



Dear CollegeAdvantage Direct 529 Plan Account Owner,

We want to provide you with details about upcoming changes to the CollegeAdvantage Direct 529 Plan. These changes were approved by the Ohio Tuition Trust Authority (OTTA) Investment Board and will be implemented May 18-20, 2018.

These updates will smooth out the larger age steps currently found in the glide paths of our ready-made age-based portfolios. A glide path determines the asset allocation mix within an investment option. In an age-based 529 portfolio, the mix is achieved through step-down age bands. As the beneficiary grows older, the asset allocation mix adjusts with each new age band, reducing the amount of equity and increasing the amount of more conservative investment vehicles such as fixed-income and cash preservation options. This new smooth glide path is similar in concept to retirement target-date funds.

Summary Of Changes

1. Changes to the Advantage Age-Based Portfolios (AABP)

- a. AABP will adopt a target enrollment date-based progressive glide path based on the beneficiary's year of college enrollment. These ranges are predefined and the beneficiary's date of birth determines the year of college enrollment fund automatically.
- b. AABP's current five age bands will be closed. In its place, a fund based on the beneficiary's year of college enrollment will be launched. This approach allows the 529 account owner to stay in a single fund the entire time before the beneficiary heads to a post-secondary educational institution. Within the portfolio, the asset allocation mix will be rebalanced quarterly. Please see the Investment Option Choices chart enclosed in this letter to review the new funds.

2. Changes to the age bands in the Vanguard Ready-Made Age-Based Portfolios

- a. Vanguard Age-Based Portfolios will adopt a smoother glide path by increasing the number of age bands within each of the three risk tracks — aggressive, moderate, and conservative.
- b. Vanguard Age-Based Portfolios' current five age bands will be amended to include four additional age bands, for a total of nine. These new bands will consist of smaller age ranges, which will rebalance the asset allocation mix more frequently. Please see the Investment Option Choices chart enclosed in this letter to review the new funds.

YOU DO NOT NEED TO DO ANYTHING. THE ABOVE CHANGES WILL BE MADE FOR YOU.

If your current investment portfolio includes a ready-made age-based portfolio, you will automatically be mapped into the corresponding new option. If you are invested in an AABP, you will be moved into a new fund based on the targeted year of college enrollment of your beneficiary. If you are currently in a Vanguard age-based product, you will be shifted into the correct age band, based on the beneficiary's age, in your current risk track.

This investment option exchange is non-taxable and will not count towards your twice per calendar year limit on exchanges because it is being initiated by Ohio's 529 Plan, CollegeAdvantage.

If you choose to change your investment strategy and you wish to exchange your investment option to different investment options, you may do so at any time — before or after the investment option exchanges take place on May 18-20, 2018. However, remember that per Internal Revenue Code (IRC) Section 529 rules, an investment option exchange is only allowed twice per calendar year, per beneficiary.

In order to facilitate a smooth transition into the new portfolios, account owners will not be able to access their accounts or request transactions, either online or by phone, starting at 4 p.m. ET on Thursday, May 17, through 8 a.m. ET Monday, May 21, 2018, while the plan changes are being implemented.

Summary

All of these changes to the CollegeAdvantage Direct Plan Investment Options will occur automatically. You will not need to make these updates. The changes are occurring in alignment with 529-plan industry best practices of smoother glide paths.

These changes will be reflected in a new Direct Plan Offering Statement effective May 18, 2018. The new Offering Statement will be published on the **CollegeAdvantage.com** website on or around May 18, 2018. A copy of the new Offering Statement will be provided to you according to your delivery preferences on file with your CollegeAdvantage Direct Plan account.

If You Have Questions

Ohio Tuition Trust Authority remains committed to providing quick, friendly, and professional customer service through our Columbus, Ohio-based customer service representatives. If you have any questions or concerns about the upcoming changes, or if you need information or assistance with your account, please call CollegeAdvantage at **1-800-AFFORD-IT (233-6734)**. Our customer service representatives are available to assist you from 8:30 a.m. to 6 p.m. ET Monday through Friday. You may also send your non-account specific questions at your convenience via email to **CustomerService@CollegeAdvantage.com**

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Disclaimers:

Participation in the CollegeAdvantage Direct Plan does not guarantee that contributions, or the investment return on contributions, if any, will be adequate to cover the future tuition and other 529-qualified higher education expenses, or that a beneficiary will be admitted or permitted to continue to attend an institution of higher education.

To learn more about CollegeAdvantage, its investment objectives, risks, and costs, read the Direct Plan Offering Statement and Participation Agreement available at CollegeAdvantage.com. If you are not an Ohio resident, check with your home state to learn if it offers state tax or other benefits for investing in its own 529 plan.