



Important Updates Regarding the PA 529 Investment Plan.

This booklet contains important updates about the upcoming transition to the Target Enrollment Date Investment Option.

The PA 529 Investment Plan is Making Some Changes!

This April, the PA 529 Investment Plan (IP) will transition its three Age-Based Investment Options to one unified **Target Enrollment Date Investment Option**.

This brochure outlines these changes in more detail and you may call **800-440-4000** or email pa529@patreasury.gov with any questions.

What Do You Need to Do?

If you are currently invested in any of the Age-Based Options, **you do not need to do anything, unless you'd like to choose a different investment portfolio**. Your account will be mapped to a new **Target Enrollment Date Investment Portfolio** based on the current age of your beneficiary as noted in Charts 1 through 3. **Please note that this automatic change will not count against your permitted twice per year asset reallocations.**

Transition to The Target Enrollment Date Investment Option

When you invest in the **Target Enrollment Date Investment Option**, your assets are managed according to the projected enrollment date of your student and will provide an even smoother transition away from equity investments as your child prepares to start their school or program.

The PA 529 Investment Plan's **Target Enrollment Date Investment Portfolios** will be available in two-year increments. Families will be able to select an asset allocation that most closely matches their beneficiary's projected enrollment date.

NOTE: Account Owners can also change to more than a dozen individual portfolios if they elect to not invest in the Target Enrollment Date Investment Option.

See the charts on the following pages for more details on how the current Age-Based Options map to the new **Enrollment Date Portfolios**.

Target Enrollment Date Investment Option At-A-Glance

Easy To Invest

By allowing families to invest in a portfolio based on the year their child will enroll in school, it helps take the guesswork out of investing. This new and simple one-step investment option will help reduce investor uncertainty when it comes to selecting a portfolio.

Flexible For All Students

The PA 529 IP **Target Enrollment Date Investment Option** can be used for saving for K-12 education, graduate school, or an apprenticeship. You may select from more than one Enrollment Date Portfolio within the same account for the same student.

Smaller, More Frequent Asset Allocation Adjustments

The **Target Enrollment Date Investment Option** provides more frequent rebalancing which can reduce the risk that often comes along with fewer, larger adjustments, and help keep families' savings goals on track.

Why Are We Changing?

Each family saving with the PA 529 IP has a different education plan, savings objective, and time horizon. Now more than ever, the age when a student starts higher education varies. The **Target Enrollment Date Investment Option** allows families to select a portfolio based on when they plan to use their PA 529 account. In addition to more flexibility on the student's age and a simpler investment selection process, this option provides more frequent and gradual shifts from equities to bonds as the target enrollment date gets closer. More frequent rebalancing typically helps investors better align with their savings goals.

How Will These Changes Impact Your PA 529 IP Account?

Account Owners saving in an Age-Based Option will see their accounts transitioned (or mapped) to a Target Enrollment Date Portfolio as described in Charts 1 - 3.

These mappings were carefully constructed to provide a mix of stocks, bonds, and short-term reserves similar to the asset allocations in your current Age-Based Portfolio(s). **As a consequence of this, your new Target Enrollment Date Portfolio may differ from your child's expected enrollment date.**

If you are currently invested in multiple Age-Based Options, your account may transition to multiple Enrollment Date Portfolios.

If you are not currently saving in an Age-Based Option, these automatic changes will not impact your account, but it is important that you are aware of this new investment option.

Account Owners should consider their investment strategy and overall risk tolerance when reviewing the changes. For additional assistance, please consult a qualified financial professional.

What Other Choices Do You Have?

If you would prefer not to be invested in the Target Enrollment Date Investment Option, you may exchange your investments no later than April 22, 2021 at 4:00pm (EST) to avoid this automatic change, provided you have not already made two portfolio exchanges already in this calendar year. The PA 529 IP offers fourteen portfolios that allow you to customize and manage your investment strategy. Unlike the Target Enrollment Date Investment Option, the allocations within these static portfolios will not change over time.

Transition Timeline and Key Dates

During the Transition

During the time PA 529 implements these changes, PA 529 IP Account Owners will not be able to access their accounts online or by phone. The implementation period will be **4:00pm (EST) on April 22, 2021** through **7:00am (EST) on April 26, 2021**. Account Owners that need to access their accounts around the implementation dates should contact PA 529 by **4:00pm (EST) on April 22** at **800-440-4000**. More information may be found below.

