



INVESTMENT PLAN DISCLOSURE STATEMENT

JANUARY 2016



**SUPPLEMENT DATED JANUARY 2022 TO THE PENNSYLVANIA INVESTMENT
PLAN DISCLOSURE STATEMENT DATED JANUARY 2016.**

**THE FOLLOWING INFORMATION DESCRIBES IMPORTANT CHANGES AND IS
SUPPLEMENTAL TO THE PA 529 IP DISCLOSURE STATEMENT DATED JANUARY
2016. PLEASE KEEP THIS SUPPLEMENT WITH YOUR PLAN DOCUMENTS.**

GENERAL INFORMATION

The Pennsylvania Target Enrollment 2040/2041 Portfolio has been added to the Target Enrollment Portfolio Options.

Effective for 2022, the IRS increased the annual exclusion from federal gift tax from \$15,000 to \$16,000 per individual. Accordingly, the following information in the IP Disclosure Statement takes effect beginning January 1, 2022:

All references to the Pennsylvania state tax deduction are changed from \$15,000 to \$16,000 for an individual and from \$30,000 to \$32,000 for married couples filing jointly.

All references to the gift tax annual exclusion are changed from \$15,000 to \$16,000 for an individual and from \$30,000 to \$32,000 for married couples that elect to split gifts.

All references to the amount that may be gifted to a 529 account and prorated over a five-year period are changed from \$75,000 to \$80,000 for an individual and from \$150,000 to \$160,000 for married couples.

All references to the daily dollar limit on Electronic Bank Transfers are changed from \$150,000 to \$160,000.

SPECIFIC CHANGES

The following replaces the chart in Part 2.C.1.c. on page 14 of the Disclosure Statement:

The following chart represents the asset allocations to each Underlying Fund for each Target Enrollment Date Portfolio as of January 1, 2022:

Target Enrollment Portfolio	Vanguard Institutional Total Stock Market Index Fund	Vanguard Total International Stock Index Fund	Vanguard Total Bond Market II Index Fund	Vanguard Total International Bond Index Fund	Vanguard Short-Term Reserves Account
Pennsylvania Target Enrollment 2040/2041	57.00%	38.00%	3.50%	1.50%	0.00%
Pennsylvania Target Enrollment 2038/2039	57.00%	38.00%	3.50%	1.50%	0.00%
Pennsylvania Target Enrollment 2036/2037	52.80%	35.20%	8.40%	3.60%	0.00%
Pennsylvania Target Enrollment 2034/2035	47.10%	31.40%	15.05%	6.45%	0.00%
Pennsylvania Target Enrollment 2032/2033	39.90%	26.60%	23.45%	10.05%	0.00%
Pennsylvania Target Enrollment 2030/2031	33.60%	22.40%	30.80%	13.20%	0.00%
Pennsylvania Target Enrollment 2028/2029	28.80%	19.20%	36.40%	15.60%	0.00%
Pennsylvania Target Enrollment 2026/2027	19.39%	12.93%	39.18%	16.79%	11.71%
Pennsylvania Target Enrollment 2024/2025	13.41%	8.94%	36.82%	15.78%	25.05%
Pennsylvania Target Enrollment 2022/2023	10.74%	7.15%	30.64%	13.13%	38.34%
Pennsylvania Target Enrollment 2020/2021	8.41%	5.61%	24.01%	10.29%	51.68%
Pennsylvania Commencement Portfolio	6.96%	4.64%	19.88%	8.52%	60.00%

The following replaces the chart in Part 2.C.5 on page 22 of the Disclosure Statement:

Portfolio	Annualized Returns as of 9/30/2021					
	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Aggressive Growth Portfolio	28.77%	12.76%	13.52%	13.40%	7.95%	11/17/2006
Total International Stock Index Portfolio	24.12%	8.14%	-	-	9.15%	10/14/2016
Total Stock Market Index Portfolio	31.86%	15.85%	16.63%	16.30%	9.91%	11/17/2006
Social Index Portfolio	29.21%	17.85%	18.41%	17.58%	9.67%	11/17/2006
Growth Portfolio	20.73%	11.00%	11.12%	11.16%	7.22%	11/17/2006
Moderate Growth Portfolio	13.21%	9.11%	8.70%	9.06%	6.51%	11/17/2006
Conservative Growth Portfolio	5.94%	6.96%	5.82%	6.30%	5.25%	11/17/2006
Income Portfolio	4.47%	6.55%	4.73%	5.01%	4.88%	11/17/2006
Conservative Income Portfolio	1.05%	3.94%	2.27%	1.95%	2.92%	11/17/2006
Short Term Inflation-Protected Securities Portfolio	5.32%	4.36%	-	-	2.82%	10/14/2016
Total Bond Market Index Portfolio	-1.11%	5.21%	-	-	2.93%	10/14/2016
Interest Accumulation Portfolio	1.31%	2.01%	1.66	-	1.65%	9/16/2016
Total International Bond Index Portfolio	-1.23%	3.80%	-	-	3.44%	4/27/2018
Real Estate Index Portfolio	33.26%	-	-	-	10.61%	4/25/2019
Pennsylvania Target Enrollment Portfolio 2040/2041	-	-	-	-	-	1/1/2022
Pennsylvania Target Enrollment Portfolio 2038/2039	-	-	-	-	2.30%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2036/2037	-	-	-	-	2.20%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2034/2035	-	-	-	-	2.10%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2032/2033	-	-	-	-	1.90%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2030/2031	-	-	-	-	1.60%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2028/2029	-	-	-	-	1.50%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2026/2027	-	-	-	-	1.20%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2024/2025	-	-	-	-	1.00%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2022/2023	-	-	-	-	0.90%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2020/2021	-	-	-	-	0.80%	4/23/2021
Pennsylvania Commencement Portfolio	-	-	-	-	0.60%	4/23/2021

The following replaces the chart in Part 2.C.6.a. on page 23 of the Disclosure Statement:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0400%	0.0550%	0.1300%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Real Estate Index Portfolio	0.1000%	0.0550%	0.1300%	0.2850%	\$ 29.18	\$ 91.84	\$ 160.69	\$ 364.09
Growth Portfolio	0.0388%	0.0550%	0.1300%	0.2238%	\$ 22.92	\$ 72.18	\$ 126.38	\$ 286.85
Moderate Growth Portfolio	0.0375%	0.0550%	0.1300%	0.2225%	\$ 22.79	\$ 71.77	\$ 125.65	\$ 285.21
Conservative Growth Portfolio	0.0363%	0.0550%	0.1300%	0.2213%	\$ 22.67	\$ 71.38	\$ 124.98	\$ 283.69
Income Portfolio	0.0360%	0.0550%	0.1300%	0.2210%	\$ 22.64	\$ 71.28	\$ 124.81	\$ 283.31
Conservative Income Portfolio	0.0328%	0.0550%	0.1300%	0.2178%	\$ 22.31	\$ 70.25	\$ 123.01	\$ 279.25
Interest Accumulation Portfolio	0.0210%	0.0550%	0.1300%	0.2060%	\$ 21.10	\$ 66.46	\$ 116.38	\$ 264.29
Total Stock Market Index Portfolio	0.0200%	0.0550%	0.1300%	0.2050%	\$ 21.00	\$ 66.14	\$ 115.82	\$ 263.02
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0550%	0.1300%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Social Index Portfolio	0.1200%	0.0550%	0.1300%	0.3050%	\$ 31.23	\$ 98.25	\$ 171.87	\$ 389.22
Total International Stock Index Portfolio	0.0700%	0.0550%	0.1300%	0.2550%	\$ 26.11	\$ 82.21	\$ 143.88	\$ 326.29
Total Bond Market Index Portfolio	0.0350%	0.0550%	0.1300%	0.2200%	\$ 22.53	\$ 70.96	\$ 124.25	\$ 282.04
Total International Bond Index Portfolio	0.0700%	0.0550%	0.1300%	0.2550%	\$ 26.11	\$ 82.21	\$ 143.88	\$ 326.29
Pennsylvania Target Enrollment 2040/2041	0.0398%	0.0550%	0.1300%	0.2248%	\$ 23.02	\$ 72.50	\$ 126.94	\$ 288.12
Pennsylvania Target Enrollment 2038/2039	0.0398%	0.0550%	0.1300%	0.2248%	\$ 23.02	\$ 72.50	\$ 126.94	\$ 288.12
Pennsylvania Target Enrollment 2036/2037	0.0394%	0.0550%	0.1300%	0.2244%	\$ 22.98	\$ 72.38	\$ 126.72	\$ 287.61
Pennsylvania Target Enrollment 2034/2035	0.0389%	0.0550%	0.1300%	0.2239%	\$ 22.93	\$ 72.22	\$ 126.44	\$ 286.98
Pennsylvania Target Enrollment 2032/2033	0.0383%	0.0550%	0.1300%	0.2233%	\$ 22.87	\$ 72.02	\$ 126.10	\$ 286.22
Pennsylvania Target Enrollment 2030/2031	0.0378%	0.0550%	0.1300%	0.2228%	\$ 22.82	\$ 71.86	\$ 125.82	\$ 285.59
Pennsylvania Target Enrollment 2028/2029	0.0374%	0.0550%	0.1300%	0.2224%	\$ 22.78	\$ 71.73	\$ 125.60	\$ 285.08
Pennsylvania Target Enrollment 2026/2027	0.0349%	0.0550%	0.1300%	0.2199%	\$ 22.52	\$ 70.93	\$ 124.19	\$ 281.91
Pennsylvania Target Enrollment 2024/2025	0.0325%	0.0550%	0.1300%	0.2175%	\$ 22.28	\$ 70.16	\$ 122.84	\$ 278.87
Pennsylvania Target Enrollment 2022/2023	0.0304%	0.0550%	0.1300%	0.2154%	\$ 22.06	\$ 69.48	\$ 121.67	\$ 276.21
Pennsylvania Target Enrollment 2020/2021	0.0283%	0.0550%	0.1300%	0.2133%	\$ 21.85	\$ 68.81	\$ 120.49	\$ 273.55
Pennsylvania Commencement Portfolio	0.0269%	0.0550%	0.1300%	0.2119%	\$ 21.70	\$ 68.36	\$ 119.70	\$ 271.77

**SUPPLEMENT DATED OCTOBER 2021 TO THE PENNSYLVANIA INVESTMENT
PLAN DISCLOSURE STATEMENT DATED JANUARY 2016.**

**THE FOLLOWING INFORMATION DESCRIBES IMPORTANT CHANGES AND IS
SUPPLEMENTAL TO THE PA 529 IP DISCLOSURE STATEMENT DATED JANUARY
2016. PLEASE KEEP THIS SUPPLEMENT WITH YOUR PLAN DOCUMENTS.**

GENERAL INFORMATION

As explained in Part 2.C.1.c. on page 13, the asset allocation of the money invested in the Target Enrollment Portfolios is automatically adjusted quarterly to become more conservative over time as the Beneficiary's year of enrollment in school draws nearer. For information about current allocations, please visit us at PA529.com or call our customer service center at 800-440-4000.

SPECIFIC CHANGES

The following replaces the chart in Part 2.C.1.c. on page 14 of the Disclosure Statement:

The following chart represents the asset allocations to each Underlying Fund for each Target Enrollment Date Portfolio as of July 1, 2021:

Target Enrollment Portfolio	Vanguard Institutional Total Stock Market Index Fund	Vanguard Total International Stock Index Fund	Vanguard Total Bond Market II Index Fund	Vanguard Total International Bond Index Fund	Vanguard Short- Term Reserves Account
Pennsylvania Target Enrollment 2038/2039	57.00%	38.00%	3.50%	1.50%	0.00%
Pennsylvania Target Enrollment 2036/2037	54.00%	36.00%	7.00%	3.00%	0.00%
Pennsylvania Target Enrollment 2034/2035	48.90%	32.60%	12.95%	5.55%	0.00%
Pennsylvania Target Enrollment 2032/2033	41.70%	27.80%	21.35%	9.15%	0.00%
Pennsylvania Target Enrollment 2030/2031	34.80%	23.20%	29.40%	12.60%	0.00%
Pennsylvania Target Enrollment 2028/2029	30.00%	20.00%	35.00%	15.00%	0.00%
Pennsylvania Target Enrollment 2026/2027	21.77%	14.51%	38.73%	16.60%	8.39%
Pennsylvania Target Enrollment 2024/2025	14.71%	9.81%	37.66%	16.14%	21.68%
Pennsylvania Target Enrollment 2022/2023	11.30%	7.54%	32.29%	13.84%	35.03%
Pennsylvania Target Enrollment 2020/2021	8.99%	5.99%	25.69%	11.01%	48.32%
Pennsylvania Commencement Portfolio	6.96%	4.64%	19.88%	8.52%	60.00%

The following replaces the chart in Part 2.C.5 on page 22 of the Disclosure Statement:

Portfolio	Annualized Returns as of 6/30/2021					
	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Aggressive Growth Portfolio	40.95%	14.88%	14.93%	11.55%	8.19%	11/17/2006
Total International Stock Index Portfolio	36.18%	9.43%	-	-	10.38%	10/14/2016
Total Stock Market Index Portfolio	44.05%	18.56%	17.66%	14.39%	10.10%	11/17/2006
Social Index Portfolio	41.70%	20.47%	19.53%	15.85%	9.79%	11/17/2006
Growth Portfolio	29.54%	12.55%	12.24%	9.81%	7.42%	11/17/2006
Moderate Growth Portfolio	18.94%	10.10%	9.49%	8.19%	6.67%	11/17/2006
Conservative Growth Portfolio	8.88%	7.43%	6.31%	5.89%	5.36%	11/17/2006
Income Portfolio	6.93%	6.91%	5.02%	5.02%	4.98%	11/17/2006
Conservative Income Portfolio	1.60%	3.86%	2.28%	2.23%	2.94%	11/17/2006
Short Term Inflation-Protected Securities Portfolio	5.69%	3.94%	-	-	2.69%	10/14/2016
Total Bond Market Index Portfolio	-0.60%	5.18%	-	-	3.07%	10/14/2016
Interest Accumulation Portfolio	1.69%	2.12%	-	-	1.70%	9/16/2016
Total International Bond Index Portfolio	-0.09%	3.70%	-	-	3.72%	4/27/2018
Real Estate Index Portfolio	34.25%	-	-	-	11.58%	4/25/2019
Pennsylvania Target Enrollment Portfolio 2038/2039	-	-	-	-	2.30%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2036/2037	-	-	-	-	2.20%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2034/2035	-	-	-	-	2.10%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2032/2033	-	-	-	-	1.90%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2030/2031	-	-	-	-	1.60%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2028/2029	-	-	-	-	1.50%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2026/2027	-	-	-	-	1.20%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2024/2025	-	-	-	-	1.00%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2022/2023	-	-	-	-	0.90%	4/23/2021
Pennsylvania Target Enrollment Portfolio 2020/2021	-	-	-	-	0.80%	4/23/2021
Pennsylvania Commencement Portfolio	-	-	-	-	0.60%	4/23/2021

The following replaces the chart in Part 2.C.6.a. on page 23 of the Disclosure Statement:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0400%	0.0550%	0.1300%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Real Estate Index Portfolio	0.1000%	0.0550%	0.1300%	0.2850%	\$ 29.18	\$ 91.84	\$ 160.69	\$ 364.09
Growth Portfolio	0.0388%	0.0550%	0.1300%	0.2238%	\$ 22.92	\$ 72.18	\$ 126.38	\$ 286.85
Moderate Growth Portfolio	0.0375%	0.0550%	0.1300%	0.2225%	\$ 22.79	\$ 71.77	\$ 125.65	\$ 285.21
Conservative Growth Portfolio	0.0363%	0.0550%	0.1300%	0.2213%	\$ 22.67	\$ 71.38	\$ 126.38	\$ 283.69
Income Portfolio	0.0360%	0.0550%	0.1300%	0.2210%	\$ 22.64	\$ 71.28	\$ 124.81	\$ 283.31
Conservative Income Portfolio	0.0328%	0.0550%	0.1300%	0.2178%	\$ 22.31	\$ 70.25	\$ 123.01	\$ 279.25
Interest Accumulation Portfolio	0.0210%	0.0550%	0.1300%	0.2060%	\$ 21.10	\$ 66.46	\$ 116.38	\$ 264.29
Total Stock Market Index Portfolio	0.0200%	0.0550%	0.1300%	0.2050%	\$ 21.00	\$ 66.14	\$ 115.82	\$ 263.02
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0550%	0.1300%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Social Index Portfolio	0.1200%	0.0550%	0.1300%	0.3050%	\$ 31.23	\$ 98.25	\$ 171.87	\$ 389.22
Total International Stock Index Portfolio	0.0700%	0.0550%	0.1300%	0.2550%	\$ 26.11	\$ 82.21	\$ 143.88	\$ 326.29
Total Bond Market Index Portfolio	0.0350%	0.0550%	0.1300%	0.2200%	\$ 22.53	\$ 70.96	\$ 124.25	\$ 282.04
Total International Bond Index Portfolio	0.0700%	0.0550%	0.1300%	0.2550%	\$ 26.11	\$ 82.21	\$ 143.88	\$ 326.29
Pennsylvania Target Enrollment 2038/2039	0.0398%	0.0550%	0.1300%	0.2248%	\$ 23.02	\$ 72.50	\$ 126.94	\$ 288.12
Pennsylvania Target Enrollment 2036/2037	0.0395%	0.0550%	0.1300%	0.2245%	\$ 22.99	\$ 72.41	\$ 126.78	\$ 287.74
Pennsylvania Target Enrollment 2034/2035	0.0391%	0.0550%	0.1300%	0.2241%	\$ 22.95	\$ 72.28	\$ 126.55	\$ 287.23
Pennsylvania Target Enrollment 2032/2033	0.0385%	0.0550%	0.1300%	0.2235%	\$ 22.89	\$ 72.09	\$ 126.21	\$ 286.47
Pennsylvania Target Enrollment 2030/2031	0.0379%	0.0550%	0.1300%	0.2229%	\$ 22.83	\$ 71.89	\$ 125.88	\$ 285.71
Pennsylvania Target Enrollment 2028/2029	0.0375%	0.0550%	0.1300%	0.2225%	\$ 22.79	\$ 71.77	\$ 125.65	\$ 285.21
Pennsylvania Target Enrollment 2026/2027	0.0356%	0.0550%	0.1300%	0.2206%	\$ 22.59	\$ 71.15	\$ 124.59	\$ 282.80
Pennsylvania Target Enrollment 2024/2025	0.0331%	0.0550%	0.1300%	0.2181%	\$ 22.34	\$ 70.35	\$ 123.18	\$ 279.63
Pennsylvania Target Enrollment 2022/2023	0.0309%	0.0550%	0.1300%	0.2159%	\$ 22.11	\$ 69.64	\$ 121.95	\$ 276.84
Pennsylvania Target Enrollment 2020/2021	0.0288%	0.0550%	0.1300%	0.2138%	\$ 21.90	\$ 68.97	\$ 120.77	\$ 274.18
Pennsylvania Commencement Portfolio	0.0269%	0.0550%	0.1300%	0.2119%	\$ 21.70	\$ 68.36	\$ 119.70	\$ 271.77

**SUPPLEMENT DATED APRIL 1 TO THE PENNSYLVANIA INVESTMENT PLAN
DISCLOSURE STATEMENT DATED JANUARY 2016**

**THE FOLLOWING INFORMATION DESCRIBES IMPORTANT CHANGES AND IS
SUPPLEMENTAL TO THE PA 529 IP DISCLOSURE STATEMENT DATED JANUARY
2016. PLEASE KEEP THIS SUPPLEMENT WITH YOUR PLAN DOCUMENTS.**

GENERAL CHANGES

REPLACEMENT OF AGE-BASED OPTIONS

1. On April 22, 2021, the Age-Based Options will start a transition to be replaced by Target Enrollment Portfolios. This change provides new Portfolio options with a smooth transition over time to more conservative Underlying Funds as your Beneficiary ages. Under the new Target Enrollment Portfolios, you will not move to a different Portfolio as the Beneficiary ages but rather the target allocations of the Portfolio will change as your Beneficiary approaches the date they are expected to enroll in school or an eligible program.

During this transition timeframe, the PA 529 IP will be unable to process any account transactions or account changes, including withdrawals, contributions, and investment option changes, online or by phone. Any transaction requests, including recurring contributions (automatic investments), received after 4 p.m., Eastern time, on Thursday, April 22, 2021, and up until the market close on Friday, April 23, 2021, won't be processed until Monday, April 26, 2021, using Portfolio net asset values as of Monday, April 26, 2021.

Account Owners who currently invest in the Aggressive, Moderate, and/or Conservative Age-Based Options will have their assets moved to one of the new Target Enrollment Portfolios that most closely mirrors their current age-based investment allocation, as outlined below and in accordance with the timing provided in the notification previously provided to existing investors. For example, if you're currently a conservative age-based investor and your child is 7 years old on April 23, after the transition you'll be investing in the Target Enrollment 2026/2027 Portfolio.

Age	Conservative Age-Based Option	Moderate Age-Based Option	Aggressive Age-Based Option
<1	Pennsylvania Target Enrollment 2030/2031	Pennsylvania Target Enrollment 2036/2037	Pennsylvania Target Enrollment 2038/2039
1-2	Pennsylvania Target Enrollment 2030/2031	Pennsylvania Target Enrollment 2036/2037	Pennsylvania Target Enrollment 2038/2039
3-4	Pennsylvania Target Enrollment 2030/2031	Pennsylvania Target Enrollment 2034/2035	Pennsylvania Target Enrollment 2036/2037
5-6	Pennsylvania Target Enrollment 2028/2029	Pennsylvania Target Enrollment 2032/2033	Pennsylvania Target Enrollment 2036/2037
7-8	Pennsylvania Target Enrollment 2026/2027	Pennsylvania Target Enrollment 2030/2031	Pennsylvania Target Enrollment 2034/2035
9-10	Pennsylvania Target Enrollment 2024/2025	Pennsylvania Target Enrollment 2028/2029	Pennsylvania Target Enrollment 2032/2033
11-12	Pennsylvania Commencement Portfolio	Pennsylvania Target Enrollment 2026/2027	Pennsylvania Target Enrollment 2030/2031
13-14	Pennsylvania Commencement Portfolio	Pennsylvania Target Enrollment 2024/2025	Pennsylvania Target Enrollment 2028/2029
15-16	Pennsylvania Commencement Portfolio	Pennsylvania Commencement Portfolio	Pennsylvania Target Enrollment 2026/2027
17-18	Pennsylvania Commencement Portfolio	Pennsylvania Commencement Portfolio	Pennsylvania Target Enrollment 2024/2025
19	Pennsylvania Commencement Portfolio	Pennsylvania Commencement Portfolio	Pennsylvania Commencement Portfolio

PLEASE NOTE: if you wish to change the option to which your investments have been mapped, you may still make up to two exchanges per calendar year if you have not done so already. See Part 2.B.3 for more information.

2. All references to Age-Based Options are replaced with Target Enrollment Portfolios.

SPECIFIC CHANGES

The following replaces the section titled Investment Options in PA 529 IP-AT A GLANCE on page 1:

25 different Investment Options, managed by Vanguard:

- 11 Target Enrollment Portfolios
- 14 Individual Portfolios, including a Socially Responsible Portfolio

See Part 2.C.

The following replaced the third paragraph in Part 1.A. on page 3:

The PA 529 IP offers investment vehicles that are similar to mutual funds. You can choose from among 14 fixed-allocation Investment Options (“Individual Portfolios”) that have different mixes of stock funds, bond funds, and a money market fund ranging from aggressive (100% stocks) to conservative (100% money market). The asset allocations (mix of stocks, bonds, and cash) of the Individual Portfolios are static; that is, they do not change over time. You may also choose the Target Enrollment Portfolios. Unlike the Individual Portfolios, the assets in the Target Enrollment Portfolios automatically change from more aggressive allocations to more conservative allocations as the Beneficiary approaches the expected date of enrollment. Each of the Investment Options invests in Vanguard mutual funds and/or the Vanguard Short-Term Reserves Account (the “Underlying Funds”). Although money contributed to the PA 529 IP will be invested in Investment Options that hold Vanguard mutual funds, neither the PA 529 IP, nor any of the PA 529 IP’s Investment Options, are mutual funds. An investment in the PA 529 IP is an investment in municipal fund securities that are issued and offered by the Program.

The following replaces the last paragraph in Part 1.A. on page 4:

What are the fees? The PA 529 IP charges an annual asset-based fee, which ranges from 0.21% to 0.31%, depending on the investment option you choose. (See Part 2.C.6.) Additionally, an Account Maintenance Fee of \$10 will be taken annually in the month in which the Account was opened. This Fee is waived for accounts that elect to receive most account communications electronically. (See Part 2.C.6.b.) The PA 529 IP does not charge an enrollment fee.

The following replaces the first bullet in Part 2.C.1.a. on page 12:

- You can choose from among 11 Target Enrollment Portfolios in which your money is automatically moved to more conservative asset allocation as your Beneficiary approaches the date they are expected to enroll in school.

The last paragraph of Part 2.C.1.A is deleted.

The following replaces Part 2.C.1.c. on page 13:

Target Enrollment Portfolios

The Target Enrollment Portfolios are a simplified approach to education savings. These investment options are designed to allow you to select a Portfolio based upon your risk tolerance and your Beneficiary's anticipated year of enrollment in school or an eligible program. For example, if you expect your Beneficiary to attend college beginning in the year 2026, you may consider the Pennsylvania Target Enrollment 2026/2027 Portfolio. If you expect your Beneficiary to attend college beginning in the year 2030, you may consider a Target Enrollment Portfolio with an earlier target enrollment date if you are a more conservative investor, or a Target Enrollment Portfolio with a later target enrollment date if you are a more aggressive investor.

The asset allocation of the money invested in these Investment Options is automatically adjusted quarterly over time to become more conservative as the Beneficiary's year of enrollment in school draws nearer. The Pennsylvania Commencement 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. As such, the Pennsylvania Commencement Portfolio seeks to minimize risk. The Pennsylvania Commencement Portfolio will remain at a static asset allocation for the duration because it's already at its most conservative phase. Portfolios are reallocated on a quarterly basis to ensure that they are allocated as close to the target allocations as possible. About every 2 years, a new Target Enrollment Portfolio is created and assets of the oldest Target Enrollment Portfolio are transferred into the Pennsylvania Commencement Portfolio. As of the date of this Supplement, each Target Enrollment Portfolio holds the Underlying Funds set forth in the table below. Portfolios with higher allocations to fixed income and money market securities tend to be less volatile than those with higher stock allocations. Less-volatile Portfolios generally will not decline as far when stock markets go down, but they also generally will not appreciate in value as much when stock markets go up. There is no assurance that any Portfolio will reach its goal.

The following chart represents the current asset allocations to each Underlying Fund for each Target Enrollment Date Portfolio as of the date of this Supplement:

Target Enrollment 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	Pennsylvania Short- Term Reserves Account
Pennsylvania Target Enrollment 2038/2039	57.00%	38.00%	3.50%	1.50%	0.00%
Pennsylvania Target Enrollment 2036/2037	54.60%	36.40%	6.30%	2.70%	0.00%
Pennsylvania Target Enrollment 2034/2035	49.80%	33.20%	11.90%	5.10%	0.00%
Pennsylvania Target Enrollment 2032/2033	42.60%	28.40%	20.30%	8.70%	0.00%
Pennsylvania Target Enrollment 2030/2031	35.40%	23.60%	28.70%	12.30%	0.00%
Pennsylvania Target Enrollment 2028/2029	30.60%	20.40%	34.30%	14.70%	0.00%
Pennsylvania Target Enrollment 2026/2027	22.96%	15.31%	38.50%	16.50%	6.73%
Pennsylvania Target Enrollment 2024/2025	15.36%	10.24%	38.08%	16.32%	20.00%
Pennsylvania Target Enrollment 2022/2023	11.60%	7.73%	33.11%	14.19%	33.37%
Pennsylvania Target Enrollment 2020/2021	9.28%	6.19%	26.53%	11.37%	46.63%
Pennsylvania Commencement Portfolio	6.96%	4.64%	19.88%	8.52%	60.00%

The following replaces the first sentence of Part 2.C.1.d. on page 14:

Unlike the Target Enrollment Portfolios, the Individual Portfolios do not change asset allocations as the Beneficiary approaches the expected date of enrollment.

The following is added as Part 2.C.2. on page 15 and all subsequent sections are renumbered accordingly:

2. Profile of Target Enrollment Portfolios

Investment Objective:

The Target Enrollment Portfolios seek to provide capital appreciation and current income consistent with their current asset allocation (see chart below for individual Portfolio allocations). The objective of these options becomes more focused on capital preservation and income as they approach their target date. The Target Enrollment Portfolios in the Pennsylvania 529 Investment Plan are more likely to meet their goals if each Underlying Fund in which each Portfolio invests achieves its stated investment objectives.

Strategy:

The Target Enrollment Portfolios allocate their assets to Underlying Funds. These options seek to provide a diversified allocation to broad asset classes, including domestic and international stocks and bonds. The allocations to the asset classes and the Underlying Funds are expected to change, reducing exposure to stocks and increasing exposure to fixed income and cash equivalents, becoming more conservative until the Beneficiaries' expected enrollment year. The allocation to the Underlying Funds in this option will be modified on a quarterly basis until reaching the Pennsylvania Commencement Portfolio, and then will retain a static allocation in that Commencement Portfolio.

Through investments in Vanguard Institutional Total Stock Market Index Fund, the Portfolios indirectly invest in primarily large capitalization U.S. stocks and, to a lesser extent, mid-, small-, and micro-capitalization U.S. stocks. The Fund holds a broadly diversified collection of securities that, in the aggregate, approximates the total market capitalization of all the U.S. common stocks regularly traded on the New York Stock Exchange and Nasdaq.

Through investments in Vanguard Total International Stock Index Fund, the Portfolios indirectly invest in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

Through investments in Vanguard Total Bond Market II Index Fund, the Portfolios indirectly invest in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with

maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through investments in Vanguard Total International Bond Index Fund, the Portfolios indirectly invest in government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. To minimize currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure.

Through investments in Vanguard Short-Term Reserves Account, the Portfolios indirectly invest in funding agreements issued by one or more insurance companies, synthetic investment contracts (SICs), and shares of Vanguard Federal Money Market Fund. Funding agreements and SICs are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. Funding agreements generally pay interest at a fixed interest rate and have fixed maturity dates that normally range from 2 to 5 years. SICs pay a variable interest rate and have an average duration range between 2 and 5 years. The Federal Money Market Fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. **For more information about the Vanguard Short-Term Reserves Account, please see Part 2.C.3.g.**

Note: Vanguard Short-Term Reserves Account's investments in Vanguard Federal Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it cannot guarantee that it will do so. It is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund. The Vanguard Group, Inc., has no legal obligation to provide financial support to the Fund, and there should be no expectation that the sponsor will provide financial support to the Fund at any time.

Investment Risks:

The Portfolios are subject to the risks of the underlying stock funds, which include **stock market risk, country/regional risk, currency risk, and emerging markets risk**, and the risks of the underlying bond funds, which include **interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, country/regional risk, liquidity risk, currency and currency hedging risk, and derivatives risk**. The Portfolio is also subject to **model risk, investment style risk, index sampling risk, and nondiversification risk**. See Part 2.C.5.

The following replaces Part 2.C.4. on page 19:

3. Profiles of Underlying Funds not Offered as Individual Portfolios

The following fund is not available as an Individual Portfolio. Information about this Fund, its profile, including investment strategies and risks, is presented below.

a. Vanguard Total Bond Market II Index Fund

Investment Objective

The Fund seeks to track the performance of a broad, market-weighted bond index.

Investment Strategy

The Fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This Index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage backed and asset-backed securities—all with maturities of more than 1 year. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

The Fund is subject to **interest rate risk, income risk, call risk, prepayment risk, credit risk, extension risk, and index sampling risk.** An explanation of these risks appears after the profiles. See Part 2.C.4.

The following is added as Part 2.C.5.o. on page 21 and all subsequent sections are renumbered accordingly:

o. Model Risk. The allocation of each Target Enrollment Portfolio is derived using quantitative models that have been developed based on a number of factors. Neither the Target Enrollment Portfolios nor the Plan can offer any assurance that the recommended asset allocation will either maximize returns or minimize risk or be the appropriate allocation in all circumstances for every investor with a particular time horizon or risk tolerance. The allocations of the Target Enrollment Portfolios will gradually become more conservative as your Beneficiary nears the age in which they will enroll in school.

The following replaces the chart in Part 2.C.6. on page 22:

Portfolio	Annualized Returns as of 12/31/2020					Inception Date
	1-Year	3-Year	5-Year	10-Year	Since Inception	
Aggressive Growth Portfolio	16.92%	10.47%	12.72%	10.83%	7.56%	11/17/2006
Total International Stock Index Portfolio	11.09%	4.81%	--	--	9.27%	10/14/2016
Total Stock Market Index Portfolio	20.78%	14.30%	15.18%	13.47%	9.38%	11/17/2006
Social Index Portfolio	22.38%	16.41%	16.52%	14.78%	9.12%	11/17/2006
Growth Portfolio	14.64%	9.32%	10.97%	9.41%	7.02%	11/17/2006
Moderate Growth Portfolio	12.15%	8.09%	9.18%	8.10%	6.51%	11/17/2006
Conservative Growth Portfolio	9.23%	6.49%	6.86%	6.11%	5.42%	11/17/2006
Income Portfolio	8.80%	6.10%	5.87%	5.24%	5.09%	11/17/2006
Conservative Income Portfolio	4.87%	3.70%	3.17%	2.48%	3.05%	11/17/2006
Short-Term Inflation-Protected Securities Index Portfolio	4.75%	3.22%	--	--	2.35%	10/14/2016
Total Bond Market Index Portfolio	7.51%	5.18%	--	--	3.88%	10/14/2016
Interest Accumulation Portfolio	1.99%	2.13%	--	--	1.72%	9/16/2016
Total International Bond Index Portfolio	4.36%	--	--	--	5.29%	4/27/2018
Real Estate Index Portfolio	-4.30%	--	--	--	2.76%	4/25/2019
Aggressive Portfolio	15.82%	--	--	--	11.07%	4/27/2018
Blended Growth Portfolio	13.38%	--	--	--	9.91%	4/27/2018
Disciplined Growth Portfolio	10.67%	--	--	--	8.52%	4/27/2018
Conservative Portfolio	8.00%	--	--	--	7.07%	4/27/2018
Blended Income Portfolio	4.82%	--	--	--	4.67%	4/27/2018
Moderate Income Portfolio	3.85%	--	--	--	3.83%	4/27/2018
Balanced Income Portfolio	2.95%	--	--	--	3.02%	4/27/2018

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Individual Portfolios								
Aggressive Growth Portfolio	0.0400%	0.0600%	0.1300%	0.2300%	\$23.55	\$74.07	\$129.52	\$293.03
Real Estate Index Portfolio	0.1000%	0.0600%	0.1300%	0.2900%	\$29.68	\$93.31	\$163.07	\$368.33
Growth Portfolio	0.0388%	0.0600%	0.1300%	0.2288%	\$23.43	\$73.68	\$128.85	\$291.52
Moderate Growth Portfolio	0.0375%	0.0600%	0.1300%	0.2275%	\$23.29	\$73.27	\$128.12	\$289.88
Conservative Growth Portfolio	0.0363%	0.0600%	0.1300%	0.2263%	\$23.17	\$72.88	\$127.45	\$288.37
Income Portfolio	0.0360%	0.0600%	0.1300%	0.2260%	\$23.14	\$72.79	\$127.28	\$287.99
Conservative Income Portfolio	0.0328%	0.0600%	0.1300%	0.2228%	\$22.81	\$71.76	\$125.49	\$283.96
Interest Accumulation Portfolio	0.0210%	0.0600%	0.1300%	0.2110%	\$21.61	\$67.97	\$118.88	\$269.09
Total Stock Market Index Portfolio	0.0200%	0.0600%	0.1300%	0.2100%	\$21.50	\$67.65	\$118.32	\$267.83
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0600%	0.1300%	0.2300%	\$23.55	\$74.07	\$129.52	\$293.03
Social Index Portfolio	0.1200%	0.0600%	0.1300%	0.3100%	\$31.73	\$99.71	\$174.23	\$393.33
Total International Stock Index Portfolio	0.0700%	0.0600%	0.1300%	0.2600%	\$26.62	\$83.69	\$146.31	\$330.74
Total Bond Market Index Portfolio	0.0350%	0.0600%	0.1300%	0.2250%	\$23.04	\$72.46	\$126.72	\$286.73
Total International Bond Index Portfolio	0.0700%	0.0600%	0.1300%	0.2600%	\$26.62	\$83.69	\$146.31	\$330.74
Target Enrollment Portfolios								
Pennsylvania Target Enrollment 2038/2039	0.0398%	0.0600%	0.1300%	0.2298%	\$23.53	\$74.00	\$129.41	\$292.78
Pennsylvania Target Enrollment 2036/2037	0.0396%	0.0600%	0.1300%	0.2296%	\$23.51	\$73.94	\$129.30	\$292.53
Pennsylvania Target Enrollment 2034/2035	0.0392%	0.0600%	0.1300%	0.2292%	\$23.47	\$73.81	\$129.08	\$292.02
Pennsylvania Target Enrollment 2032/2033	0.0386%	0.0600%	0.1300%	0.2286%	\$23.41	\$73.62	\$128.74	\$291.27
Pennsylvania Target Enrollment 2030/2031	0.0380%	0.0600%	0.1300%	0.2280%	\$23.34	\$73.43	\$128.40	\$290.51
Pennsylvania Target Enrollment 2028/2029	0.0376%	0.0600%	0.1300%	0.2276%	\$23.30	\$73.30	\$128.18	\$290.01
Pennsylvania Target Enrollment 2026/2027	0.0359%	0.0600%	0.1300%	0.2259%	\$23.13	\$72.75	\$127.23	\$287.87
Pennsylvania Target Enrollment 2024/2025	0.0334%	0.0600%	0.1300%	0.2234%	\$22.87	\$71.95	\$125.83	\$284.72
Pennsylvania Target Enrollment 2022/2023	0.0312%	0.0600%	0.1300%	0.2212%	\$22.65	\$71.24	\$124.60	\$281.95
Pennsylvania Target Enrollment 2020/2021	0.0291%	0.0600%	0.1300%	0.2191%	\$22.43	\$70.57	\$123.42	\$279.30
Pennsylvania Commencement Portfolio	0.0269%	0.0600%	0.1300%	0.2169%	\$22.21	\$69.86	\$122.19	\$276.53

**SUPPLEMENT DATED JANUARY 2021 TO THE PENNSYLVANIA INVESTMENT
PLAN DISCLOSURE STATEMENT DATED JANUARY 2016**

**THE FOLLOWING INFORMATION DESCRIBES IMPORTANT CHANGES AND IS
SUPPLEMENTAL TO THE PA 529 IP DISCLOSURE STATEMENT DATED JANUARY
2016. PLEASE KEEP THIS SUPPLEMENT WITH YOUR PLAN DOCUMENTS.**

GENERAL CHANGES

**EFFECTIVE OCTOBER 9, 2020, THE OPERATIONAL SUPPORT FEE WAS
REDUCED TO 0.1300% FOR ALL INVESTMENT OPTIONS.**

**ALL REFERENCES TO THE RANGE OF ASSET-BASED FEES ARE CHANGED
FROM 0.2150%-0.3150% TO 0.2100%-0.3100%.**

**“MARKET UNCERTAINTIES AND OTHER EVENTS” and “CYBERSECURITY
RISK” ARE ADDED TO THE LIST OF INVESTMENT RISKS FOR ALL
PORTFOLIOS LISTED IN PARTS 2.C.2. AND 2.C.3.**

SPECIFIC CHANGES

The following is added as the last paragraph of Part 2.A.2.e. on page 6:

If the custodian fails to direct the PA 529 IP to transfer ownership of the Account when the designated beneficiary is legally entitled to take control of the Account assets, the PA 529 IP may freeze the Account and/or refuse to allow the custodian to transact on the Account. Some UGMA/UTMA laws allow for more than one age at which the custodianship terminates (“Age of Termination”). The PA 529 IP may freeze the account based on the youngest allowable Age of Termination of the custodianship according to the UGMA/UTMA laws where the custodianship account was established, based on the PA 529 IP’s records. The custodian may be required to provide documentation to the PA 529 IP if the Age of Termination of the custodianship account is other than the youngest allowable age under the applicable UGMA/UTMA law or if the applicable UGMA/UTMA law differs from PA 529 IP records.

