



# BLOOMWELL

529 EDUCATION SAVINGS

## IMPORTANT PLAN UPDATES

The Bloomwell 529 Education Savings Plan has a long-term focus on offering families a cost-effective, diverse, and effective way to save for college. Part of this approach includes regular due diligence reviews of the program for potential enhancements. As a result of this process, we are excited to announce several changes that are summarized below and detailed in the enclosed Program Disclosure Statement Supplement. **These changes will be effective after close of business on March 19, 2024.**

### 1. Updated Age-Based Investment Options

The asset allocation of each of the age-bands will be modified. The current allocation to equity funds starts at 95% and will be adjusted to start at 90% and will have 10% step downs every 2 – 3 years as the beneficiary approaches college age. The updated asset allocation for each Age-Based Portfolio will be:

#### Enhanced Core Age-Based Portfolios

Age of beneficiary →	0 – 2	3 – 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19+
Cash Equivalents								9%	23%
Fixed Income	10%	20%	30%	40%	50%	60%	70%	71%	67%
Domestic Equity	52%	48%	42%	36.5%	31%	25%	20%	13%	7%
International Equity	32%	27%	23%	19.5%	16%	12%	8%	5%	2%
Global Real Estate	6%	5%	5%	4%	3%	3%	2%	2%	1%

#### Enhanced Socially Aware Age-Based Portfolios

Age of beneficiary →	0 – 2	3 – 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19+
Cash Equivalents								9%	23%
Fixed Income	10%	20%	29.5%	40%	50%	60%	70%	71%	67%
Domestic Equity	56%	51%	45.5%	39%	33%	27%	21.5%	14.5%	8%
International Equity	34%	29%	25%	21%	17%	13%	8.5%	5.5%	2%

*Cash Equivalents = money market funds and/or bank savings Underlying Investments.*

### 2. Three New Static Investment Options

After market close March 19, 2024, the following new Static Investment Options will be added to the Plan:

- **Core All Equity Static Investment Option** seeks long-term capital appreciation by investing 100% of its net assets in equity investments. This Investment Option has a target allocation of 58% domestic equity, 6% global real estate, and 36% international equity. It is the most aggressive of the Core Static Investment Options.
- **Socially Aware All Equity Static Investment Option** seeks long-term capital appreciation by investing 100% of its net assets in equity investments. This Investment Option has a target allocation of 62% domestic equity and 38% international equity. It is the most aggressive of the Socially Aware Static Investment Options.



- **Bank Savings Static Investment Option** invests solely in a Union Bank and Trust Company and/or Nelnat Bank omnibus savings account. This Investment Option seeks income consistent with preservation of principal. It is the most conservative of the Static Investment Options. Investments in the Bank Savings Static Investment Option will earn varying rates of interest. The interest rate generally will be equivalent to short-term deposit rates.

### 3. Updated Core and Socially Aware Static Investment Options

Asset allocations of the Static Investment Options will be updated. The new allocations will be as follows:

#### Enhanced Core Static Investment Options

	<i>All Equity</i>	<i>Aggressive</i>	<i>Growth</i>	<i>Balanced*</i>	<i>Moderate</i>	<i>Conservative</i>	<i>Bank Savings</i>
<b>Cash Equivalents</b>						9%	100%
<b>Fixed Income</b>		20%	35%	50%	65%	71%	
<b>Domestic Equity</b>	58%	48%	39.25%	31%	22.5%	13%	
<b>International Equity</b>	36%	27%	21.25%	16%	10%	5%	
<b>Global Real Estate</b>	6%	5%	4.5%	3%	2.5%	2%	

*\*Formerly Core Moderate Growth Static Investment Option*

#### Enhanced Socially Aware Static Investment Options

	<i>All Equity</i>	<i>Aggressive</i>	<i>Growth</i>	<i>Balanced*</i>	<i>Moderate</i>	<i>Conservative</i>
<b>Cash Equivalents</b>						9%
<b>Fixed Income</b>		20%	34.75%	50%	65%	71%
<b>Domestic Equity</b>	62%	51%	42.25%	33%	24.25%	14.5%
<b>International Equity</b>	38%	29%	23%	17%	10.75%	5.5%

*\*Formerly Socially Aware Moderate Growth Static Investment Option*

### 4. Investment Allocation Changes to certain Age-Based and Static Investment Options

The following modifications will be made to the Underlying Investment allocations of the Age-Based and Static Investment Options, including:

- 1) Addition of the Bank Savings Underlying Investment to the Core and Socially Aware late year Age-Based Portfolios and Conservative Static Investment Options;
- 2) Addition of allocations to short-term inflation-protected bonds and high yield corporate bonds in certain of the Core and Socially Aware Age-Based and Static Investment Options;
- 3) Increase of international equity exposure across Investment Options;
- 4) Addition of the iShares Global REIT ETF to the Core Age-Based and Static Investment Options;
- 5) Move from the iShares Core U.S. Aggregate Bond ETF to the iShares ESG Aware U.S. Aggregate Bond ETF in certain of the Socially Aware Age-Based and Static Investment Options;
- 6) Move from the Nuveen ESG Small-Cap ETF to the iShares ESG Aware MSCI USA Small-Cap ETF in certain of the Socially Aware Age-Based and Static Investment Options; and,
- 7) Modest allocation adjustments to fixed income.

Detailed information on all Portfolios, including the allocations to each Underlying Investment can be found in the enclosed Program Disclosure Statement Supplement. It's important to carefully review this information.

**As a current investor, no action is required on your part.** The changes will be made to the relevant investment portfolios after market close on March 19, 2024.

**5. Gift Tax Annual Exclusion Increase**

Effective January 1, 2024, the federal gift tax exclusion increased to \$18,000 (up from \$17,000 in 2023) per donee, and \$36,000 (up from \$34,000 in 2023) for a married couple that elects on a federal gift tax return to “split” gifts.

**6. Rollover to a Roth IRA**

The Bloomwell 529 Education Savings Plan is pleased to announce that, effective January 1, 2024, in certain circumstances, you may rollover the assets in your Account to a Roth IRA account maintained for the benefit of the Beneficiary of your Account (subject to certain limitations and requirements).

Please see the enclosed Program Disclosure Statement Supplement for additional details and information. This supplement should be kept with your important Plan papers.

**Thank you for investing with the Bloomwell 529 Education Savings Plan!**

An investor should consider the investment objectives, risks, and charges and expenses associated with municipal fund securities before investing. This and other important information is contained in the fund prospectuses and the Bloomwell 529 Education Savings Plan Program Disclosure Statement (issuer’s official statement), which can be obtained at [Bloomwell529.com](http://Bloomwell529.com) and should be read carefully before investing. You can lose money by investing in an Investment Option. Each of the Investment Options involves investment risks, which are described in the Program Disclosure Statement.

An investor should consider, before investing, whether the investor’s or 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. Investors should consult their tax advisor, attorney, and/or other advisor regarding their specific legal, investment, or tax situation.

The Bloomwell 529 Education Savings Plan (the “Plan”) is sponsored by the State of Nebraska, administered by the Nebraska State Treasurer, and the Nebraska Investment Council provides investment oversight. Union Bank and Trust Company serves as Program Manager for the Plan. The Plan offers a series of Investment Options within the Nebraska Educational Savings Plan Trust (the “Trust”), which offers other investment options not affiliated with the Plan. The Plan is intended to operate as a qualified tuition program.

Except for any investments made by a Plan participant in the Bank Savings Underlying Investment up to the limit provided by Federal Deposit Insurance Corporation (“FDIC”) insurance, neither the principal contributed to an account, nor earnings thereon, are guaranteed or insured by the State of Nebraska, the Nebraska State Treasurer, the Nebraska Investment Council, the Trust, the Plan, any other state, any agency or instrumentality thereof, Union Bank and Trust Company, the FDIC, or any other entity. Investment returns are not guaranteed. Account owners in the Plan assume all investment risk, including the potential loss of principal.

**Not FDIC Insured\* / No Bank Guarantee / May Lose Value**

*(\*Except the Bank Savings Underlying Investment)*

## Bloomwell 529 Education Savings Plan Program Disclosure Statement

Supplement Number One dated February 15, 2024  
to the Program Disclosure Statement dated December 30, 2022

This Supplement amends the Program Disclosure Statement dated December 30, 2022 (the “Program Disclosure Statement”). You should read this Supplement in conjunction with the Program Disclosure Statement and retain it for future reference.

