



**ESTABLISHED BY THE GEORGIA HIGHER EDUCATION  
SAVINGS PLAN**

**PLAN DISCLOSURE BOOKLET  
AND  
SAVINGS TRUST AGREEMENT**

**September 1, 2010**

**ADMINISTRATOR:**

**THE BOARD OF DIRECTORS OF THE  
GEORGIA HIGHER EDUCATION SAVINGS PLAN**

**PLAN MANAGER:**

**TIAA-CREF TUITION FINANCING, INC.**



**FINANCIAL SERVICES  
FOR THE GREATER GOOD®**

**No security issued by the Georgia Higher Education Savings Plan has been registered with or approved by the United States Securities and Exchange Commission or any state securities commission.**

**Please read and retain this Disclosure Booklet and Savings Trust Agreement** with your other records about the Path2College 529 Plan established by Georgia Higher Education Savings Plan (the “**Plan**”). This Disclosure Booklet is also available on the Plan’s website at [www.path2college529.com](http://www.path2college529.com). You should read and understand this Disclosure Booklet before you make contributions to the Plan.

No person has been authorized by the State of Georgia (the “**State**”), the state treasurer on behalf of the State’s Office of the State Treasurer (the “**Trust Administrator**”) or the Board of Directors of the Georgia Higher Education Savings Plan (the “**Board**”) to give any information or to make any representations other than those contained in this document and, if given or made, such other information or representations must not be relied upon as having been authorized by the State, the Trust Administrator or the Board. The information in this Disclosure Booklet is subject to change without notice.

This Disclosure Booklet does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of a security in the Plan by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

**The Plan is intended to be used only to save for qualified higher education expenses. The Plan is not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. The tax information contained in this Disclosure Booklet was written to support the promotion and marketing of the Plan and was neither written nor intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. Taxpayers should seek tax advice from an independent tax advisor based on their own particular circumstances.**

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## Introduction to the Plan

The Plan was created by the State to encourage timely financial planning for higher education. The Plan was implemented by and is administered by the Board. The Plan is intended to meet the requirements of a qualified tuition program under Internal Revenue Code (“**IRC**”) Section 529 (“**Section 529**”).

The Plan is authorized by the statute that provides for the creation of the Georgia Higher Education Savings Plan, codified at sections 20-3-630 to 20-3-642 of Title 20 of the Official Code of Georgia Annotated, entitled the “Georgia Higher Education Savings Plan Act,” as amended (the “**Statute**”). No other qualified tuition programs have been established under the Statute. Under the Statute, the Board has the power and authority to appoint a Plan manager, adopt rules and regulations to implement and administer the Plan, and establish investment policies for the Plan. For additional information, see “Oversight of the Plan.”

TIAA-CREF Tuition Financing, Inc. (“**TFI**”) manages the Plan under the direction of the Board and the Trust Administrator, pursuant to a contract (the “**Management Agreement**”) that it has entered into with the Board. For additional information, see “The Plan Manager.”

Please note that after you open your Savings Trust Account, you may access information about your Savings Trust Account through the toll-free, automated telephone number for the Plan at 1.877.424.4377. If you are an individual Account Owner, you may access your Savings Trust Account information on a password-protected section of the Plan’s website. In addition to accessing your Savings Trust Account information, you may change your physical address, bank information and your e-mail address in the password-protected section of the Plan website.

To obtain forms related to your Savings Trust Account and the Plan (“**Account Forms**”) or to request additional information, you can: (1) visit the Plan’s website at [www.path2college529.com](http://www.path2college529.com); (2) call the Plan toll-free at 1.877.424.4377; or (3) write to the Path2College 529 Plan at P.O. Box 55924, Boston, MA 02205-5924.

## Key Features of the Plan

This section provides summary information about certain key features of the Plan, but it is important that you read the entire Disclosure Booklet and Savings Trust Agreement for more detailed information about the Plan. Capitalized terms used in this section are defined in “Important Defined Terms” or elsewhere in the Disclosure Booklet.

<b>Feature</b>	<b>Description</b>	<b>Additional Information</b>
<b>State Administrator</b>	The Board of Directors of the Georgia Higher Education Savings Plan (the “ <b>Board</b> ”)	<i>Oversight of the Plan</i> , page 26.
<b>Plan Manager</b>	TIAA-CREF Tuition Financing, Inc. (“ <b>TFI</b> ”)	<i>The Plan Manager</i> , page 26.
<b>Eligible Account Owner</b>	<p>Any U.S. citizen or resident alien with a Social Security Number or federal Taxpayer Identification Number (“<b>TIN</b>”).</p> <p>Savings Trust Accounts may also be opened by the following, although additional restrictions may apply:</p> <ul style="list-style-type: none"> <li>• Custodians for minors under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act (collectively, “<b>UGMA/UTMA</b>”) with a TIN;</li> <li>• Corporations, trusts, and certain other types of entities with a TIN; and</li> <li>• State of Georgia or local governments (or agencies or instrumentalities) or organizations described in Section 501(c)(3) of the IRC with a TIN.</li> </ul>	<i>Getting Started</i> , page 7.
<b>Eligible Beneficiary</b>	Any U. S. citizen or resident alien with a Social Security Number or TIN, including the Account Owner. (No Beneficiary is required to be designated for Savings Trust Accounts established by government agencies or certain organizations described in Section 501(c)(3) of the IRC.)	<i>Getting Started</i> , page 7.
<b>Minimum Contribution</b>	The minimum initial and subsequent contribution is \$15 per Investment Option per pay period via payroll deduction or \$25 minimum contribution per Investment Option via all other payment methods.	<i>Contributing to Your Savings Trust Account</i> , page 9.
<b>Current Maximum Account Balance Limit</b>	The Maximum Account Balance Limit is \$235,000 per Beneficiary. No new contributions may be made to any Savings Trust Account if, at the time of a proposed contribution, the aggregate account balance of the Savings Trust Account and all other Savings Trust Accounts under the Plan for the same Beneficiary has a market value equal to or in excess of this limit. Savings Trust Accounts that have reached the Maximum Account Balance Limit may continue to accrue earnings.	<i>Contributing to Your Savings Trust Account</i> , page 9.
<b>Withdrawals</b>	<ul style="list-style-type: none"> <li>• Qualified Withdrawals must be used to pay for tuition, certain room and board expenses, fees, and the costs of books, supplies and equipment required for the enrollment or attendance of the Beneficiary at an Eligible Educational Institution.</li> <li>• Taxable Withdrawals are withdrawals due to the Beneficiary’s death, the permanent disability of the Beneficiary, the Beneficiary’s receipt of a scholarship award or certain other tax-free amounts, or the Beneficiary’s attendance at a Military Academy. A Taxable Withdrawal</li> </ul>	<i>Withdrawals</i> , page 24; <i>Tax Information</i> , page 27.

Feature	Description	Additional Information
	<p>will be subject to applicable federal and state income tax on earnings, if any, but will not be subject to the 10% additional federal tax on earnings (the “<b>Additional Tax</b>”).</p> <ul style="list-style-type: none"> <li>• A tax-free Rollover to another qualified tuition program for the same Beneficiary or a tax-free Rollover to another Savings Trust Account or another qualified tuition program for a person who is a Member of the Family of the Beneficiary may occur under certain circumstances.</li> <li>• Unqualified Withdrawals are withdrawals that do not fall into any of the categories above. Unqualified Withdrawals will be subject to applicable federal and state income tax on earnings, if any, and the Additional Tax.</li> </ul>	
<b>Investment Options</b>	<ul style="list-style-type: none"> <li>• Two age-based options: The Managed Allocation and the Aggressive Managed Allocation. Amounts allocated to the age-based options are automatically moved from riskier to more conservative portfolios (“<b>Age Bands</b>”) as the Beneficiary ages.</li> <li>• Two multi-fund options: The Balanced Fund Option and the 100% Fixed-Income Option.</li> <li>• Two single fund options: The 100% Equity Option and the Money Market Option.</li> <li>• One principal protection option: The Guaranteed Option.</li> </ul>	<i>Investment Options, page 16; Transferring Funds, page 10.</i>
<b>Transfers Between Investment Options</b>	The Account Owner may move funds from one Investment Option to another once per calendar year or at any time upon a change in Beneficiary to a Member of the Family. Certain restrictions apply.	<i>Transferring Funds, page 10.</i>
<b>Federal Tax Benefits</b>	<ul style="list-style-type: none"> <li>• Qualified Withdrawals and Rollovers are not subject to federal income tax (including the Additional Tax).</li> <li>• Taxable Withdrawals are subject to federal income tax but not the Additional Tax.</li> <li>• No federal gift tax on contributions of up to \$65,000 (single filer) and \$130,000 (married couple) if prorated over 5 years.</li> <li>• Contributions are generally considered completed gifts to the Beneficiary for federal gift and estate tax purposes.</li> </ul>	<i>Tax Information, page 27.</i>
<b>Georgia Tax Benefits</b>	<ul style="list-style-type: none"> <li>• Qualified Withdrawals and Rollovers are not subject to Georgia income tax.</li> <li>• Contributions are deductible for Georgia income tax purposes up to \$2,000 per year per Beneficiary. Deductions may be subject to recapture to the extent subsequent withdrawals are Taxable Withdrawals, Unqualified Withdrawals or Rollovers to another state’s qualified tuition program.</li> <li>• <b>Georgia tax benefits are available only to Georgia taxpayers.</b></li> <li>• <i>If you or your Beneficiary reside in, or have taxable income in, a state other than Georgia, see pages 30-31 for important information about potential consequences of investing in an out-of-state Section 529 program. Consult a qualified advisor or contact your home state’s Section 529 program for more information about that program.</i></li> </ul>	<i>Tax Information—State of Georgia Income Tax Treatment, page 30.</i>

Feature	Description	Additional Information
<b>Current Fees and Expenses</b>	<p>For the Services it provides to the Plan, the Plan pays TFI a Plan management fee (the “<b>Plan Manager Fee</b>”) as follows:</p> <ul style="list-style-type: none"> <li>• For the two age-based Investment Options, the Plan Manager Fee ranges from 0.46% to 0.50% of the average daily net assets of the Investment Option, depending on the Age Band within such Investment Option. The Plan Manager Fee will be reduced when total assets in the Plan reach certain breakpoint levels.</li> <li>• For the multi-fund Investment Options and the single fund Investment Options, the Plan Manager Fee is 0.42% of the average daily net assets of such Investment Options.</li> </ul> <p>The estimated underlying fund expenses range from 0.09% to 0.20%.</p> <p>The Guaranteed Option does not pay a Plan Manager Fee.</p>	<i>Fees and Expenses</i> , page 12.
<b>Performance</b>	<p>Performance data for the Investment Options will be updated on a monthly basis and can be obtained by visiting the Plan’s website or by calling the Plan’s toll-free number. Past performance is not necessarily indicative of future results. Your investment results may be better or worse than the performance shown.</p>	<i>Past Performance</i> , page 19.
<b>Risks of Investing in the Plan</b>	<ul style="list-style-type: none"> <li>• The value of your Savings Trust Account may decrease. You could lose money, including the principal you invest.</li> <li>• Federal or state tax law changes could negatively affect participation in the Plan.</li> <li>• Certain changes could be made to the Plan which could make it less favorable to investors, including an increase in existing fees and expenses and/or the addition of new fees and expenses.</li> <li>• The Board may change the Plan Manager, terminate, merge or add Investment Options, change underlying investment vehicles and/or change allocation guidelines.</li> <li>• Contributions to a Savings Trust Account may adversely affect the Account Owner or Beneficiary’s eligibility for financial aid or other benefits.</li> <li>• Neither the Federal Deposit Insurance Corporation nor any other government agency or entity provides any insurance or guarantee to Account Owners.</li> <li>• Investment returns may be less than the rate of increase in the costs of higher education.</li> </ul>	<i>Risks of Investing in the Plan</i> , page 22.
<b>Contact Information</b>	<p>Call the Plan toll-free at 1.877.424.4377, visit the Plan website at <a href="http://www.path2college529.com">www.path2college529.com</a>, or write to the Plan at P.O. Box 55924, Boston, MA 02205-5924.</p>	<i>Introduction to the Plan</i> , page 1; <i>Back Cover</i> .

## Important Defined Terms

The Disclosure Booklet and Savings Trust Agreement are intended to be as clear and understandable as possible. However, certain words and terms used throughout the Disclosure Booklet do carry special meanings in connection with the Plan. This Glossary of certain terms is included here for your convenience. Refer to the text throughout the Disclosure Booklet for a more complete discussion of these terms.

<b>Account Owner/You</b>	The owner of a Savings Trust Account in the Plan.
<b>Additional Tax</b>	A 10% additional federal tax imposed on the earnings portion of Unqualified Withdrawals.
<b>Beneficiary</b>	The beneficiary for a Savings Trust Account in the Plan as designated by the Account Owner.
<b>Board</b>	The Board of Directors of the Georgia Higher Education Savings Plan.
<b>Eligible Educational Institutions</b>	Accredited, postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree or another recognized postsecondary credential, including certain proprietary institutions and postsecondary technical and vocational schools and certain institutions in foreign countries, which are eligible to participate in a financial aid program under Title IV of the Higher Education Act of 1965.
<b>Investment Options</b>	The investment options in which you may invest your contributions to the Plan.
<b>IRC</b>	The Internal Revenue Code of 1986, as amended.
<b>Management Agreement</b>	The contract pursuant to which the Board has engaged TFI to serve as the Plan Manager.
<b>Member of the Family</b>	A person related to the Beneficiary as follows: (1) a child or a descendant of a child; (2) a brother, sister, stepbrother or stepsister; (3) the father or mother, or an ancestor of either; (4) a stepfather or stepmother; (5) a son or daughter of a brother or sister; (6) a brother or sister of the father or mother; (7) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; (8) the spouse of any of the foregoing individuals or the spouse of the Beneficiary; or (9) a first cousin of the Beneficiary. For this purpose, a child includes a legally adopted child and a stepson or stepdaughter, and a brother or sister includes a half-brother or half-sister.
<b>Military Academy</b>	The United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy.
<b>Mutual Funds</b>	Currently, the Institutional Class of certain of the TIAA-CREF Funds.
<b>Plan</b>	The Path2College 529 Plan established by the Georgia Higher Education Savings Plan.
<b>Plan Manager</b>	TIAA-CREF Tuition Financing, Inc. ("TFI").

