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Program Description

December 31, 2023



NJBEST 529 COLLEGE SAVINGS PLAN – NEW JERSEY

For account owners who are, or whose beneficiaries are, residents of New Jersey investing in the New Jersey Better Educational Savings Trust (NJBEST) program without a financial professional, and for certain other account owners described herein who are investing without a financial professional

This Program Description and the attached Participation Agreement, as of the date shown on the cover, supersedes all prior versions of the Investor Handbook previously provided to account owners investing in the NJBEST 529 College Savings Plan (the "Plan"). This Program Description includes appendices and any supplements thereto, and contains important information to be considered in deciding to contribute to the Plan. It should be read thoroughly in its entirety and retained for future reference.

No party is authorized by the New Jersey Higher Education Student Assistance Authority ("HESAA") to provide information other than as contained in this Program Description and, if provided, such other information must not be relied upon as having been authorized by HESAA.

Information contained in this Program Description is believed to be accurate as of its date, but is subject to change without notice and neither the delivery of the Program Agreement nor acceptance of any contribution shall, in any circumstances, create any implication that there has been no change in the Plan or in other matters addressed in this Program Description since its date.

Plan accounts are not bank deposits and are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other state or federal agency. The value of any account at any time may be more or less than the amount invested in the account.

None of: (1) the State of New Jersey, (2) HESAA, (3) Franklin Templeton or any entity affiliated therewith, (4) any consultant or adviser retained by any such party, or (5) any other person; guarantee or insure any accounts established under the Plan, the principal deposited or the investment return. Owners of accounts in the Plan assume all investment risk, including the potential loss of principal, and liability for income taxes and/or additional income taxes such as those levied for non-qualified distributions.

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

The relative risks and potential rewards of investing under any of the Plan's investment options vary considerably. This Program Description does not constitute a recommendation, and no party described in this Program Description recommends any investment by any particular account owner in the Plan or in any investment option(s). Neither the Plan nor any other person described in this Program Description has determined or assumed any obligation to determine whether any investment by any account owner under any particular investment option or combination of the investment options is suitable or appropriate.

For the NJBEST 529 College Savings Plan described in this document, except as provided in the following sentence, either the Account Owner or the Beneficiary of an Account must be a New Jersey resident. This Plan is also available to Account Owners who are employees of any Franklin Templeton company (or their immediate family) who do not reside in New Jersey, if contributions are made directly to the applicable Account without the use of a Financial Professional. However, you should note that: (1) depending upon the laws of the home state of the account owner of, third-party contributor (if applicable) to or beneficiary of the account, favorable state tax treatment or other benefits offered by the applicable home state for investing in qualified tuition programs ("QTPs" as defined below), such as financial aid, scholarship funds, and protection from creditors, may be available only for investments in such home state's QTP tuition program; (2) any state-based benefit offered with respect to a particular QTP should be one of many appropriately weighted factors to be considered in making an investment decision; and (3) the account owner or (if applicable) third-party contributor should consult with a financial, tax or other adviser to learn more about how state-based benefits (including any limitations) would apply to the account owner's, third-party contributor's (if applicable) and beneficiary's specific circumstances and may also wish to contact the home state of the account owner, third-party contributor (if applicable) and/or beneficiary, or any other QTP, to learn more about the features, benefits and limitations of the applicable state's qualified tuition program.

QTPs, including the Plan, are intended to be used only to save for Qualified Higher Education Expenses (QHEE), which include certain tuition expenses at elementary or secondary schools as described in this Program Description. Such programs 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.

Interests in the Plan have not been registered with, and this Program Description has not been reviewed by the U.S. Securities and Exchange Commission or any state securities commission.

Capitalized terms are defined in the "Glossary of Terms" section at the end of this document before the appendices or elsewhere in this Program Description.

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Introduction

This Program Description describes the NJBEST 529 College Savings Plan (the “Plan”).

The State of New Jersey (the “State”) established the New Jersey Better Educational Savings Trust (NJBEST) Program (the “Program”) to allow Account Owners (as defined below) and Beneficiaries under the Program to qualify for federal tax benefits as participants in a Qualified Tuition Program” (“QTP”) under Section 529 of the Code. The State also provides favorable state tax treatment for State taxpayers participating in the Program and additional non-tax benefits for State residents participating in the Program.

HESAA is responsible for establishing and maintaining the Program on behalf of the State. HESAA administers the Program and is authorized to select investment managers, adopt regulations and provide for the performance of other functions necessary for the operation of the Program. Program assets are held by the New Jersey Better Educational Savings Trust (NJBEST) (the “Trust”). HESAA, as the trustee of the Trust, has appointed Franklin Distributors, LLC (“FD”) as the current Program Manager. FD, directly or through affiliated or non-affiliated entities, provides certain services for the Program.

The Program currently includes the NJBEST 529 College Savings Plan, which is described in this Program Description, and the Franklin Templeton 529 College Savings Plan (the “FT529 Plan”), which is separate and not offered under, or described in, this Program Description. This Program Description is applicable to contributions to the Investment Options under the Plan by: individuals who are, or whose Beneficiaries are, New Jersey residents, and who invest contributions directly without the assistance of Financial Professionals; or Account Owners who are employees of any Franklin Templeton company (or their immediate family members) who do not reside in New Jersey, if contributions are made directly to the applicable Account without the assistance of a Financial Professional. A separate Program Description is available from the Program Manager for persons who invest contributions through Financial Professionals in the FT 529 Plan. The New Jersey Department of the Treasury, Division of Investments serves as investment manager for certain other investment options (the Division Investment Options) that are part of the Plan, but are no longer available to new investors and are not offered under, or described in, this Program Description.

An investment account under the Plan is established by an Account Owner for the benefit of an individual designated as the beneficiary. There are several investment portfolios to which contributions made to the account may be allocated by the Account Owner. Each of such portfolios invests in one or more underlying mutual funds and/or exchange-traded funds (“ETFs”) that are approved by HESAA and selected by the Plan’s investment manager, which is affiliated with FD. Such mutual funds and/or ETFs may be changed from time to time by the Plan’s investment manager and/or HESAA. Account owners own interests in the Trust’s investment portfolios to which account assets are allocated, not in the underlying mutual funds or ETFs. You can lose money, including the principal amount you invest. See “RISK FACTORS” below.

To contact the Plan and to obtain Plan forms:

Visit the website at www.NJBEST.com

Call toll-free Monday through Friday, 8:30 am to 8:00 pm (Eastern Time)

(877) 4NJ-BEST/465-2378

Write to: NJBEST 529 College Savings Plan

P.O. Box 33090

St. Petersburg, Florida 33733-8090

Key Features and Parties

This section describes certain key features of the Plan, but it is important that you read the entire Program Description for detailed information.

Feature/Party	Description	Additional Information
HESAA	The New Jersey Higher Education Student Assistance Authority, which established and maintains the Plan.	<i>Program Management, page 39.</i>
Program Manager	Franklin Distributors, LLC (the “Program Manager” or “FD”).	<i>Introduction, page 1; Franklin Templeton, page 39.</i>
Eligible Account Owner	Any individual who has reached the age of majority, or any corporation, trust or other entity, provided they reside in a state or jurisdiction where Trust Shares are eligible for sale. The Account Owner or the Beneficiary must be a New Jersey resident or an employee of any Franklin Templeton company (or such employee’s immediate family member) investing without the assistance of a Financial Professional.	<i>Opening an Account, page 5.</i>
Eligible Beneficiary	An individual designated by the Account Owner; does not have to be a United States citizen or, if the Account Owner is otherwise eligible to establish an Account, a New Jersey resident, but must have a Social Security Number, an Internal Revenue Service Individual Taxpayer Identification Number.	<i>Opening an Account— Selecting a Beneficiary, page 5.</i>
Changing the Beneficiary	The Account Owner can change the Beneficiary of the Account to a different Beneficiary who is a “member of the family” of the prior Beneficiary, as described below.	<i>Making Changes to Your Account—Changing a Beneficiary, page 10.</i>
Other Uses of Account	If the Beneficiary of an Account does not fully use the amounts in the Account for Qualified Higher Education Expenses (“QHEE”), or if the Account Owner needs to make use of the Account for other purposes, the Account Owner can direct a Roth IRA distribution from the Account, subject to the restrictions thereon. The Account Owner can also direct a distribution for any other purpose, subject to federal taxation of the earnings portion of the distribution as described below and a potential 10% tax penalty on such earnings. State and local income taxes may also be applicable to the distributed earnings.	<i>Additional Considerations—If all Plan Assets Are Not Used for the Beneficiary’s Education Costs, page 12.</i>
Minimum Initial Contribution	\$25 per investment portfolio option.	<i>Contributing to an Account—Contribution Limits, page 7.</i>
Maximum Account Balance	The Maximum Contribution Limit for all accounts established within the Program for the same Beneficiary is currently \$305,000.	<i>Contributing to an Account—Contribution Limits, page 7.</i>
Giftng/ Crowd-funding an Account through Spryng	Spryng is a personal crowdfunding tool designed to encourage family and friends to make contributions to an Account. This gifting tool is available online and takes just a few minutes to set up and share with friends and family. For more information see: njbest.com/gifting-education/spryng .	<i>Contributing to an Account—Methods of Contributing—Spryng, page 9.</i>

Feature/Party	Description	Additional Information
Qualified Distributions	Distributions from an Account used to pay for the Qualified Higher Education Expenses (“QHEE”) of the Beneficiary. These withdrawals are federal income tax free.	<i>Tax Information—Federal Tax Treatment—Qualified Distributions, page 41.</i>
Investment Options	<ul style="list-style-type: none"> • Age-based asset allocation portfolios in each of 3 investment risk styles (conservative, moderate and growth). • 6 objective-based asset allocation portfolios. • 14 individual fund portfolios. 	<i>Investment Options, pages 13-20.</i>
Changing Investment Options	The Account Owner can exchange amounts previously contributed to an Account into one or more different Investment Options twice per calendar year or whenever there is a permissible change in the Beneficiary of the Account. New contributions can be invested in any available Investment Options at the time the contributions are made.	<i>Making Changes to Your Account-- Changing Investment Options, page 10.</i>
Federal Tax Treatment	<ul style="list-style-type: none"> • Earnings accrue free of federal income tax. • Qualified Distributions are not subject to federal income tax. • No federal gift tax consequences on contributions of up to \$90,000 (single filer) and \$180,000 (married couple electing to split gifts) if prorated over 5 years. • Contributions are generally considered completed gifts to the Beneficiary for federal gift and estate tax purposes. • Distributions other than Qualified Distributions, Rollover Distributions, Roth IRA Distributions and Qualified Refund Distributions are subject to ordinary federal income tax, and may be subject to an additional 10% tax penalty, on the earnings component. 	<i>Tax Information – Federal Tax Treatment, page 40.</i>
New Jersey Tax Treatment	<ul style="list-style-type: none"> • New Jersey tax benefits related to the Plan are available only to New Jersey taxpayers. State tax treatment for taxpayers in other states may differ. • Account earnings are exempt from New Jersey state tax if withdrawn to pay for QHEE. • An Account Owner or Third Party Contributor with gross income of \$200,000 or less may deduct up to \$10,000 from gross income for purposes of determining New Jersey personal income tax for such taxpayer’s contributions for the applicable year to one or more Accounts. • The amount of any such deductions deemed withdrawn from an Account as part of a distribution that is not (i) a Qualified Distribution relating to attendance at an Eligible Educational Institution or (ii) a Rollover Distribution to another QTP account or to a Qualified ABLE Program account will be included. • The amount of any such deductions from New Jersey personal income tax withdrawn from an Account as part of a distribution that is not (i) a Qualified Distribution or (ii) a Rollover Distribution to another QTP account or to a Qualified ABLE Program account will be included as gross income for purposes of determining New Jersey personal income tax in the year of the subject distribution. 	<i>Tax Information--State Income Tax Treatment – State of New Jersey, page 46.</i>

Feature/Party	Description	Additional Information
Fees and Expenses	<ul style="list-style-type: none"> The Program fee of 10 basis points (0.10 percent) per annum assessed daily against the assets of each portfolio except the Franklin U.S. Government Money 529 Portfolio. The Program fee, which is subject to change by HESAA, provides compensation for the services of FD, Franklin Mutual Advisers and other affiliates of FD and includes the Authority Administrative Fee which compensates HESAA for its program services. Investment management fees and other expenses of mutual funds and ETFs in which Plan portfolios invest; these indirectly reduce the investment returns on amounts invested. Possible brokerage fees associated with the purchase or sale of ETFs that also affect the investment return. 	<i>Fees and Expenses, pages 31-36.</i>
Risk Factors	<ul style="list-style-type: none"> Investments in an Account are not guaranteed or insured. You could lose money, including amounts you or others contributed. Federal or state tax law changes could negatively affect tax treatment of investments in the Plan. Fees could increase. HESAA may terminate or merge Investment Options, and HESAA or the Plan's investment manager may change the underlying investments in which an Investment Option invests, or change allocations to those investments. Contributions to an Account may adversely affect the Beneficiary's eligibility for financial aid or other benefits. If the Beneficiary does not fully use the amounts in the Account for QHEE, then the earnings portion of amounts distributed from the Account generally would be subject to federal income tax and may be subject to a 10% additional federal income tax. State and local income taxes may also be applicable to the distributed earnings. 	<i>Risk Factors, pages 21-27.</i>

Opening an Account

Completing an Account Application

To open an Account, complete and sign an NJBEST 529 College Savings Account Application at njb主.com or obtain the form by downloading it from that website, calling the Plan at (877) 465-2378. Each Account requires a separate application. By signing the application form, you agree that the Account is subject to the terms and conditions of the Participation Agreement which is attached to this Program Description as Appendix A and also to the terms described in this Program Description.

Account Owner

To be an Account Owner, you must:

- reside in a state or jurisdiction where Trust Shares are eligible for sale
- if you are an individual, be at least 18 years of age
- if you are a trust, custodian, governmental entity, not-for-profit corporation or other type of entity, provide such documentation relating to such status as the Program Manager may require

The Account Owner does not need to be a New Jersey resident to participate in the Plan, but either the Account Owner or the Beneficiary must be a New Jersey resident or an employee of any Franklin Templeton company (or such employee's immediate family member) investing without the assistance of a Financial Professional. The Account Owner must provide a Taxpayer Identification Number ("TIN"), which may be any one of the following: a Social Security Number, an Internal Revenue Service ("IRS") Individual Taxpayer Identification Number or an Employer Identification Number. The Account Owner designates and may change the Beneficiary and controls distributions from the Account.

Trust Shares are not eligible for sale in Canada or in any member country of the European Union ("EU") or European Economic Area ("EEA") and may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or any member country of the EU or EEA, or to or for the benefit of residents of any provincial or territorial jurisdiction in Canada or any member country of the EU or EEA. With the exception of Accounts owned by Account Owners with addresses in Canada ("Canadian Accounts") and Accounts owned by Account Owners with addresses in any member country of the EU or EEA ("European Accounts"), contributions may continue to be made to Accounts established prior to January 1, 2011 by Account Owners that do not have addresses in the United States or a territory of the United States and do not have a Financial Professional with an address in the United States or a territory of the United States.

Selecting a Beneficiary

The Beneficiary is the person designated by the Account Owner to use the savings in the Account for QHEE. The Beneficiary and the Account Owner do not have to be related. Account Owners may designate themselves as the Beneficiary. An Account Owner must open a separate Account for each Beneficiary. An individual may be the Beneficiary of more than one Account in the Program, in which case the Maximum Contribution Limit is applied based on the aggregate balance of such Program Accounts. The Beneficiary of an Account established by a governmental entity or corporation described in Section 501(c)(3) of the Code (a "Scholarship Account") must be a New Jersey resident in the case of Accounts described in this Program Description.

Successor Account Owner

An Account Owner also may designate any person to become the successor Account Owner in the event of his or her death. Such designation may be made on the Account application or, subsequently, by submitting an NJBEST 529 College Savings Plan Account Revision Form available at NJBEST.com. If the original Account Owner dies and the designated person becomes the successor Account Owner, the successor Account Owner may continue to make contributions to the Account, may change the Beneficiary of the Account, may allocate Account balances and contributions among Investment Options and may make Qualified and Non-Qualified Distributions from the Account.

The successor Account Owner also would assume tax liability if he or she receives a Non-Qualified Distribution. See “Tax Information.” You may name a Successor Account Owner, unless your Plan Account is funded with proceeds from an UGMA/UTMA account, or a trust is named as the Account Owner.

Under current Program policy, if the Account Owner has not designated a person as a successor Account Owner on the Account application or in a NJBEST 529 College Savings Plan Account Revision Form (or the designated person does not survive the Account Owner), the Beneficiary (if over 18 years old) or a trustee or guardian for the Beneficiary (if the Beneficiary is less than 18 years old) becomes the owner of the Account. The trustee or guardian may be the trustee or guardian, if any, named in the Account Owner's will, a trustee or guardian appointed for such purpose by a court or executor of the Account Owner's estate or a parent of the Beneficiary. Once a trustee or guardian has assumed ownership of such an Account, no further contributions to the Account will be accepted and the guardian or trustee may not change the Beneficiary. The Program's current policy is subject to change and to the requirements of applicable state law, including any applicable provision of an Account Owner's will that may govern the disposition of the Account in the event the Account Owner has not otherwise effectively designated a successor Account Owner.

Choosing Investment Options

On the Account application, you must select the Investment Option(s) under which you want your contributions invested. You may choose among the Objective-Based Trust Portfolios, Age-Based Trust Portfolios and the Individual Fund Trust Portfolios described below. The contributions to your Plan Account are invested in “municipal fund securities” (also referred to as “Trust Shares”), which represent interests in specific Trust Portfolios of the Trust. The Trust Portfolios are not registered mutual funds and are not sponsored by Franklin Templeton. Based on the Investment Option(s) you select, the Trust invests your contributions in one or more Trust Portfolios. The assets of the Trust Portfolios are then invested in mutual fund or ETF shares or other investments, in accordance with the Investment Policy established by HESAA with the approval of the State Investment Council, as it applies to such Investment Option(s). **Refer to “Investment Options” below for additional information. Please note that the Age-Based Asset Allocations have been designed for amounts intended to be applied to QHEE other than Qualified Elementary or Secondary Education Expenses. Account Owners who intend to apply amounts in an Account to Qualified Elementary or Secondary Education Expenses of the Beneficiary should consider other Investment Options.**

Accounts Established under UTMA/UGMA

The Program permits the establishment of an Account in the name of a custodian for a minor under UTMA/UGMA. To transfer existing funds held under UTMA/UGMA to an Account, the custodian will need to liquidate any securities in such UTMA/UGMA account (which will require payment of taxes on any accrued gains) and transfer cash to the Account. If an Account is established for a minor under UTMA/UGMA, the minor always remains the Beneficiary of the Account notwithstanding the Account Owner's ability to change the Beneficiary for other types of Accounts. In addition, when the minor attains an age specified by applicable state law, the custodian will cease to have any control over the Account and the former minor will control the disposition of assets in the Account. Furthermore, the minor will always be treated as the owner of the Account, 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). The treatment of an Account established under UTMA/UGMA for federal financial aid purposes is described under “Risk Factors—Financial Aid—Federal Financial Aid.” You should consult a tax advisor in your state of residence, and may also wish to consult a financial aid advisor, about the advisability of transferring UTMA/UGMA funds to an Account.

Contributing to an Account

Applicable Trust Share Net Asset Value (NAV)

When you purchase (or sell) Trust Shares, you pay (or receive) the NAV per Trust Share plus (or minus) any applicable sales charge. NAV for each class of Trust Shares is determined by deducting the relevant Trust Portfolio's liabilities allocable to such class of Trust Shares from the total Trust Portfolio assets allocable to such class, and dividing that number by the number of Trust Shares outstanding for such class of that Trust Portfolio. Each Trust Portfolio calculates its NAV per Trust Share of each class each business day as of the close of trading on the New York Stock Exchange, normally 4 p.m. Eastern time ("Close of Trading"). A purchase (or sale) order for Trust Shares received by the Program Recordkeeper in good order by Close of Trading on a business day will ordinarily be priced according to the NAV calculated for the Trust Portfolio on that same business day. Under normal circumstances, the Trust does not calculate its NAV on days the New York Stock Exchange is closed for trading.

Contribution Limits

The total minimum investment is \$25 allocated to each Investment Option.

As of the date of this Program Description, the Maximum Contribution Limit is \$305,000. No additional contribution may be made to your Account if the amount of the contribution, when added to the value, at the time of the proposed contribution, of all Program Accounts (whether or not owned by you) for the same Beneficiary would exceed the Maximum Contribution Limit. The Program reserves the right to change the Maximum Contribution Limit and the method of calculating the Maximum Contribution Limit in accordance with its interpretation of federal and state law and regulations.

Methods of Contributing

- Checks: pre-printed personal checks, cashier's checks, bank money orders, or bill payment check from a bank or other financial institution
- Electronic Funds Transfer (EFT)
- Automatic Investment Plan (AIP)
- Payroll direct deposit
- Incoming rollover from another state's QTP
- Transfers:
 - from a FT529 Account to an Account under the Plan
 - from Coverdell Education Savings Accounts to the Program
- Reinvesting proceeds of certain U.S. savings bonds
- Spryng gift contribution

Contributions are allocated to one or more of the Trust Portfolios in accordance with instructions provided with the payment. If clear allocation instructions are not provided, the Program Manager will contact the Account Owner to obtain such instructions.

Checks: Made payable to "NJBEST 529 College Savings Plan" and include instructions on how to invest the contribution.

EFT: Only one bank account can be linked to an Owner Account for purchases and redemptions. This service is only available if the bank or credit union at which the bank account is held is an Automated Clearing House (ACH) member.

AIP: You may authorize periodic automatic debits FROM a checking or savings account TO your Account(s). The authorization must specify which Investment Option in each Account is to be credited and, for crediting of more than one Investment Option, the amount to be credited to each Investment Option must be authorized. You can initiate an AIP at the time you open your account, or at a later date by submitting instructions online, completing the 529 Account Revision

Form, or by phone. You may change or terminate your AIP at any time. For a change or termination of an Automatic Investment to take effect, it must be received at least three business days before the next scheduled debit. To establish periodic contributions through an AIP from a Third-Party Contributor's bank account, the Third-Party Contributor must submit a voided check along with a 529 Account Revision Form signed by both the bank account owner and the Account Owner. Both signatures must be notarized.

Payroll Direct Deposit: You may be able to make payroll deduction contributions from your paycheck into a new or existing Account, if your employer allows for it. If your employer allows such deductions, you may submit an NJBEST 529 College Savings Plan Payroll Deduction Form. You will also need to provide direct deposit instructions, provided on the form, through your employer's self-service payroll portal or notify your employer to establish the automatic payroll direct deposit. You can change or stop such direct deposits directly through your self-service payroll portal or by contacting your employer.

Incoming rollover from another state's QTP: You may transfer funds from an account in another QTP to an Account by requesting a "rollover distribution" from the other program to your Account, subject to the applicable requirements of the Code. You must provide the Program with acceptable documentation from the prior QTP regarding the portion of any rollover distribution that consists of a return of principal and the portion that consists of earnings.

A rollover distribution can be made without any adverse federal income tax consequences provided that it is processed as a Direct Transfer or that, within 60 days of the date you withdraw funds from your other QTP account, you deposit such funds in your Account. Under current law, subject to certain limitations described in this Program Description, the Beneficiary of your Account can be either: (1) the same as the beneficiary of the account from which you are making the rollover distribution, if such rollover distribution is a Direct Transfer or does not occur within 12 months from the date of a previous rollover distribution (other than by Direct Transfer) to any QTP for the benefit of the same beneficiary; or (2) a different individual who is a Member of the Family of the beneficiary of the account from which the rollover distribution is made.

Contact us for more information about how to complete such a transfer. An NJBEST 529 College Savings Plan Rollover/Transfer Request Form is available at NJBEST.com. Although a rollover distribution can be made without adverse federal income tax consequences, there may be state income tax consequences in the state(s) in which you pay state income taxes, and the QTP from which the rollover distribution is made may assess some charges in connection with the distribution. You should consult a tax or other professional advisor if you have any questions about the consequences of a transfer between QTPs.

Transfers from a FT529 Account to an Account under the Plan:

You may transfer assets from an account under the FT529 Plan to an Account under the Plan, subject to the general rule that transfers among Investment Options can only occur twice per calendar year, or in connection with a change of the Beneficiary.

Transfers from Coverdell Education Savings Accounts (ESA) to the Program: You may move funds from a Coverdell ESA to an Account. The Beneficiary of the Account to which the funds are transferred must be the same as the beneficiary of the Coverdell ESA from which the transfer is made, and the deposit to the Account must occur in the same tax year as the distribution from the Coverdell ESA. After the amount has moved from the Coverdell ESA to the Account, you may change the Beneficiary of the Account as described below under "Making Changes to Your Account." Contact us for information about how to complete such a transfer and documentation which must be submitted regarding the portion of such transfer to be treated as principal. Contact your tax advisor for information about federal and state tax treatment of a transfer of funds from a Coverdell ESA to the Program.

Reinvesting proceeds of certain U.S. savings bonds in an Account- Some U.S. savings bonds may be redeemed and, if the proceeds are deposited into an Account, no federal income tax will be due on some or all of the bond earnings in the year in which the bond is cashed. You may wish to consult a financial or tax advisor to determine whether it is better to reinvest the earnings in an Account or apply them directly to the payment of higher education expenses, if there are such expenses in the year the bond is cashed in. Contact us for information about documentation which must be submitted regarding the portion of such transfer to be treated as principal.

