



## Massachusetts - U.Fund College Investing Plan

Data as of: 05/18/24

Massachusetts' U.Fund College Investing Plan, a Fidelity-managed 529 plan follows the same approach as other Fidelity plans in Arizona, Connecticut, Delaware and New Hampshire. It features three age-based options; one using Fidelity Series actively managed funds; one using Fidelity Series index funds; and a third using a combination of the two. The plan also offers 11 static options, and an option that invests in an interest-bearing deposit account.

### 5-Cap Rating

**Resident:**  Savingforcollege.com's 5-Cap Ratings provides an evaluation and comparison of 529 plans, utilizing a formula that examines dozens of factors grouped into the following categories. (Scale 0 to 5; 5 is highest)

**Non-Resident:** 

Performance	Costs	Features	Reliability	Resident Upgrade
3.21	4.11	4.49	3.91	0.40

### Investment Options

#### Age-based/Enrollment Year investment options:

Choose between 3 age-based options, one invested in Fidelity Series actively managed funds, another invested in Fidelity Series index funds, and a Fidelity Blend option with a combination. Contributions are placed into the portfolio corresponding to the beneficiary's age. The portfolios automatically shift to a more conservative investment allocation over time.

#### Static investment options:

Select among 6 multi-fund portfolios, 5 individual-fund portfolios, and a Bank Deposit Portfolio and a Money Market portfolio.

#### Underlying investments:

Fidelity Investments. For the Bank Deposit Portfolio only, a deposit in a FDIC-insured interest-bearing account (Wells Fargo).

### Taxes and other Benefits

#### Program match on contributions:

BabySteps MA (formerly known as SeedMA Baby) is an expansion of the SeedMA initiative started in 2016. Beginning in January 2020, every baby born to or adopted by a Massachusetts resident is eligible for a free \$50 seed deposit into a U.Fund 529 college savings account.

#### State tax deduction or credit for contributions:

Effective January 1, 2017, contributions to Massachusetts 529 plans of up to \$1,000 per year by an individual, and up to \$2,000 per year by a married couple filing jointly, are deductible in computing Massachusetts taxable income.

#### State tax recapture provisions:

The principal portion of nonqualified withdrawals from this plan are included in Massachusetts taxable income to the extent of prior Massachusetts tax deductions.

#### State definition of qualified expenses

The state conforms with the federal definition of qualified education expenses, which includes expenses for higher education, apprenticeship programs, interest and/or principal on qualified education loans up to a \$10,000 lifetime cap, and up to \$10,000 per year in tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. Distributions from a 529 account directly to a Roth IRA are not considered a qualified expense for state income tax purposes.

#### State tax treatment of qualified distributions:

Qualified distributions from Massachusetts and non-Massachusetts 529 plans are exempt.

#### State tax treatment of rollovers:

Massachusetts follows federal tax-free treatment.

#### Does the sponsoring state exclude the value of an account for state financial aid purposes?

No

#### Does participation in the program provide beneficiaries with any advantages in qualifying for resident tuition status at state institutions?

No

#### Is there a rewards program or outside scholarship program that works with this program?

Yes, Fidelity Rewards Visa Signature Card rebates 2% of purchases.

The Upromise Rewards program can be linked to any 529 college savings plan. Upromise Rewards is free to join and offers members cash back for college.

### Plan Portfolios

There is no investment data available for this plan. Please visit <https://www.fidelity.com/529-plans/massachusetts> for additional information.

### General

#### Program type:

Savings

#### How to enroll:

Enroll directly with the program.

#### Initial year of operation:

1999

#### State agency(ies):

Massachusetts Educational Financing Authority (MEFA)

#### Program manager:

Fidelity Investments

#### Program distributor:

Fidelity Brokerage Services, LLC

### Contributions

#### Maximum contributions:

Accepts contributions until all account balances in Massachusetts' 529 plan for the same beneficiary reach \$500,000.

#### Minimum contributions:

There is no minimum to open an account. With the automatic investment plan, the minimum contribution level is \$15 per month or \$45 per quarter.

#### Does the program offer an e-gifting platform for receiving gift contributions?

This plan offers an online tool to share a gift contribution link with family and friends.

### Fees & Expenses

#### Enrollment or application fee:

None.

#### Account maintenance fee:

None.

#### Program management fees:

0.09% for the index fund options (includes 0.045% state fee); 0.17% for the Fidelity fund options (includes 0.10% state fee); 0.12% for the Fidelity Blend fund options (includes 0.07% state fee). For the Bank Deposit Portfolio, there is a 0.10% Program Management Fee (includes 0.05% state fee) and is based on the Federal Funds Target Rate.

#### Expenses of the underlying investments:

Ranges from 0.02% to 0.05% annualized in the Fidelity index fund portfolios, from 0.30% to 0.78% annualized in the Fidelity funds portfolios, and 0.28% to 0.48% in the Fidelity Blend portfolios. For the Money Market 0.18% annualized in the Fidelity Funds. For the Bank Deposit Portfolio, there is no underlying fund expense. There is, however, a Bank Administration Fee, which ranges from 0.00%-0.40% and is based on the Federal Funds Target Rate.

#### Total asset-based expense ratio:

0.10% - 0.95%

### Contact

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<https://www.fidelity.com/529-plans/massachusetts>

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