<b>Qualified Higher Education Expenses</b>	Generally, tuition, certain room and board expenses, fees and the cost of books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution.
<b>Qualified Withdrawal</b>	Any withdrawal from your Savings Trust Account that is used to pay the Qualified Higher Education Expenses of the Beneficiary.
<b>Rollover</b>	Generally, a transfer of funds from a Savings Trust Account to an account in another qualified tuition program, a transfer of funds from an account in another qualified tuition program to a Savings Trust Account, or a transfer of funds between Savings Trust Accounts. Certain conditions and time limits apply; see “Transferring Funds” on pages 10-11 for a complete definition of Rollover.
<b>Savings Trust Account</b>	An account in the Plan opened by an Account Owner to receive contributions and to provide funds for the Qualified Higher Education Expenses of the Beneficiary.
<b>Savings Trust Agreement</b>	The agreement executed by and among an Account Owner, the Board, and the Trust Administrator setting forth certain terms and conditions governing a Savings Trust Account.
<b>State</b>	The State of Georgia.
<b>Taxable Withdrawal</b>	Any withdrawal from your Savings Trust Account: (1) paid to a beneficiary of, or the estate of, the Beneficiary on or after the Beneficiary’s death or attributable to the permanent disability of the Beneficiary; (2) made on account of the receipt by the Beneficiary of a scholarship award or veterans’ or other nontaxable educational assistance (other than gifts or inheritances), but only to the extent of such scholarship or assistance; (3) made on account of the Beneficiary’s attendance at a Military Academy, but only to the extent of the costs of education attributable to such attendance; or (4) equal to the amount of the Beneficiary’s relevant Qualified Higher Education Expenses taken into account in determining the Beneficiary’s federal Hope Scholarship Credit or Lifetime Learning Credit.
<b>Trust Administrator</b>	The state treasurer of the Georgia Office of State Treasurer.
<b>Trust Fund</b>	The Georgia Higher Education Savings Plan Trust Fund.
<b>Unit</b>	An interest in an Investment Option.
<b>Unqualified Withdrawal</b>	Any withdrawal from your Savings Trust Account that is not: (1) a Qualified Withdrawal; (2) a Taxable Withdrawal; or (3) a Rollover.

## Getting Started

**Opening Your Savings Trust Account.** To open a Savings Trust Account, you must first complete and sign an application (the “**Application**”). The Application incorporates the Savings Trust Agreement and this Disclosure Booklet by reference. You will be asked on your Application to designate a Beneficiary and select the Investment Options in which you want to invest contributions. If you are an individual Account Owner, you may designate a contingent Savings Trust Account owner (the “**Contingent Account Owner**”) on your Application.

You may obtain an Application and enrollment kit by contacting the Plan or by accessing the Plan’s website. You may complete and submit the Application online on the Plan’s website, or you may mail your completed Application to the following address: Path2College 529 Plan, P.O. Box 55924, Boston, MA 02205-5924. Once the Plan receives your completed Application in good order with a check or other authorization for your initial contribution, a Savings Trust Account will be opened for you.

By signing the Application, you agree that your Savings Trust Account is subject to the terms and conditions set forth in the Savings Trust Agreement, which is in this Disclosure Booklet. Any amendments to the Statute, to any rules and regulations adopted by the Board, to federal and/or Georgia tax law or to the operating procedures and policies of the Plan, will automatically amend the Savings Trust Agreement when such amendments become effective. You will be notified of any material changes in the terms governing your Savings Trust Account.

Federal law requires financial institutions to obtain information to identify each person who opens a Savings Trust Account. You will be asked for your name, address, date of birth, Social Security Number and other information that will allow the Plan to identify you, such as your home telephone number. Until you provide the information needed, the Plan will not be able to open your Savings Trust Account or effect any transactions for you.

**Savings Trust Account Ownership.** To be eligible as an Account Owner, you must be:

- A U.S. citizen or resident alien with a valid Social Security Number or TIN -- this includes parents, grandparents, or friends of the Beneficiary, and also includes the Beneficiary;
- A corporation, trust, or certain other type of entity with a TIN;
- An organization described in Section 501(c)(3) of the IRC with a TIN;
- A state or local government (or agency or instrumentality); or
- A custodian for minors under UGMA/UTMA with a valid Social Security Number or TIN.

Savings Trust Accounts opened by entities, Section 501(c)(3) organizations, trusts and custodians are subject to additional restrictions and will be required to provide documentation evidencing the legal status of the entity and the authorization of the representative to open a Savings Trust Account and to conduct transactions on behalf of the Savings Trust Account. Each trust representative opening a Savings Trust Account must have a valid Social Security Number or TIN, and must present a trust instrument and certificate of incumbency documentation upon establishing the Savings Trust Account. Additionally, depending on the transaction, and as set forth on the applicable Account Form, an entity Savings Trust Account or a Savings Trust Account wherein an individual is acting in a legal capacity as a representative of the Account Owner, may need to provide this documentation to a third party in order to obtain a medallion signature guarantee (a “**Medallion Signature Guarantee**”) or a signature validation program stamp (“**Signature Validation Program Stamp**”) on the Account Form. Medallion Signature Guarantees and Signature Validation Program Stamps are available from banks or trust companies, savings and loan associations or members of a national stock exchange and warrant that the signer is the appropriate person to provide the instruction. A notary public can not provide a Medallion Signature Guarantee or a

Signature Validation Program Stamp. UGMA/UTMA custodians are also subject to certain limitations on their ability to make changes to, and transfers to and from, their Savings Trust Accounts. These restrictions and limitations are set forth in the Savings Trust Agreement. UGMA/UTMA custodians and trust representatives should consult a tax advisor about the tax consequences of opening and holding Savings Trust Accounts in the Plan, as well as legal counsel regarding their rights and responsibilities as custodians and representatives. The Plan may refuse to open a Savings Trust Account if you do not meet the eligibility requirements.

You have certain rights as an Account Owner. Your rights include the right to:

- Select and change a Beneficiary;
- Select and change the Investment Options in which your Savings Trust Account will invest;
- Name a Contingent Account Owner (for an individual Account Owner only); and
- Change the Account Owner.

**Naming Your Beneficiary.** To complete the Application, you generally must name a Savings Trust Account Beneficiary. Anyone with a valid Social Security Number or TIN who is a U.S. citizen or resident alien can be named a Beneficiary. Each Savings Trust Account may have only one Beneficiary. If you wish to make contributions for more than one Beneficiary, you must complete a separate Application and open a separate Savings Trust Account for each Beneficiary.

A Beneficiary need not be designated for a scholarship Savings Trust Account opened by a state or local government (or agency or instrumentality) or organization described in Section 501(c)(3) of the IRC, but each person who receives an interest in the Savings Trust Account as a scholarship will be treated as a Beneficiary for that portion of the Savings Trust Account awarded to him or her.

After you open a Savings Trust Account, you may change your Beneficiary by completing the applicable Account Form. You may not change the Beneficiary of an UGMA/UTMA account. A Beneficiary change will not be subject to federal income tax or the Additional Tax only if the new Beneficiary is a Member of the Family of the previous Beneficiary. Otherwise, the earnings, if any, on your Savings Trust Account will be subject to federal taxation, including the Additional Tax. The Savings Trust Agreement that governs your Savings Trust Account will continue in force even after a change in Beneficiary. See "Tax Information" for information concerning income, gift, estate and generation-skipping tax consequences of changing the Beneficiary.

**Choosing Investment Options.** The Board has established multiple Investment Options for the Plan. To complete your Application, you must select the Investment Option(s) to which your contributions will be allocated. You may select any one or a combination of the Investment Options, subject to certain minimum contribution limits per Investment Option. See "Investment Options" for summaries of the Investment Options offered under the Plan.

After you open a Savings Trust Account, you may revise your Investment Option election(s) by: (1) adding new Investment Options; (2) stopping contributions to an Investment Option that you previously selected; or (3) increasing or decreasing future contributions to an Investment Option that you previously selected. You may also transfer funds, subject to certain limits, to another Investment Option. See "Transferring Funds" for more information.

If you choose to change your Investment Option selections, you must provide the Plan Manager with appropriate instructions clearly identifying each change and the amount of your contributions to be allocated to each Investment Option. You must also notify the Plan in writing if you are using payroll deduction or the automatic contribution plan and you wish to change your allocation or stop your contributions to any Investment Option. Account Forms are available for these purposes.

**Naming a Contingent Account Owner.** By completing the appropriate section of the Application, an individual Account Owner may name a Contingent Account Owner to become the owner of the Savings Trust Account in the event of the Account Owner's death. If you did not designate a Contingent Account Owner when you established your Savings Trust Account or you wish to change your designation, you may do so by completing the applicable Account Form. Entity Account Owners and custodians may not designate a Contingent Account Owner. You should consult with a legal advisor regarding the possible estate law consequences for your Savings Trust Account.

**Changing Savings Trust Account Ownership.** You may change ownership of your Savings Trust Account to another individual or entity that is eligible to be an Account Owner by submitting the applicable Account Form. When you transfer ownership of your Savings Trust Account, you are not required to change the Beneficiary. Account Owners with custodial Savings Trust Accounts are subject to special limitations on their ability to transfer ownership of the Savings Trust Account. A change in Savings Trust Account ownership may have federal or state tax consequences, and Account Owners are urged to consult their own tax advisors prior to requesting any such change.

A transfer of the ownership of a Savings Trust Account will be effective only if the assignment: (1) is irrevocable; and (2) transfers all ownership, reversionary rights, powers of appointment and powers to direct the withdrawal of funds. Unless you have a Medallion Signature Guarantee on the applicable Account Form, the transfer will result in a 30-day hold on withdrawals from the Savings Trust Account.

## Contributing to Your Savings Trust Account

**Who Can Contribute.** Anyone (including your friends and family) may make a contribution to your Savings Trust Account. However, any contribution to a Savings Trust Account may have gift or other tax consequences to the contributor or the Account Owner. Persons making such a contribution, other than the Account Owner, will not retain any rights with respect to such contribution — for example, only the Account Owner may give directions regarding allocations to Investment Options and/or withdrawals from a Savings Trust Account.

**Minimum Contributions.** The minimum initial or subsequent contribution to a Savings Trust Account is \$25 per Investment Option. However, if your employer allows payroll deduction, the minimum initial and subsequent contributions to your Savings Trust Account may be as low as \$15 per Investment Option per pay period.

**How You Can Contribute to Your Savings Trust Account.** Your ability to contribute to your Savings Trust Account is limited to the following methods: (1) by check; (2) through the automatic contribution plan; (3) by payroll deduction (if your employer provides for it and you complete the payroll deduction form); and (4) by electronic funds transfer (including electronic purchase option described below). Contributions of any type by methods not mentioned here will not be permitted.

Checks should be made payable to the Path2College 529 Plan or the Georgia Higher Education Savings Plan. Contributions by check must be drawn on a banking institution located in the United States in U.S. dollars. Personal checks, bank drafts, teller's checks, and checks issued by a financial institution or brokerage firm payable to the Account Owner and endorsed over to the Plan by the Account Owner are permitted, as are third-party personal checks up to \$10,000 that are endorsed over to the Plan. The Plan does not permit contributions by money order, starter checks, traveler's checks, credit card convenience checks or cashier's checks. You must provide written instructions to the Plan with respect to the allocation of your contribution among Investment Options whenever you make a new contribution by check.

The electronic purchase option enables you to make contributions over the Internet through a secure, password-protected section of the Plan website, by telephone with a customer service representative, or through the automated telephone system. By providing banking information to the Plan, you will automatically be enrolled in the electronic purchase option. You may opt out of that option on your Application or by completing and submitting the appropriate Account Form.

If your method of payment is payroll deduction, you can change the amount of your contributions, stop payroll deduction or reallocate future contributions among Investment Options or multiple Savings Trust Accounts by following the instructions on the applicable Account Form. You may also need to contact your employer to make changes to your payroll deduction instructions.

If your method of payment is the automatic contribution plan, you can stop your participation in the automatic contribution plan, or you can stop or change the timing and amount of your contributions to any Investment Option that you selected for your Savings Trust Account, by making these changes online at the Plan website, by completing and submitting the appropriate Account Form or by calling the Plan.

If your method of payment is by a transfer of Savings Trust Account funds or a Rollover, complete the appropriate section of the Application and/or the applicable Account Form.

**Maximum Account Balance Limit.** Contributions will be rejected and returned to the extent they cause the aggregate market value of all Savings Trust Accounts in the Plan for the same Beneficiary to exceed the maximum account balance limit, which is set forth in the Statute (the “**Maximum Account Balance Limit**”). The Maximum Account Balance Limit is currently \$235,000, but may change in the future. Savings Trust Accounts that have reached the Maximum Account Balance Limit may continue to accrue earnings.

## Transferring Funds

You may make the following transfers:

- Transfers, subject to certain limits, among Investment Options (see “Getting Started” above);
- Transfers of funds between Savings Trust Accounts; and
- Rollovers.

Certain of these transfers may be subject to different federal and state tax consequences. See “Withdrawals” and “State of Georgia Income Tax Treatment” for additional information.

**You may transfer all or any portion of the funds already invested in a particular Investment Option, subject to certain limits, to another Investment Option once per calendar year or upon a change of the Beneficiary of your Savings Trust Account to a Member of the Family of the Beneficiary.** A transfer of funds to another Investment Option for the same Beneficiary can be requested through the Plan’s secure website or by completing the appropriate Account Form. Transfers (including when there is a change of Beneficiary) from the Guaranteed Option to the Money Market Option are not permitted. If this restriction changes, you will be notified prior to the effective date of any such change.

A Rollover (“**Rollover**”) is a transfer of funds by any of the following methods:

### *Rollovers into the Plan*

- A direct transfer from an account in another qualified tuition program to a Savings Trust Account for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary; or
- A withdrawal of funds from an account in another qualified tuition program, followed within 60 days of that withdrawal by a contribution of those funds to a Savings Trust Account for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary.

### *Rollovers out of the Plan*

- A direct transfer from your Savings Trust Account to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary; or
- A withdrawal of funds from your Savings Trust Account, followed within 60 days of that withdrawal by a contribution of those funds to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary.

### *Intra-Plan Rollovers*

- A direct transfer from your Savings Trust Account for a Beneficiary to a Savings Trust Account for a person who is a Member of the Family of that Beneficiary; or
- A withdrawal of funds from your Savings Trust Account for a Beneficiary, followed within 60 days of that withdrawal by a contribution of those funds to a Savings Trust Account for a person who is a Member of the Family of that Beneficiary.

Subject to the limitations set forth above, you may transfer funds to either a Savings Trust Account that is owned by you or a Savings Trust Account that is owned by another Account Owner. A transfer of funds from your Savings Trust Account to a Savings Trust Account that is owned by another Account Owner may have federal or state tax consequences, and Account Owners are urged to consult their own tax advisors prior to requesting any such transfer. If a transfer of funds causes the aggregate market value of all Savings Trust Accounts in the Plan for the same Beneficiary to exceed the Maximum Account Balance Limit, the excess amount will be rejected and returned.

If you are transferring funds from another qualified tuition program to a Savings Trust Account in the Plan, the program from which you are transferring funds may restrict or prohibit such transfer or impose charges, so you should investigate this change thoroughly before requesting such a transfer.

