Supplemented March 2018

FutureScholar
South Carolina's 529 College Savings Plan

Helping South Carolinians save for college

Program Description

Direct Program, November 2017

The State of South Carolina's College Investing Program

Individuals with questions concerning the Future Scholar 529 Plan (the "Program"), including questions regarding the procedure for opening an account or how to request an account application or other account forms, should call the Program Manager at 888.244.5674 or visit the Program's website at futurescholar.com. Questions or requests for information also may be addressed in writing to:

Future Scholar 529 College Savings Plan
P.O. Box 8036
Boston, MA 02266-8036

Curtis Loftis
State Treasurer
State of South Carolina

Supplement dated March 1, 2018 to
Future Scholar 529 College Savings Plan Direct
Program Description dated November 2017

This Supplement updates information contained in the Direct Program Description dated November 2017 (the "Program Description") of the Future Scholar 529 College Savings Plan (the "Program"). You may obtain an additional copy of the Program Description, including the Performance, Fee and Expense Information Supplemental Booklet dated, February 2018, free of charge, through the Internet at www.futurescholar.com or by calling 1.888.244.5674. Unless otherwise indicated, defined terms used herein have the same meaning as those in the Program Description. You should read this Supplement in conjunction with the Program Description and retain it for future reference.

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Account Owners may, beginning in 2018, withdraw up to an aggregate $10,000 per Account Beneficiary in each taxable year for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. Account Owners may also, for periods before January 1, 2026, rollover certain amounts from the Program to an ABLE account, subject to certain contribution limits.

Effective January 1, 2018, the Program Description is revised as follows:

- **In "PARTICIPATION AND ACCOUNTS – Qualified Withdrawals – *Qualified Higher Education Expenses*" on page 17 of the Program Description, the following new paragraph is added at the end of the definition of Qualified Higher Education Expenses:**

  "Effective for distributions made after December 31, 2017, the definition of Qualified Higher Education Expenses under the Internal Revenue Code of 1986, as amended (the "Code") is expanded to include expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. The amount of cash distributions from all qualified tuition programs with respect to a beneficiary during any taxable year shall, in the aggregate, include not more than $10,000 in expenses for tuition incurred during the taxable year. Account Owners are responsible for monitoring, and complying with, the $10,000 aggregate limit for such expenses. As of the date of this Supplement, the IRS has not provided guidance as to which expenses qualify as "expenses for tuition" or how elementary or secondary public, private, or religious school would be defined under "Eligible Educational Institution."

- **In "THE FUTURE SCHOLAR PORTFOLIOS – Portfolio Selection" on page 22 of the Program Description, the following new paragraph is added at the end of this section:**

  "Account Owners who intend to use Account assets to pay expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school are responsible for selecting an Investment Portfolio that is appropriate for the shorter time period prior during which the assets will be invested, as compared to the time period for investing for enrollment or attendance at an Eligible Educational Institution (i.e., college or other post-secondary educational institution). Without limiting the foregoing, Account Owners should note that the Age-Based Portfolio Options may not be appropriate for this purpose because they are specifically designed for the time period remaining before a typical Designated Beneficiary is expected to attend an Eligible Educational Institution."

- **In "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS – Rollovers and Transfers" on page 41 of the Program Description, the following new paragraph is added at the end of this section:**

  "Rollovers to ABLE Programs. Effective for periods before January 1, 2026, an Account Owner may, within 60 days of a distribution from an Account in the Program, rollover such distribution to an ABLE account (as defined in section 529A(e)(6) of the Code) of the Designated Beneficiary or a member of the family of the Designated Beneficiary, subject to the contribution limits for ABLE accounts. Alternatively, an Account Owner

may initiate a direct transfer from an Account in the Program to an ABLE account, subject to these same limitations. Such amounts would count towards the overall limitations on contributions to an ABLE account within a taxable year. Account Owners should consult with a qualified tax advisor regarding the Account Owner's individual situation, including whether a rollover to an ABLE account would result in the recapture of any South Carolina income tax deduction previously claimed (or other state, if the Account Owner is not a South Carolina taxpayer)."

- **In "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS – Taxation by the State of South Carolina" on page 42 of the Program Description, the following new paragraph is added at the end of this section:**

  Based on changes provided by the Tax Cuts and Job Act of 2017, the Program may accept and hold contributions intended for the payment of expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school, and may permit Qualified Withdrawals of up to an aggregate $10,000 per Account Beneficiary in 2018 or any subsequent taxable year to pay expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. See "PARTICIPATION AND ACCOUNTS – Qualified Withdrawals – *Qualified Higher Education Expenses"* for additional information. The legislature of the State of South Carolina may review applicable law and take legislative action to formalize this guidance.

- **In "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS – Taxation by Other States" on page 43 of the Program Description, the following new paragraph is added at the end of this section:**

  "Consistent with the foregoing, if you are not a South Carolina taxpayer, please consult your financial, tax or other advisor to understand the state tax consequences of taking distributions of up to an aggregate $10,000 per Account Beneficiary during any taxable year to pay expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school."

Supplement dated February 16, 2018 to
Future Scholar 529 College Savings Plan Financial Direct Program
Program Description dated November 2017

This Supplement updates information contained in the Direct Program Description dated November 2017 (the "Program Description") of Future Scholar 529 College Savings Plan (the "Program"). You may obtain an additional copy of the Program Description, free of charge, through the Internet at www.futurescholar.com or by calling 1.888.244.5674. Unless otherwise indicated, defined terms used herein have the same meaning as those in the Program Description. You should read this Supplement in conjunction with the Program Description and retain it for future reference.

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Effective on December 31, 2017, the Program Description is revised as follows

- **In "THE FUTURE SCHOLAR PORTFOLIOS—Target Allocation Portfolios " the table on page 24 of the Program Description is deleted in its entirety and replaced with the following :**

	Aggressive Growth Portfolio	Growth Portfolio	Moderate Growth Portfolio	Moderate Portfolio	Moderately Conservative Portfolio	Conservative Portfolio	College Portfolio
Risk Track	**Age of Designated Beneficiary**						
Aggressive	0 – 5	6 - 8	9 – 11	12 – 15	16 - 17	18+	
Moderate		0 – 5	6 – 8	9 – 11	12 – 15	16 - 17	18+
Conservative			0 – 5	6 – 8	9 – 11	12 – 15	16+
Domestic Equities	**70%**	**64%**	**49%**	**42%**	**26%**	**16%**	**0%**
Columbia Large Cap Index	48	46	34	30	19	14	0
Columbia Mid Cap Index	14	12	10	8	4	2	0
Columbia Small Cap Index	8	6	5	4	3	0	0
International Equities	**23%**	**19%**	**14%**	**11%**	**7%**	**1%**	**0%**
Vanguard Developed Markets Index	23	19	14	11	7	1	0
Fixed Income	**7%**	**17%**	**37%**	**41%**	**49%**	**46%**	**49%**
iShares 7-10 Year Treasury Bond ETF	0	0	0	0	3	3	5
Vanguard Total Bond Market II Index	7	17	36	38	39	35	39
Vanguard Short-Term Bond Index	0	0	0	3	6	7	5
iShares Barclays TIPS Bond	0	0	1	0	1	1	0
Cash	**0%**	**0%**	**0%**	**6%**	**18%**	**37%**	**51%**
Vanguard Federal Money Market	0	0	0	6	18	37	51
Equities	**93%**	**83%**	**63%**	**53%**	**33%**	**17%**	**0%**
Fixed Income & Cash	**7%**	**17%**	**37%**	**47%**	**67%**	**83%**	**100%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

This Program Description should be retained for future reference as it sets forth information you should know before participating in the Direct Program, including information about fees, expenses, tax consequences and investment risks. Account Owners should rely only on the information contained in the Program Description, including the Supplemental Booklet (and any supplements). No one is authorized to provide information that is different from the information contained in the Program Description, including the Supplemental Booklet (and any supplements). The information in the Program Description is believed to be accurate as of November, 2017 and is subject to change without notice. The Portfolios and Underlying Funds may change. This Program Description will be updated from time to time to reflect changes determined to be material.

Account Owners or Designated Beneficiaries are not permitted to direct or control the investments of the Portfolios or the Underlying Funds, and do not have access or rights to any assets of the Office of State Treasurer, the State of South Carolina or the Program other than Trust Fund assets credited to the Account Owner or Designated Beneficiary.

No Individual Tax Advice. Any statements in this Program Description concerning U.S. tax issues (i) are not offered as individual tax advice to any person, and (ii) are provided as general information in connection with the promotion or marketing of the Program. Each taxpayer should seek advice, based on the taxpayer's particular circumstances, from an independent tax advisor

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State Tax and Other Benefits. If you are not a South Carolina taxpayer, consider before investing whether your or the beneficiary's home state offers a Section 529 Program that provides its taxpayers with favorable state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that may only be available through investment in the home state's Section 529 Program, and which are not available through investment in the Future Scholar 529 College Savings Plan. Since different states have different tax provisions, this Program Description contains limited information about the state tax consequences of investing in the Program. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's Section 529 Program(s), or any other Section 529 Program, to learn more about those plans' features, benefits and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

Except for the Future Scholar Bank Deposit Portfolio, Program Accounts are not bank deposits, are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency, are not debts or obligations of, or guaranteed by, any bank or other financial institution, including the Office of State Treasurer, the State of South Carolina, Branch Banking and Trust Company, the Program Manager or its affiliates.

FDIC insurance is provided for the Future Scholar Bank Deposit Portfolio only, which invests in one or more FDIC-insured omnibus deposit account ("Bank Deposit Account") held in trust by the Program at Branch Banking and Trust Company ("BB&T"). Contributions to and earnings on the investments in the Bank Deposit Account are insured by the FDIC on a pass-through basis to each Account Owner up to the maximum amount set by federal law – currently $250,000. The amount of FDIC insurance provided to an Account Owner is based on the total of: (a) the amount of an Account Owner's investment in the Savings Portfolio; and (b) the amount or amounts of all other accounts held by the Account Owner at BB&T, as determined in accordance with BB&T records and FDIC regulations. The Program is not responsible for determining how an Account Owner's investment in the Future Scholar Bank Deposit Portfolio will be aggregated with other accounts held by the Account Owner at BB&T for purposes of the FDIC insurance.

Investments in the Direct Program involve investment risks including possible loss of principal. None of the State of South Carolina, the Treasurer, any agency or instrumentality of South Carolina, Columbia Management Investment Advisers, LLC, Columbia Management Investment Distributors, Inc., Boston Financial Data Services, Inc., Ameriprise Financial, Inc. or any of their affiliates, any agent or representative retained in connection with the Direct Program or any other person, is an insurer of, makes any guarantee of or has any legal or moral obligation to insure the ultimate payout of any or all of the amount of any Contribution to an Account or that there will be any investment return or investment return at any particular level with respect to any Account.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of this Program Description or the Participation Agreement. Any representation to the contrary is a criminal offense. These securities have not been registered with the Securities and Exchange Commission or any state securities commission.

Columbia Management Investment Advisers, LLC is a wholly-owned subsidiary of Ameriprise Financial, Inc. and furnishes investment management services and products for institutional and individual investors. Columbia Management Investment Distributors, Inc., is the distributor of the Columbia Funds and is an indirect subsidiary of Columbia Management Investment Advisers, LLC.

The Office of the State Treasurer of South Carolina Curtis M. Loftis, Jr. (the State Treasurer) administers the Program, and has selected Columbia Management Investment Advisers, LLC and Columbia Management Investment Distributors, Inc. as Program Manager. The Program Manager and certain affiliates are responsible for providing certain administrative, recordkeeping and investment services and for the marketing of the Program. Neither Columbia Management Investment Advisers, LLC nor Columbia Management Investment Distributors, Inc. is affiliated with the State Treasurer.

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FUTURE SCHOLAR 529 COLLEGE SAVINGS PLAN

PROGRAM HIGHLIGHTS NOVEMBER 2017

This *Program Highlights* section highlights certain key features of the Direct Program. More detailed information about the Program, including establishing a Future Scholar Account, the Portfolios, fees and expenses, investment risks, and tax consequences, are described in the pages that follow. Please read this entire Program Description, including the Performance, Fee and Expense Information Supplemental Booklet, and the Participation Agreement carefully before investing and keep them for future reference.

Certain Key Terms used in this Program Description and the Participation Agreement are defined beginning on page seven.

		For More Information
Management and Administration	The Program is an investment program administered by the Treasurer to provide a tax-advantaged method of funding higher education expenses. Columbia Management is the Program Manager and performs certain investment, management, and administrative functions.	**See "PROGRAM MANAGEMENT AND ADMINISTRATION."**
Investment Options	An Account Owner can choose from the following types of investment options: Target Allocation Portfolios (which invest in a combination of Underlying Funds), Single-Fund Portfolios (which invest in a single Underlying Fund), or Age-Based Portfolios (which invest in a series of Target Allocation Portfolios based on a Designated Beneficiary's age and preferred risk tolerance). (Each investment alternative within an investment option is referred to as a "Portfolio.") These investment portfolios are subject to change from time to time, and additional or different investment portfolios may be available in the future.	**See "THE FUTURE SCHOLAR PORTFOLIOS."**
Maximum Contribution Limit	$426,000 per Designated Beneficiary	**See "PARTICIPATION AND ACCOUNTS – Contributions – Maximum Contribution."**
Minimum Contribution	None	**See "PARTICIPATION AND ACCOUNTS – Contributions."**
Potential Tax Advantages	• Federal tax deferred growth. • No federal income tax on Qualified Withdrawals. • Contributions are deductible in computing the contributor's South Carolina taxable income for South Carolina personal income tax purposes. All or a portion of Non-Qualified Withdrawals may be includible in computing an Account Owner's South Carolina taxable income for the year in which the withdrawal is made, including such portion constituting principal as may be taxable under state recapture provisions. • No federal gift tax on contributions up to $70,000 (single) and $140,000 (married couple) in 2017, if prorated over five years pursuant to election on gift tax return. • No federal generation-skipping transfer (GST) tax on contributions up to $70,000 (single) and $140,000 (married couple) in 2017, if prorated over five years pursuant to election on gift tax return. • Contributions are considered completed gifts for federal gift, estate, and GST tax purposes. • No annual adjusted gross income (AGI) limits on Account Owners.	**Federal tax deferred growth.**
Applicability to Schools	Account balances may be used at any eligible post-secondary school in the U.S. or abroad.	
Qualified Withdrawals	Account balances may be used to pay for the Designated Beneficiary's tuition, fees, room and board expenses (for students attending on at least a half-time basis), books, supplies and equipment required for enrollment or attendance at any eligible post-secondary school in the U.S. or abroad.	**See "PARTICIPATION AND ACCOUNTS – Qualified Withdrawals."**

		For More Information
State Residency Requirement	The Program is only available to eligible investors, including South Carolina residents; residents of other states but who have designated a South Carolina resident as Designated Beneficiary; and certain other categories of eligible investors.	**See "INTRODUCTION – Plans Within the Program – Direct Program."**
Designated Beneficiary Age Limits	None – the Designated Beneficiary may be any age, from newborn to adult.	
Control of the Account	• Account Owner retains control of how and when money is used. • Account Owner can change the Designated Beneficiary to a "Member of the Family" of the existing Designated Beneficiary (as defined in Section 529 of the Code) without penalty at any time. • Account Owner can take a Non-Qualified Withdrawal from the Account, subject to applicable federal and state income tax on earnings, and an additional federal tax of 10% on earnings. • Account Owner can change the investment allocation of assets already existing in the Account twice per calendar year and upon a change in the Designated Beneficiary.	**See "PARTICIPATION AND ACCOUNTS.**
Fees and Expenses	Account Owners will indirectly bear the fees and expenses charged by the underlying investments of the Portfolios. Because the fees and expenses you will pay may vary by Portfolio, you should consider the applicable fees and expenses when you choose among the Portfolios.	**See "PROGRAM FEES AND EXPENSES and the Supplemental Booklet – What It Costs to Invest in the Program."**
Risks	Accounts in the Direct Program are subject to various risks, including risks of (i) investment losses, (ii) federal and state tax law changes, (iii) changes to the Direct Program (including changes in fees and other expenses), and (iv) adverse effects on eligibility of the Account Owner or Designated Beneficiary for other benefits.	**See "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS – Investment Risks of the Underlying Funds."**
On-line Program Information	Account Owners may view their Accounts on-line and may choose to order copies of account statements, transaction confirmations and other Direct Program materials. For more information, go to **www.futurescholar.com**.	
Contact Information	**Regular Mail/Email:** Future Scholar 529 College Savings Plan P.O. Box 8036 Boston, MA 02266-8036 **www.futurescholar.com** **Overnight Mail:** Future Scholar 529 College Savings Plan c/o BFDS 30 Dan Road Canton, MA 02021 **1-888-244-5674 (toll-free)** Automated telephone service is available 24 hours a day, 7 days a week. Service representatives are available from 8:00 a.m. to 8:00 p.m. Eastern time, Monday through Friday.	

This Program Description, which is for use by prospective investors in the Direct Program only, provides essential information to be considered in making a decision to invest under the Program. Please read this Program Description thoroughly before investing and retain this document for future reference. The Program Manager cannot provide financial advice or counseling about the Portfolios or Underlying Funds.

DEFINITIONS OF KEY TERMS

Set forth below are definitions of certain key terms used in this Program Description. Other terms are defined elsewhere in this document.

"Account"	is an account established by an Account Owner pursuant to an Account Application and Participation Agreement for purposes of investing in the Trust Fund through the Financial Advisor Program.
"Account Application"	together with the Participation Agreement, constitutes the contract between the Account Owner and the Treasurer that establishes the Account and the respective obligations of the Treasurer and the Account Owner.
"Account Owner"	is the individual or the entity opening an Account or any successor to such individual or entity and, with respect to joint Account Owners, means the two individuals collectively.
"Age-Based Portfolio"	means a Portfolio the assets of which are invested in a series of Target Allocation Portfolios over time based on a Designated Beneficiary's age and preferred risk tolerance.
"BFDS"	means Boston Financial Data Services, Inc., the transfer and servicing agent of the Program.
"CMIA"	means Columbia Management Investment Advisers, LLC which, together with CMID serves as Program Manager, and provides investment services to the Direct Program and is a wholly owned subsidiary of Ameriprise Financial, Inc. CMIA and CMID may be referred to as the "Program Manager."
"CMID"	means Columbia Management Investment Distributors, Inc. which, together with CMIA, serves as Program Manager CMIA and CMID may be referred to as the "Program Manager."
"CMIS"	means Columbia Management Investment Services Corporation, an affiliate of CMIA and CMID and a registered transfer agent, which provides certain services to the Program, including answering and responding to telephone inquiries from existing Account Owners, prospective Account Owners of the Program and broker-dealers on behalf of such Account Owners.
"Columbia Management"	means CMIA and CMID.
"Contribution"	is an amount contributed by an Account Owner or other person to an Account.
"Designated Beneficiary"	for an Account is the person specified by the Account Owner whose Qualified Higher Education Expenses are expected to be paid from the Account.
"Eligible Educational Institutions"	generally are accredited post-secondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential. Institutions must be eligible to participate in certain federal student financial aid programs. Certain proprietary institutions, foreign institutions and post-secondary vocational institutions are included as are certain specified U.S. Military Academies. The U.S. Department of Education maintains a database of the institutions that qualify as Eligible Educational Institutions.
"JP Morgan Chase Bank"	means J.P. Morgan Chase Bank, N.A., the custodian of the Program.
"Maximum Contribution Limit"	means the maximum aggregate account balance, established by the Treasurer from time to time, which will limit the amount of Contributions that may be made to Accounts for any one Designated Beneficiary, as required by Section 529 of the Code. The balance in all accounts for the same Designated Beneficiary in South Carolina-sponsored Section 529 Programs will be aggregated for purposes of applying the Maximum Contribution Limit.

"Participation Agreement"	is attached as Appendix A hereto. The Participation Agreement and Account Application together constitute the contract between the Account Owner and the Treasurer that establishes the Account and the respective obligations of the Treasurer and the Account Owner.
"Portfolio"	means one of the Future Scholar Portfolios, which are the subaccounts established within the Trust Fund to which Contributions are allocated, and that are invested in Underlying Funds.
"Pricing Alternative"	means the type of Shares available for purchase by Account Owners. Each Pricing Alternative involves different charges payable to the Program Manager.
"Program Description"	is the then-current Future Scholar 529 College Savings Plan Direct Program Description including the Supplemental Booklet and any supplements.
"Program Manager"	is the then current entity which is administering the Future Scholar 529 College Savings Plan. CMIA and CMID currently serve as the Program Manager.
"Qualified Higher Education Expenses"	include tuition, fees, and the cost of books, supplies and equipment required for the enrollment or attendance of a Designated Beneficiary (including expenses for special needs services in the case of a special needs Designated Beneficiary) at an Eligible Educational Institution, along with room and board expenses, as allowable under Section 529 of the Code and described in more detail below. See "PARTICIPATION AND ACCOUNTS—Withdrawals—Qualified Higher Education Expenses."
"Section 529 Program"	means a "qualified tuition program" established under and operated in accordance with Section 529 of the Code.
"Shares"	are interests in a Portfolio that are credited to the Account of the Account Owner when Contributions are made to an Account (or upon a subsequent investment exchange).
"Single Fund Portfolio"	means a Portfolio the assets of which are invested in a single Underlying Fund.
"Supplement"	means any then-current supplement(s) to the Program Description.
"Supplemental Booklet"	means the Performance, Fee and Expense Information Supplemental Booklet to the Program Description. The Supplemental Booklet contains performance information for the Future Scholar Portfolios, information about Program Expenses and information about Underlying Fund expenses. The Supplemental Booklet, which is a separate document that is updated periodically, is incorporated by reference into, and should be read in conjunction with, the Program Description.
"Target Allocation Portfolio"	means a Portfolio the assets of which are invested in a combination of Underlying Funds.
"Treasurer"	means the Office of State Treasurer of the State of South Carolina.
"Trust Fund"	means the South Carolina College Investment Trust Fund created by Chapter 2 of Title 59 of the South Carolina Code of Laws of 1976, as amended, to hold the assets of the Program.
"Underlying Funds"	are mutual funds, exchange traded funds or other investments in which assets of a Portfolio are invested.

INTRODUCTION

General

The Future Scholar 529 College Savings Plan™ (referred to herein as the "Program") has been established by the Treasurer to provide a tax-advantaged method to fund Qualified Higher Education Expenses of a Designated Beneficiary at Eligible Educational Institutions. See "PARTICIPATION AND ACCOUNTS." The Program has been designed to comply with the requirements for treatment as a "qualified tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended (the "Code").

Opening a New Account

An Account Owner who meets the eligibility requirements set forth below may establish Accounts in the Direct Program by executing an Account Application and funding the Account as described in this Program Description. Account Owners and others may make cash Contributions to Accounts, subject to Maximum Contribution Limits determined from time to time by the Treasurer. Contributions will be accepted provided that the aggregate balance of all accounts in South Carolina-sponsored Section 529 Programs established for the same Designated Beneficiary (regardless of Account Owner) does not exceed the current Maximum Contribution Limit of $426,000 at the time the Contribution is made. The Treasurer expects to adjust the Maximum Contribution Limit periodically. For more information concerning Accounts, see "PARTICIPATION AND ACCOUNTS."

Contributions to an Account opened by an Account Owner will be invested in one or more Portfolios. Portfolios will be invested as described under "THE FUTURE SCHOLAR PORTFOLIOS." Account Owners are limited in their ability to direct the investments of the Portfolios. See "PARTICIPATION AND ACCOUNTS —Changing Investment Portfolios within the Program".

The Portfolios currently offer separate investment strategies as described under "THE FUTURE SCHOLAR PORTFOLIOS." The investment options currently consist of Age-Based Portfolios, Target Allocation Portfolios and Single Fund Portfolios. The current target allocation to various asset classes of each Target Allocation Portfolio is also set forth below under "THE FUTURE SCHOLAR PORTFOLIOS – Portfolio Allocations." The performance of each Portfolio depends on the weighted average performance of the Underlying Fund(s) in which it invests. Except for the Future Scholar Bank Deposit Portfolio, the value of Shares in each Portfolio varies from day to day.

Plans within the Program

The Future Scholar Age-Based Portfolios, Target Allocation Portfolios and Single Fund Portfolios are currently offered through two programs, the Financial Advisor Program and the Direct Program, each with its own expense structure and Pricing Alternatives.

Direct Program – This Program Description only offers Shares to eligible investors through the Direct Program. The Direct Program is designed for self-directed investors and is offered only to Account Owners who are: (i) South Carolina residents; (ii) residents of other states but who have designated a South Carolina resident as Designated Beneficiary; (iii) employees of Ameriprise Financial, Inc. and its affiliates, and employees of BFDS; and (iv) employees of the State of South Carolina, and employees of a political subdivision of the State of South Carolina, including school districts, regardless of residency. The Direct Program may also be offered to any other Account Owners whom the Treasurer and Program Manager deem eligible. A Program Description for the Direct Program may be obtained by calling 1-888-244-5674 or visiting www.futurescholar.com. Expenses associated with the Direct Program are lower than those associated with the Financial Advisor Program and do not include financial advisor compensation. To invest through the Financial Advisor Program, see the information below under "Financial Advisor Program." Neither the Program Manager nor any representative will give any advice to any Account Owner or offer any opinion regarding the suitability of any Portfolio that is offered through the Direct Program.

Financial Advisor Program – The Financial Advisor Program is designed for Account Owners seeking advice and guidance from an investment professional and is available through registered broker-dealers. The Financial Advisor Program includes Pricing Alternatives A, C, E, and Z, which are not described in this Program Description but are instead offered by a separate program description. Pricing Alternatives A, C, E and Z have different and higher expense structures than the Direct Program. A program description for the Financial Advisor Program may be obtained by calling 1-888-244-5674, through the Internet at www.columbiamanagement.com, or by contacting the Program Manager.

The Financial Advisor Program and the Direct Program may be offered through additional or different distribution channels, as determined by the Treasurer and the Program Manager, and to additional or different categories of eligible investors. One Program may offer some or all Portfolios that are not available through the other Program. The expenses associated with the

Financial Advisor Program are generally higher than those associated with the Direct Program. See "PROGRAM FEES AND EXPENSES."

Prepaid Tuition Program – The South Carolina Tuition Prepayment Program is a prepaid tuition program for South Carolina residents that is also administered by the Treasurer. Enrollment in the Tuition Prepayment Plan is closed to new participants.

PARTICIPATION AND ACCOUNTS

Accounts may be established by Account Owners who are: (i) South Carolina residents; (ii) residents of other states but who have designated a South Carolina resident as Designated Beneficiary; (iii) employees of Ameriprise Financial, Inc. and its affiliates and employees of BFDS; and (iv) employees of the State of South Carolina, and employees of a political subdivision of the State of South Carolina, including school districts, regardless of residency. The custodian of an account established under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act may also open an Account under certain circumstances. The Treasurer and the Program Manager may agree that other persons or entities are eligible to establish Accounts. All Accounts are subject to Maximum Contribution Limits applicable to all Accounts under the Program for each Designated Beneficiary.

In addition to Accounts opened by individuals, Accounts may be established by most types of legal entities, including trusts, where the entity's purposes and powers permit. Also, under proposed Treasury Regulations, Accounts under the Program may be established by a state or local government (or agency or instrumentality thereof) or an organization described in Section 501(c) (3) of the Code and exempt from taxation under Code Section 501(a) ("501(c) (3) organization"), as part of a scholarship program operated by the government or 501(c) (3) organization. Accounts of legal entities rather than an individual are not discussed in this Program Description, and the establishment of such Accounts and questions concerning them should be addressed to the Program Manager.

Establishing an Account

Account Application – To establish an Account, an Account Owner must complete an Account Application and consent and agree to the terms and conditions of the Participation Agreement. Either the Treasurer or the Program Manager may require the completion of certain other documents for an Account to be established. There is no fee or charge for establishing an Account. **Accounts will not be established, orders will not be executed, and the Account Application and Contribution amount will be returned if the Account Application is not complete and in good order.** Signing an Account Application acknowledges receipt of this Program Description and the Participation Agreement and acceptance of the terms and conditions of the Participation Agreement. There may be only one Designated Beneficiary for each Account. Account Ownership may be held individually or jointly by spouses, in which case authorization from both spouses is be required to act with respect to the Account. A Successor to an Account Owner (defined below) may be identified for an Account on the Account Application. There is no limit to the number of Accounts that an Account Owner can open.

Joint Account Ownership – Joint Account ownership is available for spouses only. The name and Social Security Number of the first Account Owner listed on the Account Application (primary Account Owner) will be used for IRS reporting purposes. Account statements, transaction confirmations, and Program Descriptions and supplements, as well as correspondence from the Program Manager, will be mailed to the address on file for the primary Account Owner. You can choose to have duplicate Account statements mailed to the other joint Account Owner at another address by completing the appropriate form.

Identifying a Designated Beneficiary – On the Account Application, Account Owners (other than state or local governments (or agencies or instrumentalities thereof) or 501(c) (3) organizations) must identify a Designated Beneficiary whose Qualified Higher Education Expenses are expected to be paid from the Account. There is no limit on the number of Accounts that can be opened for the same Designated Beneficiary by a single Account Owner or different Account Owners. The Designated Beneficiary may be the Account Owner or any other individual. There is no requirement that the Account Owner and Designated Beneficiary be related in any way. For information about changing the Designated Beneficiary of an Account, see "Change of Designated Beneficiary" below. The Designated Beneficiary of an Account does not receive any benefits from the Account until a withdrawal is made from the Account.

Accounts Opened by Trustees, Custodians, Guardians, and Conservators – An authorized trustee or custodian must be identified if Contributions to an Account come from an existing trust or custodial account. Trustees opening an Account on behalf of a trust must provide representations or documentation concerning the trustees' authority or such other matters as required by the Program Manager. In addition, guardians and conservators may open an Account provided copies of the applicable governing documents are acceptable to the Program Manager. An Account Owner may authorize another individual or entity to exercise his or her rights over an Account or to open an Account through a power of attorney. However, the Treasurer and the Program Manager reserve the right to take instructions from an Account Owner's agent only if the Account Owner is incompetent. A copy of the power of attorney must be presented to the Program Manager each time the agent seeks to exercise his or her rights over an Account or open

an Account. If applicable, the power of attorney must be durable, and must include other language acceptable to the Program Manager, including the power to make or revoke gifts. For more information about the use of powers of attorney, Account Owners should call the Program Manager toll-free at1-888-244-5674.

Scholarship Accounts – Accounts may be established by state or local governments (or agencies or instrumentalities thereof) or 501(c) (3) organizations and most types of legal entities, including trusts, whose purposes and powers so permit. As an Account Owner, a government or 501(c) (3) organization may establish an Account as part of a scholarship program operated by such government or organization (a "Scholarship Account"). Governments and 501(c) (3) organizations may designate a Portfolio or any combination of Portfolios in which Contributions to a Scholarship Account are to be invested. Contributions to such Scholarship Accounts will be permitted even if they cause the balance of the Account to exceed the Program's Maximum Contribution Limit. Questions regarding the establishment of Scholarship Accounts should be addressed to the Program Manager.

Selection of Investment Portfolios – Account Owners also must indicate on the Account Application to which Portfolio(s), and in what percentages, Contributions to an Account should be allocated. An Account Application will not be deemed complete without a designation of one or more Portfolios and allocation(s) equaling 100%. If the Account Owner is investing systematically through Automated Clearing House ("ACH") or payroll deduction, these allocations will be used to allocate those future Contributions. For additional Contributions via check, or any other method, the Account Owner must identify the Portfolio(s) to which these proceeds should be allocated if the Account holds more than one Portfolio. See "Portfolio Selection" for information about changing existing investment allocations and/or changing the investment allocation of future Contributions.

Personal Information – Establishment of an Account is subject to acceptance by the Program Manager, including the verification of an Account Owner's identity and other information in compliance with the requirements of the USA PATRIOT Act and other applicable law. If an Account Owner does not provide the information as requested on the Account Application, the Program Manager may refuse to open an Account for the Account Owner. If reasonable efforts to verify this information are unsuccessful, the Program Manager may take certain actions regarding the Account without prior notice to the Account Owner, including, among others, rejecting Contributions and withdrawal and transfer requests, suspending Account services, or closing the Account. Shares redeemed as a result of closing an Account will be valued at the Shares' Net Asset Value next calculated after the Program Manager closes the Account. The risk of market loss, tax implications, and any other expenses, as a result of the liquidation, will be solely the Account Owner's responsibility.

