

Age-based portfolios

Diversified portfolios

Single fund portfolios

Stable principal portfolios

# NextGen 529<sup>®</sup> Client Select Series Investment Guide



# NextGen 529<sup>®</sup> Client Select Series Investment Guide

NextGen 529<sup>®</sup> is a Section 529 plan that offers you a tax-advantaged way to invest for a child’s qualified higher-education expenses.<sup>1</sup> The NextGen 529 Client Select Series gives you the ability to customize your investments among a broad array of portfolio options offered by several investment managers. This Investment Guide can help you better understand the types of portfolios available.

## Age-based portfolios – page 3

- These portfolios offer an investment strategy based on your child’s age and when you’ll need the assets to pay for his or her education.
- When your child is younger, the funds are invested most aggressively and as your child gets closer to college age, the strategy automatically shifts to invest in more conservative investments.

**When to consider:** If you don’t want to actively manage your investments.

**Available investment managers:** BlackRock, iShares, Franklin Templeton and MFS.

## Diversified portfolios – page 4

- These portfolios have a specific investment objective, such as growth or income, and their allocation does not automatically change over time.

**When to consider:** If you’d like to build a strategy aligned to your specific investment needs.

**Available investment managers:** BlackRock, iShares, Franklin Templeton and MFS.

## Single fund portfolios – page 8

- These portfolios invest in one underlying investment, allowing you to customize your allocations based on the range of underlying investments.

**When to consider:** If you want to customize your asset allocation with the selected investment portfolios.

**Available investment managers:** American Century, BlackRock, iShares, Franklin Templeton, Lord Abbett, Mainstay, MFS and Neuberger Berman.

## Stable principal portfolios – page 9

- These portfolios seek to retain your principal.

**When to consider:** If you have a lower risk tolerance or are nearing the time you need to pay for qualified higher-education expenses. These portfolios are designed as an option for investors whose primary objective is protection of principal.

**Available portfolios:** Principal Plus and NextGen Savings.

NextGen 529 can play an important role in helping you and your family invest more for a higher education. Talk to your financial professional, who can help you review the investment options available and select an appropriate strategy based on your education savings goals.

**There can be no assurance that the strategy of any portfolio will be successful. This brochure provides general information about portfolios offered by BlackRock and the sub-advisors to the plan. The portfolio target allocations listed in this brochure are current as of September 13, 2021, and are subject to change.**

Investment products:

