

CollegeAmerica®

CollegeAmerica is a nationwide plan sponsored by



# Unlock a world of possibilities



# Discover what's possible by saving for a lifetime of learning

The gift of education at any stage of life, whether for a loved one or for yourself, is like no other. CollegeAmerica, a tax-advantaged 529 savings plan, can unlock a world of opportunity by helping you pay for a broad range of qualified education expenses including, but not limited to, K-12, higher education, workforce training and student loans.

## What are the benefits?

- **Tax advantages** – Tax-advantaged treatment applies to savings used for qualified education expenses. State tax treatment varies.
- **Flexibility** – You (the account owner), rather than the beneficiary, maintain oversight of account assets and determine the timing and amount of distributions.

## Who can contribute?

- Parents
- Grandparents
- Beneficiaries
- Extended family and friends

## Examples of qualified education expenses



### Higher education

Includes:

- Tuition, fees, and certain room and board expenses
- Required books, supplies, equipment, computers and software
- Public and private colleges and universities
- Community colleges
- Theological seminaries
- International schools
- Study-abroad programs run through U.S.-eligible schools



### Workforce training

Includes:

- Tuition, fees, books, supplies and equipment required for the enrollment or attendance of the beneficiary in an eligible skilled trade, vocational, credentialing or apprenticeship program
- Preparation and exam fees for certain professional licenses and certifications such as CPA exam preparation and testing fees
- Training and certification for certain skilled trades and vocational careers such as commercial driver's license (CDL) training, plumbing and HVAC technician certification
- Required continuing education (CE) courses necessary to maintain certain professional credentials for careers such as nursing, teaching and real estate



### K-12

Certain expenses in connection with enrollment or beneficiary's sibling attendance at an elementary school (kindergarten through 12th grade) including but not limited to:

- Textbooks and instructional materials
- Qualified tutoring services
- Fees for certain standardized tests (e.g., SAT, ACT and advanced placement [AP] exams)
- Educational therapies for students with disabilities

K-12 expenses are capped at a maximum of \$20,000 per calendar year per beneficiary



### Higher education student loans

Up to \$10,000 lifetime maximum on principal or interest payments on any designated beneficiary's or designated beneficiary's sibling's qualified student loans

If withdrawals are used for purposes other than qualified education expenses, the earnings will be subject to a 10% federal tax penalty in addition to federal and, if applicable, state income tax. States take different approaches to income tax treatment of withdrawals. For example, withdrawals for K-12 expenses may not be exempt from state tax in certain states. Please consult your tax advisor for state-specific details. Tax deductions may be disallowed in the event of non-qualified withdrawals.

This material does not constitute legal or tax advice. Investors should consult with their legal or tax advisors.

**Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

CollegeAmerica

## The nation's largest 529 savings plan<sup>1</sup>



### Available nationwide

CollegeAmerica is available in all 50 states and the District of Columbia.

### Highly rated

Our 529 plan has been among Morningstar's highly rated advisor-sold 529 college savings plans since 2004, the year they began issuing ratings.<sup>2</sup>

### Low fees

CollegeAmerica's fees are among the lowest for advisor-sold 529 college saving plans.<sup>3</sup>

### Low start-up amounts

You can open an account for as little as \$250 (the minimum investment per fund), but subsequent contributions can be as small as \$50.<sup>4</sup>

## Three different investment approaches

Your financial professional is the best person to help you select the CollegeAmerica investments that fit your education savings plans.

### American Funds College Target Date Series<sup>®</sup>

Funds with target dates that correspond roughly to the year a beneficiary would start taking withdrawals. The funds' investment mixes shift over time to become more preservation oriented.

### American Funds<sup>®</sup> Portfolio Series

Funds of funds are designed to help investors pursue real-life goals, both in the long and short term.<sup>5</sup>

### Individual American Funds

Individual American Funds for those seeking to create custom portfolios.

The College Target Date allocation strategy does not guarantee that investors' education savings goals will be met. Investors and their financial professionals should periodically evaluate their investment to determine whether it continues to meet their needs.

Footnotes/Important information:

<sup>1</sup>Largest by assets, according to the *529 Quarterly Data Update, Fourth Quarter 2025* from ISS Market Intelligence. As of December 31, 2025, CollegeAmerica's assets under management (AUM) was \$109.0 billion.

<sup>2</sup>Source: Morningstar, as of November 10, 2025. Ratings are based on the following criteria: process, people, parent and price. Prior to 2020, the ratings' criteria were process, people, parent, price and performance.

