



## Invest in a Child's Future with the CHET Advisor 529 Plan managed by Fidelity.

529 plans offer benefits that can help you make the most of the money you invest for education

### Plan Advantages

When you invest your money in a 529 plan:

- Withdrawals are free from federal income taxes when used for qualified education expenses such as tuition and room and board.<sup>1</sup>
- You can also use the funds to pay for K–12 tuition up to \$10,000 per year, tax free.<sup>2,3</sup>
- You may use the funds to pay for qualified expenses for the beneficiary enrolled in a registered apprenticeship program.<sup>3,4</sup>
- Assets may be used to repay up to \$10,000 in student loans for the beneficiary or a sibling of the beneficiary.<sup>3,5</sup>
- Your earnings grow tax deferred.

### Control and Flexibility

Unlike other savings accounts, a 529 plan offers the owner:

- Complete control of the account, even after the beneficiary turns 18.
- Flexibility to use the assets at most accredited colleges and universities.<sup>1,6</sup>
- No income requirements for opening an account.

### Accelerated Gifting

Gifts made to a 529 plan are good for the giver and the receiver:

- Make five years of contributions at one time—up to \$75,000 per individual (or \$150,000 per couple).<sup>7</sup>
- Accelerated gifts may result in a larger 529 plan account balance over time, thanks to compounding.
- Assets gifted to a 529 plan are considered immediately removed from the donor's estate, which may reduce or eliminate estate taxes.

### The Tax Advantages of the CHET Advisor Plan

- State residents may deduct up to \$5,000 of taxable income annually from Connecticut state income taxes (\$10,000 for joint filers).
- Amounts contributed and not deducted in the year in which the contribution was made to an account may be deducted from the donor's Connecticut state income tax in the succeeding five years.<sup>8</sup>

**1.** Earnings on withdrawals that are not for qualified higher educational expenses may be taxed as ordinary income and may be subject to an additional 10% federal tax. **2.** Up to \$10,000 per taxable year in 529 account assets per beneficiary may be used for tuition expenses in connection with enrollment at a public, private, or religious elementary or secondary educational institution. Although the assets may come from multiple 529 accounts, the \$10,000 qualified withdrawal limit will be aggregated on a per-beneficiary basis. The IRS has not provided guidance to date on the methodology of allocating the \$10,000 annual maximum among withdrawals from different 529 accounts. **3.** The use of funds to pay for K-12 tuition up to \$10,000, tax free, per year, or to pay for qualified expenses for registered apprenticeship programs, or to repay \$10,000 in student loans are each subject to individual state adoption. **4** SECURE Act. The definition of 529 plan qualified higher education expenses expanded to 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 section 1 of the National Apprenticeship Act. This provision is applicable to distribution made after December 31, 2018. **5.** The Setting Every Community Up for Retirement Enhancement (SECURE) Act. The definition of qualified higher education expenses for 529 plans expanded to include amounts paid as principal or interest on any qualified education loan of a 529 plan designated beneficiary or a sibling of the designated beneficiary. The amount treated as a qualified expense is subject to a lifetime limit of \$10,000. This provision is applicable to distribution made after December 31, 2018. **6.** Includes many vocational and technical schools and eligible foreign institutions. **7.** In order for an accelerated transfer to a 529 plan (for a given beneficiary) of \$75,000 (or \$150,000 combined for spouses who gift-split) to result in no federal transfer tax and no use of any portion of the applicable federal transfer tax exemption and/or credit amounts, no further annual exclusion gifts and/or generation-skipping transfers to the same beneficiary may be made over the five-year period, and the transfer must be reported as a series of five equal annual transfers on Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return. If the donor dies within the five-year period, a portion of the transferred amount will be included in the donor's estate for estate tax purposes. **8.** Carried-over amounts may be deducted for the five taxable years following the contribution as long as the deduction does not exceed the maximum allowed in each subsequent year. Please consult a tax professional regarding your specific situation.

Please see the CHET Advisor 529 Plan Offering Statement for more information on Connecticut state income tax.

Not FDIC Insured • May Lose Value • No Bank Guarantee

# CHET Advisor 529 is working with Fidelity Investments to give you access to one of the largest and most respected investment management firms in the industry.

