Table of Contents

CollegeAmerica Summary

Program Administrator. **Page 6**
Virginia529 is the Program Administrator and sponsor of CollegeAmerica.

Program Manager. **Page 6**
American Funds Service Company® (AFS), American Funds Distributors® (AFD) and Capital Research and Management Company℠ (CRMC) are the Program Manager.

Investment Options. **Pages 6–7**
- You may purchase through your financial advisor shares of one or more of the American Funds offered in CollegeAmerica. Each fund share class has different fees and expenses. Financial advisors may impose transaction charges in addition to fees described in a prospectus. Please consult your financial advisor to determine which share class is best for you.
- The Account Owner may change the fund or funds in which the Account invests only twice per calendar year and upon a change in the Beneficiary of the Account.

Account Owner, Beneficiary and Contributor participation. **Pages 7–8**
- An Account Owner does not need to be a resident of Virginia to establish a CollegeAmerica Account. Any individual who is a U.S. citizen or legal U.S. resident may open a CollegeAmerica Account.
- The Account can be opened for the benefit of any U.S. citizen or legal U.S. resident of any age, including the Account Owner.
- Any person or entity may make contributions to a CollegeAmerica Account for the benefit of a Beneficiary.

Contribution and withdrawal limitations and penalties. **Pages 8–10**
- A $350,000-per-Beneficiary contribution limit applies across all plans administered by Virginia529, including CollegeAmerica, inVEST, prePAID and CollegeWealth.
- Withdrawals not used to pay Qualified Higher Education Expenses are subject to federal tax and penalty (see Tax Considerations below).

Fees and expenses. **Pages 10, 18–24**
You will be charged fees and expenses associated with the applicable American Funds share class. Financial advisors may impose transaction charges in addition to fees described in a prospectus.

Risk factors. **Pages 7, 10–12**
- An investment in the funds is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency, entity or person. Your investment in the funds may lose value. The likelihood of loss is greater if you invest for a shorter period of time.
- Principal invested in CollegeAmerica is not guaranteed. Total withdrawals from an Account may be worth more or less than the amount invested initially.
- Virginia529 and the Program Manager reserve the right to make changes to CollegeAmerica at any time.
- It is possible that the U.S. Congress, the U.S. Treasury Department, the IRS, the Commonwealth of Virginia and other taxing authorities or the courts may take actions that will adversely affect CollegeAmerica and that such adverse effects may be retroactive.
- CollegeAmerica Accounts may affect a Beneficiary's ability to qualify for federal need-based financial aid.

Tax considerations. **Pages 12–15**

- Earnings can grow free from federal income tax.
- The earnings on a Qualified Withdrawal used to pay Qualified Higher Education Expenses are free from federal income tax. Earnings on a Non-Qualified Withdrawal are subject to federal income tax and a 10% federal tax penalty.
- Individuals can take advantage of the annual gift tax exclusion by contributing up to $14,000 ($28,000 for married couples) per year per Beneficiary.
- Generally, if the Contributor dies while there is still money in the Account, the value of the Account is not included in the Contributor's estate.
- Virginia residents may take a state income tax deduction for CollegeAmerica contributions. Talk to your tax advisor about your specific tax questions or issues.

Investment results. **Pages 33–34**

The investment results for Accounts invested in the American Funds available through CollegeAmerica are described in Appendix D to this Program Description.

Governance and Administration

About the Program The Virginia General Assembly created Virginia529 as an independent state agency in its 1994 session. Its enabling legislation is codified at Chapter 4.9 of Title 23 of the Code of Virginia (1950), as amended (Sections 23–38.75 through 23–38.87:1). In its 1999 session, the General Assembly unanimously passed legislation authorizing the Board to create one or more savings trust investment options in conformance with the provisions of IRC Section 529. In July 2001, the Board determined to offer CollegeAmerica, a 529 savings plan sold exclusively through financial advisors. CollegeAmerica was launched in February 2002.

Program Administrator Virginia529, the Program Administrator of CollegeAmerica, is governed by an 11-member Board, consisting of four members who sit on the Board by virtue of the state offices they hold, four citizen members appointed by the Governor of Virginia, two citizen members appointed by the Virginia House of Delegates and one citizen member appointed by the Senate of Virginia. The ex officio members are the Director of the State Council of Higher Education for Virginia, the Chancellor of the Virginia Community College System, the State Treasurer and the State Comptroller. The Virginia Auditor of Public Accounts or its legally authorized representative annually audits Virginia529, including CollegeAmerica. Virginia529 is also subject to oversight from the Joint Legislative Audit and Review Commission (JLARC). The fee paid to Virginia529 on CollegeAmerica assets is not used for any purpose other than program administration and operation of Virginia529. The parties have agreed to breakpoints to the 0.10% fee paid to Virginia529. The first breakpoint will apply once CollegeAmerica assets reach $30 billion, at which point the fee paid to Virginia529 will decrease to 0.07% for assets in excess of $30 billion but less than $50 billion. Additional breakpoints apply to assets in excess of $50 billion.

