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MINNESOTA COLLEGE SAVINGS PLAN

PLAN DISCLOSURE BOOKLET
AND
PARTICIPATION AGREEMENT

January 30, 2017

ADMINISTRATOR:
MINNESOTA OFFICE OF HIGHER EDUCATION

ASSETS INVESTED BY:
MINNESOTA STATE BOARD OF INVESTMENT

PLAN MANAGER:
TIAA-CREF TUITION FINANCING, INC.

MN1701.XXP

Please keep this Disclosure Booklet and the attached Participation Agreement with your other records about the Minnesota College Savings Plan (the "**Plan**"). You should read and understand this Disclosure Booklet before you make contributions to the Plan.

You should rely only on the information contained in this Disclosure Booklet and the attached Participation Agreement. This Disclosure Booklet supersedes all prior Disclosure Booklets and supplements including, among other things, any provision in a prior Disclosure Booklet or supplement regarding a continuing disclosure certificate. No person is authorized to provide information that is different from the information contained in this Disclosure Booklet and the attached Participation Agreement. 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.

If you or your intended beneficiary reside in a state other than Minnesota, or have taxable income in a state other than Minnesota, it is important for you to note that if that other state has established a qualified tuition program under Section 529 of the Internal Revenue Code (a "529 Plan"), such state may offer favorable state tax or other benefits that are available only if you invest in that state's 529 Plan. Those benefits, if any, should be one of the many appropriately weighted factors you consider before making a decision to invest in the Plan. You should consult with a qualified advisor or review the offering document for that state's 529 Plan to find out more about any such benefits (including any applicable limitations) and to learn how they may apply to your specific circumstances.

An Account in the Plan should be used only to save for qualified higher education expenses of a designated beneficiary. Accounts in the Plan are not intended for use, and should not 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 federal or state taxes or tax penalties. Taxpayers should consult with a qualified advisor to seek tax advice based on their own particular circumstances.**

None of the State of Minnesota, the Minnesota Office of Higher Education, the Minnesota State Board of Investment, the Plan, the Federal Deposit Insurance Corporation, nor any other government agency or entity, nor any of the service providers to the Plan insure any Account or guarantee any rate of return or any interest on any contribution to the Plan.

TABLE OF CONTENTS

Introduction to the Plan

The Plan was created by the State of Minnesota ("**Minnesota**") to encourage individuals to save for postsecondary education. The Minnesota Office of Higher Education is an agency of the State of Minnesota created pursuant to Minnesota Statutes Chapter 136A, as amended, and implements and administers the Plan. The Minnesota State Board of Investment (the "**Board**") is an agency of the State of Minnesota established by Article IX of the Minnesota Constitution. Its makeup comprises the Governor (who is named as Chair of the Board), the State Auditor, the Secretary of State and the State Attorney General. The Board approves the investment options available for the money deposited in Accounts in the Plan. 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 Section 136G of the Minnesota Statutes Annotated, as amended (the "**Statute**"). No other qualified tuition programs have been established under the Statute.

To contact the Plan:

Visit the Plan's **website at** www.mnsaves.org ;
Call the Plan toll-free at 1-877-EDU 4 MIN (1-877-338-4646); or
Write to the Plan at P.O. Box 55134, Boston, MA 02205-5134.

Overview of the Plan

This section provides summary information about the Plan, but it is important you read the entire Disclosure Booklet for detailed information. Capitalized terms used in this section are defined in “Frequently Used Terms” or elsewhere in this Disclosure Booklet.