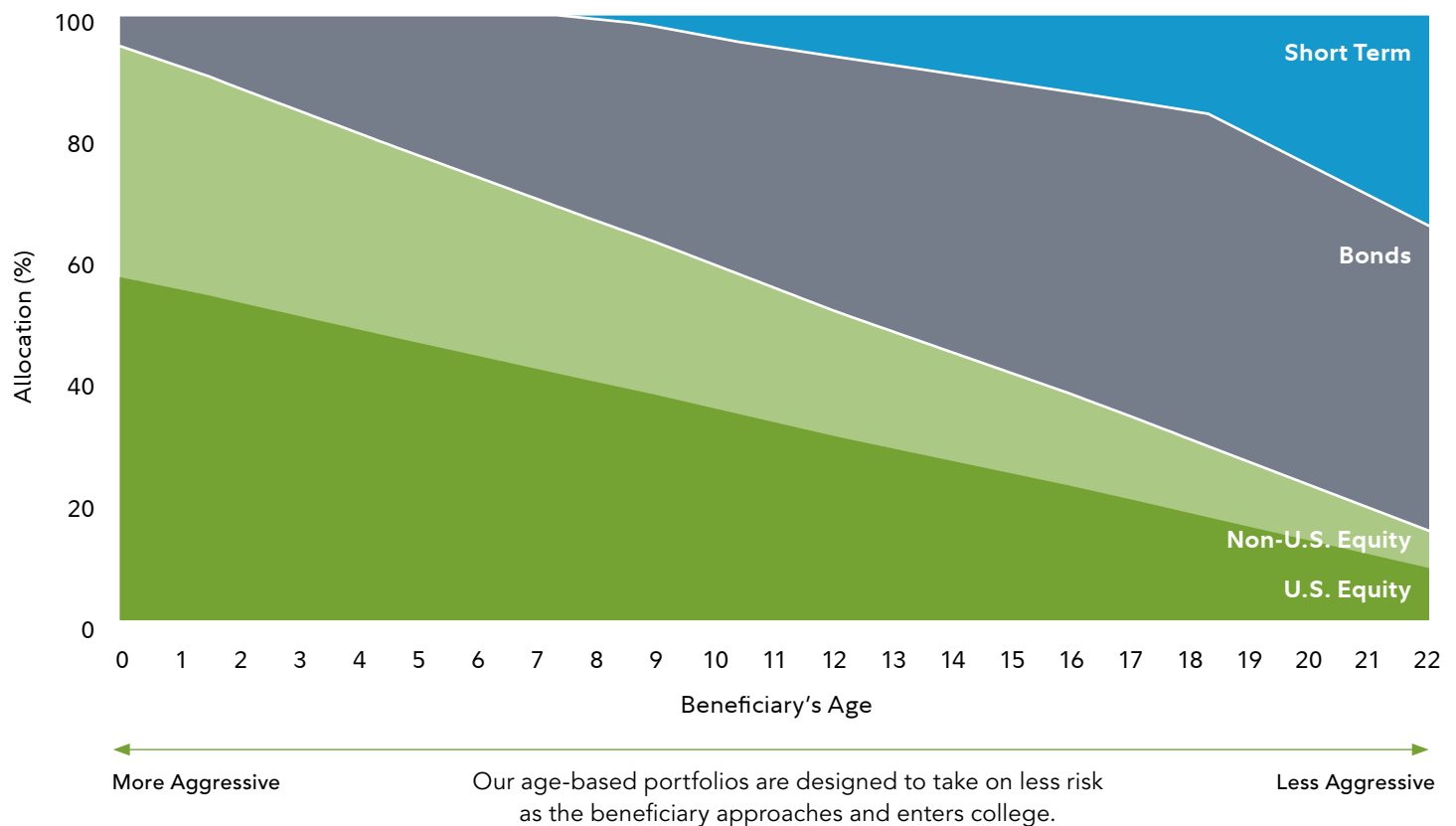
## The CHET Advisor 529 Plan offers an active age-based approach to help meet changing allocation needs.

- Eight active age-based portfolios are managed according to the approximate year the beneficiary is projected to enter college, taking on less risk over time.
- An active asset allocation approach allows portfolio managers to make small investment changes that may differ from strategic targets and potentially improve outcomes.<sup>9</sup>

Fidelity is a leading provider of 529 plans, grounded in a long tradition of investment expertise and plan administration—and has a solid reputation for helping investors meet their goals.

### ALLOCATIONS SHIFT GRADUALLY EACH YEAR

These offerings use active asset allocation to over- or underweight certain asset classes to take advantage of market conditions and opportunities.



The asset allocation in the chart above includes developed- and emerging-market funds.

The table above illustrates the approximate target asset allocation for the CHET Advisor 529 Plan age-based portfolios and how these allocations may change over time. Due to rounding and/or cash balances, asset allocations may not equal 100%. Asset allocation percentages are based on long-term strategic weights and may not necessarily align with actual current weights. This table is not intended to represent current or future allocations in any portfolio.

<sup>9</sup> Although an active asset allocation strategy within the age-based portfolios is designed to add value to the portfolios, there is no guarantee any value will be added, and the strategy may result in losses to the portfolios or may cause the portfolios to have a different risk profile.

# The CHET Advisor 529 Plan offers a range of portfolios that provide investment choice and flexibility.

Flexibility is important when it comes to investing for long-term financial goals like college. Every investor has their own goals, risk tolerance levels, and time horizons. That's why CHET Advisor 529 lets your client choose from three types of investment options and modify their choices over time.