The following is added as Part 2.C.4.p. on page 20:

Market Uncertainties and Other Events

Due to market uncertainties, the overall market value of your Account may exhibit volatility and could be subject to wide fluctuations in response to factors, including but not limited to regulatory or legislative changes, worldwide political uncertainties, and general economic conditions (including inflation and unemployment rates), acts of God, acts of civil or military authority, acts of government, accidents, environmental disasters, natural disasters or events, fires, floods, earthquakes, hurricanes, explosions, lightning, suspensions of trading, epidemics, pandemics, public health crises, quarantines, wars, acts of war (whether war is declared or not), terrorism, threats of terrorism, insurrections, embargoes, cyber-attacks, riots, strikes, lockouts or other labor disturbances, disruptions of supply chains, civil unrest, revolutions, power or other

mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays in or stoppages of transportation, and any other events or circumstances beyond our reasonable control whether similar or dissimilar to any of the foregoing (“Force Majeure”).

The following is added as Part 2.C.4.q. on page 20:

Cybersecurity Risk

The PA 529 IP relies significantly upon the computer systems of its service providers. Therefore, the PA 529 IP could be susceptible to operational and information security risks resulting from cyber threats and cyber-attacks which may adversely affect your Account and cause it to lose value. For example, cyber threats and cyber-attacks may interfere with your ability to access your Account, make contributions or exchanges or request and receive distributions; they may also impede trading and/or impact the ability to calculate net asset values. Cybersecurity risks include security or privacy incidents, such as human error, unauthorized release, theft, misuse, corruption, and destruction of Account data maintained online or digitally by the PA 529 IP or its recordkeeper. Cybersecurity risks also include denial of service, viruses, malware, hacking, bugs, security vulnerabilities in software, attacks on technology operations, and other disruptions that could impede the PA 529 IP’s ability to maintain routine operations. Although the PA 529 IP’s service providers undertake efforts to protect their computer systems from cyber threats and cyber-attacks, which include internal processes and technological defenses that are preventative in nature, and other controls designed to provide a multi-layered security posture, there are no guarantees that the PA 529 IP or your Account will avoid losses due to cyber-attacks or cyber threats.

The following replaces the chart in Part 2.C.5. on page 22:

Portfolio	Annualized Returns as of 9/30/20					
	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Aggressive Growth Portfolio	10.29	7.29	10.62	10.37	6.59	11/17/2006
Total International Stock Index Portfolio	3.67	1.07	-	-	5.67	10/14/2016
Total Stock Market Index Portfolio	14.77	11.44	13.43	13.15	8.48	11/17/2006
Social Index Portfolio	20.52	14.47	15.25	14.60	8.38	11/17/2006
Growth Portfolio	9.42	7.00	9.37	9.09	6.31	11/17/2006
Moderate Growth Portfolio	8.20	6.59	8.12	7.90	6.04	11/17/2006
Conservative Growth Portfolio	6.66	5.76	6.24	6.03	5.20	11/17/2006
Income Portfolio	6.46	5.36	5.22	4.97	4.91	11/17/2006
Conservative Income Portfolio	4.26	3.53	2.87	2.30	3.05	11/17/2006
Short Term Inflation-Protected Securities Portfolio	4.51	2.85	-	-	2.20	10/14/2016
Total Bond Market Index Portfolio	6.87	5.07	-	-	3.98	10/14/2016
Interest Accumulation Portfolio	2.29	2.11	-	-	1.74	9/16/2016
Total International Bond Index Portfolio	2.06	-	-	-	5.43	4/27/2018
Real Estate Index Portfolio	-11.94	-	-	-	-2.88	4/25/2019
Aggressive Portfolio	9.99	-	-	-	6.57	4/27/2018
Blended Growth Portfolio	8.81	-	-	-	6.79	4/27/2018
Disciplined Growth Portfolio	7.52	-	-	-	6.79	4/27/2018
Conservative Portfolio	6.16	-	-	-	6.75	4/27/2018
Blended Income Portfolio	4.08	-	-	-	4.86	4/27/2018
Moderate Income Portfolio	3.48	-	-	-	3.96	4/27/2018
Balanced Income Portfolio	2.87	-	-	-	3.10	4/27/2018

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0400%	0.0600%	0.1300%	0.2300%	\$ 23.56	\$ 74.18	\$ 129.86	\$ 294.70
Real Estate Index Portfolio	0.1000%	0.0600%	0.1300%	0.2900%	\$ 29.69	\$ 93.44	\$ 163.48	\$ 370.38
Growth Portfolio	0.0388%	0.0600%	0.1300%	0.2288%	\$ 23.43	\$ 73.79	\$ 129.19	\$ 293.18
Moderate Growth Portfolio	0.0375%	0.0600%	0.1300%	0.2275%	\$ 23.30	\$ 73.37	\$ 128.46	\$ 291.54
Conservative Growth Portfolio	0.0363%	0.0600%	0.1300%	0.2263%	\$ 23.18	\$ 72.99	\$ 129.19	\$ 290.02
Income Portfolio	0.0360%	0.0600%	0.1300%	0.2260%	\$ 23.15	\$ 72.89	\$ 127.62	\$ 289.64
Conservative Income Portfolio	0.0400%	0.0600%	0.1300%	0.2300%	\$ 23.56	\$ 74.18	\$ 129.86	\$ 294.70
Interest Accumulation Portfolio	0.0500%	0.0600%	0.1300%	0.2400%	\$ 24.58	\$ 77.39	\$ 135.47	\$ 307.35
Total Stock Market Index Portfolio	0.0200%	0.0600%	0.1300%	0.2100%	\$ 21.51	\$ 67.75	\$ 118.63	\$ 269.36
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0600%	0.1300%	0.2300%	\$ 23.56	\$ 74.18	\$ 129.86	\$ 294.70
Social Index Portfolio	0.1200%	0.0600%	0.1300%	0.3100%	\$ 31.74	\$ 99.85	\$ 174.67	\$ 395.50
Total International Stock Index Portfolio	0.0700%	0.0600%	0.1300%	0.2600%	\$ 26.62	\$ 83.81	\$ 146.69	\$ 332.60
Total Bond Market Index Portfolio	0.0350%	0.0600%	0.1300%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Total International Bond Index Portfolio	0.0700%	0.0600%	0.1300%	0.2600%	\$ 26.62	\$ 83.81	\$ 146.69	\$ 332.60
Aggressive Portfolio*	0.0394%	0.0600%	0.1300%	0.2294%	\$ 23.49	\$ 73.98	\$ 129.53	\$ 293.94
Blended Growth Portfolio*	0.0381%	0.0600%	0.1300%	0.2281%	\$ 23.36	\$ 73.57	\$ 128.80	\$ 292.30
Disciplined Growth Portfolio*	0.0369%	0.0600%	0.1300%	0.2269%	\$ 23.24	\$ 73.18	\$ 128.12	\$ 290.78
Conservative Portfolio*	0.0356%	0.0600%	0.1300%	0.2256%	\$ 23.11	\$ 72.76	\$ 127.39	\$ 289.13
Blended Income Portfolio*	0.0424%	0.0600%	0.1300%	0.2324%	\$ 23.80	\$ 74.95	\$ 131.21	\$ 297.74
Moderate Income Portfolio*	0.0449%	0.0600%	0.1300%	0.2349%	\$ 24.06	\$ 75.75	\$ 132.61	\$ 300.90
Balanced Income Portfolio*	0.0475%	0.0600%	0.1300%	0.2375%	\$ 24.32	\$ 76.59	\$ 134.07	\$ 304.19

*These portfolios are only available through one of the three age-based investment options.

The following is added as the last paragraph of Part 2.E. on page 28:

In the event of Force Majeure, we may experience processing delays, which may affect your trade date. In those instances, your actual trade date may be after the trade date you would have received, which may negatively affect the value of your Account. (See Part 2.C.4.p. on page 20 for more information).

The following is added as section 8 of Appendix A: PA 529 IP Participation Agreement on page 37 and all subsequent sections are renumbered accordingly:

I agree that the Department, the PA 529, PA 529 IP, and Ascensus College Savings shall not be liable for any loss, failure or delay in performance of each of their obligations related to my Account or any diminution in the value of my Account arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including but not limited to: acts of God, acts of civil or military authority, acts of government, accidents, environmental disasters, natural disasters or events, fires, floods, earthquakes, hurricanes, explosions, lightning, suspensions of trading, epidemics, pandemics, public health crises, quarantines, wars, acts of war (whether war is declared or not), terrorism, threats of terrorism, insurrections, embargoes, cyber-attacks, riots, strikes, lockouts or other labor disturbances, disruptions of supply chains, civil unrest, revolutions, power or other mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays in or stoppages of transportation, and any other events or circumstances beyond its reasonable control whether similar or dissimilar to any of the foregoing.

The following replaces section 24 of Appendix A: PA 529 IP Participation Agreement on page 39 and all subsequent sections are renumbered accordingly:

Any controversy or claim arising out of or relating to the PA 529 IP or the Enrollment Application, or the breach, termination, or validity of the Investment Plan or the Enrollment Application, to the extent allowed under the Commonwealth's statutory waiver of Sovereign Immunity, shall be brought via a Petition for Review before a Pennsylvania Treasury hearing officer. A Petition for Review may be filed with the Prothonotary of the Pennsylvania Treasury Department at email address prothonotary@patreasury.gov or physical address:

Prothonotary
Office of Chief Counsel
Pennsylvania Treasury Department
127 Finance Building
Harrisburg, PA 17120
Please be advised email is preferred.

If you file a Petition for Review, an administrative hearing will be scheduled with a Treasury hearing officer. You may present your case pro se (represent yourself) or have an attorney represent you at the hearing. Petitions must contain your IP account number and the following information:

1. The petitioner's name, address, and telephone number (where you can be reached between 9:00am and 5:00pm EST).
2. The name, address, and telephone number of the authorized representative, if any.
3. A detailed statement in separately numbered paragraphs of the facts and grounds relied upon. If based upon a written document, a copy of document, or material part of the document shall be attached.
4. A statement specifying the relief to which the petitioner deems itself entitled, which shall cite the legal authority relied upon.
5. A statement that either (A) a hearing is requested or (B) the right to a hearing is waived and the petitioner is resting the case on the petition and record, with or without a brief.
6. A signed statement certifying that the facts contained in the petition are true and correct to the petitioner's knowledge and belief, and that the petition is not made for purposes of delay.

If the matter is not able to be resolved by a Pennsylvania Treasury hearing officer, I understand that I may appeal to the Commonwealth Court of Pennsylvania

SUPPLEMENT DATED OCTOBER 1, 2020 TO THE PENNSYLVANIA 529 INVESTMENT PLAN DISCLOSURE STATEMENT DATED DECEMBER 2015

The following information describes important changes and is supplemental to the PA 529 IP Disclosure Statement dated December 2015. Please keep this supplement with your plan documents.

GENERAL CHANGES

Effective October 1, 2020, all references to Qualified Education Expenses now include:

- Fees, books, supplies, and equipment required for participation by a Beneficiary in an apprenticeship program registered and certified with the United States Secretary of Labor under the National Apprenticeship Act.
- Principal or interest payments made on qualified educational loans of a Beneficiary or the Beneficiary's sibling not to exceed a lifetime limit of \$10,000 per Beneficiary or sibling

SPECIFIC CHANGES

The following replaces the second paragraph in the section titled “What schools and what expenses can an Account be used for?” in Part 1.A. on page 4:

Post-Secondary Qualified Education Expenses generally include: tuition, mandatory fees, required books, supplies and equipment, computers and peripheral equipment, computer software, Internet access and related services (as long as such equipment, software, and services are used primarily by the Beneficiary while enrolled at an Eligible Educational Institution), certain room and board, and special needs services for special needs students.

Post-Secondary Qualified Education Expenses also include two expenses that require special attention:

- Fees, books, supplies, and equipment required for the participation of a Beneficiary in an apprenticeship program registered and certified with the United States Secretary of Labor under the National Apprenticeship Act (29 U.S.C. § 50). For more information about certified apprenticeship programs, please visit www.apprenticeship.gov/apprenticeship-finder.

- Repayment of qualified educational loans (as defined in 26 U.S.C. § 221(d)(1)) for a Beneficiary or sibling (brother, sister, stepbrother, stepsister) of a Beneficiary, not to exceed a lifetime limit of \$10,000 per Beneficiary or sibling. In order to be considered qualified, an educational loan must be incurred for the payment of Qualified Higher Education Expenses, on behalf of a student who is enrolled in a degree or certificate program at an eligible institution of higher education. For more information on the requirements that constitute a qualified educational loan, please review 26 U.S.C. § 221 (d)(1).

Please note that repaying student loans with assets from a 529 account may reduce the amount of educational loan interest that can be deducted on your federal tax return. Please consult with a tax advisor for more information.

SUPPLEMENT DATED MARCH 2, 2020 TO THE PENNSYLVANIA 529 INVESTMENT PLAN DISCLOSURE STATEMENT DATED JANUARY 2016

The following information describes important changes and is supplemental to the PA 529 IP Disclosure Statement dated January 2016. Please keep this supplement with your plan documents.

GENERAL CHANGES

Effective March 2, 2020, the share class of the Real Estate Index Portfolio changed from Admiral shares to Institutional shares. This has resulted in a reduction of 0.02% to the Portfolio's Underlying Fund Expense.

SPECIFIC CHANGES

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0400%	0.0600%	0.1350%	0.2350%	\$24.06	\$75.67	\$132.32	\$299.32
Real Estate Index Portfolio	0.1000%	0.0600%	0.1350%	0.2950%	\$30.19	\$94.91	\$165.86	\$374.59
Growth Portfolio	0.0388%	0.0600%	0.1350%	0.2338%	\$23.94	\$75.29	\$131.65	\$297.81
Moderate Growth Portfolio	0.0375%	0.0600%	0.1350%	0.2325%	\$23.80	\$74.87	\$130.92	\$296.18
Conservative Growth Portfolio	0.0363%	0.0600%	0.1350%	0.2313%	\$23.68	\$74.49	\$130.25	\$294.67
Income Portfolio	0.0360%	0.0600%	0.1350%	0.2310%	\$23.65	\$74.39	\$130.08	\$294.29
Conservative Income Portfolio	0.0475%	0.0600%	0.1350%	0.2425%	\$24.83	\$78.08	\$136.52	\$308.76
Interest Accumulation Portfolio	0.0800%	0.0600%	0.1350%	0.2750%	\$28.15	\$88.50	\$154.69	\$349.55
Total Stock Market Index Portfolio	0.0200%	0.0600%	0.1350%	0.2150%	\$22.01	\$69.25	\$121.12	\$274.13
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0600%	0.1350%	0.2350%	\$24.06	\$75.67	\$132.32	\$299.32
Social Index Portfolio	0.1200%	0.0600%	0.1350%	0.3150%	\$32.24	\$101.32	\$177.02	\$399.57
Total International Stock Index Portfolio	0.0700%	0.0600%	0.1350%	0.2650%	\$27.13	\$85.30	\$149.10	\$337.01
Total Bond Market Index Portfolio	0.0350%	0.0600%	0.1350%	0.2300%	\$23.55	\$74.07	\$129.52	\$293.03
Total International Bond Index Portfolio	0.0700%	0.0600%	0.1350%	0.2650%	\$27.13	\$85.30	\$149.10	\$337.01
Aggressive Portfolio*	0.0394%	0.0600%	0.1350%	0.2344%	\$24.00	\$75.48	\$131.99	\$298.57
Blended Growth Portfolio*	0.0381%	0.0600%	0.1350%	0.2331%	\$23.87	\$75.06	\$131.26	\$296.93
Disciplined Growth Portfolio*	0.0369%	0.0600%	0.1350%	0.2319%	\$23.74	\$74.68	\$130.59	\$295.42
Conservative Portfolio*	0.0356%	0.0600%	0.1350%	0.2306%	\$23.61	\$74.26	\$129.86	\$293.79
Blended Income Portfolio*	0.0499%	0.0600%	0.1350%	0.2449%	\$25.07	\$78.85	\$137.86	\$311.77
Moderate Income Portfolio*	0.0599%	0.0600%	0.1350%	0.2549%	\$26.09	\$82.06	\$143.46	\$324.34
Balanced Income Portfolio*	0.0700%	0.0600%	0.1350%	0.2650%	\$27.13	\$85.30	\$149.10	\$337.01

*These portfolios are only available through one of the three age-based investment options.

**SUPPLEMENT DATED OCTOBER 2019 TO THE PENNSYLVANIA INVESTMENT
PLAN DISCLOSURE STATEMENT DATED JANUARY 2016**

**THE FOLLOWING INFORMATION DESCRIBES IMPORTANT CHANGES AND IS
SUPPLEMENTAL TO THE PA 529 IP DISCLOSURE STATEMENT DATED JANUARY
2016. PLEASE KEEP THIS SUPPLEMENT WITH YOUR PLAN DOCUMENTS.**

**EFFECTIVE OCTOBER 1, 2019, THE STATE FEE HAS BEEN CHANGED TO 0.0600%
FOR ALL INVESTMENT OPTIONS.**

**ALL REFERENCES TO THE RANGE OF ASSET-BASED FEES ARE CHANGED
FROM 0.2250%-0.3250% TO 0.2150%-0.3150%**

The following replaces the chart in Part 2.C.5. on page 22:

Portfolio	Annualized Returns as of 9/30/19					
	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Aggressive Growth Portfolio	0.97	9.90	7.59	10.33	6.31	11/17/2006
Total International Stock Index Portfolio	-1.72	-	-	-	6.35	10/14/2016
Total Stock Market Index Portfolio	2.75	12.56	10.14	12.71	8.01	11/17/2006
Social Index Portfolio	5.10	14.34	11.34	13.38	7.49	11/17/2006
Growth Portfolio	3.54	8.65	6.85	9.14	6.07	11/17/2006
Moderate Growth Portfolio	6.05	7.40	6.27	8.04	5.88	11/17/2006
Conservative Growth Portfolio	8.30	5.50	5.00	6.30	5.08	11/17/2006
Income Portfolio	8.75	4.24	4.34	5.18	4.79	11/17/2006
Conservative Income Portfolio	6.59	2.03	2.22	2.44	2.96	11/17/2006
Short Term Inflation-Protected Securities Portfolio	3.27	-	-	-	1.43	10/14/2016
Total Bond Market Index Portfolio	10.19	-	-	-	3.02	10/14/2016
Interest Accumulation Portfolio	2.44	1.58	-	-	1.56	9/16/2016
Total International Bond Index Portfolio	10.96	-	-	-	7.86	4/27/2018
Real Estate Index Portfolio	-	-	-	-	8.90	4/25/2019
Aggressive Portfolio	2.22	-	-	-	4.24	4/27/2018
Blended Growth Portfolio	4.76	-	-	-	5.40	4/27/2018
Disciplined Growth Portfolio	7.07	-	-	-	6.29	4/27/2018
Conservative Portfolio	9.31	-	-	-	7.18	4/27/2018
Blended Income Portfolio	7.16	-	-	-	5.40	4/27/2018
Moderate Income Portfolio	5.57	-	-	-	4.30	4/27/2018
Balanced Income Portfolio	3.97	-	-	-	3.27	4/27/2018

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0400%	0.0600%	0.1350%	0.2350%	\$ 24.07	\$ 75.78	\$ 132.67	\$ 301.03
Real Estate Index Portfolio	0.1200%	0.0600%	0.1350%	0.3150%	\$ 32.25	\$ 101.46	\$ 177.46	\$ 401.77
Growth Portfolio	0.0388%	0.0600%	0.1350%	0.2338%	\$ 23.94	\$ 75.40	\$ 132.00	\$ 299.51
Moderate Growth Portfolio	0.0375%	0.0600%	0.1350%	0.2325%	\$ 23.81	\$ 74.98	\$ 131.27	\$ 297.86
Conservative Growth Portfolio	0.0363%	0.0600%	0.1350%	0.2313%	\$ 23.69	\$ 74.59	\$ 132.00	\$ 296.35
Income Portfolio	0.0360%	0.0600%	0.1350%	0.2310%	\$ 23.66	\$ 74.50	\$ 130.42	\$ 295.97
Conservative Income Portfolio	0.0475%	0.0600%	0.1350%	0.2425%	\$ 24.83	\$ 78.19	\$ 136.88	\$ 310.51
Interest Accumulation Portfolio	0.0800%	0.0600%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Total Stock Market Index Portfolio	0.0200%	0.0600%	0.1350%	0.2150%	\$ 22.02	\$ 69.35	\$ 121.44	\$ 275.70
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0600%	0.1350%	0.2350%	\$ 24.07	\$ 75.78	\$ 132.67	\$ 301.03
Social Index Portfolio	0.1200%	0.0600%	0.1350%	0.3150%	\$ 32.25	\$ 101.46	\$ 177.46	\$ 401.77
Total International Stock Index Portfolio	0.0700%	0.0600%	0.1350%	0.2650%	\$ 27.14	\$ 85.42	\$ 149.49	\$ 338.91
Total Bond Market Index Portfolio	0.0350%	0.0600%	0.1350%	0.2300%	\$ 23.56	\$ 74.18	\$ 129.86	\$ 294.70
Total International Bond Index Portfolio	0.0700%	0.0600%	0.1350%	0.2650%	\$ 27.14	\$ 85.42	\$ 149.49	\$ 338.91
Aggressive Portfolio*	0.0394%	0.0600%	0.1350%	0.2344%	\$ 24.01	\$ 75.59	\$ 132.33	\$ 300.27
Blended Growth Portfolio*	0.0381%	0.0600%	0.1350%	0.2331%	\$ 23.87	\$ 75.17	\$ 131.60	\$ 298.62
Disciplined Growth Portfolio*	0.0369%	0.0600%	0.1350%	0.2319%	\$ 23.75	\$ 74.79	\$ 130.93	\$ 297.10
Conservative Portfolio*	0.0356%	0.0600%	0.1350%	0.2306%	\$ 23.62	\$ 74.37	\$ 130.20	\$ 295.46
Blended Income Portfolio*	0.0499%	0.0600%	0.1350%	0.2449%	\$ 25.08	\$ 78.96	\$ 138.22	\$ 313.54
Moderate Income Portfolio*	0.0599%	0.0600%	0.1350%	0.2549%	\$ 26.10	\$ 82.17	\$ 143.83	\$ 326.17
Balanced Income Portfolio*	0.0700%	0.0600%	0.1350%	0.2650%	\$ 27.14	\$ 85.42	\$ 149.49	\$ 338.91

*These portfolios are only available through one of the three age-based investment options.

**SUPPLEMENT DATED JULY 1, 2019 TO THE PENNSYLVANIA INVESTMENT PLAN
DISCLOSURE STATEMENT DATED JANUARY 2016**

**THE FOLLOWING INFORMATION DESCRIBES IMPORTANT CHANGES AND IS
SUPPLEMENTAL TO THE PA 529 IP DISCLOSURE STATEMENT DATED JANUARY
2016. PLEASE KEEP THIS SUPPLEMENT WITH YOUR PLAN DOCUMENTS.**

**EFFECTIVE MAY 1, 2019, THE UNDERLYING FUND EXPENSE FOR THE TOTAL
BOND MARKET INDEX PORTFOLIO WAS REDUCED FROM 0.0400% TO 0.0350%,
REDUCING THE TOTAL ANNUAL ASSET-BASED FEE TO 0.2400%.**

The following replaces the chart in Part 2.C.5. on page 22:

Portfolio	Annualized Returns as of 3/31/19					
	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Aggressive Growth Portfolio	2.91	11.15	7.50	13.56	6.28	11/17/2006
Total International Stock Index Portfolio	-5.26	-	-	-	7.29	10/14/2016
Total Stock Market Index Portfolio	8.65	13.23	10.05	15.64	7.90	11/17/2006
Social Index Portfolio	10.53	14.59	11.12	16.73	7.27	11/17/2006
Growth Portfolio	3.54	9.37	6.59	11.65	5.98	11/17/2006
Moderate Growth Portfolio	4.13	7.60	5.87	9.85	5.73	11/17/2006
Conservative Growth Portfolio	4.41	5.20	4.43	7.41	4.87	11/17/2006
Income Portfolio	4.39	3.69	3.80	5.71	4.56	11/17/2006
Conservative Income Portfolio	3.23	1.52	1.77	2.41	2.79	11/17/2006
Short Term Inflation-Protected Securities Portfolio	1.79	-	-	-	0.93	10/14/2016
Total Bond Market Index Portfolio	4.33	-	-	-	1.45	10/14/2016
Interest Accumulation Portfolio	2.17	-	-	-	1.40	9/16/2016
Total International Bond Index Portfolio	-	-	-	-	5.20	4/27/2018
Real Estate Index Portfolio*	-	-	-	-	-	4/25/2019
Aggressive Portfolio	-	-	-	-	2.30	4/27/2018
Blended Growth Portfolio	-	-	-	-	3.20	4/27/2018
Disciplined Growth Portfolio	-	-	-	-	4.10	4/27/2018
Conservative Portfolio	-	-	-	-	4.80	4/27/2018
Blended Income Portfolio	-	-	-	-	3.80	4/27/2018
Moderate Income Portfolio	-	-	-	-	3.20	4/27/2018
Balanced Income Portfolio	-	-	-	-	2.60	4/27/2018

*Portfolio commenced operations on 4/25/2019. As a result, portfolio performance is not illustrated in this table.

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Real Estate Index Portfolio	0.1200%	0.0700%	0.1350%	0.3250%	\$ 33.27	\$ 104.66	\$ 183.05	\$ 414.30
Growth Portfolio	0.0388%	0.0700%	0.1350%	0.2438%	\$ 24.97	\$ 78.61	\$ 137.61	\$ 312.15
Moderate Growth Portfolio	0.0375%	0.0700%	0.1350%	0.2425%	\$ 24.83	\$ 78.19	\$ 136.88	\$ 310.51
Conservative Growth Portfolio	0.0363%	0.0700%	0.1350%	0.2413%	\$ 24.71	\$ 77.81	\$ 137.61	\$ 308.99
Income Portfolio	0.0360%	0.0700%	0.1350%	0.2410%	\$ 24.68	\$ 77.71	\$ 136.03	\$ 308.61
Conservative Income Portfolio	0.0475%	0.0700%	0.1350%	0.2525%	\$ 25.86	\$ 81.40	\$ 142.48	\$ 323.14
Interest Accumulation Portfolio	0.0800%	0.0600%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Total Stock Market Index Portfolio	0.0200%	0.0700%	0.1350%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Social Index Portfolio	0.1200%	0.0700%	0.1350%	0.3250%	\$ 33.27	\$ 104.66	\$ 183.05	\$ 414.30
Total International Stock Index Portfolio	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Total Bond Market Index Portfolio	0.0350%	0.0700%	0.1350%	0.2400%	\$ 24.58	\$ 77.39	\$ 135.47	\$ 307.35
Total International Bond Index Portfolio	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Aggressive Portfolio*	0.0394%	0.0700%	0.1350%	0.2444%	\$ 25.03	\$ 78.80	\$ 137.94	\$ 312.91
Blended Growth Portfolio*	0.0381%	0.0700%	0.1350%	0.2431%	\$ 24.90	\$ 78.38	\$ 137.21	\$ 311.27
Disciplined Growth Portfolio*	0.0369%	0.0700%	0.1350%	0.2419%	\$ 24.77	\$ 78.00	\$ 136.54	\$ 309.75
Conservative Portfolio*	0.0356%	0.0700%	0.1350%	0.2406%	\$ 24.64	\$ 77.58	\$ 135.81	\$ 308.11
Blended Income Portfolio*	0.0499%	0.0700%	0.1350%	0.2549%	\$ 26.10	\$ 82.17	\$ 143.83	\$ 326.17
Moderate Income Portfolio*	0.0599%	0.0700%	0.1350%	0.2649%	\$ 27.13	\$ 85.39	\$ 149.43	\$ 338.78
Balanced Income Portfolio*	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51

*These portfolios are only available through one of the three age-based investment options.

SUPPLEMENT DATED APRIL 25, 2019 TO THE PENNSYLVANIA INVESTMENT PLAN
DISCLOSURE STATEMENT DATED JANUARY 2016

**THE FOLLOWING INFORMATION DESCRIBES IMPORTANT CHANGES AND IS
SUPPLEMENTAL TO THE PA 529 IP DISCLOSURE STATEMENT DATED JANUARY
2016. PLEASE KEEP THIS SUPPLEMENT WITH YOUR PLAN DOCUMENTS.**

THE FOLLOWING CHANGES ARE EFFECTIVE APRIL 25, 2019.

GENERAL CHANGES

All references to the number of investment options are changed from 16 to 17.

**All references to the number of fixed-allocation investment options or individual portfolios
are changed from 13 to 14.**

SPECIFIC CHANGES

The following replaces Part 2.C.1.D. on page 14:

d. The Individual Portfolios

Unlike the Age-based Options, the Individual Portfolios do not change asset allocations as the Beneficiary ages. Instead, the asset allocation of each Portfolio remains fixed over time. If you choose to invest in Individual Portfolios that have a significant weighting in stocks, you should consider moving your assets to more conservative Portfolios as your Beneficiary approaches college age. Please note that there are limitations on your ability to move assets from one Portfolio to another. (See Part 2.B.3.)

The Individual Portfolios consist of six Multi-fund Individual Portfolios, which invest in multiple Underlying Funds (the percentages of those investments are detailed in the table below), and eight Single-fund Individual Portfolios, which invest in a single Underlying Fund.

The **Multi-fund Individual Portfolios** are:

- Aggressive Growth Portfolio
- Growth Portfolio
- Moderate Growth Portfolio
- Conservative Growth Portfolio
- Income Portfolio
- Conservative Income Portfolio

The **Single-fund Individual Portfolios** are:

- Total Stock Market Index Portfolio
- Social Index Portfolio
- Short-Term Inflation-Protected Securities Index Portfolio

- Interest Accumulation Portfolio
- Total International Stock Index Portfolio
- Total Bond Market Index Portfolio
- Total International Bond Index Portfolio
- Real Estate Index Portfolio

Underlying Fund	Aggressive Growth Portfolio	Growth Portfolio	Moderate Growth Portfolio	Conservative Growth Portfolio	Income Portfolio	Conservative Income Portfolio
Vanguard Institutional Total Stock Market Index Fund	60.00%	45.00%	30.00%	15.00%	12.00%	0.00%
Vanguard Total International Stock Index Fund	40.00%	30.00%	20.00%	10.00%	8.00%	0.00%
Total Stock	100.00%	75.00%	50.00%	25.00%	20.00%	0.00%
Vanguard Total Bond Market II Index Fund	0.00%	17.50%	35.00%	52.50%	56.00%	35.00%
Vanguard Total International Bond Index Fund	0.00%	7.50%	15.00%	22.50%	24.00%	15.00%
Vanguard Short-Term Inflation-Protected Securities Index Fund	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%
Total Bond	0.00%	25.00%	50.00%	75.00%	80.00%	75.00%
Vanguard Short-Term Reserves Account	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%
Total Short-Term Reserves	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The following replaces Part 2.C.2. on page 15:

a. Aggressive Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds according to a formula that results in an allocation of 100% of its assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	60.00%
Vanguard Total International Stock Index Fund	40.00%

Through its ownership of the two stock funds, the Portfolio indirectly owns primarily large-capitalization U.S. stocks and, to a lesser extent, mid-, small-, and micro-capitalization U.S. stocks and international stocks.

Investment Risks

The portfolio is subject to stock market risk, country/regional risk, currency risk, emerging markets risk, and index sampling risk. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

b. Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation and moderate level of current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 75% of assets to stocks and 25% to bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	45.00%
Vanguard Total International Stock Index Fund	30.00%
Vanguard Total Bond Market II Index Fund	17.50%
Vanguard Total International Bond Index Fund	7.50%

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange ("NYSE") and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio also indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. As of October 31, 2018, the Index included approximately 6,013 stocks of companies located in 48 markets. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio also indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than

the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

The portfolio invests primarily in stock funds. Through its U.S. and international stock fund holdings, the portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. Through its U.S. and international bond fund holdings, the portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. The portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

c. Moderate Growth Portfolio

Investment Objective

The Portfolio seeks to provide income and some capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 50% of assets to stocks and 50% to bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	30.00%
Vanguard Total International Stock Index Fund	20.00%
Vanguard Total Bond Market II Index Fund	35.00%
Vanguard Total International Bond Index Fund	15.00%

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange ("NYSE") and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. As of October 31, 2018, the Index included approximately 6,013 stocks of companies located in 48 markets. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

Through its U.S. and international stock fund holdings, the portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. Through its U.S. and international bond fund holdings, the portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. The portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

d. Conservative Growth Portfolio

Investment Objective

The Portfolio seeks to provide income and moderate capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds, resulting in an allocation of 75% to investment-grade U.S. bonds and 25% of assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	52.50%
Vanguard Total International Bond Index Fund	22.50%
Vanguard Institutional Total Stock Market Index Fund	15.00%
Vanguard Total International Stock Market Index Fund	10.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange

(“NYSE”) and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. As of October 31, 2018, the Index included approximately 6,013 stocks of companies located in 48 markets. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Investment Risks

The portfolio invests primarily in bond funds. Through its U.S. and international bond holdings, the portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. Through its U.S. and international stock holdings, the portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. The portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk.

An explanation of these risks appears after the profiles. See Part 2.C.4.

e. Income Portfolio

Investment Objective

The Portfolio seeks to provide a high level of current income and low level of capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds, resulting in an allocation of 80% of assets to bonds and 20% of assets to stocks. The percentages of the Portfolio’s assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	56.00%
Vanguard Total International Bond Index Fund	24.00%
Vanguard Institutional Total Stock Market Index Fund	12.00%
Vanguard Total International Stock Market Index Fund	8.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1

year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange (“NYSE”) and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. As of October 31, 2018, the Index included approximately 6,013 stocks of companies located in 48 markets. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Investment Risks

The portfolio invests primarily in bond funds. Through its U.S. and international bond holdings, the portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. Through its U.S. and international stock holdings, the portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. The portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

f. Conservative Income Portfolio

Investment Objective

The Portfolio seeks to provide current income and some inflation protection as well as income consistent with the preservation of principal.