### 1. TWO AGE-BASED INVESTMENT OPTIONS

- **Changes to the Age-Based Investment Options**

Bloomwell offers two Age-Based Investment Options - an Age-Based Core and Age-Based Socially Aware Investment Option. As of the close of business on March 19, 2024, the asset class allocations for each Age-Based Portfolio in the Age-Based Core and Age-Based Socially Aware Investment Option will change. The new asset class allocations are detailed in the following table:

<i>Age of Beneficiary</i>	<b>Current Asset Allocations</b>	<b>NEW (eff. March 19, 2024) Asset Allocations</b>
Age 0 – 2	<i>95% equities   5% fixed income</i>	<i>90% equities   10% fixed income</i>
Age 3 – 5	<i>85% equities   15% fixed income</i>	<i>80% equities   20% fixed income</i>
Age 6 – 8	<i>75% equities   23% fixed income 2% cash equivalents</i>	<i>70% equities   30% fixed income (Socially Aware: 70.5% / 29.5%)</i>
Age 9 – 10	<i>65% equities   31% fixed income 4% cash equivalents</i>	<i>60% equities   40% fixed income</i>
Age 11 – 12	<i>55% equities   36.5% fixed income 8.5% cash equivalents</i>	<i>50% equities   50% fixed income</i>
Age 13 – 14	<i>45% equities   42% fixed income 13% cash equivalents</i>	<i>40% equities   60% fixed income</i>
Age 15 – 16	<i>35% equities   48% fixed income 17% cash equivalents</i>	<i>30% equities   70% fixed income</i>
Age 17 – 18	<i>25% equities   54% fixed income 21% cash equivalents</i>	<i>20% equities   71% fixed income 9% cash equivalents</i>
19+	<i>15% equities   52% fixed income 33% cash equivalents</i>	<i>10% equities   67% fixed income 23% cash equivalents</i>

*Cash Equivalents = money market funds and/or bank savings Underlying Investments.*

- **Objectives and Strategies for each Age-Based Portfolio**

The Objectives and Strategies for each Age-Based Portfolio beginning on page 21 of the Program Disclosure Statement are hereby deleted and replaced with the following, which now include separate objectives and strategies for Age-Based Core Investment Option and the Age-Based Socially Aware Investment Option:

#### **Age-Based Core Investment Option**

##### **Newborn to 2 years old Portfolio**

**Objectives** – For Beneficiaries newborn to two years old, this Portfolio seeks to provide long-term growth by investing 84% of its assets in diversified investments of domestic and international equity funds, 6% global real estate funds, and 10% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 52% domestic equity funds, 6% global real estate funds, 32% international equity funds, 0.5% international fixed income funds, and 9.5% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **3 to 5 years old Portfolio**

**Objectives** – For Beneficiaries three to five years old, this Portfolio seeks to provide long-term growth and some income by investing 75% of its assets in diversified investments of domestic and international equity funds, 5% global real estate funds, and 20% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 48% domestic equity funds, 5% global real estate funds, 27% international equity funds, 1% international fixed income funds, and 19% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **6 to 8 years old Portfolio**

**Objectives** – For Beneficiaries six to eight years old, this Portfolio seeks to provide growth of capital and some current income by investing 65% of its assets in diversified investments of domestic and international equity funds, 5% global real estate funds, and 30% domestic and international fixed income funds.

**Strategies** – The Portfolio invests funds according to a fixed formula that typically results in an allocation of 42% domestic equity funds, 5% global real estate funds, 23% international equity funds, 1.5% international fixed income funds, and 28.5% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **9 to 10 years old Portfolio**

**Objectives** – For Beneficiaries nine to 10 years old, this Portfolio seeks to provide growth of capital and some current income by investing 56% of its assets in diversified investments of domestic and international equity funds, 4% global real estate funds, and 40% domestic and international fixed income funds.

**Strategies** – The Portfolio invests funds according to a fixed formula that typically results in an allocation of 36.5% domestic equity funds, 4% global real estate funds, 19.5% international equity funds, 2% international fixed income funds, and 38% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **11 to 12 years old Portfolio**

**Objectives** – For Beneficiaries 11 to 12 years old, this Portfolio seeks to provide growth of capital and some current income by investing 47% of its assets in diversified investments of domestic and international equity funds, 3% global real estate funds, and 50% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 31% domestic equity funds, 3% global real estate funds, 16% international equity funds, 2.5% international fixed income funds, and 47.5% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **13 to 14 years old Portfolio**

**Objectives** – For Beneficiaries 13 to 14 years old, this Portfolio seeks to provide growth of capital and some current income by investing 37% of its assets in diversified investments of domestic and international equity funds, 3% global real estate funds, and 60% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 25% domestic equity funds, 3% global real estate funds, 12% international equity funds, 2.5% international fixed income funds, and 57.5% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **15 to 16 years old Portfolio**

**Objectives** – For Beneficiaries 15 to 16 years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 28% of its assets in diversified investments of domestic and international equity funds, 2% global real estate funds, and 70% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 20% domestic equity funds, 2% global real estate funds, 8% international equity funds, 2.5% international fixed income funds, and 67.5% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **17 to 18 years old Portfolio**

**Objectives** – For Beneficiaries 17 to 18 years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 18% of its assets in diversified investments of domestic and international equity funds, 2% global real estate funds, 71% domestic and international fixed income funds, and 9% cash equivalents.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 13% domestic equity funds, 2% global real estate funds, 5% international equity funds, 2.5% international fixed income funds, 68.5% domestic fixed income funds, and 9% cash equivalents. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **19 years and older Portfolio**

**Objectives** – For Beneficiaries 19 years and older, this Portfolio seeks to provide current income and some growth of capital by investing 9% of its assets in diversified investments of domestic and international equity funds, 1% global real estate funds, 67% domestic and international fixed income funds, and 23% cash equivalents.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 7% domestic equity funds, 1% global real estate funds, 2% international equity funds, 2% international fixed income funds, 65% domestic fixed income funds, and 23% cash equivalents. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

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### **Age-Based Socially Aware Investment Option**

#### **Newborn to 2 years old Portfolio**

**Objectives** – For Beneficiaries newborn to two years old, this Portfolio seeks to provide long-term growth by investing 90% of its assets in diversified investments of domestic and international equity funds, and 10% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 56% domestic equity funds, 34% international equity funds, 0.5% international fixed income funds, and 9.5% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

#### **3 to 5 years old Portfolio**

**Objectives** – For Beneficiaries three to five years old, this Portfolio seeks to provide long-term growth and some income by investing 80% of its assets in diversified investments of domestic and international equity funds, and 20% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 51% domestic equity funds, 29% international equity funds, 1% international fixed income funds, and 19% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

#### **6 to 8 years old Portfolio**

**Objectives** – For Beneficiaries six to eight years old, this Portfolio seeks to provide growth of capital and some current income by investing 70.5% of its assets in diversified investments of domestic and international equity funds, and 29.5% domestic and international fixed income funds.

**Strategies** – The Portfolio invests funds according to a fixed formula that typically results in an allocation of 45.5% domestic equity funds, 25% international equity funds, 1.5% international fixed income funds, and 28% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

#### **9 to 10 years old Portfolio**

**Objectives** – For Beneficiaries nine to 10 years old, this Portfolio seeks to provide growth of capital and some current income by investing 60% of its assets in diversified investments of domestic and international equity funds, and 40% domestic and international fixed income funds.

**Strategies** – The Portfolio invests funds according to a fixed formula that typically results in an allocation of 39% domestic equity funds, 21% international equity funds, 2% international fixed income funds, and 38% domestic

fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

#### **11 to 12 years old Portfolio**

**Objectives** – For Beneficiaries 11 to 12 years old, this Portfolio seeks to provide growth of capital and some current income by investing 50% of its assets in diversified investments of domestic and international equity funds, and 50% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 33% domestic equity funds, 17% international equity funds, 2.5% international fixed income funds, and 47.5% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

#### **13 to 14 years old Portfolio**

**Objectives** – For Beneficiaries 13 to 14 years old, this Portfolio seeks to provide growth of capital and some current income by investing 40% of its assets in diversified investments of domestic and international equity funds, and 60% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 27% domestic equity funds, 13% international equity funds, 2.5% international fixed income funds, and 57.5% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

#### **15 to 16 years old Portfolio**

**Objectives** – For Beneficiaries 15 to 16 years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 30% of its assets in diversified investments of domestic and international equity funds, and 70% domestic and international fixed income funds.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 21.5% domestic equity funds, 8.5% international equity funds, 2.5% international fixed income funds, and 67.5% domestic fixed income funds. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

#### **17 to 18 years old Portfolio**

**Objectives** – For Beneficiaries 17 to 18 years old, this Portfolio seeks to provide current income and low to moderate growth of capital by investing 20% of its assets in diversified investments of domestic and international equity funds, 71% domestic and international fixed income funds, and 9% cash equivalents.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 14.5% domestic equity funds, 5.5% international equity funds, 2.5% international fixed income funds, 68.5% domestic fixed income funds, and 9% cash equivalents. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

#### **19 years and older Portfolio**

**Objectives** – For Beneficiaries 19 years and older, this Portfolio seeks to provide current income and some growth of capital by investing 10% of its assets in diversified investments of domestic and international equity funds, 67% domestic and international fixed income funds, and 23% cash equivalents.