Please note that during this transition, you will not be able to complete any transactions, including contributions, withdrawals, and rollovers in your PA 529 IP account.

After the Transition

Remember, you may change your future contribution allocations at any time without restriction. If you have an automatic contribution that is scheduled for **Friday, April 23, 2021 through Monday, April 26, 2021** you will receive a trade date of **Monday, April 26, 2021**.

You may also elect to process up to two investment exchanges per calendar year for 2021. If you elect to make an investment exchange before this automatic exchange, you must do so by **4:00pm (EST) on April 22, 2021**.

PA 529 Investment Plan Transition Dates

APRIL 22

Requests for all transactions, including withdrawals, contributions, or exchanges must be made in good order by **4:00pm (EST) on Thursday, April 22, 2021**. Requests received in good order after **4:00pm (EST) on Thursday, April 22, 2021**, will be processed on **Monday, April 26, 2021**, using the net asset values of **Monday, April 26, 2021**.

NOTE: To allow for a successful transition, Account Owners will not be able to access PA 529 IP accounts during the period of **4:00pm (EST) on April 22, 2021** until **7:00am (EST) on Monday, April 26, 2021**.

During this “blackout period”, you will not be able to initiate any account transactions, either online or by phone.

APRIL 23 – APRIL 25

PA 529 will transition assets from the existing Age-Based Investment Options to the **Target Enrollment Date Portfolios** as described on Charts 1 through 3.

APRIL 26

PA 529 IP Account Owners may resume account transactions after **7:00am (EST) on Monday, April 26, 2021**. Additionally, any recurring contributions scheduled for **Friday, April 23, 2021** through **Sunday, April 25, 2021**, or any contributions received by mail between **4:00pm on Thursday, April 22, 2021**, and **Friday, April 23, 2021**, will be credited using net asset values of **Monday, April 26, 2021**.

APRIL						
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Chart 1: Transition From Conservative Age-Based Investment Option

If you are currently investing in the Conservative Age-Based Investment Option, your funds will be mapped to the new Target Enrollment Date Portfolios according to the chart below.

These mappings were carefully constructed to provide a mix of stocks, bonds, and short-term reserves similar to your current asset allocations. **As a consequence of this, your new Target Enrollment Date Portfolio may differ from your child's expected enrollment date.**

Current Age-Based Option Through April 22, 2021		New Target Enrollment Date Portfolios Effective April 26, 2021					
Age of Beneficiary	Conservative Age-Based Option	Age of Beneficiary	Target Enrollment Date Portfolio	Asset Allocations	Stocks	Bonds	Short-Term Reserves
4 or Younger	Blended Growth Portfolio* 62.5% Stocks 37.5% Bonds	<1	Target Enrollment Date 2030/2031		59.00%	41.00%	0.00%
5 - 6	Moderate Growth Portfolio 50% Stocks 50% Bonds	1 - 2	Target Enrollment Date 2030/2031		59.00%	41.00%	0.00%
7 - 8	Disciplined Growth Portfolio* 37.5% Stocks 62.5% Bonds	3 - 4	Target Enrollment Date 2030/2031		59.00%	41.00%	0.00%
9 - 10	Conservative Growth Portfolio 25% Stocks 75% Bonds	5 - 6	Target Enrollment Date 2028/2029		51.00%	49.00%	0.00%
11 - 12	Conservative Portfolio* 12.5% Stocks 87.5% Bonds	7 - 8	Target Enrollment Date 2026/2027		38.27%	55.00%	6.73%
13 - 14	Blended Income Portfolio* 75% Bonds 25% Short-term Reserves	9 - 10	Target Enrollment Date 2024/2025		25.60%	54.40%	20.00%
15 - 16	Moderate Income Portfolio* 50% Bonds 50% Short-term Reserves	11 - 12	Commencement Portfolio		11.60%	28.40%	60.00%
17 - 18	Balanced Income Portfolio* 25% Bonds 75% Short-term Reserves	13 - 14	Commencement Portfolio		11.60%	28.40%	60.00%
19+	Interest Accumulation Portfolio 100% Short-term Reserves	15 - 16	Commencement Portfolio		11.60%	28.40%	60.00%
		17 - 18	Commencement Portfolio		11.60%	28.40%	60.00%
		19+	Commencement Portfolio		11.60%	28.40%	60.00%

Chart 2: Transition From Moderate Age-Based Investment Option

If you are currently investing in the Moderate Age-Based Investment Option, your funds will be mapped to the new Target Enrollment Date Portfolios according to the chart below.

