIX | 1.00% | 2.25% | 3.25% | 4.50% | 5.50% | 5.50% | 7.00% | 4.50% | 1.50% | 0.00% |
| BlackRock Core Bond Portfolio | BFMCX | 0.00% | 1.75% | 4.25% | 4.50% | 16.25% | 13.25% | 7.25% | 0.25% | 0.00% | 0.00% |
| **Non-Investment Grade Fixed Income Fund** | | | | | | | | | | | |
| BlackRock Strategic Income Opportunities Portfolio | BSIIX | 2.25% | 5.25% | 8.50% | 9.00% | 11.00% | 11.00% | 12.25% | 7.75% | 2.50% | 0.00% |
| **Cash Allocation Account** | | | | | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 5.50% | 7.00% | 22.25% | 38.75% | 52.75% |

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

***Current Target Underlying Fund Allocations*** **–** The following charts illustrate the current target asset allocations and the current target Underlying Fund allocations within those target asset allocations for the BlackRock Portfolios (other than the iShares Portfolios which begin on page 102). For convenience of reference, Underlying Funds are grouped by their principal asset class, although certain investments of an Underlying Fund may be made in other types of assets. This information is presented for informational purposes only.

| | BlackRock | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Underlying Fund (Institutional Shares)** | **Fund Ticker** | **100% Equity Portfolio** | **75% Equity Portfolio** | **Fixed Income Portfolio** | **Equity Dividend Portfolio** | **Advantage Large Cap Core Portfolio** | **Advantage Large Cap Growth Portfolio** | **Global Allocation Portfolio** |
| **Domestic Equity Funds** | | | | | | | | |
| BlackRock Large Cap Focus Value Fund, Inc. | MABAX | 5.75% | 4.25% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BlackRock Capital Appreciation Fund, Inc. | MAFGX | 5.25% | 4.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BlackRock Equity Dividend Fund | MADVX | 10.50% | 8.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% |
| BlackRock Advantage Large Cap Core Fund | MALRX | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% |
| BlackRock Advantage Large Cap Growth Fund | CMVIX | 11.00% | 8.25% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% |
| iShares S&P 500 Index Fund[1] | BSPIX | 14.75% | 11.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BlackRock Advantage Small Cap Core Fund | BDSIX | 3.25% | 2.25% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BlackRock Advantage Small Cap Growth Fund | PSGIX | 0.75% | 0.50% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **International Equity Funds** | | | | | | | | |
| BlackRock International Fund | MAILX | 9.75% | 7.25% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BlackRock Advantage International Fund | BROIX | 9.75% | 7.25% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| iShares MSCI Total International Index Fund | BDOIX | 19.25% | 14.75% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Alternative Investment Fund** | | | | | | | | |
| BlackRock Real Estate Securities Fund | BIREX | 10.00% | 7.50% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Mixed Asset Fund** (The Fund may invest in the domestic equity, international equity, investment grade fixed income, non-investment grade fixed income and money market securities investment sectors) | | | | | | | | |
| BlackRock Global Allocation Fund, Inc. | MALOX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | |
| BlackRock Inflation Protected Bond Portfolio | BPRIX | 0.00% | 2.75% | 5.50% | 0.00% | 0.00% | 0.00% | 0.00% |
| BlackRock Low Duration Bond Portfolio | BFMSX | 0.00% | 9.00% | 19.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BlackRock Total Return Fund | MAHQX | 0.00% | 6.50% | 27.25% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Non-Investment Grade Fixed Income Funds** | | | | | | | | |
| BlackRock High Yield Bond Portfolio | BHYIX | 0.00% | 4.50% | 20.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BlackRock Strategic Income Opportunities Portfolio | BSIIX | 0.00% | 2.25% | 9.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Cash Allocation Account** | | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 19.25% | 0.00% | 0.00% | 0.00% | 0.00% |

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

***Historical Investment Performance*** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of each BlackRock Portfolio, other than the iShares Portfolios, as of June 30, 2021, with and without sales charges. The $50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at www.nextgenforme.com. You may also contact your Financial Intermediary. Each BlackRock Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. The assets invested in the Age-Based Diversified Portfolios on behalf of particular Designated Beneficiaries are automatically transferred to a successive age-band of the Portfolio when the Designated Beneficiary reaches a given age, and may not have been invested in the referenced Portfolio for the entire period reported. **The performance data relating to the BlackRock Portfolios set forth below is for the limited time period presented and is not indicative of the future performance of the BlackRock Portfolios.**

| ***Client Select Series - A Unit Class*** | | | | | | |
|---|---|---|---|---|---|---|
| | **Average Annual Total Return* as of June 30, 2021 (Without Sales Charges)** | | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **10 Years** | **Since Inception** | **Inception Date** |
| **Age-Based Diversified Portfolios** | | | | | | |
| BlackRock Age-Based 0-1 Year Portfolio[1] | 36.05% | 13.41% | 12.98% | 9.92% | 7.96% | 09/20/04 |
| BlackRock Age-Based 2-4 Years Portfolio | 32.17% | N/A | N/A | N/A | 18.40% | 10/28/19 |
| BlackRock Age-Based 5-7 Years Portfolio[2] | 28.42% | 11.94% | N/A | N/A | 10.57% | 10/30/17 |
| BlackRock Age-Based 8-11 Years Portfolio[3] | 24.54% | 11.27% | 10.54% | 8.39% | 6.95% | 09/20/04 |
| BlackRock Age-Based 12-13 Years Portfolio[4] | 20.69% | 10.60% | 9.25% | 7.47% | 6.30% | 09/20/04 |
| BlackRock Age-Based 14-15 Years Portfolio[5] | 16.94% | 9.43% | 7.71% | 6.29% | 5.42% | 09/20/04 |
| BlackRock Age-Based 16 Years Portfolio | 13.49% | N/A | N/A | N/A | 10.28% | 10/28/19 |
| BlackRock Age-Based 17 Years Portfolio[6] | 9.35% | 6.32% | 5.32% | 4.46% | 4.18% | 09/20/04 |
| Blackrock Age-Based 18 Years Portfolio | 4.91% | N/A | N/A | N/A | 4.06% | 10/28/19 |
| BlackRock Age-Based 19+ Years Portfolio[7] | 1.02% | 2.02% | 1.82% | 1.49% | 1.98% | 09/20/04 |
| **Diversified Portfolios** | | | | | | |
| BlackRock 100% Equity Portfolio | 39.87% | 13.61% | 14.21% | 10.74% | 8.55% | 09/20/04 |
| BlackRock 75% Equity Portfolio | 30.65% | 11.99% | 11.96% | 9.21% | 7.62% | 09/20/04 |
| BlackRock Fixed Income Portfolio | 5.25% | 4.70% | 3.70% | 3.57% | 3.78% | 09/20/04 |
| **Single Fund Portfolios** | | | | | | |
| BlackRock Global Allocation Portfolio | 28.10% | 12.21% | 10.24% | 6.70% | 7.10% | 08/01/05 |
| BlackRock Advantage Large Cap Core Portfolio | 41.45% | 17.61% | 18.11% | 12.99% | 9.63% | 09/21/04 |
| BlackRock Advantage Large Cap Growth Portfolio | 39.24% | 22.20% | 22.74% | 15.86% | 11.20% | 10/01/07 |
| BlackRock Equity Dividend Portfolio | 39.66% | 12.46% | 12.75% | N/A | 10.91% | 04/29/13 |

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

1 Formerly, the BlackRock Age-Based 0-3 Years Portfolio.
2 Formerly, the BlackRock Age-Based 4-7 Years Portfolio.
3 Formerly, the BlackRock Age-Based 8-10 Years Portfolio.
4 Formerly, the BlackRock Age-Based 11-13 Years Portfolio.
5 Formerly, the BlackRock Age-Based 14-16 Years Portfolio.
6 Formerly, the BlackRock Age-Based 17-19 Years Portfolio.
7 Formerly, the BlackRock Age-Based 20+ Years Portfolio.

| *Client Select Series - A Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| BlackRock Age-Based 0-1 Year Portfolio[1] | 35.80% | 13.41% | 12.98% | 9.92% | 7.96% | 09/20/04 |
| BlackRock Age-Based 2-4 Years Portfolio | 31.92% | N/A | N/A | N/A | 18.40% | 10/28/19 |
| BlackRock Age-Based 5-7 Years Portfolio[2] | 28.17% | 11.94% | N/A | N/A | 10.57% | 10/30/17 |
| BlackRock Age-Based 8-11 Years Portfolio[3] | 24.29% | 11.27% | 10.54% | 8.39% | 6.95% | 09/20/04 |
| BlackRock Age-Based 12-13 Years Portfolio[4] | 20.44% | 10.60% | 9.25% | 7.47% | 6.30% | 09/20/04 |
| BlackRock Age-Based 14-15 Years Portfolio[5] | 16.69% | 9.43% | 7.71% | 6.29% | 5.42% | 09/20/04 |
| BlackRock Age-Based 16 Years Portfolio | 13.24% | N/A | N/A | N/A | 10.28% | 10/28/19 |
| BlackRock Age-Based 17 Years Portfolio[6] | 9.10% | 6.32% | 5.32% | 4.46% | 4.18% | 09/20/04 |
| Blackrock Age-Based 18 Years Portfolio | 4.66% | N/A | N/A | N/A | 4.06% | 10/28/19 |
| BlackRock Age-Based 19+ Years Portfolio[7] | 0.77% | 2.02% | 1.82% | 1.49% | 1.98% | 09/20/04 |
| **Diversified Portfolios** | | | | | | |
| BlackRock 100% Equity Portfolio | 39.62% | 13.61% | 14.21% | 10.74% | 8.55% | 09/20/04 |
| BlackRock 75% Equity Portfolio | 30.40% | 11.99% | 11.96% | 9.21% | 7.62% | 09/20/04 |
| BlackRock Fixed Income Portfolio | 5.00% | 4.70% | 3.70% | 3.57% | 3.78% | 09/20/04 |
| **Single Fund Portfolios** | | | | | | |
| BlackRock Global Allocation Portfolio | 27.85% | 12.21% | 10.24% | 6.70% | 7.10% | 08/01/05 |
| BlackRock Advantage Large Cap Core Portfolio | 41.20% | 17.61% | 18.11% | 12.99% | 9.63% | 09/21/04 |
| BlackRock Advantage Large Cap Growth Portfolio | 38.99% | 22.20% | 22.74% | 15.86% | 11.20% | 10/01/07 |
| BlackRock Equity Dividend Portfolio | 39.41% | 12.46% | 12.75% | N/A | 10.91% | 04/29/13 |

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

** Reflects a CDSC of 0.25% in first year after purchase.

1 Formerly, the BlackRock Age-Based 0-3 Years Portfolio.
2 Formerly, the BlackRock Age-Based 4-7 Years Portfolio.
3 Formerly, the BlackRock Age-Based 8-10 Years Portfolio.
4 Formerly, the BlackRock Age-Based 11-13 Years Portfolio.
5 Formerly, the BlackRock Age-Based 14-16 Years Portfolio.
6 Formerly, the BlackRock Age-Based 17-19 Years Portfolio.
7 Formerly, the BlackRock Age-Based 20+ Years Portfolio.

| *Client Select Series - C Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| BlackRock Age-Based 0-1 Year Portfolio[1] | 35.07% | 12.56% | 12.11% | 9.08% | 7.16% | 09/22/04 |
| BlackRock Age-Based 2-4 Years Portfolio | 31.13% | N/A | N/A | N/A | 17.50% | 10/28/19 |
| BlackRock Age-Based 5-7 Years Portfolio[2] | 27.45% | 11.14% | N/A | N/A | 9.75% | 10/30/17 |
| BlackRock Age-Based 8-11 Years Portfolio[3] | 23.64% | 10.45% | 9.71% | 7.58% | 6.11% | 09/21/04 |
| BlackRock Age-Based 12-13 Years Portfolio[4] | 19.81% | 9.76% | 8.45% | 6.67% | 5.52% | 09/22/04 |
| BlackRock Age-Based 14-15 Years Portfolio[5] | 16.03% | 8.61% | 6.92% | 5.50% | 4.65% | 09/23/04 |
| BlackRock Age-Based 16 Years Portfolio | 12.79% | N/A | N/A | N/A | 9.49% | 10/28/19 |
| BlackRock Age-Based 17 Years Portfolio[6] | 8.51% | 5.54% | 4.55% | 3.69% | 3.43% | 09/27/04 |
| Blackrock Age-Based 18 Years Portfolio | 4.14% | N/A | N/A | N/A | 3.31% | 10/28/19 |
| BlackRock Age-Based 19+ Years Portfolio[7] | 0.25% | 1.23% | 1.04% | 0.74% | 1.22% | 10/15/04 |
| **Diversified Portfolios** | | | | | | |
| BlackRock 100% Equity Portfolio | 38.83% | 12.76% | 13.36% | 9.92% | 7.76% | 09/22/04 |
| BlackRock 75% Equity Portfolio | 29.68% | 11.15% | 11.12% | 8.40% | 6.83% | 09/22/04 |
| BlackRock Fixed Income Portfolio | 4.45% | 3.92% | 2.95% | 2.81% | 3.00% | 09/22/04 |
| **Single Fund Portfolios** | | | | | | |
| BlackRock Global Allocation Portfolio | 27.09% | 11.37% | 9.40% | 5.90% | 6.29% | 08/01/05 |
| BlackRock Advantage Large Cap Core Portfolio | 40.39% | 16.74% | 17.23% | 12.14% | 8.84% | 09/30/04 |
| BlackRock Advantage Large Cap Growth Portfolio | 38.20% | 21.28% | 21.81% | 14.99% | 10.36% | 10/01/07 |
| BlackRock Equity Dividend Portfolio | 38.65% | 11.62% | 11.91% | N/A | 10.08% | 04/29/13 |

* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smoothes

1 Formerly, the BlackRock Age-Based 0-3 Years Portfolio.
2 Formerly, the BlackRock Age-Based 4-7 Years Portfolio.
3 Formerly, the BlackRock Age-Based 8-10 Years Portfolio.
4 Formerly, the BlackRock Age-Based 11-13 Years Portfolio.
5 Formerly, the BlackRock Age-Based 14-16 Years Portfolio.
6 Formerly, the BlackRock Age-Based 17-19 Years Portfolio.
7 Formerly, the BlackRock Age-Based 20+ Years Portfolio.

| *Client Select Series - C Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| BlackRock Age-Based 0-1 Year Portfolio[1] | 34.07% | 12.56% | 12.11% | 9.08% | 7.16% | 09/22/04 |
| BlackRock Age-Based 2-4 Years Portfolio | 30.13% | N/A | N/A | N/A | 17.50% | 10/28/19 |
| BlackRock Age-Based 5-7 Years Portfolio[2] | 26.45% | 11.14% | N/A | N/A | 9.75% | 10/30/17 |
| BlackRock Age-Based 8-11 Years Portfolio[3] | 22.64% | 10.45% | 9.71% | 7.58% | 6.11% | 09/21/04 |
| BlackRock Age-Based 12-13 Years Portfolio[4] | 18.81% | 9.76% | 8.45% | 6.67% | 5.52% | 09/22/04 |
| BlackRock Age-Based 14-15 Years Portfolio[5] | 15.03% | 8.61% | 6.92% | 5.50% | 4.65% | 09/23/04 |
| BlackRock Age-Based 16 Years Portfolio | 11.79% | N/A | N/A | N/A | 9.49% | 10/28/19 |
| BlackRock Age-Based 17 Years Portfolio[6] | 7.51% | 5.54% | 4.55% | 3.69% | 3.43% | 09/27/04 |
| Blackrock Age-Based 18 Years Portfolio | 3.14% | N/A | N/A | N/A | 3.31% | 10/28/19 |
| BlackRock Age-Based 19+ Years Portfolio[7] | -0.75% | 1.23% | 1.04% | 0.74% | 1.22% | 10/15/04 |
| **Diversified Portfolios** | | | | | | |
| BlackRock 100% Equity Portfolio | 37.83% | 12.76% | 13.36% | 9.92% | 7.76% | 09/22/04 |
| BlackRock 75% Equity Portfolio | 28.68% | 11.15% | 11.12% | 8.40% | 6.83% | 09/22/04 |
| BlackRock Fixed Income Portfolio | 3.45% | 3.92% | 2.95% | 2.81% | 3.00% | 09/22/04 |
| **Single Fund Portfolios** | | | | | | |
| BlackRock Global Allocation Portfolio | 26.09% | 11.37% | 9.40% | 5.90% | 6.29% | 08/01/05 |
| BlackRock Advantage Large Cap Core Portfolio | 39.39% | 16.74% | 17.23% | 12.14% | 8.84% | 09/30/04 |
| BlackRock Advantage Large Cap Growth Portfolio | 37.20% | 21.28% | 21.81% | 14.99% | 10.36% | 10/01/07 |
| BlackRock Equity Dividend Portfolio | 37.65% | 11.62% | 11.91% | N/A | 10.08% | 04/29/13 |

* Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smoothes

** Reflects a CDSC of 1.00% in the first year after purchase.

1 Formerly, the BlackRock Age-Based 0-3 Years Portfolio.
2 Formerly, the BlackRock Age-Based 4-7 Years Portfolio.
3 Formerly, the BlackRock Age-Based 8-10 Years Portfolio.
4 Formerly, the BlackRock Age-Based 11-13 Years Portfolio.
5 Formerly, the BlackRock Age-Based 14-16 Years Portfolio.
6 Formerly, the BlackRock Age-Based 17-19 Years Portfolio.
7 Formerly, the BlackRock Age-Based 20+ Years Portfolio.

***Summary of Investment Objectives and Policies of the Underlying Funds for the BlackRock Portfolios*** – The following descriptions summarize the investment goals and policies of the Underlying Funds in which the BlackRock Portfolios, other than the iShares Portfolios, are currently invested. The Cash Allocation Account is described on page 101. The descriptions also identify certain principal risks to which particular Underlying Funds may be subject. Additional discussion of risks related to the various categories of Underlying Funds is set forth under "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS." The Underlying Funds' investment strategies are subject to change.

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

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

## DOMESTIC EQUITY FUNDS

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

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation and, secondarily, income by investing in securities, primarily equity securities, that management of the Fund believes are undervalued and therefore represent basic investment value. The Fund tries to achieve its objectives by investing in a diversified portfolio consisting primarily of equity securities, which includes common stock, preferred stock, securities convertible into common stock, or securities or other instruments whose price is linked to the value of common stock. Fund management places particular emphasis on companies with below average price/earnings ratios that may pay above average dividends. Fund management may also determine a company is undervalued if its stock price is down because of temporary factors from which Fund management believes the company will recover. As a result, the Fund may invest a large portion of its net assets in stocks that have weak research ratings. The Fund focuses its investments on companies with a market capitalization over $5 billion. The Fund invests primarily in common stock of U.S. companies, but may invest up to 25% of its total assets in the securities of foreign companies.

***Principal Risks of Investing*** – The Fund is subject to the market and selection risks of equity investments, as well as the special risks of value investments and foreign securities.

### BlackRock Capital Appreciation Fund, Inc.

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

***Principal Risks of Investing*** – The Fund is subject to the market and selection risks of equity investments, as well as the special risks of convertible securities, mid-cap securities, and investment style.

### BlackRock Equity Dividend Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek long-term total return and current income. The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of equity securities. Under normal circumstances, the Fund will invest at least 80% of its assets in equity securities and at least 80% of its assets in dividend paying securities. The Fund will focus on issuers that have good prospects for capital appreciation and current income. Although the Fund invests primarily in dividend paying securities, portions of the distributions paid by the Fund may not be subject to the lower income tax rates applicable to dividends. The Fund may invest in securities of companies with any market capitalization, but will generally focus on large cap securities. The Fund's portfolio, in the aggregate, will be structured in a manner designed to seek long-term capital appreciation as well as net portfolio yield in excess of the average yield of mutual funds invested primarily in U.S. equities. The Fund may also invest in securities convertible into common stock and non-convertible preferred stock. The Fund may invest up to 25% of its total assets in securities of foreign issuers from any country. The Fund may invest in securities denominated in both U.S. dollars and non-U.S. dollar currencies. The Fund may invest in the securities of foreign issuers in the form of American Depositary Receipts, European Depositary Receipts or other securities convertible into securities of foreign issuers.

***Principal Risks of Investing*** – The Fund is subject to the market and selection risk of equity investments, convertible securities risk, preferred securities risk, the risk of investment in foreign securities and income producing stock availability risk.

### BlackRock Advantage Large Cap Core Fund

***Investment Objective, Strategy and Policies*** – The investment objective of the Fund is to seek long-term capital growth. In other words, the Fund tries to choose investments that will increase in value. Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes in large cap equity securities and derivatives that have similar economic characteristics to such securities. For purposes of the Fund's 80% policy, large cap equity securities are equity securities that at the time of purchase have a market capitalization within the range of companies included in the Russell 1000® Index. The Fund primarily intends to invest in equity securities, which include common stock, preferred stock and convertible securities, or other financial instruments that are components of, or have characteristics similar to, the securities included in the Russell 1000 Index. The Russell 1000 Index is a capitalization-weighted index from a broad range of industries chosen for market size, liquidity and industry group representation. The Fund primarily seeks to buy common stock and may also invest in preferred stock and convertible securities. From time to time, the Fund may invest in shares of companies through "new issues" or initial public offerings. The Fund may use derivatives, including options, futures, swaps, (including, but not limited to, total return swaps, some of which may be referred to as contracts for difference) and forward contracts , both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. Derivatives are financial instruments whose value is derived from another security, a currency or an index, including but not limited to the Russell 1000 Index. The use of options, futures, swaps, and forward contracts can be effective in protecting or enhancing the value of the Fund's assets. The Fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in commodity-linked derivative instruments and investment vehicles such as exchange-traded funds that invest exclusively in commodities and are designed to provide this exposure without direct investment in physical commodities.

***Principal Risks of Investing*** – The Fund is subject to the market and selection risks of equity investments as well as the special risks of commodities related investments, convertible securities, derivatives, "new issue" securities, preferred securities, and the use of leverage.

### BlackRock Advantage Large Cap Growth Fund

***Investment Objective, Strategy and Policies*** – The investment objective of the Fund is to seek long-term capital appreciation. The Fund tries to choose investments that will increase in value.

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

Russell 1000® Index and Russell 1000® Growth Index are registered trademarks of Russell Investments.

cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. Derivatives are financial instruments whose value is derived from another security, a currency or an index, including but not limited to the Russell 1000 Growth Index. The use of options, futures, swaps, and forward contracts can be effective in protecting or enhancing the value of the Fund's assets.

***Principal Risks of Investing*** – The main risks of investing in the Fund are commodities related investment risk; convertible securities risk; derivatives risk; equity securities risk; high portfolio turnover risk; investment style risk; leverage risk; market risk and selection risk; "new issues" risk; and preferred securities risk.

### iShares S&P 500 Index Fund

***Investment Objective, Strategy and Policies*** – The investment objective of the Fund is to seek to provide investment results that correspond to the total return performance of publicly-traded common stocks in the aggregate, as represented by the Standard & Poor's 500 Index.

The Fund pursues its investment objective by seeking to replicate the total return performance of the S&P 500 Index, which is composed of approximately 500 selected common stocks, most of which are listed on the New York Stock Exchange. The S&P 500 Index is a capitalization-weighted index from a broad range of industries chosen for market size, liquidity and industry group representation. The component stocks are weighted according to the total float-adjusted market value of their outstanding shares (i.e., they are weighted according to the public float which is the total market value of their outstanding shares readily available to the general marketplace for trading purposes). The percentage of the Fund's assets invested in a given stock is approximately the same as the percentage such stock represents in the S&P 500 Index.

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

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

The Fund invests all of its assets in the S&P 500 Index Master Portfolio of Master Investment Portfolio, which has the same investment objective and strategies as the Fund.

***Principal Risks of Investing*** – The Fund is subject to the market and selection risks of equity investments as well as the risks and special considerations associated with investing in an index fund.

### BlackRock Advantage Small Cap Core Fund

***Investment Objective, Strategy and Policies*** – The investment objective of the Fund is to seek capital appreciation over the long term. Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus any borrowings for investment purposes in equity securities or other financial instruments that are components of, or have market capitalizations similar to, the securities included in the Russell 2000® Index. The companies included in the Russell 2000® Index have market capitalizations that range from approximately $80.574 million to $6.776 billion as of August 31, 2020. The Fund primarily seeks to buy common stock and may also invest in preferred stock and convertible securities. From time to time the Fund may invest in shares of companies through "new issues" or initial public offerings. The Fund may use derivatives, including options, futures, swaps and forward contracts both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. Derivatives are financial instruments whose value is derived from another security, a commodity (such as oil or gas), a currency or an index, including but not limited to the Russell 2000® Index. The use of options, futures, swaps and forward contracts can be effective in protecting or enhancing the value of the Fund's assets.

***Principal Risks of Investing*** – The Fund is subject to the market and selection risks of equity investments as well as the special risks of convertible securities, derivatives, "new issue" securities, preferred securities, small cap securities, liquidity, the use of leverage, high portfolio turnover risk, and investment style risk.

## BlackRock Advantage Small Cap Growth Fund

***Investment Objective, Strategy and Policies*** – The investment objective of the Fund is to seek long-term capital growth. Under normal circumstances, the Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small cap companies and at least 80% of its net assets (plus any borrowings for investment purposes) in securities or instruments of issuers located in the United States. The Fund seeks to buy primarily common stock but also can invest in preferred stock, convertible securities and other equity securities. The Fund management team focuses on small capitalization companies that Fund management believes have above average prospects for earnings growth. The Fund generally defines small cap companies as those with market capitalizations, at the time of the Fund's investment, comparable in size to the companies in the Russell 2000 Index. From time to time the Fund may invest in shares of companies through "new issues" or initial public offerings. The Fund may use derivatives, including options, warrants, futures, swaps and forward contracts both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. In order to manage cash flows into or out of the Fund effectively, the Fund may buy and sell financial futures contracts or options on such contracts. The Fund may also use indexed or inverse securities.

***Principal Risks of Investing*** – The Fund is subject to the market and selection risks of equity investments as well as the special risks of investing in smaller and emerging growth companies, convertible securities, "new issues" or initial public offerings, warrants, derivatives, leverage, and investment style risk. High portfolio turnover resulting from active and frequent trading results in higher markups and other transaction costs and can result in a greater amount of dividends from ordinary income rather than capital gains.

### BlackRock International Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek long-term capital growth through investments primarily in a diversified portfolio of equity securities of companies located outside the United States. In other words, the Fund tries to choose investments located outside the United States that will increase in value. The Fund emphasizes those securities that Fund management believes are undervalued or have good prospects for earnings growth. Current income from dividends and interest will not be an important consideration in selecting portfolio securities. The Fund will invest at least 75% of its total assets in global equity securities of any market capitalization, selected for their above-average return potential. The Fund primarily seeks to buy common stock but may also invest in preferred stock, convertible securities and other instruments. The Fund will allocate its assets among various regions and countries, including the United States (but in no less than three different countries). Under normal circumstances, the Fund will allocate a substantial amount (approximately 40% or more – unless market conditions are not deemed favorable by BlackRock, in which case the Fund would invest at least 30%) of its total assets in securities (i) of foreign government issuers, (ii) of issuers organized or located outside the U.S., (iii) of issuers which primarily trade in a market located outside the U.S., or (iv) of issuers doing a substantial amount of business outside the U.S., which the Fund considers to be companies that derive at least 50% of their revenue or profits from business outside the U.S. or have at least 50% of their sales or assets outside the U.S. For temporary defensive purposes the Fund may deviate very substantially from the allocation described above. The Fund may invest up to 25% of total assets in global fixed income securities, including corporate bonds, U.S. government debt securities, non-U.S. government and supranational debt securities, asset-backed securities, mortgage-backed securities, emerging market debt securities and non-investment grade debt securities (high yield or junk bonds).

The Fund may buy or sell options or futures on a security or an index of securities and may buy options on a currency or a basket of currencies, or enter into interest rate or foreign currency transactions, including swaps (collectively, commonly known as derivatives). The Fund typically uses derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as currency risk. The Fund may also use derivatives to enhance returns, in which case their use would involve leveraging risk. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements or dollar rolls). The Fund may also use forward foreign currency exchange contracts (obligations to buy or sell a currency at a set rate in the future).

***Principal Risks of Investing*** – The Fund is subject to the market and selection risks of equity investment and to the risk of investment in foreign securities. In addition, the Fund is subject to risks associated with debt securities, emerging markets, derivatives, geographic concentration, mid-cap securities, and small and emerging growth securities.

### BlackRock Advantage International Fund

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

***Principal Risks of Investing*** – The Fund is subject to the market and selection risks of equity investments as well as the special risks of commodities related investments, convertible securities, derivatives, foreign securities, “new issue” securities, mid cap securities, preferred securities, the use of leverage, and high portfolio turnover risk.

### iShares MSCI Total International Index Fund

***Investment Objective, Strategy and Policies*** – The investment objective of the Fund is to match the performance of the MSCI All Country World ex USA Index in U.S. dollars with net dividends as closely as possible before the deduction of Fund expenses. The Fund employs a “passive” management approach, attempting to invest in a portfolio of assets whose performance is expected to match approximately the performance of the MSCI ACWI ex USA Index. The Fund will be substantially invested in equity securities in the MSCI ACWI ex USA Index, and will invest, under normal circumstances, at least 80% of its net assets in securities or other financial instruments that are components of or have economic characteristics similar to the securities included in the MSCI ACWI ex USA Index. Equity securities in which the Fund invests consist primarily of common stock, preferred stock, and securities or other instruments whose price is linked to the value of common stock. The Fund will invest in the common stocks represented in the MSCI ACWI ex USA Index in roughly the same proportions as their weightings in the MSCI ACWI ex USA Index. The MSCI ACWI ex USA Index is a free float-adjusted market capitalization index that captures large and mid-cap representation across developed and emerging market countries, excluding the United States. The component stocks have a market capitalization between $102.5 million and $526.1 billion as of June 30, 2021. The Fund may also engage in futures transactions. At times, the Fund may not invest in all of the common stocks in the MSCI ACWI ex USA Index, or in the same weightings as in the MSCI ACWI ex USA Index. At those times, the Fund chooses investments so that the market capitalizations, industry weightings and other fundamental characteristics of the stocks chosen are similar to the MSCI ACWI ex USA Index as a whole. The Fund may lend securities with a value up to 33⅓% of its total assets to financial institutions that provide cash or securities issued or guaranteed by the U.S. Government as collateral. The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the MSCI ACWI ex USA Index is concentrated. The Fund is a “feeder” fund that invests all of its assets in the Total International ex U.S. Index Master Portfolio (the “Master Portfolio”), a series of Master Investment Portfolio, which has the same investment objective and strategies as the Fund. All investments are made at the Master Portfolio level. This structure is sometimes called a “master/feeder” structure. The Fund’s investment results will correspond directly to the investment results of the Master Portfolio. For simplicity, this prospectus uses the name of the Fund or the term “Fund” (as applicable) to include the Master Portfolio.

***Principal Risks of Investing*** - The Fund is subject to the market and selection risks of equity investments as well as the special risks of concentration, emerging markets, foreign securities, futures securities, index funds, mid cap securities, securities lending, small cap and emerging growth securities risk and tracking error risk.

## BlackRock Real Estate Securities Fund

***Investment Objective, Strategy and Policies*** – The investment objective of the Fund is to seek total return comprised of long-term growth of capital and dividend income. Under normal conditions, the Fund invests at least 80% of its net assets plus any borrowings for investment purposes (measured at the time of purchase) in a portfolio of equity investments in issuers that are primarily engaged in or related to the real estate industry inside the United States. An issuer is primarily engaged in or related to the real estate industry if it derives at least 50% of its gross revenues or net profits from the ownership, development, construction, financing, management or sale of commercial, industrial or residential real estate or interests therein or has 50% of its assets in real estate or real estate interests. The Fund may invest up to 20% of its net assets plus any borrowings for investment purposes (measured at the time of purchase) in a portfolio of equity investments in issuers that are primarily engaged in or related to the real estate industry outside the United States and fixed-income investments, such as government, corporate and bank debt obligations. Real estate industry companies may include real estate investment trusts ("REITs"), REIT-like structures, or real estate operating companies whose businesses and services are related to the real estate industry. The Fund primarily buys common stock but also can invest in preferred stock and convertible securities.

***Principal Risks of Investing*** – The Fund is subject to the market and selection risks of equity investments as well as the special risks of real estate investments, concentration, convertible securities, preferred securities, REIT investments, and small and mid cap securities. Additional principal risks are identified in the Fund's prospectus.

## BlackRock Global Allocation Fund, Inc.

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to provide high total investment return through a fully managed investment policy utilizing United States and foreign equity securities, debt and money market securities, the combination of which will be varied from time to time both with respect to types of securities and markets in response to changing market and economic trends. Total return means the combination of capital growth and investment income.

The Fund invests in a portfolio of equity, debt and money market securities. Generally, the Fund's portfolio will include both equity and debt securities. Equity securities include common stock, preferred stock, securities convertible into common stock, rights and warrants or securities or other instruments whose price is linked to the value of common stock. At any given time, however, the Fund may emphasize either debt securities or equity securities. In selecting equity investments, the Fund mainly seeks securities that Fund management believes are undervalued. The Fund may buy debt securities of varying maturities, debt securities paying a fixed or fluctuating rate of interest, and debt securities of any kind, including, by way of example, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, by foreign governments or international agencies or supranational entities, or by domestic or foreign private issuers, debt securities convertible into equity securities, inflation-indexed bonds, structured notes, credit-linked notes, loan assignments and loan participations. In addition, the Fund may invest up to 35% of its total assets in "junk bonds," corporate loans and distressed securities. The Fund may also invest in Real Estate Investment Trusts ("REITs") and securities related to real assets (like real estate- or precious metals-related securities) such as stock, bonds or convertible bonds issued by REITs or companies that mine precious metals.

When choosing investments, Fund management considers various factors, including opportunities for equity or debt investments to increase in value, expected dividends and interest rates. The Fund generally seeks diversification across markets, industries and issuers as one of its strategies to reduce volatility. The Fund has no geographic limits on where it may invest. This flexibility allows Fund management to look for investments in markets around the world, including emerging markets, that it believes will provide the best asset allocation to meet the Fund's objective. The Fund may invest in the securities of companies of any market capitalization.

Generally, the Fund may invest in the securities of corporate and governmental issuers located anywhere in the world. The Fund may emphasize foreign securities when Fund management expects these investments to outperform U.S. securities. When choosing investment markets, Fund management considers various factors, including economic and political conditions, potential for economic growth and possible changes in currency exchange rates. In addition to investing in foreign securities, the Fund actively manages its exposure to foreign currencies through the use of forward currency contracts and other currency derivatives. The Fund may own foreign cash equivalents or foreign bank deposits as part of the Fund's investment strategy. The Fund will also invest in non-U.S. currencies. The Fund may underweight or overweight a currency based on the Fund management team's outlook.

The Fund's composite Reference Benchmark has at all times since the Fund's formation included a 40% weighting in non-US securities. The Reference Benchmark is an unmanaged weighted index comprised as follows: 36% of the S&P 500 Index; 24% FTSE World (ex US) Index; 24% ICE BofA Current 5-year US Treasury Index; and 16% FTSE Non-US Dollar World Government Bond Index. Throughout its history, the Fund has maintained a weighting in non-US securities, often exceeding the 40% Reference Benchmark weighting and rarely falling below this allocation. Under normal circumstances, the Fund will continue to allocate a substantial amount (approximately 40% or more - unless market conditions are not deemed favorable by BlackRock, in which case the Fund would invest at least 30%) - of its total assets in securities of (i) foreign government issuers, (ii) issuers organized or located outside the U.S., (iii) issuers which primarily trade in a market located outside the U.S., or (iv) issuers doing a substantial amount of business outside the U.S., which the Fund considers to be companies that derive at least 50% of their revenue or profits from business outside the U.S. or have at least 50% of their sales or assets outside the U.S. The Fund will allocate its assets among various regions and countries including the United States (but in no less than three different countries). For temporary defensive purposes the Fund may deviate very substantially from the allocation described above.

The Fund may use derivatives, including options, futures, swaps (including, but not limited to, total return swaps that may be referred to as contracts for difference) and forward contracts both to seek to increase the return of the Fund and to hedge (or protect) the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets. The Fund may invest in indexed securities and inverse securities. The Fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in commodity-linked derivative instruments and investment vehicles such as exchange traded funds that invest exclusively in commodities and are designed to provide this exposure without direct investment in physical commodities. The Fund may also gain exposure to commodity markets by investing up to 25% of its total assets in BlackRock Cayman Global Allocation Fund I, Ltd. (the "Subsidiary"), a wholly owned subsidiary of the Fund formed in the Cayman Islands, which invests primarily in commodity-related instruments. The Subsidiary may also hold cash and invest in other instruments, including fixed income securities, either as investments or to serve as margin or collateral for the Subsidiary's derivative positions. The Subsidiary (unlike the Fund) may invest without limitation in commodity-related instruments.

***Principal Risks Of Investing*** – As with any fund, the value of the Fund's investments – and therefore the value of Fund shares – may fluctuate. These changes may occur because a particular market in which the Fund invests is rising or falling. In addition, there are specific factors that may affect the value of a particular investment. Also, Fund management may select securities that underperform the markets, the relevant indices or securities selected by other funds with similar investment objectives and investment strategies. Changes in the value of the Fund's debt investments may also occur in response to interest rate movements – generally, when interest rates go up, the value of debt securities goes down.

The Fund's investments in debt securities are also subject to interest rate risk, credit risk and call and redemption risk. In addition, high yield bonds may be volatile and subject to liquidity and leverage risk and heightened credit risk.