**Strategies** – The Portfolio invests in funds according to a fixed formula that typically results in an allocation of 8% domestic equity funds, 2% international equity funds, 2% international fixed income funds, 65% domestic fixed income funds, and 23% cash equivalents. The Portfolio manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

- **Asset Allocations and Mix of Underlying Investments of Age-Based Portfolios**

On March 19, 2024, the two tables on page 23 of the Program Disclosure Statement are hereby deleted in their entirety and replaced with the following:

	Global Real Estate	Domestic Equity	International Equity		Domestic Fixed Income				International Fixed Income		Cash Equivalents	
	iShares Global REIT ETF	iShares Core S&P Total US Stock Market ETF	Vanguard FTSE Developed Markets ETF	Vanguard FTSE Emerging Markets ETF	iShares Broad USD High Yield Corp Bd ETF	iShares Core US Aggregate Bond ETF	Vanguard Short-Term Bond ETF	Vanguard Short-Term Inflation-Protected Fund	Vanguard Total International Bond ETF	VanEck Vectors JP Morgan EM LC Bd ETF	Goldman Sachs Financial Square <sup>SM</sup> Government Money Market	Union Bank/ Nelnet Bank Savings
Portfolio	REET	ITOT	VEA	VVO	USHY	AGG	BSV	VTSPX	BNDX	EMLC	FGTX	
<b>CORE</b>												
0-2	6.00%	52.00%	25.50%	6.50%	0.50%	7.00%	2.00%	0.00%	0.50%	0.00%	0.00%	0.00%
3-5	5.00%	48.00%	21.50%	5.50%	1.50%	14.50%	3.00%	0.00%	0.50%	0.50%	0.00%	0.00%
6-8	5.00%	42.00%	18.50%	4.50%	2.50%	22.00%	4.00%	0.00%	1.00%	0.50%	0.00%	0.00%
9-10	4.00%	36.50%	15.50%	4.00%	2.50%	25.50%	8.00%	2.00%	1.50%	0.50%	0.00%	0.00%
11-12	3.00%	31.00%	13.00%	3.00%	2.50%	30.00%	11.00%	4.00%	1.50%	1.00%	0.00%	0.00%
13-14	3.00%	25.00%	9.50%	2.50%	3.00%	31.50%	14.00%	9.00%	1.50%	1.00%	0.00%	0.00%
15-16	2.00%	20.00%	6.50%	1.50%	3.00%	31.50%	22.00%	11.00%	1.50%	1.00%	0.00%	0.00%
17-18	2.00%	13.00%	4.00%	1.00%	3.00%	29.50%	25.00%	11.00%	1.50%	1.00%	4.50%	4.50%
19+	1.00%	7.00%	1.50%	0.50%	2.50%	26.50%	22.00%	14.00%	1.50%	0.50%	11.50%	11.50%

	Domestic Equity		International Equity		Domestic Fixed Income				International Fixed Income		Cash Equivalents	
	iShares ESG MSCI USA ETF	iShares ESG Aware MSCI USA Small-Cap ETF	iShares ESG MSCI EAFE ETF	iShares ESG MSCI EM ETF	iShares ESG Advanced Hi Yld Corp Bd ETF	iShares ESG U.S. Aggregate Bond ETF	Vanguard Short-Term Inflation-Protected Fund	iShares ESG 1-5 year USD Corp Bd ETF	Vanguard Total International Bond ETF	VanEck Vectors JP Morgan EM LC Bd ETF	Goldman Sachs Financial Square <sup>SM</sup> Government Money Market	Union Bank/ Nelnet Bank Savings
Portfolio	ESGU	ESML	ESGD	ESGE	HYXF	EAGG	VTSPX	SUSB	BNDX	EMLC	FGTX	
<b>SOCIALLY AWARE</b>												
0-2	51.50%	4.50%	27.00%	7.00%	0.50%	7.00%	0.00%	2.00%	0.50%	0.00%	0.00%	0.00%
3-5	47.00%	4.00%	23.00%	6.00%	1.50%	14.50%	0.00%	3.00%	0.50%	0.50%	0.00%	0.00%
6-8	41.50%	4.00%	20.00%	5.00%	2.00%	22.00%	0.00%	4.00%	1.00%	0.50%	0.00%	0.00%
9-10	36.00%	3.00%	17.00%	4.00%	2.50%	25.50%	2.00%	8.00%	1.50%	0.50%	0.00%	0.00%
11-12	30.50%	2.50%	13.50%	3.50%	2.50%	30.00%	4.00%	11.00%	1.50%	1.00%	0.00%	0.00%
13-14	25.00%	2.00%	10.50%	2.50%	3.00%	31.50%	9.00%	14.00%	1.50%	1.00%	0.00%	0.00%
15-16	20.00%	1.50%	7.00%	1.50%	3.00%	31.50%	11.00%	22.00%	1.50%	1.00%	0.00%	0.00%
17-18	13.50%	1.00%	4.50%	1.00%	3.00%	29.50%	11.00%	25.00%	1.50%	1.00%	4.50%	4.50%
19+	7.50%	0.50%	1.50%	0.50%	2.50%	26.50%	14.00%	22.00%	1.00%	1.00%	11.50%	11.50%

## 2. **STATIC INVESTMENT OPTIONS**

- **Three New Static Investment Options (page 23 – 24)**

Effective after close of business March 19, 2024, three new Static Investment Options will be added to the Plan – (1) Core All Equity Static Investment Option, (2) Socially Aware All Equity Static Investment Option, and (3) Bank Savings Static Investment Option. These three new Static Investment Options are described in more detail in the following section, which lays out the objective and strategies for all Static Investment Options.

- **Objectives and Strategies for Static Investment Options**

The Objectives and Strategies for the Static Investment Options on page 24 of the Program Disclosure Statement are hereby deleted and replaced with the following. The updated language includes the three new Static Investment Options referenced immediately above, and now includes separate objectives and strategies for Core Static Investment Options and Socially Aware Static Investment Options:

### **CORE STATIC INVESTMENT OPTIONS**

#### **Core All Equity Static Investment Option**

**Objectives** – The Core All Equity Static Investment Option seeks to provide long-term growth by investing 94% of its assets in diversified investments of domestic and international equity funds and 6% global real estate funds.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 58% domestic equity funds, 6% global real estate funds, and 36% international equity funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks. It is the most aggressive of the Core Static Investment Options.



### **Core Aggressive Static Investment Option**

**Objectives** – The Core Aggressive Static Investment Option seeks to provide long-term growth by investing 75% of its assets in diversified investments of domestic and international equity funds, 5% global real estate funds, and 20% domestic and international fixed income funds.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 48% domestic equity funds, 5% global real estate funds, 27% international equity funds, 1% international fixed income funds, and 19% domestic fixed income funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **Core Growth Static Investment Option**

**Objectives** – The Core Growth Static Investment Option seeks to provide growth of capital and some current income by investing 60.5% of its assets in diversified investments of domestic and international equity funds, 4.5% in global real estate funds, and 35% in domestic and international fixed income funds.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 39.25% domestic equity funds, 4.5% global real estate funds, 21.25% international equity funds, 1.75% international fixed income funds, and 33.25% domestic fixed income funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **Core Balanced Static Investment Option (previously known as Core Moderate Growth Static)**

**Objectives** – The Core Balanced Static Investment Option seeks to provide a balance of growth of capital and current income by investing 47% of its assets in diversified investments of domestic and international equity funds, 3% global real estate funds, and 50% domestic and international fixed income funds.

**Strategies** – The Investment Option invests primarily in funds according to a fixed formula that typically results in an allocation of 31% domestic equity funds, 3% global real estate funds, 16% international equity funds, 2.5% international fixed income funds, and 47.5% domestic fixed income funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **Core Moderate Static Investment Option**

**Objectives** – The Core Moderate Static Investment Option seeks to provide a balance of growth of capital and current income by investing 32.5% of its assets in diversified investments of domestic and international equity funds, 2.5% global real estate funds, and 65% domestic and international fixed income funds.

**Strategies** – The Investment Option invests primarily in funds according to a fixed formula that typically results in an allocation of 22.5% domestic equity funds, 2.5% global real estate funds, 10% international equity funds, 2.5% international fixed income funds, and 62.5% domestic fixed income funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **Core Conservative Static Investment Option**

**Objectives** – The Core Conservative Static Investment Option seeks to provide current income and some growth of capital by investing 18% of its assets in diversified investments of domestic and international equity funds, 2% global real estate funds, 71% domestic and international fixed income funds, and 9% cash equivalents.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 13% domestic equity funds, 2% global real estate funds, 5% international equity funds, 2.5% international fixed income funds, 68.5% domestic fixed income funds, and 9% cash equivalents. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks and to a lesser extent, mid- and small-cap U.S. stocks.

### **Bank Savings Static Investment Option**

**Objectives** – The Bank Savings Static Investment Option seeks income consistent with the preservation of principal and invests all of its assets in a savings account held at Union Bank and Trust Company and/or Nelnet Bank. The savings account is an omnibus savings account insured by the FDIC and is held in trust by the Nebraska Educational Savings Plan Trust at the bank. Investments in the Bank Savings Static Investment Option will earn varying rates of interest. The interest rate generally will be equivalent to short-term deposit rates. Interest on the

savings account will be compounded daily based on the actual number of days in a year (typically 365 days, except for 366 days in leap years) and will be credited to the savings account on monthly basis. The interest on the savings account is expressed as an annual percentage yield (“APY”). The APY on the savings account will be reviewed by the bank on a periodic basis and may be recalculated as needed at any time. To see the current Bank Savings Static Investment Option APY please go to Bloomwell529.com or call 877.408.4644, representatives are available 7 a.m. – 7 p.m. Central, Monday through Friday.