Contributions

Initial and Subsequent Contributions by Check –Initial Contributions by check should be made payable to the "Future Scholar 529 College Savings Plan." Initial Contributions by check should be sent to the Program Manager, along with a completed Account Application. Account Owners will receive statements confirming investments purchased and such other information as may be required by law. The Program Manager may impose a fee on any check returned unpaid by the financial institution upon which it is drawn (currently $25 per check), which may be deducted from the Account. There is no minimum investment for initial or subsequent contributions by check.

Automatic Contribution Plan[1] – Account Owners may authorize the Program Manager to perform automated, periodic debits to contribute to their Accounts from a checking or savings account in the Account Owner's name at their financial institution. These Contributions will be made through the Program's Automatic Contribution Plan. To initiate this Contribution method, Account Owners must complete the electronic subsequent Contribution section of the Account Application or request a Future Scholar Account Update/Automatic Contributions Change Form from the Program Manager. There is no minimum investment for initial or subsequent contributions under the Automatic Contribution Plan. An authorization to perform automated, periodic deposits will remain in effect until the Program Manager has received notification of its termination. Account Owners or the Program Manager may terminate the enrollment in the Program's Automatic Contribution Plan at any time. Any termination of such service initiated by an Account Owner may take up to 10 business days after receipt by the Program Manager to become effective. A complete withdrawal of all amounts in an Account will be considered a termination of enrollment in the Automatic Contribution Plan. There is no charge for enrolling in the Program's Automatic Contribution Plan or for an electronic funds transfer to an Account. Enrollments in the service are processed within 10 business days after acceptance by the Program Manager and thereafter debits begin on the day and with the frequency specified by the Account Owner.

Direct Deposit from Payroll – Account Owners may be eligible to make automatic, periodic Contributions to their Accounts by direct deposit ACH payroll deductions. There are no initial or subsequent minimums for contributing through payroll deduction. Contributions by payroll deduction will only be permitted from organizations able to meet the Program Manager's operational and administrative requirements for Section 529 Program Payroll Contributions. For more information, contact Future Scholar at 1-888-244-5674.

[1] *A program of regular investment cannot assure a profit or protect against a loss in a declining market.*

UGMA/UTMA Accounts – Custodians under Uniform Gifts to Minors Act ("UGMA") and Uniform Transfers to Minors Act ("UTMA") accounts outside the Program must execute Account Applications as UGMA/UTMA custodians and establish Accounts separate from any Accounts they may hold in their individual capacity before contributing UGMA/UTMA property. The Program Manager must be notified upon appointment of a successor UGMA/UTMA custodian. Account Owners maintaining Accounts as UGMA/UTMA custodian may not change the Designated Beneficiary for their Accounts, except as may be permitted by applicable law, and must notify the Program Manager when the custodianship terminates. All Contributions to Accounts held by the UGMA/UTMA custodian will be treated by the Program as subject to the UGMA/UTMA. Because only cash Contributions are allowed under Section 529 of the Code, investments in UGMA/UTMA accounts must be liquidated in order to invest the proceeds in an Account. Because the Designated Beneficiary of an Account under the UGMA/UTMA is the owner of the Account, any tax consequences from a withdrawal from an Account will be imposed on the Designated Beneficiary, and not the UGMA/UTMA custodian Account Owner (who is considered the owner of the Account by the Program). Account Owners who are also UGMA/UTMA custodians who wish to retain control over and ownership of non-UGMA/UTMA Account assets must establish a separate Account for such non-UGMA/UTMA assets.

Maximum Contribution – Currently, Contributions will be permitted if they do not cause the aggregate balance of all accounts for the same Designated Beneficiary in South Carolina-sponsored Section 529 Programs (regardless of Account Owner) to exceed $426,000 at the time the Contribution is made. In other words, Contributions may no longer be made to an Account if the aggregate balance of all accounts with the same Designated Beneficiary in South Carolina-sponsored Section 529 Programs (regardless of Account Owner) totals $426,000. If the aggregate balance of all such Accounts falls below $426,000, additional Contributions may again be made until the Maximum Contribution Limit is reached. An Account may still continue to accrue earnings once the Maximum Contribution Limit has been reached. The Treasurer expects to adjust the Maximum Contribution Limit periodically. Information concerning the applicable Contribution limit in effect may be obtained from the Program Manager. While not anticipated, it is possible that federal law might impose a lower limit on maximum allowable Contributions.

Contribution Policies – Following receipt of Contributions by check or draft or by transfer of funds electronically, the Program reserves the right, subject to applicable law, not to allow withdrawals of those funds (or their equivalent) for up to ten business days for checks, drafts, and electronic transfers. Please ask the Program Manager about the specific time periods involved. A Contribution, rollover or transfer may be refused if the Treasurer reasonably believes that (i) the purpose is for other than funding the Qualified Higher Education Expenses of the Designated Beneficiary of an Account, (ii) there appears to be an abuse of the Program, or (iii) such transaction is unlawful. The Program may not be able to determine that a specific Contribution, rollover or transfer is for other than funding the Qualified Higher Education Expenses of a Designated Beneficiary, abusive or unlawful. The Program therefore makes no representation that all such Contributions, rollovers or transfers can or will be rejected.

Automated Dollar Cost Averaging Program-By selecting the Automated Dollar Cost Averaging Program, you may make a lump sum contribution to the Future Scholar Legacy Capital Preservation Portfolio and, at the time of the lump sum contribution, designate automatic monthly or quarterly allocations to other Portfolios in the Direct Plan. To enroll in this program, your total initial contribution to the Future Scholar Legacy Capital Preservation Portfolio must be at least $1,000, and the amount of your automatic monthly or quarterly allocation to each Portfolio selected at the time you enroll must be at least $25 per Portfolio. These automatic allocations are not considered reallocations for purposes of the twice-per-calendar-year limitation on investment reallocations generally, if specified at the time the lump-sum contribution is made. Stopping or changing the automatic allocation instructions with respect to prior contributions still remaining in the Future Scholar Legacy Capital Preservation Portfolio will constitute a reallocation for purposes of the twice-per-calendar-year limitation See **"—Changing Investment Portfolios within the Program"** below. The monthly or quarterly allocations will be made on the date selected by the Account Owner (or, if no date is selected, the 15th day of the month or quarter) or if such day is not a business day, on the next succeeding business day and will continue until your investment in the Future Scholar Columbia Legacy Capital Preservation Portfolio is depleted.

A program of regular investment cannot assure a profit or protect against a loss in a declining market.

Since the dollar cost averaging method involves monthly or quarterly transfers from the Future Scholar Legacy Capital Preservation Portfolio regardless of fluctuating price levels of a Portfolio's Underlying Fund(s) (and resulting fluctuations of the Portfolio's Net Asset Value), the Account Owner should consider his or her financial ability to continue to invest the lump sum contribution in Shares of other Portfolios through periods of declining price levels.

Rollover Contributions

Rollovers from Another State's Section 529 Program – Rollover Contributions directly from another Section 529 Program to an established Account may be initiated by executing an "Incoming Rollover Form" and providing a statement issued by the distributing Section 529 Program that shows the principal and earnings portions of the Contribution.

Rollover Contributions from another Section 529 Program sent directly to an Account Owner must be accompanied by an Incoming Rollover Form and a statement issued by the distributing Section 529 Program that shows the principal and earnings portions of the Contribution.

Rollover Contributions to an Account from another Section 529 Program are federal income tax free only if the rollover is into:

- an Account for the same Designated Beneficiary, and there have been no other Section 529 Program rollovers within the immediately preceding 12 months for the same Designated Beneficiary, or
- an Account for a Designated Beneficiary who is a "Member of the Family" (defined below) of the Designated Beneficiary of the account from which the rollover Contribution was made (see "Change of Designated Beneficiary – General" for a discussion of possible gift or GST tax consequences).

Rollovers from Coverdell Education Savings Accounts – Coverdell Education Savings Account ("Coverdell ESA") assets can be rolled over to an Account. In order to take advantage of a tax-free rollover from a Coverdell ESA, the rollover Contribution must be accompanied by an Incoming Rollover Form. An account statement issued by the financial institution that acted as trustee or custodian of the Coverdell ESA that shows the principal and earnings portions of the rollover Contribution must also be provided to the Program Manager.

Rollovers from Qualified U.S. Savings Bonds – Assets invested in certain U.S. savings bonds issued after 1989 can be rolled over to an Account. In order to take advantage of a tax-free rollover in connection with the liquidation of Series EE or Series I bonds, the rollover Contribution must be accompanied by an Incoming Rollover Form. In addition, an account statement or IRS Form 1099-INT issued by the financial institution that redeemed the bonds showing the interest portion of the redemption proceeds must also be provided to the Program Manager. See IRS Publication 970 or consult your tax advisor to determine your eligibility for a tax-free rollover.

Transfer to Another Account within the South Carolina Program – Please note that, for federal tax purposes, a transfer of assets for the same Designated Beneficiary from one Section 529 Program sponsored by the State of South Carolina to another Section 529 Program also sponsored by the State of South Carolina is considered an investment reallocation (subject to the twice-per-calendar year limitation) and not a rollover Contribution.

General Considerations – Rollovers require the liquidation of assets and the contribution of cash to an Account. Rollover Contributions to an Account must be made within 60 days of the liquidation and withdrawal of such assets from another account. If the Account Owner affects a qualifying rollover, the withdrawal from the originating Section 529 Program account will not be subject to federal income tax or the additional 10% tax on earnings.

Tax Considerations – Until a statement issued by the distributing Section 529 Program, trustee or custodian of the Coverdell ESA or financial institution that redeemed the U.S. savings bonds showing the principal and earnings portion of the Contribution is received by the Program Manager, the Program will treat the entire amount of the rollover Contribution as earnings in the receiving Account for tax purposes. An Account Owner may be required to provide certain documentation to the distributing Section 529 Program.

Rollovers and other transfers between accounts in college savings programs can have substantial federal and state income tax and transfer tax consequences, and Account Owners and Designated Beneficiaries are advised to consult with a qualified tax advisor prior to any such rollover or other transfer.

Ownership of Contributions

Pursuant to the Act, the Account Owner retains ownership of all Contributions made to an Account and all earnings allocated to an Account up to the date of withdrawal. Special rules apply to Accounts established by UGMA/UTMA custodian Account Owners. An Eligible Educational Institution obtains ownership of the amounts disbursed from an Account to such Eligible Educational Institution with respect to the Qualified Higher Education Expenses paid to the Eligible Educational Institution at the time each disbursement is made to the Eligible Educational Institution, subject to any applicable refund policy or other policies of the Institution. Any individual or entity may make Contributions to an Account. Only the Account Owner will receive confirmation of Account transactions. Individuals or entities other than the Account Owner that contribute funds to an Account will have no subsequent control over those Contributions. Only the Account Owner may direct transfers, rollovers, investment changes (as permitted under federal law), withdrawals and changes in the Account Owner or Designated Beneficiary.

Changing Investment Portfolios within the Program

Account Owners may move assets already held in an Account to a different mix of Portfolios (an "Investment Exchange") no more than two times per calendar year without changing the Designated Beneficiary. An Account Owner may also make an Investment Exchange at any time he or she changes the Designated Beneficiary, whether or not the Account Owner has previously directed an Investment Exchange within the calendar year. The Investment Exchanges described in the immediately preceding two sentences will not be subject to federal or state income tax or to the additional federal tax of 10% on earnings. For purposes of the twice-per-calendar year limitation, accounts in all Section 529 Programs sponsored by the State of South Carolina, such as the Program, with the same Account Owner and the same Designated Beneficiary are treated as a single Account. Accordingly, if an Account Owner decides to reallocate the assets in an Account, any desired reallocations to all Accounts in all such Section 529 Programs sponsored by the State of South Carolina with the same Designated Beneficiary will be subject to the same twice per-calendar year limitation. Any such Investment Exchange for the same Designated Beneficiary must be done directly between the programs, without a distribution of money from the initial program to the Account Owner or any other person.

The limitations above apply only to assets already existing in an Account, and do not apply to new subsequent Contributions. More specifically, Account Owners may choose to invest new Contributions in any mix of Portfolio choices and may change these choices at any time in connection with future Contributions. Please also note that the automatic reallocations under the Age-Based Portfolio options do not themselves constitute reallocations for purposes of the limitations above.

Investment Exchanges from the Legacy Capital Preservation Portfolio to Other Investment Portfolios -- Because the Legacy Capital Preservation Portfolio is rate sensitive, issuers of the Investment Contracts held by this Portfolio require that Account Owners must undergo a 90-day equity wash before assets can be transferred to a Competing Portfolio (as defined herein). This means Account Owners must first make an Investment Exchange of assets from this Portfolio to a non-Competing Portfolio and wait a minimum of 90 days before such assets can be exchanged to a Competing Portfolio. Examples of a "Competing Portfolio" include a money market portfolio, another book value type of portfolio (such as an insurance or bank investment contract portfolio), a fixed-income portfolio of whose portfolio duration is three years or less, or a balanced portfolio that has greater than 70% of its assets in fixed-income securities with less than a three-year duration. As of the date of this Program Description, issuers of the Investment Contracts have not identified any Competing Portfolios, but they reserve the right to review any Investment Portfolio added in the future to determine if it is a Competing Portfolio. The Program Manager will notify Account Holders of any changes to the definition of Competing Portfolio.

If in the future any Investment Portfolios are considered to be Competing Portfolios by an issuer of the Investment Contracts, any Investment Exchange between the Legacy Capital Preservation Portfolio to any Portfolio that is a Competing Portfolio will require the use of the two Investment Exchanges that are allowed to an Account Owner per calendar year, in accordance with Section 529 of the Internal Revenue Code.

Successor Account Owners

Death or Incapacity – An Account Owner (other than a joint Account Owner) may designate a successor Account Owner (to the extent permissible in accordance with applicable law). The Successor Account Owner shall assume all of the current Account Owner's rights, title and interests in an Account (including the right to withdraw assets from the Account and to change the Designated Beneficiary) upon the death or incapacity of the current Account Owner. Such designation must be in writing and is not effective until accepted by the Program Manager. Special rules apply to UGMA/UTMA accounts. The successor Account Owner will be required to provide the Program Manager with a certified copy of a death certificate in the case of the death of an Account Owner or an acceptable medical authorization or court order in the case of the incapacity of an Account Owner and such other information as the Program Manager requires prior to taking any action regarding the Account. A designation of a successor Account Owner that is executed by an Account Owner prior to his or her death or incapacity and is accepted following the Account Owner's death or incapacity will govern all directions with respect to the Account following (but not prior to) the Program Manager's acceptance of the designation. A successor Account Owner may be named on the Account Application Form. In the event no successor Account Owner is named on the Account Application or on another form accepted by the Program Manager, or the named successor Account Owner predeceases the Account Owner or does not accept ownership of the Account, the surviving spouse of the Account Owner, provided he or she is the natural or adoptive parent of the Designated Beneficiary, will become the Account Owner for the Account. In the event there is no surviving spouse who is a parent of the Designated Beneficiary and the Designated Beneficiary is not a minor, the Designated Beneficiary will become the Account Owner for the Account. If the Designated Beneficiary is a minor, the Designated Beneficiary's custodial guardian will become the Account Owner for the Account. If the Designated Beneficiary has more than one custodial guardian, the oldest custodial guardian will become the Account Owner for the Account. If the Designated Beneficiary predeceases the Account Owner or dies in a manner that it cannot be determined who died first, the estate of the Designated Beneficiary will become the Account Owner for the Account. Account Owners may name a contingent successor Account Owner(s), in case a designated successor Account Owner is deceased or incapacitated, or establish other rules for successor Account Owners, in each case subject to review and acceptance by the Program Manager. Successor

Account Owners shall not be designated in the case of joint Account ownership. In the event of the death or incapacity of a joint Account Owner, the remaining Account Owner shall become the sole Account Owner and may at that time designate a Successor Account Owner.

Lifetime Transfers – Account Owners may transfer ownership of an Account, without penalty, to another individual or entity to be the Account Owner in the Program. A transfer of ownership of an Account does not require a change in the Designated Beneficiary. A transfer of ownership of an Account will only be effective if it is irrevocable and transfers all rights, title, interests and powers over the Account. A transfer of ownership of an Account may have income or gift tax consequences; please contact your tax advisor before transferring ownership of an Account. To transfer ownership of an Account, please contact the Program Manager.

Investment and Account Balances

Investment of Contributions – The Program Manager will generally credit Contributions to an Account as of the business day received by the Program Manager. The Program Manager will separately maintain each Account, but Contributions to an Account will be commingled with Contributions of other Accounts for purposes of investment.

Investment of Contributions – Payroll Deduction – For payroll deduction, the Program Manager will process transactions on the date Contributions are received by the Program Manager from the employer. There may be a delay between the date an employee's pay is deducted and the date on which the employer forwards such Contributions to the Program Manager. Account Owners using payroll deduction should contact their employers for more details.

Net Asset Value – The Program Manager calculates a Net Asset Value of a particular Portfolio, as of 4:00 p.m. Eastern time, on each day that the New York Stock Exchange ("NYSE") is open for trading. "Net Asset Value" is computed by dividing the value of the shares of each Underlying Fund held in a Portfolio, plus any receivables and less any liabilities of such Portfolio, by the number of outstanding Shares of the Portfolio. The Net Asset Value (" NAV") for purposes of calculating the investment or reinvestment of Contributions to an Account will be the NAV calculated for the business day on which Contributions are invested or reinvested as described in this Program Description. Note: the computation of NAV for Underlying Funds that are exchange traded funds will differ. Individual shares of an exchange traded fund may only be purchased and sold on a national securities exchange through a broker-dealer. The price of exchange traded fund shares is based on market price, and because exchange traded fund shares trade at market prices rather than NAV, shares may trade at a price greater than NAV (a premium) or less than NAV (a discount). The Future Scholar Bank Deposit Portfolio invests in the FDIC-insured Bank Deposit Account held in trust by the Program at Branch Banking and Trust Company ("BB&T"). The amount of each Account Owner's deposit in the Bank Deposit Account will be shown on the Program's periodic statements of the Account Owner's Account.

Statements and Reports – The Program Manager will keep accurate and detailed records of all transactions concerning Accounts and will provide each Account Owner with periodic statements of each Account showing: (i) Contributions made during the preceding period; (ii) the value of the Account at the end of the period; (iii) withdrawals made during the period; and (iv) such other information as may be required by law. The Program Manager will provide annual and other reports to Account Owners, the IRS and such other regulatory authorities as required by law.

If an Account Owner does not write to the Program Manager to object to a statement or report within 60 days after it has been sent to such Account Owner, the Account Owner will be considered to have approved it and to have released the Treasurer, the Program Manager and all service providers to the Program from all responsibility for matters covered by the statement or report. Each Account Owner agrees to provide all information that the Treasurer or the Program Manager may need to comply with any legal reporting requirements. Each Account Owner is responsible for filing his or her federal tax return, including paying any taxes or penalties thereon, and filing any other reports required by applicable law.

Prohibition on Pledges, Assignments and Loans

An Account may not be assigned, transferred or pledged as security for a loan or debt by the Account Owner or the Designated Beneficiary, or anyone else, and any attempted assignment, transfer, or pledge of an Account will be void. Neither an Account Owner nor a Designated Beneficiary may receive a loan secured by amounts in the Account.

Creditor Claims

Contributions to an Account made on behalf of a Beneficiary who was a child, stepchild, grandchild, or step-grandchild of the debtor in the tax year in which the contribution was made may be protected from creditors under federal bankruptcy law, subject to certain limits. All contributions within the Maximum Contribution Limit that are made more than 720 days (approximately two years) prior to the filing of the bankruptcy petition are protected. Contributions up to $6,425 (as periodically adjusted for inflation)

that are made at least 365 days (one year), but not more than 720 days, before the filing of the bankruptcy petition are protected. Contributions made less than 365 days (one year) before the filing of the bankruptcy petition are not protected under federal bankruptcy law.

In addition, under South Carolina law (pursuant to the Act), all assets in, or credited to, an Account are not subject to levy, execution, judgment or other operation of law, garnishment or other judicial enforcement. Other states might also provide for protection of assets held in Section 529 Programs from creditor claims in those states.

Account Owners, however, should consult an attorney regarding the potential treatment of an Account in a specific situation under federal bankruptcy law and relevant South Carolina or other applicable state law.

Application of Community Property Laws

Account Owners who are current or a former resident of any state that has community property laws and who are concerned about the application of those laws to Contributions, withdrawals and ownership of Accounts should consult a legal advisor. Community property issues such as limitations on gifts of community property and ownership of community property upon death or dissolution of marriage are beyond the scope of this Program Description.

Withdrawals

General – Account Owners may direct withdrawals from their Account at any time by notifying the Program Manager. See "PROGRAM FEES AND EXPENSES" below. Following the acceptance and processing of a properly completed withdrawal request by the Program Manager, the proceeds delivered to the payee will be calculated at the NAV next determined for a Share of a particular Portfolio applicable to a withdrawal calculated for such Share of such Portfolio.

Please note that the Program reserves the right to (i) refuse, change, discontinue or temporarily suspend account services, including accepting contributions and processing withdrawal requests, for any reason the Treasurer or Program Manager deems necessary or advisable, (ii) delay sending out the proceeds of a withdrawal request for up to ten (10) days (which would generally only apply to very large withdrawals without adequate prior notice or during unusual market conditions), (iii) refuse, following receipt of any Contributions, withdrawal requests for up to thirteen days, and (iv) suspend the processing of withdrawal requests or postpone sending out the proceeds of a withdrawal request when the NYSE is closed for any reason other than its usual weekend or holiday closings, when trading is restricted by the Securities and Exchange Commission ("SEC"), or under any emergency circumstances.

Procedures for Withdrawals – Only the Account Owner of an Account may direct withdrawals from the Account. To make a withdrawal from an Account, the Account Owner must submit a completed Withdrawal Request Form and provide such other information or documentation (for which a signature guarantee may be needed) as the Program Manager may from time to time require. The Program Manager generally will process the withdrawal from the Account within three (3) business days of receipt of the request. During periods of market volatility and at year end, withdrawal requests may take up to five (5) business days to process.

- Withdrawals by Telephone—Account Owners may also direct withdrawals of up to $100,000 per Account per day by telephone. Proceeds may only be sent to the address of record or an Eligible Educational Institution for which the Account Owner's written mailing instructions are on file. To place withdrawal orders by telephone, call 888.244.5674. Have the Account number and social security number (SSN) or taxpayer identification number (TIN) available when calling. Telephone orders may not be as secure as written orders. The Program servicing agent will take reasonable steps to confirm that telephone instructions are genuine. For example, we require proof of the Account Owner's identification before we will act on instructions received by telephone and may record telephone conversations. However, the Program and its agents will not be responsible for any losses, costs or expenses resulting from an unauthorized telephone instruction when reasonable steps have been taken to confirm that telephone instructions are genuine. Telephone orders may be difficult to complete during periods of significant economic or market change or business interruption. In the case of joint Account Owners, either Account Owner may initiate withdrawals by telephone individually.

The frequency of withdrawals in a single month may be limited. A minimum withdrawal amount may also be established. Withdrawals may be subject to federal and/or state tax withholding. For more information about the procedures for withdrawals, Account Owners should call the Program Manager toll-free at 1-888-244-5674.

Recordkeeping – For purposes of determining whether a withdrawal is taxable and/or subject to the additional 10% tax, the Account Owner and/or the Designated Beneficiary must determine whether the withdrawal is made in connection with the payment

of Qualified Higher Education Expenses. Neither the Program nor any of its service providers is responsible for ascertaining whether a withdrawal is a Qualified Withdrawal or not. **It is the responsibility of the Account Owner and the Designated Beneficiary to maintain adequate records and receipts to substantiate all Qualified Higher Education Expenses that are paid from an Account**.

Cancelling a Withdrawal Request—Requests for withdrawals which have been submitted in good order cannot be cancelled after the close of trading on the NYSE on the day the withdrawal is requested.

Qualified Withdrawals

In general, a "Qualified Withdrawal" is any withdrawal that is used to pay for the Qualified Higher Education Expenses (as defined in Section 529 of the Code) of a Designated Beneficiary. In the case of a Designated Beneficiary who receives a refund of any Qualified Higher Education Expenses from an Eligible Educational Institution (for example, if a withdrawal is used to pay tuition expenses and some of that tuition is refunded by the school), such refund shall not be taxable in the year in which it was distributed if it is recontributed to a qualified tuition program of which such individual is a beneficiary, but only to the extent such recontribution is made not later than 60 days after the date of such refund and does not exceed the refunded amount. (A special transition rule provides that refunds received after December 31, 2014 and before December 18, 2015 may be recontributed not later than 60 days after December 18, 2015.) If any refund of all or part of a Qualified Withdrawal is not recontributed as described in the preceding sentence or subsequently used to pay for other Qualified Higher Education Expenses of the Designated Beneficiary, the refunded amount will be considered a Non-Qualified Withdrawal, subject to all applicable federal and state taxes, including the additional 10% tax on earnings. The application of a withdrawal to Qualified Higher Education Expenses should be completed within a reasonable time and within the same taxable year as the withdrawal, in order to assure qualification for treatment as payment of Qualified Higher Education Expenses. The IRS and Treasury Department have proposed the adoption of a rule that, in order for earnings to be excluded from income, any withdrawal during a calendar year must be used to pay Qualified Higher Education Expenses during the same calendar year or by March 31 of the following year.

Qualified Higher Education Expenses—"Qualified Higher Education Expenses" currently include:

- tuition, fees and the costs of books, supplies and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Educational Institution;
- the actual costs of room and board of a Designated Beneficiary living in campus owned or operated housing or an amount equal to the allowance for room and board included in the cost of attendance of the Eligible Educational Institution incurred while attending on at least a half-time basis; and
- expenses for special needs services in the case of a special needs Designated Beneficiary which are incurred in connection with enrollment or attendance at an Eligible Educational Institution.

For 2015 and later tax years, Qualified Higher Education Expenses also include the purchase of a computer or peripheral equipment (such as a printer), computer software, and Internet access and related services if the equipment, software, or services are to be used primarily by the Designated Beneficiary during any of the years the Designated Beneficiary is enrolled at an Eligible Education Institution.

A Designated Beneficiary will be considered to be enrolled at least half-time if the Designated Beneficiary is enrolled for at least half the full-time academic workload for the course of study being pursued, as determined under the standards of the Eligible Educational Institution where they are enrolled. The Institution's standard for a full-time workload must equal or exceed a standard established by the U.S. Department of Education under the Higher Education Act of 1965, as amended through June 7, 2001. A Designated Beneficiary need not be enrolled at least half-time to use a Qualified Withdrawal to pay for expenses relating to tuition, fees, books, supplies, equipment, or, in the case of a special needs Designated Beneficiary, expenses for special needs services.

Non-Qualified Withdrawals and the Additional Tax

General – A "Non-Qualified Withdrawal" is any withdrawal from an Account other than a Qualified Withdrawal or a rollover. The earnings portion of a Non-Qualified Withdrawal is subject to applicable federal and state income tax and an additional 10% federal tax on earnings. There is an exception to the additional 10% tax imposed for withdrawals on account of:

- the death of the Designated Beneficiary of the Account if paid to the Designated Beneficiary's estate;
- the disability of the Designated Beneficiary of the Account within the meaning of Section 72(m)(7) of the Code;
- the receipt of a scholarship by the Designated Beneficiary to the extent the amount withdrawn does not exceed the amount of such scholarship;

- the use of American Opportunity, Hope Scholarship or Lifetime Learning tax credits (together, "Education Tax Credits") as allowed under federal income tax law; or
- the attendance of the Designated Beneficiary at a U.S. Military Academy (as defined below).

Although the Program Manager will report the earnings portion of all withdrawals, it is solely the responsibility of the person to whom earnings are reportable under federal and state laws to calculate and report any resulting tax liability.

Death of Designated Beneficiary – In the event of the death of the Designated Beneficiary, the Account Owner may exercise one or more of the following options:

- the Account Owner may request payment of the Account balance to the Designated Beneficiary's estate in which case the earnings portion will be subject to federal income tax and possibly state income tax on the earnings portion of the withdrawal, without imposition of the additional 10% tax on earnings;
- the Account Owner may request the return of the Account balance, the earnings portion of which will be subject to federal income tax and may be subject to an additional 10% tax; or
- the Account Owner may initiate a change of Designated Beneficiary, as described in "Change of Designated Beneficiary."

Special rules apply to Accounts established by UGMA/UTMA custodians. Special rules also apply to Accounts established by the attendance of the Designated Beneficiary at a U.S. Military Academy (as defined below).

Disability of Designated Beneficiary – If the Designated Beneficiary becomes disabled within the meaning of Section 72(m)(7) of the Code, the Account Owner may exercise one or more of the following options:

- the Account Owner may request the return of all or a portion of the Account balance, in which case the earnings portion will be subject to federal income tax and possibly state income tax on the earnings portion of the withdrawal, without imposition of the additional 10% tax; or
- alternatively, the Account Owner may initiate a change of Designated Beneficiary, as described in "Change of Designated Beneficiary."

Special rules apply to Accounts established by UGMA/UTMA custodians.

Receipt of Scholarship – If the Designated Beneficiary receives a qualified scholarship, Account assets up to the amount of the qualified scholarship may be withdrawn by the Account Owner or paid to the Designated Beneficiary without imposition of the additional 10% tax on the earnings portion of the withdrawal. However, the earnings portion will be subject to any applicable federal and state income tax. Special rules apply to Accounts established by UGMA/UTMA custodians. A qualified scholarship generally means any scholarship or fellowship grant (or portion thereof) that is exempt from federal income tax. This may include a scholarship received under a state-sponsored scholarship program administered by the South Carolina Commission on Higher Education or the South Carolina Higher Education Tuition Grants Commission, if and to the extent such scholarship is exempt from federal income tax. In addition, a qualified scholarship includes certain educational assistance allowances under federal law, as well as certain payments for education expenses that are exempt from federal income tax. You should consult a qualified educational or tax advisor to determine whether a particular payment or benefit constitutes a qualified scholarship.

Attendance at Certain Specified U.S. Military Academies – If the Designated Beneficiary attends certain educational institutions such as the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, and the United States Merchant Marine Academy (each, a "U.S. Military Academy"), Account funds may be withdrawn, subject to federal income tax and possibly state income tax on the earnings portion of the withdrawal, without imposition of the additional 10% tax on earnings to the extent the withdrawal does not exceed the costs of qualifying expenses attributable to such attendance.

Use of Education Tax Credits – The Education Tax Credits provide a tax credit, subject to various limitations, for amounts expended for tuition and fees required for the enrollment or attendance of the taxpayer, the taxpayer's spouse or a dependent of a taxpayer at an Eligible Educational Institution. Taxpayers paying Qualified Higher Education Expenses from an Account will not be able to claim Education Tax Credits for the same expenses. Furthermore, expenses used in determining the allowed Education Tax Credits will reduce the amount of a Designated Beneficiary's Qualified Higher Education Expenses to be paid from an Account and may result in taxable withdrawals. Such withdrawals may be subject to federal income tax and possibly state income tax on the earnings portion of the withdrawal, but will not be subject to the additional 10% tax on earnings. See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS."

Qualifying Rollovers to Other Section 529 Programs

Rollover Withdrawals – An Account Owner may make a penalty-free and federal income tax-free rollover from an Account in the Program to an account in another state's Section 529 Program without changing the Designated Beneficiary, if no rollover to any account under any Section 529 Program has occurred within the preceding 12 months with respect to the same Designated Beneficiary. In addition, Account Owners may make more frequent rollovers without penalty or federal income taxes and regardless of whether the rollover is to: (i) an account in another state's Section 529 Program; (ii) an Account in the Program; or (iii) an account in another college savings program sponsored by the State of South Carolina, provided that the rollover is into an account for a different Designated Beneficiary who is a "Member of the Family" of the existing Designated Beneficiary (see "Member of the Family"). A rollover must be made within 60 days of the distribution from the originating account.