## **Unit Value**

Contributions to your Savings Trust Account purchase Units of the Investment Option(s) you select (other than the Guaranteed Option). The Plan will process Savings Trust Account transaction requests (e.g., contributions, withdrawals, and transfers) at the Unit value of the applicable Investment Option determined on the day your Savings Trust Account transaction request and any required paperwork are received in good order if they are received before the close of regular trading (usually 4:00 p.m., Eastern time) on the New York Stock Exchange (“**NYSE**”) and are accepted by the Plan. Savings Trust Account transaction requests received after the close of regular trading or on a day when the NYSE is not open will be processed by the Plan at the Unit value determined on the next day of regular trading on the NYSE. The Plan will not process Savings Trust Account transaction requests on holidays or other days when the NYSE is closed.

The value of a Unit in each Investment Option other than the Guaranteed Option (for purposes of this discussion, each Age Band in the Managed Allocation Option and the Aggressive Managed Allocation Option is considered a separate Investment Option) is computed by dividing the Investment Option’s assets minus its liabilities by the number of outstanding Units of such Investment Option.

The value of the portion of your Savings Trust Account that is invested in the Guaranteed Option is equal to (a) contributions allocated to the Guaranteed Option; plus (b) guaranteed interest credited to your Savings Trust Account accumulation in the Guaranteed Option on a daily basis at an annual rate then in effect; plus (c) any additional interest credited to your Savings Trust Account in excess of the guaranteed interest as declared in advance by TIAA-CREF Life Insurance Company (“**TIAA-CREF Life**”); less (d) any

state and local premium tax incurred by TIAA-CREF Life applicable to your contributions allocated to the Guaranteed Option; less (e) the amount of any withdrawals, rollovers and/or transfers of funds you request from this Option.

### **Use of Your Savings Trust Account**

**No Pledging of Savings Trust Account Assets.** Neither you nor your Beneficiary may use any part of any Savings Trust Account or other interest in the Plan as security for a loan.

**Bankruptcy and Related Matters.** The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 expressly excludes from an individual debtor's bankruptcy estate (and, therefore, will not be available for distribution to such individual's creditors), certain funds paid or contributed by such individual to a Savings Trust Account. The bankruptcy protection for these types of Savings Trust Accounts, however, is limited. To be protected, the Beneficiary of the Savings Trust Account must be a child, stepchild, grandchild or step-grandchild of such individual during the year of such contribution and the funds must have been contributed at least 365 days prior to a bankruptcy filing. The bankruptcy protection also imposes a cap on the amount of funds that may be excluded from such individual's bankruptcy estate. The maximum amount entitled to the bankruptcy exclusion is \$5,475 for payments or contributions made by such individual to the Savings Trust Account for the Beneficiary during the period between 365 and 720 days prior to the bankruptcy filing. This information is not meant to be individual advice, and Account Owners should consult with their own advisors concerning their individual circumstances.

### **Fees and Expenses**

The following table describes the Plan's fees and expenses. The Board reserves the right to change the current fees, or to impose new or additional fees, expenses, charges or penalties in the future.

For purposes of this section, each of the Age Bands in the Managed Allocation Option and the Aggressive Managed Allocation Option is considered a separate Investment Option.

## Fee Table

Investment Option	Estimated Underlying Fund Expenses <sup>(1)</sup>	Plan Manager Fee <sup>(2) (3)</sup>	State Fee	Miscellaneous Fees	Total Annual Asset-Based Fees <sup>(4)</sup>	Additional Investor Expense
<b>Managed Allocation Option</b>						
Age Band 1 (0-3 Years)	0.16%	0.49% <sup>(5)</sup>	None	None	0.65%	None
Age Band 2 (4-7 Years)	0.16%	0.49% <sup>(5)</sup>	None	None	0.65%	None
Age Band 3 (8-11 Years)	0.17%	0.48% <sup>(5)</sup>	None	None	0.65%	None
Age Band 4 (12-14 Years)	0.17%	0.48% <sup>(5)</sup>	None	None	0.65%	None
Age Band 5 (15-17 Years)	0.18%	0.47% <sup>(5)</sup>	None	None	0.65%	None
Age Band 6 (18 and Over)	0.19%	0.46% <sup>(5)</sup>	None	None	0.65%	None
<b>Aggressive Managed Allocation Option</b>						
Age Band 1 (0-3 Years)	0.15%	0.50% <sup>(5)</sup>	None	None	0.65%	None
Age Band 2 (4-7 Years)	0.15%	0.50% <sup>(5)</sup>	None	None	0.65%	None
Age Band 3 (8-11 Years)	0.16%	0.49% <sup>(5)</sup>	None	None	0.65%	None
Age Band 4 (12-14 Years)	0.16%	0.49% <sup>(5)</sup>	None	None	0.65%	None
Age Band 5 (15-17 Years)	0.17%	0.48% <sup>(5)</sup>	None	None	0.65%	None
Age Band 6 (18 and Over)	0.18%	0.47% <sup>(5)</sup>	None	None	0.65%	None
<b>100% Equity Option</b>	0.09%	0.42%	None	None	0.51%	None
<b>Balanced Fund Option</b>	0.17%	0.42%	None	None	0.59%	None
<b>Money Market Option</b>	0.15%	0.42%	None	None	0.57%	None
<b>100% Fixed-Income Option</b>	0.20%	0.42%	None	None	0.62%	None
<b>Guaranteed Option</b>	None	None <sup>(6)</sup>	None	None	None	None

(1) For each Investment Option that invests in multiple underlying Mutual Funds, the figures in this column are based on a weighted average of the expenses of each underlying Mutual Fund's expense ratio as reported in the applicable Mutual Funds' most recent prospectus available prior to the date of this Disclosure Booklet, in accordance with the Investment Option's asset allocation among its underlying Mutual Funds. For each

Investment Option that invests in a single Mutual Fund, the figures in the column represent the underlying Mutual Fund's expense ratio as reported in the Mutual Fund's most recent prospectus available prior to the date of this Disclosure Booklet. Each Investment Option (other than the Guaranteed Option) indirectly bears its pro rata portion of the underlying Mutual Funds' expenses because when fees are deducted from an underlying Mutual Fund's assets, the value of the underlying Mutual Fund's shares is reduced.

- (2) The Plan Manager Fee is the only fee deducted from Plan assets. Plan Manager Fees may change at any time. Although there are no fees that are deducted from your Savings Trust Account, when you invest in the Plan, you indirectly bear a pro rata portion of the Plan expenses because when fees are deducted from Plan assets, the value of the Units is reduced.
- (3) For its services as Plan Manager, each Investment Option (with the exception of the Guaranteed Option) pays TFI a Plan Manager Fee equal to the stated percentage of the average daily net assets held by that Investment Option. However, for the Managed Allocation Option and the Aggressive Managed Allocation Option, the percentages listed in this column may fluctuate. For those Investment Options, generally, if the underlying Mutual Fund expenses increase, then the Plan Manager Fee decreases.
- (4) The Total Annual Asset-Based Fees equal the Estimated Underlying Mutual Fund Expenses plus the Plan Manager Fee. You should refer to the Investment Cost Example below for the total assumed investment cost over 1-, 3-, 5-, and 10-year periods.
- (5) For the Managed Allocation Investment Option and the Aggressive Managed Allocation Investment Option, the Plan Manager Fee indicated applies on total assets in the Plan up to \$1.5 billion. The Plan Manager Fee will be reduced by 0.05% when total assets in the Plan reach \$1.5 billion to \$2.5 billion and by 0.10% when total assets in the Plan reach \$2.5 billion and above.
- (6) The Guaranteed Option does not pay a Plan Manager Fee. TIAA-CREF Life, the issuer of the Funding Agreement, pays to TFI an annual asset-based fee for the services that TFI provides for this Investment Option. TIAA-CREF Life takes this fee, among many other factors, into consideration when determining the interest credited to the Board on Funding Agreement accumulations.

**Investment Cost Example.** The example in the following table is intended to help you compare the cost of investing in the different Investment Options over various periods of time. This example assumes that:

- You invest \$10,000 in an Investment Option for the time periods shown below.
- Your investment has a 5% compounded return each year, except for the Guaranteed Option, which is assumed to have a 3% compounded return each year.
- You withdraw the assets from the Investment Option at the end of the specified periods for Qualified Higher Education Expenses.
- Total annual asset-based fees remain the same as those shown in the Fee Table above.
- The example does not consider the impact of any potential state or federal taxes on the withdrawal.

Although your actual costs may be higher or lower, based on the above assumptions your costs would be:

INVESTMENT OPTIONS	APPROXIMATE COST OF \$10,000 INVESTMENT			
	1 Year	3 Years	5 Years	10 Years
<b>Managed Allocation Option</b>				
Age Band 1 (0-3 Years)	\$67	\$209	\$363	\$812
Age Band 2 (4-7 Years)	\$67	\$209	\$363	\$812
Age Band 3 (8-11 Years)	\$67	\$209	\$363	\$812
Age Band 4 (12-14 Years)	\$67	\$209	\$363	\$812
Age Band 5 (15-17 Years)	\$67	\$209	\$363	\$812
Age Band 6 (18 and Over)	\$67	\$209	\$363	\$812
<b>Aggressive Managed Allocation Option</b>				
Age Band 1 (0-3 Years)	\$67	\$209	\$363	\$812
Age Band 2 (4-7 Years)	\$67	\$209	\$363	\$812
Age Band 3 (8-11 Years)	\$67	\$209	\$363	\$812
Age Band 4 (12-14 Years)	\$67	\$209	\$363	\$812
Age Band 5 (15-17 Years)	\$67	\$209	\$363	\$812
Age Band 6 (18 and Over)	\$67	\$209	\$363	\$812
<b>100% Equity Option</b>	\$52	\$164	\$286	\$642
<b>Balanced Fund Option</b>	\$60	\$190	\$330	\$740
<b>Money Market Option</b>	\$58	\$183	\$319	\$715
<b>100% Fixed-Income Option</b>	\$64	\$199	\$347	\$776
<b>Guaranteed Option</b>	\$0	\$0	\$0	\$0

## Investment Options

**Choosing Your Investment Options and How the Investment Options Are Invested.** This section describes the types of Investment Options offered under the Plan, the risks associated with investing in an Investment Option, and the type of investor for whom each Investment Option may be appropriate.

The Investment Options, their underlying investment vehicles and the allocations to those underlying investment vehicles are authorized by the Board. The Board may add or remove Investment Options and change the investment allocations of, or the investments held by, an Investment Option at any time. The Plan will have a commercially reasonable period to implement any such changes. You may allocate your contributions to a single Investment Option or you may choose to allocate your contributions to multiple Investment Options. You should consider a periodic assessment of and, as appropriate, adjustment to your Investment Option selections in accordance with your current investment time horizon, risk tolerance and investment objectives. Although Account Owners may select the Investment Options in which to invest, neither Account Owners nor Beneficiaries may direct the investment of any Investment Option. See “Getting Started” and “Transferring Funds” above for information about changing Investment Option elections.

Summaries of the underlying investments of the Investment Options appear in Appendix I to this Disclosure Booklet. Please note that your investment in an Investment Option in the Plan is not an investment in the underlying Mutual Fund(s).

### **Age-Based Investment Options**

#### **Managed Allocation Option (Risk level shifts from Aggressive to Conservative as the Beneficiary ages)**

This Investment Option seeks to match the investment objective and level of risk to the investment horizon by taking into account the Beneficiary’s current age and the number of years before the Beneficiary turns 18 and is expected to enter college. Depending on the Beneficiary’s age, allocations to this option will be placed in one of six Age Bands, each of which has a different investment objective and investment strategy. The Age Bands for younger Beneficiaries seek a favorable long-term return by investing primarily in Mutual Funds that invest in equity or real estate securities, which have a higher level of risk, but greater potential for returns than more conservative investments. As a Beneficiary nears college age, the Age Bands allocate less to Mutual Funds that invest in equity and real estate securities and allocate more heavily to Mutual Funds that invest in fixed-income and money market securities to preserve capital. Effective as of September 1, 2010, each Age Band will increase the allocation of its assets to Mutual Funds that are passively managed to track a particular index and will proportionately decrease its allocation to actively managed Mutual Funds.

As the Beneficiary ages, assets in your Savings Trust Account that are attributable to this option are moved from one Age Band to the next on the first “Rolling Date” following the Beneficiary’s fourth, eighth, twelfth, fifteenth and eighteenth birthdays. The Rolling Dates are March 20, June 20, September 20 and December 20 (or the first business day thereafter).

#### *Asset Allocations for the Managed Allocation Option*

The following table provides the percentage of assets of each Age Band within the Managed Allocation Option allocated to each Mutual Fund effective as of September 1, 2010. Note that contributions received on or after September 1, 2010 will be allocated accordingly.

Age Band	Age of Beneficiary	Large-Cap Growth Index Fund	Large-Cap Value Index Fund	Equity Index Fund	Small-Cap Blend Index Fund	Real Estate Securities Fund	International Equity Index Fund	Bond Index Fund	Inflation-Linked Bond Fund	Short-Term Bond Fund	Money Market Fund
1	0-3	10.87%	10.87%	23.62%	1.89%	5.25%	22.50%	18.75%	6.25%	0.00%	0.00%
2	4-7	9.42%	9.42%	20.47%	1.64%	4.55%	19.50%	26.25%	8.75%	0.00%	0.00%
3	8-11	7.25%	7.25%	15.74%	1.26%	3.50%	15.00%	37.50%	12.50%	0.00%	0.00%
4	12-14	5.80%	5.80%	12.59%	1.01%	2.80%	12.00%	45.00%	15.00%	0.00%	0.00%
5	15-17	4.35%	4.35%	9.44%	0.76%	2.10%	9.00%	33.00%	11.00%	14.00%	12.00%
6	18 and over	2.90%	2.90%	6.30%	0.50%	1.40%	6.00%	22.50%	7.50%	20.00%	30.00%

### Aggressive Managed Allocation Option (Risk level shifts from Aggressive to Conservative)

The Aggressive Managed Allocation Option works the same way and invests in the same Mutual Funds as the Managed Allocation Option described above. The Age Bands for younger Beneficiaries seek a favorable long-term return by investing primarily in Mutual Funds that invest in equity or real estate securities, which have a higher level of risk, but greater potential for returns than more conservative investments. As a Beneficiary nears college age, the Age Bands allocate less to Mutual Funds that invest in equity and real estate securities and allocate more heavily to Mutual Funds that invest in fixed-income and money market securities to preserve capital. However, the Age Bands in the Aggressive Managed Allocation Option, even for older Beneficiaries, will always be more heavily weighted toward Mutual Funds that invest in equity and real estate securities than the Age Bands under the Managed Allocation Option. Effective as of September 1, 2010, Age Bands 2 – 6 will increase the allocation of their assets to Mutual Funds that are passively managed to track a particular index and will proportionately decrease their allocations to actively managed Mutual Funds.