The bonds that qualify for such tax-favored treatment are Series EE bonds issued after 1989 and Series I bonds. The owner of the bonds must have been at least 24 years of age on the date the bonds were issued. The Beneficiary of the Account must be (1) the Account Owner or Third-Party Contributor making the contribution, (2) such person's spouse, or (3) a qualifying dependent of such taxpayer. And, to qualify for full or partial tax deferral, the owner of the bond must meet certain income restrictions. You should consult a tax advisor to determine whether you qualify for the tax deferral.

To take advantage of this opportunity, the bond owner simply redeems the bonds and sends a contribution to his or her Account for the amount of the proceeds. The bond owner needs to record certain information from the bonds that must be reported to the IRS. The taxpayer must file an IRS Form 8815 for the tax year in which the bonds are cashed in and the proceeds are placed in the Program Account.

Spryng: Spryng is a personal crowdfunding tool designed to encourage family and friends to make contributions toward your education savings plan. Once an Account and online access is established, the Account Owner can choose to create and publish a Spryng Gifting Profile at franklintempleton.com. The unique Spryng profile URL can be shared with family and friends allowing them to make contributions directly to the Account. Such contributions may have gift tax consequences. You and the gift giver should consult a tax advisor for more information. To learn more about Spryng visit <https://www.njbest.com/gifting-education/spryng>

Making Changes to Your Account

Changing a Beneficiary

You can change the Beneficiary of your Account, provided that the new Beneficiary of your Account is a Member of the Family (refer to Glossary of Terms for definition) of the prior Beneficiary. You may not change the Beneficiary if such change would cause the aggregate account balances of all Program Accounts for the new Beneficiary to exceed the Maximum Contribution Limit or if the Account is owned in custody for a minor. A change in Beneficiary may be treated as a gift from the previous Beneficiary to the new Beneficiary in certain circumstances, and therefore may have gift tax and generation-skipping transfer tax implications. See “Tax Information,” below, for more information. To change a Beneficiary, you will need to complete an NJBEST 529 College Savings Plan Account Revision Form available at njb主.com. Certain Beneficiary changes are also accepted over the phone; please contact us for instructions.

Changing the Account Owner

Under current Program policy, a change in the Account Owner of an Account is permitted upon completion of an NJBEST 529 College Savings Plan Account Revision Form, which includes submission of a notarized signature or a signature guarantee from a banking institution. This form is available at njb主.com.

Adding or Changing the Successor Account Owner

Refer to “Opening an Account- Successor Account Owner” above.

Changing Investment Options

You may allocate contributions to any one or more of the Investment Options offered under this Program Description at the time the contributions are made. Although Account Owners may select among Investment Options for contributions made to Accounts, and may vary the Investment Options selected in connection with each contribution, under federal law neither Account Owners nor Beneficiaries may exercise any investment discretion, directly or indirectly, over contributions to an Account or any earnings on contributions. This means that contributions, and the earnings resulting from contributions, can only be transferred consistent with applicable rules. Accordingly, once made, contributions and any earnings in all Accounts with the same Account Owner for a particular Beneficiary may only be transferred to another Investment Option twice per calendar year, or in connection with a change of Beneficiary.

Requesting a Distribution

You may request a distribution from your Account over the phone, on NJBEST.com or through the application made available by Franklin Templeton for use on mobile phones so long as the distribution is sent to the address of record, a pre-authorized address or bank on file, or by submitting a completed NJBEST 529 College Savings Plan Distribution Form (available at NJBEST.com) to us. After a distribution is requested by the Account Owner, it will generally be processed and disbursed within seven days after we receive your request in proper form. The Program may require you to submit a separate request for each distribution.

A distribution from your Account will have different tax consequences depending on whether or not the distribution is applied to QHEE; the earnings portion of any distribution that is not applied to QHEE is subject to income taxes and, with certain exceptions, an additional income tax. See below under “Tax Information” for further information.

Selling Recently Purchased Shares

If you sell Trust Shares recently purchased in order to fund a distribution, the Program may delay sending you the proceeds until the check, draft or wire/EFT used to purchase such Trust Shares has cleared, which may take seven business days or more. A certified or cashier's check may clear in less time.

Managing Your Account

Phone/Online Privileges

You automatically have the convenience of online and phone exchange and redemption privileges unless you decline these options. If bank information is established on the Account, you have the convenience of online and phone purchases and redemptions via EFT. You cannot opt out of phone privileges and opt in for online privileges, or vice versa. To view your Account information online, you will first need to register for these services at the **NJBEST.com** website. You will be asked to accept the terms of the applicable online agreement(s).

Phone/online privileges also allow you to:

- access account values, transaction history, and performance;
- add or change bank information and automatic investment plans;
- buy, exchange, and sell assets;
- update your address, telephone number, or email address;
- access statements and tax documents.

As long as the Program Manager follows reasonable security procedures and acts on instructions it reasonably believes are genuine, neither the Program nor any contractor or subcontractor of the Program will be responsible for any losses that may occur from unauthorized requests. The Program Manager's policy is to complete a security check to verify all callers, and it also may record calls. To help safeguard your Account, keep your password confidential, and verify the accuracy of your confirmation statements immediately after you receive them. Contact the Program Manager immediately if you believe someone has obtained unauthorized access to your Account or password. For Account information viewed over the Internet, the use of an Internet browser with 128-bit encryption is recommended. Certain methods of contacting the Program or Program Manager (such as by phone or by Internet) may be unavailable or delayed during periods of unusual market activity. If you wish to discontinue phone/online privileges on your Account at any time, please contact the Program Manager for instructions. You may reinstate these privileges at any time in writing, including online registration with respect to online privileges.

Additional Considerations

If all Plan Assets Are Not Used for the Beneficiary's Education Costs

If all of the assets in the Account are not used for the Beneficiary's elementary, secondary, or undergraduate QHEE, you have several options. First, you can use the funds for the Beneficiary's graduate or professional school expenses. Second, you may designate a new Beneficiary who is a Member of the Family of the existing Beneficiary. Third, you may be able to transfer funds to a Roth IRA, subject to the restrictions on such transfers. Fourth, you may close the Account and withdraw all of the funds, although that will be less advantageous because the distribution will constitute a Non-Qualified Distribution, the earnings portion of which generally is subject to federal income tax as well as the 10% additional federal income tax. Finally, you may leave the Account open until you determine the best course of action.

Legal Restrictions and Protections on Use of Accounts

Neither the Account Owner nor the Beneficiary may use an Account as security for a loan.

Under New Jersey law, Accounts are exempt from claims of creditors and are excluded from an estate in bankruptcy except in cases of fraudulent conveyance, claims under an order for child or spousal support or of an alternate payee under a qualified domestic relations order, or punitive damages awarded in a civil action arising from manslaughter or murder. Please note that, depending on the circumstances, the laws of states other than New Jersey may determine the rights of creditors in a claim or bankruptcy involving a Program Account.

Federal bankruptcy laws exempt from an Account Owner's creditors in a bankruptcy proceeding certain funds contributed to an account under a QTP. The exemption protects (1) up to \$6,225 transferred to an Account at least 365 days and within 720 days before the bankruptcy filing, and (2) all transfers made more than 720 days before the bankruptcy filing, provided 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.

Community Property Laws

If you are a resident of any state that has community property laws and you are concerned about the application of those laws to contributions, distributions and ownership of Accounts, you should consult a legal advisor. Community property issues such as limitations on gifts of community property and ownership of community property upon death or dissolution of marriage are beyond the scope of this Program Description.

Suspicious or Abusive Transactions

HESAA and the Program Manager reserve the right to close any Account or to limit contributions to, or distributions from, any Account, if either of them, in its sole discretion, suspects or determines that the Account is being used for purposes that may be in contravention or circumvention of applicable laws or for purposes other than savings for the QHEE of the Beneficiary of the Account.

Investment Options

You may choose among the Age-Based Trust Portfolios, Objective-Based Trust Portfolios, and Individual Fund Trust Portfolios described below.

- **Type 1 Investment Options: Age-Based Asset Allocations (Conservative, Growth and Moderate)**

Franklin Newborn – 4 Years 529 Portfolio	Franklin Age 13 – 14 Years 529 Portfolio
Franklin Age 5 – 6 Years 529 Portfolio	Franklin Age 15 – 16 Years 529 Portfolio
Franklin Age 7 – 8 Years 529 Portfolio	Franklin Age 17 Years 529 Portfolio
Franklin Age 9 – 10 Years 529 Portfolio	Franklin Age 18 Years 529 Portfolio
Franklin Age 11 – 12 Years 529 Portfolio	Franklin Age 19+ Years 529 Portfolio

- **Type 2 Investment Options: Objective-Based Asset Allocations**

Franklin Conservative Allocation 529 Portfolio
Franklin Conservative Growth Allocation 529 Portfolio
Franklin Moderate Allocation 529 Portfolio
Franklin Moderate Growth Allocation 529 Portfolio
Franklin Growth Allocation 529 Portfolio
Franklin Aggressive Growth Allocation 529 Portfolio

- **Type 3 Investment Options: Individual Fund Trust Portfolios**

Asset Class: U.S. Equity	Asset Class: Non-U.S. Equity
Ariel 529 Portfolio	ClearBridge International Growth 529 Portfolio
ClearBridge Large Cap Value 529 Portfolio	
Franklin DynaTech 529 Portfolio	
Franklin Growth 529 Portfolio	
Franklin Small-Mid Cap Growth 529 Portfolio	
Franklin U.S. Large Cap Index 529 Portfolio (formerly S&P 500 Index 529 Portfolio)	
Asset Class: Balanced	Asset Class: Fixed Income
Franklin Income 529 Portfolio	BrandywineGLOBAL – Global Opportunities 529 Portfolio
	Western Asset Core Plus Bond 529 Portfolio
	Western Asset Short-Term Bond 529 Portfolio
Asset Class: Money Market	Asset Class: ESG
Franklin U.S. Government Money 529 Portfolio	ClearBridge Sustainability Leaders 529 Portfolio
	Martin Currie International Sustainable Equity 529 Portfolio

Contributions to an Account do not result in direct ownership by the Account Owner of shares of any Franklin Templeton mutual fund/ETF or other Underlying Fund. The Trust Shares are not registered with the Securities and Exchange Commission (“SEC”) or any state, nor are the Trust, the Program, the Plan, or any of the Investment Options registered as investment companies with the SEC or any state. The Trust and the Investment Manager may from time to time change the mutual funds, ETFs or other investments in which contributions under an Investment Option are invested and may

invest in other kinds of investment vehicles. Mutual funds in which contributions under an Investment Option are invested may convert to ETFs and upon such conversion their names may change. Additional Investment Options may be added in the future, and existing Investment Options may be changed, consolidated, or eliminated (and Trust Shares relating to any eliminated Investment Option exchanged for Trust Shares in another Investment Option selected by the Trust) in the future, all as determined in accordance with the then-current Investment Policy. The investment of Trust Portfolio assets will be reviewed, and may be adjusted, from time to time in accordance with the Investment Policy. The consent of Account Owners, Third-Party Contributors or Beneficiaries to any such change, addition, elimination, or consolidation of Investment Options is not required.

Type 1 Investment Options: Age-Based Allocations

You may choose between Age-Based Growth, Moderate, and Conservative Asset Allocations and may allocate contributions among such Age-Based Asset Allocations (i.e., you may invest in more than one such Age-Based Asset Allocation for a Beneficiary). Each Age-Based Asset Allocation (Growth, Moderate, Conservative) is made up of Age-Based Investment Portfolios that customize their investments in combinations of Underlying Funds based in part on the age of the Beneficiary (see tables below).

Each Franklin Growth Allocation Age-Based 529 Portfolio has an investment strategy designed for higher potential return, with greater investment risk, than the investment strategy of the Franklin Moderate Allocation Age-Based 529 Portfolio or Franklin Conservative Allocation Age-Based 529 Portfolio corresponding to the same Beneficiary ages. Each Franklin Moderate Allocation Age-Based 529 Portfolio has an investment strategy designed for potential return, and investment risk, that is less than that of the investment strategy of the Franklin Growth Allocation Age-Based 529 Portfolio corresponding to the same Beneficiary ages, but more than that of the investment strategy of the Franklin Conservative Allocation Age-Based 529 Portfolio corresponding to the same Beneficiary ages. Each Franklin Conservative Age-Based 529 Portfolio has an investment strategy designed for lower investment risk and potential return than the investment strategy of either the Franklin Growth Allocation Age-Based 529 Portfolio or Franklin Moderate Allocation Age-Based 529 Portfolio corresponding to the same Beneficiary ages. The absolute and relative levels of risk or return of any Age-Based Investment 529 Portfolio or of any Age-Based Asset Allocation (Growth, Moderate, or Conservative) may vary over different periods of time and may deviate from the intended levels; an Age-Based Investment 529 Portfolio or Age-Based Asset Allocation may not achieve its risk or return goals and its risk and performance in relation to other Age-Based Investment 529 Portfolios and Age-Based Asset Allocations may not be as intended.

Although there can be no assurance as to investment results, the Age-Based Investment 529 Portfolios are designed with the intent that portfolios corresponding to Beneficiary ages closer to college age have less investment risk than portfolios within the same Age-Based Asset Allocation (Growth, Moderate, or Conservative) corresponding to Beneficiary ages farther from college age. Accordingly, the potential return of Age-Based Investment 529 Portfolios likewise decreases as the Beneficiary approaches college age.

When the Account is established, the investments will be placed in the Age-Based Asset Allocations (Growth, Moderate, or Conservative) you select and within each such allocation will be placed in the Age-Based Investment 529 Portfolio that corresponds to the age of the Beneficiary (as reported on the completed application form) on the day the Account is established.

- A contribution or reallocation to an Age-Based Investment 529 Portfolio that does not correspond to the Beneficiary's age is not permissible under the Plan.

Over time, the amount originally invested for a Beneficiary in an Age-Based Investment 529 Portfolio, together with any subsequent contributions for such Beneficiary in the Age-Based Investment 529 Portfolio are, as part of a collective transfer of investments for similarly situated Beneficiaries, periodically transferred to the next Age-Based Investment 529 Portfolio (within the same Age-Based Asset Allocation (Growth, Moderate, or Conservative)) corresponding to the age of each Beneficiary at the time of such transfer (see chart below for the different Age-Based Investment 529 Portfolios).

All accounts in an Age-Based Investment 529 Portfolio with a Beneficiary that has entered a new age bracket as of the applicable transfer date are transferred at approximately the same time. The transfer of investments in an Account to the

next applicable Age-Based Investment 529 Portfolio on a date on or after the Beneficiary has reached the age of a new age bracket is referred to as an “Age-Based Rebalance.”

- Because Age-Based Rebalances are periodic, the investment for a Beneficiary in an Age-Based Investment 529 Portfolio may remain invested in that portfolio after the time the Beneficiary reaches the age qualifying for the next Age-Based Investment 529 Portfolio, until the time of the next Age-Based Rebalance. Thus, for example, the investment for a Beneficiary who reaches his or her fifth birthday will not be transferred from the Newborn-4 Years 529 Portfolio to the Age 5-6 Years 529 Portfolio until the date of the Age-Based Rebalance following his or her fifth birthday.

If the Beneficiary has attained the age necessary to qualify for the next Age-Based Investment 529 Portfolio but an Age-Based Rebalance that would transfer the investment for the Beneficiary into that portfolio has not yet taken place, you can reallocate the investments for that Beneficiary into that Age-Based Investment 529 Portfolio yourself. Please note, however, that existing assets in an Account can only be reallocated twice per calendar year, or upon a change in the Beneficiary of the Account. Age-Based Rebalances are an exception to the rule.

Age-Based Rebalances currently take place approximately once every three months. The timing and frequency of Age-Based Rebalances are subject to change. For current information about Age-Based Rebalances, contact Franklin Templeton at (877) 465-2378.

The current Investment Policy targets investment of the applicable Trust Portfolios in mutual funds or ETFs emphasizing one or more asset classes, including U.S. equity, non-U.S. equity, fixed income (which may include global or international fixed income) and money market, in different specified percentages for each of the specified Investment Options.

The table captioned “Neutral Investment Percentages by Asset Class” below shows the Investment Policy’s current neutral asset class allocations for each of the Age-Based Asset Allocation Trust Portfolios. The actual asset class allocation percentages at any time may deviate from the neutral asset allocation percentages by up to 10% in either direction due to tactical overweighting or underweighting of an asset class by the Investment Manager and/or relative outperformance or underperformance of an asset class.

For purposes of investing Age-Based Asset Allocation Trust Portfolios in a specified asset class, the Investment Policy permits the Investment Manager to select one or more mutual funds and/or ETFs with an investment objective principally involving investment in the applicable asset class. The Investment Policy permits the Investment Manager to select any mutual funds and ETFs, but it is expected that the selections will predominantly be mutual funds and ETFs sponsored by Franklin Templeton, which include, without limitation, those in the BrandywineGLOBAL, Clarion Partners, ClearBridge Investments, Franklin, Franklin Mutual, Franklin Templeton, K2 Advisors, Martin Currie, Royce Investment Partners, Templeton Global and Western Asset Management fund families. Under the Investment Policy, the Investment Manager will be permitted to add or discontinue investments in particular mutual funds or ETFs from time to time or to change the percentage allocation to a particular mutual fund or ETF within a particular asset class and within a Trust Portfolio from time to time. The asset allocation ranges, and the investment of portfolio assets will be reviewed, and may be adjusted, from time to time in accordance with the Investment Policy.

The Age-Based Asset Allocation Trust Portfolios are portfolios of the Trust, and are not registered mutual funds/ETFs or mutual funds/ETFs sponsored by Franklin Templeton.

Age-Based Asset Allocation Trust Portfolio	Neutral Investment Percentages by Asset Class (actual percentage investments may vary +/- 10% from the target)			
	U.S. Equity	Non-U.S. Equity	Fixed Income	Money Market
Franklin Age-Based Growth Allocations				
Newborn-4 years	70	30	-	-
5-6 years	66.5	28.5	5	-
7-8 years	59.5	25.5	15	-
9-10 years	52.5	22.5	25	-

**Age-Based Asset
Allocation Trust Portfolio**

**Neutral Investment Percentages by Asset Class
(actual percentage investments may vary +/- 10% from the target)**

	U.S. Equity	Non-U.S. Equity	Fixed Income	Money Market
11-12 years	45.5	19.5	35	-
13-14 years	38.5	16.5	40	5
15-16 years	31.5	13.5	50	5
17 years	24.5	10.5	60	5
18 years	17.5	7.5	65	10
19+ years	10.5	4.5	65	20
Franklin Age-Based Moderate Allocations				
Newborn-4 years	56	24	20	-
5-6 years	52.5	22.5	25	-
7-8 years	52.5	22.5	25	-
9-10 years	45.5	19.5	35	-
11-12 years	42	18	40	-
13-14 years	35	15	45	5
15-16 years	28	12	55	5
17 years	21	9	55	15
18 years	14	6	60	20
19+ years	7	3	65	25
Franklin Age-Based Conservative Allocations				
Newborn-4 years	42	18	40	-
5-6 years	38.5	16.5	45	-
7-8 years	38.5	16.5	45	-
9-10 years	35	15	50	-
11-12 years	31.5	13.5	50	5
13-14 years	28	12	55	5
15-16 years	24.5	10.5	55	10
17 years	17.5	7.5	55	20
18 years	10.5	4.5	60	25
19+ years	3.5	1.5	65	30

Type 2 Investment Options: Objective-Based Asset Allocations

These Investment Options allow your assets to be invested according to the amount of investment risk you are comfortable taking and the return characteristics you prefer. You may choose from among six Investment Options, with objectives ranging from aggressive to conservative. The current Investment Policy targets investment of the applicable Trust Portfolios in mutual funds or ETFs emphasizing one or more asset classes, including domestic equity, non-domestic equity, fixed income (which may include global or international fixed income) and cash equivalents, in different specified percentages for each of the specified Investment Options.

The table captioned “Neutral Investment Percentages by Asset Class” below shows the Investment Policy’s current neutral asset class allocations for each of the Objective -Based Asset Allocation Trust Portfolios. The actual asset class allocation percentages at any time may deviate from the neutral asset allocation percentages by up to 10% in either direction due to tactical overweighting or underweighting of an asset class by the Investment Manager and/or relative outperformance or underperformance of an asset class.

For purposes of investing Objective-Based Asset Allocation Trust Portfolios in a specified asset class, the Investment Policy permits the Investment Manager to select one or more mutual funds and/or ETFs with an investment objective principally involving investment in the applicable asset class. The Investment Policy permits the Investment Manager to select any mutual funds and ETFs, but it is expected that the mutual funds and ETFs selected by the Investment Manager will predominantly be mutual funds and ETFs sponsored by Franklin Templeton, which include, without limitation, those in the BrandywineGLOBAL, Clarion Partners, ClearBridge Investments, Franklin, Franklin Mutual, Franklin Templeton, K2 Advisors, Martin Currie, Royce Investment Partners, Templeton Global and Western Asset Management fund families. Under the Investment Policy, the Investment Manager will be permitted to add or discontinue investments in particular mutual funds or ETFs from time to time or to change the percentage allocation to a particular mutual fund or ETF within a particular asset class and within a Trust Portfolio from time to time. The asset allocation ranges, and the investment of portfolio assets will be reviewed, and may be adjusted, from time to time in accordance with the Investment Policy.

The Objective-Based Asset Allocation Trust Portfolios are portfolios of the Trust, and are not registered mutual funds/ETFs or mutual funds/ETFs sponsored by Franklin Templeton.

Objective-Based Asset Allocation Trust Portfolio	Neutral Investment Percentages by Asset Class (actual percentage investments may vary +/- 10% from the target)			
	U.S. Equity	Non-U.S. Equity	Fixed Income	Money Market
Franklin Aggressive Growth Allocation 529 Portfolio	70	30	-	-
Franklin Growth Allocation 529 Portfolio	56	24	20	-
Franklin Moderate Growth Allocation 529 Portfolio	42	18	40	-
Franklin Moderate Allocation 529 Portfolio	28	12	60	-
Franklin Conservative Growth Allocation 529 Portfolio	14	6	80	-
Franklin Conservative Allocation 529 Portfolio	-	-	100	-

The Objective-Based Asset Allocation Trust Portfolios are designed as follows:

529 Portfolio	Designed for investors with a:	Current neutral asset class allocation
Franklin Conservative Allocation 529 Portfolio	short time horizon and/or a low tolerance for risk	100% fixed income
Franklin Conservative Growth Allocation 529 Portfolio	shorter-to-medium investment time horizon and/or a lower tolerance for risk	20% equities, 80% fixed income
Franklin Moderate Allocation 529 Portfolio	longer-to-medium investment time horizon and/or a moderate tolerance for risk	40% equities, 60% fixed income
Franklin Moderate Growth Allocation 529 Portfolio	longer-to-medium investment time horizon and/or a moderate tolerance for risk	60% equities, 40% fixed income
Franklin Growth Allocation 529 Portfolio	longer investment time horizon and/or a higher tolerance for risk	80% equities, 20% fixed income
Franklin Aggressive Growth Allocation 529 Portfolio	longer investment time horizon and/or a higher tolerance for risk	100% equities

Type 3 Investment Options: Individual Fund Trust Portfolios

If you prefer, you also have the option of selecting one or more Individual Fund Trust Portfolio Investment Options. By directing that your contributions be allocated among two or more of such Investment Options, you can create an asset allocation mix to suit your particular investing needs. The Individual Fund Trust Portfolios are described below. The asset allocation and the investments of all the Trust Portfolios described below will be reviewed, and may be adjusted, from time to time in accordance with the Investment Policy.

Within each asset class listed below, the following information is shown for each 529 Individual Fund Trust Portfolio:

529 Investment Option	529 Plan Portfolio	Investment Goal(s)
Description of current investments		

Asset Class: U.S. Equity

Franklin Growth 529 Investment Option	Franklin Growth 529 Portfolio	Capital appreciation
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Underlying Fund: Franklin Growth Fund, a mutual fund that normally invests substantially in the equity securities of U.S.-based large and medium market capitalization companies, and may invest up to 40% of its assets in smaller companies, up to 40% of its assets in foreign securities, up to 10% of its assets in non-U.S. dollar denominated securities and, among other things, in convertible securities.

Franklin DynaTech 529 Investment Option	Franklin DynaTech 529 Portfolio,	Capital appreciation
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Underlying Fund: Franklin DynaTech Fund, a mutual fund that normally invests primarily in equity securities of companies that the mutual fund's investment manager believes are leaders in innovation, take advantage of new technologies, have superior management, and benefit from new industry conditions in the dynamically changing global economy.

Franklin Small-Mid Cap Growth 529 Investment Option	Franklin Small-Mid Cap Growth 529 Portfolio	Long-term capital growth
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Underlying Fund: Franklin Small-Mid Cap Growth Fund, a mutual fund that is normally invested primarily in domestic equity securities of small capitalization and mid capitalization companies.

ClearBridge Large Cap Value 529 Investment Option	ClearBridge Large Cap Value 529 Portfolio	Long-term growth of capital with current income as a secondary objective
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Underlying Fund: ClearBridge Large Cap Value Fund, a mutual fund that normally invests at least 80% of its net assets, plus borrowings for investment purposes, if any, in equity securities, or other investments with similar economic characteristics, of companies with large market capitalizations.

Franklin U.S. Large Cap Index 529 Investment Option (formerly the S&P 500 Index 529 Investment Option)	Franklin U.S. Large Cap Index 529 Portfolio (formerly the S&P 500 Index 529 Portfolio)	Seeks to provide investment results that closely correspond, before fees and expenses, to the performance of an underlying index
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Underlying ETF: The Franklin U.S. Equity Index ETF, an exchange-traded fund that seeks to provide investment results corresponding, before fees and expenses, to the performance of an underlying index which includes stocks of large and mid-capitalization U.S. equities.

Ariel 529 Investment Option	Ariel 529 Portfolio	Long-term capital appreciation
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Underlying Fund: The Ariel Fund, a mutual fund that normally invests in small- and mid-capitalization undervalued companies that show strong potential for growth.