Investment Strategy

The Portfolio invests in three Vanguard bond funds and a Vanguard Short-Term Reserves Account, resulting in an allocation of 75% of its assets to investment-grade U.S. bonds and 25% of assets to short-term investments. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	35.00%
Vanguard Total International Bond Index Fund	15.00%
Vanguard Short-Term Inflation-Protected Securities Index Fund	25.00%
Vanguard Short-Term Reserves Account	25.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index represents a wide spectrum of public, investment-grade, taxable fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Short-Term Inflation-Protected Securities Index Fund, the Portfolio also indirectly invests in inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Fund

attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, synthetic investment contracts, and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the Fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. **For more information about Vanguard Short-Term Reserves Account, please see Part 2.C.2.g. *Interest Accumulation Portfolio*.**

Note: An investment in Vanguard Federal Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Vanguard Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it cannot guarantee that it will do so. It is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and there should be no expectation that the sponsor will provide financial support to the Fund at any time.

Investment Risks

The Portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, manager risk, and derivatives risk. The Portfolio is also subject to nondiversification risk (through its investment in Vanguard Total International Bond Index Fund), income fluctuation risk (through its investment in Vanguard Short-Term Inflation-Protected Securities Index Fund), and manager risk (through its investment in Vanguard Short-Term Reserves Account, which invests a portion of its assets in Vanguard Federal Money Market Fund). **An explanation of these risks appears after the profiles. See Part 2.C.4.**

g. Total Stock Market Index Portfolio

Investment Objective

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

Investment Strategy

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

Investment Risks

The Portfolio is subject to **stock market risk** and **index sampling risk**. An explanation of these risks appears after the profiles. See Part 2.C.4.

h. Social Index Portfolio

Investment Objective

The Portfolio seeks to track the performance of a benchmark index that measures the investment return of large- and mid-capitalization stocks.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard FTSE Social Index Fund. The Fund employs an indexing investment approach designed to track the performance of the FTSE4Good U.S. Select Index. The Index is composed of the stocks of companies that have been screened for certain social and environmental criteria by the Index sponsor, which is independent of Vanguard. The FTSE4Good U.S. Select Index is maintained by FTSE Group (FTSE). The Index is market-capitalization-weighted and includes primarily large- and mid-cap U.S. stocks that have been screened for certain criteria related to the environment, human rights, health and safety, labor standards, and diversity. The Index excludes companies involved with weapons, tobacco, gambling, alcohol, adult entertainment, and nuclear power. The Fund attempts to replicate the Index by investing all, or substantially all, of its assets in the stocks that make up the Index.

Investment Risks

The Portfolio is subject to **stock market risk** and **investment style risk**. An explanation of these risks appears after the profiles. See Part 2.C.4.

i. Short-Term Inflation Protected Securities Index Portfolio

Investment Objective

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

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Short-Term Inflation-Protected

Securities Index Fund, which employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5

Year Index. The Index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed three years.

Note: *Vanguard Short-Term Inflation-Protected Securities Index Fund seeks to provide protection from inflation (i.e., a rise in the general price level for goods and services) as measured by the Consumer Price Index. It is possible that the costs of higher education may increase at a rate that exceeds the rate of increase of the Consumer Price Index. There is no guarantee that the Fund will protect investors from the rising costs of higher education.*

Investment Risks

The Portfolio is subject to **income fluctuation risk** and **interest rate risk**. An **explanation of these risks appears after the profiles. See Part 2.C.4.**

j. Interest Accumulation Portfolio

Investment Objective

The Portfolio seeks income consistent with the preservation of principal.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Short-Term Reserves Account, through which the Portfolio indirectly owns traditional and separate account funding agreements issued by one or more insurance companies, synthetic investment contracts (“SICs”), and/or shares of Vanguard Federal Money Market Fund. Funding agreements and SICs are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. Traditional funding agreements generally pay interest at a fixed interest rate and have fixed maturity dates that normally range from 2 to 5 years. Separate account funding agreements and SICs pay a variable interest rate and have an average duration range between 2 and 5 years. Investments in either new funding agreements or SICs are based upon available liquidity in the Portfolio, and the competitiveness of offered yields, based on market conditions and trends. The Short-Term Reserves Account may also invest as little as 5% to 25% of its assets in shares of Vanguard Federal Money Market Fund to meet normal liquidity needs, to as much as all or a large portion of its assets in this fund if sufficient investments cannot be obtained from issuers meeting the minimum credit standards and contract terms. Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith

and credit of the U.S. government. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. Under the new money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The Fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

The performance of the Interest Accumulation Portfolio will reflect the blended earnings of the funding agreements, SICs, and Vanguard Federal Money Market Fund shares held by the Portfolio, minus the Portfolio's expenses, including the benefit responsive charge paid to the issuers of SICs and separate account funding agreements. The benefit responsive charges range from 0.20% to 0.30%. The Portfolio's target duration is expected to range between 1.5 and 3.5 years. The Portfolio's target duration has a longer average maturity than most money market funds, which should result in higher yields when interest rates are stable or declining. However, because only a portion of the Portfolio's investment matures each year, its yield will change more slowly than that of a money market fund. As a result, when interest rates are rising, the Portfolio's yield may fall below money market funds' yields for an extended time period.

Note: *The Conservative Income Portfolio and the Interest Accumulation Portfolio both invest in the Vanguard Short-Term Reserves Account which in turn invests in Vanguard Federal Money Market Fund. Vanguard Short-Term Reserves Account's investment in the Vanguard Federal Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of the investment at \$1 per share, it is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund.*

Investment Risks

The Portfolio is subject to **income risk, manager risk, and credit risk. An explanation of these risks appears after the profiles. See Part 2.C.4.**

k. Total International Stock Index Portfolio

Investment Objective

The Portfolio seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies in developed and emerging markets, excluding the United States.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Total International Stock Index Fund, which employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. As of October 31, 2018, the Index included approximately

6,013 stocks of companies located in 48 markets. The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

Investment Risks

The Portfolio is subject to **stock market risk, investment style risk, country/regional risk, currency risk, and emerging markets risk**. An explanation of these risks appears after the profiles. See Part 2.C.4.

l. Total Bond Market Index Portfolio**Investment Objective**

The Portfolio seeks to track the performance of a broad, market-weighted bond index.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Total Bond Market Index Fund, which employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage backed and asset-backed securities—all with maturities of more than 1 year. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

The Portfolio primarily is subject to **interest rate risk, income risk, call risk, prepayment risk, credit risk, extension risk, index sampling risk, and liquidity risk**. An explanation of these risks appears after the profiles. See Part 2.C.4.

m. Total International Bond Index Portfolio**Investment Objective**

The Portfolio seeks to track the performance of a benchmark index that measures the investment return of non-U.S. dollar-denominated investment-grade bonds.

Investment Strategy

The Portfolio invests 100% of its assets in the Vanguard Total International Bond Index Fund, which employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). This Index provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. Such hedging is intended to minimize the currency

risk associated with investment in bonds denominated in currencies other than the U.S. dollar. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process and, under normal circumstances, at least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

The Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged) is capped to comply with company diversification standards of the Internal Revenue Code. The Index methodology is not intended to satisfy the diversification requirements of the Investment Company Act of 1940.

Investment Risks

The Portfolio is subject to **country/regional risk, interest rate risk, income risk, nondiversification risk, credit risk, index sampling risk, currency hedging risk, call risk, and derivatives risk.** An explanation of these risks appears after the profiles. See Part 2.C.4.

n. Real Estate Index Portfolio

Investment Objective

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

Investment Strategy

The Fund employs an indexing investment approach designed to track the performance of the MSCI US Investable Market Real Estate 25/50 Index, an index that is made up of stocks of large, mid-size, and small U.S. companies within the real estate sector, as classified under the Global Industry Classification Standard (GICS). The GICS real estate sector is composed of equity real estate investment trusts (known as REITs), which includes specialized REITs, and real estate management and development companies. The Fund attempts to track the Index by investing all, or substantially all, of its assets—either directly or indirectly through a wholly owned subsidiary (the underlying fund), which is itself a registered investment company—in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index. The Fund may invest a portion of its assets in the underlying fund.

Investment Risks

The Portfolio is subject to **industry concentration risk, stock market risk, interest rate risk, investment style risk, nondiversification risk, and asset concentration risk.** An explanation of these risks appears after the profiles. See Part 2.C.4.

The following is added to Part 2.C.4. on page 20:

q. Asset concentration risk

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

The following replaces the chart in Part 2.C.5. on page 22:

Portfolio	Annualized Returns as of 12/31/2018					
	1-Year	3-Year	5-Year	10-Year	Since Inception	Inception Date
Aggressive Growth Portfolio	-9.06	7.07	5.35	10.93	5.38	11/17/2006
Total International Stock Index Portfolio	-14.58	-	-	-	3.45	10/14/2016
Total Stock Market Index Portfolio	-5.35	8.71	7.63	12.83	6.91	11/17/2006
Social Index Portfolio	-3.64	9.47	8.86	14.02	6.29	11/17/2006
Growth Portfolio	-6.71	6.30	4.91	9.59	5.26	11/17/2006
Moderate Growth Portfolio	-4.20	5.58	4.69	8.34	5.20	11/17/2006
Conservative Growth Portfolio	-2.01	4.19	3.76	6.43	4.53	11/17/2006
Income Portfolio	-1.90	2.99	3.22	5.02	4.25	11/17/2006
Conservative Income Portfolio	0.44	1.73	1.65	2.36	2.67	11/17/2006
Short Term Inflation-Protected Securities Portfolio	0.40	-	-	-	0.32	10/14/2016
Total Bond Market Index Portfolio	-0.20	-	-	-	0.32	10/14/2016
Interest Accumulation Portfolio	1.98	-	-	-	1.30	9/16/2016
Total International Bond Index Portfolio	-	-	-	-	2.20	4/27/2018
Real Estate Index Portfolio*	-	-	-	-	-	4/25/2019
Aggressive Portfolio	-	-	-	-	-8.10	4/27/2018
Blended Growth Portfolio	-	-	-	-	-5.20	4/27/2018
Disciplined Growth Portfolio	-	-	-	-	-2.30	4/27/2018
Conservative Portfolio	-	-	-	-	0.70	4/27/2018
Blended Income Portfolio	-	-	-	-	1.60	4/27/2018
Moderate Income Portfolio	-	-	-	-	1.50	4/27/2018
Balanced Income Portfolio	-	-	-	-	1.50	4/27/2018

*Portfolio commenced operations on 4/25/2019. As a result, portfolio performance is not illustrated in this table.

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Real Estate Index Portfolio	0.1200%	0.0700%	0.1350%	0.3250%	\$ 33.27	\$ 104.66	\$ 183.05	\$ 414.30
Growth Portfolio	0.0388%	0.0700%	0.1350%	0.2438%	\$ 24.97	\$ 78.61	\$ 137.61	\$ 312.15
Moderate Growth Portfolio	0.0375%	0.0700%	0.1350%	0.2425%	\$ 24.83	\$ 78.19	\$ 136.88	\$ 310.51
Conservative Growth Portfolio	0.0363%	0.0700%	0.1350%	0.2413%	\$ 24.71	\$ 77.81	\$ 137.61	\$ 308.99
Income Portfolio	0.0360%	0.0700%	0.1350%	0.2410%	\$ 24.68	\$ 77.71	\$ 136.03	\$ 308.61
Conservative Income Portfolio	0.0475%	0.0700%	0.1350%	0.2525%	\$ 25.86	\$ 81.40	\$ 142.48	\$ 323.14
Interest Accumulation Portfolio	0.0800%	0.0600%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Total Stock Market Index Portfolio	0.0200%	0.0700%	0.1350%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Social Index Portfolio	0.1200%	0.0700%	0.1350%	0.3250%	\$ 33.27	\$ 104.66	\$ 183.05	\$ 414.30
Total International Stock Index Portfolio	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Total Bond Market Index Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Total International Bond Index Portfolio	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Aggressive Portfolio*	0.0394%	0.0700%	0.1350%	0.2444%	\$ 25.03	\$ 78.80	\$ 137.94	\$ 312.91
Blended Growth Portfolio*	0.0381%	0.0700%	0.1350%	0.2431%	\$ 24.90	\$ 78.38	\$ 137.21	\$ 311.27
Disciplined Growth Portfolio*	0.0369%	0.0700%	0.1350%	0.2419%	\$ 24.77	\$ 78.00	\$ 136.54	\$ 309.75
Conservative Portfolio*	0.0356%	0.0700%	0.1350%	0.2406%	\$ 24.64	\$ 77.58	\$ 135.81	\$ 308.11
Blended Income Portfolio*	0.0499%	0.0700%	0.1350%	0.2549%	\$ 26.10	\$ 82.17	\$ 143.83	\$ 326.17
Moderate Income Portfolio*	0.0599%	0.0700%	0.1350%	0.2649%	\$ 27.13	\$ 85.39	\$ 149.43	\$ 338.78
Balanced Income Portfolio*	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51

*These portfolios are only available through one of the three age-based investment options.

SUPPLEMENT DATED MARCH 2018 TO THE PENNSYLVANIA INVESTMENT PLAN
DISCLOSURE STATEMENT DATED JANUARY 2016

**THE FOLLOWING INFORMATION DESCRIBES IMPORTANT CHANGES AND IS
SUPPLEMENTAL TO THE PA 529 IP DISCLOSURE STATEMENT DATED JANUARY
2016. PLEASE KEEP THIS SUPPLEMENT WITH YOUR PLAN DOCUMENTS.**

THE FOLLOWING CHANGES WERE EFFECTIVE JANUARY 1, 2018.

GENERAL CHANGES

All references to Qualified Higher Education Expenses are changed to Qualified Education Expenses.

All references to the range of SAGE discounts are changed from \$8,500 to \$49,542 to \$10,500 to \$53,505.

SPECIFIC CHANGES

The following replaces the fourth paragraph in Section 1.A. on page 3:

What are the tax advantages? There are numerous federal and state tax advantages, which are described in more detail later in this Disclosure Statement. Briefly, the federal tax advantages are that the growth, if any, on contributions is tax-deferred and, if used for Qualified Education Expenses, is tax exempt. There are also specific federal gift and estate tax provisions and generation-skipping transfer tax advantages and consequences. For Pennsylvania taxpayers, the growth is tax deferred for state income tax purposes and, if used for Qualified Education Expenses, tax exempt. Additionally, within limits, contributions made into an Account may be deducted from your Pennsylvania taxable income.

The following replaces the two paragraphs titled “What schools and what expenses can an Account be used for?” in Section 1.A. on page 4:

What schools and what expenses can an Account be used for? An Account can be used to pay for “Qualified Education Expenses” required for enrollment or attendance at “Eligible Educational Institutions.” For ease of reference, these combined requirements are referred to throughout this Disclosure Statement as “Qualified Expenses.” The definition of “Qualified Education Expenses” differs depending on if the expenses are for Elementary and Secondary education or Post-Secondary education. Elementary and Secondary Qualified Education Expenses include only expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school and are limited to \$10,000 per year per beneficiary. It is the responsibility of the Account Owner to ensure that not more than \$10,000 per year per beneficiary is withdrawn for Elementary and Secondary Qualified Education Expenses. Account Owners who are taxpayers in states other than Pennsylvania should note that those states may not

consider Elementary and Secondary education expenses to be qualified. Please consult with the individual state to learn more. Post-Secondary Qualified Education Expenses generally include: tuition, mandatory fees, required books, supplies and equipment, computers and peripheral equipment, computer software, Internet access and related services (as long as such equipment, software, and services are used primarily by the Beneficiary while enrolled at an Eligible Educational Institution), room and board, and special needs services for special needs students.

There are limitations and conditions in order for room and board to be a Qualified Expense. The Beneficiary must be at least a half-time student (generally taking six or more academic credits). If living on campus, the full amount charged by the school is a Qualified Expense. If living off-campus, the amount is limited to the room and board cost used by the school being attended in its cost of attendance calculation. "Eligible Educational Institutions" include any elementary or secondary public, private, or religious school and most American and many foreign colleges and universities, for undergraduate and graduate programs, and many career and trade schools. The determining criterion for Post-Secondary Schools is that the school must be eligible to participate in the U.S. Department of Education's student financial aid programs. A search for such schools is available at www.fafsa.ed.gov by clicking on "School Code Search." Withdrawals made to pay for Qualified Expenses are called "Qualified Withdrawals."

The following is added as Part 2.D.6. on page 26 and all subsequent sections are renumbered accordingly:

6. Rollovers from a PA 529 IP Account to an ABLE Account

a. How to Request

You may withdraw assets from your PA 529 IP Account and place them in a previously established PA ABLE Savings Account or non-Pennsylvania ABLE account for the same Beneficiary as your PA 529 IP Account or a Family Member of the PA 529 IP Account Beneficiary ("ABLE Rollover"). Please note that you may not make an ABLE Rollover for an amount which, when added to all other contributions made to the ABLE account, exceeds the annual contribution limit for ABLE accounts (\$15,000 for 2018). Please read the PA ABLE Savings Program Disclosure Statement at www.PAABLE.gov or by calling 855-529-ABLE (2253) for more information.

To make an ABLE Rollover, please call the PA 529 IP at 800-440-4000.

b. Tax Consequences

If an ABLE Rollover, when added to all other contributions made to an ABLE account, does not exceed the annual contribution limit for ABLE accounts (\$15,000 for 2018), it is not a taxable event for federal and Pennsylvania income tax purposes. However, if the Beneficiary of the ABLE account is different than the Beneficiary of the PA 529 IP Account, it might be considered a gift from one Beneficiary to the other for federal gift and generation-skipping transfer tax purposes. Before making such a transfer, you may wish to consult with a tax advisor.

THE FOLLOWING CHANGES ARE EFFECTIVE APRIL 5, 2018:

GENERAL CHANGES

All references to the range of asset-based management fees are changed from 0.3300%-0.4300% to 0.2250%-0.3250%.

All references to the Operational Support Fee are changed from 0.2400% to 0.1350%.

All references to the \$18 annual account maintenance fee are changed to \$10.

SPECIFIC CHANGES

The following replaces the sub-section titled “Role of PA Treasury” in the section titled “PA 529-AT A GLANCE” on page 1:

The PA 529 IP is administered by the Pennsylvania Treasury Department. The Department chooses the underlying Vanguard mutual funds and the allocations within the Investment Options, monitors investment performance, and provides marketing and customer service for the Plan. Pursuant to a contract expiring in 2023, the Pennsylvania Treasury Department serves as Program Manager, and Ascensus College Savings Recordkeeping Services, LLC (“Ascensus College Savings”) serves as Recordkeeping and Servicing Agent. Investment management services are provided by The Vanguard Group, Inc. (“Vanguard”). See Part 1.B.

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0350%	0.0700%	0.1350%	0.2400%	\$ 24.58	\$ 77.39	\$ 135.47	\$ 307.35
Growth Portfolio	0.0325%	0.0700%	0.1350%	0.2375%	\$ 24.32	\$ 76.59	\$ 134.07	\$ 304.19
Moderate Growth Portfolio	0.0275%	0.0700%	0.1350%	0.2325%	\$ 23.81	\$ 74.98	\$ 131.27	\$ 297.86
Conservative Growth Portfolio	0.0250%	0.0700%	0.1350%	0.2300%	\$ 23.56	\$ 74.18	\$ 134.07	\$ 294.70
Income Portfolio	0.0200%	0.0700%	0.1350%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Conservative Income Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Interest Accumulation Portfolio	0.0800%	0.0600%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Total Stock Market Index Portfolio	0.0200%	0.0700%	0.1350%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Social Index Portfolio	0.1200%	0.0700%	0.1350%	0.3250%	\$ 33.27	\$ 104.66	\$ 183.05	\$ 414.30
Total International Stock Index Portfolio	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Total Bond Market Index Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67

The following replaces Part 2.C.6.b. on page 23:

b. Account Maintenance Fee

The PA 529 IP charges an annual Account maintenance fee of \$10.00 to all funded Accounts that do not have a stop mail hold (see Part 2.A.1., above) which goes to the Department. This fee will be waived for those Accounts that have elected electronic delivery for all categories of items listed on the “Edit Delivery Method” page of the account access section of PA529.com except the “Tax Forms” category (currently these are quarterly and annual account statements, PA 529 IP Disclosure Statement updates, and transaction and profile change confirmations). The Account Maintenance Fee will be deducted from the account annually on the 25th day (if the 25th day is not a business day, the next business day) of the anniversary month of the establishment of the Account and will be taken proportionally from each portfolio in the Account. In the event that a withdrawal of all funds in an Account is taken in a month that is not the anniversary month of the establishment of the Account, the Account Maintenance Fee will be deducted before the withdrawal is processed and will be prorated by multiplying \$2.50 by the number of three-month periods (or portion thereof) between the month that the account was opened or the anniversary month of the account opening, whichever is more recent, and the month in which the withdrawal was taken. In the event that a withdrawal of all funds in an Account is taken between the first day and the 25th day (or the next business day, if the 25th is not a business day) of the anniversary month of the establishment of the Account, the full Account Maintenance Fee will be deducted before the withdrawal is processed.

THE FOLLOWING CHANGES ARE EFFECTIVE APRIL 27:

GENERAL CHANGES

All references to the number of investment options are changed from 15 to 16.

All references to the number of underlying funds are changed from 7 to 8.

All references to the number of fixed-allocation investment options or individual portfolios are changed from 12 to 13.

SPECIFIC CHANGES

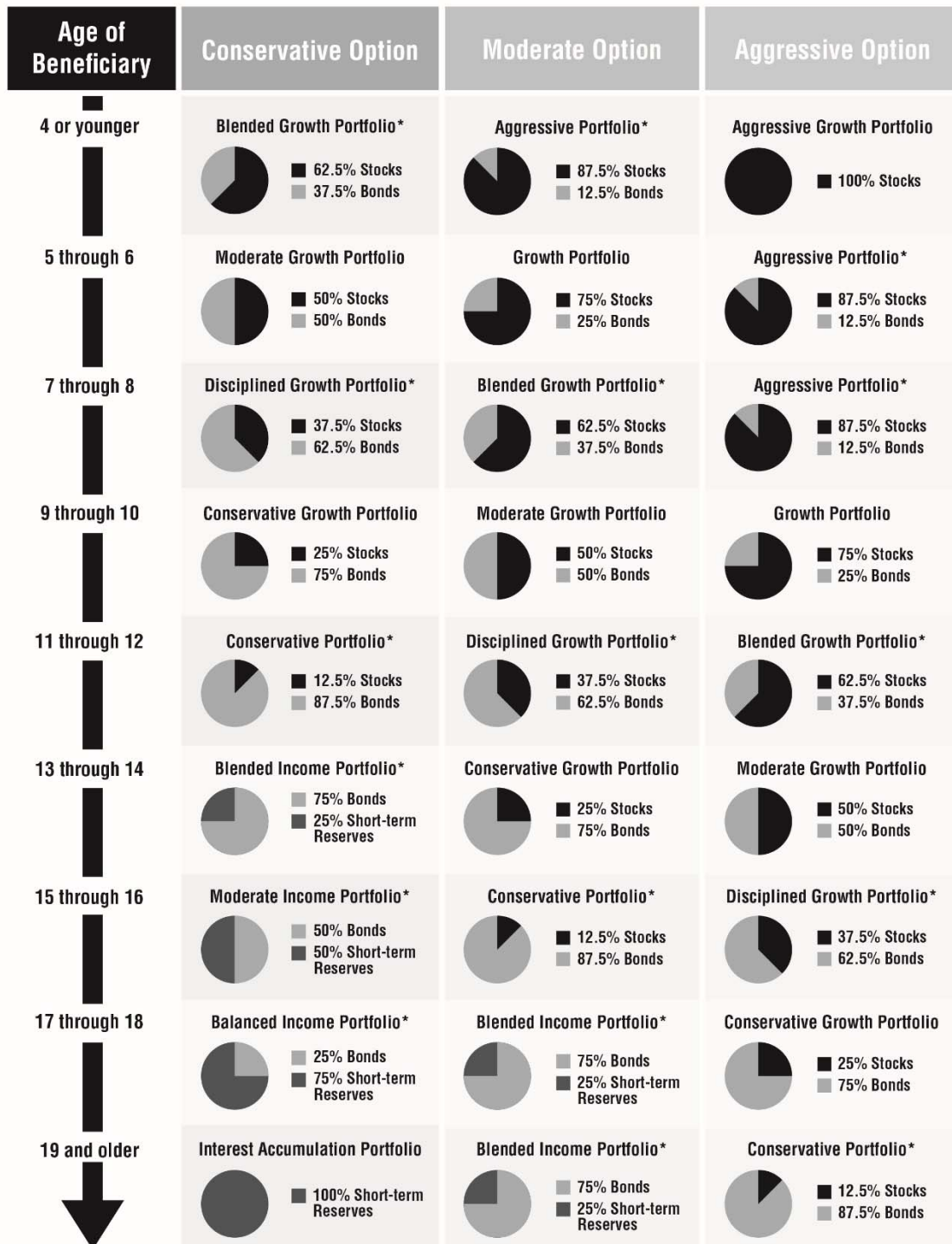
The following replaces the first paragraph in Part 2.C.1.b. on page 13:

b. Underlying Funds and Share Classes

Each Individual Portfolio invests its assets in one or more Underlying Fund(s), which are mutual funds or other accounts managed by Vanguard. Currently these funds/accounts and the share class for each are:

Vanguard FTSE Social Index Fund Institutional Shares (Ticker: VFTNX)
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares (Ticker: VTSPX)
Vanguard Institutional Total Stock Market Index Fund Institutional Plus Shares (Ticker: VITPX)
Vanguard Short-Term Reserves Account (No Ticker)
Vanguard Total Bond Market II Index Fund Institutional Shares (Ticker: VTBNX)
Vanguard Total International Stock Index Fund Institutional Plus Shares (Ticker: VTPSX)
Vanguard Total Bond Market Index Fund Institutional Shares (Ticker: VBTIX)
Vanguard Total International Bond Index Fund Institutional Shares (VTIFX)

The following replaces the chart in Part 2.C.1.c. on page 14:



*Portfolio available only within a PA 529 IP age-based savings track. Cannot be purchased individually as a stand-alone portfolio.

Portfolios with higher concentrations in bonds and short-term investments tend to be less volatile than those with more stocks. Less volatile portfolios generally may not decline in value as much when markets decline, but also may not appreciate in value as much when markets go up. Investments in bonds are subject to interest rate, credit and inflation risk.

The following replaces the note in Part 2.C.1.A on page 13:

PLEASE NOTE: The holding period for college and elementary or secondary school investing is very short relative to that for retirement investing. Also, the need for liquidity during the withdrawal phase (to pay for Qualified Expenses) generally is very important. You should seriously consider the level of risk you wish to assume, your investment time horizon, your investment objectives, and other factors important to you before you select Investment Options. In addition, when determining whether to save for elementary or secondary education note that the Age-based Options are designed for college savings time horizons and withdrawal periods and not for elementary or secondary time horizons which may be shorter. You should periodically assess, and if appropriate, adjust your investment choices with the same factors in mind.

The following replaces Part 2.C.1.D. on page 14:

d. The Individual Portfolios

Unlike the Age-based Options, the Individual Portfolios do not change asset allocations as the Beneficiary ages. Instead, the asset allocation of each Portfolio remains fixed over time. If you choose to invest in Individual Portfolios that have a significant weighting in stocks, you should consider moving your assets to more conservative Portfolios as your Beneficiary approaches college age. Please note that there are limitations on your ability to move assets from one Portfolio to another. (See Part 2.B.3.)

The Individual Portfolios consist of six Multi-fund Individual Portfolios, which invest in multiple Underlying Funds (the percentages of those investments are detailed in the table below), and seven Single-fund Individual Portfolios, which invest in a single Underlying Fund.

The **Multi-fund Individual Portfolios** are:

- Aggressive Growth Portfolio
- Growth Portfolio
- Moderate Growth Portfolio
- Conservative Growth Portfolio
- Income Portfolio
- Conservative Income Portfolio

The **Single-fund Individual Portfolios** are:

- Total Stock Market Index Portfolio
- Social Index Portfolio
- Short-Term Inflation-Protected Securities Index Portfolio
- Interest Accumulation Portfolio
- Total International Stock Index Portfolio
- Total Bond Market Index Portfolio
- Total International Bond Index Portfolio

Underlying Fund	Aggressive Growth Portfolio	Growth Portfolio	Moderate Growth Portfolio	Conservative Growth Portfolio	Income Portfolio	Conservative Income Portfolio
Vanguard Institutional Total Stock Market Index Fund	60.00%	45.00%	30.00%	15.00%	12.00%	0.00%
Vanguard Total International Stock Index Fund	40.00%	30.00%	20.00%	10.00%	8.00%	0.00%
Total Stock	100.00%	75.00%	50.00%	25.00%	20.00%	0.00%
Vanguard Total Bond Market II Index Fund	0.00%	17.50%	35.00%	52.50%	56.00%	35.00%
Vanguard Total International Bond Index Fund	0.00%	7.50%	15.00%	22.50%	24.00%	15.00%
Vanguard Short-Term Inflation-Protected Securities Index Fund	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%
Total Bond	0.00%	25.00%	50.00%	75.00%	80.00%	75.00%
Vanguard Short-Term Reserves Account	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%
Total Short-Term Reserves	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The following replaces Part 2.C.2. on page 15:

a. Aggressive Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds according to a formula that results in an allocation of 100% of its assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	60.00%
Vanguard Total International Stock Index Fund	40.00%

Through its ownership of the two stock funds, the Portfolio indirectly owns primarily large-capitalization U.S. stocks and, to a lesser extent, mid-, small-, and micro-capitalization U.S. stocks and international stocks.

Investment Risks

Because it invests entirely in stock funds, the portfolio is proportionately subject to stock market risk. The portfolio is also subject to country/regional risk, currency risk, emerging markets risk, and index sampling risk. An explanation of these risks appears after the profiles. See Part 2.C.4.

b. Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation and low to moderate current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 75% of assets to stocks and 25% to bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	45.00%
Vanguard Total International Stock Index Fund	30.00%
Vanguard Total Bond Market II Index Fund	17.50%
Vanguard Total International Bond Index Fund	7.50%

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange ("NYSE") and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio also indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,800 stocks of companies located in over 45 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio also indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets.

The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

The portfolio invests primarily in stock funds. Through its U.S. and international stock fund holdings, the portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. Through its U.S. and international bond fund holdings, the portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. The portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

c. Moderate Growth Portfolio

Investment Objective

The Portfolio seeks to provide income and some capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds, resulting in an allocation of 50% of assets to stocks and 50% to bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	30.00%
Vanguard Total International Stock Index Fund	20.00%
Vanguard Total Bond Market II Index Fund	35.00%
Vanguard Total International Bond Index Fund	15.00%

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange ("NYSE") and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted, market-capitalization-weighted index designed to measure equity

market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,800 stocks of companies located in over 45 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

Through its U.S. and international stock fund holdings, the portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. Through its U.S. and international bond fund holdings, the portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. The portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

d. Conservative Growth Portfolio

Investment Objective

The Portfolio seeks to provide income and some capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds, resulting in an allocation of 75% to investment-grade U.S. bonds and 25% of assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	52.50%
Vanguard Total International Bond Index Fund	22.50%
Vanguard Institutional Total Stock Market Index Fund	15.00%
Vanguard Total International Stock Market Index Fund	10.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange

(“NYSE”) and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,800 stocks of companies located in over 45 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Investment Risks

The portfolio invests primarily in bond funds. Through its U.S. and international bond holdings, the portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. Through its U.S. and international stock holdings, the portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. The portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk.

An explanation of these risks appears after the profiles. See Part 2.C.4.

e. Income Portfolio

Investment Objective

The Portfolio seeks to provide current income.

Investment Strategy

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds, resulting in an allocation of 80% of assets to bonds and 20% of assets to stocks. The percentages of the Portfolio’s assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	56.00%
Vanguard Total International Bond Index Fund	24.00%
Vanguard Institutional Total Stock Market Index Fund	12.00%
Vanguard Total International Stock Market Index Fund	8.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1

year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange (“NYSE”) and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,800 stocks of companies located in over 45 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Investment Risks

The portfolio invests primarily in bond funds. Through its U.S. and international bond holdings, the portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. Through its U.S. and international stock holdings, the portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. The portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

*f. **Conservative Income Portfolio***

Investment Objective

The Portfolio seeks to provide current income and some inflation protection as well as income consistent with the preservation of principal.

Investment Strategy

The Portfolio invests in three Vanguard bond funds and a Vanguard Short-Term Reserves Account, resulting in an allocation of 75% of its assets to investment-grade U.S. bonds and 25% of assets to short-term investments. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	35.00%
Vanguard Total International Bond Index Fund	15.00%
Vanguard Short-Term Inflation-Protected Securities Index Fund	25.00%
Vanguard Short-Term Reserves Account	25.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index represents a wide spectrum of public, investment-grade, taxable fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Short-Term Inflation-Protected Securities Index Fund, the Portfolio also indirectly invests in inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Fund

attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, synthetic investment contracts, and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the Fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. **For more information about Vanguard Short-Term Reserves Account, please see Part 2.C.2.g. *Interest Accumulation Portfolio*.**

Note: Vanguard Short-Term Reserves Account's investments in Vanguard Federal Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Vanguard Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it cannot guarantee that it will do so. It is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and there should be no expectation that the sponsor will provide financial support to the Fund at any time.

Investment Risks

The Portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, manager risk, and derivatives risk. The Portfolio is also subject to nondiversification risk (through its investment in Vanguard Total International Bond Index Fund), income fluctuation risk (through its Investment in Vanguard Short-Term Inflation-Protected Securities Index Fund), and manager risk (through its investment in Vanguard Short-Term Reserves Account, which invests a portion of its assets in Vanguard Federal Money Market Fund). **An explanation of these risks appears after the profiles. See Part 2.C.4.**

1. Total International Bond Index Portfolio

Investment Objective

The Portfolio seeks to track the performance of a benchmark index that measures the investment return of non-U.S. dollar-denominated investment-grade bonds.

Investment Strategy

The Portfolio invests 100% of its assets in the Vanguard Total International Bond Index Fund, which employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). This Index provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund will attempt to hedge its foreign currency exposure, primarily through the use of foreign currency exchange forward contracts, in order to correlate to the returns of the Index, which is U.S. dollar hedged. Such hedging is intended to minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process and, under normal circumstances, at least 80% of the Fund's assets will be invested in bonds included in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

The Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged) is capped to comply with company diversification standards of the Internal Revenue Code. The Index methodology is not intended to satisfy the diversification requirements of the Investment Company Act of 1940.

Investment Risks

The Portfolio is subject to country/regional risk, interest rate risk, income risk, nondiversification risk, credit risk, index sampling risk, currency hedging risk, call risk, and derivatives risk.

The following is added as Part 2.C.3. on page 19 and all subsequent sections are renumbered accordingly:

3. Profiles of Portfolios not Offered as Individual Portfolios

The five Portfolios described below are only available as part of one or more of the three Age-based Options described in Part 2.C.1.c. on page 13.

a. Vanguard Blended Growth Portfolio**Investment Objective**

The Portfolio seeks to provide capital appreciation and low to moderate current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds that results in an allocation of 62.5% of assets to stocks and 37.5% of assets to bonds. The percentages of the Portfolio's assets allocated to each fund are:

Vanguard Institutional Total Stock Market Index Fund	37.50%
Vanguard Total International Stock Index Fund	25.00%
Vanguard Total Bond Market II Index Fund	26.25%
Vanguard Total International Bond Index Fund	11.25%

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange (“NYSE”) and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,800 stocks of companies located in over 45 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio also indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S.

dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

The Portfolio invests primarily in stock funds. Through its U.S. and international stock fund holdings, the portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. Through its U.S. and international bond fund holdings, the portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. The portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk.

b. Vanguard Disciplined Growth Portfolio

Investment Objective

The Portfolio seeks to provide income and some capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds that results in an allocation of 62.5% of assets to bonds and 37.5% of assets to stocks. The percentages of the Portfolio's assets allocated to each fund are:

Vanguard Total Bond Market II Index Fund	43.75%
Vanguard Total International Bond Index Fund	18.75%
Vanguard Total Institutional Stock Market Index Fund	22.50%
Vanguard Total International Stock Index Fund	15.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that,

in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange (“NYSE”) and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,800 stocks of companies located in over 45 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Investment Risks

The Portfolio invests primarily in bond funds. Through its U.S. and international bond holdings, the Portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. Through its U.S. and international stock holdings, the Portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. The Portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk.

c. Vanguard Conservative Portfolio

Investment Objective

The Portfolio seeks to provide income and some capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard bond index funds and two Vanguard stock index funds that results in an allocation of 87.5% of assets to bonds and 12.5% of assets to stocks. The percentages of the Portfolio’s assets allocated to each fund are:

Vanguard Total Bond Market II Index Fund	61.25%
Vanguard Total International Bond Index Fund	26.25%
Vanguard Institutional Total Stock Market Index Fund	7.50%
Vanguard Total International Stock Index Fund	5.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests in U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange (“NYSE”) and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,800 stocks of companies located in

over 45 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Investment Risks

The Portfolio invests primarily in bond funds. Through its U.S. and international bond holdings, the Portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. Through its U.S. and international stock holdings, the Portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. The Portfolio is also subject to investment style risk and index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk.

d. Vanguard Aggressive Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation and low to moderate current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and two Vanguard bond index funds that results in an allocation of 87.5% of assets to stocks and 12.5% of assets to bonds. The percentages of the Portfolio's assets allocated to each fund are:

Vanguard Institutional Total Stock Market Index Fund	52.50%
Vanguard Total International Stock Index Fund	35.00%
Vanguard Total Bond Market II Index Fund	8.75%
Vanguard Total International Bond Index Fund	3.75%

Through its investment in Vanguard Institutional Total Stock Market Index Fund, the Portfolio indirectly invests U.S. stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange ("NYSE") and Nasdaq. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Through its investment in Vanguard Total International Stock Index Fund, the Portfolio also indirectly invests in international stocks. The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,800 stocks of companies located in over 45 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target Index.