Program Manager Consistent with Virginia law, Virginia529 selected American Funds Service Company, American Funds Distributors and Capital Research and Management Company (collectively, the "Program Manager") to manage CollegeAmerica following an extensive search of mutual fund managers. As a result of this search, the Investment Advisory Committee of the Board recommended, and the full Board approved, the selection of the Program Manager. The agreement between Virginia529 and the Program Manager was signed on July 20, 2011, and amended on March 25, 2014, to extend its term through February 15, 2040. American Funds Service Company is responsible for the recordkeeping and administration of the program. American Funds Distributors is the distributor of CollegeAmerica and is responsible for marketing and distributing the program exclusively through financial advisors. Capital Research and Management Company serves as the investment adviser to CollegeAmerica as well as the investment adviser to the American Funds.

Governing Law CollegeAmerica shall be governed by, administered and construed in accordance with the laws of the Commonwealth of Virginia and applicable federal law, including 26 U.S.C. §529, as amended.

Investment Options

You may purchase through your financial advisor shares of one or more of the American Funds offered in CollegeAmerica. Each fund share class has different fees and expenses. Financial advisors may impose transaction charges in addition to fees described in a prospectus. Please consult your financial advisor to determine which share class is best for you.

Available American Funds The following American Funds have been approved by the Virginia529 Board to be offered in CollegeAmerica. The Board may, at any time and without prior notice to Account Owners, change the investment options that are available for future contributions and existing Accounts.

Growth funds
AMCAP Fund® (AMCAP)
EuroPacific Growth Fund® (EUPAC)
The Growth Fund of America® (GFA)
The New Economy Fund® (NEF)
New Perspective Fund® (NPF)
New World Fund® (NWF)
SMALLCAP World Fund® (SCWF)

Equity-income funds
Capital Income Builder® (CIB)
The Income Fund of America® (IFA)

Growth-and-income funds
American Funds Developing World Growth and Income Fund℠ (DWGI)
American Mutual Fund® (AMF)
Capital World Growth and Income Fund® (WGI)
Fundamental Investors® (FI)
International Growth and Income Fund℠ (IGI)
The Investment Company of America® (ICA)
Washington Mutual Investors Fund℠ (WMIF)

Money market fund
American Funds Money Market Fund® (MMF)

Balanced funds
American Balanced Fund® (AMBAL)
American Funds Global Balanced Fund℠ (GBAL)

Bond funds
American Funds Inflation Linked Bond Fund℠
American Funds Mortgage Fund® (AFMF)
American High-Income Trust® (AHIT)
The Bond Fund of America® (BFA)
Capital World Bond Fund® (WBF)
Intermediate Bond Fund of America® (IBFA)
Short-Term Bond Fund of America® (STBF)
U.S. Government Securities Fund® (GVT)

American Funds College Target Date Series®
American Funds College 2033 Fund℠ (CF33)*
American Funds College 2030 Fund® (CF30)
American Funds College 2027 Fund® (CF27)
American Funds College 2024 Fund® (CF24)
American Funds College 2021 Fund® (CF21)
American Funds College 2018 Fund® (CF18)
American Funds College 2015 Fund® (CF15)†
American Funds College Enrollment Fund® (CEF)

American Funds Portfolio Series℠
American Funds Global Growth Portfolio℠ (PSGG)
American Funds Growth Portfolio℠ (PSG)
American Funds Growth and Income Portfolio℠ (PSGI)
American Funds Balanced Portfolio℠ (PSB)
American Funds Income Portfolio℠ (PSI)
American Funds Preservation Portfolio℠ (PSP)

* American Funds College 2033 Fund is expected to launch on or about March 27, 2015.
† On September 17, 2014, the Board of Trustees of the American Funds College Target Date Series approved the merger of American Funds College 2015 Fund into American Funds College Enrollment Fund pursuant to Rule 17a-8 of the Investment Company Act of 1940. It is anticipated that the merger will be consummated by June of 2015; however, the series reserves the right to delay the closing of the merger.

Fund investment objectives, investment strategies and risks Information may be obtained from the applicable prospectuses. You may obtain copies of prospectuses by calling (800) 421-4225 or by visiting americanfunds.com.

Opening and Contributing to an Account

Opening an Account Any individual who is a U.S. citizen or legal U.S. resident may open a CollegeAmerica Account. In addition, U.S. trusts, corporations, partnerships, Non-Profit Organizations and other entities may open an Account. Only a trust whose terms are consistent with the requirements of Section 529 should open a CollegeAmerica Account. It is the responsibility of the trustee of a trust to determine whether any provision of the trust is inconsistent with the requirements of Section 529. If, after investing in a CollegeAmerica Account, the trustee determines that the trust cannot be administered in a manner consistent with the requirements of Section 529, the Program Manager will not be liable for any market losses or other charges imposed in connection with any withdrawals from the Account.

To open a CollegeAmerica Account, you must complete a CollegeAmerica Account application. You do not have to be a Virginia resident to open an Account. There are no age or income restrictions to open an Account. There may be only one Account Owner (joint ownership is not permitted).

Designating a Beneficiary When you open an Account, you must designate a Beneficiary, who may be anyone, including yourself. A Beneficiary must be either a U.S. citizen or legal U.S. resident. Non-Profit Organizations are not required to designate a Beneficiary.

Contributing to an Account Any person or entity may make contributions to a CollegeAmerica Account for the benefit of a Beneficiary at any time. Individuals or entities other than the Account Owner that contribute funds to the Account will have no subsequent control over the contributions and may not receive state tax benefits, if available, from the contributions. Only the Account Owner may request transfers, rollovers, investment changes, withdrawals and Beneficiary changes.