Asset Class: Non-U.S. Equity

ClearBridge International Growth 529 Investment Option	ClearBridge International Growth 529 Portfolio	Long-term capital growth
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Underlying Fund: ClearBridge International Growth Fund, a mutual fund that is normally invested primarily in common stocks of foreign companies that, in the mutual fund managers' opinion, appear to offer above average growth potential and trade at a significant discount to the mutual fund managers' assessment of their intrinsic value.

Asset Class: Fixed Income

Western Asset Core Plus Bond 529 Investment Option	Western Asset Core Plus Bond 529 Portfolio	To maximize total return
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Underlying Fund: Western Asset Core Plus Bond Fund, a mutual fund that normally invests in a portfolio of fixed income securities of various maturities and, under normal market conditions, will invest at least 80% of its net assets, including the amount of borrowing for investment purposes, if any, in debt and fixed income securities.

BrandywineGLOBAL—Global Opportunities 529 Investment Option	BrandywineGLOBAL—Global Opportunities 529 Portfolio	To maximize total return consisting of income and capital appreciation
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Underlying Fund: BrandywineGLOBAL – Global Opportunities Bond Fund, a mutual fund that normally invests at least 80% of its net assets in fixed income securities of issuers located in developed market countries.

Western Asset Short-Term Bond 529 Investment Option	Western Asset Short-Term Bond 529 Portfolio	Current income, preservation of capital and liquidity
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Underlying Fund: Western Asset Short-Term Bond Fund, a mutual fund that normally invests at least 80% of its assets in "investment grade" fixed income securities.

Asset Class: Balanced

Franklin Income 529 Investment Option	Franklin Income 529 Portfolio	Income
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Underlying Fund: Franklin Income Fund, a mutual fund that invests in a diversified portfolio of debt and equity securities.

Asset Class: Money Market

Franklin U.S. Government Money 529 Investment Option	Franklin U.S. Government Money 529 Portfolio	As high a level of current income as consistent with the preservation of shareholder's capital and liquidity and tries to maintain a stable \$1.00 Unit price
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Underlying Fund: The Institutional Fiduciary Trust Money Market Portfolio, a mutual fund that normally invests, through another fund, at least 99.5% of its total assets in U.S. Government securities, cash and repurchase agreements collateralized fully by U.S. Government securities or cash.

Asset Class: ESG

ClearBridge Sustainability Leaders 529 Investment Option	ClearBridge Sustainability Leaders 529 Portfolio	Long-term capital growth
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Underlying Fund: ClearBridge Sustainability Leaders Fund, a mutual fund that normally invests substantially all of its assets in common stocks and other equity securities that meet its financial and sustainability/environmental, social and governance criteria.

Martin Currie International Sustainable Equity 529 International Option	Martin Currie International Sustainable Equity 529 Portfolio	Long-term capital appreciation
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Underlying Fund: Martin Currie International Sustainable Equity ETF, an exchange-traded fund that normally invests at least 80% of its net assets in equity and equity related securities of foreign companies and other investments with similar economic characteristics that meet the subadviser’s environmental, social and governance criteria for the fund.

Historical Performance Data for the Investment Options

The historical performance of the Trust Portfolios for those Investment Options described in this Program Description that have been in existence for at least one year is set forth in Appendix B. Descriptions of each of the mutual funds and ETFs constituting the Underlying Funds in which one or more of the Trust Portfolios are invested as of the date of this Program Description are set forth in Appendix C to this Program Description. Prospectuses for those mutual funds and ETFs are available at the links set forth in Appendix C.

Risk Factors

This section briefly describes some of the principal risks associated with a contribution to the Program, but does not constitute an exhaustive summary of the factors you should consider before making a contribution to the Program. You may wish to consult your tax advisor and financial advisor before contributing to the Program or determining what portion of your savings for the Beneficiary's education costs should be invested in the Program.

General Risks

Your Account is not an insured investment, and will be subject to the risks of the securities markets. Amounts invested in the Plan are subject to the investment risks of the investment instruments selected from time to time by the Investment Manager for the Plan. The value of your Account will vary with the investment return generated by the mutual funds, ETFs, or other investments in which the Trust Portfolio for each Investment Option you select is invested by the Trust and the Investment Manager. None of the State, HESAA, Franklin Templeton, any entity affiliated therewith, any consultant or adviser retained by any such party, or any other person or entity provides any guarantee that you will achieve any targeted rate of return or that the value of your contributions will not decrease.

There is no guarantee that:

- your Beneficiary will be accepted at any Eligible Educational Institution or, if applicable, any particular elementary or secondary school, or that, if accepted, he or she will be able to attend, will graduate, or will be considered a resident of any particular state for tuition purposes;
- there will be sufficient funds in your Account to cover fully all QHEE of attending an Eligible Educational Institution or, if applicable, any elementary or secondary school; and
- the expenses of attending, if applicable, any particular elementary or secondary school will be less in any year than the maximum Qualified Distribution for Qualified Elementary or Secondary Education Expenses.

The rate of return from an Account could be less than the rate of increase in the cost of higher education or, if applicable, public, private, or religious elementary or secondary school. Even if you have reached the Maximum Contribution Limit for a Beneficiary, the balance in your Program Account may not be enough to cover all of the Beneficiary's QHEE.

General Investment Risks

One or more of the investment instruments selected for the Investment Option(s) you choose may lose value, may not appreciate in value or may appreciate less on a relative basis than do other investment instruments during any particular time period. None of the Investment Options is intended as a complete investment program. An investment with the Program under one or more of the Investment Options does not constitute a deposit in a bank, and such investments are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The returns under any particular Investment Option may be better or worse than those available under other Investment Options, other QTPs or other investments not involving QTPs. There is no guarantee that the Program's investment objectives set forth in the Investment Policy will be realized. The value of your Account may increase or decrease each day, and the rate of return on your Account will vary, based on the Investment Option(s) you select, the investment performance of the investments in which such Investment Option(s) is or are invested and the applicable fees and expenses of the Plan, the applicable Trust Portfolio(s) and the applicable class of Trust Shares.

The relative risks and potential rewards of investing under any of the Investment Options vary considerably. While the Program, the Division of Investment, HESAA and the Investment Manager have provided a range of alternatives, none of the Program, the Division of Investment, HESAA or the Investment Managers have determined, or have assumed any obligation to determine, whether any investment by any Account Owner under any particular Investment Option or combination of Investment Options is suitable or appropriate in light of the needs, financial circumstances and investment horizon of the Account Owner or Beneficiary of an Account. The Age-Based Asset Allocations have been designed for amounts intended to be applied to QHEE other than Qualified Elementary or Secondary Education Expenses. Account Owners who intend to apply amounts in an Account to Qualified Elementary or Secondary Education Expenses of the Beneficiary should consider other Investment Options. This Program Description does not constitute a recommendation,

and none of the Program, the Division of Investment, HESAA or the Investment Manager by its participation in the Program recommends, or intends to recommend, any investment by any Account Owner in the Program or in any particular Investment Option or class of Trust Shares offered under this Program Description.

Specific Investment Risks

The value of your investment under a particular Investment Option, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment under an Investment Option or your investment may not perform as well as other similar investments. An investment under an Investment Option is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. Below is a list of the principal risks of investing under Investment Options. The descriptions appear in alphabetical order, not order of importance.

Depending on the Investment Option or Investment Options you select, certain categories of investment risk listed below may have greater applicability than others. Unless otherwise noted, the principal risks summarized below include both direct and indirect risks, and references in this section to the risks of a Trust Portfolio include the risks of investing in the applicable Underlying Fund(s).

Affiliated funds and conflict of interest risk. The Plan's Investment Manager or an affiliate thereof serves as investment manager or subadviser of Underlying Funds sponsored by Franklin Templeton, which include, without limitation, those in the BrandywineGLOBAL, Clarion Partners, ClearBridge Investments, Franklin, Franklin Mutual, Franklin Templeton, K2 Advisors, Martin Currie, Royce Investment Partners, Templeton Global, and Western Asset Management fund families ("Affiliated Funds"). As a result, the Investment Manager has financial incentives to allocate a Trust Portfolio's assets to Affiliated Funds that pay fees to the Investment Manager or an affiliate. For example, the Investment Manager has an incentive to select Affiliated Funds that will result in the greatest revenue to the Investment Manager and its affiliates, even if that results in increased expenses for a Trust Portfolio. Similarly, the Investment Manager has an incentive to delay or decide against the sale of interests held by a Trust Portfolio in Affiliated Funds. This gives rise to a conflict of interest.

Allocation risk. An Age-Based Trust Portfolio's or Objective-Based Trust Portfolio's ability to achieve its investment goal depends upon the Investment Managers' skill in determining the Trust Portfolio's broad asset class allocation and in selecting the mix of Underlying Funds. The value of your investment may decrease if the Investment Managers' judgment about the attractiveness, value or market trends affecting a particular asset class, investment style, Underlying Fund or other security is incorrect.

Asset class variation risk. An Underlying Fund that invests principally in securities constituting one or more asset classes (i.e., equity or fixed income) may vary the percentage of its assets in these asset classes (subject to any applicable regulatory requirements). Such variation may decrease the value of your investment if the Investment Manager's judgments about the asset classes prove to be incorrect.

Credit risk. If an issuer or guarantor of a security held by a Trust Portfolio or Underlying Fund or a counterparty to a financial contract with a Trust Portfolio or Underlying Fund defaults or its credit is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of your investment will typically decline. Changes in actual or perceived creditworthiness may occur quickly. A Trust Portfolio or Underlying Fund could be delayed or hindered in its enforcement of rights against an issuer, guarantor, or counterparty. Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer and will be disproportionately affected by a default, downgrade, or perceived decline in creditworthiness.

Cybersecurity risk. Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Trust Portfolio or Underlying Fund assets, Trust Portfolio, Underlying Fund or customer data (including private shareholder information), or proprietary information, cause the Trust Portfolio, Underlying Fund, their respective investment managers and/or their respective service providers (including, but not limited to, accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality, or prevent Trust Portfolio or Underlying Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The Investment Manager and the Underlying Funds' investment managers have limited ability to

prevent or mitigate cybersecurity incidents affecting third party service providers, and such third-party service providers may have limited indemnification obligations to the Trust Portfolio, Underlying Fund or their respective investment managers. Cybersecurity incidents may result in financial losses to a Trust Portfolio and/or Underlying Fund, and substantial costs may be incurred in an effort to prevent or mitigate any future cybersecurity incidents. Issuers of securities in which an Underlying Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

Because technology is frequently changing, new ways to conduct cyber-attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Trust Portfolio's or Underlying Fund's ability to plan for or respond to a cyber-attack. Like other funds and business enterprises, a Trust Portfolio, its Underlying Fund or Underlying Funds, their respective investment managers and their respective service providers are subject to the risk of cyber incidents occurring from time to time.

Derivatives risk. Using derivatives can increase Trust Portfolio or Underlying Fund losses and reduce opportunities for gains when market prices, interest rates, currencies, or the derivatives themselves behave in a way not anticipated by the Trust Portfolio or Underlying Fund. Using derivatives also can have a leveraging effect and increase Trust Portfolio or Underlying Fund volatility. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may not be available at the time or price desired, may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the Trust Portfolio or Underlying Fund. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for an Underlying Fund than an investment in the underlying security, and those differences may affect the amount, timing and character of income distributed to the Underlying Fund's shareholders. The U.S. government and foreign governments are in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets. Credit default swap contracts involve heightened risks and may result in losses to a Trust Portfolio or Underlying Fund. Credit default swaps may be illiquid and difficult to value. When an Underlying Fund sells credit protection via a credit default swap, credit risk increases since the fund has exposure to both the issuer whose credit is the subject of the swap and the counterparty to the swap.

Environmental, Social, Governance (ESG) considerations risk. Underlying Funds may take into account ESG considerations as one of a number of factors when selecting their investments and some Underlying Funds may focus on ESG considerations. In either situation, the issuers in which Underlying Funds invest may not be considered ESG-focused issuers and may have lower or adverse ESG assessments. Consideration of ESG factors may affect the Underlying Fund's exposure to certain issuers or industries and may not apply as intended. In addition, ESG considerations assessed as part of an Underlying Fund's investment process may vary across types of eligible investments and issuers. Not every investment may be assessed for ESG factors and, when ESG considerations are assessed, not every ESG factor may be identified or evaluated. Any assessment of an issuer's ESG factors is subjective and will likely differ from that of investors, third party service providers (e.g., ratings providers) and other funds. As a result, securities selected by an Underlying Fund may not reflect the beliefs and values of any particular investor. An Underlying Fund also may be dependent on the availability of timely, complete and accurate ESG data reported by issuers and/or third-party research providers, the timeliness, completeness and accuracy of which is not within control. ESG factors are often not uniformly measured or defined, which could impact the ability to assess an issuer. While ESG considerations may be viewed as having the potential to contribute to an Underlying Fund's long-term performance, there is no guarantee that such results will be achieved.

Extension risk. When interest rates rise, repayments of fixed income securities may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause a Trust Portfolio's or Underlying Fund's share price to be more volatile.

Fixed income securities risk. Fixed income securities are subject to a number of risks, including credit, market and interest rate risks. Credit risk is the risk that the issuer or obligor will not make timely payments of principal and interest. Changes in an issuer's or obligor's credit rating or the market's perception of an issuer's or obligor's creditworthiness may also affect the value of a Trust Portfolio's or Underlying Fund's investment in that issuer. The Trust Portfolio or Underlying

Fund is subject to greater levels of credit risk to the extent it holds below investment grade debt securities, or “junk” bonds. Market risk is the risk that the fixed income markets may become volatile and have lower liquidity or behave in unexpected ways, and the market value of an investment may decrease, sometimes quickly or unpredictably. Interest rate risk is the risk that the value of a fixed income security will fall when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities.

Focus risk. To the extent that a Trust Portfolio or Underlying Fund focuses on particular countries, regions, industries, sectors or types of investments from time to time, the Trust Portfolio or Underlying Fund may be subject to greater risks of adverse developments in such areas of focus than an investment vehicle that invests in a wider variety of countries, regions, industries, sectors or investments.

Foreign investments and emerging markets risk. A Trust Portfolio’s or Underlying Fund’s investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of a Trust Portfolio’s or Underlying Fund’s investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability. To the extent the Trust Portfolio or Underlying Fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on fund performance relative to a more geographically diversified fund. The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. A Trust Portfolio or Underlying Fund may be unable or may choose not to hedge its foreign currency exposure. Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and a Trust Portfolio or Underlying Fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer). The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

Growth and value investing risk. Growth or value securities as a group may be out of favor and underperform the overall equity market while the market concentrates on other types of securities. Growth securities typically are very sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth securities typically fall. Growth stocks may be more expensive relative to their current earnings or assets compared to value or other stocks, and if earnings growth expectations moderate, their valuations may return to more typical norms, causing their stock prices to fall. The value approach to investing involves risks that stocks may remain undervalued, undervaluation may become more severe, perceived undervaluation may actually represent intrinsic value or the markets may favor faster growing companies.

Hedging strategies risk. A Trust Portfolio, through its Underlying Fund(s), may employ investment strategies that involve greater risks than the strategies used by typical mutual funds, including increased use of short sales, leverage and derivative transactions and hedging strategies. A Trust Portfolio may invest in Underlying Funds employing proprietary investment strategies that are not fully disclosed, which may involve risks that are not anticipated. Hedging strategies may be narrowly focused on a particular market, security type or activity, and thus are exposed to greater risk of loss if the investment thesis underlying the strategy does not occur as anticipated. Hedging strategies that are intended to reduce an

Underlying Fund's volatility may fail to do so effectively. The use of leverage by a hedging strategy (e.g., through options) will magnify any losses incurred by the strategy.

High-yield ("junk") bonds risk. High yield bonds are generally subject to greater credit risks than higher-grade bonds, including the risk of default on the payment of interest or principal. High-yield bonds are considered speculative, typically have lower liquidity and are more difficult to value than higher grade bonds. High yield bonds tend to be volatile in price and more susceptible to adverse events, credit downgrades and negative sentiments and may be difficult to sell at a desired price, or at all, during periods of uncertainty or market turmoil.

Illiquidity risk. Some assets held by a Trust Portfolio or Underlying Fund may be or become impossible or difficult to sell, particularly during times of market turmoil. These illiquid assets may also be difficult to value. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. If a Trust Portfolio or Underlying Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, it may be forced to sell at a substantial loss or may not be able to sell at all.

Inflation risk. The market price of debt securities generally falls as inflation increases because the purchasing power of the future income and repaid principal is expected to be worth less when received. Debt securities that pay a fixed rather than variable interest rate are especially vulnerable to inflation risk because variable-rate debt securities may be able to participate, over the long term, in rising interest rates which have historically corresponded with long-term inflationary trends. Inflation may also influence central bank policies and interest rates, which in turn may adversely impact equities and other asset classes.

Investing in a Trust Portfolio that invests in Underlying Fund(s) risk. Your cost of investing in a Trust Portfolio that invests in one or more Underlying Funds will be higher than the cost of investing in a mutual fund that only invests directly in individual equity and fixed income securities. An Underlying Fund may change its investment objective or policies without a Trust Portfolio's approval, which could cause the Trust Portfolio to withdraw its investment from such Underlying Fund at a time that is unfavorable to the Trust Portfolio. In addition, one Underlying Fund may buy the same securities that another Underlying Fund sells. Therefore, the applicable Trust Portfolio would indirectly bear the costs of these trades without accomplishing any investment purpose. If a Trust Portfolio invests in an Underlying Fund that has recently commenced operations, there can be no assurance that such Underlying Fund will grow to or maintain an economically viable size, in which case the Underlying Fund's board or adviser may determine to liquidate the Underlying Fund or the Trust Portfolio may indirectly bear higher expenses. Because a Trust Portfolio bears the fees and expenses of the Underlying Fund(s) in which it invests, an increase in fees and expenses of an Underlying Fund or a reallocation of a Trust Portfolio's investments to Underlying Funds with higher fees or expenses will increase the Trust Portfolio's total expenses.

Investing in ETFs risk. A Trust Portfolio's investments in ETFs may subject the Trust Portfolio to additional risks and costs than if the Trust Portfolio had invested directly in the ETFs' underlying securities. These risks include the possibility that an ETF may experience a lack of liquidity that can result in greater volatility than its underlying securities and that an ETF may trade at a premium or discount to its net asset value. Unlike shares of typical mutual funds or unit investment trusts, shares of ETFs are traded on an exchange and may trade throughout a trading day. ETFs are bought and sold based on market values and not at NAV, and therefore, may trade at either a premium or discount to NAV and may experience volatility in certain market conditions. A Trust Portfolio will pay brokerage commissions in connection with the purchase and sales of shares of the ETFs. In addition, a Trust Portfolio will indirectly bear its pro rata share of fees and expenses incurred by an ETF in which it invests, including advisory fees. These expenses are in addition to management fees and other expenses that a Trust Portfolio bears directly in connection with its own operations. Certain ETFs are also subject to portfolio management risk. Investments in ETFs are subject to the risk that the listing exchange may halt trading of an ETF's shares, in which case a Trust Portfolio would be unable to sell its ETF shares unless and until trading is resumed.

Issuer risk. The market price of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors

relating to the industry or sector of the issuer. A Trust Portfolio or Underlying Fund may experience a substantial or complete loss on an individual security.

Large capitalization company risk. Large capitalization companies may fall out of favor with investors based on market and economic conditions. In addition, larger companies may not be able to attain the high growth rates of successful smaller companies and may be less capable of responding quickly to competitive challenges and industry changes. As a result, a Trust Portfolio or Underlying Fund's value may not rise as much as, or may fall more than, the value of funds that focus on companies with smaller market capitalizations.

Long/short strategy risk. While an Underlying Fund may invest in long positions and short positions, there is the risk that the investments will not perform as expected and losses on one type of position could more than offset gains on the other, or an Underlying Fund could lose money on both positions.

Market risk.

The market values of securities or other investments will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers is not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by a Trust Portfolio or Underlying Fund.

Non-diversification risk. To the extent a Trust Portfolio invests its assets in a single or small number of Underlying Funds, the Trust Portfolio may be more susceptible to negative events affecting its Underlying Fund(s) than more diversified funds. The Underlying Fund(s) in which a Trust Portfolio invests may be either diversified or non-diversified. A "non-diversified" Underlying Fund invests a larger percentage of its assets in a smaller number of securities than a diversified fund.

Portfolio management risk. The value of your investment may decrease if the judgment of the Investment Manager's or of an Underlying Fund's adviser about the attractiveness, value of, or market trends affecting, a particular security, industry, sector or region, or about market movements, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the Investment Manager or an Underlying Fund's portfolio managers. In addition, a Trust Portfolio's or Underlying Fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the applicable investment managers and could have an adverse effect on the value or performance of the Trust Portfolio or Underlying Fund.

Prepayment or call risk. Many issuers have a right to prepay their fixed income securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, an Underlying Fund or Trust Portfolio will not benefit from the rise in the market price of the securities that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. An Underlying Fund may also lose any premium it paid to purchase the securities.

Real assets risk. Investments in the real estate, natural resources and commodities sectors involve a high degree of risk, including significant financial, operating, and competitive risks. Investments in royalty trusts, real estate investment trusts and master limited partnerships expose a Trust Portfolio or Underlying Fund to adverse macroeconomic conditions, such as changes and volatility in commodity prices, a rise in interest rates or a downturn in the economy in which the asset is located, elevating the risk of loss.

Risks related to Russia's invasion of Ukraine. Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion. To the extent that an Underlying Fund has exposure to Russian investments or investments in countries affected by the invasion, the Underlying Fund's ability to price, buy, sell, receive or deliver such investments may be impaired. The Underlying Fund could determine at any time that certain of the most affected securities have zero value. In addition, any exposure that the Underlying Fund may have to counterparties in Russia or in countries affected by the invasion could negatively impact the Underlying Fund's investments. The extent and duration of Russia's military actions and the repercussions of such actions (including any retaliatory actions or countermeasures that may be taken by those subject to sanctions) are impossible to predict, but could result in significant market disruptions, including in the oil and natural gas markets, and may negatively affect global supply chains, inflation and global growth. These and any related events could significantly impact an Underlying Fund's and Trust Portfolio's performance and the value of an investment in the Underlying Fund and Trust Portfolio, even beyond any direct exposure an Underlying Fund may have to Russian issuers or issuers in other countries affected by the invasion.

Small and mid-capitalization company risk. A Trust Portfolio or Underlying Fund will be exposed to additional risks if it invests in the securities of small and mid-capitalization companies. Small and mid-capitalization companies may fall out of favor with investors; may have limited product lines, operating histories, markets or financial resources; or may be dependent upon a limited management group. The prices of securities of small and mid-capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession. Securities of small and mid-capitalization companies may underperform large capitalization companies, may be harder to sell at times and at prices the applicable portfolio managers believe appropriate and may have greater potential for losses.

Stock market and equity securities risk. The stock markets are volatile and the market prices of an Underlying Fund's equity securities may decline generally. Equity securities may have greater price volatility than other asset classes, such as fixed income securities, and may fluctuate in price based on actual or perceived changes in a company's financial condition and overall market and economic conditions and perceptions. If the market prices of the equity securities owned by an Underlying Fund falls, the value of your investment in a Trust Portfolio may decline.

Valuation risk. The sales price a Trust Portfolio or Underlying Fund could receive for any particular portfolio investment may differ from the Trust Portfolio's or Underlying Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect investments more broadly during periods of market volatility. Investors who purchase or redeem a Trust Portfolio share on days when the Trust Portfolio or one or more of its Underlying Funds are holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the securities had not been fair-valued securities or a different valuation methodology had been used. A Trust Portfolio's or Underlying Fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of a Trust Portfolio's or Underlying Fund's investments involves subjective judgment.

Change in Investment Policy, Program Manager or Investment Manager

Each Investment Option must be invested in accordance with the Investment Policy. HESAA may change the Investment Policy applicable to the Program at any time. In addition, the Services Agreement, under which investment management, administrative, distribution and marketing services for the Program are provided may not be renewed. You do not control the investment instruments or asset allocation selected by the Program under each Investment Option. The specific investment instruments in which the assets that determine the value of your Account are invested, as well as the

allocation among asset categories, are subject to change without the consent of Account Owners, and HESAA is not obligated to continue investing in investment instruments selected by Franklin Mutual Advisers or in investment companies sponsored or managed by affiliates of Franklin Templeton. HESAA may eliminate, consolidate or otherwise change Investment Options without the consent of Account Owners. Regardless of whether FD or another entity is the Program Manager, the fee structure for the Program Manager may change during the term of your Account. If a Program Manager fee structure that is more favorable to Account Owners were to be implemented in the future, it might be necessary for existing Account Owners to open new Program Accounts to take advantage of such structure with respect to new contributions or existing Program Account balances.

Financial Aid

Federal Financial Aid

Being the Account Owner or Beneficiary of an Account may impact eligibility for financial aid.

- If the Account Owner is the student's parent, the available balance may be treated as a parental asset, as is the case with other financial assets of the parent that are considered in determining federal financial aid eligibility. As a general matter, a smaller percentage of such parental assets (under current law, a maximum of 5.64%) than of student assets (under current law, 20%) is deemed available to the student, and accordingly parental assets generally have a lesser impact than student assets for purposes of determining federal financial aid eligibility.
- If a dependent student is the Account Owner, whether through an UTMA/UGMA custodian or directly, the available balance in the Account is treated as a parental asset.
- If an independent student is the Account Owner, whether through an UTMA/UGMA custodian or directly, the available balance in the Account is treated as a student asset.

Assets in an Account not owned by the applicable student or the student's parent (such as non-UTMA/UGMA accounts opened by a grandparent as Account Owner) generally are not considered in the student's need analysis for federal financial aid purposes, but payments from such an Account may be considered income of the applicable student for purposes of subsequent financial aid determinations.