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio also indirectly invests in a broadly diversified collection of securities that, in the aggregate,

approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

The Portfolio invests primarily in stock funds. Through its U.S. and international stock holdings, the Portfolio is subject to stock market risk, country/regional risk, currency risk, and emerging markets risk. Through its U.S. and international bond holdings, the Portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, and derivatives risk. The Portfolio is also subject to investment style risk, index sampling risk, and, through its investment in Vanguard Total International Bond Index Fund, nondiversification risk.

e. Vanguard Moderate Income Portfolio

Investment Objectives

The Portfolio seeks to provide current income.

Investment Strategy

The Portfolio invests in three Vanguard bond index funds and one Vanguard short-term reserves account that results in an allocation of 50% of assets to bonds and 50% of assets to short-term reserves. The percentages of the Portfolio's assets allocated to each fund are:

Vanguard Total Bond Market II Index Fund	23.00%
Vanguard Total International Bond Index Fund	15.00%
Vanguard Short-Term Inflation-Protected Securities Index Fund	12.00%
Vanguard Short-Term Reserves Account	50.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Short-Term Inflation-Protected Securities Index Fund, the Portfolio indirectly invests in inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, synthetic investment contracts, and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay

interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the Fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

Note: Vanguard Short-Term Reserves Account's investments in Vanguard Federal Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Vanguard Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it cannot guarantee that it will do so. It is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and there should be no expectation that the sponsor will provide financial support to the Fund at any time.

Investment Risks

The Portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, manager risk, and derivatives risk. The Portfolio is also subject to nondiversification risk (through its investment in Vanguard Total International Bond Index Fund), income fluctuation risk (through its Investment in Vanguard Short-Term Inflation-Protected Securities Index Fund), and manager risk (through its investment in Vanguard Short-Term Reserves Account, which invests a portion of its assets in Vanguard Federal Money Market Fund).

f. Vanguard Blended Income Portfolio

Investment Objectives

The Portfolio seeks to provide income and some capital appreciation.

Investment Strategy

The Portfolio invests in three Vanguard bond index funds and one Vanguard short-term reserves account that results in an allocation of 75% of assets to bonds and 25% of assets to short-term reserves. The percentages of the Portfolio's assets allocated to each fund are:

Vanguard Total Bond Market II Index Fund	34.50%
Vanguard Total International Bond Index Fund	22.50%
Vanguard Short-Term Inflation-Protected Securities Index Fund	18.00%
Vanguard Short-Term Reserves Account	25.00%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment

approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund will attempt to hedge its foreign currency exposure in order to correlate to the returns of the Index, which is U.S. dollar hedged. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Short-Term Inflation-Protected Securities Index Fund, the Portfolio also indirectly invests in inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, synthetic investment contracts, and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the Fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

Note: Vanguard Short-Term Reserves Account's investments in Vanguard Federal Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Vanguard Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it cannot guarantee that it will do so. It is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and there should be no expectation that the sponsor will provide financial support to the Fund at any time.

Investment Risks

The Portfolio is subject to interest rate risk, income risk, prepayment risk, extension risk, call risk, credit risk, liquidity risk, currency hedging risk, manager risk, and derivatives risk. The Portfolio is also subject to nondiversification risk (through its investment in Vanguard Total International Bond Index Fund), income fluctuation risk (through its Investment in Vanguard Short-Term Inflation-Protected Securities Index Fund), and manager risk (through its investment in Vanguard Short-Term Reserves Account, which invests a portion of its assets in Vanguard Federal Money Market Fund).

g. Vanguard Balanced Income Portfolio

Investment Objectives

The Portfolio seeks to provide current income.

Investment Strategy

The Portfolio invests in three Vanguard bond index funds and one Vanguard short-term reserves account that results in an allocation of 25% of assets to bonds and 75% of assets to short-term reserves. The percentages of the Portfolio's assets allocated to each fund are:

Vanguard Total Bond Market II Index Fund	11.50%
Vanguard Total International Bond Index Fund	7.50%
Vanguard Short-Term Inflation-Protected Securities Index Fund	6.00%
Vanguard Short-Term Reserves Account	75.00%

Through its investment in Vanguard Total Bond Market II Index Fund Institutional Shares, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Bloomberg Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Fund employs an indexing investment approach designed to track the performance of the Index. The Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Total International Bond Index Fund Institutional Shares, the Portfolio also indirectly invests in government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than 1 year. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), which provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the Fund attempts to hedge its foreign currency exposure. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares, the Portfolio indirectly invests in inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, synthetic investment contracts, and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities.

Note: Vanguard Short-Term Reserves Account's investments in Vanguard Federal Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Vanguard Federal Money Market Fund seeks to preserve the value of the investment at \$1 per share, it is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund.

Investment Risks

The Portfolio is subject to interest rate risk, credit risk, income risk, call risk, prepayment risk, extension risk, liquidity risk, income fluctuation risk, country/regional risk, nondiversification risk, currency hedging risk, manager risk, index sampling risk, and derivatives risk.

The following is added to Part 2.C.4. on page 20:

Currency Hedging Risk. This is the risk that the currency hedging transactions entered into by an Underlying Investment may not perfectly offset the Underlying Investment's foreign currency exposures. Vanguard Total International Bond Index Fund seeks to mimic the performance of foreign bonds without regard to currency exchange rate fluctuations. To accomplish this goal, the Fund attempts to offset, or hedge, its foreign currency exposures by entering into currency hedging transactions. However, because it generally is not possible to perfectly hedge the Fund's foreign currency exposures, the Fund may decline in value if it underhedges or overhedges in certain circumstances. Also, the Fund will incur expenses to hedge its foreign currency exposures. By entering into currency hedging transactions, the Fund may eliminate any chance to benefit from favorable fluctuations in relevant currency exchange rates.

Nondiversification Risk. This is the risk that Vanguard Total International Bond Index Fund's performance may be hurt disproportionately by the poor performance of bonds issued by just a few or even a single issuer. The Fund is considered nondiversified, which means that it may invest a significant percentage of its assets in bonds issued by a small number of issuers.

Liquidity Risk. Liquidity risk exists when particular portfolio investments are difficult to purchase or sell. To the extent that a Portfolio holds illiquid investments, the Portfolio's performance may be reduced as a result of an inability to sell the investments at opportune prices or times. Liquid portfolio investments may become illiquid or less liquid after purchase by the Two-Year Global Portfolio as a result of low trading volume, adverse investor perceptions, and/or other market developments. Liquidity risk includes the risk that a Portfolio will experience significant net redemptions at a time when it cannot find willing buyers for its Portfolio securities or can only sell its Portfolio securities at a material loss. Liquidity risk can be more pronounced in periods of market turmoil.

The following replaces the chart in Part 2.C.5. on page 22:

Portfolio	Annualized Returns as of 12/31/2017				
	1-Year	3-Year	5-Year	Since Inception	Inception Date
Aggressive Growth Portfolio	22.70	10.04	12.68	6.79	11/17/2006
Total International Stock Index Portfolio	26.58			21.15	10/14/2016
Total Stock Market Index Portfolio	20.75	10.76	15.20	8.08	11/17/2006
Social Index Portfolio	23.75	11.16	16.70	7.23	11/17/2006
Growth Portfolio	18.67	8.47	10.46	6.41	11/17/2006
Moderate Growth Portfolio	14.40	7.01	8.59	6.09	11/17/2006
Conservative Growth Portfolio	9.75	4.87	5.63	5.13	11/17/2006
Income Portfolio	6.63	3.72	4.39	4.82	11/17/2006
Conservative Income Portfolio	2.01	1.40	0.79	2.88	11/17/2006
Short Term Inflation-Protected Securities Portfolio	0.50			0.25	10/14/2016
Total Bond Market Index Portfolio	3.28			0.74	10/14/2016
Interest Accumulation Portfolio	1.00			0.77	9/16/2016
Aggressive Portfolio*	-	-	-	-	4/27/2018
Blended Growth Portfolio*	-	-	-	-	4/27/2018
Disciplined Growth Portfolio*	-	-	-	-	4/27/2018
Conservative Portfolio*	-	-	-	-	4/27/2018
Blended Income Portfolio*	-	-	-	-	4/27/2018
Moderate Income Portfolio*	-	-	-	-	4/27/2018
Balanced Income Portfolio*	-	-	-	-	4/27/2018
Total International Bond Index Portfolio*	-	-	-	-	4/27/2018

*Portfolio commenced operations on 4/27/2018. As a result, portfolio performance is not illustrated in this table.

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Growth Portfolio	0.0388%	0.0700%	0.1350%	0.2438%	\$ 24.97	\$ 78.61	\$ 137.61	\$ 312.15
Moderate Growth Portfolio	0.0375%	0.0700%	0.1350%	0.2425%	\$ 24.83	\$ 78.19	\$ 136.88	\$ 310.51
Conservative Growth Portfolio	0.0363%	0.0700%	0.1350%	0.2413%	\$ 24.71	\$ 77.81	\$ 137.61	\$ 308.99
Income Portfolio	0.0360%	0.0700%	0.1350%	0.2410%	\$ 24.68	\$ 77.71	\$ 136.03	\$ 308.61
Conservative Income Portfolio	0.0475%	0.0700%	0.1350%	0.2525%	\$ 25.86	\$ 81.40	\$ 142.48	\$ 323.14
Interest Accumulation Portfolio	0.0800%	0.0600%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Total Stock Market Index Portfolio	0.0200%	0.0700%	0.1350%	0.2250%	\$ 23.04	\$ 72.57	\$ 127.06	\$ 288.37
Short-Term Inflation-Protected Securities Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Social Index Portfolio	0.1200%	0.0700%	0.1350%	0.3250%	\$ 33.27	\$ 104.66	\$ 183.05	\$ 414.30
Total International Stock Index Portfolio	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Total Bond Market Index Portfolio	0.0400%	0.0700%	0.1350%	0.2450%	\$ 25.09	\$ 79.00	\$ 138.28	\$ 313.67
Total International Bond Index Portfolio	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51
Aggressive Portfolio*	0.0394%	0.0700%	0.1350%	0.2444%	\$ 25.03	\$ 78.80	\$ 137.94	\$ 312.91
Blended Growth Portfolio*	0.0381%	0.0700%	0.1350%	0.2431%	\$ 24.90	\$ 78.38	\$ 137.21	\$ 311.27
Disciplined Growth Portfolio*	0.0369%	0.0700%	0.1350%	0.2419%	\$ 24.77	\$ 78.00	\$ 136.54	\$ 309.75
Conservative Portfolio*	0.0356%	0.0700%	0.1350%	0.2406%	\$ 24.64	\$ 77.58	\$ 135.81	\$ 308.11
Blended Income Portfolio*	0.0499%	0.0700%	0.1350%	0.2549%	\$ 26.10	\$ 82.17	\$ 143.83	\$ 326.17
Moderate Income Portfolio*	0.0599%	0.0700%	0.1350%	0.2649%	\$ 27.13	\$ 85.39	\$ 149.43	\$ 338.78
Balanced Income Portfolio*	0.0700%	0.0700%	0.1350%	0.2750%	\$ 28.16	\$ 88.63	\$ 155.09	\$ 351.51

*These portfolios are only available through one of the three age-based investment options.

SUPPLEMENT DATED JANUARY 2018 TO THE PENNSYLVANIA INVESTMENT PLAN
DISCLOSURE STATEMENT DATED JANUARY 2016

The following information describes important changes and is supplemental to the PA 529 IP Disclosure Statement dated January 2016. Please keep this supplement with your plan documents.

GENERAL CHANGES

All references to the Pennsylvania state tax deduction are changed from \$14,000 to \$15,000 for an individual and from \$28,000 to \$30,000 for married couples filing jointly.

All references to the gift tax annual exclusion are changed from \$14,000 to \$15,000 for an individual and from \$28,000 to \$30,000 for married couples that elect to split gifts.

All references to the amount that may be gifted to a 529 account and prorated over a five-year period are changed from \$70,000 to \$75,000 for an individual and from \$140,000 to \$150,000 for married couples.

All references to the daily dollar limit on Electronic Bank Transfers are changed from \$130,000 to \$150,000.

SPECIFIC CHANGES

The following is added as Part 2.B.7.m. on page 12:

m. Contributions from a Pennsylvania Personal Income Tax Refund

Pennsylvania state taxpayers may contribute all or a portion of their Pennsylvania Personal Income Tax Refunds directly to a PA 529 IP Account. To do so, enter the appropriate code and amount which you wish to contribute on either Line 32, 33, 34, 35, or 36 of Form PA-40, Pennsylvania Income Tax Return. You must also complete PA Schedule P and submit it with your Form PA-40. For more information, please visit the Pennsylvania Department of Revenue at www.revenue.pa.gov and click “FORMS AND PUBLICATIONS”, “FORMS FOR INDIVIDUALS”, “PERSONAL INCOME TAX FORMS”.

The following is added as Part 2.G. on page 28:

G. Online Account Security

If you choose to access your Account online, please keep your username and password confidential. The PA 529 IP will honor instructions from any person who provides correct identifying information, and is not responsible for fraudulent transactions it believes to be genuine according to these procedures. Accordingly, Account Owners bear the risk of loss if unauthorized persons obtain their username and password and conduct any transaction on their behalf. Account Owners can reduce this risk by checking their account information regularly which will give them an opportunity to prevent multiple fraudulent transactions. Account

Owners should avoid using passwords that can be guessed and should consider changing their password frequently. PA 529 IP employees or representatives will not ask Account Owners for their password. Contact Customer Service at 1-800-440-4000 immediately if you believe that your online account has been accessed in an unauthorized manner or your username and/or password have been released to an unauthorized individual.

The following replaces Part 3.C. on page 31:

C. Other States' Tax Treatment

This Disclosure Statement summarizes the federal and Pennsylvania tax laws applicable to the PA 529 IP. Other states' tax treatment may differ based on the state or states in which you pay taxes. You should consult with your tax advisor about any state or local taxes, including income, gift, estate, inheritance, and generation-skipping transfer taxes. If you are not a Pennsylvania taxpayer, consider before investing whether your or the Beneficiary's home state offers a qualified tuition program that provides its taxpayers with favorable state tax or other benefits (including financial aid, scholarship funds, and protection from creditors) that may only be available through investment in the home state's 529 plan. Please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's qualified tuition program[s], or any other qualified tuition program, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

The following replaces the last sentence of the second paragraph of Part 4.E. on page 32:

An Account owned by a third party (someone other than a parent or the student) may impact the student's federal financial aid in the academic year two academic years after the academic year in which the Account has been used. For example, if a Qualified Withdrawal is made from an Account owned by a third party in academic year 2017, the withdrawal may affect the student's federal financial aid in academic year 2019.

**SUPPLEMENT DATED JUNE 2017 TO THE PENNSYLVANIA 529 INVESTMENT PLAN
DISCLOSURE STATEMENT DATED JANUARY 2016**

The following information describes important changes and is supplemental to the PA 529 IP Disclosure Statement dated January 2016. Please keep this supplement with your plan documents.

I. THE FOLLOWING CHANGES ARE EFFECTIVE APRIL 1, 2017:

GENERAL CHANGES

All references to the range of asset-based management fees are changed from “0.3300% - 0.4600%” to “0.3300% - 0.4300%.”

SPECIFIC CHANGES

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate Cost of a \$10,000 Investment Assuming a 5% Return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0350%	0.0700%	0.2400%	0.3450%	\$35.30	\$110.92	\$193.73	\$436.95
Growth Portfolio	0.0325%	0.0700%	0.2400%	0.3425%	\$35.05	\$110.12	\$192.34	\$433.84
Moderate Growth Portfolio	0.0275%	0.0700%	0.2400%	0.3375%	\$34.54	\$108.52	\$189.56	\$427.62
Conservative Growth Portfolio	0.0250%	0.0700%	0.2400%	0.3350%	\$34.28	\$107.72	\$188.16	\$424.50
Income Portfolio	0.0200%	0.0700%	0.2400%	0.3300%	\$33.77	\$106.12	\$185.38	\$418.28
Conservative Income Portfolio	0.0400%	0.0700%	0.2400%	0.3500%	\$35.81	\$112.51	\$196.51	\$443.17
Interest Accumulation Portfolio	0.0800%	0.0700%	0.2400%	0.3900%	\$39.90	\$125.30	\$218.76	\$492.80
Total Stock Market Index Portfolio	0.0200%	0.0700%	0.2400%	0.3300%	\$33.77	\$106.12	\$185.38	\$418.28
Short-Term Inflation-Protected Securities Index Portfolio	0.0400%	0.0700%	0.2400%	0.3500%	\$35.81	\$112.51	\$196.51	\$443.17
Social Index Portfolio	0.1200%	0.0700%	0.2400%	0.4300%	\$43.98	\$138.07	\$240.95	\$542.23
Total International Stock Index Portfolio	0.0700%	0.0700%	0.2400%	0.3800%	\$38.88	\$122.10	\$213.20	\$480.41
Total Bond Market Index Portfolio	0.0400%	0.0700%	0.2400%	0.3500%	\$35.81	\$112.51	\$196.51	\$443.17

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate Cost of a \$10,000 Investment Assuming a 5% Return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0350%	0.0700%	0.2400%	0.3450%	\$35.30	\$110.92	\$193.73	\$436.95
Growth Portfolio	0.0325%	0.0700%	0.2400%	0.3425%	\$35.05	\$110.12	\$192.34	\$433.84
Moderate Growth Portfolio	0.0275%	0.0700%	0.2400%	0.3375%	\$34.54	\$108.52	\$189.56	\$427.62
Conservative Growth Portfolio	0.0250%	0.0700%	0.2400%	0.3350%	\$34.28	\$107.72	\$188.16	\$424.50
Income Portfolio	0.0200%	0.0700%	0.2400%	0.3300%	\$33.77	\$106.12	\$185.38	\$418.28
Conservative Income Portfolio	0.0525%	0.0700%	0.2400%	0.3625%	\$37.09	\$116.51	\$203.47	\$458.70
Money Market Portfolio*	0.1000%	0.0600%	0.2400%	0.4000%	\$40.92	\$128.49	\$224.31	\$505.18
Total Stock Market Index Portfolio	0.0200%	0.0700%	0.2400%	0.3300%	\$33.77	\$106.12	\$185.38	\$418.28
Inflation-Protected Securities Portfolio	0.0700%	0.0700%	0.2400%	0.3800%	\$38.88	\$122.10	\$213.20	\$480.41
Social Index Portfolio	0.1500%	0.0700%	0.2400%	0.4600%	\$47.04	\$147.64	\$257.57	\$579.17

*The total annual asset-based fee for the Money Market Portfolio may be voluntarily limited in an effort to maintain a new yield of 0.00%.

II. THE FOLLOWING CHANGES ARE EFFECTIVE SEPTEMBER 16, 2016:

GENERAL CHANGES

All references to the Money Market Portfolio, money market, or money market fund are replaced with the Interest Accumulation Portfolio and all references to the Vanguard Prime Money Market Fund are replaced with the Vanguard Short-Term Reserves Account.

SPECIFIC CHANGES

The following replaces Part 2.C.2.f. on page 17:

f. **Conservative Income Portfolio**

Investment Objective

The Portfolio seeks to provide current income and some inflation protection as well as income consistent with the preservation of principal.

Investment Strategy

The Portfolio invests in two Vanguard bond funds and one Vanguard Short-Term Reserves Account, resulting in an allocation of 75% of its assets to investment-grade U.S. bonds and 25% of assets to short-term investments. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	50%
Vanguard Inflation-Protected Securities Fund	25%
Vanguard Short-Term Reserves Account	25%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index represents a wide spectrum of public, investment-grade, taxable fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Inflation-Protected Securities Fund, the Portfolio indirectly invests in investment-grade, inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, synthetic investment contracts, and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. For more information about Vanguard Short-Term Reserves Account, please see Part 2.C.2.g. *Interest Accumulation Portfolio*.

Investment Risks

Because it invests mainly in bond funds, the Portfolio primarily is subject to **low to moderate** levels of **interest rate risk, income risk, call risk, prepayment risk, and extension risk**. The Portfolio also has **low** levels of **credit risk, manager risk, index sampling risk, income fluctuation risk** and **derivatives risk**. An explanation of these risks appears after the profiles. See Part 2.C.4.

The following replaces Part 2.C.2.g. on page 18:

g. Interest Accumulation Portfolio

Investment Objective

The Portfolio seeks income consistent with the preservation of principal.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Short-Term Reserves Account, through which the Portfolio indirectly owns traditional and separate account funding agreements issued by one or more insurance companies, synthetic investment contracts (“SICs”), and/or shares of Vanguard Federal Money Market Fund. Funding agreements and SICs are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. Traditional funding agreements generally pay interest at a fixed interest rate and have fixed maturity dates that normally range from 2 to 5 years. Separate account funding agreements and SICs pay a variable interest rate and have an average duration range between 2 and 5 years. Investments in either new funding agreements or SICs are based upon available liquidity in the Portfolio, and the competitiveness of offered yields, based on market conditions and trends. The Short-Term Reserves Account may also invest as little as 5% to 25% of its assets in shares of Vanguard Federal Money Market Fund to meet normal liquidity needs, to as much as all or a large portion of its assets in this fund if sufficient investments cannot be obtained from issuers meeting the minimum credit standards and contract terms.

Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held

by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

Under the new money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The Fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

The performance of the Interest Accumulation Portfolio will reflect the blended earnings of the funding agreements, SICs, and Vanguard Federal Money Market Fund shares held by the Portfolio, minus the Portfolio's expenses, including the benefit responsive charge paid to the issuers of SICs and separate account funding agreements. The benefit responsive charges range from 0.20% to 0.30%. The Portfolio's target duration is expected to range between 1.5 and 3.5 years. The Portfolio's target duration has a longer average maturity than most money market funds, which should result in higher yields when interest rates are stable or declining. However, because only a portion of the Portfolio's investment matures each year, its yield will change more slowly than that of a money market fund. As a result, when interest rates are rising, the Portfolio's yield may fall below money market funds' yields for an extended time period.

Note: *The Conservative Income Portfolio and the Interest Accumulation Portfolio both invest in the Vanguard Short-Term Reserves Account which in turn invests in Vanguard Federal Money Market Fund. Vanguard Short-Term Reserves Account's investment in the Vanguard Federal Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of the investment at \$1 per share, it is possible that Vanguard Short-Term Reserves Account may lose money by investing in the Fund.*

Investment Risks

The Portfolio is subject to a **high** level of **income risk** and **moderate** levels of **manager risk** and **credit risk**. The Portfolio also has a **low** level of **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

The following replaces Part 2.C.4.c. on page 20:

c. Credit Risk

This is the chance that an issuer of a bond owned by an Underlying Fund or a funding agreement issued to an Underlying Fund will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the bond or funding agreement to decline.

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate Cost of a \$10,000 Investment Assuming a 5% Return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0350%	0.0700%	0.2400%	0.3450%	\$35.30	\$110.92	\$193.73	\$436.95
Growth Portfolio	0.0325%	0.0700%	0.2400%	0.3425%	\$35.05	\$110.12	\$192.34	\$433.84
Moderate Growth Portfolio	0.0275%	0.0700%	0.2400%	0.3375%	\$34.54	\$108.52	\$189.56	\$427.62
Conservative Growth Portfolio	0.0250%	0.0700%	0.2400%	0.3350%	\$34.28	\$107.72	\$188.16	\$424.50
Income Portfolio	0.0200%	0.0700%	0.2400%	0.3300%	\$33.77	\$106.12	\$185.38	\$418.28
Conservative Income Portfolio	0.0550%	0.0700%	0.2400%	0.3650%	\$37.35	\$117.31	\$204.86	\$461.81
Interest Accumulation Portfolio	0.1100%	0.0600%	0.2400%	0.4100%	\$41.94	\$131.69	\$229.86	\$517.54
Total Stock Market Index Portfolio	0.0200%	0.0700%	0.2400%	0.3300%	\$33.77	\$106.12	\$185.38	\$418.28
Inflation-Protected Securities Portfolio	0.0700%	0.0700%	0.2400%	0.3800%	\$38.88	\$122.10	\$213.20	\$480.41
Social Index Portfolio	0.1500%	0.0700%	0.2400%	0.4600%	\$47.04	\$147.64	\$257.57	\$579.17

III. THE FOLLOWING CHANGES ARE EFFECTIVE OCTOBER 14, 2016:

GENERAL CHANGES

All references to the Inflation-Protected Securities Portfolio are replaced with the Short-Term Inflation-Protected Securities Index Portfolio and all references to the Vanguard Inflation-Protected Securities Fund are replaced with the Vanguard Short-Term Inflation-Protected Securities Index Fund.

All references to the number of underlying funds are changed from 6 to 7.

All references to the number of investment options are changed from 13 to 15.

All references to the number of fixed-allocation investment options or individual portfolios are changed from 10 to 12.

SPECIFIC CHANGES

The following replaces the first paragraph in Part 2.C.1.b. on page 13:

b. Underlying Funds and Share Classes

Each Individual Portfolio invests its assets in one or more Underlying Fund(s), which are mutual funds or other accounts managed by Vanguard. Currently these funds/accounts and the share class for each are:

- Vanguard FTSE Social Index Fund Institutional Shares (Ticker: VFTNX)
- Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares (Ticker: VTSPX)
- Vanguard Institutional Total Stock Market Index Fund Institutional Plus Shares (Ticker: VITPX)
- Vanguard Short-Term Reserves Account (No Ticker)
- Vanguard Total Bond Market II Index Fund Institutional Shares (Ticker: VTBNX)
- Vanguard Total International Stock Index Fund Institutional Plus Shares (Ticker: VTPSX)
- Vanguard Total Bond Market Index Fund Institutional Shares (Ticker: VBTIX)

The following replaces Part 2.C.1.d. on page 14:

d. The Individual Portfolios

Unlike the Age-based Options, the Individual Portfolios do not change asset allocations as the Beneficiary ages. Instead, the asset allocation of each Portfolio remains fixed over time. If you choose to invest in Individual Portfolios that have a significant weighting in stocks, you should consider moving your assets to more conservative Portfolios as your Beneficiary approaches

college age. Please note that there are limitations on your ability to move assets from one Portfolio to another. (See Part 2.B.3.)

The Individual Portfolios consist of six Multi-fund Individual Portfolios, which invest in multiple Underlying Funds (the percentages of those investments are detailed in the table below), and six Single-fund Individual Portfolios, which invest in a single Underlying Fund.

The **Multi-fund Individual Portfolios** are:

- Aggressive Growth Portfolio
- Growth Portfolio
- Moderate Growth Portfolio
- Conservative Growth Portfolio
- Income Portfolio
- Conservative Income Portfolio

The **Single-fund Individual Portfolios** are:

- Total Stock Market Index Portfolio
- Social Index Portfolio
- Short-Term Inflation-Protected Securities Index Portfolio
- Interest Accumulation Portfolio
- Total International Stock Index Portfolio
- Total Bond Market Index Portfolio

The following replaces Part 2.C.2.f. on page 17:

f. Conservative Income Portfolio

Investment Objective

The Portfolio seeks to provide current income and some inflation protection as well as income consistent with the preservation of principal.

Investment Strategy

The Portfolio invests in two Vanguard bond funds and one Vanguard short term reserves account, resulting in an allocation of 75% of assets to investment-grade U.S. bonds and 25% of its assets to short-term investments. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	50%
Vanguard Short-Term Inflation-Protected Securities Index Fund	25%
Vanguard Short-Term Reserves Account	25%

Through its investment in Vanguard Total Bond Market II Index Fund, the Portfolio indirectly invests in a broadly diversified collection of securities that, in the aggregate, approximates the Barclays U.S. Aggregate Float Adjusted Index in terms of key risk factors and other characteristics. The Index represents a wide spectrum of public, investment-grade, taxable fixed income securities in the United States—including

government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Through its investment in Vanguard Short-Term Inflation-Protected Securities Index Fund, the Portfolio indirectly invests in inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

Through its investment in Vanguard Short-Term Reserves Account, the Portfolio indirectly invests in funding agreements issued by one or more insurance companies, synthetic investment contracts, and shares of Vanguard Federal Money Market Fund. Funding agreements are interest-bearing contracts that are structured to preserve principal and accumulate interest earnings over the life of the investment. The agreements pay interest at a fixed minimum rate and have fixed maturity dates that normally range from 2 to 5 years. Vanguard Federal Money Market Fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities.

For more information about Vanguard Short-Term Reserves Account, see **Part 2.c.2.g. Interest Accumulation Portfolio**.

Investment Risks

Because it invests mainly in bond funds, the Portfolio primarily is subject to **low to moderate** levels of **interest rate risk, income risk, call risk, prepayment risk, extension risk, and income fluctuation risk**. The Portfolio also has **low** levels of **credit risk, manager risk, index sampling risk, and derivatives risk**. An explanation of these risks appears after the profiles. See **Part 2.C.4**.

The following replaces **Part 2.C.2.i.** on page 18:

i. Short-Term Inflation-Protected Securities Index Portfolio

Investment Objective

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

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Short-Term Inflation-Protected Securities Index Fund, which employs an indexing investment approach designed to track the performance of the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The Index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The Fund attempts to replicate the target index by

investing all, or substantially all, of its assets in the securities that make up the Index, holding each security in approximately the same proportion as its weighting in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed three years.

Note: *Vanguard Short-Term Inflation-Protected Securities Index Fund seeks to provide protection from inflation (i.e., a rise in the general price level for goods and services) as measured by the Consumer Price Index. It is possible that the costs of higher education may increase at a rate that exceeds the rate of increase of the Consumer Price Index. There is no guarantee that the Fund will protect investors from the rising costs of higher education.*

Investment Risks

The Portfolio is subject to **income fluctuation risk** and **interest rate risk**. An explanation of these risks appears after the profiles. See Part 2.C.4.

The following is added to Part 2.C.2. on page 19:

k. **Total International Stock Index Portfolio**

Investment Objective

The Portfolio seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies in developed and emerging markets, excluding the United States.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Total International Stock Index Fund, which employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes approximately 5,715 stocks of companies located in 46 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

Investment Risks

The Portfolio primarily is subject to **stock market risk, investment style risk, country/regional risk, currency risk, and emerging markets risk**. The Portfolio also has a **low** level of **derivatives risk**. An explanation of these risks appears after the profiles. See Part 2.C.4.

The following is added to Part 2.C.2. on page 19:

1. Total Bond Market Index Portfolio

Investment Objective

The Portfolio seeks to track the performance of a broad, market-weighted bond index.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Total Bond Market Index Fund, which employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

The Portfolio primarily is subject to **interest rate risk, income risk, call risk, prepayment risk, credit risk, extension risk, and index sampling risk**. The Portfolio also has a **low** level of **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

The following replaces Part 2.C.3. on page 19:

3. Profile of Underlying Fund not Offered as an Individual Portfolio

Of the seven Underlying Funds, six (Vanguard FTSE Social Index Fund, Vanguard Short-Term Inflation-Protected Securities Index Fund, Vanguard Institutional Total Stock Market Index, Vanguard Total International Stock Market Index Fund, Vanguard Short-Term Reserves Account, and Vanguard Total Bond Market Index Fund) are available as Single-fund Individual Portfolios. Those six are described above. The remaining Underlying Fund (Vanguard Total Bond Market II Index Fund) is not available as an Individual Portfolio. To provide more information about this Fund, its profile, including investment strategies and risks, is presented below.

Vanguard Total Bond Market II Index Fund

Investment Objective

The Fund seeks to track the performance of a broad, market-weighted bond index.

Investment Strategy

The Fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This Index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage backed and asset-backed securities—all with maturities of more than 1 year. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

The Fund is subject to **interest rate risk, income risk, call risk, prepayment risk, credit risk, extension risk, and index sampling risk.** An explanation of these risks appears after the profiles. See Part 2.C.4.

The following replaces Part 2.C.4.h. on page 21:

h. Income Fluctuation Risk

This is the risk that an Underlying Fund's quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. For the Vanguard Short-Term Inflation-Protected Securities Index Fund, income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation are expected to be high.

The following is removed from Part 2.C.4. on page 21 and all subsequent sub-sections are renumbered accordingly:

k. Industry Concentration Risk

This is the chance that there will be overall problems affecting a particular industry in which an Underlying Fund invests more than 25% of its assets. Because of indirect investments in Vanguard Prime Money Market Fund, which invests more than 25% of its assets in securities of companies in the financial services industry, Portfolio performance will depend to a greater extent on the overall condition of that industry.

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate Cost of a \$10,000 Investment Assuming a 5% Return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.0350%	0.0700%	0.2400%	0.3450%	\$35.30	\$110.92	\$193.73	\$436.95
Growth Portfolio	0.0325%	0.0700%	0.2400%	0.3425%	\$35.05	\$110.12	\$192.34	\$433.84
Moderate Growth Portfolio	0.0275%	0.0700%	0.2400%	0.3375%	\$34.54	\$108.52	\$189.56	\$427.62
Conservative Growth Portfolio	0.0250%	0.0700%	0.2400%	0.3350%	\$34.28	\$107.72	\$188.16	\$424.50
Income Portfolio	0.0200%	0.0700%	0.2400%	0.3300%	\$33.77	\$106.12	\$185.38	\$418.28
Conservative Income Portfolio	0.0500%	0.0700%	0.2400%	0.3600%	\$36.84	\$115.71	\$202.08	\$455.60
Interest Accumulation Portfolio	0.1100%	0.0600%	0.2400%	0.4100%	\$41.94	\$131.69	\$229.86	\$517.54
Total Stock Market Index Portfolio	0.0200%	0.0700%	0.2400%	0.3300%	\$33.77	\$106.12	\$185.38	\$418.28
Short-Term Inflation-Protected Securities Index Portfolio	0.0500%	0.0700%	0.2400%	0.3600%	\$36.84	\$115.71	\$202.08	\$455.60
Social Index Portfolio	0.1500%	0.0700%	0.2400%	0.4600%	\$47.04	\$147.64	\$257.57	\$579.17
Total International Stock Index Portfolio	0.0700%	0.0700%	0.2400%	0.3800%	\$38.88	\$122.10	\$213.20	\$480.41
Total Bond Market Index Portfolio	0.0500%	0.0700%	0.2400%	0.3600%	\$36.84	\$115.71	\$202.08	\$455.60

Dear Account Owner,

Below you will find two changes that are being made to the PA 529 Investment Plan.

1. The maximum contribution limit is now \$511,758. This means that the maximum value of all PA 529 Accounts for the same Beneficiary cannot exceed this amount, even if the Accounts have different Account Owners.
2. Fees for the Vanguard Growth Portfolio have been reduced from 0.39% to 0.38%.
3. As a result of recent changes in the Internal Revenue Code Section 529, when a withdrawal is made from a PA 529 Account owned by an Account Owner who owns multiple PA 529 Accounts (including a PA 529 GSP Account) for the same Beneficiary, the value of those Accounts will no longer be aggregated for the purposes of calculating the principal and earnings portion of that withdrawal for IRS Form 1099-Q.

SUPPLEMENT DATED MARCH 2016 TO THE PENNSYLVANIA 529 INVESTMENT
PLAN DISCLOSURE STATEMENT DATED JANUARY 2016

The following information describes important changes and is supplemental to the PA 529 IP Disclosure Statement dated January 2016. Please keep this supplement with your plan documents.

GENERAL CHANGE

Maximum Contribution Limit

The Maximum Contribution Limit has changed from \$452,210 to \$511,758. All references to the Maximum Contribution Limit are amended to include this change.