**Strategies** – The Investment Option invests 100% in an FDIC insured savings account.

+ + + +

## **SOCIALLY AWARE STATIC INVESTMENT OPTIONS**

### **Socially Aware All Equity Static Investment Option**

**Objectives** – The Socially Aware All Equity Static Investment Option seeks to provide long-term growth by investing 100% of its assets in diversified investments of domestic and international equity funds.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 62% domestic equity funds and 38% international equity funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks. It is the most aggressive of the Socially Aware Static Investment Options.

### **Socially Aware Aggressive Static Investment Option**

**Objectives** – The Socially Aware Aggressive Static Investment Option seeks to provide long-term growth by investing 80% of its assets in diversified investments of domestic and international equity funds, and 20% domestic and international fixed income funds.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 51% domestic equity funds, 29% international equity funds, 1% international fixed income funds, and 19% domestic fixed income funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **Socially Aware Growth Static Investment Option**

**Objectives** – The Socially Aware Growth Static Investment Option seeks to provide growth of capital and some current income by investing 65.25% of its assets in diversified investments of domestic and international equity funds, and 34.75% in domestic and international fixed income funds.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 42.25% domestic equity funds, 23% international equity funds, 1.75% international fixed income funds, and 33% domestic fixed income funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **Socially Aware Balanced Static Investment Option (previously known as Socially Aware Moderate Growth Static)**

**Objectives** – The Socially Aware Balanced Static Investment Option seeks to provide a balance of growth of capital and current income by investing 50% of its assets in diversified investments of domestic and international equity funds, and 50% domestic and international fixed income funds.

**Strategies** – The Investment Option invests primarily in funds according to a fixed formula that typically results in an allocation of 33% domestic equity funds, 17% international equity funds, 2.5% international fixed income funds, and 47.5% domestic fixed income funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### **Socially Aware Moderate Static Investment Option**

**Objectives** – The Socially Aware Moderate Static Investment Option seeks to provide a balance of growth of capital and current income by investing 35% of its assets in diversified investments of domestic and international equity funds, and 65% domestic and international fixed income funds.

**Strategies** – The Investment Option invests primarily in funds according to a fixed formula that typically results in an allocation of 24.25% domestic equity funds, 10.75% international equity funds, 2.5% international fixed income funds, and 62.5% domestic fixed income funds. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks, and to a lesser extent, mid- and small-cap U.S. stocks.

### Socially Aware Conservative Static Investment Option

**Objectives** – The Socially Aware Conservative Static Investment Option seeks to provide current income and some growth of capital by investing 20% of its assets in diversified investments of domestic and international equity funds, 71% domestic and international fixed income funds, and 9% cash equivalents.

**Strategies** – The Investment Option invests in funds according to a fixed formula that typically results in an allocation of 14.5% domestic equity funds, 5.5% international equity funds, 2.5% international fixed income funds, 68.5% domestic fixed income funds, and 9% cash equivalents. The Investment Option manages cash flows to maintain the stated asset allocation. The stock holdings in the Underlying Investments consist primarily of large-cap U.S. stocks and foreign stocks and to a lesser extent, mid- and small-cap U.S. stocks.

- **Changes to the Static Investment Options Asset Allocations and Underlying Investments**

The asset allocations and Underlying Investments of the Static Investment Options are being updated as of the close of business on March 19, 2024. The two tables describing those allocations on page 25 of the Program Disclosure Statement are hereby deleted in their entirety and replaced with the following:

Portfolio	Global Real Estate	Domestic Equity	International Equity		Domestic Fixed Income				International Fixed Income		Cash Equivalents	
	iShares Global REIT ETF	iShares Core S&P Total US Stock Market ETF	Vanguard FTSE Developed Markets ETF	Vanguard FTSE Emerging Markets ETF	iShares Broad USD High Yield Corp Bd ETF	iShares Core US Aggregate Bond ETF	Vanguard Short-Term Bond ETF	Vanguard Short-Term Inflation-Protected Fund	Vanguard Total International Bond ETF	VanEck Vectors JP Morgan EM LC Bd ETF	Goldman Sachs Financial Square <sup>SM</sup> Government Money Market	Union Bank/ Nelnet Bank Savings
Portfolio	REET	ITOT	VEA	VVO	USHY	AGG	BSV	VTSPX	BNDX	EMLC	FGTXX	
<b>CORE</b>												
All Equity	6.00%	58.00%	29.00%	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Aggressive	5.00%	48.00%	21.50%	5.50%	1.50%	14.50%	3.00%	0.00%	0.50%	0.50%	0.00%	0.00%
Growth	4.50%	39.25%	17.00%	4.25%	2.50%	23.75%	6.00%	1.00%	1.25%	0.50%	0.00%	0.00%
Balanced	3.00%	31.00%	13.00%	3.00%	2.50%	30.00%	11.00%	4.00%	1.50%	1.00%	0.00%	0.00%
Moderate	2.50%	22.50%	8.00%	2.00%	3.00%	31.50%	18.00%	10.00%	1.50%	1.00%	0.00%	0.00%
Conservative	2.00%	13.00%	4.00%	1.00%	3.00%	29.50%	25.00%	11.00%	1.50%	1.00%	4.50%	4.50%
Bank Savings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Portfolio	Domestic Equity		International Equity		Domestic Fixed Income				International Fixed Income		Cash Equivalents	
	iShares ESG MSCI USA ETF	iShares ESG Aware MSCI USA Small-Cap ETF	iShares ESG MSCI EAFE ETF	iShares ESG MSCI EM ETF	iShares ESG Advanced Hi Yld Corp Bd ETF	iShares ESG U.S. Aggregate Bond ETF	Vanguard Short-Term Inflation-Protected Fund	iShares ESG 1-5 year USD Corp Bd ETF	Vanguard Total International Bond ETF	VanEck Vectors JP Morgan EM LC Bd ETF	Goldman Sachs Financial Square <sup>SM</sup> Government Money Market	Union Bank/ Nelnet Bank Savings
Portfolio	ESGU	ESML	ESGD	ESGE	HYXF	EAGG	VTSPX	SUSB	BNDX	EMLC	FGTXX	
<b>SOCIALLY AWARE</b>												
All Equity	57.00%	5.00%	30.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Aggressive	47.00%	4.00%	23.00%	6.00%	1.50%	14.50%	0.00%	3.00%	0.50%	0.50%	0.00%	0.00%
Growth	38.75%	3.50%	18.50%	4.50%	2.25%	23.75%	1.00%	6.00%	1.25%	0.50%	0.00%	0.00%
Balanced	30.50%	2.50%	13.50%	3.50%	2.50%	30.00%	4.00%	11.00%	1.50%	1.00%	0.00%	0.00%
Moderate	22.50%	1.75%	8.75%	2.00%	3.00%	31.50%	10.00%	18.00%	1.50%	1.00%	0.00%	0.00%
Conservative	13.50%	1.00%	4.50%	1.00%	3.00%	29.50%	11.00%	25.00%	1.50%	1.00%	4.50%	4.50%

### 3. Gift Tax Annual Exclusion Increase

Effective January 1, 2024, the federal gift tax exclusion increased to \$18,000 per donee (\$36,000 for a married couple that elects on a federal gift tax return to “split” gifts). This is an increase over 2023, when the exclusion was \$17,000 per donee (\$34,000 for a married couple that elects on a federal gift tax return to “split” gifts).

The first six paragraphs of the section titled “Estate and gift tax” beginning on page 58 of the Program Disclosure Statement are replaced with the following:

#### Estate and gift tax

For federal gift and GST tax purposes, contributions to an account are considered a completed gift from the contributor to the Beneficiary. Accordingly, except as described below, if an account owner dies while there is a balance in the account, the value of the account is not includable in the account owner’s estate for federal estate tax purposes. However, amounts in an account at the death of the Beneficiary are includable in the Beneficiary’s gross estate.

An account owner’s contributions to an account for a Beneficiary are eligible for the gift tax annual exclusion. Contributions that qualify for the gift tax annual exclusion are generally also excludible for purposes of the federal GST tax, unless an election is made on the federal gift tax return to the contrary. A donor’s total contributions to an account for the Beneficiary in any given year (together with any other gifts made by the donor to the Beneficiary in the year) will not be considered taxable gifts and will generally be excludible for purposes of the GST tax if the gifts do not in total exceed the annual exclusion for the year. For 2024, the annual exclusion is \$18,000 per donee (\$36,000 for a married couple that elects on a federal gift tax return to “split” gifts). This means that in each calendar

year you may contribute up to \$18,000 to a Beneficiary's account without the contribution being considered a taxable gift, if you make no other gifts to the Beneficiary in the same year.

The annual exclusion is indexed for inflation and therefore is expected to increase over time.

#### ***Five-year election***

In addition, if your total contributions to an account for a Beneficiary during a single year exceed the annual exclusion for that year, you may elect to have the amount you contributed that year treated as though you made one-fifth of the contribution that year, and one-fifth of the contribution in each of the next four calendar years. You must make this election on your federal gift tax return by filing IRS Form 709.