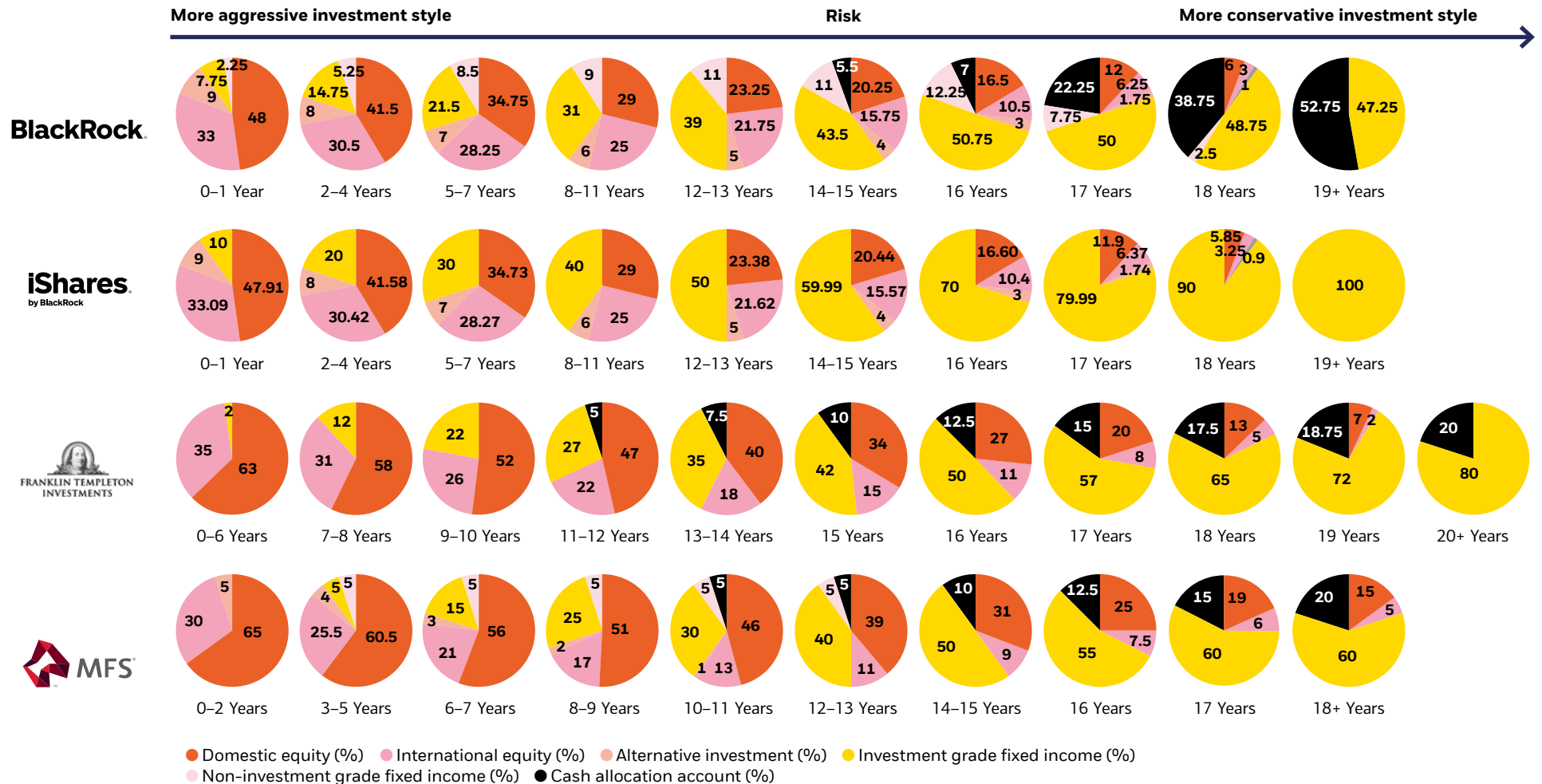
Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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# Age-based portfolios

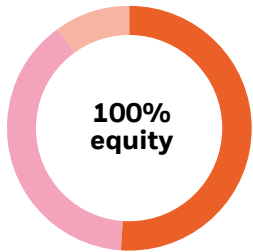
The target age for these funds is the approximate date when an investor plans to start withdrawing the assets from their account. The principal value of these funds is not guaranteed at any time, including at the target date. These funds are designed to become more conservative over time as the target date approaches. Asset allocation and diversification do not ensure a profit or protect against loss in declining markets.

The pie charts on this page show the percentage of the portfolio invested in each category (i.e., Domestic equity).





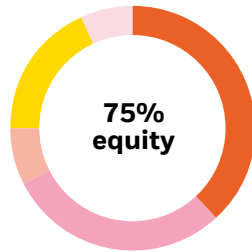
# BlackRock diversified portfolios



100% equity

- 51.25% Domestic equity
- 38.75% International equity
- 10% Alternative investment

<b>Domestic equity</b>	<b>51.25</b>
Basic Value Fund	5.75
Capital Appreciation Fund	5.25
Equity Dividend Fund	10.5
Advantage Large Cap Growth Fund	11
iShares S&P 500 Index Fund <sup>2</sup>	14.75
Advantage Small Cap Core Fund	3.25
Advantage Small Cap Growth Fund	0.75
<b>International equity</b>	<b>38.75</b>
International Fund	9.75
Advantage International Fund	9.75
iShares MSCI Total International Index Fund	19.25
<b>Alternative investment</b>	<b>10</b>
Real Estate Securities Fund	10