- **Form of contribution** All contributions must be in cash or cash equivalent and cannot be in the form of securities or other property. Contributions may be made by check or automatic withdrawal from a bank account.

- **Automatic contributions** An authorization to make contributions by automatic withdrawal from a bank account will remain in effect until the Program Manager has received written notification of its termination. The Account Owner or the Program Manager may terminate contributions by automatic withdrawals at any time.

Successor Owner The Account Owner is strongly encouraged to designate a successor owner at the time the CollegeAmerica Account is established. The successor owner must be a U.S. citizen or legal U.S. resident. If the original Account Owner dies or is declared legally incompetent, the successor owner becomes the Account Owner. If the Account Owner dies and there is no successor owner, the beneficiary will become the account owner if 18 or older. If the beneficiary is younger than 18, the individual(s) responsible for the estate of the Account Owner will be authorized to name a new account owner. The Account Owner can change the successor owner by written notification to the Program Manager.

Contribution limits

- **Maximum** Once the total Account balance (including any earnings) reaches $350,000, we will not accept additional contributions or rollovers. If the Account value is below $350,000, you can contribute regardless of how much you have already contributed. For purposes of this limit, the Program Manager will consider other CollegeAmerica Accounts opened for the same Beneficiary and accounts in the other Qualified Tuition Programs administered by Virginia529 — inVEST, prePAID and CollegeWealth. If a Non-Profit Organization does not designate a Beneficiary for an Account, the Account will not be subject to the $350,000 maximum contribution limit.

  The Board may increase the $350,000 maximum contribution limit based on the estimated cost of Qualified Higher Education Expenses at Eligible Educational Institutions in the United States.

- **Minimum** To open an Account, you must invest at least the minimum amount required by each of the American Funds you select. In addition, each fund reserves the right to redeem the shares of any shareholder for their then-current net asset value per share if the shareholder's aggregate investment in the fund falls below the fund's minimum initial investment amount. If shares are redeemed for this reason, the proceeds will be paid from the Account to the Account Owner. Please refer to the applicable fund prospectus for additional information regarding minimum contributions and subsequent investments.

Changes to an Account

Changing investments The Account Owner may change the fund or funds in which the Account invests only twice per calendar year and upon a change in the Beneficiary of the Account. For purposes of the investment change rule, all accounts maintained by the Account Owner for the same Beneficiary in CollegeAmerica, inVEST and CollegeWealth will be aggregated. Once an investment change is made in one account, a subsequent investment change in that account or in another account maintained for the same Beneficiary in inVEST, CollegeAmerica or CollegeWealth within the same calendar year will be treated as a withdrawal. The Account Owner may, however, change the investments in more than one account for the same beneficiary twice per calendar year without tax consequences, provided that the change to all accounts is made at the same time.

Changing the Beneficiary An Account Owner may change the Beneficiary of the CollegeAmerica Account at any time. To avoid treatment of the change as a withdrawal, the new Beneficiary must be a Member of the Family of the previous Beneficiary. The Account Owner must complete a Beneficiary change form indicating the relationship of the new Beneficiary to the previous Beneficiary. A Beneficiary change may be denied or limited if it causes one or more Qualified Tuition Program accounts administered by Virginia529 for the same Beneficiary to exceed the $350,000 maximum contribution limit.

Changing the Account Owner The Account Owner may transfer the ownership of a CollegeAmerica Account, provided that no consideration is given or accepted for the transfer. Please consult your tax advisor regarding the tax consequences of any such transfer.

Rollovers and Transfers

Qualified Tuition Programs We will accept rollovers from other Qualified Tuition Programs to CollegeAmerica. To transfer your funds from your current Qualified Tuition Program to CollegeAmerica, please complete the CollegeAmerica Account application. You will need to provide appropriate documentation from the transferring institution that shows the earnings portion of the rollover. If such documentation is not provided, the entire rollover will be treated as earnings.

Please note that, if you withdraw funds from a Qualified Tuition Program with the intention of contributing these funds to CollegeAmerica, you must do so within 60 days of the initial withdrawal in order to retain the tax-free treatment of the rollover.

If you are not changing the Beneficiary, you may roll over a CollegeAmerica Account to another Qualified Tuition Program provided that the Account has not been rolled over in the previous 12 months. The Program Manager must provide to a transferee

529 program manager a statement providing the earnings portion of the rollover by the earlier of: (1) 30 days after the rollover or (2) January 10 of the calendar year following the calendar year in which the rollover occurred.

Please consult your tax advisor regarding the tax consequences of any transfer or rollover.

Coverdell Education Savings Accounts We will accept transfers from a Coverdell Education Savings Account to CollegeAmerica. The transfer is considered a nontaxable withdrawal from the Coverdell Education Savings Account. You will need to complete a CollegeAmerica Account application and provide appropriate documentation from the trustee or custodian of the Coverdell Education Savings Account that shows the earnings portion of the transfer. If such documentation is not provided, the entire transfer will be treated as earnings.

Qualified U.S. Savings Bonds We will accept transfers of Qualified U.S. Savings Bonds to CollegeAmerica. You will need to complete a CollegeAmerica Account application and provide appropriate documentation, such as a 1099-INT form or a written statement from the financial institution that redeemed the Qualified U.S. Savings Bonds, that shows the earnings portion of the transfer. If such documentation is not provided, the entire transfer will be treated as earnings. Please consult your tax advisor regarding the tax consequences of such a transfer.