Being the Account Owner or Beneficiary of an Account may impact eligibility for non-federal financial aid opportunities, including financial aid opportunities at any elementary or secondary school. You should consult a financial aid advisor for further information on your particular circumstances. The U.S. Department of Education also sponsors a website with useful information at <https://studentaid.gov>.

New Jersey Financial Aid

The Act provides that an amount to be annually determined by HESAA, which shall not be less than \$25,000, of all Program Accounts shall be excluded from consideration in evaluating the financial need of a Beneficiary for the purpose of determining the eligibility of a Beneficiary for any scholarship, grant or monetary assistance awarded by the State. The currently applicable amount is \$25,000. The Beneficiary may be required to verify the dollar amount in the Program Account(s) to the satisfaction of the entity or agency awarding the State funds. You should consult with your financial aid advisor to determine the impact of an Account on financial aid in another state.

Tax Risks

The federal and state tax benefits and related tax implications of an investment in an Account depend on qualification of the Program as a QTP within the meaning of Section 529. Section 529 sets forth numerous requirements and the Program has been designed to comply with these requirements as understood by HESAA. HESAA has not obtained a private letter ruling from the IRS determining that the Program satisfies the requirements of Section 529. The United States Treasury Department (the "Treasury Department") has published proposed regulations under Section 529, but those regulations do not provide guidance on various changes to Section 529 implemented by the Economic Growth and Tax Relief Reconciliation Act of 2001 or the "Act to provide for reconciliation pursuant to Title II and V of the Concurrent

Resolution on the Budget for Fiscal Year 2018”, Pub. L. 115-97, enacted December 22, 2017, including without limitation regarding Qualified Distributions for Qualified Elementary or Secondary Education Expenses. Final regulations have not been issued. The Treasury Department also has published certain notices that may be relied upon pending issuance of final regulations, concerning investment reallocations affecting amounts contributed to a QTP and certain other matters arising under Section 529. On January 17, 2008, the Treasury Department released an advance notice of proposed rulemaking (the “2008 Advance Notice”) relating to QTPs under Section 529. The 2008 Advance Notice indicated that the Treasury Department intends to repropose the initial Section 529 regulations proposed in 1998. The repropose regulations have not yet been published, and although the 2008 Advance Notice indicated certain changes and clarifications that will be included in the repropose regulations, the exact content of the new proposed regulations, and the ultimate content of the final regulations, is not known. The repropose regulations could limit or require changes to, and affect tax consequences of, certain features of the Program described in this Program Description.

HESAA and the Program Manager intend to modify the Program from time to time in accordance with applicable federal tax law and administrative guidance to maintain Program compliance with the requirements of Section 529. There can be no assurance, however, that the IRS or any state tax regulator will agree that the Program, in its current form or as it may be modified, satisfies the current and any future requirements of Section 529 or that, if challenged by the IRS or a state tax regulator, the status of the Program as a QTP under Section 529 would be sustained in court. If the Program as currently structured or as subsequently modified does not meet the requirements of Section 529 for any reason, the tax consequences to Account Owners, Third-Party Contributors and Beneficiaries are uncertain and it is possible that Account Owners or Beneficiaries could become subject to taxes on undistributed earnings in their Accounts as well as to other adverse tax consequences. In addition, changes in the law governing any of the federal or state tax consequences described in this Program Description might require material changes to the Program for the anticipated tax consequences to apply, or might change the federal or state tax consequences from those described in this Program Description.

None of the Program, the State, HESAA, the Division of Investment, the Program Manager or any other party assumes any responsibility for the tax treatment of any distribution from an Account or for the adequacy of the documentation obtained and maintained by an Account Owner or Beneficiary to support favorable federal and state tax treatment. It is the responsibility of the Account Owner and the Beneficiary to identify, obtain and retain such documentation. HESAA and the Program reserve the right to report the earnings components of all distributions from an Account without characterizing the purpose of the distributions or the treatment of such earnings for federal or state income tax purposes, except as may be required by applicable federal tax requirements. See “Tax Information” for more information.

Program Changes

HESAA may change the terms and conditions of the Program without the consent of the Account Owners or Beneficiaries to the extent required to achieve or preserve the Program's status as a QTP or to the extent otherwise deemed necessary or appropriate by HESAA. Such changes may impose additional requirements on your participation in the Program, limit the flexibility of the Program or otherwise change terms and conditions of the Program that you consider important. Although the consent of the Account Owners or Beneficiaries to such changes is not required, if the Account Owner does not wish to continue participating in the Program after such changes, under current law the Account Owner has the ability to transfer the Account balance to another QTP through a Rollover Distribution. See “Contributing to Your Account” and “Making Changes to Your Account”, above.

Amount of and Inflation in Qualified Higher Education Expenses (“QHEE”)

Even if the balance in your Account has reached the Maximum Contribution Limit, the Account may not be sufficient to pay the Beneficiary's QHEE. This could be the case if the Beneficiary attends institutions at which the QHEE of students for the period of attendance by the Beneficiary are greater than the Maximum Contribution Limit plus the earnings thereon in the Account. In addition, the level of future inflation in QHEE is uncertain. In the recent past, QHEE often have grown at a rate which substantially exceeds the rate of return on many investments, including investments similar to the Investment Options, as well as the rate of increase in the general cost of living. The rate of future increases in QHEE over any period could exceed the rate of investment return earned by any or all the Investment Options over the corresponding periods.

Non-Use by Beneficiary of Account for QHEE

If the Beneficiary of an Account (or any successor Beneficiary you may designate) does not apply for admission to attend any Eligible Educational Institution, is not accepted for admission to an Eligible Educational Institution, does not achieve satisfactory academic performance or is otherwise not permitted to continue to attend an Eligible Educational Institution, or otherwise does not need all or a portion of the balance in the Account to pay for QHEE then, except in the case of a Rollover Distribution to an account in a QTP for a Member of the Family of the Beneficiary or, subject to the limitations described in this Program Description, a Rollover Distribution to a Qualified ABLE Program for the Beneficiary or a Member of the Family of the Beneficiary or a Roth IRA Distribution, the earnings portion of amounts withdrawn from the Account would be subject to federal income tax and, unless the distribution is due to the Beneficiary's permanent disability, paid to the Beneficiary's estate upon death of the Beneficiary, or on account of a qualified scholarship awarded to the Beneficiary or attendance by the Beneficiary at a U.S. military academy, a 10% additional federal income tax. State and local income taxes may also be applicable to the withdrawn earnings.

Risks Related to Illiquidity

Investment in the Program involves the risk of reduced liquidity of the amounts invested. The circumstances under which funds may be withdrawn from the Account without a tax penalty are limited. See "Tax Information" for further information about these restrictions. In addition, you may not assign or pledge any part of an Account as security for a loan or otherwise.

Impact on Medicaid Eligibility and Other Non-Educational Benefits

Account Owners and Third-Party Contributors should be aware that ownership of an Account in the Program could have an impact on eligibility for Medicaid and other federal and state non-educational benefits. Although the result may vary from state to state, assets in your Account may be considered available assets for determining eligibility. You should consult qualified financial and tax advisors for advice on your particular situation.

Fees and Expenses

Each of the mutual funds and ETFs in which the Trust may invest assets contributed under an Investment Option charges investment management fees and other expenses. These fees and expenses are taken into account in valuing the mutual fund/ETF shares owned by the applicable Trust Portfolio and accordingly indirectly affect the investment returns on amounts invested under the applicable Investment Option. There also may be brokerage fees associated with the purchase or sale of ETFs that also affect the investment return on amounts invested under the applicable Investment Option.

In addition, the Program currently charges a Program fee of 10 basis points (0.10 percent) per annum assessed daily against the assets of each Trust Portfolio except the Franklin U.S. Government Money 529 Portfolio; though that fee is currently not imposed for the Franklin U.S. Government Money 529 Portfolio, it may be imposed in whole or in part at any time, increasing expenses and reducing performance. The Program fee is used to pay for the services of FD, Franklin Mutual Advisers and other FD affiliates under the Services Agreement, as well as to pay HESAA for its services in connection with the Program. The Program fee is subject to change by HESAA.

Estimated Fees and Expenses and Estimated Cost of a \$10,000 Investment

For both the “Estimated Fees and Expenses” and the “Estimated Cost of a \$10,000 Investment” sections, below:

- Total annual asset-based fees are assessed against assets over the course of the year and do not include sales charges or account maintenance fees.
- No account maintenance fee is currently in effect.
- Estimated expenses assessed by the Underlying Funds are based on the expenses reported in the applicable Underlying Fund’s most recent publicly available financial statements as of July 31, 2023.
- Underlying Fund expenses will vary and in some cases have been, and may from time to time be, reduced by fee and expense waivers or reimbursements, which may be ended at any time, increasing future expenses.
- The actual expenses of an Underlying Fund may differ from those in the financial statements for any period that does not coincide with the period reported on by such financial statements.

For Trust Portfolios with multiple Underlying Funds:

- Underlying Fund expenses are based on a weighted average of the expense ratios of each Underlying Fund in which the applicable Investment Option was invested as of September 30, 2023.
- The weighting is in accordance with each applicable Underlying Fund’s percentage of the aggregate value of the Underlying Funds in the applicable Trust Portfolio on September 30, 2023.
- At any time, the Investment Manager may change the investments of Trust Portfolios within each asset class among various Underlying Funds, changing amounts allocated to each Underlying Fund, and varying between mutual funds and ETFs. As a result, fees and expenses of the Trust Portfolios and the costs of investments in them will vary from those estimated shown below.

Estimated Fees and Expenses

Investment Option	Estimated Underlying Fund Expenses	Program Management Fee	Estimated Total Annual Asset-Based Fees
OBJECTIVE-BASED ASSET ALLOCATIONS			
Franklin Conservative Allocation 529 Portfolio	0.23%	0.10%	0.33%
Franklin Conservative Growth Allocation 529 Portfolio	0.22%	0.10%	0.32%
Franklin Moderate Allocation 529 Portfolio	0.22%	0.10%	0.32%
Franklin Moderate Growth Allocation 529 Portfolio	0.21%	0.10%	0.31%
Franklin Growth Allocation 529 Portfolio	0.21%	0.10%	0.31%
Franklin Aggressive Growth Allocation 529 Portfolio	0.20%	0.10%	0.30%
Age-Based Allocations			
Franklin Growth Allocations Age-Based 529 Portfolios			
Newborn–4 Years	0.20%	0.10%	0.30%
Age 5–6 Years	0.20%	0.10%	0.30%
Age 7-8 Years	0.20%	0.10%	0.30%
Age 9-10 Years	0.21%	0.10%	0.31%
Age 11-12 Years	0.21%	0.10%	0.31%
Age 13-14 Years	0.22%	0.10%	0.32%
Age 15-16 Years	0.22%	0.10%	0.32%
Age 17 Years	0.23%	0.10%	0.33%
Age 18 Years	0.23%	0.10%	0.33%
Age 19+ Years	0.25%	0.10%	0.35%
Franklin Moderate Allocations Age-Based 529 Portfolios			
Newborn–4 Years	0.21%	0.10%	0.31%
Age 5-6 Years	0.21%	0.10%	0.31%
Age 7-8 Years	0.21%	0.10%	0.31%
Age 9-10 Years	0.21%	0.10%	0.31%
Age 11-12 Years	0.21%	0.10%	0.31%
Age 13-14 Years	0.22%	0.10%	0.32%
Age 15-16 Years	0.22%	0.10%	0.32%
Age 17 Years	0.24%	0.10%	0.34%
Age 18 Years	0.25%	0.10%	0.35%
Age 19+ Years	0.26%	0.10%	0.36%
Franklin Conservative Allocations Age-Based 529 Portfolios			
Newborn–4 Years	0.21%	0.10%	0.31%
Age 5-6 Years	0.21%	0.10%	0.31%
Age 7-8 Years	0.21%	0.10%	0.31%
Age 9-10 Years	0.21%	0.10%	0.31%

Investment Option	Estimated Underlying Fund Expenses	Program Management Fee	Estimated Total Annual Asset- Based Fees
Age 11-12 Years	0.22%	0.10%	0.32%
Age 13-14 Years	0.22%	0.10%	0.32%
Age 15-16 Years	0.23%	0.10%	0.33%
Age 17 Years	0.25%	0.10%	0.35%
Age 18 Years	0.25%	0.10%	0.35%
Age 19+ Years	0.26%	0.10%	0.36%
INDIVIDUAL FUND PORTFOLIOS			
U.S. Equity			
Franklin Growth 529 Portfolio	0.57%	0.10%	0.67%
Franklin DynaTech 529 Portfolio	0.61%	0.10%	0.71%
Franklin Small-Mid Cap Growth 529 Portfolio	0.63%	0.10%	0.73%
ClearBridge Large Cap Value 529 Portfolio	0.60%	0.10%	0.70%
Franklin U.S. Large Cap Index 529 Portfolio (formerly S&P 500 Index 529 Portfolio)	0.03%	0.10%	0.13%
Ariel 529 Portfolio	0.68%	0.10%	0.78%
Non-U.S. Equity			
ClearBridge International Growth 529 Portfolio	0.72%	0.10%	0.82%
Fixed Income			
Western Asset Core Plus Bond 529 Portfolio	0.42%	0.10%	0.52%
BrandywineGLOBAL – Global Opportunities 529 Portfolio	0.54%	0.10%	0.64%
Western Asset Short-Term Bond 529 Portfolio	0.40%	0.10%	0.50%
Balanced			
Franklin Income 529 Portfolio	0.46%	0.10%	0.56%
Money Market			
Franklin U.S. Government Money 529 Portfolio ¹	0.35%	0.00%	0.35%
ESG			
ClearBridge Sustainability Leaders 529 Portfolio	0.75%	0.10%	0.85%
Martin Currie International Sustainable Equity 529 Portfolio	0.73%	0.10%	0.83%

1. For the Franklin U.S. Government Money 529 Portfolio: (a) the Program Fee (which may be increased at any time, increasing future expenses) has been reduced from 0.10% to 0.00% since the portfolio's inception date; and (b) "Total Annual Asset Based Fees" reflects the reduced Program Fee of 0.00% currently in effect.

Estimated Cost of a \$10,000 Investment

In Dollars for Periods Shown¹

The following table shows the approximate cost of investing in the Trust Shares over different periods of time. Your actual cost may be higher or lower. The table is based on the following assumptions:

- A \$10,000 investment invested for the time periods shown.
- A 5% annually compounded rate of return on the net amount invested throughout the period.

- The proceeds of all Trust Shares that are assumed to be redeemed for the purpose of a distribution at the end of the period shown are used for QHEE (the table does not consider the impact of any potential state or federal taxes on the redemption).
- Total annual asset-based fees remain the same as those shown in the tables above.
- In the case of the Franklin U.S. Government Money 529 Portfolio, the annual costs assume the continuation of the reduced Program Fee described above; however, such Program Fee may be increased at any time, which would increase the applicable annual costs.

Investment Option	Annual Asset-Based Fees			
	One Year	Three Years	Five Years	Ten Years
OBJECTIVE-BASED ASSET ALLOCATIONS				
Franklin Aggressive Growth Allocation 529 Portfolio	31	96	168	378
Franklin Conservative Allocation 529 Portfolio	33	105	184	415
Franklin Conservative Growth Allocation 529 Portfolio	33	103	180	407
Franklin Growth Allocation 529 Portfolio	31	98	172	388
Franklin Moderate Allocation 529 Portfolio	32	102	178	402
Franklin Moderate Growth Allocation 529 Portfolio	32	100	175	395
AGE-BASED ALLOCATIONS				
Franklin Age-Based Growth Allocations				
Newborn–4 Years	31	97	170	383
Age 5-6 Years	31	96	168	380
Age 7-8 Years	31	98	171	386
Age 9-10 Years	31	98	172	388
Age 11-12 Years	32	100	174	393
Age 13-14 Years	33	102	179	403
Age 15-16 Years	33	104	181	408
Age 17 Years	33	105	183	412
Age 18 Years	34	106	186	420
Age 19+ Years	36	112	195	439
Franklin Age-Based Moderate Allocations				
Newborn–4 Years	31	99	173	390
Age 5-6 Years	31	98	172	388
Age 7-8 Years	31	98	172	388
Age 9-10 Years	32	100	175	395
Age 11-12 Years	32	100	175	396
Age 13-14 Years	33	103	180	407
Age 15-16 Years	33	104	181	410
Age 17 Years	34	108	189	426

Investment Option	Annual Asset-Based Fees			
	One Year	Three Years	Five Years	Ten Years
Age 18 Years	35	111	194	438
Age 19+ Years	36	114	200	451
Franklin Age-Based Conservative Allocations				
Newborn–4 Years	32	101	176	397
Age 5-6 Years	32	100	175	396
Age 7-8 Years	32	100	175	395
Age 9-10 Years	32	101	176	397
Age 11-12 Years	33	104	181	408
Age 13-14 Years	33	104	181	410
Age 15-16 Years	34	106	186	420
Age 17 Years	35	111	194	437
Age 18 Years	36	113	198	447
Age 19+ Years	37	116	203	458
SINGLE FUND PORTFOLIOS				
U.S. Equity				
Franklin Growth 529 Portfolio	68	214	373	835
Franklin DynaTech 529 Portfolio	73	227	395	883
Franklin Small-Mid Cap Growth 529 Portfolio	75	233	406	906
ClearBridge Large Cap Value 529 Portfolio	72	224	390	871
Franklin U.S. Large Cap Index 529 Portfolio (formerly S&P 500 Index 529 Portfolio)	13	42	73	167
Ariel 529 Portfolio	80	249	433	966
Non-U.S. Equity				
ClearBridge International Growth 529 Portfolio	84	262	455	1014
Fixed Income				
Western Asset Core Plus Bond 529 Portfolio	53	167	291	653
BrandywineGLOBAL – Global Opportunities Bond 529 Portfolio	65	205	357	798
Western Asset Short Term Bond 529 Portfolio	51	160	280	628
Balanced				
Franklin Income 529 Portfolio	57	179	313	701
Money Market				
Franklin U.S. Government Money 529 Portfolio ¹	36	113	197	443
ESG				
ClearBridge Sustainability Leaders 529 Portfolio	87	271	471	1049
Martin Currie International Sustainable Equity 529 Portfolio	85	265	460	1025

1. Cost estimates for the Franklin U.S. Government Money 529 Portfolio do not include a Program Fee, since that fee is not in effect for the Franklin U.S. Government Money 529 Portfolio as of the date of this Program Description; the Program Fee may be imposed in whole or in part at any time in the future, which would increase future expenses. The above expenses shown for the Franklin U.S. Government Money 529 Portfolio reflect expense and fee waivers or reimbursements in effect as of the date of this Program Description that have reduced the Underlying Fund expenses and that may be reduced or eliminated at any time.

Other Compensation to Program Manager

In connection with the sale by an Underlying Fund of its shares to the Trust, the Program Manager and/or its affiliates may be compensated by the Underlying Fund for administrative and other services provided to such fund.

NJBEST Scholarship and Matching Grant

NJBEST Scholarship

The New Jersey Higher Education Student Assistance Authority provides a tax-free scholarship to Beneficiaries who attend college in New Jersey and who have a Program Account in either the Plan or the NJBEST Plan. To qualify for the scholarship:

- the Program Account must have been open for at least four years prior to the scholarship award, during which time total contributions must equal at least \$1,200;
- the Account Owner must submit a certification to HESAA demonstrating the Beneficiary's attendance at an Eligible New Jersey Higher Educational Institution; and
- the Account Owner must take a qualified distribution from the Program Account; and the Account Owner (if an individual) or Beneficiary must be a resident of New Jersey at the time the Beneficiary attends college.

In addition, the availability of the scholarship is subject to the appropriation of sufficient funds by the State legislature for such purpose. The scholarship may be awarded only once to an eligible Beneficiary, but may be awarded for any semester of attendance by the Beneficiary at any institution of post-secondary education. The student (not the contributor) must log into NJFAMS to apply. Please visit www.hesaa.org for additional information. The NJBEST Scholarship application must be completed by December 1 for the Fall semester and May 1 for the Spring semester.

Beginning with scholarships disbursed on or after June 7, 2021, pursuant to N.J.A.C. 9A:10-7.15, the scholarship amount is at least \$1,000. The amount of the scholarship increases by \$500 for every two years, in excess of four years, for which the Program Account has been open, up to a maximum amount of \$3,000, depending on the number of years and the level of contributions at the time the Beneficiary first enrolls at least half-time in an Eligible New Jersey Higher Educational Institution. However, the scholarship fund may not exceed the Beneficiary's actual cost of attendance. The table below indicates the possible scholarship amounts.

Contribution (not less than)	Full Years Account Open	Scholarship Amount
\$1,200	4	\$1,000
\$1,800	6	\$1,500
\$2,400	8	\$2,000
\$3,000	10	\$2,500
\$3,600	12	\$3,000

The Beneficiary must be enrolled at least half-time in an Eligible New Jersey Higher Educational Institution to be eligible for the scholarship. Scholarships are not awarded for study at out-of-state institutions or for elementary or secondary school attendance.

NJBEST Matching Grant

For Accounts opened by a New Jersey resident on or after June 29, 2021, the New Jersey Higher Education Student Assistance Authority provides a one-time grant of up to \$750 in a dollar-for-dollar match of the Account Owner's initial deposit into the Account, provided that:

1. The Account Owner's household adjusted gross income is between \$0 and \$75,000;
2. The Account remains open and the Account Owner does not withdraw the shares purchased with the initial matched contribution (which may have increased or decreased in value) for a minimum of three years following the initial contribution into the Account;
3. Sufficient funds are available to finance the matching grants from direct State appropriations to HESAA or from Program administrative fees, the availability of which shall be determined annually by the Authority's Board; and

4. HESAA has not provided a matching grant to another Account established for the same Beneficiary.

To receive a matching grant from HESAA, an Account Owner must apply online on HESAA's website within one year of opening the Account and must submit their federal tax return transcript for the year prior to the application year to verify income.

- If no tax returns were filed for the year requested, an Account Owner may provide HESAA with documented proof, received through a federal or New Jersey state agency, of taxable and/or untaxed income, including, but not limited to, an IRS tax and wage transcript, receipt of unemployment insurance benefit payments, child support, alimony, welfare payments, Social Security benefits, Supplemental Security Income (SSI), or a benefit from any of the following federal programs: Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) or housing assistance.

If there are insufficient funds available to match the contributions of all applicants, HESAA will select participants for the matching grant program by order of when the application was received.

Within 60 days of approving an Account Owner's application, HESAA will provide the Investment Manager with the matching grant. The Investment Manager will deposit those funds into an escrow account, where it will be invested in the same Investment Option(s), proportionately, as the applicable Account.

After three years from such deposit, if the Account Owner meets the requirement that the Account Owner has not withdrawn the shares purchased with the initial contribution (which may have increased or decreased in value) from the Account for a minimum of three years following the initial contribution into the Account, the matching grant plus any investment earnings will be transferred from the escrow account to the Account.

If the escrow account incurs an investment loss such that the amount available for transfer from the escrow account to the Account is less than the matching grant provided by HESAA to the escrow account, HESAA will provide, upon or promptly after the transfer of the escrow account balance to the Account, an additional amount for deposit to the Account such that the aggregate amount so transferred to the Account equals the matching grant amount, subject to the availability to HESAA of such additional amount from direct State appropriations or from Program administrative fees.

If any portion of the shares purchased with the initial contribution for which a matching grant was provided (up to \$750) is withdrawn by the Account Owner during such three-year period for any reason (including in connection with a Qualified Distribution), the entire matching grant is forfeited.

The NJBEST matching grant is subject in all respects to the terms and conditions for such matching grant program, as amended from time to time. Such terms and conditions may be accessed at <https://www.hesaa.org/Pages/NJBESTMatchingProgram.aspx>.

Program Management

The New Jersey Higher Education Student Assistance Authority

HESAA administers the Program for the State of New Jersey. HESAA's Board is composed of public members and members representing various sectors of higher education appointed by the Governor of New Jersey, the State Treasurer, the Executive Director of the Authority, students, and representatives of other public boards with a mission in higher education. Originally founded in 1959, and expanded in 1999, HESAA's mission is to provide students and families with the financial and informational resources for students to pursue their education beyond high school. In addition to the Program, HESAA administers a variety of state grant and scholarship programs, serves as a guarantor and lender for federal student loans and offers a state supplemental student loan program.

Under the Act, HESAA acts as trustee for the Trust, selects Investment Managers for the Program, adopts regulations and carries out other functions necessary for the operation of the Program.

New Jersey Division of Investment and State Investment Council

The Division of Investment is among the 50 largest public or private money managers in the United States. The State Investment Council oversees the administration of the Division of Investment. It is composed of public members appointed by the Governor of New Jersey and representatives of pension funds' boards. State law requires that no State Investment Council member shall hold any office, position or employment with any political party, and that no one can benefit from the transactions of the Division of Investment. The State Investment Council is required to approve the Investment Policy.

Franklin Templeton

Franklin Templeton refers to a group of affiliated companies owned directly or indirectly by Franklin Resources, Inc. Franklin Templeton is a global organization with headquarters in San Mateo, California and a recognized leader in international and domestic stock investments as well as innovative fixed income investments.

FD, a subsidiary of Franklin Resources, Inc., has been retained by HESAA under a contract subject to a specific term to provide certain distribution, administrative and recordkeeping services for the NJBEST Program and investment management services for the Investment Options. FD is not responsible for the investment management of the Division Investment Options.

FD has retained its affiliate Franklin Mutual Advisers to serve as the Investment Manager for the Investment Options. Franklin Mutual Advisers manages, either directly or through sub-advisers approved by HESAA, the contributions received by the Trust for a particular Investment Option. Investment Options may be invested in mutual funds or ETFs for which Franklin Mutual Advisers or its affiliates serve as investment manager, or they may be invested in mutual funds, ETFs, or other investments that are unaffiliated with Franklin Mutual Advisers.