75% equity

- 38.25% Domestic equity
- 29.25% International equity
- 7.5% Alternative investment
- 18.25% Investment grade fixed income
- 6.75% Non-investment grade fixed income

<b>Domestic equity</b>	<b>38.25</b>
Large Cap Focus Value Fund	4.25
Capital Appreciation Fund	4
Equity Dividend Fund	8
Advantage Small Large Cap Growth Fund	8.25
iShares S&P 500 Index Fund <sup>2</sup>	11
Advantage Small Cap Core Fund	2.25
Advantage Small Cap Growth Fund	0.5
<b>International equity</b>	<b>29.25</b>
International Fund	7.25
Advantage International Fund	7.25
iShares MSCI Total International Index Fund	14.75
<b>Alternative investment</b>	<b>7.5</b>
Real Estate Securities Fund	7.5
<b>Investment grade fixed income</b>	<b>18.25</b>
Inflation Protected Bond Fund	2.75
Low Duration Bond Portfolio	9
Total Return Fund	6.5
<b>Non-investment grade fixed income</b>	<b>6.75</b>
High Yield Bond Portfolio	4.5
Strategic Income Opportunities Portfolio	2.25



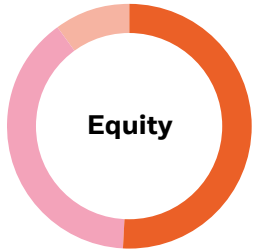
Fixed income

- 51.75% Investment grade fixed income
- 29% Non-investment grade fixed income
- 19.25% Cash allocation account

<b>Investment grade fixed income</b>	<b>51.75</b>
Inflation Protected Bond Fund	5.5
Low Duration Bond Fund	19
Total Return Fund	27.25
<b>Non-investment grade fixed income</b>	<b>29</b>
High Yield Bond Portfolio	20
Strategic Income Opportunities Portfolio	9
<b>Cash allocation account</b>	<b>19.25</b>



# iShares® by BlackRock diversified portfolios



- 51.04% Domestic equity
- 38.96% International equity
- 10% Alternative investment



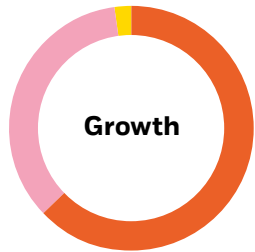
- 80% Investment grade fixed income
- 20% Non-investment grade fixed income

<b>Domestic equity</b>	<b>51.04</b>
iShares Core S&P Total U.S. Stock Market ETF	51.04
<b>International equity</b>	<b>38.96</b>
iShares Core MSCI Total International ETF	38.96
<b>Alternative investment</b>	<b>10</b>
iShares Cohen & Steers REIT ETF	10

<b>Investment grade fixed income</b>	<b>80</b>
iShares Core U.S. Aggregate Bond ETF	36.15
iShares Short Treasury Bond ETF	19.31
iShares 1-3 Year Treasury Bond ETF	19.12
iShares TIPS Bond ETF	5.42
<b>Non-investment grade fixed income</b>	<b>20</b>
iShares iBoxx \$ High Yield Corporate Bond ETF	20



# Franklin Templeton diversified portfolios



- 63% Domestic equity
- 35% International equity
- 2% Investment grade fixed income



- 52% Domestic equity
- 26% International equity
- 22% Investment grade fixed income



- 40% Domestic equity
- 18% International equity
- 35% Investment grade fixed income
- 8% Cash allocation account