Feature	Description	Additional Information
Minnesota Administrators	The Minnesota Office of Higher Education and the Minnesota State Board of Investment.	*Administration of the Plan*, page 21.
Plan Manager	TIAA-CREF Tuition Financing, Inc. (the “**Plan Manager**” or “**TFI**”).	The Plan Manager; page 21.
Eligible Account Owner	Any U.S. citizen or resident alien with a valid Social Security number or taxpayer identification number. Certain types of entities with a valid taxpayer identification number may also open an Account (additional restrictions may apply to such Accounts).	*Opening an Account*, page 4.
Eligible Beneficiary	Any U.S. citizen or resident alien with a valid Social Security number or taxpayer identification number.	*Opening an Account*, page 4.
Minimum Contribution	The minimum initial and subsequent contribution amount is $25 per Investment Option ($15 per Investment Option via payroll deduction).	*Contributions*, page 6.
Current Maximum Account Balance	$425,000 for all accounts in the Plan for each Beneficiary. The current maximum account balance is subject to future adjustments by the Minnesota Office of Higher Education as required by the Statute.	*Contributions*, page 6.
Qualified Withdrawals	Withdrawals from an Account used to pay for the Qualified Higher Education Expenses of the Beneficiary at an Eligible Educational Institution. These withdrawals are tax free.	*Tax Information*, page 22.
Investment Options	• **One** age-based managed allocation option. • **Ten** risk-based and/or allocation options, including **one** principal plus interest option.	*Investment Options*, page 9. For information about performance, see Past Performance, page 19.
Changing Investment Strategy for Amounts Previously Contributed	Once you have contributed to your Account and selected an Investment Option(s) in which to invest your contribution, you may move these amounts to a different Investment Option only twice per calendar year, or if you change the Beneficiary on your Account to a Member of the Family of the previous Beneficiary.	*Making Changes to Your Account* page 5.
Federal Tax Benefits	• Earnings accrue free of federal income tax. • Qualified Withdrawals are not subject to federal income tax including the Additional Tax. • No federal gift tax on contributions of up to $70,000 (single filer) and $140,000 (married couple electing to split gifts) if prorated over 5 years. • Contributions are generally considered completed gifts to the Beneficiary for federal gift and estate tax purposes.	*Tax Information*, page 22.
Minnesota Tax Treatment	• Earnings accrue free of Minnesota income tax. • Qualified Withdrawals are not subject to Minnesota income tax. • **Minnesota tax benefits related to the Plan are available**	*Minnesota Tax Information*, page 25.

Feature	Description	Additional Information
	only to Minnesota taxpayers.	
Fees	For the services provided to it, each Investment Option (excluding the Principal Plus Interest Option) pays: • to the Plan Manager, a Plan management fee at an annual rate of 0.15% (15 basis points) of the average daily net assets of that Option. The Plan Manager fee applies to total market value of assets in the Plan up to $1.35 billion. The Plan Manager fee will be reduced to 0.14% (14 basis points) once the total market value of assets in the Plan first reaches $1.35 billion and will be reduced to 0.13% (13 basis points) once the total market value of assets in the Plan first reaches $1.5 billion. • to the Office, an administrative fee at an annual rate of 0.0065% of the average daily net assets of that Option.	*Plan Fees*, page 7.
Risks of Investing in the Plan	• Assets in an Account are not guaranteed or insured. • The value of your Account may decrease. You could lose money, including amounts you contributed. • Federal or Minnesota tax law changes could negatively affect the Plan. • Fees could increase. • The Office and the Board may terminate, add or merge Investment Options, change the investments in which an Investment Option invests, or change allocations to those investments. • Contributions to an Account may adversely affect the Beneficiary's eligibility for financial aid or other benefits.	*Risks of Investing in the Plan*, page 18.

Frequently Used Terms

For your convenience, certain frequently used terms are defined below.

Account Owner/You	The individual or entity that enters into a Participation Agreement to open an Account in the Plan and is entitled to conduct transactions on the Account, including selecting and changing the Beneficiary of the Account and receiving distributions from the Account.
Additional Tax	A 10% additional federal tax imposed on the earnings portion of a Non-Qualified Withdrawal.
Beneficiary	The beneficiary for an Account as designated by you, the Account Owner.
Eligible Educational Institutions	Any college, university, vocational school, or other postsecondary educational institution eligible to participate in a student aid program administered by the U.S. Department of Education. This includes virtually all accredited public, nonprofit, and proprietary (privately owned profit-making) postsecondary institutions. The educational institution should be able to tell you if it is an eligible educational institution. Certain educational institutions located outside the United States also participate in the U.S. Department of Education's Federal Student Aid (FSA) programs.