The Fund is subject to the market and selection risks of equity investments as well as the special risks of smaller and emerging growth companies, mid cap securities, mortgage- and asset-backed securities, real estate related securities risk, derivatives, warrants, convertible securities, corporate loans, structured notes, subsidiaries, precious metals and commodities-related investments

The Fund may invest a substantial portion of its assets in foreign securities. Foreign investing involves special risks – including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. Foreign securities may also be less liquid and harder to value than U.S. securities. These risks are greater for investments in emerging markets.

Short Sales – Because making short sales in securities that it does not own exposes the Fund to risks associated with those securities, such short sales involve speculative exposure risk. The Fund will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which the Fund replaces the security sold short. The Fund will realize a gain if the security declines in price between those dates. As a result, if the Fund makes short sales in securities that increase in value, it will likely underperform similar mutual funds that do not make short sales in securities they do not own. There can be no assurance that the Fund will be able to close out a short sale position at any particular time or at an acceptable price. Although the Fund's gain is limited to the amount at which it sold a security short, its potential loss is limited only by the maximum attainable price of the security, less the price at which the security was sold. The Fund may also pay transaction costs and borrowing fees in connection with short sales.

## BlackRock Core Bond Portfolio

***Investment Objective, Strategy and Policies*** – The investment objective of the Fund is to seek to maximize total return, consistent with income generation and prudent investment management. The Fund normally invests at least 80% of its assets in bonds and maintains an average portfolio duration that is within ±20% of the duration of its benchmark. As of December 31, 2020, the average duration of the benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, was 6.05 years as calculated by Fund management. The Fund may invest up to 25% of its assets in assets of foreign issuers, of which 10% (as a percentage of the Fund's assets) may be invested in emerging markets issuers. Up to 10% of the Fund's assets may be exposed to non-US currency risk. A bond of a foreign issuer, including an emerging market issuer, will not count toward the 10% limit on non-US currency exposure if the bond is either (i) US dollar-denominated or (ii) non-US dollar-denominated, but hedged back to US dollars. The Fund only buys securities that are rated investment grade at the time of purchase by at least one major rating agency or determined by the fund management team to be of similar quality. The management team selects bonds from several sectors including: U.S. Treasuries and agency securities, commercial and residential mortgage-backed securities, collateralized mortgage obligations, asset-backed securities and corporate bonds. Mortgage-backed securities are asset-backed securities based on a particular type of asset, a mortgage. The Fund may buy or sell options or futures on a security or an index of securities, or enter into credit default swaps and interest rate or foreign currency transactions, including swaps (collectively, commonly known as derivatives). The Fund may use derivative instruments to hedge its investments or to seek to enhance returns. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements and mortgage dollar rolls). The Fund may engage in active and frequent trading of portfolio securities to achieve its principal investment strategies.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed-income investments, including, but not limited to, borrowing risk, dollar rolls risk, emerging markets risk, leverage risk, liquidity risk, market and selection risk, credit risk and U.S. government issuer risk. In addition, because the Fund may invest a portion of its assets in derivative instruments, the Fund is exposed to the risks associated with such investments. Derivatives may be volatile and involve significant risks, including credit risk, counterparty risk (the risk that the counterparty in a transaction will be unable to honor its obligations), leverage risk (the risk that relatively small market movements may result in large changes in the value of an investment) and liquidity risk (the risk that certain securities may be difficult or impossible to sell at the time or price that the seller would like). The Fund may invest in mortgage-backed and asset-backed securities. In addition to the normal fixed income investment risks, these securities are subject to prepayment risk and extension risk, and may involve more volatility than other bonds of similar maturities. The Fund is also subject to the special risks associated with foreign securities, emerging markets, derivatives and sovereign debt. High portfolio turnover resulting from active and frequent trading results in higher markups and other transaction costs and can result in a greater amount of dividends from ordinary income rather than capital gains.

## BlackRock Inflation Protected Bond Portfolio

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

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

The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements or dollar rolls). The Fund may engage in active and frequent trading of portfolio securities to achieve its primary investment strategies.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed-income investments, including, but not limited to, commodities related investments risk, deflation risk, derivatives risk, dollar rolls risk, emerging markets risk, foreign securities risk, high portfolio turnover risk, leverage risk, illiquid investments risk, indexed and inverse securities risk, inflation-indexed bonds risk, market and selection risk, mortgage- and asset-backed securities risk, non-investment grade securities risk, repurchase agreements and purchase and sale contracts risk, reverse repurchase agreements risk, subsidiary risk, U.S. government issuer risk and credit risk. In addition, because the Fund may invest a portion of its assets in derivative instruments, the Fund is exposed to the risks associated with such investments. Derivatives may be volatile and involve significant risks, including credit risk, counterparty risk (the risk that the counterparty in a transaction will be unable to honor its obligations), leverage risk (the risk that relatively small market movements may result in large changes in the value of an investment) and liquidity risk (the risk that certain securities may be difficult or impossible to sell at the time or price that the seller would like). The Fund may invest in mortgage-backed and asset-backed securities. In addition to the normal fixed income investment risks, these securities are subject to prepayment risk and extension risk, and may involve more volatility than other bonds of similar maturities. Additional principal risks are identified in the Fund's prospectus.

### BlackRock Low Duration Bond Portfolio

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek to maximize total return, consistent with income generation and prudent investment management. The Fund invests primarily in investment grade bonds and maintains an average portfolio duration that is between 0 and 3 years. Investment grade bonds are bonds rated in the four highest categories by at least one of the major rating agencies or determined by the management team to be of similar quality. The Fund normally invests at least 80% of its assets in debt securities. The Fund may invest up to 20% of its assets in non-investment grade bonds (commonly called "high yield" or "junk bonds"). The Fund may also invest up to 35% of its assets in assets of foreign issuers, of which 10% (as a percentage of the Fund's assets) may be invested in emerging markets issuers. Up to 10% of the Fund's assets may be exposed to non-US currency risk. A bond of a foreign issuer, including an emerging market issuer, will not count toward the 10% limit on non-US currency exposure if the bond is either (i) US dollar-denominated or (ii) non-US dollar-denominated, but hedged back to US dollars. The Fund may also invest up to 5% of its assets in convertible securities with a minimum rating of B. The management team selects bonds from several sectors including: U.S. Treasuries and agency securities, commercial and residential mortgage-backed securities, collateralized mortgage obligations, asset-backed securities and corporate bonds.

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

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed-income investments, including, but not limited to, borrowing risk, dollar rolls risk, emerging markets risk, leverage risk, liquidity risk, market and selection risk, credit risk and U.S. government issuer risk. In addition, because the Fund may invest a portion of its assets in derivative instruments, the Fund is exposed to the risks associated with such investments. Derivatives may be volatile and involve significant risks, including credit risk, counterparty risk (the risk that the counterparty in a transaction will be unable to honor its obligations), leverage risk (the risk that relatively small market movements may result in large changes in the value of an investment) and liquidity risk (the risk that certain securities may be difficult or impossible to sell at the time or price that the seller would like). The Fund may invest in mortgage-backed and asset-backed securities. In addition to the normal fixed income investment risks, these securities are subject to prepayment risk and extension risk, and may involve more volatility than other bonds of similar maturities. The Fund is also subject to the special risks associated with foreign securities, emerging markets, derivatives and sovereign debt. High portfolio turnover resulting from active and frequent trading results in higher markups and other transaction costs and can result in a greater amount of dividends from ordinary income rather than capital gains.

### BlackRock Total Return Fund

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

Under normal circumstances, the Fund invests at least 80% of its assets in bonds and invests primarily in investment grade fixed-income securities. The Fund may invest in fixed-income securities of any duration or maturity.

The Fund may invest up to 30% of its net assets in securities of foreign issuers, of which 20% (as a percentage of the Fund's net assets) may be in emerging markets issuers. Investments in U.S. dollar-denominated securities of foreign issuers, excluding issuers from emerging markets, are permitted beyond the 30% limit. This means that the Fund may invest in such U.S. dollar-denominated securities of foreign issuers without limit. The Fund may also invest in derivative securities for hedging purposes or to increase the return on its investments. The Fund may also invest in credit-linked notes, credit-linked trust certificates, structured notes, or other instruments evidencing interests in special purpose vehicles, trusts, or other entities that hold or represent interests in fixed-income securities. The Fund may also enter into reverse repurchase agreements and mortgage dollar rolls.

The Fund may invest up to 20% of its net assets in fixed-income securities that are rated below investment grade by the Nationally Recognized Statistical Rating Organizations, including Moody's Investor Service, Inc., S&P Global Ratings or Fitch Ratings, Inc., or in unrated securities of equivalent credit quality. Split rated bonds will be considered to have the higher credit rating.

The Fund may invest up to 15% of its net assets in collateralized debt obligations ("CDOs"), of which 10% (as a percentage of the Fund's net assets) may be in collateralized loan obligations ("CLOs"). CDOs are types of asset-backed securities. CLOs are ordinarily issued by a trust or other special purpose entity and are typically collateralized by a pool of loans, which may include, among others, domestic and non-U.S. senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans, held by such issuer.

The Fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in commodity-linked derivative instruments and investment vehicles that exclusively invest in commodities such as exchange traded funds, which are designed to provide this exposure without direct investment in physical commodities.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed-income investments, including, but not limited to, interest rate risk and credit risk. The Fund may invest its assets in foreign securities, which may involve additional risks beyond those of U.S. securities, such as changes in foreign currency exchange rates, liquidity risk, and political, social and economic instability. In addition, because the Fund may invest a portion of its assets in derivative instruments, the Fund is exposed to the risks associated with such investments. Derivatives may be volatile and involve significant risks, including credit risk, counterparty risk (the risk that the counterparty in a transaction will be unable to honor its obligations), leverage risk (the risk that relatively small market movements may result in large changes in the value of an investment) and liquidity risk (the risk that certain securities may be difficult or impossible to sell at the time or price that the seller would like), and structured note risk. The Fund may invest in mortgage-backed and asset-backed securities, which may be subject to prepayment risk (when interest rates fall) or extension risk (when interest rates rise). The Fund is also subject to the special risks associated with investments in foreign securities, derivatives, junk bonds and sovereign debt. In addition, exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities.

## BlackRock High Yield Bond Portfolio

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek to maximize total return, consistent with income generation and prudent investment management. The Fund invests primarily in non-investment grade bonds with maturities of ten years or less. The Fund normally invests at least 80% of its assets in high yield bonds. The high yield securities (commonly called "junk bonds") acquired by the Fund will generally be in the lower rating categories of the major rating agencies (BB or lower by S&P Global Ratings or Fitch Ratings, Inc. or Ba or lower by Moody's Investor Services, Inc.) or will be determined by the Fund management team to be of similar quality. The Fund may invest up to 30% of its assets in non-dollar denominated bonds of issuers located outside of the United States. The Fund's investment in non-dollar denominated bonds may be on a currency hedged or unhedged basis. The management team can invest in a wide range of securities including corporate bonds, mezzanine investments, collateralized bond obligations, bank loans and mortgage-backed and asset-backed securities. The Fund can also invest, to the extent consistent with its investment objective, in non-U.S. and emerging market securities and currencies. The Fund may invest in securities of any rating, and may invest up to 10% of its assets (measured at the time of investment) in distressed securities that are in default or the issuers of which are in bankruptcy. The Fund may buy or sell options or futures on a security or an index of securities, or enter into credit default swaps and interest rate or foreign currency transactions, including swaps (collectively, commonly known as derivatives). The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements or dollar rolls). The Fund may engage in active and frequent trading of portfolio securities to achieve its principal investment strategies.

The Fund may also invest in convertible and preferred securities. Convertible debt securities will be counted toward the Fund's 80% policy to the extent they have characteristics similar to the securities included within that policy. Convertible securities generally are debt securities or preferred stock that may be converted into common stock. Convertible securities typically pay current income as either interest (debt security convertibles) or dividends (preferred stock convertibles). A convertible security's value usually reflects both the stream of current income payments and the market value of the underlying stock. Preferred stock is a class of stock that often pays dividends at a specified rate and has preference over common stock in dividend payments and liquidation of assets. The Fund may use derivative instruments to hedge its investments or to seek to enhance returns.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed-income investments, including, but not limited to, borrowing risk, dollar rolls risk, emerging markets risk, interest rate risk, leverage risk, liquidity risk, market and selection risk, credit risk and U.S. government issuer risk. In addition, because the Fund may invest a portion of its assets in derivative instruments, the Fund is exposed to the risks associated with such investments. Derivatives may be volatile and involve significant risks, including credit risk, counterparty risk (the risk that the counterparty in a transaction will be unable to honor its obligations), leverage risk (the risk that relatively small market movements may result in large changes in the value of an investment) and liquidity risk (the risk that certain securities may be difficult or impossible to sell at the time or price that the seller would like). The Fund may invest in mortgage-backed and asset-backed securities. In addition to the normal fixed income investment risks, these securities are subject to prepayment risk and extension risk, and may involve more volatility than other bonds of similar maturities. The Fund is also subject to the special risks associated with foreign securities, emerging markets, derivatives and sovereign debt. High portfolio turnover resulting from active and frequent trading results in higher markups and other transaction costs and can result in a greater amount of dividends from ordinary income rather than capital gains Additionally, the Fund is subject to bank loan risk, collateralized bond risk, and mezzanine risk.

## BlackRock Strategic Income Opportunities Portfolio

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

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

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

The management team may, when consistent with the Fund's investment goal, buy or sell options or futures on a security or an index of securities, or enter into swap agreements, including total return, interest rate and credit default swaps, or foreign currency transactions (collectively, commonly known as derivatives). The Fund typically uses derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as currency risk. The Fund may also use derivatives for leverage, in which case their use would involve leveraging risk. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements or mortgage dollar rolls, which involve a sale by the Fund of a mortgage-backed security concurrently with an agreement by the Fund to repurchase a similar security at a later date at an agreed-upon price). The Fund may invest in indexed and inverse floating rate securities.

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

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

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed-income investments, including, but not limited to, borrowing risk, dollar rolls risk, emerging markets risk, interest rate risk, leverage risk, liquidity risk, market and selection risk, credit risk and U.S. government issuer risk. The Fund is also subject to commodities related investments risk, corporate loans risk, investment in other investment companies risk, junk (non-investment grade) bonds risk, short sales risk, and zero coupon securities risk.

In addition, because the Fund may invest a portion of its assets in derivative instruments, the Fund is exposed to the risks associated with such investments. Derivatives may be volatile and involve significant risks, including credit risk, counterparty risk (the risk that the counterparty in a transaction will be unable to honor its obligations), leverage risk (the risk that relatively small market movements may result in large changes in the value of an investment) and liquidity risk (the risk that certain securities may be difficult or impossible to sell at the time or price that the seller would like).

The Fund may invest up to 15% of its net assets in CDOs, of which 10% (as a percentage of the Fund's net assets) may be CLOs. CDOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the risk that the collateral may default or decline in value or be downgraded, if rated by a nationally recognized statistical rating organization; (iii) the Fund may invest in tranches of CDOs that are subordinate to other tranches; (iv) the structure and complexity of the transaction and the legal documents could lead to disputes among investors regarding the characterization of proceeds; (v) the investment return achieved by the Fund could be significantly different than those predicted by financial models; (vi) the lack of a readily available secondary market for CDOs; (vii) risk of forced "fire sale" liquidation due to technical defaults such as coverage test failures; and (viii) the CDO's manager may perform poorly. In addition, investments in CDOs may be characterized by the Fund as illiquid securities.

The Fund may invest in mortgage-backed and asset-backed securities. In addition to the normal fixed income investment risks, these securities are subject to prepayment risk and extension risk, and may involve more volatility than other bonds of similar maturities.

The Fund is also subject to the special risks associated with foreign securities, emerging markets, derivatives and sovereign debt.

High portfolio turnover resulting from active and frequent trading results in higher markups and other transaction costs and can result in a greater amount of dividends from ordinary income rather than capital gains.

By investing in the Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary's investments. The commodity-related instruments held by the Subsidiary are generally similar to those that are permitted to be held by the Fund and are subject to the same risks that apply to similar investments if held directly by the Fund. There can be no assurance that the investment objective of the Subsidiary will be achieved. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the Fund and/or the Subsidiary to operate as described and could adversely affect the Fund.

## CASH ALLOCATION ACCOUNT

Many of the Portfolios invest in the Cash Allocation Account.

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

***Principal Risks of Investing*** – An investment in the Cash Allocation Account is not insured or guaranteed by any government agency, the Program Distributor, the Investment Manager, the Sub-Advisors, the Program Manager or FAME and involves credit and interest rate risks. Investment in Maine CDs involve some of the special considerations discussed under "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS-Investment Risks of Underlying Funds - *Underlying Funds Investing in Fixed Income Securities (Including Money Market Securities)*."

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

| ***Cash Allocation Account*** | | | | | | |
|---|---|---|---|---|---|---|
| **Average Annual Total Return* as of June 30, 2021** | | | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **10 Years** | **Since Inception** | **Inception Date** |
| Cash Allocation Account | 0.00% | 1.13% | 1.00% | 0.54% | 1.21% | 09/05/01** |

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

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

## iSHARES PORTFOLIOS

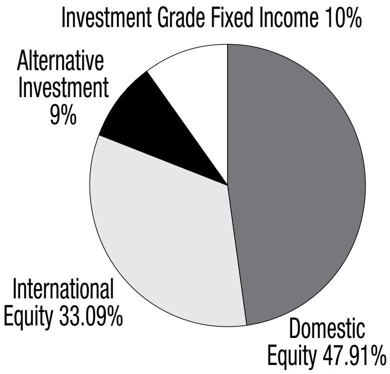
***General*** – Substantially all of the assets of each iShares Portfolio (each of which is also a BlackRock Portfolio) are invested in iShares ETFs that are recommended by BlackRock for that iShares Portfolio and approved by FAME for use in that iShares Portfolio. Certain iShares Portfolios may hold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

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

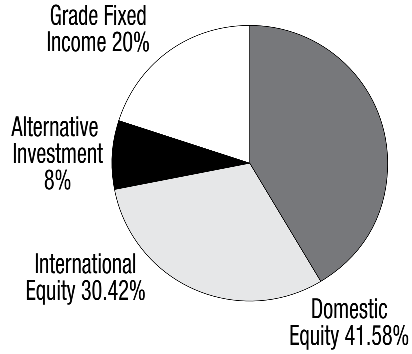
BlackRock and its affiliates had approximately $9.5 trillion in assets under management as of June 30, 2021.

The following charts illustrate the current target asset allocation of each age-band of the iShares Age-Based Diversified Portfolio.

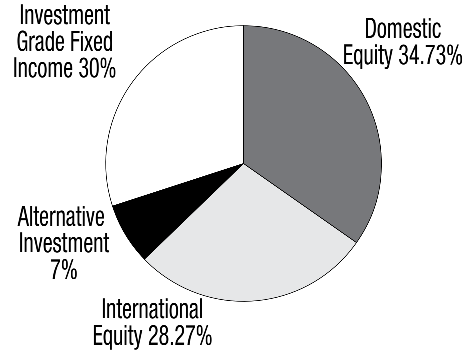
# BLACKROCK PORTFOLIOS



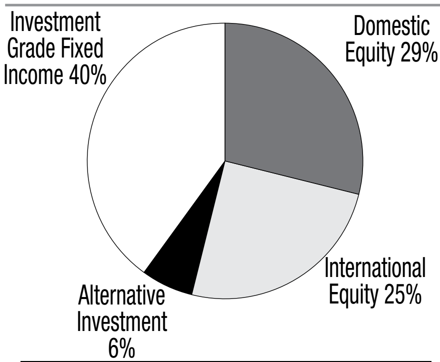

**iShares Age-Based 0-1 Year Portfolio**



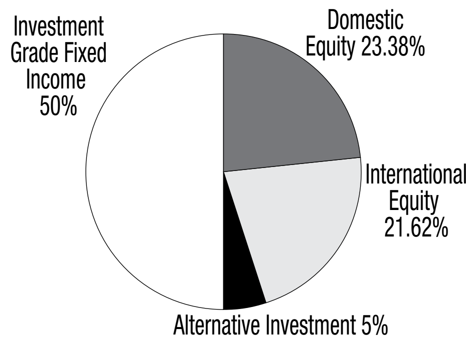

**iShares Age-Based 2-4 Years Portfolio**



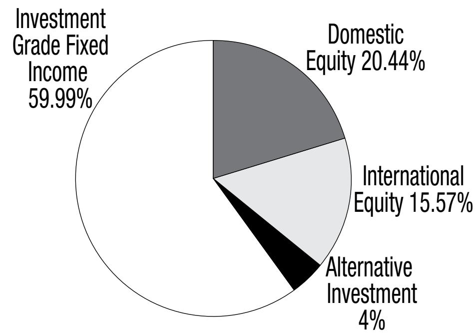

**iShares Age-Based 5-7 Years Portfolio**



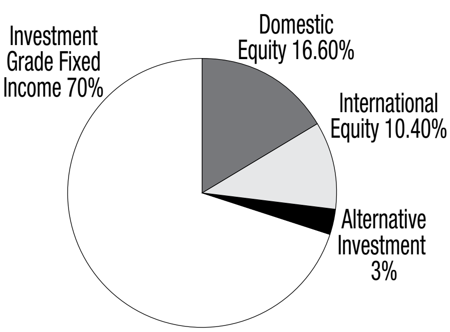

**iShares Age-Based 8-11 Years Portfolio**



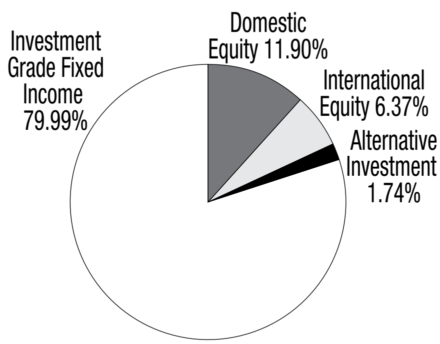

**iShares Age-Based 12-13 Years Portfolio**



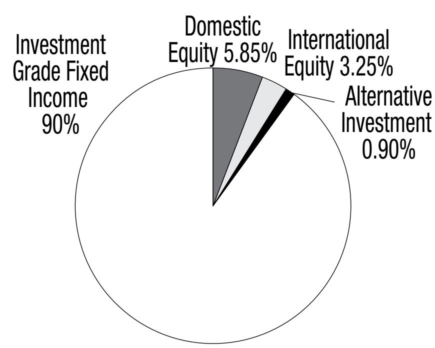

**iShares Age-Based 14-15 Years Portfolio**



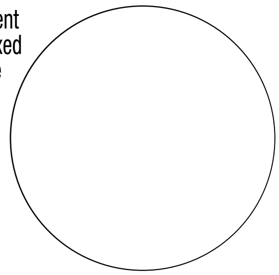

**iShares Age-Based 16 Years Portfolio**




**iShares Age-Based 17 Years Portfolio**

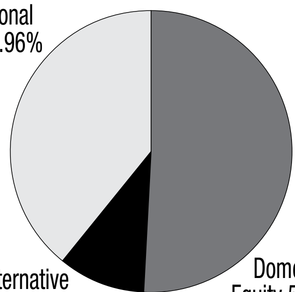



**iShares Age-Based 18 Years Portfolio**

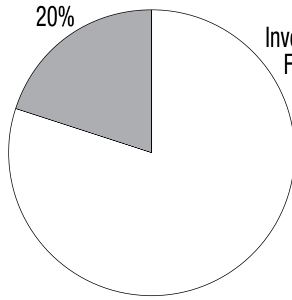



**iShares Age-Based 19+ Years Portfolio**

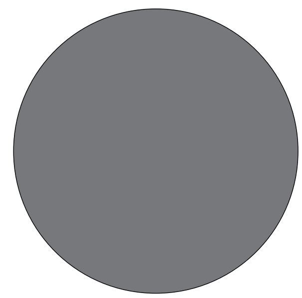
The following charts illustrate the current target asset allocation of each iShares Diversified Portfolio and Single Fund Portfolio.



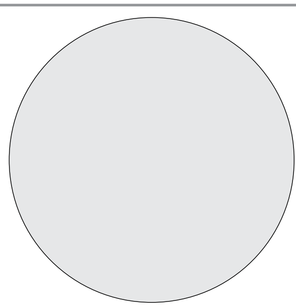

**iShares Diversified Equity Portfolio**



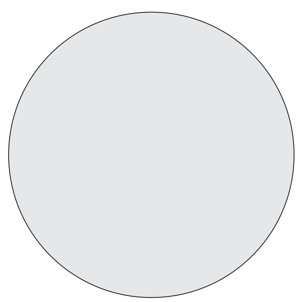

**iShares Diversified Fixed Income Portfolio**



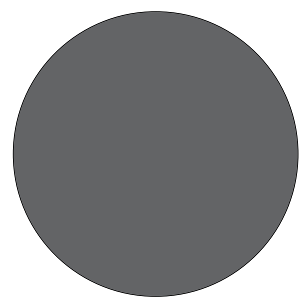

**iShares MSCI USA ESG Select Portfolio**



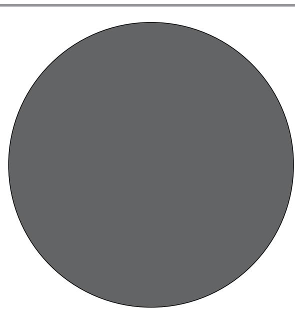

**iShares Core MSCI EAFE Portfolio**



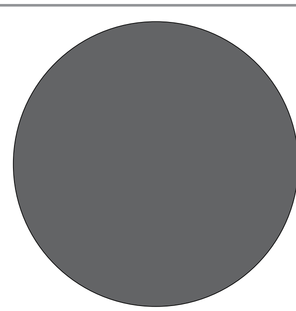

**iShares Core MSCI EM Portfolio**



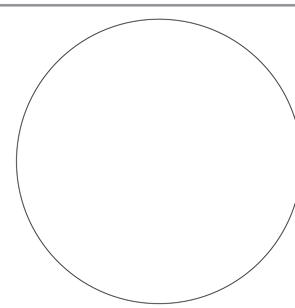

**iShares Core Conservative Allocation Portfolio**




**iShares Core Growth Allocation Portfolio**




**iShares Core Moderate Allocation Portfolio**




**iShares TIPS Bond Portfolio**

# BLACKROCK PORTFOLIOS

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

| | iShares | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Underlying Fund** | **Fund Ticker** | **Age-Based 0-1 Year Portfolio** | **Age-Based 2-4 Years Portfolio** | **Age-Based 5-7 Years Portfolio** | **Age-Based 8-11 Years Portfolio** | **Age-Based 12-13 Years Portfolio** | **Age-Based 14-15 Years Portfolio** | **Age-Based 16 Years Portfolio** | **Age-Based 17 Years Portfolio** | **Age-Based 18 Years Portfolio** | **Age-Based 19+ Years Portfolio** |
| **Domestic Equity Fund** | | | | | | | | | | | |
| iShares Core S&P Total U.S. Stock Market ETF | ITOT | 47.91% | 41.58% | 34.73% | 29.00% | 23.38% | 20.44% | 16.60% | 11.90% | 5.85% | 0.00% |
| **International Equity Fund** | | | | | | | | | | | |
| iShares Core MSCI Total International Stock ETF | IXUS | 33.09% | 30.42% | 28.27% | 25.00% | 21.62% | 15.57% | 10.40% | 6.37% | 3.25% | 0.00% |
| **Alternative Investment Fund** | | | | | | | | | | | |
| iShares Cohen & Steers REIT ETF | ICF | 9.00% | 8.00% | 7.00% | 6.00% | 5.00% | 4.00% | 3.00% | 1.74% | 0.90% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | | | | |
| iShares Short Treasury Bond ETF | SHV | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 5.43% | 7.05% | 22.16% | 38.86% | 52.81% |
| iShares 1-3 Year Treasury Bond ETF | SHY | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 5.48% | 7.12% | 22.38% | 39.26% | 47.19% |
| iShares Core U.S. Aggregate Bond ETF | AGG | 7.41% | 14.82% | 22.22% | 29.63% | 37.04% | 36.36% | 47.21% | 30.83% | 10.33% | 0.00% |
| iShares 20+ Year Treasury Bond ETF | TLT | 1.48% | 2.96% | 4.45% | 5.93% | 7.41% | 7.27% | 1.54% | 0.00% | 0.00% | 0.00% |
| iShares TIPS Bond ETF | TIP | 1.11% | 2.22% | 3.33% | 4.44% | 5.55% | 5.45% | 7.08% | 4.62% | 1.55% | 0.00% |

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

| | iShares | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Underlying Fund** | **Fund Ticker** | **Diversified Equity Portfolio** | **Diversified Fixed Income Portfolio** | **Core Conservative Allocation Portfolio** | **Core Growth Allocation Portfolio** | **Core Moderate Allocation Portfolio** | **Core MSCI EAFE Portfolio** | **Core MSCI EM Portolio** | **MSCI USA ESG Select Portfolio** | **TIPS Bond Portfolio** |
| **Domestic Equity Funds** | | | | | | | | | | |
| iShares Core S&P Total U.S. Stock Market ETF | ITOT | 51.04% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| iShares MSCI USA ESG Select ETF | SUSA | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% |
| **International Equity Funds** | | | | | | | | | | |
| iShares Core MSCI EAFE ETF | IEFA | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% |
| iShares Core MSCI EM ETF | IEMG | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% |
| iShares Core MSCI Total International Stock ETF | IXUS | 38.96% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Mixed Asset Funds** (The Funds may invest in the domestic equity, international equity, investment grade fixed income, non-investment grade fixed income, and money market securities investment sectors) | | | | | | | | | | |
| iShares Core Conservative Allocation ETF | AOK | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| iShares Core Growth Allocation ETF | AOR | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| iShares Core Moderate Allocation ETF | AOM | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Alternative Investment Fund** | | | | | | | | | | |
| iShares Cohen & Steers REIT ETF | ICF | 10.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | | | |
| iShares Core U.S. Aggregate Bond ETF | AGG | 0.00% | 36.15% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| iShares Short Treasury Bond ETF | SHV | 0.00% | 19.31% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| iShares 1-3 Year Treasury Bond ETF | SHY | 0.00% | 19.12% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| iShares TIPS Bond ETF | TIP | 0.00% | 5.42% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| **Non-Investment Grade Fixed Income Fund** | | | | | | | | | | |
| iShares iBoxx $ High Yield Corporate Bond ETF | HYG | 0.00% | 20.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

***Historical Investment Performance*** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of each iShares Portfolio, as of June 30, 2021, with or without sales charges. The $50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at www. nextgenforme.com. You may also contact your Financial Intermediary. Each iShares Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. The assets invested in the Age-Based Diversified Portfolios on behalf of particular Designated Beneficiaries are automatically transferred to a successive age-band of the Portfolio when the Designated Beneficiary reaches a given age, and may not have been invested in the referenced Portfolio for the entire period reported. **The performance data relating to the iShares Portfolios set forth below is for the limited time period presented and is not indicative of the future performance of the iShares Portfolios.**

| ***Client Select Series - A Unit Class*** | | | | | |
|---|---|---|---|---|---|
| | **Average Annual Total Return[1] as of June 30, 2021 (Without Sales Charges)** | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **Since Inception[2]** | **Inception Date** |
| **Age-Based Diversified Portfolios** | | | | | |
| iShares Age-Based 0-1 Year Portfolio[3] | 35.34% | 13.56% | 12.37% | 10.12% | 11/12/13 |
| iShares Age-Based 2-4 Years Portfolio | 30.60% | N/A | N/A | 17.28% | 10/28/19 |
| iShares Age-Based 5-7 Years Portfolio[4] | 26.06% | 11.66% | N/A | 10.18% | 10/30/17 |
| iShares Age-Based 8-11 Years Portfolio[5] | 21.66% | 10.84% | 9.62% | 8.05% | 11/19/13 |
| iShares Age-Based 12-13 Years Portfolio[6] | 17.51% | 9.78% | 8.23% | 7.00% | 11/27/13 |
| iShares Age-Based 14-15 Years Portfolio[7] | 13.66% | 8.48% | 6.59% | 5.72% | 12/06/13 |
| iShares Age-Based 16 Years Portfolio | 10.59% | N/A | N/A | 8.65% | 10/28/19 |
| iShares Age-Based 17 Years Portfolio[8] | 7.01% | 5.45% | 4.24% | 3.63% | 11/15/13 |
| iShares Age-Based 18 Years Portfolio | 3.23% | N/A | N/A | 3.31% | 10/28/19 |
| iShares Age-Based 19+ Years Portfolio[9] | -0.56% | 1.54% | 1.18% | 0.92% | 12/05/13 |
| **Diversified Portfolios** | | | | | |
| iShares Diversified Equity Portfolio | 39.76% | 13.93% | 13.76% | 11.13% | 11/11/13 |
| iShares Diversified Fixed Income Portfolio | 2.07% | 3.90% | 2.44% | 2.21% | 11/18/13 |
| **Single Fund Portfolios** | | | | | |
| iShares Core Conservative Allocation Portfolio | 10.72% | 7.38% | 5.92% | 4.75% | 11/11/13 |
| iShares Core Growth Allocation Portfolio | 22.26% | 10.00% | 9.26% | 7.17% | 11/11/13 |
| iShares Core Moderate Allocation Portfolio | 14.57% | 8.23% | 7.05% | 5.55% | 11/11/13 |
| iShares Core MSCI EAFE Portfolio | 33.55% | N/A | N/A | 13.38% | 10/28/19 |
| iShares Core MSCI EM Portfolio | 42.58% | N/A | N/A | 19.41% | 10/28/19 |
| iShares TIPS Bond Portfolio | 5.48% | N/A | N/A | 7.05% | 10/28/19 |
| iShares MSCI USA ESG Select Portfolio | 43.66% | N/A | N/A | 31.21% | 10/28/19 |

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

2 Performance shown for the iShares Core Conservative Allocation Portfolio, the iShares Core Growth Allocation Portfolio and the iShares Core Moderate Allocation Portfolio reflects the one-time contribution of unrealized gain on seed money invested at the Portfolios' inception in connection with the withdrawal of such seed money. Without that contribution, the Portfolios' performance would have been lower.
3 Formerly, the iShares Age-Based 0-3 Years Portfolio.
4 Formerly, the iShares Age-Based 4-7 Years Portfolio.
5 Formerly, the iShares Age-Based 8-10 Years Portfolio.
6 Formerly, the iShares Age-Based 11-13 Years Portfolio.
7 Formerly, the iShares Age-Based 14-16 Years Portfolio.
8 Formerly, the iShares Age-Based 17-19 Years Portfolio.
9 Formerly, the iShares Age-Based 20+ Years Portfolio.

| ***Client Select Series - A Unit Class*** | | | | | |
|---|---|---|---|---|---|
| | **Average Annual Total Return[1] as of June 30, 2021 (With Sales Charges[3])** | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **Since Inception[2]** | **Inception Date** |
| **Age-Based Diversified Portfolios** | | | | | |
| iShares Age-Based 0-1 Year Portfolio[4] | 35.09% | 13.56% | 12.37% | 10.12% | 11/12/13 |
| iShares Age-Based 2-4 Years Portfolio | 30.35% | N/A | N/A | 17.28% | 10/28/19 |
| iShares Age-Based 5-7 Years Portfolio[5] | 25.81% | 11.66% | N/A | 10.18% | 10/30/17 |
| iShares Age-Based 8-11 Years Portfolio[6] | 21.41% | 10.84% | 9.62% | 8.05% | 11/19/13 |
| iShares Age-Based 12-13 Years Portfolio[7] | 17.26% | 9.78% | 8.23% | 7.00% | 11/27/13 |
| iShares Age-Based 14-15 Years Portfolio[8] | 13.41% | 8.48% | 6.59% | 5.72% | 12/06/13 |
| iShares Age-Based 16 Years Portfolio | 10.34% | N/A | N/A | 8.65% | 10/28/19 |
| iShares Age-Based 17 Years Portfolio[9] | 6.76% | 5.45% | 4.24% | 3.63% | 11/15/13 |
| iShares Age-Based 18 Years Portfolio | 2.98% | N/A | N/A | 3.31% | 10/28/19 |
| iShares Age-Based 19+ Years Portfolio[9] | -0.81% | 1.54% | 1.18% | 0.92% | 12/05/13 |
| **Diversified Portfolios** | | | | | |
| iShares Diversified Equity Portfolio | 39.51% | 13.93% | 13.76% | 11.13% | 11/11/13 |
| iShares Diversified Fixed Income Portfolio | 1.82% | 3.90% | 2.44% | 2.21% | 11/18/13 |
| **Single Fund Portfolios** | | | | | |
| iShares Core Conservative Allocation Portfolio | 10.47% | 7.38% | 5.92% | 4.75% | 11/11/13 |
| iShares Core Growth Allocation Portfolio | 22.01% | 10.00% | 9.26% | 7.17% | 11/11/13 |
| iShares Core Moderate Allocation Portfolio | 14.32% | 8.23% | 7.05% | 5.55% | 11/11/13 |
| iShares Core MSCI EAFE Portfolio | 33.30% | N/A | N/A | 13.38% | 10/28/19 |
| iShares Core MSCI EM Portfolio | 42.33% | N/A | N/A | 19.41% | 10/28/19 |
| iShares TIPS Bond Portfolio | 5.23% | N/A | N/A | 7.05% | 10/28/19 |
| iShares MSCI USA ESG Select Portfolio | 43.41% | N/A | N/A | 31.21% | 10/28/19 |

1 Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smoothes out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.
2 Performance shown for the iShares Core Conservative Allocation Portfolio, the iShares Core Growth Allocation Portfolio and the iShares Core Moderate Allocation Portfolio reflects the one-time contribution of unrealized gain on seed money invested at the Portfolios' inception in connection with the withdrawal of such seed money. Without that contribution, the Portfolios' performance would have been lower.
3 Reflects a CDSC of 0.25% in the first year after purchase.
4 Formerly, the iShares Age-Based 0-3 Years Portfolio.
5 Formerly, the iShares Age-Based 4-7 Years Portfolio.
6 Formerly, the iShares Age-Based 8-10 Years Portfolio.