#### *Asset Allocations for the Aggressive Managed Allocation Option*

The following table provides the percentage of assets of each Age Band within the Aggressive Managed Allocation Option allocated to each Mutual Fund effective as of September 1, 2010. Note that contributions received on or after September 1, 2010 will be allocated accordingly.

Age Band	Age of Beneficiary	Large-Cap Growth Index Fund	Large-Cap Value Index Fund	Equity Index Fund	Small-Cap Blend Index Fund	Real Estate Securities Fund	International Equity Index Fund	Bond Index Fund	Inflation-Linked Bond Fund	Short-Term Bond Fund	Money Market Fund
1	0-3	14.49%	14.49%	31.50%	2.52%	7.00%	30.00%	0.00%	0.00%	0.00%	0.00%
2	4-7	12.32%	12.32%	26.77%	2.14%	5.95%	25.50%	11.25%	3.75%	0.00%	0.00%
3	8-11	10.14%	10.14%	22.06%	1.76%	4.90%	21.00%	22.50%	7.50%	0.00%	0.00%
4	12-14	8.69%	8.69%	18.91%	1.51%	4.20%	18.00%	30.00%	10.00%	0.00%	0.00%
5	15-17	7.25%	7.25%	15.74%	1.26%	3.50%	15.00%	37.50%	12.50%	0.00%	0.00%
6	18 and over	4.35%	4.35%	9.44%	0.76%	2.10%	9.00%	33.00%	11.00%	14.00%	12.00%

### Multi-Fund Investment Options

Each multi-fund Investment Option has a different investment objective and investment strategy, which is described in more detail below. The allocations to the underlying Mutual Funds in the multi-fund Investment Options do not change automatically as the Beneficiary ages as they do in the age-based Investment Options described above. Investments will remain in the multi-fund Investment Options until the Account Owner instructs the Plan to move them to another Investment Option. The Board may

change the asset allocations and underlying Mutual Funds for these Investment Options (as well as for the other Investment Options) at any time.

**Balanced Fund Option (Risk level — Moderate)**

This Investment Option seeks to provide favorable returns that reflect the broad investment performance of the financial markets through a diversified portfolio of Mutual Funds that includes equity index funds, a bond index fund, other fixed-income funds and a real estate securities fund. This option may be appropriate for you if you have a medium to long investment horizon and can tolerate a moderate level of risk. Effective as of September 1, 2010, this Investment Option will increase the allocation of its assets to Mutual Funds that are passively managed to track a particular index and will proportionately decrease its allocation to actively managed Mutual Funds.

*Asset Allocations for the Balanced Fund Option*

The following table provides the percentage of assets of the Balanced Fund Option allocated to each Mutual Fund effective as of September 1, 2010. Note that contributions received on or after September 1, 2010 will be allocated accordingly.

Large-Cap Growth Index Fund	Equity Index Fund	Small-Cap Blend Index Fund	Large-Cap Value Index Fund	Real Estate Securities Fund	International Equity Index Fund	Bond Index Fund	Inflation-Linked Bond Fund	High-Yield Fund
7.25%	15.74%	1.26%	7.25%	3.50%	15.00%	35.00%	10.00%	5.00%

**100% Fixed-Income Option (Risk level — Moderate)**

This Investment Option seeks to provide preservation of capital along with a moderate rate of return through a diversified mix of fixed-income investments. This Investment Option may be appropriate for you if you have a medium-term investment horizon and can tolerate a moderate level of risk. Effective as of September 1, 2010, this Investment Option will increase the allocation of its assets to Mutual Funds that are passively managed to track a particular index and will proportionately decrease its allocation to actively managed Mutual Funds.

*Asset Allocations for the 100% Fixed-Income Option*

The following table provides the percentage of assets of the 100% Fixed-Income Option allocated to each Mutual Fund effective as of September 1, 2010. Note that contributions received on or after September 1, 2010 will be allocated accordingly.

Bond Index Fund	Inflation-Linked Bond Fund	High-Yield Fund
70.00%	20.00%	10.00%

## **Single Fund Investment Options**

These Investment Options are each invested solely in shares of a single underlying Mutual Fund. Therefore, their performance is entirely reliant on the performance of that underlying Mutual Fund and may be more volatile than the age-based Investment Options or the multi-fund Investment Options. You should be aware that Account Owners do not own shares of the underlying Mutual Fund directly. Each of the single fund Investment Options is described in more detail below.

### **100% Equity Option (Risk level — Aggressive)**

This Investment Option seeks to provide favorable long-term growth, mainly from capital appreciation. The 100% Equity Option invests 100% of its assets in the TIAA-CREF Equity Index Fund, which employs a “passive management” – or indexing – strategy and seeks a diversified portfolio selected to track the overall market for common stocks publicly traded in the United States, as represented by a broad stock market index. Because of the high exposure to equity investments, and the corresponding high degree of risk, this Investment Option may be appropriate for you if you already have substantial college savings from less volatile investments (e.g., fixed-income investments) or you have a long investment horizon and you can tolerate a higher level of risk.

### **Money Market Option (Risk level — Conservative)**

This Investment Option seeks to provide current income consistent with preserving capital and may be appropriate for you if you have a short investment horizon and are looking for a conservative investment with a low level of risk. This Investment Option invests 100% of its assets in the TIAA-CREF Money Market Fund.

## **Principal Protection Investment Option**

### **Guaranteed Option (Risk level — Conservative)**

This Investment Option seeks to preserve capital and provide a stable return. It may be appropriate for you if you have a short investment horizon and are looking for a conservative investment with a low level of risk. The assets in this Investment Option are allocated to a Funding Agreement issued by TIAA-CREF Life to the Board, which is the policyholder under the agreement. The Funding Agreement provides for a return of principal plus a guaranteed rate of interest and allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life. The interest rate guarantee is made to the Board only, and not to Account Owners or Beneficiaries. The rate of any additional interest is declared in advance for a period of up to 12 months and is not guaranteed for any future periods.

Transfers from the Guaranteed Option to the Money Market Option are not permitted. If this restriction changes, you will be notified prior to the effective date of any such change.

For more information on the Funding Agreement, please see “Summary of the TIAA-CREF Life Insurance Company Funding Agreement” in Appendix I.

## **Past Performance**

The tables below show the returns of each Investment Option over the time period(s) indicated, calculated from the day on which funds were first invested in each Age Band or Investment Option (the “**Inception Date**”). (For purposes of this discussion, each Age Band in the Managed Allocation Option and the Aggressive Managed Allocation Option is considered a separate Investment Option.) The tables compare those returns to the returns of a customized index benchmark (“**Blended Index**”). A Blended Index combines the benchmarks for each of the underlying Mutual Funds held by an Investment Option during the relevant time period weighted according to the allocations to those Mutual Funds and adjusted to reflect any changes in the allocations and the benchmarks during the relevant time period.

The performance data shown below for each Blended Index does not reflect deductions of any fees or expenses since benchmarks do not have fees or expenses. The performance data shown below for each Investment Option, however, is quoted net of all fees and expenses. All figures in the tables represent the average annual compound rate of return.

Total returns and the principal value of investments in your Savings Trust Account will fluctuate based on the investment performance of the Mutual Funds in which the Investment Options (other than the Guaranteed Option) have been invested, so your investment may be worth more or less than its original value when you withdraw your money. Past performance is not necessarily indicative of future results. Performance may be substantially affected over time by changes in the allocations and in the underlying investments.

For the most current performance information, which is updated monthly, visit the Plan's website or call the Plan.

### Managed Allocation Option

#### Average Annual Total Returns For the Period Ended June 30, 2010

Age Band	Age of Beneficiary	1 Year	3 Year	5 Year	Since Inception	Inception Date
1	0-3	15.03%	-5.46%	N/A	-0.06%	June 8, 2006
	Blended Index	15.60%	-5.66%	N/A	-0.05%	
2	4-7	13.20%	-4.30%	N/A	0.42%	June 8, 2006
	Blended Index	14.89%	-3.83%	N/A	0.98%	
3	8-11	12.21%	-1.75%	N/A	1.78%	June 8, 2006
	Blended Index	13.76%	-1.11%	N/A	2.47%	
4	12-14	11.71%	0.23%	N/A	2.92%	June 8, 2006
	Blended Index	12.97%	0.68%	N/A	3.42%	
5	15-17	9.02%	0.63%	N/A	2.83%	June 8, 2006
	Blended Index	10.15%	1.27%	N/A	3.45%	
6	18 and over	6.18%	1.20%	N/A	2.85%	June 8, 2006
	Blended Index	6.88%	1.52%	N/A	3.22%	

## Aggressive Managed Allocation Option

### Average Annual Total Returns For the Period Ended June 30, 2010

Age Band	Age of Beneficiary	1 Year	3 Year	5 Year	Since Inception	Inception Date
1	0-3	16.11%	-10.83%	N/A	-3.31%	June 8, 2006
	Blended Index	17.23%	-10.31%	N/A	-2.77%	
2	4-7	15.01%	-7.93%	N/A	-1.64%	June 8, 2006
	Blended Index	16.28%	-7.51%	N/A	-1.11%	
3	8-11	14.72%	-4.44%	N/A	0.51%	June 8, 2006
	Blended Index	15.25%	-4.74%	N/A	0.47%	
4	12-14	12.87%	-3.51%	N/A	0.85%	June 8, 2006
	Blended Index	14.52%	-2.92%	N/A	1.49%	
5	15-17	12.34%	-1.77%	N/A	1.77%	June 8, 2006
	Blended Index	13.76%	-1.11%	N/A	2.47%	
6	18 and over	8.65%	0.60%	N/A	2.78%	June 8, 2006
	Blended Index	9.65%	0.98%	N/A	3.23%	

## Additional Investment Options

### Average Annual Total Returns For The Period Ended June 30, 2010

Investment Option	1 Year	3 Year	5 Year	Since Inception	Inception Date
100% Equity Option	15.21%	-9.81%	-1.02%	1.41%	April 26, 2002
Blended Index	15.72%	-9.47%	-0.48%	2.02%	
Balanced Fund Option	14.11%	-1.36%	2.68%	4.49%	May 1, 2002
Blended Index	14.35%	-0.97%	3.10%	4.84%	
100% Fixed-Income Option	10.29%	N/A	N/A	5.12%	Dec. 11, 2007
Blended Index	10.70%	N/A	N/A	6.52%	
Money Market Option	-0.29%	N/A	N/A	0.65%	March 10, 2008
Blended Index	0.05%	N/A	N/A	0.68%	
Guaranteed Option	2.95%	3.37%	3.35%	3.16%	April 26, 2002

### Risks of Investing in the Plan

Prospective Account Owners should carefully consider, along with other matters referred to in this Disclosure Booklet, the following risks of investing in the Plan.

**Investment Risks.** With any Investment Option, there is a possibility that the investment returns over the applicable investment period will be less than the rate of increase in the costs of higher education during that period. There is a risk that you could lose part or all of the value of your Savings Trust Account.

**No Guarantee of Attendance or Expense.** There is no guarantee that a Beneficiary will be accepted for admission to any institution of higher education, including an Eligible Educational Institution, or if admitted, will graduate or receive a degree, or otherwise be permitted to continue to attend an Eligible Educational Institution. Increases in Qualified Higher Education Expenses could exceed the rate of return of the Investment Options over the same time period. Even if the combination of all Savings Trust Accounts held for a Beneficiary reaches the Maximum Account Balance Limit, those funds may not be sufficient to pay all Qualified Higher Education Expenses of the Beneficiary.

**Changes in Law.** The Plan is established pursuant to the Statute and Section 529 of the IRC. Changes to Section 529, the Statute, Georgia tax laws or federal or Georgia securities laws may affect the continued operation of the Plan as contemplated in this Disclosure Booklet. Congress could also amend Section 529 of the IRC or other federal law in a manner that would materially change or eliminate the federal tax treatment described in this Disclosure Booklet. The State of Georgia could also make changes to Georgia tax law that could materially affect the state tax treatment of the Plan or make changes to the Statute that could terminate or otherwise adversely affect the Plan. Certain proposed federal tax regulations that have been issued under Section 529 of the IRC provide guidance, but only for the establishment and operation of certain aspects of the Plan. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the tax consequences or

requirements with respect to the Plan or contributions to, withdrawals from or other transactions related to Savings Trust Accounts.

**Risks Related to Illiquidity.** Investment in the Plan involves the risk of limited liquidity because the circumstances under which funds may be withdrawn from your Savings Trust Account without incurring adverse tax consequences are limited. Additionally, in certain circumstances, your ability to withdraw funds may be restricted for up to 30 days. See “Withdrawals” and “Tax Information” below and “Getting Started” above for further information about these restrictions. Contributions must be on deposit for at least 10 days before being withdrawn.

**Limitations on Transfers.** You may transfer funds among Investment Options only once per calendar year, and at any time upon a change in the Beneficiary of the Savings Trust Account to a Member of the Family of the Beneficiary being replaced, except that transfers from the Guaranteed Option to the Money Market Option are not permitted. You may not direct the investment of any Investment Option or of any underlying Mutual Fund. In addition, no part of a Savings Trust Account may be assigned, transferred or pledged as security for a loan or otherwise, except for transfers described above under “Transferring Funds.”

**Not a Direct Investment in Mutual Funds or Registered Securities.** Although contributions to your Savings Trust Account will be invested (with the exception of contributions to the Guaranteed Option) in Investment Options that invest in Mutual Funds, none of the Plan’s Investment Options is a mutual fund. An investment in the Plan is considered an investment in “municipal fund securities” that are issued and offered by the Plan. These securities are not registered with the U.S. Securities and Exchange Commission (“SEC”) or any state, nor are the Trust Fund, the Plan or any of the Plan’s Investment Options registered as investment companies with the SEC.

**Potential Change of the Plan Manager and Other Plan Changes.** The Board may change the Plan Manager in the future. If this happens (or even if it does not), there is no assurance that you would not experience a material change to certain terms and conditions of your Savings Trust Agreement, including the fees charged under the Plan and the investment options available. If TFI ceases to be the Plan Manager, you may be automatically transferred to new investment options or you may have to open a new Savings Trust Account in the Plan with the successor plan manager in order to make future contributions on behalf of your Beneficiary. There is also no guarantee that the investment options offered by the Plan in the future would correspond exactly with those described in this Disclosure Booklet. There is also no guarantee that such a transfer will not have tax implications. Transactions associated with a change in Plan Manager, as described above, could result in the assets of the Plan being temporarily held in cash. Such transactions could also result in the incurrence of additional expenses or a negative impact on one or more of the new investment options.

The Board may add or remove Investment Options and change the investment allocations of, or the investments held by, an Investment Option at any time. The State of Georgia may terminate the Plan by giving written notice to the Account Owner, but the assets in the Savings Trust Account would not be diverted from the exclusive benefit of the Account Owner and Beneficiary.