UGMA or UTMA contributions A CollegeAmerica Account may be opened with UGMA/UTMA funds. These types of accounts involve additional restrictions. Generally, UGMA/UTMA custodians/Account Owners may not change the Beneficiary of a custodial CollegeAmerica Account. Account owners wishing to change beneficiaries should seek legal advice as funds held in UGMA/UTMA accounts represent an irrevocable gift to a specific individual.

At the time the Program Manager is notified by either the UGMA/UTMA custodian or the Beneficiary that the Beneficiary has reached the age of majority, the Beneficiary may assume control of the Account. Additional contributions to the CollegeAmerica Account holding UGMA/UTMA funds will be subject to these restrictions.

Neither Virginia529 nor the Program Manager is liable for any consequences related to a custodian's improper use or transfer of UGMA/UTMA custodial funds. Transfers from UGMA/UTMA accounts create significant legal considerations and may be restricted by your financial advisor's firm. Please consult your advisor before making such a transfer.

A transfer of assets or rollover may be denied or limited if it causes one or more Qualified Tuition Program accounts administered by Virginia529 for the same Beneficiary to exceed the $350,000 maximum contribution limit.

Withdrawals

Withdrawals in general Only the Account Owner may request withdrawals from an Account. The Account Owner may use the funds in the Account for any purpose and may make withdrawals at any time.

Generally, each withdrawal from an Account comprises two pro rata components: (1) a return of principal and (2) earnings. The return of principal portion of any withdrawal, whether Qualified or Non-Qualified, is not taxable. As explained in more detail below, the earnings portion of a withdrawal may be subject to taxation, and possibly penalties, depending upon whether the withdrawal is Qualified or Non-Qualified. The Account Owner or the Beneficiary is responsible for determining whether a withdrawal is Qualified or Non-Qualified and whether a penalty applies.

Qualified Withdrawals If the Account Owner withdraws funds to pay for Qualified Higher Education Expenses of the Beneficiary, the withdrawal will be Qualified. The earnings on Qualified Withdrawals used to pay Qualified Higher Education Expenses are free from federal income tax and are not subject to a 10% federal tax penalty. The earnings on a withdrawal made as a result of the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award) will be subject to federal income tax. However, the earnings will not be subject to the 10% federal tax penalty.

Qualified Higher Education Expenses Qualified Higher Education Expenses are expenses that are incurred by a Beneficiary attending an Eligible Educational Institution. Generally, these expenses include:

- tuition;
- all mandatory fees;

- textbooks, supplies and required equipment;
- room and board during any academic period during which the Beneficiary is enrolled at least half-time in a degree, certificate or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution; and
- special needs services for a special needs beneficiary.

To be considered Qualified Higher Education Expenses, room and board costs may not exceed the following amounts:
- on-campus: actual invoice amount for room and board; or
- off-campus: up to the applicable room and board portion of the Cost of Attendance as determined by the Eligible Educational Institution.

Non-Qualified Withdrawals Those withdrawals that are not Qualified Withdrawals are Non-Qualified Withdrawals. Any earnings on Non-Qualified Withdrawals are subject to a 10% federal tax penalty in addition to federal and, if applicable, state income tax. The Account Owner or the Beneficiary is responsible for determining whether a withdrawal is Non-Qualified, making the appropriate filings with the IRS and paying the 10% federal tax penalty on earnings.

Losses on investments If you have an investment loss in your CollegeAmerica Account, you can take the loss as a deduction on your income tax return but only when all amounts from that Account and any inVEST and CollegeWealth accounts that you maintain for the same Beneficiary have been withdrawn and the total withdrawals are less than the total contributions made. You can claim the loss as a miscellaneous itemized deduction, subject to the 2%-of-adjusted-gross-income limit.

Account Statements and Confirmations

Account Owners will receive a confirmation of all American Funds transactions in their CollegeAmerica Account. The Program Manager will issue quarterly statements to all Account Owners reflecting activity in their CollegeAmerica Account. The Account Owner or the Beneficiary will have 120 days after a confirmation or Account statement is sent to the Account Owner to correct any error made by the Program Manager that may be reflected on that confirmation or Account statement. Investors can sign up for e-delivery of statements, transaction confirmations and fund reports at americanfunds.com/paperless.

Fees and Expenses

The fees relating to the Account's investment in one or more American Funds will vary, depending on the class of shares and the American Funds selected. Financial advisors may impose transaction charges in addition to fees described in a prospectus. Please consult your financial advisor to determine which share class is best for you.

Accounts may incur a $10 Account setup fee and an annual $10 Account maintenance fee. However, these fees are waived until further notice.

These fees and expenses are described in Appendices A, B and C to this Program Description.

Program Risks and Special Considerations

Program Description You should carefully read and understand this Program Description before making contributions to CollegeAmerica. Please keep this Program Description for future reference.

The information contained in this Program Description is believed to be accurate as of the date of the Program Description and is subject to change without prior notice. Account Owners should rely only on the information contained in this Program Description. No one is authorized to provide information about CollegeAmerica that is different from the information contained in the Program Description.

No guarantee of principal Total withdrawals from an Account may be worth more or less than the amount invested initially.