7 Formerly, the iShares Age-Based 11-13 Years Portfolio.
8 Formerly, the iShares Age-Based 14-16 Years Portfolio.
9 Formerly, the iShares Age-Based 17-19 Years Portfolio.
10 Formerly, the iShares Age-Based 20+ Years Portfolio.

| *Client Select Series - C Unit Class* | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return[1] as of June 30, 2021 (Without Sales Charges) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception[2] | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | |
| iShares Age-Based 0-1 Year Portfolio[3] | 34.26% | 12.62% | 11.45% | 9.09% | 11/12/13 |
| iShares Age-Based 2-4 Years Portfolio | 29.65% | N/A | N/A | 16.42% | 10/28/19 |
| iShares Age-Based 5-7 Years Portfolio[4] | 25.05% | 10.81% | N/A | 9.35% | 10/30/17 |
| iShares Age-Based 8-11 Years Portfolio[5] | 20.71% | 10.04% | 8.79% | 7.19% | 11/19/13 |
| iShares Age-Based 12-13 Years Portfolio[6] | 16.59% | 8.96% | 7.43% | 6.21% | 11/27/13 |
| iShares Age-Based 14-15 Years Portfolio[7] | 12.82% | 7.70% | 5.79% | 4.85% | 12/06/13 |
| iShares Age-Based 16 Years Portfolio | 9.77% | N/A | N/A | 7.85% | 10/28/19 |
| iShares Age-Based 17 Years Portfolio[8] | 6.27% | 4.66% | 3.47% | 2.85% | 11/15/13 |
| iShares Age-Based 18 Years Portfolio | 2.46% | N/A | N/A | 2.55% | 10/28/19 |
| iShares Age-Based 19+ Years Portfolio[9] | -1.27% | 0.77% | 0.42% | 0.16% | 12/05/13 |
| **Diversified Portfolios** | | | | | |
| iShares Diversified Equity Portfolio | 38.74% | 13.08% | 12.92% | 10.18% | 11/11/13 |
| iShares Diversified Fixed Income Portfolio | 1.36% | 3.14% | 1.67% | 1.49% | 11/18/13 |
| **Single Fund Portfolios** | | | | | |
| iShares Core Conservative Allocation Portfolio | 9.98% | 6.55% | 5.14% | 3.96% | 11/11/13 |
| iShares Core Growth Allocation Portfolio | 21.35% | 9.17% | 8.44% | 6.37% | 11/11/13 |
| iShares Core Moderate Allocation Portfolio | 13.71% | 7.43% | 6.27% | 4.77% | 11/11/13 |
| iShares Core MSCI EAFE Portfolio | 32.75% | N/A | N/A | 12.61% | 10/28/19 |
| iShares Core MSCI EM Portfolio | 42.11% | N/A | N/A | 18.72% | 10/28/19 |
| iShares TIPS Bond Portfolio | 4.65% | N/A | N/A | 6.54% | 10/28/19 |
| iShares MSCI USA ESG Select Portfolio | 43.14% | N/A | N/A | 30.71% | 10/28/19 |

1 Average annual total return is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. (Cumulative total return reflects actual change in the value of an investment over a given period.) Average annual total return smoothes out variations in performance; it is not the same as actual year-by-year results. Returns covering periods of less than one year represent cumulative total returns.
2 Performance shown for the iShares Core Conservative Allocation Portfolio, the iShares Core Growth Allocation Portfolio and the iShares Core Moderate Allocation Portfolio reflects the one-time contribution of unrealized gain on seed money invested at the Portfolios' inception in connection with the withdrawal of such seed money. Without that contribution, the Portfolios' performance would have been lower.
3 Formerly, the iShares Age-Based 0-3 Years Portfolio.
4 Formerly, the iShares Age-Based 4-7 Years Portfolio.
5 Formerly, the iShares Age-Based 8-10 Years Portfolio.
6 Formerly, the iShares Age-Based 11-13 Years Portfolio.
7 Formerly, the iShares Age-Based 14-16 Years Portfolio.
8 Formerly, the iShares Age-Based 17-19 Years Portfolio.
9 Formerly, the iShares Age-Based 20+ Years Portfolio.

| *Client Select Series - C Unit Class* | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return[1] as of June 30, 2021 (With Sales Charges[3]) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception[2] | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | |
| iShares Age-Based 0-1 Year Portfolio[4] | 33.26% | 12.62% | 11.45% | 9.09% | 11/12/13 |
| iShares Age-Based 2-4 Years Portfolio | 28.65% | N/A | N/A | 16.42% | 10/28/19 |
| iShares Age-Based 5-7 Years Portfolio[5] | 24.05% | 10.81% | N/A | 9.35% | 10/30/17 |
| iShares Age-Based 8-11 Years Portfolio[6] | 19.71% | 10.04% | 8.79% | 7.19% | 11/19/13 |
| iShares Age-Based 12-13 Years Portfolio[7] | 15.59% | 8.96% | 7.43% | 6.21% | 11/27/13 |
| iShares Age-Based 14-15 Years Portfolio[8] | 11.82% | 7.70% | 5.79% | 4.85% | 12/06/13 |
| iShares Age-Based 16 Years Portfolio | 8.77% | N/A | N/A | 7.85% | 10/28/19 |
| iShares Age-Based 17 Years Portfolio[9] | 5.27% | 4.66% | 3.47% | 2.85% | 11/15/13 |
| iShares Age-Based 18 Years Portfolio | 1.46% | N/A | N/A | 2.55% | 10/28/19 |
| iShares Age-Based 19+ Years Portfolio[10] | -2.27% | 0.77% | 0.42% | 0.16% | 12/05/13 |
| **Diversified Portfolios** | | | | | |
| iShares Diversified Equity Portfolio | 37.74% | 13.08% | 12.92% | 10.18% | 11/11/13 |
| iShares Diversified Fixed Income Portfolio | 0.36% | 3.14% | 1.67% | 1.49% | 11/18/13 |
| **Single Fund Portfolios** | | | | | |
| iShares Core Conservative Allocation Portfolio | 8.98% | 6.55% | 5.14% | 3.96% | 11/11/13 |
| iShares Core Growth Allocation Portfolio | 20.35% | 9.17% | 8.44% | 6.37% | 11/11/13 |
| iShares Core Moderate Allocation Portfolio | 12.71% | 7.43% | 6.27% | 4.77% | 11/11/13 |
| iShares Core MSCI EAFE Portfolio | 31.75% | N/A | N/A | 12.61% | 10/28/19 |
| iShares Core MSCI EM Portfolio | 41.11% | N/A | N/A | 18.72% | 10/28/19 |
| iShares TIPS Bond Portfolio | 3.65% | N/A | N/A | 6.54% | 10/28/19 |
| iShares MSCI USA ESG Select Portfolio | 42.14% | N/A | N/A | 30.71% | 10/28/19 |

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

2 Performance shown for the iShares Core Conservative Allocation Portfolio, the iShares Core Growth Allocation Portfolio and the iShares Core Moderate Allocation Portfolio reflects the one-time contribution of unrealized gain on seed money invested at the Portfolios' inception in connection with the withdrawal of such seed money. Without that contribution, the Portfolios' performance would have been lower.

3 Reflects a CDSC of 1.00% in the first year after purchase.

4 Formerly, the iShares Age-Based 0-3 Years Portfolio.

5 Formerly, the iShares Age-Based 4-7 Years Portfolio.

6 Formerly, the iShares Age-Based 8-10 Years Portfolio.

7 Formerly, the iShares Age-Based 11-13 Years Portfolio.

8 Formerly, the iShares Age-Based 14-16 Years Portfolio.

9 Formerly, the iShares Age-Based 17-19 Years Portfolio.

10 Formerly, the iShares Age-Based 20+ Years Portfolio.

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

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

**U.S. Equities –** U.S. domiciled publicly traded common stocks.
**International Equities –** Non-U.S. domiciled publicly traded common stocks.
**Real Estate –** Property and real estate as represented by REITs. **Fixed Income –** Bonds and other income-producing debt securities.
BlackRock Fund Advisors ("BFA"), the investment adviser to each Underlying ETF, is an affiliate of the Investment Manager. BFA and its affiliates are not affiliated with the index provider.

**Principal Investment Strategies of the Underlying ETFs** – BFA uses a "passive" or indexing approach to achieve each Underlying ETF's investment objective. Unlike many investment companies, the Underlying ETFs do not try to "beat" the indexes they track and do not seek temporary defensive positions when markets decline or appear overvalued.

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

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

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

***Investment Objective, Strategy and Policies*** – The iShares Core S&P Total U.S. Stock Market ETF seeks to track the investment results of the S&P Total Market Index™ (the "Underlying Index"), which is comprised of the common equities included in the S&P 500® and the S&P Completion Index™. The Underlying Index consists of all U.S. common equities listed on the New York Stock Exchange (including NYSE Arca, Inc. and NYSE American), the NASDAQ Global Select Market, the NASDAQ Select Market, the NASDAQ Capital Market and Investors Exchange, Cboe BZX, Cboe BYX, Cboe EDGA and Cboe EDGX, Inc. The securities in the Underlying Index are weighted based on the float-adjusted market value of their outstanding shares.

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

### iShares MSCI USA ESG Select ETF

***Investment Objective, Strategy and Policies*** – The iShares MSCI USA ESG Select ETF seeks to track the investment results of the MSCI USA Extended ESG Select Index (the "Underlying Index"), which is an optimized index designed to maximize exposure to favorable environmental, social and governance ("ESG") characteristics, while exhibiting risk and return characteristics similar to the MSCI USA Index. As of April 30, 2020, the Underlying Index consisted of 114 securities included in the MSCI USA Index. MSCI Inc. analyzes each eligible company's ESG performance using proprietary ratings covering ESG and ethics criteria. The index methodology is designed so that companies with relatively high overall ratings have a higher representation in the Underlying Index than in the MSCI USA Index; and companies with relatively low overall ratings have a lower representation in the Underlying Index than in the MSCI USA Index. Exceptions may result from the Underlying Index's objective of having risk and return characteristics similar to the MSCI USA Index. Securities of companies that the Index Provider determines are involved in tobacco, companies involved with the production of controversial weapons, producers and retailers of civilian firearms, as well as major producers of alcohol, gambling, conventional weapons, nuclear weapons and nuclear power, are excluded from the Underlying Index.

***Principal Risks of Investing*** – The Fund is subject to market risk, equity securities risk and ESG investment strategy risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus including asset class risk, concentration risk, currency risk, cyber security risk, information technology sector risk, issuer risk, large-capitalization companies risk, management risk, market risk, operational risk, securities lending risk, and tracking error risk.

### iShares Core MSCI EAFE ETF

***Investment Objective, Strategy and Policies*** – The iShares Core MSCI EAFE ETF seeks to track the investment results of the MSCI EAFE IMI Index (the "Underlying Index"), which has been developed by MSCI Inc. as an equity benchmark for international stock performance. The Underlying Index is designed to measure large-, mid- and small capitalization equity market performance and includes stocks from Europe, Australasia and the Far East and, as of July 31, 2020, consisted of securities from the following 21 developed market countries or regions: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

***Principal Risks of Investing*** – The Fund is subject to market risk, equity securities risk and non-U.S. securities risk as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus include asset class risk, concentration risk, currency risk, cyber security risk, financials sector risk, geographic risk, industrials sector risk, issuer risk, large-capitalization companies risk, management risk, market risk, operational risk, securities lending risk, structural risk, tracking error risk, and valuation risk.

### iShares Core MSCI Emerging Markets ETF

***Investment Objective, Strategy and Policies*** – The iShares Core MSCI Emerging Markets ETF seeks to track the investment results of the MSCI Emerging Markets Investable Market Index (IMI) (the "Underlying Index"), which is designed to measure large-, mid- and small-cap equity market performance in the global emerging markets. As of August 31, 2020, the Underlying Index consisted of securities from the following 26 emerging market countries: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Pakistan, Peru, the Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and the United Arab Emirates. As of August 31, 2020, the Underlying Index was comprised of 2,940 constituents.

***Principal Risks of Investing*** – The Fund is subject to market risk, equity securities risk and the risk of investing in emerging markets, as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus including asset class risk, commodity risk, concentration risk, currency risk, custody risk, cyber security risk, financials sector risk, geographic risk, information technology sector risk, issuer risk, large-capitalization companies risk, management risk, market risk, operational risk, reliance on trading partners risk, securities lending risk, structural risk, tracking error risk, treaty/tax risk and valuation risk.

### iShares Core MSCI Total International Stock ETF

***Investment Objective, Strategy and Policies*** – The iShares Core MSCI Total International Stock ETF seeks to track the investment results of the MSCI ACWI ex USA IMI (the "Underlying Index"), which is a free float-adjusted market capitalization index designed to measure the combined equity market performance of developed and emerging markets countries, excluding the United States. The Underlying Index may include large-, mid- or small-capitalization companies.

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

### iShares Core Conservative Allocation ETF

***Investment Objective, Strategy and Policies*** – The iShares Core Conservative Allocation ETF is a fund of funds and seeks to achieve its investment objective by investing primarily in other iShares underlying funds (the "iShares Underlying ETFs") that themselves seek investment results corresponding to their own respective underlying indexes. The iShares Underlying ETFs invest primarily in distinct asset classes, such as large-, or mid-capitalization U.S. or non-U.S. equity, the aggregate bond market (including allocation to international bonds as well as USD-denominated bonds) or the U.S. Treasury bond market; each such asset class has its own risk profile. The S&P Target Risk Conservative Index (the "Underlying Index") is composed of a portfolio of equity and fixed income iShares Underlying ETFs and measures the performance of the S&P Dow Jones Indices LLC (SPDJI) proprietary allocation model, which is intended to represent a "conservative" target risk allocation strategy as defined by SPDJI. The Underlying Index seeks to emphasize exposure to fixed income, in order to produce a current income stream and avoid excessive volatility of returns. Equities are included in the Underlying Index to seek to protect long-term purchasing power. SPDJI's estimation of a conservative target risk allocation may differ from your own. The Fund is designed for investors seeking current income, capital preservation and avoidance of excessive volatility of returns.

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

### iShares Core Moderate Allocation ETF

***Investment Objective, Strategy and Policies*** – The iShares Core Moderate Allocation ETF is a fund of funds and seeks to achieve its investment objective by investing primarily in other iShares underlying funds (the "iShares Underlying ETFs") that themselves seek investment results corresponding to their own underlying indexes. The iShares Underlying ETFs invest primarily in distinct asset classes, such as large-, or mid-capitalization U.S. or non-U.S. equity, the aggregate bond market (including allocation to international bonds as well as USD-denominated bonds) or the U.S. Treasury bond market; each such asset class has its own risk profile. The S&P Target Risk Moderate Index (the "Underlying Index") is composed of a portfolio of equity and fixed income iShares Underlying ETFs and measures the performance of the S&P Dow Jones Indices LLC (SPDJI) proprietary allocation model, that is intended to represent a "moderate" target risk allocation strategy as defined by SPDJI. The Underlying Index seeks to provide significant exposure to fixed income, while also providing increased opportunity for capital growth through equities. SPDJI's estimation of a moderate target risk allocation may differ from your own. The Fund is designed for investors seeking current income, some capital preservation and an opportunity for moderate to low capital appreciation.

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

### iShares Core Growth Allocation ETF

***Investment Objective, Strategy and Policies*** – The iShares Core Growth Allocation ETF is a fund of funds and seeks to achieve its investment objective by investing primarily in other iShares underlying funds (the "iShares Underlying ETFs") that themselves seek investment results corresponding to their own underlying indexes. The iShares Underlying ETFs invest primarily in distinct asset classes, such as large, or mid-capitalization U.S. or non-U.S. equity, the aggregate bond market (including USD-denominated bonds) or the U.S. Treasury bond market; each such asset class has its own risk profile. The S&P Target Risk Growth Index (the "Underlying Index") is composed of a portfolio of equity and fixed income iShares Underlying ETFs and measures the performance of the S&P Dow Jones Indices LLC (SPDJI) proprietary allocation model, that is intended to represent a "growth" target risk allocation strategy as defined by SPDJI. The Underlying Index seeks to provide increased exposure to equities, while also using some fixed income exposure to dampen risk. SPDJI's estimation of a growth target risk allocation may differ from your own. The Fund is designed for investors seeking moderate capital appreciation and some opportunity for current income and capital preservation.

***Principal Risks of Investing*** – **T**he Fund is subject to market risk, affiliated fund risk, allocation risk, equity securities risk, and the risks of fixed income investments as well as the risks and special considerations associated with investing in an index fund. Additional principal risks are identified in the Fund's prospectus.

## ALTERNATIVE INVESTMENT FUND

### iShares Cohen & Steers REIT ETF

***Investment Objective, Strategy and Policies*** – The iShares Cohen & Steers REIT ETF seeks to track the investment results of the Cohen & Steers Realty Majors Index (the "Underlying Index"), which consists of real estate investment trusts ("REITs"). The objective of the Underlying Index is to represent relatively large and liquid REITs that may benefit from future consolidation and securitization of the U.S. real estate industry. REITs are selected for inclusion in the Underlying Index based on a review of several factors, including management, portfolio quality, capital structure and sector and geographic diversification. The REITs selected for inclusion in the Underlying Index must meet minimum market capitalization and trading volume requirements. The Underlying Index is weighted according to the total free float adjusted market value of each REIT's outstanding shares and is adjusted quarterly so that no REIT represents more than 8% of the Underlying Index. Within the REIT market, the Underlying Index is diversified across property sectors that represent the current market.

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

## INVESTMENT GRADE FIXED INCOME FUNDS

### iShares 1-3 Year Treasury Bond ETF

***Investment Objective, Strategy and Policies*** – The iShares 1-3 Year Treasury Bond ETF seeks to track the investment results of the ICE U.S. Treasury 1-3 Year Bond Index (the "Underlying Index"), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to one year and less than three years. The Underlying Index consists of publicly issued U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than three years and have $300 million or more of outstanding face value, excluding amounts held by the Federal Reserve System. In addition, the securities in the Underlying Index must be fixed rate and denominated in U.S. dollars. The Underlying Index is market value weighted and the securities in the Underlying Index are updated on the last business day of each month.

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

### iShares 20+ Year Treasury Bond ETF

**Investment Objective, Strategy and Policies** – The iShares 20+ Year Treasury Bond ETF seeks to track the investment results of the ICE U.S. Treasury 20+ Year Bond Index (the "Underlying Index"), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity greater than or equal to twenty years. As of February 29, 2020, there were 40 issues in the Underlying Index. The Underlying Index consists of publicly-issued U.S. Treasury securities that have a remaining maturity greater than or equal to twenty years and have $300 million or more of outstanding face value, excluding amounts held by the Federal Reserve System (the "Fed"). In addition, the securities in the Underlying Index must be fixed-rate and denominated in U.S. dollars. Excluded from the Underlying Index are inflationlinked securities, Treasury bills, cash management bills, any government agency debt issued with or without a government guarantee and zero-coupon issues that have been stripped from coupon-paying bonds. The Underlying Index is market value weighted, and the securities in the Underlying Index are updated on the last business day of each month.

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

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

***Investment Objective, Strategy and Policies*** – The iShares Core U.S. Aggregate Bond ETF seeks to track the investment results of the Bloomberg Barclays U.S. Aggregate Bond Index (the "Underlying Index"), which measures the performance of the total U.S. investment-grade (as determined by Bloomberg Index Services Limited ("Bloomberg")) bond market. The Underlying Index includes investment-grade U.S. Treasury bonds, government-related bonds, corporate bonds, mortgage-backed pass-through securities ("MBS"), commercial mortgage-backed securities and asset-backed securities ("ABS") that are publicly offered for sale in the United States. The securities in the Underlying Index must have $300 million or more of outstanding face value and must have at least one year remaining to maturity, with the exception of amortizing securities such as ABS and MBS, which have lower thresholds as defined by Bloomberg. In addition, the securities in the Underlying Index must be denominated in U.S. dollars and must be fixed-rate and nonconvertible. Certain types of securities, such as state and local government series bonds, structured notes with embedded swaps or other special features, private placements, floating-rate securities and bonds that have been issued in one country's currency but are traded outside of that country in a different monetary and regulatory system (Eurobonds), are excluded from the Underlying Index. The Underlying Index is market capitalization-weighted, and the securities in the Underlying Index are updated on the last business day of each month.

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

### iShares Short Treasury Bond ETF

***Investment Objective, Strategy and Policies*** – The iShares Short Treasury Bond ETF seeks to track the investment results of the ICE Short U.S. 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. 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.

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

### iShares TIPS Bond ETF

***Investment Objective, Strategy and Policies*** – The iShares TIPS Bond ETF seeks to track the investment results of the Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) (the "Underlying Index"), which measures the performance of the inflation-protected public obligations of the U.S. Treasury, commonly known as "TIPS." TIPS are securities issued by the U.S. Treasury that are designed to provide inflation protection to investors. TIPS are income-generating instruments whose interest and principal payments are adjusted for inflation - a sustained increase in prices that erodes the purchasing power of money. The inflation adjustment, which is typically applied monthly to the principal of the bond, follows a designated inflation index, the Consumer Price Index ("CPI"), and TIPS' principal payments are adjusted according to changes in the CPI . A fixed coupon rate is applied to the inflation-adjusted principal so that as inflation rises, both the principal value and the interest payments increase. This can provide investors with a hedge against inflation, as it helps preserve the purchasing power of an investment. Because of this inflation adjustment feature, inflation-protected bonds typically have lower yields than conventional fixed-rate bonds. The Underlying Index includes all publicly-issued U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment-grade (as determined by Bloomberg Index Services Limited) and have $300 million or more of outstanding face value, excluding amounts held by the Federal Reserve System (the "Fed") Open Market Account or bought as issuance by the Fed. In addition, the securities in the Underlying Index must be denominated in U.S. dollars and must be fixed-rate and non-convertible. The Underlying Index is market capitalization-weighted and the securities in the Underlying Index are updated on the last calendar day of each month.

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

### iShares iBoxx $ High Yield Corporate Bond ETF

***Investment Objective, Strategy and Policies*** – The iShares iBoxx $ High Yield Corporate Bond ETF seeks to track the investment results of the Markit iBoxx® USD Liquid High Yield Index (the "Underlying Index"), which is a rules-based index consisting of U.S. dollar-denominated, high yield (as determined by Markit Indices Limited ("Markit")) corporate bonds for sale in the United States. The Underlying Index is designed to provide a broad representation of the U.S. dollar-denominated liquid high yield 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. Bonds in the Underlying Index are selected from the universe of eligible bonds in the Markit iBoxx USD Corporate Bond Index using defined rules. As of June 29, 2020, the bonds eligible for inclusion in the Underlying Index include U.S. dollar-denominated high yield corporate bonds that: (i) are issued by companies domiciled in countries classified as developed markets by Markit; (ii) have an average rating of sub-investment grade (ratings from Fitch Ratings, Inc., Moody's Investors Service, Inc. or S&P Global Ratings are considered; if more than one agency provides a rating, the average rating is attached to the bond); (iii) are from issuers with at least $1 billion outstanding face value; (iv) have at least $400 million of outstanding face value; (v) have an original maturity date of less than 15 years; (vi) have at least one year to maturity; and (vii) have at least one year and 6 months to maturity for new index insertions.

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

.

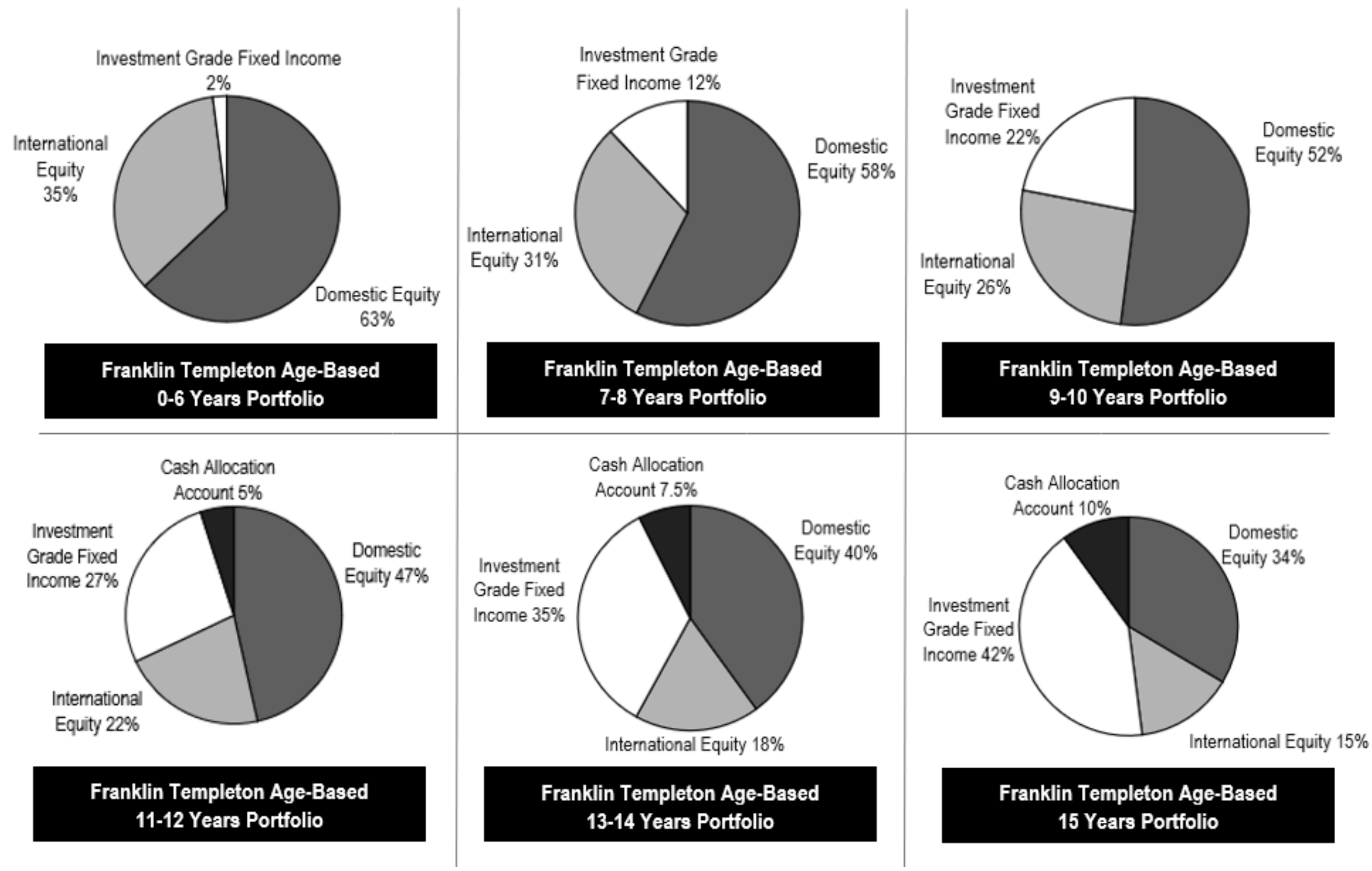
## FRANKLIN TEMPLETON PORTFOLIOS

***General*** – Substantially all of the assets of each Franklin Templeton Portfolio are invested in Institutional Class shares of the Underlying Fund(s) that are recommended by Franklin Templeton for that Portfolio and approved by FAME for use in the Franklin Templeton Portfolios. A portion of certain Franklin Templeton Portfolios may be held in the Cash Allocation Account as described on page 101.

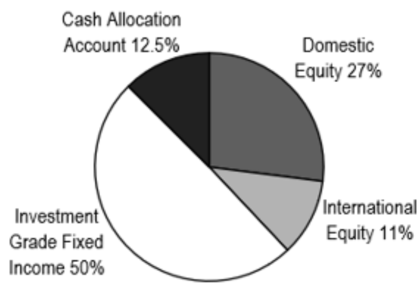
All of these Underlying Funds (excluding the Cash Allocation Account) in which Franklin Templeton Portfolios invest are currently managed by the advisory subsidiaries of Franklin Resources, Inc. (NYSE: BEN), an investment organization operating as Franklin Templeton Investments, which had over $1.5 trillion in assets under management as of June 30, 2021.

Franklin Templeton currently manages over 300 mutual funds registered under the Investment Company Act of 1940, including, in addition to mutual funds within the Franklin or Templeton fund families, mutual funds within the Brandywine, Clearbridge, Martin Currie and Western Asset fund families.

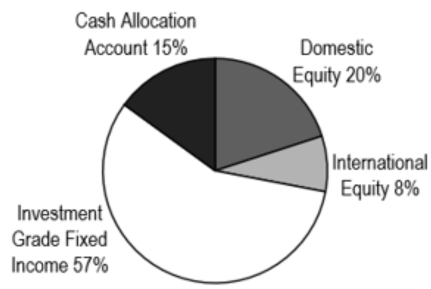
The following charts illustrate the current target asset allocation of each age-band of the Franklin Templeton Age-Based Diversified Portfolio.



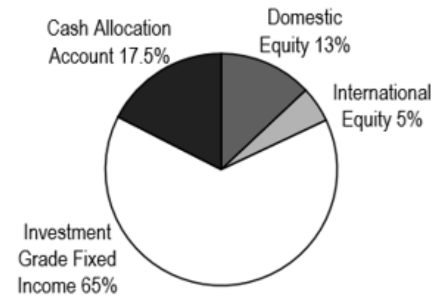
# FRANKLIN TEMPLETON PORTFOLIOS



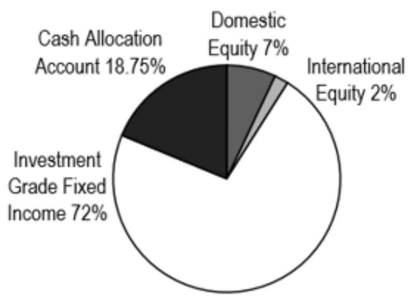

**Franklin Templeton Age-Based 16 Years Portfolio**



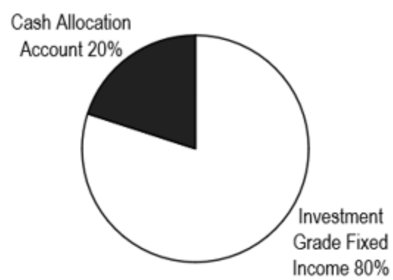

**Franklin Templeton Age-Based 17 Years Portfolio**




**Franklin Templeton Age-Based 18 Years Portfolio**

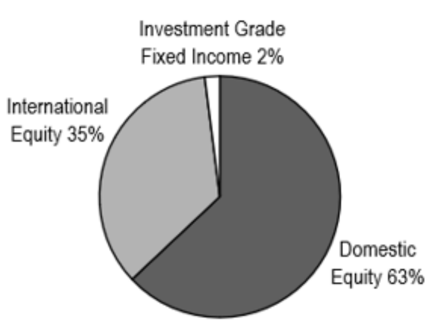



**Franklin Templeton Age-Based 19 Years Portfolio**

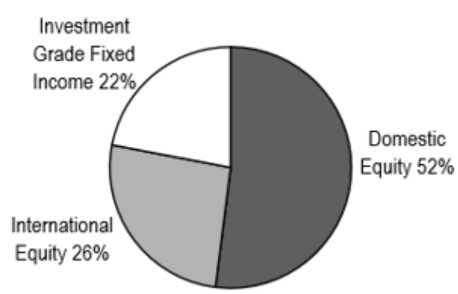



**Franklin Templeton Age-Based 20+ Years Portfolio**

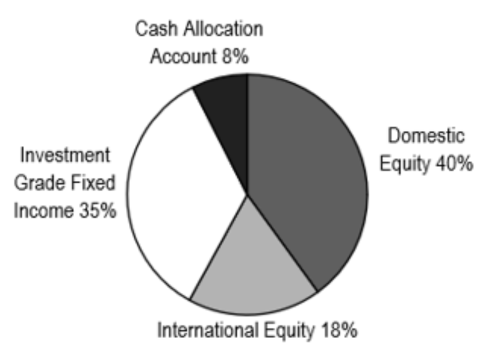
The following charts illustrate the current target asset allocation of each Franklin Templeton Diversified Portfolio and Single Fund Portfolio:




**Franklin Templeton Growth Portfolio**

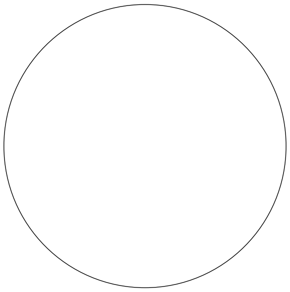



**Franklin Templeton Growth and Income Portfolio**



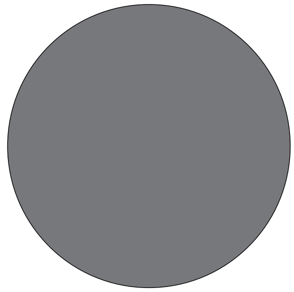

**Franklin Templeton Balanced Portfolio**

# FRANKLIN TEMPLETON PORTFOLIOS



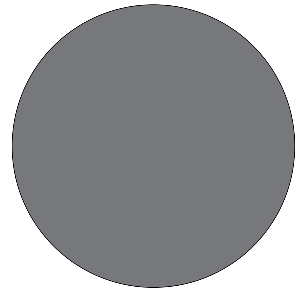
Investment Grade Fixed Income 100%

**Franklin Templeton Global Bond Portfolio**



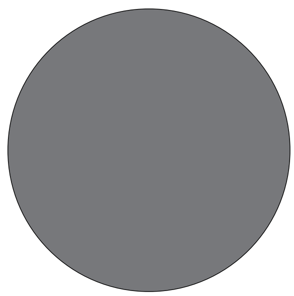
Domestic Equity 100%

**Franklin Templeton Mutual Shares Portfolio**



Domestic Equity 100%

**Franklin Templeton Small Cap Value Portfolio**



Domestic Equity 100%

**Franklin Templeton Small-Mid Cap Growth Portfolio**

# FRANKLIN TEMPLETON PORTFOLIOS

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

| | Franklin Templeton | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Underlying Fund | Fund Ticker | Age-Based 0-6 Years Portfolio | Age-Based 7-8 Years Portfolio | Age-Based 7-10 Years Portfolio | Age-Based 11-12 Years Portfolio | Age-Based 13-14 Years Portfolio | Age-Based 15 Years Portfolio | Age-Based 16 Years Portfolio | Age-Based 17 Years Portfolio | Age-Based 18 Years Portfolio | Age-Based 19 Years Portfolio | Age-Based 20+ Years Portfolio |
| **Domestic Equity Funds** | | | | | | | | | | | | |
| Franklin Growth Fund | FCGAX | 17.00% | 16.00% | 14.50% | 13.00% | 11.50% | 10.00% | 8.00% | 6.00% | 4.25% | 2.25% | 0.00% |
| Franklin Growth Opportunities Fund | FRAAX | 9.00% | 8.00% | 7.50% | 7.00% | 6.00% | 5.00% | 4.00% | 3.00% | 2.25% | 1.25% | 0.00% |
| ClearBridge Large Cap Value | SAIFX | 25.00% | 23.50% | 22.00% | 19.50% | 17.50% | 14.50% | 12.00% | 9.00% | 6.50% | 3.50% | 0.00% |
| ClearBridge Small Cap Growth | SBPYX | 6.00% | 5.00% | 4.00% | 3.50% | 2.50% | 2.00% | 1.50% | 1.00% | 0.00% | 0.00% | 0.00% |
| Franklin Small Cap Value Fund | FVADX | 6.00% | 5.00% | 4.00% | 3.50% | 2.50% | 2.00% | 1.50% | 1.00% | 0.00% | 0.00% | 0.00% |
| **International Equity Funds** | | | | | | | | | | | | |
| Templeton Foreign Fund | TFFAX | 20.00% | 18.00% | 16.00% | 13.50% | 11.50% | 10.50% | 8.00% | 6.00% | 3.50% | 1.50% | 0.00% |
| Franklin International Growth Fund | FNGZX | 8.00% | 7.00% | 6.00% | 5.50% | 4.50% | 4.00% | 3.00% | 2.00% | 1.50% | 0.50% | 0.00% |
| Martin Currie Emerging Markets Fund | MCEIX | 7.00% | 5.50% | 4.00% | 2.50% | 2.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | | | | | |
| Western Asset Core Bond Fund | WATFX | 2.00% | 7.00% | 14.00% | 17.50% | 18.00% | 21.00% | 25.00% | 29.00% | 32.50% | 36.25% | 40.00% |
| Western Asset Core Plus Bond Fund | WACPX | 0.00% | 3.00% | 5.50% | 6.50% | 7.00% | 8.00% | 9.00% | 10.50% | 12.00% | 13.50% | 15.00% |
| Western Asset Short Term Bond Fund | SBSYX | 0.00% | 0.00% | 0.00% | 0.00% | 6.00% | 9.00% | 11.00% | 12.50% | 14.50% | 16.50% | 18.50% |
| BrandywineGLOBAL - Global Opportunities Bond Fund | GOBIX | 0.00% | 2.00% | 2.50% | 3.00% | 3.50% | 4.00% | 4.50% | 5.00% | 5.50% | 6.00% | 6.50% |
| **Cash Allocation Account** | | | | | | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 0.00% | 5.00% | 7.50% | 10.00% | 12.50% | 15.00% | 17.50% | 18.75% | 20.00% |

| Underlying Fund | Fund Ticker | Franklin Templeton Growth Portfolio | Growth and Income Portfolio | Balanced Portfolio | Global Bond Portfolio | Mutual Shares Portfolio | Small Cap Value Portfolio | Small-Mid Cap Growth Portfolio |
|---|---|---|---|---|---|---|---|---|
| **Domestic Equity Funds** | | | | | | | | |
| Franklin Growth Fund | FCGAX | 17.00% | 14.50% | 11.50% | 0.00% | 0.00% | 0.00% | 0.00% |
| Franklin Growth Opportunities Fund | FRAAX | 9.00% | 7.50% | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ClearBridge Large Cap Value | SAIFX | 25.00% | 22.00% | 17.50% | 0.00% | 0.00% | 0.00% | 0.00% |
| ClearBridge Small Cap Growth | SBPYX | 6.00% | 4.00% | 2.50% | 0.00% | 0.00% | 0.00% | 0.00% |
| Franklin Small-Mid Cap Growth Fund | FSGAX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| Franklin Small Cap Value Fund | FVADX | 6.00% | 4.00% | 2.50% | 0.00% | 0.00% | 100.00% | 0.00% |
| Franklin Mutual Shares Fund | MUTHX | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% |
| **International Equity Funds** | | | | | | | | |
| Templeton Foreign Fund | TFFAX | 20.00% | 16.00% | 11.50% | 0.00% | 0.00% | 0.00% | 0.00% |
| Franklin International Growth Fund | FNGZX | 8.00% | 6.00% | 4.50% | 0.00% | 0.00% | 0.00% | 0.00% |
| Martin Currie Emerging Markets Fund | MCEIX | 7.00% | 4.00% | 2.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | |
| Western Asset Core Bond Fund | WATFX | 2.00% | 14.00% | 18.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Western Asset Core Plus Bond Fund | WACPX | 0.00% | 5.50% | 7.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Western Asset Short Term Bond Fund | SBSYX | 0.00% | 0.00% | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Templeton Global Bond Fund | TGBAX | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% |
| Brandywine Global Opportunities Fund | GOBIX | 0.00% | 2.50% | 3.50% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Cash Allocation Account** | | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 7.50% | 0.00% | 0.00% | 0.00% | 0.00% |