Investment Options	The Plan investment options approved by the Minnesota State Board of Investment in which you may invest your contributions.
Member of the Family	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.
Non-Qualified Withdrawal	Any withdrawal from an Account that is not (1) a Qualified Withdrawal; (2) a Taxable Withdrawal; or (3) a Qualified Rollover.
Qualified Higher Education Expenses	Generally, tuition, certain room and board expenses, fees, the cost of computers, hardware, certain software, and Internet access and related services, and the cost of books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution as well as certain additional enrollment and attendance costs of Beneficiaries with special needs.
Qualified Rollover	A transfer of funds from an Account (1) to an account in another state's 529 plan for the same Beneficiary, provided that it has been at least 12 months from the date of a previous transfer to a 529 Plan for that Beneficiary, or (2) to an account in another state's 529 plan or an Account in the Plan for a new Beneficiary, provided that the new Beneficiary is a Member of the Family of the previous Beneficiary.
Qualified Withdrawal	Any withdrawal from an Account used to pay for the Qualified Higher Education Expenses of the Beneficiary at an Eligible Educational Institution.
Taxable Withdrawal	Any withdrawal from an Account 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 that is taken into account in determining the Beneficiary's American Opportunity Credit or Lifetime Learning Credit.
Unit	An ownership interest in an Investment Option that is purchased by making a contribution to an Account.

Opening an Account

Account Application. To open an Account, you need to complete and sign a Plan application (the "**Application**"). Your signature on the Application indicates your agreement to and acceptance of all terms in this Disclosure Booklet and in the attached Participation Agreement between you, the Office, and the Board. On your Application, you need to designate a Beneficiary for the Account and select the Investment Option(s) in which you want to invest your contributions.

To obtain an Application and enrollment kit, call or write to the Plan (contact information is located on page 1 and the back cover of this Disclosure Booklet) or go to the Plan's website. You may complete and submit the Application online or you may mail a completed Application to the Plan. After the Plan receives your completed Application in good order, including a check or authorization for your initial contribution, the Plan will open an Account for you.

To open an Account, you need to provide your name, address (must be a permanent U.S. address and not a post office box), Social Security number or taxpayer identification number and other information that will allow the Plan to identify you, such as your telephone number. Until you provide the required information, the Plan will not be able to open your Account. There may be only one Account Owner per Account.

Account Ownership. To be an Account Owner, you must be:

- A U.S. citizen or resident alien with a valid Social Security number or taxpayer identification number.
- A trust, estate, corporation (including an IRC Section 501(c)(3) organization) or other type of entity with a valid taxpayer identification number.
- A state or local government organization.

Accounts opened by entities, Section 501(c)(3) organizations, trusts and UGMA/UTMA custodians are subject to additional restrictions and must provide documentation evidencing the legal status of the entity and the authorization of the representative to open an Account and to request Account transactions. UGMA/UTMA custodians are also subject to certain limitations on their ability to make changes to, and transfers to and from, such Accounts. UGMA/UTMA custodians and trust representatives should consult with a qualified advisor about the tax and legal consequences of opening an Account and their rights and responsibilities as custodians and representatives.

Selecting a Beneficiary. You must designate a Beneficiary on your Application (unless you are a state or local government or a 501(c)(3) tax-exempt organization establishing a scholarship account). Anyone with a valid Social Security number or taxpayer identification number can be the Beneficiary, including you. You do not need to be related to the Beneficiary. You may name only one Beneficiary on your Account. You may establish only one Account for each Beneficiary. You may open additional Accounts for other Beneficiaries.

Choosing Investment Options. The Plan offers multiple Investment Options. On the Application, you must select the Investment Option(s) in which you want to invest your contributions. You may select one or a combination of the Investment Options, subject to the minimum contribution amount per Investment Option. (For minimum contribution amounts, see the Overview table in the front of this Disclosure Booklet.) If you select more than one Investment Option, you must designate what portion of your contribution should be invested in each Investment Option. See "Investment Options" for summaries of the Investment Options offered under the Plan.

Designating a Contingent Account Owner. On the Application, you may designate a person or a trust to be the contingent Account Owner in the event of your death.

Only Account Owners who are individuals are able to make such a designation.

Making Changes to Your Account

Changing Your Beneficiary. After you open an Account, you may change your Beneficiary by completing the appropriate Plan form (contact information for obtaining Plan forms is located on page 1 and on the back cover of this Disclosure Booklet). Please refer to the Tax Information section of this Disclosure Booklet for potential federal income tax consequences of a change in Beneficiary.

Changing Investment Strategy for Future Contributions. You may select different Investment Options each time you submit a new contribution by submitting instructions with that contribution.

Changing Investment Strategy for Previously Contributed Amounts. You may move all or a portion of amounts previously contributed to your Account to different Investment Options only twice per calendar year, or if you change the Beneficiary on your Account to a Member of the Family of the previous Beneficiary.

Transfers (including when there is a change of Beneficiary) from the Principal Plus Interest 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.

