August 16, 2013

CollegeCounts 529 Advisor Plan Portfolio Investment Changes

The investment options and portfolio allocations offered in the CollegeCounts 529 Fund Advisor Plan are reviewed on an ongoing basis. There are several upcoming changes designed to provide additional diversification and lower the overall duration of the fixed income investments in the Portfolios. The key changes are summarized as follows:

Increased Diversification

To broaden overall diversification, the fixed income allocations will be adjusted in the following Portfolios: Fixed Income Fund, Fund 20, Fund 40, Fund 60, Fund 80, and in the corresponding Age-Based Portfolios. The objective of these adjustments is to shorten the duration while providing further diversification for the fixed income portion of the Portfolios. By shortening the duration, the goal is to reduce the Portfolio's sensitivity to interest rate changes. The table below details the impacted underlying mutual funds in the Current Asset Allocation and the weightings in the New Asset Allocation.

"Current Fixed Income Asset Allocation" and the "New Fixed Income Asset Allocation" after the changes

	Underlying Mutual Funds				
	BlackRock Inflation-Protected Bond Fund	**American Century Short Duration Inflation Protection Bond Fund**	**Northern Bond Index Fund**	**PIMCO Total Return Fund**	**PIMCO Short-Term Fund**
Fixed Income Fund					
Current Allocation	**12%**	**0%**	**19%**	**19%**	**0%**
New Allocation	**0%**	**12%**	**4%**	**4%**	**30%**
Fund 20					
Current Allocation	**11%**	**0%**	**26%**	**27%**	**0%**
New Allocation	**0%**	**11%**	**15%**	**15%**	**23%**
Fund 40					
Current Allocation	**9%**	**0%**	**20%**	**25%**	**0%**
New Allocation	**0%**	**9%**	**15%**	**20%**	**10%**
Fund 60					
Current Allocation	**7%**	**0%**	**11%**	**16%**	**0%**
New Allocation	**0%**	**7%**	**9%**	**13%**	**5%**
Fund 80					
Current Allocation	**5%**	**0%**	**3%**	**7%**	**0%**
New Allocation	**0%**	**5%**	**3%**	**7%**	**0%**

In addition, the above investment changes will be implemented in the Age-Based Portfolios, highlighted below:

Beneficiary Age

Age-Based Track	*0 – 8*	*9 – 12*	*13 – 16*	*17 – 20*	*21 and over*
Aggressive	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20
Moderate	Fund 80	Fund 60	Fund 40	Fund 20	Fixed Income
Conservative	Fund 60	Fund 40	Fund 20	Fixed Income	Money Market

New Investment Fund

One of the Program's goals is to provide a diverse group of investment options. In keeping with that goal, the Program will be adding the American Century Short Duration Inflation Protection Bond Fund (Ticker: APISX) as an Individual Fund Portfolio.

What do you need to do?

As a current investor, no action will be required on your part. **The changes outlined above will be made to the Portfolios on Thursday, September 26th**. You will receive an updated Program Disclosure Statement at that time. These changes to the Program are not considered an investment change to your account.

What if you want to invest differently than outlined?

If you choose to change the Portfolio in which you invest, the IRS allows one investment option change every calendar year. You may select a different Portfolio(s) before September 26th if you have not already requested an investment option change in 2013. For questions regarding the Program, your account, or the upcoming enhancements, please feel free to contact your investment professional or one of our customer care representatives at (866) 529 - 2228 between 7:30 am and 6:00 pm CT, Monday through Friday.

Thank you for investing with CollegeCounts!