***Historical Investment Performance*** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of each Franklin Templeton Portfolio as of June 30, 2021, with and without sales charges. The $50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at www.nextgenforme.com. You may also contact your Financial Intermediary. Each Franklin Templeton Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. **The performance data relating to the Franklin Templeton Portfolios set forth below is for the limited time period presented and is not indicative of the future performance of the Franklin Templeton Portfolios.**

| *Client Select Series - A Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| Franklin Templeton Age-Based 0-6 Years Portfolio[1] | 36.32% | 13.90% | 13.99% | 10.17% | 8.86% | 09/20/04 |
| Franklin Templeton Age-Based 7-8 Years Portfolio | 32.06% | N/A | N/A | N/A | 19.47% | 10/28/19 |
| Franklin Templeton Age-Based 9-10 Years Portfolio | 28.26% | 11.87% | 11.54% | 8.39% | 7.78% | 09/20/04 |
| Franklin Templeton Age-Based 11-12 Years Portfolio | 24.39% | 10.75% | N/A | N/A | 9.33% | 10/30/17 |
| Franklin Templeton Age-Based 13-14 Years Portfolio | 20.43% | 9.54% | 8.92% | 6.48% | 6.50% | 09/20/04 |
| Franklin Templeton Age-Based 15 Years Portfolio | 16.85% | N/A | N/A | N/A | 11.50% | 10/28/19 |
| Franklin Templeton Age-Based 16 Years Portfolio[2] | 13.35% | 7.11% | N/A | N/A | 6.04% | 10/30/17 |
| Franklin Templeton Age-Based 17 Years Portfolio[3] | 9.85% | 5.75% | 5.42% | 4.11% | 4.84% | 09/20/04 |
| Franklin Templeton Age-Based 18 Years Portfolio | 6.55% | N/A | N/A | N/A | 5.28% | 10/28/19 |
| Franklin Templeton Age-Based 19 Years Portfolio[4] | 3.75% | 3.48% | N/A | N/A | 2.78% | 10/30/17 |
| Franklin Templeton Age-Based 20+ Years Portfolio[5] | 1.14% | 2.35% | 2.18% | 1.82% | 3.14% | 09/20/04 |
| **Diversified Portfolios** | | | | | | |
| Franklin Templeton Growth Portfolio | 36.33% | 13.90% | 13.98% | 10.18% | 8.86% | 09/20/04 |
| Franklin Templeton Growth and Income Portfolio | 28.23% | 11.87% | 11.53% | 8.39% | 7.77% | 09/20/04 |
| Franklin Templeton Balanced Portfolio | 20.48% | 9.54% | 8.91% | 6.48% | 6.50% | 09/21/04 |
| **Single Fund Portfolios** | | | | | | |
| Franklin Templeton Global Bond Portfolio | -2.73% | -1.44% | 0.59% | 0.91% | 2.18% | 11/16/09 |
| Franklin Templeton Mutual Shares Portfolio | 40.80% | 7.80% | 8.26% | 8.01% | 4.90% | 10/01/07 |
| Franklin Templeton Small Cap Value Portfolio | 55.28% | 10.96% | 12.36% | 10.62% | 7.96% | 10/01/07 |
| Franklin Templeton Small-Mid Cap Growth Portfolio | 46.52% | 26.82% | 22.33% | 14.49% | 10.57% | 10/08/07 |

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

1 Formerly, the Franklin Templeton Age-Based 0-8 Years Portfolio.
2 Formerly, the Franklin Templeton Age-Based 15-16 Years Portfolio.
3 Formerly, the Franklin Templeton Age-Based 17-18 Years Portfolio.
4 Formerly, the Franklin Templeton Age-Based 19-20 Years Portfolio.
5 Formerly, the Franklin Templeton Age-Based 21+ Years Portfolio.

| *Client Select Series - A Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| Franklin Templeton Age-Based 0-6 Years Portfolio[1] | 36.07% | 13.90% | 13.99% | 10.17% | 8.86% | 09/20/04 |
| Franklin Templeton Age-Based 7-8 Years Portfolio | 31.81% | N/A | N/A | N/A | 19.47% | 10/28/19 |
| Franklin Templeton Age-Based 9-10 Years Portfolio | 28.01% | 11.87% | 11.54% | 8.39% | 7.78% | 09/20/04 |
| Franklin Templeton Age-Based 11-12 Years Portfolio | 24.14% | 10.75% | N/A | N/A | 9.33% | 10/30/17 |
| Franklin Templeton Age-Based 13-14 Years Portfolio | 20.18% | 9.54% | 8.92% | 6.48% | 6.50% | 09/20/04 |
| Franklin Templeton Age-Based 15 Years Portfolio | 16.60% | N/A | N/A | N/A | 11.50% | 10/28/19 |
| Franklin Templeton Age-Based 16 Years Portfolio[2] | 13.10% | 7.11% | N/A | N/A | 6.04% | 10/30/17 |
| Franklin Templeton Age-Based 17 Years Portfolio[3] | 9.60% | 5.75% | 5.42% | 4.11% | 4.84% | 09/20/04 |
| Franklin Templeton Age-Based 18 Years Portfolio | 6.30% | N/A | N/A | N/A | 5.28% | 10/28/19 |
| Franklin Templeton Age-Based 19 Years Portfolio[4] | 3.50% | 3.48% | N/A | N/A | 2.78% | 10/30/17 |
| Franklin Templeton Age-Based 20+ Years Portfolio[5] | 0.89% | 2.35% | 2.18% | 1.82% | 3.14% | 09/20/04 |
| **Diversified Portfolios** | | | | | | |
| Franklin Templeton Growth Portfolio | 36.08% | 13.90% | 13.98% | 10.18% | 8.86% | 09/20/04 |
| Franklin Templeton Growth and Income Portfolio | 27.98% | 11.87% | 11.53% | 8.39% | 7.77% | 09/20/04 |
| Franklin Templeton Balanced Portfolio | 20.23% | 9.54% | 8.91% | 6.48% | 6.50% | 09/21/04 |
| **Single Fund Portfolios** | | | | | | |
| Franklin Templeton Global Bond Portfolio | -2.98% | -1.44% | 0.59% | 0.91% | 2.18% | 11/16/09 |
| Franklin Templeton Mutual Shares Portfolio | 40.55% | 7.80% | 8.26% | 8.01% | 4.90% | 10/01/07 |
| Franklin Templeton Small Cap Value Portfolio | 55.03% | 10.96% | 12.36% | 10.62% | 7.96% | 10/01/07 |
| Franklin Templeton Small-Mid Cap Growth Portfolio | 46.27% | 26.82% | 22.33% | 14.49% | 10.57% | 10/08/07 |

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

** Reflects maximum initial sales charge of 3.75%.

1 Formerly, the Franklin Templeton Age-Based 0-8 Years Portfolio.
2 Formerly, the Franklin Templeton Age-Based 15-16 Years Portfolio.
3 Formerly, the Franklin Templeton Age-Based 17-18 Years Portfolio.
4 Formerly, the Franklin Templeton Age-Based 19-20 Years Portfolio.
5 Formerly, the Franklin Templeton Age-Based 21+ Years Portfolio.

## DOMESTIC EQUITY FUNDS

| *Client Select Series - C Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| Franklin Templeton Age-Based 0-6 Years Portfolio[1] | 35.32% | 13.06% | 13.13% | 9.35% | 8.07% | 09/22/04 |
| Franklin Templeton Age-Based 7-8 Years Portfolio | 31.03% | N/A | N/A | N/A | 18.56% | 10/28/19 |
| Franklin Templeton Age-Based 9-10 Years Portfolio | 27.28% | 11.04% | 10.70% | 7.59% | 7.01% | 09/24/04 |
| Franklin Templeton Age-Based 11-12 Years Portfolio | 23.42% | 9.91% | N/A | N/A | 8.50% | 10/30/17 |
| Franklin Templeton Age-Based 13-14 Years Portfolio | 19.54% | 8.73% | 8.09% | 5.68% | 5.71% | 09/22/04 |
| Franklin Templeton Age-Based 15 Years Portfolio | 15.95% | N/A | N/A | N/A | 10.67% | 10/28/19 |
| Franklin Templeton Age-Based 16 Years Portfolio[2] | 12.40% | 6.27% | N/A | N/A | 5.24% | 10/30/17 |
| Franklin Templeton Age-Based 17 Years Portfolio[3] | 8.99% | 4.96% | 4.63% | 3.33% | 4.05% | 10/20/04 |
| Franklin Templeton Age-Based 18 Years Portfolio | 5.70% | N/A | N/A | N/A | 4.47% | 10/28/19 |
| Franklin Templeton Age-Based 19 Years Portfolio[4] | 3.06% | 2.74% | N/A | N/A | 2.04% | 10/30/17 |
| Franklin Templeton Age-Based 20+ Years Portfolio[5] | 0.41% | 1.57% | 1.40% | 1.05% | 2.34% | 10/26/04 |
| **Diversified Portfolios** | | | | | | |
| Franklin Templeton Growth Portfolio | 35.35% | 13.05% | 13.12% | 9.35% | 8.08% | 09/23/04 |
| Franklin Templeton Growth and Income Portfolio | 27.27% | 11.04% | 10.70% | 7.58% | 6.99% | 09/22/04 |
| Franklin Templeton Balanced Portfolio | 19.60% | 8.73% | 8.10% | 5.69% | 5.73% | 09/24/04 |
| **Single Fund Portfolios** | | | | | | |
| Franklin Templeton Global Bond Portfolio | -3.50% | -2.18% | -0.17% | 0.15% | 1.48% | 11/20/09 |
| Franklin Templeton Mutual Shares Portfolio | 39.76% | 6.98% | 7.46% | 7.20% | 4.11% | 10/01/07 |
| Franklin Templeton Small Cap Value Portfolio | 54.18% | 10.12% | 11.52% | 9.80% | 7.15% | 10/01/07 |
| Franklin Templeton Small-Mid Cap Growth Portfolio | 45.38% | 25.86% | 21.41% | 13.64% | 9.73% | 10/11/07 |

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

1 Formerly, the Franklin Templeton Age-Based 0-8 Years Portfolio.
2 Formerly, the Franklin Templeton Age-Based 15-16 Years Portfolio.
3 Formerly, the Franklin Templeton Age-Based 17-18 Years Portfolio.
4 Formerly, the Franklin Templeton Age-Based 19-20 Years Portfolio.
5 Formerly, the Franklin Templeton Age-Based 21+ Years Portfolio.

DOMESTIC EQUITY FUNDS

| Client Select Series - C Unit Class | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| Franklin Templeton Age-Based 0-6 Years Portfolio[1] | 34.32% | 13.06% | 13.13% | 9.35% | 8.07% | 09/22/04 |
| Franklin Templeton Age-Based 7-8 Years Portfolio | 30.03% | N/A | N/A | N/A | 18.56% | 10/28/19 |
| Franklin Templeton Age-Based 9-10 Years Portfolio | 26.28% | 11.04% | 10.70% | 7.59% | 7.01% | 09/24/04 |
| Franklin Templeton Age-Based 11-12 Years Portfolio | 22.42% | 9.91% | N/A | N/A | 8.50% | 10/30/17 |
| Franklin Templeton Age-Based 13-14 Years Portfolio | 18.54% | 8.73% | 8.09% | 5.68% | 5.71% | 09/22/04 |
| Franklin Templeton Age-Based 15 Years Portfolio | 14.95% | N/A | N/A | N/A | 10.67% | 10/28/19 |
| Franklin Templeton Age-Based 16 Years Portfolio[2] | 11.40% | 6.27% | N/A | N/A | 5.24% | 10/30/17 |
| Franklin Templeton Age-Based 17 Years Portfolio[3] | 7.99% | 4.96% | 4.63% | 3.33% | 4.05% | 10/20/04 |
| Franklin Templeton Age-Based 18 Years Portfolio | 4.70% | N/A | N/A | N/A | 4.47% | 10/28/19 |
| Franklin Templeton Age-Based 19 Years Portfolio[4] | 2.06% | 2.74% | N/A | N/A | 2.04% | 10/30/17 |
| Franklin Templeton Age-Based 20+ Years Portfolio[5] | -0.59% | 1.57% | 1.40% | 1.05% | 2.34% | 10/26/04 |
| **Diversified Portfolios** | | | | | | |
| Franklin Templeton Growth Portfolio | 34.35% | 13.05% | 13.12% | 9.35% | 8.08% | 09/23/04 |
| Franklin Templeton Growth and Income Portfolio | 26.27% | 11.04% | 10.70% | 7.58% | 6.99% | 09/22/04 |
| Franklin Templeton Balanced Portfolio | 18.60% | 8.73% | 8.10% | 5.69% | 5.73% | 09/24/04 |
| **Single Fund Portfolios** | | | | | | |
| Franklin Templeton Global Bond Portfolio | -4.50% | -2.18% | -0.17% | 0.15% | 1.48% | 11/20/09 |
| Franklin Templeton Mutual Shares Portfolio | 38.76% | 6.98% | 7.46% | 7.20% | 4.11% | 10/01/07 |
| Franklin Templeton Small Cap Value Portfolio | 53.18% | 10.12% | 11.52% | 9.80% | 7.15% | 10/01/07 |
| Franklin Templeton Small-Mid Cap Growth Portfolio | 44.38% | 25.86% | 21.41% | 13.64% | 9.73% | 10/11/07 |

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

** Reflects maximum initial sales charge of 3.75%.

1 Formerly, the Franklin Templeton Age-Based 0-8 Years Portfolio.
2 Formerly, the Franklin Templeton Age-Based 15-16 Years Portfolio.
3 Formerly, the Franklin Templeton Age-Based 17-18 Years Portfolio.
4 Formerly, the Franklin Templeton Age-Based 19-20 Years Portfolio.
5 Formerly, the Franklin Templeton Age-Based 21+ Years Portfolio.

***Summary of Investment Objectives and Policies of the Underlying Funds for the Franklin Templeton Portfolios*** – The following descriptions summarize the investment goals and policies of the Underlying Funds in which the Franklin Templeton Portfolios are currently invested. The Cash Allocation Account is described on page 101. The descriptions also identify certain principal risks to which particular Underlying Funds may be subject. Additional discussion of risks related to the various categories of Underlying Funds is set forth under "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS." The investment strategy of each Underlying Fund is subject to change.

**These summaries are qualified in their entirety by reference to the detailed information included in each Underlying Fund's current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of any Underlying Fund's current prospectus or statement of additional information, or the Underlying Fund's most recent semi-annual or annual report by calling Franklin Templeton Investments at 1-800/DIAL BEN® (1-800/342-5236) or by locating it on Franklin Templeton's Web site at www. franklintempleton.com.**

## Franklin Growth Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment goal is capital appreciation. Under normal market conditions, the Fund invests substantially in the equity securities of companies that are leaders in their industries. In selecting securities, the investment manager considers many factors, including historical and potential growth in revenues and earnings, assessment of strength and quality of management, and determination of a company's strategic positioning in its industry. Although the Fund normally invests substantially in the equity securities (principally common stocks) of U.S.-based large and medium market capitalization companies, it may invest in companies in new and emerging industries where growth is expected to be above average and may invest up to 25% of its assets in smaller companies. The Fund's investment manager is a research driven, fundamental investor, generally pursuing a "buy-and-hold" growth strategy. As a "bottom-up" investor focusing primarily on individual securities, the investment manager chooses companies that it believes are positioned for growth in revenues, earnings or assets. Such advantages as a particular marketing niche, proven technology, sound financial records, strong management, and industry leadership are all factors the investment manager believes point to strong growth potential. Although the investment manager searches for investments across a large number of sectors, from time to time, based on economic conditions, the Fund may have significant positions in particular sectors including technology, health care and industrials.

***Principal Risks of Investing*** – You could lose money by investing in a Portfolio that invests in the Fund. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund. The current global outbreak of the novel strain of coronavirus, COVID-19, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. Efforts to contain the spread of COVID-19 have resulted in global travel restrictions and disruptions of healthcare systems, business operations and supply chains, layoffs, reduced consumer demand, defaults and credit ratings downgrades, and other significant economic impacts. The effects of COVID-19 have impacted global economic activity across many industries and may heighten other pre-existing political, social and economic risks, locally or globally. The full impact of the COVID-19 pandemic is unpredictable and may adversely affect the Fund's performance.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Prices of these companies' securities may be more volatile than other securities, particularly over the short term.

Securities issued by small and mid-capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid-capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired result.

### Franklin Growth Opportunities Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment goal is capital appreciation. Under normal market conditions, the Fund invests predominantly in equity securities of companies demonstrating accelerating growth, increasing profitability, or above-average growth or growth potential as compared with the overall economy. The Fund normally invests predominantly in equity securities, primarily to predominantly common stock. A portion to a significant amount of the Fund's investments may be in smaller and midsize companies. The Fund, from time to time, may have significant positions in particular sectors, such as information technology (including technology equipment and hardware, technology services, software and internet services) healthcare and consumer discretionary. The Fund may make private investments in companies whose securities are not publicly traded (including companies that have not yet issued securities publicly in an initial public offering), often in the form of private placements, which are exempt from registration under the federal securities laws and are only sold to certain investors meeting predefined criteria. The investment manager uses fundamental, "bottom-up" research to seek companies meeting its criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, the investment manager looks for companies that it believes can produce sustainable earnings and cash flow growth, evaluating the long term market opportunity and competitive structure of an industry to target leaders and emerging leaders. In assessing value, the investment manager considers whether security prices fully reflect the balance of the sustainable growth opportunities relative to business and financial risks

***Principal Risks of Investing*** – You could lose money by investing in a Portfolio that invests in the Fund. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Prices of these companies' securities may be more volatile than other securities, particularly over the short term.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

The Fund may focus in the technology sector. The technology sector has historically been volatile due to the rapid pace of product change and development within the sector. Companies in the technology sector may be affected by worldwide technological developments, the success of their products and services (which may be outdated quickly), anticipated products or services that are delayed or cancelled, and investor perception of the company and/or its products or services. Technology companies may also be affected by legislation or changes in government regulation and policies.

The activities of healthcare companies may be funded or subsidized by federal and state governments. If government funding and subsidies are reduced or discontinued, the profitability of these companies could be adversely affected. Healthcare companies may also be affected by government policies on healthcare reimbursements, regulatory approval for new drugs and medical products, and similar matters. They are also subject to legislative risk, i.e., the risks associated with the reform of the healthcare system through legislation.

By focusing its investments in financials related industries, the Fund carries much greater risks of adverse developments and price movements in such industries than a fund that invests in a wider variety of industries. Because the Fund concentrates in a specific industry or group of industries, there is also the risk that the Fund will perform poorly during a slump in demand for securities of companies in such industries.

Securities issued by small and mid-capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid-capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

Investments in the stocks of private companies, including companies that have not yet issued securities publicly in an initial public offering ("IPO"), involve greater risks than investments in stocks of many publicly traded companies. Compared to public companies, there is significantly less information available about private companies and there is no assurance that the information obtained by the Fund is reliable. Investments in private companies and private placements are generally considered to be illiquid and may be difficult to sell at a desirable time or at the prices at which the Fund has valued the investments. Investments in private companies and private placements are typically difficult to value since there are no market prices and less overall financial information available. Difficulty in valuing such investments may make it difficult to accurately determine a Fund's exposure to private investments, which could cause the Fund to invest to a greater extent in illiquid investments and subject the Fund to increased risks. In addition, private companies may have limited financial resources and may be unable to meet their obligations. Investments in private companies and private placements may involve a high degree of business and financial risk and may result in substantial losses. These factors may have a negative effect on the Fund's performance.

From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

## ClearBridge Large Cap Value Fund

***Investment Objective, Strategy and Policies*** – The Fund seeks long-term growth of capital as its primary investment objective. Current income is a secondary objective. Under normal circumstances, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, if any, in equity securities, or other investments with similar economic characteristics, of companies with large market capitalizations. Large capitalization companies are those companies with market capitalizations similar to companies in the Russell 1000 Index (the "Index"). The size of the companies in the Index changes with market conditions and the composition of the Index. Securities of companies whose market capitalizations no longer meet this definition after purchase by the Fund still will be considered securities of large capitalization companies for purposes of the Fund's 80% investment policy.

***Principal Risks of Investing*** – Risk is inherent in all investing. The value of your investment in a Portfolio which invests in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment or your investment may not perform as well as other similar investments. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the Fund.

The stock markets are volatile and the market prices of the Fund's equity securities may decline generally. Equity securities may have greater price volatility than other asset classes, such as fixed income securities, and may fluctuate in price based on actual or perceived changes in a company's financial condition and overall market and economic conditions and perceptions. If the market prices of the equity securities owned by the Fund fall, the value of your investment will decline.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets.

As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the Fund's investments may be negatively affected.

The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Fund by its service providers.

Large capitalization companies may fall out of favor with investors based on market and economic conditions. In addition, larger companies may not be able to attain the high growth rates of successful smaller companies and may be less capable of responding quickly to competitive challenges and industry changes. As a result, the Fund's value may not rise as much as, or may fall more than, the value of funds that focus on companies with smaller market capitalizations.

The market price of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer. The Fund may experience a substantial or complete loss on an individual security. Historically, the prices of securities of small and medium capitalization companies have generally been more volatile than those of large capitalization companies.

Although the Fund does not employ an industry or sector focus, the Fund may be susceptible to an increased risk of loss, including losses due to events that adversely affect the Fund's investments more than the market as a whole, to the extent that the Fund has greater exposure to the securities of a particular issuer or issuers within the same industry or sector.

Some assets held by the Fund may be or become impossible or difficult to sell, particularly during times of market turmoil. These illiquid assets may also be difficult to value. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. If the Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the Fund may be forced to sell at a substantial loss or may not be able to sell at all.

The value of your investment may decrease if the subadviser's judgment about the attractiveness or value of, or market trends affecting, a particular security, industry, sector or region, or about market movements, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadviser. In addition, the Fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadviser and could have an adverse effect on the value or performance of the Fund.

The value approach to investing involves the risk that stocks may remain undervalued for long periods, undervaluation may become more severe, or perceived undervaluation may actually represent intrinsic value. Value stocks may underperform the overall equity market for an extended period while the market concentrates on growth stocks.

The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect Fund investments more broadly during periods of market volatility. Investors 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 if the Fund had not fair-valued securities or had used a different valuation methodology. The Fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the Fund's investments involves subjective judgment.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the manager, the subadvisers and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The Fund, the manager, and the subadvisers have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in order to prevent any future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

## ClearBridge Small Cap Growth Fund

***Investment Objective, Strategy and Policies*** – The Fund seeks long-term growth of capital. Under normal circumstances, the Fund invests at least 80% of its assets in equity securities of companies with small market capitalizations and related investments. For the purposes of this 80% policy, small capitalization companies are companies with market capitalization values not exceeding (i) $3 billion or (ii) the highest month-end market capitalization value of any stock in the Russell 2000 Index for the previous 12 months, whichever is greater. Securities of companies whose market capitalizations no longer meet this definition after purchase by the Fund are still considered to be securities of small capitalization companies for purposes of the Fund's 80% investment policy. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The portfolio managers use a growth-oriented investment style that emphasizes small U.S. companies.

***Principal Risks of Investing*** – Risk is inherent in all investing. The value of your investment in a Portfolio which invests in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment or your investment may not perform as well as other similar investments. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the Fund.

The stock markets are volatile and the market prices of the Fund's equity securities may decline generally. Equity securities may have greater price volatility than other asset classes, such as fixed income securities, and may fluctuate in price based on actual or perceived changes in a company's financial condition and overall market and economic conditions and perceptions. If the market prices of the equity securities owned by the Fund fall, the value of your investment will decline.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the Fund's investments may be negatively affected.

The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Fund by its service providers.

The Fund will be exposed to additional risks as a result of its investments in the securities of small capitalization companies. Small capitalization companies may fall out of favor with investors; may have limited product lines, operating histories, markets or financial resources; or may be dependent upon a limited management group. The prices of securities of small capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession. Securities of small capitalization companies may underperform large capitalization companies, may be harder to sell at times or at prices the portfolio managers believe appropriate and may have greater potential for losses.

The Fund's growth-oriented investment style may increase the risks of investing in the Fund. Growth securities typically are very sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth securities typically fall. Growth securities may also be more volatile than other investments because they often do not pay dividends. Growth stocks as a group may be out of favor and underperform the overall equity market while the market concentrates on value stocks.

The market price of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer. The Fund may experience a substantial or complete loss on an individual security.

Some assets held by the Fund may be or become impossible or difficult to sell, particularly during times of market turmoil. These illiquid assets may also be difficult to value. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. If the Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the Fund may be forced to sell at a substantial loss or may not be able to sell at all.

The Fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the Fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability.

The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The Fund may be unable or may choose not to hedge its foreign currency exposure.

Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the Fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

The value of your investment may decrease if the subadvisor's judgment about the attractiveness or value of, or market trends affecting, a particular security, industry, sector or region, or about market movements, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadvisor. In addition, the Fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadvisor and could have an adverse effect on the value or performance of the Fund.

The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect Fund investments more broadly during periods of market volatility. Investors 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 if the Fund had not fair-valued securities or had used a different valuation methodology. The Fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the Fund's investments involves subjective judgment.

Although the Fund does not employ an industry or sector focus, the Fund may be susceptible to an increased risk of loss, including losses due to events that adversely affect the Fund's investments more than the market as a whole, to the extent that the Fund has greater exposure to the securities of a particular issuer or issuers within the same industry or sector.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the manager, the subadvisors and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The Fund, the manager, and the subadvisors have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in order to prevent any future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

## Franklin Small-Mid Cap Growth Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment goal is long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in the equity securities of small-capitalization (small-cap) and mid-capitalization (mid-cap) companies. For this Fund, small-cap companies are companies within the market capitalization range of companies in the Russell 2500™ Index, at the time of purchase, and mid-cap companies are companies within the market capitalization range of companies in the Russell Midcap® Index, at the time of purchase. Under normal market conditions, the Fund invests predominantly in equity securities, predominantly in common stock. The Fund, from time to time, may have significant positions in particular sectors such as information technology (including technology services and technology equipment and hardware), consumer discretionary, healthcare and industrials. The Fund may make private investments in companies whose securities are not publicly traded (including companies that have not yet issued securities publicly in an initial public offering ("IPO")), often in the form of private placements, which are exempt from registration under the federal securities laws and are only sold to certain investors meeting predefined criteria. The investment manager uses fundamental, "bottom-up" research to seek companies meeting its criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, the investment manager looks for companies that it believes can produce sustainable earnings and cash flow growth, evaluating the long term market opportunity and competitive structure of an industry to target leaders and emerging leaders. In assessing value, the investment manager considers whether security prices fully reflect the balance of the sustainable growth opportunities relative to business and financial risks.

***Principal Risks of Investing*** – You could lose money by investing in a Portfolio that invests in the Fund. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Prices of these companies' securities may be more volatile than other securities, particularly over the short term.

Securities issued by small and mid-capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid-capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

The Fund may focus in the technology sector. The technology sector has historically been volatile due to the rapid pace of product change and development within the sector. Companies in the technology sector may be affected by worldwide technological developments, the success of their products and services (which may be outdated quickly), anticipated products or services that are delayed or cancelled, and investor perception of the company and/or its products or services. Technology companies may also be affected by legislation or changes in government regulation and policies.

By focusing its investments in financials related industries, the Fund carries much greater risks of adverse developments and price movements in such industries than a fund that invests in a wider variety of industries. Because the Fund concentrates in a specific industry or group of industries, there is also the risk that the Fund will perform poorly during a slump in demand for securities of companies in such industries.

The activities of healthcare companies may be funded or subsidized by federal and state governments. If government funding and subsidies are reduced or discontinued, the profitability of these companies could be adversely affected. Healthcare companies may also be affected by government policies on healthcare reimbursements, regulatory approval for new drugs and medical products, and similar matters. They are also subject to legislative risk, i.e., the risks associated with the reform of the healthcare system through legislation.

The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrials sector products in general. Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, these companies are at risk for environmental damage and product liability claims.

Companies in this sector could be adversely affected by commodity price volatility, changes in exchange rates, imposition of export or import controls, increased competition, depletion of resources, technological developments and labor relations.

From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

Investments in the stocks of private companies, including companies that have not yet issued securities publicly in an initial public offering ("IPO"), involve greater risks than investments in stocks of many publicly traded companies. Compared to public companies, there is significantly less information available about private companies and there is no assurance that the information obtained by the Fund is reliable. Investments in private companies and private placements are generally considered to be illiquid and may be difficult to sell at a desirable time or at the prices at which the Fund has valued the investments. Investments in private companies and private placements are typically difficult to value since there are no market prices and less overall financial information available. Difficulty in valuing such investments may make it difficult to accurately determine a Fund's exposure to private investments, which could cause the Fund to invest to a greater extent in illiquid investments and subject the Fund to increased risks. In addition, private companies may have limited financial resources and may be unable to meet their obligations. Investments in private companies and private placements may involve a high degree of business and financial risk and may result in substantial losses. These factors may have a negative effect on the Fund's performance.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

### Franklin Small Cap Value Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment goal is long-term total return. Under normal market conditions, the Fund invests at least 80% of its net assets in investments of small-capitalization (small-cap) companies. Small-cap companies are companies with market capitalizations (the total market value of a company's outstanding stock) not exceeding either: 1) the highest market capitalization in the Russell 2000 Index; or 2) the 12-month average of the highest market capitalization in the Russell 2000 Index, whichever is greater, at the time of purchase. As of the most recent reconstitution, the highest market capitalization in the Russell 2000 Index was $4.4 billion. The Fund generally invests in equity securities of companies that the Fund's investment manager believes are undervalued at the time of purchase and have the potential for capital appreciation. The Fund invests predominantly in common stocks. A stock price is undervalued when it trades at less than the price at which the investment manager believes it would trade if the market reflected all factors relating to the company's worth. Following this strategy, the Fund invests in companies that the investment manager believes have, for example: stock prices that are low relative to current, or historical or future earnings, book value, cash flow or sales; recent sharp price declines but the potential for good long-term earnings prospects; and valuable intangibles not reflected in the stock price. The Fund also may invest in real estate investment trusts (REITs). The types of companies the Fund may invest in include, among other things, those that may be considered out of favor due to actual or perceived cyclical or secular challenges, or are experiencing temporary setbacks, diminished expectations, mismanagement or undermanagement, or are financially stressed. The Fund, from time to time, may have significant positions in particular sectors, such as financial services companies and industrials. The Fund may invest up to 25% of its total assets in foreign securities.

***Principal Risks of Investing*** – You could lose money by investing in a Portfolio that invests in the Fund. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. The current global outbreak of the novel strain of coronavirus, COVID-19, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. Efforts to contain the spread of COVID-19 have resulted in global travel restrictions and disruptions of healthcare systems, business operations and supply chains, layoffs, reduced consumer demand, defaults and credit ratings downgrades, and other significant economic impacts. The effects of COVID-19 have impacted global economic activity across many industries and may heighten other pre-existing political, social and economic risks, locally or globally. The full impact of the COVID-19 pandemic is unpredictable and may adversely affect the Fund's performance. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Securities issued by small capitalization companies may be more volatile in price than those of larger companies and may involve substantial risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development and limited or less developed product lines and markets. In addition, small capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect. Cyclical stocks in which the Fund may invest tend to lose value more quickly in periods of anticipated economic downturns than non-cyclical stocks. Companies that may be considered out of favor, particularly companies emerging from bankruptcy, may tend to lose value more quickly in periods of anticipated economic downturns, may have difficulty retaining customers and suppliers and, during economic downturns, may have difficulty paying their debt obligations or finding additional financing.

Securities issued by smaller companies may be more volatile in price than those of larger companies, involve substantial risks and should be considered speculative. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development and limited or less developed product lines and markets. In addition, smaller companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

Investing in foreign securities typically involves more risks than investing in U.S. securities, including risks related to currency exchange rates and policies, country or government specific issues, less favorable trading practices or regulation and greater price volatility. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations.

A REIT's performance depends on the types, values and locations of the properties it owns and how well those properties are managed. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants' failure to pay rent or poor management. Because a REIT may be invested in a limited number of projects or in a particular market segment, it may be more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. Loss of status as a qualified REIT under the U.S. federal tax laws could adversely affect the value of a particular REIT or the market for REITs as a whole.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

### Franklin Mutual Shares Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment goal is capital appreciation, which may occasionally be short term. The secondary goal is income. Under normal market conditions, the Fund invests primarily in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of U.S. and foreign companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (intrinsic value). Following this value-oriented strategy, the Fund invests primarily in undervalued securities (securities trading at a discount to intrinsic value). The equity securities in which the Fund invests are primarily common stock. To a lesser extent, the Fund also invests in merger arbitrage securities and the debt and equity of distressed companies. The Fund may invest a significant portion (up to 35%) of its assets in foreign securities and participations in foreign government debt. The Fund presently does not intend to invest more than 20% of its assets in foreign securities. Although the investment manager will search for investments across a large number of countries and regions, from time to time, based on economic conditions, the Fund may have significant positions in particular countries or regions. The Fund is not limited to pre-set maximums or minimums governing the size of the companies in which it may invest. However, the Fund generally invests the equity portion of its portfolio primarily to predominantly in companies with market capitalizations greater than $5 billion, with a portion in smaller companies. While the Fund does not concentrate in any one industry, from time to time, based on economic conditions, it may make significant investments in certain sectors. The Fund regularly attempts to hedge (protect) against currency risks, largely using currency forward contracts and currency futures contracts (including currency index futures contracts) when, in the investment manager's opinion, it would be advantageous to the Fund to do so. The Fund may also, from time to time, attempt to hedge against market risk using a variety of derivatives.

***Principal Risks of Investing*** – You could lose money by investing in a Portfolio that invests in the Fund. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Securities issued by small and mid-capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid-capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

Investing in foreign securities typically involves more risks than investing in U.S. securities, including risks related to currency exchange rates and policies, country or government specific issues, less favorable trading practices or regulation and greater price volatility. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Because the Fund may invest at least a significant portion of its assets in companies in a specific region, including Europe, the Fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of investments held by the Fund. Current uncertainty concerning the economic consequences of the January 31, 2020 departure of the United Kingdom from the European Union (EU) may increase market volatility.

The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such instruments often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio, which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. The successful use of derivatives will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivative instruments at all. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all.

A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time the Fund invests in merger arbitrage securities may not be completed on the terms or within the time frame contemplated, which may result in losses to the Fund. Debt obligations of distressed companies typically are unrated, lower-rated, in default or close to default and are generally more likely to become worthless than the securities of more financially stable companies.

From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

## Franklin International Growth Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment goal is long-term capital appreciation. Under normal market conditions, the Fund invests predominantly in equity securities, primarily common stock, of mid- and large-capitalization companies located outside the U.S., including developing or emerging market countries. The Fund may invest up to 20% of its net assets in emerging market countries. Mid- and large-capitalization companies are generally companies with market capitalizations of greater than $2 billion. The Fund, from time to time, may have significant investments in a particular sector or country. The Fund's investment manager employs a disciplined, bottom-up investment approach to identify attractive investment opportunities that have higher expected revenue and earnings growth than their peers. The investment manager uses a growth investment style and in-depth, fundamental research to identify high-quality companies, across all industry groups, with sustainable business models that offer the most attractive combination of growth, quality and valuation.

***Principal Risks of Investing*** – You could lose money by investing in a Portfolio that invests in the Fund. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Prices of these companies' securities may be more volatile than other securities, particularly over the short term.

Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

Because the Fund may invest at least a significant portion of its assets in companies in a specific region, including Europe, the Fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of investments held by the Fund. Current uncertainty concerning the economic consequences of the January 31, 2020 departure of the United Kingdom from the European Union (EU) may increase market volatility.

The Fund's investments in emerging market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Securities issued by midsize companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development and limited or less developed product lines and markets.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

## Martin Currie Emerging Markets Fund

***Investment Objective, Strategy and Policies*** – Long-term capital appreciation.

Under normal market conditions, the Fund pursues its objective by investing at least 80% of its net assets plus borrowings for investment purposes, if any, in securities of issuers with substantial economic ties to one or more emerging market countries and other investments with similar economic characteristics. The material factors the subadvisor considers when determining whether an issuer has substantial economic ties to an emerging market country include whether the issuer:

i. is included in the MSCI Emerging Markets Index;

ii. is organized or headquartered in an emerging market country, or maintains most of its assets in one or more such countries;

iii. has a primary listing for its securities on a stock exchange of an emerging market country; or

iv. derives a majority of its exposure (e.g. percentage of sales, income or other material factors) from one or more emerging market countries.