FTIS has been retained by FD to provide the administrative and recordkeeping services for which FD is responsible under the Services Agreement.

Tax Information

The discussion below is based on the Program's current understanding of Section 529. **This discussion is not exhaustive and is not intended as individual tax advice. In addition, there can be no assurance that the IRS or a state tax regulator will agree with the Program's understanding, or that it would be sustained in court if challenged. You should consult a qualified tax advisor regarding the application of federal, state and local tax law to your circumstances.** See "Risk Factors – Tax Risks" for additional information.

Federal Tax Treatment

The following discussion summarizes certain aspects of federal income, gift, estate and generation-skipping transfer tax consequences relating to the Program and contributions to, earnings on and distributions from Accounts and reflects guidance provided in certain IRS notices regarding the content of final regulations that to date have not been promulgated.

The Program has been designed to meet the requirements of a QTP under Section 529. Accordingly, Account Owners and Beneficiaries are expected to be exempt from federal income tax on undistributed earnings allocated to Accounts established under the Program. To be eligible for such tax treatment and for Account Owners, Third-Party Contributors and Beneficiaries to receive the favorable federal income, gift, estate, and generation-skipping transfer tax treatment described below, the Program is required to implement certain restrictions and procedures applicable to the operation of the Program. Certain of these restrictions and procedures are described below.

- **Contributions.** Contributions to an Account by an Account Owner or a Third-Party Contributor do not result in taxable income to the Beneficiary. Neither the Account Owner nor a Third-Party Contributor may deduct the contribution from income for purposes of determining federal income taxes (i.e., contributions to an Account are made on an after-tax basis).

Contributions to an Account for a specific Beneficiary must be rejected (or, if accepted, returned) to the extent that the amount of the contribution would cause the aggregate amount held in Program Accounts for that Beneficiary to exceed the Maximum Contribution Limit established by HESAA. This limitation on contributions is intended to comply with the federal tax law requirement that the Program have adequate safeguards to prevent contributions to a Program Account in excess of those necessary to provide for the reasonably anticipated QHEE of the Beneficiary. For purposes of this limit, amounts on deposit in all Program Accounts for the same Beneficiary are taken into account, regardless of the Account Owner. While not now expected, it is possible that federal law might impose a lower limit on aggregate contributions to Program Accounts for the same Beneficiary than the current Maximum Contribution Limit.

An Account Owner may generally transfer into a Program Account, without adverse federal income tax consequences, all or part of the funds held in another Program Account, the Beneficiary of which is a Member of the Family of the Beneficiary of the receiving Account, if the funds are deposited to the receiving Program Account within 60 days of the distribution from the distributing Program Account. In addition, all or part of the funds held in a Coverdell ESA may be transferred without adverse tax consequences into a Program Account with a Beneficiary who is the same as the Coverdell ESA beneficiary. A person (whether the Account Owner or a Third-Party Contributor) who meets certain age and income limitations and who makes contributions to an Account, the Beneficiary of which is such person or such person's spouse or eligible dependent, may be allowed to exclude all or a portion of income from certain United States savings bonds issued after 1989 in computing such person's federal taxable income for the year in which a contribution to the Account is made. In those circumstances, some or all of the excluded savings bond income may be recognized at the time of a subsequent distribution from the Account. See "Opening an Account," "Making Changes to Your Account," and "Tax Information."

- **Taxation of Account Earnings.** Earnings from the investment of contributions to an Account will not be included in computing the federal taxable income of the Account Owner or Beneficiary until funds are distributed, in whole or in part, from the Account. Qualified Distributions, Rollover Distributions and Qualified Refund Distributions are tax-exempt for federal income tax purposes. Except in the case of tax-exempt Qualified Distributions, Rollover Distributions and Qualified Refund Distributions, the earnings portion of any other distribution from an Account will be includable in

computing the taxable income, for the year in which the distribution is paid, of the person receiving, or treated as receiving, the distribution, as described below. Any income which is not tax-exempt will be taxed at ordinary income tax rates.

- **Taxation of Distributions.**

Qualified Distributions

Qualified Distributions are not subject to federal income taxes.

To establish, if required, that a distribution qualifies as a Qualified Distribution for tax purposes, it is advisable that you or the Beneficiary maintain records of the Eligible Educational Institution attended by the Beneficiary, the dates of attendance and the amount and type of QHEE (including, if applicable, Qualified Elementary or Secondary Education Expenses) paid (including bills, receipts or other documentation of the expenses paid).

A “Qualified Distribution” is a distribution that:

- does not (together with other Qualified Distributions in the applicable tax year) exceed the amount of QHEE paid in the applicable tax year (exceed the amount of QHEE paid in the applicable tax year, including;
 - Costs of tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution.
 - “Eligible Educational Institutions” are defined under Section 529 generally as accredited post-secondary educational institutions located in the United States offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential; however, certain proprietary institutions and post-secondary vocational institutions and certain institutions located in foreign countries may be Eligible Educational Institutions.
 - To be an Eligible Educational Institution for purposes of Section 529, the institution must be eligible to participate in U.S. Department of Education student financial aid and student loan programs under Title IV of the Higher Education Act of 1965, as amended.
 - Reasonable expenses for room and board of a Beneficiary incurred during an academic period while enrolled or accepted for enrollment in a degree, certificate, or other program (including a program of study abroad approved for credit by the Eligible Educational Institution) at an Eligible Educational Institution at least half-time.
 - A student will be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing as determined under the standards of the institution where the student is enrolled. The institution's standard for a full-time workload must equal or exceed a standard established by the U.S. Department of Education under the Higher Education Act of 1965, as amended.
 - The amount of room and board treated as a QHEE cannot exceed the room and board allowance (applicable to the Beneficiary) included, for the period to which the distribution relates, in calculating the “cost of attendance” (as defined under the Higher Education Act of 1965, as in effect on the date of enactment of the 2001 amendments to that act, for purposes of federal financial aid programs) at the applicable Eligible Educational Institution, or, in the case of students living in housing owned or operated by the Eligible Educational Institution, the actual invoice amount, if higher than the “cost of attendance” figure.
 - Expenses for special needs services incurred by a Beneficiary who is a special needs beneficiary in connection with enrollment or attendance at the Eligible Educational Institution;
 - This includes expenses for the purchase of computer equipment or peripheral equipment controlled by a computer (excluding in either case equipment of a kind used primarily for amusement or entertainment of the user), computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution.

- Expenses for fees, books, supplies, and equipment required for the participation of the Beneficiary in an apprenticeship program registered and certified with the United States Secretary of Labor;
 - Principal or interest on any Qualified Education Loan of the Beneficiary or of a sibling of the beneficiary to the extent the amount of such distributions in a tax year does not exceed the lesser of the amount of such QHEE of the Beneficiary or such sibling, as applicable, paid in the applicable tax year or \$10,000, reduced by the amount of such distributions treated as QHEE of the Beneficiary or such sibling, as applicable, for all prior taxable years.
- Qualified Elementary or Secondary Expenses of the Beneficiary, to the extent the amount of such distributions in a tax year, together with the amount of all other distributions made in the same tax year to pay Qualified Elementary or Secondary Education Expenses of the Beneficiary from any other account in any Savings-Type QTP (irrespective of whether such account is owned by the Account Owner or by another person), does not exceed the lesser of \$10,000 or the amount of Qualified Elementary or Secondary Education Expenses of the Beneficiary paid in the applicable tax year.
 - The IRS has not yet provided guidance on the allocation of payments of Qualified Elementary or Secondary Education Expenses to Qualified Distributions in the event different taxpayers make payments aggregating more than \$10,000 for the Qualified Elementary or Secondary Education Expenses of the same Beneficiary in the same tax year.

Rollover Distributions

A Rollover Distribution is not subject to federal income taxes. A Rollover Distribution from your Program Account includes any of the following:

1. within 60 days of a distribution you transfer the funds withdrawn from your Program Account to another Program Account with a Beneficiary who is a Member of the Family of the Beneficiary of the Program Account from which the distribution was made;
 2. within 60 days of your distribution of funds from your Program Account you transfer such funds to an account established in another QTP;
 3. for distributions made prior to January 1, 2026, within 60 days of your distribution of funds from your Program Account you transfer such funds to an account established in a Qualified ABLE Program, provided that the amount of the Rollover Distribution cannot, together with amounts previously contributed to the recipient account in the same year, exceed the annual limit on contributions to an account in a Qualified ABLE Program (currently \$16,000) without consideration of certain provisions applicable to additional contributions by working beneficiaries of such accounts; or
 4. you direct the Program to transfer funds directly from your Program Account to such other Program Account described in clause (1) above or other QTP account or, subject to the limitations described in clause (3) above, Qualified ABLE Program account.
- In the case of a Rollover Distribution from a Program Account to another QTP account or vice versa, the Beneficiary can remain unchanged if at the time of such transfer, at least 12 months have elapsed since the last Rollover Distribution to any QTP for the benefit of the same Beneficiary. Otherwise, the Beneficiary of the account in the QTP receiving the Rollover Distribution must be a different individual from the Beneficiary of the Program Account from which the Rollover Distribution is made, and must be a Member of the Family of the Beneficiary of the Program Account from which the Rollover Distribution is made.
 - In the case of a Rollover Distribution from a Program Account to a Qualified ABLE Program account, the Beneficiary can remain unchanged or be a Member of the Family of the Beneficiary of the Program Account from which the Rollover Distribution is made.
 - HESAA regulations currently permit HESAA to charge a fee of up to \$75 with respect to Rollover Distributions from Program Accounts to other QTPs. HESAA has not, as of this date, charged such a fee, but reserves the right to do so without prior notice at any time.

Limited Tax-Free Distributions of Certain Unspent Account Balances to Roth IRAs

For distributions made after December 31, 2023, no federal income taxes are payable on a distribution to the extent you transfer the distributed funds directly from your Program Account to a Roth IRA established for the benefit of the beneficiary of your Program Account, provided that (i) the Program Account has been maintained for at least 15 years prior to the date of the applicable distribution, (ii) the amount of the distribution does not exceed the aggregate amount contributed to the Program Account (and attributable earnings) before the 5-year period ending on the date of the distribution, (iii) the amount of the distribution does not, together with amounts previously transferred in the same or a prior taxable year from such Program Account or from any other QTP account established for the same beneficiary to any Roth Account for such beneficiary, exceed \$35,000, and (iv) the amount of the distribution does not exceed the maximum amount permitted to be contributed to a Roth IRA in such tax year under the rules applicable to Roth IRAs, as adjusted with respect to rollover contributions from QTP accounts. A distribution that meets these conditions is referred to as a Roth IRA Distribution.

Non-Qualified Distributions

Non-Qualified Distributions include any use of money in your Account for any purpose other than a Qualified Distribution. Generally, the earnings portion of a Non-Qualified Distribution (other than a Rollover Distribution or a Qualified Refund Distribution) is subject to federal income taxes and to a 10% additional federal income tax. The earnings portion of distributions in the circumstances below are subject to federal income taxes, but not to the 10% additional federal income tax. For this purpose, calculations of the earnings portions of a distribution generally will be made as of the date of distribution. The taxable portion, if any, is based on the relative proportions of earnings and contributions in the Account (and in any other account established by the applicable Account Owner for the same Beneficiary in any college savings plan sponsored by HESAA that, if so required by federal tax law under any guidance issued by the Treasury Department determined to be in effect for the year of such distribution, is consolidated with such Account for such purpose). Apportionments of distributions between a return of contributions and earnings will be made in accordance with Section 529.:

- ***Death of Beneficiary.*** Under current federal tax law, a distribution on account of the Beneficiary's death is included in the estate of the Beneficiary and the income tax treatment depends on whether the distribution is actually received by the estate or is received by the Account Owner. If the distribution is actually received by the estate, the portion of such distribution deemed to constitute earnings will be subject to federal income tax, but not to the 10% additional federal income tax. If the distribution is actually received by the Account Owner, the portion of such distribution deemed to constitute earnings will be subject to federal income tax and to the 10% additional federal income tax. An Account Owner may be able to change the Beneficiary to another Member of the Family of the Beneficiary and thereby avoid a distribution for federal income tax purposes. To establish, if required, that a distribution qualifies as a distribution on account of the death of the Beneficiary, it is advisable that the Account Owner maintain a certified death certificate containing the name and Social Security number or Taxpayer Identification Number ("TIN") of the Beneficiary or other appropriate proof of death.
- ***Permanent disability of beneficiary.*** A distribution qualifies as a distribution on account of the permanent disability of the Beneficiary if at the time it is made the Beneficiary is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. To be able to establish, if required, that a distribution so qualifies, it is advisable that the Account Owner obtains and maintains a certification to such effect from a Doctor of Medicine or osteopathy who is legally authorized to practice in a state of the United States.
- ***Receipt of a qualified scholarship by the Beneficiary.*** The amount of the distribution from an Account treated as a distribution on account of a qualified scholarship cannot exceed the amount of the qualified scholarship received by the Beneficiary. For this purpose, a qualified scholarship also includes certain educational assistance allowances under federal law and certain payments for education expenses or attributable to attendance at certain educational institutions that are exempt from federal income tax. Account Owners and Beneficiaries should contact their tax advisors for more information. To be able to establish, if required, that a distribution should be treated as a distribution because of a qualified scholarship, it is advisable that the Account Owner obtain and maintain a letter from the grantor of the scholarship or from the institution receiving or administering the scholarship that:

- (1) identifies the Beneficiary by name and Social Security Number or IRS TIN as the recipient.
 - (2) states the amount of the qualified scholarship;
 - (3) indicates the period of time or number of credits or units to which the scholarship applies or the date of the grant; and
 - (4) if applicable, identifies the institution to which the qualified scholarship is to be applied.
- **Attendance by the Beneficiary at a U.S. military academy.** The amount of the distribution from an Account treated as a distribution on account of attendance at a U.S. military academy cannot exceed the costs of advanced education (as defined by United States Code title 10, section 2005 (e) (3)) attributable to such attendance.
 - **Distributions Corresponding to Expenses Taken into Account in Claiming Certain Tax Credits.** Qualified higher education expenses taken into account in the applicable tax year in claiming the Hope Scholarship/American Opportunity tax credit or the Lifetime Learning Credit may not also be taken into account for purposes of determining the amount of Qualified Distributions in such tax year. To the extent a Non-Qualified Distribution would have been a Qualified Distribution if not for the use of QHEE for purposes of obtaining a Hope Scholarship/American Opportunity or Lifetime Learning credit in the applicable tax year, the portion of such distribution deemed to constitute earnings will be subject to federal income tax but not to the 10% additional federal income tax.

Distributions for Refunded Payments of QHEE Recontributed to a QTP.

The amount of a distribution (or portion thereof) used to pay the QHEE of the Beneficiary at an Eligible Educational Institution but refunded to the Beneficiary by the Eligible Educational Institution will not be treated as a Non-Qualified Distribution to the extent the such distribution is recontributed to the Account of such Beneficiary or to an account for the Beneficiary in another QTP within 60 days of the Beneficiary's receipt of the refund from the Eligible Educational Institution.

- **Other Higher Education Expense Benefit Programs.** The tax benefits afforded to QTPs must be coordinated with other programs designed for meeting higher education expenses to avoid the duplication of such benefits. The coordinated programs include Coverdell ESAs under Section 530 of the Code and the Hope Scholarship and Lifetime Learning Credits under Section 25A of the Code.

Under Section 529 as currently in effect, the amount of a Beneficiary's QHEE in any tax year will be reduced by the aggregate of (1) the amount of the Beneficiary's expenses used for such tax year to qualify for the Hope Scholarship Credit and/or Lifetime Learning Credit; and (2) the amount received by the Beneficiary from certain qualified scholarships, allowances or payments.

A taxpayer may contribute to or direct the distribution from both a Program Account and a Coverdell ESA in the same year. However, if distributions for the benefit of a Beneficiary from the Program, any other QTP and/or one or more Coverdell ESAs in any tax year exceed the Beneficiary's QHEE for the year (after the reduction described in the previous paragraph), then the taxpayer will be required to allocate the expenses among such distributions. The same expenses cannot count both for Coverdell ESA purposes and as QHEE for purposes of the Program.

- **Record Retention.** You should retain records, invoices or other documents and information adequate to substantiate: (1) particular expenses which you claim to be QHEE; (2) distributions due to death or permanent disability of, or receipt of a qualified scholarship or attendance at a U.S. military academy by, a Beneficiary; (3) the earnings component of and compliance with the timing requirements applicable to Rollover Distributions; and (4) the earnings component of contributions funded from qualified savings bonds or Coverdell ESAs, because it is your responsibility to substantiate contributions to, and transfers from, any QTP account if the IRS or any state taxing authority requires you to do so. You should consult with your tax advisor as to what documentation may be required.
- **Federal Gift, Estate and Generation-Skipping Transfer Taxes.** Contributions to the Program, including certain Rollover Distributions, are generally considered completed gifts to the Beneficiary for federal gift, estate and generation-skipping transfer tax purposes and are, therefore, potentially subject to federal gift tax and generation-skipping transfer tax.

- Under current tax law, if contributions made by an Account Owner or Third-Party Contributor to Accounts of a Beneficiary, together with all other gifts by the Account Owner or Third-Party Contributor who makes the contribution to the Beneficiary, including contributions to all QTP accounts, do not exceed \$18,000 during a year (\$36,000 for married filers electing gift splitting on their federal tax return), no federal gift tax or generation-skipping transfer tax will be imposed on the Account Owner or Third-Party Contributor, as applicable, for gifts to the Beneficiary during that year. (These annual exclusion amounts are as of 2024 and are periodically adjusted for inflation.)
- In cases where contributions to a QTP account exceed the applicable annual exclusion amount for a single Beneficiary, the contributions may be subject to federal gift tax and possibly generation-skipping transfer tax in the year of contribution. However, an individual currently can make a gift to an Account for a Beneficiary of up to five times the annual exclusion amount. For example, for 2024, the maximum contribution that may be made using this rule would be \$90,000 in one year (or married filers electing gift splitting can make a joint gift of up to \$180,000 in one year) without triggering the tax. To do this, the person making the contribution must elect to treat the entire gift as a series of five equal annual gifts. The five-year prorating is elected by filing a gift tax return for the year in which the gift is made. Once this election is made, any additional gifts by the person making the contribution to the same Beneficiary during the applicable five years that will, when combined with the gift spread over five years under Section 529, result in a gift in any year of more than the annual exclusion amount may be subject to gift tax or generation-skipping transfer tax and will require a separate federal gift tax return.
- Amounts in an Account that were considered completed gifts by the Account Owner or Third-Party Contributor who makes the contribution will not be included in such person's gross estate for federal estate tax purposes. However, if such person elects to treat the gifts as having been made over a five-year period and dies before the end of the five-year period, the portion of the contribution allocable to the remaining years in the five-year period (not including the year of death) would be includable in computing such person's gross estate for federal estate tax purposes.
- Each individual has a \$13,610,000 (as of 2024, and indexed for inflation) lifetime exemption equivalent that may be applied to gifts in excess of the gift tax annual exclusion amounts referred to above made after December 31, 2017 and before January 1, 2026, and a \$5,600,000 (as of 2018, and indexed for inflation) lifetime exemption equivalent that may be applied to gifts made before January 1, 2018 or after December 31, 2025. For this reason, this tax is unlikely to apply to many individuals contributing to Program Accounts or Beneficiaries. The maximum gift tax rate imposed on gifts not sheltered by the annual exclusion or lifetime exemption is 40%. A person making or contemplating a contribution to a Program Account should consult with his or her own tax advisor regarding the applicability of gift, estate and generation-skipping transfer tax to their Program Account transactions, the current lifetime exemptions and the gift tax filing requirements.
- Under Section 529, amounts distributed on account of the death of a Beneficiary will be included in the Beneficiary's gross estate for federal estate tax purposes. Each individual has an \$13,610,000 exemption (as of 2024, subject to annual upwards adjustment for inflation), reduced by the amount of lifetime gifts made by such individual in excess of the annual gift tax exclusion amounts, for deaths occurring after December 31, 2017 and before January 1, 2026, and a \$5,600,000 (as of 2018, and indexed for inflation) estate tax exemption, reduced by the amount of lifetime gifts made by such individual in excess of the annual gift tax exclusion amounts, for deaths occurring before January 1, 2018 or after December 31, 2025.
- The proposed U.S. Treasury regulations provide, however, that all amounts in an Account at the death of a Beneficiary will be included in the Beneficiary's gross estate for federal estate tax purposes without regard to whether any distribution results from the Beneficiary's death. A change of the Beneficiary of an Account or a transfer to an Account for another Beneficiary will potentially be subject to gift tax if the new Beneficiary is of a younger generation than the Beneficiary being replaced. In addition, if the new Beneficiary is two or more generations below the Beneficiary being replaced, the transfer may be subject to the generation-skipping transfer tax (discussed below). Under the proposed U.S. Treasury regulations, these taxes are imposed on the prior Beneficiary. Account Owners should consult their own tax advisors for guidance when considering a change of Beneficiary or a transfer to another QTP account and should evaluate the potential gift tax implications to an existing Beneficiary when considering such a change. Furthermore, Account Owners who transfer Account assets to the QTP account of another Account Owner, as well as the recipient Account Owner, should consult their tax advisors regarding the potential applicability of gift tax or generation-skipping transfer tax as a result of such transfer.

- Because contributions to an Account are treated as completed gifts for federal transfer tax purposes, an Account Owner or Third-Party Contributor contributing to an Account may also need to evaluate the effect of the generation-skipping transfer tax. This tax may apply to contributions in excess of the amount that may be elected to be ratably spread over the above-referenced five-year period where the Beneficiary is deemed to be a member of a generation that is two or more generations younger than the generation of the individual making the contribution. Each individual has a \$13,610,000 generation-skipping transfer tax exemption (as of 2024, subject to annual upwards adjustment for inflation) for transfers made after December 31, 2017 and before January 1, 2026, and a \$5,600,000 (as of 2018, and indexed for inflation) generation-skipping transfer tax exemption for transfers made before January 1, 2018 or after December 31, 2025 that will be allocated to transfers that are subject to generation-skipping transfer tax unless certain elections are made. For this reason, this tax is unlikely to apply to many individuals contributing to Program Accounts or Beneficiaries. However, where it does apply, it is imposed at a 40% rate. A person making or contemplating a contribution to a Program Account who is concerned about application of the generation-skipping transfer tax should consult with his or her own tax advisor.

Accounts Established by Business Entities

Corporations, limited liability companies, partnerships, trusts and other entities that wish to contribute to or own Accounts should seek counsel on how tax rules will apply to their transfer of funds and to Accounts that they own. Business entities should be aware that their contributions to an Account or distributions from the Account to pay QHEE may constitute employment compensation (if the Beneficiary is or was an employee or a family member of an employee) or constructive dividends or distributions (if the Beneficiary is an owner or a family member of an owner of the entity).

Unrelated Business Taxable Income

Under Section 529, the Program is generally exempt from taxation, but is subject to taxation on unrelated business taxable income of charitable organizations under Section 511 of the Code (“UBTI”). UBTI includes, among other items, debt-financed investment income and certain income from interest rate swap and other types of investment transactions. The Investment Managers generally are not expected to engage in transactions that would generate UBTI. If any UBTI is generated with respect to any investment or other income of the Program, any tax payable in connection therewith will be treated as an expense of the Program and will be allocated among the applicable Investment Options in accordance with the income allocated thereto from the applicable transaction.

State Income Tax Treatment

- **In General.** The tax benefits described in this Program Description are federal tax benefits. State and local tax treatment may differ based on the state or states in which you pay taxes. **If you pay state taxes in states other than New Jersey, you should evaluate whether any state in which you or your Beneficiary pays taxes will tax any earnings withdrawn from your Account. You should also consider whether any state in which you, a Third-Party Contributor or your Beneficiary resides or pays taxes offers special tax incentives or other benefits in connection with any QTP sponsored by such state that may not be available to you, a Third-Party Contributor or your Beneficiary under the Program. You should consider this state tax treatment and other benefits, if any, before making an investment decision.** You should also consult with your tax advisor about any state or local taxes, including income, gift, estate and generation-skipping transfer taxes.

- **State of New Jersey.** Contributions to an Account by an Account Owner or a Third-Party Contributor do not result in income to the Beneficiary for purposes of New Jersey personal income tax.

Effective for taxable years beginning January 1, 2022, an Account Owner or Third Party Contributor with gross income of \$200,000 or less may deduct from his or her gross income for the taxable year for purposes of determining New Jersey personal income tax an amount equal to the lesser of such taxpayer’s contribution(s) for the applicable year to one or more Accounts or \$10,000.

- Such deduction is not available for transfers or rollover contributions into the Account from another Account or from another QTP account.

- The amount of any such deductions deemed withdrawn from an Account as part of a distribution that is not (i) a Qualified Distribution or (ii) a Rollover Distribution to another QTP account or to a Qualified ABLE Program account shall be included as gross income for purposes of determining New Jersey personal income tax in the year of the applicable distribution; no guidance is currently available on the allocation methodology for allocating deductions to distributions. The amount of any such deductions deemed withdrawn from an Account as part of a Roth IRA Distribution will be considered gross income for purposes of determining New Jersey personal income tax in the year of the applicable distribution.

Except as provided above, neither an Account Owner nor a Third-Party Contributor may deduct a contribution to an Account from gross income for purposes of determining New Jersey personal income tax.

Account Owners and Beneficiaries are exempt from New Jersey personal income tax on undistributed earnings allocated to Accounts established under the Program.