These mappings were carefully constructed to provide a mix of stocks, bonds, and short-term reserves similar to your current asset allocations. **As a consequence of this, your new Target Enrollment Date Portfolio may differ from your child's expected enrollment date.**

Current Age-Based Option Through April 22, 2021		New Target Enrollment Date Portfolios Effective April 26, 2021					
Age of Beneficiary	Moderate Age-Based Option	Age of Beneficiary	Target Enrollment Date Portfolio	Asset Allocations	Stocks	Bonds	Short-Term Reserves
4 or Younger	Aggressive Portfolio* 87.5% Stocks 12.5% Bonds	<1	Target Enrollment Date 2036/2037		91.00%	9.00%	0.00%
5 - 6	Growth Portfolio 75% Stocks 25% Bonds	1 - 2	Target Enrollment Date 2036/2037		91.00%	9.00%	0.00%
7 - 8	Blended Growth Portfolio* 62.5% Stocks 37.5% Bonds	3 - 4	Target Enrollment Date 2034/2035		83.00%	17.00%	0.00%
9 - 10	Moderate Growth Portfolio 50% Stocks 50% Bonds	5 - 6	Target Enrollment Date 2032/2033		71.00%	29.00%	0.00%
11 - 12	Disciplined Growth Portfolio* 37.5% Stocks 62.5% Bonds	7 - 8	Target Enrollment Date 2030/2031		59.00%	41.00%	0.00%
13 - 14	Conservative Growth Portfolio 25% Stocks 75% Bonds	9 - 10	Target Enrollment Date 2028/2029		51.00%	49.00%	0.00%
15 - 16	Conservative Portfolio* 12.5% Stocks 87.5% Bonds	11 - 12	Target Enrollment Date 2026/2027		38.27%	55.00%	6.73%
17 - 18	Blended Income Portfolio* 75% Bonds 25% Short-term Reserves	13 - 14	Target Enrollment Date 2024/2025		25.60%	54.40%	20.00%
19+	Blended Income Portfolio* 75% Bonds 25% Short-term Reserves	15 - 16	Commencement Portfolio		11.60%	28.40%	60.00%
		17 - 18	Commencement Portfolio		11.60%	28.40%	60.00%
		19+	Commencement Portfolio		11.60%	28.40%	60.00%

Chart 3: Transition From Aggressive Age-Based Investment Option

If you are currently investing in the Aggressive Age-Based Investment Option, your funds will be mapped to the new Target Enrollment Date Portfolios according to the chart below.

These mappings were carefully constructed to provide a mix of stocks, bonds, and short-term reserves similar to your current asset allocations. **As a consequence of this, your new Target Enrollment Date Portfolio may differ from your child's expected enrollment date.**

Current Age-Based Option Through April 22, 2021		New Target Enrollment Date Portfolios Effective April 26, 2021					
Age of Beneficiary	Aggressive Age-Based Option	Age of Beneficiary	Target Enrollment Date Portfolio	Asset Allocations	Stocks	Bonds	Short-Term Reserves
4 or Younger	Aggressive Growth Portfolio 100% Stocks	<1	Target Enrollment Date 2038/2039		95.00%	5.00%	0.00%
5 - 6	Aggressive Portfolio* 87.5% Stocks 12.5% Bonds	1 - 2	Target Enrollment Date 2038/2039		95.00%	5.00%	0.00%
7 - 8	Aggressive Portfolio* 87.5% Stocks 12.5% Bonds	3 - 4	Target Enrollment Date 2036/2037		91.00%	9.00%	0.00%
9 - 10	Growth Portfolio 75% Stocks 25% Bonds	5 - 6	Target Enrollment Date 2036/2037		91.00%	9.00%	0.00%
11 - 12	Blended Growth Portfolio* 62.5% Stocks 37.5% Bonds	7 - 8	Target Enrollment Date 2034/2035		83.00%	17.00%	0.00%
13 - 14	Moderate Growth Portfolio 50% Stocks 50% Bonds	9 - 10	Target Enrollment Date 2032/2033		71.00%	29.00%	0.00%
15 - 16	Disciplined Growth Portfolio* 37.5% Stocks 62.5% Bonds	11 - 12	Target Enrollment Date 2030/2031		59.00%	41.00%	0.00%
17 - 18	Conservative Growth Portfolio 25% Stocks 75% Bonds	13 - 14	Target Enrollment Date 2028/2029		51.00%	49.00%	0.00%
19+	Conservative Portfolio* 12.5% Stocks 87.5% Bonds	15 - 16	Target Enrollment Date 2026/2027		38.27%	55.00%	6.73%
		17 - 18	Target Enrollment Date 2024/2025		25.60%	54.40%	20.00%
		19+	Commencement Portfolio		11.60%	28.40%	60.00%