If a rollover does not meet the criteria outlined above, it will be considered a Non-Qualified Withdrawal that is subject to federal income tax and the additional 10% tax on earnings, as well as any applicable state income taxes, and it might give rise to various gift, estate, and GST tax consequences. See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS." Please note that, for federal tax purposes, a transfer of assets for the same Designated Beneficiary from one college savings program sponsored by the State of South Carolina to another college savings program also sponsored by the State of South Carolina is considered an investment reallocation (subject to the twice-per-calendar-year limitation) and not a rollover. See "Changing Investment Portfolios within the Program."

Rollovers and other transfers between accounts in Section 529 Programs can have substantial federal and state income and transfer tax consequences, and Account Owners and Designated Beneficiaries are advised to consult with a qualified tax advisor prior to requesting any such rollover or transfer.

Residual Account Balances

If the Designated Beneficiary graduates from an Eligible Educational Institution or chooses not to pursue higher education, and funds remain in the Account, the Account Owner can choose from one of three options. First, if the Account Owner requests, the remaining funds (including earnings, which generally will be subject to federal and possibly state income tax and an additional 10% tax) will be returned to the Account Owner. Second, the Account Owner may authorize a change of the Designated Beneficiary for the remaining funds in the Account. See "Change of Designated Beneficiary." Special rules apply to Accounts established by UGMA/UTMA custodians. Third, the Account Owner may keep the funds in the Account to pay future Qualified Higher Education Expenses (such as graduate or professional school expenses) of the Designated Beneficiary.

Termination

Account Owners may at any time close the Account by providing a Withdrawal Request Form to the Program Manager requesting a withdrawal of the full Account balance. Such withdrawal amount will be less any applicable fees and expenses. Unless used for Qualified Higher Education Expenses or fitting within certain exceptions (see "Non-Qualified Withdrawals and the Additional Tax"), such withdrawal may be considered to be a Non-Qualified Withdrawal. The Treasurer may terminate an Account at any time and for any reason, including if it determines that: (i) the Designated Beneficiary of an Account does not attend an Eligible Educational Institution; (ii) an Account Owner has changed Designated Beneficiaries of an Account primarily to avoid or significantly defer federal or state income tax; or (iii) the assets in an Account are too small to be economically administered. Upon termination of an Account by the Treasurer, the Program Manager shall liquidate the investments in the Account and distribute the balance to the Account Owner, less any applicable fees and expenses. This withdrawal may be treated as a Non-Qualified Withdrawal (subject to federal and any applicable state income tax and the additional 10% tax on earnings).

Change of Designated Beneficiary

General – Section 529 of the Code and the proposed regulations thereunder generally allow for changes of Designated Beneficiary without federal income tax consequences, so long as the new Designated Beneficiary is a "Member of the Family" of the current Designated Beneficiary. In addition, no federal gift tax or any GST will result as long as the new Designated Beneficiary is a "Member of the Family" of the current Designated Beneficiary and is assigned to the same generation as the current Designated Beneficiary (or a higher generation). If the new Designated Beneficiary is of a younger generation than the current Designated Beneficiary, the change of Designated Beneficiary will be deemed a gift from the current Designated Beneficiary and may be subject to federal gift tax and perhaps GST tax (payable by the Account Owner, under Section 529 of the Code and the advance notice of proposed rulemaking issued thereunder), even if the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary. Any change of the Designated Beneficiary to a person who is not a "Member of the Family" of the current Designated Beneficiary should be treated as a Non-Qualified Withdrawal that is subject to federal income tax and an additional 10%

federal tax on earnings and may be treated as a new contribution to the new Designated Beneficiary for transfer tax purposes.. See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS—Federal Gift, Estate and GST Taxes."

To initiate a change of Designated Beneficiary, the Account Owner must provide a Change of Beneficiary Form (and any additional required documentation) to the Program Manager. An Account Owner will be asked to certify that the relationship between the new Designated Beneficiary and the prior Designated Beneficiary meets the "Member of the Family" requirement. An Account Owner changing the Designated Beneficiary may select different investment options at the time the change is made which take into account the circumstances of the new Designated Beneficiary. See "Changing Investment Portfolios Within the Program." The change will be made upon the Program Manager's acceptance and processing of a properly completed form. There is currently no fee or charge for changing a Designated Beneficiary. If the Account Owner's Account is currently invested in a Portfolio in the Age-Based Portfolio option, the Program Manager will reinvest such amounts in a new Portfolio in the Age-Based Portfolio option based on the age of the new Designated Beneficiary, unless otherwise instructed by the Account Owner. If an Account Owner changes Designated Beneficiaries excessively, the Program Manager in its discretion may reject any future requests by the Account Owner to change the Designated Beneficiary on the Account.

Changes of Designated Beneficiaries can have substantial federal and state income tax and transfer tax consequences, and Account Owners and Designated Beneficiaries are advised to consult with a qualified tax advisor prior to any such change of Designated Beneficiary.

Member of the Family – A "Member of the Family" is the Designated Beneficiary's:

- Father or mother, or an ancestor of either;
- Son or daughter, or a descendant of either;
- Stepfather or stepmother;
- Stepson or stepdaughter;
- Brother, sister, stepbrother or stepsister;
- Brother or sister of the father or mother;
- Brother-in-law, sister-in-law, son-in-law, daughter-in-law, father-in-law or mother-in-law;
- Son or daughter of a brother or sister;
- Spouse of the Designated Beneficiary or any of the foregoing individuals; or
- First cousin.

A legally adopted child or a foster child of an individual is to be treated as the child of such individual by blood, and a half-brother or half-sister is treated as a brother or sister. A foster child is considered to be a Member of the Family of his/her current foster family. If a foster child is placed with a subsequent foster family, the foster child is considered to be a Member of the Family of his/her successor foster family, and not a Member of the Family of his/her previous foster family(ies).

THE FUTURE SCHOLAR PORTFOLIOS

Contributions made to an Account on behalf of a Designated Beneficiary are invested in Shares of one or more Portfolios based on an election on the Account Application (or any change to such election) made by the Account Owner. Assets of Single Fund Portfolios are invested in a single Underlying Fund; assets of Target Allocation Portfolios are invested in a combination of Underlying Funds; and Age-Based Portfolios are invested in a series of Target Allocation Portfolios over time based upon a Designated Beneficiary's age.

The Underlying Funds are recommended by the Program Manager and approved by the Treasurer in accordance with the investment strategies of the respective Portfolios. Currently, the Underlying Funds consist of the mutual funds and exchange-traded funds ("ETFs") described below under "SUMMARY OF INVESTMENT OBJECTIVES, PRINCIPAL INVESTMENT STRATEGIES AND PRINCIPAL RISKS OF THE CURRENT UNDERLYING FUNDS" and the interest-bearing bank deposit Bank Deposit Account described below under "Future Scholar Bank Deposit Portfolio." In general, ETFs are funds whose shares are listed on a national securities exchange and trade in the secondary market, like other publicly traded securities, at market prices that change throughout the day. Transactions in an ETF's shares may occur at prices that are more or less than the NAV of the ETF, unlike transactions in mutual fund shares which occur at the fund's NAV. Although some ETFs are actively managed, most ETFs seek to track an index by investing either in all of the securities in the index or in a representative sample of the securities in the index. ETF shares are equity securities that represent a holder's proportional ownership in the investments in the ETF's portfolio. A Portfolio typically will bear brokerage costs on its transactions in ETF shares but does not incur transaction costs on purchases or sales of mutual fund shares.

The Direct Program offers three Age-Based Portfolio options (Aggressive risk track, Moderate risk track and Conservative risk track), and seventeen Portfolios, including seven Target Allocation Portfolios and ten Single Fund Portfolios, any one or more of which may be selected as an investment by an Account Owner. The Age-Based Portfolio option allows Account Owners to elect to have Contributions automatically allocated among the seven Target Allocation Portfolios. The Target Allocation Portfolios each invest in a mix of Underlying Funds in the approximate percentages set forth below under "Portfolio Allocations." The Legacy Capital Preservation Portfolio is a Single Fund Portfolio that invests primarily in book value investment contracts backed by one or more portfolios of short- and intermediate-term investment grade bonds and Class Institutional shares of Columbia Government Money Market Fund. The Future Scholar Bank Deposit Portfolio is a Single Fund Portfolio that invests all of its assets in the interest-bearing Bank Deposit Account at BB&T.

The assets of each Portfolio invested in Underlying Funds are done so in accordance with the sector allocation targets and Underlying Fund determinations recommended by the Program Manager and approved by the Treasurer. The Program Manager may adjust the ongoing Underlying Fund allocations within the approved target asset allocation percentage ranges, which are described below.

Within the equity securities segment of a Portfolio, if any, investments will generally be allocated among Underlying Funds investing in domestic equity and international equity investments. Within the fixed income segment of a Portfolio, if any, investments will generally be allocated among Underlying Funds investing in investment grade debt, non-investment grade debt and/or money market investments.

There is no assurance that any Portfolio's strategy will be successful. Participation in the Direct Program is not considered to be part of an investment advisory service.

Portfolio Selection

Account Owners may invest Contributions in one or more Target Allocation Portfolios or Single Fund Portfolios, or an Age-Based Portfolio Option, and may maintain that investment selection for the entire term of their Accounts. The current target asset allocation of each Target Allocation Portfolio is set forth below.

An Account Owner may allocate Contributions to any one or more of the Portfolios or the Age-Based Portfolio option. Although an Account Owner may select from among Portfolios for Contributions made to his/her Account, and may vary the Portfolios selected in connection with each Contribution, under federal law neither Account Owners nor Designated Beneficiaries may exercise any investment discretion, directly or indirectly, over Contributions to an Account or over any earnings on Contributions except as otherwise explicitly permitted by Section 529 of the Code and the regulations or other guidance thereunder. Accordingly, once made, Contributions and any earnings thereon may be transferred to another Portfolio only in limited circumstances (generally, twice per calendar year, or in connection with a change of Designated Beneficiary or, automatically, in connection with the Age-Based Portfolio option). Portfolios may merge, terminate, reorganize or cease accepting new Contributions. See "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS—Limits on Control by Account Owners." The Treasurer may elect to substitute another Underlying Fund for a specified Underlying Fund provided that substitution complies with the Investment Plan. Account Owners shall receive notice of any such substitution by receiving a new Program Description, a Supplement, or other written communication from the Program.

Age-Based Portfolio Option

General – The Age-Based Portfolio Option seeks to balance the expected returns and risks of the Underlying Funds with the time period remaining before a typical Designated Beneficiary is expected to attend an Eligible Educational Institution. Generally, the Age-Based Portfolio Option allocates investments among the Target Allocation Portfolios so that an Account is more heavily invested in Underlying Funds that invest in equity securities when the Designated Beneficiary is younger, and is more heavily invested in Underlying Funds that invest in fixed income securities and money market instruments when the Designated Beneficiary is older. If an Account Owner selects the Age-Based Portfolio Option on the Account Application, the Program Manager will direct Contributions to the Target Allocation Portfolios based on the date of birth of the Designated Beneficiary.

Three Separate Risk Tracks – Account Owners may establish the Age-Based Portfolio Option based on their preferred risk tolerance: Conservative, Moderate or Aggressive. Each risk track reflects the relative weighting of investments in equity securities, fixed income securities and cash equivalent securities. Equity securities offer the potential for greater investment returns but also bear increased risk that you could lose money. Fixed income securities typically offer a reduced risk of loss of principal but also decrease the potential for investment gains. Cash and cash equivalent securities generally offer the lowest risk in terms of loss of principal but also produce the lowest investment returns. You should take into account, among other factors, your investment goals and objectives, investment time horizon and your tolerance for market volatility and investment risk. The respective Target Allocation Portfolios for each risk track are shown in the schedule below.

For Accounts selecting the Age-Based Portfolio Option, Contributions will initially be allocated to the specified Portfolio based on the age of the Designated Beneficiary at the time the Contribution is made. Once Contributions have been allocated to a particular Target Allocation Portfolio, Shares of that Portfolio will continue to be held in the Account until the Designated Beneficiary reaches the age for the exchange into the next Target Allocation Portfolio as set forth in the schedule below. If the specified age has been reached on or before August 31, Shares will be exchanged on or about August 31 for Shares of the Target Allocation Portfolio for the next age group (an "Automatic Allocation Exchange"). Automatic Allocation Exchanges will continue until Shares are exchanged for an equal dollar value of Shares of the College Portfolio, in the case of the Conservative and Moderate Risk Tracks, and the Conservative Portfolio, in the case of the Aggressive Risk Track. Account assets will remain invested the College Portfolio or Conservative Portfolio or, as applicable, until withdrawn or reinvested.

For example, for Contributions in the Aggressive Risk Track made on behalf of a Designated Beneficiary who reaches age 6 on July 1 of a given year, Shares of Aggressive Growth Portfolio will be exchanged for an equal dollar value of Shares of Growth Portfolio on or about August 31 of that year. For Contributions made on behalf of a Designated Beneficiary who reaches age 6 on December 1 of given year, Shares of Aggressive Growth Portfolio will be exchanged for an equal dollar value of Shares of Growth Portfolio on or about August 31 of the following year.

Age Based Portfolio Option: Available Risk Tracks and Target Allocations

Age of Beneficiary	Conservative Risk Track	Moderate Risk Track	Aggressive Risk Track
0 – 5 Years Old	**Moderate Growth Portfolio** 60% Equities 40% Fixed Income	**Growth Portfolio** 80% Equities 20% Fixed Income	**Aggressive Growth Portfolio** 90% Equities 10% Fixed Income
6 – 8 Years Old	**Moderate Portfolio** 50% Equities 45% Fixed Income 5% Cash	**Moderate Growth Portfolio** 60% Equities 40% Fixed Income	**Growth Portfolio** 80% Equities 20% Fixed Income
9 – 11 Years Old	**Moderately Conservative Portfolio** 30% Equities 50% Fixed Income 20% Cash	**Moderate Portfolio** 50% Equities 45% Fixed Income 5% Cash	**Moderate Growth Portfolio** 60% Equities 40% Fixed Income
12 – 15 Years Old	**Conservative Portfolio** 15% Equities 45% Fixed Income 40% Cash	**Moderately Conservative Portfolio** 30% Equities 50% Fixed Income 20% Cash	**Moderate Portfolio** 50% Equities 45% Fixed Income 5% Cash
16 – 18 Years Old	**College Portfolio** 50% Fixed Income 50% Cash	**Conservative Portfolio** 15% Equities 45% Fixed Income 40% Cash	**Moderately Conservative Portfolio** 30% Equities 50% Fixed Income 20% Cash
18 + Years Old	**College Portfolio** 50% Fixed Income 50% Cash	**College Portfolio** 50% Fixed Income 50% Cash	**Conservative Portfolio** 15% Equities 45% Fixed Income 40% Cash

The Treasurer reserves the right to alter the method of assigning Contributions to Target Allocation Portfolios, to increase or decrease the number of Allocation Portfolios and, subject to receipt of satisfactory assurance that such reassignment would not disqualify the affected Accounts or the Program from treatment, for federal tax purposes, as a Section 529 Program, to reassign existing Contributions to other Portfolios.

The percentage of assets held within each Allocation Portfolio in different investment categories currently depends on the ages of the Designated Beneficiaries assigned to that Portfolio. For example, the Aggressive Growth Portfolio, which is designed for Designated Beneficiaries less than six years of age, will typically invest substantially all of its assets in equity mutual funds. By contrast, the College Portfolio, which is designed for Designated Beneficiaries 18 years of age or older, has a relatively conservative target asset allocation, invests all of its assets in fixed income and money market mutual funds.

Use of Age-Based Portfolios Based on Years to Enrollment – The Program formerly offered a "Years to Enrollment" option based on the number of years before the Designated Beneficiary's expected matriculation at an Eligible Educational Institution. **This option is available only to Account Owners who selected it on the Account Application prior to October 1, 2012 and is supported only for the Aggressive risk track.** Under this option, Contributions are initially allocated to the specified Portfolio based on the number of years remaining before expected matriculation as specified by the Account Owner on the Account Application. Once Contributions are allocated to a particular Target Allocation Portfolio, the years to matriculation is reduced by one as of each January 1st following the date on which the Account was opened, and Shares are exchanged for the next Target Allocation Portfolio when the years to matriculation range for that Portfolio reaches the corresponding age of beneficiary set forth in the following list. The exchange takes place annually on or about August 31.

Age of Beneficiary	***Years to Matriculation***
0 – 5 Years Old	13 or more years to matriculation
6 – 8 Years Old	10 – 12 more years to matriculation
9 – 11 Years Old	7 – 9 more years to matriculation
12 – 15 Years Old	3 – 6 more years to matriculation
16 – 18 Years Old	1 – 2 more years to matriculation
18 + Years Old	attendance has begun

Target Allocation Portfolios

The Target Allocation Portfolios typically invest in a combination of Underlying Funds that are invested primarily in equity, fixed income and cash equivalent securities. Each Target Allocation Portfolio has a distinct investment objective and a different target allocation among Underlying Funds. Unlike the Age-Based Portfolio Options, each Target Allocation Portfolio is static and does not change asset allocations as the Beneficiary ages.

The Target Allocation Portfolios available to Account Owners are:

Portfolio	**Equities**	**Fixed Income / Cash**
Future Scholar Aggressive Growth Portfolio	90%	10%
Future Scholar Growth Portfolio	80%	20%
Future Scholar Moderate Growth Portfolio	60%	40%
Future Scholar Moderate Portfolio	50%	50%
Future Scholar Moderately Conservative Portfolio	30%	70%
Future Scholar Conservative Portfolio	15%	85%
Future Scholar College Portfolio	0%	100%

Target Allocations of Target Allocation Portfolios

The table below provides the target asset class allocations as of the date of this Program Description applicable to the seven Target Allocation Portfolios, as well as the Underlying Funds currently selected for investments to underlie each Target Allocation Portfolio. The table also identifies the portions of each Portfolio invested in "*equity funds, bond funds*" and in "*cash/money market funds.*" (Please note that total allocations may reflect rounding.) Target asset allocations may change from time to time, and actual asset allocations will change with fluctuations in the value of each Underlying Fund's investments and certain other factors.

	Aggressive Growth Portfolio	Growth Portfolio	Moderate Growth Portfolio	Moderate Portfolio	Moderately Conservative Portfolio	Conservative Portfolio	College Portfolio
Risk Track	**Age of Designated Beneficiary**						
Aggressive	0 – 5	6 - 8	9 – 11	12 – 15	16 - 17	18+	
Moderate		0 – 5	6 – 8	9 – 11	12 – 15	16 - 17	18+
Conservative			0 – 5	6 – 8	9 – 11	12 – 15	16+
Domestic Equities	**70%**	**64%**	**50%**	**43%**	**26%**	**15%**	**-%**
Columbia Large Cap Index	46	45	33	29	18	13	-
Columbia Mid Cap Index	15	12	11	9	4	2	-
Columbia Small Cap Index	9	7	6	5	4	-	-
International Equities	**20**	**17**	**12**	**9**	**6**	**-**	**-**
Vanguard Developed Markets Index	20	17	12	9	6	-	-
Fixed Income	**8**	**17**	**36**	**42**	**47**	**43**	**48**
iShares 20+ Year Treasury Bond ETF	-	-	-	-	-	-	2
iShares 7-10 Year Treasury Bond ETF	-	-	-	-	-	-	-
Vanguard Total Bond Market II Index	8	17	35	38	39	35	41
Vanguard Short-Term Bond Index	-	-	-	4	7	7	5
iShares Barclays TIPS Bond	-	-	1	-	1	1	-
Cash	**2**	**2**	**2**	**6**	**21**	**42**	**52**
Vanguard Federal Money Market	2	2	2	6	21	42	52
Equities	**90%**	**81%**	**62%**	**52%**	**32%**	**15%**	**-%**
Fixed Income & Cash	**10%**	**19%**	**38%**	**48%**	**68%**	**85%**	**100%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

CMIA will adjust the weightings of the Underlying Funds in these Portfolios within the percentage limits set forth below under "Future Scholar Portfolio Allocation Ranges" and "Target Allocations of Target Allocation Portfolios." New Underlying Funds may be added to and existing Underlying Funds may be removed from the Target Allocation Portfolios at the discretion of the Treasurer and the Program Manager without prior notice to Account Owners, but Account Owners will be informed of any such change by receiving either a new Program Description, a Supplement, or other written communication from the Program. Account Owners will generally receive notice of the addition or removal of an Underlying Fund with their next regularly scheduled Account Statement after such addition or removal.

Portfolio Allocations

In accordance with the Act, the Treasurer is responsible for the investment of assets held in the Trust Fund. Pursuant to the Management Agreement, CMIA provides recommendations as to the Portfolios to be offered and the specific Underlying Funds for each Portfolio. For this purpose, the Underlying Funds must generally invest in the types of investments permitted by the Investment Plan, which currently allows investments of the following types: short-term marketable debt securities, U.S. fixed-income securities, non-U.S. fixed income securities, U.S. equity securities, non-U.S. equity securities, bank certificates of deposit and deposit accounts, and stable value investments.

Under the Management Agreement, the Treasurer may: (i) approve any proposed combination of Underlying Funds and Portfolios as recommended by CMIA; or (ii) request that CMIA consider alternative proposed Underlying Funds and Portfolios. CMIA may from time to time recommend changes to the Portfolios offered. The Treasurer and CMIA will mutually agree on the composition of the Underlying Funds and the Portfolios. It is anticipated that Target Allocation Portfolios will be rebalanced periodically to reflect their target allocations. For information regarding the target allocations to particular Underlying Funds for each Allocation Portfolio, please refer to the Portfolio Construction, which is available at www.futurescholar.com or from the Program Manager.

The following chart illustrates the investment objective and permitted target asset allocation percentage range of each Target Allocation Portfolio as of the date of this Program Description.

PORTFOLIO INVESTMENT OBJECTIVES AND TARGET ALLOCATION PORTFOLIO RANGES

Columbia Portfolio	Int'l Equities (%)	U.S. Equities (%)	Total Equities (%)	Fixed Income (%)	Cash Equivalent (%)	Investment Objective
Target Allocation Portfolios						
Aggressive Growth 529	15-25	65-75	80-100	5-15	0-5	This Portfolio seeks capital appreciation through exposure to a variety of equity market segments with limited exposure to fixed income investments.
Growth 529	11-21	59-69	70-90	15-25	0-5	This Portfolio seeks long-term growth of capital through substantial exposure to a variety of equity market segments with limited exposure to fixed income investments.
Moderate Growth 529	7-17	43-53	50-70	35-45	0-5	This Portfolio seeks long-term growth of capital with modest exposure to fixed income investments.
Moderate 529	4-14	36-46	40-60	40-50	0-10	This Portfolio seeks total return through a balanced portfolio of equity and fixed-income investments.
Moderately Conservative 529	0-10	20-30	20-40	45-55	15-25	This Portfolio seeks current income and modest growth of capital.
Conservative 529	0-5	10-20	10-25	40-50	35-45	This Portfolio seeks current income to prepare for funding withdrawals.
College 529	0-5	0-5	0-10	45-55	45-55	Capital preservation and current income for funding withdrawals.

Single Fund Portfolios

Each Single Fund Portfolio has a specified investment strategy. Eight of the Single Fund Portfolios each invest in a single mutual fund or exchange traded fund. Note that a Single Fund Portfolio's Underlying Fund may change from time to time without prior notice to Account Owners, but Account Owners will be informed of any such change by receiving either a new Program Description, a Supplement, or other written communication from the Program. The Future Scholar Legacy Capital Preservation Portfolio invests primarily in book value investment contracts backed by one or more portfolios of short- and intermediate-term investment grade bonds and Class Institutional shares of Columbia Government Money Market Fund. The Future Scholar Bank Deposit Portfolio invests all of its assets in the interest-bearing Bank Deposit Account at BB&T.

Future Scholar Portfolio	Investment Objective
Large Cap Index	This Portfolio seeks investment results that (before fees and expenses) generally correspond to the total return of the S&P 500 Index. This Portfolio invests all of its net investable assets in Class Institutional shares of Columbia Large Cap Index Fund.
Mid Cap Index	This Portfolio seeks investment results that (before fees and expenses) generally correspond to the total return of the S&P MidCap 400 Index. This Portfolio invests all of its net investable assets in Class Institutional shares of Columbia Mid Cap Index Fund.
Small Cap Index	This Portfolio seeks investment results that (before fees and expenses) generally correspond to the total return of the S&P Small Cap 600 Index. This Portfolio invests all of its investable assets in Class Institutional shares of Columbia Small Cap Index Fund.
International Equity Index	This Portfolio seeks investment results that (before and after taxes) generally correspond to the performance of a benchmark index that measures the investment return of stocks issued by companies located in the major markets of Europe and the Pacific region. This Portfolio invests all of its net available assets in Institutional Class shares of Vanguard Developed Markets Index Fund.
Bond Index	This Portfolio seeks investment results that (before fees and expenses) generally correspond to the performance of a broad, market-weighted bond index. This Portfolio invests all of its net available assets in Institutional Class shares of the Vanguard Total Bond Market II Index Fund.
Short Term Bond Index	This Portfolio seeks investment results that (before fees and expenses) generally correspond to the performance of a market-weighted bond index with a short-term dollar-weighted average maturity. This Portfolio invests all of its net available assets in Institutional Class shares of the Vanguard Short-Term Bond Index Fund.
TIPS Bond ETF	This Portfolio seeks investment results that (before fees and expenses) correspond generally to the price and yield performance, before fees and expenses, of the Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L). This Portfolio invests all of its net available assets in the iShares TIPS Bond ETF.
Ultra Short Term Bond	This Portfolio seeks a high level of current income consistent with the maintenance of liquidity and the preservation of capital. This Portfolio invests all of its net available assets in Class Institutional shares of the CMG Ultra Short Term Bond Fund.
Legacy Capital Preservation	This Portfolio seeks to provide current income while maintaining stability of principal.
Future Scholar Bank Deposit Portfolio	This Portfolio invests all of its assets in the interest-bearing Bank Deposit Account at BB&T.

Investment Options

Contributions to the Portfolios are invested in accordance with the various investment options approved by the Treasurer. In conjunction with the Treasurer, CMIA, in its discretion, may change the investment options at any time without the Account Owner's consent. At least annually, CMIA will review the then-current investment options of the Program and determine whether or not to propose any changes to the existing options. Such changes may include, among other things, the addition of new Portfolios, changes in the allocation percentages of existing Portfolios and the addition or substitution of new Underlying Funds (which may or may not be mutual funds) and the removal of existing Underlying Funds from Portfolios. Any such action affecting a Portfolio may result in an Account Owner's Contributions being reinvested in a Portfolio different from the Portfolio in which contributions were originally invested or in Underlying Funds different than those currently set forth in "Underlying Funds" below.

Underlying Fund Share Classes

As applicable, Portfolios investing in Underlying Funds which are organized as mutual funds are invested in Class Institutional shares of underlying Columbia Funds mutual funds (including the portion of the Future Scholar Legacy Capital Preservation Portfolio that invests in Columbia Government Money Market Fund), or in Institutional Class shares of Vanguard Funds, as recommended for that Portfolio by CMIA and approved by the Treasurer. iShares TIPS Bond ETF does not have separate share classes.

The Program Manager reserves the right to hold cash in a Portfolio to meet anticipated withdrawal requests or for other reasons and to invest a portion of each Portfolio in Columbia Funds money market mutual funds for cash management purposes. CMIA serves as investment advisor for all of the underlying Columbia Funds mutual funds. Certain Underlying Funds are not managed by CMIA, as indicated below in "SUMMARY OF INVESTMENT OBJECTIVES, PRINCIPAL INVESTMENT STRATEGIES AND PRINCIPAL RISKS OF THE CURRENT UNDERLYING FUNDS."

Account Owners do not have any direct beneficial interests in the Underlying Fund(s) held by a Portfolio and, accordingly, have no rights as an owner or shareholder of such Underlying Fund(s).

Future Scholar Bank Deposit Portfolio

The Future Scholar Bank Deposit Portfolio invests all of its assets in an interest bearing omnibus bank deposit account at BB&T (the "Bank Deposit Account"). The Bank Deposit Account is insured by the Federal Deposit Insurance Corporation ("FDIC") on a pass-through basis as explained below, and is held in trust by the Program at BB&T.

Interest Rate – Investments in the Future Scholar Bank Deposit Portfolio earn a varying rate of interest in an amount equal to the Federal Funds daily effective rate as reported by Bloomberg, L.P. Interest will be compounded daily based on the actual number of days in a year (typically, 365/365 and 366/366 in leap years) and will be credited to Accounts on a monthly basis. The interest rate is expressed as an Annual Percentage Yield ("APY"). To see the current Bank Deposit Portfolio APY, please visit www.futurescholar.com or call 1.888.244.5674.

FDIC Insurance - Except for the Future Scholar Bank Deposit Portfolio, investments in the Program are **not** insured by the FDIC. FDIC insurance is provided for the Future Scholar Bank Deposit Portfolio only, which invests in the FDIC-insured Bank Deposit Account. Contributions to and earnings on the investments in the Future Scholar Bank Deposit Portfolio are insured by the FDIC on a pass-through basis to each Account Owner up to the maximum amount set by federal law — currently $250,000. The amount of FDIC insurance provided to an Account Owner is based on the total of: (a) the amount of an Account Owner's investment in the Future Scholar Bank Deposit Portfolio; and (b) the amount or amounts in all other accounts held by the Account Owner at BB&T, as determined in accordance with BB&T records and FDIC regulations. Plan Officials are not responsible for determining how an Account Owner's investment in the Future Scholar Bank Deposit Portfolio will be aggregated with other accounts held by the Account Owner at BB&T for purposes of the FDIC insurance.

No Other Guarantees - There is no other insurance and there are no other guarantees for the Future Scholar Bank Deposit Portfolio. Therefore, like all of the Portfolios, neither your contributions into the Future Scholar Bank Deposit Portfolio nor any investment return earned on your contributions are guaranteed by the Program or by BB&T. In addition, the Future Scholar Bank Deposit Portfolio does not provide a guarantee of any level of performance or return.

HISTORICAL INVESTMENT PERFORMANCE

The performance of each Portfolio depends on the weighted average performance of the Underlying Funds in which it invests. The value of Shares, which represent interests in a Portfolio, will vary from day to day. **The performance information for the Future Scholar Portfolios can be found in the Supplemental Booklet, which is described in the Definitions of Key Terms section of this Program Description.**

PROGRAM FEES AND EXPENSES

Each Account bears certain ongoing expenses. These expenses consist of any indirect expenses incurred by the Underlying Funds (other than the Future Scholar Bank Deposit Portfolio) in which the Portfolios invest. In addition, certain fees and expenses are established by the Management Agreement, which may be amended. There is no assurance that such fees would remain applicable subsequent to amendment, termination or renewal of the Management Agreement. A portion of the Portfolio's interest in Underlying Funds may be liquidated to pay other expenses charged to a Portfolio including the fees and expenses described below.

The Program Manager has agreed to absorb other Account level fees such as returned check fees, fees for processing rollovers from the Program and fees for reports on Account history. The Treasurer and the Program Manager reserve the right to change the amount of any of these fees, or the circumstance under which such fees may be waived.

Underlying Fund Expenses – All Portfolios invest in Underlying Funds, each of which (other than the Bank Deposit Account in which the Future Scholar Bank Deposit Portfolio invests) assesses certain fees against amounts invested. An Underlying Fund's expense ratio measures the total annual operating expenses of the Underlying Fund as a percentage of its average daily net assets. The total net operating expense ratio measures the annual operating expenses of an Underlying Fund as a percentage of its average daily net assets. Operating expenses for each Underlying Fund include investment advisory, administration and other fees. CMIA and its affiliates collect such fees on those Columbia Funds which are offered as Underlying Funds.

For more information on these Underlying Fees and Expenses as well as the fees and expense examples that an Account Owner may pay if a Portfolio is bought and sold, please see the Supplemental Booklet ("More Information About Performance, Fees and Expenses") which is incorporated by reference into this Program Description.

See The Supplemental Booklet—What It Costs to Invest in the Program for tables which describe the fees and expense that an Account Owner may pay if Shares of the Portfolios are bought and held. See the Supplemental Booklet—Expense Examples for tables which compare the approximate cost of investing over different periods of time in each Portfolio (other than the Future Scholar Bank Deposit Portfolio).