**Potential Impact on Financial Aid and Medicaid Eligibility.** The eligibility of your Beneficiary for financial aid will depend upon the circumstances of the Beneficiary’s family at the time the Beneficiary enrolls in school, as well as on the policies of the governmental agencies, school or private organizations to which the Beneficiary and/or the Beneficiary’s family applies for financial assistance. Because saving for college will increase the financial resources available to the Beneficiary, it most likely will have some effect on the Beneficiary’s eligibility. However, because these policies vary at different institutions and can change over time, the Plan cannot say with certainty how any federal, State or private financial aid program, or the school your Beneficiary applies to, will treat your Savings Trust Account.

The eligibility of an Account Owner for Medicaid assistance could be impacted by the Account Owner’s ownership of a college savings account in a qualified tuition program. Although the result is not clear and may vary from state to state, it is possible that the assets in an Account Owner’s Savings Trust Account

may be considered available assets of the Account Owner for determining Medicaid assistance eligibility. Medicaid laws and regulations may change and Account Owners should consult their own financial and/or tax advisors for advice on their own particular situation.

**Suitability; Investment Alternatives.** The Board, except as required by law, makes no representations regarding the appropriateness of any Investment Option as a college savings investment vehicle. Other types of investments may be more appropriate depending upon your residence, financial status, tax situation, risk tolerance or the age of the Beneficiary. Various qualified tuition programs other than the Plan, including programs designed to provide prepaid tuition, are currently available, as are other investment alternatives. The investments, fees, expenses, eligibility requirements, tax and other consequences and features of these alternatives may differ from those of the Plan. Before investing in the Plan, you may wish to consider these alternatives and should consult a tax or investment advisor.

**No Insurance or Guarantee.** Amounts in your Savings Trust Account are not insured or guaranteed by the State of Georgia (or any agency or instrumentality thereof), the Plan, the Trust Fund, the Trust Administrator, the Board, the Federal Deposit Insurance Corporation, any federal government agency, the Plan Manager or its affiliates (except to the extent of the guarantee of TIAA-CREF Life to the Board under the Funding Agreement for the Guaranteed Option).

## Withdrawals

Only you, as the Account Owner, may direct withdrawals from your Savings Trust Account. To request a withdrawal, you must complete the appropriate Account Form or make a request online through the Plan's secure website (note: online withdrawals will only be made payable to the Account Owner and sent to the Account Owner's bank of record). You may direct the Plan to pay the proceeds of the withdrawal to you, your Beneficiary or to an Eligible Educational Institution on behalf of the Beneficiary. The Unit value used to calculate the value of a withdrawal from your Savings Trust Account will be the one next computed after a completed withdrawal request is received in good order by the Plan. See "Unit Value" above for more information. If your Savings Trust Account is invested in more than one Investment Option, you must select the Investment Option from which your funds are to be withdrawn to the extent permitted by Section 529 of the IRC. You will not be able to withdraw a contribution until 10 days after receipt of that contribution by the Plan. If you make a change to your mailing address or transfer the Savings Trust Account to a new Account Owner, no withdrawals can be made from the Savings Trust Account for 30 days after the Plan has received the request form unless you have either a Medallion Signature Guarantee or a Signature Validation Program Stamp, as set forth on the applicable Account Form.

Each withdrawal you make from your Savings Trust Account will fall into one of the following categories:

- (1) A Qualified Withdrawal;
- (2) A Taxable Withdrawal;
- (3) A Rollover; or
- (4) An Unqualified Withdrawal.

**Qualified Withdrawals.** A Qualified Withdrawal is a withdrawal from your Savings Trust Account that is used to pay for Qualified Higher Education Expenses of the Beneficiary at an Eligible Educational Institution. By law, such expenses are defined to include tuition, certain room and board expenses, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution. Qualified Higher Education Expenses include certain additional enrollment and attendant costs of special needs beneficiaries. The definition of Qualified Higher Education Expenses has been expanded by federal statute to cover amounts paid in 2010 for the purchase of computer equipment, software (other than software designed for sports, games or hobbies, unless such software is primarily educational in nature), and/or for Internet access and related services. The purchased

equipment, software or services must be used by the Beneficiary (including the Beneficiary's family) during any of the years that the Beneficiary is enrolled at an Eligible Educational Institution.

Unlike other expenses, the cost of room and board may be treated as Qualified Higher Education Expenses only if it is incurred during an academic period during which the Beneficiary is enrolled or accepted for enrollment in a degree, certificate or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution, and during which the Beneficiary is enrolled at least half-time. (Half-time is defined as half of a full-time academic workload for the course of study the Beneficiary is pursuing based on the standard at the Beneficiary's Eligible Educational Institution.) The amount of room and board expenses that may be treated as a Qualified Higher Education Expense is generally limited to the room and board allowance applicable to a student that is included by the Eligible Educational Institution in its "cost of attendance" for purposes of determining eligibility for federal education assistance for that year. For students living in housing owned or operated by the Eligible Educational Institution, if the actual invoice amount charged by the Eligible Educational Institution for room and board is higher than the "cost of attendance" figure, then the actual invoice amount may be treated as qualified room and board costs.

No portion of a Qualified Withdrawal is subject to federal taxation or the Additional Tax.

**Taxable Withdrawals.** A Taxable Withdrawal is any withdrawal from your Savings Trust Account that is not a Qualified Withdrawal, but that is: (1) paid to a beneficiary of, or the estate of, the Beneficiary on or after the Beneficiary's death or attributable to the permanent disability of the Beneficiary; (2) made on account of the receipt by the Beneficiary of a scholarship award or veterans' or other nontaxable educational assistance (other than gifts or inheritances), but only to the extent of such scholarship or assistance; (3) made on account of the Beneficiary's attendance at a Military Academy, but only to the extent of the costs of education attributable to such attendance; or (4) equal to the amount of the Beneficiary's relevant Qualified Higher Education Expenses taken into account in determining the Beneficiary's federal Hope Scholarship Credit or Lifetime Learning Credit.

The earnings portion of a Taxable Withdrawal is subject to federal taxation, but no portion of a Taxable Withdrawal is subject to the Additional Tax.

**Rollovers.** A Rollover from a Savings Trust Account includes:

*Rollovers out of the Plan*

- A direct transfer from your Savings Trust Account to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary; or
- A withdrawal of funds from your Savings Trust Account, followed within 60 days of that withdrawal by a contribution of those funds to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary.

*Intra-Plan Rollovers*

- A withdrawal of funds from your Savings Trust Account for a Beneficiary, followed within 60 days of that withdrawal by a contribution of those funds to a Savings Trust Account for a person who is a Member of the Family of that Beneficiary.

No portion of a Rollover from a Savings Trust Account is subject to federal taxation (including the Additional Tax).

**Unqualified Withdrawals.** An Unqualified Withdrawal is any withdrawal that does not meet the requirements of being (1) a Qualified Withdrawal; (2) a Taxable Withdrawal; or (3) a Rollover. The earnings portion of an Unqualified Withdrawal is subject to federal income taxation and the Additional Tax.

Information regarding the Georgia income taxation of withdrawals from a Savings Trust Account may be found in “Tax Information” below. You should consult a qualified tax advisor regarding how both state and federal tax laws may apply to your particular circumstances.

## Oversight of the Plan

The purpose of the Plan is to assist families and individuals to save for higher education through the creation of Savings Trust Accounts.

The Statute created the Trust Fund as a separate fund in the State treasury. Pursuant to the Statute, the Trust Fund holds all contributions to, and any earnings on, Savings Trust Accounts. Amounts in the Trust Fund do not constitute property of the State and shall not be comingled with other State funds. The state treasurer of the State’s Office of the State Treasurer serves as the administrator of the Trust Fund.

The Board was established by the State under the Statute. The Statute empowers the Board to adopt rules and regulations, contract for necessary goods and services, employ necessary personnel, and engage the services of consultants and other qualified persons and entities for administrative and technical assistance in carrying out the responsibilities of the Trust Fund. Pursuant to these powers, the Board has engaged TFI to serve as the Plan Manager under the Management Agreement. See “The Plan Manager,” below, for additional information about the Plan Manager and the Management Agreement.

The Plan Manager pays an annual fixed fee to the Board, which is used to pay personnel and other administrative costs associated with the Plan. This fee is used solely for purposes of the Plan and is *not* deducted from your Savings Trust Account. The Plan is operated at no cost to the State.

## The Plan Manager

The Plan Manager is TFI, a wholly owned, indirect subsidiary of Teachers Insurance and Annuity Association of America (“**TIAA**”). TIAA, together with its companion organization, the College Retirement Equities Fund (“**CREF**”), forms one of America’s leading financial services organizations and one of the world’s largest pension systems, based on assets under management. Over three million participants are now accumulating future pension benefits with the TIAA-CREF group of companies. While the focus of the TIAA-CREF group of companies has traditionally been institutionally sponsored retirement plans, the organization has offered savings and insurance products to individuals since 1918.

**Management Agreement.** TFI and the Board entered into a Management Agreement dated January 28, 2002, under which TFI and subcontractors approved by the Board provide investment recommendations, administration, recordkeeping, reporting, marketing and other services for the Plan. References to TFI or the Plan Manager in this Disclosure Booklet include, where applicable, any entity to which TFI subcontracts or delegates its duties as Plan Manager.

**TFI’s Term as Plan Manager.** TFI’s original contract term to serve as Plan Manager was for five years. That term was extended by an amendment to the Management Agreement through April 24, 2012 with the possibility to renew for five more years. The Management Agreement is subject to the possibility of earlier termination at the discretion of the Board or TFI under specified circumstances, such as a material breach to the Management Agreement.

## Reporting

**Savings Trust Account Statements.** You will receive quarterly and annual Savings Trust Account statements indicating:

- Contributions to each Investment Option during the period and aggregate contributions year-to-date;
- Withdrawals from each selected Investment Option from your Savings Trust Account made during the period; and
- The total value of your Savings Trust Account at the end of the period.

You may receive your Savings Trust Account statements by mail. Alternatively, you may opt to receive your Savings Trust Account statements electronically, provided that you have established online access and have consented to receive an e-mail notification when such statement is available for viewing and/or download.

**Tax Reports.** The Plan will report withdrawals and other matters to the Internal Revenue Service (“IRS”), the State of Georgia, distributees and other persons, if any, to the extent required pursuant to federal, state or local law, regulation or ruling. Under federal law, a separate report will be filed by the Plan with the IRS reporting withdrawals from a Savings Trust Account to each distributee reflecting, among other information, the earnings portion withdrawn during the calendar year to which the report pertains. By January 31 of the following year, each distributee (which is deemed to be the Account Owner unless the withdrawal is paid directly to the Beneficiary or to an Eligible Educational Institution on behalf of the Beneficiary) will receive a copy of the report or a corresponding statement.

**Continuing Disclosure.** A Continuing Disclosure Certificate was executed with the Board pursuant to which the Plan Manager will provide certain financial information relating to the Plan, and notices of the occurrence of certain events enumerated in the Continuing Disclosure Certificate, to the MSRB.

**Financial Statements.** Each year, annual financial statements will be prepared for the Plan. A nationally recognized independent certified public accounting firm will audit the annual financial statements in accordance with generally accepted accounting principles. The complete audited financial statements are available to Account Owners on request by calling the Plan Manager toll-free at 1.877.424.4377 or writing to the Plan at P.O. Box 55924, Boston, MA 02205-5924.

## Tax Information

The federal and Georgia tax rules applicable to the Plan are complex and some of the rules have not yet been finalized. Their application to any particular person may vary according to facts and circumstances specific to that person. You should consult a qualified tax advisor about how the laws apply to your circumstances.

### Federal Income Tax Treatment

#### *IRS Announcement 2008-17*

On January 17, 2008, the IRS issued an Advance Notice of Proposed Rulemaking (the “**Notice**”), which details issues on which the IRS intends to issue new regulations under IRC Section 529 (the “**New Regulations**”). As described in the Notice, a principal component of the New Regulations will be an anti-abuse rule intended to deny the favorable federal tax treatment provided by Section 529 to the extent that transactions involving a Savings Trust Account are inconsistent with the education-savings purpose of Section 529 (for example, use of a Savings Trust Account to avoid gift or generation-skipping transfer taxes, as a retirement plan, or for other purposes inconsistent with the intent of Section 529). Although

the Notice provides that the New Regulations generally will be prospective in effect, the Notice also states that the anti-abuse rule may be applied retroactively. The following discussion relates to current law and does not further discuss the Notice or the New Regulations.

### *Contributions*

In general, contributions to a Savings Trust Account will not result in taxable income to the Beneficiary. A contributor may not deduct the contribution from income for purposes of determining federal income taxes. If a contribution is made to a Savings Trust Account by a Rollover, the entire contribution will be treated as consisting of earnings unless certain documentation is received by the Plan with respect to the originating Savings Trust Account or qualified tuition program. That documentation generally will be automatically provided to the Plan if the Rollover involves a direct transfer of funds from the originating Savings Trust Account or qualified tuition program.

### *Withdrawals*

The federal income tax treatment of withdrawals from a Savings Trust Account is described in “Withdrawals” above. Only the earnings portion of a Taxable Withdrawal or Unqualified Withdrawal is subject to federal income tax, and only the earnings portion of an Unqualified Withdrawal is subject to the Additional Tax. All withdrawals are treated as attributable partially to contributions made to the Savings Trust Account and partially to earnings, if any. The proportion of contributions and earnings for each withdrawal is determined by the Plan based on the relative portions of total earnings and contributions in the Savings Trust Account for all Investment Options as of the withdrawal date.

### *Refunds of Payments of Qualified Higher Education Expenses*

If an Eligible Educational Institution refunds to you any portion of an amount previously withdrawn from a Savings Trust Account and treated as a Qualified Withdrawal, you may be required to treat the amount of the refund as an Unqualified Withdrawal or Taxable Withdrawal (depending on the reason for the refund) for purposes of federal income tax. Different treatment may apply if the refund is withdrawn to pay other Qualified Higher Education Expenses of the Beneficiary or to make a qualifying Rollover. The treatment of refunds for federal income tax purposes is uncertain, and you should consult a qualified tax advisor regarding such treatment.

### *Coordination with Other Income Tax Incentives for Education*

In addition to the income tax benefits provided to Account Owners and Beneficiaries under Section 529, benefits are provided by several other provisions of the IRC for education-related investments or expenditures. These include Coverdell Education Savings Accounts (“**Coverdell ESAs**”), federal Hope Scholarship Credits, Lifetime Learning Credits, “qualified United States savings bonds” described in IRC Section 135 (“**qualified U.S. savings bonds**”) and deductions for qualified tuition and related expenses under IRC Section 222. Each of these incentives is subject to specific rules and limitations, and there are particular coordination provisions applicable to the interaction of the provisions governing these incentives and Section 529. The treatment of these incentives under Georgia income tax law may differ from the treatment under federal income tax law.