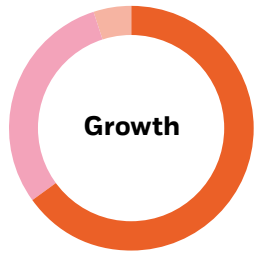
Domestic equity	63
Franklin Growth Fund	17
Franklin Growth Opportunities Fund	9
ClearBridge Large Cap Value Fund	25
ClearBridge Small Cap Value Fund	6
Franklin Small Cap Value Fund	6
International equity	35
Templeton Foreign Fund	20
Franklin International Growth Fund	8
Martin Currie Emerging Markets Fund	7
Investment grade fixed income	2
Western Asset Core Bond Fund	2

Domestic equity	52
Franklin Growth Fund	14.5
Franklin Growth Opportunities Fund	7.5
ClearBridge Large Cap Value Fund	22
ClearBridge Small Cap Value Fund	4
Franklin Small Cap Value Fund	4
International equity	26
Templeton Foreign Fund	16
Franklin International Growth Fund	6
Martin Currie Emerging Markets Fund	4
Investment grade fixed income	22
Western Asset Core Bond Fund	14
Western Asset Core Plus Bond Fund	5.5
Brandywine Global Opportunities Fund	2.5

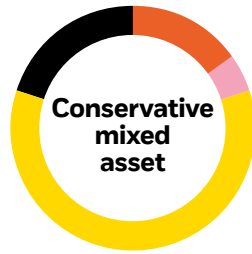
Domestic equity	40
Franklin Growth Fund	11.5
Franklin Growth Opportunities Fund	6
ClearBridge Large Cap Value Fund	17.5
ClearBridge Small Cap Value Fund	2.5
Franklin Small Cap Value Fund	2.5
International equity	18
Templeton Foreign Fund	11.5
Franklin International Growth Fund	4.5
Martin Currie Emerging Markets Fund	2
Investment grade fixed income	34.5
Western Asset Core Bond Fund	18
Western Asset Core Plus Bond Fund	7
Western Asset Short Term Bond Fund	6
Brandywine Global Opportunities Fund	3.5
Cash allocation account	7.5



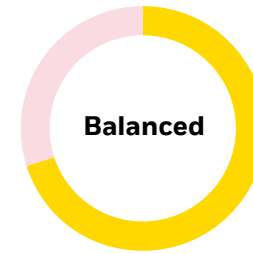
# MFS® diversified portfolios



- 65% Domestic equity
- 30% International equity
- 5% Alternative investment



- 15% Domestic equity
- 5% International equity
- 60% Investment grade fixed income
- 20% Cash allocation account



- 70% Investment grade fixed income
- 30% Non-investment grade fixed income

<b>Domestic equity</b>		<b>65</b>
MFS Blended Research Core Equity Fund	8	
MFS Blended Research Growth Equity Fund	6	
MFS Blended Research Mid Cap Equity Fund	10	
MFS Blended Research Small Cap Equity Fund	5	
MFS Blended Research Value Equity Fund	6	
Massachusetts Investors Growth Stock Fund	6	
Massachusetts Investors Trust	8	
MFS Mid Cap Growth Fund	5	
MFS Mid Cap Value Fund	5	
MFS Value Fund	6	
<b>International equity</b>		<b>30</b>
MFS Blended Research International Equity Fund	12	
MFS International New Discovery Fund	6	
MFS Research International Fund	12	
<b>Alternative investment</b>		<b>5</b>
MFS Global Real Estate Fund	5	

<b>Domestic equity</b>		<b>15</b>
MFS Blended Research Core Equity Fund	3	
MFS Blended Research Growth Equity Fund	1.5	
MFS Blended Research Mid Cap Equity Fund	1	
MFS Blended Research Small Cap Equity Fund	1	
MFS Blended Research Value Equity Fund	1.5	
Massachusetts Investors Growth Stock Fund	1.5	
Massachusetts Investors Trust	3	
MFS Mid Cap Growth Fund	0.5	
MFS Mid Cap Value Fund	0.5	
MFS Value Fund	1.5	
<b>International equity</b>		<b>5</b>
MFS Blended Research International Equity Fund	2.5	
MFS Research International Fund	2.5	
<b>Investment grade fixed income</b>		<b>60</b>
MFS Limited Maturity Fund	20	
MFS Government Securities Fund	15	
MFS Total Return Bond Fund	25	
<b>Cash allocation account</b>		<b>20</b>