Indirect Expenses

Each Portfolio (other than the Future Scholar Bank Deposit Portfolio) indirectly bears its proportional share of the fees and expenses incurred by the Underlying Funds in which it invests. Accordingly, each such Portfolio's investment return will be net of both the fees and expenses of the Underlying Funds (see "Underlying Fund Expenses" below) and any direct expenses noted above.

CMIA and its affiliates provide services to certain Underlying Funds and receive compensation for those services from the Underlying Funds. For more information about such payments, see "THE MANAGEMENT AGREEMENT—Payments from Underlying Funds."

Compensation with Respect to the Future Scholar Legacy Capital Preservation Portfolio

CMIA receives a stable value management fee for the assets of the Future Scholar Legacy Capital Preservation Portfolio (excluding assets attributable to Columbia Government Money Market Fund) based on the following fee schedule (the "Stable Value Management Fee"):

Assets Managed	Fee Rate
First $25 million	0.20%
Next $50 million	0.12%
Next $75 million	0.10%

SUMMARY OF INVESTMENT OBJECTIVES, PRINCIPAL INVESTMENT STRATEGIES AND PRINCIPAL RISKS OF THE CURRENT UNDERLYING FUNDS

The following descriptions briefly summarize the investment objectives and principal investment strategies of the Underlying Funds in which the Portfolios are currently invested. The descriptions also identify certain principal risks to which particular Underlying Funds may be subject. The investment objectives, principal investment strategies and principal risks provided for Underlying Funds that are mutual funds or ETFs are based upon information contained in the applicable Underlying Fund's prospectus available prior to the date of this Program Description. The investment objectives and principal investment strategies and principal risks may change at any time without the consent of or notice to the Account Owner. Account Owners should periodically assess and, if appropriate, adjust their investment choices with their time horizon, risk tolerance and investment objectives in mind. A complete, detailed description about each Underlying Fund that is a mutual fund or an ETF can be found in the Fund's current prospectus and statement of additional information and these summaries are qualified in their entirety to those Underlying Fund documents. You can request a copy of any such Underlying Fund's current prospectus and statement of additional information, or its most recent semi-annual or annual report, by calling 1-888-244-5674.

Each of the Underlying Funds is subject to risk, including the risk of loss of principal, and there is no guarantee that its investment objectives will be achieved. Past performance does not guarantee future results. **More information about the risks related to the Underlying Funds is set forth below under "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS."**

Domestic Equity Funds

Columbia Large Cap Index Fund

Investment Objective and Principal Investment Strategies—This Underlying Fund) seeks total return before fees and expenses that corresponds to the total return of the Standard & Poor's (S&P) 500® Index. The Fund's investment objective is not a fundamental policy and may be changed by the Fund's Board of Trustees without shareholder approval. Because any investment involves risk, there is no assurance the Fund's investment objective will be achieved.

Under normal circumstances, the Fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in common stocks that comprise the S&P 500 Index (the Index).

The Fund may invest in derivatives, such as futures (including equity index futures), for cash equitization purposes.

Different common stocks have different weightings in the Index, depending on the amount of stock outstanding and the stock's current price. In seeking to match the performance of the Index, CMIA, the Fund's investment adviser, attempts to allocate the Fund's assets among common stocks in approximately the same weightings as the Index. This is referred to as a passive or indexing approach to investing.

As a result of the Fund's indexing approach to investing, the Fund will typically emphasize within the portfolio those economic sectors emphasized by the Index, such as the information technology sector. The Fund may buy shares of Ameriprise Financial, Inc., an affiliate of CMIA, which is currently included in the Index, subject to certain restrictions.

The Fund attempts to achieve at least a 95% correlation between the performance of the Index and the Fund's investment results, before fees and expenses. A correlation of 1.00 means the return of the Fund can be completely explained by the return of the Index. The Fund's ability to track the Index is affected by, among other things, transaction costs and other expenses (which the Index does not incur), changes in the composition of the Index, changes in the number of shares issued by the companies represented in the Index, and by the timing and amount of Fund shareholder purchases and redemptions.

CMIA may sell a stock when the stock's percentage weighting in the index is reduced, when the stock is removed from the index, if the timing of cash flows in and out of the Fund requires it to sell a security, corporate actions have affected the issuer (such as corporate reorganizations, mergers or acquisitions) or for other reasons.

Although index funds, by their nature, tend to be tax-efficient investments, the Fund generally is managed without regard to tax efficiency.

Principal Risks of Investing—The Fund is subject to Correlation/Tracking Error Risk, Derivatives Risk, Derivatives Risk/Futures Contracts Risk, Issuer Risk, Market Risk and Sector Risk.

Columbia Mid Cap Index Fund

Investment Objective and Principal Investment Strategies—This Underlying Fund seeks total return before fees and expenses that corresponds to the total return of the Standard & Poor's (S&P) MidCap 400® Index. The Fund's investment objective is not a fundamental policy and may be changed by the Fund's Board of Trustees without shareholder approval. Because any investment involves risk, there is no assurance the Fund's investment objective will be achieved.

Under normal circumstances, the Fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in common stocks that comprise the S&P MidCap 400 Index (the Index). The Fund also may invest in real estate investment trusts.

The Fund may invest in derivatives, such as futures (including equity index futures), for cash equitization purposes.

Different common stocks have different weightings in the Index, depending on the amount of stock outstanding and the stock's current price. In seeking to match the performance of the Index, CMIA, the Fund's investment adviser, attempts to allocate the Fund's assets among common stocks in approximately the same weightings as the Index. This is referred to as a passive or indexing approach to investing.

As a result of the Fund's indexing approach to investing, the Fund will typically emphasize within the portfolio those economic sectors emphasized by the Index, such as the financial services sector.

The Fund attempts to achieve at least a 95% correlation between the performance of the Index and the Fund's investment results, before fees and expenses. A correlation of 1.00 means the return of the Fund can be completely explained by the return of the

Index. The Fund's ability to track the Index is affected by, among other things, transaction costs and other expenses (which the Index does not incur), changes in the composition of the Index, changes in the number of shares issued by the companies represented in the Index, and by the timing and amount of Fund shareholder purchases and redemptions.

CMIA may sell a stock when the stock's percentage weighting in the index is reduced, when the stock is removed from the index, if the timing of cash flows in and out of the Fund requires it to sell a security, corporate actions have affected the issuer (such as corporate reorganizations, mergers or acquisitions) or for other reasons.

Although index funds, by their nature, tend to be tax-efficient investments, the Fund generally is managed without regard to tax efficiency.

Principal Risks of Investing—The Fund is subject to Correlation/Tracking Error Risk, Derivatives Risk, Derivatives Risk/Futures Contracts Risk, Issuer Risk, Market Risk, Mid-Cap Company Securities Risk, Real Estate-Related Investment Risk and Sector Risk.

Columbia Small Cap Index Fund

Investment Objective and Principal Investment Strategies—This Underlying Fund seeks total return before fees and expenses that corresponds to the total return of the Standard & Poor's (S&P) SmallCap 600® Index. The Fund's investment objective is not a fundamental policy and may be changed by the Fund's Board of Trustees without shareholder approval. Because any investment involves risk, there is no assurance the Fund's investment objective will be achieved.

Under normal circumstances, the Fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in common stocks that comprise the S&P SmallCap 600 Index (the Index).

The Fund may invest in derivatives, such as futures (including equity index futures), for cash equitization purposes.

Different common stocks have different weightings in the Index, depending on the amount of stock outstanding and the stock's current price. In seeking to match the performance of the Index, CMIA, the Fund's investment adviser, attempts to allocate the Fund's assets among common stocks in approximately the same weightings as the Index. This is referred to as a passive or indexing approach to investing.

As a result of the Fund's indexing approach to investing, the Fund will typically emphasize within the portfolio those economic sectors emphasized by the Index, such as the financial services sector.

The Fund attempts to achieve at least a 95% correlation between the performance of the Index and the Fund's investment results, before fees and expenses. A correlation of 1.00 means the return of the Fund can be completely explained by the return of the Index. The Fund's ability to track the Index is affected by, among other things, transaction costs and other expenses (which the Index does not incur), changes in the composition of the Index, changes in the number of shares issued by the companies represented in the Index, and by the timing and amount of Fund shareholder purchases and redemptions.

CMIA may sell a stock when the stock's percentage weighting in the index is reduced, when the stock is removed from the index, if the timing of cash flows in and out of the Fund requires it to sell a security, corporate actions have affected the issuer (such as corporate reorganizations, mergers or acquisitions) or for other reasons.

Although index funds, by their nature, tend to be tax-efficient investments, the Fund generally is managed without regard to tax efficiency.

Principal Risks of Investing—The Fund is subject to Correlation/Tracking Error Risk, Derivatives Risk, Derivatives Risk/Futures Contracts Risk, Issuer Risk, Market Risk, Sector Risk and Small Company Securities Risk.

International Equity Funds

Vanguard Developed Markets Index Fund

Investment Objective and Principal Investment Strategies—This Underlying Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in Canada and the major markets of Europe and the Pacific region.

The Fund employs an indexing investment approach designed to track the performance of the FTSE Developed All Cap ex US Index, a market-capitalization weighted index that is made up of approximately 3,700 common stocks of large-, mid-, and small-cap companies located in Canada and the major markets of Europe and the Pacific region. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range.

*Principal Risk*s *of Investing*—The Fund is subject to Currency Risk, Stock Market Risk, Investment Style Risk and Country/Regional Risk.

Vanguard is a trademark of The Vanguard Group, Inc.

Fixed Income Funds

CMG Ultra Short Term Bond Fund

Investment Objective and Principal Investment Strategies – This Underlying Fund seeks a high level of current income consistent with the maintenance of liquidity and the preservation of capital. Only shareholders can change the Fund's investment objective. Because any investment involves risk, there is no assurance the Fund's objective will be achieved.

Under normal circumstances, the Fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in a diversified portfolio of domestic debt securities of investment grade quality. Debt securities may be issued by governments, companies or special purpose entities and may include notes, bonds, debentures and commercial paper.

The Fund may invest in mortgage- and other asset-backed securities.

The Fund may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis. Such securities may include mortgage-backed securities acquired or sold in the "to be announced" (TBA) market and those in a dollar roll transaction.

The Fund may invest in floating rate debt securities, which have interest rates that adjust or "float" periodically.

The Fund may invest in privately placed and other securities or instruments that are purchased and sold pursuant to Rule 144A or other exemptions under the Securities Act of 1933, as amended (the 1933 Act), subject to liquidity determinations and certain regulatory restrictions.

The Fund may invest up to 20% of total assets in dollar-denominated foreign debt securities.

Under normal circumstances, the Fund's dollar weighted average effective maturity will be two years or less, and its duration will be one year or less. A bond is issued with a specific maturity date, which is the date when the issuer must pay back the bond's principal (face value). Bond maturities range from less than 1 year to more than 30 years. Typically, the longer a bond's maturity, the more price risk the Fund and the Fund's investors face as interest rates rise, but the Fund could receive a higher yield in return for that longer maturity and higher interest rate risk. Duration measures the sensitivity of bond prices to changes in interest rates. The longer the duration of a bond, the more sensitive it will be to changes in interest rates. For example, a three-year duration means a bond is expected to decrease in value by 3% if interest rates rise 1% and increase in value by 3% if interest rates fall 1%.

CMIA, the fund's investment adviser, evaluates a number of factors in identifying investment opportunities and constructing the Fund's portfolio. CMIA also considers local, national and global economic conditions, market conditions, interest rate movements and other relevant factors in allocating the Fund's assets among issuers, securities, industry sectors and maturities.

CMIA, in connection with selecting individual investments for the Fund, evaluates a security based on its potential to generate income and/or to preserve capital. CMIA considers, among other factors, the creditworthiness of the issuer of the security and the various features of the security, such as its interest rate, yield, maturity, any call features and value relative to other securities.

CMIA may sell a security if it believes that there is deterioration in the issuer's financial circumstances, or that other investments are more attractive; if there is deterioration in a security's credit rating; or for other reasons. The Fund's investment policy with respect to 80% of its net assets may be changed by the Board of Trustees without shareholder approval as long as shareholders are given 60 days advance written notice of the change.

*Principal Risk*s *of Investing*—The Fund is subject to Active Management Risk, Changing Distribution Level Risk, Counterparty Risk, Credit Risk, Foreign Securities Risk, Forward Commitments on Mortgage -Backed Securities (including Dollar Rolls) Risk, Impairment of Collateral Risk, Interest Rate Risk, Issuer Risk, Liquidity Risk, Market Risk, Mortgage- and Other Asset-Backed Securities Risk, Prepayment and Extension Risk, Reinvestment Risk, Rule 144Aand Other Exempted Securities Risk and U.S. Government Obligations Risk.

iShares 20+ Year Treasury Bond ETF

Investment Objective and Principal Investment Strategies- The iShares 20+ Year Treasury Bond ETF (the "Fund") seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities greater than twenty years.

The Fund seeks to track the investment results of the ICE U.S. Treasury 20+ Year Bond Index (the "Underlying Index"), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity greater than twenty years. As of December 31, 2016, there were 36 issues in the Underlying Index.

The Underlying Index consists of publicly-issued U.S. Treasury securities that have a remaining maturity greater than twenty years and have $300 million or more of outstanding face value, excluding amounts held by the Federal Reserve System (the "Fed"). In addition, the securities in the Underlying Index must be fixed-rate and denominated in U.S. dollars. Excluded from the Underlying Index are inflation linked securities, Treasury bills, cash management bills, any government agency debt issued with or without a government guarantee and zero-coupon issues that have been stripped from coupon-paying bonds. The Underlying Index is weighted by market capitalization, and the securities in the Underlying Index are updated on the last business day of each month.

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 keeping 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, duration, maturity, 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 an applicable underlying index.

The Fund generally invests at least 90% of its assets in the bonds of the Underlying Index and at least 95% of its assets in U.S. government bonds. The Fund may invest up to 10% of its assets in U.S. government bonds not included S-2 in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund also may invest up to 5% of its assets in repurchase agreements collateralized by U.S. government obligations and in cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates. 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 Interactive Data Pricing and Reference Data LLC (the "Index Provider" or "Interactive Data"), 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.

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.

BFA is the investment adviser to the Fund. Shares of the Fund are listed for trading on NYSE Arca, Inc. ("NYSE Arca"). The market price for a share of the Fund may be different from the Fund's most recent NAV.

ETFs are funds that trade like other publicly-traded securities. The Fund is designed to track an index. Similar to shares of an index mutual fund, each share of the Fund represents an ownership interest in an underlying portfolio of securities and other instruments intended to track a market index. Unlike shares of a mutual fund, which can be bought and redeemed from the issuing fund by all shareholders at a price based on NAV, shares of the Fund may be purchased or redeemed directly from the Fund at NAV solely by Authorized Participants. Also unlike shares of a mutual fund, shares of the Fund are listed on a national securities exchange and trade in the secondary market at market prices that change throughout the day.

The Fund invests in a particular segment of the securities markets and seeks to track the performance of a securities index that generally is not representative of the market as a whole. The Fund is designed to be used as part of broader asset allocation strategies. Accordingly, an investment in the Fund should not constitute a complete investment program.

An index is a financial calculation, based on a grouping of financial instruments, and is not an investment product, while the Fund is an actual investment portfolio. The performance of the Fund and the Underlying Index may vary for a number of reasons, including transaction costs, non-U.S. currency valuations, asset valuations, corporate actions (such as mergers and spin-offs), timing variances and differences between the Fund's portfolio and the Underlying Index resulting from the Fund's use of representative sampling or from legal restrictions (such as diversification requirements) that apply to the Fund but not to the Underlying Index. From time to time, the Index Provider may make changes to the methodology or other adjustments to the Underlying Index. Unless otherwise determined by BFA, any such change or adjustment will be reflected in the calculation of the Underlying Index performance on a going-forward basis after the effective date of such change or adjustment. Therefore, the Underlying Index performance shown for periods prior to the effective date of any such change or adjustment will generally not be recalculated or restated to reflect such change or adjustment. "Tracking error" is the divergence of the performance (return) of the Fund's portfolio from that of the Underlying Index. BFA expects that, over time, the Fund's tracking error will not exceed 5%. Because the Fund uses a representative sampling indexing strategy, it can be expected to have a larger tracking error than if it used a replication indexing strategy. "Replication" is an indexing strategy in which a fund invests in substantially all of the securities in its underlying index in approximately the same proportions as in the underlying index.

An investment in the Fund is not a bank deposit and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, BFA or any of its affiliates.

The Fund's investment objective and the Underlying Index may be changed without shareholder approval.

Principal Risks of Investing—The Fund is subject to Asset Class Risk, Assets Under Management (AUM) Risk, Authorized Participant Concentration Risk, Concentration Risk, Cyber Security Risk, Income Risk, Index-Related Risk, Interest Rate Risk, Issuer Risk, Management Risk, Market Risk, Market Trading Risk, Operational Risk, Passive Investment Risk, Risk of Investing in the United States, Securities Lending Risk, Tracking Error Risk and US Treasury Obligation Risk.

<u>iShares 7-10+ Year Treasury Bond ETF</u>

Investment Objective and Principal Investment Strategies- The iShares 7-10 Year Treasury Bond ETF (the "Fund") seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between seven and ten years.

The Fund seeks to track the investment results of the ICE U.S. Treasury 7-10 Year Bond Index (the "Underlying Index"), which measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than seven years and less than or equal to ten years. As of December 31, 2016, there were 18 issues in the Underlying Index.

The Underlying Index includes publicly issued U.S. Treasury securities that have a remaining maturity of greater than seven years and less than or equal to ten years and have $300 million or more of outstanding face value, excluding amounts held by the Federal Reserve System (the "Fed"). In addition, the securities in the Underlying Index must be fixed-rate and denominated in U.S. dollars. Excluded from the Underlying Index are inflation-linked securities, Treasury bills, cash management bills, any government agency debt issued with or without a government guarantee and zero-coupon issues that have been stripped from coupon-paying bonds. The Underlying Index is weighted by market capitalization, and the securities in the Underlying Index are updated on the last business day of each month.

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 keeping 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 the 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, duration, maturity, credit ratings and yield) and liquidity measures similar to those of the Underlying Index. The Fund may or may not hold all of the securities in the Underlying Index.

The Fund generally invests at least 90% of its assets in the bonds of the Underlying Index and at least 95% of its assets in U.S. government bonds. The Fund may invest up to 10% of its assets in U.S. government bonds not included in the Underlying

Index, but which BFA believes will help the Fund track the Underlying Index. The Fund also may invest up to 5% of its assets in repurchase agreements collateralized by U.S. government obligations and in cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates. 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 Interactive Data Pricing and Reference Data LLC (the "Index Provider" or "Interactive Data"), 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.

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.

BFA is the investment adviser to the Fund. Shares of the Fund are listed for trading on NYSE Arca, Inc. ("NYSE Arca"). The market price for a share of the Fund may be different from the Fund's most recent NAV.

ETFs are funds that trade like other publicly-traded securities. The Fund is designed to track an index. Similar to shares of an index mutual fund, each share of the Fund represents an ownership interest in an underlying portfolio of securities and other instruments intended to track a market index. Unlike shares of a mutual fund, which can be bought and redeemed from the issuing fund by all shareholders at a price based on NAV, shares of the Fund may be purchased or redeemed directly from the Fund at NAV solely by Authorized Participants. Also unlike shares of a mutual fund, shares of the Fund are listed on a national securities exchange and trade in the secondary market at market prices that change throughout the day.

The Fund invests in a particular segment of the securities markets and seeks to track the performance of a securities index that generally is not representative of the market as a whole. The Fund is designed to be used as part of broader asset allocation strategies. Accordingly, an investment in the Fund should not constitute a complete investment program.

An index is a financial calculation, based on a grouping of financial instruments, and is not an investment product, while the Fund is an actual investment portfolio. The performance of the Fund and the Underlying Index may vary for a number of reasons, including transaction costs, non-U.S. currency valuations, asset valuations, corporate actions (such as mergers and spin-offs), timing variances and differences between the Fund's portfolio and the Underlying Index resulting from the Fund's use of representative sampling or from legal restrictions (such as diversification requirements) that apply to the Fund but not to the Underlying Index. From time to time, the Index Provider may make changes to the methodology or other adjustments to the Underlying Index. Unless otherwise determined by BFA, any such change or adjustment will be reflected in the calculation of the Underlying Index performance on a going-forward basis after the effective date of such change or adjustment. Therefore, the Underlying Index performance shown for periods prior to the effective date of any such change or adjustment will generally not be recalculated or restated to reflect such change or adjustment. "Tracking error" is the divergence of the performance (return) of the Fund's portfolio from that of the Underlying Index. BFA expects that, over time, the Fund's tracking error will not exceed 5%. Because the Fund uses a representative sampling indexing strategy, it can be expected to have a larger tracking error than if it used a replication indexing strategy. "Replication" is an indexing strategy in which a fund invests in substantially all of the securities in its underlying index in approximately the same proportions as in the underlying index.

An investment in the Fund is not a bank deposit and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, BFA or any of its affiliates.

The Fund's investment objective and the Underlying Index may be changed without shareholder approval.

Principal Risks of Investing—The Fund is subject to Asset Class Risk, Assets Under Management (AUM) Risk**,** Authorized Participant Concentration Risk, Concentration Risk, Cyber Security Risk, Income Risk, Index-Related Risk, Interest rate Risk, Issuer Risk, Management Risk, Market Risk, Market Trading Risk, Operational Risk, Passive Investment Risk, Investing in the United States Risk, Securities Lending Risk, Tracking Error Risk and US Treasury Obligation Risk.

iShares TIPS Bond ETF

Investment Objective and Principal Investment Strategies—This Underlying Fund seeks to track the investment results of an index composed of inflation-protected U.S. Treasury bonds.

The Fund seeks to track the investment results of the Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) (the "Underlying Index"), which measures the performance of the inflation-protected public obligations of the U.S. Treasury, commonly known as "TIPS." TIPS are securities issued by the U.S. Treasury that are designed to provide inflation protection to investors. TIPS are income-generating instruments whose interest and principal payments are adjusted for inflation — a sustained increase in prices that erodes the purchasing power of money. The inflation adjustment, which is typically applied monthly to the principal of the bond, follows a designated inflation index, the consumer price index ("CPI"), and TIPS' principal payments are adjusted according to changes in the CPI. A fixed coupon rate is applied to the inflation-adjusted principal so that as inflation rises, both the principal value and the interest payments increase. This can provide investors with a hedge against inflation, as it helps preserve the purchasing power of an investment. Because of this inflation adjustment feature, inflation-protected bonds typically have lower yields than conventional fixed-rate bonds.

The Underlying Index includes all publicly-issued U.S. Treasury inflation protected securities that have at least one year remaining to maturity, are rated investment-grade and have $250 million or more of outstanding face value. In addition, the securities in the Underlying Index must be denominated in U.S. dollars and must be fixed-rate and non-convertible. The Underlying Index is market capitalization-weighted and the securities in the Underlying Index are updated on the last calendar day of each month.

BlackRock Fund Advisors, the Fund's investment adviser (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 keeping 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, duration, maturity, 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 an applicable underlying index.

The Fund generally invests at least 90% of its assets in the bonds of the Underlying Index and at least 95% of its assets in U.S. government bonds. The Fund may invest up to 10% of its assets in U.S. government bonds not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund also may invest up to 5% of its assets in repurchase agreements collateralized by U.S. government obligations and in cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates. 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 Index Services Limited (the "Index Provider" or "Bloomberg"), 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.

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.

BFA is the investment adviser to the Fund. Shares of the Fund are listed for trading on NYSE Arca, Inc. ("NYSE Arca"). The market price for a share of the Fund may be different from the Fund's most recent NAV.

ETFs are funds that trade like other publicly traded securities. The Fund is designed to track an index. Similar to shares of an index mutual fund, each share of the Fund represents an ownership interest in an underlying portfolio of securities and other instruments intended to track a market index. Unlike shares of a mutual fund, which can be bought and redeemed from the issuing fund by all shareholders at a price based on NAV, shares of the Fund may be purchased or redeemed directly from the Fund at NAV solely by Authorized Participants. Also unlike shares of a mutual fund, shares of the Fund are listed on a national securities exchange and trade in the secondary market at market prices that change throughout the day.

The Fund invests in a particular segment of the securities markets and seeks to track the performance of a securities index that generally is not representative of the market as a whole. The Fund is designed to be used as part of broader asset allocation strategies. Accordingly, an investment in the Fund should not constitute a complete investment program.

An index is a financial calculation, based on a grouping of financial instruments, that is not an investment product, while the Fund is an actual investment portfolio. The performance of the Fund and the Underlying Index may vary for a number of reasons, including transaction costs, non-U.S. currency valuations, asset valuations, corporate actions (such as mergers and spin-offs), timing variances and differences between the Fund's portfolio and the Underlying Index resulting from the Fund's use of representative sampling or from legal restrictions (such as diversification requirements) that apply to the Fund but not to the Underlying Index. "Tracking error" is the divergence of the performance (return) of the Fund's portfolio from that of the Underlying Index. BFA expects that, over time, the Fund's tracking error will not exceed 5%. Because the Fund uses a representative sampling indexing strategy, it can be expected to have a larger tracking error than if it used a replication indexing strategy. "Replication" is an indexing strategy in which a fund invests in substantially all of the securities in its underlying index in approximately the same proportions as in the underlying index.

An investment in the Fund is not a bank deposit and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, BFA or any of its affiliates.

The Fund's investment objective and the Underlying Index may be changed without shareholder approval.

Principal Risks of Investing—The Fund is subject to Asset Class Risk, Assets Under Management (AUM) Risk, Authorized Participant Concentration Risk, Concentration Risk, Cyber Security Risk, Income Risk, Index-Related Risk, Interest Rate Risk, Issuer Risk, Management Risk, Market Risk, Market Trading Risk, Operational Risk, Passive Investment Risk, Risk of Investing in the United States, Securities Lending Risk, Tracking Error Risk and U.S. Treasury Obligations Risk.

Vanguard Short-Term Bond Index Fund

Investment Objective and Principal Investment Strategies—This Underlying Fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity.

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index. This Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally does not exceed 3 years and, as of December 31, 2016, was 2.9 years.

Principal Risks of Investing—The Fund is subject to Credit Risk, Extension Risk, Income Risk, Interest Rate Risk, Index Sampling Risk, and Liquidity Risk.

Vanguard Total Bond Market II Index Fund

Investment Objective and Principal Investment Strategies—This Underlying Fund seeks to track the performance of a broad, market-weighted bond index.

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities— all with maturities of more than 1 year.

The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years and, as of December 31, 2016, was 8.3 years.

An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range.

Principal Risks of Investing—The Fund is subject to Call Risk, Credit Risk, Extension Risk, Income Risk, Interest Rate Risk, Index Sampling Risk, Liquidity Risk and Prepayment Risk.

An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall bond market.

Cash and Cash Equivalents

Vanguard Federal Money Market Fund

Investment Objective and Principal Investment Strategies – This Underlying Fund seeks to provide current income while maintaining liquidity and a stable share price of $1.

The Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the Fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

Under the new money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The Fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1 per share, it is possible to lose money by investing in the Fund.

Principal Risks of Investing—The Fund is subject to Credit Risk, Income Risk and Manager Risk.

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Columbia Government Money Market Fund

Investment Objective and Principal Investment Strategies – This Underlying Fund seeks to provide shareholders with maximum current income consistent with liquidity and stability of principal.

The Fund invests at least 99.5% of its total assets in government securities, cash and/or repurchase agreements collateralized solely by government securities or cash. For purposes of this policy, "government securities" are any securities issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States, or any certificate of deposit for any of the foregoing.

The Fund typically invests in U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations. The Fund may invest in variable and floating rate instruments, and may transact in securities on a when- issued, delayed delivery or forward commitment basis. The Fund invests in a portfolio of securities maturing in 397 days or less (as maturity is calculated by U.S. Securities and Exchange Commission (SEC) rules governing the operation of money market funds) that will have a dollar-weighted average maturity of 60 days or less and a dollar- weighted average life of 120 days or less.

The securities purchased by the Fund are subject to the quality, diversification, and other requirements of Rule 2a-7 under the Investment Company Act of 1940, as amended (the 1940 Act), and other rules of the SEC. Under normal market conditions, the Fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in government securities and/or repurchase securities that are collateralized by government securities. The Fund will only purchase government securities, cash, repurchase agreements collateralized solely by government securities or cash, and up to 0.5% of the Fund's total assets may be invested in other securities that present minimal credit risk as determined by Columbia Management Investment Advisers, LLC, the Fund's investment adviser (CMIA), pursuant to guidelines approved by the Fund's Board of Trustees.

The Board of Trustees of the Fund has determined that the Fund will not be subject to liquidity fees and redemption gates at this time.

In pursuit of the Fund's objective, CMIA observes the macro environment to set a framework for portfolio construction, including looking for positive and negative trends in the economy and market. In evaluating whether to purchase a security, CMIA:

- Considers opportunities and risks given current interest rates and anticipated interest rates.
- Purchases securities based on the timing of cash flows in and out of the Fund.
- Considers the impact of the purchase on the Fund's average maturity and duration.
- Considers a security's yield, relative value and credit characteristics.

In evaluating whether to sell a security, CMIA considers, among other factors, whether in its view:

- The issuer's fundamentals are deteriorating.
- Political, economic, or other events could affect the issuer's performance.
- There are more attractive opportunities.
- The issuer or the security continues to meet the other standards described above.

Principal Risks of Investing—The Fund is subject to Active Management Risk, Changing Distribution Level Risk, Credit Risk, Interest Rate Risk, Market Risk, Money Market Fund Risk, Regulatory Risk — Money Market Funds, Reinvestment Risk, Repurchase Agreements Risk, and U.S. Government Obligations Risk.

Future Scholar Legacy Capital Preservation Portfolio

The investment objective of the Future Scholar Legacy Capital Preservation Portfolio is to seek to provide current income while maintaining stability of principal. This Portfolio invests primarily in book value investment contracts ("Investment Contracts"), which are backed by one or more fixed-income portfolios managed by the Program Manager. Such investments may include U.S. Government and agency securities, agency mortgage-backed securities (including collateralized mortgage obligations), asset-backed and commercial mortgage-backed securities that carry (at the time of purchase) ratings that are the same or higher than the U.S. government from Moody's Investors Service or Standard and Poor's; U.S. Dollar denominated corporate, sovereign and supranational fixed-income securities that carry (at the time of purchase) Baa3/BBB- or higher ratings by two of Moody's Investors Service, Standard and Poor's, or Fitch, futures contracts on U.S. Government securities and indices, forward commitments to purchase or sell securities and other financial instruments that seek to provide similar characteristics as assets permitted hereunder. Such assets may be managed (1) on a constant duration basis without a fixed maturity date or (2) on a declining duration or fixed maturity basis, toward a fixed maturity date.

The Portfolio's Investment Contracts allow Account Owners to make Withdrawals from the Portfolio at the "book value" of the Investment Contract, which is equal to the Portfolio assets contributed to the Investment Contract (a) less any withdrawals from the Investment Contract and certain fees and charges and (b) plus accrued interest at a rate of return based on a formula specified in the contract known as the "crediting rate".

The crediting rate, which is adjusted periodically, is designed to reflect the actual interest earned on the wrapped fixed income securities, as well as amortize the market value gain or loss of the wrapped assets backing the contract over the duration of those assets.

Redemptions which are made from the Investment Contracts for reasons other than Account Owner-directed Withdrawals (such as a decision by the State of South Carolina or the Program Manager to terminate or significantly revise the Portfolio or to terminate any Investment Contract) may not be made at the Investment Contract's book value, depending on the terms of such contract.

The Portfolio may also invest in short-term investments, including Class Institutional shares of Columbia Government Money Market Fund, which the Program Manager intends to maintain based on market conditions, the Fund's anticipated liquidity requirements or other factors it determines. At the Program Manager's discretion, up to 100% of the Portfolio may be placed in short-term investments, including cash and cash equivalents.

The Investment Contracts are not registered mutual funds. None of Ameriprise Financial, Inc., the Office of State Treasurer, the State of South Carolina, the Program Manager or its affiliates guarantee the principal, accumulated interest or the future crediting rate of the Portfolio. There is no assurance that the Portfolio will achieve its investment objective. An investment in the Portfolio is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Investors in the Portfolio may lose some portion of their investment in the Portfolio.