In general, if certain requirements are satisfied, amounts derived from Coverdell ESAs and qualified U.S. savings bonds may be used to make contributions to a Savings Trust Account without the imposition of federal income taxes under the provisions applicable to those Coverdell ESAs and qualified U.S. savings bonds. However, some or all of the deferred income taxes may be recognized at the time of a subsequent withdrawal from the Savings Trust Account, depending on whether that withdrawal is a Qualified Withdrawal, a Taxable Withdrawal or an Unqualified Withdrawal. An Account Owner who intends to make a contribution to a Savings Trust Account from a Coverdell ESA or a qualified U.S. savings bond should consult a qualified tax advisor with respect to the applicable federal and state income tax effects.

Qualified Higher Education Expenses of a Beneficiary may be paid on a tax-free basis (subject to certain limitations) with funds from a Savings Trust Account, a Coverdell ESA established for the benefit of the Beneficiary, or a qualified U.S. savings bond applicable to the Beneficiary. For purposes of determining what portion of a withdrawal from a Savings Trust Account constitutes a Qualified Withdrawal and is therefore exempt from federal income taxes, the following rules generally apply with regard to the interaction of the federal income tax education-incentive provisions under the IRC:

- The amount of a Beneficiary's Qualified Higher Education Expenses in any tax year will be reduced by the aggregate amount: (1) of the Beneficiary's expenses used for such tax year to qualify for the federal Hope Scholarship Credit and/or Lifetime Learning Credit; and (2) received by the Beneficiary as a result of certain qualified scholarships, allowances or payments (not including amounts derived from the redemption of qualified U.S. savings bonds).
- If the sum of withdrawals from the Plan, all other qualified tuition programs and all Coverdell ESAs for the benefit of the Beneficiary in any tax year exceed the Beneficiary's Qualified Higher Education Expenses for the year (after the reduction described above), then the Beneficiary's Qualified Higher Education Expenses generally must be allocated proportionately among the withdrawals to determine the amount of withdrawals that will be treated as used for Qualified Higher Education Expenses. Any amount of withdrawals from a Savings Trust Account in excess of the Qualified Higher Education Expenses allocated to those withdrawals will not be treated as used for the payment of such expenses and therefore will be treated as either a Taxable Withdrawal or an Unqualified Withdrawal, depending on all the facts. Account Owners should consult a qualified tax advisor regarding the interaction under the IRC of the federal income tax education-incentive provisions concerning Savings Trust Account withdrawals.

#### *Substantiation*

The Account Owner and/or the Beneficiary have the responsibility, under federal and Georgia income tax law, to substantiate their treatment of contributions to, withdrawals from, and other transactions involving a Savings Trust Account. They should retain receipts, invoices and other documents and information adequate to substantiate their treatment of such transactions and the treatment of education expenses as Qualified Higher Education Expenses.

#### **Federal Gift, Estate and Generation-Skipping Transfer Tax Treatment**

Contributions to the Plan are generally considered completed gifts for federal tax purposes and therefore are potentially subject to federal gift tax. Generally, if a contributor's contributions to a Savings Trust Account or Accounts for a Beneficiary, together with all other gifts by the contributor to the Beneficiary, are less than the current annual exclusion of \$13,000 per year (\$26,000 for married contributors), no federal gift tax will be imposed on the contributor for gifts to the Beneficiary during that year. This annual exclusion amount is indexed for inflation in \$1,000 increments and may therefore increase in future years.

If a contributor's contributions to a Savings Trust Account or Accounts for a Beneficiary in a single year exceed \$13,000 (\$26,000 for married contributors), the contributor may elect to treat up to \$65,000 of the contribution (\$130,000 in the case of a consenting married couple or a community property gift) as having been made ratably over a five-year period. (For purposes of determining the amount of gifts made by the contributor to that Beneficiary in the four-year period following the year of contribution, the contributor will have to take into account the ratable portion of the Savings Trust Account contribution allocated to that year.)

In addition, to the extent not previously used, each contributor has a \$1,000,000 lifetime exemption that will be applied to gifts in excess of the annual exclusion amounts referred to above. A married couple may elect to split gifts and apply their combined exemption of \$2,000,000 to gifts by either of them. Accordingly, while federal gift tax returns are required for gifts in excess of the annual exclusion amounts referred to above (including gifts that the contributor elects to treat as having been made ratably over a five-year period), no federal gift tax will be due until the lifetime exemption has been used. The top gift

tax rate is currently 35%. A potential contributor should consult with his or her own tax advisor regarding the current lifetime exemptions and the gift tax filing requirements.

Amounts in a Savings Trust Account that are considered completed gifts by the contributor generally will not be included in the contributor's gross estate for federal estate tax purposes. However, if the contributor elects to treat the gifts as having been made over a five-year period and dies before the end of the five-year period, the portion of the contribution allocable to the remaining years in the five-year period (not including the year in which the contributor died) would be includible in computing the contributor's gross estate for federal estate tax purposes. Amounts in a Savings Trust Account at the death of a Beneficiary will be included in the Beneficiary's gross estate for federal estate tax purposes to the extent such amounts are distributed to a beneficiary of, or the estate of, the Beneficiary. The estate tax is repealed for 2010. However, absent a change in law, the estate tax will be effective for 2011 and later years. In addition, Congress may enact an estate tax for 2010 that may be retroactive to January 1, 2010.

A change of the Beneficiary of a Savings Trust Account or a transfer of funds from a Savings Trust Account to a Savings Trust Account for another Beneficiary will potentially be subject to federal gift tax if the new Beneficiary is in a younger generation than the generation of the Beneficiary being replaced or is not a Member of the Family of that Beneficiary. In addition, if the new Beneficiary is in a generation two or more generations younger than the generation of the prior Beneficiary, the transfer may be subject to the generation-skipping transfer tax discussed below. Although under the existing Section 529 proposed regulations published in 1998, these taxes are imposed on the prior Beneficiary and not the Account Owner, the treatment of such transactions under the current provisions of Section 529 (some of which were enacted after 1998) is nonetheless unclear. Account Owners should consult their own tax advisors for guidance when considering a change of Beneficiary or a transfer of funds to another Savings Trust Account. Furthermore, prior to a transfer of ownership of a Savings Trust Account from an existing Account Owner to a new Account Owner, the transferor and transferee Account Owners should consult their tax advisors regarding the potential applicability of income tax, gift tax or generation-skipping transfer tax provisions of the IRC to such transfer.

Because contributions to a Savings Trust Account are treated as completed gifts for federal transfer tax purposes, a contributor may also need to be concerned about the generation-skipping transfer tax. This tax may apply to contributions in excess of the amount that may be elected to be ratably spread over the above-referenced five-year period where the Beneficiary is in a generation more than one generation younger than the generation of the contributor. The application of the generation-skipping transfer tax is very complex, and a potential contributor concerned about application of the tax should consult with his or her own tax advisor. The generation-skipping transfer tax is repealed for 2010. However, absent a change in law, the generation-skipping tax will be effective for 2011 and later years.

As noted above, the Economic Growth and Tax Relief Reconciliation Act of 2001 ("**EGTRRA**") repealed the estate tax and the generation-skipping transfer tax (but not the gift tax) for 2010. The pre-EGTRRA estate and generation-skipping transfer tax rules will be reinstated in 2011 unless further legislation is enacted to extend the repeal or to make additional modifications. Congress currently is considering legislation that could change the estate tax and generation-skipping transfer tax rules for 2010 and subsequent years. A potential contributor should consult with a tax advisor regarding applicable federal tax law.

### **State of Georgia Income Tax Treatment**

The following discussion applies only with respect to Georgia income tax. Georgia tax benefits offered in connection with the Plan are available only to Georgia taxpayers. You should consult with a qualified tax advisor regarding the application of Georgia tax benefits to your particular circumstances.

***If you or the Beneficiary of your Savings Trust Account reside in another state or have taxable income in another state, it is important for you to note that if that state has established a qualified tuition program under Section 529 of the IRC, that state's program may offer favorable state***

***income tax benefits or other benefits that are only available if you invest in that state's program. Those benefits, if any, should be one of the many appropriately weighted factors you consider before making a decision to invest in this Plan. You should consult with a qualified advisor or contact that state's qualified tuition program to find out more about such benefits (including any applicable limitations) and to learn how the features, benefits and limitations of that state's program may apply to your specific circumstances.***

### *Contributions*

Contributors may deduct for Georgia income tax purposes up to \$2,000 of their contributions to a Savings Trust Account per Beneficiary for each tax year. This annual \$2,000 deduction limit per Beneficiary applies whether the contributor files a separate or joint return. Contributions made during the tax year, and contributions made on or before the deadline for making contributions to an individual retirement account under federal law for the tax year, are eligible for the deduction. Contributors are not required to itemize their deductions to make this adjustment to income.

A Rollover from another qualified tuition program does not qualify as a contribution eligible for the Georgia income tax deduction. The amount of deductions by contributors who are nonresidents of Georgia may be limited based on the ratio the contributor's gross income allocated to Georgia bears to the contributor's total gross income for the year of the contribution.

### *Withdrawals*

Earnings from the investment of contributions to a Savings Trust Account will not be subject to Georgia income tax, if at all, until funds are withdrawn in whole or in part from the Savings Trust Account.

A Qualified Withdrawal will not be subject to Georgia income tax. The earnings portion of a Taxable Withdrawal or an Unqualified Withdrawal will be taxed to the Account Owner to the extent it would be subject to federal income tax if the Account Owner were considered to be the recipient. In such a situation, the Account Owner is taxed even if earnings on the Savings Trust Account are attributable to contributions by another person. If the Taxable Withdrawal or Unqualified Withdrawal is paid to the Beneficiary and is included in the Beneficiary's federal adjusted gross income, the Beneficiary may subtract for Georgia income tax purposes the amount included in federal adjusted gross income provided the Account Owner has added the amount for Georgia income tax purposes. See also the potential for recapture of amounts previously deducted under the caption "Recapture" below.

### *Recapture*

In addition to the taxation of the earnings portion of withdrawals other than Qualified Withdrawals discussed above, any portion of a Rollover to another state's qualified tuition program, a Taxable Withdrawal, or an Unqualified Withdrawal that is attributable to contributions previously deducted for Georgia income tax purposes will be taxed to the Account Owner in the year of the withdrawal or Rollover. The amount to be added to the Account Owner's Georgia taxable net income will be determined by multiplying the non-earnings portion of the total funds withdrawn or rolled over by the proportion of contributions in the Savings Trust Account at the time of such withdrawal or Rollover that have previously been deducted for Georgia income tax purposes. Georgia law does not specifically address the state tax consequences to the Account Owner if someone other than the Account Owner makes a contribution to the Savings Trust Account, and the Account Owner subsequently makes a withdrawal or Rollover that would trigger a recapture of prior contribution deductions.

Georgia also requires contributors to recapture contribution deductions to the extent contributions are withdrawn from the Savings Trust Account and are deducted by the contributor pursuant to IRC section 222. In these circumstances, the amount to be added to the contributor's Georgia taxable net income is the lesser of either the contributor's contribution deductions minus the amounts previously added to the contributor's Georgia taxable net income pursuant to the Georgia recapture rules, or the amount deducted pursuant to IRC section 222.

### *Taxes Imposed by Other Jurisdictions*

Prospective Account Owners should consider the potential impact of income taxes imposed by jurisdictions other than the State of Georgia. It is possible that other state or local taxes apply to withdrawals from and/or accumulated earnings within the Plan, depending on the residency or domicile or sources of taxable income of the Account Owner or the Beneficiary. Account Owners and Beneficiaries should consult their tax advisors about the applicability, if at all, of state or local taxes imposed by other jurisdictions.

## **APPENDIX I**

### **to the Disclosure Booklet for the Path2College 529 Plan established by the Georgia Higher Education Savings Plan**

#### **SUMMARIES OF THE UNDERLYING INVESTMENTS**

##### **Summary of Underlying Mutual Funds**

The following provides a summary of the Mutual Funds authorized by the Board as the underlying investment vehicles in which certain of the Investment Options invest. The descriptions are taken from the most recent prospectuses of the Mutual Funds available prior to the date of this Plan Disclosure Booklet and are intended to summarize the respective investment objectives, strategies and risks of each of the Mutual Funds. The investment objectives, strategies and risks of the Mutual Funds are subject to change at any time. Additional information regarding each of the Mutual Funds can be found in the prospectuses, statements of additional information and annual and semi-annual reports for each of the Mutual Funds. You can request a copy of this material for each Mutual Fund by calling 1-800-897-9059 or visiting [www.tiaa-cref.org/prospectuses/index.html](http://www.tiaa-cref.org/prospectuses/index.html).

	<b>Fund Name</b>	<b>Investment Objective</b>	<b>Principal Investment Strategies</b>
<b>Equity Index Funds</b>	<b>Equity Index Fund</b>	The Equity Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities selected to track the overall U.S. equity markets based on a market index.	The Equity Index Fund is designed to track various U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index. Under normal circumstances, the Fund invests at least 80% of its assets in securities of its benchmark index and in equity securities.
	<b>International Equity Index Fund</b>	The International Equity Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of foreign equity investments based on a market index.	The International Equity Index Fund is designed to track foreign equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index. Under normal circumstances, the Fund invests at least 80% of its assets in securities of its benchmark index and in foreign equity securities.
	<b>Large-Cap Growth Index Fund</b>	The Large-Cap Growth Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities of large domestic growth companies based on a market index.	The Large-Cap Growth Index Fund is designed to track U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index. Under normal circumstances, the Fund invests at least 80% of its assets in securities of its benchmark index and in large-cap securities.
	<b>Large-Cap Value Index Fund</b>	The Large-Cap Value Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities of large domestic value companies based on a market index.	The Large-Cap Value Index Fund is designed to track U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index. Under normal circumstances, the Fund invests at least 80% of its assets in securities of its benchmark index and in large-cap securities.
	<b>Small-Cap Blend Index Fund</b>	The Small-Cap Blend Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities in smaller domestic companies based on a market index.	The Small-Cap Blend Index Fund is designed to track U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index. Under normal circumstances, the Fund invests at least 80% of its assets in securities of its benchmark index and in small-cap securities.
<b>Real Estate Securities Fund</b>	<b>Real Estate Securities Fund</b>	The Real Estate Securities Fund seeks to obtain a favorable long-term total return through both capital appreciation and current income, by investing primarily in equity securities of companies principally engaged in or related to the real estate industry.	Under normal circumstances, the Real Estate Securities Fund invests at least 80% of its assets in the equity securities of companies that are principally engaged in or related to the real estate industry, including those that own significant real estate assets, such as real estate investment trusts. The Fund does not invest directly in real estate. From time to time, the Fund may also invest in debt securities of companies principally engaged in or related to the real estate industry. The Fund also may invest up to 15% of its total assets in real estate securities of foreign issuers and up to 20% of its total assets in equity and debt securities of issuers that are not engaged in or related to the real estate industry.
<b>Fixed-Income Funds</b>	<b>Bond Index Fund</b>	The Bond Index Fund seeks a favorable long-term total return, mainly from current income, by primarily investing in a portfolio of fixed-income securities that is designed to produce a return that corresponds with the total return of the U.S. investment-grade bond market based on a broad bond index.	Under normal circumstances, the Bond Index Fund invests at least 80% of its assets in bonds within its benchmark and portfolio tracking index. At times the Fund may purchase securities not held in the index, but which its advisor believes have similar investment characteristics to securities held in its index. Generally, the Fund intends to invest in a wide spectrum of public, investment-grade, taxable debt securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed, commercial mortgaged-backed and asset-backed securities. The Fund's investment in mortgage-backed securities may include pass-through securities sold by private, governmental and government-related organizations and collateralized mortgage obligations, to the extent such instruments are held by the index. The Fund will invest in foreign securities only to the extent they are held in the index.