Adding or Changing the Contingent Account Owner. You may change or add a contingent Account Owner on your Account at any time by completing the appropriate Plan form. You should consult with a qualified advisor regarding the possible tax and legal consequences of making such a change.

Transfer of Account Ownership. You may transfer the ownership of your Account to another individual or entity that is eligible to be an Account Owner by submitting the appropriate Plan form. You do not need to change the Beneficiary if you transfer Account ownership. A transfer of the ownership of an Account will be effective only if the assignment is irrevocable and transfers all rights, title and interest in the Account. Certain types of Account Owners that are not individuals may be subject to restrictions on their ability to transfer ownership of the Account.

You should consult with a qualified advisor regarding the possible tax and legal consequences of making changes to your Account.

Contributions

Who May Contribute. Anyone (including your friends and family) may make a contribution to your Account. A person, other than the Account Owner, who contributes to an Account, will not retain any rights with respect to such contribution — for example, only the Account Owner may give investment instructions for contributions or request withdrawals from the Account.

Contribution Minimums. The minimum initial and subsequent contribution to an Account is $25 in each Investment Option selected or $15 per pay period per Investment Option selected if you contribute using payroll deduction.

Methods of Contribution. Contributions to an Account, which must be in U.S. dollars, may be made:

- By check drawn on a banking institution located in the U.S.
- By recurring automatic fund transfers from a checking or savings account.
- With a one-time electronic funds transfer.
- Through payroll deduction.
- With an incoming rollover from another state's 529 Plan or from within the Plan from an Account for a different Beneficiary.
- With redemption proceeds from a Coverdell Education Savings Account ("**Coverdell ESA**") or a qualified U.S. savings bond.

Impermissible Methods of Contribution. The Plan cannot accept contributions made by cash, starter check, traveler's check, credit card, convenience check or money order.

Checks. Checks should be made payable to the "Minnesota College Savings Plan." Personal checks, cashier's 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. For contributions by check, the Account Owner will need to instruct the Plan regarding in which Investment Option(s) your contribution should be invested (and how much should be invested in each Investment Option).

Automatic Contribution Plan. You may authorize the Plan to periodically debit your checking or savings account on your Application or, after your Account is opened, by submitting the appropriate Plan form or contacting the Plan by mail, telephone or online. You may change or stop this automatic debit at any time by completing the appropriate Plan form or contacting the Plan by mail, telephone or online.

One-time Electronic Funds Transfer. You may authorize the Plan to debit your checking or savings account on your Application or, after your Account is opened, by completing the appropriate Plan form or by contacting the Plan by mail, telephone, or online.

Payroll Deduction. You may be able to make automatic contributions to your Account through payroll deduction if your employer offers such a service. Please check with your employer for more information and to see whether you are eligible to contribute to the Plan through payroll deduction. If eligible, you will also need to complete the appropriate Plan form and notify your employer to start such deductions. You can change or stop such deductions by contacting your employer and the Plan.

Incoming Rollovers. You may roll over funds from an account in another state's 529 Plan to an Account in the Plan or from an Account in the Plan to another Account in the Plan for a new Beneficiary.

Incoming rollovers may be direct or indirect. Direct rollovers involve the transfer of funds directly from an account in another state's 529 Plan (or from an Account in the Plan for a different Beneficiary) to your Account. Indirect rollovers involve the transfer of funds from an account in another state's 529 Plan (or from an Account in the Plan for a different Beneficiary) to the Account Owner, who then contributes the funds to an Account within 60 days of the withdrawal from the previous account.

Please note that incoming rollover contributions to the Plan must be accompanied by a basis and earnings statement from the distributing plan that shows the earnings portion of the contribution. **If the Plan does not receive this documentation, the entire amount of your contribution will be treated as earnings. This could have negative tax implications under some Plan withdrawal scenarios.**

Redemption Proceeds from Coverdell ESA or Qualified U.S. Savings Bond. You may contribute amounts from the redemption of a Coverdell ESA or qualified U.S. savings bond to an Account without adverse federal tax consequences. If you are contributing amounts from a Coverdell ESA, you must submit an account statement issued by the financial institution that acted as trustee or custodian of the Coverdell ESA that shows the principal and earnings portions of the redemption proceeds. If you are contributing amounts from a savings bond, you must submit an account statement or Internal Revenue Service ("**IRS**") Form 1099-INT issued by the financial institution that redeemed the bonds showing the interest portion of the redemption proceeds.