The expenses of the Portfolio, including the Stable Value Management Fee payable to CMIA, the Management Fee payable to the Program Manager, the Marketing Fee, the State Administrative Fee and the fees paid to issuers of the Investment Contracts, are accrued daily and will reduce the interest earned from the Investment Contracts.

Principal Risks of Investing - The Portfolio is subject to the following risks applicable to the Investment Contracts and fixed income securities. There is a risk that the insurance companies could fail to perform their obligations under the Investment Contracts for financial or other reasons.

Stable Value Risks: Credit Risk, Crediting Rate Risk, Investment Contract Risk, Liquidity Risk

Fixed Income Securities Risks: Active Management Risk, Asset-Backed Securities Risk, Credit Risk, Interest Rate Risk, Market Risk, Mortgage- and Other Asset-Backed Securities Risk, Reinvestment Risk

FDIC Insured Omnibus Bank Deposit Account

Future Scholar Bank Deposit Portfolio

General Information about BB&T – The Future Scholar Bank Deposit Portfolio is invested in the Bank Deposit Account at BB&T. The Bank Deposit Account is insured by the FDIC on a pass-through basis. The amount of FDIC insurance provided to an Account Owner is based on the total of (a) the amount of the Account Owner's investment in the Future Scholar Bank Deposit Portfolio and (b) the amount or amounts in all other accounts held by the Account Owner at BB&T, as determined in accordance with BB&T records and FDIC regulations. To the extent an Account Owner's deposits exceed the Maximum Applicable FDIC Deposit Insurance Amount, as described below; the excess funds are ineligible for FDIC insurance. Each Account Owner is responsible for monitoring the total amount of deposits the Account Owner has at BB&T for purposes of reviewing deposits which may be eligible for insurance by the FDIC. The Program does not have any duty to monitor any Account Owner's deposits at BB&T or make recommendations about, or changes to, investment options that might be beneficial the Account Owner.

Access to Funds in the Bank Deposit Account – Account Owners may access the cash balance in their respective portions of the Bank Deposit Account at BB&T only through their Accounts. An Account Owner cannot access or withdraw money held in the Bank Deposit Account in the Future Scholar Bank Deposit Portfolio by contacting BB&T directly.

Interest Rates – The interest rate on the Bank Deposit Account may be obtained by visiting www.futurescholar.com or calling 1.888.244.5674. Interest on the Bank Deposit Account is accrued daily, paid monthly and reflected on the Account statement as of the last business day of the statement period. Interest begins to accrue on the business day an Account's funds in the Future Scholar Bank Deposit Portfolio for deposit to the Bank Deposit Account are received by BB&T, which will typically be the business day following the day Contributions to the Future Scholar Bank Deposit Portfolio are received by the Program for the Account or an Investment Exchange from another Portfolio into the Future Scholar Bank Deposit Portfolio is processed for the Account. Generally, interest accrues on funds in the Bank Deposit Account through the business day preceding the date of withdrawal from the Future Scholar Bank Deposit Portfolio.

The interest rate on the Bank Deposit Account is in an amount equal to the Federal Funds daily effective rate as reported by Bloomberg, L.P. Interest rates may change at any time and may be based on a number of factors including general economic, market and business conditions.

Over any given period, the interest rates on the Bank Deposit Account may be lower than the rate of return on other investment options, which are non-FDIC insured, or on bank deposit accounts offered outside of the Program. BB&T does not have a duty to offer the highest rates available or rates that are comparable to other investment options.

Information about an Account Owner's Relationship with the Program and BB&T – As the agent of each Account Owner investing in the Future Scholar Bank Deposit Portfolio, the Program establishes the Bank Deposit Account at BB&T and deposits funds into, and withdraws funds from, the Bank Deposit Account. Bank Deposit Account ownership will be evidenced by a book entry on the account records of BB&T showing the Bank Deposit Account as an account held by the Program for the benefit of Account Owners. No evidence of ownership, such as a passbook or certificate, will be issued to Account Owners. An Account Owner's Account statements will reflect the balance in the Account Owner's Account that is invested in the Future Scholar Bank Deposit Portfolio and held in the Bank Deposit Account at BB&T. Account Owners should retain the Account statements for their records. Once established, the Bank Deposit Account is an obligation solely of BB&T and not the Program Manager, Treasurer or any other person.

Fees – No compensation is received by the Program, the Treasurer, and/or the Program Manager from BB&T with respect to the Bank Deposit Accounts.

Information Provided to BB&T – The Program Manager may provide BB&T with information related to an Account Owner who invests in the Future Scholar Bank Deposit Portfolio and any such Account Owner's Designated Beneficiary pursuant to agreement between the Program Manager and BB&T. If provided, the information could consist of such person's name, address

(including city, state, postal code, and, if applicable, foreign country), date of birth and SSN or TIN and any other information as necessary or requested by BB&T.

FDIC Deposit Insurance – Each Account Owner's investments in the Future Scholar Bank Deposit Portfolio which are held in the Bank Deposit Account are eligible for FDIC deposit insurance on a pass-through basis currently up to a maximum amount of $250,000 (including principal and accrued interest) when aggregated with all other deposits held by the Account Owner in the same insurable capacity at BB&T (*e.g.*, individual, joint, etc.) (the "maximum Applicable FDIC Insurance Amount"). Funds in the Future Scholar Bank Deposit Portfolio become eligible for FDIC deposit insurance immediately when BB&T receives those funds as part of the Bank Deposit Account. To the extent that an Account Owner's deposit at BB&T in one ownership capacity, either through the Program or otherwise, exceeds the Maximum Applicable FDIC Insurance Amount for that ownership capacity, deposits in excess of the limit will not be insured.

In the event BB&T fails, the Bank Deposit Account at BB&T is insured on a pass-through basis up to the $250,000 limit, or such other applicable limit, for principal and interest accrued for each Account on the date BB&T is closed. The Program Manager is not responsible for any insured or uninsured portion of any Account. Each Account Owner is responsible for monitoring the total amount of deposits the Account Owner has with BB&T in order to determine the extent of the deposit insurance coverage available to the Account Owner.

Questions about FDIC Deposit Insurance Coverage – For more information about basic FDIC insurance coverage, Account Owners may contact the FDIC, Division of Supervision and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342, 800-925-4618 (TOO), by email (dcainternet@fdic.gov), or by accessing the FDIC website at www.fdic.gov.

TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS

The following section is a summary of certain aspects of federal and state taxation of contributions to and withdrawals from Section 529 accounts. This summary is based on the Code and proposed regulations and other guidance issued by the Treasury Department or the IRS pursuant to Section 529, as of the date of this Program Description, and the Program's understanding and interpretation thereof. It is possible that Congress, the Treasury Department, the IRS, or courts may take action that will affect Section 529 and the guidance issued thereunder. Legislation of an individual state also may affect the state tax treatment of the Program for residents or other taxpayers of that state.

This summary and all other statements in this Program Description concerning U.S. federal and state tax issues (i) are not offered as individual tax advice to any person (including any Account Owner, other contributor, or Designated Beneficiary), (ii) are provided as general information in connection with the promotion or marketing of the Program, and (iii) are not provided or intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor. Neither the Treasurer nor Columbia nor any of their respective representatives may give or purport to give legal or tax advice.

Federal Taxation of Section 529 College Savings Programs

Contributions to Section 529 Programs are not deductible for federal income tax purposes. However, any earnings on contributions are not subject to federal income tax until amounts are withdrawn, if at all. Qualified Withdrawals are federal income tax-free. The earnings portion of a Non-Qualified Withdrawal from a Section 529 Program will be subject to all applicable federal and state taxes, including in some cases an additional 10% tax.

As described above, there are four exceptions to the additional 10% tax on the earnings portion of Non-Qualified Withdrawals: (i) withdrawals made on account of the death of the Designated Beneficiary (at least if the Account is liquidated and the proceeds are paid to the Designated Beneficiary's estate); (ii) withdrawals made on account of the Designated Beneficiary's disability; (iii) withdrawals that are not treated as being used to pay for Qualified Higher Education Expenses because of the use of Education Tax Credits as allowed under federal income tax law; and (iv) withdrawals made on account of a qualified scholarship received by the Designated Beneficiary or the attendance of the Designated Beneficiary at a U.S. Military Academy (to the extent the withdrawal does not exceed the amount of the qualified scholarship or the cost of such attendance). See "*Death of Designated Beneficiary*," "*Disability of Designated Beneficiary*" and "*Receipt of Qualified Scholarship*" under "PARTICIPATION AND ACCOUNTS—Withdrawals."

For purposes of calculating the earnings portion of withdrawals from an Account made prior to January 1, 2015, all accounts established under any South Carolina-sponsored Section 529 Programs having the same Account Owner and Designated Beneficiary will be aggregated, except that accounts under the South Carolina Tuition Prepayment Program having the same Account Owner and Designated Beneficiary will not be aggregated with other college savings program accounts. For all withdrawals, as well as for all

direct transfers between Section 529 Programs, the earnings portion of each withdrawal or transfer will be computed as of the date of such withdrawal or transfer.

If a withdrawal is payable to a Designated Beneficiary or to an Eligible Educational Institution on behalf of a Designated Beneficiary, the earnings are reportable on Form 1099-Q to the Designated Beneficiary. Otherwise the earnings are reportable on Form 1099-Q to the Account Owner.

Rollovers and Transfers

An Account Owner may make a rollover (in either direction) between an Account in the Program and an account in another state's Section 529 Program, without adverse federal income tax consequences, if (i) the rollover occurs by a direct transfer between the programs or within 60 days after the distribution from the original program, and (ii) the recipient account is for the same Designated Beneficiary, and no rollover contribution to an account under any Section 529 Program for the same Designated Beneficiary has occurred within the preceding 12 months, or the recipient account is for a new Designated Beneficiary who is a "Member of the Family" of the previous Designated Beneficiary.

An Account Owner may make a rollover (in either direction) between an Account in the Program and another account in the Program or in another Section 529 Program sponsored by the State of South Carolina, without adverse federal income tax consequences, if (i) the rollover occurs by a direct transfer within the Program or between the programs (as the case may be) or within 60 days after the distribution from the Program Account, and (ii) the recipient account is for a new Designated Beneficiary who is a "Member of the Family" of the previous Designated Beneficiary. A direct transfer described in this paragraph may be considered a change of Designated Beneficiary for federal and state income tax purposes.

For federal income tax purposes, the direct transfer of any assets between an Account in the Program and another account in the Program or in another Section 529 Program sponsored by the State of South Carolina for the benefit of the same Designated Beneficiary is considered an investment reallocation (subject to the twice-per-calendar-year limitation) and not a rollover. In addition, any such transfer of assets for the same Designated Beneficiary must be done directly within the Program or between the programs (as the case may be), without a distribution of money from either program to the Account Owner or any other person. If a direct transfer is not made (whether because it is not an available option between the two programs or for any other reason) and money is distributed from either program to the Account Owner or any other person and then contributed to an account for the same Designated Beneficiary in the Program or in the other South Carolina-sponsored program, the distribution from one program will nonetheless be considered a Non-Qualified Withdrawal that is subject to federal income tax on earnings and the additional 10% tax on earnings, as well as any applicable state income tax, and the subsequent contribution to the account for the same Designated Beneficiary might give rise to various gift, estate and GST tax consequences.

Coordination of Federal Tax Benefits

In addition to the tax benefits available to participants in a Section 529 Program, certain tax benefits are available for individuals who may qualify for the Education Tax Credits, who utilize the income from Qualified U.S. Savings Bonds to pay higher education tuition and fees, and/or who establish Coverdell ESAs. The tax laws provide a number of special rules intended to coordinate these programs and avoid duplication of benefits. Any Account Owner, other contributor, or Designated Beneficiary who intends to utilize more than one of these tax benefits should consult his or her tax advisor or legal counsel for advice on how these special rules may apply to his or her situation.

Coverdell Education Savings Accounts

Amounts contributed to a Section 529 Program account from a Coverdell ESA for the same Designated Beneficiary will be considered a Qualified Withdrawal from such Coverdell ESA and will not be subject to federal income tax or penalty. A person may make contributions to both a Section 529 Program and a Coverdell ESA for the same Designated Beneficiary in the same year, and contributions to a Section 529 Program will not cause the 6% excise tax on excess contributions to a Coverdell ESA to apply.

American Opportunity, Hope Scholarship and Lifetime Learning Tax Credits

The use of an Education Tax Credit by a qualifying Account Owner or Designated Beneficiary will not affect participation in, or potential tax benefits from, a Section 529 Program, so long as any withdrawal from the Section 529 Program account is not used for the same expenses for which the credit was claimed.

Federal Gift, Estate and GST Taxes

Contributions (including certain rollover contributions) to a Section 529 Program are generally considered completed gifts to the Designated Beneficiary and are eligible for the $14,000 ($28,000 in the case of an electing married couple) annual gift and GST tax exclusions. The annual gift and GST tax exclusions shall increase to $15,000 on January 1, 2018 ($30,000 in the case of an electing married couple). Except in the situations described in the following paragraph, if the Account Owner or other contributor were to die while assets remained in a Section 529 Program account for a Designated Beneficiary other than the Account Owner or other contributor, the value of the account would not be included in the Account Owner's or other contributor's estate. In cases where contributions to a Section 529 Program for a particular Designated Beneficiary exceed the available annual exclusion, the contributions are subject to federal gift tax and possibly the GST tax in the year of contribution, as described below. However, in these cases, a contributor may decide to apply the contribution against the annual exclusion equally over a five-year period. For example, an electing contributor who makes a $70,000 ($140,000 in the case of an electing married couple) contribution in one year, and makes no other gifts to the Designated Beneficiary during the five calendar years beginning with the year of contribution, will not incur a gift or GST tax. This election (which must be made on a gift tax return) is available only for contributions up to five times the annual exclusion amount for the year of contribution (i.e., currently, five times $14,000, or five times $28,000 for an electing married couple). Any excess contribution during that year will be treated as a gift in the calendar year of the contribution and may not be prorated.

If the Account Owner or other contributor chooses to use the five-year election described above and dies before the first day of the fifth calendar year beginning with the year of contribution, the portion of the contribution allocable to the calendar years remaining (beginning with the year after the Account Owner's or other contributor's death) will be included in the Account Owner's or other contributor's estate for federal estate tax (and possibly GST tax) purposes.

Each Account Owner or other contributor currently has a unified credit, equal to the amount of estate or gift tax on the estate tax exclusion amount ($5,490,000 for 2017 and $5,600,000 for 2018), that may be applied to gifts greater than the annual exclusion amounts referred to above. Although the IRS requires gift tax returns to be filed for gifts greater than the annual exclusion amount, no gift tax will be due until the contributor's lifetime exemption has been used if the contributor elects to apply the unified credit to such excess contribution.

An Account Owner or other contributor may also need to be concerned about the GST tax with respect to contributions to an account. The GST tax may apply to contributions greater than the GST tax annual exclusion amount (which is the same as the gift tax annual exclusion amount, currently $14,000) or the amount that may be elected to be ratably spread over the above-referenced five-year period, where the Designated Beneficiary is deemed to be a member of a generation that is more than one generation younger than the generation of the contributor. Each Account Owner or other contributor in 2017 has a $5,490,000 GST tax exemption that will be allocated to transfers that are subject to GST tax unless the taxpayer elects otherwise.

If the Designated Beneficiary for a Section 529 Program account is changed or amounts in an account are rolled over, resulting in a new Designated Beneficiary who is a "Member of the Family" of the previous Designated Beneficiary and of the same generation as the previous Designated Beneficiary (or a higher generation), a gift or GST tax will not apply. If the new Designated Beneficiary is of a younger generation than the previous Designated Beneficiary, the change of Designated Beneficiary will be deemed a gift from the previous Designated Beneficiary to the new Designated Beneficiary and may be subject to federal gift tax and perhaps GST tax (payable by the Account Owner, under Section 529 and the January 2008 advance notice of proposed rulemaking issued thereunder), even though the new Designated Beneficiary is a "Member of the Family" of the previous Designated Beneficiary. The annual exclusion and the five-year rule explained above may be applied here. For estate tax purposes, the gross estate of a Designated Beneficiary of a Section 529 Program account might include the value of the account.

Account Owners and Designated Beneficiaries and other contributors should consult a qualified tax advisor with respect to the potential federal gift, estate and GST tax consequences of Contributions, withdrawals, and other transactions with respect to an Account in the Program.

Taxation by the State of South Carolina

Under the Act, all property and income of the Trust Fund is exempt from all taxation by the State of South Carolina or any of its political subdivisions. The Act further provides that all interest, dividends, gains or income in an Account are excluded from the gross income of an Account Owner or Designated Beneficiary for purposes of South Carolina income taxes provided that such amounts are invested in the Trust Fund or are withdrawn for Qualified Higher Education Expenses. Contributions to an Account by a resident of South Carolina or a non-resident that is required to file a South Carolina income tax return are deductible up to the maximum Account Contribution limit of $426,000 or any lower limit under applicable law. This deduction for Contributions to an Account may be taken in any taxable year for Contributions made during that year and up to April 15th of the succeeding year, or (if later) the due date of a taxpayer's state income tax return, excluding extensions. However, the principal portion of any Non-Qualified

Withdrawal must be included in South Carolina gross income to the extent those amounts were previously deducted from South Carolina taxable income. South Carolina residents and taxpayers should consult a qualified tax advisor with respect to the potential South Carolina tax consequences of Contributions, withdrawals, and other transactions with respect to an Account in the Program.

Taxation by Other States

In general, if a state's income tax law conforms to the federal income tax law, an Account Owner or Designated Beneficiary who is a resident of the state should not recognize income on any withdrawals for Qualified Higher Education Expenses, including the portions of such withdrawals representing earnings.

If a state's definition of taxable income or adjusted gross income does not conform to the federal definition and the state does not have an explicit provision addressing the tax consequences of Section 529 Programs, the tax consequences to an Account Owner, other contributor (if any) or Designated Beneficiary may be unclear. In such cases, the earnings on an Account may be included in the Account Owner's state taxable income when earned.

If you are not a South Carolina taxpayer, consider before investing whether your or the beneficiary's home state offers a Section 529 Program that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's Section 529 Program, and which are not available through investment in the Future Scholar 529 College Savings Plan. Since different states have different tax provisions, this Program Description contains limited information about the state tax consequences of investing in the Program. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's Section 529 Program(s), or any other Section 529 Program, to learn more about those plans' features, benefits and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS

Prospective Account Owners should carefully consider the matters set forth below as well as all of the other information contained or referred to in this Program Description and the Participation Agreement in evaluating whether to establish an Account or make additional Contributions. The contents of this Program Description should not be construed as legal, financial or tax advice. Prospective Account Owners should consult their own attorneys and financial and tax advisors for legal and tax advice.

Risks of Participation in the Program

Accounts are subject to certain risks associated with participation in the Program. In addition, certain Portfolios are subject to different or greater risks than are other Portfolios. Account Owners should consider such risks in light of the possibility that the risks may arise at any time during the life of an Account, that their ability to direct the investment of Contributions to an Account is limited, and that withdrawals may be subject to penalties.

No Guarantee of Income or Principal – The investments made by the Portfolios in Underlying Funds are subject to market, interest rate and other investment risks. The value of an Account may increase or decrease, based on the investment performance of the Portfolio(s) in which Contributions have been invested, and the value of an Account may be more or less than the amount contributed to the Account. None of the State of South Carolina, the Treasurer, any agency or instrumentality of South Carolina, BFDS, CMID, Ameriprise Financial, Inc. or any of their affiliates, any agent or representative retained in connection with the Program or any other person, is an insurer of, makes any guarantee of or has any legal or moral obligation to insure the ultimate payout of any or all of the amount of any Contribution to an Account or that there will be any investment return or investment return at any particular level with respect to any Account. Due to different Pricing Alternatives among investment options in the Program, the NAV of each Portfolio Share and the investment return on an equivalent Contribution invested in a particular Portfolio Share may be more or less than it would be by investing in a Portfolio Share of a different Pricing Alternative.

Limits on Control by Account Owners – The Treasurer, not an Account Owner, determines the investment allocations for the Portfolio(s) to which Contributions are allocated and selects the Underlying Funds for such Portfolio(s). These determinations are effected from time to time as described under "Portfolio Allocations." Any Portfolio may at any time be merged, terminated, reorganized or cease accepting new Contributions. Any such action affecting a Portfolio may result in an Account Owner's Contributions being reinvested in a Portfolio different from the Portfolio in which the Contributions were originally invested. With certain exceptions, the Account Owner is not permitted to withdraw funds from the Account without imposition of federal and applicable state income tax, and the additional 10% tax on earnings, except for application to the Qualified Higher Education Expenses of the Designated Beneficiary.

Effect of Investment Strategies and Inflation in Qualified Higher Education Expenses – Contributions to an Account are limited to amounts projected to be sufficient to permit all Accounts established for a Designated Beneficiary to fund Qualified Higher Education Expenses for the Designated Beneficiary for a seven-year period of combined undergraduate and graduate attendance. However, the balance in an Account or Accounts maintained on behalf of a Designated Beneficiary may or may not be adequate to cover the Qualified Higher Education Expenses of that Designated Beneficiary, even if Contributions are made in the maximum allowable amount per Designated Beneficiary. In addition, the level of future inflation in Qualified Higher Education Expenses is uncertain and could exceed the rate of any investment return earned by any or all of the Portfolios over the corresponding periods. There is no obligation on the part of any college or university to maintain a rate of increase in Qualified Higher Education Expenses which is in any way related to Portfolio investment results.

The Age-Based Portfolio option utilizing the Target Allocation Portfolios has been designed to seek to balance risk and expected returns of the Underlying Funds with the time periods remaining until a typical Designated Beneficiary is expected to need assets for Qualified Higher Education Expenses. The Account's allocations among the Target Allocation Portfolios will vary as described in this Program Description. In general, the allocation of equity investments for an Account is expected to become increasingly conservative over time. Such allocation will vary based on the conservative, moderate or aggressive risk track selected by the Account Owner. As a result, the return on Contributions for a Designated Beneficiary closer to college age or the expected matriculation date may be less likely to equal or exceed the rate of inflation in Qualified Higher Education Expenses.

The investment strategies of the Portfolios vary significantly from each other. The strategies of the Portfolios are subject to change over time. Further, the Single Fund Portfolios may have more concentration risk. None of the Single Fund Portfolios or Allocation Portfolios investing exclusively in Underlying Funds that invest in equity securities will provide for capital preservation at any particular time. Because they are concentrated in equity investments, these Portfolios may underperform certain other Portfolios, particularly if equity securities generally underperform other asset classes for any particular period of time. None of the Single Fund Portfolios or Allocation Portfolios investing exclusively in Underlying Funds that invest in fixed income securities will seek capital appreciation at any particular time. Because they are concentrated in fixed income securities, these Portfolios may underperform certain other Portfolios, particularly if fixed income securities generally underperform other asset classes for any particular period of time.

Account Owners electing Portfolios that invest in Underlying Funds investing in equity securities should carefully review the investment risks applicable to Underlying Funds investing in equity securities. Account Owners electing Portfolios that invest in Underlying Funds investing in fixed income securities should carefully review the investment risks applicable to Underlying Funds investing in fixed income securities. See "Investment Risks of Underlying Funds." An Account Owner selecting the Future Scholar Legacy Capital Preservation Portfolio also should carefully review the investment risks described under the heading *"Future Scholar Legacy Capital Preservation Portfolio"* under "Investment Risks of Underlying Funds." An Account Owner selecting the Future Scholar Bank Deposit Portfolio should carefully review the investment risks described under the heading *"Future Scholar Bank Deposit Portfolio"* under "Investment Risks of Underlying Funds."

Education Savings and Investment Alternatives – A number of other Section 529 Programs and other education savings and investment programs are currently available to prospective Account Owners. These programs may offer benefits, including state tax benefits, to some or all Account Owners or Designated Beneficiaries that may or may not be available under the terms of the Program or under applicable law. **If an Account Owner is not a South Carolina resident, the state(s) where he or she lives or pays taxes may offer one or more direct sold, advisor/broker sold or prepaid tuition Section 529 Programs, and those programs may offer the Account Owner state or local income tax or other benefits not available through the Program.** For instance, several states offer unlimited state income tax deductions for contributions to their own state's Section 529 Program. Such deductions may not be available for Contributions under this Program. Other Section 529 Programs may offer other investment options, and involve fees and expenses (including sales charges) that are lower than those borne by Accounts under the Program and may involve investment consequences (such as recapture of deductions previously taken) that differ and may offer different investment options. Accordingly, prospective Account Owners should consider other investment alternatives before establishing an Account in the Program.

Potential Program Enhancements – The Treasurer may offer enhancements to the Program, including additional investment choices. Account Owners who have established Accounts prior to the time an enhancement is made available may be precluded from participating in any such enhancement. The Portfolio fees and other charges described in this Program Description and the Participation Agreement are subject to change at any time

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Treatment for Federal and State Financial Aid Purposes – In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of such aid required, the U.S. Department of Education takes into consideration a variety of factors, including among other things the assets owned by the student (i.e., the beneficiary) and the assets owned by the student's parents. The U.S. Department of Education generally expects the student to spend a substantially larger portion of his or her own assets on educational expenses than the parents. Beginning with the 2009/2010 school year, available balances in a Section 529 Program account will be treated as an asset of (a) the student if the student is an independent student or (b) the parent if the

student is a dependent student, regardless of whether the owner of the Section 529 Program account is the student or the parent. However, other aid programs, including programs funded by other states or by educational institutions, may count such assets differently when determining eligibility for aid under those programs.

The federal and non-federal financial aid program treatment of assets in a Section 529 Program are subject to change at any time. Account owners should therefore check and periodically monitor the applicable laws and other official guidance, as well as particular program and institutional rules and requirements, to determine the impact of Section 529 Program assets on eligibility under particular financial aid programs.

No Guarantee of Performance – The Program commenced operations in March 2002, and certain Portfolios commenced operations subsequent to that date. Performance information for the Portfolios should not be viewed as a prediction of future performance of any Portfolio. The investment results of any Portfolio for any period cannot be expected to be similar to its investment performance for any prior period. In addition, in view of the anticipated periodic determinations of such investment allocations and selection of Underlying Funds for each Portfolio, the future investment results of any Portfolio cannot be expected, for any period, to be similar to the past performance of any other Portfolios or Underlying Funds.

Certain Considerations in Connection with the Termination of the Management Agreement and Successor Program Managers – A new Program Manager may be appointed either upon expiration of the current term of the Management Agreement or earlier in the event Columbia Management or the Treasurer terminates the Management Agreement prior to its current term. See "THE MANAGEMENT AGREEMENT." Columbia Management or any affiliate may be eligible for selection as the new Program Manager after the end of the term. Regardless of whether CMID or some other entity is the new Program Manager, the fee and compensation structure of the new Program Manager might be higher or different, respectively, than the current fees and compensation structure including the Management Fee. In addition, a successor Program Manager may achieve different investment results than might have been achieved by Columbia Management.

Lack of Certainty/Adverse Tax Consequences – No final regulations have been issued by the IRS pursuant to Section 529 of the Code and either before or after issuance of final regulations, IRS rulings or other administrative guidance or court decisions might be issued which would materially adversely impact the federal tax consequences with respect to the Program. The Treasurer and the Program Manager intend to modify the Program within the constraints of applicable law to enable the Program to meet the requirements of Section 529 of the Code. In the event that the Program, as currently structured or as subsequently modified, does not meet the requirements of Section 529 of the Code for any reason, the tax consequences to Account Owners and Designated Beneficiaries may differ substantially from those described above under "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS."

No Guarantees by an Institution of Higher Education – There is no guarantee that: (i) any Designated Beneficiary will be admitted to any Eligible Educational Institution; (ii) assuming a Designated Beneficiary is admitted to an Eligible Educational Institution, any Designated Beneficiary will be permitted to continue to attend any such Eligible Educational Institution; (iii) any Designated Beneficiary will be treated as a state resident of any state for tuition or any other purpose; or (iv) any Designated Beneficiary will graduate or receive a degree from an Eligible Educational Institution.

Status of Federal and State Law and Regulations Governing the Program

Federal and state law and regulations governing the administration of Section 529 Programs may change in the future. In addition, federal and state laws regarding the funding of higher education expenses, treatment of financial aid, and tax matters are subject to frequent change. There can be no assurance that such changes in law will not adversely affect the value of an account or subject Account Owners and/or Designated Beneficiaries to adverse tax consequences. It is unknown what effect, if any, these kinds of changes could have on the Program. You should also consider the potential impact of any other state laws applicable to your Account.

Medicaid and Other Federal and State Benefits – The effect of owning Account balances on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that assets held in an Account will be viewed as a "countable resource" in determining an Account Owner's financial eligibility for Medicaid. Withdrawals from an Account during certain periods may also have the effect of delaying the disbursement of Medicaid payments. Account Owners should consult a qualified tax advisor to determine how an Account may affect eligibility for Medicaid or other state and federal non-educational benefits.

Investment Risks of Underlying Funds

Accounts are subject to a variety of investment risks that will vary based on the sector allocation of the different Portfolios and the particular Underlying Funds selected by the Treasurer for the Portfolios. Set forth below is a summary of certain investment risks to which certain Underlying Funds may be subject and other relevant information.

Risks Applicable to the Underlying Funds Advised by Columbia Management Investment Advisers, LLC

Active Management Risk. The Fund is actively managed and its performance therefore will reflect, in part, the ability of the portfolio managers to make investment decisions that will achieve the Fund's investment objective. Due to its active management, the Fund could underperform other funds with similar investment objectives and/or strategies.

Asset-Backed Securities Risk. The value of the Fund's asset-backed securities may be affected by, among other things, changes in interest rates, factors concerning the interests in and structure of the issuer or the originator of the receivables, the creditworthiness of the entities that provide any supporting letters of credit, surety bonds or other credit enhancements, or the market's assessment of the quality of underlying assets. Asset-backed securities represent interests in, or are backed by, pools of receivables such as credit card, auto, student and home equity loans. They may also be backed by securities backed by these types of loans and others, such as mortgage loans. Asset-backed securities can have a fixed or an adjustable rate. Most asset-backed securities are subject to prepayment risk, which is the possibility that the underlying debt may be refinanced or prepaid prior to maturity during periods of declining or low interest rates, causing the Fund to have to reinvest the money received in securities that have lower yields. In addition, the impact of prepayments on the value of asset-backed securities may be difficult to predict and may result in greater volatility. Rising or high interest rates tend to extend the duration of asset-backed securities, resulting in valuations that are volatile and sensitive to changes in interest rates.

Changing Distribution Level Risk. The Fund will normally receive income which may include interest, dividends and/or capital gains, depending upon its investments. The amount of the distributions the Fund pays will vary and generally depends on the amount of income the Fund earns (less expenses) on its portfolio holdings, and capital gains or losses it recognizes. A decline in the Fund's income or net capital gains from its investments will reduce its distribution level.

Correlation/Tracking Error Risk. The Fund's value will generally decline when the performance of the Index declines. A number of factors may affect the Fund's ability to achieve a high degree of correlation with the Index, and there is no guarantee that the Fund will achieve a high degree of correlation. Failure to achieve a high degree of correlation may prevent the Fund from achieving its investment objective. The factors that may adversely affect the Fund's correlation with the Index include the size of the Fund's portfolio, fees, expenses, transaction costs, income items, valuation methodology, accounting standards, the effectiveness of sampling techniques may invest in securities or other instruments not included in the Index. The Fund may take or refrain from taking investment positions for various reasons, such as tax efficiency purposes, or to comply with regulatory restrictions, which may negatively affect the Fund's correlation with the Index. The Fund may also be subject to large movements of assets into and out of the Fund, potentially resulting in the Fund being over- or under-exposed to certain components of the Index and may be impacted by Index reconstitutions and Index rebalancing events. The Fund also bears management and other expenses and transaction costs in trading securities or other instruments, which the Index does not bear. Accordingly, the Fund's performance will likely fail to match the performance of the Index, after taking expenses into account. Any of these factors could decrease correlation between the performance of the Fund and the Index and may hinder the Fund's ability to meet its investment objective. It is not possible to invest directly in an index.