## 8 age-based portfolios

Age-based portfolios automatically adjust their asset allocation based on the age of the beneficiary, lowering your investment's risk level as he or she gets closer to college.

## 2 static portfolios

Static funds seek to maintain a constant asset allocation, allowing you to choose an asset mix that aligns with your own risk tolerance.

## 17 individual portfolios

Individual fund portfolios allow you to construct your own portfolio or to obtain specific, targeted exposure. Choose from a lineup of equity, fixed income, and stable value portfolios.

### The plan offers a range of investment options

In addition to the eight active age-based portfolios, we offer static allocation and individual fund portfolios so you, with the help of your advisor, can build your own customizable CHET Advisor 529 Account.

#### 8 AGE-BASED PORTFOLIOS

CHET Advisor 529 College Portfolio

CHET Advisor 529 Portfolio 2022

CHET Advisor 529 Portfolio 2025

CHET Advisor 529 Portfolio 2028

CHET Advisor 529 Portfolio 2031

CHET Advisor 529 Portfolio 2034

CHET Advisor 529 Portfolio 2037

CHET Advisor 529 Portfolio 2039

#### 2 STATIC ALLOCATION PORTFOLIOS

CHET Advisor 529 Aggressive Growth Portfolio

CHET Advisor 529 Moderate Growth Portfolio

#### 17 INDIVIDUAL FUND PORTFOLIOS

##### Domestic Equity

CHET Advisor 529 Dividend Growth Portfolio

CHET Advisor 529 Equity Growth Portfolio

CHET Advisor 529 Equity Income Portfolio

CHET Advisor 529 Growth Opportunities Portfolio

CHET Advisor 529 New Insights Portfolio

CHET Advisor 529 Small Cap Portfolio

CHET Advisor 529 Stock Selector Mid Cap Portfolio

CHET Advisor 529 Value Strategies Portfolio

##### International Equity

CHET Advisor 529 Diversified International Portfolio

##### Fixed Income

CHET Advisor 529 High Income Portfolio

CHET Advisor 529 Inflation-Protected Bond Portfolio

CHET Advisor 529 Limited Term Bond Portfolio

CHET Advisor 529 Strategic Income Portfolio

CHET Advisor 529 Total Bond Portfolio

##### Stable Value

CHET Advisor 529 Stable Value Portfolio

##### Asset Allocation

CHET Advisor 529 Asset Manager 60% Portfolio

CHET Advisor 529 Strategic Dividend & Income Portfolio

**All investors in the CHET Advisor 529 Plan benefit from Fidelity's college savings experience and expertise.**

- A broad range of investment options, with 27 age-based, static, and individual fund portfolios
- Access to Fidelity's deep lineup of active managers
- Exceptional customer service—you can access your account 24/7 on Fidelity's website and their team of dedicated customer service representatives will be available 7:30 a.m.–6:00 p.m. CT, Monday—Friday



**CHET Advisor**  
529 College Savings Program  
Connecticut Higher Education Trust

*"I want to make saving for higher education more attainable for the families of Connecticut. I believe Fidelity will help CHET Plan holders provide the educational opportunities our children deserve."*

—SHAWN T. WOODEN, CONNECTICUT STATE TREASURER

To learn more about the CHET Advisor 529 Plan, visit [i.fidelity.com/CHET529](http://i.fidelity.com/CHET529) or call your Fidelity Customer Service Representative at 877-208-0098.



**Investors should consider the investment objectives, risks, and charges and expenses of the CHET Advisor 529 Plan before investing. This and other important information is in the CHET Advisor 529 Plan Offering Statement, which should be read carefully before investing, and which can be obtained by contacting your financial representative and/or the Program Administrator.**

The CHET Advisor 529 Plan is sponsored by the State of Connecticut and managed by Fidelity Investments. CHET Advisor 529 Plan accounts are not insured by any state, the federal government, or any federal agency. Furthermore, neither the principal nor any investment return is guaranteed by any state, the federal government, or any federal agency.

**If you or the designated beneficiary are not residents of Connecticut, you may want to consider, before investing, whether your state or the designated beneficiary's home state offers its resident alternate state tax advantages or other state benefits such as financial aid, scholarship funds, and protection from creditors.**

Please note that 529 plans may have certain fees and expenses, including but not limited to annual maintenance fees, sales charges, deferred sales charges, administration, state, and management fees, and underlying fund expenses. Please consider these fees as well as the investment risks when investing in a 529 plan.

**Units of the portfolios are municipal fund securities and are subject to market fluctuation and volatility.**

Transfers from the direct program (or changes among different investment options) will not entitle the account owner or contributor to a state tax deduction or any other additional benefit under state or federal tax law (to the extent previously taken). A taxpayer that takes a rollover or nonqualified withdrawal within the same tax year in which the contribution was made will be subject to a reduction of the contribution amount that is deductible, by the amount of the rollover or non-qualified withdrawal.

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee.