



# big plans

*Your tax-advantaged choice for funding a child's education.*



Investments in the CollegeChoice 529 Investment Plan® are not FDIC insured, may lose value and are not bank or state guaranteed.

*Tomorrow belongs to those who prepare for it today. College may seem like*



*a distant dream for your children or grandchildren, but it will be here before*

*you know it. If you're going to give them the advantages they deserve,*



*your investments need to work as hard to prepare for college as they will.*



*your choice*

**The future is theirs. The choice is yours**

Financing higher education requires a long-term investment plan that puts professional money management on your side, yet *leaves you in control*. A flexible, affordable investment program that allows you to:

- **Choose your school** from any accredited eligible institution of higher education.
- **Choose your investments** to match your goals and time horizon.
- **Choose your beneficiary** and change it as needed.
- **Choose your contribution**, from large lump-sums to small, regular investments.



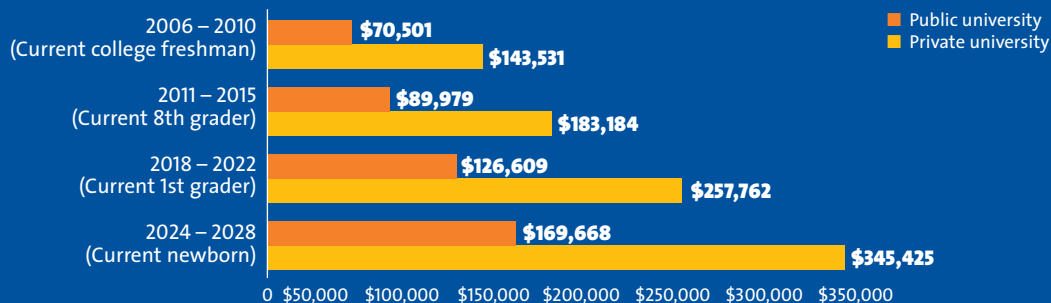
### Plan on rapidly rising costs

Higher education comes with a high price tag, but the value of a college diploma may be even greater. Tuition bills are more than simply an expense. They're an investment in a child's future — an investment that can yield a lifetime of valuable benefits.

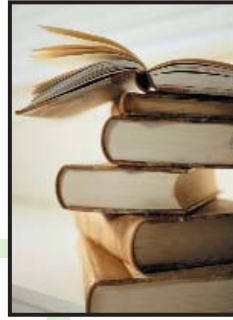
College costs are already high — and growing higher with each passing school year. If you had a college student enrolled for the 2006-2007 academic year, your average one-year costs at an in-state public university would have been over \$16,000. The cost jumps to over \$33,000 for a private university.

For younger children, you can expect to pay even more by the time they reach college age. Education expenses have historically risen faster than the overall inflation rate, meaning your investments need to start early and earn enough to outpace annual price increases. (see chart below). It could cost more than \$169,000 to put a child born today through four years at a public university.

### The rising cost of a 4-year education



\* Source: The College Board's **Trends in College Pricing 2006**. Includes tuition, room and board, transportation, books and other expenses. Assumes in-state residency for public university. Projected costs assume 5% annual increases, using 2006-2007 costs as a base.



# dream

## The CollegeChoice 529 Investment Plan®

### How does it work?

The CollegeChoice 529 Investment Plan is a tax-advantaged education savings plan that allows you to invest on behalf of a college-bound beneficiary, while retaining control over the assets. When the beneficiary is ready to enroll, you simply withdraw money free from federal taxes to cover qualified higher education expenses at any accredited eligible U.S. or foreign post-secondary school<sup>1</sup> — from public and private universities, to graduate schools, to vocational-technical schools.

### Who can contribute?

Anyone over age 18 can open a CollegeChoice account, regardless of income level. Parents can invest for their children, grandparents for their grandchildren, aunts and uncles for their nieces and nephews. Any adult can open an account for any beneficiary.<sup>2</sup>

<sup>1</sup> Eligible educational institutions are generally defined under section 529 as accredited post-secondary educational institutions offering credit toward a bachelor's degree, an associate degree, a graduate-level or professional degree, or another recognized post-secondary credential and eligible to participate in federal student aid programs.

<sup>2</sup> Beneficiary must have a Social Security number.