Chart 4: Target Enrollment Date Portfolios Underlying Fund Holdings

New Target Enrollment Date Portfolios Effective April 26, 2021	Stocks		Bonds		Short-Term Reserves
Target Enrollment Date Portfolio	Vanguard Institutional Total Stock Market Index Fund	Vanguard Total International Stock Market Index Fund	Vanguard Total Bond Market II Index Fund	Vanguard Total International Bond Index Fund	Vanguard Short-Term Reserves Account
Target Enrollment Date 2038/2039	57.00%	38.00%	3.50%	1.50%	0.00%
Target Enrollment Date 2036/2037	54.60%	36.40%	6.30%	2.70%	0.00%
Target Enrollment Date 2034/2035	49.80%	33.20%	11.90%	5.10%	0.00%
Target Enrollment Date 2032/2033	42.60%	28.40%	20.30%	8.70%	0.00%
Target Enrollment Date 2030/2031	35.40%	23.60%	28.70%	12.30%	0.00%
Target Enrollment Date 2028/2029	30.60%	20.40%	34.30%	14.70%	0.00%
Target Enrollment Date 2026/2027	22.96%	15.31%	38.50%	16.50%	6.73%
Target Enrollment Date 2024/2025	15.36%	10.24%	38.08%	16.32%	20.00%
Target Enrollment Date 2022/2023	11.60%	7.73%	33.11%	14.19%	33.37%
Target Enrollment Date 2020/2021	9.28%	6.19%	26.53%	11.37%	46.63%
Commencement Portfolio*	6.96%	4.64%	19.88%	8.52%	60.00%

* What is the Commencement Portfolio?

The Commencement Portfolio is designed for investors who are withdrawing for qualified education expenses.

The portfolio aligns with a low-risk preference, while including a small allocation to equities as a hedge against inflation.

This portfolio's allocation to stocks and bonds is the allocation that all Target Enrollment Portfolios are expected to assume within 4 years after their designated enrollment year.

STILL HAVE QUESTIONS?

Please call the PA 529 College and Career Savings Program at **800-440-4000** or visit **pa529.com** to learn more. You are receiving this update by mail based on your current account settings. You can lower your annual fees with e-delivery. Set up online access to your account today!

None of the Portfolios, including the Conservative Income Portfolio's and Interest Accumulation Portfolio's investments in the Vanguard Short-Term Reserves Account, are insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information about the PA 529 IP, call 800-440-4000 or visit pa529.com to obtain a Disclosure Statement. Investment objectives, risks, charges, expenses and other important information are included in the Disclosure Statement; read and consider it carefully before investing.

Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.

The PA 529 IP is sponsored by the Commonwealth of Pennsylvania and administered by the Pennsylvania Treasury Department. Ascensus College Savings Recordkeeping Services, LLC, serves as Program Recordkeeping and Servicing Agent. The Vanguard Group, Inc., serves as Investment Manager for the Investment Plan. The Investment Plan's Portfolios, although they invest in mutual funds, are not mutual funds.

Investment returns are not guaranteed, and you could lose money by investing in the PA 529 IP. Account Owners assume all investment risks, including the potential for loss of principal, as well as responsibility for any federal and state tax consequences.

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