<sup>3</sup>*529 College Savings Quarterly Fee Analysis, Fourth Quarter 2025* from ISS Market Intelligence. CollegeAmerica's fees were in the lowest fee tertile of the 31 national advisor-sold 529 plans and in the lowest fee quartile of the 28 national fee-based, advisor-sold 529 plans, based on the average annual asset-based fees that included CollegeAmerica's Class 529-A and 529-F-3 shares, respectively.

<sup>4</sup>The money market fund has a \$1,000 minimum initial investment. All available funds have a \$25 minimum if you participate in a CollegeAmerica employer-sponsored program.

<sup>5</sup>Allocations may not achieve investment objectives. The portfolios' risks are directly related to the risks of the underlying funds, in proportion to their allocations.

## Build a bigger future by investing today

“We want to give Mia what we didn’t have – the opportunity to obtain a college education without student loans. Our financial professional suggested we get an early start so we opened a CollegeAmerica account shortly after we found out we were pregnant. We’ve even been lucky that family and friends are willing to chip in and contribute to the balance.”

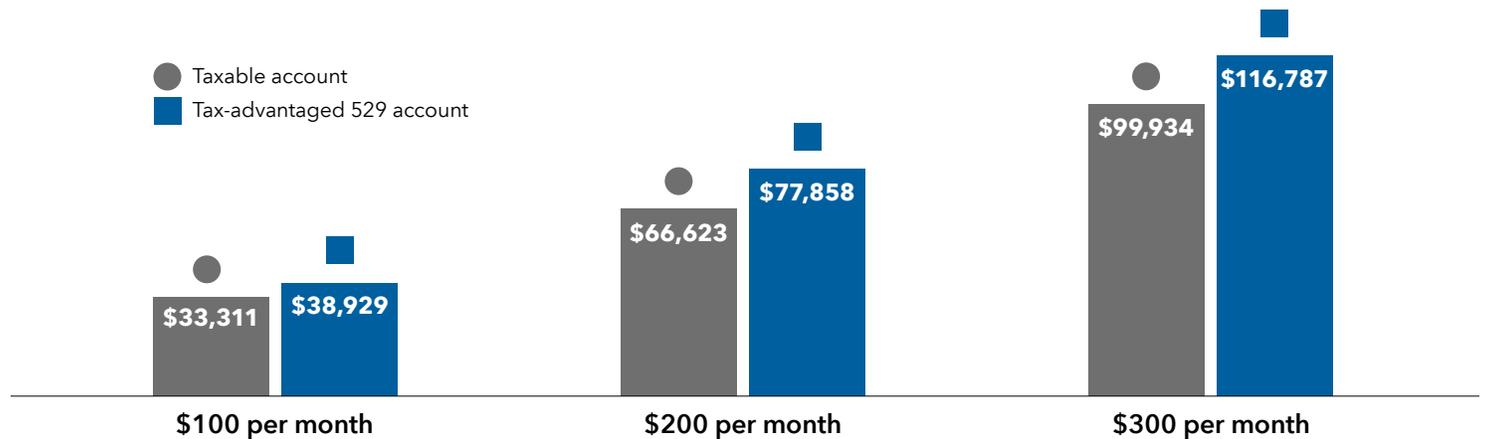


## Start now. Tax savings add up over time.

Earnings in a CollegeAmerica account, unlike those in a taxable account, are exempt from federal and, in many cases, state taxes provided they're used to pay a broad range of qualified educational expenses.

The hypothetical example below illustrates how significant the tax benefits can be.