SPECIFIC CHANGES

The following replaces the chart in Part 2.C.6.a. on page 23:

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset- Based Fee	Approximate cost of a \$10,000 investment assuming a 5% return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.04%	0.07%	0.27%	0.38%	\$38.88	\$122.10	\$213.20	\$480.41
Growth Portfolio	0.04%	0.07%	0.27%	0.38%	\$38.88	\$122.10	\$213.20	\$480.41
Moderate Growth Portfolio	0.04%	0.07%	0.27%	0.38%	\$38.88	\$122.10	\$213.20	\$480.41
Conservative Growth Portfolio	0.05%	0.07%	0.27%	0.39%	\$39.90	\$125.30	\$218.76	\$492.80
Income Portfolio	0.04%	0.07%	0.27%	0.38%	\$38.88	\$122.10	\$213.20	\$480.41
Conservative Income Portfolio	0.07%	0.07%	0.27%	0.41%	\$41.94	\$131.69	\$229.86	\$517.54
Money Market Portfolio	0.10%	0.06%	0.27%	0.43%*	\$43.98	\$138.07	\$240.95	\$542.23
Total Stock Market Index Portfolio	0.02%	0.07%	0.27%	0.36%	\$36.84	\$115.71	\$202.08	\$455.60
Inflation-Protected Securities Portfolio	0.07%	0.07%	0.27%	0.41%	\$41.94	\$131.69	\$229.86	\$517.54
Social Index Portfolio	0.15%	0.07%	0.27%	0.49%	\$50.10	\$157.20	\$274.16	\$615.99

*** The Total Annual Asset-Based Fee is the fee charged to Account Owners for their ownership of Designated Portfolio Units.**

Part 2.D.10 on page 27 is deleted and all subsequent Parts are renumbered accordingly.

The following replaces the third paragraph under the heading titled “Taxation of Earnings” in Part 4.A.2. on page 30:

The Internal Revenue Service currently requires the PA 529 IP to issue a Form 1099-Q for all withdrawals (excluding Account Transfers and Plan Transfers), regardless of whether the earnings are taxable. The Form 1099-Q will be issued to the Beneficiary if a withdrawal has been paid from the PA 529 IP to the Eligible Educational Institution or the Beneficiary; to the Beneficiary’s estate if the withdrawal was paid to the estate; and to the Account Owner for all other withdrawals.

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION TO BE CONSIDERED BEFORE MAKING A DECISION TO CONTRIBUTE TO THE PENNSYLVANIA 529 INVESTMENT PLAN ("PA 529 IP") UNDER THE PENNSYLVANIA 529 COLLEGE SAVINGS PROGRAM ("PA 529"), INCLUDING INFORMATION ABOUT RISKS, FEES, AND EXPENSES. IT SHOULD BE READ THOROUGHLY AND RETAINED FOR FUTURE REFERENCE. NO ONE IS AUTHORIZED TO PROVIDE INFORMATION THAT IS DIFFERENT FROM THE INFORMATION IN THIS DISCLOSURE STATEMENT.

ACCOUNTS NOT INSURED OR GUARANTEED

ACCOUNTS ESTABLISHED UNDER THE PA 529 IP, INCLUDING BOTH CONTRIBUTIONS AND INVESTMENT RETURN ON THOSE CONTRIBUTIONS, IF ANY, ARE NOT INSURED OR GUARANTEED BY THE COMMONWEALTH OF PENNSYLVANIA, THE PENNSYLVANIA TREASURY DEPARTMENT, PA 529, OR ANY CONSULTANT, CONTRACTOR, OR ADVISOR RETAINED BY THE COMMONWEALTH, THE TREASURY DEPARTMENT, OR PA 529. ACCOUNT OWNERS IN THE PA 529 IP ASSUME ALL INVESTMENT RISK, INCLUDING THE POTENTIAL LOSS OF CONTRIBUTIONS AND LIABILITY FOR ADDITIONAL INCOME TAXES OR PENALTIES SUCH AS THOSE LEVIED FOR NON-QUALIFIED WITHDRAWALS.

SECURITIES NOT REGISTERED

THESE INVESTMENT PRODUCTS HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION OR WITH ANY STATE SECURITIES COMMISSION. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED INTERESTS IN THE PA 529 IP OR PASSED ON THE ADEQUACY OF THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TAX AND OTHER ADVANTAGES OF HOME STATE PROGRAMS

FOR RESIDENTS OF STATES OTHER THAN PENNSYLVANIA, IF YOUR STATE OR THE BENEFICIARY'S STATE OF RESIDENCY (IF DIFFERENT) SPONSORS A 529 PLAN, THAT PLAN MAY OFFER STATE INCOME TAX AND OTHER BENEFITS NOT AVAILABLE TO YOU THROUGH THE PA 529 IP. IF YOU ARE NOT A PENNSYLVANIA TAXPAYER OR RESIDENT, PLEASE CONSULT YOUR FINANCIAL ADVISOR, TAX ADVISOR, OTHER ADVISOR, OR YOUR HOME STATE'S 529 PROGRAM TO LEARN MORE ABOUT HOW STATE-BASED BENEFITS (OR ANY LIMITATIONS) WOULD APPLY TO YOUR SPECIFIC CIRCUMSTANCES.

OTHER PLANS AVAILABLE FROM THE COMMONWEALTH OF PENNSYLVANIA

THIS DISCLOSURE STATEMENT PERTAINS TO THE PA 529 IP. THE COMMONWEALTH OF PENNSYLVANIA ALSO OFFERS THE PA 529 GUARANTEED SAVINGS PLAN (THE "PA 529 GSP"). THE PA 529 IP AND THE PA 529 GSP OFFER SIMILAR BENEFITS AND TAX ADVANTAGES. THEIR PRIMARY DIFFERENCE IS THEIR METHOD OF GROWTH. GROWTH ON A PA 529 GSP ACCOUNT, WHEN USED FOR QUALIFIED HIGHER EDUCATION EXPENSES, IS BASED ON TUITION INFLATION, WHEREAS THE RETURN ON A PA 529 IP ACCOUNT IS BASED ON INVESTMENT PERFORMANCE. FOR DETAILS ABOUT THE PA 529 GSP, PLEASE OBTAIN AND CAREFULLY READ THE SEPARATE DISCLOSURE STATEMENT FOR THE PA 529 GSP, WHICH MAY BE OBTAINED BY CALLING CUSTOMER SERVICE AT 1-800-440-4000 OR ONLINE AT PA529.COM.

Information in this disclosure statement is believed to be accurate as of the date of this disclosure statement and is subject to change without notice.

PENNSYLVANIA 529 INVESTMENT PLAN

(“PA 529 IP”)

TABLE OF CONTENTS

PA 529 IP – AT A GLANCE	1
Part 1. General Description of the Pennsylvania 529 Investment Plan	3
A. Program Summary	3
B. Role of Department	4
Part 2. How the PA 529 IP Works.....	4
A. Opening and Maintaining Your PA 529 IP Account.....	4
1. The Enrollment Process.....	4
2. The Account Owner and Related Designations	5
a. The Initial Account Owner	5
b. Granting Others (“Authorized Agents”) Access to the Account.....	6
c. Successor Owner and Change of Ownership upon Death or Incapacity of Account Owner.....	6
d. Change of Ownership by Agreement.....	6
e. Ownership of an Account Established under UTMA or UGMA.....	6
3. The Beneficiary.....	6
a. The Initial Beneficiary	6
b. Change of Beneficiary	7
c. Member of the Family.....	7
B. Making Contributions.....	7
1. Initial Contribution.....	7
2. Additional and Minimum Contributions	7
3. Directing Contributions to Investment Options	7
4. Maximum Contribution Limit.....	8
5. Pennsylvania Tax Deductibility of Contributions.....	8
6. Special Federal Gift Tax Provision for Contributions	8
7. Methods of Contributing	8
a. Checks and Money Orders.....	8
b. Electronic Bank Transfer (EBT)	9
c. Automatic Investment Plan (AIP).....	9
d. Payroll Deduction	10
e. Contributions of Upromise Service® Earnings	10
f. Contributions through Ugift®—Give College Savings.....	10
g. Rollover from an Out-of-State 529 Plan Account.....	10
h. Reallocation of Assets from a PA 529 GSP Account – Plan Transfer	11
i. Transfer of Assets between PA 529 IP Accounts – Account Transfer	11
j. Contribution of the Proceeds from a Coverdell Education Savings Account	11
k. Contribution of the Proceeds from Certain U.S. Savings Bonds.....	11
l. Contributions from UGMA/UTMA Custodial Accounts.....	12
C. Choosing Your Investment Options	12
1. Overview of Investment Options and Underlying Funds.....	12
a. Investment Option Choices	12
b. Underlying Funds and Share Classes	13
c. The Age-based Options.....	13
d. The Individual Portfolios	14

2. Profiles of Individual Portfolios.....	15
a. Aggressive Growth Portfolio	15
b. Growth Portfolio.....	15
c. Moderate Growth Portfolio.....	16
d. Conservative Growth Portfolio	16
e. Income Portfolio.....	17
f. Conservative Income Portfolio.....	17
g. Money Market Portfolio.....	18
h. Total Stock Market Index Portfolio.....	18
i. Inflation-Protected Securities Portfolio.....	18
j. Social Index Portfolio.....	19
3. Profiles of Underlying Funds not Offered as Individuals Portfolios	19
a. Vanguard Total International Stock Index Fund.....	19
b. Vanguard Total Bond Market II Index Fund.....	20
4. Explanation of the Risk Factors of the Portfolios	20
a. Call Risk	20
b. Country/Regional Risk.....	20
c. Credit Risk.....	20
d. Currency Risk.....	20
e. Derivatives Risk.....	20
f. Emerging Markets Risk	20
g. Extension Risk.....	20
h. Income Fluctuation Risk	21
i. Income Risk.....	21
j. Index Sampling Risk.....	21
k. Industry Concentration Risk.....	21
l. Interest Rate Risk.....	21
m. Investment Style Risk.....	21
n. Manager Risk	21
o. Prepayment Risk.....	21
p. Stock Market Risk.....	21
5. Individual Portfolio Performance.....	21
6. Fees and Expenses	22
a. Expense Ratio (Asset-based Fee).....	22
b. Account Maintenance Fee.....	23
c. Other Charges	23
D. Making Withdrawals	24
1. In General.....	24
2. Qualified Withdrawals	25
a. How to Request.....	25
b. Tax Consequences.....	25
3. Transfers between PA 529 IP Accounts – Account Transfer	25
a. How to Request.....	25
b. Tax Consequences.....	25
4. Transfer from a PA 529 IP Account to a PA 529 GSP Account – Plan Transfer.....	25
a. How to Request.....	25
b. Tax Consequences.....	25
5. Rollovers from a PA 529 IP Account.....	26
a. How to Request.....	26
b. Tax Consequences.....	26
6. Specific Non-qualified Withdrawals.....	26
a. How to Request.....	26
b. Tax Consequences.....	26
7. General Non-qualified Withdrawals.....	27
a. How to Request.....	27
b. Tax Consequences.....	27

8. Withdrawals upon Voluntary Termination	27
9. Withdrawals upon Involuntary Terminations	27
10. Aggregation of Withdrawals for IRS Form 1099-Q Purposes	27
11. How Withdrawals are Impacted by Other Tax Benefits for Education	27
E. Pricing of Portfolio Units	28
F. Notification of Account Transactions and Changes	28
Part 3. Tax Information	28
A. Federal Tax Treatment	29
1. Tax Provisions Related to Contributions	29
a. In General	29
b. Federal Transfer Taxes (Gifts, Generation-Skipping Transfer and Estate Taxes)	29
2. Taxation of Earnings	30
B. Pennsylvania Tax Treatment	30
1. Tax Provisions Related to Contributions	30
2. Taxation of Earnings	30
3. Taxation of Transfers Including Inheritance Tax	30
C. Other States' Tax Treatment	31
D. Tax Reports	31
Part 4. Risk Factors	31
A. Qualifying Tuition Plan	31
B. Investment Risks	31
C. Plan Structure	32
D. Change in Federal and State Law	32
E. Impact on Eligibility for Financial Aid	32
F. No Guarantee of Admittance	33
G. No Indemnification	33
H. Impact on Medicaid and other Federal and State Benefits	33
I. No Security Registration	33
Part 5. Scholarship Accounts	33
A. Establishment	33
B. Holding Account	33
C. Terms and Conditions	33
Part 6. Programs to Augment Your Savings	34
A. SAGE Scholars Tuition Rewards	34
B. Upromise Services®	35
Part 7. Additional Legal and Administrative Information	35
A. The Investment Guidelines	35
B. PA 529 IP Procedures and Requirements	35
C. Availability of Financial Statements and Other Reports	35
D. Suitability	35
E. Not an Offer to Sell	36
F. Federal Bankruptcy Exemption for Certain Contributions to Accounts	36
G. Abandoned and Unclaimed Property	36
H. Limitation on Pledges, Assignments, and Loans	36
I. Information Subject to Change	36
J. Important Reference Materials	36
K. Conflicts	36
Appendix A: PA 529 IP Participation Agreement	36

PA 529 IP – AT A GLANCE

Nature of the PA 529 IP	The PA 529 IP is one of two Section 529 college savings plans offered by the Commonwealth of Pennsylvania to assist individuals and families in saving for higher education in a tax-advantaged way. The underlying investments used in the PA 529 IP are Vanguard mutual funds.
Role of PA Treasury	The PA 529 IP is administered by the Pennsylvania Treasury Department. The Department chooses the underlying Vanguard mutual funds and the allocations within the Investment Options, monitors investment performance, and provides marketing and customer service for the Plan. Pursuant to a contract expiring in May 2018, the Pennsylvania Treasury Department serves as Program Manager, and Ascensus College Savings Recordkeeping Services, LLC ("Ascensus College Savings") (formerly Upromise Investments Recordkeeping Services, LLC) serves as Recordkeeping and Servicing Agent. Investment management services are provided by The Vanguard Group, Inc. ("Vanguard"). See Part 1.B.
Account Owner	The PA 529 IP is open to all U.S. citizens and resident aliens, 18 years or older, who have a Social Security Number or other taxpayer identification number and have a U.S. permanent address that is not a P.O. Box. Corporations and certain other types of entities may participate in the Plan. See Part 2.A.2.
Beneficiary	The Beneficiary may be a U.S. citizen or resident alien, with a Social Security Number or individual taxpayer identification number, of any age, from newborn to adult. You can only change the Beneficiary or transfer a portion of the Account to a different Beneficiary if the two Beneficiaries are specified members of the same family. There are no adverse tax consequences as a result of such a change. See Part 2.A.3.
Contributions	Anyone may make contributions, regardless of the contributor's income. <u>Initial Contribution:</u> \$25 minimum (\$15 through payroll deduction, if available). <u>Additional Contributions:</u> \$25 minimum (\$15 through payroll deduction, if available). You may also receive a minimum contribution of \$25 through Ugift®--Give College Savings. <u>Maximum Contribution Limit:</u> \$452,210 — Accounts for the same Beneficiary that have reached the Maximum Contribution Limit may continue to accrue earnings, but additional contributions are prohibited. See Part 2.B.
Investment Options	13 different Investment Options, managed by Vanguard: <ul style="list-style-type: none"> • Three Age-based Options. • Ten Individual Portfolios, including a Socially Responsible Portfolio. See Part 2.C.
Risk Factors of the PA 529 IP	Investing in the PA 529 IP involves certain risks, including (1) the possibility that you may lose money, (2) the risk of federal and/or state tax law changes, (3) the risk of any PA 529 IP changes, including changes in fees, and (4) the risk that contributions to an Account may adversely affect the eligibility of the Beneficiary or the Account Owner for federal financial aid or other benefits. See Part 2.C.4.
Fees and Charges	Asset-based management fee ranges from 0.36% to 0.50%, depending on the Investment Option. Annual account maintenance fee of \$18, which is waived if Account Owner establishes electronic delivery. Other charges also may apply. See Part 2.C.6.
Tax Advantages	<ul style="list-style-type: none"> • Earnings accrue free from federal income tax, and there is no federal income tax on Qualified Withdrawals. (The earnings portion of Non-qualified Withdrawals is subject to federal income tax and may be subject to a 10% federal tax penalty.) • For Pennsylvania taxpayers, earnings on Qualified Withdrawals are not subject to Pennsylvania income tax. (Non-qualified Withdrawals are likely to be subject to Pennsylvania state income tax.) For non-Pennsylvania taxpayers, depending upon the state where you live or pay state income tax, your earnings may or may not be subject to state income tax. • Up to a \$14,000 per year deduction from Pennsylvania state taxable income for single filers (\$28,000 if married filing jointly provided that each spouse has taxable income of at least \$14,000) per Beneficiary. • No gift tax on contributions up to \$70,000 (single) and \$140,000 (married filing jointly) — prorated over five years. <p>Note: 529 college savings plan contributions are not deductible for federal income tax purposes. See Part 3.</p>

Exclusive PA Home State Advantages	<p>If you are a Pennsylvania resident, there are several advantages to saving in the PA 529 IP that are not available to you if you use an out-of-state 529 plan. These include having the assets in your Account:</p> <ul style="list-style-type: none"> • Excluded when your student's state financial aid is determined. • Excluded from Pennsylvania inheritance tax. • Protected from creditors of you or the Beneficiary. • Be the basis for earning guaranteed tuition discounts for your student at over 340 private schools that participate in SAGE Scholars. See Part 3.B.
Qualified Withdrawals	<p>Your Account can be used to pay for the following expenses if required for the enrollment or attendance at any eligible postsecondary school in the United States or abroad: tuition, books, supplies, computers and related equipment and services, fees, expenses for special-needs services for a special-needs Beneficiary, and room and board expenses (with limitations). See Part 2.D.</p>
Account Control	<p>As Account Owner you:</p> <ul style="list-style-type: none"> • Always retain control of how and when the money is used, even though the assets are not part of your estate for federal estate tax purposes. • Can change the Beneficiary without paying federal income tax or a penalty if the new Beneficiary is a qualifying Family Member of the former Beneficiary. • Can make a withdrawal at any time for any reason, subject to applicable federal taxes on earnings and a 10% federal penalty tax on earnings. State income tax may also apply. See Part 2.A.2.
Online Applications and Account Information	<ul style="list-style-type: none"> • Account Owners may enroll online or obtain an Enrollment Application at PA529.com or by mail. • Account Owners may choose to receive some or all Account correspondence online, rather than in paper format. • Most Account activities can be completed online, including Account maintenance. See Part 2.A.1.
Privacy Policy	<p>All information you provide to the PA 529 IP is treated confidentially. Ascensus College Savings is obligated to treat the information you provide to PA 529 confidentially.</p>
Contact Information	<div style="display: flex; justify-content: space-between;"> <div> <p>Office: Suite 529, South Drive Harrisburg, PA 17120-0600</p> <p>Website: PA529.com E-mail: PAIP@ptreasury.gov Phone: 1-800-440-4000</p> </div> <div> <p>Pennsylvania 529 Investment Plan</p> <p>Processing Center: P.O. Box 55378 Boston, MA 02205-5378</p> </div> </div>

Part 1. General Description of the Pennsylvania 529 Investment Plan

A. Program Summary

This Program Summary provides a general overview of the Pennsylvania 529 Investment Plan (the “PA 529 IP”). The topics discussed in this Program Summary are discussed in more detail later in this Disclosure Statement. Before investing, please read the entire Disclosure Statement carefully to ensure that you fully understand the PA 529 IP.

What is the PA 529 IP? The PA 529 IP is one of two Plans in the Pennsylvania 529 College Savings Program (PA 529), which is a tax-advantaged college savings program created under the authority of the laws of the Commonwealth of Pennsylvania (“Enabling Law”) that is designed to help people save for the costs of education after high school – including colleges, trade schools, career schools, and graduate and professional schools nationwide and even some abroad. Pursuant to the Enabling Law, the Pennsylvania Treasury Department (the “Department”) administers the PA 529. The other Plan offered by the PA 529 is the Pennsylvania 529 Guaranteed Savings Plan (the “PA 529 GSP”). Both Plans are designed to be qualified tuition programs under Section 529 (“Section 529”) of the Internal Revenue Code of 1986, as amended (the “Tax Code”). Both offer similar benefits and tax advantages. Their primary difference is their method of growth. Contributions to a PA 529 IP Account (“Account”) have returns (which may include losses) based on investment performance. In contrast, contributions to a PA 529 GSP Account, when used for Qualified Higher Education Expenses, grow based on tuition inflation. This Disclosure Statement covers only the PA 529 IP. For a Disclosure Statement for the PA 529 GSP, call Customer Service at 1-800-440-4000 or go online at PA529.com.

The PA 529 IP offers investment vehicles that are similar to mutual funds. You can choose from among 10 fixed-allocation Investment Options (“Individual Portfolios”) that have different mixes of stock funds, bond funds, and a money market fund ranging from aggressive (100% stocks) to conservative (100% money market). The asset allocations (mix of stocks, bonds, and cash) of the Individual Portfolios are static; that is, they do not change over time. You may also choose from among three “Age-based Options” (Aggressive, Moderate, and Conservative). Unlike the Individual Portfolios, the assets in the Age-based Options automatically change from more aggressive allocations to more conservative allocations as the Beneficiary approaches college age. Each of the Investment Options invests in Vanguard mutual funds (the “Underlying Funds”). Although money contributed to the PA 529 IP will be invested in Investment Options that hold Vanguard mutual funds, neither the PA 529 IP, nor any of the PA 529 IP’s Investment Options, are mutual funds. An investment in the PA 529 IP is an investment in municipal fund securities that are issued and offered by the Program.

What are the tax advantages? There are numerous federal and state tax advantages, which are described in more detail later in this Disclosure Statement. Briefly, the federal tax advantages are that the growth, if any, on contributions is tax-deferred and, if used for Qualified Higher Education Expenses, is tax exempt. There are also specific federal gift and estate tax provisions and generation-skipping transfer tax advantages and consequences. For Pennsylvania taxpayers, the growth is tax deferred for state income tax purposes and, if used for Qualified Higher Education Expenses, tax exempt. Additionally, within limits, contributions made into an Account may be deducted from your Pennsylvania taxable income.

What benefits are exclusive to the PA 529? Several benefits are available to you only if the Section 529 college savings plan you use is a Pennsylvania 529 Plan – either the PA 529 IP or PA 529 GSP. These exclusive benefits include:

- **Pennsylvania state financial aid protection.** Assets held in a PA 529 Account – no matter how large – are not counted in determining Pennsylvania state financial aid. Assets of a parent or student held in any other 529 plan are counted.
- **Pennsylvania inheritance tax exclusion.** Assets held in a PA 529 Account are not included in a deceased’s assets for Pennsylvania inheritance tax purposes. Assets held in any other 529 plan are fully counted – regardless of the size of the deceased’s assets. The inheritance tax rate varies depending on the relationship between the deceased and the heir; for children or grandchildren, it is currently 4.5% of the entire value of the asset – not just the growth.
- **Protection from creditors.** In Pennsylvania state proceedings, assets held in a PA 529 Account are protected from creditors of the Account Owner or Beneficiary. Assets in an out-of-state 529 plan have no such protection.
- **SAGE Tuition Rewards.** Savings in a PA 529 Account can earn SAGE tuition rewards, which provide student tuition discounts at over 340 private colleges nationwide, with 52 in Pennsylvania. Discounts are earned at the rate of 2.5% of the value of the Account quarterly (about 10% annually) with a minimum quarterly earning worth \$250 in discounts. Each participating college sets the maximum discount that it will honor – typically one year of tuition spread over four years. As of November 2015, this ranges from \$8,500 to \$49,542.

Who can open an Account and for whose benefit? Any adult (18 or older) who is a U.S. citizen or resident alien and who has a Social Security Number or taxpayer identification number and a permanent U.S. address can open a PA 529 IP Account to save for the future higher education expenses of any person, including himself or herself.

The Account Owner can change the Beneficiary at any time, as long as the new Beneficiary is a Family Member (see definition at Part 2.A.3.c.) of the previous Beneficiary.

What schools and what expenses can an Account be used for? An Account can be used to pay for “Qualified Higher Education Expenses” required for enrollment or attendance at “Eligible Educational Institutions.” For ease of reference, these combined requirements are referred to throughout this Disclosure Statement as “Qualified Expenses.” These terms are defined by the Tax Code. “Qualified Higher Education Expenses” generally include: tuition, mandatory fees, required books, supplies and equipment, computers and peripheral equipment, computer software, Internet access and related services (as long as such equipment, software, and services are used primarily by the Beneficiary while enrolled at an Eligible Educational Institution), room and board, and special needs services for special needs students.

There are limitations and conditions in order for room and board to be a Qualified Expense. The Beneficiary must be at least a half-time student (generally taking six or more academic credits). If living on campus, the full amount charged by the school is a Qualified Expense. If living off-campus, the amount is limited to the room and board cost used by the school being attended in its cost of attendance calculation. “Eligible Educational Institutions” include most American and many foreign colleges and universities, for undergraduate and graduate programs, and many career and trade schools. The determining criterion is that the school must be eligible to participate in the U.S. Department of Education’s student financial aid programs. A search for such schools is available at fafsa.ed.gov by clicking on “School Code Search.” Withdrawals made to pay for Qualified Expenses are called “Qualified Withdrawals.”

Can an Account be used for other purposes? Yes. You can access your Account at any time for any reason. Withdrawals used to move your funds to another 529 plan are “Transfers” or “Rollovers.” Withdrawals used for any other purpose are called “Non-qualified Withdrawals.” There may be federal and state tax consequences for Transfers or Rollovers that are not consistent with federal requirements and for Non-qualified Withdrawals. The number of Rollovers and Transfers that may be taken in a given period of time may be limited. (See Part 2.D.)

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

What are the fees? The PA 529 IP charges an annual asset-based fee, which ranges from 0.36% to 0.50%, depending on the investment option you choose. (See Part 2.C.6.) Additionally, an Account Maintenance Fee of \$18 will be taken annually in the month in which the Account was opened. This Fee is waived for accounts that elect to receive most account communications electronically. (See Part 2.C.6.b.) The PA 529 IP does not charge an enrollment fee.

B. Role of Department

The Department administers the PA 529 IP and serves as the Program Manager. Among the Department’s major responsibilities are: establishing investment guidelines; choosing the underlying mutual funds that comprise the Plan’s Investment Options and determining the asset allocation of each Investment Option; accepting and crediting contributions; processing requests for withdrawals; providing customer service; and marketing the Plan. Pursuant to its authority to contract with other entities to perform services for the PA 529 IP, the Department has contracted with Ascensus College Savings to perform recordkeeping and processing services and with Vanguard to provide investment management services.

Part 2. How the PA 529 IP Works

A. Opening and Maintaining Your PA 529 IP Account

1. The Enrollment Process

To open a PA 529 IP Account, you must complete and submit an Enrollment Application along with an initial contribution. An initial contribution is not required if you establish an Automatic Investment Plan (AIP), initiate payroll deduction, or indicate you will be making a Rollover from another 529 account and initiate the Rollover process. (See Part 2.B.7.c., d., g., h., and i.) You can: (1) enroll and make an initial contribution or establish an AIP online; (2) download, complete, and mail the Enrollment Application; or (3) obtain the Enrollment Application by calling Customer Service at 1-800-440-4000, complete it, and mail it. By signing and submitting the Enrollment Application, you agree that your Account is subject to the terms and conditions of the PA 529 IP Contract, of which this Disclosure Statement and the PA 529 IP Participation Agreement (Appendix A) are a part.

On the Enrollment Application, you must provide information and make several required designations. You must designate a "Beneficiary," who is the future student, and your selection of Investment Options. These designations can be changed, subject to some limitations. (See Part 2.A.3.b. and Part 2.C.1.a.) To access your Account online, you simply register your Account by setting up a user name and password. Once you have web registered, you can obtain Account information at any time and make changes to your Account. Web registering helps you get the most out of your Account.

If making an initial contribution, it will be credited to your Account when the Enrollment Application is received and all required information has been completed in good order.

You must provide a permanent U.S. address, which may not be a Post Office Box. You must also provide a mailing address, which may be different than your permanent address. Any subsequent permanent or mailing address changes can be made by accessing "My Account" at PA529.com, by calling Customer Service at 1-800-440-4000, or by submitting a signed written request. Additionally, on a periodic basis, the PA 529 IP may utilize the National Change of Address (NCOA) database maintained by the U.S. Postal Service to verify the accuracy of Account addresses. The PA 529 IP may contact the Account Owner in order to verify the correct address and reserves the right to conform the Account record to the NCOA database information.

Whenever a mailing address is changed, a confirmation of the change will be mailed to both the old and new addresses unless the change has been made utilizing NCOA. When NCOA is used, notification of the change will be included with the next quarterly statement. Whenever a permanent address is changed, a confirmation of the change will be mailed to the mailing address of record.

If you own more than one PA 529 Account and you change your permanent or mailing address on some but not all of your Accounts, the PA 529 IP reserves the right to change the address on all your Accounts to conform to the address most recently given.

If the PA 529 IP sends a mailing (including, but not limited to, quarterly statements and confirmations) to the Account Owner's mailing address of record and that mailing is returned because the mailing address is incorrect, the PA 529 IP will place a "stop mail hold" on the Account. An Account on stop mail hold will receive no mailings from the PA 529 IP until the mailing address of record is corrected.

In the event that the Account Owner's mailing address of record becomes invalid, the PA 529 IP reserves the right to use reasonable methods to find the correct mailing address including, but not limited to, utilizing internet-based informational databases and contacting other individuals whose information has been provided to the PA 529 IP including Beneficiary, Successor Owner, and Authorized Agent. If the current mailing address is found through any of these means, the PA 529 IP reserves the right to change the Account Owner's mailing address of record to the current mailing address.

On the Enrollment Application, you may also make other optional designations, including naming a Successor Owner and/or Authorized Agents and enrolling in SAGE Scholars Tuition Rewards. See below for more details about these optional designations.

2. The Account Owner and Related Designations

a. The Initial Account Owner

To open an Account, an individual must (1) be a U.S. citizen or resident alien, (2) be 18 years of age or older, (3) have a Social Security Number or other taxpayer identification number, and (4) have a U.S. permanent address that is not a P.O. Box. A corporation, association, partnership, trust, or other legal entity also may establish an Account. Persons opening an Account on behalf of an entity must provide documentation of the person's authority to act for the entity. State or local government organizations and tax-exempt organizations described in Section 501(c)(3) of the Tax Code may also open PA 529 IP Accounts as part of a scholarship program.

The PA 529 IP obtains from each person who opens an Account certain personal information – including name, street address, Social Security Number or other taxpayer identification number, and date of birth, among other information – that will be used to verify identity. If you do not provide this information, an Account will not be opened for you. If the PA 529 IP is unable to verify your identity, the PA 529 IP reserves the right to close your Account or take other steps it deems reasonable.

The Account Owner controls the Account, making any required designations, permitted changes, and withdrawal requests. Contributions made to the Account by any others, while considered gifts to the Beneficiary under federal law, come under the control of the Account Owner.

b. Granting Others (“Authorized Agents”) Access to the Account

Only one person can be the Account Owner and that person has control of the Account. While joint owners are not permitted, the Account Owner can grant other individuals the ability to access information about the Account and/or to take specified actions on the Account. If you wish, you may allow an individual(s) to have any one of four levels of access to or control of the Account:

- Level 1: Access information and Account statements only.
- Level 2: Level 1 permissions plus permission to make electronic contributions and make investment option changes.
- Level 3: Level 2 permissions plus permission to authorize withdrawals (both Qualified and Non-qualified).
- Level 4: Have full control.

You may call Customer Service at 1-800-440-4000 to designate an Authorized Agent at Level 1. For all other Levels, you must complete the Limited Power of Attorney/Agent Authorization Form (for Levels 2 or 3) or the Power of Attorney Forms (for Level 4). These Forms are available at PA529.com or by calling Customer Service at 1-800-440-4000. Please note that for Levels 2-4, the Form must be notarized. Your designations may be changed or revoked at any time over the phone for Level 1 and in writing for Levels 2-4.

c. Successor Owner and Change of Ownership upon Death or Incapacity of Account Owner

You may designate a Successor Owner who will become the owner of your Account upon your death or incapacity, to the extent permitted by applicable law, upon submission of documentation of your death or disability. Your Successor Owner may be required to complete a PA 529 IP Enrollment Application. Since laws vary from state to state, you may wish to consult a probate lawyer to determine the precise effect of such a designation. You may designate a Successor Owner by completing the appropriate section of the Enrollment Application. Additionally, you can add, change, or revoke a Successor Owner at any time by submitting an Account Information Change Form or through “My Account” access on PA529.com.

If you do not designate a Successor Owner and you die, ownership of the Account will be determined by your will. If you die without a will, pursuant to the terms of your PA 529 IP Contract, if permitted by applicable law: (1) ownership will pass to your surviving spouse; (2) if there is no surviving spouse, ownership will pass to the Beneficiary if he or she has reached the age of majority; and (3) if there is no surviving spouse and the Beneficiary is a minor, ownership will pass pursuant to the laws governing property of a person who dies without a will.

In the event of your death or incapacity, the Successor Owner or, if you do not designate one, the person to whom ownership of your Account is transferred as specified above, will be entitled to exercise all of the rights of an Account Owner, including the right to make Non-qualified Withdrawals and change the Beneficiary. If you wish to ensure that, in the event of your death or incapacity, the Account will be applied to pay the Qualified Higher Education Expenses of the Beneficiary you have designated, you should consult a legal advisor.

d. Change of Ownership by Agreement

The Account Owner may select a replacement Account Owner if the proposed replacement Account Owner meets the criteria for opening an account (see Part 2.A.2.a.) and the following three requirements are met: (1) the Account Owner to be named, if a natural person, has attained the age of 18; (2) a written statement signed by the Account Owner to be named is submitted stating that he or she agrees to be bound by the terms of the PA 529 IP Plan Contract; and (3) the existing and replacement Account Owner each certify that the change is made without consideration (that is, nothing is given in exchange for the Account ownership being changed). Such a change may only be requested in writing, signed by the original Account Owner, with a signature guarantee, and the proposed new Account Owner. The written request must include representations that each of the three conditions described above have been met. The Account Information Change Form, available at PA529.com, may be used for this purpose.

e. Ownership of an Account Established under UTMA or UGMA

If a PA 529 IP Account is established for a minor under the Uniform Transfer to Minors Act (UTMA) or the Uniform Gifts to Minors Act (UGMA), the minor is both the Account Owner (through the custodian) and the Beneficiary. The minor must remain the Beneficiary of the Account at all times; unlike other PA 529 Accounts, the Account Owner may not change the Beneficiary. In addition, when the minor attains the age of majority specified by applicable state law, the custodian will cease to have any control over the Account and the former minor will control the Account. Also, the minor will be treated as the owner of the Account at all times, so that any taxable distribution from the Account will be treated as income of the minor (except to the extent, if any, that applicable law requires that such distribution be treated as income of the custodian).

3. The Beneficiary

a. The Initial Beneficiary

You designate the Beneficiary when you open the Account. Your Beneficiary must be a natural person of any age and need not be related to you. Anyone, including you, the Account Owner, can be a Beneficiary. Each Account may have only one named Beneficiary.

If the Account is being opened as a Scholarship Account, a Beneficiary does not need to be designated.

Except for Accounts established under UTMA or UGMA, the Account belongs to the Account Owner and not to the Beneficiary; the Beneficiary has no vested rights in the Account.

b. Change of Beneficiary

The Account Owner can change the Beneficiary (unless the Account was established under UTMA or UGMA) at any time. However, the new Beneficiary must be a Family Member of the prior Beneficiary, as that term is defined below. Also, a change of Beneficiary cannot be made if other PA 529 Accounts for the new Beneficiary already exist and the change would cause the total value of all Accounts (if used for Qualified Expenses) for the new Beneficiary to exceed the Maximum Contribution Limit (currently \$452,210).

A change in Beneficiary might be treated as a gift from the previous Beneficiary to the new Beneficiary in certain circumstances, and therefore may have federal gift or generation-skipping transfer tax implications. (See Part 3.A.1.b.)

The Account Owner may request to change the Beneficiary by submitting a Beneficiary Change Form, which may be found at PA529.com.

c. Member of the Family

The term “member of the family” (“Family Member”) is defined by Section 529 of the Tax Code as follows:

- Father, mother, or ancestor of either;
- Son, daughter, or a descendant of either;
- Stepfather or stepmother;
- Stepson or stepdaughter;
- Brother, sister, stepbrother, stepsister, half-brother, or half-sister;
- 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 of the Beneficiary or of any of the individuals listed above; or
- First cousin.

For the purpose of this definition, a legally adopted child or foster child of an individual is treated as the child of that individual by blood.

B. Making Contributions

1. Initial Contribution

An initial check or money order contribution of \$25 must be submitted with your paper Enrollment Application, unless you establish an automatic bank withdrawal referred to as an Automatic Investment Plan (AIP), initiate payroll deduction, whereby your employer directs an amount you specify from your pay directly to your PA 529 IP, or initiate a Rollover at the time of enrollment. If enrolling online, the \$25 initial contribution may be made by Electronic Bank Transfer (EBT) or by submitting a check or Incoming Rollover Form following enrollment.

2. Additional and Minimum Contributions

You may make additional contributions to your Account at any time. The minimum additional contribution is \$25. However, many people find that the most convenient way to save is through automatic contributions through payroll deduction or AIP. If you make payroll deductions, the minimum contribution is \$15; for AIPs, the minimum contribution is \$25.

Others may make contributions to your Account if they provide your PA 529 IP Account number along with the contribution. Others contributing to your Account should understand that in doing so, they relinquish control of the contribution and its growth, if any, to you. If they choose, others may make contributions to your Account through Ugift®—Give College Savings (“Ugift”).

3. Directing Contributions to Investment Options

Each time you make a contribution to your Account, you may specify the Investment Option to which that contribution will be invested. You may allocate the contribution among a maximum of five Investment Options. For example, you may choose five Individual Portfolios, or one Age-based Option and four Individual Portfolios, etc. Regardless of how many Investment Options you select, you must allocate a minimum of 5% of your contribution to each option. For example, you could choose three Investment Options and allocate your contribution 60%, 35%, and 5%.