<sup>3</sup> Section 529 defines a family member as: a son or daughter (including a legally adopted child), or a descendent of either; a stepson or stepdaughter; a brother or sister (including a brother or sister by half-blood); a stepbrother or stepsister; the father or mother, or an ancestor of either; a stepfather or stepmother; a niece or nephew; an aunt or uncle; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; or the spouse or domestic partner of the beneficiary or of the other foregoing individuals and a first cousin of the beneficiary



More than one person can contribute to the same account until total contributions reach \$298,770. After that, the account may continue to grow higher through investment earnings only. This amount may increase in the future to reflect rising college costs.

### **Who can be a beneficiary?**

Any person of any age can be named as beneficiary of a CollegeChoice account.<sup>2</sup> As account owner, you can select a child, adult or even yourself as beneficiary. Your account can remain open for an unlimited period of time to provide funds for a loved one who chooses to attend college later in life. Or, if a beneficiary decides not to attend college, you can name another member of the beneficiary's family as beneficiary.<sup>3</sup>

### **What are the tax benefits?**

Your investments grow tax deferred and can be withdrawn federal tax free if used for qualified higher education expenses. Your contributions may also help you manage federal gift and estate taxes (see page 5).



### **The CollegeChoice 529 Investment Plan at a glance**

- *Maximum contribution: \$298,770 per beneficiary*
- *Maximum gift tax-free contribution: \$12,000 per person per year or \$60,000 in the first year of a five-year period (combined with all other gifts to the beneficiary)*
- *Income limits: None*
- *Age limits: Account owners must be at least 18; no limits on beneficiaries*
- *Tax benefits: Tax-deferred growth; federal tax-free withdrawals for qualified higher education expenses\**
- *Investment options: Age-based program or 12 custom portfolios*
- *Allows for automatic investments of as little as \$25 to be deducted from your checking or savings accounts\*\**
- *Minimum initial contribution: \$50.*
- *Additional contributions: \$25 or more*

\* Withdrawals are free from state and federal taxes for Indiana residents when used for qualified higher education expenses. Non-qualified withdrawals are subject to income tax and an additional 10% federal tax on earnings. Contributions are made with after-tax dollars. State tax laws may vary in the treatment of 529 plans. Please review this aspect carefully before choosing a 529 plan.

\*\* Systematic investing does not ensure a profit and does not protect against loss in declining markets. An investor should consider his or her financial ability to continue making additional investments through periods of low share price levels.

# aspire

Pursue higher education with lower



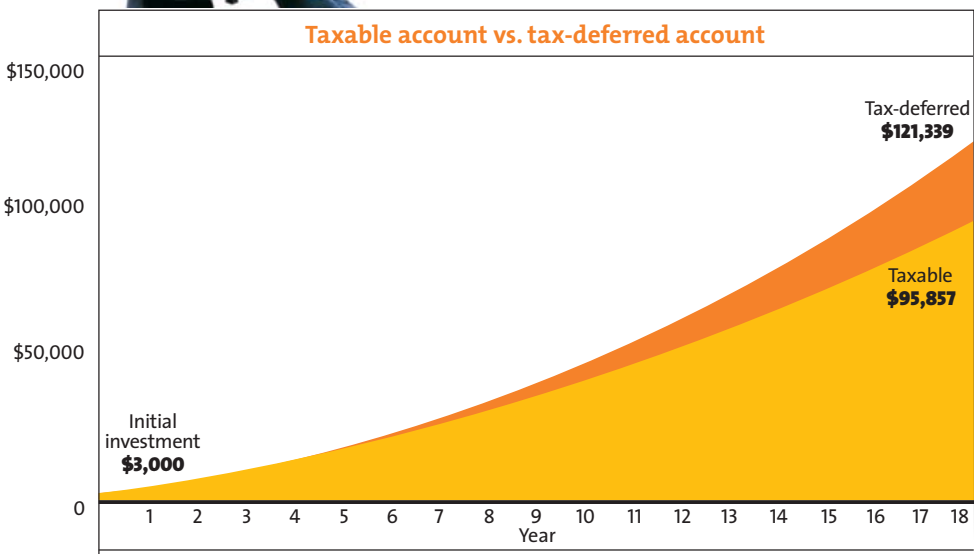
### Tax-advantaged growth

Unlike taxable investment accounts in which you pay taxes each year on your earnings, assets in a CollegeChoice account grow deferred from federal taxes. And the earnings can be withdrawn tax-deferred as long as they are used for qualified higher education expenses. By avoiding taxes, you keep more money in your account, where it may continue to compound and grow in value. Over time, this

may mean the difference between sending your children to schools you can afford and sending them to the schools of their choice.