	<u>Fund Name</u>	<u>Investment Objective</u>	<u>Principal Investment Strategies</u>
	<b>High-Yield Fund</b>	The High-Yield Fund seeks high current income and, when consistent with its primary objective, capital appreciation.	The High-Yield Fund invests primarily in lower-rated, higher-yielding fixed-income securities, such as domestic and foreign corporate bonds, debentures, loan participations and assignments and notes, as well as convertible securities and preferred stocks. Under normal circumstances, the Fund invests at least 80% of its assets in debt and other fixed-income securities rated lower than investment-grade (and their unrated equivalents) or other high-yielding debt securities. The Fund may invest up to 20% of its assets in the following other types of instruments: payment-in-kind or deferred-interest obligations, defaulted securities, asset-backed securities, securities rated lower than B- or its equivalent by at least two rating agencies, and securities having limited liquidity. The Fund can make foreign investments, but these are not expected to be over 20% of its assets. The Fund can have up to 15% of its assets in illiquid securities. The Fund can also invest in U.S. Treasury and agency securities or other short-term instruments when other suitable investment opportunities are not available, or in order to build the Fund's liquidity.
	<b>Inflation-Linked Bond Fund</b>	The Inflation-Linked Bond Fund seeks a long-term rate of return that outpaces inflation, primarily through investment in inflation-linked bonds.	Under normal circumstances, the Inflation-Linked Bond Fund invests at least 80% of its assets in fixed-income securities whose principal value increases or decreases based on changes in a specified inflation index over the life of the security. Typically, the Fund will invest in U.S. Treasury Inflation-Indexed Securities. The Fund can also invest in (1) other inflation-indexed bonds issued or guaranteed by the U.S. government or its agencies, by corporations and other U.S. domiciled issuers, as well as foreign governments, and (2) money market instruments or other short-term securities. The Fund may also invest in inflation-indexed bonds issued or guaranteed by foreign governments and their agencies, as well as other foreign issuers. Under most circumstances, the Fund's investments in inflation-linked bonds of foreign issuers are generally less than 25% of its total assets. The Fund also may invest in certain other fixed-income securities, provided that no more than 5% of its assets are invested in fixed-income securities rated below investment grade.
	<b>Short-Term Bond Fund</b>	The Short-Term Bond Fund seeks high current income consistent with preservation of capital.	Under normal circumstances, the Short-Term Bond Fund invests at least 80% of its assets in U.S. Treasury and agency securities and investment-grade corporate bonds with maturities of less than 5 years. It can also hold certain other fixed-income securities, which include foreign corporate bonds, debentures and notes, mortgage-backed securities, asset-backed securities, convertible securities and preferred stocks. The Fund also may invest up to 15% of its assets in the securities of foreign issuers.
<b>Money Market Fund</b>	<b>Money Market Fund</b>	The Money Market Fund seeks high current income consistent with maintaining liquidity and preserving capital.	The Money Market Fund invests primarily in high-quality short-term money market instruments. The Fund limits its investments to securities that present minimal credit risk and are rated in the highest rating categories for short-term instruments. The Fund can also invest up to 30% of its assets in money market and debt instruments of foreign issuers denominated in U.S. dollars. <i>An investment in the Money Market Fund, like the other Funds, 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 a shareholder's investment at \$1 per share, it is possible to lose money by investing in the Fund.</i>

### Summary of Risks of the Mutual Funds

<i>RISK CATEGORY</i>	<i>Equity Index Fund</i>	<i>Inter-national Equity Index Fund</i>	<i>Large-Cap Growth Index Fund</i>	<i>Large-Cap Value Index Fund</i>	<i>Small-Cap Blend Index Fund</i>	<i>Real Estate Securities Fund</i>	<i>Bond Index Fund</i>	<i>High-Yield Fund</i>	<i>Inflation-Linked Bond Fund</i>	<i>Short-Term Bond Fund</i>	<i>Money Market Fund</i>
Active Management Risk						●		●	●	●	
Call Risk							●	●		●	
Company Risk	●	●	●	●	●	●		●		●	●
Credit Risk							●	●		●	●
Current Income Risk											●
Extension Risk							●			●	●
Foreign Investment Risk		●				●	●	●		●	
Income Volatility Risk						●	●				●
Index Risk	●	●	●	●	●		●				
Industry Concentration Risk						●					
Interest Rate Risk						●	●	●	●	●	●
Large-Cap Risk	●	●	●	●							
Market Risk	●	●	●	●	●	●					●
Market Volatility, Liquidity and Valuation Risk							●	●		●	
Mid-Cap Risk	●	●				●					
Non-Investment-Grade Securities Risk								●			
Real Estate Investing Risk						●					
Prepayment Risk							●			●	●
Small-Cap Risk	●				●	●					
Style Risks	<b>Growth Investing</b>		●								
	<b>Value Investing</b>			●							
Special Risks for Inflation-Indexed Bonds								●			

## Summary Descriptions of Risks of the Mutual Funds

- **Active Management Risk** — The risk that poor securities selection by a Fund's investment adviser could cause the Fund to underperform its benchmark index or mutual funds with similar investment objectives.
- **Call Risk** — The risk that, during periods of falling interest rates, an issuer may call (or repay) a fixed-income security prior to maturity, resulting in a decline in a Fund's income.
- **Company Risk** (often called **Financial Risk**) — The risk that the issuer's earnings prospects and overall financial position will deteriorate, causing a decline in the value of the security over short or extended periods of time.
- **Credit Risk** (a type of **Company Risk**) — The risk that a decline in a company's financial position may prevent it from making principal and interest payments on fixed-income securities when due.
- **Current Income Risk** — The risk that the income a Fund receives may fall as a result of a decline in interest rates. In a low interest rate environment, the Money Market Fund may not be able to achieve a positive or zero yield or maintain a stable net asset value of \$1.00 per share.
- **Extension Risk** — The risk that during periods of rising interest rates, borrowers pay off their mortgage loans later than expected, preventing a Fund from reinvesting principal proceeds at higher interest rates and resulting in less income than potentially available.
- **Foreign Investment Risk** — Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, currency, market or economic developments and can result in greater price volatility and perform differently from securities of U.S. issuers. This risk may be heightened in emerging or developing markets.
- **Income Volatility Risk** — The risk that the level of current income from a portfolio of fixed-income securities declines in certain interest rate environments.
- **Index Risk** — The risk that a Fund's performance will not correspond to its benchmark index for any period of time and may underperform such index or the overall stock market.
- **Industry Concentration Risk** — The risk that, because a Fund concentrates its investments in only one industry and holds securities of relatively few issuers, the value of its portfolio is likely to experience greater fluctuations and may be subject to greater risk than the portfolio value of other funds.
- **Interest Rate Risk** (a type of **Market Risk**) — The risk that increases in interest rates can cause the prices of fixed-income securities to decline.
- **Large Cap Risk** — The risk that large-capitalization companies are more mature and may grow more slowly than the economy as a whole and tend to go in and out of favor based on market and economic conditions.
- **Market Risk** — The risk that market prices of securities held by a Fund may fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions.

- **Market Volatility, Liquidity and Valuation Risk** (types of **Market Risk**) — The risk that volatile or dramatic reductions in trading activity make it difficult for a Fund to properly value the portfolio securities in which it invests and that the Fund may not be able to purchase or sell a security at an attractive price, if at all.
- **Mid-Cap Risk** — The risk that the stocks of mid-capitalization companies often have greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies.
- **Non-Investment-Grade Securities Risk** — Issuers of non-investment-grade securities, which are usually called “high-yield” or “junk bonds,” are typically in weak financial health and such securities can be harder to value and sell and their prices can be more volatile.
- **Real Estate Investing Risk** — A Fund whose investment objective includes investment in real estate securities is subject to all of the risks associated with the ownership of real estate. These risks include, among others, declines in the value of real estate, negative changes in the climate for real estate, risks related to general and local economic conditions, decreases in property revenues, increases in prevailing interest rates, property taxes and operating expenses, decreases in property revenue, changes in zoning laws and costs resulting from the clean-up of environmental problems.
- **Prepayment Risk** — The risk that during periods of falling interest rates, borrowers pay off their mortgage loans sooner than expected, forcing a Fund to reinvest the unanticipated proceeds at lower interest rates and resulting in a decline in income.
- **Small-Cap Risk** — The risk that the stocks of small-capitalization companies often experience greater price volatility than large- or mid-sized companies because small-cap companies are often newer or less established than larger companies and are likely to have more limited resources, products and markets. Securities of small-cap companies are often less liquid than securities of larger companies as a result of there being a smaller market for their securities.
- **Style Risks** — The risk that use of a particular investing style (such as growth investing or value investing) may fall out of favor in the marketplace for various periods of time and result in underperformance relative to the broader market sector or significant declines in the value of a Fund’s portfolio securities.
- **Special Risks for Inflation-Indexed Bonds** — The risk that interest payments on, or market values of, inflation-indexed bonds decline because of a decline in inflation (or deflation) or changes in investors’ inflation expectations.

### **Summary of the TIAA-CREF Life Insurance Company Funding Agreement**

Contributions to the Guaranteed Option are allocated to the Funding Agreement issued by TIAA-CREF Life to the Board. TIAA-CREF Life is a wholly owned subsidiary of TIAA that is regulated as a life insurance company by many states, including the State of Georgia. TIAA-CREF Life is also an affiliate of the Plan Manager.

The term of the Funding Agreement is intended to correspond with the term of the Management Agreement, subject to earlier termination by the Board. The Plan may make withdrawals up to a certain amount under the Funding Agreement at any time without penalty to cover distributions from Savings Trust Accounts that have invested in the Guaranteed Option.

The Funding Agreement guarantees the Board a return of principal and a minimum rate of interest per annum on its contract accumulation. This minimum rate will be reset each October 1 and will be neither less than 1% nor greater than 3% at any time. Periodically, TIAA-CREF Life will announce whether it will

pay additional interest in excess of the guaranteed interest rate. Any such additional interest rates will be declared in advance by TIAA-CREF Life for a period of up to 12 months and are not guaranteed for future periods. If TIAA-CREF Life is required to pay premium taxes on the Funding Agreement, it may deduct the amount of the premium tax when incurred from any Funding Agreement contract accumulations.

The Plan will post the current declared rate on the Plan's website. You may also obtain this information by calling the Plan.

There is a risk that TIAA-CREF Life could fail to perform its obligations under the Funding Agreement for financial or other reasons. The Funding Agreement provides the guarantee described above to the Board, but the guarantee is not made directly to Account Owners or Beneficiaries. Neither the Guaranteed Option nor any Savings Trust Account invested in this Investment Option is guaranteed by the State of Georgia or any agency or instrumentality thereof, the Plan, the Board, the Trust Administrator, the Plan Manager, its affiliates or any other person or entity. The Funding Agreement is not guaranteed or insured by any person or entity other than TIAA-CREF Life.

## APPENDIX II

### to the Disclosure Booklet for the Path2College 529 Plan established by the Georgia Higher Education Savings Plan

#### SAVINGS TRUST AGREEMENT

Each capitalized term used but not defined in this Savings Trust Agreement has the meaning set forth in the Disclosure Booklet, and such meanings are incorporated into this Savings Trust Agreement as if they were set forth herein.

I hereby enter into this Savings Trust Agreement with the Board and with the state treasurer on behalf of the State's Office of the State Treasurer, as Trust Administrator of the Trust Fund, in order to establish, as the designated Account Owner, or on behalf of the designated Account Owner, a Savings Trust Account in the Plan. I understand that the Savings Trust Account shall represent an interest in the Plan. I understand and agree that this Savings Trust Agreement is subject to and incorporates by reference all of the information set forth in the Disclosure Booklet and Application. I understand that my signature on the Application signifies my acceptance of the terms of this Savings Trust Agreement.

For purposes of this Savings Trust Agreement, "I" or "me" shall refer to the designated Account Owner or a duly appointed representative of the Account Owner, as applicable.

**A. Agreements, Representations and Warranties of the Account Owner.** I hereby agree with, and represent and warrant to the Board and the Trust Administrator, as follows:

1. I certify that I am eligible to be an Account Owner of the Plan as such eligibility is set forth in the Disclosure Booklet.
2. I have received, read and understand the Disclosure Booklet as currently in effect. I acknowledge that there have been no representations or other information about the Plan relied upon in entering into this Savings Trust Agreement, whether oral or written, other than as set forth in the Disclosure Booklet and this Savings Trust Agreement. I understand that this Savings Trust Agreement shall become effective upon the opening of the Savings Trust Account on the records of the Plan.
3. I certify that I am opening this Savings Trust Account in order to provide funds for the Qualified Higher Education Expenses of the Beneficiary, if any, of the Savings Trust Account. I certify that I have full power and authority to enter into and perform under this Savings Trust Agreement either for myself as Account Owner, or on behalf of the individual or entity named in the Application as Account Owner, as applicable. This Savings Trust Agreement constitutes the legal, valid and binding obligation of the Account Owner.
4. I understand that all assets in the Savings Trust Account will be held exclusively for my benefit and the benefit of the Beneficiary, if any. I understand that any contribution, or portion of such contribution, that causes the total account balance in the aggregate of all Savings Trust Accounts for the same Beneficiary to exceed the current applicable Maximum Account Balance Limit will be rejected and returned.
5. I understand that the minimum initial and subsequent contribution to a Savings Trust Account is \$25 per Investment Option chosen except for contributions made via payroll deduction where the minimum is \$15 per Investment Option per pay period.
6. I recognize that the investment of contributions and earnings, if any, in my Savings Trust Account involves certain risks, and I have taken into consideration and understand the risk factors related to these investments, including, but not limited to, those set forth in the

Disclosure Booklet. I understand that neither I nor any Beneficiary is, or will be, permitted to direct the investment of the Savings Trust Account other than through the selection of Investment Options. However, I understand and acknowledge that once invested in a particular Investment Option, contributions and any earnings thereon may only be transferred to another Investment Option once per calendar year or upon a change of the Beneficiary of the Savings Trust Account to a Member of the Family of the Beneficiary being replaced. I understand and acknowledge that transfers from the Guaranteed Option to the Money Market Option are not permitted.