You may change the Investment Options in which previous contributions are already invested twice per calendar year or at the same time that you are changing the Beneficiary.

Please note that a decision to change the allocation of future contributions will not affect the allocation of assets already in your Account, and vice versa.

4. Maximum Contribution Limit

Contributions to an Account may be made until the Maximum Contribution Limit is reached. Currently, the Limit is \$452,210, but is subject to change by the PA 529. To determine whether the Maximum Contribution Limit has been reached, the value of all PA 529 (both PA 529 GSP and PA 529 IP) Accounts for a Beneficiary, regardless of whether they have different Account Owners, are added together. For purposes of this addition, the value if used for Qualified Expenses is used for PA 529 GSP Accounts and the market value is used for PA 529 IP Accounts.

Accounts that have reached the Maximum Contribution Limit may continue to grow and accrue earnings, but the excess portion of any additional contribution that would cause the Account balance to exceed the Maximum Contribution Limit will not be accepted or, if accepted, will be returned to the contributor without any earnings. The Commonwealth, the Department, the PA 529, or any of its contractors will not be responsible for any loss, damage, or expense in connection with a rejected or returned contribution.

No assurances can be given that the amount held in all PA 529 Accounts for a Beneficiary, even if they are at the Maximum Contribution Level, will be sufficient to pay the Qualified Expenses of the Beneficiary.

5. Pennsylvania Tax Deductibility of Contributions

Contributions made to a PA 529 IP are deductible from the contributor's Pennsylvania taxable income, within limits. Currently, each taxpayer may deduct up to \$14,000 for each Beneficiary each year. The deductible amount will increase with any changes in the amount excludable for federal gift tax purposes under the Tax Code. There is no limit on the number of Beneficiaries for which one taxpayer may contribute. However, the total deductions taken by one taxpayer cannot reduce the contributor's taxable income to less than zero. Married taxpayers filing jointly may each take the \$14,000 per Beneficiary deduction, as long as each has taxable income of at least the amount being deducted.

The deduction may be taken by the contributor regardless of who owns the Account. Deductions can be taken for contributions made by any method listed below (see Part 2.B.7.), except Rollovers from out-of-state 529 plan accounts, Plan Transfers between PA 529 Accounts, reallocations among Investment Options within a PA 529 IP Account, and the earnings portion of the proceeds of certain U.S. Savings Bonds.

The contribution must be made within the tax year or by check dated by December 31 of the tax year in which the deduction is taken. The deduction is claimed on the contributor's Pennsylvania income tax return (PA-40).

If you are not a Pennsylvania resident, you may want to investigate whether your state offers a 529 plan with tax advantages and other benefits to its residents.

6. Special Federal Gift Tax Provision for Contributions

Special federal gift tax provisions allow larger contributions to an Account to be made in a single year without adverse federal gift tax consequence. For federal tax purposes, contributions to a PA 529 IP Account generally are considered completed gifts to the Beneficiary. This means that, as with other gifts, a contribution to the Account is eligible for the applicable annual exclusion from federal gift and generation-skipping transfer taxes (as of 2015, \$14,000 for an individual or \$28,000 for a married couple). However, a special federal tax provision, applicable only to contributions to 529 plans, allows the contributor to choose to give up to five times the annual exclusion (\$70,000 for an individual and \$140,000 for a married couple) in one year and apply the contribution against the annual exclusion equally over a five-year period. For a fuller discussion of this tax advantage, see Part 3.A.1.b. below.

7. Methods of Contributing

Contributions can be made to your Account through any of the methods listed below. They may not be made with cash, stocks, securities, or other nonbank account assets.

a. Checks and Money Orders

Personal checks, cashier's checks, certified checks, and money orders may be used. Third-party checks up to \$10,000 will be accepted. Checks should be payable to "PA 529 IP" and include the PA 529 IP Account number. PA 529 IP will not accept the following: starter checks, bank courtesy checks, instant loan checks, credit card checks, traveler's checks, foreign checks not in U.S. dollars, checks dated more than 180 days before receipt, postdated checks, checks with unclear instructions, or any other check the PA 529 IP deems unacceptable.

If your check or money order is received at the physical location of our Processing Center (not just at its Post Office Box) in good order on a business day prior to the close of the New York Stock Exchange (NYSE), your contribution will be processed as of that day; if it is received after the close of the NYSE or on a non-business day, it will be processed on the next business day.

b. Electronic Bank Transfer (EBT)

You may contribute to your Account by making a one-time EBT from your bank checking or savings account when you enroll online or any time after that by accessing "My Account" at PA529.com or, if the bank account information has already been established on your PA 529 account, by calling Customer Service at 1-800-440-4000. Before making an initial EBT, you must provide certain information about the bank account from which money will be withdrawn.

If you, the PA 529 Account Owner, are not the owner or a joint-owner of the bank account, you must first provide a signature of an individual who is the bank account owner with a signature guarantee from the bank before the EBT is made. The signature guarantee box is provided on the appropriate PA 529 IP form. Once the signature guarantee is on file in your PA 529 account records, you will be able to make an EBT from the account as if you were the bank account owner.

PLEASE NOTE: If you are not the owner or joint-owner of the bank account from which an EBT contribution has been made, the PA 529 IP reserves the right to provide to the bank account owner(s), information related to contributions from that bank account and/or to remove the bank account information from the PA 529 account records upon receiving a request accompanied by a signature guarantee from any owner of the bank account.

PA 529 IP places a limit on the total dollar amount per day that you may contribute to your Account by EBT, which as of December 31, 2015 was \$130,000 but is subject to change without further notice. Contributions in excess of the limit will be rejected. If you plan to contribute more than \$130,000 to your Account by EBT, please contact Customer Service at 1-800-440-4000 to inquire about the current limit prior to making your contribution.

EBT contributions that are initiated and in good order before 10 p.m., Eastern Time, will be credited to your PA 529 IP Account effective the following business day but will be debited from your bank account on the second following business day. EBT contributions that are initiated and in good order after 10 p.m., Eastern Time, will be credited to your PA 529 IP Account effective the second following business day but will be debited from your bank account on the third following business day.

If the EBT contribution cannot be processed because the bank account on which it is drawn contains insufficient funds or because of incomplete or inaccurate information, the PA 529 IP reserves the right to suspend processing future EBT contributions.

c. Automatic Investment Plan (AIP)

You may contribute to your Account through periodic automated debits from a bank checking or savings account, if the bank is a member of the Automated Clearing House. You can initiate an AIP during enrollment by completing the appropriate section of the online or paper enrollment. Or, you may set up an AIP after enrolling by accessing "My Account" at PA529.com or by submitting an Automatic Investment/Electronic Bank Transfer Form.

If you, the PA 529 Account Owner, are not the owner or a joint-owner of the bank account, you must first provide a signature of an individual who is the bank account owner with a signature guarantee from the bank before the AIP can be established. The signature guarantee box is provided on the appropriate PA 529 IP form.

PLEASE NOTE: If you are not the owner or joint-owner of the bank account from which an AIP contribution has been made, the PA 529 IP reserves the right to provide to the bank account owner(s), information related to contributions from that bank account and/or to remove the bank account information from the PA 529 account records and discontinue the AIP upon receiving a request accompanied by a signature guarantee from any owner of the bank account.

The bank account will be debited on the date you designate unless it falls on a weekend or a holiday, in which case it will be on the next business day. The AIP contribution will be credited to your PA 529 IP Account effective one business day prior to the day the bank debit occurs. An exception to this may occur with a debit date of January 1st, 2nd, 3rd, or 4th which might be credited in the same calendar year as the debit date. There must be at least three business days between when your AIP Form or online information is received and the first AIP debit. Quarterly AIP investments will be made on the day indicated every three months, not on a calendar quarter basis. If no date is designated, your bank account will be debited on the 20th of the month. (If the 20th is not a business day, the debit will be made on the next business day.) Authorization for the AIP contribution will remain in effect until the PA 529 IP has received notification that it has been revoked. Changes to, or revocation of, an AIP must occur at least five business days before an AIP debit is scheduled to be deducted from the bank account and are not effective until received and processed by the PA 529 IP.

If your AIP contribution cannot be processed because the bank account on which it is drawn contains insufficient funds or because of incomplete or inaccurate information or for any other reason, the PA 529 IP reserves the right to suspend processing future AIP contributions.

The PA 529 IP reserves the right to refuse to allow an Account Owner to establish an AIP.

d. Payroll Deduction

Depending on your employer, you may be able to have contributions made automatically from your paycheck. To do so, your employer must agree and be able to meet PA 529 IP operational and administrative requirements. Most employers agree to process automatic paycheck contributions in the same manner that direct deposit of paychecks to employees' bank accounts are made. If your employer permits this, forms for setting up your payroll deduction are available at [PA529.com](https://www.pa529.com) or by calling Customer Service at 1-800-440-4000. If your employer does not permit direct deposits from your paycheck to the PA 529 IP, there may be alternative methods for making payroll deductions; please call Customer Service at 1-800-440-4000 for assistance. Payroll deductions are generally credited to your Account as of your pay date.

Please note that even when contributions are made by payroll deduction, they are made from your after-tax earnings.

e. Contributions of Upromise Service® Earnings

You may make a contribution to your PA 529 IP Account with the savings you earn through the Upromise Rewards Service ("Upromise Service"). (For details on the Upromise Service, see Part 6.B.) If you link your Upromise Service account to your PA 529 IP Account, your Upromise Service earnings will automatically be contributed to your PA 529 IP Account once a quarter as long as the Upromise Service earnings not yet contributed total \$25 or more. Upromise Service contributions made to your Account may be deducted from your Pennsylvania taxable income (see Part 2.B.5.).

f. Contributions through Ugift®—Give College Savings

Family and friends may make contributions to your PA 529 IP through Ugift. To enable others to contribute to your Account using Ugift, you can generate gift contribution coupons for special events and email, mail, or hand-deliver them. For contributions not related to a special event, you may generate and provide to potential contributors an account-specific Ugift code. Both the coupons and code can be generated by accessing "Ugift" through "My Account" at [PA529.com](https://www.pa529.com). For gifts associated with a special event, gift givers can mail or make electronic contributions by following the instructions on the event contribution invitation. For gifts not associated with a special event, gift givers can mail checks or make electronic contributions by entering the account-specific Ugift code and following the instructions at [Ugift529.com](https://www.ugift529.com). Checks should be made payable to "Ugift-PA 529 IP." The Minimum Contribution (\$25 for Ugift contributions) and Maximum Contribution Limits apply. The gift giver may deduct the amount of the Ugift from his or her Pennsylvania taxable income (see Part 2.B.5.).

Gift contributions associated with a special event will be held by Ascensus College Savings upon receipt and transferred into your PA 529 IP Account approximately three business days after the special event. If the gift contribution is received less than two business days prior to the special event, or if the gift contribution is not associated with a special event, then the gift contribution will be held for approximately five business days after its receipt before being transferred into your PA 529 IP Account. See Part 3.A.1.b. for information on the federal gift tax exclusion.

g. Rollover from an Out-of-State 529 Plan Account

You can contribute to your PA 529 IP Account by moving funds you have in a 529 plan other than the PA 529 (a "Rollover"). The Rollover is not subject to federal or Pennsylvania tax consequences when made if the following requirements are met: (1) the Beneficiary of the out-of-state 529 plan is the same as the Beneficiary of your PA 529 IP Account and it has been more than 12 months since any previous Rollover for that Beneficiary; and (2) your Rollover contribution to the PA 529 IP is made within 60 days of your withdrawal from the out-of-state 529 plan. If, when you make the Rollover, you are also changing the Beneficiary, there is no restriction on the number of times within a 12-month period that you can make the Rollover. Remember, however, that the new Beneficiary must be a Family Member of the old Beneficiary. Under federal law, a 529 plan Rollover that does not meet these criteria will be considered a Non-qualified Withdrawal and will be subject to adverse federal and Pennsylvania income tax consequences.

You can withdraw your funds from the out-of-state plan yourself and then contribute them to your PA 529 IP within 60 days (an "Indirect Rollover"). Or, you can request that your out-of-state plan transmit your funds directly to the PA 529 IP plan (a "Direct Rollover"). Not all states permit Direct Rollovers. In addition, some states may impose state income tax consequences and/or penalties on Rollovers of either type from their 529 plans.

Whether your Rollover is Direct or Indirect, the PA 529 IP must be provided with acceptable documentation from the distributing, out-of-state 529 plan indicating the distribution of Rollover money between earnings and principal. Until the PA 529 IP receives this documentation, the entire amount of your Rollover contribution will be treated as earnings, which would be subject to taxation if you were to take a Non-qualified Withdrawal before the earnings and principal documentation were received.

Forms for requesting a Rollover from an out-of-state 529 plan account are included with the PA 529 IP enrollment materials and are available at PA529.com. If you need assistance in making a Rollover, please contact Customer Service at 1-800-440-4000.

Contributions made by Rollovers may not be deducted from your Pennsylvania taxable income.

h. Reallocation of Assets from a PA 529 GSP Account – Plan Transfer

You can contribute to your PA 529 IP Account by transferring funds you have in a PA 529 GSP Account (a “Plan Transfer”). This is considered a “reallocation” of assets within the PA 529 not subject to federal or Pennsylvania taxation when made, if the Beneficiary of the PA 529 GSP Account is the same as the Beneficiary of your PA 529 IP Account and there has been no more than one previous reallocation (including reallocation among investment options within the PA 529 IP) within the same calendar year. If, when you make the reallocation, you are also changing the Beneficiary, there is no restriction on the number of times within the calendar year that you can make the reallocation. Remember, however, that the new Beneficiary must be a Family Member of the old Beneficiary. You may not reallocate assets to a new Beneficiary if doing so would cause the Maximum Contribution Limit for the receiving Beneficiary to be exceeded.

Reallocation contributions may not be deducted from Pennsylvania taxable income.

i. Transfer of Assets between PA 529 IP Accounts – Account Transfer

You can contribute to your PA 529 IP Account by transferring some or all assets in a different PA 529 IP Account for a different Beneficiary (“Account Transfers”) (unless you are a custodian of an Account established under UTMA or UGMA). As is the case with changing Beneficiaries, the Beneficiary of the PA 529 IP Account receiving the transferred contributions must be a Family Member of the Beneficiary of the Account from which the contributions are transferred. You may not transfer the assets if doing so would cause the Maximum Contribution Limit for the receiving Beneficiary to be exceeded. A transfer of assets between PA 529 IP Accounts must be requested in writing and signed by the account owner or online by accessing “My Account” at PA529.com. In making the request, the Account Owner must specify the relationship between the Beneficiaries of the Accounts. If there is no existing PA 529 IP Account for the new Beneficiary, a new Enrollment Application must be completed to establish the Account and transfer the funds.

Transfer assets may not be deducted from Pennsylvania taxable income.

j. Contribution of the Proceeds from a Coverdell Education Savings Account

You may make a contribution to your PA 529 IP Account with the proceeds obtained by selling a Coverdell Education Savings Account (formerly an Education IRA) established under Section 530 of the Tax Code. The Coverdell Education Savings Account proceeds are not subject to federal taxation when sold if your sale and contribution meet the following requirements: (1) the Beneficiary of the PA 529 IP Account to which the proceeds are moved is the same as the Beneficiary of the Coverdell Education Savings Account and (2) the sale of the Coverdell Education Savings Account and the contribution to the PA 529 IP Account occur in the same tax year. After the contribution to the PA 529 IP Account has been made, all the rules governing the PA 529 IP Account apply, including those on changing the Beneficiary.

Contributions from the proceeds of a Coverdell Education Savings Account are deductible from Pennsylvania taxable income.

You must provide the PA 529 IP with acceptable documentation from the custodian for the Coverdell Education Savings Account indicating how the proceeds are distributed between earnings and principal. Until the PA 529 IP receives this documentation, the entire amount of your contribution will be treated as earnings, which would be subject to taxation if you took a Non-qualified Withdrawal before the earnings and principal documentation were received.

Even though contributing proceeds from a Coverdell Education Savings Account to a PA 529 IP Account may be federally non-taxable when made, it may be treated as a taxable distribution for purposes of Pennsylvania income taxes or other applicable state income taxes. Contact your tax advisor for more information about state tax treatment.

Call Customer Service at 1-800-440-4000 for more information about how to make a sale and contribute proceeds from a Coverdell Education Savings Account.

As with the growth on any contribution, if not used for Qualified Expenses, the growth on the proceeds and any subsequent growth once contributed to the PA 529 IP would be subject to federal taxation.

k. Contribution of the Proceeds from Certain U.S. Savings Bonds

You may make a contribution to your PA 529 IP Account with the proceeds obtained by cashing in certain U.S. Savings Bonds. The Savings Bonds proceeds are not subject to federal taxation when redeemed if your sale and contribution meet the following requirements: (1) the bonds are series EE bonds issued after 1989 or series I bonds; (2) the bond owner was at

least 24 years old on the date the bonds were issued; (3) the Beneficiary of the PA 529 IP Account is the Savings Bonds owner, or the Savings Bonds owner's spouse or dependent, and (4) the Savings Bonds owner meets certain income restrictions. You should consult a financial or tax advisor to determine whether you qualify.

To take advantage of this opportunity, you must cash in the bonds and send a contribution to your PA 529 IP Account for the amount of the proceeds. You need to provide the PA 529 IP with acceptable documentation indicating the contribution's distribution between earnings and principal, such as Form 1099-INT from the financial institution that redeemed the bonds. Until the PA 529 IP receives this documentation, the entire amount of your Rollover contribution will be treated as earnings, which would be subject to taxation if you took a Non-qualified Withdrawal before the earnings and principal documentation were received.

Additionally, the bond owner needs to record certain information from the bonds (Internal Revenue Form 8818 is available for this purpose) that must be reported to the Internal Revenue Service later. The taxpayer must file an Internal Revenue Service Form 8815 in the tax year in which the bonds are cashed in and placed in the PA 529 IP Account.

Only the principal portions of contributions from the proceeds of qualified Savings Bonds are deductible from Pennsylvania taxable income. The interest portion of the contribution is not deductible.

As with the growth on any contribution, if not used for Qualified Expenses, the growth on the proceeds and any subsequent growth once contributed to the PA 529 IP would be subject to federal taxation.

I. Contributions from UGMA/UTMA Custodial Accounts

The custodian for a minor under the UGMA or UTMA may liquidate the assets in the UGMA/UTMA account and contribute them to a PA 529 IP Account. However, there is no special Tax Code or Pennsylvania tax laws for doing so. Accordingly, the minor and/or the minor's parent may incur capital gains (or losses) from the sale of noncash assets held by a UGMA/UTMA account. Additionally, even when placed in the PA 529 IP, the assets are still governed by the UGMA/UTMA provision. Please contact a tax professional to determine how to transfer UGMA/UTMA custodial assets, and what the implications of such a transfer may be.

Contributions from the liquidation of a UGMA/UTMA account may be deducted from Pennsylvania taxable income.

UGMA/UTMA custodians should consider the following before contributing UGMA/UTMA assets to a PA 529 IP account:

- The custodian may make withdrawals only as permitted under UGMA/UTMA regulations and the PA 529 IP;
- The custodian may not change the Beneficiary of the Account except as permitted under the UGMA/UTMA;
- The custodian should not change the Account Owner to anyone other than a successor custodian during the term of the custodial Account under the UGMA/UTMA;
- When the custodianship terminates because the Beneficiary has reached the age of majority, the Beneficiary takes control of the Account and becomes the Account Owner subject to the provisions of the PA 529 IP that are applicable to Accounts established or funded with non-UGMA/UTMA assets, if applicable; and
- Additional contributions of money not previously gifted to the Beneficiary under the UGMA/UTMA that are made to the same PA 529 IP Account to which the UGMA/UTMA assets were contributed will be subject to the UGMA/UTMA restrictions listed above. To avoid this, these new non-UGMA/UTMA contributions should be made to a separate and noncustodial 529 plan account. A noncustodial 529 plan account will allow the Account Owner to retain control of the assets and make Beneficiary changes.

None of the Commonwealth, the Treasury Department, the PA 529, or any other entity will be liable for any consequences related to a custodian's improper use, transfer, or characterization of custodial funds.

C. Choosing Your Investment Options

1. Overview of Investment Options and Underlying Funds

a. Investment Option Choices

The PA 529 IP offers 13 different Investment Options for your Account contributions.

- You can choose from among three Age-based Options, in which your money automatically is moved to progressively more conservative Individual Portfolios (see below) as your Beneficiary approaches college age. You can select the Age-based Option—Conservative, Moderate, or Aggressive—that best reflects your own risk tolerance.
- You can choose from among ten Individual Portfolios, including a Socially Responsible Portfolio, which offer investment choices of stock funds, bond funds, and a money market fund. If you choose an Individual Portfolio, your money will remain in that Portfolio until you instruct the PA 529 IP to move it. (See Part 2.B.3. above for limitations on how often you are permitted to move your assets.) Each Individual Portfolio has an expense ratio (annual asset-

based fee) that is applied to assets in that Portfolio, which includes both administrative and investment management fees. The expense ratios vary among the Individual Portfolios and are set forth in Part 2.C.6.

PLEASE NOTE: The holding period for college investing is very short relative to that for retirement investing (i.e., 5 to 20 years versus 30 to 60 years). Also, the need for liquidity during the withdrawal phase (to pay for Qualified Expenses) generally is very important. You should seriously consider the level of risk you wish to assume, your investment time horizon, your investment objectives, and other factors important to you before you select Investment Options. You should periodically assess, and if appropriate, adjust your investment choices with the same factors in mind.

b. Underlying Funds and Share Classes

Each Individual Portfolio invests its assets in one or more Underlying Fund(s), which are mutual funds managed by Vanguard. Currently these funds and the share class for each are:

- Vanguard FTSE Social Index Fund Institutional Shares (Ticker: VFTNX)
- Vanguard Inflation-Protected Securities Fund Institutional Shares (Ticker: VIPIX)
- Vanguard Institutional Total Stock Market Index Fund Institutional Plus Shares (Ticker: VITPX)
- Vanguard Prime Money Market Fund Admiral Shares (Ticker: VMRXX)
- Vanguard Total Bond Market II Index Fund Institutional Shares (Ticker: VTBNX)
- Vanguard Total International Stock Index Fund Institutional Plus Shares (Ticker: VTPSX)

Most of the Underlying Funds are index funds. Each index fund reserves the right to substitute a different index for the index it currently tracks. This could happen if the current index is discontinued, if the index fund's agreement with the sponsor of its target index is terminated, or for any other reason determined in good faith by the Underlying Fund's board of trustees. In any such instance, the substitute index would measure the same market segment as the current index.

Additional information about the investment strategies and risks of each Underlying Fund is available in its current prospectus and statement of additional information. You can obtain a copy of the current prospectus, the statement of additional information, or the most recent semiannual or annual report of any Underlying Fund by visiting Vanguard's website at www.vanguard.com or by calling 1-800-440-4000.

Please keep in mind that you will not own shares of the Underlying Funds. You are purchasing units in the PA 529 IP, which invests your money in the Underlying Funds. The Department reserves the right to change, at any time, the Investment Options, the Portfolios that make up the Age-based Options, the asset allocation of the Individual Portfolios, or the Underlying Funds in which the Portfolios invest.

c. The Age-based Options

PA 529 IP offers the following three Age-based Options:

- Conservative Age-based Option
- Moderate Age-based Option
- Aggressive Age-based Option

The Age-based Options are designed to take into consideration a Beneficiary's age and your investing time horizon — i.e., the number of years before the Beneficiary is expected to attend an Eligible Educational Institution. Within the Age-based Options, you may invest, according to your risk tolerance, in a Conservative, Moderate, or Aggressive asset allocation. In each of the three Age-based Options, for younger Beneficiaries, the Age-based Options will be invested in the Individual Portfolios more heavily weighted in stocks to capitalize on the longer investment horizon and to try to maximize returns. As time passes, Account assets are automatically moved to more conservative Individual Portfolios in an effort to preserve capital as the withdrawal phase approaches. There is no assurance that any Portfolio will be able to achieve its goals or that losses will not be incurred.

As the table shows, for any particular age group, the Conservative Age-based Option usually has a higher concentration of assets in bonds and short-term reserves than does the Moderate Age-based Option. The same is true for the Moderate Age-based Option compared with the Aggressive Age-based Option. Portfolios with higher allocations in bonds and short-term reserves tend to be less volatile than those with higher allocations in stocks. Less volatile Portfolios generally will not decline as far when stock markets go down, but also generally will not appreciate in value as much when stock markets go up.

For each of the Age-based Options, the PA 529 IP will automatically exchange assets from one of the Plan's Individual Portfolios (see below) to another as the Beneficiary ages. The exchange occurs during the month following the month of the Beneficiary's birth date, according to the following schedule:

Age-based Options

Age of Beneficiary	Conservative	Moderate	Aggressive
Newborn through 5	Moderate Growth Portfolio 45% Domestic Stocks 15% International Stocks 40% Bonds	Growth Portfolio 55% Domestic Stocks 25% International Stocks 20% Bonds	Aggressive Growth Portfolio 70% Domestic Stocks 30% International Stocks
6 through 10	Conservative Growth Portfolio 25% Domestic Stocks 10% International Stocks 65% Bonds	Moderate Growth Portfolio 45% Domestic Stocks 15% International Stocks 40% Bonds	Growth Portfolio 55% Domestic Stocks 25% International Stocks 20% Bonds
11 through 15	Income Portfolio 20% Domestic Stocks 80% Bonds	Conservative Growth Portfolio 25% Domestic Stocks 10% International Stocks 65% Bonds	Moderate Growth Portfolio 45% Domestic Stocks 15% International Stocks 40% Bonds
16 through 18	Conservative Income Portfolio 75% Bonds 25% Short-term Reserves	Income Portfolio 20% Domestic Stocks 80% Bonds	Conservative Growth Portfolio 25% Domestic Stocks 10% International Stocks 65% Bonds
19 or older	Money Market Portfolio 100% Short-term Reserves	Conservative Income Portfolio 75% Bonds 25% Short-term Reserves	Income Portfolio 20% Domestic Stocks 80% Bonds

d. The Individual Portfolios

Unlike the Age-based Options, the Individual Portfolios do not change asset allocations as the Beneficiary ages. Instead, the asset allocation of each Portfolio remains fixed over time. If you choose to invest in Individual Portfolios that have a significant weighting in stocks, you should consider moving your assets to more conservative Portfolios as your Beneficiary approaches college age. Please note that there are limitations on your ability to move assets from one Portfolio to another. (See Part 2.B.3.)

The Individual Portfolios consist of six Multi-fund Individual Portfolios, which invest in multiple Underlying Funds (the percentages of those investments are detailed in the table below), and four Single-fund Individual Portfolios, which invest in a single Underlying Fund.

The **Multi-fund Individual Portfolios** are:

- Aggressive Growth Portfolio
- Growth Portfolio
- Moderate Growth Portfolio
- Conservative Growth Portfolio
- Income Portfolio
- Conservative Income Portfolio

The **Single-fund Individual Portfolios** are:

- Total Stock Market Index Portfolio
- Social Index Portfolio
- Inflation-Protected Securities Portfolio
- Money Market Portfolio

Underlying Fund	Aggressive Growth Portfolio	Growth Portfolio	Moderate Growth Portfolio	Conservative Growth Portfolio	Income Portfolio	Conservative Income Portfolio
Vanguard Institutional Total Stock Market Index Fund	70%	55%	45%	25%	20%	0%
Vanguard Total International Stock Index Fund	30%	25%	15%	10%	0%	0%
Total Stock	100%	80%	60%	35%	20%	0%
Vanguard Total Bond Market II Index Fund	0%	20%	40%	65%	80%	50%
Vanguard Inflation-Protected Securities Fund	0%	0%	0%	0%	0%	25%
Total Bond	0%	20%	40%	65%	80%	75%
Vanguard Prime Money Market Fund	0%	0%	0%	0%	0%	25%
Total Money Market	0%	0%	0%	0%	0%	25%
TOTAL	100%	100%	100%	100%	100%	100%

2. Profiles of Individual Portfolios

The profiles that follow identify the risks of each Portfolio. An explanation of these risks appears after the profiles. See Part 2.C.4.

a. Aggressive Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds according to a formula that results in an allocation of 100% of its assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	70%
Vanguard Total International Stock Index Fund	30%

Through its ownership of the two stock funds, the Portfolio indirectly owns primarily large-capitalization U.S. stocks and, to a lesser extent, mid-, small-, and micro-capitalization U.S. stocks and international stocks.

Investment Risks

Because it invests entirely in stock funds, the Portfolio is primarily subject to **stock market risk**. The Portfolio is also subject to **moderate** levels of **country/regional risk**, **currency risk**, **emerging markets risk**, and **investment style risk** and **low** levels of **index sampling risk** and **derivatives risk**. An explanation of these risks appears after the profiles. See Part 2.C.4.

b. Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation and low to moderate current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and one Vanguard bond index fund, resulting in an allocation of 80% of assets to stocks and 20% to investment-grade U.S. bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	55%
Vanguard Total International Stock Index Fund	25%
Vanguard Total Bond Market II Index Fund	20%

Through its ownership of the two stock funds, the Portfolio indirectly owns primarily large-capitalization U.S. stocks and, to a lesser extent, mid-, small-, and micro-capitalization U.S. stocks and international stocks. Through its ownership of the bond fund, the Portfolio also indirectly holds a mix of bonds—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—that represent a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than 1 year. The bond fund maintains a dollar-weighted average maturity consistent with that of the Barclays U.S. Aggregate Float Adjusted Index, which generally ranges between 5 and 10 years.

Investment Risks

Because it invests mainly in stock funds, the Portfolio is primarily subject to **stock market risk**. The Portfolio has **moderate** levels of **country/regional risk**, **currency risk**, and **emerging markets risk**, and **low to moderate** levels of **interest rate risk**, **credit risk**, **income risk**, **extension risk**, **call risk**, and **prepayment risk**. The Portfolio also has **low** levels of **index sampling risk** and **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

c. Moderate Growth Portfolio

Investment Objective

The Portfolio seeks to provide capital appreciation and current income.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and one Vanguard bond index fund, resulting in an allocation of 60% of assets to stocks and 40% to investment-grade U.S. bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	45%
Vanguard Total International Stock Index Fund	15%
Vanguard Total Bond Market II Index Fund	40%

Through its ownership of the two stock funds, the Portfolio indirectly owns primarily large-capitalization U.S. stocks and, to a lesser extent, mid-, small-, and micro-capitalization U.S. stocks and international stocks. Through its ownership of the bond fund, the Portfolio also indirectly holds a mix of bonds—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—that represent a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than 1 year. The bond fund maintains a dollar-weighted average maturity consistent with that of the Barclays U.S. Aggregate Float Adjusted Index, which generally ranges between 5 and 10 years.

Investment Risks

Through its stock fund holdings, the Portfolio is subject to **stock market risk**. Through its bond fund holding, the Portfolio has **low to moderate** levels of **interest rate risk**, **credit risk**, **income risk**, **call risk**, **prepayment risk**, and **extension risk**. The Portfolio also has **low** levels of **country/regional risk**, **currency risk**, **emerging markets risk**, **index sampling risk**, and **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

d. Conservative Growth Portfolio

Investment Objective

The Portfolio seeks to provide current income and low to moderate capital appreciation.

Investment Strategy

The Portfolio invests in two Vanguard stock index funds and one Vanguard bond index fund, resulting in an allocation of 35% of assets to stocks and 65% to investment-grade U.S. bonds. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Institutional Total Stock Market Index Fund	25%
Vanguard Total International Stock Market Index Fund	10%
Vanguard Total Bond Market II Index Fund	65%

Through its ownership of the bond fund, the Portfolio indirectly holds a mix of bonds—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—that represent a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than 1 year. The bond fund maintains a dollar-weighted average maturity consistent with that of the Barclays U.S. Aggregate Float Adjusted Index, which generally ranges between 5 and 10 years. Through its ownership of the two stock funds, the Portfolio indirectly owns large-capitalization U.S. stocks and, to a lesser extent, mid-, small-, and micro-capitalization U.S. stocks and international stocks.

Investment Risks

Because it invests mainly in a bond fund, the Portfolio is primarily subject to **low to moderate** levels of **interest rate risk**, **credit risk**, **income risk**, **call risk**, **prepayment risk**, and **extension risk**. Through its stock fund holdings, the Portfolio has a **moderate** level of **stock market risk**. The Portfolio also has **low** levels of **country/regional risk**, **currency risk**, **emerging markets risk**, **index sampling risk**, and **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

e. Income Portfolio

Investment Objective

The Portfolio seeks to provide current income.

Investment Strategy

The Portfolio invests in one Vanguard bond index fund and one Vanguard stock index fund, resulting in an allocation of 80% of assets to investment-grade U.S. bonds and 20% of assets to stocks. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	80%
Vanguard Institutional Total Stock Market Index Fund	20%

Through its ownership of the bond fund, the Portfolio indirectly holds a mix of bonds—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—that represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than 1 year. The bond fund maintains a dollar-weighted average maturity consistent with that of the Barclays U.S. Aggregate Float Adjusted Index, which generally ranges between 5 and 10 years. Through its ownership of the stock fund, the Portfolio also indirectly owns large-capitalization U.S. stocks and, to a lesser extent, mid-, small-, and micro-capitalization U.S. stocks.

Investment Risks

Because it invests mainly in a bond fund, the Portfolio primarily is subject to **low to moderate** levels of **interest rate risk, credit risk, income risk, call risk, prepayment risk, and extension risk**. Through its stock fund holding, the Portfolio is subject to a **low to moderate** level of **stock market risk**. The Portfolio has **low** levels of **index sampling risk** and **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

f. Conservative Income Portfolio

Investment Objective

The Portfolio seeks to provide current income and some inflation protection as well as income consistent with the preservation of principal.

Investment Strategy

The Portfolio invests in two Vanguard bond funds and one Vanguard money market fund, resulting in an allocation of 75% of assets to investment-grade U.S. bonds and 25% of assets to short-term investments. The percentages of the Portfolio's assets allocated to each Underlying Fund are:

Vanguard Total Bond Market II Index Fund	50%
Vanguard Inflation-Protected Securities Fund	25%
Vanguard Prime Money Market Fund	25%

Through its ownership of Vanguard Total Bond Market II Index Fund, the Portfolio indirectly holds a mix of bonds—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—that represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States, all with maturities of more than 1 year. The Fund maintains a dollar-weighted average maturity consistent with that of the Barclays U.S. Aggregate Float Adjusted Index, which generally ranges between 5 and 10 years.

Through its ownership of Vanguard Inflation-Protected Securities Fund, the Portfolio indirectly owns investment-grade, inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years.

Through its ownership of Vanguard Prime Money Market Fund, the Portfolio indirectly holds high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. See "Note" in the Money Market Portfolio description.

Investment Risks

Because it invests in inflation-protected securities as well as bond funds, the Portfolio is subject to a **moderate** level of **income fluctuation risk**. The Portfolio also has **low** to **moderate** levels of **interest rate risk**, **credit risk**, **income risk**, **call risk**, **prepayment risk**, and **extension risk**, and **low** levels of **manager risk**, **index sampling risk**, **industry concentration risk**, and **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

g. Money Market Portfolio

Investment Objective

The Portfolio seeks to provide current income while maintaining liquidity and a stable share price of \$1.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Prime Money Market Fund, which invests primarily in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security). If unrated, the security must be determined by Vanguard to be of quality equivalent to securities in the two highest credit-quality categories. The Fund invests more than 25% of its assets in securities issued by companies in the financial services industry. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

Investment Risks

The Portfolio primarily is subject to **income risk**. It also has **low** levels of **credit risk**, **manager risk**, **industry concentration risk**, and **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

***Note:** The Conservative Income Portfolio's and Money Market Portfolio's investments in Vanguard Prime Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Prime Money Market Fund seeks to preserve the value of the investment at \$1 per share, it is possible that the Portfolios may lose money by investing in the Fund.*

h. Total Stock Market Index Portfolio

Investment Objective

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

Investment Strategy

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

Investment Risks

The Portfolio primarily is subject to **stock market risk**. The Portfolio also has **low** levels of **index sampling risk** and **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

i. Inflation-Protected Securities Portfolio

Investment Objective

The Portfolio seeks to provide inflation protection and income consistent with investment in inflation-indexed securities.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard Inflation-Protected Securities Fund, which invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the Fund will be rated investment-grade or, if unrated, will be considered by the advisor to be investment-grade. Unlike a conventional bond, whose issuer makes regular fixed interest payments and repays the face value of the bond at maturity, an inflation-indexed security (IIS) provides principal and interest payments that are adjusted over time to reflect a rise (inflation) or a drop (deflation) in the general price level.

for goods and services. In the event of deflation, the U.S. Treasury has guaranteed that it will repay at least the face value of an IIS issued by the U.S. government.

Note: *The Inflation-Protected Securities Portfolio seeks to provide protection from inflation as measured by the Consumer Price Index. It is possible that the costs of higher education may increase at a rate that exceeds the rate of increase of the Consumer Price Index. There is no guarantee that the Portfolio will protect investors from the rising costs of higher education.*

Investment Risks

The Portfolio is subject to a **high** level of **income fluctuation risk**. The Portfolio is also subject to a **moderate** to **high** level of **interest rate risk** and **low** levels of **manager risk** and **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

j. Social Index Portfolio

Investment Objective

The Portfolio seeks to track the performance of a benchmark index that measures the investment return of large- and mid-capitalization stocks.