Maximum Account Balance. Currently, the maximum account balance for all Accounts in the Plan for the same Beneficiary is $425,000. The Office must adjust the maximum account balance as necessary on January 1 of each year, as required by Minnesota law. Any contribution or transfer that would cause the Account balance(s) for a Beneficiary to exceed the maximum account balance will be rejected by the Plan and returned. It is possible that increases in market value could cause amounts in an Account(s) to exceed the maximum account balance limit. In this case, the amount in excess of the maximum could remain in the Account(s) and earnings may continue to accrue, but no new contributions or transfers would be accepted.

Dormant Account. An Account will be considered a "**Dormant Account**" if no contributions have been made to the Account for at least three consecutive years and Account statements mailed to the Account Owner have been returned as undeliverable. The Plan will attempt to locate the Account Owner and/or the Beneficiary of a Dormant Account to determine the disposition of the Account. A fee of five percent of the balance in the Account, not to exceed $100, plus allowable costs, may be charged for this service. Allowable costs will not exceed $100 or five percent of the balance of the Account, whichever is less. If the Account Owner or Account Owner's legal heirs are not found after three attempts by the Plan, the remaining funds in the Dormant Account, and any funds in Accounts previously funded through the State of Minnesota's matching grant program connected to the Dormant Account, will be transferred to the Office and will no longer be available to the Beneficiary. The Office will return all such funds to the appropriate State of Minnesota agencies.

Unit Value

The Plan will credit contributions to, or deduct withdrawals from, your Account at the Unit value of the applicable Investment Option determined on the day the Account transaction request is received in good order before the close of regular trading on the New York Stock Exchange ("**NYSE**") (usually 4:00 p.m., Eastern time). Contribution or withdrawal requests received after the close of regular trading or on a day when the NYSE is not open will be credited to, or deducted from, your Account at the Unit value next determined.

The value of a Unit in each Investment Option is computed by dividing (a) the Investment Option's assets minus its liabilities by (b) the number of outstanding Units of such Investment Option.
Investments in the Principal Plus Interest Option earn a rate of interest at the declared rate then in effect which will be compounded daily and will be credited to Accounts on a daily basis.

Plan Fees

The following table describes the Plan's current fees. The Board and the Office reserve the right to change the fees and/or to impose additional fees in the future. For certain Accounts deemed to be Dormant Accounts, as previously described, a fee may be charged to attempt to locate the Account Owner and/or Beneficiary of the Account.

Fee Table

Investment Option	Plan Manager Fee(1)(2)	Minnesota Administrative Fee(1)(4)	Estimated Expenses of an Investment Option's Underlying Investments(3)	Total Annual Asset-Based Fees(5)
Managed Allocation Option				
Age Band 0–4 Years	0.15%	0.0065%	0.12%	0.2765%
Age Band 5–8 Years	0.15%	0.0065%	0.13%	0.2865%

Age Band 9–10 Years	0.15%	0.0065%	0.14%	0.2965%
Age Band 11–12 Years	0.15%	0.0065%	0.13%	0.2865%
Age Band 13–14 Years	0.15%	0.0065%	0.13%	0.2865%
Age Band 15 Years	0.15%	0.0065%	0.11%	0.2665%
Age Band 16 Years	0.15%	0.0065%	0.10%	0.2565%
Age Band 17 Years	0.15%	0.0065%	0.08%	0.2365%
Age Band 18 Years and over	0.15%	0.0065%	0.07%	0.2265%
Aggressive Allocation Option	0.15%	0.0065%	0.12%	0.2765%
Moderate Allocation Option	0.15%	0.0065%	0.14%	0.2965%
Conservative Allocation Option	0.15%	0.0065%	0.11%	0.2665%
International Equity Index Option	0.15%	0.0065%	0.09%	0.2465%
U.S. and International Equity Option	0.15%	0.0065%	0.11%	0.2665%
U.S. Large Cap Equity Option	0.15%	0.0065%	0.06%	0.2165%
Equity and Interest Accumulation Option	0.15%	0.0065%	0.03%	0.1865%
100% Fixed-Income Option	0.15%	0.0065%	0.17%	0.3265%
Money Market Option[6]	0.15%	0.0065%	0.14%	0.2965%
Principal Plus Interest Option[7]	None	None	None	None

(1) Although the Plan Manager Fee and the Minnesota Administrative Fee are deducted from an Investment Option, not from your Account, each Account in the Investment Option indirectly bears its pro rata share of the Plan Manager Fee and the Minnesota Administrative Fee as these fees reduce the Investment Option's return.