This means that you may contribute up to \$90,000 in a single year to an account without the contribution being considered a taxable gift, provided that you make no other gifts to the Beneficiary in the same year in which the contribution is made and in any of the succeeding four calendar years. Moreover, a married contributor whose spouse elects on a federal gift tax return to have gifts treated as "split" with the contributor may contribute up to twice that amount (\$180,000 effective January 1, 2024) without the contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Beneficiary in the same year and in any of the succeeding four calendar years. **An election to have the contribution taken into account ratably over a five-year period must be made by the donor on a federal gift tax return.**

For example, an account owner who makes a \$90,000 contribution to an account for a Beneficiary in 2024 may elect to have that contribution treated as a \$18,000 gift in 2024 and a \$18,000 gift in each of the following four years. If the account owner makes no other contributions or gifts to the Beneficiary before January 1, 2029, and has made no excess contributions treated as gifts subject to the one-fifth rule during any of the previous four years, the account owner will not be treated as making any taxable gifts to the Beneficiary during that five-year period. As a result, the \$90,000 contribution will not be treated as a taxable gift and also will generally be excludable for purposes of the GST tax. However, if the account owner dies before the end of the five-year period, the portion of the contributions allocable to years after the year of death will be includable in the account owner's gross estate for federal estate tax purposes.

#### **4. Rollover to a Roth IRA**

Effective January 1, 2024, in certain circumstances, you may rollover the assets in your Account to a Roth IRA account maintained for the benefit of the Beneficiary of your Account, subject to the following requirements:

- The Bloomwell 529 Education Savings Plan Account must have been maintained for the 15-year period ending on the date of the Roth IRA Rollover;
- The amount of the Roth IRA Rollover may not exceed the aggregate amount contributed to the Bloomwell 529 Education Savings Plan Account (and earnings attributable thereto) before the 5-year period ending on the date of the Roth IRA Rollover;
- The Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the Beneficiary of the Bloomwell 529 Education Savings Plan Account;
- Each year, the 529-to-Roth IRA Rollover will be subject to annual IRA contribution limits, minus all other IRA contributions made during the year for the same designated beneficiary (for 2024 the limit is \$7,000). All contributions made during the year to individual retirement accounts for the Beneficiary count towards this limit;
- The aggregate amount for all years of Roth IRA Rollovers for the same Beneficiary from all 529 qualified tuition programs may not exceed \$35,000.

The IRS may issue guidance that may impact a rollover from a Bloomwell 529 Education Savings Plan Account to a Roth IRA. Additional restrictions may apply under federal Roth IRA rules and guidance. Account Owners and Beneficiaries should consult a financial professional or tax advisor regarding the applicability of these rollovers to their personal situations.

#### **5. New Overnight / Courier Address**

The Plan's overnight or courier address is updated to:

Bloomwell 529 Education Savings Plan  
1248 O Street, Suite 200  
Lincoln, NE 68508

## 6. PART 10 – DESCRIPTIONS OF THE UNDERLYING INVESTMENTS

Effective after close of business March 19, 2024, the following are added as Underlying Investments starting on page 27 of the Program Disclosure Statement. In addition, the Nuveen ESG Small-Cap ETF Underlying Investment on page 39-40 of the Program Disclosure Statement is deleted.

### **iShares Broad USD High Yield Corporate Bond ETF (ticker: USHY)**

#### **Investment Objective**

The iShares Broad USD High Yield Corporate Bond ETF (the “fund”) seeks to track the investment results of an index composed of U.S. dollar-denominated, high yield corporate bonds.

#### **Principal Investment Strategies**

The fund seeks to track the investment results of the ICE BofA US High Yield Constrained Index (the “underlying index”), which is a rules-based index consisting of U.S. dollar-denominated, high yield (as determined by ICE Data Indices, LLC (“index provider” or “IDI”)) corporate bonds for sale in the U.S. The underlying index is designed to provide a broad representation of the U.S. dollar-denominated high yield corporate bond market. The underlying index is a modified market value-weighted index with a cap on each issuer of 2%. There is no limit to the number of issues in the underlying index, but as of October 31, 2022, the underlying index included approximately 1,941 constituents and the issuers in the underlying index are principally located in the U.S. The components of the underlying index are likely to change over time.

As of the date of this prospectus (the “prospectus”), the bonds eligible for inclusion in the underlying index include U.S. dollar-denominated high yield corporate bonds that: (i) are issued by companies having “risk exposure” to countries (i.e., issuers that are subject to the risks of one or more of these countries as a result of the principal country of domicile of the issuers (as determined by the index provider)) that are members of the FX-G10, which include Australia, Austria, Belgium, Canada, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, the U.K. and the U.S. and their respective territories; (ii) have an average rating of below investment grade (ratings from Fitch Ratings, Inc. (“Fitch”), Moody’s Investors Service, Inc. (“Moody’s”) or S&P Global Ratings are considered; if more than one agency provides a rating, the average rating is attached to the bond); (iii) are registered with the SEC, exempt from registration at issuance, or offered pursuant to Rule 144A under the Securities Act of 1933, as amended (the “1933 Act”), with or without registration rights; (iv) have at least \$250 million of outstanding face value; (v) have an original maturity date of at least 18 months; and (vi) have at least one year to maturity.

BFA uses a “passive” or indexing approach to try to achieve the fund’s investment objective. Unlike many investment companies, the fund does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

Indexing may eliminate the chance that the fund will substantially outperform the underlying index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies.

BFA uses a representative sampling indexing strategy to manage the fund. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of an applicable underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market value and industry weightings), fundamental characteristics (such as return variability, duration (i.e., a security’s price sensitivity to a change in interest rates), maturity or credit ratings and yield) and liquidity measures similar to those of an applicable underlying index.

The fund may or may not hold all of the securities in the underlying index.

The fund will invest at least 80% of its assets in the component securities of the underlying index, and the fund will invest at least 90% of its assets in fixed income securities of the types included in the underlying index that BFA believes will help the fund track the underlying index. The fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the fund track the underlying index as well as in fixed income securities other than the types included in the underlying index, but which BFA believes will help the fund track the underlying index. Cash and cash equivalent investments associated with a derivative position will be treated as part of that position for the purposes of calculating the percentage of investments included in the underlying index. The fund seeks to track the investment results of the underlying index before fees and expenses of the fund.

The fund may lend securities representing up to one-third of the value of the fund’s total assets (including the value of any collateral received).

The underlying index is owned, maintained and administered by the index provider, which is independent of the fund and BFA. The index provider determines the composition and relative weightings of the securities in the underlying index and publishes information regarding the market value of the underlying index.

**Industry Concentration Policy.** The fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the underlying index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities), repurchase agreements collateralized by U.S. government securities, and securities of state or municipal governments and their political subdivisions are not considered to be issued by members of any industry.

### **Summary of Principal Risks**

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value per share ("NAV"), trading price, yield, total return and ability to meet its investment objective.

The order of the below risk factors does not indicate the significance of any particular risk factor: asset class risk, authorized participant concentration risk, call risk, commodity risk, concentration risk, credit risk, cybersecurity risk, energy sector risk, geographic risk, high yield securities risk, illiquid investments risk, income risk, index-related risk, infectious illness risk, interest rate risk, issuer risk, management risk, market risk, market trading risk, operational risk, passive investment risk, privately issued securities risk, risk of investing in the U.S., securities lending risk, tracking error risk, valuation risk.

### **iShares Global REIT ETF (ticker: REET)**

#### **Investment Objective**

The iShares Global REIT ETF (the "fund") seeks to track the investment results of an index composed of global real estate equities in developed and emerging markets.

#### **Principal Investment Strategies**

The fund seeks to track the investment results of the FTSE EPRA Nareit Global REITs Index (the "underlying index"), which is designed to track the performance of publicly listed real estate investment trusts ("REITs") (or their local equivalents) in both developed and emerging markets. The index components must qualify for REIT (or its local equivalent) status in their country of domicile and meet certain liquidity, size, and earnings before interest, taxes, depreciation and amortization (EBITDA) requirements. Components are adjusted for free float and foreign ownership limits. As of April 30, 2023, the underlying index was composed of securities of companies in the following countries or regions: Australia, Belgium, Canada, China, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Japan, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, the Philippines, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Turkey, the United Kingdom (the "U.K.") and the U.S. As of April 30, 2023, a significant portion of the underlying index is represented by REITs. The components of the underlying index are likely to change over time.

BFA uses an indexing approach to try to achieve the fund's investment objective. Unlike many investment companies, the fund does not try to "beat" the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

Indexing may eliminate the chance that the fund will substantially outperform the underlying index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies.

BFA uses a representative sampling indexing strategy to manage the fund. "Representative sampling" is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of an applicable underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of an applicable underlying index. The Fund may or may not hold all of the securities in the underlying index.

The fund generally will invest at least 80% of its assets in the component securities of its underlying index and in investments that have economic characteristics that are substantially identical to the component securities of its underlying index (i.e., depositary receipts representing securities of the underlying index) and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates ("BlackRock Cash Funds"), as well as in securities not included in the underlying index, but which BFA believes will help the fund track the underlying index. Cash and cash equivalent investments associated with a derivative position will be treated as part of that position for the purposes of calculating the percentage of investments included in the Underlying Index. The fund seeks to track the investment results of the underlying index before fees and expenses of the fund.