Investment Strategy

The Portfolio invests 100% of its assets in Vanguard FTSE Social Index Fund. The Fund employs an indexing investment approach designed to track the performance of the FTSE4Good U.S. Select Index. The Index is composed of the stocks of companies that have been screened for certain social and environmental criteria by the Index sponsor, which is independent of Vanguard. The FTSE4Good U.S. Select Index is maintained by FTSE Group (FTSE). The Index is market-capitalization-weighted and includes primarily large- and mid-cap U.S. stocks that have been screened for certain criteria related to the environment, human rights, health and safety, labor standards, and diversity. The Index excludes companies involved with weapons, tobacco, gambling, alcohol, adult entertainment, and nuclear power. The Fund attempts to replicate the Index by investing all, or substantially all, of its assets in the stocks that make up the Index.

Investment Risks

The Portfolio is primarily subject to **stock market risk** and **investment style risk**. The Portfolio also has a **low** level of **derivatives risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

3. Profiles of Underlying Funds not Offered as Individual Portfolios

Of the six Underlying Funds, four (Vanguard FTSE Social Index Fund, Vanguard Inflation-Protected Securities Fund, Vanguard Institutional Total Stock Market Index, and Vanguard Prime Money Market Fund) are available as Single-fund Individual Portfolios. Those four are described above. The remaining two Underlying Funds (Vanguard Total Bond Market II Index Fund and Vanguard Total International Stock Market Index Fund) are not available as Individual Portfolios. To provide more information about these two Funds, their profiles, including investment strategies and risks, are presented below.

a. Vanguard Total International Stock Index Fund

Investment Objective

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

Investment Strategy

The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes more than 5,550 stocks of companies located in 46 countries. The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

Investment Risks

The Fund is subject to **stock market risk**, **investment style risk**, **country/regional risk**, **currency risk**, and **emerging markets risk**. **An explanation of these risks appears after the profiles. See Part 2.C.4.**

b. Vanguard Total Bond Market II Index Fund

Investment Objective

The Fund seeks to track the performance of a broad, market-weighted bond index.

Investment Strategy

The Fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This Index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

The Fund is subject to **interest rate risk, income risk, call risk, prepayment risk, credit risk, extension risk, and index sampling risk.** An explanation of these risks appears after the profiles. See Part 2.C.4.

4. Explanation of the Risk Factors of the Portfolios

a. Call Risk

This is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Underlying Fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Underlying Fund's income.

b. Country/Regional Risk

Underlying Funds that invest in foreign securities are subject to country/regional risk, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions.

c. Credit Risk

This is the chance that an issuer of a bond owned by an Underlying Fund will fail to pay principal or interest in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.

d. Currency Risk

Underlying Funds that invest in foreign securities are subject to currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

e. Derivatives Risk

Each of the Underlying Funds may invest, to a limited extent, in derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency), a physical asset (such as gold, oil, or wheat), a market index (such as the S&P 500 Index), or a reference rate (such as LIBOR). Investments in derivatives may subject the Fund to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. The Underlying Funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns. Derivatives will not be screened based on social and environmental criteria.

f. Emerging Markets Risk

Underlying Funds that invest in foreign securities may also be subject to emerging markets risk, which is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.

g. Extension Risk

This is the chance that during periods of rising interest rates, certain debt obligations will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. For Underlying Funds that invest in mortgage-backed securities, extension risk is the chance that during periods of rising interest rates, homeowners will prepay their mortgages at slower rates.

h. Income Fluctuation Risk

This is the chance that an Underlying Fund's quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. For Vanguard Inflation-Protected Securities Fund, income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation rates are expected to be high.

i. Income Risk

This is the chance that an Underlying Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, moderate for intermediate-term bond funds, and low for long-term bond funds.

j. Index Sampling Risk

This is the chance that the securities selected for an Underlying Fund, in the aggregate, will not provide investment performance matching that of the Underlying Fund's target index.

k. Industry Concentration Risk

This is the chance that there will be overall problems affecting a particular industry in which an Underlying Fund invests more than 25% of its assets. Because of indirect investments in Vanguard Prime Money Market Fund, which invests more than 25% of its assets in securities of companies in the financial services industry, Portfolio performance will depend to a greater extent on the overall condition of that industry.

l. Interest Rate Risk

This is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be high for long-term bond funds, moderate for intermediate-term bond funds, and low for short-term bond funds.

m. Investment Style Risk

This is the chance that returns from the types of stocks in which an Underlying Fund invests will trail returns from the overall stock market or will be more volatile than the overall stock market. Historically, small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.

n. Manager Risk

This is the chance that poor security selection will cause an Underlying Fund to underperform relevant benchmarks or other funds with a similar investment objective.

o. Prepayment Risk

This is the chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the Underlying Fund. The Underlying Fund would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Underlying Fund's income.

p. Stock Market Risk

This is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. An Underlying Fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies, which could cause the Underlying Fund to underperform the overall stock market.

5. Individual Portfolio Performance

The following table shows the investment performance of the Individual Portfolios over various time periods, as indicated. The performance data is net of fees; that is, the returns have already been reduced by the amount of the annual asset-based fee for each Portfolio. The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' Portfolio Units, when sold, may be worth more or less than their original cost. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit us at PA529.com.

The performance of the Individual Portfolios will differ from the performance of the Underlying Funds. Because the Portfolios have higher expenses than the Underlying Funds, over comparable periods of time, all other things being equal, a Portfolio would have lower performance than its comparable Underlying Fund. (Of course, the Underlying Funds do not offer the same tax advantages as the Portfolios.) Performance differences also are caused by differences in the trade dates of Portfolio purchases. When you invest money in a Portfolio, you will receive Portfolio Units as of the trade date noted in **Part 2.E**. The Portfolio will use your money to purchase shares of an Underlying Fund. However, the trade date for the Portfolio's purchase of the Underlying Fund shares typically will be one business day after the trade date for your purchase of

Portfolio Units. Depending on the amount of cash flow into or out of the Portfolio and whether the Underlying Fund is going up or down in value, this timing difference will cause the Portfolio's performance either to trail or exceed the Underlying Fund's performance.

If you are invested in an Age-based Option, the assets in the Portfolio in which you are currently invested ("Current Portfolio") will automatically transfer to other Portfolios as the Beneficiary ages and depending upon the Option you chose. Accordingly, your assets in your Current Portfolio may not have been invested in the Current Portfolio for all or a portion of the period reported in the performance table shown below. Thus, your personal performance may be different than the performance for a Portfolio as shown below.

	Annualized Returns as of 10/31/2015				
Portfolio	1-Year	3-Year	5-Year	Since Inception	Inception Date
Aggressive Growth Portfolio	1.29	12.34	10.87	5.17	11/17/2006
Total Stock Market Index Portfolio	4.10	15.66	13.72	6.63	11/17/2006
Social Index Portfolio	5.88	18.48	14.84	5.54	11/17/2006
Growth Portfolio	1.41	10.04	9.37	5.23	11/17/2006
Moderate Growth Portfolio	2.05	8.29	8.09	5.35	11/17/2006
Conservative Growth Portfolio	1.86	5.25	6.02	4.87	11/17/2006
Income Portfolio	2.20	4.06	4.82	4.86	11/17/2006
Conservative Income Portfolio	0.38	-0.08	1.58	3.12	11/17/2006
Inflation-Protected Securities Portfolio	-1.50	-2.34	1.62	3.69	11/17/2006
Money Market Portfolio*	0.00	0.00	0.00	0.86	11/17/2006

6. Fees and Expenses

The Department, in its sole discretion, will establish, and may change at any time, the fees and charges it deems appropriate for the PA 529 IP. In the future, the PA 529 IP's fees and charges could be higher or lower than those discussed in this Disclosure Statement.

a. Expense Ratio (Asset-based Fee)

The PA 529 IP charges an expense ratio (total annual asset-based fee) for each Individual Portfolio, which ranges from 0.36% to 0.50%, depending on the expenses of the Underlying Funds that make up the Individual Portfolio (the "Underlying Fund Expenses"). The Underlying Fund Expenses are received by Vanguard and include the expense ratio of the Vanguard mutual funds used in each Individual Portfolio. Expenses for multiple-fund Portfolios represent a weighted average of the expenses of the Portfolio's Underlying Funds. The Underlying Fund Expenses included in the chart below reflect expenses as of the date of this Disclosure Statement, but may change in the future. If a change in an Underlying Fund Expense occurs, a change in the expense ratio of the Individual Portfolio might also change, depending on factors that include but are not limited to the amount of the change and the portion of the Underlying Fund contained in the Individual Portfolio. In addition to the Underlying Fund Expenses, the expense ratio of an Individual Portfolio includes a State Fee and an Operational Support Fee. The State Fee of 0.07% is received by the Treasury Department for expenses related to the PA 529 IP, including administration, distribution, and marketing. The Operational Support Fee of 0.27% is allocated between Ascensus College Savings and Vanguard, and covers additional administrative and operational costs. The State Fee and/or Operational Support Fee may be lowered without prior notification. The total annual asset-based fee is charged daily against the assets of each Portfolio at an annualized rate approximately equal to the expense ratio.

The chart below is also intended to help you compare the cost of investing in the Individual Portfolios over different time periods. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in a Portfolio. This example assumes that a Portfolio provides a return of 5% a year and that the Portfolio's expense ratio (total annual asset-based fee) remains the same. The results apply whether or not the investment is redeemed at the end of the period, but they do not take into consideration any withdrawals that are Non-qualified or otherwise subject to state or federal income taxes, or any penalties.

	Underlying Fund Expense	State Fee	Operational Support Fee	Total Annual Asset-Based Fee	Approximate Cost of a \$10,000 Investment Assuming a 5% Return			
					1 year	3 years	5 years	10 years
Aggressive Growth Portfolio	0.04%	0.07%	0.27%	0.38%	\$38.88	\$122.10	\$213.20	\$480.41
Growth Portfolio	0.05%	0.07%	0.27%	0.39%	\$39.90	\$125.30	\$218.76	\$492.80
Moderate Growth Portfolio	0.04%	0.07%	0.27%	0.38%	\$38.88	\$122.10	\$213.20	\$480.41
Conservative Growth Portfolio	0.05%	0.07%	0.27%	0.39%	\$39.90	\$125.30	\$218.76	\$492.80
Income Portfolio	0.04%	0.07%	0.27%	0.38%	\$38.88	\$122.10	\$213.20	\$480.41
Conservative Income Portfolio	0.07%	0.07%	0.27%	0.41%	\$41.94	\$131.69	\$229.86	\$517.54
Money Market Portfolio	0.10%	0.06%	0.27%	0.43%*	\$43.98	\$138.07	\$240.95	\$542.23
Total Stock Market Index Portfolio	0.02%	0.07%	0.27%	0.36%	\$36.84	\$115.71	\$202.08	\$455.60
Inflation-Protected Securities Portfolio	0.07%	0.07%	0.27%	0.41%	\$41.94	\$131.69	\$229.86	\$517.54
Social Index Portfolio	0.15%	0.07%	0.27%	0.50%	\$50.10	\$157.20	\$274.16	\$615.99

*The Total Annual Asset Based Fee for the Money Market Portfolio may be voluntarily limited in an effort to maintain a new yield of 0.00%

b. Account Maintenance Fee

The PA 529 IP charges an annual Account maintenance fee of \$18.00 to all funded Accounts that do not have a stop mail hold (see Part 2.A.1., above) of which \$10.00 will go to Ascensus College Savings and \$8.00 will go to the Department. This fee will be waived for those Accounts that have elected electronic delivery for all categories of items listed on the “Edit Delivery Method” page of the account access section of PA529.com except the “Tax Forms” category (currently these are quarterly and annual account statements, PA 529 IP Disclosure Statement updates, and transaction and profile change confirmations). The Account Maintenance Fee will be deducted from the account annually on the 25th day (if the 25th day is not a business day, the next business day) of the anniversary month of the establishment of the Account and will be taken proportionally from each portfolio in the Account. In the event that a withdrawal of all funds in an Account is taken in a month that is not the anniversary month of the establishment of the Account, the Account Maintenance Fee will be deducted before the withdrawal is processed and will be prorated by multiplying \$4.50 by the number of three-month periods (or portion thereof) between the month that the account was opened or the anniversary month of the account opening, whichever is more recent, and the month in which the withdrawal was taken. In the event that a withdrawal of all funds in an Account is taken between the first day and the 25th day (or the next business day, if the 25th is not a business day) of the anniversary month of the establishment of the Account, the full Account Maintenance Fee will be deducted before the withdrawal is processed.

c. Other Charges

The PA 529 IP reserves the right to charge an Account in any circumstance in which the PA 529 IP incurs expenses on behalf of the Account (e.g., when a check, Automatic Investment Plan (AIP) payment, or Electronic Bank Transfer (EBT) is returned unpaid by the financial institution upon which it is drawn).

The PA 529 IP may deduct the fees and charges identified in this paragraph directly from your Account. If you request delivery of withdrawal proceeds or any other item by express delivery service, the PA 529 IP may charge you for this service.

Transaction	Fee Amount
Returned Check	\$30
Rejected AIP Payment	\$30
Rejected EBT	\$30
Priority Delivery	\$15 weekday \$25 Saturday
Outgoing Wires	\$5
Reissue of Disbursement Checks	\$15
Request for Historical Statement	\$10 per yearly statement \$30 maximum per household per year

D. Making Withdrawals

1. In General

An Account Owner, Level 3 or 4 Authorized Agent, or UGMA or UTMA custodian may request a withdrawal at any time for any reason. However, there are several different types of withdrawals, which are determined by the purpose and/or reason for the withdrawal. These are as follows:

- “Qualified Withdrawals” – withdrawals taken to pay for Qualified Expenses.
- “Account Transfers” – withdrawals taken to be placed in a different PA 529 IP Account.
- “Plan Transfers” – withdrawals taken to be placed in a PA 529 GSP Account.
- “Rollovers” – withdrawals taken to be placed in a non-Pennsylvania 529 plan.
- “Specific Non-qualified Withdrawals” – withdrawals taken because the Beneficiary has died, become disabled, or received a scholarship, tuition waiver, or appointment to a U.S. military academy.
- “General Non-qualified Withdrawals” – withdrawals taken for any purpose or reason other than those listed above.

The method of requesting the withdrawal, necessary forms, needed documentation, permissible payees, limitations, and the federal and Pennsylvania state tax consequences may depend on which type of withdrawal is being taken.

There must be a minimum of seven business days from the time a contribution by check is received until that contribution can be withdrawn. For contributions by AIP or EBT the holding period is five business days. Withdrawals using EBT cannot be made for 15 calendar days after the bank information has been added or edited. Additionally, a withdrawal to an Account Owner or Beneficiary will not be processed within nine business days after a change of the Account Owner’s or Beneficiary’s (whoever is the payee) mailing address of record on the Account.

Please allow at least ten business days to receive your distribution. During periods of high withdrawal activity, withdrawal requests may take longer to process.

Once a request for a withdrawal has been received and entered into the processing system, the withdrawal or any portion of the withdrawal may not be rescinded or voided unless the request for or amount of the withdrawal was a result of a mistake on the part of the Pennsylvania Treasury Department or any of its vendors or was due to circumstances beyond the control of the Account Owner or Beneficiary including, but not limited to, incorrect tuition bills, class cancellation, or overcharges issued by third-party payees. The Pennsylvania Treasury Department, in its sole discretion, will determine if an entered withdrawal request or amount of the withdrawal is due to a mistake by Treasury or its vendors or to circumstances beyond the control of the Account Owner or Beneficiary and may require documentation from the Account Owner in support of a request to rescind or void a withdrawal or portion of a withdrawal. An Account Owner may re-contribute a withdrawal or portion of a withdrawal that cannot be rescinded or voided; however, it will be treated as a new contribution as of the date the request to re-contribute is received. For tax purposes, any withdrawal that is re-contributed, including a withdrawal that was rescinded or voided, might be considered a non-qualified withdrawal subject to income tax and an additional federal tax of 10% (see Parts 2.D.6 and 2.D.7) unless the re-contribution is a refund from a school and is re-contributed within 60 days of the refund (see Part 2.D.2.b.), or qualifies as an Account Transfer (see Part 2.D.3), Plan Transfer (see Part 2.D.4) or rollover from the PA 529 IP Account (see Parts 2.D.5).

2. Qualified Withdrawals

a. How to Request

There are three ways to request a Qualified Withdrawal; by phone, online, and by written request. You can make a qualified withdrawal request by phone by calling 1-800-440-4000. To make your qualified withdrawal request online, go to [PA 529.com](http://PA529.com), click on "My Account," then "Asset Manager," and then "Make a Withdrawal." To request a qualified withdrawal by written request, obtain a "Withdrawal Request Form" by calling 1-800-440-4000 or download it at PA529.com by clicking on "Forms," then "Withdrawal Request Form" under the heading "Investment Plan (IP) Forms."

Your qualified withdrawal may be paid directly to the school, to you, to the Beneficiary, or to a third party you designate, such as a landlord. The PA 529 IP reserves the right to require documentation showing that the withdrawal is for Qualified Expenses.

b. Tax Consequences

When withdrawn and used for Qualified Expenses, the earnings on contributions to your PA 529 IP are exempt from both federal and Pennsylvania state income tax. Nevertheless, the PA 529 IP is required by federal law to issue an IRS Form 1099-Q for the withdrawal. The 1099-Q specifies the principal and earnings breakdown of the withdrawal amount. If the withdrawal was paid to the school or the Beneficiary, or was from an Account that is designated as an UGMA or UTMA Account, the 1099-Q will be issued to the Beneficiary; otherwise, it will be issued to the Account Owner. You and/or your Beneficiary should keep appropriate records to substantiate to the Internal Revenue Service and/or the Pennsylvania Department of Revenue that the withdrawal was used for Qualified Expenses.

In the event that a school sends to the Beneficiary a refund of funds previously withdrawn from a PA 529 IP Account, that refund will not be subject to federal or state income tax provided that it is recontributed to a 529 account for the Beneficiary within 60 days of the date of the refund or, for refunds made between January 1, 2015, and December 18, 2015, within 60 days of December 18, 2015, but only to the extent such re-contribution does not exceed the refunded amount.

The PA 529 IP reserves the right to require, at the end of the year in which a Qualified Withdrawal, which is subsequently refunded, is made and at the end of the following year, the Beneficiary or the Account Owner to provide the PA 529 IP with a signed statement identifying the amount of any refund received from the school if the source of the original payment to the school was a PA 529 IP Account.

3. Transfers between PA 529 IP Accounts – Account Transfer

a. How to Request

You may withdraw assets from one of your PA 529 IP Accounts and transfer them to another PA 529 IP Account for a different Beneficiary ("Account Transfer"). However, the Beneficiary of the Account from which the assets are being withdrawn must be a Family Member of the Beneficiary of the Account to which they are going. If you are the Owner of both the transferring and the receiving Accounts, your request must be in writing signed by you. If someone else is the Owner of the receiving Account, the procedures for changing Account ownership must be followed.

b. Tax Consequences

An Account Transfer is not a taxable event for federal or Pennsylvania income tax purposes, and the PA 529 IP does not issue an IRS Form 1099-Q for this type of withdrawal. However, for federal gift and generation-skipping transfer tax purposes, the transfer might be considered a gift from one Beneficiary to the other. Before making such a transfer, you may wish to consult with a tax advisor.

4. Transfer from a PA 529 IP Account to a PA 529 GSP Account – Plan Transfer

a. How to Request

You may withdraw assets from your PA 529 IP Account and transfer them to your previously established PA 529 GSP Account ("Plan Transfer"). If the Beneficiary of the PA 529 IP and the PA 529 GSP are the same, you may make a Plan Transfer only twice in a calendar year (and any other PA 529 IP asset changes for the same Beneficiary must be made at the same time). If the Beneficiaries are different, there is no limit on how many Transfers may be made. However, the Beneficiary of the PA 529 GSP must be a Family Member of the Beneficiary of the PA 529 IP. Your request must be in writing signed by you.

b. Tax Consequences

If a Plan Transfer is made no more than twice per calendar year or when the Beneficiary is changed, it is not a taxable event for federal or Pennsylvania income tax purposes and an IRS Form 1099-Q is not issued. However, if the Beneficiary is different, it might be considered a gift from one Beneficiary to the other for federal gift and generation-skipping transfer tax purposes. Before making such a transfer, you may wish to consult with a tax advisor.

5. Rollovers from a PA 529 IP Account

a. How to Request

You may withdraw assets from your PA 529 IP Account in order to place them in a non-Pennsylvania 529 account ("Rollover"). If the Beneficiary of the PA 529 IP and the non-Pennsylvania plan are the same, you may make a Rollover only once in a 12-month period. If the Beneficiaries are different, there is no limit on how many Rollovers may be made. However, the Beneficiary of the non-Pennsylvania plan must be a Family Member of the Beneficiary of the PA 529 IP.

There are two ways to make a Rollover. One is to obtain a form from the 529 plan that will receive the funds, on which that plan indicates that you have an account there and wish the PA 529 IP to forward your funds to them. Your non-Pennsylvania 529 plan will send that form to the PA 529 IP and, once the form is received, the PA 529 IP will send the funds directly to the non-Pennsylvania plan (called a "Direct Rollover"). When the PA 529 IP sends your funds to the receiving plan, it will include notification of the principal and earnings portions of the total amount. The payee will be the receiving plan "for the benefit of" you or your Beneficiary. The second method of making a Rollover is simply to complete a Withdrawal Request Form, request an Indirect Rollover, and once you receive the funds, contribute them to the non-Pennsylvania plan within 60 days of the withdrawal. If you use this method, you will be the payee. Unless you provide the receiving plan with documentation of the principal and earnings breakdown, that plan will treat the entire Rollover amount as earnings, which would be subject to taxation if you took a Non-qualified Withdrawal from that plan.

b. Tax Consequences

If a Rollover is made once in a 12-month period or when the Beneficiary is changed, it is not a taxable event for federal or Pennsylvania income tax purposes. Nevertheless, the PA 529 IP is required by federal law to issue you an IRS Form 1099-Q for the withdrawal. The 1099-Q specifies the principal and earnings breakdown of the withdrawal amount. You should keep appropriate records to substantiate to the Internal Revenue Service and/or the Pennsylvania Department of Revenue that the above requirements were met. Additionally, if the Beneficiary is different, it might be considered a gift from one Beneficiary to the other for federal gift and generation-skipping transfer tax purposes. Before making such a Rollover, you may wish to consult with a tax advisor.

6. Specific Non-qualified Withdrawals

a. How to Request

A request for a withdrawal because your Beneficiary has died, become disabled, received a scholarship to an Eligible Educational Institution, or an appointment to a U.S. military academy can be made by submitting a signed letter indicating the reason for the withdrawal. Documentation of the reason must be submitted with the letter as follows:

- Death: a death certificate or similar document;
- Disability: a written document signed by a medical professional that indicates the Beneficiary is unable to engage in any substantial activity because of a medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration;
- Scholarship or tuition waiver: documentation from the awarding entity indicating the amount of the scholarship and the academic period for which it is awarded; or
- Appointment to a U.S. military academy: the letter of appointment and an indication of your Beneficiary's acceptance.

A withdrawal because of the Beneficiary's death will be issued in the name of the Beneficiary or the estate of the Beneficiary. Other Specific Non-qualified Withdrawals may be made to you, the Account Owner, or to the Beneficiary.

For a scholarship, tuition waiver, or appointment to a U.S. military academy, only an amount not exceeding the amount of the scholarship or tuition waiver, or value of the Qualified Higher Education Expenses at the military academy for the academic period, may be withdrawn as a specific non-qualified withdrawal.

b. Tax Consequences

For Specific Non-qualified Withdrawals, the earnings portion of the withdrawal will be subject to federal income taxes at the ordinary income tax rate of the payee of the Specific Non-qualified Withdrawal or, in the case of the Beneficiary's death, the estate. The PA 529 IP will issue to the payee an IRS Form 1099-Q for the withdrawal that will specify the principal and earnings portions of the total withdrawal. If you or the estate is a Pennsylvania taxpayer, the entire withdrawal, including both principal and earnings, might be subject to Pennsylvania income tax. The rules governing this are explained in the Pennsylvania Department of Revenue's Personal Income Tax Bulletin 2006-04, which is available at www.revenue.state.pa.us by clicking on "GENERAL TAX INFORMATION", "Tax Law: Policies, Bulletins & Notices", "Tax Bulletins", "Personal Income Tax", then "Personal Income Tax Bulletin 2006-04 – Qualified Tuition Programs". You may wish to consult a tax advisor on this matter.

You should keep appropriate records to substantiate to the Internal Revenue Service that the withdrawal was because of the Beneficiary's death, disability, or receipt of a scholarship, tuition waiver, or appointment to a U.S. military academy.

7. General Non-qualified Withdrawals

a. How to Request

A request for a withdrawal other than for the purposes or reasons discussed in 1-6 above can be made by submitting a Withdrawal Request Form, by calling the PA 529 call center at 1-800-440-4000, or online at PA529.com. The withdrawal will be payable to you, the Account Owner, or to the Beneficiary.

b. Tax Consequences

For General Non-qualified Withdrawals, the earnings portion of the withdrawal will be subject to federal income taxes at the ordinary income tax rate of the payee of the General Non-qualified Withdrawal and an additional federal tax of 10%. The PA 529 IP will issue to the payee a Form 1099-Q for the withdrawal that will specify the principal and earnings portions of the total withdrawal. If the payee is a Pennsylvania taxpayer, the entire withdrawal, including both principal and earnings, might be subject to Pennsylvania income tax. The rules governing this are explained in the Pennsylvania Department of Revenue's Personal Income Tax Bulletin 2006-04, which is available at www.revenue.state.pa.us by clicking on "GENERAL TAX INFORMATION", "Tax Law: Policies, Bulletins & Notices", "Tax Bulletins", "Personal Income Tax", then "Personal Income Tax Bulletin 2006-04 – Qualified Tuition Programs". You may wish to consult a tax advisor on this matter.

8. Withdrawal upon Voluntary Termination

You can terminate your PA 529 IP Plan Contract and close your Account at any time by submitting a Withdrawal Request Form to the PA 529 IP. The resulting withdrawal will constitute a General Non-qualified Withdrawal except to the extent that the withdrawal qualifies as another type of withdrawal as discussed above. If the reason you wish to terminate your Account is that your Beneficiary has graduated from an Eligible Educational Institution or has decided not to attend one, you may want to consider alternatives to terminating your Account. These include changing the Beneficiary to a Family Member of the former Beneficiary — for example, a younger sibling; or keeping the Account open in the event that the Beneficiary later decides to pursue further education, such as a graduate or professional degree. In making your decision, please consider that a Non-qualified Withdrawal will be taxable.

You may also choose to make a full withdrawal but keep your Account open by making the appropriate selection on the Withdrawal Request Form. Please note that the PA 529 IP reserves the right to close your Account if it remains unfunded six months after your request to keep your Account open.

9. Withdrawals upon Involuntary Terminations

The PA 529 IP may terminate any Investment Plan Account if: (1) the PA 529 IP finds that the Account Owner or the Beneficiary has provided false or misleading information, (2) the Account Owner has violated the terms of the PA 529 IP Plan Contract — for example, by failing to pay required fees or expenses, (3) no contributions were made to the PA 529 IP Account within two months of the date on which such Account was established, or (4) the PA 529 IP, in its sole discretion, finds that termination is in the best interest of the PA 529 IP and its Account Owners.

Additionally, the PA 529 IP may be required to close an Account deemed by the laws of the state of the Account Owner's residence to be abandoned or unclaimed and relinquish the assets to that state. (See Part 7.G. for more information.)

In the case of a termination because the Account Owner or the Beneficiary has provided false or misleading information or has violated the terms of the PA 529 IP Contract, the Account will be paid to the Account Owner as a General Non-qualified Withdrawal except that the PA 529 IP may, in its discretion, withhold, and the Account Owner and the Beneficiary shall forfeit, all earnings on contributions, if any, accumulated in the Account, or such lesser amount as the PA 529 IP deems necessary in the PA 529 IP's discretion in light of such false or misleading information. In addition to any withholding, any fees paid on the PA 529 IP Account will not be refunded and will be forfeited by the Account Owner.

10. Aggregation of Withdrawals for IRS Form 1099-Q Purposes

Federal law requires that for purposes of determining the principal and earnings portion of a withdrawal, all PA 529 Accounts (including both the PA 529 GSP and PA 529 IP) which have the same Beneficiary and Account Owner will be treated as a single Account; that is, the Accounts must be "aggregated." This means that if you have both a PA 529 GSP and a PA 529 IP Account for the same Beneficiary and you take a withdrawal from only one, the PA 529 program must add both Accounts together to calculate the principal and earnings portion of the withdrawal for 1099-Q purposes.

11. How Withdrawals are Impacted by Other Tax Benefits for Education

Section 529 plans are one of several different tax benefits for education provided in the Tax Code. Taking a Qualified Withdrawal from your PA 529 IP Account may impact other federal tax benefits available to you and, conversely, taking other benefits might impact on whether the IRS will consider your 529 withdrawal to be non-taxable, taxable with the 10% additional tax, or taxable without the 10% additional tax. The other federal tax benefits for education and the interplay between them and

Section 529 plans is discussed in IRS Publication 970, which is available at www.irs.gov/pub/irs-pdf/p970.pdf. Please consult that publication and/or a tax advisor.

E. Pricing of Portfolio Units

When you contribute to the PA 529 IP, your money will be invested in Units of one or more Individual Portfolios, depending on the investment option(s) you select. The price of a Portfolio Unit is calculated each business day after the close of trading on the New York Stock Exchange ("NYSE"). The price is determined by dividing the dollar value of the Portfolio's net assets (i.e., total Portfolio assets minus total Portfolio liabilities) by the number of Portfolio Units outstanding. On holidays or other days when the NYSE is closed, the Portfolio's Unit price is not calculated, and the PA 529 IP does not transact purchase, exchange, transfer, or redemption requests.

When you purchase or redeem Units of a Portfolio, you will do so at the price of the Portfolio's Units on the trade date. Your trade date will be determined as follows:

- If the PA 529 IP receives your transaction request (whether to contribute money, withdraw money, or exchange money between Investment Options) at the physical location of the Processing Center (not just its Post Office Box) in good order on a business day prior to the close of the NYSE, your transaction will receive that day's trade date.
- If the PA 529 IP receives your transaction request at the physical location of the Processing Center (not just its Post Office Box) in good order on a business day after the close of the NYSE or at any time on a nonbusiness day, your transaction will receive the next business day's trade date.
- As an exception to the two points above, AIP and EBT contributions will receive a trade date of the business day before the day the bank debit occurs. Additionally, Ugift contributions will be treated as described in Part 2.B.7.f.

F. Notification of Account Transactions and Changes

You will receive quarterly and year-end Account statements indicating, for the applicable time period: (1) contributions made to the Account, and (2) withdrawals made from the Account, including the Annual Account Maintenance fee, if any. You will only receive Account statements for those quarters in which your Account has had financial transactions such as contributions or withdrawals. If you close your account prior to the last quarter of the year, you will not receive a year-end statement.

Additionally, shortly after any changes to your Account, you will be sent confirmations. You will not receive confirmations for Account assets that are automatically moved to a more conservative Age-based Option as a Beneficiary ages, contributions made by automatic deductions from your bank account or payroll deduction, and contributions made from your Upromise Service Account; these transactions will, however, always appear on your quarterly statement.

You are encouraged to opt to receive your statements, confirmations, and all other PA 529 IP communications by e-delivery in order to have the \$18.00 Account Maintenance Fees (see Part 2.C.6.b.) waived. (You may choose paper delivery of tax forms and still receive the waiver). To elect e-delivery as well as securely access and manage your Account information, go to "My Account" at PA529.com once you have created an online user name and password. If you open an Account online, the PA 529 IP requires you to select a user name and password right away. If you open an Account by submitting a paper application, you may establish a user name and password at any time.

The PA 529 IP uses reasonable procedures to confirm that transaction requests are genuine. However, you may be responsible for losses resulting from fraudulent or unauthorized instructions received by the PA 529 IP, provided the Plan reasonably believed the instructions were genuine. To safeguard your Account, please keep your information confidential. Contact Customer Service at 1-800-440-4000 immediately if you believe there is a discrepancy between a transaction you requested and your confirmation or quarterly statement, or if you believe someone has obtained unauthorized access to your Account. If you receive a confirmation or quarterly statement that you believe does not accurately reflect your instructions, you have 60 days from the date of the confirmation or statement to notify the PA 529 IP of the error. If you do not notify the PA 529 IP within 60 days, you will be considered to have approved the information in the confirmation and to have released the PA 529 IP and its contractors from all responsibility for matters covered by the confirmation or statement.

Part 3. Tax Information

The federal tax treatment of a PA 529 IP Account depends on the PA 529 IP being a "qualified tuition program" under Section 529 of the Tax Code. The tax rules applicable to Section 529 plans are complex, have not been finalized, and are, in some respects, open to different interpretations. The discussion of the federal tax treatment in this Disclosure Statement is not exhaustive; it is intended to provide general information as understood by the PA 529 based on the Tax Code, proposed regulations, and Internal Revenue Service announcements. The discussion of the Pennsylvania tax treatment is based on the Program's understanding of Pennsylvania tax law and Revenue Department bulletins and information.

In addition, Section 529 and federal and Pennsylvania tax laws in general are subject to legislative changes, regulatory changes, and court interpretations. Any of these could eliminate, reduce, or improve the tax advantages of the PA 529 IP or require changes in the structure of the Plan that may restrict or otherwise affect the use of your Account.

This Plan Disclosure Statement is not intended to constitute, nor does it constitute, legal or tax advice. You should consult your own legal or tax advisor for more information on the tax implications to you of investing in the PA 529 IP based on your own particular circumstances. The PA 529 strongly encourages Account Owners and Beneficiaries to consult with their tax advisors regarding the tax consequences of contributing money to, or withdrawing money from, a PA 529 IP Account.

A. Federal Tax Treatment

1. Tax Provisions Related to Contributions

a. In General

For federal tax purposes, contributions to an Account are made on an after-tax basis. That is, in the year the contribution is made, an Account Owner may not deduct the contribution from income for purposes of determining federal income taxes. Contributions to an Account do not result in taxable income to the Beneficiary. However, they may be considered gifts to the Beneficiary subject to the federal gift and generation-skipping transfer taxes discussed below (see Part 3.A.1.b.).

As discussed above (see Part 2.B.7.), contributions from the proceeds of (1) a Coverdell Education Savings Account described in Section 530 of the Tax Code; (2) the redemption of certain U.S. Savings Bonds described in Section 135 of the Tax Code; or (3) another Section 529 plan may be made without adverse federal income tax consequences if the applicable requirements are met. However, when contributions from any of these sources are made, the PA 529 IP must be provided with the breakdown of the principal and earnings portions of the contribution so that when the IRS Form 1099-Q for a subsequent withdrawal is issued, the principal and earnings prior to the contribution can be included. If the PA 529 IP is not provided with the breakdown, it is required to treat the entire contribution as earnings.

b. Federal Transfer Taxes (Gift, Generation-Skipping Transfer and Estate Taxes)

For federal tax purposes, contributions to a PA 529 IP Account are generally considered completed gifts to the Beneficiary (even though the Account Owner controls them and can make a Non-qualified Withdrawal and use it for any purpose). This means contributions are potentially subject to federal gift tax. Additionally, if the Beneficiary is two or more generations below the contributor or, in the case of a change of Beneficiaries, the new Beneficiary is two or more generations below the old Beneficiary, federal generation-skipping transfer taxes might also apply. Generally, if a contributor's contributions, together with all other gifts by that contributor to the Beneficiary during a calendar year, are less than the gift tax annual exclusion amount, no federal gift tax or generation-skipping transfer tax will be imposed. The gift tax annual exclusion is currently \$14,000 for an individual (\$28,000 for a married couple that elects to split gifts) and is periodically adjusted for inflation. If all gifts to the Beneficiary (including the contribution to the Account) are that amount or less, the contributor is not required to file a federal gift tax return, unless an election to split gifts is to be made.

A special federal gift tax provision unique to Section 529 plan contributions, however, allows contributions up to five times the federal gift tax annual exclusion (currently \$70,000 for an individual and \$140,000 for a married couple) to be given in one year without gift or generation-skipping transfer tax consequences if the contributor elects to treat the contributions as having been made ratably over a five-year period beginning in the calendar year the contribution is made. The amount of contributions in excess of the five-year exclusion amount cannot be treated ratably and is considered a gift, subject to federal gift and generation-skipping taxes in the year of the contribution. If the \$14,000 gift tax annual exclusion is increased during the five-year period, an additional contribution can be made in the remaining years without gift or generation-skipping tax consequences up to the difference between the new exclusion amount and the yearly prorated amount. The five-year election is made on a Federal Gift Tax Return (Form 709) by a contributor (and his or her spouse if gift-splitting has been elected) for the calendar year in which the contribution is made. If the contributor dies during the five-year ratable period, the portion of the contribution allocable to the remaining years (not including the year of death) would be included in computing the contributor's gross estate for federal estate tax purposes. Except for contributions of a contributor who dies during an elected five-year ratable period, assets in an Account are considered to be assets of the Beneficiary for federal estate tax purposes.