Limited investor rights Account Owners do not have a direct ownership interest in the American Funds held in an Account and do not have the rights of an investor of the American Funds, including the right to vote any proxies relating to fund shares.

Possible change or termination of CollegeAmerica Virginia529 and the Program Manager reserve the right to make changes to CollegeAmerica at any time. Neither Virginia529 nor the Program Manager is required by law to continue offering CollegeAmerica Accounts, to accept additional contributions to existing CollegeAmerica Accounts or to allow new CollegeAmerica Accounts to be opened.

Meeting college expenses not guaranteed Even if an Account balance for a Beneficiary reaches the maximum limit allowed in CollegeAmerica, there is no assurance that the value of the Account will be sufficient to cover all the higher education expenses a Beneficiary may incur or that the rate of return on an Account will equal or exceed the rate at which higher education expenses may rise each year. The rate of inflation on education expenses is uncertain and could exceed the rate of return on an Account. Neither Virginia529 nor the Program Manager is responsible for paying any higher education expenses that exceed the balance of a CollegeAmerica Account at the time a withdrawal is requested.

Admission to, continuation at or graduation from college not guaranteed Having a CollegeAmerica Account does not guarantee that: (1) a Beneficiary will be admitted to any institution of higher education; (2) a Beneficiary will be allowed to continue enrollment at any institution of higher education after admission; (3) a Beneficiary will graduate from any institution of higher education; or (4) a Beneficiary will qualify for in-state tuition rates at any Virginia state-supported public college or university.

Changing legal regulations It is possible that the U.S. Congress, the U.S. Treasury Department, the IRS, the Commonwealth of Virginia and other taxing authorities or the courts may take actions that will adversely affect CollegeAmerica and that such adverse effects may be retroactive. The Program Manager is under no obligation to continue to market and administer CollegeAmerica in the event that a change in the tax or other federal or state law makes continued operation not in the best interests of Account Owners or Beneficiaries. There can be no assurance that a change will not adversely affect CollegeAmerica and/or the value of your investment in an Account.

Treatment of Accounts for financial aid purposes CollegeAmerica Accounts may affect a Beneficiary's ability to qualify for federal need-based financial aid. A 529 account, such as a CollegeAmerica Account, is regarded as an asset of the student if the student is an independent student and an asset of the parent if the student is a dependent student. An independent student generally includes an individual who:

- is age 24 by December 31 of the award year,
- is an orphan, in foster care or a ward of the court (other rules may apply),
- is an emancipated minor,
- is a war veteran,
- is a graduate or professional student,
- is married,
- has legal dependents other than a spouse,
- is homeless (other rules may apply), or
- has special and unusual circumstances which can be documented to his or her financial aid administrator.

CollegeAmerica Accounts should not affect a Beneficiary's eligibility for merit-based scholarships. In addition, CollegeAmerica Accounts do not affect a Beneficiary's eligibility for a Virginia Tuition Assistance Grant for Virginia Beneficiaries who attend an eligible private, nonprofit institution of higher education in Virginia.

Medicaid eligibility A CollegeAmerica Account may adversely affect an Account Owner's eligibility for federal and state assistance programs, particularly Medicaid. Please consult your financial advisor for additional information.

Changes in Program Manager On July 20, 2001, Virginia529 and the Program Manager entered into an agreement which was amended on March 25, 2014, to extend its term through February 15, 2040. The term of the agreement is automatically extended for successive additional terms of one year each unless either party provides notice in writing to the other party that the agreement will terminate at the end of the term. Virginia529 and the Program Manager may terminate the agreement at any time by mutual consent during the initial or an extension term. In addition, both Virginia529 and the Program Manager have the right to terminate the agreement under specified circumstances. In the event that the agreement is terminated, Virginia529 may select another program manager for CollegeAmerica without prior notice to Account Owners.

Limit on Account duration For beneficiaries who have not graduated from high school at the time a CollegeAmerica Account is opened, the Account Owner has 30 years after the projected date of the Beneficiary's high school graduation to use all assets in their CollegeAmerica Account. For beneficiaries who have graduated from high school at the time an Account is opened, the Account Owner has 30 years after the date the CollegeAmerica Account was opened to use all assets in their CollegeAmerica Account. Any time spent by a Beneficiary as an active-duty member of any branch of the U.S. Armed Services will be added to the 30-year period. If an Account is rolled over to a new Beneficiary, the applicable 30-year time limit will begin again, based on the new Beneficiary's age and date of Account inception. Requests for extensions of this Account duration limit will be considered by the Program Manager on a case-by-case basis.

If the CollegeAmerica Account is not depleted within the 30-year Account duration limit, the Program Manager will contact the Account Owner regarding the status of the CollegeAmerica Account. If neither the Virginia529 Board nor the Program Manager, after diligent commercial efforts, is able to locate the Account Owner, the Beneficiary or any designee of survivorship rights, the Board shall report the unclaimed amounts to the Virginia State Treasurer as unclaimed property pursuant to Section 55–210.12 of the Code of Virginia (1950), as amended.

Claims against Accounts Federal bankruptcy law may protect from creditors contributions to an Account made on behalf of a Beneficiary who was a child, stepchild, grandchild, or stepgrandchild of the debtor in the year in which the contribution was made. All contributions made at least two years prior to the filing of the bankruptcy petition are protected. Contributions up to $6,225 that are made more than 365 days, but less than 720 days, before the filing of the bankruptcy petition are protected. Contributions made less than one year before the filing of the bankruptcy petition are not protected.