Counterparty Risk. The risk exists that a counterparty to a transaction in a financial instrument held by the Fund or by a special purpose or structured vehicle in which the Fund invests may become insolvent or otherwise fail to perform its obligations due to financial difficulties, including making payments to the Fund. The Fund may obtain no or limited recovery in a bankruptcy or other reorganizational proceedings, and any recovery may be significantly delayed. Transactions that the Fund enters into may involve counterparties in the financial services sector and, as a result, events affecting the financial services sector may cause the Fund's share value to fluctuate.

Credit Risk. Credit risk is the risk that the value of a security or instrument in the Fund's portfolio may or will decline in price if the issuer fails to pay interest or repay principal when due. The value of debt instruments may decline if the issuer of the instrument defaults or otherwise becomes unable or unwilling, or is perceived to be unable or unwilling, to honor its financial obligations, such as making payments to the Fund when due. Various factors could affect the actual or perceived willingness or ability of the issuer to make timely interest or principal payments, including changes in the financial condition of the issuer or general economic conditions. Debt instruments backed by an issuer's taxing authority may be subject to legal limits on the issuer's power to increase taxes or otherwise to raise revenue, or may be dependent on legislative appropriation or government aid. Certain debt instruments are backed only by revenues derived from a particular project or source, rather than by an issuer's taxing authority, and thus may have a greater risk of default. Rating agencies assign credit ratings to certain instruments to indicate their credit risk. Unrated instruments held by

the Fund may present increased credit risk as compared to higher-rated instruments. If the Fund purchases unrated debt instruments, or if the ratings of instruments held by the Fund are lowered after purchase, the Fund will depend on analysis of credit risk more heavily than usual**.**

Derivatives Risk. Derivatives may involve significant risks. Derivatives are financial instruments, traded on an exchange or in the over-the-counter (OTC) markets, with a value in relation to, or derived from, the value of an underlying asset(s) (such as a security, commodity or currency) or other reference, such as an index, rate or other economic indicator (each an underlying reference). Derivatives may include those that are privately placed or otherwise exempt from SEC registration, including certain Rule 144A eligible securities . Derivatives could result in Fund losses if the underlying references do not perform as anticipated. Use of derivatives is a highly specialized activity that can involve investment techniques, risks, and tax planning different from those associated with more traditional investment instruments. The Fund's derivatives strategy may not be successful and use of certain derivatives could result in substantial, potentially unlimited, losses to the Fund regardless of the Fund's actual investment. A relatively small movement in the price, rate or other economic indicator associated with the underlying reference may result in substantial loss for the Fund. Derivatives may be more volatile than other types of investments. Derivatives can increase the Fund's risk exposure to underlying references and their attendant risks, including the risk of an adverse credit event associated with the underlying reference (credit risk), the risk of an adverse movement in the value, price or rate of the underlying reference (market risk), the risk of an adverse movement in the value of underlying currencies (foreign currency risk) and the risk of an adverse movement in underlying interest rates (interest rate risk). Derivatives may expose the Fund to additional risks, including the risk of loss due to a derivative position that is imperfectly correlated with the underlying reference it is intended to hedge or replicate (correlation risk), the risk that a counterparty will fail to perform as agreed (counterparty risk), the risk that a hedging strategy may fail to mitigate losses, and may offset gains (hedging risk), the risk that losses may be greater than the amount invested (leverage risk), the risk that the Fund may be unable to sell an investment at an advantageous time or price (liquidity risk), the risk that the investment may be difficult to value (pricing risk), and the risk that the price or value of the investment fluctuates significantly over short periods of time (volatility risk). The value of derivatives may be influenced by a variety of factors, including national and international political and economic developments. Potential changes to the regulation of the derivatives markets may make derivatives more costly, may limit the market for derivatives, or may otherwise adversely affect the value or performance of derivatives.

Derivatives Risk – Futures Contracts Risk. A futures contract is an exchange-traded derivative transaction between two parties in which a buyer (holding the "long" position) agrees to pay a fixed price (or rate) at a specified future date for delivery of an underlying reference from a seller (holding the "short" position). The seller hopes that the market price on the delivery date is less than the agreed upon price, while the buyer hopes for the contrary. Certain futures contract markets are highly volatile, and futures contracts may be illiquid. Futures exchanges may limit fluctuations in futures contract prices by imposing a maximum permissible daily price movement. The Fund may be disadvantaged if it is prohibited from executing a trade outside the daily permissible price movement. At or prior to maturity of a futures contract, the Fund may enter into an offsetting contract and may incur a loss to the extent there has been adverse movement in futures contract prices. The liquidity of the futures markets depends on participants entering into offsetting transactions rather than making or taking delivery. To the extent participants make or take delivery, liquidity in the futures market could be reduced. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and no secondary market exists for such contracts. Futures positions are marked to market each day and variation margin payment must be paid to or by a Fund. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Fund, exceeding the amount of the margin paid. For certain types of futures contracts, losses are potentially unlimited. Futures markets are highly volatile and the use of futures may increase the volatility of the Fund's NAV. Futures contracts executed (if any) on foreign exchanges may not provide the same protection as U.S. exchanges. Futures contracts can increase the Fund's risk exposure to underlying references and their attendant risks, such as credit risk, market risk, foreign currency risk and interest rate risk, while also exposing the Fund to correlation risk, counterparty risk, hedging risk, leverage risk, liquidity risk, pricing risk and volatility risk.

Foreign Securities Risk. Investments in or exposure to foreign securities or countries involve certain risks not associated with investments in or exposure to securities of U.S. companies. For example, foreign markets can be extremely volatile. Foreign securities may also be less liquid than securities of U.S. companies so that the Fund may, at times, be unable to sell foreign securities at desirable times or prices. Brokerage commissions, custodial costs and other fees are also generally higher for foreign securities. The Fund may have limited or no legal recourse in the event of default with respect to certain foreign securities, including those issued by foreign governments. In addition, foreign governments may impose withholding or other taxes on the Fund's income, capital gains or proceeds from the disposition of foreign securities, which could reduce the Fund's return on such securities. In some cases, such withholding or other taxes could potentially be confiscatory. Other risks include: possible delays in the settlement of transactions or in the payment of income; generally less publicly available information about foreign companies; the impact of economic, political, social, diplomatic or other conditions or events (including, for example, military confrontations, war and terrorism), possible seizure, expropriation or nationalization of a company or its assets or the assets of a particular investor or category of investors; accounting, auditing and financial reporting standards that may be less comprehensive and stringent than those applicable to domestic companies; the imposition of economic and other sanctions against a particular foreign country, its nationals or industries or businesses within the country; and the generally less stringent standard of care to which local agents may be held in the local markets. In addition, it may be difficult to obtain reliable information about the securities and business operations of certain

foreign issuers. Governments or trade groups may compel local agents to hold securities in designated depositories that are not subject to independent evaluation. The less developed a country's securities market is, the greater the level of risks. The risks posed by sanctions against a particular foreign country, its nationals or industries or businesses within the country may be heightened to the extent the Fund invests significantly in the affected country or region or in issuers from the affected country that depend on global markets. Additionally, investments in certain countries may subject the Fund to a number of tax rules, the application of which may be uncertain. Countries may amend or revise their existing tax laws and/or procedures in the future, possibly with retroactive effect. Changes in or uncertainties regarding the laws, regulations or procedures of a country could reduce the after-tax profits of the Fund, directly or indirectly, including by reducing the after-tax profits of companies located in such countries in which the Fund invests, or result in unexpected tax liabilities for the Fund.

Forward Commitments on Mortgage-Backed Securities (including Dollar Rolls) Risk. When purchasing mortgage-backed securities in the "to be announced" (TBA) market (MBS TBAs), the seller agrees to deliver mortgage-backed securities for an agreed upon price on an agreed upon date, but may make no guarantee as to the specific securities to be delivered. In lieu of taking delivery of mortgage-backed securities, the Fund could enter into dollar rolls, which are transactions in which the Fund sells securities to a counterparty and simultaneously agrees to purchase those or similar securities in the future at a predetermined price. Dollar rolls involve the risk that the market value of the securities the Fund is obligated to repurchase may decline below the repurchase price, or that the counterparty may default on its obligations. These transactions may also increase the Fund's portfolio turnover rate. If the Fund reinvests the proceeds of the security sold, the Fund will also be subject to the risk that the investments purchased with such proceeds will decline in value (a form of leverage risk). MBS TBAs and dollar rolls are subject to the risk that the counterparty to the transaction may not perform or be unable to perform in accordance with the terms of the instrument.

Impairment of Collateral Risk. The value of collateral, if any, securing a loan can decline, and may be insufficient to meet the borrower's obligations or difficult or costly to liquidate. In addition, the Fund's access to collateral may be limited by bankruptcy or other insolvency laws. Further, certain floating rate and other loans may not be fully collateralized and may decline in value.

Interest Rate Risk. Interest rate risk is the risk of losses attributable to changes in interest rates. In general, if prevailing interest rates rise, the values of fixed-income instruments tend to fall, and if interest rates fall, the values of fixed-income instruments tend to rise. Changes in the value of a fixed-income instrument usually will not affect the amount of income the Fund receives from it but will generally affect the value of the Fund's shares. In general, the longer the maturity or duration of a fixed-income instrument, the greater its sensitivity to changes in interest rates. Interest rate declines also may increase prepayments of debt obligations, which, in turn, would increase prepayment risk. Similarly, a period of rising interest rates may negatively impact the Fund's performance. Actions by governments and central banking authorities can result in increases in interest rates. Such actions may negatively affect the value of fixed-income instruments held by the Fund, resulting in a negative impact on the Fund's performance and NAV. Any interest rate increases could cause the value of the Fund's investments in fixed-income instruments to decrease. Rising interest rates may prompt redemptions from the Fund, which may force the Fund to sell investments at a time when it is not advantageous to do so, which could result in losses.

Issuer Risk. An issuer in which the Fund invests or to which it has exposure may perform poorly, and therefore, the value of its securities may decline, which would negatively affect the Fund's performance. Poor performance may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, natural disasters or other events, conditions or factors.

Liquidity Risk. Liquidity risk is the risk associated with any event, circumstance, or characteristic of an investment or market that negatively impacts the Fund's ability to sell, or realize the proceeds from the sale of, an investment at a desirable time or price. Liquidity risk may arise because of, for example, a lack of marketability of the investment, which means that when seeking to sell its portfolio investments, the Fund could find that selling is more difficult than anticipated, especially during times of high market volatility. Market participants attempting to sell the same or a similar instrument at the same time as the Fund could exacerbate the Fund's exposure to liquidity risk. The Fund may have to accept a lower selling price for the holding, sell other liquid or more liquid investments that it might otherwise prefer to hold (thereby increasing the proportion of the Fund's investments in less liquid or illiquid securities), or forego another more appealing investment opportunity. Certain investments that were liquid when purchased by the Fund may later become illiquid, particularly in times of overall economic distress. Changing regulatory, market or other conditions or environments (for example, the interest rate or credit environments) may also adversely affect the liquidity and the price of the Fund's investments. Judgment plays a larger role in valuing illiquid or less liquid investments as compared to valuing liquid or more liquid investments. Price volatility may be higher for illiquid or less liquid investments as a result of, for example, the relatively less frequent pricing of such securities (as compared to liquid or more liquid investments). Generally, the less liquid the market at the time the Fund sells a portfolio investment, the greater the risk of loss or decline of value to the Fund. Overall market liquidity and other factors can lead to an increase in redemptions which may negatively impact Fund performance and NAV, including, for example, if the Fund is forced to sell investments in a down market.

Market Risk. Market risk refers to the possibility that the market values of securities or other investments that the Fund holds will fall, sometimes rapidly or unpredictably, or fail to rise. The value of Fund investments may fall or fail to rise because of a variety of actual or perceived factors affecting an issuer (e.g., an unfavorable earnings report), the industry or sector in which it operates, or

the market as a whole, which may reduce the value of an investment in the Fund. Accordingly, an investment in the Fund could lose money over short or long periods. The market values of the investments the Fund holds can be affected by changes or potential or perceived changes in U.S. or foreign economies, financial markets, interest rates and the liquidity of these investments, among other factors.

Mid-Cap Company Securities Risk. Securities of mid-capitalization companies (mid-cap companies) can, in certain circumstances, have more risk than securities of larger capitalization companies (larger companies). For example, mid-cap companies may be more vulnerable to market downturns and adverse business or economic events than larger companies because they may have more limited financial resources and business operations. Mid-cap companies are also more likely than larger companies to have more limited product lines and operating histories and to depend on smaller and generally less experienced management teams. Securities of mid-cap companies may trade less frequently and in smaller volumes and may fluctuate more sharply in value than securities of larger companies. When the Fund takes significant positions in mid-cap companies with limited trading volumes, the liquidation of those positions, particularly in a distressed market, could be difficult and result in Fund investment losses. In addition, some mid-cap companies may not be widely followed by the investment community, which can lower the demand for their stocks.

Mortgage- and Other Asset-Backed Securities Risk. The value of any mortgage-backed and other asset-backed securities held by the Fund may be affected by, among other things, changes or perceived changes in: interest rates; factors concerning the interests in and structure of the issuer or the originator of the mortgages or other assets; the creditworthiness of the entities that provide any supporting letters of credit, surety bonds or other credit enhancements; or the market's assessment of the quality of underlying assets. Mortgage-backed securities represent interests in, or are backed by, pools of mortgages from which payments of interest and principal (net of fees paid to the issuer or guarantor of the securities) are distributed to the holders of the mortgage-backed securities. Other types of asset-backed securities typically represent interests in, or are backed by, pools of receivables such as credit, automobile, student and home equity loans. Mortgage- and other asset-backed securities can have a fixed or an adjustable rate. Mortgage- and other asset-backed securities are subject to prepayment risk, which is the possibility that the underlying mortgage or other asset may be refinanced or prepaid prior to maturity during periods of declining or low interest rates, causing the Fund to have to reinvest the money received in securities that have lower yields. In addition, the impact of prepayments on the value of mortgage- and other asset-backed securities may be difficult to predict and may result in greater volatility. Rising or high interest rates tend to extend the duration of mortgage- and other asset-backed securities, making them more volatile and more sensitive to changes in interest rates. Payment of principal and interest on some mortgage-backed securities (but not the market value of the securities themselves) may be guaranteed (i) by the full faith and credit of the U.S. Government (in the case of securities guaranteed by the Government National Mortgage Association) or (ii) by its agencies, authorities, enterprises or instrumentalities (in the case of securities guaranteed by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC)), which are not insured or guaranteed by the U.S. Government (although FNMA and FHLMC may be able to access capital from the U.S. Treasury to meet their obligations under such securities). Mortgage-backed securities issued by non-governmental issuers (such as commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other secondary market issuers) may be supported by various credit enhancements, such as pool insurance, guarantees issued by governmental entities, letters of credit from a bank or senior/subordinated structures, and may entail greater risk than obligations guaranteed by the U.S. Government, whether or not such obligations are guaranteed by the private issuer.

Prepayment and Extension Risk. Prepayment and extension risk is the risk that a bond or other security or investment might, in the case of prepayment risk, be called or otherwise converted, prepaid or redeemed before maturity and, in the case of extension risk, that the investment might not be called as expected. In the case of prepayment risk, if the investment is converted, prepaid or redeemed before maturity, the portfolio manager may not be able to invest the proceeds in other investments providing as high a level of income, resulting in a reduced yield to the Fund. In the case of mortgage- or asset-backed securities, as interest rates decrease or spreads narrow, the likelihood of prepayment increases. Conversely, extension risk is the risk that an unexpected rise in interest rates will extend the life of a mortgage- or asset-backed security beyond the prepayment time. If the Fund's investments are locked in at a lower interest rate for a longer period of time, the portfolio manager may be unable to capitalize on securities with higher interest rates or wider spreads.

Real Estate-Related Investment Risk. Investments in real estate investment trusts (REITs) and in securities of other companies (wherever organized) principally engaged in the real estate industry subject the Fund to, among other things, risks similar to those of direct investments in real estate and the real estate industry in general. These include risks related to general and local economic conditions, possible lack of availability of financing and changes in interest rates or property values. REITs are entities that either own properties or make construction or mortgage loans, and also may include operating or finance companies. The value of interests in a REIT may be affected by, among other factors, changes in the value of the underlying properties owned by the REIT, changes in the prospect for earnings and/or cash flow growth of the REIT itself, defaults by borrowers or tenants, market saturation, decreases in market rates for rents, and other economic, political, or regulatory matters affecting the real estate industry, including REITs. REITs and similar non-U.S. entities depend upon specialized management skills, may have limited financial resources, may have less trading volume in their securities, and may be subject to more abrupt or erratic price movements than the overall securities markets. REITs are also subject to the risk of failing to qualify for favorable tax treatment under the Internal Revenue Code of 1986, as amended. Some REITs (especially mortgage REITs) are affected by risks similar to those associated with investments in debt securities including changes in interest rates and the quality of credit extended. Because the value of REITs and other real estate-

related companies may fluctuate widely in response to changes in factors affecting the real estate markets, the value of an investment in the Fund may be more volatile than the value of an investment in a fund that is invested in a more diverse range of market sectors.

Rule 144A and Other Exempted Securities Risk. The Fund may invest in privately placed and other securities or instruments exempt from SEC registration (collectively "private placements"). In the U.S. market, private placements are typically sold only to qualified institutional buyers, or qualified purchasers, as applicable. An insufficient number of buyers interested in purchasing private placements at a particular time could adversely affect the marketability of such investments and the Fund might be unable to dispose of them promptly or at reasonable prices, subjecting the Fund to liquidity risk. The Fund may invest in private placements determined to be liquid as well as those determined to be illiquid. Even if determined to be liquid, the Fund's holdings of private placements may increase the level of Fund illiquidity if eligible buyers are unable or unwilling to purchase them at a particular time. The Fund may also have to bear the expense of registering the securities for resale and the risk of substantial delays in effecting the registration. Additionally, the purchase price and subsequent valuation of private placements typically reflect a discount, which may be significant, from the market price of comparable securities for which a more liquid market exists. Issuers of Rule 144A eligible securities are required to furnish information to potential investors upon request. However, the required disclosure is much less extensive than that required of public companies and is not publicly available since the offering is not filed with the SEC. Further, issuers of Rule 144A eligible securities can require recipients of the offering information (such as the Fund) to agree contractually to keep the information confidential, which could also adversely affect the Fund's ability to dispose of the security.

Sector Risk. At times, the Fund may have a significant portion of its assets invested in securities of companies conducting business in a related group of industries within a specific sector. Companies in the same sector may be similarly affected by economic, regulatory, political or market events or conditions, which may make the Fund more vulnerable to unfavorable developments in that sector than funds that invest more broadly. Generally, the more broadly the Fund invests, the more it spreads risk and potentially reduces the risks of loss and volatility.

Sector Risk — Financial Services Sector Investments. To the extent a Fund concentrates its investments in companies in the financial services sector, it may be more susceptible to the particular risks that may affect companies in that sector than if it were invested in a wider variety of companies in unrelated sectors. Companies in the financial services sector are subject to certain risks, including the risk of regulatory change, decreased liquidity in credit markets and unstable interest rates. Such companies may have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that industry. Performance of such companies may be affected by competitive pressures and exposure to investments or agreements that, under certain circumstances, may lead to losses (e.g., subprime loans). Companies in the financial services sector are subject to extensive governmental regulation that may limit the amount and types of loans and other financial commitments they can make, and interest rates and fees that they may charge. In addition, profitability of such companies is largely dependent upon the availability and the cost of capital.

Sector Risk — Technology and Technology-Related Sector Investment Risk. To the extent a Fund concentrates its investments in companies in technology and technology related sectors, it may be more susceptible to the particular risks that may affect companies in those sectors, as well as other technology-related sectors (collectively, the technology sectors) than if it were invested in a wider variety of companies in unrelated sectors. Companies in the technology sectors are subject to certain risks, including the risk that new services, equipment or technologies will not be accepted by consumers and businesses or will become rapidly obsolete. Performance of such companies may be affected by factors including obtaining and protecting patents (or the failure to do so) and significant competitive pressures, including aggressive pricing of their products or services, new market entrants, competition for market share and short product cycles due to an accelerated rate of technological developments. Such competitive pressures may lead to limited earnings and/or falling profit margins. As a result, the value of their securities may fall or fail to rise. In addition, many technology sector companies have limited operating histories and prices of these companies' securities historically have been more volatile than other securities, especially over the short term.

Small Company Securities Risk. Securities of small-capitalization companies (small-cap companies) can, in certain circumstances, have a higher potential for gains than securities of larger-capitalization companies (larger companies) but may also have more risk. For example, small-cap companies may be more vulnerable to market downturns and adverse business or economic events than larger companies because they may have more limited financial resources and business operations. Small-cap companies are also more likely than larger companies to have more limited product lines and operating histories and to depend on smaller and generally less experienced management teams. Securities of small-cap companies may trade less frequently and in smaller volumes and may be less liquid and fluctuate more sharply in value than securities of larger companies. When the Fund takes significant positions in small-cap companies with limited trading volumes, the liquidation of those positions, particularly in a distressed market, could be prolonged and result in Fund investment losses. In addition, some small-cap companies may not be widely followed by the investment community, which can lower the demand for their stocks.

U.S. Government Obligations Risk. While U.S. Treasury obligations are backed by the "full faith and credit" of the U.S. Government, such securities are nonetheless subject to credit risk (i.e., the risk that the U.S. Government may be, or may be perceived to be, unable or unwilling to honor its financial obligations, such as making payments). Securities issued or guaranteed by federal agencies or authorities and U.S. Government-sponsored instrumentalities or enterprises may or may not be backed by the full

faith and credit of the U.S. Government. For example, securities issued by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and the Federal Home Loan Banks are neither insured nor guaranteed by the U.S. Government. These securities may be supported by the ability to borrow from the U.S. Treasury or only by the credit of the issuing agency, authority, instrumentality or enterprise and, as a result, are subject to greater credit risk than securities issued or guaranteed by the U.S. Treasury.

Risks Applicable to the Underlying Funds Advised by BlackRock Fund Advisors (BFA)

The Fund is subject to various risks, including the principal risks noted below, any of which may adversely affect the Fund's NAV, trading price, yield, total return and ability to meet its investment objective. You could lose all or part of your investment in the Fund, and the Fund could underperform other investments.

Asset Class Risk. The securities and other assets in the Underlying Index or in the Fund's portfolio may underperform in comparison to other securities or indexes that track other countries, groups of countries, regions, industries, groups of industries, markets, asset classes or sectors. Various types of securities, currencies and indexes may experience cycles of outperformance and underperformance in comparison to the general financial markets depending upon a number of factors including, among other things, inflation, interest rates, productivity, global demand for local products or resources, and regulation and governmental controls. This may cause the Fund to underperform other investment vehicles that invest in different asset classes.

Assets Under Management (AUM) Risk. From time to time, an Authorized Participant, a third party investor, the Fund's adviser or an affiliate of the Fund's adviser, or a fund may invest in the Fund and hold its investment for a specific period of time in order to facilitate commencement of the Fund's operations or for the Fund to achieve size or scale. There can be no assurance that any such entity would not redeem its investment or that the size of the Fund would be maintained at such levels, which could negatively impact the Fund.

Authorized Participant Concentration Risk. Only an Authorized Participant may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that may act as Authorized Participants on an agency basis (i.e., on behalf of other market participants). To the extent that Authorized Participants exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other Authorized Participant is able to step forward to create or redeem Creation Units, Fund shares may be more likely to trade at a premium or discount to NAV and possibly face trading halts and/or delisting.

Concentration Risk. The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund's investments more than the market as a whole, to the extent that the Fund's investments are concentrated in the securities of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, project types, group of project types, sector or asset class. The Fund may be more adversely affected by the underperformance of those securities, may experience increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting those securities than a fund that does not concentrate its investments.

Cyber Security Risk. With the increased use of technologies such as the internet to conduct business, the Fund, Authorized Participants, service providers and the relevant listing exchange are susceptible to operational, information security and related "cyber" risks both directly and through their service providers. Similar types of cyber security risks are also present for issuers of securities in which the Fund invests, which could result in material adverse consequences for such issuers and may cause the Fund's investment in such portfolio companies to lose value. Unlike many other types of risks faced by the Fund, these risks typically are not covered by insurance. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber security failures by or breaches of the systems of the Fund's adviser, distributor and other service providers (including, but not limited to, index providers, fund accountants, custodians, transfer agents and administrators), market makers, Authorized Participants or the issuers of securities in which the Fund invests, have the ability to cause disruptions and impact business operations, potentially resulting in: financial losses, interference with the Fund's ability to calculate its NAV, disclosure of confidential trading information, impediments to trading, submission of erroneous trades or erroneous creation or redemption orders, the inability of the Fund or its service providers to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, cyber attacks may render records of Fund assets and transactions, shareholder ownership of

Fund shares, and other data integral to the functioning of the Fund inaccessible or inaccurate or incomplete. Substantial costs may be incurred by the Fund in order to resolve or prevent cyber incidents in the future. While the Fund has established business continuity plans in the event of, and risk management systems to prevent, such cyber attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified and that prevention and remediation efforts will not be successful. Furthermore, the Fund cannot control the cyber security plans and systems put in place by service providers to the Fund, issuers in which the Fund invests, the Index Provider, market makers or Authorized Participants. The Fund and its shareholders could be negatively impacted as a result.

Income Risk. The Fund's income may decline due to a decline in inflation or deflation. If there is deflation, the principal value of an inflation-linked security will be adjusted downward, and consequently the interest payments (calculated with respect to a smaller principal amount) will be reduced. If inflation is lower than expected during the period the Fund holds an inflation-linked security, the Fund may earn less on the security than on a conventional bond.

Index-Related Risk. The Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the Underlying Index as published by the Index Provider. There is no assurance that the Index Provider or any agents that may act on its behalf will compile the Underlying Index accurately, or that the Underlying Index will be determined, composed or calculated accurately. While the Index Provider provides descriptions of what the Underlying Index is designed to achieve, neither the Index Provider nor its agents provide any warranty or accept any liability in relation to the quality, accuracy or completeness of the Underlying Index or its related data, and they do not guarantee that the Underlying Index will be in line with the Index Provider's methodology. BFA's mandate as described in this Prospectus is to manage the Fund consistently with the Underlying Index provided by the Index Provider to BFA. Consequently, BFA does not provide any warranty or guarantee against the Index Provider's or any agent's errors. Errors in respect of the quality, accuracy and completeness of the data used to compile the Underlying Index may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, particularly where the indices are less commonly used as benchmarks by funds or managers. Therefore, gains, losses or costs associated with errors of the Index Provider or its agents will generally be borne by the Fund and its shareholders. For example, during a period where the Underlying Index contains incorrect constituents, the Fund would have market exposure to such constituents and would be underexposed to the Underlying Index's other constituents. Such errors may negatively or positively impact the Fund and its shareholders. Apart from scheduled rebalances, the Index Provider or its agents may carry out additional ad hoc rebalances to the Underlying Index in order, for example, to correct an error in the selection of index constituents. When the Underlying Index is rebalanced and the Fund in turn rebalances its portfolio to attempt to increase the correlation between the Fund's portfolio and the Underlying Index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne directly by the Fund and its shareholders. Unscheduled rebalances to the Underlying Index may expose the Fund to additional tracking error risk, which is the risk that the Fund's returns may not track those of the Underlying Index. Therefore, errors and additional ad hoc rebalances carried out by the Index Provider or its agents to the Underlying Index may increase the costs to and the tracking error risk of the Fund.

Interest Rate Risk. As interest rates rise, the value of a fixed-income security held by the Fund is likely to decrease. Securities with longer durations tend to be more sensitive to interest rate changes, usually making their prices more volatile than those of securities with shorter durations. To the extent the Fund invests a substantial portion of its assets in fixed-income securities with longer-term maturities, rising interest rates may cause the value of the Fund's investments to decline significantly. An increase in interest rates may lead to heightened volatility in the fixed-income markets and adversely affect the liquidity of certain fixed-income investments. In addition, decreases in fixed-income dealer market-making capacity may also potentially lead to heightened volatility and reduced liquidity in the fixed-income markets. The current historically low interest rate environment was created in part by the U.S. Board of Governors of the Federal Reserve System (the "Fed") and certain foreign central banks keeping the federal funds and equivalent foreign rates at or near zero percent. Economic recovery and the ending of the Fed's quantitative easing program increase the likelihood of interest rates rising in the future. Prices of bonds, even inflation-protected bonds, may fall because of a rise in interest rates. However, because most of the bonds in the Fund's portfolio are inflation protected obligations of a government treasury that are adjusted for inflation, the Fund may be less affected by increases in interest rates and interest rate risk than conventional government bond funds with a similar average maturity.

Issuer Risk. The performance of the Fund depends on the performance of individual securities to which the Fund has exposure. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

Management Risk. The Fund may not fully replicate the Underlying Index and may hold securities not included in the Underlying Index. As a result, the Fund is subject to the risk that BFA's investment strategy, the implementation of which is subject to a number of constraints, may not produce the intended results.

Market Risk. The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. Market risk arises mainly from uncertainty about future values of financial instruments influenced by price, currency and interest rate movements. It represents the potential loss the Fund may suffer through holding financial instruments in the face of market movements or uncertainty. Market risks may be influenced by price, currency and interest rate movements. Securities or other assets may decline in value due to factors affecting financial markets generally or particular asset classes or industries represented in the markets. The value of a security or other asset may also decline due to general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or due to factors that affect a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class. During a general market downturn, multiple asset classes may be negatively affected. Fixed-income securities with short-term maturities are generally less sensitive to such changes than are fixed-income securities with longer-term maturities. Changes in market conditions and interest rates will not have the same impact on all types of securities. The value of a security may also decrease due to specific conditions that affect a particular sector of the securities market or a particular issuer. It is possible that prices throughout the economy may decline over time, resulting in "deflation." If this occurs, the principal and income of inflation-protected bonds held by the Fund would likely decline in price, which could result in losses for the Fund.

Market Trading Risk

Absence of Active Market. Although shares of the Fund are listed for trading on one or more stock exchanges, there can be no assurance that an active trading market for such shares will develop or be maintained by market makers or Authorized Participants.

Risk of Secondary Listings. The Fund's shares may be listed or traded on U.S. and nonU.S. stock exchanges other than the U.S. stock exchange where the Fund's primary listing is maintained. There can be no assurance that the Fund's shares will continue to trade on any such stock exchange or in any market or that the Fund's shares will continue to meet the requirements for listing or trading on any exchange or in any market. The Fund's shares may be less actively traded in certain markets than in others, and investors are subject to the execution and settlement risks and market standards of the market where they or their broker direct their trades for execution. Certain information available to investors who trade Fund shares on a U.S. stock exchange during regular U.S. market hours may not be available to investors who trade in other markets, which may result in secondary market prices in such markets being less efficient.

Secondary Market Trading Risk. Shares of the Fund may trade in the secondary market at times when the Fund does not accept orders to purchase or redeem shares. At such times, shares may trade in the secondary market with more significant premiums or discounts than might be experienced at times when the Fund accepts purchase and redemption orders. Secondary market trading in Fund shares may be halted by a stock exchange because of market conditions or for other reasons. In addition, trading in Fund shares on a stock exchange or in any market may be subject to trading halts caused by extraordinary market volatility pursuant to "circuit breaker" rules on the stock exchange or market. Shares of the Fund, similar to shares of other issuers listed on a stock exchange, may be sold short and are therefore subject to the risk of increased volatility and price decreases associated with being sold short.

Shares of the Fund May Trade at Prices Other Than NAV. Shares of the Fund trade on stock exchanges at prices at, above or below the Fund's most recent NAV. The NAV of the Fund is calculated at the end of each business day and fluctuates with changes in the market value of the Fund's holdings. The trading price of the Fund's shares fluctuates continuously throughout trading hours based on both market supply of and demand for Fund shares and the underlying value of the Fund's portfolio holdings or NAV. As a result, the trading prices of the Fund's shares may deviate significantly from NAV during periods of market volatility, including during periods of significant redemption requests or other unusual market conditions. ANY OF THESE FACTORS, AMONG OTHERS, MAY LEAD TO THE FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV. However, because shares can be created and redeemed in Creation Units at NAV, BFA believes that large discounts or premiums to the NAV of the Fund are not likely to be sustained over the long term (unlike shares of many closed end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their NAVs). While the creation/redemption feature is designed to make it more likely that the Fund's shares normally will trade on stock exchanges at prices close to the Fund's next calculated NAV, exchange prices are not expected to correlate exactly with the Fund's NAV due to timing reasons, supply and demand imbalances and other factors. In addition, disruptions to creations and redemptions, including disruptions at market makers, Authorized Participants, or other market participants, and during periods of significant market volatility, may result in trading prices for shares of the Fund that differ

significantly from its NAV. Authorized Participants may be less willing to create or redeem Fund shares if there is a lack of an active market for such shares or its underlying investments, which may contribute to the Fund's shares trading at a premium or discount to NAV.