<b>Investment grade fixed income</b>		<b>70</b>
MFS Government Securities Fund	30	
MFS Total Return Bond Fund	40	
<b>Non-investment grade fixed income</b>		<b>30</b>
MFS Global High Yield Fund	30	



# Single fund portfolios

Investment manager	Portfolio name	Investment allocation			
		Domestic equity	International equity	Mixed asset*	Investment grade fixed income
American Century	Inflation-Adjusted Bond	—	—	—	100%
BlackRock	Equity Dividend	100%	—	—	—
	Global Allocation	—	—	100%	—
	Advantage Large Cap Core	100%	—	—	—
	Advantage Large Cap Growth	100%	—	—	—
iShares	Core Conservative Allocation	—	—	100%	—
	Core Growth Allocation	—	—	100%	—
	Core Moderate Allocation	—	—	100%	—
	Core MSCI EAFE	—	100%	—	—
	Core MSCI EM	—	100%	—	—
	MSCI USA ESG Select	100%	—	—	—
	TIPS Bond	—	—	—	100%
Franklin Templeton	Global Bond	—	—	—	100%
	Mutual Shares	100%	—	—	—
	Small Cap Value	100%	—	—	—
	Small-Mid Cap Growth	100%	—	—	—
Lord Abbett	Total Return	—	—	—	100%
MainStay Winslow	Large Cap Growth	100%	—	—	—
MFS	Global Equity	—	—	100%	—
	Research International	—	100%	—	—
	Value	100%	—	—	—
Neuberger Berman	International Equity	—	100%	—	—

As there are no other forms or types of investments in this option, the value of the fund stands on its own. Because this option is a single fund investment, it may carry more risk than the other investment options depending on the fund's overall diversification and asset allocation.

\* The Underlying Funds may invest in the Domestic Equity, International Equity, Investment Grade Debt, Non-Investment Grade Debt and Money Market Securities Investment Sectors.





# Stable principal portfolios

You may want to consider Stable Principal Portfolios if you have a lower risk tolerance or are nearing the time you need to pay for qualified higher education expenses.

## Principal Plus Portfolio

The Principal Plus Portfolio is currently only invested in a guaranteed interest account<sup>3</sup> although it may also invest in corporate fixed income investments and/or similar instruments.

## NextGen Savings Portfolio

The NextGen Savings Portfolio is comprised exclusively of an interest-bearing FDIC-insured bank account (the “Bank Deposit Account”) at Bank of America, N.A. (the “Bank”). The NextGen Savings Portfolio offers FDIC insurance<sup>4</sup> combined with the flexibility and benefits of a tax-advantaged Section 529 account.

Investing in stable value products is typically more involved than investing in other diversified fund offerings. Such investments are typically subject to plan level withdrawal restrictions that may limit liquidity. A Stable Value investment option is not a mutual fund registered under the Investment Company Act of 1940, a prospectus is not available and shares are not publicly traded on exchanges. The designation ‘stable value’ does not suggest this investment option will maintain a constant net asset value.

**This material does not take into account a client's particular investment objectives, financial situations or needs and is not intended as a recommendation, offer or solicitation for the purchase or sale of any security or investment strategy.**

**For more information about these services, contact your financial professional.**



Program Administrator

**NextGen 529 is a Section 529 plan administered by the Finance Authority of Maine (FAME). You may obtain the NextGen 529 Program Description by requesting a copy from your financial professional, visiting [NextGenforME.com](http://NextGenforME.com) or calling the program manager at 1-833-336-4529. The Program Description should be read carefully before investing.**