Virginia law also provides Account Owners and Beneficiaries protection from creditors. When Virginia law is applied, an Account may not be attached, garnished, seized or appropriated by any creditor to pay any debt or liability.

In addition, federal law provides that an Account cannot be used as security or collateral on any loan. Neither Virginia529 nor the Program Manager represents or warrants protection from creditors. You should consult a legal advisor about the application of these laws to your particular situation.

Other considerations An investment in CollegeAmerica may not be the appropriate investment program for everyone. You should evaluate other tax-advantaged education savings programs and consult your financial advisor.

Federal Securities Laws

Exemption from registration CollegeAmerica Accounts are considered municipal fund securities and have not been registered as securities under the Securities Act of 1933 in reliance on an exemption from registration available for obligations issued by a public instrumentality of a state. In addition, the Accounts have not been registered with any state in reliance on an exemption from registration available for obligations issued by an instrumentality of a state.

Continuing disclosure Under Rule 15c2–12(b)(5) of the Securities Exchange Act of 1934 (the "Rule"), certain information must be provided to Account Owners on a periodic basis. To comply with this Rule, Virginia529 has executed a Continuing Disclosure Agreement for the benefit of Account Owners (the "Disclosure Agreement"). Under the Disclosure Agreement, certain financial information and operating data relating to the American Funds offered in CollegeAmerica (the "Annual Information") and notices of certain enumerated events will be filed by or on behalf of Virginia529 with the Municipal Securities Rulemaking Board.

Other than the Disclosure Agreement, Virginia529 has not previously entered into a continuing disclosure undertaking pursuant to the Rule. A failure by Virginia529 to comply with the Disclosure Agreement will not constitute a default under the Agreement, and Account Owners are limited to the remedies described in the Disclosure Agreement.

Tax Considerations

Tax considerations can be complex. Please talk to your tax and financial advisors about your specific questions or issues.

Federal income tax

Contributions There is no federal income tax deduction for contributions to CollegeAmerica.

Earnings Earnings in a CollegeAmerica Account can grow free from federal income tax.

Withdrawals The earnings portion of a withdrawal may be subject to taxation, and possibly penalties, depending upon whether the withdrawal is Qualified or Non-Qualified. The return of principal portion of any withdrawal, whether Qualified or Non-Qualified, is not taxable.

The earnings on Qualified Withdrawals used to pay Qualified Higher Education Expenses are free from federal income tax and are not subject to a 10% federal tax penalty.

Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award) will be subject to federal income tax. However, the earnings will not be subject to the 10% federal tax penalty.

The Account Owner or the Beneficiary is responsible for retaining the appropriate documentation for the tax treatment of Qualified Withdrawals.

Any earnings on Non-Qualified Withdrawals are subject to a 10% federal tax penalty in addition to federal and, if applicable, state income tax. The Account Owner or Beneficiary is responsible for determining whether a withdrawal is Non-Qualified, making the appropriate filings with the IRS and paying the 10% federal tax penalty on earnings.

An Account Owner can take an investment loss as a deduction on their income tax return but only when all amounts from that Account have been withdrawn and the total withdrawals are less than the total contributions made to the Account. The Account Owner can claim the loss as a miscellaneous itemized deduction, subject to the 2%-of-adjusted-gross-income limit.

Rollovers CollegeAmerica accepts rollovers from other Qualified Tuition Programs. A rollover must be completed within 60 days of the initial withdrawal to retain tax-free treatment. You are permitted to roll over funds without federal income tax consequences from one 529 plan to another 529 plan for the same Beneficiary once every 12 months.

Transfers

- **Coverdell Education Savings Accounts** CollegeAmerica accepts transfers from a Coverdell Education Savings Account. The transfer is considered a nontaxable withdrawal.

- **Qualified U.S. Savings Bonds** CollegeAmerica accepts transfers of Qualified U.S. Savings Bonds to CollegeAmerica. You may need to meet income limits to avoid federal income tax on any U.S. Savings Bonds you redeem.

- **UGMA or UTMA contributions** To transfer assets from UGMA/UTMA accounts, custodians may be required to sell the assets in the account. The sale would be a taxable event. Please consult your financial advisor before making such a transfer.

Federal gift, estate and generation-skipping transfer taxes

Federal gift tax A contribution to an Account is considered a completed gift for federal gift and estate tax purposes. If an individual's contributions to an Account or Accounts for a Beneficiary, together with all other gifts by the individual to the Beneficiary, do not exceed $14,000 per year ($28,000 per married couple), there will be no federal gift tax consequences.

If an individual's contribution to an Account for a Beneficiary in a single year is greater than $14,000 ($28,000 per married couple), the individual may treat the contribution, up to $70,000 ($140,000 per married couple), under a special gift tax election, as having been made ratably over a five-year period.

Contributions made to a 529 plan in excess of the annual gift tax exclusion will not cause gift taxes to be payable unless the contributions (together with all other gifts) that exceed the annual gift tax exclusion are greater than the Contributor's lifetime gift tax exemption of $5,430,000 for 2015.

Generally, a permissible change of the Beneficiary will not result in federal gift tax consequences for the Account Owner. Such a change will, however, be treated as a gift from the previous Beneficiary to the new Beneficiary if the new Beneficiary is one or more generations younger than the Beneficiary being replaced.