Costs of Buying or Selling Fund Shares. Buying or selling Fund shares on an exchange involves two types of costs that apply to all securities transactions. When buying or selling shares of the Fund through a broker, you will likely incur a brokerage commission and other charges. In addition, you may incur the cost of the "spread"; that is, the difference between what investors are willing to pay for Fund shares (the "bid" price) and the price at which they are willing to sell Fund shares (the "ask" price). The spread, which varies over time for shares of the Fund based on trading 6 volume and market liquidity, is generally narrower if the Fund has more trading volume and market liquidity and wider if the Fund has less trading volume and market liquidity. In addition, increased market volatility may cause wider spreads. There may also be regulatory and other charges that are incurred as a result of trading activity. Because of the costs inherent in buying or selling Fund shares, frequent trading may detract significantly from investment results and an investment in Fund shares may not be advisable for investors who anticipate regularly making small investments through a brokerage account.

Operational Risk. The Fund is exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Fund's service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures. The Fund and BFA seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address these risks.

Passive Investment Risk. The Fund is not actively managed and may be affected by a general decline in market segments related to the Underlying Index. The Fund invests in securities included in, or representative of, the Underlying Index, regardless of their investment merits. BFA generally does not attempt to take defensive positions under any market conditions, including declining markets.

Risk of Investing in the United States. The Fund has significant exposure to United States issuers. A decrease in imports or exports, changes in trade regulations and/or an economic recession in the United States may have a material adverse effect on the U.S. economy and the securities listed on U.S. exchanges. Policy and legislative changes in the United States are changing many aspects of financial and other regulation and may have a significant effect on the U.S. markets generally, as well as the value of certain securities. In addition, a continued rise in the U.S. public debt level or U.S. austerity measures may adversely affect U.S. economic growth and the securities to which the Fund has exposure.

Securities Lending Risk. The Fund may engage in securities lending. Securities lending involves the risk that the Fund may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. The Fund could also lose money in the event of a decline in the value of collateral provided for loaned securities or a decline in the value of any investments made with cash collateral. These events could also trigger adverse tax consequences for the Fund. BlackRock Institutional Trust Company, N.A., the Fund's securities lending agent, will take into account the tax impact to shareholders of substitute payments for dividends when managing the Fund's securities lending program.

Tracking Error Risk. Tracking error is the divergence of the Fund's performance from that of the applicable underlying index. Tracking error may occur because of differences between the securities and other instruments held in the Fund's portfolio and those included in the applicable underlying index, pricing differences, differences in transaction costs, the Fund's holding of uninvested cash, differences in timing of the accrual of or the valuation of distributions, tax gains or losses, changes to the applicable underlying index or the costs to the Fund of complying with various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because the Fund incurs fees and expenses, while the applicable underlying index does not.

U.S. Treasury Obligations Risk. U.S. Treasury obligations may differ from other securities in their interest rates, maturities, times of issuance and other characteristics. Similar to other issuers, changes to the financial condition or credit rating of the U.S. government may cause the value of the Fund's U.S. Treasury obligations to decline. On August 5, 2011, S&P Global Ratings downgraded U.S. Treasury securities from AAA rating to AA+ rating. A further downgrade of the ratings of U.S. government debt obligations, which are often used as a benchmark for other borrowing arrangements, could result in higher interest rates for individual and corporate borrowers, cause disruptions in the international bond markets and have a substantial negative effect on the U.S. economy. A downgrade of U.S. Treasury securities from another ratings agency or a further downgrade below AA+ rating by S&P Global Ratings may cause the value of the Fund's U.S. Treasury obligations to decline.

Risks Applicable to the Underlying Funds Advised by Vanguard Group, Inc.

Call risk, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate.

Credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.

Country/regional risk, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the Developed Markets Index Fund may invest a large portion of its assets in securities of companies located in any one country or region, the Fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Significant investments in Japan and the United Kingdom (U.K.) subject the Index and the Fund to proportionately higher exposure to Japanese and U.K. country risk.

Currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

Extension risk, which is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. This will lengthen the duration or average life of securities and delay a fund's ability to reinvest proceeds at higher interest rates, making a fund more sensitive to changes in interest rates. For funds that invest in mortgage-backed securities, extension risk is the chance that during periods of rising interest rates, homeowners will prepay their mortgages at slower rates.

Income risk, which is the chance that a Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds and moderate for intermediate-term bond funds, so investors should expect a Fund's monthly income to fluctuate accordingly. Because the Federal Money Market Fund's income is based on short-term interest rates – which can fluctuate significantly over short periods – income risk is expected to be high.

Index sampling risk, which is the chance that the securities selected for a Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index.

Interest rate risk, which is the chance that bond prices will decline because of rising interest rates.

Investment style risk, which is the chance that returns from non-U.S. small- and mid-capitalization stocks will trail returns from global stock markets. Historically, non-U.S. small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the global markets, and they often perform quite differently. Small and mid-size companies tend to have greater stock volatility because, among other things, these companies are more sensitive to changing economic conditions.

Liquidity risk, which is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.

Manager risk, which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

Prepayment risk, which is the chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the Fund. The Fund would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income. Such prepayments and subsequent reinvestments would also increase the Fund's portfolio turnover rate.

Stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Developed Markets Index Fund's investments in foreign stocks can be riskier than U.S. stock investments. Foreign stocks tend to be more volatile and less liquid than U.S. stocks. The

prices of foreign stocks and the prices of U.S. stocks may move in opposite directions. In addition, the Fund's target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector."

Risks Applicable to the Future Scholar Legacy Capital Preservation Portfolio

The Portfolio is subject to the following risks applicable to the Investment Contracts and Fixed Income Securities:

Stable Value Investment Contract Risks

***Credit Risk*.** Credit risk is the risk that the issuer of the Investment Contract may or will default or otherwise become unable or unwilling to honor a financial obligation, such as making payments to the Fund.

Prior to making an investment in an Investment Contract, CMIA conducts a credit analysis of the Investment Contract issuer based upon its internal standards. The risk associated with a default of an Investment Contract issuer is mitigated because the Portfolio owns and holds the securities which back the Investment Contract. If the Investment Contract issuer is not creditworthy the securities backing the Investment Contract must be marked to market and there is a risk that the market value of the securities backing such Investment Contracts may be lower than the book value of the relevant Investment Contract. Consequently the Investment Portfolio could experience a loss in principal value of its assets and a decrease in the value of its Shares.

***Crediting Rate Risk*.** Each Investment Contract utilizes a crediting rate formula intended to reflect actual interest paid on the wrapped securities as well as amortize the market value gain or loss of the Portfolio assets backing each Investment Contract over the duration of the assets in the relevant bond portfolio. The terms of each Investment Contract determine when the crediting rate for the assets backing such contract will be reset. In most cases, crediting rates are reset quarterly and upon the occurrence of certain triggering events. The Portfolio's yield is calculated by aggregating the crediting rates of all Investment Contracts in the Portfolio, as well as any yield on the Portfolio's investments in short-term investments and other Portfolio investments that are not wrapped. When the crediting rate of any Investment Contract is decreased to adjust for situations in which the market value of the underlying assets is below the book value of the contract, the Portfolio's yield may also decrease accordingly, and in some cases, the crediting rate of an Investment Contract may be reduced to, but not below, 0%, based on such contract's terms. Crediting rates are likely to differ from the current yields on other fixed income investments of comparable duration, and because crediting rates are reset only periodically, they may be substantially different from such current rates.

***Investment Contract Risk*.** The Portfolio's ability to maintain a stable value is dependent on issuers of Investment Contracts. It is possible that one or more of these issuers become uncreditworthy, insolvent or unable to honor its obligations under the relevant Investment Contract. Similarly, Investment Contract issuers have the right to terminate their Investment Contracts under various circumstances, some of which may be outside of the Portfolio's control and due to certain changes in the regulatory environment. If one of these instances were to occur and the Portfolio was not able to find a substitute Investment Contract issuer or otherwise achieve a stable value for that portion of the Portfolio's assets, the Portfolio's Share value might fall and Account Owners might experience a loss.

***Investment Strategy Risk*.** This Portfolio is subject to the risk that the short- and intermediate-term investment grade bonds will not provide the rate of return expected. The bonds may lose money. An investment in this Portfolio is not a bank deposit, is not insured and the principal, accumulated interest thereon or any interest rate is not guaranteed by Ameriprise Financial, Inc., the Program Manager or its affiliates, the FDIC, the State of South Carolina or any other government agency.

***Liquidity Risk*.** Liquidity risk occurs when the Investment Contracts or the Portfolio assets used to back such Investment Contracts must be liquidated in order to meet liquidity demands on the Portfolio. The Trustee utilizes Columbia Government Money Market Fund (the "cash buffer") to seek to manage Portfolio liquidity by anticipating the volume of Account Owner-directed Withdrawals from the Portfolio and to reduce the Portfolio's overall duration.

Account Owner-directed Withdrawals may be first funded from net contributions and other transfers to the Portfolio and then from the Portfolio's cash buffer. To the extent that additional funds are necessary, certain Portfolio assets backing Investment Contracts may be liquidated to fund any remaining amount. If the market value of such assets is below their book value, such liquidation could invoke the wrap coverage provided by the Investment Contracts.

Alternatively, it is possible that CMIA may overestimate the volume of upcoming Account Owner- directed Withdrawals from the Portfolio or for other reasons hold a higher portion of the Portfolio in cash or cash equivalents than is strictly necessary to manage the Portfolio's liquidity. Such higher percentage of cash investments may reduce the Portfolio's overall yield.

Fixed-Income Securities Risks

While most fixed-income securities held by the Portfolio are wrapped by Investment Contracts, declines in such securities' value will reduce the crediting rate and the Portfolio's yield. Moreover, Investment Contracts typically do not provide protection against credit quality risk of the securities in the Portfolio and will not cover securities that become impaired. Impaired securities are those that fail to make interest or principal payments, are in default, whose issuers are insolvent, or that are rated below the Portfolio's quality guidelines. Consequently, a credit downgrade or default with respect to a security could result in a decrease in the value of the Shares.

Active Management Risk. The Portfolio is actively managed and its performance therefore will reflect, in part, the ability of CMIA to select investments and to make investment decisions that are suited to achieving the Investment Portfolio's investment objective, as established. Due to its active management, the Portfolio could underperform other portfolios with similar investment objectives and strategies. The Portfolio may fail to achieve its investment objective and you may lose money.

Asset-Backed Securities Risk. The value of the Portfolio's asset-backed securities may be affected by, among other things, changes in: interest rates, factors concerning the interests in and structure of the issuer or the originator of the receivables, the creditworthiness of the entities that provide any supporting letters of credit, surety bonds or other credit enhancements, or the market's assessment of the quality of underlying assets. Asset-backed securities represent interests in, or are backed by, pools of receivables such as credit card, auto, student and equipment loans. They may also be backed, in turn, by securities backed by these types of loans and others, such as mortgage loans.

Asset-backed securities can have a fixed or an adjustable rate. Most asset-backed securities are subject to prepayment risk, which is the possibility that the underlying debt may be refinanced or prepaid prior to maturity during periods of declining or low interest rates, causing the Investment Portfolio to have to reinvest the money received in securities that have lower yields. In addition, the impact of prepayments on the value of asset-backed securities may be difficult to predict and may result in greater volatility. Rising or high interest rates tend to extend the duration of asset-backed securities, making them more volatile and more sensitive to changes in interest rates.

Credit Risk. Credit risk is the risk that the issuer of a fixed-income security may or will default or otherwise become unable or unwilling, or is perceived to be unable or unwilling, to honor a financial obligation, such as making payments to the Investment Portfolio when due. Various factors could affect the issuer's actual or perceived willingness or ability to make timely interest or principal payments, including changes in the issuer's financial condition or in general economic conditions. Debt securities backed by an issuer's taxing authority may be subject to legal limits on the issuer's power to increase taxes or otherwise to raise revenue, or may be dependent on legislative appropriation or government aid.

Certain debt securities are backed only by revenues derived from a particular project or source, rather than by an issuer's taxing authority, and thus may have a greater risk of default. If the Portfolio purchases unrated securities, or if the rating of a security is lowered after purchase, the Portfolio will depend on analysis of credit risk more heavily than usual. Unrated securities held by the Portfolio may present increased credit risk as compared to higher-rated securities. Certain forward-settling agency mortgage-backed securities may reduce credit risk by collateralizing the daily net liability attributable to such securities.

Interest Rate Risk. Interest rate risk is the risk of losses attributable to changes in interest rates. In general, if prevailing interest rates rise, the values of debt securities will tend to fall, and if interest rates fall, the values of debt securities will tend to rise. Changes in the value of a debt security usually will not affect the amount of income the Portfolio receives from it but may affect the value of the Investment Portfolio's units. In general, the longer the maturity or duration of a debt security, the greater its sensitivity to changes in interest rates. Interest rate changes also may increase prepayments of debt obligations, which, in turn, would increase prepayment risk.

Where the assets backing an Investment Contract may be managed pursuant to a declining duration or fixed maturity strategy, CMIA manages interest rate risk primarily by selecting a portfolio which provides consistent cash flow. However, the Portfolio may encounter interest rate risk through the reinvestment of cash flows, as prevailing interest rates at the time of reinvestment may be higher or lower than the Portfolio's then-current yield. CMIA also manages interest rate risk by purchasing Investment Contracts to help mitigate the impact of daily market value changes on the fixed-income investments due to market interest rate changes.

Market Risk. Market risk refers to the possibility that the market values of securities or other investments that the Portfolio holds will fall, sometimes rapidly or unpredictably, or fail to rise. Security values may fall or fail to rise because of a variety of factors affecting (or the market's perception of) individual companies (e.g., an unfavorable earnings report), industries or sectors, or the market as a whole, reducing the value of an investment in the Portfolio. Accordingly, an investment in the Portfolio could lose money over short or even long periods. The market values of the securities the Portfolio holds also can be affected by changes or perceived changes in U.S. or foreign economies and financial markets, and the liquidity of these securities, among other factors.

Mortgage- and Other Asset-Backed Securities Risk. The value of any mortgage-backed and other asset-backed securities held by the Portfolio may be affected by, among other things, changes or perceived changes in: interest rates, factors concerning the

interests in and structure of the issuer or the originator of the mortgages or other assets, the creditworthiness of the entities that provide any supporting letters of credit, surety bonds or other credit enhancements, or the market's assessment of the quality of underlying assets. Mortgage-backed securities represent interests in, or are backed by, pools of mortgages from which payments of interest and principal (net of fees paid to the issuer or guarantor of the securities) are distributed to the holders of the mortgage-backed securities. Mortgage-backed securities can have a fixed or an adjustable rate.

Payment of principal and interest on some mortgage-backed securities (but not the market value of the securities themselves) may be guaranteed (i) by the full faith and credit of the U.S. Government (in the case of securities guaranteed by the Government National Mortgage Association) or (ii) by its agencies, authorities, enterprises or instrumentalities (in the case of securities guaranteed by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation ("FHLMC"), which are not insured or guaranteed by the U.S. Government (although FNMA and FHLMC may be able to access capital from the U.S. Treasury to meet their obligations under such securities). Counterparty risk associated with certain forward-settling agency mortgage-backed securities may be mitigated by the collateralization of such securities. Mortgage-backed securities issued by non-governmental issuers (such as commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other secondary market issuers) may be supported by various credit enhancements, such as pool insurance, guarantees issued by governmental entities, letters of credit from a bank or senior/subordinated structures, and may entail greater risk than obligations guaranteed by the U.S. Government, whether or not such obligations are guaranteed by the private issuer. Mortgage-backed securities are subject to prepayment risk, which is the possibility that the underlying mortgage may be refinanced or prepaid prior to maturity during periods of declining or low interest rates, causing the Portfolio to have to reinvest the money received in securities that have lower yields. In addition, the impact of prepayments on the value of mortgage-backed securities may be difficult to predict and may result in greater volatility. Rising or high interest rates tend to extend the duration of mortgage-backed securities, making them more volatile and more sensitive to changes in interest rates.

***Reinvestment Risk*.** Reinvestment risk is the risk that the Portfolio will not be able to reinvest income or principal at the same return it is currently earning.

Risks Applicable to the Future Scholar Bank Deposit Portfolio

Investment Risks - In the event that investments in the Future Scholar Bank Deposit Portfolio exceed the maximum amount covered by FDIC insurance (currently $250,000, which includes the total of all deposit balances held by the Account Owner at BB&T), there is the risk of loss of the amount over that limit in the event of a bank failure. To the extent that FDIC insurance applies (i.e., up to the first $250,000 of total balances held by the Account Owner at BB&T), the Portfolio is primarily subject to Income Risk and Interest Rate Risk.

Income Risk. This is the risk that the return of the underlying Bank Deposit Account will vary from week to week because of changing interest rates.

Interest Rate Risk. This is the risk that the return of the underlying Bank Deposit Account will decline because of falling interest rates.

THE PROGRAM AND THE TRUST FUND

The Program

The Program has been established under Chapter 2 of Title 59 of the South Carolina Code of Laws of 1976, as amended (the "Act"), in order to encourage the investment of funds to be used for Qualified Higher Education Expenses at Eligible Educational Institutions. The Act created the Trust Fund as a special fund to hold all of the assets of the Program and authorizes the Treasurer to administer the Program. Pursuant to the Act, the Treasurer has established rules for the implementation of the Program (the "Program Rules"), which may be amended from time to time by the Treasurer without notice, and has also promulgated a Comprehensive Investment Plan (the "Investment Plan"), pursuant to which all assets in the Trust Fund must be invested. The Investment Plan may also be amended from time to time by the Treasurer without notice. Pursuant to the Act, the Program Rules and the Investment Plan, the investment choices available under the Program and among which an Account Owner's assets shall be allocated are designed to provide Account Owners with an investment program flexible enough to meet their varying needs and a means of investing Contributions to meet long-term investment goals. The holdings of the Portfolios that comprise the investment choices are limited to mutual funds that are registered under the Investment Company Act of 1940, as amended (the "1940 Act"), exchange traded funds that are registered under the 1940 Act, funds of guaranteed investment contracts, stable value funds, bank certificates of deposit or FDIC-insured bank products, and which generally invest in the following broad asset classes:

- Short-term marketable debt securities

- U.S. fixed income securities
- Non-U.S. fixed income securities
- U.S. equity securities
- International (Non-U.S.) equity securities
- Bank certificates of deposit
- Stable value investments

Account Owners bear the risk of the investment results of the investment choices they make. Account Owners should consider which investment option—a single Target Allocation Portfolio or Single Fund Portfolio, a combination of them, or an Age-Based Portfolio—is most appropriate given the other resources expected to be available to fund the Designated Beneficiary's Qualified Higher Education Expenses, the age of the Designated Beneficiary, the anticipated date of first use of funds in the Account by the Designated Beneficiary, the risks associated with each investment option, the lack of investment control and the ability of the Account Owner and Designated Beneficiary to assume the particular investment risks associated with a particular Portfolio. As required by the Act and federal tax law, neither Account Owners nor Designated Beneficiaries are permitted to direct the selection of investments for the Portfolios.

The Trust Fund

The Act established the Trust Fund as a means of assisting qualified students and their families in financing costs of attending Eligible Educational Institutions. The Trust Fund is a special fund separate and distinct from the State of South Carolina's general fund, and is administered by the Treasurer. The Act provides that the Treasurer shall invest and reinvest the assets in the Trust Fund for the benefit of the Program on behalf of Account Owners and Designated Beneficiaries. The assets of the Trust Fund consist of Contributions made by Account Owners or others to Accounts and any earnings allocated to the Accounts. All assets in the Trust Fund are required to be continuously applied by the Treasurer to carry out the purposes of the Act. The assets in the Trust Fund are not property of the State. See "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS—Status of Federal and State Law and Regulations Governing the Program." The assets in the Trust Fund are invested in Underlying Funds,. Accounts are established by Account Owners by completing an Account Application and consenting and agreeing to the terms and conditions of the Participation Agreement, subject to acceptance of the Accounts by the Program Manager.

Special Benefits Available to South Carolina Residents

The Treasurer may at any time modify, add or terminate any program that provides a benefit to South Carolina residents.

State Tax Deduction – Contributions up to the maximum Account Contribution limit of $426,000 (or any lower limit under applicable law) are deductible in computing an Account Owner's South Carolina taxable income for South Carolina personal income tax purposes.

PROGRAM MANAGEMENT AND ADMINISTRATION

Pursuant to the Act, the Treasurer administers the Program and acts as administrator of the Trust Fund. The Act requires that amounts held for the benefit of Account Owners and Designated Beneficiaries be invested in a manner reasonable and appropriate to achieve the objectives of the Program, exercising the discretion and care of a prudent person in similar circumstances with similar objectives. The Act requires that due consideration be given to the risk, expected rate of return, term or maturity, diversification of total investments, liquidity and anticipated investments in and withdrawals from the Trust Fund. The Treasurer is authorized under the Act to enter into contracts for any services it determines necessary for the effective and efficient operation of the Program, which may include investment advisory and managerial services. The Treasurer has selected CMIA and CMID to act as Program Manager of the Program pursuant to a Contract for Program Management Services (the "Management Agreement"), effective October 1, 2012, as may be amended from time to time. The Management Agreement provides that the Program Manager and certain of its affiliates are responsible for providing certain administrative, recordkeeping and investment services and for the marketing of the Program. See "THE MANAGEMENT AGREEMENT." Pursuant to the Management Agreement, BFDS has been engaged to serve as the transfer and servicing agent for the Program, and JP Morgan Chase Bank has been engaged to serve as the custodian for Program assets.

Office of State Treasurer

The Office of State Treasurer of South Carolina was established to serve the citizens of South Carolina by providing banking, investment and financial management services to the government of the State. By statute, the Treasurer is responsible for the investment, cash management, and safekeeping of the State's general and restricted funds and a portion of the assets of the South Carolina Retirement Systems. It also provides fiscal management services, including receipt and disbursement of funds, coordination of banking services, issuance and maintenance of State debt, and trusteeship of unclaimed property. The Office of State Treasurer is located in Columbia, South Carolina. As provided in the South Carolina Constitution, the individual who holds the title of Treasurer is elected to a four-year term coterminous with the term of the State's Governor.

Program Manager and Affiliates

CMIA and CMID serve as Program Manager. CMIA acts as investment manager for individuals, corporations, private investment companies and financial institutions, and approximately 200 mutual funds in the Columbia Funds Family of Funds, including certain mutual funds described in this Program Description. CMIA provides investment services to the Program, including determining the allocation percentages of the Underlying Funds in the Allocation Portfolios. CMIA is an SEC-registered investment adviser. CMID is the distributor for the mutual funds in the Columbia Funds Family of Funds. CMID is an SEC-registered broker-dealer. CMID is a member of industry self-regulatory organizations, including the Financial Industry Regulatory Authority ("FINRA"), and is a member of the Securities Investor Protection Corporation. CMID is also regulated by the SEC, the Municipal Securities Rulemaking Board and certain state securities regulators. CMID serves as the distributor of the Financial Advisor Program. CMIA is a wholly owned subsidiary of Ameriprise Financial, Inc. and CMID is a wholly owned indirect subsidiary of CMIA.

Ameriprise Financial, Inc. is a financial planning and financial services company that has been offering solutions for clients' asset accumulation, income management and protection needs for more than 110 years. Its management experience covers all major asset classes, including equity securities, fixed income securities and money market instruments.

Columbia Management Investment Services Corporation, an affiliate of the Program Manager and an SEC-registered transfer agent, provides certain services to the Program, including answering and responding to telephone inquiries from existing Account Owners, prospective Account Owners of the Program and broker-dealers on behalf of such Account Owners.

BFDS

Boston Financial Data Services, Inc. is a Massachusetts corporation with its principal place of business located in Quincy, Massachusetts. BFDS is a transfer agent registered with the SEC and performs transfer agent and shareholder servicing functions for mutual funds and Section 529 plans. As contemplated in the Management Agreement, the Program Manager has engaged BFDS to serve as the transfer and servicing agent for the Program. Its responsibilities for the Program will include processing purchases, withdrawals and exchanges, calculating and paying distributions, keeping records for Account Owners, preparing account statements and providing customer service.

Neither CMID, CMIA nor BFDS is a bank, and, except for the Future Scholar Bank Deposit Portfolio, the securities offered under the Program are not backed or guaranteed by any bank, nor are they insured by the Federal Deposit Insurance Corporation, the State of South Carolina or any other state or federal government agency.

JP Morgan Chase Bank

JP Morgan Chase Bank, N.A., is a major provider of financial services, and provides custody services to financial institutions. As contemplated in the Management Agreement, the Program Manager has engaged JP Morgan Chase Bank to serve as the custodian for the Program.

THE MANAGEMENT AGREEMENT

Pursuant to the Management Agreement, CMIA and CMID will serve as the Program Manager through September 30, 2017, subject to the rights of the parties to terminate the Management Agreement described below. Under the Management Agreement, as currently in effect, CMIA, CMID and its affiliates agree to perform certain administrative, record keeping, investment and marketing services for the Program (collectively, the "Services"), and are permitted to delegate certain of these responsibilities with the prior consent of the Treasurer. With the Treasurer's consent, BFDS has been engaged to serve as transfer and servicing agent and JP Morgan Chase Bank has been engaged to serve as custodian. No delegation or assignment by the Program Manager shall relieve them of any of their responsibilities under the Management Agreement.

Pursuant to the Management Agreement, CMIA may periodically propose for approval by the Treasurer that the Program be amended to include one or more additional Portfolios, to change the percentage allocations of an Allocation Portfolio, and to change the Underlying Funds for a Portfolio.

Standard of Care

The Program Manager is responsible for the performance of the Services under the Management Agreement in accordance with specified legal requirements and performance standards. Under the Management Agreement, the Program Manager is obligated to act as a fiduciary at all times with respect to their management of the investments of the Trust Fund, and to perform their duties under the Management Agreement in a manner reasonable and appropriate to achieve the objectives of the Act with the care, skill, prudence and diligence under the circumstances of a prudent person acting in similar circumstances with similar objectives, as determined from the Act and the Investment Plan.

Payments from Underlying Columbia Funds

CMIA, CMID and their affiliates provide services to all of the Columbia Funds which serve as Underlying Funds, including investment advisory and sub-advisory, administration, sub-transfer agency and brokerage services, and are authorized to receive payments from the Columbia Underlying Funds for those services. These entities also may provide other services and be compensated for them, including transfer agency, interfund lending and securities lending services. In addition, these entities may serve as counterparties in transactions with the Columbia Underlying Funds where permitted by applicable law, and may receive compensation in that capacity.

Termination of Agreement

The Management Agreement provides that the Treasurer may terminate the Management Agreement at any time in response to a material breach after providing notice and an opportunity to cure. The Treasurer may also terminate in the event subsequent federal legislation makes it unreasonable for the Treasurer to continue the Program, and for other reasons. The Program Manager may terminate if federal or state legislation is adopted which makes it unreasonable for them to provide the Services or if the Program no longer qualifies as a Qualified Tuition Program under the Code. See "PROGRAM AND PORTFOLIO RISKS AND OTHER CONSIDERATIONS—Certain Considerations in Connection with the Termination of the Management Agreement and Successor Program Managers."

Audits

Under the Management Agreement and the Act, the Program Manager and the Treasurer have agreed to cooperate to generate annual audited financial statements of the Program to be provided by PriceWaterhouseCoopers LLP, the most recent copy of which can be obtained from the Program Manager by calling 1-888-244-5674. In addition, the Treasurer at its option may obtain an annual compliance audit, which may include the Services, to be performed by an entity chosen by the Treasurer.

MISCELLANEOUS

Regulatory Matters

Ameriprise Financial and certain of its affiliates have historically been involved in a number of legal, arbitration and regulatory proceedings, including routine litigation, class actions, and governmental actions, concerning matters arising in connection with the conduct of their business activities. Ameriprise Financial believes that neither Ameriprise Financial nor any of its affiliates are the subject of, any pending legal, arbitration or regulatory proceedings that are likely to have a material adverse effect on the Program or any of the Underlying Funds or the ability of its affiliates to perform under their contracts with respect to the Program or certain of the Underlying Funds. Information regarding certain pending and settled legal proceedings may be found in the respective shareholder reports and SAIs of the Underlying Funds that are advised by Ameriprise Financial or its affiliates. Additionally, Ameriprise Financial is required to make 10-Q, 10-K and, as necessary, 8-K filings with the SEC on legal and regulatory matters that relate to Ameriprise Financial and its affiliates. Copies of these filings may be obtained by accessing the SEC website at www.sec.gov.

Securities Laws

The Treasurer has obtained an opinion of counsel to the effect that the interests in the Program represented by Accounts are distributed in reliance upon the exemption from registration provided in Section 3(a) (2) under the Securities Act of 1933, as amended.

Continuing Disclosure

To comply with Rule 15c2-12(b) (5) under the Securities Exchange Act of 1934, as amended, the Treasurer has executed a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") for the benefit of Account Owners. Under the Continuing Disclosure Agreement, the Treasurer agrees to provide certain financial information and operating data (the "Annual Information") relating to the Program, and notices of the occurrence of certain enumerated events as set forth in the Continuing Disclosure Agreement, if material. The Annual Information will be filed on behalf of the Program with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and with any South Carolina information depository. Notices of certain events will be filed on behalf of the Program with the Municipal Securities Rulemaking Board and with any South Carolina information depository.

The Treasurer reserves the right to modify its provisions for release of information pursuant to the Continuing Disclosure Agreement to the extent not inconsistent with the valid and effective provisions of Rule 15c2-12.

Obtaining Additional Information About the Program

References made in this Program Description to certain documents and reports are summaries that are not complete or definitive. Reference should be made to those documents and reports for full and complete information as to their contents. Copies of the Program materials including the Direct Plan Portfolio Construction, Account Applications and Forms may be requested by calling the telephone number indicated below.

Persons having questions concerning the Program, including procedures for opening an Account, should call the Program Manager toll free at 1-888-244-5674, or visit the Program's website at www.futurescholar.com. Questions or requests for information also may be addressed in writing to: Future Scholar College Savings Plan, P.O. Box 8036, Boston, MA 02266-8036.

APPENDIX A

PARTICIPATION AGREEMENT

Capitalized terms used but not defined in this Participation Agreement have the meanings set forth in the Program Description. I, the Account Owner, certify that I have read and understand the following:

A. **Agreements, Representations and Warranties of the Account Owner**:

1. I have received, read carefully, and understand the Program Description as currently in effect and agree that its terms are incorporated into this Participation Agreement as if they were set forth herein. In making a decision to open an Account and enter into this Participation Agreement, I have not relied upon any representations or other information, written or oral, other than as set forth in the Program Description, Account Application and this Participation Agreement.

2. I certify that I intend that Contributions to this Account will fund Qualified Higher Education Expenses of the Designated Beneficiary of the Account, that each Contribution to the Account will be for that purpose, and that Contributions to the Account and all other accounts of which I am aware to have been established for the Designated Beneficiary under the Program or any other such plan sponsored by the State of South Carolina will not be made in excess of limitations established by the Office of State Treasurer of South Carolina ("Treasurer") from time to time.

3. I recognize that my Account involves certain investment or other risks, including the possible loss of principal, and that I have taken into consideration and understand the risk factors relating to such investments, including, but not limited to, those set forth in the Program Description. I understand that none of the United States, the State of South Carolina, the Treasurer, any agent or instrumentality of the federal government or the State of South Carolina, Ameriprise Financial, Inc. or any of its affiliates, any successor Program Manager or any agent or representative retained in connection with the Program or any other person, is an insurer, or makes any guarantee of, or has any legal or moral obligation to insure, the ultimate pay out of all or any portion of any amount contributed to my Account or that there will be any investment return, or an investment return at any particular level, on my Account. Further, past investment results of Ameriprise Financial, Inc. or any of its affiliates and the mutual funds or other investments of the Portfolios offer no assurance of future returns.