The fund may lend securities representing up to one-third of the value of the fund's total assets (including the value of any collateral received).

The underlying index is sponsored by FTSE International Limited ("FTSE" or the "index provider"), which is independent of the fund and BFA. The index provider determines the composition and relative weightings of the securities in the underlying index and publishes information regarding the market value of the underlying index.

**Industry Concentration Policy.** The fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the underlying index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities) and repurchase agreements collateralized by U.S. government securities are not considered to be issued by members of any industry.

### **Summary of Principal Risks**

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value per share ("NAV"), trading price, yield, total return and ability to meet its investment objective. The order of the below risk factors does not indicate the significance of any particular risk factor: asset class risk, authorized participant concentration risk, concentration risk, currency risk, cybersecurity risk, dividend-paying stock risk, equity securities risk, geographic risk, index-related risk, indexing investment risk, infectious illness risk, issuer risk, large shareholder and large-

scale redemption risk, management risk, market risk, market trading risk, national closed market trading risk, non-U.S. securities risk, operational risk, real estate investment risk, risk of investing in developed countries, risk of investing in Saudi Arabia, Saudi Arabia broker risk, risk of investing in the U.S., securities lending risk, tracking error risk, valuation risk.

## **iShares ESG Aware 1-5 Year USD Corporate Bond ETF (ticker: SUSB)**

### **Investment Objective**

The iShares ESG Aware 1-5 Year USD Corporate Bond ETF (the “fund”) seeks to track the investment results of an index composed of U.S. dollar-denominated, investment-grade corporate bonds having remaining maturities between one and five years and issued by companies that have positive environmental, social and governance characteristics while seeking to exhibit risk and return characteristics similar to those of the parent index of such index.

### **Principal Investment Strategies**

The fund seeks to track the investment results of the Bloomberg MSCI US Corporate 1-5 Year ESG Focus Index (the “underlying index”), which has been developed by Bloomberg Finance L.P. and its affiliates (the “index provider” or “Bloomberg”) with environmental, social and governance (“ESG”) rating inputs from MSCI ESG Research LLC (“MSCI ESG Research”) pursuant to an agreement between MSCI ESG Research and Bloomberg Index Services Limited, a subsidiary of Bloomberg. The underlying index is an optimized fixed-income index designed to reflect the performance of U.S. dollar-denominated, investment-grade (as determined by Bloomberg) corporate bonds having remaining maturities between one and five years and issued by companies that have positive ESG characteristics (as determined by MSCI ESG Research ratings), while seeking to exhibit risk and return characteristics similar to those of the Bloomberg US Corporate 1-5 Years Index (the “parent index”). As of February 28, 2023, the underlying index included issuers from the following countries: Australia, Belgium, Brazil, Canada, Chile, China, France, Germany, Ireland, Japan, the Netherlands, Spain, Switzerland, Taiwan, the United Kingdom (the “U.K.”), and the U.S.

The index provider begins with the parent index and excludes companies involved in the business of tobacco, companies involved with controversial weapons, producers and retailers of civilian firearms, companies involved in certain fossil fuels-related activity (such as the production of thermal coal, thermal coal-based power generation and extraction of oil sands) based on revenue or percentage of revenue thresholds for certain categories (e.g., \$20 million or 5%) and categorical exclusions for others (e.g., controversial weapons). The index provider also excludes companies involved in very severe business controversies (in each case as determined by MSCI ESG Research), as well as securities of companies without an MSCI ESG Research rating, and then follows a quantitative process in an effort to determine optimal weights for securities to maximize exposure to securities of companies with higher ESG ratings subject to seeking to maintain risk and return characteristics similar to the parent index.

For each industry, MSCI ESG Research identifies key ESG issues that can lead to substantial costs or opportunities for companies (e.g., climate change, resource scarcity, demographic shifts). MSCI ESG Research then rates each company’s exposure to each key issue based on the company’s business segment and geographic risk and analyzes the extent to which companies have developed robust strategies and programs to manage ESG risks and opportunities. MSCI ESG Research scores companies based on both their risk exposure and risk management. To score well on a key issue, MSCI ESG Research assesses management practices, management performance (through demonstrated track record and other quantitative performance indicators), governance structures, and/or implications in controversies, which all may be taken as a proxy for overall management quality.

Controversies, including, among other things, issues involving anti-competitive practices, toxic emissions and waste, and health and safety, occurring within the last three years lead to a deduction from the overall management score on each issue. Using a sector-specific key issue weighting model, companies are rated and ranked in comparison to their industry peers. Key issues and weights are reviewed at the end of each calendar year. Corporate governance is always weighted and analyzed for all companies.

As of February 28, 2023, there were 1,416 issues in the underlying index. As of February 28, 2023, a significant portion of the underlying index is represented by securities of companies in the financials industry or sector. The components of the underlying index are likely to change over time.

The underlying index consists of U.S. dollar-denominated corporate bonds that are investment-grade, fixed-rate and taxable and have remaining effective maturities between one and five years. As of February 28, 2023, the average maturity of the securities in the underlying index was 2.90 years and the average credit rating was A3/Baa1. The securities in the underlying index are updated on the last business day of each month.

BFA uses an indexing approach to try to achieve the fund’s investment objective. Unlike many investment companies, the fund does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

Indexing may eliminate the chance that the fund will substantially outperform the underlying index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies.

BFA uses a representative sampling indexing strategy to manage the fund. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of an applicable underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market value and industry weightings), fundamental characteristics (such as return variability, duration (i.e., a security’s price sensitivity to a change in interest rates), maturity or credit ratings and yield) and liquidity measures similar to those of an applicable underlying index. The fund may or may not hold all of the securities in the underlying index.

The fund will invest at least 80% of its assets in the component securities of the underlying index, and the fund will invest at least 90% of its assets in fixed income securities of the types included in the underlying index that BFA believes will help the fund

track the underlying index. The fund will invest no more than 10% of its assets in futures, options, and swaps contracts that BFA believes will help the fund track the underlying index as well as in fixed income securities other than the types included in the underlying index, but which BFA believes will help the fund track the underlying index. Cash and cash equivalent investments associated with a derivative position will be treated as part of that position for the purposes of calculating the percentage of investments included in the underlying index. The fund seeks to track the investment results of the underlying index before fees and expenses of the fund.

The fund may lend securities representing up to one-third of the value of the fund's total assets (including the value of any collateral received).

The underlying index is sponsored by Bloomberg, MSCI ESG Research or their affiliates, which are independent of the fund and BFA, pursuant to an agreement between MSCI ESG Research and Bloomberg Index Services Limited (a subsidiary of Bloomberg) or an affiliate. The index provider determines the composition and relative weightings of the securities in the underlying index and publishes information regarding the market value of the underlying index.

**Industry Concentration Policy.** The fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the underlying index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities), repurchase agreements collateralized by U.S. government securities, and securities of state or municipal governments and their political subdivisions are not considered to be issued by members of any industry.

#### **Summary of Principal Risks**

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value per share ("NAV"), trading price, yield, total return and ability to meet its investment objective. The order of the below risk factors does not indicate the significance of any particular risk factor: asset class risk, authorized participant concentration risk, call risk, concentration risk, credit risk, cybersecurity risk, ESG risk, financials sector risk, income risk, index-related risk, indexing investment risk, infectious illness risk, interest rate risk, issuer risk, management risk, market risk, market trading risk, non-U.S. issuers risk, operational risk, reliance on trading partners risk, risk of investing in developed countries, risk of investing in the U.S., securities lending risk, tracking error risk, valuation risk.

### **iShares ESG Aware U.S. Aggregate Bond ETF (ticker: EAGG)**

#### **Investment Objective**

The iShares ESG Aware U.S. Aggregate Bond ETF (the "fund") seeks to track the investment results of an index composed of U.S. dollar-denominated, investment-grade bonds from issuers generally evaluated for favorable environmental, social and governance practices while seeking to exhibit risk and return characteristics similar to those of the broad U.S. dollar-denominated investment-grade bond market.

#### **Principal Investment Strategies**

The fund seeks to track the investment results of the Bloomberg MSCI US Aggregate ESG Focus Index (the "underlying index"), which has been developed by Bloomberg Finance L.P. and its affiliates (the "index provider" or "Bloomberg") with environmental, social and governance ("ESG") rating inputs from MSCI ESG Research LLC ("MSCI ESG Research") pursuant to an agreement between MSCI ESG Research and Bloomberg Index Services Limited (a subsidiary of Bloomberg) or an affiliate. The underlying index is an optimized fixed-income index designed to reflect the performance of U.S. dollar-denominated, investment-grade (as determined by the index provider) bonds from issuers generally evaluated for favorable ESG practices (as determined by MSCI ESG Research), while seeking to exhibit risk and return characteristics similar to those of the Bloomberg US Aggregate Bond Index (the "parent index").

The underlying index includes investment-grade U.S. Treasury bonds, non-securitized government-related bonds ("government-related bonds"), corporate bonds, mortgage-backed pass-through securities ("MBS"), commercial mortgage-backed securities ("CMBS") and asset-backed securities ("ABS") that are publicly offered for sale in the U.S.