For example, if you made an initial investment of \$3,000 and added \$3,000 annually to a CollegeChoice account for 18 years, you may accumulate about \$121,000 for college — or over \$25,000 more than the exact same investment in a taxable account (see chart below).

*In addition, Indiana residents can also receive a 20% tax credit, up to \$1,000 per year, on contributions into a CollegeChoice 529 Investment Plan.*



Source: JPMorgan Asset Management. Assumes an 8% annual return and 28% federal tax bracket. Illustration does not reflect the impact of fees and expenses charged for the plan, which may reduce the performance of an account. This hypothetical illustration is not intended to be indicative of any specific investment. Periodic investment plans do not assure a profit and do not protect against loss in a declining market.

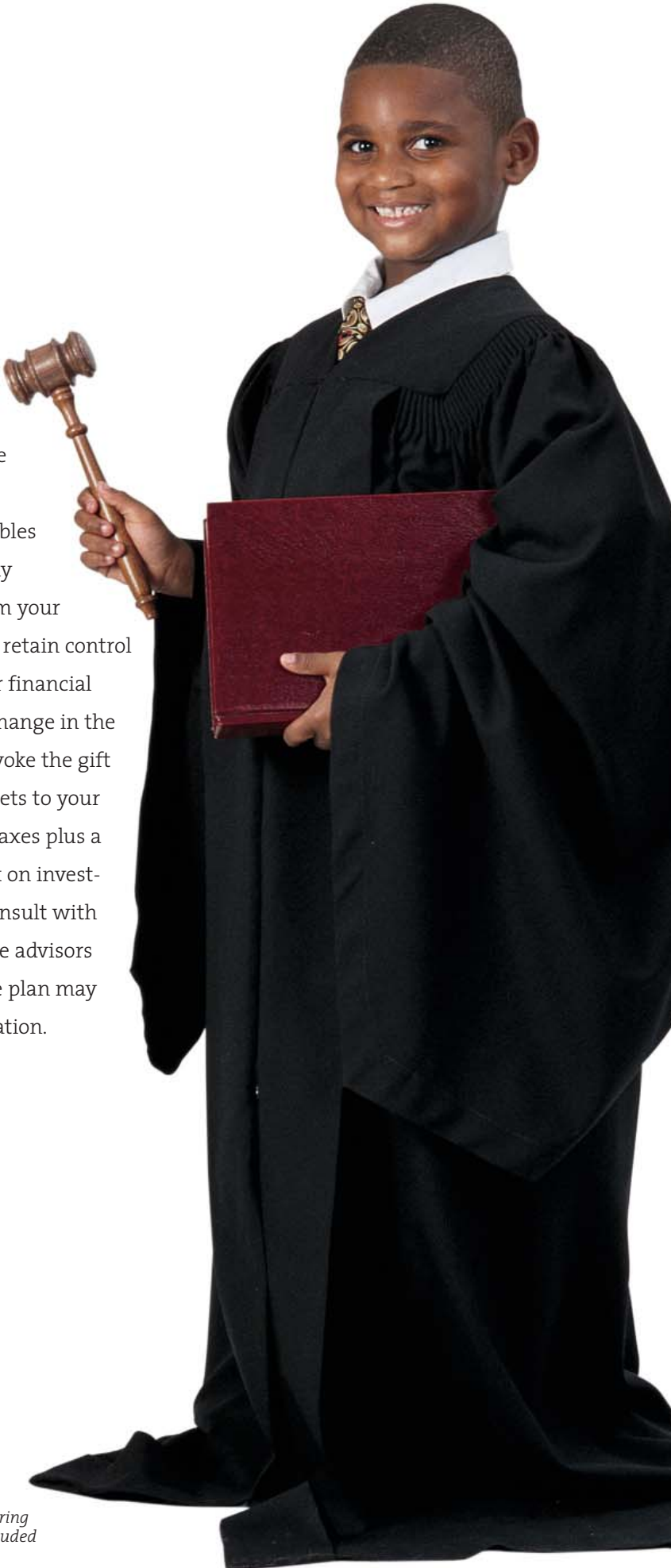
# taxes



### Gift and estate tax advantages

The CollegeChoice 529 Investment Plan can also offer estate planning benefits to families with potentially taxable estates. Under normal circumstances, gifts of up to \$12,000 per person per year (\$24,000 for married couples) can be made without incurring federal estate or gift taxes. But CollegeChoice allows you to contribute a maximum of \$60,000 in one year for each beneficiary without tax consequences (\$120,000 for married couples), provided you don't make any additional contributions for that beneficiary over a five-year period.