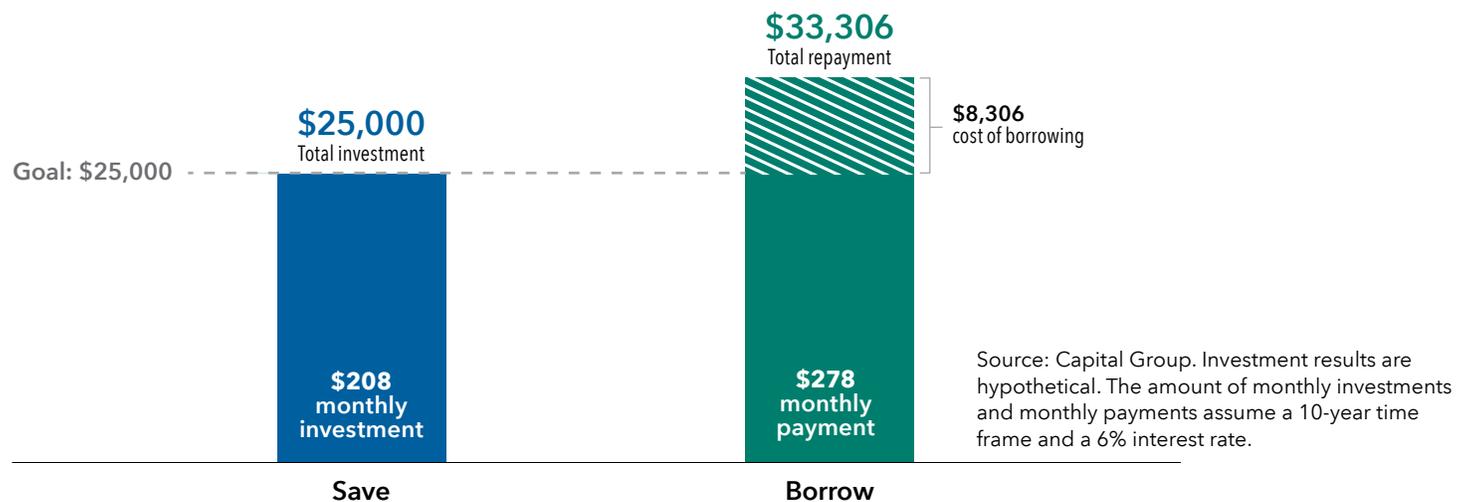
### Account values after 18 years of saving



Assumes a 6% average annual rate of return (compounded monthly) for both investments and 25% flat income tax rate and no state income tax. Example assumes taxes were paid annually out of the account. Your tax rate may vary. Current minimum tax rates on capital gains and dividends could make taxable investment returns higher, thus reducing the difference between the two ending values. Results shown are hypothetical and are not intended to represent an investment in a specific fund. Your investment experience will differ. Regular investing does not ensure a profit or protect against loss. You should consider your willingness to keep investing when share prices are declining.

## CollegeAmerica can help someone explore their boundless potential, without a mountain of debt

Many families depend on financial aid to supplement their college savings. Let's compare two ways to pay for college that could save you money in the long run:



# Saving for an education makes sense wherever you are in life

529 plans can be used by anyone looking to go back to school to obtain a degree or seeking to take classes to learn a new skill or talent – just as long as the expenses are qualified.

## Sally

“As long as I can remember, I’ve always wanted to be a nurse. But I put off my dream to raise my son. When CollegeAmerica plans were first introduced, I opened an account with the money I had already saved for Liam’s education. Once Liam was out on his own, I used what was left to become a nurse and am now saving for my new dream: to become a doctor.”



## Mike

“Five years before retiring, I decided my next adventure would be to own an Italian trattoria. I found a local community college that offered a year-long Italian cuisine course in Florence, Italy. On that day, I opened a CollegeAmerica account. As a result, I was able to pay my tuition without having to tap into my retirement savings.”



### The advantages of CollegeAmerica

	CollegeAmerica account	Coverdell education savings account	UGMA/UTMA* account	Roth IRA	Taxable investment account
People of all income levels can contribute.	✓		✓		✓
Withdrawals for qualified expenses are exempt from federal taxes.	✓	✓		✓	
State tax deductions/credits for residents of some states. Tax deductions may be disallowed in the event of non-qualified withdrawals.	✓				
Account owner always controls the account.	✓			✓	✓
Beneficiary changes permitted.	✓	✓		✓	N/A

Footnote/Important information:

\*UGMA stands for Uniform Gifts to Minors Act, and UTMA stands for Uniform Transfers to Minors Act.

# Pursue two goals in one: College savings and estate planning

529 plans have estate planning benefits, as your contributions are free of gift taxes and can help pare down your estate and reduce potential estate taxes.

## Sam & Ruth

"Emily, our financial professional, knows we'd do anything for our grandchildren. When we met to set up an estate, she recommended we take advantage of a special gift-tax contribution by opening a CollegeAmerica account for each grandchild to help pay for their education while hopefully reducing future estate taxes."



## How it works

Using a special gift-tax contribution that allows Sam and Ruth to make up to five years of contributions in one gift, they transfer \$190,000 into each grandchild's 529 account, incurring no gift taxes. They also contribute an additional \$360,000 per child, which counts toward the couple's lifetime gift tax exemption.

CollegeAmerica's contribution limit allows them to invest until the account's balance (including any earnings) reaches \$550,000.

Grandchild 1	Grandchild 2
\$190,000 annual exemption	\$190,000 annual exemption
\$360,000 lifetime exemption	\$360,000 lifetime exemption
\$550,000 account maximum contribution	\$550,000 account maximum contribution

## Assumptions

- The only gifts given to each beneficiary during the year were 529 gifts.
- Lifetime gifts don't exceed lifetime gift-tax exemption limit.