7. I understand and acknowledge that amounts in my Savings Trust Account are not guaranteed or insured by any person or entity, including but not limited to, the State of Georgia, the Board, the Plan, the Trust Administrator, the Plan Manager and its subcontractors and affiliates, any vendors, contractors, investment advisors, or investment managers selected or approved by the Board or any agents, representatives or successors of the foregoing (except to the extent of the guarantee of TIAA-CREF Life to the Board under the Funding Agreement for the Guaranteed Option).
8. I understand and acknowledge that with respect to each Investment Option in the Plan, there is no guarantee or commitment whatsoever from the State of Georgia, the Board, the Plan, the Trust Administrator, the Plan Manager or any other person or entity that: (i) actual Qualified Higher Education Expenses will be equal to projections and estimates provided by the Plan; (ii) the Beneficiary will be admitted to any institution (including an Eligible Educational Institution); (iii) upon admission to an institution, the Beneficiary will be permitted to continue to attend; (iv) upon admission to an institution, state residency will be created for tuition, tax, financial aid eligibility, or any other purpose for the Beneficiary; (v) the Beneficiary will graduate or receive a degree from any institution; or (vi) contributions and investment returns in this Savings Trust Account will be sufficient to cover the Qualified Higher Education Expenses of the Beneficiary.
9. I understand that neither the State of Georgia, the Board, the Plan, the Trust Administrator, the Plan Manager or any affiliate thereof, or any other person or entity makes the guarantee that I will not suffer a loss of any amount invested in my Savings Trust Account or that I will receive a particular return of any amount in my Savings Trust Account (except to the extent of the guarantee of TIAA-CREF Life to the Board under the Funding Agreement for the Guaranteed Option). I understand that there is no guarantee that the Plan's investment objectives will be achieved.
10. I understand that TIAA-CREF Tuition Financing, Inc. will not necessarily continue as the Plan Manager for the entire period my Savings Trust Account is open and that the Board may retain, in the future, different plan managers for the Plan. I acknowledge that if this occurs, there is no assurance that I would not experience a material change to certain terms and conditions of the current Savings Trust Agreement, including the Plan Manager Fee. I understand that if TFI ceases to be the Plan Manager, my assets in the Plan may be automatically transferred to new investment options or I may have to open a new Savings Trust Account in the Plan with the successor plan manager in order to make future contributions on behalf of the Beneficiary. I also understand that there is no guarantee that the investment options offered by the Plan in the future would correspond exactly with those described in this Disclosure Booklet.
11. I acknowledge that no part of my Savings Trust Account or any other interest in the Plan can be used by me or my Beneficiary as security for a loan.
12. I understand that I will retain ownership of or custody over, as applicable, contributions made to my Savings Trust Account in the Plan and earnings thereon, if any, until distribution.

13. I understand and acknowledge that I have not been advised by the State of Georgia, the Board, the Trust Administrator or any other agency or instrumentality of Georgia, TFI or any of its affiliates to invest or to refrain from investing in a particular Investment Option.
14. I understand that I may cancel this Savings Trust Agreement at any time by written notice to the Plan. I also understand that a cancellation may be accomplished by a Qualified Withdrawal, a Taxable Withdrawal, a Rollover or an Unqualified Withdrawal and that a Taxable Withdrawal or an Unqualified Withdrawal will be subject to federal income tax and may be subject to state income tax. I understand that if I take an Unqualified Withdrawal, the Additional Tax referred to below in paragraph C of this Savings Trust Agreement may apply.
15. I understand that only the Account Owner can direct withdrawals from a Savings Trust Account. I also understand that I may direct the Plan to pay the proceeds of a withdrawal from my Savings Trust Account to me, my Beneficiary or to an Eligible Educational Institution on behalf of my Beneficiary.

**B. Restrictions on Certain Types of Savings Trust Accounts.** I understand that an Account Owner who is a custodian for a minor under UGMA/UTMA or a trustee will be subject to the following additional requirements and restrictions:

- An Account Owner who is a trustee will be required to provide the Plan with an original, signed certificate, a certified copy of material portions of the trust instrument, or a certified copy of a court order, that confirms the creation of a trust naming a minor as the trust beneficiary, identifies the trustee and authorizes the trustee to act on behalf of the trust beneficiary in opening and maintaining a Savings Trust Account.
- An Account Owner who is a custodian for a minor or a trustee is required to sign forms and conduct transactions for the Savings Trust Account in a representative capacity as the custodian or a trustee acting for the benefit of the Beneficiary;
- An Account Owner who is a custodian for a minor or a trustee is not permitted to change the Beneficiary of the Savings Trust Account either directly or by means of a Rollover, including a transfer of funds to another Savings Trust Account for a different Beneficiary;
- An Account Owner who is a custodian for a minor or a trustee is not permitted to name a Contingent Account Owner, or to change ownership of the Savings Trust Account other than to a successor custodian or trustee, without providing the Plan with a court order directing the change (or as otherwise allowed under UGMA/UTMA);
- Any request for a withdrawal from the Savings Trust Account by an Account Owner who is a custodian for a minor or a trustee must be accompanied by a certification that the Account Owner is the custodian of the Savings Trust Account pursuant to UGMA/UTMA or the trustee pursuant to a trust instrument naming a minor as the beneficiary and (except with respect to a withdrawal due to the death of the Beneficiary or a Qualified Withdrawal) that the withdrawal is authorized under UGMA/UTMA or the trust instrument, respectively, and is necessary for the welfare of the Beneficiary; and
- An Account Owner who is a custodian for a minor or a trustee is required to notify the Plan when the Beneficiary has reached the age of majority or is otherwise legally authorized to assume ownership of the Savings Trust Account so that the Beneficiary can be registered as the owner of the Savings Trust Account and take control of the Savings Trust Account.

Any requested transaction conducted on a Savings Trust Account owned by an Account Owner that is an entity Savings Trust Account or a Savings Trust Account wherein an individual is acting in a legal capacity

as a representative of the Account Owner must be accompanied by proof of substantiation of the following:

- the legal status of the entity;
- authorization of the transaction by the entity; and
- authorization for the individual conducting the transaction to act on behalf of the entity.

I also understand that depending on the type of transaction and the requirements of the Account Form, I may need to obtain a Medallion Signature Guarantee or Signature Validation Program Stamp and may need to provide to the guarantor the same type of documentation as set forth above as proof of my authority to act on behalf of the Savings Trust Account.

- C. Penalties and Fees.** I understand and agree that I will be subject to federal income tax and an Additional Tax on the earnings portion of an Unqualified Withdrawal and that the Additional Tax may be payable through my or my Beneficiary's federal income tax return to the United States Treasury. I acknowledge that the rate of the Additional Tax may be changed, as described in the Disclosure Booklet. I acknowledge and agree that my Savings Trust Account is potentially subject to other fees, charges or penalties in the future, as explained in the Disclosure Booklet. I also understand and agree that I may be subject to state income tax on the earnings portion of an Unqualified Withdrawal and that deductions may be subject to recapture to the extent subsequent withdrawals are Taxable Withdrawals, Unqualified Withdrawals or are Rollovers to another state's qualified tuition program.
- D. Limitations on Certain Distributions from Savings Trust Account.** I acknowledge that if I submit Account Forms to change the Account Owner of my Savings Trust Account or change my mailing address, and fail to provide a Medallion Signature Guarantee or Signature Validation Stamp of my signature on the Account Form, no distributions can be made from that Savings Trust Account within 30 days after receipt by the Plan of the applicable Account Form. I understand that I cannot withdraw a contribution for 10 days after receipt by the Plan of that contribution.
- E. Necessity of Qualification.** I understand that the Plan is intended to be a "qualified tuition program" under Section 529 of the IRC, and the Plan is intended to receive favorable federal and Georgia tax treatment. I agree that the State of Georgia and the Board may make changes to the Plan, this Savings Trust Agreement and the Disclosure Booklet at any time if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by Section 529 or the favorable Georgia tax treatment provided by Georgia law or any similar successor legislation.
- F. Statutes, Policies and Operating Procedures; Amendments.** The Savings Trust Account and this Savings Trust Agreement are subject to, and incorporate by reference, the Statute, any rules adopted for the Plan by the State of Georgia, any amendments to the Statute, other applicable statutes or any rules for the Plan as the State of Georgia may promulgate in accordance with Georgia law, including provisions under the Statute to prevent contributions on behalf of a Beneficiary in excess of the Maximum Account Balance Limit. Any amendments to relevant statutes or rules automatically amend this Savings Trust Agreement.
- G. Indemnity.** I understand that the establishment of my Savings Trust Account will be based upon the agreements, representations and warranties set forth in this Savings Trust Agreement. I agree to indemnify and hold harmless Georgia, its agencies or instrumentalities, the Board, the Trust Administrator, TIAA-CREF Tuition Financing, Inc. and its subcontractors and affiliates, any vendors, contractors, investment advisors or investment managers selected or approved by Georgia or the Board, and any agents, representatives or successors of any of the foregoing,

from and against any and all loss, damage, liability or expense, including reasonable attorneys' fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by me in this Savings Trust Agreement or otherwise with respect to my Savings Trust Account, and any breach by me of any of the agreements, representations or warranties contained in this Savings Trust Agreement. All of my agreements, representations and warranties shall survive the termination of this Savings Trust Agreement.

- H. **Binding Nature; Third-Party Beneficiary.** This Savings Trust Agreement shall survive the death of any individual Account Owner and shall be binding upon any personal representatives, heirs, successors or assigns, as applicable. The Plan Manager is a third-party beneficiary of the agreements, representations and warranties in this Savings Trust Agreement.
- I. **Transfer.** I understand that I may transfer this Savings Trust Account to another Account Owner at any time, as described more fully in the Disclosure Booklet, subject to the rules promulgated for the Plan. Such transfer will not be effective until written notice is received by the Plan.
- J. **Amendment.** I understand that the Plan may, at any time, and from time to time, amend this Savings Trust Agreement or the Disclosure Booklet.
- K. **Termination of the Plan.** I understand that the Plan may be suspended or terminated, but, except as permissible under applicable law, the Savings Trust Account may not thereby be diverted from the exclusive benefit of the Account Owner or the Beneficiary.
- L. **Governing Law.** This Savings Trust Agreement is governed by Georgia law.

## APPENDIX III

### to the Disclosure Booklet for the Path2College 529 Plan established by the Georgia Higher Education Savings Plan

#### TIAA-CREF Tuition Financing Inc.'s Privacy Policy

***Please read this notice carefully.*** It gives you important information about how TIAA-CREF Tuition Financing, Inc. ("TFI") handles nonpublic personal information it may receive about you in connection with the Plan. It applies to all past, present and future participants in the Plan.

#### Information We May Collect

We may obtain this personal information (which may include your Social Security Number) in any of the following ways:

- you provide it on the Plan enrollment form ("**Application**");
- you provide it on other Account Forms;
- you provide it on the Plan website;
- you provide it during consultations; or
- we obtain it to complete your requested transactions.

#### How Your Information Is Used

TFI does not disclose your personal information to anyone for marketing purposes. TFI discloses your personal information only to those service providers, affiliated and non-affiliated, who need the information to respond to your inquiries and/or to service and maintain your Savings Trust Account. In addition, TFI may be required to disclose your personal information to government agencies and other regulatory bodies (for example, for tax reporting purposes or to report suspicious transactions).

The affiliated and non-affiliated service providers who receive your personal information may use it to:

- process your Plan transactions;
- provide you with Plan materials;
- mail you Plan account statements; and
- enhance your Plan benefits.

These service providers provide services at TFI's direction and include fulfillment companies, printing and mailing facilities.

- Under their agreements with TFI, these service providers are required to keep your personal information confidential and to use it only for providing the contractually required services.

#### Security of Your Information

TFI protects the personal information you provide against unauthorized access, disclosure, alteration, destruction, loss or misuse. Your personal information is protected by physical, electronic and procedural safeguards in accordance with federal and state standards. These safeguards include appropriate procedures for access and use of electronic data, provisions for the secure transmission of sensitive personal information on the Plan's website, and telephone system authentication procedures.

## **Changes in Our Privacy Policy**

TFI periodically reviews this Privacy Policy and its related practices and procedures. You will be notified of any material amendments to this Privacy Policy. You may also obtain a copy of this Privacy Policy, including any changes to the Privacy Policy, on the Plan's website.

## **Notice About Online Privacy**

The personal information that you provide through the Plan website is handled in the same way as the personal information that you provide by any other means, as described above. This section of the notice gives you additional information about the way in which personal information that is obtained online is handled.

## **Online Enrollment, Savings Trust Account Information Access and Online Transactions**

When you visit the Plan website, you can go to pages that are open to the general public or log onto protected pages to enroll in the Plan, access information about your Savings Trust Account, or conduct certain transactions on your Savings Trust Account. Once you have opened a Savings Trust Account in the Plan, access to the secure pages of the Plan website is permitted only after you have created a User ID and Password by supplying your Social Security Number or Taxpayer Identification Number and Savings Trust Account Number. The User ID and Password must be supplied each time you want to access your Savings Trust Account information online. This information serves to verify your identity.

When you enter personal data into the Plan website (including your Social Security Number or Taxpayer Identification Number and your Password) to enroll or access your Savings Trust Account information online, you will log into secure pages where we use Secure Sockets Layer (SSL) protocol for protecting information.

To use this section of the Plan website, you need a browser that supports encryption and dynamic Web page construction.

If you provide personal information to effect transactions on the Plan website, a record of the transactions that you have performed while on the site is retained by the Plan.

## **Other Personal Information Provided by You on the Plan Website**

If you decide not to enroll online and you want to request Plan materials to be mailed to you, or you want to subscribe to the Plan e-mail newsletter, you can click on another section of the Plan website to provide your name, mailing address and e-mail address, respectively. The personal information that you provide on that page of the site will be stored and used to market the Plan more effectively. Although that page of the Plan website does not use SSL encryption protocol, your information will be safeguarded in accordance with federal and state privacy laws and industry norms.

## **The Plan Cares About Your Privacy**

We use cookies on the Plan website to measure marketing results for the Plan. This process renders all visitors to the Plan website anonymous and will not personally identify you.

### **OBTAINING ADDITIONAL INFORMATION**

Learn more about the Plan by visiting our website at [www.path2college529.com](http://www.path2college529.com).

You may reach a customer service representative to answer your questions, to address your complaints, or to request an Application by calling the Plan Manager toll-free at 1.877.424.4377. Questions, complaints and requests may also be sent in writing to the Path2College 529 Plan, P.O. Box 55924, Boston, MA 02205-5924.

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