Unlike other estate planning vehicles, CollegeChoice enables you to immediately remove assets from your taxable estate, yet retain control over them.\* If your financial situation should change in the future, you can revoke the gift and return the assets to your estate, subject to taxes plus a 10% additional tax on investment earnings. Consult with your tax and estate advisors to discuss how the plan may apply to your situation.



*\* An important thing to note is that if you contribute \$60,000 and die during the 5-year period, the portion not covered by the annual exclusion is included in your taxable estate.*

# Your choice of investment approaches

## Two approaches to investing

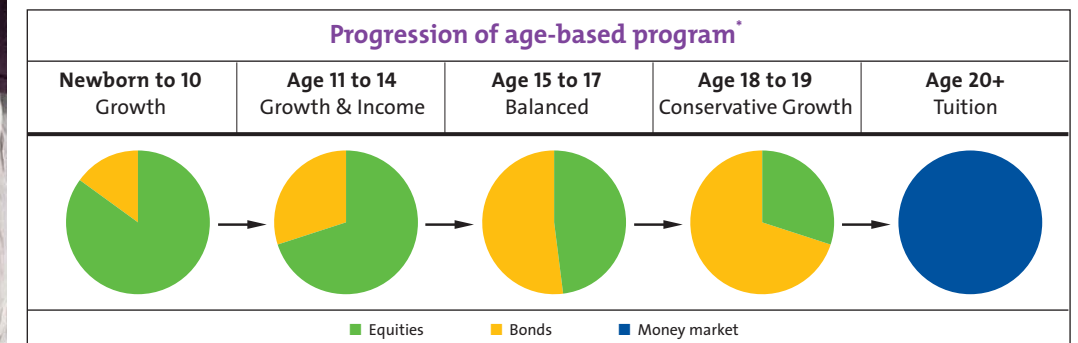
Depending on how involved you want to be in selecting the appropriate asset mix for your CollegeChoice 529 Investment Plan, you can choose from two different investment approaches:

- 1) Age-based program
- 2) Custom portfolios

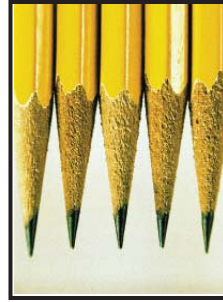
### 1 Age-based program

The goal of the age-based program is to maximize growth potential in a child's early years and reduce downside risks as college draws nearer.

As a result, your account initially invests in portfolios more heavily concentrated in stock funds. As the student ages, your assets automatically move into more conservatively invested portfolios. These automatic shifts occur when the child reaches key ages.