For the tax year 2026, tax benefits allow you to contribute up to \$19,000 a year (\$38,000 for married couples) per beneficiary without gift-tax consequences. Under a special election, you can invest up to \$95,000 (\$190,000 for married couples) at one time by accelerating five years' worth of investments in 2026. Additional gifts made to that beneficiary over the next four years after the year in which the one-time gift is made may reduce the donor's lifetime gift and estate tax exemption. If the donor of an accelerated gift dies within the five-year period, a portion of the transferred amount will be included in the donor's estate for tax purposes. For gift-tax purposes, the assets are considered completed gifts, but the grandparents – provided they own the accounts – control the assets and the withdrawals.

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 \$15,000,000 for 2026.

Important: The IRS has questioned whether favorable transfer tax treatment is available if contributions to a 529 account are intended for purposes other than qualified education expenses of the designated beneficiary.

The hypothetical examples on pages 6 and 7 are for illustrative purposes only and in no way represent a specific investment or investor. Tax and investment considerations can be complex and your individual situation may vary. Consult with your financial professional and/or tax advisor regarding your specific situation.

# The Capital System™

Since 1931, Capital Group has helped investors pursue long-term investor success. Our distinctive investment approach – The Capital System – is designed to deliver superior investment results. It rests on three pillars:

## Collaborative research

Our portfolio managers, analysts, economists and quantitative research teams closely collaborate on our research process – sharing and debating ideas. This collaboration generates deeper insights that inform our portfolios.

## Diverse perspectives

Most portfolios have multiple portfolio managers, each of whom invests part of the portfolio in their strongest individual convictions. Combining these diverse investment approaches into a single portfolio helps us pursue more consistent results, with less volatility.

## Long-term view

Investment professionals invest with a long-term view, which we believe aligns our goals with the interests of our clients. Managers are rewarded more for their long-term results,<sup>1</sup> and most personally invest in the funds they manage.<sup>2</sup> Our fund management fees are among the lowest in the industry.<sup>3</sup>

## A history of strong investment results

Over the past 40 years, **74%** of funds outpaced more than half of their respective peers when comparing average 10-year rolling returns. And **71%** had higher risk-adjusted returns (as indicated by the Sharpe ratio<sup>4</sup>) over that same time frame.<sup>5</sup>

Footnotes/Important information:

<sup>1</sup> Compensation paid to our investment professionals is heavily influenced by results over one-, three-, five- and eight-year periods, with increasing weight placed on each succeeding measurement period to encourage a long-term investment approach.

<sup>2</sup> Ninety-seven percent of American Funds® assets are invested in mutual funds in which at least one manager has invested more than \$1 million. Source: Morningstar. Data as of 2/15/25.

<sup>3</sup> On average, our mutual fund management fees were in the lowest quintile 49% of the time, based on the 20-year period ended December 31, 2024, versus comparable Lipper categories, excluding funds of funds.

<sup>4</sup> Sharpe ratio uses standard deviation (a measure of volatility) and return in excess of the risk-free rate to determine reward per unit of risk. The higher the number, the better the portfolio's historical risk-adjusted performance.

<sup>5</sup> Methodology: Data as of 12/31/24. Based on a comparison of each fund with its respective Morningstar category peers. Data are based on the following mutual fund share classes: Class F-2, Class M, Class 529-A, Class 1, Class P-2 and Class 4. One share class was used per fund. The analysis uses Morningstar hypothetical methodology to calculate hypothetical fund results for periods before a share class's inception. For those periods, Morningstar uses results for the oldest share class (unless the newer share class is more expensive). Source: Capital Group, based on mutual fund data from Morningstar. For each fund, we calculated the average rolling Sharpe ratio and return over the 40-year period (or the fund's lifetime, if it lacks a 40-year history). That average rolling return and Sharpe ratio were compared against the equivalent averages for each fund's respective Morningstar peers on a percentile basis. Rolling returns are calculated monthly.

**Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectus, summary prospectus and CollegeAmerica Program Description, which can be obtained from a financial professional and should be read carefully before investing. CollegeAmerica is distributed by Capital Client Group, Inc., and sold through unaffiliated intermediaries.**

**Depending on your state of residence, there may be an in-state plan that provides state tax and other state benefits, such as financial aid, scholarship funds and protection from creditors, not available through CollegeAmerica. Before investing in any state's 529 plan, investors should consult a tax advisor.**

Capital Group manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organization; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.

Capital Client Group, Inc.

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