**The Program Description contains more complete information, including investment objectives, charges, expenses and risks of investing in NextGen 529, which you should carefully consider before investing. If you are not a Maine resident, you also should consider whether your or your designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan. NextGen 529 accounts are not bank deposits and are not insured by the Federal Deposit Insurance Corporation (FDIC). Returns on investments in NextGen 529 accounts are not guaranteed or insured by the State of Maine, FAME or any NextGen 529 service providers. NextGen 529 participants assume all investment risk of an investment in NextGen 529, including the potential loss of principal and liability for tax penalties that are assessable in connection with certain types of withdrawals of amounts invested in NextGen 529.**

**Sunday Administration, LLC is the program manager, its affiliate The Bank of New York Mellon is the program custodian, BlackRock Advisors, LLC is the program investment manager, and BlackRock Investments, LLC is the program distributor and underwriter.**

**1** To be eligible for favorable tax treatment afforded to the earnings portion of a withdrawal from a Section 529 account, such withdrawal must be used for "qualified higher education expenses," as defined in the Internal Revenue Code. The earnings portion of a withdrawal that is not used for such expenses is subject to federal income tax and may be subject to a 10% additional federal tax, as well as applicable state and local income taxes. The additional tax is waived under certain circumstances. The beneficiary must be attending an eligible educational institution at least half time for room and board to be considered a qualified higher education expense, subject to limitations. Institutions must be eligible to participate in federal student financial aid programs. Some foreign institutions are eligible. You can also take a federal income tax-free distribution from a 529 account of up to \$10,000 per calendar year per beneficiary from all 529 accounts to help pay for tuition at an elementary or secondary public, private or religious school. For distributions taken after December 31, 2018, qualified higher education expenses now include expenses for fees, books, supplies, and equipment required for the participation of a designated beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act and amounts paid as principal or interest on any qualified education loans of the designated beneficiary or sibling of the designated beneficiary, up to a lifetime maximum of \$10,000 per individual. Distributions with respect to the loans of a sibling of the designated beneficiary will count towards the lifetime limit of the sibling, not the designated beneficiary. Such repayments may impact student loan interest deductibility. State tax treatment may vary for distributions to pay for tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school, apprenticeship expenses, and payment of qualified education loans.

**2** S&P 500® is a registered trademark of The McGraw-Hill Companies. It is not possible to invest directly in an index.

**3** Guarantees are subject to the claims-paying ability of the issuers of the underlying instruments.

**4** The portion of the underlying deposits in the Bank Deposit Account that is attributable to the Units held by a Participant in the NextGen Savings Portfolio is (a) eligible for FDIC insurance coverage of up to \$250,000 per Participant (calculated on a basis which aggregates that portion of the underlying deposits attributable to the Units held by the Participant in the NextGen Savings Portfolio with all FDIC-insured assets held by the Participant at the Bank) and (b) for purposes of FDIC insurance coverage only, considered to be held in the same ownership capacity as a Participant's other single ownership accounts held at the Bank. However, Units of the NextGen Savings Portfolio are not insured or guaranteed by the FDIC or any other agency of state or federal government, FAME, the Bank or the Program Manager, nor does a Participant have a direct beneficial interest or the rights of an owner in the underlying deposits in the Bank Deposit Account. Participants are responsible for monitoring the aggregated value of the portion of the underlying deposits of the NextGen Savings Portfolio attributable to the Units of such Portfolio held by a Participant plus their other deposits held directly with the Bank, for purposes of the \$250,000 FDIC insurance coverage limit. Deposits held in different ownership capacities, as provided in the FDIC rules, are insured separately. UGMA/UTMA Accounts are generally treated as assets of the Designated Beneficiary, and other types of trust Accounts may be treated as assets of the trustee, for purposes of the FDIC limit. Custodians of UGMA/UTMA Accounts and trustees of trust Accounts should consider how these assets will be treated for purposes of the FDIC limit. For more information, please visit [www.fdic.gov](http://www.fdic.gov).

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