Emerging market countries are predominantly found currently in regions including Asia, the Indian subcontinent, South and Central America, the Middle and Near East, Eastern and Central Europe and Africa.

The Fund will invest primarily in equity and equity-related securities, which may include common stocks, preferred stock, convertible bonds, other securities convertible into common stock, depositary receipts, real estate investment trusts, securities of other investment companies, including exchange-traded funds (ETFs), and synthetic foreign equity securities, including international warrants. Synthetic foreign equity securities are a type of derivative issued by a bank or other financial institution designed to replicate the economic exposure of buying an equity security directly in a particular foreign market. The Fund will use synthetic foreign equity securities to obtain market exposure where direct access is not otherwise available. The Fund may also enter into index futures contracts, a form of derivative contract, as a substitute for buying or selling securities, to obtain market exposure, in an attempt to enhance returns and to manage cash.

Within an emerging market country, the subadvisor selects securities that it believes have favorable investment potential. For example, the Fund may purchase stocks of companies with prices that reflect a value lower than that which the subadvisor places on the company. The subadvisor may also consider factors it believes will cause the stock price to rise. In general, the subadvisor will consider, among other factors, an issuer's valuation, financial strength, competitive position in its industry, projected future earnings, cash flows and dividends when deciding whether to buy or sell investments. The Fund may invest in companies of any size and market capitalization.

The Fund may invest in companies domiciled in any country that the subadvisor believes to be appropriate to the Fund's investment objective. Subject to the Fund's 80% investment policy, the Fund may invest a substantial amount of assets (i.e., more than 25%) in issuers located in a single country or a limited number of countries, but will always be invested in or have exposure to no less than three different emerging market countries. The Fund may invest in securities denominated in foreign currencies or in U.S. dollars.

The Fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund.

***Principal Risks of Investing*** – Risk is inherent in all investing. The value of your investment in a Portfolio which invests in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment or your investment may not perform as well as other similar investments. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the Fund.

The stock markets are volatile and the market prices of the Fund's equity securities may decline generally. Equity securities may have greater price volatility than other asset classes, such as fixed income securities, and may fluctuate in price based on actual or perceived changes in a company's financial condition and overall market and economic conditions and perceptions. If the market prices of the equity securities owned by the Fund fall, the value of your investment will decline. If the Fund holds equity securities in a company that becomes insolvent, the Fund's interests in the company will be subordinated to the interests of debtholders and general creditors of the company, and the Fund may lose its entire investment.

The Fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the Fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability. To the extent the Fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on Fund performance relative to a more geographically diversified fund.

The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The Fund may be unable or may choose not to hedge its foreign currency exposure.

Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the Fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

The market price of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer. The Fund may experience a substantial or complete loss on an individual security.

The Fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent the Fund invests its assets in a smaller number of issuers, the Fund will be more susceptible to negative events affecting those issuers than a diversified fund.

Large capitalization companies may fall out of favor with investors based on market and economic conditions. In addition, larger companies may not be able to attain the high growth rates of successful smaller companies and may be less capable of responding quickly to competitive challenges and industry changes. As a result, the Fund's value may not rise as much as, or may fall more than, the value of funds that focus on companies with smaller market capitalizations.

The Fund will be exposed to additional risks as a result of its investments in the securities of small and mid-capitalization companies. Small and mid-capitalization companies may fall out of favor with investors; may have limited product lines, operating histories, markets or financial resources; or may be dependent upon a limited management group. The prices of securities of small and mid-capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession. Securities of small and mid-capitalization companies may underperform large capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may have greater potential for losses.

The subadvisor's investment models may not adequately take into account certain factors and may result in the Fund having a lower return than if the Fund were managed using another model or investment strategy. When a model or data used in managing the Fund contains an error, or is incorrect or incomplete, any investment decision made in reliance on the model or data may not produce the desired results and the Fund may realize losses.

Although the Fund does not employ an industry or sector focus, the Fund may be susceptible to an increased risk of loss, including losses due to events that adversely affect the Fund's investments more than the market as a whole, to the extent that the Fund has greater exposure to the securities of a particular issuer or issuers within the same industry or sector.

The value of your investment may decrease if the subadvisor's judgment about the attractiveness or value of, or market trends affecting, a particular security, industry, sector or region, or about market movements, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadvisor. In addition, the Fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadvisor and could have an adverse effect on the value or performance of the Fund.

The Fund may be an investment option for mutual funds and ETFs that are managed by LMPFA and its affiliates, including Franklin Templeton investment managers, as "funds of funds," unaffiliated mutual funds and ETFs and other investors with substantial investments in the Fund. As a result, from time to time, the Fund may experience relatively large redemptions and could be required to liquidate its assets at inopportune times or at a loss or depressed value, which could cause the value of your investment to decline.

Some assets held by the Fund may be or become impossible or difficult to sell, particularly during times of market turmoil. These illiquid assets may also be difficult to value. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. If the Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the Fund may be forced to sell at a substantial loss or may not be able to sell at all.

Using derivatives can increase Fund losses and reduce opportunities for gains when market prices, interest rates, currencies, or the derivatives themselves, behave in a way not anticipated by the Fund. Using derivatives also can have a leveraging effect and increase Fund volatility. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may not be available at the time or price desired, may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the Fund. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for the Fund than an investment in the underlying security, and those differences may affect the amount, timing and character of income distributed to shareholders. The U.S. government and non-U.S. governments are in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets. A synthetic foreign equity security in which the Fund may invest is a form of derivative instrument that may be subject to all the risks of derivatives described above.

Unlike shares of typical mutual funds or unit investment trusts, shares of ETFs are traded on an exchange and may trade throughout a trading day. ETFs are bought and sold based on market values and not at net asset value, and therefore may trade at either a premium or discount to net asset value and may experience volatility in certain market conditions. Investments in ETFs are subject to the risk that the listing exchange may halt trading of an ETF's shares, in which case the Fund would be unable to sell its ETF shares unless and until trading is resumed.

The value of real estate investment trusts ("REITs") may be affected by factors including the condition of the economy as a whole, changes in the value of the underlying real estate, the creditworthiness of the issuers of the investments, property taxes, interest rates, liquidity of the credit markets, poor performance by the REIT's manager, and the real estate regulatory environment. REITs that concentrate their holdings in specific businesses, such as apartments, offices or retail space, will be affected by conditions affecting those businesses.

The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect Fund investments more broadly during periods of market volatility. Investors 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 if the Fund had not fair-valued securities or had used a different valuation methodology. The Fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the Fund's investments involves subjective judgment.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the Fund's investments may be negatively affected.

The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. These actions have resulted in significant expansion of public debt, including in the U.S. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Fund by its service providers.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the manager, the subadvisors and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The Fund, the manager, and the subadvisors have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in order to prevent any future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

### Templeton Foreign Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment goal is long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in foreign securities. These securities are predominantly equity securities of companies located outside the U.S., including developing markets. The equity securities in which the Fund invests are predominantly common stock, and may include small and mid-capitalization companies. Although the investment manager will search for investments across a large number of regions, countries and sectors, from time to time, based on economic conditions, the Fund may have significant positions in particular regions, countries or sectors. The investment manager may consider selling an equity security when it believes the security has become overvalued due to either its price appreciation or changes in the company's fundamentals, or when the investment manager believes another security is a more attractive investment opportunity. The Fund may, from time to time, engage in currency-related derivatives, such as currency and cross-currency forwards and currency futures contracts, to seek to hedge (protect) against currency risks. When choosing equity investments for the Fund, the investment manager applies a "bottom-up," value-oriented, long-term approach, focusing on the market price of a company's securities relative to the investment manager's evaluation of the company's long-term earnings, asset value and cash flow potential. The investment manager also considers a company's price/earnings ratio, price/cash flow ratio, profit margins and liquidation value. The Fund may also use a variety of equity-related derivatives, which may include equity futures and equity index futures, for various purposes including enhancing Fund returns, increasing liquidity and gaining exposure to particular markets in more efficient or less expensive ways.

***Principal Risks of Investing*** – You could lose money by investing in a Portfolio that invests in the Fund. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund. The current global outbreak of the novel strain of coronavirus, COVID-19, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. Efforts to contain the spread of COVID-19 have resulted in global travel restrictions and disruptions of healthcare systems, business operations and supply chains, layoffs, reduced consumer demand, defaults and credit ratings downgrades, and other significant economic impacts. The effects of COVID-19 have impacted global economic activity across many industries and may heighten other pre-existing political, social and economic risks, locally or globally. The full impact of the COVID-19 pandemic is unpredictable and may adversely affect the Fund's performance.

Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

Currency management strategies may substantially change the Fund's exposure to currency exchange rates and could result in losses to the Fund if currencies do not perform as the investment manager expects. In addition, currency management strategies, to the extent that they reduce the Fund's exposure to currency risks, also reduce the Fund's ability to benefit from favorable changes in currency exchange rates. Using currency management strategies for purposes other than hedging further increases the Fund's exposure to foreign investment losses. Currency markets generally are not as regulated as securities markets. In addition, currency rates may fluctuate significantly over short periods of time, and can reduce returns.

Because the Fund may invest at least a significant portion of its assets in companies in a specific region, including Europe, the Fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of investments held by the Fund. Current uncertainty concerning the economic consequences of the January 31, 2020 departure of the United Kingdom from the European Union (EU) may increase market volatility.

The Fund's investments in securities of issuers in developing market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation.

A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Securities issued by small and mid-capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid-capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

The performance of derivative instruments (including currency derivatives) depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such instruments often have risks similar to the underlying instrument, in addition to other risks. Derivative instruments involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivative instruments at all. When a derivative is used for hedging, the change in value of the derivative instrument may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all.

## Western Asset Core Bond Fund

***Investment Objective, Strategy and Policies*** – Maximize total return, consistent with prudent investment management and liquidity needs, by investing to obtain the average duration specified below.

The Fund invests in a portfolio of fixed income securities of various maturities and, under normal market conditions, will invest at least 80% of its net assets, including the amount of borrowing for investment purposes, if any, in debt and fixed income securities. Although the Fund may invest in debt and fixed income securities of any maturity, under normal market conditions the target dollar-weighted average effective duration for the Fund is expected to range within 20% of the average duration of the domestic bond market as a whole as estimated by the Fund's subadviser. Effective duration seeks to measure the expected sensitivity of market price to changes in interest rates, taking into account the anticipated effects of structural complexities (for example, some bonds can be prepaid by the issuer).

The Fund presently intends to limit its investments to U.S. dollar denominated securities and currently anticipates that it will generally only purchase debt securities that are rated in the Baa or BBB categories or above at the time of purchase by one or more Nationally Recognized Statistical Rating Organizations ("NRSROs") or unrated securities of comparable quality at the time of purchase (as determined by the subadviser). These securities are known as "investment grade securities." The Fund may invest up to 25% of its total assets in the securities of non-U.S. issuers. The Fund may invest a substantial portion of its assets in mortgage-backed and asset-backed securities.

The Fund may also enter into various exchange-traded and over-the-counter derivative transactions for both hedging and non-hedging purposes, including for purposes of enhancing returns. These derivative transactions include, but are not limited to, futures, options and swaps. In particular, the Fund may use interest rate swaps, credit default swaps (including buying and selling credit default swaps on individual securities and/or baskets of securities), options (including options on credit default swaps) and futures contracts to a significant extent, although the amounts invested in these instruments may change from time to time. Other instruments may also be used to a significant extent from time to time.

***Principal Risks of Investing*** – Risk is inherent in all investing. The value of your investment in a Portfolio which invests in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment or your investment may not perform as well as other similar investments. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the Fund.

The market prices of the Fund's securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, tariffs and trade disruptions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. If the market prices of the Fund's securities fall, the value of your investment will decline. The value of your investment will generally go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the Fund.

The maturity of a security may be significantly longer than its duration. A security's maturity and other features may be more relevant than its duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities.

If an issuer or guarantor of a security held by the Fund or a counterparty to a financial contract with the Fund defaults or its credit is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of your investment will typically decline. Changes in actual or perceived creditworthiness may occur quickly. The Fund could be delayed or hindered in its enforcement of rights against an issuer, guarantor or counterparty.

Using derivatives can increase Fund losses and reduce opportunities for gains when market prices, interest rates, currencies, or the derivatives themselves behave in a way not anticipated by the Fund. Using derivatives also can have a leveraging effect and increase Fund volatility. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may not be available at the time or price desired, may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the Fund. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for the Fund than an investment in the underlying security, and those differences may affect the amount, timing and character of income distributed to shareholders. The U.S. government and foreign governments are in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets.

Credit default swap contracts involve heightened risks and may result in losses to the Fund. Credit default swaps may be illiquid and difficult to value. When the Fund sells credit protection via a credit default swap, credit risk increases since the Fund has exposure to both the issuer whose credit is the subject of the swap and the counterparty to the swap.

The value of your investment may be more volatile if the Fund borrows or uses instruments, such as derivatives, that have a leveraging effect on the Fund's portfolio. Other risks described in the Prospectus also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the Fund would otherwise have had. The Fund may also have to sell assets at inopportune times to satisfy its obligations created by the use of leverage or derivatives. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of the Fund's assets. In addition, the Fund's portfolio will be leveraged if it exercises its right to delay payment on a redemption, and losses will result if the value of the Fund's assets declines between the time a redemption request is deemed to be received by the Fund and the time the Fund liquidates assets to meet redemption requests.

Some assets held by the Fund may be or become impossible or difficult to sell and some assets that the Fund wants to invest in may be impossible or difficult to purchase, particularly during times of market turmoil or due to adverse changes in the conditions of a particular issuer. These illiquid assets may also be difficult to value. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. Recent federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the Fund's ability to buy or sell such securities. During times of market turmoil, there have been, and may be, no buyers or sellers for securities in entire asset classes. If the Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the Fund may be forced to sell at a substantial loss or may not be able to sell at all. The Fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer).

The Fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the Fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability.

The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The Fund may be unable or may choose not to hedge its foreign currency exposure.

Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the Fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

Many issuers have a right to prepay their fixed income securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, the Fund will not benefit from the rise in the market price of the securities that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. The Fund may also lose any premium it paid to purchase the securities.

When interest rates rise, repayments of fixed income securities, particularly asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause the Fund's share price to be more volatile.

To the extent the Fund invests its assets in a small number of issuers, or in issuers in related businesses or that are subject to related operating risks, the Fund will be more susceptible to negative events affecting those issuers.

The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect Fund investments more broadly during periods of market volatility. Investors 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 if the Fund had not fair-valued securities or had used a different valuation methodology. The Fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the Fund's investments involves subjective judgment.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the Fund's investments may be negatively affected.

The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Fund by its service providers.

The Fund's investments, payment obligations, and financing terms may be based on floating rates, such as the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. In 2017, the head of the UK Financial Conduct Authority ("FCA") announced a desire to phase out the use of LIBOR by the end of 2021. The FCA and LIBOR's administrator, ICE Benchmark Administration ("IBA"), have announced that most LIBOR rates will no longer be published after the end of 2021 and a majority of U.S. dollar LIBOR rates will no longer by published after June 30, 2023. It is possible that the FCA may compel the IBA to publish a subset of LIBOR settings after these dates on a "synthetic" basis, but any such publications would be considered non-representative of the underlying market. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the Fund's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the Fund or the Fund's investments cannot yet be determined.

There can be no assurance that the Fund will engage in hedging transactions at any given time, even under volatile market conditions, or that any hedging transactions the Fund engages in will be successful. Hedging transactions involve costs and may reduce gains or result in losses.

The value of the investments held by the Fund for cash management or defensive investing purposes can fluctuate. Like other fixed income securities, they are subject to risk, including market, interest rate and credit risk. If the Fund holds cash uninvested, the cash will be subject to the credit risk of the depository institution holding the cash and the Fund will not earn income on the cash. If a significant amount of the Fund's assets is used for cash management or defensive investing purposes, the Fund will be less likely to achieve its investment objective. Defensive investing may not work as intended and the value of an investment in the Fund may still decline.

When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, mortgage refinancings and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the Fund. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan. Investments in asset-backed securities are subject to similar risks. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited, and therefore certain asset-backed securities present a heightened level of risk.

The value of your investment may decrease if the subadvisors' judgment about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, or about interest rates, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadvisors. In addition, the Fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadvisors and could have an adverse effect on the value or performance of the Fund.

Active and frequent trading may increase a shareholder's tax liability and the Fund's transaction costs, which could detract from Fund performance.

The Fund may experience heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or unfavorable prices or increase or accelerate taxable gains or transaction costs and may negatively affect the Fund's NAV, performance, or ability to satisfy redemptions in a timely manner, which could cause the value of your investment to decline.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the manager, the subadvisors and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The Fund, the manager, and the subadvisors have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in order to prevent any future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

## Western Asset Core Plus Bond Fund

***Investment Objective, Strategy and Policies*** – Maximize total return, consistent with prudent investment management and liquidity needs, by investing to obtain the average duration specified below.

The Fund invests in a portfolio of fixed income securities of various maturities and, under normal market conditions, will invest at least 80% of its net assets, including the amount of borrowing for investment purposes, if any, in debt and fixed income securities. Although the Fund may invest in securities of any maturity, the Fund will normally maintain a dollar-weighted average effective duration within 30% of the average duration of the domestic bond market as a whole as estimated by the Fund's subadvisors. Effective duration seeks to measure the expected sensitivity of market price to changes in interest rates, taking into account the anticipated effects of structural complexities (for example, some bonds can be prepaid by the issuer).

The Fund may invest up to 20% of its total assets in non-U.S. dollar denominated securities. Up to 20% of the Fund's net assets may be invested in debt securities that are not rated in the Baa or BBB categories or above at the time of purchase by one or more Nationally Recognized Statistical Rating Organizations ("NRSROs") or, if unrated, securities of comparable quality at the time of purchase (as determined by the subadvisors). Securities rated in the Baa or BBB categories or above by one or more NRSROs or unrated securities of comparable quality are known as "investment grade securities." Securities rated below investment grade are commonly known as "junk bonds" or "high yield securities." The Fund may invest up to 25% of its total assets in the securities of non-U.S. issuers. The Fund may invest a substantial portion of its assets in mortgage-backed and assetbacked securities.

The Fund may also enter into various exchange-traded and over-the-counter derivative transactions for both hedging and non-hedging purposes, including for purposes of enhancing returns. These derivative transactions include, but are not limited to, futures, options, swaps, foreign currency futures and forwards.

In particular, the Fund may use interest rate swaps, credit default swaps (including buying and selling credit default swaps on individual securities and/or baskets of securities), options (including options on credit default swaps and options on futures) and futures contracts to a significant extent, although the amounts invested in these instruments may change from time to time. Other instruments may also be used to a significant extent from time to time.

***Principal Risks of Investing*** – Risk is inherent in all investing. The value of your investment in a Portfolio which invests in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment or your investment may not perform as well as other similar investments. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the Fund.

The market prices of the Fund's securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, tariffs and trade disruptions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. If the market prices of the Fund's securities fall, the value of your investment will decline. The value of your investment will generally go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the Fund.

The maturity of a security may be significantly longer than its duration. A security's maturity and other features may be more relevant than its duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities.

If an issuer or guarantor of a security held by the Fund or a counterparty to a financial contract with the Fund defaults or its credit is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of your investment will typically decline. Changes in actual or perceived creditworthiness may occur quickly. The Fund could be delayed or hindered in its enforcement of rights against an issuer, guarantor or counterparty. Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer and will be disproportionately affected by a default, downgrade or perceived decline in creditworthiness.

High yield bonds are generally subject to greater credit risks than higher-grade bonds, including the risk of default on the payment of interest or principal. High yield bonds are considered speculative, typically have lower liquidity and are more difficult to value than higher grade bonds. High yield bonds tend to be volatile and more susceptible to adverse events, credit downgrades and negative sentiments and may be difficult to sell at a desired price, or at all, during periods of uncertainty or market turmoil.

Using derivatives can increase Fund losses and reduce opportunities for gains when market prices, interest rates, currencies, or the derivatives themselves behave in a way not anticipated by the Fund. Using derivatives also can have a leveraging effect and increase Fund volatility. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may not be available at the time or price desired, may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the Fund. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for the Fund than an investment in the underlying security, and those differences may affect the amount, timing and character of income distributed to shareholders. The U.S. government and foreign governments are in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets.

Credit default swap contracts involve heightened risks and may result in losses to the Fund. Credit default swaps may be illiquid and difficult to value. When the Fund sells credit protection via a credit default swap, credit risk increases since the Fund has exposure to both the issuer whose credit is the subject of the swap and the counterparty to the swap.

The value of your investment may be more volatile if the Fund borrows or uses instruments, such as derivatives, that have a leveraging effect on the Fund's portfolio. Other risks described in the Prospectus also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the Fund would otherwise have had. The Fund may also have to sell assets at inopportune times to satisfy its obligations created by the use of leverage or derivatives. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of the Fund's assets. In addition, the Fund's portfolio will be leveraged if it exercises its right to delay payment on a redemption, and losses will result if the value of the Fund's assets declines between the time a redemption request is deemed to be received by the Fund and the time the Fund liquidates assets to meet redemption requests.

Some assets held by the Fund may be or become impossible or difficult to sell and some assets that the Fund wants to invest in may be impossible or difficult to purchase, particularly during times of market turmoil or due to adverse changes in the conditions of a particular issuer. These illiquid assets may also be difficult to value. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. Recent federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the Fund's ability to buy or sell such securities. During times of market turmoil, there have been, and may be, no buyers or sellers for securities in entire asset classes. If the Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the Fund may be forced to sell at a substantial loss or may not be able to sell at all. The Fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer). The liquidity of certain assets, particularly of privately-issued and non-investment grade mortgage-backed securities, asset-backed securities and collateralized debt obligations, may be difficult to ascertain and may change over time.

The Fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the Fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability.

The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The Fund may be unable or may choose not to hedge its foreign currency exposure.

Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the Fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

Sovereign government and supranational debt involve many of the risks of foreign and emerging markets investments as well as the risk of debt moratorium, repudiation or renegotiation, and the Fund may be unable to enforce its rights against the issuers. Sovereign debt risk is increased for emerging market issuers.

Many issuers have a right to prepay their fixed income securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, the Fund will not benefit from the rise in the market price of the securities that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. The Fund may also lose any premium it paid to purchase the securities.

When interest rates rise, repayments of fixed income securities, particularly asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause the Fund's share price to be more volatile. To the extent the Fund invests its assets in a small number of issuers, or in issuers in related businesses or that are subject to related operating risks, the Fund will be more susceptible to negative events affecting those issuers.

The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect Fund investments more broadly during periods of market volatility. Investors 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 if the Fund had not fair-valued securities or had used a different valuation methodology. The Fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the Fund's investments involves subjective judgment.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the Fund's investments may be negatively affected.

The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Fund by its service providers.

The Fund's investments, payment obligations, and financing terms may be based on floating rates, such as the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. In 2017, the head of the UK Financial Conduct Authority ("FCA") announced a desire to phase out the use of LIBOR by the end of 2021. The FCA and LIBOR's administrator, ICE Benchmark Administration ("IBA"), have announced that most LIBOR rates will no longer be published after the end of 2021 and a majority of U.S. dollar LIBOR rates will no longer by published after June 30, 2023. It is possible that the FCA may compel the IBA to publish a subset of LIBOR settings after these dates on a "synthetic" basis, but any such publications would be considered non-representative of the underlying market. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the Fund's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the Fund or the Fund's investments cannot yet be determined.

There can be no assurance that the Fund will engage in hedging transactions at any given time, even under volatile market conditions, or that any hedging transactions the Fund engages in will be successful. Hedging transactions involve costs and may reduce gains or result in losses.

The value of the investments held by the Fund for cash management or defensive investing purposes can fluctuate. Like other fixed income securities, they are subject to risk, including market, interest rate and credit risk. If the Fund holds cash uninvested, the cash will be subject to the credit risk of the depository institution holding the cash and the Fund will not earn income on the cash. If a significant amount of the Fund's assets is used for cash management or defensive investing purposes, the Fund will be less likely to achieve its investment objective. Defensive investing may not work as intended and the value of an investment in the Fund may still decline.

When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, mortgage refinancings and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the Fund. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan. Investments in asset-backed securities are subject to similar risks. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited, and therefore certain asset-backed securities present a heightened level of risk.

The value of your investment may decrease if the subadvisors' judgment about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, or about interest rates, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadvisors. In addition, the Fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadvisors and could have an adverse effect on the value or performance of the Fund. Active and frequent trading may increase a shareholder's tax liability and the Fund's transaction costs, which could detract from Fund performance.

The Fund may experience heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or unfavorable prices or increase or accelerate taxable gains or transaction costs and may negatively affect the Fund's NAV, performance, or ability to satisfy redemptions in a timely manner, which could cause the value of your investment to decline.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the manager, the subadvisers and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The Fund, the manager, and the subadvisers have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in order to prevent any future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

## Western Asset Short Term Bond Fund

***Investment Objective, Strategy and Policies*** – The Fund seeks current income, preservation of capital and liquidity.

Under normal market conditions, the Fund invests at least 80% of its assets in "investment grade" fixed income securities. Securities in which the Fund invests include corporate debt securities, bank obligations, mortgage- and asset-backed securities and securities issued by the U.S. government and its agencies and instrumentalities. Investment grade securities are those rated by a rating agency at the time of purchase in one of the top four ratings categories or, if unrated, are judged by the subadvisor to be of comparable quality. The Fund may invest up to 25% of its assets in U.S. dollar denominated securities of non-U.S. issuers.

The Fund is not a money market fund and does not seek to maintain a stable net asset value of $1.00 per share. The Fund may invest in securities of any maturity. The Fund normally maintains an average effective maturity of not more than three years. For the purposes of determining the Fund's average effective maturity, a security's maturity date will generally be deemed to be the next interest rate reset date for an adjustable rate security or, if earlier, the date of the next demand feature, such as a put feature, when the Fund would be entitled to receive payment of principal and interest. The subadvisor may also take into account estimated future prepayments on securities, such as mortgage-backed securities, with uncertain future cash flows and estimations of call features and similar features and options. These estimates may prove to be incorrect.

Instead of, and/or in addition to, investing directly in particular securities, the Fund may use instruments such as derivatives, including options, swaps, interest rate swaps, credit default swaps (including buying and selling credit default swaps and options on credit default swaps), futures contracts, and other synthetic instruments that are intended to provide economic exposure to the securities or the issuer or to be used as a hedging technique.

The Fund may use one or more types of these instruments without limit. For additional information regarding derivatives, see "More on the Fund's investment strategies, investments and risks—Derivatives" in the Prospectus. These instruments are taken into account when determining compliance with the Fund's 80% policy.

The Fund may also engage in a variety of transactions using derivatives in order to change the investment characteristics of its portfolio (such as shortening or lengthening duration) and for other purposes.

***Principal Risks of Investing*** – Risk is inherent in all investing. The value of your investment in a Portfolio which invests in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment or your investment may not perform as well as other similar investments. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the Fund.

The market prices of the Fund's securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, tariffs and trade disruptions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. If the market prices of the Fund's securities fall, the value of your investment will decline. The value of your investment will generally go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the Fund.

The maturity of a security may be significantly longer than its duration. A security's maturity and other features may be more relevant than its duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the Fund's investments may be negatively affected.

The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Fund by its service providers.

The Fund's investments, payment obligations, and financing terms may be based on floating rates, such as the London Interbank Offered Rate, or “LIBOR,” which is the offered rate for short-term Eurodollar deposits between major international banks. In 2017, the head of the UK Financial Conduct Authority (“FCA”) announced a desire to phase out the use of LIBOR by the end of 2021. The FCA and LIBOR's administrator, ICE Benchmark Administration (“IBA”), have announced that most LIBOR rates will no longer be published after the end of 2021 and a majority of U.S. dollar LIBOR rates will no longer by published after June 30, 2023. It is possible that the FCA may compel the IBA to publish a subset of LIBOR settings after these dates on a “synthetic” basis, but any such publications would be considered non-representative of the underlying market. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the Fund's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the Fund or the Fund's investments cannot yet be determined.

If an issuer or guarantor of a security held by the Fund or a counterparty to a financial contract with the Fund defaults or its credit is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of your investment will typically decline. Changes in actual or perceived creditworthiness may occur quickly. The Fund could be delayed or hindered in its enforcement of rights against an issuer, guarantor or counterparty. Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer and will be disproportionately affected by a default, downgrade or perceived decline in creditworthiness.

High yield bonds are generally subject to greater credit risks than higher-grade bonds, including the risk of default on the payment of interest or principal. High yield bonds are considered speculative, typically have lower liquidity and are more difficult to value than higher grade bonds. High yield bonds tend to be volatile and more susceptible to adverse events, credit downgrades and negative sentiments and may be difficult to sell at a desired price, or at all, during periods of uncertainty or market turmoil.

Using derivatives can increase Fund losses and reduce opportunities for gains when market prices, interest rates, currencies, or the derivatives themselves behave in a way not anticipated by the Fund. Using derivatives also can have a leveraging effect and increase Fund volatility. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may not be available at the time or price desired, may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the Fund. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for the Fund than an investment in the underlying security, and those differences may affect the amount, timing and character of income distributed to shareholders. The U.S. government and foreign governments are in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets.

Credit default swap contracts involve heightened risks and may result in losses to the Fund. Credit default swaps may be illiquid and difficult to value. When the Fund sells credit protection via a credit default swap, credit risk increases since the Fund has exposure to both the issuer whose credit is the subject of the swap and the counterparty to the swap.

When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, mortgage refinancings and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the Fund. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan. Investments in asset-backed securities are subject to similar risks. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited, and therefore certain asset-backed securities present a heightened level of risk.

The value of your investment may be more volatile if the Fund borrows or uses instruments, such as derivatives, that have a leveraging effect on the Fund's portfolio. Other risks described in the Prospectus also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the Fund would otherwise have had. The Fund may also have to sell assets at inopportune times to satisfy its obligations created by the use of leverage or derivatives. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of the Fund's assets. In addition, the Fund's portfolio will be leveraged if it exercises its right to delay payment on a redemption, and losses will result if the value of the Fund's assets declines between the time a redemption request is deemed to be received by the Fund and the time the Fund liquidates assets to meet redemption requests.

Some assets held by the Fund may be or become impossible or difficult to sell and some assets that the Fund wants to invest in may be impossible or difficult to purchase, particularly during times of market turmoil or due to adverse changes in the conditions of a particular issuer. These illiquid assets may also be difficult to value. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. Recent federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the Fund's ability to buy or sell such securities. During times of market turmoil, there have been, and may be, no buyers or sellers for securities in entire asset classes. If the Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the Fund may be forced to sell at a substantial loss or may not be able to sell at all. The Fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer). The liquidity of certain assets, particularly of privately-issued and non-investment grade mortgage-backed securities, asset-backed securities and collateralized debt obligations, may be difficult to ascertain and may change over time.

The Fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the Fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability. To the extent the Fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on Fund performance relative to a more geographically diversified fund.

The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The Fund may be unable or may choose not to hedge its foreign currency exposure.

Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the Fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

The Fund may be an investment option for mutual funds and ETFs that are managed by LMPFA and its affiliates, including Franklin Templeton investment managers, as "funds of funds," unaffiliated mutual funds and ETFs and other investors with substantial investments in the Fund. As a result, from time to time, the Fund may experience relatively large redemptions and could be required to liquidate its assets at inopportune times or at a loss or depressed value, which could cause the value of your investment to decline.

Many issuers have a right to prepay their fixed income securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, the Fund will not benefit from the rise in the market price of the securities that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. The Fund may also lose any premium it paid to purchase the securities.

When interest rates rise, repayments of fixed income securities, particularly asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause the Fund's share price to be more volatile.

To the extent the Fund invests its assets in a small number of issuers, or in issuers in related businesses or that are subject to related operating risks, the Fund will be more susceptible to negative events affecting those issuers.

The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect Fund investments more broadly during periods of market volatility. Investors 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 if the Fund had not fair-valued securities or had used a different valuation methodology. The Fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the Fund's investments involves subjective judgment.

The value of your investment may decrease if the subadvisor's judgment about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, or about interest rates, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadvisor. In addition, the Fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadvisor and could have an adverse effect on the value or performance of the Fund.

The Fund may experience heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or unfavorable prices or increase or accelerate taxable gains or transaction costs and may negatively affect the Fund's NAV, performance, or ability to satisfy redemptions in a timely manner, which could cause the value of your investment to decline.

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the manager, the subadvisor and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The Fund, the manager, and the subadvisor have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in order to prevent any future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

### Templeton Global Bond Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment goal is current income with capital appreciation and growth of income. Under normal market conditions, the Fund invests at least 80% of its net assets in "bonds." For purposes of the Fund's 80% policy, bonds include derivative instruments or other investments that have economic characteristics similar to bonds. Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures. The Fund invests predominantly in bonds issued by governments, government related entities and government agencies located around the world. Bonds may be denominated and issued in the local currency or in another currency. The Fund may also invest in securities or structured products that are linked to or derive their value from another security, asset or currency of any nation. In addition, the Fund's assets are invested in issuers located in at least three countries (including the U.S.). The Fund may invest without limit in developing markets. The Fund is a "non-diversified" fund, which means it generally invests a greater portion of its assets in the securities of one or more issuers and invests overall in a smaller number of issuers than a diversified fund. Although the Fund may buy bonds rated in any category, it focuses on "investment grade" bonds. These are issues rated in the top four rating categories by at least one independent rating agency, such as S&P Global Ratings (S&P® ) or Moody's Investors Service (Moody's) or, if unrated, determined by the Fund's investment manager to be of comparable quality. The Fund may invest up to 25% of its total assets in bonds that are rated below investment grade or, if unrated determined by the investment manager to be of comparable quality. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The Fund may invest in debt securities of any maturity, and the average maturity of debt securities in the Fund's portfolio will fluctuate depending on the investment manager's outlook on changing market, economic, and political conditions. For purposes of pursuing its investment goals, the Fund regularly enters into various currency related transactions involving derivative instruments, principally currency and cross currency forwards, but it may also use currency and currency index futures contracts and currency options. The Fund maintains extensive positions in currency related derivative instruments as a hedging technique or to implement a currency investment strategy, which could expose a large amount of the Fund's assets to obligations under these instruments. The results of such transactions may represent, from time to time, a large component of the Fund's investment returns. The use of these derivative transactions may allow the Fund to obtain net long or net negative (short) exposure to selected currencies. The Fund may also enter into various other transactions involving derivatives, including interest rate/bond futures and swap agreements (which may include interest rate and credit default swaps). These derivative instruments may be used for hedging purposes, to enhance returns, or to obtain net long or net negative (short) exposure to selected, interest rates, countries, durations or credit risks. When choosing investments for the Fund, the investment manager allocates the Fund's assets based upon its assessment of changing market, political and economic conditions. It considers various factors, including evaluation of interest rates, currency exchange rate changes and credit risks. The investment manager may consider selling a security when it believes the security has become fully valued due to either its price appreciation or changes in the issuer's fundamentals, or when the investment manager believes another security is a more attractive investment opportunity. The Fund may, at times, maintain a large position in cash and cash equivalents (including money market funds).

***Principal Risks of Investing*** – You could lose money by investing in a Portfolio that invests in the Fund. Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

Currency management strategies may substantially change the Fund's exposure to currency exchange rates and could result in losses to the Fund if currencies do not perform as the investment manager expects. In addition, currency management strategies, to the extent that they reduce the Fund's exposure to currency risks, may also reduce the Fund's ability to benefit from favorable changes in currency exchange rates. Using currency management strategies for purposes other than hedging further increases the Fund's exposure to foreign investment losses. Currency markets generally are not as regulated as securities markets. In addition, currency rates may fluctuate significantly over short periods of time, and can reduce returns.

Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign investments generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due because of cash flow problems, insufficient foreign reserves, the relative size of the debt service burden to the economy as a whole, the government's policy towards principal international lenders such as the International Monetary Fund, or the political considerations to which the government may be subject. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. Some sovereign debtors have in the past been able to restructure their debt payments without the approval of some or all debt holders or to declare moratoria on payments. In the event of a default on sovereign debt, the Fund may also have limited legal recourse against the defaulting government entity.

Adverse conditions in a certain region or country can adversely affect securities of issuers in other countries whose economies appear to be unrelated. To the extent that the Fund invests a significant portion of its assets in a specific geographic region or a particular country, the Fund will generally have more exposure to the specific regional or country economic risks. In the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a substantial portion of the Fund's assets are invested, the Fund may experience substantial illiquidity or reduction in the value of the Fund's investments.

The Fund's investments in securities of issuers in developing market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation.

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

When interest rates rise, debt security prices generally fall. The opposite is also generally true: debt security prices rise when interest rates fall. Interest rate changes are influenced by a number of factors, including government policy, monetary policy, inflation expectations, perceptions of risk, and supply of and demand for bonds. In general, securities with longer maturities or durations are more sensitive to interest rate changes.

From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

An issuer of debt securities may fail to make interest payments or repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's or government's credit rating may affect a security's value.

Issuers of lower-rated or "high-yield" debt securities (also known as "junk bonds") are not as strong financially as those issuing higher credit quality debt securities. High-yield debt securities are generally considered predominantly speculative by the applicable rating agencies as their issuers are more likely to encounter financial difficulties because they may be more highly leveraged, or because of other considerations. In addition, high yield debt securities generally are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. The prices of high-yield debt securities generally fluctuate more than those of higher credit quality. High-yield debt securities are generally more illiquid (harder to sell) and harder to value.

The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such instruments often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio, which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. The successful use of derivatives will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivative instruments at all. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all.

The Fund's distributions to shareholders may decline when prevailing interest rates fall, when the Fund experiences defaults on debt securities it holds, or when the Fund realizes a loss upon the sale of a debt security.

Because the Fund is non-diversified, it may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may result in greater fluctuation in the value of the Fund's shares and greater risk of loss.