To construct the underlying index, the index provider begins with the parent index and replicates its U.S. Treasury bond, MBS, CMBS and ABS exposures. These exposures are preserved at the weights of the parent index and are not subject to the index provider's optimization process, which is a quantitative process that seeks to determine optimal weights for securities to maximize exposure to securities of entities with higher MSCI ESG Research ratings subject to seeking to maintain risk and return characteristics similar to the parent index. For the remaining constituents of the parent index (i.e., corporate bonds and government-related bonds), the index provider excludes securities of entities involved in the business of tobacco, entities involved with controversial weapons, producers and retailers of civilian firearms, companies involved in certain fossil fuels-related activity (such as the production of thermal coal, thermal coal-based power generation and extraction of oil sands) based on revenue or percentage of revenue thresholds for certain categories (e.g., \$20 million or 5%) and categorical exclusions for others (e.g., controversial weapons). The index provider also excludes entities involved in very severe business controversies (in each case as determined by MSCI ESG Research), and securities of entities without an MSCI ESG Research rating, and then follows the index provider's optimization process.

For each industry, MSCI ESG Research identifies key ESG issues that can lead to substantial costs or opportunities for entities (e.g., climate change, resource scarcity, demographic shifts). MSCI ESG Research then rates each entity's exposure to each key issue based on the entity's business segment and geographic risk and analyzes the extent to which entities have developed robust strategies and programs to manage ESG risks and opportunities. MSCI ESG Research scores entities based on both their risk exposure and risk management. To score well on a key issue, MSCI ESG Research assesses management practices,



management performance (through demonstrated track record and other quantitative performance indicators), governance structures, and/or implications in controversies, which all may be taken as a proxy for overall management quality. Controversies, including, among other things, issues involving anticompetitive practices, toxic emissions and waste, and health and safety, occurring within the last three years lead to a deduction from the overall management score on each issue. Using a sector-specific key issue weighting model, entities are rated and ranked in comparison to their industry peers. Key issues and weights are reviewed at the end of each calendar year. Corporate governance is always weighted and analyzed for all entities.

The securities in the underlying index must have at least one year remaining to maturity, with the exception of amortizing securities such as ABS and MBS, which have lower thresholds as defined by the index provider. In addition, the securities in the underlying index must be denominated in U.S. dollars and must be fixed-rate and nonconvertible. Certain types of securities, such as state and local government series bonds, structured notes with embedded swaps or other special features, private placements (other than those offered pursuant to Rule 144A or Regulation S promulgated under the Securities Act of 1933, as amended (the "1933 Act")), floating rate securities and bonds that have been issued in one country's currency but are traded outside of that country in a different monetary and regulatory system (e.g., Eurobonds), are excluded from the underlying index. The securities in the underlying index are updated on the last business day of each month.

As of February 28, 2023, bonds that are subject to the index provider's optimization process, which composed approximately 29.52% of the bonds in the underlying index, received an MSCI ESG Research weighted average score of 7.99 on a scale from 0 to 10, with 10 being the highest score. As of February 28, 2023, U.S. Treasury bonds, which composed approximately 40.75% of the bonds in the underlying index, received an MSCI ESG Research score of 7.99. As of February 28, 2023, there were 8,031 issues in the underlying index. As of February 28, 2023, a significant portion of the underlying index is represented by MBS and U.S. Treasury securities. The components of the underlying index are likely to change over time.

As of February 28, 2023, approximately 27.46% of the bonds in the underlying index were U.S. fixed-rate agency MBS. U.S. fixed-rate agency MBS are securities issued by entities such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), and the Federal Home Loan Mortgage Corporation ("Freddie Mac") and are backed by pools of mortgages. U.S. fixed-rate agency MBS exposure does not receive any MSCI ESG Research rating as the index provider believes that U.S. fixed-rate agency MBS exposure is neither additive nor decremental to the underlying index's ESG rating profile. As such, based on currently available data, the index provider believes U.S. fixed-rate agency MBS exposure is ESG neutral and not inconsistent with an ESG focused exposure. Most transactions in fixed-rate MBS occur through standardized contracts for future delivery in which the exact mortgage pools to be delivered are not specified until a few days prior to settlement (to-be-announced ("TBA") transactions). The fund may enter into such contracts on a regular basis. The fund, pending settlement of such contracts, will invest its assets in high-quality, liquid short-term instruments, including shares of money market funds advised by BFA or its affiliates. The fund will assume its pro rata share of the fees and expenses of any money market fund that it may invest in, in addition to the fund's own fees and expenses. The fund may also acquire interests in mortgage pools through means other than such standardized contracts for future delivery.

BFA uses an indexing approach to try to achieve the fund's investment objective. Unlike many investment companies, the fund does not try to "beat" the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

Indexing may eliminate the chance that the fund will substantially outperform the underlying index but also may reduce some of the risks of active management, such as poor security selection.

BFA uses a representative sampling indexing strategy to manage the fund. "Representative sampling" is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of an applicable underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market value and industry weightings), fundamental characteristics (such as return variability, duration (i.e., a security's price sensitivity to a change in interest rates), maturity or credit ratings and yield) and liquidity measures similar to those of an applicable underlying index.

The fund may or may not hold all of the securities in the underlying index.

The fund will invest at least 80% of its assets in the component securities of the underlying index and in investments that have economic characteristics that are substantially identical to the component securities of the underlying index (i.e., TBAs), and the fund will invest at least 90% of its assets in fixed income securities of the types included in the underlying index that BFA believes will help the fund track the underlying index. The fund will invest no more than 10% of its assets in futures, options, and swaps contracts that BFA believes will help the fund track the underlying index as well as in fixed income securities other than the types included in the underlying index, but which BFA believes will help the fund track the underlying index. Cash and cash equivalent investments associated with a derivative position will be treated as part of that position for the purposes of calculating the percentage of investments included in the underlying index. The fund seeks to track the investment results of the underlying index before fees and expenses of the fund.

The fund may lend securities representing up to one-third of the value of the fund's total assets (including the value of any collateral received).

The underlying index is sponsored by Bloomberg, MSCI ESG Research or their affiliates, which are independent of the fund and BFA, pursuant to an agreement between MSCI ESG Research and Bloomberg Index Services Limited (a subsidiary of Bloomberg) or an affiliate. The index provider determines the composition and relative weightings of the securities in the underlying index and publishes information regarding the market value of the underlying index.

**Industry Concentration Policy.** The fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the underlying index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities), repurchase agreements collateralized by U.S. government securities, and securities of state or municipal governments and their political subdivisions are not considered to be issued by members of any industry.

#### **Summary of Principal Risks**

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value per share ("NAV"), trading price, yield, total return and ability to meet its investment objective.

The order of the below risk factors does not indicate the significance of any particular risk factor: asset class risk, authorized participant concentration risk, call risk, concentration risk, credit risk, cybersecurity risk, ESG risk, extension risk, high portfolio turnover risk, income risk, index-related risk, indexing investment risk, infectious illness risk, interest rate risk, issuer risk, management risk, market risk, market trading risk, operational risk, prepayment risk, risk of investing in the U.S., securities lending risk, tracking error risk, U.S. agency mortgage-backed securities risk, U.S. treasury obligations risk, valuation risk.

### **iShares ESG Aware MSCI USA Small-Cap ETF (ticker: ESML)**

#### **Investment Objective**

The iShares ESG Aware MSCI USA Small-Cap ETF (the "fund") seeks to track the investment results of an optimized index designed to produce investment results comparable to a capitalization weighted index of small-capitalization U.S. companies, while reflecting a higher allocation to those companies with favorable environmental, social and governance ("ESG") profiles (as determined by the index provider).

#### **Principal Investment Strategies**

The fund seeks to track the investment results of the MSCI USA Small Cap Extended ESG Focus Index (the "underlying index"), which has been developed by MSCI Inc. (the "index provider" or "MSCI"). The underlying index is an optimized equity index that is designed to produce investment results comparable to the MSCI USA Small Cap Index (the "parent index"), while reflecting a higher allocation than that of the parent index to companies with favorable ESG profiles (as determined by MSCI). The parent index represents the small-capitalization segment of the U.S. equity market (as determined by MSCI).

In constructing the underlying index, the index provider begins with the parent index and excludes securities of companies involved in the business of tobacco, companies involved with controversial weapons, producers and retailers of civilian firearms, and companies involved in certain fossil fuels-related activity such as the production of thermal coal, thermal coal-based power generation and extraction of oil sands based on revenue or percentage of revenue thresholds for certain categories (e.g., \$20 million or 5%) and categorical exclusions for others (e.g., controversial weapons). The index provider also excludes companies involved in very severe business controversies (in each case as determined by the index provider), and then follows a quantitative process that is designed to determine optimal weights for securities in the underlying index to maximize exposure to companies with higher ESG ratings, subject to maintaining risk and return characteristics similar to those of the parent index.