Upon distribution from an Account the earnings portion of the amount distributed will be recognized as taxable income of the distributee unless such distribution: (1) is a Qualified Distribution used to pay for QHEE relating to attendance at an Eligible Educational Institution (for other types of Qualified Distributions, see discussion below); (2) is a Rollover Distribution, or (3) involves a change in the Beneficiary of an Account to a Member of the Family of the prior Beneficiary of the Account. The earnings portion of a Roth IRA Distribution will be included as gross income for purposes of determining New Jersey personal income tax in the year of the applicable distribution.

- The portion of a distribution that is attributable to earnings is determined in accordance with the principles applied in determining the amount of a distribution attributable to earnings under Section 529.
 - Upon distribution from an Account, the earnings portion of the amount distributed will be recognized as taxable income of the distributee unless such distribution: (1) is a Qualified Distribution; (2) is a Rollover Distribution; or (3) involves a change in the Beneficiary of an Account to a Member of the Family of the prior Beneficiary of the Account. The earnings portion of a Roth IRA Distribution will be included as gross income for purposes of determining New Jersey personal income tax in the year of the applicable distribution.

New Jersey currently has both an estate tax and an inheritance tax. New Jersey's estate tax, which is imposed upon the estates of New Jersey resident decedents, generally follows the federal estate tax rules in determining the taxable estate, and therefore generally excludes an Account from the Account Owner's estate to the same extent that it is excluded for federal estate tax purposes. For New Jersey inheritance tax purposes, the New Jersey Division of Taxation takes the position that Accounts are included in the gross estate of an Account Owner who is a New Jersey resident decedent. Accordingly, the transfer of an Account to a new Account Owner upon the death of an Account Owner may be subject to New Jersey inheritance tax if the new Account Owner is someone other than a lineal descendant of the decedent. Transfers made to an Account by a Third Party Contributor who was a New Jersey resident within three years of such Third Party Contributor's death may be subject to New Jersey inheritance tax if they were made to a non-lineal descendant and if the contribution is determined both to constitute a material part of the decedent's estate, or to be in the nature of a final disposition or distribution of the estate, and to have been made in contemplation of death. Account Owners and Third-Party Contributors should consult their own tax advisors about the potential applicability of New Jersey estate and inheritance taxes, and the liability for the payment of such taxes when due.

- **Other States.** Potential Account Owners and Third-Party Contributors should consider the potential impact of taxes which may be imposed by jurisdictions other than the State. It is possible that an Account Owner or recipient of money distributed from Program Accounts may be subject to income tax on Account earnings or distributions by a state other than New Jersey, where he or she lives or pays taxes. It is also possible that Rollover Distributions to Program Accounts from another QTP may be subject to a tax imposed on the Rollover Distributions by another state. Other state or local taxes may also apply.

Account Owners, Third-Party Contributors and Beneficiaries should consult their own tax advisors about the applicability, if any, of state or local taxes in other jurisdictions and the applicability of the New Jersey personal income tax on Account Owners and Beneficiaries who are not New Jersey residents.

Tax Reporting

Currently, you are not required to submit proof to the Program of the type of distribution you are making, and the Program is not required to report the type of distribution to tax authorities. The Program will report distributions and other matters to the IRS, distributees and other persons, if any, to the extent required pursuant to applicable federal, state or local law, regulation or ruling or requested by a taxing authority entitled to such information.

Under federal law, the Program is required to report on Form 1099-Q the amount of earnings and return of contribution distributed from a Program Account in each calendar year to each distributee. By January 31 of the following year, the distributee (which in the case of Qualified Distributions, other than Qualified Distributions to a sibling of the Beneficiary, is deemed to be the Beneficiary whose QHEE are paid thereby) will receive a copy of such information return or a corresponding statement. It will be the Account Owner's or Beneficiary's responsibility, as applicable, to substantiate upon request by the IRS or state tax authorities a distribution that has been treated on a tax return as a Qualified Distribution, a distribution on account of death or permanent disability of the Beneficiary, a distribution on account of a qualified scholarship awarded to the Beneficiary, attendance by the Beneficiary at a U.S. military academy, or a Rollover Distribution. Accordingly, the Account Owner and, if applicable, the Beneficiary should maintain records and documentation substantiating the type of distribution(s) received in each tax year.

For purposes of such tax reporting and subject to tax methodology guidance provided by the IRS from time to time, all Program Accounts with the same Account Owner for the same Beneficiary may be treated as a single Program Account upon any distribution, and the earnings component of any distribution from any such Program Account, and from any Investment Option under such Program Account, may be reported to the IRS, in accordance with the tax methodology required by the Code, on the basis of all earnings in all such Program Accounts, irrespective of which Program Account or Investment Option you select for the particular distribution.

Reporting and Other Matters

Account Statements

Quarterly Account statements will be sent to Account Owners.

Audited Financial Statements

An annual audit report will be prepared for the Program by an independent accountant in accordance with generally accepted accounting principles.

Tax Withholding

Under the proposed U.S. Treasury regulations, distributions from Accounts are not subject to backup withholding.

Continuing Disclosure

HESAA has executed a Continuing Disclosure Agreement for the benefit of Account Owners in accordance with Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934, as amended. Under the Continuing Disclosure Agreement, HESAA is required to provide certain updated financial information and operating data relating to the Program (“Annual Information”) within 200 days of each June 30, and notices of the occurrence of certain enumerated events set forth in the Continuing Disclosure Agreement. The Annual Information is required to be filed by or on behalf of HESAA with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website.

Securities Investor Protection Corporation (SIPC)

Account Owners may obtain information about the Securities Investor Protection Corporation (“SIPC”), including the SIPC brochure, by contacting SIPC at its website, www.sipc.org, or its phone number, (202) 371-8300. The inclusion of this information is not intended to suggest that Accounts are subject to SIPC protection or that any losses sustained in an Account would be covered by SIPC.

Obtaining Additional Information; Program Contacts

Other documents and reports, including prospectuses for any mutual fund/ETF which is referenced in this Program Description, are available upon request. The toll free phone number for the Program is (877) 465-2378. The website for the Plan is <https://www.njbest.com>.

Glossary of Terms

Account	An account within the Plan.
Account Owner/You	The current owner of an account within the Plan, who may be either the person who established the Account or a successor Account Owner.
Act	N.J.S.A. 18A:71B-35 through 46, as amended.
Age-Based Trust Portfolios	The Trust Portfolios that customize their investments in combinations of Underlying Funds based in part on the age of the Beneficiary.
Beneficiary	The current individual whom the Account Owner has designated as the beneficiary of the Account. A Provisional Beneficiary is not a Beneficiary as defined in this Program Description.
Code	Internal Revenue Code of 1986, as amended.
Coverdell ESA	Coverdell Education Savings Account established under Section 530 of the Code.
Direct Transfer	Means a direct transfer of funds from an account in one QTP to an account in another QTP.
Division of Investment	New Jersey Department of the Treasury, Division of Investment.
Division Investment Options	Investment options for which the New Jersey Department of the Treasury, Division of Investment serves as investment manager.
Eligible Educational Institution	An accredited post-secondary educational institution located in the United States offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential; however, certain proprietary institutions and post-secondary vocational institutions and certain institutions located in foreign countries may be Eligible Educational Institutions. To be an Eligible Educational Institution for purposes of Section 529, the institution must be eligible to participate in U.S. Department of Education student financial aid and student loan programs under Title IV of the Higher Education Act of 1965, as amended.
Eligible New Jersey Higher Educational Institution	Defined generally as an accredited post-secondary educational institution located in New Jersey offering credit toward a bachelor's degree or an associate's degree. With respect to proprietary institutions, undergraduate attendance or enrollment must be in a degree-granting program licensed or approved by the New Jersey Commission on Higher Education.
FD	Franklin Distributors, LLC, the Program Manager.
Financial Intermediary	A broker-dealer or other financial intermediary acting pursuant to an agreement with FD.
Financial Professional	A licensed broker or other representative associated with a Financial Intermediary.
Franklin Mutual Advisers	Franklin Mutual Advisers, LLC, an affiliate of FD, serving as the Investment Manager for the Investment Options.
Franklin Templeton Investment Options	Investment Options for which Franklin Mutual Advisers currently serves as Investment Manager, including the Investment Options described in this Program Description.
Franklin Templeton	A group of affiliated companies owned directly or indirectly by Franklin Resources, Inc.
FTIS	Franklin Templeton Investor Services, LLC, an affiliate of FD which provides certain administrative and recordkeeping services for the Program.
HESAA	The New Jersey Higher Education Student Assistance Authority.
Individual Fund Trust Portfolio	A Trust Portfolio that is invested in a single mutual fund or ETF.

Investment Manager	An investment manager selected by HESAA for the Plan, including Franklin Mutual Advisers or any successor as the Investment Manager.
Investment Option	The designation of a contribution received by the Trust to a particular investment portfolio of the Trust that is managed by the Investment Manager.
Investment Policy	The applicable requirements of the investment policy established by HESAA with the approval of the State Investment Council.
Maximum Contribution Limit	The aggregate balance in all Program Accounts established on behalf of a particular Beneficiary which may not be exceeded through additional contributions (currently \$305,000).
Member of the Family	A person related to the Beneficiary as follows: <ol style="list-style-type: none"> (1) a son or daughter, or a descendant of either; (2) a stepson or stepdaughter; (3) a brother, sister, stepbrother or stepsister; (4) the father or mother, or an ancestor of either; (5) a stepfather or stepmother; (6) a son or daughter of a brother or sister; (7) a brother or sister of the father or mother; (8) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; (9) the spouse of the Beneficiary or of any of the other foregoing individuals; or (10) a first cousin. For purposes of the “Member of the Family” definition, a child includes a legally adopted child and a brother or sister includes a brother or sister by half-blood.
NAV	Net asset value.
Non-Qualified Distribution	A distribution of money from an Account for any purpose other than to pay Qualified Higher Educational Expenses.
NJBEST	The New Jersey Better Educational Savings Trust.
NJBEST Account	An account set up under the NJBEST Plan.
NJBEST Plan	The NJBEST 529 College Savings Plan, which is made available to: <ol style="list-style-type: none"> (1) individuals who are, or whose Beneficiaries are, New Jersey residents and who invest without the assistance of a Financial Professional; and (2) employees of any Franklin Templeton company (or their immediate family members) who do not reside in New Jersey and who invest without the assistance of a Financial Professional. Trust Units are available through the NJBEST Plan without sales charges or sales fees.
Objective-Based Trust Portfolios	The Trust Portfolios that customize their investments in combinations of Underlying Funds based on an objective of exposure to one or more investment asset classes within a specified percentage range and irrespective of the age of the Beneficiary.
Plan	The NJBEST 529 College Savings Plan.
Program	The New Jersey Better Educational Savings Trust (NJBEST) Program, which includes both the Franklin Templeton 529 College Savings Plan and the NJBEST 529 College Savings Plan.
Program Accounts	Accounts within the Program.
Program Description	This document, including appendices and any future supplements to it (previously known as the “Investor Handbook”), which contain information you should know before you participate in the Plan, such as certain risks, limitations, performance history and fees.
Program Manager	FD or any successor as the Program Manager.
Program Recordkeeper	FTIS or any successor as the Program Recordkeeper.

Provisional Beneficiary	<p>An individual designated by a state or local governmental organization, or an organization described in section 501(c)(3) of the Code, subject to terms and conditions established by such organization and which may be changed by such organization at any time, as a potential recipient of certain contributions to the Plan made by such organization to an Account owned by such organization as part of a scholarship program operated by such organization.</p> <p>A Provisional Beneficiary is not a Beneficiary as defined in this Program Description prior to such time, if any, that such Provisional Beneficiary receives a distribution from such Account or such Account, or any portion thereof, is converted or transferred to an Account not owned by such organization of which the Provisional Beneficiary is the Beneficiary.</p>
Qualified ABLE Program	A program established and maintained by a state or a state agency or instrumentality under which a person may make contributions for eligible individuals to an account established for the purpose of meeting the qualified disability expenses of such eligible individual, all in accordance with Section 529A of the Code.
Qualified Distribution	A distribution from an Account to pay Qualified Higher-Education Expenses.
Qualified Education Loan	Any qualified education loan, as defined in section 221(d) of the Code.
Qualified Elementary or Secondary Education Expenses	Expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school.
Qualified Higher-Education Expenses or QHEE	<ol style="list-style-type: none"> (1) the costs of tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution; (2) expenses for room and board, within certain limits, for a Beneficiary attending an Eligible Educational Institution on at least a half-time basis; (3) certain expenses for special needs services for a Beneficiary who is a special needs beneficiary incurred in connection with such enrollment or attendance; (4) expenses for the purchase of computer equipment or peripheral equipment controlled by a computer (excluding in either case equipment of a kind used primarily for amusement or entertainment of the user), computer software, or Internet access and related services, if such equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution; (5) expenses for fees, books, supplies, and equipment required for the participation of the Beneficiary in an apprenticeship program registered and certified with the United States Secretary of Labor under section 1 of the National Apprenticeship Act; (6) amounts paid as principal or interest on any Qualified Education Loan of the Beneficiary or a sibling (as defined in section 152(d)(2)(B) of the Code) of the Beneficiary, provided that the amount of distributions treated as QHEE with respect to the loans of any individual shall not exceed \$10,000 (reduced by the amount of distributions so treated for all prior taxable years); and (7) Qualified Elementary or Secondary Education Expenses in an amount which, together with all other Qualified Elementary or Secondary Education Expenses paid for the person that is the Beneficiary by any person from other accounts in any QTP, does not exceed \$10,000 per calendar year.
Qualified Refund Distribution	Any portion of a distribution made from an Account received by the Beneficiary from an Eligible Educational Institution as a refund of QHEE and recontributed within 60 days of the refund date to any account under any QTP, provided that the refund recipient is the beneficiary of the account to which the recontribution is made.
Qualified Tuition Program or QTP	A “qualified tuition program” established and maintained in accordance with Section 529.
Rollover Distribution	A distribution from an Account to another Program Account or to, or that is reinvested in, an account in another QTP or, for distributions prior to January 1, 2026, subject to limitations described in this Program Description, an account in a Qualified ABLE Program, in a manner that meets the Code’s requirements for a federally tax-free rollover distribution, as further described in this Program Description.

Roth IRA Distribution	A distribution made after December 31, 2023 directly from an Account to a Roth IRA established for the benefit of the Beneficiary of the Account, provided that (i) the Account has been maintained for at least 15 years prior to the date of the applicable distribution, (ii) the amount of the distribution does not exceed the aggregate amount contributed to the Account (and attributable earnings) before the 5-year period ending on the date of the distribution, (iii) the amount of the distribution does not, together with amounts previously transferred in the same or a prior taxable year from such Account or from any other QTP account established for the same beneficiary to any Roth Account for such beneficiary, exceed \$35,000, and (iv) the amount of the distribution does not exceed the maximum amount permitted to be contributed to a Roth IRA in such tax year under the rules applicable to Roth IRAs, as adjusted with respect to rollover contributions from QTP accounts.
Savings-Type QTP	Any QTP under which contributions may be made to an account established for the purpose of meeting the Qualified Higher Education Expenses of the designated beneficiary of the account.
Scholarship Accounts	Scholarship accounts established by governmental entities and corporations that are described in Section 501(c)(3) of the Code.
Section 529	Section 529 of the Code.
Services Agreement	The College Savings Services Agreement, dated April 1, 2014, between HESAA and FD, as amended or restated from time to time.
Spryng	Please see “Gifting/Crowd-Funding an Account through Spryng” above in “Key Features” and https://www.njbest.com/gifting-education/spryng .
State	The State of New Jersey.
Third-Party Contributor	Any person, other than the Account Owner, who makes contributions to an Account.
Trust	The New Jersey Better Educational Savings Trust (NJBEST).
Trust Shares	Municipal fund securities representing interests in the Trust.
Trust Portfolio	An investment portfolio of the Trust.
UGMA/UTMA	Uniform Gifts to Minors Act / Uniform Transfers to Minors Act.
Underlying Fund	A mutual fund or ETF in which a Trust Portfolio invests all or a portion of the Trust Portfolio’s assets.

Appendix A – Participation Agreement

ARTICLE I – General Provisions

By signing and submitting the application for an Account, you (the original “Account Owner”) agree, on behalf of yourself, each Beneficiary of your Account, any Third-Party Contributors to your Account and any successor Account Owner, to the terms and conditions set forth in this Participation Agreement and in the Program Description, subject to the requirements of the Act and of regulations adopted by HESAA under the Act. Copies of the Act, and of such regulations, may be obtained from HESAA or the Program Recordkeeper upon request. As used in this Participation Agreement, “Program Description” refers to the Program Description to which this Participation Agreement is attached, and any revised, supplemented or replacement version applicable to the Trust Shares from time to time, and “Trust Shares” means interests in the Trust purchased for an Account, as described in the Program Description.

The Act authorizes and directs HESAA to establish and administer the Program in a manner that qualifies the Program as a qualified tuition program as defined in Section 529 of the Internal Revenue Code, as amended. The Program is established and maintained so that the Account Owners and Third-Party Contributors may make contributions to the Account for the purpose of meeting the “qualified higher education expenses” of the Beneficiary of such Account.

HESAA has retained the Program Manager to provide, directly or through affiliates and sub-contractors, certain investment management, administrative and marketing services for the Program pursuant to a contract between HESAA and FD.

The Program has been structured so as to provide several Investment Options under which amounts contributed to an Account are invested by the Trust in one or more of the investment portfolios established within the Trust.

The terms and conditions under which Accounts are established and contributions to Accounts are invested are set forth in the Program Description.

ARTICLE II – Opening an Account

1. General.

In order to open an Account, the prospective Account Owner must sign and submit by mail, electronic or other acceptable means to the Program Manager the appropriate completed application for the Program, and make an initial contribution.

2. Account Designations.

A. Beneficiary Designation. The Account Owner must designate the Beneficiary in the application at the time an Account is established, unless the Account Owner is eligible to open a scholarship Account under the Program and Section 529 without designating a Beneficiary. The Program Recordkeeper, on behalf of HESAA, shall establish a separate Account for each separate Beneficiary designated by the Account Owner. The Beneficiary of the Account may be changed as described in the Program Description.

B. Investment Option Designation. The Account Owner must designate on the application or other authorized form the Investment Option(s) under which the initial and each subsequent contribution will be invested by the Trust.

C. Successor Account Owner. The Account Owner may transfer ownership of the Account to a successor Account Owner upon completion of the appropriate form, which includes submission of a notarized signature or signature guarantee from a banking institution. In addition, the Account Owner may designate any person as the successor Account Owner in the event of his or her death. If such designation is not made on the application form, the Account Owner may make such designation at a later time through written notification to the Program Recordkeeper. The Account Owner should consult a probate lawyer as to the effect of the designation of a successor owner in the Account Owner's state of residence. If a successor Account Owner has not been properly designated, or if the successor Account Owner does not survive the Account Owner, ownership of the Account shall be transferred as described in the Program Description, subject to the requirements of applicable law.

3. Accounts Established by Fiduciaries.

Accounts may be established as fiduciary accounts. An Account may be opened for a minor under UTMA/ UGMA. The Account Owner should review the Program Description about special restrictions applicable to Accounts established for a minor under UTMA/UGMA, and should review the Program Description and consult a tax advisor and probate lawyer about the advisability of transferring UTMA/UGMA funds to an Account.

4. Accounts Established by Business Entities.

Certain types of legal entities, including corporations, partnerships, limited liability companies, limited liability partnerships, limited and general partnerships, and nonprofit corporations, may establish Accounts.

ARTICLE III – Contributions and Distributions

Contributions to, and distributions from, an Account may be made as described in the Program Description.

ARTICLE IV – Fees and Charges

1. General.

HESAA and/or the Program Manager shall charge such fees in such amounts as HESAA and the Program Manager may determine are necessary. HESAA may change the services and functions for which it or the Program Manager charges fees as well as the amount of such fees. Fees charged by HESAA or the Program Manager may be payable by the Account Owner or a Third-Party Contributor or may be payable out of the assets of the applicable portfolio of the Trust. HESAA and/or the Program Manager reserves the right to waive any fee upon finding that such waiver would be appropriate due to extenuating circumstances.

2. Specific Fees and Expenses.

A. Fees. The fees, which are subject to change, that are currently charged or imposed by HESAA or the Program Manager, consist of a Program fee. All of the fees and charges, including the methods by which such fees are paid or payable, are described in detail in the Program Description. In addition, HESAA or the Program Manager may, at its option, charge a “Rollover Fee” of \$75 for a distribution from the Account that is transferred to an account in a QTP other than the Program in accordance with the requirements applicable to a “rollover distribution” under Section 529.

B. Expenses. Each of the Underlying Funds in which assets are invested under each Investment Option also has investment management fees and other expenses, and, in the case of certain Investment Options, additional charges described in the Program Description, which fees, expenses and charges will be deducted by the applicable Underlying Fund and result in a reduction of the net asset value of such investments, thereby correspondingly decreasing the net asset value of the applicable Trust Shares.

ARTICLE V – Representations, Warranties and Acknowledgments

The original Account Owner, by execution of an Account application, each successor Account Owner, by succession to ownership of the Account, and each Third-Party Contributor, by contributing to the Account, represents and warrants to, acknowledges for the benefit of and agrees with HESAA and the Program Manager as follows:

A. The Account Owner or Third-Party Contributor, as applicable, has received, read and understands the Program Description and this Participation Agreement, including the appropriate application form. In deciding to establish or contribute to an Account, such person has not relied on any representations or other information about the Program, whether oral or written, other than as set forth in the Program Description and this Participation Agreement. Each such person will be deemed to certify, at the time of each contribution, that such contribution, together with the earnings thereon, is intended to be applied to pay for the “qualified higher education expenses” of the Beneficiary. All information provided by an Account Owner in the application form and in any form or other notice requesting a distribution from an Account or other form submitted in connection with the Account is and will be true and correct. The Account Owner will promptly notify the Program Recordkeeper of any changes to any such information.

B. Each Account Owner and Third-Party Contributor understands that the Trust will invest contributions made to the Account under each of the Investment Options selected by the Account Owner pursuant to the Program's then applicable Investment Policy adopted by HESAA, and that HESAA may change such Investment Policy at any time without the consent of Account Owners, Third-Party Contributors or Beneficiaries. Each Account Owner and Third-Party Contributor agrees that such person has no authority to direct the investment of any contributions made to the Account, or any earnings thereon, either directly or indirectly; provided that the Account Owner is permitted to select among Investment Options and reallocate assets among Investment Options to the extent permitted under the Code, the Program Description and this Participation Agreement. Each Account Owner and Third-Party Contributor understands and acknowledges that HESAA will retain the right to change the investment instruments in which each Trust Portfolio corresponding to an Investment Option is invested and to consolidate Trust Portfolios or close Trust Portfolios and substitute replacement Trust Portfolios, and that, in accordance with the requirements of Section 529, none of the Account Owner, any Third-Party Contributor or any Beneficiary shall have any right to consent or object to such changes or own or have any voting rights as to any investment made by the Trust with contributions received under this Participation Agreement.

C. The original Account Owner is opening, each successor Account Owner is succeeding to ownership of and each Account Owner or Third-Party Contributor making a contribution is contributing to, the Account for the sole purpose of providing funds for "qualified higher education expenses" of the Beneficiary of the Account, and no such person will make any contributions in excess of the limitations described in the Program Description. Contributions to an Account that cause the balance in all Accounts established on behalf of a Beneficiary under the Program to exceed the amount described in the Program Description will be returned to the person making the applicable contribution, subject to any investment losses or applicable liabilities and tax penalties.

D. Each Account Owner and Third-Party Contributor understands that participation in the Program does not guarantee, and that none of the State of New Jersey, HESAA, the Trust, the Plan, the Division of Investment, the Program Manager or any other person makes any promise, that: (1) contributions and the investment return on contributions, if any, will be adequate to cover future tuition and other Qualified Higher Education Expenses of a Beneficiary; (2) the Beneficiary of the Account will be admitted to any institution (including any Eligible Educational Institution); (3) upon admission to an institution, the Beneficiary will be permitted to continue to attend; (4) the Beneficiary will receive a degree from any institution; or (5) New Jersey residency will be created for tax, financial aid eligibility or any other purpose for the Beneficiary solely because the individual is a Beneficiary of an Account under the Program. Each Account Owner and Third-Party Contributor acknowledges that the Beneficiary of the Account has not been given any rights or legal interest with respect to the Account unless the Beneficiary is the Account Owner.

E. NONE OF: 1) THE STATE OF NEW JERSEY; 2) HESAA; 3) FRANKLIN TEMPLETON OR ANY ENTITY AFFILIATED THEREWITH; 4) ANY CONSULTANT OR ADVISER RETAINED BY ANY SUCH PARTY; OR 5) ANY OTHER PERSON GUARANTEES OR INSURES ANY ACCOUNTS ESTABLISHED UNDER THE PLAN, THE PRINCIPAL DEPOSITED OR THE INVESTMENT RETURN. EACH ACCOUNT OWNER AND THIRD-PARTY CONTRIBUTOR UNDERSTANDS THAT THE VALUE OF ANY ACCOUNT AT ANY TIME MAY BE MORE OR LESS THAN THE AMOUNT INVESTED IN THE ACCOUNT. Each Account Owner and Third-Party Contributor understands that returns on contributions or investments in the Program are not guaranteed by the State of New Jersey, HESAA, the Trust, the Program Manager or any other contractor, consultant or adviser retained by any such party, that none of such parties assumes any risk or liability for funds contributed to or invested in the Program and that the Account Owner assumes all investment risk of an investment in or contribution to the Program, including the potential loss of principal and liability for income tax surcharges or penalties that are assessable in connection with a distribution of amounts invested under the Program. Neither the Account, nor any amount contributed thereto or on deposit therein, is a bank deposit or is insured by the Federal Deposit Insurance Corporation. Each Account Owner and Third-Party Contributor recognizes that the investment of contributions to the Account and of Account balances involves certain risks, and has taken into consideration and understands the risk factors relating to investments of contributions to the Account and Account balances, including, but not limited to, those set forth in the Program Description under the caption "Risk Factors."