To the extent that the Fund holds a large position in cash/cash equivalents (including money market funds) the Fund may lose opportunities to participate in market appreciation and may have lower returns than if the Fund made other investments. In such circumstances, the Fund may not achieve its investment goal.

The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

### BrandywineGLOBAL - Global Opportunities Bond Fund

***Investment Objective, Strategy and Policies*** – Maximize total return consisting of income and capital appreciation.

Under normal market conditions, the fund will invest at least 80% of its net assets in fixed income securities of issuers located in developed market countries. Any country that, at the time of purchase, has a sovereign debt rating of A- or better from at least one nationally recognized statistical ratings organization ("NRSRO") or is included in the FTSE World Government Bond Index will be considered a developed country. The fund will invest in both investment grade and below investment grade fixed income securities, and intends to invest less than 35% of its net assets in below investment grade fixed income securities (commonly known as "high yield debt" or "junk bonds"). The portfolio managers intend to maintain an average weighted portfolio quality of A- or better, whether composed of rated securities or unrated securities deemed by the portfolio managers to be of comparable quality. The fund's investments may include securities of sovereign governments and supranational organizations. The fund may invest up to 25% of its net assets in convertible debt securities.

The fund may invest in currency forwards in order to hedge its currency exposure in bond positions or to gain currency exposure. In addition, the fund may invest in bond futures, interest rate futures, swaps (including interest rate and total return swaps), credit default swaps (including buying and selling credit default swaps), and options. The fund may use derivatives to enhance total return, to hedge against fluctuations in securities prices, interest rates or currency exchange rates, to change the effective duration of its portfolio, to manage certain investment risks and/or as a substitute for the purchase or sale of securities or currencies. These investments may be significant at times. Although the portfolio managers have the flexibility to use these instruments for hedging purposes, they may choose not to for a variety of reasons, even under very volatile market conditions. Derivative instruments are taken into account when determining compliance with the fund's 80% investment policy.

The fund will normally hold a portfolio of fixed income securities of issuers located in a minimum of six countries. Although the fund invests primarily in issuers in developed market countries as defined above, the fund may also invest in issuers in emerging market countries, and some of the countries that the fund considers to be developed may still have certain economic or other characteristics that are considered developing and are similar to emerging market countries.

The fund may invest in securities of any maturity. The weighted average effective duration of the fund's portfolio, including derivatives, is expected to range from 1 to 10 years but for individual markets may be greater or lesser depending on the portfolio managers' view of the prospects for lower interest rates and the potential for capital gains.

The fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund.

***Principal Risks of Investing*** – Risk is inherent in all investing. The value of your investment in a Portfolio which invests in the fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment or your investment may not perform as well as other similar investments. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the fund.

The market prices of the fund's securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, tariffs and trade disruptions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. If the market prices of the fund's securities fall, the value of your investment will decline. The value of your investment will generally go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the fund.

The maturity of a security may be significantly longer than its duration. A security's maturity and other features may be more relevant than its duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities.

The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the fund's investments may be negatively affected.

The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the fund by its service providers.

The fund's investments, payment obligations, and financing terms may be based on floating rates, such as the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. In 2017, the head of the UK Financial Conduct Authority ("FCA") announced a desire to phase out the use of LIBOR by the end of 2021. The FCA and LIBOR's administrator, ICE Benchmark Administration ("IBA"), have announced that most LIBOR rates will no longer be published after the end of 2021 and a majority of U.S. dollar LIBOR rates will no longer by published after June 30, 2023. It is possible that the FCA may compel the IBA to publish a subset of LIBOR settings after these dates on a "synthetic" basis, but any such publications would be considered non-representative of the underlying market. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the fund's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the fund or the fund's investments cannot yet be determined.

If an issuer or guarantor of a security held by the fund or a counterparty to a financial contract with the fund defaults or its credit is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of your investment will typically decline. Changes in actual or perceived creditworthiness may occur quickly. The fund could be delayed or hindered in its enforcement of rights against an issuer, guarantor or counterparty. Subordinated securities are more likely to suffer a credit loss than non- subordinated securities of the same issuer and will be disproportionately affected by a default, downgrade or perceived decline in creditworthiness.

High yield bonds are generally subject to greater credit risks than higher-grade bonds, including the risk of default on the payment of interest or principal. High yield bonds are considered speculative, typically have lower liquidity and are more difficult to value than higher grade bonds. High yield bonds tend to be volatile and more susceptible to adverse events, credit downgrades and negative sentiments and may be difficult to sell at a desired price, or at all, during periods of uncertainty or market turmoil.

Many issuers have a right to prepay their fixed income securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, the fund will not benefit from the rise in the market price of the securities that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. The fund may also lose any premium it paid to purchase the securities.

The market price of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer. The fund may experience a substantial or complete loss on an individual security.

The fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent the fund invests its assets in a smaller number of issuers, the fund will be more susceptible to negative events affecting those issuers than a diversified fund.

The fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability. To the extent the fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on fund performance relative to a more geographically diversified fund.

The value of investments in foreign currencies or securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The fund may be unable or may choose not to hedge its foreign currency exposure.

Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

Sovereign government and supranational debt involve many of the risks of foreign and emerging markets investments as well as the risk of debt moratorium, repudiation or renegotiation, and the fund may be unable to enforce its rights against the issuers. Sovereign debt risk is increased for emerging market issuers.

The value of your investment may decrease if the subadvisor's judgment about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, or about interest rates, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadvisor. In addition, the fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadvisor and could have an adverse effect on the value or performance of the fund.

Convertible securities are subject to both stock market risk associated with equity securities and the credit and interest rate risks associated with fixed income securities. Credit risk is the risk that the issuer or obligor will not make timely payments of principal or interest or that its credit may be downgraded or perceived to be less creditworthy. Interest rate risk is the risk that the value of a fixed income security will fall when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities. As the market price of the equity security underlying a convertible security falls, the convertible security tends to trade on the basis of its yield and other fixed income characteristics. As the market price of the equity security underlying a convertible security rises, the convertible security tends to trade on the basis of its equity conversion features.

The subadvisor's investment models may not adequately take into account certain factors and may result in the fund having a lower return than if the fund were managed using another model or investment strategy. When a model or data used in managing the fund contains an error, or is incorrect or incomplete, any investment decision made in reliance on the model or data may not produce the desired results and the fund may realize losses.

Although the fund does not employ an industry or sector focus, the fund may be susceptible to an increased risk of loss, including losses due to events that adversely affect the fund's investments more than the market as a whole, to the extent that the fund has greater exposure to the securities of a particular issuer or issuers within the same industry or sector.

Active and frequent trading may increase a shareholder's tax liability and the fund's transaction costs, which could detract from fund performance.

Some assets held by the fund may be or become impossible or difficult to sell and some assets that the fund wants to invest in may be impossible or difficult to purchase, particularly during times of market turmoil or due to adverse changes in the conditions of a particular issuer. These illiquid assets may also be difficult to value. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. Recent federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the fund's ability to buy or sell such securities. During times of market turmoil, there have been, and may be, no buyers or sellers for securities in entire asset classes. If the fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the fund may be forced to sell at a substantial loss or may not be able to sell at all. The fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer).

When interest rates rise, repayments of fixed income securities may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause the fund's share price to be more volatile.

Using derivatives can increase fund losses and reduce opportunities for gains when market prices, interest rates, currencies, or the derivatives themselves behave in a way not anticipated by the fund. Using derivatives also can have a leveraging effect and increase fund volatility. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may not be available at the time or price desired, may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the fund. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for the fund than an investment in the underlying security, and those differences may affect the amount, timing and character of income distributed to shareholders. The U.S. government and foreign governments are in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets.

Credit default swap contracts involve heightened risks and may result in losses to the fund. Credit default swaps may be illiquid and difficult to value. When the fund sells credit protection via a credit default swap, credit risk increases since the fund has exposure to both the issuer whose credit is the subject of the swap and the counterparty to the swap.

Currency futures, forwards or options may not always work as intended, and in specific cases the fund may be worse off than if it had not used such instrument(s). There may not always be suitable hedging instruments available. Even where suitable hedging instruments are available, the portfolio managers may determine not to hedge the fund's currency risks.

The value of your investment may be more volatile if the fund borrows or uses instruments, such as derivatives, that have a leveraging effect on the fund's portfolio. Other risks described in the Prospectus also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the fund would otherwise have had. The fund may also have to sell assets at inopportune times to satisfy its obligations created by the use of leverage or derivatives. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of the fund's assets. In addition, the fund's portfolio will be leveraged if it exercises its right to delay payment on a redemption, and losses will result if the value of the fund's assets declines between the time a redemption request is deemed to be received by the fund and the time the fund liquidates assets to meet redemption requests.

In connection with certain transactions that may give rise to future payment obligations, including borrowings and many types of derivatives, the fund may maintain a segregated amount of cash or liquid securities to cover the position. Segregated securities generally cannot be sold while the position they are covering is outstanding, unless they are replaced with other securities of equal value. As a result, there is the possibility that segregation of a large percentage of the fund's assets may, in some circumstances, limit the portfolio managers' flexibility to pursue other investment opportunities that might arise. When the fund segregates assets, it is exposed to the risk of loss both in connection with the segregated assets and the transactions to which they relate.

There can be no assurance that the fund will engage in hedging transactions at any given time, even under volatile market conditions, or that any hedging transactions the fund engages in will be successful. Hedging transactions involve costs and may reduce gains or result in losses.

The sales price the fund could receive for any particular portfolio investment may differ from the fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect fund investments more broadly during periods of market volatility. Investors 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 if the fund had not fair-valued securities or had used a different valuation methodology. The fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the fund's investments involves subjective judgment.

The fund may experience heavy redemptions that could cause the fund to liquidate its assets at inopportune times or unfavorable prices or increase or accelerate taxable gains or transaction costs and may negatively affect the fund's NAV, performance, or ability to satisfy redemptions in a timely manner, which could cause the value of your investment to decline.

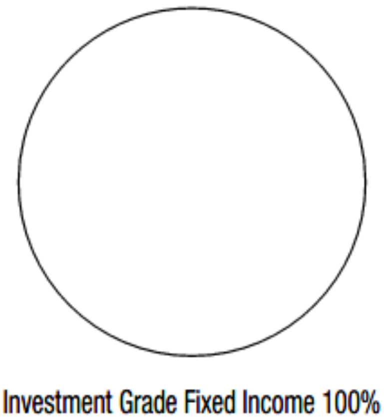
Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to fund assets, fund or customer data (including private shareholder information), or proprietary information, cause the fund, the manager, the subadvisor and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The fund, the manager, and the subadvisor have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the fund or the manager. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent any future cybersecurity incidents. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

## LORD ABBETT PORTFOLIO

***General*** – All of the assets of the Lord Abbett Total Return Portfolio are invested in Institutional Class shares of the Underlying Fund that is recommended by Lord Abbett and approved by FAME for use in the Lord Abbett Portfolio.

The Underlying Fund of the Lord Abbett Total Return Portfolio is currently managed by Lord, Abbett & Co. LLC, which had $245.6 billion in assets under management as of June 30, 2021. Lord Abbett currently manages 61 mutual funds registered under the Investment Company Act of 1940.

The following chart illustrates the current target asset allocation of the Lord Abbett Total Return Portfolio.




**Lord Abbett Total Return Portfolio**

***Current Target Underlying Fund Allocation*** – The following chart illustrates the current target asset allocation and the current target Underlying Fund allocation for the Lord Abbett Total Return Portfolio. This information is presented for informational purposes only.

| Underlying Fund (Class I Shares) | Lord Abbett | |
|---|---|---|
| | Fund Ticker | Total Return Portfolio |
| **Investment Grade Fixed Income Fund** | | |
| Lord Abbett Total Return Fund | LTRYX | 100% |

***Historical Investment Performance*** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of the Lord Abbett Portfolio as of June 30, 2021, with and without sales charges. Updated performance data will be available at www.nextgenforme.com. You may also contact your Financial Intermediary. The Lord Abbett Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. **The performance data relating to the Lord Abbett Portfolio set forth below is for the limited time period presented and is not indicative of the future performance of the Lord Abbett Portfolio.**

# LORD ABBETT PORTFOLIO

| Client Select Series - A Unit Class | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| Single Fund Portfolio | | | | | |
| Lord Abbett Total Return Portfolio | 3.67% | 5.32% | 3.20% | 3.13% | 02/23/15 |

| Client Select Series - A Unit Class | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| Single Fund Portfolio | | | | | |
| Lord Abbett Total Return Portfolio | 3.42% | 5.32% | 3.20% | 3.13% | 02/23/15 |

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

** Reflects a CDSC of 0.25% in the first year after purchase.

| Client Select Series - C Unit Class | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| Single Fund Portfolio | | | | | |
| Lord Abbett Total Return Portfolio | 2.84% | 4.55% | 2.43% | 2.37% | 02/23/15 |

| Client Select Series - C Unit Class | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| Single Fund Portfolio | | | | | |
| Lord Abbett Total Return Portfolio | 1.84% | 4.55% | 2.43% | 2.37% | 02/23/15 |

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

** Reflects a CDSC of 1.00% in the first year after purchase.

***Summary of Investment Objectives and Policies of the Underlying Fund for the Lord Abbett Total Return Portfolio*** – The following description summarizes the investment goals and policies of the Underlying Fund in which the Lord Abbett Total Return Portfolio is currently invested. The description also identifies certain principal risks to which the Underlying Fund may be subject. Additional discussion of risks related to the various categories of the Underlying Fund is set forth under "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS." The investment strategy and risks of the Underlying Fund are subject to change.

The summary is qualified in its entirety by reference to the detailed information included in the current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of the Underlying Fund's current prospectus or statement of additional information, or the Underlying Fund's most recent semi-annual or annual report by calling Lord Abbett at 1-888-522-2388 or by locating it on Lord Abbett's Web site at www.lordabbett.com.

## Lord Abbett Total Return Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek income and capital appreciation to produce a high total return.

Under normal conditions, the Fund pursues its investment objective by investing primarily in investment grade debt (or fixed income) securities. The Fund may invest up to 20% of its net assets in high-yield debt securities (commonly referred to as "lower-rated" or "junk" bonds). The Fund may invest in debt securities issued by non-U.S. entities but denominated in U.S. dollars, and securities issued by non-U.S. entities and denominated in currencies other than the U.S. dollar. The Fund may invest up to 20% of its net assets in debt securities of non-U.S. issuers that are denominated in non-U.S. currencies.

The Fund generally may invest in the following types of debt securities:

- Securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities;
- Corporate debt securities;
- Mortgage-backed, mortgage-related, and other asset-backed securities;
- Inflation-linked investments;
- Structured securities and other hybrid instruments, including collateralized loan obligations ("CLOs"); and
- Senior loans, including bridge loans, novations, assignments, and participations. The Fund may invest up to 10% of its net assets in floating or adjustable rate senior loans.

The Fund may invest in Treasury Inflation Protected Securities ("TIPS"), which are U.S. Government bonds whose principal automatically is adjusted for inflation as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), and other inflation-indexed securities issued by the U.S. Department of Treasury.

The Fund will not invest more than 25% of its total assets in any industry; however, this limitation does not apply to mortgage-backed securities, privately issued mortgage-related securities, or securities issued by the U.S. Government, its agencies and instrumentalities.

The Fund attempts to manage interest rate risk through its management of the average duration of the securities it holds in its portfolio. Under normal conditions, the Fund will maintain its average duration range within two years of the U.S. bond market's duration as measured by the Bloomberg Barclays U.S. Aggregate Bond Index (which was approximately 6.58 years as of June 30, 2021). The duration of a security takes into account the pattern of all expected payments of interest and principal on the security over time, including how these payments are affected by changes in interest rates.

The Fund may use derivatives to hedge against risk or to gain investment exposure. Currently, the Fund expects to invest in derivatives consisting principally of futures, forwards, options, and swaps. The Fund may use derivatives to seek to enhance returns, to attempt to hedge some of its investment risk, to manage portfolio duration, as a substitute for holding the underlying asset on which the derivative instrument is based, or for cash management purposes. For example, the Fund may invest in or sell short U.S. Treasury futures, securities index futures, other futures, and/or currency forwards to adjust the Fund's exposure to the direction of interest rates, or for other portfolio management reasons.

The Fund's portfolio management team buys and sells securities using a relative value- oriented investment process, meaning the Fund's portfolio management team generally seeks more investment exposure to securities believed to be undervalued and less investment exposure to securities believed to be overvalued. The Fund's portfolio management team combines top-down and bottom-up analysis to construct its portfolio, using a blend of quantitative and fundamental research. As part of its top-down analysis, the Fund's portfolio management team evaluates global economic conditions, including monetary, fiscal, and regulatory policy, as well as the political and geopolitical environment, in order to identify and assess opportunities and risks across different segments of the fixed income market. The Fund's portfolio management team employs bottom-up analysis to identify and select securities for investment by the Fund based on in-depth company, industry, and market research and analysis. The Fund's portfolio management team may actively rotate sector exposure based on its assessment of relative value. The investment team may also consider the risks and return potential presented by environmental, social, and governance (ESG) factors in investment decisions. The Fund engages in active and frequent trading of its portfolio securities.

The Fund may sell a security when the Fund believes the security is less likely to benefit from the current market and economic environment, or shows signs of deteriorating fundamentals, among other reasons. The Fund may deviate from the investment strategy described above for temporary defensive purposes. The Fund may miss certain investment opportunities if defensive strategies are used and thus may not achieve its investment objective.

**INVESTMENT GRADE FIXED INCOME FUND**

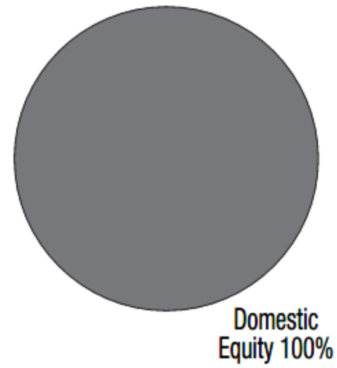
***Principal Risks of Investing*** – The Fund is subject to the general risks associated with investing in fixed income debt securities, including market, credit, liquidity, and interest rate risk. The value of an investment in the Fund will change as interest rates fluctuate in response to market movements. When interest rates rise, the prices of debt securities are likely to decline, and when interest rates fall, the prices of debt securities tend to rise. The Fund may invest in high yield, lower-rated debt securities, sometimes called junk bonds and may involve greater risks than higher rated debt securities. These securities carry increased risks of price volatility, illiquidity, and the possibility of default in the timely payment of interest and principal. The Fund may invest in foreign or emerging market securities, which may be adversely affected by economic, political, or regulatory factors and subject to currency volatility and greater liquidity risk. The Fund may invest in derivatives, which are subject to greater liquidity, leverage, and counterparty risk. These factors can affect Fund performance.

## MAINSTAY PORTFOLIO

***General*** – All of the assets of the MainStay Winslow Large Cap Growth Portfolio are invested in Institutional Class shares of the Underlying Fund that is recommended by MainStay and approved by FAME for use in the MainStay Winslow Large Cap Growth Portfolio.

The MainStay Winslow Large Cap Growth Portfolio is currently managed by MainStay. MainStay and its affiliates had over $76 billion in assets under management as of June 30, 2021. MainStay currently manages 43 mutual funds registered under the Investment Company Act of 1940.

The following chart illustrates the current target asset allocation of the MainStay Winslow Large Cap Growth Portfolio.




**MainStay Winslow Large Cap Growth Portfolio**

***Current Target Underlying Fund Allocation*** – The following chart illustrates the current target asset allocation and the current target Underlying Fund allocation for the MainStay Winslow Large Cap Growth Portfolio. This information is presented for informational purposes only.

| Underlying Fund (Class I Shares) | MainStay | |
| --- | --- | --- |
| | Fund Ticker | MainStay Winslow Large Cap Growth Portfolio |
| **Domestic Equity Fund** | | |
| MainStay Winslow Large Cap Growth Fund | MLAIX | 100% |

***Historical Investment Performance*** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of the MainStay Portfolio as of June 30, 2021, with and without sales charges. The $50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at www.nextgenforme.com. You may also contact your Financial Intermediary. **Past performance information for the MainStay Portfolio is not indicative of the future performance of the MainStay Portfolio.**

| *Client Select Series - A Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | **Average Annual Total Return* as of June 30, 2021 (Without Sales Charges)** | | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **10 Years** | **Since Inception** | **Inception Date** |
| **Single Fund Portfolio** | | | | | | |
| MainStay Winslow Large Cap Growth Portfolio | 37.55% | 23.08% | 23.39% | 16.30% | 16.95% | 09/30/10 |

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

| *Client Select Series - A Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | **Average Annual Total Return* as of June 30, 2021 (With Sales Charges**)** | | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **10 Years** | **Since Inception** | **Inception Date** |
| **Single Fund Portfolio** | | | | | | |
| MainStay Winslow Large Cap Growth Portfolio | 37.30% | 23.08% | 23.39% | 16.30% | 16.95% | 09/30/10 |

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

** Reflects a CDSC of 0.25% in the first year after purchase.

| *Client Select Series - C Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | **Average Annual Total Return* as of June 30, 2021 (Without Sales Charges)** | | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **10 Years** | **Since Inception** | **Inception Date** |
| **Single Fund Portfolio** | | | | | | |
| MainStay Winslow Large Cap Growth Portfolio | 36.51% | 22.15% | 22.46% | 15.42% | 16.02% | 09/29/10 |

| *Client Select Series - C Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | **Average Annual Total Return* as of June 30, 2021 (With Sales Charges**)** | | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **10 Years** | **Since Inception** | **Inception Date** |
| **Single Fund Portfolio** | | | | | | |
| MainStay Winslow Large Cap Growth Portfolio | 35.51% | 22.15% | 22.46% | 15.42% | 16.02% | 09/29/10 |

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

** Reflects a CDSC of 1.00% in the first year after purchase.

***Summary of Investment Objectives and Policies of the Underlying Fund for the MainStay Winslow Large Cap Growth Portfolio*** The following description summarizes the investment goals and policies of the Underlying Fund in which the MainStay Winslow Large Cap Growth Portfolio is currently invested. The description also identifies certain principal risks to which the Underlying Fund may be subject. Additional discussion of risks related to the various categories of the Underlying Fund is set forth under "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS." The investment strategy and risks of the Underlying Fund are subject to change.

**The summary is qualified in its entirety by reference to the detailed information included in the current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the Underlying Fund may be subject. You may request a copy of the Underlying Fund's current prospectus or statement of additional information, or the Underlying Fund's most recent semi-annual or annual report by calling MainStay Investments at 800-MAINSTAY (624-6782) or by locating it on MainStay's Web site at www.nylinvestments.com/documents.**

### MainStay Winslow Large Cap Growth Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek long-term growth of capital. Under normal circumstances, the Fund invests at least 80% of its assets (net assets plus any borrowings for investment purposes) in large capitalization companies, which are companies having a market capitalization in excess of $4 billion at the time of purchase. Typically, Winslow Capital Management, LLC, the Fund's Subadvisor, invests substantially all of the Fund's investable assets in domestic securities. However, the Fund is permitted to invest up to 20% of its net assets in foreign securities. Generally, an issuer of a security is considered to be U.S. or foreign based on the issuer's "country of risk," as determined by a third-party service provider such as Bloomberg.

***Investment Process*** – The Fund invests in those companies that the Subadvisor believes will provide an opportunity for achieving superior portfolio returns (i.e., returns in excess of the returns of the average stock mutual fund) over the long term. The Subadvisor seeks to invest in companies that have the potential for above-average future earnings and cash flow growth with management focused on shareholder value.

When purchasing stocks for the Fund, the Subadvisor looks for companies typically having some or all of the following attributes: addressing markets with growth opportunities; leads or gains in market share; identifiable and sustainable competitive advantages; managed by a team that can perpetuate the firm's competitive advantages; high, and preferably rising, returns on invested capital; deploys excess cash flow to enhance shareholder return; and demonstrates sound corporate governance. The Subadvisor may give consideration to certain environmental, social, and governance ("ESG") criteria when evaluating an investment opportunity.

The Subadvisor takes a "bottom-up" investment approach when selecting investments. This means it bases investment decisions on company specific factors, not general economic conditions.

Under normal market conditions, the Subadvisor employs a sell discipline pursuant to which it may sell some or all of its position in a stock when a stock becomes fully valued, the fundamental business prospects are deteriorating, or the position exceeds limits set by the Subadvisor.

***Principal Risks of Investing*** – You can lose money by investing in the Portfolio which invests in the Fund. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The investments selected by the Subadvisor may underperform the market in which the Fund invests or other investments. The Fund may receive large purchase or redemption orders which may have adverse effects on performance if the Fund were required to sell securities, invest cash or hold a relatively large amount of cash at times when it would not otherwise do so.

The principal risks of investing in the Fund are summarized below.

The value of the Fund's investments may fluctuate because of changes in the markets in which the Fund invests, which could cause the Fund to underperform other funds with similar investment objectives and strategies. Such changes may be rapid and unpredictable. From time to time, markets may experience periods of stress for potentially prolonged periods that may result in: (i) increased market volatility; (ii) reduced market liquidity; and (iii) increased redemptions of Fund shares. Such conditions may add significantly to the risk of volatility in the net asset value of the Fund's shares.

The investment strategies, practices and risk analyses used by the Subadvisor may not produce the desired results. The Subadvisor may give consideration to certain ESG criteria when evaluating an investment opportunity. The application of ESG criteria may result in the Fund (i) having exposure to certain securities or industry sectors that are significantly different than the composition of the Fund's benchmark; and (ii) performing differently than other funds and strategies in its peer group that do not take into account ESG criteria or the Fund's benchmark

Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in the portfolio managers' ability to anticipate such changes that can adversely affect the value of the Fund's holdings.

To the extent the Fund invests in securities issued by small-, mid-, or large-cap companies, the Fund will be subject to the risks associated with securities issued by companies of the applicable market capitalization. Securities of small-cap and mid-cap companies may be subject to greater price volatility, significantly lower trading volumes, cyclical, static or moderate growth prospects and greater spreads between their bid and ask prices than securities of larger companies. Smaller capitalization companies frequently rely on narrower product lines and niche markets and may be more vulnerable to adverse business or market developments. Securities issued by larger companies may have less growth potential and may not be able to attain the high growth rates of successful smaller companies, especially during strong economic periods. In addition, larger companies may be less capable of responding quickly to competitive challenges and industry changes, including those resulting from improvements in technology, and may suffer sharper price declines as a result of earnings disappointments.

There is a risk that the securities issued by companies of a certain market capitalization may underperform the broader market at any given time.

If growth companies do not increase their earnings at a rate expected by investors, the market price of the stock may decline significantly, even if earnings show an absolute increase. Growth company stocks also typically lack the dividend yield that can cushion stock prices in market downturns.

Investments in foreign (non-U.S.) securities may be riskier than investments in U.S. securities. Foreign regulatory regimes and securities markets can have less stringent investor protections and disclosure standards and less liquid trading markets than U.S. regulatory regimes and securities markets, and can experience political, social and economic developments that may affect the value of the Fund's investments in foreign securities. Changes in the value of foreign currencies may make the return on an investment increase or decrease, unrelated to the quality or performance of the investment itself. These risks may be greater with respect to securities of companies that conduct their business activities in emerging markets or whose securities are traded principally in emerging markets.

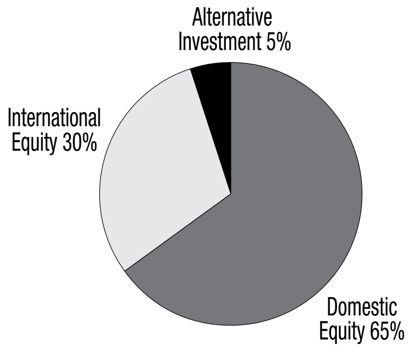
## MFS PORTFOLIOS

***General*** – Substantially all of the assets of each MFS Portfolio are invested in Institutional Class shares of the Underlying Fund(s) that are recommended by MFS for that Portfolio and approved by FAME for use in the MFS Portfolios. A portion of certain MFS Portfolios may be held in the Cash Allocation Account as described on page 101.

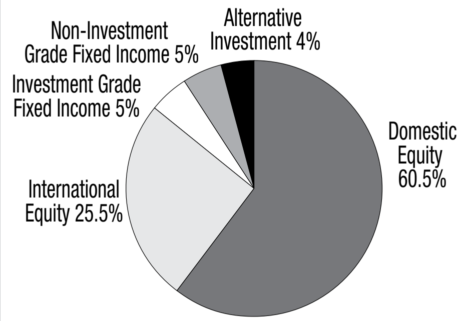
All of these Underlying Funds (excluding the Cash Allocation Account) in which MFS Portfolios invest are currently managed by MFS or its affiliates. MFS is America's oldest mutual fund organization. As of June 30, 2021, MFS and its affiliates had approximately $661.6 billion in assets under management and served as an investment adviser to 135 investment companies (or series thereof) registered under the Investment Company Act of 1940.

The following charts illustrate the current target asset allocation of each age-band of the MFS Age-Based Diversified Portfolio.

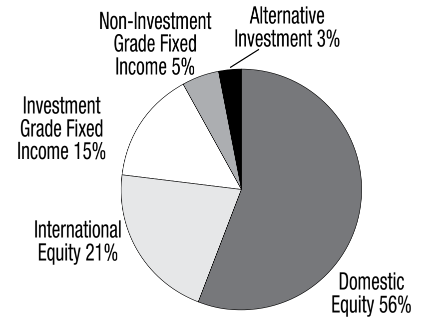
# MFS PORTFOLIOS



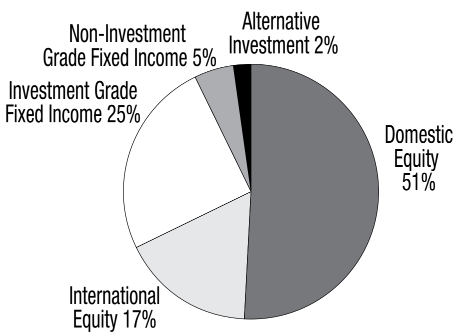

**MFS Age-Based 0-2 Years Portfolio**



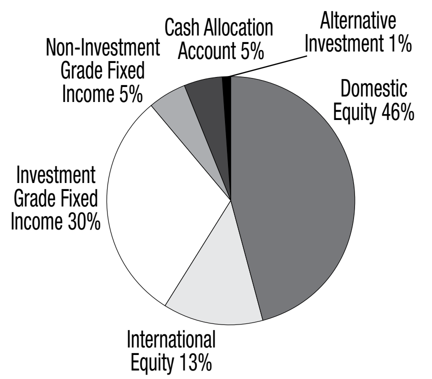

**MFS Age-Based 3-5 Years Portfolio**



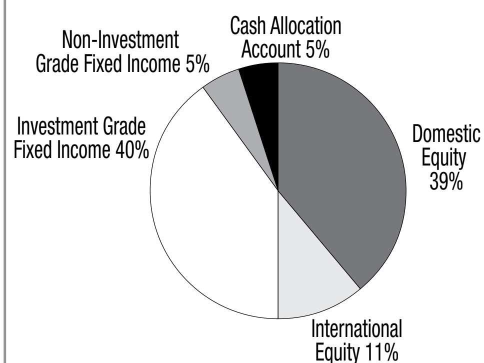

**MFS Age-Based 6-7 Years Portfolio**



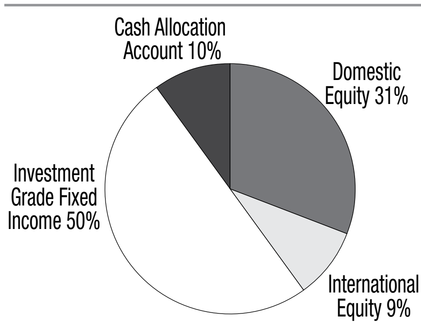

**MFS Age-Based 8-9 Years Portfolio**



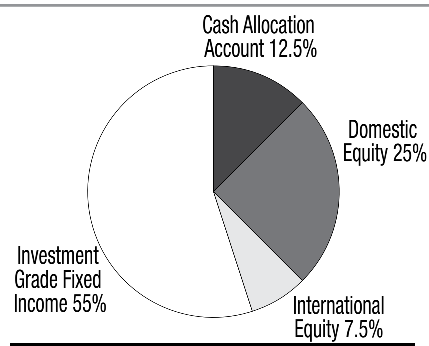

**MFS Age-Based 10-11 Years Portfolio**



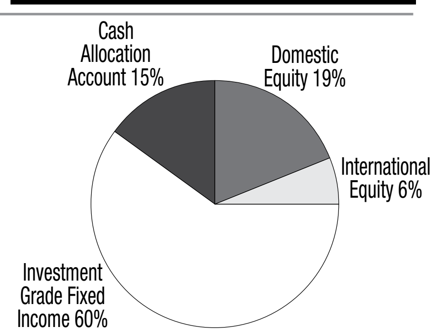

**MFS Age-Based 12-13 Years Portfolio**



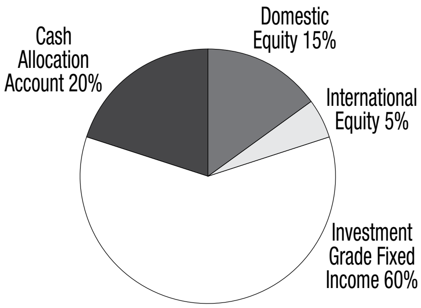

**MFS Age-Based 14-15 Years Portfolio**




**MFS Age-Based 16 Years Portfolio**

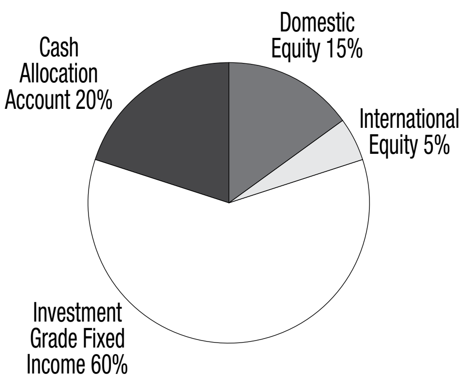



**MFS Age-Based 17 Years Portfolio**

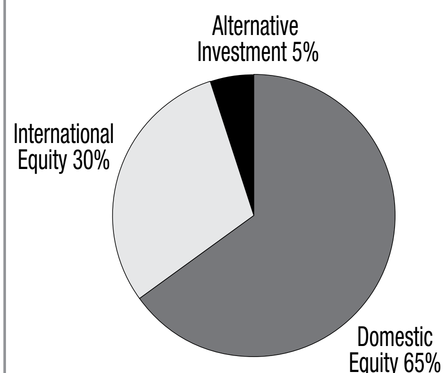



**MFS Age-Based 18+ Years Portfolio**

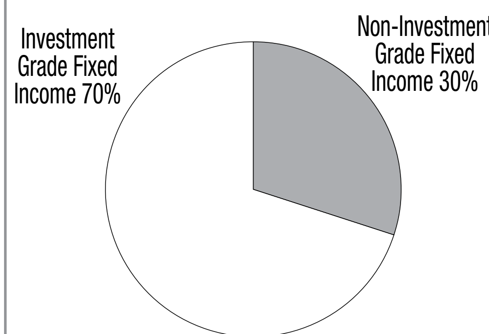
The following charts illustrate the current target asset allocation of each MFS Diversified Portfolio and Single Fund Portfolio.