Federal estate tax Except in the case of the special gift tax election, if the Contributor dies while there is still money in the Account, the value of the Account is not included in the Contributor's estate. If the Contributor made the special gift tax election, and the Contributor dies before the five-year period beginning with the calendar year of the gift has elapsed, the portion of the contribution allocable to the years remaining in the five-year period (excluding any earnings on such contribution) is included in the Contributor's estate for estate tax purposes.

Upon the death of a Beneficiary, the value of the Beneficiary's interest in the Account is included in the gross estate of the Beneficiary for federal estate tax purposes.

Federal generation-skipping transfer tax The generation-skipping transfer tax may apply to contributions made to an Account if the Beneficiary is deemed to be a member of a generation that is more than one generation younger than the generation of the Contributor.

If the Account Owner changes the Beneficiary to a new Beneficiary who is more than one generation younger than the previous Beneficiary, the generation-skipping transfer tax may be triggered.

State income tax

Deduction for contributions Virginia allows an Account Owner to deduct from Virginia taxable income up to $4,000, including any rollover contributions, per year per Account in the year the contribution was made or in a future year. The Account Owner may take this tax deduction even if the contribution is made by an individual other than the Account Owner. Individuals or entities other than the Account Owner that contribute funds to the Account may not receive state tax benefits from the contributions.

If more than $4,000 is contributed in one year to a Virginia Qualified Tuition Program account, the remainder may be carried forward and subtracted in future taxable years, up to $4,000 per year per account, until the entire contribution has been fully deducted.

For Account Owners age 70 or older, the entire amount of any contribution may be deducted in the year contributed or in a future year. If an Account Owner turns 70 and has contributions to deduct as a result of contributions made prior to attaining age 70, all of these remaining contributions may be deducted in full in the year the Account Owner reaches age 70.

Recapture of deduction Any deduction is subject to recapture in the year a withdrawal or refund is made for any reason other than: (1) to pay Qualified Higher Education Expenses or (2) due to the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award). In addition, a rollover to a non–Virginia Qualified Tuition Program will require the Account Owner to add back to his or her Virginia taxable income in the year of the rollover distribution any amounts previously deducted from the Account Owner's Virginia taxable income.

Please note that in the case of a transfer of ownership of an Account, the new Account Owner succeeds to the previous owner's tax attributes, including, but not limited to, carryover and recapture of deductions.

Virginia tax treatment of investments and distributions Generally, earnings on contributions are not included in Virginia taxable income. In addition, Qualified Withdrawals used for Qualified Higher Education Expenses are not included in Virginia taxable income. Finally, Qualified Withdrawals made on account of the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award) may be excluded from Virginia taxable income.

For residents of states other than Virginia States other than Virginia take different approaches to offering state-based benefits, such as state tax deductions, to residents investing in 529 plans. For example, some states offer residents no tax or other benefits for investing in a 529 plan, including an in-state plan. A few states offer tax benefits to residents investing in any 529 plan, including CollegeAmerica. A number of other states offer tax or other benefits to residents investing only in the in-state plan.

Any state tax or other benefit offered with respect to a particular 529 plan should be one of many appropriately weighted factors to be considered in making an investment decision. Please consult your financial, tax or other advisor to learn more about how state tax and other benefits (including limitations) apply to your circumstances. You may also wish to contact the 529 plan of your home state or any other state to learn more about the features, benefits and limitations of that 529 plan.

Tax reporting

An IRS Form 1099-Q will be issued in the event of a withdrawal from or a trustee-to-trustee rollover from a CollegeAmerica Account. It is the responsibility of the recipient of the 1099-Q to determine whether a withdrawal is Qualified or Non-Qualified and whether taxes and a penalty apply.

Coordination With Other Education Tax Incentives

Withdrawals from an Account may affect other education tax incentives available to you. The coordination between these incentives is complex. Please consult your tax advisor.

Coverdell Education Savings Accounts Depending on your income level, Coverdell Education Savings Accounts may permit tax-free growth and exclusion from gross income for earnings withdrawn to pay education expenses. The annual limit on contributions to a Coverdell Education Savings Account is $2,000 per contributor per Beneficiary. Contributions may be made to both an Account and a Coverdell Education Savings Account in the same calendar year. If total withdrawals from a Coverdell Education Savings Account and an Account exceed the Beneficiary's Qualified Higher Education Expenses for any calendar year, the expenses must be allocated between the two withdrawals.

Education tax credits Depending on your income level, you may be able to claim an American Opportunity Tax Credit (formerly the HOPE Scholarship Credit) through 2017 or a Lifetime Learning Credit for qualified tuition and related expenses. The same expenses cannot be used as support for a Qualified Withdrawal from an Account and as the basis for either of these two credits.

Education tax deduction Depending on your income level, you may be able to claim a deduction for qualified tuition and related expenses for higher education in 2014. The expenses for a Qualified Withdrawal from an Account cannot be used as expenses eligible for the deduction.

Exclusion of interest on Qualified U.S. Savings Bonds Depending on your income level, redemption proceeds from Qualified U.S. Savings Bonds that are either used for qualified tuition and related expenses or contributed to an Account may be excluded from income. The amount of expenses that may be used to calculate the exclusion must be reduced by the Qualified Higher Education Expenses paid with a Qualified Withdrawal from an Account.