F. Each Account Owner and Third-Party Contributor recognizes that none of the Account Owner, any Third-Party Contributor or the Beneficiary is or will be permitted to have any role in the selection or retention of the Program Manager or to direct the investment of contributions to the Account and of Account balances, either directly or indirectly, other than the Account Owner's selection, and potential later revision, of the Investment Option(s) for the contributions to the

Account. Each Account Owner and Third-Party Contributor understands and acknowledges that once invested under a particular Investment Option, contributions and earnings thereon may only be transferred by the Account Owner to another Investment Option twice per calendar year, or otherwise when the Account Owner changes the Beneficiary of the Account as provided in the Program Description. All reallocations of assets among the Investment Options in all Program Accounts established by the Account Owner for a particular Beneficiary must occur on the same two days of the applicable calendar year, except for reallocations in connection with a change of the Beneficiary of the applicable Program Account.

G. Each Account Owner and Third-Party Contributor acknowledges and agrees that no Account can be used by the Account Owner, Third-Party Contributor or the Beneficiary as collateral for any loan. Any attempted use of an Account as collateral for a loan shall be void.

H. Each Account Owner and Third-Party Contributor acknowledges and agrees that no Account Owner, Third-Party Contributor or Beneficiary may assign or transfer any interest in any Account except, to the extent described in the Program Description, to any person designated by the Account Owner to assume ownership of the Account in accordance with the Program Description and this Participation Agreement or as required by law (including transfers of record ownership from a custodian of an Account established for a minor under UTMA/UGMA when the minor for whom such Account was established reaches the age specified by applicable law). Any other attempted assignment or transfer of such interest shall be void.

I. Each Account Owner and Third-Party Contributor acknowledges and agrees that the Program shall not loan any assets on deposit in any Account established under the Program to any Account Owner, Third-Party Contributor or Beneficiary.

J. Each Account Owner and Third-Party Contributor acknowledges and agrees that the Program is established and maintained by the State of New Jersey and HESAA pursuant to applicable state laws and is intended to qualify for certain federal income tax consequences under Section 529. Each Account Owner and Third-Party Contributor further acknowledges that such federal and state laws are subject to change, sometimes with retroactive effect, and that none of the State of New Jersey, HESAA, the Trust, the Program Manager or any contractor, adviser or consultant 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 Program will remain as currently described in the Program Description and this Participation Agreement.

K. The Account Owner acknowledges and agrees that he or she will, or will cause the Beneficiary to, provide, if required by HESAA or Program Manager in order to comply with Section 529, a signed statement identifying the amount of distributions, if any, received from an institution at the end of each calendar year in which distributions for Qualified Higher Education Expenses are made and at the end of the subsequent calendar year, and/or any other information that may be required in order to comply with Section 529.

L. If the Account Owner is establishing an Account as a custodian for a minor under UTMA/UGMA, the Account Owner acknowledges and agrees that he or she has reviewed the portion of the Program Description entitled "Opening, Maintaining and Contributing to an Account – Accounts Established under UTMA/UGMA," and acknowledges and agrees that such Account Owner assumes responsibility for any adverse consequences resulting from the establishment of an Account under UTMA/UGMA.

M. If a person is executing this Agreement in a representative or fiduciary capacity, such person represents that such person has full power and authority to enter into and perform this Participation Agreement on behalf of the entity or individual named as the Account Owner.

N. Each Account Owner and Third-Party Contributor understands that FD will not necessarily continue as Program Manager for the entire period the Account is open, that, even if it does, there is no assurance that the terms and conditions of the current Services Agreement between HESAA and FD would continue without material change, and that there are, accordingly, various potential consequences Account Owners and Third-Party Contributors should take into consideration as discussed in the Program Description under the caption "Risk Factors – Change in Investment Policy, Program Manager or Investment Manager," including: (1) changes in the Investment Manager of the Investment Options; and (2) changes in the current Program fee or other fees.

O. Each Account Owner and Third-Party Contributor acknowledges that no such person has been advised by the State of New Jersey, HESAA, the Trust, the Program Manager or any of their affiliates, officers or employees to invest, or to refrain from investing, in a particular Investment Option or in a particular Class of Trust Shares. Each Account Owner and Third-Party Contributor acknowledges that such person is not relying on the State of New Jersey, HESAA, the Trust, the Program Manager or any of their affiliates, officers or employees as such person's tax consultant or financial planner.

ARTICLE VI – Miscellaneous Provisions

1. Limitation of Liability. The original Account Owner, by execution of an Account application, each successor Account Owner, by succession to ownership of the Account, and each Third-Party Contributor, by contributing to the Account, acknowledges that the payment of obligations under this Participation Agreement will be made only from the applicable investment portfolio(s) of the Trust. Any claim against the Program or HESAA pursuant to a Participation Agreement may be made solely against the assets of the applicable investment portfolio(s) of the Trust and not against any other funds or sources of funds of HESAA or the State of New Jersey. Each Account Owner and Third-Party Contributor further acknowledges that neither HESAA nor the Trust may pledge the credit or taxing power of the State of New Jersey.

2. Contract Modifications. HESAA reserves the right to modify this Participation Agreement, as deemed necessary by HESAA in its sole discretion, for such reasons as, but not limited to, assuring compliance with state or federal laws and regulations or preserving the fiscal integrity of the Program. To the extent, if any, that this Participation Agreement references procedures, HESAA reserves the right to change those procedures.

3. Necessity of Qualification. The Program is established with the intent that it shall qualify for favorable federal tax treatment under Section 529. Each Account Owner and Third-Party Contributor agrees and acknowledges that qualification under Section 529 is vital, and agrees that this Participation Agreement may be amended by HESAA at any time without the Account Owner's or Third-Party Contributor's consent or prior notice if HESAA determines that such an amendment is required to maintain qualification of the Program under Section 529 or to comply with other applicable laws.

4. Reporting. HESAA shall provide, or cause to be provided, quarterly statements to Account Owners with respect to each Account, and tax reporting with respect to each Account as required by federal tax law.

5. Account Owner's Indemnity. The Account Owner recognizes that the establishment of any Account will be based upon the statements, agreements, representations, warranties and covenants set forth in this Participation Agreement, and the Account Owner agrees to indemnify and to hold harmless the State of New Jersey, HESAA, the Trust, the Program Manager 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 the Account Owner, any Third-Party Contributor or any Beneficiary, any breach by any such person of the acknowledgments, representations or warranties contained herein, any failure of any such person to fulfill any covenants or agreements set forth herein or any action taken by such person other than in accordance with the terms of this Participation Agreement. All statements, representations, warranties or covenants of any such person, and this paragraph, shall survive the termination of this Participation Agreement.

6. Finality of Decisions and Interpretations. All decisions and interpretations by HESAA and the Program Manager in connection with the operation of the Program shall be final and binding on each Account Owner, Third-Party Contributor, Beneficiary and other person affected thereby.

7. Binding Nature; Third-Party Beneficiaries. This Participation Agreement shall survive the Account Owner's death and shall be binding upon the Account Owner's personal representatives, heirs, successors and assigns. Each of the Program Manager and HESAA is a Third-Party beneficiary of, and can rely upon and enforce, any agreements, representations and warranties in this Participation Agreement. Neither a Third-Party Contributor nor any Beneficiary is an intended beneficiary of or may enforce the provisions of this Participation Agreement.

8. Amendment and Termination. HESAA may at any time, and from time to time, amend this Participation Agreement, or suspend or terminate the Program, by giving written notice of such action to the Account Owner (including, without limitation, through the inclusion of an amended form of Participation Agreement in a revised Program Description distributed to the Account Owner or the separate distribution of an amended form of Participation Agreement to the Account Owner) but, except as otherwise expressly provided herein or permissible under applicable law, the Account

Owner's Account may not be diverted from the Account Owner's or the Beneficiary's exclusive benefit. Nothing contained in this Participation Agreement shall constitute an agreement or representation by HESAA or any other party that HESAA will continue to maintain the Program indefinitely. HESAA and the Program Manager reserve the right to close any Account or to limit contributions to, or distributions from, any Account, if either of them, in its sole discretion, suspects or determines that the Account is being used for purposes that may be in contravention or circumvention of applicable laws or for purposes other than savings for the Qualified Higher Education Expenses of the Beneficiary of the Account.

9. Effective Date. The Participation Agreement shall become effective between HESAA and an original Account Owner upon the Account Owner's execution of an appropriate application form for the establishment of an Account, the acceptance of such application form by the Program Recordkeeper on behalf of HESAA and the receipt of an initial contribution to the Account established for such Account Owner. The Participation Agreement shall become effective as between HESAA and any successor Account Owner upon the successor Account Owner's succession to ownership of the Account, without the need for other action. The Participation Agreement shall become effective with respect to the representations, warranties, and acknowledgments of any Third-Party Contributor immediately upon receipt by or on behalf of HESAA of any contribution from such Third-Party Contributor, without the need for other action.

10. Factual Determinations. All factual determinations regarding residency, whether a false statement by an Account Owner, Third-Party Contributor or Beneficiary relating to a substantial fact regarding the Program was made with the intention to deceive and any other factual determinations regarding this Participation Agreement will be at the sole discretion of HESAA.

11. Governing Law. The Participation Agreement will be construed in accordance with the laws of the State of New Jersey.

12. Construction. In the event that any clause or portion of this Participation Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, at the option of HESAA, this Participation Agreement may be deemed void or that clause or portion found to be invalid will be severed from this Participation Agreement and the remainder of this Participation Agreement will continue in full force and effect as if such clause or portion had never been included.

13. Exclusivity. Subject to all applicable state and federal laws, rules, and regulations, the Program Description, including the most recent Participation Agreement included therein, and the related application form, constitute the complete and exclusive statement of the agreement between HESAA and the Account Owner, and supersede any prior agreement, oral or written, and any other communications between HESAA (through any means and by any individuals) relating to the subject matter of this Participation Agreement. If however, there is a conflict between any such documentation and this Participation Agreement, the terms described in the then current Program Description shall take precedence.

14. Actions by Program Manager and Program Recordkeeper. The Program Manager and Program Recordkeeper may act, as stated in the Program Description or otherwise authorized from time to time by HESAA, as HESAA's, the Trust's or the Program's agents for purposes of effecting actions, instructions or determinations by HESAA, the Trust or the Program under this Participation Agreement.

15. Arbitration. The original Account Owner, by execution of an Account application, each successor Account Owner, by succession to ownership of the Account, and each Third-Party Contributor, by contributing to the Account, agrees (on behalf of themselves and the Beneficiary of the Account) that all controversies which may arise between any Account Owner, Third-Party Contributor or Beneficiary and HESAA or the Program Manager involving any transaction in the Account, or the construction, performance or breach of this Participation Agreement, shall be determined by arbitration.

This agreement to arbitrate all controversies does not constitute an agreement to arbitrate the arbitrability of any controversy, unless otherwise clearly and unmistakably required by the arbitration rules of the forum elected, as set forth below.

In connection with this agreement to arbitrate, the Account Owner and each Third-Party Contributor acknowledge that:

- Arbitration is final and binding on the parties.
- Each Account Owner, Third-Party Contributor and Beneficiary of the Account, HESAA and the Program Manager are waiving their right to seek remedies in court, including the right to a jury trial.

- Pre-arbitration discovery is generally more limited than and different from court proceedings.
- The arbitrators' award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited.
- The panel of arbitrators will typically include a minority of arbitrators who are affiliated with the securities industry.

Any arbitration under this Participation Agreement shall be conducted only before the New York Stock Exchange, Inc., an arbitration facility provided by any other exchange of which the Program Manager is a member, or the Financial Industry Regulatory Authority, and in accordance with its arbitration rules then in force. An Account Owner, Third-Party Contributor or Beneficiary may elect in the first instance whether arbitration shall be conducted before the New York Stock Exchange, Inc., or the Financial Industry Regulatory Authority, but if the Account Owner, Third-Party Contributor or Beneficiary fails to make such election, by registered letter or telegram addressed to the office of HESAA or the Program Manager, as applicable, or such other address that HESAA or the Program Manager may advise such person of from time to time, before the expiration of five days after receipt of a written request from HESAA or the Program Manager to make such election, then HESAA or the Program Manager may make such election. Judgment upon the award of the arbitrators may be entered in any court, state or federal, having jurisdiction.

Nothing contained herein shall limit the ability of the arbitrators to make an award under the rules of the arbitration forum and applicable law. Nothing contained herein is intended: (1) to cause any Third-Party Contributor or Beneficiary to have, or to imply that any such person may have, any contractual rights under this Participation Agreement; or (2) to cause any such person to be, or to imply that any such person may be intended third-party beneficiaries of this Participation Agreement.

No person who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action shall bring a putative or certified class action to arbitration, or seek to enforce any pre-dispute arbitration, or seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action until:

1. the class certification is denied;
2. the class is decertified; or
3. such person is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Participation Agreement except to the extent stated herein.

Appendix B – Historical Performance of the Trust Portfolios

For more recent performance information, please call 1-866/362-1597 or visit franklintempleton.com.

The table on the following pages shows total returns for the Trust Shares. The investment return and principal value will fluctuate so that an investor's Trust Shares, when redeemed, may be worth more or less than the original cost. See "Risk Factors—General Risks" and "Risk Factors—General Investment Risks." Performance shown is past performance and includes periods with unusually favorable conditions in some markets. No assurances can be given that such performance or market conditions will be repeated in the future. Ongoing market volatility can dramatically impact short-term returns. Current performance may differ from figures shown.

Plan fees and expenses are subject to change. Underlying Fund expenses will vary and in some cases have been, and may from time to time be, reduced by fee and expense waivers or reimbursements, which may be ended at any time. The implementation and termination of any such waiver or reimbursement would affect future performance.

NJBEST Trust Portfolio Performance¹

Trust Portfolio	Year-to-Date Total Return as of 09/30/2023	Average Annual Total Return as of September 30, 2023					Since Inception	Inception Date ²
		1 Year	3 Years	5 Years	10 Years			
OBJECTIVE-BASED ASSET ALLOCATIONS³								
Franklin Aggressive Growth Allocation 529 Portfolio	9.49%	20.97%	—	—	—	10.84%	06/16/22	
Franklin Conservative Allocation 529 Portfolio	-0.51%	1.65%	—	—	—	-1.24%	06/16/22	
Franklin Conservative Growth Allocation 529 Portfolio	1.20%	4.56%	—	—	—	0.70%	06/16/22	
Franklin Growth Allocation 529 Portfolio	7.16%	16.28%	4.01%	5.66%	7.45%	—	03/24/03	
Franklin Moderate Allocation 529 Portfolio	3.18%	8.34%	—	—	—	3.01%	06/16/22	
Franklin Moderate Growth Allocation 529 Portfolio	5.19%	12.23%	—	—	—	5.69%	06/16/22	
AGE-BASED ALLOCATIONS³								
Franklin Age-Based Growth Allocations								
Newborn—4 Years Portfolio	9.34%	20.77%	5.28%	6.42%	7.87%	—	03/24/03	
Age 5-6 Years Portfolio ⁴	8.56%	19.23%	4.63%	—	—	7.13%	03/05/19	
Age 7-8 Years Portfolio	7.65%	17.17%	—	—	—	9.63%	06/16/22	
Age 9-10 Years Portfolio	6.61%	15.18%	2.86%	4.82%	6.06%	—	03/25/03	
Age 11-12 Years Portfolio	5.59%	13.19%	1.89%	—	—	4.58%	03/05/19	
Age 13-14 Years Portfolio	4.80%	11.36%	1.00%	3.33%	4.32%	—	03/25/03	
Age 15-16 Years Portfolio	3.78%	9.42%	0.03%	—	—	2.65%	03/05/19	

Average Annual Total Return as of September 30, 2023

Trust Portfolio	Year-to-Date Total Return as of 09/30/2023	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date ²
Age 17 Years Portfolio ⁵	2.86%	7.55%	-0.97%	1.77%	2.54%	—	03/31/03
Age 18 Years Portfolio	1.99%	5.79%	—	—	—	1.85%	06/16/22
Age 19+ Years Portfolio	1.39%	4.19%	-2.31%	—	—	0.41%	03/05/19
Franklin Age-Based Moderate Allocations							
Newborn—4 Years Portfolio	7.06%	16.12%	3.12%	5.00%	6.17%	—	12/18/09
Age 5-6 Years Portfolio ⁴	6.57%	15.12%	2.55%	—	—	4.98%	03/05/19
Age 7-8 Years Portfolio	6.64%	15.18%	—	—	—	8.27%	06/16/22
Age 9-10 Years Portfolio	5.57%	13.15%	1.42%	3.60%	4.47%	—	12/18/09
Age 11-12 Years Portfolio	5.10%	12.16%	0.73%	—	—	3.16%	03/05/19
Age 13-14 Years Portfolio	4.34%	10.40%	-0.10%	2.29%	2.78%	—	12/18/09
Age 15-16 Years Portfolio	3.33%	8.55%	-1.14%	—	—	1.16%	03/05/19
Age 17 Years Portfolio ⁵	2.69%	6.87%	-2.08%	0.50%	0.91%	—	12/18/09
Age 18 Years Portfolio	1.89%	5.14%	—	—	—	1.70%	06/16/22
Age 19+ Years Portfolio	1.13%	3.35%	-2.29%	—	—	-0.31%	03/05/19
Franklin Age-Based Conservative Allocations							
Newborn—4 Years Portfolio	5.09%	12.17%	1.16%	3.48%	4.39%	—	12/18/09
Age 5-6 Years Portfolio	4.57%	11.18%	0.53%	—	—	2.99%	03/05/19
Age 7-8 Years Portfolio	4.59%	11.21%	—	—	—	5.46%	06/16/22
Age 9-10 Years Portfolio ⁴	4.10%	10.22%	-0.26%	2.20%	2.84%	—	12/18/09
Age 11-12 Years Portfolio	3.82%	9.49%	-0.86%	—	—	1.30%	03/05/19
Age 13-14 Years Portfolio	3.34%	8.48%	-1.75%	0.69%	0.96%	—	12/18/09
Age 15-16 Year Portfolio	3.03%	7.60%	-1.15%	—	—	0.41%	03/05/19
Age 17 Years Portfolio ⁵	2.37%	5.97%	-0.67%	0.74%	0.73%	—	12/18/09
Age 18 Years Portfolio	1.60%	4.31%	—	—	—	1.31%	06/16/22
Age 19+ Years Portfolio	0.80%	2.66%	-0.85%	—	—	0.07%	03/05/19
INDIVIDUAL FUND TRUST PORTFOLIOS							
U.S. Equity							
Ariel 529 Portfolio	2.38%	14.75%	—	—	—	9.18%	06/16/22
ClearBridge Large Cap Value 529 Portfolio	4.04%	18.87%	—	—	—	12.11%	06/16/22

Average Annual Total Return as of September 30, 2023

Trust Portfolio	Year-to-Date Total Return as of 09/30/2023	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date²
Franklin DynaTech 529 Portfolio	25.96%	25.70%	—	—	—	19.02%	06/16/22
Franklin Growth 529 Portfolio	12.73%	20.64%	—	—	—	15.47%	06/16/22
Franklin Small-Mid Cap Growth 529 Portfolio	9.59%	14.54%	—	—	—	12.64%	06/16/22
Franklin U.S. Large Cap Index 529 Portfolio (formerly S&P 500 Index 529 Portfolio) ⁶	13.54%	21.51%	10.05%	9.77%	11.74%	—	03/24/03
Non-U.S. Equity							
ClearBridge International Growth 529 Portfolio	2.94%	18.77%	—	—	—	9.18%	06/16/22
Fixed Income							
BrandywineGLOBAL—Global Opportunities 529 Portfolio	-4.62%	2.43%	—	—	—	-5.55%	06/16/22
Western Asset Core Plus Bond 529 Portfolio	-2.24%	0.84%	—	—	—	-3.19%	06/16/22
Western Asset Short-Term Bond 529 Portfolio	2.20%	3.54%	—	—	—	1.85%	06/16/22
Balanced							
Franklin Income 529 Portfolio	1.06%	9.06%	—	—	—	3.62%	06/16/22
Money Market							
Franklin U.S. Government Money 529 Portfolio	2.83%	3.81%	1.58%	1.54%	—	0.96%	10/08/14
ESG							
ClearBridge Sustainability Leaders 529 Portfolio	3.56%	10.72%	—	—	—	8.04%	06/16/22
Martin Currie International Sustainable Equity 529 Portfolio	-3.10%	11.00%	—	—	—	-0.08%	06/16/22

1. Non-Qualified Distributions from the Program generally are subject to ordinary federal income taxes on earnings and a 10% additional federal tax on earnings, as well as possible state taxes. Performance does not reflect any taxes payable in connection with Non-Qualified Distributions, or, if applicable, Qualified Distributions. Expense or fee waivers and/or reimbursements applicable to Underlying Funds in which certain Trust Portfolios invest may have increased past performance for such Trust Portfolios relative to their performance if such waivers or reimbursements had not been provided. For periods prior to April 1, 2014, reflects a Program Fee of 0.20% per annum; such fee was reduced to 0.10% as of April 1, 2014. No Program Fee has been assessed to date on the Franklin U.S. Government Money 529 Portfolio.

2. The inception date of each Trust Portfolio is the date on which shares of the share class purchased by the Plan were first issued.

3. Performance reflects investments for periods preceding July 31, 2022, when the Underlying Funds and allocation among asset classes differed from those effective as of July 31, 2022.

4. During the relevant periods, this Trust Portfolio was the Ages 5-8 Trust Portfolio.

5. During the relevant periods, this Trust Portfolio was the Ages 17-18 Trust Portfolio.

6. During the relevant periods, this Trust Portfolio was named the S&P 500 Index 529 Portfolio and its Underlying Fund was the iShares Core S&P 500 ETF.

Appendix C – Description of Certain Underlying Investments

Below is a summary of the investment goals and main strategies of the mutual funds and ETFs (each of which is referred to as the “Fund” or “Underlying Fund”) in which the Individual Fund Trust Portfolios are invested. The information below has been summarized for inclusion herein by the Program Manager from the most current prospectus available. Neither HESAA nor the Program Manager has independently verified the information contained in any such mutual fund or ETF prospectus and no representation is made by HESAA or the Program Manager as to its accuracy or completeness.

The Investment Policy permits the Investment Manager to allocate investments for each Age-Based Asset Allocation Trust Portfolio and Objective-Based Asset Allocation Trust Portfolio to a specified percentage range of asset classes, and within each asset class permits the Investment Manager to invest in one or more mutual funds and/or ETFs and to add or discontinue investments or amounts of investments in particular mutual funds or ETFs from time to time. As a result, descriptions of the Underlying Funds in such Trust Portfolios as of the date of this Program Description are not provided below. Information regarding the particular Underlying Funds in which an Age-Based Asset Allocation Trust Portfolio or Objective-Based Asset Allocation Trust Portfolio is invested will be available on <https://www.franklintempleton.com/forms-literature/download/529-FLALL>.

Additional information regarding the Underlying Funds described below, and the risks associated with such Funds, is set forth in each Fund’s prospectus and statement of additional information (“SAI”). Copies of the Underlying Fund prospectuses, SAIs, annual and semiannual shareholder reports and performance information can be obtained online at FranklinTempleton.com, or by calling Franklin Templeton toll free at (866) 362-1597. No offer is made in this document of shares of any of the Underlying Funds.

Ariel Fund (ARAIX)

Investment Goals and Main Strategies. The Fund’s fundamental objective is long-term capital appreciation. The Fund invests in small- and mid-capitalization (“small/midcap”) undervalued companies that show strong potential for growth. The Fund invests primarily in equity securities of U.S. companies that have market capitalizations within the range of the companies in the Russell 2500 Index, measured at the time of initial purchase. The Fund may invest a portion of the portfolio outside (above or below) this market capitalization range. Also, the market capitalizations for the Fund’s portfolio companies may change over time, and the Fund is permitted to invest in (hold and purchase) a company even if its market capitalization moves outside the stated range.

Main Risks. For a description of the Fund’s main types of investment risks, see <https://connect.rightprospectus.com/ArielFunds/TADF/040337107/SP?site=ArielInvestmentTrust>.

BrandywineGLOBAL - Global Opportunities Bond Fund (GOBSX)

Investment Goals and Main Strategies. The Fund’s investment objective is to maximize total return consisting of income and capital appreciation. Under normal market conditions, the Fund will invest at least 80% of its net assets in fixed income securities of issuers located in developed market countries and may also invest in emerging market countries. The Fund will invest in both investment grade and below investment grade fixed income securities, and intends to invest less than 35% of its net assets in below investment grade fixed income securities (commonly known as “high yield debt” or “junk bonds”). The Fund’s portfolio managers intend to maintain an average weighted portfolio quality of A- or better, whether composed of rated securities or unrated securities deemed by the portfolio managers to be of comparable quality. The Fund’s investments may include securities of sovereign governments and supranational organizations. The Fund may invest up to 25% of its net assets in convertible debt securities. The Fund may use derivatives to enhance total return, to hedge against fluctuations in securities prices, interest rates or currency exchange rates, to change the effective duration of its portfolio, to manage certain investment risks and/or as a substitute for the purchase or sale of securities or currencies. These investments may be significant at times. The Fund may invest in securities of any maturity. The weighted average effective duration of the Fund’s portfolio, including derivatives, is expected to range from 1 to 10 years but for individual markets may be greater or lesser depending on the Fund’s portfolio managers’ view of the prospects for lower interest rates and the potential for capital gains. The Fund is classified as “non-diversified,” which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund.