Even if a contribution exceeds the gift tax annual exclusion or, if elected, the five-year ratable gift tax exclusion, gift and generation-skipping taxes might not be owed. The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Authorization Act signed into law on December 17, 2010, provides for a unified gift and estate tax exclusion of \$5 million (made permanent by the American Taxpayer Relief Act of 2012). This means that if gifts given during the contributor's lifetime combined with the value of his or her estate upon death are less than \$5 million, they are not subject to transfer taxes. Accordingly, while gift tax returns are required for gifts in excess of the \$14,000 (subject to adjustment for inflation) gift tax annual exclusion, no actual gift tax will be due until the applicable exemption amounts have been exhausted.

2. Taxation of Earnings

During the time contributions are held in an Account, their earnings are not subject to federal taxes; that is, they are tax deferred.

Whether and how the earnings are taxed when a withdrawal is made depends on the type of withdrawal being made (see Part 2.D. above). With limited exceptions, the earnings portion of a Qualified Withdrawal is not subject to federal taxes; that is, Qualified Withdrawals are tax exempt. If applicable requirements are met, the earnings portion of the following withdrawals is exempt from federal taxation: Account Transfers, Plan Transfers, and Rollovers. The earnings portion of Specific Non-qualified Withdrawals and General Non-qualified Withdrawals is subject to federal income tax as ordinary income (not capital gains). However, the earnings portion of General Non-qualified Withdrawals is subject to an additional 10% federal tax. Withdrawals because of the Beneficiary's death are exempt from the additional 10% tax only if they are paid to the Beneficiary's estate.

The Internal Revenue Service currently requires the PA 529 IP to issue a Form 1099-Q for all withdrawals (excluding Account Transfers and Plan Transfers), regardless of whether the earnings are taxable. The Form 1099-Q will be issued to the Beneficiary if a withdrawal has been paid from the PA 529 IP to the Eligible Educational Institution or the Beneficiary; to the Beneficiary's estate if the withdrawal was paid to the estate; and to the Account Owner for all other withdrawals. All accounts in the PA 529, including both the PA 529 GSP and PA 529 IP, with the same Account Owner and Beneficiary will be aggregated for purposes of calculating the earnings portion of a withdrawal. This calculation will be made as of the withdrawal date.

Federal taxation of the earnings on Qualified Withdrawals may be impacted if other federal tax benefits for education (such as Coverdell Education Savings Accounts or the American Opportunity Credits) are used for the same Qualified Expenses. Consult IRS Publication 970, which is available at www.irs.gov/pub/irs-pdf/p970.pdf. Please consult that publication and/or a tax advisor to determine how the various programs interact and how best to use them. For tax-advantaged withdrawals (Qualified Withdrawals, Account Transfers, Plan Transfers, Rollovers, Specific Non-qualified Withdrawals), you should keep appropriate records to substantiate to the Internal Revenue Service that the requirements for benefiting from the tax advantage were met. If you use other federal tax benefits in the same tax year that you use your Account, you should keep appropriate records to substantiate the expenses for which each were used.

B. Pennsylvania Tax Treatment

1. Tax Provisions Related to Contributions

Pennsylvania law provides that, for individuals subject to Pennsylvania income tax, contributions made to an Account may be deducted from taxable income on the contributor's annual personal income tax return for the year in which the contribution was made. The maximum annual amount that may be deducted is limited to the amount of the federal gift tax annual exclusion, which is currently \$14,000 per Beneficiary per taxpayer. Married couples filing jointly can deduct up to \$28,000 provided each spouse has taxable income of at least \$14,000. The deductible amount will increase with any changes in the federal gift tax annual exclusion. The deduction cannot result in the taxable income being less than zero. Contributions that are Rollovers to the PA 529 IP from non-Pennsylvania 529 plans, reallocations of assets from the PA 529 IP, transfers of assets between PA 529 accounts, or the interest portion of redemption of qualified U.S. Savings Bonds are not eligible for the deduction.

2. Taxation of Earnings

During the time contributions are held in an Account, their earnings are not subject to Pennsylvania income taxes; that is, the earnings are tax deferred. Additionally, when withdrawn, the earnings are exempt from Pennsylvania income tax if they are federally tax exempt. This means that Qualified Withdrawals, Rollovers, Account Transfers, and Plan Transfers are not subject to Pennsylvania income tax if the applicable federal restrictions are met.

Non-qualified Withdrawals, both Specific and General, are subject to Pennsylvania income tax. Because contributions are income tax deductible as discussed above, if not used for Qualified Expenses, the entire withdrawal, both principal and earnings, might be subject to Pennsylvania income tax. Rules governing Pennsylvania taxation of Non-qualified Withdrawals are provided in the Pennsylvania Department of Revenue's Personal Income Tax Bulletin 2006-04, which is available at www.revenue.state.pa.us by clicking on "GENERAL TAX INFORMATION", "Tax Law: Policies, Bulletins & Notices", "Tax Bulletins", "Personal Income Tax", then "Personal Income Tax Bulletin 2006-04 – Qualified Tuition Programs".

3. Taxation of Transfers Including Inheritance Tax

The transfer of any legal interest in an Account, whether during life or as a result of the death of the Beneficiary or Account Owner, is exempt from all Pennsylvania taxation under certain conditions. This means that the assets in a PA 529 IP Account are generally not subject to Pennsylvania inheritance tax. Additionally, the designation of a new Beneficiary or the designation of a new Account Owner is not subject to Pennsylvania state or local taxes provided that the requirements for change of Beneficiary or Account Owner are met.

C. Other States' Tax Treatment

This Disclosure Statement summarizes the federal and Pennsylvania tax laws applicable to the PA 529 IP. Other states' tax treatment may differ based on the state or states in which you pay taxes. You should consult with your tax advisor about any state or local taxes, including income, gift, estate, inheritance, and generation-skipping transfer taxes. If you are not a Pennsylvania taxpayer, consider before investing whether your or the Beneficiary's home state offers a qualified tuition program that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's 529 plan. Please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's qualified tuition program[s], or any other qualified tuition program, to learn more about those plans' features, benefits, and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

D. Tax Reports

The PA 529 IP will report withdrawals and other matters to the Internal Revenue Service, the Account Owner or Beneficiary, and other persons, if any, to the extent required pursuant to federal, state, or local law, regulation, or ruling. Under federal law, IRS Form 1099-Q will be filed by the PA 529 Program with the Internal Revenue Service reporting withdrawals, whether taxable or tax-exempt (excluding Account Transfers or Plan Transfer). The form will also be sent to the Account Owner or Beneficiary, as appropriate, reflecting, among other information, the earnings portion withdrawn during the calendar year. The Internal Revenue Service currently requires the PA 529 IP to issue IRS Form 1099-Q to: (1) the Beneficiary if a withdrawal has been made from a UGMA or UTMA account, or paid directly to the Eligible Educational Institution, or to the Beneficiary; (2) to the Beneficiary's estate if the withdrawal was paid to the estate; and (3) to the Account Owner for all other withdrawals.

Part 4. Risk Factors

The PA 529 IP is designed to help families save for future Eligible Expenses in a tax-advantaged way. However, as is the case with most financial products, there are various risks associated with making contributions to a PA 529 IP Account. In addition to the investment risks of the Portfolios, described in Part 2.C.4., this section describes some of the additional risks, but does not constitute an exhaustive list of the factors you should consider before making a contribution. You may wish to consult your financial advisor before making a contribution.

A. Qualifying Tuition Plan

The Department intends to run the PA 529 IP in accordance with the requirements of Section 529 of the Tax Code. In the event that the PA 529 IP does not meet the requirements of Section 529, however, the tax advantages described in this Disclosure Statement may not be available to Account Owners or Beneficiaries, and there may be other adverse tax consequences as well. A potential Account Owner may wish to consult with a tax advisor.

B. Investment Risks

If you invest in the PA 529 IP, you may lose money, including your principal. The value of your Account may increase or decrease over time based on the performance of the Portfolio(s) you select. It is possible that, at any given time, your Account's value may be less than the total amount contributed. None of the PA 529 IP, the Department, the Commonwealth of Pennsylvania, Vanguard, or Ascensus College Savings makes any guarantee of, or has any legal obligations to ensure, a particular level of investment return. An investment in the PA 529 IP is not a bank deposit, and it is not insured or guaranteed by the federal government, the FDIC, the Commonwealth of Pennsylvania, or any other government agency.

Contributions to a PA 529 IP Account are invested in accordance with its Investment Guidelines, which are available at [PATreasury.gov](https://www.patreasury.gov). The Investment Guidelines are subject to change by the Department in its sole discretion.

In addition to the PA 529, there are other ways to save for college, including non-Pennsylvania 529 plans, Coverdell Education Savings Accounts, as well as other education savings and investment alternatives. These alternative programs may offer different investment vehicles, and may result in different tax and other consequences. They may have different eligibility requirements and other features, as well as fees and expenses that may be more or less than those charged by the PA 529 IP. You should consider other investment alternatives before establishing a PA 529 IP Account.

C. Plan Structure

Federal law restricts the frequency with which you may reallocate existing contributions in your PA 529 IP Account or make an Account Transfer, Plan Transfer, or Rollover. Other than choosing among the offered Investment Options, you do not control the investment instruments or asset allocation used. Your savings are considered less liquid than some other types of investments (for example, bank savings accounts or mutual funds) because the circumstances in which you may withdraw funds without a penalty or adverse tax consequences are more limited.

Even if you have reached the Maximum Contribution Limit for a Beneficiary, the balance in your Account may not be enough to cover all of the Beneficiary's Qualified Expenses.

If you take a General Non-qualified Withdrawal, for federal tax purposes the earnings will be taxable as ordinary income plus an additional federal tax of 10%. If you take a Specific Non-qualified Withdrawal, the earnings will be taxable as ordinary income without the additional federal tax of 10%. For Pennsylvania tax purposes, if the contributions were previously deductible (whether or not actually deducted) from Pennsylvania state income tax, the entire value of a General or Specific Non-qualified Withdrawal will be subject to Pennsylvania state income tax. (See Part 2.D.6. and 7. above.)

The amount of Qualified Expenses incurred by your Beneficiary could be less than the total value of your Account. If so, and if you do not or cannot change your Account to another Beneficiary, you will only be able to access the remaining value of your account through a General or, if available, Specific Non-qualified Withdrawal, and thus incur the adverse tax consequences noted in the previous paragraph.

The Department has the right to change your PA 529 IP Participation Agreement unilaterally and, in some instances, without prior notice to you, which could result in terms and conditions less favorable to the Account Owner and/or Beneficiary.

The Department reserves the right, in its sole discretion, to discontinue the PA 529 IP or to change any aspect of the Program. For example, the Department may change the PA 529 IP's fees and charges; add, subtract, or merge Portfolios; close a Portfolio to new investors; or change the Underlying Fund(s) of a Portfolio. Depending on the nature of the change, Account Owners may be required to participate in, or be prohibited from participating in, the change with respect to Accounts established before the change. Ascensus College Savings may not necessarily continue as Recordkeeping and Servicing Agent, and Vanguard may not necessarily continue as Investment Manager.

D. Change in Federal and State Law

Federal and state law and regulations governing Section 529 plans could change in the future. In addition, federal and state laws on related matters, such as the treatment for financial aid and bankruptcy, are subject to change. It is unknown what effect any future changes could have on an Account. The PA 529 IP reserves the right to modify the Plan as it deems necessary in its sole discretion, for such reasons as, but not limited to, ensuring compliance with state or federal laws and regulations, and preserving the Plan's status as a "qualified tuition program."

E. Impact on Eligibility for Financial Aid

An Account will not affect your Beneficiary's eligibility for Pennsylvania state financial aid – primarily grants provided through the Pennsylvania Higher Education Assistance Agency (PHEAA). However, having an Account may impact the determination of federal financial aid or financial aid determinations made by an Eligible Educational Institution.

For federal financial aid purposes, an Account owned by a parent or dependent student is considered an asset of the parent and is treated as other parental assets, such as savings accounts or mutual fund holdings. On average, about 6% of parental assets are considered in determining the "expected family contribution." If an independent student is the Account Owner, assets in the 529 account are treated as the student's assets and about 20% are considered in determining "expected family contribution." Independent students are defined as "any individual who (1) is 24 years of age or older; (2) is an orphan or ward of the court or was a ward of the court until the individual reached the age of 18; (3) is a veteran of the Armed Forces of the United States or is currently serving on active duty in the Armed Forces for other than training purposes; (4) is a graduate or professional student; (5) is a married individual; (6) has legal dependents other than a spouse; or (7) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances." An Account owned by a third party (someone other than a parent or the student) may impact the student's federal financial aid in an academic year after the academic year in which the Account has been used.

An Account Owner should consult a qualified financial aid advisor for further information on the impact of a 529 plan account on federal financial aid and on other forms of financial aid, including financial aid of states other than Pennsylvania and financial aid provided by educational institutions.

Financial aid rules are subject to change. The procedures and rules in effect when a Beneficiary applies for aid may be different than those described above.

F. No Guarantee of Admittance

Having a PA 529 IP Account does not guarantee that your Beneficiary will be admitted to, be allowed to continue to attend, or receive a degree from any educational institution or will be considered a resident for tuition purposes.

G. No Indemnification

The Commonwealth, Treasury Department, PA 529, Vanguard or Ascensus College Savings or any of their affiliates, will not indemnify any Account Owner or Beneficiary against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of a Commonwealth employee or arising from the acts, negligent or otherwise, of Vanguard or Ascensus College Savings or any service providers authorized by the PA 529 IP and retained by Vanguard or Ascensus College Savings.

H. Impact on Medicaid and other Federal and State Benefits

The effect of an Account on eligibility for Medicaid or other state or federal benefits is uncertain. It is possible that an Account will be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an Account during certain periods also may have the effect of delaying the disbursement of Medicaid payments. You should consult a qualified advisor to determine how a 529 plan account may affect eligibility for Medicaid or other state and federal benefits.

I. No Security Registration

There has been no registration in connection with the PA 529, the PA 529 IP, or the PA 529 GSP with the U.S. Securities and Exchange Commission or with any state securities commission.

Part 5. Scholarship Accounts

A. Establishment

The Commonwealth of Pennsylvania (including its agencies), any political subdivision thereof, and any organization that is exempt from federal income taxation under Section 501(a) and described in Section 501(c)(3) of the Internal Revenue Code may open a PA 529 IP Account for the purpose of providing a scholarship. Before a PA 529 IP Account intended to be such a Scholarship Account is opened, the prospective Account Owner must register its scholarship program with the PA 529 IP. To register, the Account Owner must provide a description of the scholarship program including, but not limited to, the criteria established by the prospective Account Owner for its future selection of the Beneficiary and any other information that the PA 529 IP requires.

B. Holding Account

The PA 529 IP may permit an entity establishing a Scholarship Account to have one "Holding Account" in which contributions for more than one future Beneficiary (to be chosen at a later date) may be held. At the time a scholarship is awarded, the sponsoring entity Account Owner may open a separate account for the then-identified scholarship recipient and transfer contributions (and attendant growth) from the Holding Account to the account designating the recipient as the Beneficiary.

C. Terms and Conditions

All terms and conditions for a non-scholarship IP Account shall be the same for a "Scholarship Account" with the following exceptions:

- (1) The Beneficiary does not need to be designated when the PA 529 IP Account is opened but must be designated no later than the time the PA 529 IP Account is used to pay Qualified Higher Education Expenses. The designation of a Beneficiary for one academic period does not give that Beneficiary any entitlement to use the Scholarship Account for any other academic period. The Account Owner may designate different Beneficiaries for different academic periods.
- (2) The Maximum Contribution applicable to a non-scholarship account does not apply.
- (3) Depending on individual circumstances, use of a Scholarship Account for Qualified Higher Education Expenses may constitute receipt of a scholarship that, under Internal Revenue rules, may exempt the Beneficiary from paying federal income tax on any part of the PA 529 IP Account that is used for such purpose, whether or not the amounts so used would be exempt from federal income tax at such time in the case of a non-scholarship PA 529 IP Account.

Part 6. Programs to Augment Your Savings

A. SAGE Scholars Tuition Rewards

SAGE Scholars Tuition Rewards (“SAGE”) is a free scholarship program available to those who use the PA 529 IP to save for college. Based on the value of your PA 529 IP Account, you earn Tuition Reward Points that can reduce undergraduate level tuition at SAGE participating private colleges and universities.

Points are earned each calendar quarter in an amount equal to 2.5 percent times the value of the Account on the day the calculation is made, which will be between the 20th and last day of the last month of each calendar quarter. An Account will earn a minimum of 250 Points per quarter. SAGE may, from time to time, in its sole discretion, increase the earnings percentage. Points accumulate from quarter to quarter. If the Beneficiary attends one of the SAGE member schools starting with the freshman year, earned Tuition Reward Points entitle the Beneficiary to a discount in tuition of \$1.00 per Point. The maximum discount that will be honored varies by school but is generally one year of tuition spread evenly over four years. Currently, there are over 340 SAGE participating schools. For students starting in fall 2015, the discounts are between \$8,500 and \$49,542.

To participate, your Beneficiary must be enrolled in SAGE no later than his or her 16th birthday; Tuition Reward Points stop accumulating on the student’s 17th birthday. (An extension of the discount earnings period may be granted if the student is over 17 and has not entered the senior year in high school. To inquire about an extension, contact Customer Service at 1-800-440-4000.) You may enroll in SAGE on the PA 529 IP Enrollment Application, by submitting a written form signed by the Account Owner, or through “My Account” access on PA529.com. When you enroll in SAGE, your SAGE account will be credited with 500 Tuition Reward Points for each of your PA 529 IP Accounts that you enroll. You may earn another 500 Points (per Account Owner, not per Account) by registering with SAGE at www.tuitionrewards.com. Once registered with SAGE, you will be able to track the accumulation of your Tuition Reward Points at that website.

By enrolling in SAGE through PA 529 IP, you give the Plan permission to provide SAGE with information from your PA 529 IP Account so that your Tuition Reward Points may be calculated and credited to your SAGE account.

To claim your discount, when you apply at a SAGE participating school, you must notify the school of your enrollment in SAGE and submit your student’s Reward Points. You must also be registered with SAGE through its website. A SAGE participating college may not take your enrollment in SAGE into consideration – either positively or negatively – when making its admission decision. **However, the school may consider the tuition discounts to which you are entitled in making its financial aid award decisions. The school, at its sole discretion, may add the SAGE tuition discounts on top of the aid you would have received without it or may reduce the aid, if any, you would have received by the amount of your SAGE tuition discounts.**

The SAGE Scholars Tuition Rewards program is offered and administered by SAGE Scholars, Inc., a private for-profit corporation. SAGE Tuition Reward points are offered to PA 529 IP Account Owners pursuant to a contract between SAGE and the Pennsylvania Treasury. SAGE is not sponsored by or affiliated with Ascensus College Savings.

SAGE Scholars, Inc. has contractual agreements with each SAGE participating school through which the school agrees to provide tuition discounts based on the amount a family has saved in certain approved savings vehicles. The PA 529 IP is one of the approved savings vehicles. The total tuition discount under SAGE used by one student may not exceed the maximum tuition discount amount honored by the particular SAGE participating school attended by the student regardless of the number of SAGE Scholars, Inc., approved savings vehicles that have been used by the Account Owner.

SAGE Scholars, Inc. provides SAGE participating colleges the names and contact information of the student Beneficiaries enrolled in SAGE so that each participating school may contact them to encourage consideration of attending that school. When you enroll in SAGE through the PA 529 IP, you are granting the PA 529 IP permission to provide information on your Beneficiaries to SAGE Scholars, Inc., so that it may provide that information to SAGE participating schools.

SAGE tuition discounts earned through the PA 529 IP can be transferred from one Beneficiary to another Beneficiary by an Account Owner if the receiving Beneficiary is a Family Member of the Beneficiary from whom the tuition discounts are being transferred and the receiving Beneficiary has not yet entered his or her senior year in high school. SAGE and the PA 529 reserve the right to waive these restrictions on transfers for good cause. If a transfer is made between Beneficiaries, the 500-point SAGE student bonus given at enrollment may not be transferred, but the 500 points given to the Account Owner for registering at the website may be. Once a PA 529 IP Account is closed, unused SAGE tuition discounts may not be transferred.

Your enrollment in the SAGE Scholars Program through the PA 529 IP is subject to the terms and conditions of participation in the SAGE Scholars Program, which may be changed from time to time. These terms and conditions as well as other information on the SAGE Scholars Program, including the current list of SAGE participating schools and the maximum tuition discount honored by each participating school, can be obtained online at www.tuitionrewards.com.

B. Upromise Service®

The Upromise Service is an online service designed to help families earn extra money for college. Upromise Service members get back a percentage of their qualified spending with hundreds of America's leading companies. When you sign up for the Upromise Service, you can earn a percentage back by shopping online or in-store, eating out, buying groceries, purchasing travel, and more.

You can join the Upromise Service online at the conclusion of completing your online enrollment for the PA 529 IP or by going directly to the Upromise Service website, www.Upromise.com/PA. Once you enroll in both the Upromise Service and the PA 529 IP, your accounts can be linked so that the savings in your Upromise Service account is automatically transferred to your PA 529 IP Account on a periodic basis. The minimum amount for an automatic transfer from a Upromise Service account to a PA 529 IP Account is \$25. Contributions made from the Upromise Service to your PA 529 IP may be deducted from your Pennsylvania taxable income subject to the total dollar limitation of the Pennsylvania tax deduction.

Upromise Service is offered by Upromise, Inc. This Disclosure Statement provides information concerning the PA 529 IP, and is not intended to provide detailed information concerning the Upromise Service. The Upromise Service is an optional service, is separate from the PA 529, and is not affiliated with the Commonwealth of Pennsylvania or the Treasury Department. Terms and conditions apply to the Upromise Service. Participating companies, contribution levels, and terms and conditions are subject to change at any time without notice. Go to www.Upromise.com/PA to learn more.

Part 7. Additional Legal and Administrative Information

A. The Investment Guidelines

The Investment Guidelines applicable to the PA 529 IP may be changed by the Department at any time. The current Investment Guidelines are available by calling 1-800-440-4000 or at PATreasury.gov.

B. PA 529 IP Procedures and Requirements

Your Account and your PA 529 IP Contract are subject to all procedures and requirements adopted by the PA 529 IP from time to time. Additionally, the PA 529 IP reserves the right to:

- Refuse, change, discontinue, or temporarily suspend Account services, including accepting contributions and processing withdrawal requests, for any reason.
- Delay sending out the proceeds of a withdrawal request.
- Refuse, following receipt of a contribution, withdrawal requests relating to that contribution for up to 13 days.
- Suspend the processing of withdrawal requests or postpone sending out the proceeds of a withdrawal request under any emergency circumstances.

C. Availability of Financial Statements and Other Reports

Upon request, Account Owners will be sent the annual audited financial report of the PA 529 IP, the annual report to the Governor and General Assembly, and any other official documents and reports issued by the PA 529 IP, if any. These may also be available at PA529.com. Thomas & Thomas LLP, an independent registered public accounting firm, prepares the audited financial report of the PA 529 IP.

The Bank of New York Mellon provides custody services with respect to the PA 529 IP.

D. Suitability

The PA 529 IP, the PA 529, the Department, the Commonwealth of Pennsylvania, Ascensus College Savings, and Vanguard make no representations regarding the suitability of the PA 529 IP's Investment Options for any particular investor. Other types of investments and other types of college savings vehicles may be more appropriate depending upon your personal circumstances. Please consult your tax or investment advisor for more information.

E. Not an Offer to Sell

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

F. Federal Bankruptcy Exemption for Certain Contributions to Accounts

Federal bankruptcy laws exempt from an Account Owner's creditors certain funds contributed to an account under a Section 529 qualified state tuition program. The exemption protects (i) up to \$6,225 contributed to the account at least 365 days and within 720 days before the bankruptcy filing and (ii) all contributions and associated earnings (up to the maximum contribution amount which is currently \$452,210) made more than 720 days before the bankruptcy filing, providing in both cases that the Beneficiary of the Account during the tax year in which the contribution was made was a child, stepchild, grandchild, or step-grandchild of the Account Owner.

G. Abandoned and Unclaimed Accounts

States' unclaimed property laws may require the PA 529 IP to turn over certain Accounts deemed to be abandoned or unclaimed to the custody and control of the state of the last known residence of the Account Owner. Unclaimed property laws vary by state including the circumstances under which an Account is deemed to be abandoned or unclaimed and the consequences of such a designation. If the PA 529 IP is required to turn over an Account as abandoned or unclaimed property, depending on the law of the applicable state, the PA 529 IP or the receiving state may need to liquidate the Account, and, once liquidated, there might be no additional growth on the Account. If an Account is turned over, in order to reclaim the Account, the Account Owner would need to follow the receiving state's procedures for claiming abandoned or unclaimed property.

H. Limitation on Pledges, Assignments, and Loans

Your PA 529 IP Account may not be pledged as security for a loan or debt. You may not borrow amounts in your Account.

I. Information Subject to Change

The information in this Disclosure Statement is believed to be accurate as of the cover date but is subject to change without notice. No one is authorized to provide information that is different from the information in the most current form of this Disclosure Statement and any amendments to this Disclosure Statement.

J. Important Reference Material

Please keep this Disclosure Statement for future reference. This document gives you important information about the PA 529 IP, including information about investment risks, and the terms under which you agree to participate in the PA 529 IP.

K. Conflicts

In the event of any conflicts, the Pennsylvania Statutes, the U.S. Internal Revenue Code, and any regulations promulgated pursuant to those laws shall prevail over this Disclosure Statement.

Appendix A: PA 529 IP Participation Agreement

1. I hereby agree that by opening a Pennsylvania 529 Investment Plan Account, I am entering into a contract (the "Contract") with the Commonwealth of Pennsylvania, Treasury Department (the "Department"), the Pennsylvania 529 College Savings Program ("PA 529"), and the Pennsylvania 529 Investment Plan ("PA 529 IP") as authorized by the Tuition Account Programs and College Savings Bond Act, Act of 1992, April 3, P.L. 28, No. 11, 24 P.S. 6901.101, et seq., as amended (the "Enabling Law"). The Contract includes this Participation Agreement, the PA 529 IP Disclosure Statement, and the Enrollment Application. By signing and submitting the Enrollment Application, I am agreeing to the terms and conditions set forth in these documents. I acknowledge that each capitalized term used but not defined in this Participation Agreement has the same meaning as it has in the PA 529 IP Disclosure Statement ("Disclosure Statement") and/or the Enabling Law.
2. I have received and have had an opportunity to read the Disclosure Statement. I have been given the opportunity to obtain answers to all of my questions concerning the PA 529, the PA 529 IP, my Account, and the Contract. I understand that the Contract shall become effective upon the opening of the Account. In making a decision to open an Account and enter into this Contract, I have not relied upon any representations or other information, whether oral or written, other than as set forth in this Contract.
3. I understand that, subject to all applicable state and federal laws, rules, and regulations, the Contract is the complete and exclusive statement of the agreement between the Department, the PA 529, the PA 529 IP, and me. I understand that the Contract supersedes any prior agreement, oral or written, and any other communications between the Department (through any means and by any individuals) relating to the subject matter of the PA 529 IP. The Department and the PA 529 IP make every effort to ensure that all documentation about the PA 529 IP is accurate. If, however, there is a conflict between any such documentation and the Contract, the terms described in the Disclosure Statement shall take precedence followed by the PA 529 IP Participation Agreement.
4. I understand that the qualification of the PA 529 IP as a "qualified tuition plan" under Section 529 of the Internal Revenue Code is critical to the PA 529 IP and its participants, and agree that the Contract may be amended by the Department or the PA 529 IP at any time without my consent or prior notice if the Department or PA 529 IP determines that such an amendment is required for the PA 529 IP to be qualified.
5. I understand and agree that the Department and the PA 529 IP reserve the right, upon written notice and without my consent, to modify the Contract, as deemed necessary by the Department in its sole discretion, for such reasons as, but not limited to, ensuring compliance with state or federal laws and regulations and ensuring the proper administration of the PA 529 IP. To the extent, if any, that the Contract references procedures, the Department and the PA 529 IP reserve the right to change those procedures.
6. I certify that I am opening and contributing to my Account to provide funds for the Qualified Higher Education Expenses of the Beneficiary. I understand that any contribution, or portion of such contribution, that causes the total Account balance in the aggregate for all Accounts (regardless of who owns the Accounts) for the same Beneficiary both in the PA 529 IP and the Pennsylvania 529 Guaranteed Savings Plan ("PA 529 GSP") to exceed the applicable Maximum Contribution Limit (currently \$452,210 but subject to change) will be rejected and returned. I understand that taking a withdrawal for any reason other than the payment of Qualified Expenses may subject that withdrawal to federal and Pennsylvania state taxes and penalties.
7. I recognize that saving in the PA 529 IP involves certain risks, and I have taken into consideration and understand the risks including, but not limited to, those set forth in the Disclosure Statement.
8. With respect to each Investment Option, I understand and acknowledge that neither my contributions nor investment returns so allocated to my Account are guaranteed or insured by any person or entity. I understand that there is no guarantee that the Plan's investment objectives will be achieved. I further acknowledge that neither the Department nor the TAP Advisory Board may pledge the credit or taxing power of the Commonwealth. Nothing in the Contract shall be deemed or construed as an express or implied waiver of the sovereign immunity of the Commonwealth of Pennsylvania, the Department, the PA 529, or the PA 529 IP, or as a pledge of the full faith and credit of the Commonwealth.
9. I understand that none of the Commonwealth, the Department, or any consultant, advisor, or other entity retained by the Commonwealth or the Department has any debt to me, the Beneficiary, a contributor to an Account, or any other person as a result of the establishment of a PA 529 IP Account, and that none of such parties assumes any risk or liability for funds contributed to the PA 529 IP.

10. I understand that, other than directing new contributions among the Investment Options, I have no authority to direct the investment of any assets in my PA 529 IP and that, while I may move my assets to other 529 plans, including the PA 529 GSP, and between PA 529 IP Accounts, without incurring federal and/or Pennsylvania tax consequences and penalties, there are restrictions and limitations on my doing so.
11. I acknowledge and agree that no PA 529 IP Account may be used as collateral for any loan. Any attempted use of a PA 529 IP Account as collateral for a loan shall be void.
12. I acknowledge and agree that I may not assign or transfer any interest in any PA 529 IP Account except as provided in the Contract or as required by law (including transfers of record ownership from a custodian of an Account established for a minor under UGMA or UTMA when the minor reaches the age of majority). Any other attempted assignment or transfer of such interest shall be void.
13. I acknowledge and agree that the PA 529 IP is established and maintained by the Commonwealth and the Department pursuant to the Enabling Law and other applicable laws and is intended to qualify for certain federal income tax consequences under Section 529 of the Internal Revenue Code. I further acknowledge that such federal and state laws are subject to change, sometimes with retroactive effect, and that none of the Commonwealth, the Department, the PA 529, the PA 529 IP, contractor, or any advisor, consultant, or other entity retained by any such party makes any representation that such state or federal laws will not be changed or repealed or that the terms and conditions of the PA 529 IP will remain as currently described in the Contract.
14. I certify that all information provided by me or on my behalf in the Enrollment Application, any supplement thereto, or to any other portion of the PA 529 IP Plan Contract, and in any documents, notices, or certifications delivered under the PA 529 IP Plan Contract, is and will be true and correct. I will promptly notify the PA 529 IP of any changes to any such information.
15. I understand and acknowledge that there is no guarantee or commitment whatsoever from the Commonwealth of Pennsylvania, the Department, the PA 529, the PA 529 IP, or any other person or entity that (a) actual higher education expenses will be equal to projections and estimates, if any, provided by the PA 529 IP, (b) the Beneficiary will be admitted to any institution (including an Eligible Educational Institution), (c) upon admission to an institution, the Beneficiary will be permitted to continue to attend, (d) upon admission to an institution, state residency will be created for tuition, tax, financial aid eligibility, or any other purpose for the Beneficiary, (e) the Beneficiary will graduate or receive a degree from any institution, or (f) contributions and investment returns in this Account will be sufficient to cover the Qualified Higher Education Expenses of the Beneficiary even if they meet or exceed the Maximum Contribution Limit.
16. To the extent, if any, that I am entering into the Contract in a representative or fiduciary capacity, I have full power and authority to enter into and perform the Contract.
17. I understand that I may cancel the Contract at any time by written notice to the PA 529 IP and that if, in doing so, I take a Qualified Withdrawal or Non-qualified Withdrawal, the provisions governing those will be applicable.
18. I understand that any contractor engaged by the Department or the PA 529 IP in fulfillment of its powers and duties under the Enabling Law is a third-party beneficiary of my statements, agreements, representations, warranties, and covenants in the Contract.
19. I recognize that the establishment of any PA 529 IP Account will be based upon my statements, agreements, representations, warranties, and covenants set forth in the Contract, and I agree to indemnify and hold harmless the Commonwealth, the Department, the PA 529, the PA 529 IP, a contractor, and any representatives or contractors of any such party from and against any and all loss, damage, liability, or expense, including costs of reasonable attorney's fees, to which they may be put or which they may incur by reason of, or in connection with, any misstatement or misrepresentation made by me or a Beneficiary, any breach by me of the acknowledgments, representations, or warranties contained in the PA 529 IP Participation Agreement, any failure to fulfill any covenants or agreements set forth herein, or any action taken by such party in accordance with the terms of the Contract. If the indemnification provided for in this paragraph is unavailable, in whole or in part, or is insufficient to hold an indemnitee harmless, then I agree to contribute to the amount paid or payable by the indemnitee in such proportion as is appropriate to reflect the relative benefits received by the indemnitee and me in connection with my PA 529 IP Account(s) or, if such allocation is not permitted by applicable law, in such proportion to reflect not only the relative benefits received but also the relative fault of the indemnitee and me. The relative benefits received by a party shall be the total revenue derived by each party from the transaction(s) underlying the claim subject to indemnification or contribution. The relative fault shall be determined by reference to the act or acts committed by each party in the transaction(s) underlying the claim subject to indemnification or contribution and the parties' relative intent, knowledge, access to information, and opportunity to prevent or correct the act

or acts committed by each party in the transaction(s) underlying the claim subject to indemnification or contribution. All of my statements, representations, warranties, or covenants, and this paragraph, shall survive the termination of the Contract.

20. I acknowledge and agree that the PA 529 IP may at any time, and from time to time, be suspended or terminated. But, except as otherwise expressly provided herein, the Account may not be diverted from me or my Beneficiary's exclusive benefit. Nothing contained in the Contract shall constitute an agreement or representation by the Department, the PA 529, the PA 529 IP, or any other party that the PA 529 IP will be maintained indefinitely. Any amendments to statutes or regulations governing the PA 529 IP automatically amend the Contract, and any amendments to operating procedures and policies of the PA 529 IP will amend the Contract when such amendments become effective. Nothing in the Enabling Law or the PA 529 IP Plan Contract may be construed to give a Beneficiary any rights or legal interest in a PA 529 IP Account unless the Beneficiary is also the Account Owner.
21. All factual determinations regarding a Beneficiary's Disability, Family Members, Material Misrepresentations, and any other factual determinations regarding the Contract will be at the sole discretion of the Department or the PA 529 IP.
22. The Contract will be construed in accordance with the laws of the Commonwealth of Pennsylvania.
23. In the event that any clause or portion of the Contract is found to be invalid or unenforceable by a court of competent jurisdiction, at the option of the Department or the PA 529 IP, the Contract may be deemed void, or that clause or portion found to be invalid will be severed from the Contract and the remainder of the Contract will continue in full force and effect as if such clause or portion had never been included.
24. **Any controversy or claim arising out of or relating to the PA 529 IP or the Enrollment Application, or the breach, termination, or validity of the Investment Plan or the Enrollment Application, to the extent allowed under the Commonwealth's statutory waiver of Sovereign Immunity, shall be settled by arbitration administered by the American Arbitration Association (the "AAA") in accordance with its Commercial Arbitration Rules (except that if Vanguard or Ascensus College Savings is a party to the arbitration, it may elect that arbitration will instead be subject to the Code of Arbitration Procedure of the Financial Industry Regulatory Authority), which are made part of this Agreement, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.**

By signing an Enrollment Application and upon acceptance of my first contribution by the PA 529 IP, I and the other parties to the PA 529 IP agree as follows:

- a. All parties to the PA 529 IP are giving up important rights under state law, including the right to sue each other in court and the right to a trial by jury, except as provided by the rules of the arbitration forum;
- b. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited;
- c. The ability of the parties to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings;
- d. The potential costs of arbitration may be more or less than the cost of litigation;
- e. The arbitrators do not have to explain the reason(s) for their award;
- f. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry;
- g. The rules of the arbitration forum may impose time limits for bringing a claim in arbitration;
- h. In some cases, a claim that is eligible for arbitration may be brought in court; and
- i. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action, who is a member of a putative class who has opted out of the class with respect to any claims encompassed by the putative class action until (1) the class certification is denied, or (2) the class is decertified, or (3) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent set forth in this section.



Vanguard®

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