Glossary of Terms

Account means a CollegeAmerica Account opened by an Account Owner on behalf of a Beneficiary.

Account Owner is any individual who establishes and controls a CollegeAmerica Account. The Account Owner must be a U.S. citizen or legal U.S. resident but need not be a resident of Virginia.

American Funds Distributors (AFD) is the distributor of CollegeAmerica and is responsible for marketing and distributing CollegeAmerica exclusively through financial advisors.

American Funds Service Company (AFS) is responsible for the recordkeeping and administration of CollegeAmerica.

Beneficiary is the person on whose behalf the Account is opened and who is entitled to receive its benefits. This person can be the Account Owner or the Account Owner's relative or friend. The Beneficiary must be a U.S. citizen or legal U.S. resident.

Board means the Board of Directors of Virginia529.

Capital Research and Management Company (CRMC) serves as the investment adviser to CollegeAmerica, as well as the investment adviser to the American Funds family of mutual funds.

CollegeAmerica means the 529 college savings plan established and maintained by Virginia529 and distributed by American Funds Distributors through financial advisors.

CollegeWealth is a 529 college savings plan created by Virginia529 available at participating banks.

Contributor means any person or entity that makes a contribution to a CollegeAmerica Account. The Contributor need not be the Account Owner.

Cost of Attendance at a particular Eligible Educational Institution can generally be located at www.nces.ed.gov/ipeds/cool/. You may need to contact the Beneficiary's educational institution for the most current Cost of Attendance.

Coverdell Education Savings Accounts, formerly known as Education IRAs, permit tax-free saving for primary, secondary and higher education expenses.

Disabled means that the Beneficiary is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, which can be expected to result in death or to be of long-continued and indefinite duration. The Beneficiary will not be considered to be disabled unless a medical professional certifies the disability in writing.

Eligible Educational Institution includes most community colleges, public and private four-year colleges, universities and vocational schools in any state. Some foreign institutions are eligible. Generally, you can determine if a school is an Eligible Educational Institution by searching for its Federal School Code (identification number for schools eligible for Title IV financial aid programs) at www.fafsa.ed.gov/FAFSA/app/schoolSearch?locale=en_EN.

inVEST is a 529 college savings plan created by Virginia529 in 1999.

Member of the family means the Beneficiary's immediate family, including (1) a son or daughter or a descendant of either; (2) a stepson or stepdaughter; (3) a brother, sister, stepbrother or stepsister; (4) a father or mother or an ancestor of either; (5) a stepfather or stepmother; (6) a brother or sister of the father or mother; (7) a son or daughter of a brother or sister; (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 the spouse of any individuals described above; or (10) a first cousin of the Beneficiary. All legally adopted children are treated as children of the adoptive parent as if by blood, and the terms "brother" and "sister" include half brothers and half sisters.

Non-Profit Organization means any entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, as amended.

Non-Qualified Withdrawal means a withdrawal from a CollegeAmerica Account made for any reason other than: (1) Qualified Higher Education Expenses of the Beneficiary; (2) a withdrawal due to the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award); or (3) a rollover to another Qualified Tuition Program. Non-Qualified Withdrawals are subject to federal income tax and a 10% federal tax penalty on earnings. The Account Owner or the Beneficiary is responsible for determining whether the withdrawal is Non-Qualified, making the applicable IRS filings and paying any applicable taxes and penalties on the earnings.

prePAID is a prepaid college tuition plan offered to residents of the Commonwealth of Virginia by Virginia529.

Program Administrator of CollegeAmerica is Virginia529.

Program Description means the CollegeAmerica Program Description.

Program Manager means Capital Research and Management Company, American Funds Service Company and American Funds Distributors.

Qualified Higher Education Expenses means the expenses allowed under Section 529, including (1) tuition, all mandatory fees and the costs of textbooks, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible

Educational Institution; and (2) the costs of room and board of a Beneficiary during any academic period during which the Beneficiary is enrolled at least half-time in a degree, certificate or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution. To be considered Qualified Higher Education Expenses, room and board costs may not exceed the following amounts: (1) for students living on campus, Account withdrawals may be used to pay up to the actual invoice amount for room and board at the institution; (2) for students who live with a parent or guardian, Account withdrawals may be used to pay up to the amount determined by the Eligible Educational Institution for the room and board allowance for students who live with a parent or guardian in its Cost of Attendance for that academic term; and (3) for all other students living off campus, Account withdrawals may be used to pay up to the amount determined by the Eligible Educational Institution for the room and board allowance for students who live off campus in its Cost of Attendance for that academic term.

Qualified Tuition Programs/529 Plans/529 College Savings Plans are education savings plans and prepaid tuition plans that are eligible for tax-favored status under Section 529.

Qualified U.S. Savings Bond is any Series EE Bond issued after 1989 and all Series I Bonds owned by an individual who is at least 24 years old before the bond's issue date.

Qualified Withdrawal means a withdrawal made for: (1) Qualified Higher Education Expenses of the Beneficiary or (2) a withdrawal due to the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award).

Recapture means to add back to state taxable income amounts previously deducted.

Section 529 refers to Section 529 of the Internal Revenue Code of 1986, as amended.

Virginia529 is an independent agency of the Commonwealth of Virginia that was created by the state legislature in 1994. Virginia529 is the Program Administrator for CollegeAmerica.