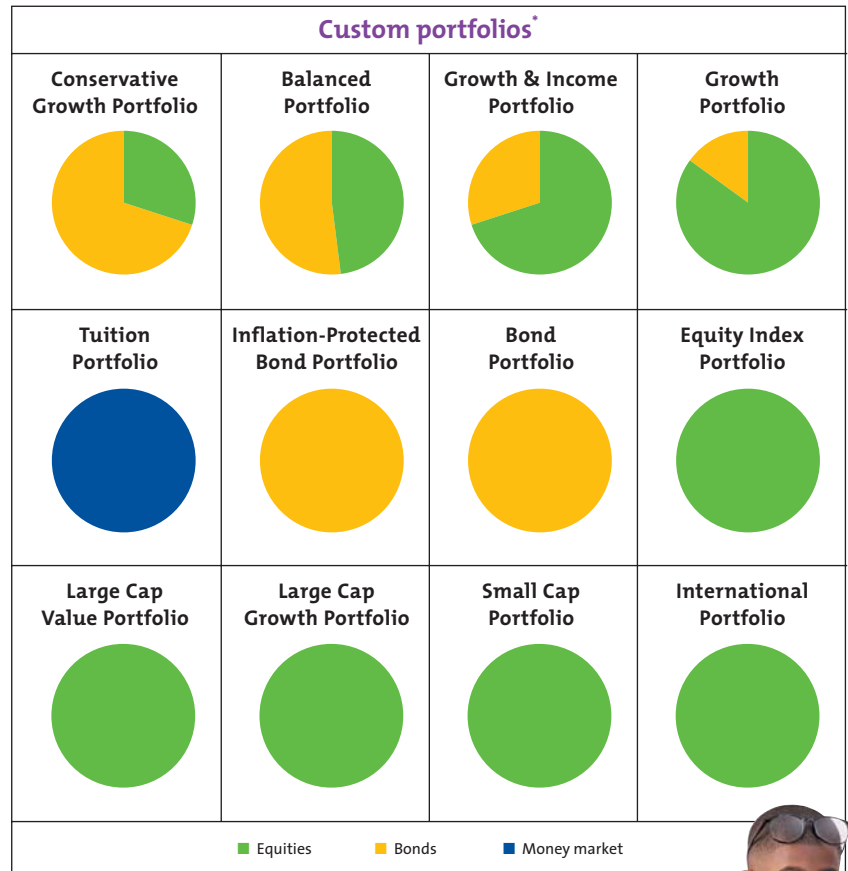
# ssibilities



## 2 Custom portfolios

For investors who seek more control over their asset allocation, custom portfolios offer a mix of mutual funds that doesn't change automatically as the child ages. Simply choose the portfolio(s) that most closely match your needs.

*\*Illustrations indicate approximate target allocation ranges for the portfolios. For actual allocations, please see the Offering Statement.*



### Can I change my investment elections?

CollegeChoice account owners can change their investment elections once per calendar year, so your investment can keep pace with your changing financial needs. With the age-based program, your investments are automatically adjusted to reflect the beneficiary's age.

# explore

## Additional benefits of the CollegeChoice 529 Investment Plan

### A national program

- Open to any U.S. resident in all 50 states and U.S. territories.<sup>1</sup>
- Account assets can be used at accredited U.S. or foreign eligible institutions.

### Maximum flexibility

- Any person of any age can be named as beneficiary.
- There are no income limits to participate.
- Initial contributions can range from \$50 to \$298,770 per beneficiary.
- Beneficiaries can be changed to another member of the beneficiary's family.
- Accounts can remain open for an unlimited period of time.
- Investment elections can be changed once per calendar year.

### Adult control

- You own the account and have *full control* over its assets.
- Unlike custodial accounts, beneficiaries *don't assume control after reaching legal age*.
- *The gift can be revoked* if you need the assets at a future point.<sup>2</sup>

### High-quality investment choices

- Accommodates your changing investment needs and time frames.
- Managed by teams of disciplined, experienced professionals.

### Take advantage of dollar cost averaging

Dollar cost averaging is a no-fee service that allows you to regularly invest fixed amounts based on your schedule and choice of custom portfolios.<sup>4</sup>

### Ease and convenience

- Quarterly account statements allow you to monitor investment performance and progress toward your goal.
- Access your account 24 hours a day via a touchtone telephone system at 1-866-400-PLAN(7526) or online at [www.collegechoiceplan.com](http://www.collegechoiceplan.com).
- Automatic investments of as little as \$25 can be deducted directly from your checking or savings accounts.<sup>3</sup>

<sup>1</sup> Before investing in a 529 plan, investors should carefully consider whether their home state offers any state tax or other benefits that are only available for investments in their state's 529 college savings plan. State laws vary in the treatment of 529 plans.

<sup>2</sup> Withdrawals that aren't used for qualified higher education expenses are subject to taxes plus a 10% additional tax on investment earnings.

<sup>3</sup> Systematic investing does not ensure a profit and does not protect against loss in declining markets.

<sup>4</sup> Dollar cost averaging does not ensure a profit and does not protect against loss in declining markets. An investor should consider his or her financial ability to continue making additional investments through periods of low share price levels.



## How it works

- You invest \$5,000 or more in any CollegeChoice portfolio, usually the Tuition Portfolio, with a goal of offering steady income and protection against market fluctuations.
- Each month or quarter, \$500 or more is automatically transferred to each custom portfolio you want to invest in. Dollar cost averaging is not offered for the age-based program.
- Your entire initial investment — and all earnings — may be protected against estate and income taxes without immediately exposing the whole amount to market movements.

**To open your CollegeChoice account**

Simply complete the Enrollment Application and return it with your initial contribution. Your financial advisor can help you fill out the paperwork and choose your age-based program or custom portfolio.


**To learn more about CollegeChoice**

- Consult with your financial advisor
- Visit [www.collegechoiceplan.com](http://www.collegechoiceplan.com)
- Call **1-866-400-PLAN(7526)**



Make the right choice. The future is now

their future



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JPMorgan Distribution Services, Inc., its parent and affiliates do not provide legal or tax advice. This information is provided for general educational purposes only. This is not to be considered legal or tax advice. Investors should consult with their legal or tax advisors for personalized assistance, including information regarding any specific state law requirements.

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