4. (a) (i) I recognize that I have a limited ability to, directly or indirectly, direct the investment of any contributions to the Program (or any earnings thereon) no more than two times in any calendar year, as permitted by Section 529 of the Code and regulations or guidance issued thereunder; and (ii) I understand that although I own interests in a Portfolio, I do not have a direct beneficial interest in the mutual funds or other instruments held by that Portfolio, and therefore I do not have the rights of a shareholder or owner of such investments.

   (b) I hereby appoint the Program and the Program Manager as my agents for purposes of transferring the funds in my Account to or from the Future Scholar Bank Deposit Portfolio which I understand invests in one or more omnibus deposit accounts established at a depository institution insured by the Federal Deposit Insurance Corporation ("FDIC"). I understand that contributions to and earnings on the investments in the Bank Deposit Portfolio are insured by the FDIC on a pass-through basis to each Account Owner and that I have a beneficial interest in any such deposit account held in the Bank Deposit Portfolio in which my Account is invested.

5. I acknowledge that the Program does not involve any guarantee or commitment whatsoever of or from the United States, the State of South Carolina, the Treasurer, Ameriprise Financial, Inc. or any of its affiliates, my broker-dealer, or any other person that: (a) my Designated Beneficiary will be admitted to any Eligible Education Institution; (b) upon admission to an Eligible Education Institution, my Designated Beneficiary will be permitted to continue to attend; (c) my Designated Beneficiary will receive a degree from any Eligible Education Institution; (d) State of South Carolina residency will be created for tax, financial aid eligibility or any other purpose for the Designated Beneficiary's designation in that capacity; or (e) Contributions to my Account plus the earnings thereon will be sufficient to cover any particular Qualified Higher Education Expenses of my Designated Beneficiary.

6. I have full power and authority to enter into and perform the Account Application and this Participation Agreement or, if the Account Owner is a minor and I have executed the Account Application in a representative or fiduciary capacity on the minor's behalf, I have full power and authority to do so. I believe that the allocation of my Contribution to the Portfolios as stated in my Account Application is suitable for me or, if relevant, the minor involved.

7. I authorize the Program Manager on behalf of its agents to initiate debit entries if I have elected to participate in the Automatic Contribution Plan. This authorization will remain effective until I notify the Program Manager on behalf of its agents in writing of its termination and until the Program Manager on behalf of its agents has reasonable time to act on that termination.

8. If the person establishing the Account is a legal entity, in addition to the items set forth herein, the individual signing the Account Application for the entity represents and warrants that (a) the entity may legally become, and thereafter be, the Account Owner, (b) he or she is duly authorized to so act for the entity, (c) the Program Description may not discuss tax consequences and other aspects of the Program of particular relevance to the entity and persons having an interest therein, and (d) the entity has consulted with and relied on a professional advisor, as deemed appropriate by the entity, before becoming an Account Owner.

9. I understand that (i) the state(s) in which I reside or pay taxes may sponsor a plan established under Section 529 of the Code, (ii) that such other plan may offer me state income tax or other benefits that are not available through the Program, (iii) that withdrawals from my Account may be subject to state and federal tax liability that I or the Beneficiary may be liable for ascertaining and paying, (iv) that no portion of this Participation Agreement, the Program Description, or any other materials published by Columbia Management is intended or may be relied upon as tax advice, (v) that any statements concerning U.S. federal and state tax issues in this Participation Agreement or the Program Description are provided as general information in connection with the promotion or marketing of the Program and are not provided or intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties, and (vi) that I should consult with my tax advisor regarding the federal and state tax consequences of investing in the Program. Further, I understand that I should retain adequate records relating to withdrawals from my Account for my tax reporting purposes. I certify that I have read and understand the discussion in the Program Description regarding the tax treatment of investments in and withdrawals from the Program. I understand that changes in or interpretation of the law governing any of the federal, state and local tax consequences relating to investments in the Program may result in adverse tax consequences.

B. **Conflicts of Interest; Value of Investments**: I understand and agree to the following: (a) that the value of my Account will increase or decrease based on the performance of the underlying investments of the Portfolio(s) I have chosen; (b) that (except for the Bank Deposit Portfolio and the Legacy Capital Preservation Portfolio) the Portfolio(s) will invest in mutual funds and exchange traded funds (collectively, "funds") selected by Columbia Management Investment Advisers, LLC. and the Treasurer; (c) that some or all of these funds may be managed by or receive services from Columbia Management Investment Distributors, Inc. or its affiliates and that they are paid for such services; (d) that depending on the Portfolio, the funds held in the Portfolio, and changes in the Portfolios or the Underlying Funds initiated by Columbia Management Investment Distributors, Inc. may cause the amount of the fees received by Columbia Management Investment Distributors, Inc. to increase or decrease.

C. **Allocations; Separate Accounts; Ownership**: I understand and agree that my Account will be invested automatically in the Portfolios in the proportions selected by me in my Account Application or any subsequent instruction given by me and accepted by the Treasurer or its delegate and that the Program Manager will maintain my Account separately but will commingle the Contributions to my Account with amounts credited to other Accounts for purposes of investment.

D. **Finality of Decisions**: All decisions and interpretations by the Treasurer and the Program Manager in connection with the operation of the Program shall be final and binding on each Account Owner, Designated Beneficiary, and other person affected thereby.

E. **Choice of Law, Jurisdiction, and Venue**: The Program and my Account and this Participation Agreement shall be construed in accordance with the laws of the State of South Carolina and applicable federal law, including 26 U.S.C. Section 529, as amended, without regard to the community property laws or choice of law rules of any state. All disputes arising under the Program, my Account and this Participation Agreement are subject to the Arbitration provisions set forth below.

F. **Extraordinary Events**: The Program Manager shall not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes or other conditions beyond their control.

G. **Severability**: In the event any clause or provision of this Participation Agreement is found to be invalid, illegal, void, or unenforceable by any law, rule, administrative order, or judicial decision of a court of competent jurisdiction, that clause or provision shall be severed from the Participation Agreement, and the remainder of the Participation Agreement shall continue in full force and effect as if such clause or provision had never been included.

H. **Integration**: This Participation Agreement, my completed and signed Account Application and the Program Description together are the complete and exclusive statement of the agreement between the parties hereto related to the subject matter hereof, which supersedes any prior agreement, oral or written, and any other communications between the parties hereto relating to the subject matter of such documents.

I. **Transferability**: The Account Owner may, upon approval of the Treasurer and the Program Manager, and in compliance with the procedures in the Program Description, transfer ownership of an Account to another individual or entity provided that no consideration is given for the transfer. Neither an Account nor any interest, rights, or benefits in it may be sold, nor may any interest in an Account be used as security for any loan.

J. **Verification**: The Treasurer or the Program Manager may require any written documentation or other actions taken in respect to an Account be verified as made or taken under oath, as appropriate.

K. **No Third Party Beneficiary; Binding Nature**: This Participation Agreement is not intended to, nor does it, confer any benefit or legal rights upon any third-party beneficiary except that Ameriprise Financial, Inc. and its affiliates and agents are third-party beneficiaries of the representations, warranties and covenants made by me in the Account Application and this Participation Agreement. The individual designated as the Designated Beneficiary of an Account has no independent claim, right, or access to any funds in an Account solely related to such designation. Payments directly to a Designated Beneficiary will only be made with the Account Owner's specific written authorization for such payments. This Participation Agreement will survive my death and will be binding on my personal representatives, heirs, successors and assigns.

L. **Cancellation for Material Misrepresentation**: If the Treasurer or the Program Manager determines that there has been any material misrepresentation related to the Participation Agreement or the Account, the Account may be cancelled by the Treasurer. The Account Owner will receive a refund of the current Account balance minus any applicable penalty and fees.

M. **Fees**: I acknowledge and agree that my Account and the assets of the Portfolios will be charged for the costs of administration of the Program and the Accounts. These fees include the Program Manager's fees and any Treasurer's fees as described in the Program Description, as amended from time to time. Accounts will indirectly bear expenses of the Underlying Funds in which the Portfolios invest. My Account may be subject to other fees, charges or penalties in the future, as referred to in the applicable Program Description. Whole or fractional shares of my Account may be liquidated to pay fees, expenses, or liabilities owed to the Program Manager or the State of South Carolina or the Treasurer under this Participation Agreement or the Management Agreement.

N. **Statements and Reports**: I understand that the Program Manager will keep accurate and detailed records of all transactions concerning my Account and will provide period statements of my Account to me. If I do not write to the Program to object to a statement or report within 60 days after it has been sent to me, I will be considered to have approved it and to have released the Program Manager from all responsibility for matters covered by the statement or report.

O. **Indemnity; Extraordinary Events; Survival of Agreements, Representations, and Warranties**: I understand that the establishment of my Account is based upon my agreements, representations, and warranties set forth in this Participation Agreement. I will indemnify and hold harmless the Program, the Treasurer, the State of South Carolina, Ameriprise Financial, Inc. and their affiliates, any successor Program Manager, and any agents or representatives of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorney's fees, that any of them may incur by reason of, or in connection with, any omission, misstatement, or misrepresentation made by me herein or otherwise with respect to this Account, and any breach by me of any of the agreements, representations, or warranties contained in this Participation Agreement. Neither the Treasurer, the State of South Carolina, the Program Manager nor its affiliates shall be liable for any loss caused directly or indirectly by government restrictions, exchange or market rulings, suspensions of trading,

war, acts of terrorism, strikes or other conditions beyond their control. All of my agreements, representations, and warranties will survive the termination of this Participation Agreement.

P. **No Waiver of Sovereign Immunity**: I assume all liability for any financial losses related to this Account. I understand and acknowledge that there is no recourse against the Treasurer or its employees or the Program or against the State of South Carolina in connection with an Account. Nothing in this Participation Agreement shall be deemed or construed as an express or implied waiver of the sovereign immunity of the State of South Carolina or a pledge of the full faith and credit of the State of South Carolina.

Q. **Adoption of Rules and Regulations**: I understand and agree that this Participation Agreement and Account are subject to (a) Rules and Regulations adopted as part of the Program by the Treasurer, including rules or regulations to prevent Contributions on behalf of a Designated Beneficiary in excess of those permitted under Section 529, (b) the Act, and (c) the Program Description.

R. **Changes in Law**: I understand that the Program is intended to be a "Qualified Tuition Program" under Section 529 and to achieve favorable South Carolina tax treatment under South Carolina law. I agree that the Treasurer and/or Program Manager may make changes to the Program, this Participation Agreement, and the Program Description at any time if it determines that such changes are necessary for the continuation of the federal income tax treatment provided by Section 529 or the favorable South Carolina income tax treatment provided by South Carolina state law, or any similar successor legislation, or for other reasons.

S. **Amendment and Termination:** At any time, the Office of State Treasurer or its delegate may amend or terminate this Participation Agreement, or the Program may be amended, suspended or terminated, but except as permissible under applicable law, my Account may not thereby be diverted from my exclusive benefit. A termination of the Program by the Treasurer may result in a distribution for which tax and penalties may be assessed by giving written notice to me.

T. **Effective Date**: This Participation Agreement shall become effective upon the opening of an Account by the Program Manager.

U. **Arbitration: I agree that all controversies that may arise between me and the State of South Carolina and Program Manager and each of their principals, subsidiaries, affiliates, successors, assigns, heirs, executors, administrators, officers, directors, employees, representatives, and agents, concerning any order or transaction, or the continuation, performance or breach of this or any other agreement between the parties to this Participation Agreement, whether entered into before, on or after the date this Account is opened, shall be determined by arbitration before a panel of independent arbitrators set up by the Municipal Securities Rulemaking Board (except as otherwise provided by applicable rules and/or regulations). If I do not notify the State of South Carolina or Program Manager and/or its subsidiaries in writing within five (5) days after I receive from the State of South Carolina or Program Manager and/or its subsidiaries a written demand for arbitration, then I authorize the State of South Carolina or Program Manager and/or its subsidiaries to make such a designation on my behalf. I understand that judgment upon any arbitration award may be entered in any court of competent jurisdiction.**

I further agree and understand that: (a) arbitration is final and binding on the parties; (b) the parties are waiving their right to seek remedies in court, including the right to a jury trial; (c) pre-arbitration discovery is generally more limited than and different from court proceedings; (d) the arbitrators' award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited; and (e) the panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

The law of the state of South Carolina will apply in all respects, including but not limited to determination of applicable statutes of limitation and available remedies, except insofar as South Carolina law is inconsistent with the arbitration code of the Municipal Securities Rulemaking Board, in which case the arbitration code of the forum in which the arbitration is being conducted will apply. Any award entered in any such arbitration may be enforced and rendered to final judgment by any court having jurisdiction over the parties.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class

who has not opted out of the class with respect to any claims encompassed by the putative action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) I am excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Participation Agreement except to the extent stated herein.

PRIVACY POLICY NOTICE

FACTS	WHAT DOES FUTURE SCHOLAR 529 COLLEGE SAVINGS PLAN DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ▪ Social Security number and income ▪ Assets and transaction history ▪ Checking account information and wire transfer instructions When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reason financial companies can share their customers' personal information; the reasons Future Scholar 529 College Savings Plan chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Future Scholar 529 College Savings Plan share?	Can you limit this sharing?
For everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call toll-free 1.888.244.5674 or go to http://futurescholar.com/Legal/PrivacyandSecurity/

Who we are	
Who is providing this notice?	The Future Scholar 529 College Savings Plan

What we do	
How does Future Scholar 529 College Savings Plan protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information on how we protect your personal information visit columbiamanagement.com/privacy-security.
How does Future Scholar 529 College Savings Plan collect my personal information?	We collect your personal information, for example, when you ▪ Open an account or give us your contact information ▪ Provide account information or make wire transfer ▪ Make investments or withdrawals from your account
Why can't I limit all sharing?	Federal law gives you the right to limit only ▪ Sharing for affiliates' everyday business purposes – information about your creditworthiness ▪ Affiliates from using your information to market to you ▪ Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ▪ *Future Scholar 529 College Savings Plan does not share personal information with affiliates.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ▪ *Future Scholar 529 College Savings Plan does not share with nonaffiliates so they can market to you.*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ▪ *Future Scholar 529 College Savings Plan doesn't jointly market.*

FutureScholar
South Carolina's 529 College Savings Plan

Future Scholar 529 Plan
Direct Program February 2018

This Supplemental Booklet contains information about program expenses, underlying fund expenses and performance for the Future Scholar Portfolios. The Supplemental Booklet is incorporated by reference into, and should be read in conjunction with, the Program Description. The information contained herein is current as of February 2018.

Performance, Fee and Expense Information

Supplemental Booklet to the Program Description

The State of South Carolina's College Investing Program

Persons having questions concerning the Future Scholar 529 Plan (the Program), including procedures for opening an account or wishing to request an account application or other account forms, should call the Program Manager at 888.244.5674 or visit the Program's website at futurescholar.com. Questions or requests for information also may be addressed in writing to:

Future Scholar 529 College Savings Plan
P.O. Box 8036
Boston, MA 02266-8036

Not FDIC insured • No bank, state or federal guarantee • May lose value

Curtis Loftis
State Treasurer
State of South Carolina

Columbia Management Investment Advisers, LLC is a wholly-owned subsidiary of Ameriprise Financial, Inc. and furnishes investment management services and products for institutional and individual investors. Columbia Management Investment Distributors, Inc. is the distributor of the Columbia Funds and an indirect subsidiary of Columbia Management Investment Advisers, LLC.

The Office of the State Treasurer of South Carolina Curtis M. Loftis, Jr. (the State Treasurer) administers the Program, and has selected Columbia Management Investment Advisers, LLC and Columbia Management Investment Distributors, Inc. as Program Manager. The Program Manager and certain affiliates are responsible for providing certain administrative, recordkeeping and investment services and for the marketing of the Program. Neither Columbia Management Investment Advisers, LLC nor Columbia Management Investment Distributors, Inc. is affiliated with the State Treasurer.

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MORE INFORMATION ABOUT PORTFOLIO PERFORMANCE, FEES AND EXPENSES

The tables below show the average annual total returns after deducting ongoing Portfolio fees for each Portfolio as of December 31, 2017. The performance data in these tables is net of expenses. The tables also show the returns for one or more benchmark indices that, as of the date of this Program Description, apply to each Portfolio. The indices are not available for investment, and the returns for the indices do not reflect fees, brokerage commissions, taxes or other expenses of investing. For a description of each index please see the Description of Benchmark Indices at the end of this Supplemental Booklet. To obtain up-to-date performance information for any Portfolio, please call the Program Manager toll free at 1-888-244-5674 or visit the Program's website at www.futurescholar.com. **Past performance is not predictive of future results**.

Future Scholar Portfolio Performance Information

	Average Annualized Return as of December 31, 2017					
Future Scholar Portfolio	**One Year**	**Three Years**	**Five Years**	**Ten Years**	**Since Inception**	**Inception Date**
Aggressive Growth	19.55	9.98	12.51	6.65	7.22	03/14/2002
Aggressive Growth Strategic Benchmark	19.38	10.09	12.88	6.92	7.61	
Growth	17.72	9.14	11.46	6.38	6.94	03/11/2002
Growth Strategic Benchmark	17.53	9.26	11.79	6.75	7.38	
Moderate Growth	14.05	7.50	9.14	5.74	6.35	03/14/2002
Moderate Growth Strategic Benchmark	13.75	7.51	9.32	6.15	6.87	
Moderate	12.10	6.57	7.96	5.54	5.89	03/11/2002
Moderate Strategic Benchmark	11.80	6.55	8.07	6.07	6.52	
Moderately Conservative	7.92	4.43	5.20	4.14	4.54	03/13/2002
Moderately Conservative Strategic Benchmark	7.88	4.51	5.36	4.63	5.17	
Conservative	4.74	2.72	3.18	2.89	3.34	03/19/2002
Conservative Strategic Benchmark	4.83	2.84	3.30	3.31	3.94	
College	1.95	1.08	0.86	N/A	0.82	10/01/2012
College Strategic Benchmark	2.03	1.22	1.08	N/A	1.05	
Large Cap Index Portfolio	21.58	11.21	15.56	8.21	7.29	03/14/2002
S&P 500 Index	21.83	11.41	15.79	8.50	7.62	
Mid Cap Index Portfolio	15.95	10.92	14.78	9.68	9.60	03/14/2002
S&P Mid Cap 400 Index	16.24	11.14	15.01	9.97	9.92	
Small Cap Index Portfolio	13.11	11.75	15.72	10.17	9.59	07/05/2005
S&P Small Cap 600 Index	13.23	12.00	15.99	10.43	9.91	
International Equity Index Portfolio	26.41	8.96	7.06	N/A	7.99	10/01/2012
FTSE All Cap ex U.S. Index	26.65	8.85	8.36	N/A	9.14	
Bond Index Portfolio	3.66	2.14	2.00	N/A	1.90	10/01/2012
Spliced Bloomberg Barclays U.S. Aggregate Float Adjusted Index	3.63	2.27	2.10	N/A	2.05	
Short Term Bond Index Portfolio	1.25	1.23	1.04	N/A	1.01	10/01/2012
Spliced Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index	1.27	1.27	1.10	N/A	1.09	
TIPS Bond Portfolio	2.86	1.85	0.02	N/A	0.15	10/01/2012
Bloomberg Barclays U.S. Treasury Inflation Protected Security TIPS	3.01	2.05	0.13	N/A	0.26	
Ultra Short Term Bond Portfolio	1.37	0.92	0.69	N/A	0.67	10/01/2012
Bloomberg Barclays Short Term Government/Corporate Index	0.98	0.68	0.49	N/A	0.48	
Legacy Capital Preservation Portfolio	0.94	0.68	0.82	1.77	2.41	03/01/2002
Citi Three-Month U.S. Treasury Bill Index	0.84	0.38	0.24	0.34	N/A	
Bank Deposit Portfolio	1.01	0.51	0.35	N/A	0.34	10/01/2012

Description of Benchmark Indices

The performance of each Portfolio is measured against an applicable benchmark index. The indices are not available for investment, and the returns of the indices do not reflect fees, brokerage commissions, taxes or other expenses of investing. The applicable benchmarks as of the date of this Program Description are shown above in the Portfolio Performance section of this Supplemental Booklet, next to the historical performance information for each Portfolio.

Bloomberg Barclays 1-5 Year U.S. Government/Credit Float Adjusted Bond Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

Bloomberg Barclays Short-term Government/Corporate Index. This index represents securities that have fallen out of the U.S. Government/Corporate Index because of the standard minimum one year to maturity constraint

Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This is a rules-based index that measures the investment return of investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities longer than 1 year. The average maturity is between 5 and 10 years.

Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index. The index includes all publicly issued, U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade, and have $250 million or more of outstanding face value.

Citigroup One-Month Treasury Bill Index. The index is an unmanaged index representing monthly return equivalents of yield averages of the last 1 month Treasury Bill issue.

Citigroup 3-Month Treasury Bill Index. The index measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.

FTSE Developed All Cap ex U.S. Index. The FTSE Developed All Cap ex U.S. index, a market – capitalization-weighted index That is made up of approximately 3,700 common stocks of large, mid and small-cap companies located in Canada and the major markets of Europe and the Pacific region.

ICE U.S. Treasury 7-10 Year Bond Index - The ICE U.S. Treasury 7-10 Year Bond Index includes publicly issued U.S. Treasury securities that have a remaining maturity of greater than seven years and less than or equal to ten years and have $300 million or more of outstanding face value, excluding amounts held by the Federal Reserve. In addition, the securities in the Underlying Index must be fixed-rate and denominated in U.S. dollars. Excluded from the Underlying Index are inflation-linked securities, Treasury bills, cash management bills, any government agency debt issued with or without a government guarantee and zero-coupon issues that have been stripped from coupon-paying bonds. The Underlying Index is weighted by market capitalization, and the securities in the Underlying Index are updated on the last business day of each month.

ICE U.S. Treasury 20+ - Year Bond Index - The ICE U.S. Treasury 20+ Year Bond Index includes publicly issued U.S. Treasury securities that have a remaining maturity greater than twenty years and have $300 million or more of outstanding face value, excluding amounts held by the Federal Reserve. In addition, the securities in the Underlying Index must be fixed-rate and denominated in U.S. dollars. Excluded from the Underlying Index are inflation-linked securities, Treasury bills, cash management bills, any government agency debt issued with or without a government guarantee and zero-coupon issues that have been stripped from coupon-paying bonds. The Underlying Index is weighted by market capitalization, and the securities in the Underlying Index are updated on the last business day of each month.

S&P 500 Index. The Standard & Poor's (S&P) 500 Index tracks the performance of 500 widely held, large-capitalization U.S. stocks.

S&P MidCap 400 Index. The Standard & Poor's (S&P) MidCap 400 Index is a market value-weighted index that tracks the performance of 400 mid-cap U.S. companies.

S&P Small Cap 600 Index. The Standard & Poor's (S&P) SmallCap 600 Index tracks the performance of 600 domestic companies traded on the New York Stock Exchange, the American Stock Exchange and NASDAQ. The S&P SmallCap 600 is heavily weighted with the stocks of companies with small market capitalizations.

Aggressive Growth Strategic Benchmark. This benchmark is a blended index consisting of 48% S & P 500 Index, 14% S&P Mid Cap 400 Index, 8% S&P Small Cap 600 Index, 20% FTSE Developed All Cap ex US Index, 1% Citigroup U.S. Treasury Index and 9% Bloomberg Barclays U.S. Aggregate Index.

Growth Strategic Benchmark. This benchmark is a blended index consisting of 46% S & P 500 Index, 12% S&P Mid Cap 400 Index, 6% S&P Small Cap 600 Index, 16% FTSE Developed All Cap ex US Index, 3% Citigroup U.S. Treasury Index and , 17% Bloomberg Barclays U.S. Aggregate Index.

Moderate Growth Strategic Benchmark. This benchmark is a blended index consisting of 33% S & P 500 Index, 10% S&P Mid Cap 400 Index, 5% S&P Small Cap 600 Index, 12% FTSE Developed All Cap ex US Index, 6% Citigroup U.S. Treasury Index, 34% Bloomberg Barclays U.S. Aggregate Index.

Moderate Strategic Benchmark. This benchmark is a blended index consisting of 29% S & P 500 Index, 8% S&P Mid Cap 400 Index, 4% S&P Small Cap 600 Index, 9% FTSE Developed All Cap ex US Index, 7% Citigroup U.S. Treasury Index, 38% Bloomberg Barclays U.S. Aggregate Index and 5% BofAML U.S 3 Month T Bill.

Moderately Conservative Strategic Benchmark. This benchmark is a blended index consisting of 18% S& P 500 Index, 4% S&P Mid Cap 400 Index, 3% S&P Small Cap 600 Index, 5% FTSE Developed All Cap ex US Index, 8% Citigroup U.S. Treasury Index, 42% Bloomberg Barclays U.S. Aggregate Index and 20% BofAML U.S 3 Month T Bill

Conservative Strategic Benchmark. This benchmark is a blended index consisting of 13% S & P 500 Index, 2% S&P Mid Cap 400 Index, 7% Citigroup U.S. Treasury Index, 38% Bloomberg Barclays U.S. Aggregate Index and 40% BofAML U.S 3 Month T Bill.

College Strategic Benchmark. This benchmark is a blended index consisting of 13% Citigroup U.S. Treasury Index, 37% Bloomberg Barclays U.S. Aggregate Index and 50% BofAML

Spliced Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This index consists of the Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; Barclays Capital U.S. Aggregate Float Adjusted Index thereafter.

Spliced Bloomberg Barclays 1-5 Year U.S. Government/Credit Float Adjusted Bond Index. This index consists of the Bloomberg Barclays U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.

Indices are not available for investment, are not professionally managed and do not reflect sales charges, fees, brokerage commissions, taxes or other expenses of investing. Securities in the fund may not match those in an index.

What It Costs to Invest in the Program

The tables below describe the fees and expense that an Account Owner may pay if Shares of the Portfolios are bought and held:

	Annual Asset-Based Fees			
Future Scholar Portfolios	**Estimated Underlying Fund Expenses [1]**	**Program Management Fee**	**Total Annual Asset-Based Fees [2][3]**	**Account Fee**
Target Allocation Portfolios				
Aggressive Growth Portfolio	0.16%	None	0.16%	None
Growth Portfolio	0.14%	None	0.14%	None
Moderate Growth Portfolio	0.12%	None	0.12%	None
Moderate Portfolio	0.11%	None	0.11%	None
Moderately Conservative Portfolio	0.09%	None	0.09%	None
Conservative Portfolio	0.09%	None	0.09%	None
College Portfolio	0.07%	None	0.07%	None
Single Fund Portfolio				
Large Cap Index Portfolio	0.20%	None	0.20%	None
Mid Cap Index Portfolio	0.20%	None	0.20%	None
Small Cap Index Portfolio	0.20%	None	0.20%	None
International Equity Index Portfolio	0.06%	None	0.06%	None
Bond Index Portfolio	0.02%	None	0.02%	None
Short Term Bond Index Portfolio	0.05%	None	0.05%	None
TIPS Bond ETF Portfolio	0.20%	None	0.20%	None
Ultra Short Term Bond Portfolio	0.25%	None	0.25%	None
Legacy Capital Preservation Portfolio	0.18%	None	0.18%	None
Bank Deposit Portfolio	None	None	None	None

1. For Target Allocation Portfolios the figures are based on a weighted average of each Underlying Fund's total net operating expense ratio as reported for the most prospectus or recent shareholder report, in accordance with the Portfolio's asset allocation among the Underlying Funds as of December 31, 2017.
2. This total is assessed against assets over the course of the year. **Please refer to the table below under "Expense Examples" for the approximate cost of investing in the Portfolio over 1-, 3-, 5-, and 10-year periods.**
3. Note that, because the asset allocations among the Target Allocation Portfolios under the Age-Based Portfolio Options will change over time, the annual asset-based fees under each risk track of the Age-Based Portfolio Options will also change to reflect the current Portfolio allocation.

Expense Examples

The following table compares the approximate cost of investing over different periods of time in each Portfolio. Actual costs may be higher or lower. The table is based on the following assumptions:

- A $10,000 investment invested for the time periods shown.
- A 5% annually compounded rate of return on the net amount invested throughout each period shown.
- Total annual asset-based fees remain the same as those shown in the fee table above.
- No transaction fees are incurred.

Future Scholar Portfolios	1 Year	3 Years	5 Years	10 Years
Target Allocation Portfolios				
Aggressive Growth Portfolio	$16	$52	$90	$205
Growth Portfolio	14	45	79	179
Moderate Growth Portfolio	12	39	68	154
Moderate Portfolio	11	35	62	141
Moderately Conservative Portfolio	9	29	51	115
Conservative Portfolio	9	29	51	115
College Portfolio	7	23	40	90
Single Fund Portfolios				
Large Cap Index Portfolio	20	64	113	255
Mid Cap Index Portfolio	20	64	113	255
Small Cap Index Portfolio	20	64	113	255
International Equity Index Portfolio	6	19	34	77
Bond Index Portfolio	2	6	11	26
Short Term Bond Index Portfolio	5	16	28	64
TIPS Bond ETF Portfolio	20	64	113	255
Ultra Short Term Bond Portfolio	26	80	141	318
Legacy Capital Preservation Portfolio	19	59	103	234
Bank Deposit Portfolio	NA	NA	NA	NA

Underlying Fund Expenses

The table below provides the total annual operating expense ratio of the class of each of the Underlying Funds that are mutual funds and ETFs and in which the Portfolios expect to invest, as reported in the most recent financial statements or prospectus of such Underlying Fund available prior to the date of this Program Description.

Name of Underlying Mutual Fund	Total Annual Operating Expenses of the Underlying Fund
Columbia Large Cap Index Fund	0.20%
Columbia Mid Cap Index Fund	0.20%
Columbia Small Cap Index Fund	0.20%
Vanguard Developed Markets Index Fund	0.06%
Vanguard Total Bond Market II Index Fund	0.02%
iShares TIPS Bond ETF	0.20%
Vanguard Short-Term Bond Index Fund	0.05%
CMG Ultra Short Term Bond Fund (1)	0.25%
Vanguard Federal Money Market Fund	0.11%
Columbia Government Money Market Fund (2)	0.52%

(1) Columbia Management Investment Advisers, LLC and certain of its affiliates have contractually agreed to waive fees and/or to reimburse expenses (excluding transaction costs and certain other investment related expenses, interest, taxes, acquired fund fees and expenses, and infrequent and/or unusual expenses) through November 30, 2018, unless sooner terminated at the sole discretion of the Fund's Board of Trustees. Under this agreement, the Fund's net operating expenses, subject to applicable exclusions, will not exceed the annual rate of 0.25%.

(2) Columbia Management Investment Advisers, LLC and certain of its affiliates have contractually agreed to waive fees and/or to reimburse expenses (excluding transaction costs and certain other investment related expenses, interest, taxes, acquired fund fees and expenses, and infrequent and/or unusual expenses) through November 30, 2018, unless sooner terminated at the sole discretion of the Fund's Board of Trustees. Under this agreement, the Fund's net operating expenses, subject to applicable exclusions, will not exceed the annual rate of 0.52% for Class Inst.

Please consider the investment objectives, risks, charges and expenses carefully before investing. Contact your financial advisor or visit columbiathreadneedle.com/us for an Advisor Plan program description or visit futurescholar.com for a Direct Plan Program Description, which contains this and other important information about the Future Scholar 529 College Savings Plan. Read it carefully before investing. You should also consider, before investing, whether the investor's or designated 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 qualified tuition program.

The Direct Plan is sold directly by the program and is limited to a specific group of investors, as described in the program description. You may also participate in the Advisor Plan, which is sold exclusively through financial advisors. The Advisor Plan offers additional investment choices, but the fees and expenses are higher. Please contact your financial advisor for additional information on the Advisor Plan.

The Office of State Treasurer of South Carolina (the State Treasurer) administers the Program and has selected Columbia Management Investment Advisers, LLC and Columbia Management Investment Distributors, Inc. (Columbia Management) as program manager. Columbia Management and its affiliates are responsible for providing certain administrative, recordkeeping and investment services, and for the marketing of the program. Columbia Management is not affiliated with the State Treasurer.

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