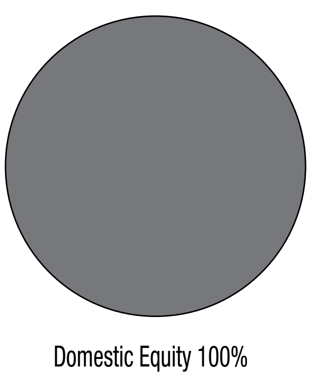

**MFS Conservative Mixed Asset Portfolio**



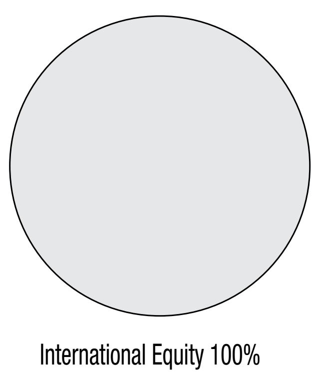

**MFS Equity Portfolio**



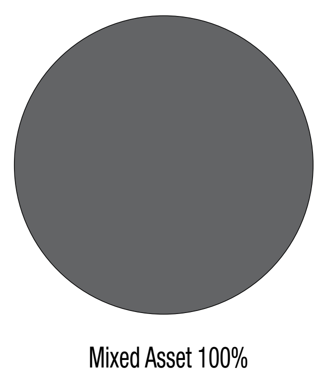

**MFS Fixed Income Portfolio**




**MFS Value Portfolio**




**MFS Research International Portfolio**




**MFS Global Equity Portfolio**

# MFS PORTFOLIOS

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

| Underlying Fund (Class I Shares) | MFS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fund Ticker | Age-Based 0-2 Years Portfolio | Age-Based 3-5 Years Portfolio | Age-Based 6-7 Years Portfolio | Age-Based 8-9 Years Portfolio | Age-Based 10-11 Years Portfolio | Age-Based 12-13 Years Portfolio | Age-Based 14-15 Years Portfolio | Age-Based 16 Years Portfolio | Age-Based 17 Years Portfolio | Age-Based 18+ Years Portfolio |
| **Domestic Equity Funds** | | | | | | | | | | | |
| MFS Blended Research Core Equity Fund | MUSEX | 8.00% | 7.00% | 6.00% | 5.75% | 5.50% | 5.00% | 4.25% | 3.63% | 3.00% | 3.00% |
| MFS Blended Research Growth Equity Fund | BRWJX | 6.00% | 5.75% | 5.50% | 5.00% | 4.50% | 4.00% | 3.50% | 2.75% | 2.00% | 1.50% |
| MFS Blended Research Mid Cap Equity Fund | BMSLX | 10.00% | 9.50% | 9.00% | 8.00% | 7.00% | 5.25% | 3.50% | 2.75% | 2.00% | 1.00% |
| MFS Blended Research Small Cap Equity Fund | BRSJX | 5.00% | 4.50% | 4.00% | 3.50% | 3.00% | 2.25% | 1.50% | 1.25% | 1.00% | 1.00% |
| MFS Blended Research Value Equity Fund | BRUHX | 6.00% | 5.75% | 5.50% | 5.00% | 4.50% | 4.00% | 3.50% | 2.75% | 2.00% | 1.50% |
| Massachusetts Investors Growth Stock Fund | MGTIX | 6.00% | 5.75% | 5.50% | 5.00% | 4.50% | 4.00% | 3.50% | 2.75% | 2.00% | 1.50% |
| Massachusetts Investors Trust | MITIX | 8.00% | 7.00% | 6.00% | 5.75% | 5.50% | 5.00% | 4.25% | 3.63% | 3.00% | 3.00% |
| MFS Mid Cap Growth Fund | OTCIX | 5.00% | 4.75% | 4.50% | 4.00% | 3.50% | 2.75% | 1.75% | 1.37% | 1.00% | 0.50% |
| MFS Mid Cap Value Fund | MCVIX | 5.00% | 4.75% | 4.50% | 4.00% | 3.50% | 2.75% | 1.75% | 1.37% | 1.00% | 0.50% |
| MFS Value Fund | MEIIX | 6.00% | 5.75% | 5.50% | 5.00% | 4.50% | 4.00% | 3.50% | 2.75% | 2.00% | 1.50% |
| **International Equity Funds** | | | | | | | | | | | |
| MFS Blended Research International Equity Fund | BRXIX | 12.00% | 10.50% | 9.00% | 7.50% | 6.00% | 5.50% | 4.50% | 3.75% | 3.00% | 2.50% |
| MFS International New Discovery Fund | MWNIX | 6.00% | 4.50% | 3.00% | 2.00% | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MFS Research International Fund | MRSIX | 12.00% | 10.50% | 9.00% | 7.50% | 6.00% | 5.50% | 4.50% | 3.75% | 3.00% | 2.50% |
| **Alternative Investment Fund** | | | | | | | | | | | |
| MFS Global Real Estate Fund | MGLIX | 5.00% | 4.00% | 3.00% | 2.00% | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Investment Grade Fixed Income Funds** | | | | | | | | | | | |
| MFS Limited Maturity Fund | MQLIX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 5.00% | 15.00% | 17.50% | 20.00% | 20.00% |
| MFS Government Securities Fund | MGSIX | 0.00% | 0.00% | 5.00% | 10.00% | 10.00% | 10.00% | 10.00% | 12.50% | 15.00% | 15.00% |
| MFS Total Return Bond Fund | MRBIX | 0.00% | 5.00% | 10.00% | 15.00% | 20.00% | 25.00% | 25.00% | 25.00% | 25.00% | 25.00% |
| **Non-Investment Grade Fixed Income Fund** | | | | | | | | | | | |
| MFS Global High Yield Fund | MHOIX | 0.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Cash Allocation Account** | | | | | | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 0.00% | 0.00% | 5.00% | 5.00% | 10.00% | 12.50% | 15.00% | 20.00% |

# MFS PORTFOLIOS

| Underlying Fund (Class I Shares) | | Equity Portfolio | Fixed Income Portfolio | Global Equity Portfolio | Value Portfolio | Research International Portfolio | Conservative Mixed Asset Portfolio |
|---|---|---|---|---|---|---|---|
| | **Domestic Equity Funds** | | | | | | |
| MFS Blended Research Core Equity Fund | MUSEX | 8.00% | 0.00% | 0.00% | 0.00% | 0.00% | 3.00% |
| MFS Blended Research Growth Equity Fund | BRWJX | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.50% |
| MFS Blended Research Mid Cap Equity Fund | BMSLX | 10.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.00% |
| MFS Blended Research Small Cap Equity Fund | BRSJX | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.00% |
| MFS Blended Research Value Equity Fund | BRUHX | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.50% |
| Massachusetts Investors Growth Stock Fund | MGTIX | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.50% |
| Massachusetts Investors Trust | MITIX | 8.00% | 0.00% | 0.00% | 0.00% | 0.00% | 3.00% |
| MFS Mid Cap Growth Fund | OTCIX | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.50% |
| MFS Mid Cap Value Fund | MCVIX | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.50% |
| MFS Value Fund | MEIIX | 6.00% | 0.00% | 0.00% | 100.00% | 0.00% | 1.50% |
| | **International Equity Funds** | | | | | | |
| MFS Blended Research International Equity Fund | BRXIX | 12.00% | 0.00% | 0.00% | 0.00% | 0.00% | 2.50% |
| MFS International New Discovery Fund | MWNIX | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MFS Research International Fund | MRSIX | 12.00% | 0.00% | 0.00% | 0.00% | 100.00% | 2.50% |
| | **Mixed Asset Fund**<br>(The Fund may invest in the domestic equity and international equity investment sectors) | | | | | | |
| MFS Global Equity Fund | MWEIX | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% |
| | **Alternative Investment Fund** | | | | | | |
| MFS Global Real Estate Fund | MGLIX | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | **Investment Grade Fixed Income Funds** | | | | | | |
| MFS Limited Maturity Fund | MQLIX | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 20.00% |
| MFS Government Securities Fund | MGSIX | 0.00% | 30.00% | 0.00% | 0.00% | 0.00% | 15.00% |
| MFS Total Return Bond Fund | MRBIX | 0.00% | 40.00% | 0.00% | 0.00% | 0.00% | 25.00% |
| | **Non-Investment Grade Fixed Income Fund** | | | | | | |
| MFS Global High Yield Fund | MHOIX | 0.00% | 30.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | **Cash Allocation Account** | | | | | | |
| Cash Allocation Account | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 20.00% |

# MFS PORTFOLIOS

***Historical Investment Performance*** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of each MFS Portfolio as of June 30, 2021, with and without sales charges. The $50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at www.nextgenforme.com. You may also contact your Financial Intermediary. Each MFS Portfolio's fiscal year runs from July 1 to June 30, which also is the Program's fiscal year. The assets invested in the Age-Based Diversified Portfolios on behalf of particular Designated Beneficiaries are automatically transferred to a successive age-band of the Portfolio when the Designated Beneficiary reaches a given age, and may not remain invested in the referenced Portfolio for a portion of the period reported. **The performance data relating to the MFS Portfolios set forth below is for the limited time period presented and is not indicative of the future performance of the MFS Portfolios.**

| ***Client Select Series - A Unit Class*** | | | | | | |
|---|---|---|---|---|---|---|
| | **Average Annual Total Return* as of June 30, 2021 (Without Sales Charges)** | | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **10 Years** | **Since Inception** | **Inception Date** |
| **Age-Based Diversified Portfolios** | | | | | | |
| MFS Age-Based 0-2 Years Portfolio[1] | 39.16% | 13.89% | 14.13% | 11.56% | 9.37% | 09/20/04 |
| MFS Age-Based 3-5 Years Portfolio | 35.82% | N/A | N/A | N/A | 18.62% | 10/28/19 |
| MFS Age-Based 6-7 Years Portfolio[2] | 31.80% | 12.97% | 12.45% | 10.09% | 8.51% | 09/21/04 |
| MFS Age-Based 8-9 Years Portfolio | 27.85% | N/A | N/A | N/A | 16.42% | 10/28/19 |
| MFS Age-Based 10-11 Years Portfolio[3] | 23.94% | 11.52% | 10.38% | 8.65% | 7.59% | 09/21/04 |
| MFS Age-Based 12-13 Years Portfolio | 20.16% | N/A | N/A | N/A | 13.38% | 10/28/19 |
| MFS Age-Based 14-15 Years Portfolio | 15.63% | 9.16% | 8.01% | 6.60% | 6.10% | 09/20/04 |
| MFS Age-Based 16 Years Portfolio | 12.75% | 8.24% | N/A | N/A | 7.00% | 10/30/17 |
| MFS Age-Based 17 Years Portfolio | 9.85% | 7.16% | N/A | N/A | 5.99% | 10/30/17 |
| MFS Age-Based 18+ Years Portfolio | 7.96% | 6.38% | 4.89% | 4.36% | 4.40% | 09/20/04 |
| **Diversified Portfolios** | | | | | | |
| MFS Conservative Mixed Asset Portfolio | 8.02% | 6.40% | N/A | N/A | 5.14% | 10/17/16 |
| MFS Equity Portfolio | 39.10% | 13.90% | 14.13% | 11.57% | 9.37% | 09/20/04 |
| MFS Fixed Income Portfolio | 3.81% | 5.50% | 3.75% | 3.71% | 4.43% | 09/20/04 |
| **Single Fund Portfolios** | | | | | | |
| MFS Research International Portfolio | 29.79% | 10.54% | 11.65% | 5.81% | 3.12% | 10/01/07 |
| MFS Value Portfolio | 36.42% | 12.82% | 11.59% | 11.55% | 7.57% | 10/01/07 |
| MFS Global Equity Portfolio | 38.62% | N/A | N/A | N/A | 18.08% | 10/28/19 |

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

1 Formerly, MFS Age-Based 0-5 Years Portfolio.
2 Formerly, MFS Age-Based 6-10 Years Portfolio.
3 Formerly, MFS Age-Based 11-13 Years Portfolio.

# MFS PORTFOLIOS

| *Client Select Series - A Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| MFS Age-Based 0-2 Years Portfolio[1] | 38.91% | 13.89% | 14.13% | 11.56% | 9.37% | 09/20/04 |
| MFS Age-Based 3-5 Years Portfolio | 35.57% | N/A | N/A | N/A | 18.62% | 10/28/10 |
| MFS Age-Based 6-7 Years Portfolio[2] | 31.55% | 12.97% | 12.45% | 10.09% | 8.51% | 09/21/04 |
| MFS Age-Based 8-9 Years Portfolio | 27.60% | N/A | N/A | N/A | 16.42% | 10/28/19 |
| MFS Age-Based 10-11 Years Portfolio[3] | 23.69% | 11.52% | 10.38% | 8.65% | 7.59% | 09/21/04 |
| MFS Age-Based 12-13 Years Portfolio | 19.91% | N/A | N/A | N/A | 13.38% | 10/28/19 |
| MFS Age-Based 14-15 Years Portfolio | 15.38% | 9.16% | 8.01% | 6.60% | 6.10% | 09/20/04 |
| MFS Age-Based 16 Years Portfolio | 12.50% | 8.24% | N/A | N/A | 7.00% | 10/30/17 |
| MFS Age-Based 17 Years Portfolio | 9.60% | 7.16% | N/A | N/A | 5.99% | 10/30/17 |
| MFS Age-Based 18+ Years Portfolio | 7.71% | 6.38% | 4.89% | 4.36% | 4.40% | 09/20/04 |
| **Diversified Portfolios** | | | | | | |
| MFS Conservative Mixed Asset Portfolio | 7.77% | 6.40% | N/A | N/A | 5.14% | 10/17/16 |
| MFS Equity Portfolio | 38.85% | 13.90% | 14.13% | 11.57% | 9.37% | 09/20/04 |
| MFS Fixed Income Portfolio | 3.56% | 5.50% | 3.75% | 3.71% | 4.43% | 09/20/04 |
| **Single Fund Portfolios** | | | | | | |
| MFS Research International Portfolio | 29.54% | 10.54% | 11.65% | 5.81% | 3.12% | 10/01/07 |
| MFS Value Portfolio | 36.17% | 12.82% | 11.59% | 11.55% | 7.57% | 10/01/07 |
| MFS Global Equity Portfolio | 38.37% | N/A | N/A | N/A | 18.08% | 10/28/19 |

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

** Reflects a CDSC of 0.25% in the first year after purchase.

1 Formerly, MFS Age-Based 0-5 Years Portfolio.
2 Formerly, MFS Age-Based 6-10 Years Portfolio.
3 Formerly, MFS Age-Based 11-13 Years Portfolio.

| *Client Select Series - C Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| MFS Age-Based 0-2 Years Portfolio[1] | 38.06% | 13.06% | 13.30% | 10.75% | 8.63% | 09/23/04 |
| MFS Age-Based 3-5 Years Portfolio | 34.87% | N/A | N/A | N/A | 17.76% | 10/28/19 |
| MFS Age-Based 6-7 Years Portfolio[2] | 30.81% | 12.11% | 11.60% | 9.26% | 7.74% | 09/24/04 |
| MFS Age-Based 8-9 Years Portfolio | 26.89% | N/A | N/A | N/A | 15.56% | 10/28/19 |
| MFS Age-Based 10-11 Years Portfolio[3] | 23.00% | 10.69% | 9.58% | 7.84% | 6.82% | 09/24/04 |
| MFS Age-Based 12-13 Years Portfolio | 19.18% | N/A | N/A | N/A | 12.50% | 10/28/19 |
| MFS Age-Based 14-15 Years Portfolio | 14.78% | 8.36% | 7.21% | 5.80% | 5.34% | 09/27/04 |
| MFS Age-Based 16 Years Portfolio | 11.84% | 7.42% | N/A | N/A | 6.20% | 10/30/17 |
| MFS Age-Based 17 Years Portfolio | 9.06% | 6.35% | N/A | N/A | 5.19% | 10/30/17 |
| MFS Age-Based 18+ Years Portfolio | 7.21% | 5.59% | 4.13% | 3.59% | 3.62% | 10/06/04 |
| **Diversified Portfolios** | | | | | | |
| MFS Conservative Mixed Asset Portfolio | 7.19% | 5.59% | N/A | N/A | 4.35% | 10/17/16 |
| MFS Equity Portfolio | 38.10% | 13.05% | 13.29% | 10.74% | 8.62% | 09/23/04 |
| MFS Fixed Income Portfolio | 2.99% | 4.71% | 2.98% | 2.93% | 3.65% | 09/23/04 |
| **Single Fund Portfolios** | | | | | | |
| MFS Research International Portfolio | 28.87% | 9.72% | 10.81% | 5.01% | 2.34% | 10/01/07 |
| MFS Value Portfolio | 35.39% | 11.98% | 10.76% | 10.71% | 6.77% | 10/01/07 |
| MFS Global Equity Portfolio | 37.71% | N/A | N/A | N/A | 17.84% | 10/28/19 |

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

1 Formerly, MFS Age-Based 0-5 Years Portfolio.

2 Formerly, MFS Age-Based 6-10 Years Portfolio.

3 Formerly, MFS Age-Based 11-13 Years Portfolio.

| *Client Select Series - C Unit Class* | | | | | | |
|---|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Inception Date |
| **Age-Based Diversified Portfolios** | | | | | | |
| MFS Age-Based 0-2 Years Portfolio[1] | 37.06% | 13.06% | 13.30% | 10.75% | 8.63% | 09/23/04 |
| MFS Age-Based 3-5 Years Portfolio | 33.87% | N/A | N/A | N/A | 17.76% | 10/28/19 |
| MFS Age-Based 6-7 Years Portfolio[2] | 29.81% | 12.11% | 11.60% | 9.26% | 7.74% | 09/24/04 |
| MFS Age-Based 8-9 Years Portfolio | 25.89% | N/A | N/A | N/A | 15.56% | 10/28/19 |
| MFS Age-Based 10-11 Years Portfolio[3] | 22.00% | 10.69% | 9.58% | 7.84% | 6.82% | 09/24/04 |
| MFS Age-Based 12-13 Years Portfolio | 18.18% | N/A | N/A | N/A | 12.50% | 10/28/19 |
| MFS Age-Based 14-15 Years Portfolio | 13.78% | 8.36% | 7.21% | 5.80% | 5.34% | 09/27/04 |
| MFS Age-Based 16 Years Portfolio | 10.84% | 7.42% | N/A | N/A | 6.20% | 10/30/17 |
| MFS Age-Based 17 Years Portfolio | 8.06% | 6.35% | N/A | N/A | 5.19% | 10/30/17 |
| MFS Age-Based 18+ Years Portfolio | 6.21% | 5.59% | 4.13% | 3.59% | 3.62% | 10/06/04 |
| **Diversified Portfolios** | | | | | | |
| MFS Conservative Mixed Asset Portfolio | 6.19% | 5.59% | N/A | N/A | 4.35% | 10/17/16 |
| MFS Equity Portfolio | 37.10% | 13.05% | 13.29% | 10.74% | 8.62% | 09/23/04 |
| MFS Fixed Income Portfolio | 1.99% | 4.71% | 2.98% | 2.93% | 3.65% | 09/23/04 |
| **Single Fund Portfolios** | | | | | | |
| MFS Research International Portfolio | 27.87% | 9.72% | 10.81% | 5.01% | 2.34% | 10/01/07 |
| MFS Value Portfolio | 34.39% | 11.98% | 10.76% | 10.71% | 6.77% | 10/01/07 |
| MFS Global Equity Portfolio | 36.71% | N/A | N/A | N/A | 17.84% | 10/28/19 |

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

** Reflects a CDSC of 1.00% in the first year after purchase.

1 Formerly, MFS Age-Based 0-5 Years Portfolio.

2 Formerly, MFS Age-Based 6-10 Years Portfolio.

3 Formerly, MFS Age-Based 11-13 Years Portfolio.

***Summary of Investment Objectives and Policies of the Underlying Funds for the MFS Portfolios*** – The following descriptions summarize the investment goals and policies of the Underlying Funds in which the MFS Portfolios are currently invested. The Cash Allocation Account is described on page 101. The descriptions also identify certain principal risks to which particular Underlying Funds may be subject. Additional discussion of risks related to the various categories of Underlying Funds is set forth under "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS." The investment objective of each Underlying Fund may be changed without shareholder approval. The investment strategy and policies of each Underlying Fund is also subject to change.

**These summaries are qualified in their entirety by reference to the detailed information included in each Underlying Fund's current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of any Underlying Fund's current prospectus and statement of additional information, or an Underlying Fund's most recent se mi-annual or annual report by calling MFS at 1-800-225-2606 or by locating it on MFS' Web site at www.mfs.com.**

### Massachusetts Investors Growth Stock Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in stocks. Stocks include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies). While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS may invest a significant percentage of the Fund's assets in a single issuer or a small number of issuers. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers. Quantitative screening tools that systematically evaluate issuers may also be considered.

***Principal Risks of Investing*** – The Fund is subject to the market, company, and investment selection risks of equity investments, to growth style investing risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of issuer, industry and sector focus, liquidity, foreign markets, and large shareholder risks.

### Massachusetts Investors Trust

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests the Fund's assets primarily in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis where MFS believes such factors could materially impact the economic value of an issuer. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices.. Quantitative screening tools that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors, may also be considered.

***Principal Risks of Investing*** – The Fund is subject to the market, company, and investment selection risks of equity investments, to active and frequent trading and temporary defensive strategy risks, and to the risks of industry and sector focus, liquidity, foreign markets, and large shareholder risks.

### MFS Blended Research® Core Equity Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the Fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the Standard & Poor's 500 Stock Index, which represents the Fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. MFS uses quantitative analysis to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When an MFS fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the Fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 2% compared to the Standard & Poor's 500 Stock Index. Tracking error generally measures how the differences between the Fund's returns and the Standard & Poor's 500 Stock Index's returns have varied over a period of time.

***Principal Risks of Investing*** – The Fund is subject to the market, company, and investment selection risks of equity investments, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, and large shareholder risks.

### MFS Blended Research® Growth Equity Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the fund's investment adviser, seeks to achieve the fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the Russell 1000® Growth Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies). While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. MFS uses quantitative analysis to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When an MFS fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 2% compared to the Russell 1000® Growth Index. Tracking error generally measures how the differences between the Fund's returns and the Russell 1000® Growth Index's returns have varied over a period of time.

***Principal Risks of Investing*** – The Fund is subject to the market, company and investment selection risks of equity investments, to growth style investment risk, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, and large shareholder risks.

### MFS Blended Research® Mid Cap Equity Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the Russell Midcap® Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities of issuers with medium market capitalizations. MFS generally defines medium market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell Midcap® Index over the last 13 months at the time of purchase. Equity securities include common stocks, equity interests in real estate investment trusts (REITs), and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. MFS uses quantitative analysis to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When an MFS fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. (MFS quantitative research generates ratings on a greater number of issuers than MFS fundamental research). MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 3% compared to the Russell Midcap® Index. Tracking error generally measures how the differences between the fund's returns and the Russell Midcap® Index's returns have varied over a period of time.

***Principal Risks of Investing*** – The Fund is subject to the market, company and investment selection risks of equity investments, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, and large shareholder risks. In addition, there are risks of investing in mid-cap companies and REITs.

### MFS Blended Research® Small Cap Equity Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the Fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the Russell 2000® Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities of issuers with small market capitalizations. MFS generally defines small market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell 2000® Index over the last 13 months at the time of purchase. Equity securities include common stocks, equity interests in real estate investment trusts (REITs), and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. MFS uses quantitative analysis to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When an MFS fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. (MFS quantitative research generates ratings on a greater number of issues than MFS fundamental research.) MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 3% compared to the Russell 2000® Index. Tracking error generally measures how the differences between the Fund's returns and the Russell 2000® Index's returns have varied over a period of time.

***Principal Risks of Investing*** – The Fund is subject to the market, company and investment selection risks of equity investments, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, and large shareholder risks. In addition, there are risks of investing in small-cap companies and REITs.

### MFS Blended Research® Value Equity Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the Russell 1000® Value Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies it believes are undervalued compared to their perceived worth (value companies). While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers to determine a fundamental rating for an issuer. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. MFS uses quantitative analysis to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When an MFS fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. (MFS quantitative research generates ratings on a greater number of issuers than MFS fundamental research.) MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 2% compared to the Russell 1000® Value Index. Tracking error generally measures how the differences between the Fund's returns and the Russell 1000® Index's returns have varied over a period of time.

***Principal Risks of Investing*** – The Fund is subject to the market, company and investment selection risks of equity investments, to value style investing risk, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, and to the risks of quantitative investment selection, industry and sector focus, liquidity, foreign markets, and large shareholder risks.

### MFS Mid Cap Growth Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in issuers with medium market capitalizations. MFS generally defines medium market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell Midcap® Growth Index over the last 13 months at the time of purchase. MFS normally invests the Fund's assets primarily in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies). MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. Quantitative screening tools that systematically evaluate issuers may also be considered.

***Principal Risks of Investing*** – The Fund is subject to the market, company, and investment selection risks of equity investments, to growth style investing risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of industry and sector focus, liquidity, foreign markets, and large shareholder risks. In addition, there are risks of investing in mid-cap companies.

### MFS Mid Cap Value Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in issuers with medium market capitalizations. MFS generally defines medium market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell Midcap® Value Index over the last 13 months at the time of purchase. MFS normally invests the Fund's assets primarily in equity securities. Equity securities include common stocks, equity interests in real estate investment trusts (REITs), and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies that it believes are undervalued compared to their perceived worth (value companies). MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. Quantitative screening tools that systematically evaluate issuers may also be considered.

***Principal Risks of Investing*** – The Fund is subject to the market, company, and investment selection risks of equity investments, to value style investing risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of industry and sector focus, liquidity, foreign markets, and large shareholder risks. In addition, there are risks of investing in mid-cap companies and REITs.

### MFS Value Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests the Fund's assets primarily in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the Fund's assets in the stocks of companies that it believes are undervalued compared to their perceived worth (value companies). While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. Quantitative screening tools that systematically evaluate issuers may also be considered.

***Principal Risks of Investing*** – The Fund is subject to the market, company, and investment selection risks of equity investments, to value style investing risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of industry and sector focus, liquidity, foreign markets, and large shareholder risks.

## MFS Blended Research® International Equity Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, seeks to achieve the fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the MSCI All Country World (ex-US) Index, which represents the fund's investment universe. MFS normally invests at least 80% of the Fund's net assets in equity securities. MFS normally invests the Fund's assets primarily in foreign securities, including emerging market securities. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS normally invests the Fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry, sector, country, or region. MFS uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. MFS uses fundamental analysis of individual issuers and their potential in light of their financial condition and market, economic, political, and regulatory conditions to determine a fundamental rating for an issuer. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. MFS uses quantitative analysis, including quantitative models that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors, to determine a quantitative rating for an issuer. MFS combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When an MFS fundamental rating is not available, MFS treats the issuer as having a neutral fundamental rating. (MFS quantitative research generates ratings on a greater number of issuers than MFS fundamental research.) MFS constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The Fund's portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the fund's portfolio holdings based on factors such as the desired portfolio characteristics and the Fund's portfolio managers' qualitative assessment of the optimization results. MFS' goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 2% compared to the MSCI All Country World (ex-US) Index. Tracking error generally measures how the differences between the Fund's returns and the MSCI All Country World (ex-US) Index's returns have varied over a period of time.

***Principal Risks of Investing*** – The Fund is subject to the market, company and investment selection risks of equity investments, to the risks of foreign markets, including emerging markets, to active and frequent trading and temporary defensive strategy risks, to investment strategy risk, to currency risk, and to the risks of quantitative investment selection, industry and sector focus, geographic focus, liquidity, and large shareholder risks.

## MFS International New Discovery Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests the Fund's assets primarily in foreign equity securities, including emerging market equity securities. MFS focuses on investing the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies). Growth companies tend to have stock prices that are high relative to their earnings, dividends, book value, or other financial measures. While MFS may invest the Fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with small to medium capitalizations. MFS normally invests the Fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry, sector, country, or region. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. Quantitative screening tools that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors, may also be considered.

***Principal Risks of Investing*** – The Fund is subject to the market, company, and investment selection risks of equity investments, to growth style investing risk, to active or frequent trading and temporary defensive strategy risks, to currency risk and liquidity risk, to the risks of foreign markets, including emerging markets, and to industry and sector focus risk, geographic focus risk, and large shareholder risk. In addition, there are risks of investing in mid-cap and small-cap companies.

### MFS Research International Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests the Fund's assets primarily in foreign equity securities, including emerging market equity securities. MFS normally invests the Fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry, sector, country, or region. In selecting investments for the Fund, MFS is not constrained by any particular investment style. MFS may invest the Fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. MFS may invest the Fund's assets in securities of companies of any size. In conjunction with a team of investment research analysts, sector leaders select investments for the Fund. MFS generally manages the fund to be sector neutral to the MSCI EAFE (Europe, Australasia, Far East) Index using MFS' custom industry and sector categories to classify the fund and the MSCI EAFE (Europe, Australasia, Far East) Index's holdings. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. Quantitative screening tools that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors, may also be considered.

***Principal Risks of Investing*** – The Fund is subject to the market, company, and investment selection risks of equity investments, to the risks of foreign markets, including emerging markets, to active and frequent trading and temporary defensive strategy risks, and to currency, liquidity, industry and sector focus, geographic focus, and large shareholder risks.

## MIXED ASSET FUND

### MFS Global Equity Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the fund's net assets in equity securities. In selecting investments for the fund, MFS is not constrained by any particular investment style. MFS may invest the fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. While MFS may invest the fund's assets in securities of companies of any size, MFS primarily invests in securities of companies with large capitalizations. MFS invests the fund's assets in U.S. and foreign securities, including emerging market securities. MFS normally invests the fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the fund's assets in issuers in a single industry, sector, country, or region. MFS generally invests the fund's assets in at least three different countries and invests a percentage of the fund's net assets in securities of foreign issuers equal to at least the lesser of 40% or the percentage of foreign issuers in the MSCI World Index less 15%. MFS uses an active bottom-up investment approach to buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. Quantitative screening tools that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors, may also be considered.

***Principal Risks of Investing*** – The Fund is subject to the market, company and investment selection risks of equity investments, to sector focus risk, to the risks of foreign markets, including emerging markets, to currency risk, liquidity risk, and large shareholder risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of geographic focus and industry and sector focus..

## ALTERNATIVE INVESTMENT FUND

### MFS Global Real Estate Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek total return. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in U.S. and foreign real estate-related investments. MFS normally invests the Fund's assets primarily in equity securities. MFS generally focuses the Fund's investments in equity real estate investment trusts (REITs) as well as similar entities formed under the laws of non-U.S. countries, but may also invest in mortgage REITs, hybrid REITs and other U.S. and foreign real estate-related investments, including emerging market real estate-related investments. MFS may invest the Fund's assets in real estate-related investments of any size. However, issuers of real estate-related investments tend to have small-to-medium market capitalizations. MFS normally allocates the Fund's investments across different REIT managers and property types, such as apartments, retail properties, office buildings, hotels, industrial properties, health care facilities, storage facilities, manufactured housing and special use facilities, but may from time to time focus the Fund's investments in any one or a few of these areas. MFS normally invests the Fund's assets across different countries and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single country or region. MFS generally invests the fund's assets in at least three different countries and invests a percentage of the fund's net assets in securities of foreign issuers equal to at least the lesser of 40% or the percentage of foreign issuers in the FTSE EPRA Nareit Developed Real Estate Index less 15%. MFS may invest a significant percentage of the Fund's assets in a single issuer or a small number of issuers. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered in selecting investments for the fund may include an issuer's management ability, cash flows, price/funds from operations ratio, dividend yield and payment history, price/net asset value ratio, market price, and the ability of an issuer to grow from operations. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis.

***Principal Risks of Investing*** – The Fund is subject to the market, company and investment selection risks of equity investments, to real-estate related (including REIT) investment risk, to the risks of foreign markets, including emerging markets, to currency risk, to active and frequent trading and temporary defensive strategy risks, and to the risks of geographic focus, issuer focus, liquidity, and large shareholder risk.  In addition, there are risks of investing in small- and mid-cap issuers

## MFS Limited Maturity Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek total return with an emphasis on current income, but also considering capital preservation. MFS, the Fund's investment adviser, normally invests the Fund's assets primarily in debt instruments. The Fund's dollar-weighted average effective maturity will normally not exceed five years. In determining an instrument's effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a call, put, pre-refunding, prepayment or redemption provision, or an adjustable coupon) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity. MFS generally invests substantially all of the Fund's assets in investment grade quality debt instruments. MFS invests the Fund's assets in U.S. securities and U.S. dollar-denominated foreign securities. MFS normally invests the Fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry, sector, country, or region. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers in light of the issuers' financial condition and market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality and terms, any underlying assets and their credit quality, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. Quantitative screening tools that systematically evaluate the structure of a debt instrument and its features may also be considered. In structuring the fund, MFS also considers top-down factors, including sector allocations, yield curve positioning, duration, macroeconomic factors, and risk management factors.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, prepayment/extension, and investment selection risks, to active and frequent trading and temporary defensive strategy risks, to leveraging, liquidity, counterparty and third party risks, as well as the risks of foreign markets, industry and sector focus, geographic focus, derivatives, and large shareholder risks.

## MFS Government Securities Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek total return with an emphasis on current income, but also considering capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in U. S. Government securities. MFS may also invest the fund's assets in other debt instruments. MFS generally invests substantially all of the Fund's assets in investment grade quality debt instruments. MFS may purchase or sell securities for the Fund on a when-issued, delayed delivery, or forward commitment basis. When MFS sells securities for the fund on a when-issued, delayed delivery, or forward commitment basis, the fund typically owns or has the right to acquire securities equivalent in kind and amount to the deliverable securities. MFS may invest the fund's assets in foreign securities. MFS may invest a significant percentage of the Fund's assets in a single issuer or a small number of issuers. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate or currency exposure or as alternatives to direct investments. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers in light of the issuers' financial condition and market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality and terms, any underlying assets and their credit quality, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. Quantitative screening tools that systematically evaluate the structure of a debt instrument and its features may also be considered. In structuring the Fund, MFS also considers top-down factors, including sector allocations, yield curve positioning, duration, macroeconomic factors, and risk management factors.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, and prepayment/extension risks, issuer and geographic focus risks, and active and frequent trading and temporary defensive strategy risks, as well as the risks of inflation-adjusted debt instruments, derivatives, foreign markets, leveraging, investment selection, counterparty and third party, liquidity, and large shareholder risks.

## INVESTMENT GRADE FIXED INCOME FUNDS

### MFS Total Return Bond Fund

***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek total return with an emphasis on current income, but also considering capital appreciation. MFS, the Fund's investment adviser, normally invests at least 80% of the Fund's net assets in debt instruments. MFS primarily invests the Fund's assets in investment grade quality debt instruments, but may also invest in below investment grade quality debt instruments. MFS may purchase or sell securities for the Fund on a when-issued, delayed delivery, or forward commitment basis. When MFS sells securities for the fund on a when-issued, delayed delivery, or forward commitment basis, the fund typically owns or has the right to acquire securities equivalent in kind and amount to the deliverable securities. MFS may invest the Fund's assets in foreign securities. MFS normally invests the Fund's assets across different industries and sectors, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry or sector. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments. In conjunction with a team of investment research analysts, the Fund's portfolio managers select investments for the Fund. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers in light of the issuers' financial condition and market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality and terms, any underlying assets and their credit quality, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis. Quantitative screening tools that systematically evaluate the structure of a debt instrument and its features may also be considered. In structuring the Fund, MFS also considers top-down factors, including sector allocations, yield curve positioning, duration, macroeconomic factors, and risk management factors.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, and prepayment/extension risks, active and frequent trading and temporary defensive strategy risks, as well as the risks of lower-rated securities, foreign markets, derivatives, municipal instruments, and to leveraging, investment selection, counterparty and third party, industry and sector focus, liquidity, and large shareholder risks.

NON-INVESTMENT GRADE FIXED INCOME FUND

### MFS Global High Yield Fund

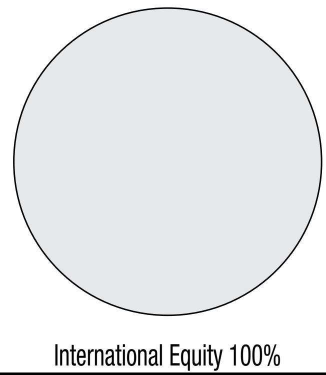
***Investment Objective, Strategy and Policies*** – The Fund's investment objective is to seek total return with an emphasis on high current income, but also considering capital appreciation. MFS, the Fund's investment adviser, normally invests directly and/or indirectly through investment in mutual funds advised by MFS at least 80% of the Fund's net assets in high income debt instruments. MFS may invest the Fund's assets in other types of debt instruments. MFS may invest up to 100% of the Fund's assets in below investment grade quality debt instruments. MFS invests the Fund's assets in U.S. and foreign securities, including emerging market securities. MFS normally invests the Fund's assets across different industries, sectors, countries, and regions, but MFS may invest a significant percentage of the Fund's assets in issuers in a single industry, sector, country, or region. MFS generally invests the Fund's assets in at least three different countries and invests a percentage of the Fund's net assets in securities of foreign issuers equal to at least the lesser of 40% or the percentage of foreign issuers in the ICE BofA Global High Yield - Constrained Index (USD Hedged) less 15%. While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate or currency exposure, or as alternatives to direct investments. MFS uses an active bottom-up investment approach to buying and selling investments for the Fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers in light of issuers' financial condition and market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality and terms, any underlying assets and their credit quality, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. MFS may also consider environmental, social, and governance (ESG) factors in its fundamental investment analysis where MFS believes such factors could materially impact the economic value of an issuer or instrument. ESG factors considered may include, but are not limited to, climate change, resource depletion, an issuer's governance structure and practices, data protection and privacy issues, and diversity and labor practices. Quantitative screening tools that systematically evaluate the structure of a debt instrument and its features may also be considered. In structuring the Fund, MFS also considers top-down factors, including sector and regional allocations, yield curve positioning, duration, macroeconomic factors, and risk management factors. MFS may invest the Fund's assets in other mutual funds advised by MFS that invest in particular investment types (MFS Pooled Portfolios) rather than invest directly in such investments.

***Principal Risks of Investing*** – The Fund is subject to the risks of fixed income investments, including debt market, interest rate, credit, prepayment/extension risks, and active and frequent trading and temporary defensive strategy risks, as well as the risks of investing in lower-rated securities, derivatives, and foreign markets, including emerging markets, and to geographic focus, industry and sector focus, currency, leveraging, investment selection, counterparty and third party, liquidity, and large shareholder risks.

## NEUBERGER BERMAN PORTFOLIO

***General*** – All of the assets of the Neuberger Berman International Equity Portfolio are invested in Institutional Class shares of the Underlying Fund that is recommended by Neuberger Berman and approved by FAME for use in the Neuberger Berman International Equity Portfolio. The Underlying Fund of the Neuberger Berman International Equity Portfolio is currently managed by Neuberger Berman Investment Advisers LLC which had $433 billion in assets under management as of June 30, 2021. Neuberger Berman currently manages 41 mutual funds registered under the Investment Company Act of 1940.

The following chart illustrates the current target asset allocation of the Neuberger Berman International Equity Portfolio.




**Neuberger Berman International Equity Portfolio**

***Current Target Underlying Fund Allocation*** – The following chart illustrates the current target asset allocation and the current target Underlying Fund allocation for the Neuberger Berman International Equity Portfolio. This information is presented for informational purposes only.

| Underlying Fund (Institutional Class Shares) | Neuberger Berman | |
|---|---|---|
| | Fund Ticker | International Equity Portfolio |
| **International Equity Fund** | | |
| Neuberger Berman International Equity Fund | NBIIX | 100% |

***Historical Investment Performance*** – The following tables summarize the average annual total return after deducting ongoing Portfolio fees of the Neuberger Berman Portfolio as of June 30, 2021, with and without sales charges. Updated performance data will be available at www.nextgenforme.com. You may also contact your Financial Intermediary. The Neuberger Berman Portfolio's fiscal year runs from September 1 to August 31. **The performance data relating to the Neuberger Berman Portfolio set forth below is for the limited time period presented and is not indicative of the future performance of the Neuberger Berman Portfolio.**

# NEUBERGER BERMAN PORTFOLIO

| *Client Select Series - A Unit Class* | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges**) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| **Single Fund Portfolio** | | | | | |
| Neuberger Berman International Equity Portfolio | 33.78% | 10.31% | 11.29% | 7.56% | 02/23/15 |

| *Client Select Series - A Unit Class* | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| **Single Fund Portfolio** | | | | | |
| Neuberger Berman International Equity Portfolio | 33.53% | 10.31% | 11.29% | 7.56% | 02/23/15 |

1 Firm data reflects the collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC. Subsidiaries of Neuberger Berman Group LLC include, but are not limited to, Neuberger Berman LLC, Neuberger Berman Management LLC, Neuberger Berman Fixed Income LLC, NB Alternative Investment Management LLC, NB Alternative Advisors LLC, Neuberger Berman Europe Ltd., Neuberger Berman Asia Ltd., Neuberger Berman East Asia Ltd., Neuberger Berman Singapore Pte. Ltd., Neuberger Berman Taiwan Ltd., and Neuberger Berman Australia Pty. Ltd.