For each industry, the index provider identifies key ESG issues that can lead to substantial costs or opportunities for companies (e.g., climate change, resource scarcity, demographic shifts). The index provider then rates each company's exposure to each key issue based on the company's business segment and geographic risk and analyzes the extent to which companies have developed robust strategies and programs to manage ESG risks and opportunities. The index provider scores companies based on both their risk exposure and risk management. To score well on a key issue, the index provider assesses management practices, management performance (through demonstrated track record and other quantitative performance indicators), governance structures, and/or implications in controversies, which all may be taken as a proxy for overall management quality. Controversies, including, among other things, issues involving anti-competitive practices, toxic emissions and waste, and health and safety, occurring within the last three years lead to a deduction from the overall management score on each issue. Using a sector-specific key issue weighting model, companies are rated and ranked in comparison to their industry peers. Key issues and weights are reviewed at the end of each calendar year.

As of August 31, 2022, a significant portion of the underlying index is represented by securities of companies in the industrials industry or sector. The components of the underlying index are likely to change over time.

BFA uses a "passive" or indexing approach to try to achieve the fund's investment objective. Unlike many investment companies, the fund does not try to "beat" the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

Indexing may eliminate the chance that the fund will substantially outperform the underlying index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies.

BFA uses a representative sampling indexing strategy to manage the fund. "Representative sampling" is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of an applicable underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of an applicable underlying index. The fund may or may not hold all of the securities in the underlying index.

The fund generally will invest at least 90% of its assets in the component securities of the underlying index and may invest up to 10% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the underlying index, but which BFA believes will help the fund track the underlying index.

Cash and cash equivalent investments associated with a derivative position will be treated as part of that position for the purposes of calculating the percentage of investments included in the underlying index. The fund seeks to track the investment results of the underlying index before fees and expenses of the fund.

The fund may lend securities representing up to one-third of the value of the fund's total assets (including the value of any collateral received).

The underlying index and parent index are sponsored by MSCI, which is independent of the fund and BFA. The index provider determines the composition and relative weightings of the securities in the underlying index and parent index and publishes information regarding the market value of the underlying index and parent index.

**Industry Concentration Policy.** The fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the underlying index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities) and repurchase agreements collateralized by U.S. government securities are not considered to be issued by members of any industry.

#### **Summary of Principal Risks**

As with any investment, you could lose all or part of your investment in the fund, and the fund's performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund's net asset value per share ("NAV"), trading price, yield, total return and ability to meet its investment objective.

The order of the below risk factors does not indicate the significance of any particular risk factor: asset class risk, authorized participant concentration risk, calculation methodology risk, concentration risk, cybersecurity risk, equity securities risk, ESG risk, index-related risk, industrials sector risk, infectious illness risk, issuer risk, management risk, market risk, market trading risk, operational risk, passive investment risk, risk of investing in the U.S., securities lending risk, small-capitalization companies risk, tracking error risk.

### **iShares ESG Advanced High Yield Corporate Bond ETF (ticker: HYXF)**

#### **Investment Objective**

The iShares ESG Advanced High Yield Corporate Bond ETF (the "fund") seeks to track the investment results of an index composed of U.S. dollar denominated high yield corporate bonds from issuers with a favorable environmental, social and governance rating as identified by the index provider, while applying extensive screens for involvement in controversial activities.

#### **Principal Investment Strategies**

The fund seeks to track the investment results of the Bloomberg MSCI US High Yield Choice ESG Screened Index (the "underlying index"), developed by Bloomberg Finance L.P. and its affiliates (the "index provider" or "Bloomberg") with environmental, social and governance ("ESG") rating inputs from MSCI ESG Research LLC ("MSCI ESG Research") pursuant to an agreement between MSCI ESG Research and Bloomberg Index Services Limited (a subsidiary of Bloomberg) or an affiliate. The underlying index is a modified market value-weighted index with a cap on each issuer of 2% at each monthly rebalancing. The underlying index is designed to reflect the performance of U.S. dollar-denominated, high yield corporate bonds of issuers with favorable ESG ratings, as identified by the index provider, while applying additional screens. To construct the underlying index, Bloomberg begins with the Bloomberg US Corporate High Yield Index (the "parent index"). The parent index includes U.S. dollar-denominated, high yield, fixed-rate corporate bonds that: (i) are issued by companies with a developed markets country of risk, as defined by the index provider based primarily on quantitative economic criteria established by the index provider, and (ii) have a rating of below-investment grade (as determined by the index provider). From the parent index, Bloomberg selects bonds that have \$400 million or more of outstanding face value at the time of inclusion. The parent index includes bonds with at least one year until final maturity.

In determining whether a bond has a rating of below investment grade, ratings from Moody's Investors Services, Inc. ("Moody's"), Standard & Poor's® Global Ratings, a subsidiary of S&P Global ("S&P Global Ratings") and Fitch Ratings, Inc. ("Fitch") are considered. Securities in the underlying index must be rated high yield (below BBB- by S&P Global Ratings and Fitch, or below Baa3 by Moody's) using the middle rating from Moody's, S&P Global Ratings, and Fitch. When a rating from only two agencies is available, the lower of the two agencies' ratings is used. When a rating from only one agency is available, that rating is used to determine eligibility in the underlying index. Securities that are rated below investment grade are commonly referred to as "junk bonds."

To select favorable ESG rated companies from the parent index, MSCI excludes companies with an ESG controversy score of less than three (3) or an ESG rating below BB. To determine if companies are involved in ESG business controversies, MSCI assesses the possible negative environmental, social, and/or governance impact of a company's operations or products on a scale from zero to ten, with zero being the most severe controversy rating. To determine ESG ratings, MSCI rates the ESG characteristics of securities on a scale of "CCC" (lowest) to "AAA" (highest). MSCI then evaluates a company's risks and opportunities using a sector-specific ESG Key Issues ("key issues") (e.g., carbon emissions) selection and weighting model. Each company is scored on a scale of 0 to 10, with 10 being the highest, for each key issue before being provided an ESG rating based on average key issue

score. MSCI ESG Research also excludes securities of companies involved in adult entertainment, alcohol, gambling, tobacco, genetically modified organisms, controversial weapons, nuclear weapons, civilian firearms, conventional weapons, palm oil, for-profit prisons, predatory lending, and nuclear power based on revenue or percentage of revenue thresholds for certain categories (e.g., \$500 million or 50%) and categorical exclusions for others (e.g., nuclear weapons). MSCI ESG Research screens companies with involvement in fossil fuels by excluding the securities of any company in the Bloomberg Class 3 energy sector (i.e., corporate issuers in the energy sector include both independent and integrated exploration and production companies, as well as midstream oil field services, and refining companies) and all companies with an industry tie to fossil fuels such as thermal coal, oil and gas—in particular, reserve ownership, related revenues and power generation. The underlying index is rebalanced on a monthly basis, on the last business day of each month. As of October 31, 2022, a significant portion of the underlying index is represented by securities of companies in the communications and consumer cyclical industries or sectors. The components of the underlying index are likely to change over time. As of October 31, 2022, the underlying index had 681 components.

BFA uses a “passive” or indexing approach to try to achieve the fund’s investment objective. Unlike many investment companies, the fund does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

Indexing may eliminate the chance that the fund will substantially outperform the underlying index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies.

BFA uses a representative sampling indexing strategy to manage the fund. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of an applicable underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market value and industry weightings), fundamental characteristics (such as return variability, duration (i.e., a security’s price sensitivity to a change in interest rates), maturity or credit ratings and yield) and liquidity measures similar to those of an applicable underlying index. The fund may or may not hold all of the securities in the underlying index.

The fund will invest at least 80% of its assets in the component securities of the underlying index, and the fund will invest at least 90% of its assets in fixed income securities of the types included in the underlying index that BFA believes will help the fund track the underlying index. The fund will invest no more than 10% of its assets in futures, options, and swaps contracts that BFA believes will help the fund track the underlying index as well as in fixed income securities other than the types included in the underlying index, but which BFA believes will help the fund track the underlying index. Cash and cash equivalent investments associated with a derivative position will be treated as part of that position for the purposes of calculating the percentage of investments included in the underlying index. The fund seeks to track the investment results of the underlying index before fees and expenses of the fund.

The fund may lend securities representing up to one-third of the value of the fund’s total assets (including the value of any collateral received).

The underlying index is sponsored by Bloomberg, MSCI ESG Research, or their affiliates, which are independent of the fund and BFA. The index provider determines the composition and relative weightings of the securities in the underlying index and publishes information regarding the market value of the underlying index.

**Industry Concentration Policy.** The fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the underlying index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities), repurchase agreements collateralized by U.S. government securities, and securities of state or municipal governments and their political subdivisions are not considered to be issued by members of any industry.

#### **Summary of Principal Risks**

As with any investment, you could lose all or part of your investment in the fund, and the fund’s performance could trail that of other investments. The fund is subject to certain risks, including the principal risks noted below, any of which may adversely affect the fund’s net asset value per share (“NAV”), trading price, yield, total return and ability to meet its investment objective.

The order of the below risk factors does not indicate the significance of any particular risk factor: asset class risk, authorized participant concentration risk, call risk, communication services sector risk, concentration risk, consumer cyclical industry risk, credit risk, cybersecurity risk, ESG risk, high yield securities risk, illiquid investments risk, income risk, index-related risk, infectious illness risk, interest rate risk, issuer risk, management risk, market risk, market trading risk, operational risk, passive investment risk, privately issued securities risk, risk of investing in the U.S., securities lending risk, tracking error risk.

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