Main Risks. For a description of the Fund's main types of investment risks, see <https://connect.rightprospectus.com/LeggMason/TADF/524686383/SP?site=Funds>.

ClearBridge International Growth Fund (LMGPX)

Investment Goals and Main Strategies. The Fund's investment objective is long-term capital growth. The Fund normally invests primarily in common stocks of foreign companies that, in the Fund managers' opinion, appear to offer above average growth potential and trade at a significant discount to the Fund managers' assessment of their intrinsic value. Intrinsic value, according to the Fund managers, is the value of the company measured, to different extents depending on the type of company, on factors such as, but not limited to, the discounted value of its projected future free cash flows, the company's ability to earn returns on capital in excess of its cost of capital, private market values of similar companies and the costs to replicate the business. The Fund may invest in common stocks of foreign companies of any size located throughout the world. The Fund managers consider foreign companies to include those organized, headquartered or with substantial operations outside of the United States. However, the Fund is not precluded from purchasing stocks of U.S. companies. These companies may be located, or have substantial operations, in emerging markets, provided that the Fund will normally not invest more than 15% of its net assets, at the time of purchase, in securities of companies domiciled in emerging markets. The Fund's policy is to remain substantially invested in common stocks or securities convertible into or exchangeable for common stock. Any income realized will be incidental to the Fund's objective.

Main Risks. For a description of the Fund's main types of investment risks, see <https://connect.rightprospectus.com/LeggMason/TADF/524686540/SP?site=Funds>.

ClearBridge Large Cap Value Fund (LMLSX)

Investment Goals and Main Strategies. The Fund seeks long-term growth of capital as its primary investment objective. Current income is a secondary objective. Under normal circumstances, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, if any, in equity securities, or other investments with similar economic characteristics, of companies with large market capitalizations. Large capitalization companies are those companies with market capitalizations similar to companies in the Russell 1000 Index (the "Index"). The size of the companies in the Index changes with market conditions and the composition of the Index. Securities of companies whose market capitalizations no longer meet this definition after purchase by the Fund still will be considered securities of large capitalization companies for purposes of the Fund's 80% investment policy.

Main Risks. For a description of the Fund's main types of investment risks, see <https://connect.rightprospectus.com/LeggMason/TADF/52470J100/SP?site=Funds>.

ClearBridge Sustainability Leaders Fund (LCILX)

Investment Goals and Main Strategies. The Fund seeks to provide long-term capital growth. Under normal circumstances, the Fund seeks to meet its investment objective by investing substantially all of its assets in common stocks and other equity securities that meet its financial and sustainability/environmental, social and governance ("ESG") criteria. The Fund's subadviser will seek to limit its investments to only those companies whose overall ESG profile it judges to be very strong. The Fund will not invest in companies with significant direct involvement in extraction of fossil fuels and mining, and instead will seek other attractive sustainable opportunities in the energy, industrials, and materials sectors. Direct involvement in fossil-fuel extraction and mining would be inclusive of companies that derive revenues primarily from: extraction and/or burning of coal; mining of metals or minerals; exploration and production of oil and gas; and refining of fossil fuels. The Fund may invest in companies that provide equipment and services to the energy and mining sectors. The Fund emphasizes investments in common stocks and other equity securities of U.S. companies; however, it may invest in equity securities of foreign issuers. The Fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund.

Main Risks. For a description of the Fund's main types of investment risks, see <https://connect.rightprospectus.com/LeggMason/TADF/52469C603/SP?site=Funds>.

Franklin DynaTech Fund (FDYZX)

Investment Goals and Main Strategies. The Fund's investment goal is capital appreciation. Under normal market conditions, the Fund seeks investments primarily in equity securities of companies that the investment manager believes are leaders in innovation, take advantage of new technologies, have superior management, and benefit from new industry conditions in the dynamically changing global economy. In pursuing these objectives, the investment manager may invest in companies in any economic sector or of any market capitalization and may invest in companies both inside and outside of the United States. Although the Fund's investment manager searches for investments across a large number of sectors, it expects to have significant positions in particular sectors including, for example, technology and health care.

Main Risks. For a description of the Fund's main types of investment risks, see www.franklintempleton.com/forms-literature/download/108-PSUM.

Franklin Growth Fund (FCGAX)

Investment Goals and Main Strategies. The Fund's investment goal is capital appreciation. Under normal market conditions, the Fund invests substantially in the equity securities of companies that are leaders in their industries. In selecting securities, the investment manager considers many factors, including historical and potential growth in revenues and earnings, assessment of strength and quality of management, and determination of a company's strategic positioning in its industry. Although the Fund normally invests substantially in the equity securities (principally common stocks) of U.S.-based large and medium market capitalization companies, it may invest in companies in new and emerging industries where growth is expected to be above average and may invest up to 25% of its assets in smaller companies.

Main Risks. For a description of the Fund's main types of investment risks, see www.franklintempleton.com/forms-literature/download/106-PSUM.

Franklin Income Fund (FRIAX)

Investment Goals and Main Strategies. The Fund's investment goal is to maximize income while maintaining prospects for capital appreciation. Under normal market conditions, the Fund invests in a diversified portfolio of debt and equity securities. The Fund may shift its investments from one asset class to another based on the Fund's investment manager's analysis of the best opportunities for the Fund's portfolio in a given market. The equity securities in which the Fund invests consist primarily of common stocks, including those with dividend yields the Fund's investment manager believes are attractive. Debt securities include all varieties of fixed, floating and variable rate instruments, including secured and unsecured bonds, bonds convertible into common stock, senior floating rate and term loans, mortgage-backed securities and other asset-backed securities, debentures, and shorter term instruments. Bonds investments may include U.S. and foreign corporate debt, U.S. Treasuries and foreign government bonds. The Fund may invest up to 100% of its total assets in debt securities that are rated below investment grade (also known as "junk bonds"), including a portion in defaulted securities. The Fund maintains the flexibility to invest in securities of companies from a variety of sectors, but from time to time, based on economic conditions, the Fund may have significant investments in particular sectors. The Fund may also invest up to 25% of its assets in foreign securities, either directly or through depositary receipts. The Fund may, from time to time, use a variety of derivatives and complex securities for various purposes including enhancing Fund returns, increasing liquidity, gaining exposure to particular instruments in more efficient or less expensive ways and/or hedging risks relating to changes in certain equity markets.

Main Risks. For a description of the Fund's main types of investment risks, see www.franklintempleton.com/forms-literature/download/1109-PSUM.

Franklin Small-Mid Cap Growth Fund (FSGAX)

Investment Goals and Main Strategies. This Fund's investment goal is long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in the equity securities of small-capitalization (small-cap) and mid-capitalization (mid-cap) companies. The Fund, from time to time, may have significant positions in particular sectors such as information technology (including technology services and technology equipment and hardware), consumer discretionary, healthcare and industrials. The Fund may make private investments in companies whose securities are not

publicly traded (including companies that have not yet issued securities publicly in an initial public offering (“IPO”)), often in the form of private placements.

Main Risks. For a description of the Fund’s main types of investment risks, see www.franklintempleton.com/forms-literature/download/198-PSUM.

Institutional Fiduciary Trust Money Market Portfolio (INFXX)

Investment Goals and Main Strategies. The Fund’s investment goal is to provide investors with as high a level of current income as is consistent with the preservation of shareholders’ capital and liquidity. The Fund also tries to maintain a stable \$1.00 share price. The Fund is a “feeder fund” that invests, through the “Master Portfolio” (which has the same investment goal and policies as the Fund), at least 99.5% of its total assets in fixed, floating and variable rate Government securities, cash and repurchase agreements collateralized fully by Government securities or cash. The Fund intends to be a “Government money market fund,” as such term is defined in or interpreted under Rule 2a-7 under the Investment Company Act of 1940. The Fund maintains a dollar weighted average portfolio maturity of 60 calendar days or less, maintains a dollar weighted average life for its portfolio of 120 calendar days or less, and only buys securities that mature or are deemed to mature in 397 calendar days or less.

Main Risks. For a description of the Fund’s main types of investment risks, see www.franklintempleton.com/forms-literature/download/140-PSUM.

Franklin U.S. Equity Index ETF (USPX)

Investment Goals and Main Strategies. The ETF seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the Morningstar US Target Market Exposure Index (the “Underlying Index”). Under normal market conditions, the Fund invests at least 80% of its assets in the component securities of the Underlying Index, which is a free float-adjusted market capitalization weighted index that is maintained and calculated by Morningstar, Inc. (“Float-adjusted” means that only shares that are estimated to be publicly available to investors are included in the calculation of market capitalization.) The Underlying Index includes large- and mid-capitalization stocks representing the top 85% of the investable universe (i.e. U.S. equity market) by float-adjusted market capitalization. The Underlying Index is governed by published, objective rules for security selection, exclusion, rebalancing and adjustments for corporate actions.

Main Risks. For a description of the Fund’s main types of investment risks, see <https://www.franklintempleton.com/forms-literature/download/USPX-PSUM>.

Martin Currie International Sustainable Equity ETF (MCSE)

Investment Goals and Main Strategies. The Fund’s investment objective is long-term capital appreciation. Under normal market conditions, the Fund pursues its objective by investing at least 80% of its net assets in equity and equity related securities of foreign companies and other investments with similar economic characteristics that meet the Fund subadviser’s environmental, social and governance (“ESG”) criteria for the Fund. Subject to the ESG criteria, the Fund is generally unconstrained by any particular sector, geography or market capitalization. In addition, the Fund seeks to avoid investing in companies that the Fund’s subadviser has determined, based on its exclusionary criteria, to be significantly involved in certain business activities or industries, including the production of tobacco, production of weapons, the extraction of fossil fuels, or the mining of metals and minerals. Further, the Fund will seek to avoid investing in any company that, based upon information received by the Fund’s subadviser, is assigned to the Global Industry Classification Standard (GICS) sub-industries Diversified Metals and Mining, Copper, Gold and Precious Metals and Minerals, or that is involved in the production, sale or distribution of dedicated and key components of antipersonnel mines and cluster munitions. The sub-advisor may modify this list of prohibited investments, including revenue thresholds or any particular exclusion, at any time, without shareholder approval or notice. The Fund may invest without limit in securities of companies located in any foreign country, including countries with developed or emerging markets. The Fund may invest in companies of any size and market capitalization but will typically invest in those companies with market capitalizations in excess of \$3 billion. The Fund’s portfolio is expected to be highly concentrated, with approximately 20-40 holdings. The Fund is a “non-diversified” fund.

Main Risks. For a description of the Fund's main types of investment risks, see [Martin Currie Sustainable International Equity ETF - MCSE \(franklintempleton.com\)](#)

Western Asset Core Plus Bond Fund (WAPSX)

Investment Goals and Main Strategies. The Fund's investment objective is to maximize total return, consistent with prudent investment management and liquidity needs, by investing to obtain the average duration specified below. The Fund invests in a portfolio of fixed income securities of various maturities and, under normal market conditions, will invest at least 80% of its net assets, including the amount of borrowing for investment purposes, if any, in debt and fixed income securities. Although the Fund may invest in debt and fixed income securities of any maturity, under normal market conditions the target dollar-weighted average effective duration for the Fund is expected to range within 30% of the average duration of the domestic bond market as a whole as estimated by the Fund's subadviser. The fund may invest up to 20% of its total assets in non-U.S. dollar denominated securities. Up to 20% of the fund's net assets may be invested in debt securities that are not rated in the Baa or BBB categories or above at the time of purchase by one or more Nationally Recognized Statistical Rating Organizations ("NRSROs") or, if unrated, securities of comparable quality at the time of purchase (as determined by the Fund's subadviser). The fund may invest up to 25% of its total assets in the securities of non-U.S. issuers. The fund may invest a substantial portion of its assets in mortgage-backed and asset-backed securities. The fund may also enter into various exchange-traded and over-the-counter derivative transactions for both hedging and non-hedging purposes, including for purposes of enhancing returns. These derivative transactions include, but are not limited to, futures, options, swaps, foreign currency futures and forwards.

Main Risks. For a description of the Fund's main types of investment risks, see <https://connect.rightprospectus.com/LeggMason/TADF/957663503/SP?site=Funds>

Western Asset Short-Term Bond Fund (LWSTX)

Investment Goals and Main Strategies. The Fund seeks current income, preservation of capital and liquidity. Under normal market conditions, the Fund invests at least 80% of its assets in "investment grade" fixed income securities. Securities in which the Fund invests include corporate debt securities, bank obligations, mortgage- and asset-backed securities and securities issued by the U.S. government and its agencies and instrumentalities. The Fund may invest up to 25% of its assets in U.S. dollar denominated securities of non-U.S. issuers. The Fund may invest in securities of any maturity. The Fund normally maintains an average effective maturity of not more than three years. The Fund may also engage in a variety of transactions using derivatives in order to change the investment characteristics of its portfolio (such as shortening or lengthening duration) and for other purposes.

Main Risks. For a description of the Fund's main types of investment risks, see <https://connect.rightprospectus.com/LeggMason/TADF/52469E500/SP?site=Funds>

Appendix D – Quick Reference Investment Guide to CUSIPs, Portfolio #s and NASDAQ Symbols

NJBEST 529 Portfolio List

	NJBEST Direct Class		
	Portfolio #	CUSIP #	NASDAQ Symbol
Age-Based Conservative Allocation			
Franklin Conservative Allocation Newborn–4	00038	645788508	FANEX
Franklin Conservative Allocation Age 5–8	05901	64576A404	FANGX
Franklin Conservative Allocation Age 7–8	5083	64579B409	FAQLX
Franklin Conservative Allocation Age 9–10	00039	645788607	FANHx
Franklin Conservative Allocation Age 11–12	05902	64576A800	FANJX
Franklin Conservative Allocation Age 13–14	00040	645788708	FANKX
Franklin Conservative Allocation Age 15–16	05903	64576A859	FANLX
Franklin Conservative Allocation Age 17	00041	645788805	FANMX
Franklin Conservative Allocation Age 18	5084	64579B805	FAQPX
Franklin Conservative Allocation Age 19+	05904	64576A818	FANNX
Age-Based Moderate Allocation			
Franklin Moderate Allocation Newborn–4	00043	645788102	FANOX
Franklin Moderate Allocation Age 5–8	05905	64576A768	FANPX
Franklin Moderate Allocation Age 7–8	5065	64579B854	FAQUX
Franklin Moderate Allocation Age 9–10	00044	645788201	FANQX
Franklin Moderate Allocation Age 11–12	05908	64579A401	FANUX
Franklin Moderate Allocation Age 13–14	00045	645788300	FANVX
Franklin Moderate Allocation Age 15–16	05907	64579A807	FANWX
Franklin Moderate Allocation Age 17	00046	645788409	FANYX
Franklin Moderate Allocation Age 18	5066	64579B813	FAQZX
Franklin Moderate Allocation Age 19+	05908	64579A856	FANZX

Age-Based Allocation portfolios – continued

	NJBEST Direct Class		
	Portfolio #	CUSIP #	NASDAQ Symbol
Age-Based Growth Allocation			
Franklin Growth Allocation Newborn–4	00028	645769712	FAOEX
Franklin Growth Allocation Age 5–6	05909	64579A815	FAOHX
Franklin Growth Allocation Age 7–8	5067	64579B763	FARGX
Franklin Growth Allocation Age 9–10	00029	645769862	FAOJX
Franklin Growth Allocation Age 11–12	05910	64579A765	FAOLX
Franklin Growth Allocation Age 13–14	00030	645769821	FAOMX
Franklin Growth Allocation Age 15–18	05911	64579A724	FAONX
Franklin Growth Allocation Age 17	00031	645769571	FAOPX
Franklin Growth Allocation Age 18	5068	64579B722	FAROX
Franklin Growth Allocation Age 19+	05912	64579A674	FAOQX

	NJBEST Direct Class		
	Portfolio #	CUSIP #	NASDAQ Symbol
Objective-Based Allocation			
Franklin Conservative Allocation 529 Portfolio	5069	64579B872	FARZX
Franklin Conservative Growth Allocation 529 Portfolio	5070	64579B831	FAUQX
Franklin Moderate Allocation 529 Portfolio	5071	64579B581	FAVDX
Franklin Growth Allocation 529 Portfolio	5073	64579B490	FAOVX
Franklin Moderate Growth Allocation 529 Portfolio	5072	64579B540	FAVJX
Franklin Aggressive Growth Allocation 529 Portfolio	5070	64579B831	FAUCX

	NJBEST Direct Class		
	Portfolio #	CUSIP #	NASDAQ Symbol
Individual Fund Portfolios			
US Equity			
Franklin Growth 529 Portfolio	5060	64579B441	FAUKX
ClearBridge Large Cap Value 529 Portfolio	5075	64579A833	CAANX
Franklin U.S. Large Cap Index 529 Portfolio	028	645768795	FAOZX
Franklin Small-Mid Cap Growth 529 Portfolio	5061	64579B433	FAULX
Ariel 529 Portfolio	5081	64579A389	AAFGX
Franklin DynaTech 529 Portfolio	5074	64579B458	FAUJX
Non – US Equity			
ClearBridge International Growth 529 Portfolio	5076	64579A583	CAAUX
Balanced			
Franklin Income 529 Portfolio	5062	64579B425	FAUNX
Fixed Income			
BrandywineGlobal – Global Opportunities 529 Portfolio	5077	64579A542	LAAJX
Western Asset Short-Term Bond 529 Portfolio	5078	64579A492	LAANX
Western Asset Core Plus Bond 529 Portfolio	5079	64579A450	LAASX
Money Market			
Franklin U.S. Government Money 529 Portfolio	922	645770405	FAOYX
ESG			
Martin Currie International Sustainable Equity 529 Portfolio	5080	64579A419	MABJX
ClearBridge Sustainability Leaders 529 Portfolio	5082	64579A328	CBSJX

Other Items:

Franklin Templeton Business Continuity Planning Information Notice

At Franklin Templeton, we recognize how heavily our clients rely on our services. We also recognize that the unexpected can and does occur, from simple outages to major incidents affecting multiple sites. We have successfully supported critical business activities during disruptions of normal business processes from both natural and man-made disasters, including hurricanes, fires, Super Storm Sandy to September 11th and other events. We want you to know that we have plans in place to help safeguard your assets and protect vital account information in the event of a business disruption.

Franklin Templeton and its affiliated companies, including Fiduciary Trust Company and Franklin Distributors, LLC, have Crisis Management, Business Continuity and technology Disaster Recovery plans in place. In addition, Franklin Templeton has dedicated business continuity planners on staff to assist in preparing and testing of plans.

Franklin Templeton contingency planning guidelines

Franklin Templeton plans are developed around specific corporate-wide guidelines. As such, has developed plans that include the ability to recover from various situations including but not limited to unplanned evacuations, power outages, fire, severe weather, intentional acts, and facilities failures that may cause interruptions to our business.

Our plans are constructed to recover critical functions according to their time criticality. In order to maintain secure and effective plans, Franklin Templeton does not provide the specific details in this notice, but you should be aware that corporate disaster recovery planning includes the following:

- Identification and recovery of mission critical systems to include telecommunications.
- Replication, backup and recovery for critical information.
- Alternate & redundant communications between Franklin Templeton and its customers.
- Alternate communications with and alternate locations for employees.
- Regulatory reporting and communications with regulators.
- Review of financial and operational risks.

Franklin Templeton contingency planning and business recovery

Franklin Templeton actively identifies and seeks to mitigate risks to reduce potential issues and their impact. In the event of an outage or other site specific problems, Franklin Templeton has plans in place to support recovery of its critical business systems and functions. In addition to the guidelines stated above, Franklin Templeton's recovery plans also include the following:

- **Designated Contingency sites and seamless client contact**—there are pre-established and tested processes for rerouting of critical telephone and computer systems. Customers should experience minimal downtime in their ability to contact Franklin Templeton. Within a minimal period of time, customers would be able to re-attempt contact via published toll free telephone numbers, or the website.
- **Access to your funds**—an outage affecting a given site should not impact your ability to access your funds, as business continuity plans are designed to help ensure sustained service. However, factors outside Franklin Templeton's control, such as the market closure which occurred following the September 11th tragedy, may impact our ability to service our customers.

Please note that Franklin Business Continuity Plans which are critical to our operations are reviewed, updated and tested annually, to ensure they account for technology, business and regulatory changes. The plans are subject to change, and material changes to our approach will be reflected in an updated "Business Continuity Planning Information Notice" that will be posted on our website at franklintempleton.com.

Franklin Templeton Privacy Notice

Your Privacy Is Our Priority

Franklin Templeton* is committed to safeguarding your personal information. This notice is designed to provide you with a summary of the non-public personal information Franklin Templeton may collect and maintain about current or former individual investors; our policy regarding the use of that information; and the measures we take to safeguard the information. We do not sell individual investors' non-public personal information to anyone and only share it as described in this notice.

Information We Collect

When you invest with us, you provide us with your non-public personal information. We collect and use this information to service your accounts and respond to your requests. The non-public personal information we may collect falls into the following categories:

- Information we receive from you or your financial intermediary on applications or other forms, whether we receive the form in writing or electronically. For example, this information may include your name, address, tax identification number, birth date, investment selection, beneficiary information, and your personal bank account information and/or email address if you have provided that information.
- Information about your transactions and account history with us, or with other companies that are part of Franklin Templeton, including transactions you request on our website or in our app. This category also includes your communications to us concerning your investments.
- Information we receive from third parties (for example, to update your address if you move, obtain or verify your email address or obtain additional information to verify your identity).
- Information collected from you online, such as your IP address or device ID and data gathered from your browsing activity and location. (For example, we may use cookies to collect device and browser information so our website recognizes your online preferences and device information.) Our website contains more information about cookies and similar technologies and ways you may limit them.
- Other general information that we may obtain about you such as demographic information.

Disclosure Policy

To better service your accounts and process transactions or services you requested, we may share non-public personal information with other Franklin Templeton companies. From time to time we may also send you information about products/services offered by other Franklin Templeton companies although we will not share your non-public personal information with these companies without first offering you the opportunity to prevent that sharing.

We will only share non-public personal information with outside parties in the limited circumstances permitted by law. For example, this includes situations where we need to share information with companies who work on our behalf to service or maintain your account or process transactions you requested, when the disclosure is to companies assisting us with our own marketing efforts, when the disclosure is to a party representing you, or when required by law (for example, in response to legal process). Additionally, we will ensure that any outside companies working on our behalf, or with whom we have joint marketing agreements, are under contractual obligations to protect the confidentiality of your information, and to use it only to provide the services we asked them to perform.

Confidentiality and Security

Our employees are required to follow procedures with respect to maintaining the confidentiality of our investors' non-public personal information. Additionally, we maintain physical, electronic and procedural safeguards to protect the information. This includes performing ongoing evaluations of our systems containing investor information and making changes when appropriate.

At all times, you may view our current privacy notice on our website at <https://www.franklintempleton.com/help/privacy-policy> or contact us for a copy at (800) 632-2301.

*For purposes of this privacy notice Franklin Templeton shall refer to the following entities:

Fiduciary Trust International of the South (FTIOS), as custodian for individual retirement plans
 Franklin Advisers, Inc.
 Franklin Distributors, LLC, including as program manager of the Franklin Templeton 529 College Savings Plan and the NJBEST 529 College Savings Plan
 Franklin Mutual Advisers, LLC
 Franklin, Templeton and Mutual Series Funds
 Franklin Templeton Institutional, LLC
 Franklin Templeton Investments Corp., Canada
 Franklin Templeton Investments Management, Limited UK
 Legg Mason Funds
 Templeton Asset Management, Limited
 Templeton Global Advisors, Limited
 Templeton Investment Counsel, LLC

If you are a customer of other Franklin Templeton affiliates and you receive notices from them, you will need to read those notices separately.

HESAA Notice Of Privacy Policy



HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

The New Jersey Higher Education Student Assistance Authority’s (HESAA) mission includes, in part, providing New Jersey students and families with financial resources such as loans, grants, scholarships and college savings programs to assist students in achieving their educational goals.

Protecting the privacy of your personal information is important to us at HESAA. We respect your right to privacy and recognize our obligation to keep information about you secure and confidential. We do not sell or share information about you with outside marketers.

Federal legislation requires us to provide you with this notice about our privacy policy. This means personal information about you which identifies you, and that is not available from public sources.

HESAA’s Privacy Policy

FACTS	WHAT DOES: NJ Higher Education Student Assistance Authority (“HESAA”) DO WITH YOUR PERSONAL INFORMATION?
Why	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number, income and assets • Account balances and payment history • Account transactions, credit scores and credit history <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>

How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons HESAA chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does HESAA share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	No
For our marketing purposes— to offer our products and services to you	YES	No
For joint marketing with other financial companies	No	We Don't Share
For our affiliates' everyday business purposes— information about your transactions and experiences	YES	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We Don't Share
For nonaffiliates to market to you	No	We Don't Share

Questions?	Call (609) 584-4480 or go to www.hesaa.org
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Who we are	
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Who is providing this notice?	This Privacy Notice is being provided by the State of New Jersey Higher Education Student Assistance Authority "HESAA".
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What we do	
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How does HESAA protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
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How does HESAA collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> • Apply for a loan or give us your contact information • Open an account or pay your bills • Provide employment information <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
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Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes—information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
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Definitions	
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Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • Our affiliates include other State of New Jersey government agencies, authorities, boards and commissions.
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Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
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- HESAA does not share with nonaffiliates so they can market to you.
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Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- HESAA doesn't jointly market.
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**FRANKLIN
TEMPLETON**

Franklin Distributors, LLC
(877) 4NJ-BEST / 465-2378
NJBEST.com

Notice from Franklin Distributors, LLC

Franklin Distributors, LLC is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board (the “MSRB”). The website address for the MSRB is: www.msrb.org. A brochure is available to customers on the MSRB’s website that describes the protections that may be provided by MSRB rules as well as how to file a complaint with an appropriate regulatory authority.