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

** Reflects a CDSC of 0.25% in the first year after purchase.

| *Client Select Series - C Unit Class* | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Without Sales Charges) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| **Single Fund Portfolio** | | | | | |
| Neuberger Berman International Equity Portfolio | 32.84% | 9.48% | 10.49% | 6.74% | 02/23/15 |

| *Client Select Series - C Unit Class* | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (With Sales Charges**) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| **Single Fund Portfolio** | | | | | |
| Neuberger Berman International Equity Portfolio | 31.84% | 9.48% | 10.49% | 6.74% | 02/23/15 |

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

** Reflects a CDSC of 1.00% in the first year after purchase.

***Summary of Investment Objectives and Policies of the Underlying Fund for the Neuberger Berman International Equity Portfolio*** – The following description summarizes the investment goals and policies of the Underlying Fund in which the Neuberger Berman International Equity Portfolio is currently invested. The description also identifies certain principal risks to which the Underlying Fund may be subject. Additional discussion of risks related to the various categories of the Underlying Fund is set forth under "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS."

The investment strategy and risks of the Underlying Fund are subject to change.

**The summary is qualified in its entirety by reference to the detailed information included in the current prospectus and statement of additional information, which contain additional information not summarized herein and which may identify additional principal risks to which the respective Underlying Fund may be subject. You may request a copy of the Underlying Fund's current prospectus or statement of additional information, or the Underlying Fund's most recent semi-annual or annual report by calling Neuberger Berman at 1-800-366-6264 or by locating it on Neuberger Berman's Web site at www.nb.com.**

## Neuberger Berman International Equity Fund

***Investment Objective, Strategy and Policies*** - To pursue its goal, the Fund invests mainly in common stocks of foreign companies of any size, including companies in developed and emerging markets. The Fund defines a foreign company as one that is organized outside of the United States and conducts the majority of its business abroad.

In picking stocks, the Fund managers look for what they believe to be well-managed and profitable companies that show growth potential and whose stock prices are undervalued. Factors in identifying these firms may include strong fundamentals, such as attractive cash flows and balance sheets, as well as prices that are reasonable in light of projected returns. The Fund managers also consider the outlooks for various countries and regions around the world, examining economic, market, social, and political conditions.

The Fund managers systematically and explicitly include material Environmental, Social and Governance (ESG) risks and opportunities in investment analysis and investment decisions for all securities to help identify high quality securities. The Fund managers conduct ongoing proprietary ESG research, including proactive engagement on ESG issues. The Fund managers assess all securities in relation to their exposure to and the management of material ESG risks.

The Fund seeks to reduce risk by diversifying among many companies and industries. Although the Fund has the flexibility to invest a significant portion of its assets in one country or region, it generally intends to invest across a broad range of countries and geographical regions. At times, the Fund managers may emphasize certain sectors or industries that they believe offers a better risk/reward opportunity.

The Fund managers follow a disciplined selling strategy and may sell a stock when it reaches a target price, if a company's business fails to perform as expected, or when other opportunities appear more attractive.

The Fund will not change its strategy of normally investing at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities, without providing shareholders at least 60 days' notice. This test is applied at the time the Fund invests; later percentage changes caused by a change in Fund assets, market values or company circumstances will not require the Fund to dispose of a holding.

***Principal Risks of Investing*** - Most of the Fund's performance depends on what happens in international stock markets. the Fund managers' evaluation of those developments, and the success of the Fund managers in implementing the Fund's investment strategies. The markets' behavior can be difficult to predict, particularly in the short term. There can be no guarantee that the Fund will achieve its goal. The Fund may take temporary defensive and cash management positions; to the extent it does, it will not be pursuing its principal investment strategies.

The actual risk exposure taken by the Fund in its investment program will vary over time, depending on various factors including the Fund managers' evaluation of issuer, political, regulatory, market, or economic developments. There can be no guarantee that the Fund managers will be successful in their attempts to manage the risk exposure of the Fund or will appropriately evaluate or weigh the multiple factors involved in investment decisions, including issuer, market and/or instrument-specific analysis, valuation and environmental, social and governance factors.

The Fund is a mutual fund, not a bank deposit, and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. The value of your investment may fall, sometimes sharply, and you could lose money by investing in the Portfolio which invests in the Fund.

Each of the following risks, which are described in alphabetical order and not in order of any presumed importance, can significantly affect the Fund's performance. The relative importance of, or potential exposure as a result of, each of these risks will vary based on market and other investment-specific considerations.

To the extent that the Fund invests in securities or other instruments denominated in or indexed to foreign currencies, changes in currency exchange rates could adversely impact investment gains or add to investment losses. Currency exchange rates may fluctuate significantly over short periods of time and can be affected unpredictably by intervention, or failure to intervene, by U.S. or foreign governments or central banks or by currency controls or political developments in the U.S. or abroad.

Foreign securities involve risks in addition to those associated with comparable U.S. securities. Additional risks include exposure to less developed or less efficient trading markets; social, political, diplomatic, or economic instability; trade barriers and other protectionist trade policies (including those of the U.S.); significant government involvement in an economy and/or market structure; fluctuations in foreign currencies or currency redenomination; potential for default on sovereign debt; nationalization or expropriation of assets; settlement, custodial or other operational risks; higher transaction costs; confiscatory withholding or other taxes; and less stringent auditing, corporate disclosure, governance, and legal standards. As a result, foreign securities may fluctuate more widely in price, and may also be less liquid, than comparable U.S. securities. Regardless of where a company is organized or its stock is traded, its performance may be affected significantly by events in regions from which it derives its profits or in which it conducts significant operations.

Investing in emerging market countries involves risks in addition to and greater than those generally associated with investing in more developed foreign countries. The governments of emerging market countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, intervene in the financial markets, and/or impose burdensome taxes that could adversely affect security prices. To the extent a foreign security is denominated in U.S. dollars, there is also the risk that a foreign government will not let U.S. dollar-denominated assets leave the country. In addition, the economies of emerging market countries may be dependent on relatively few industries that are more susceptible to local and global changes. Emerging market countries may also have less developed legal and accounting systems. Securities markets in emerging market countries are also relatively small and have substantially lower trading volumes. Securities of issuers in emerging market countries may be more volatile and less liquid than securities of issuers in foreign countries with more developed economies or markets and the situation may require that the Fund fair value its holdings in those countries.

Securities of issuers traded on foreign exchanges may be suspended, either by the issuers themselves, by an exchange, or by governmental authorities. The likelihood of such suspensions may be higher for securities of issuers in emerging or less-developed market countries than in countries with more developed markets. Trading suspensions may be applied from time to time to the securities of individual issuers for reasons specific to that issuer, or may be applied broadly by exchanges or governmental authorities in response to market events. Suspensions may last for significant periods of time, during which trading in the securities and in instruments that reference the securities, such as derivative instruments, may be halted. In the event that the Fund holds material positions in such suspended securities or instruments, the Fund's ability to liquidate its positions or provide liquidity to investors may be compromised and the Fund could incur significant losses.

From time to time, based on market or economic conditions, the Fund may invest a significant portion of its assets in one country or geographic region. If the Fund does so, there is a greater risk that economic, political, regulatory, diplomatic, social and environmental conditions in that particular country or geographic region may have a significant impact on the Fund's performance and that the Fund's performance will be more volatile than the performance of more geographically diversified funds.

Because the prices of most growth stocks are based on future expectations, these stocks tend to be more sensitive than value stocks to bad economic news and negative earnings surprises. The Fund attempts to lessen the risk of such losses by seeking growth stocks that sell at what the adviser believes are reasonable prices. If the adviser is incorrect in its assessment of a stock's value, this strategy may not provide the expected downside protection. Bad economic news or changing investor perceptions may adversely affect growth stocks across several sectors and industries simultaneously.

An individual security may be more volatile, and may perform differently, than the market as a whole.

From time to time, the trading market for a particular investment in which the Fund invests, or a particular type of instrument in which the Fund is invested, may become less liquid or even illiquid. Illiquid investments frequently can be more difficult to purchase or sell at an advantageous price or time, and there is a greater risk that the investments may not be sold for the price at which the Fund is carrying them. Certain investments that were liquid when the Fund purchased them may become illiquid, sometimes abruptly. Additionally, market closures due to holidays or other factors may render a security or group of securities (e.g., securities tied to a particular country or geographic region) illiquid for a period of time. An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to take advantage of other investment opportunities. Market prices for such securities or other investments may be volatile. During periods of substantial market volatility, an investment or even an entire market segment may become illiquid, sometimes abruptly, which can adversely affect the Fund's ability to limit losses.

Unexpected episodes of illiquidity, including due to market or political factors, instrument or issuer-specific factors and/or unanticipated outflows, may limit the Fund's ability to pay redemption proceeds within the allowable time period. To meet redemption requests during periods of illiquidity, the Fund may be forced to sell securities at an unfavorable time and/or under unfavorable conditions.

To the extent the Fund invests in securities of small-, mid-, or large-cap companies, it takes on the associated risks. At times, any one of these market capitalizations may be out of favor with investors. Compared to small- and midcap companies, large-cap companies may be unable to respond as quickly to changes and opportunities. Compared to large-cap companies, small- and mid-cap companies may depend on a more limited management group, may have a shorter history of operations, and may have limited product lines, markets or financial resources. The securities of small- and mid-cap companies are often more volatile and less liquid than the securities of larger companies and may be more affected than other types of securities by the underperformance of a sector or during market downturns.

Markets may be volatile and values of individual securities and other investments, including those of a particular type, may decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments that may cause broad changes in market value, public perceptions concerning these developments, and adverse investor sentiment or publicity. Geopolitical and other risks, including environmental and public health risks may add to instability in world economies and markets generally. Changes in value may be temporary or may last for extended periods. If the Fund sells a portfolio position before it reaches its market peak, it may miss out on opportunities for better performance.

National economies are increasingly interconnected, as are global financial markets, which increases the possibilities that conditions in one country or region might adversely impact issuers in a different country or region. Some countries, including the U.S., have in recent years adopted more protectionist trade policies. The rise in protectionist trade policies, changes to some major international trade agreements and the potential for changes to others, could affect the economies of many nations in ways that cannot necessarily be foreseen at the present time. Equity markets in the U.S. and China have been very sensitive to the outlook for resolving the U.S.-China "trade war," a trend that may continue in the future.

High public debt in the U.S. and other countries creates ongoing systemic and market risks and policymaking uncertainty, and there may be a further increase in the amount of debt due to the economic effects of the COVID-19 pandemic and ensuing public health measures. Governments and central banks have moved to limit the potential negative economic effects of the COVID-19 pandemic with interventions that are unprecedented in size and scope and may continue to do so, but the ultimate impact of these efforts is uncertain. Governments' efforts to limit potential negative economic effects of the pandemic may be altered, delayed, or eliminated at inopportune times for political, policy or other reasons. Interest rates have been unusually low in recent years in the U.S. and abroad, and central banks have reduced rates further in an effort to combat the economic effects of the COVID-19 pandemic. Because there is little precedent for this situation, it is difficult to predict the impact on various markets of a significant rate increase or other significant policy changes. Over the longer term, rising interest rates may present a greater risk than has historically been the case due to the current period of relatively low rates and the effect of government fiscal and monetary policy initiatives and potential market reaction to those initiatives or their alteration or cessation.

Funds and their advisers, as well as many of the companies in which they invest, are subject to regulation by the federal government. Over the past several years, the U.S. has moved away from tighter industry regulation, a trend that may change going forward. Increased regulation may impose added costs on the Fund and its service providers for monitoring and compliance, and affect the businesses of various portfolio companies, in ways that cannot necessarily be foreseen at the present time.

The impact of the United Kingdom's ("UK") vote to leave the European Union (the "EU"), commonly referred to as "Brexit," is impossible to know for sure until it is more completely implemented. The effect on the economies of the United Kingdom and the EU will likely depend on the nature of trade relations between the UK and the EU and other major economies following Brexit, which are subject to negotiation and the political processes of the nations involved. Although the UK formally left the EU on January 31, 2020, the parties are continuing to trade under the established rules while a new agreement is negotiated. The UK government has insisted that this agreement must be completed by December 31, 2020, which may be difficult to achieve. Thus, there is still a possibility that the parties will enter 2021 without a trade agreement, which could be disruptive to the economies of both regions.

Economists and others have expressed increasing concern about the potential effects of global climate change on property and security values. A rise in sea levels, an increase in powerful windstorms and/or a climate-driven increase in flooding could cause coastal properties to lose value or become unmarketable altogether. Economists warn that, unlike previous declines in the real estate market, properties in affected coastal zones may not ever recover their value. Large wildfires driven by high winds and prolonged drought may devastate businesses and entire communities and may be very costly to any business found to be responsible for the fire. Regulatory changes tied to concerns about climate change could adversely affect the value of certain land and the viability of certain industries.

These losses could adversely affect corporate issuers and mortgage lenders, the value of mortgage-backed securities, the bonds of municipalities that depend on tax or other revenues and tourist dollars generated by affected properties, and insurers of the property and/or of corporate, municipal or mortgage-backed securities. Since property and security values are driven largely by buyers' perceptions, it is difficult to know the time period over which these market effects might unfold.

The Fund may experience periods of heavy redemptions that could cause the Fund to sell assets at inopportune times or at a loss or depressed value. Redemption risk is greater to the extent that one or more investors or intermediaries control a large percentage of investments in the Fund. In addition, redemption risk is heightened during periods of declining or illiquid markets. Heavy redemptions could hurt the Fund's performance.

From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

Securities lending involves a possible delay in recovery of the loaned securities or a possible loss of rights in the collateral should the borrower fail financially. The Fund could also lose money if the value of the collateral decreases.

Value stocks may remain undervalued or may decrease in value during a given period or may not ever realize what the portfolio management team believes to be their full value. This may happen, among other reasons, because of a failure to anticipate which stocks or industries would benefit from changing market or economic conditions or investor preferences, or a misappraisal of a stock's growth potential.

*A summary of the Fund's additional principal investment risks is as follows:*

A decline in the Fund's average net assets during the current fiscal year due to market volatility or other factors could cause the Fund's expenses for the current fiscal year to be higher than the expense information presented in "Fees and Expenses."

The Fund and its service providers, and your ability to transact with the Fund, may be negatively impacted due to operational matters arising from, among other problems, human errors, systems and technology disruptions or failures, or cybersecurity incidents. Cybersecurity incidents may allow an unauthorized party to gain access to fund assets, customer data, or proprietary information, or cause the Fund or its service providers, as well as the securities trading venues and their service providers, to suffer data corruption or lose operational functionality. It is not possible for the Manager or the other Fund service providers to identify all of the cybersecurity or other operational risks that may affect the Fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects. Most issuers in which the Fund invests are heavily dependent on computers for data storage and operations, and require ready access to the internet to conduct their business. Thus, cybersecurity incidents could also affect issuers of securities in which the Fund invests, leading to significant loss of value.

Risk is an essential part of investing. No risk management program can eliminate the Fund's exposure to adverse events; at best, it may only reduce the possibility that the Fund will be affected by such events, and especially those risks that are not intrinsic to the Fund's investment program. The Fund could experience losses if judgments about risk prove to be incorrect.

The Fund may not be able to sell an investment at the price at which the Fund has valued the investment. Such differences could be significant, particularly for illiquid securities and securities that trade in relatively thin markets and/or markets that experience extreme volatility. If market or other conditions make it difficult to value some investments, SEC rules and applicable accounting protocols may require the Fund to value these investments using more subjective methods, known as fair value methodologies. Using fair value methodologies to price investments may result in a value that is different from an investment's most recent price and from the prices used by other mutual funds to calculate their NAVs. The Fund's ability to value its investments in an accurate and timely manner may be impacted by technological issues and/or errors by third party service providers, such as pricing services or accounting agents.

The markets' behavior is unpredictable, particularly in the short term. There can be no guarantee that the Fund will achieve its goal.

# PRINCIPAL PLUS PORTFOLIO

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

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

New York Life currently holds high financial strength ratings: Aaa from Moody's Investors Service, Inc. and AA+ from Standard & Poor's Rating Group.[1] The New York Life GIA offered a variable interest rate that is reset semi-annually on January 1 and July 1. The annualized interest rate New York Life GIA is 2.15% through December 31, 2021 (after expenses of 0.15% associated with the New York Life GIA that are paid to the Investment Manager and New York Life). The effective rate after December 31, 2021 may be obtained by contacting the Program Manager after such date. In no event will the declared effective annual interest rate, minus the deduction of expenses of the New York Life GIA, be less than 1.00%, which is the minimum guaranteed rate of the New York Life GIA. The returns of the Principal Plus Portfolio may be different than the interest rates offered by the New York Life GIA. New York Life's commitment to the Program is based solely on its ability to pay its obligations from its general account. The commitment to the Program is not secured by any collateral.

The Program Manager provides administrative services to the Principal Plus Portfolio and the Investment Manager monitors the creditworthiness of New York Life, the issuer of the New York Life GIA. The Management Fee is charged against the assets of the Principal Plus Portfolio.

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

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

[1] This information comes from individual third-party ratings reports as of January 12, 2021 (Moody's) and October 14, 2020 (Standard & Poor's). Neither Moody's nor Standard & Poor's makes any representation regarding an investment in the Portfolio.

***Historical Investment Performance – Principal Plus Portfolio –*** The following table summarizes the average annual total return after deducting ongoing Portfolio fees of each Unit Class of the Principal Plus Portfolio as of June 30, 2021. The $50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. Updated performance data will be available at www.nextgenforme.com. You may also contact your Financial Intermediary. Although the Principal Plus Portfolio is currently invested entirely in the New York Life GIA, the Principal Plus Portfolio's investments have changed over time. At various times since its inception, the Principal Plus Portfolio has been invested in a guaranteed investment contract, the Cash Allocation Account, and the Bank Deposit Account. The historical performance of the Principal Plus Portfolio has been affected by each of these investments.

The performance data shown below represents past performance. Past performance is not a guarantee of future results. Investment returns and the principal value will fluctuate so that your Account, when redeemed, may be worth more or less than the amounts contributed to your Account.

| ***Principal Plus Portfolio –Client Select Series*** | | | | | | |
|---|---|---|---|---|---|---|
| | **Average Annual Total Return* ** as of June 30, 2021 (Sales Charges Not Applicable)** | | | | | |
| | **1 Year** | **3 Years** | **5 Years** | **10 Years** | **Since Inception** | **Inception Date** |
| A Unit Class | 1.79% | 1.83% | 1.75% | 1.32% | 2.10% | 09/20/04 |
| C Unit Class | 1.83% | 1.84% | 1.76% | 1.34% | 1.99% | 09/28/04 |

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

** From July 16, 2014 until July 15, 2015, the former manager of the Program voluntarily waived 0.10% of the Management Fee, and FAME voluntarily waived 0.05% of the Maine Administration Fee. Without these waivers, performance shown for periods during such waivers would have been lower.

## NEXTGEN SAVINGS PORTFOLIO

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

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

None of FAME, the Program, the Program Distributor, the Investment Manager, the Program Manager or the Bank is responsible for monitoring the aggregate amount of a Participant's assets on deposit at the Bank, including assets attributable to the Units held by the Participant in the NextGen Savings Portfolio, to determine whether it exceeds the limit of available FDIC insurance. Participants are responsible for monitoring the total amount of their assets on deposit at the Bank (including amounts in other accounts at the Bank held in the same ownership capacity) in order to determine the extent of insurance coverage available on those deposits, including assets attributable to the Units held by the Participant in the NextGen Savings Portfolio. If a Participant's total assets on deposit at the Bank exceed the applicable FDIC limit, the FDIC will not insure such assets in excess of the limit.

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

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

***Historical Investment Performance – NextGen Savings Portfolio*** – The following table summarizes the average annual total return of each Unit Class of the NextGen Savings Portfolio as of June 30, 2021. There are currently no ongoing Portfolio fees or sales charges in the NextGen Savings Portfolio. Also, the $50 annual Account Maintenance Fee, which was waived in certain circumstances and eliminated effective January 1, 2015, is not included in the returns set forth below. If the Account Maintenance Fee had been included for periods prior to January 1, 2015, returns would be less than those shown. The return of the NextGen Savings Portfolio is based on the interest rate paid by the Bank on the deposits in the NextGen Savings Portfolio Investment. The interest rate will vary over time at the Bank's discretion without notice. The Program Distributor, Investment Manager, Program Manager and FAME do not currently charge any fees for the NextGen Savings Portfolio, but reserve the right to do so in the future. Updated performance data will be available at www.nextgenforme.com. You may also contact your Financial Intermediary.

**The performance data shown below represents past performance. Past performance is not a guarantee of future results. Performance may be substantially affected over time by changes in the allocations and/or investments in which each Portfolio invests. Investment returns and the principal value will fluctuate so that your Account, when redeemed, may be worth more or less than the amounts contributed to your Account.**

# NEXTGEN SAVINGS PORTFOLIO

| *NextGen Portfolio –Client Select Series* | | | | | |
|---|---|---|---|---|---|
| | Average Annual Total Return* as of June 30, 2021 (Sales Charges Not Applicable) | | | | |
| | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| A Unit Class | 0.19% | 0.95% | 0.71% | 0.43% | 02/27/12 |
| C Unit Class | 0.19% | 0.95% | 0.71% | 0.43% | 02/29/12 |

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

# NEXTGEN 529
# PARTICIPATION AGREEMENT

**September 13, 2021**

# MAINE EDUCATION SAVINGS PROGRAM

**A Section 529 Qualified Tuition Program**

**NextGen 529™**
**Participation Agreement**

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

1. **Definitions.** In this Participation Agreement, the words "you," "your," or "Participant" mean the individual who, or entity on whose behalf an individual, has signed the Account Application. The term "Designated Beneficiary" means (i) the individual identified by you, or (ii) if you are a governmental entity or a tax-exempt organization described in section 501(c)(3) of the Code, the Designated Beneficiary is the individual or individuals named by you at the time you initiate a qualified withdrawal from the Account. The term "Program Distributor" means BlackRock Investments, LLC or any successor distributor of Units of the Portfolios of the Program. The term "Program Manager" means Sumday Administration, LLC or any successor program manager appointed by FAME. The term "Investment Manager" means BlackRock Advisors, LLC or any successor investment manager appointed by FAME. The term "Rule" means Chapter 611 of the Rules of FAME, as amended from time to time. Other capitalized terms used but not defined in this Participation Agreement shall have the same meaning as in the NextGen 529 Client Select Series Program Description, as amended from time to time (the "Program Description"). Unless the context otherwise requires, the term "Agreement" shall include the Program Description, to the extent not inconsistent with this Participation Agreement.

2. **Contributions.** Contributions to your Account may be made by check or by electronic funds transfer acceptable to the Program Manager and FAME. Rollover Contributions to your Account must be accompanied by a rollover certification in a form requested by the Program Manager or your Financial Intermediary. Individuals or entities other than you that contribute funds to your Account will have no subsequent control over the Contributions. Only you may direct transfers, rollovers, investment changes (as permitted under federal law), withdrawals and changes in the Designated Beneficiary.

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

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

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

3. **Investment of Contributions.** Your Account will be established so that Contributions are automatically allocated to the applicable Unit Class of the Portfolio(s) selected on the Account Application or subsequently. The applicable Unit Class for each Contribution will be determined in accordance with the criteria described in the Program Description. For each investment option

selected, other than an Age-Based Diversified Portfolio, Contributions will automatically be invested in the designated investment option(s). For each Age-Based investment option selected, Contributions will be automatically invested in the applicable Age-Based Diversified Portfolio based upon the date of birth of the Designated Beneficiary (or, if so approved by the Program Manager and FAME, upon the anticipated date of intended use specifically identified by you with respect to the current Designated Beneficiary) that appears on the Account Application (or that is otherwise certified by you). State or local governmental entities or tax-exempt organizations described in section 501(c)(3) of the Code may designate a Diversified Portfolio, a Single Fund Portfolio, an Age-Based Diversified Portfolio, the Principal Plus Portfolio, the NextGen Savings Portfolio, or any combination of Portfolios in which Contributions are to be invested. FAME reserves the right, but is not obligated, to reassign investments in an Age-Based Diversified Portfolio on the basis of the intended use specifically identified by you with respect to the current Designated Beneficiary (or as otherwise certified by you) if it receives satisfactory assurance that such reassignment would not disqualify the affected Accounts or the Program from treatment, for federal tax purposes, as a Section 529 Program. Initial and subsequent Contributions to your Account will be invested in accordance with the Portfolio(s) selected and allocations chosen by you, as described in the Program Description, and the applicable Units of the Portfolio(s) (or any successor Portfolio(s)) at the time of each Contribution will be allocated to your Account. Your Account will be separately maintained by the Program Manager, but Contributions to your Account will be commingled with amounts credited to other Accounts for purposes of investment. Except to the extent permitted by federal tax law, you may not direct the investment of Contributions to your Account. You are the owner of all Contributions and all Program earnings credited to your Account under this Agreement. However, you understand and agree that you are not the owner of any Maine Matching Grant or Harold Alfond College Challenge Grant award designations and earnings thereon credited to your Account.

4. **Withdrawals from Account.** Any amount you, your Designated Beneficiary or another person receives from your Account, as directed by you, is called a "withdrawal." Withdrawals will be made from your Account after (i) your verbal authorization confirmed via telephone; (ii) your submission of a NextGen 529 Withdrawal Request Form (and any additional required documentation); or (iii) or other form of withdrawal request authorized by the Program Manager and its acceptance by the Program Manager. Rules and limitations on withdrawals are described in the Program Description under the section titled "PARTICIPATION AND ACCOUNTS."

5. **Change of Designated Beneficiary.** You may request that an individual who is a Member of the Family of your current Designated Beneficiary be substituted as your new Designated Beneficiary by submitting a Change of Designated Beneficiary Form (and any additional required documentation) to the Program Manager. The change will be made upon the Program Manager's acceptance of the request.

6. **Fees and Expenses.**

   (a) Certain fees (which may be rebated, reduced, waived or changed from time to time) will be charged against the assets of the Portfolios to provide for the costs of administration of the Program and the Accounts. These fees include fees of the Investment Manager, Program Distributor, Program Manager and FAME, as more fully described in the Program Description. Accounts will indirectly bear expenses of the Underlying Funds in which the Portfolios invest. In addition, each Account will be subject to such other fees and charges (which may be rebated, reduced, waived or changed from time to time) as described in the Program Description. Ongoing Portfolio fees and other charges are subject to change at any time. Whole or fractional Units in your Account may be liquidated to pay any fees, expenses or liabilities owed to the Investment Manager, Program Distributor, Program Manager or FAME.

   (b) The Client Select Series currently offers the Unit Classes described in the Program Description. The fees and expenses associated with each Unit Class differ. Certain Participants may not be eligible to invest in a particular Unit Class. A Participant who invests in the Client Select Series may be required to pay an Initial Sales Charge or Contingent Deferred Sales Charge. The Initial Sales Charges and Contingent Deferred Sales Charges vary depending on the Unit Class selected and the particular investment option(s) you select for your Account Contributions. The Initial Sales Charge may be reduced or waived under the circumstances described in the Program Description.

7. **Statements and Reports.** The Program Manager will keep, or cause to be kept, accurate and detailed records of all transactions concerning your Account and will provide, or cause to be provided, periodic statements of your Account to you. The Program Manager will not provide statements to you if a prior statement or any other communication to you has been returned as undeliverable, until you provide updated information in the manner required by the Program Manager. FAME and the Program Manager will cause reports to be sent to you, the Internal Revenue Service and such other regulatory authorities as required by law. If you do not write to the Program Manager to object to a statement or report within 60 days after it has been sent to you, you will be considered to have approved it and to have released FAME and the Program Manager from all responsibility for matters covered by the statement or report. You agree to provide all information that FAME or the Program Manager may need to comply with any legal statement or reporting requirements. You will continue to be responsible for filing your federal tax return and any other reports required of you by law.

7A. **UTMA/UGMA Accounts.** If you are the custodian of an Account opened under the Uniform Transfers to Minors Act ("UTMA") or the Uniform Gifts to Minors Act ("UGMA") as adopted by any jurisdiction, you agree to comply with all requirements of the applicable UTMA or UGMA law, including but not limited to the requirements that you (i) expend the UTMA or UGMA Account assets only for the use and benefit of the minor named on the Account (the "Minor"), and (ii) upon the earlier of the Minor's attainment of the applicable termination age or the Minor's death, transfer the UTMA or UGMA Account assets to the Minor or to the Minor's estate. The Program Manager and FAME shall not have any responsibility to make sure that you properly perform your duties as custodian.

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

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

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

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

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

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

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

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

(g) You have considered investing in an In-State Plan and consulted with your tax advisor regarding the state tax consequences of investing in the Program if realizing state or local income tax or other benefits is important to you.

(h) You have considered: (i) the availability of alternative education savings and investment programs including other Section 529 Programs available through the Program Distributor; (ii) the Unit Classes offered by the Program; (iii) the identity and contract term of the Program Distributor, Investment Manager and Program Manager; (iv) the impact an investment in the Program may have on eligibility for federal and state financial aid and non-educational benefits, such as Medicaid; (v) the risks and other considerations of investing in the Program; (vi) limitations on Contributions, withdrawals and transfers among the Portfolios; (vii) the Program's sales charges, fees and expenses; and (viii) the federal, state and local estate and gift tax implications of investing in the Program.

(i) You understand that: (i) the Program's investment options may not be suitable; and (ii) the Program may not be suitable, for all investors as a means of investing for Qualified Higher Education Expenses.

(j) You understand that: (i) any Portfolio may at any time be merged, terminated, reorganized or cease accepting new Contributions, in FAME's sole discretion; (ii) any such action affecting a Portfolio may result in your Contributions being reinvested in a Portfolio different from the Portfolio in which your Contributions were originally invested, in FAME's sole discretion; and (iii) FAME and the Program Distributor may at any time terminate or modify the sales charge and Portfolio fee structures or Unit Classes.

(k) You understand that although you own interests in a Portfolio (Units), you do not have a direct beneficial interest in the Portfolio Investments held by that Portfolio, and therefore, you do not have the rights of an owner or shareholder of any mutual funds, exchange traded funds, separate accounts, or other instruments which may comprise the Portfolio Investments.

(l) You understand that: (i) once a Contribution is made to an Account, your ability to withdraw funds without adverse tax consequences will be limited; (ii) the earnings portion of Non-Qualified Withdrawals may be subject to federal as well as state and/or local income taxes and potentially a 10% additional federal tax; and (iii) withdrawals may be subject to federal and state income and/or local tax withholding.

(m) You understand that participation in the Program does not guarantee that any Designated Beneficiary: (i) will be accepted as a student by any educational institution or apprenticeship program; (ii) if accepted, will be permitted to continue as a student or in such program; (iii) will be treated as a state resident of any state for tuition purposes; (iv) will graduate from any educational institution or apprenticeship program; or (v) will receive any particular treatment under applicable state or federal financial aid programs.

(n) You understand that FAME, the Program Manager and/or the applicable Financial Intermediary may ask you to provide additional documentation that may be required by applicable law or the Rule, including anti-money laundering laws, in connection with your participation in the Program and you agree to promptly comply with any such requests for additional documents.

(o) You have accurately and truthfully completed the Account Application and any other documentation that you have furnished or subsequently furnish in connection with the opening or maintenance of, or any withdrawals from, the Account.

(p) You understand that any false statements made by you in connection with the opening of the Account or otherwise will be deemed to be unsworn falsification within the meaning of 17-A Maine Revised Statutes Annotated Section 453 and that FAME and the Program Manager may take such action as is permitted by the Act and the Rule, including termination and distribution of your Account.

(q) You understand that purchases and sales of Units held in your Account may be confirmed to you on periodic Account statements in lieu of an immediate confirmation. Only the Participant, and persons designated by the Participant, will receive confirmation of Account transactions.

(r) You understand that any Contributions credited to your Account will be deemed by FAME and the Program Manager to have been received from you and that Contributions by third parties may result in tax consequences to the Participant or the third party.

(s) You understand that if you open your Account through a Financial Intermediary, FAME or the Program Manager may provide such distributor with information regarding your Account.

(t) You affirm that if you are entering into this Participation Agreement on behalf of a non-natural person, you have the authority to open your Account for the Designated Beneficiary.

(u) You understand that, unless otherwise provided in a written agreement between you and your financial advisor, or between you and FAME or the Program Distributor or the Investment Manager, no part of your participation in the Program will be considered the provision of an investment advisory service.

(v) You understand that you should retain adequate records relating to withdrawals from the Account for your own tax reporting purposes.

(w) You understand that if the person establishing the Account is a legal entity, in addition to the items set forth herein, the individual signing the Account Application and entering into this Participation Agreement for the entity represents and warrants that: (i) the entity may legally become, and thereafter be, the Participant; (ii) he or she is duly authorized to so act for the entity; (iii) the Program Description may not discuss tax consequences and other aspects of the Program of particular relevance to the entity and individuals having an interest therein; and (iv) the entity has consulted with and relied on a professional advisor, as deemed appropriate by the entity before becoming a Participant.

(x) You understand that in order to help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an Account. When you open an Account, the Program Manager and/or FAME will ask for your name, address, date of birth and other information that will allow the Program Manager and FAME to identify you. The Program Manager or FAME may also ask to see your driver's license or other identifying documents. You understand that you must also provide such additional documents and information regarding your identity as the Program Manager may from time to time request, as described in the Program Description.

(y) You (i) are aware that the Program's investment options are offered in two separate series, each with its own sales charges, expense structure and investment options, and that some investment options may be offered in both series, (ii) are aware that the expenses associated with the Client Direct Series (offered through a different program description) will generally be lower than those associated with the Client Select Series (offered through this Program Description), and (iii) believe that the Client Select Series is suitable for you.

9. **Limitation on Liability.** You recognize that FAME, the Program Distributor, the Investment Manager and the

Program Manager are relying upon your representations set forth in this Participation Agreement and the Account Application. You agree to repay FAME, the Program Distributor, the Investment Manager or the Program Manager, as applicable, for any liabilities or expenses they may incur as the result of any misstatement or misrepresentation made by you or your Designated Beneficiary, any breach by you or your Designated Beneficiary of the representations contained in this Participation Agreement or any breach by you or your Designated Beneficiary of this Participation Agreement, other than those arising out of FAME's or the applicable entity's failure to perform their duties specified in this Participation Agreement or the Program Description. All of your statements, representations, and agreements shall survive the termination of this Participation Agreement.

10. **Duties of FAME, the Program Distributor, the Investment Manager and the Program Manager.** None of FAME, the Program Distributor, the Investment Manager or the Program Manager have a duty to perform any action other than those specified in this Participation Agreement or the Program Description. FAME, the Program Distributor, the Investment Manager and the Program Manager may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by you or another authorized person and may assume that the authority of any other authorized person continues in effect until they receive written notice to the contrary. None of FAME, the Program Distributor, the Investment Manager or the Program Manager have any duty to determine or advise you of the investment, tax or other consequences of your actions, of their actions in following your directions, or of their failing to act in the absence of your directions.

11. **Transfers and Assignments.** Transfers of an Account by you to another Participant may only be made in compliance with the Program Description and with applicable law. No Account may be used as security for a loan, and any attempt to do so shall be void.

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

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

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

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

16. **Communications.** Communications may be sent to you at your permanent address appearing on your Account Application or at such other permanent address as you give to the Program Manager in writing. All communications so sent, whether by mail, facsimile, e-mail, messenger or otherwise, will be considered to have been given to you personally upon such sending, whether or not you actually receive them. FAME and the Program Distributor, the Investment Manager and the Program Manager, to the extent permitted by FAME, may direct mailings to you or your Designated Beneficiary regarding products or services other than the Program.

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

18. **Severability.** If any provision of this Agreement is held to be invalid, illegal, void or unenforceable, by reason of any law, rule, administrative order, or judicial decision, such determination will not affect the validity of the remaining provisions of this Agreement.

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

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

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

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

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

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

    **You agree (on behalf of yourself and your Designated Beneficiary) that all controversies that may arise between you or your Designated Beneficiary and the Program Distributor, the Investment Manager and/or the Program Manager involving any transaction in your Accounts with the Program or the construction, performance or**

**breach of this Participation Agreement shall be determined by arbitration.**

**Any arbitration with the Program Distributor pursuant to this provision shall be conducted only before the New York Stock Exchange, Inc., an arbitration facility provided by any other exchange of which the Program Distributor is a member, or the Financial Industry Regulatory Authority, Inc., but if you fail to make such election by registered letter or telegram addressed to the Program Distributor at the office where you maintain your Account before the expiration of five days after receipt of a written request from the Program Distributor to make such election, then the Program Distributor may make such election. Any arbitration with the Investment Manager or the Program Manager pursuant to this provision shall be conducted in New York, New York in accordance with the rules of the American Arbitration Association.**

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

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

**September 13, 2021**

THIS PAGE IS INTENTIONALLY LEFT BLANK

THIS PAGE IS INTENTIONALLY LEFT BLANK

THIS PAGE IS INTENTIONALLY LEFT BLANK

**Investment products:**

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



FINANCE AUTHORITY OF MAINE

**Program Administrator**



.

BlackRock.

Program Distributor and Investment Manager

sumday® | Plan Management

Program Manager

Code:PDCS-0721 .