(2) Each Investment Option (with the exception of the Principal Plus Interest Option) pays the Plan Manager a fee at an annual rate of 0.15% (15 basis points) of the average daily net assets held by that Investment Option. The Plan Manager Fee applies to the total market value of assets in the Plan up to $1.35 billion. The Plan Manager Fee will be reduced to 0.14% (14 basis points) once the total market value of assets in the Plan first reaches $1.35 billion and will be reduced to 0.13% (13 basis points) once the total market value of assets in the Plan first reaches $1.5 billion.

(3) The percentages set forth in this column are based on the expense ratios of the mutual funds in which an Investment Option invests. The amounts are calculated using the expense ratio reported in each mutual fund's most recent prospectus available prior to the date of this Disclosure Booklet and are weighted according to the Investment Option's allocation among the mutual funds in which it invests. Although these expenses are not deducted from an Investment Option's assets, each Investment Option indirectly bears its pro rata share of the expenses of the mutual funds in which it invests as these expenses reduce such mutual funds' returns.

(4) Each Investment Option (with the exception of the Principal Plus Interest Option) pays to the State of Minnesota a fee equal to 0.0065% of the average daily net assets held by that Investment Option to pay for expenses related to the administration of the Plan.

(5) These figures represent the estimated weighted annual expense ratios of the mutual funds in which the Investment Options invest plus the fees paid to the Plan Manager and to the State of Minnesota.

(6) Effective July 1, 2011, the Plan Manager and the Office have agreed to voluntarily waive the Money Market Option's Plan Manager Fee and Minnesota Administrative Fee, respectively, as necessary in an attempt to maintain at least a 0.00% return for this Investment Option. The Plan Manager, the Office or the Board may discontinue these waivers at any time without notice. Please note that after the waivers, the net return for the Money Market Option may still be negative.

(7) The Principal Plus Interest Option does not pay a Plan Manager Fee. TIAA-CREF Life Insurance Company ("**TIAA-CREF Life**"), the issuer of the funding agreement in which this Investment Option invests and an affiliate of TFI, makes payments to TFI, as Plan Manager. This payment, among many other factors, is considered by the issuer when determining the interest rate(s) credited under the funding agreement.

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.
- You withdraw your entire investment 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.

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

	APPROXIMATE COST OF $10,000 INVESTMENT			
INVESTMENT OPTIONS	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Managed Allocation Option				
Age Band 0–4 Years	$28	$89	$156	$352
Age Band 5–8 Years	$29	$92	$161	$364
Age Band 9–10 Years	$30	$96	$167	$377
Age Band 11–12 Years	$29	$92	$161	$364
Age Band 13–14 Years	$29	$92	$161	$364
Age Band 15 Years	$27	$86	$150	$339
Age Band 16 Years	$26	$83	$145	$327
Age Band 17 Years	$24	$76	$133	$301
Age Band 18 Years and over	$23	$73	$128	$289
Aggressive Allocation Option	$28	$89	$156	$352
Moderate Allocation Option	$30	$96	$167	$377
Conservative Allocation Option	$27	$86	$150	$339
International Equity Index Option	$25	$79	$139	$314
U.S. and International Equity Option	$27	$86	$150	$339
U.S. Large Cap Equity Option	$22	$70	$122	$276
Equity and Interest Accumulation Option	$19	$60	$105	$238
100% Fixed-Income Option	$33	$105	$184	$414
Money Market Option(1)	$30	$96	$167	$377
Principal Plus Interest Option	$0	$0	$0	$0

(1) The amounts in this table do not reflect the fee waivers discussed in footnote (6) to the Fee Table. If those waivers were reflected, the amounts shown in the table would be lower.

Investment Options

Choosing Your Investment Options. This section describes each Investment Option offered in the Plan and the risks associated with an investment in such Investment Option.

The Board approves and authorizes each Investment Option, the investments in which it invests and the allocations among those investments. The Board may add or remove Investment Options and change the allocations or the investments in which an Investment Option invests at any time.

You should consider a periodic assessment of your Investment Option selections to determine whether such selections are consistent with your current investment time horizon, risk tolerance and investment objectives. See “Making Changes to Your Account” for information about changing your Investment Option selections.

Underlying Investments of the Investment Options. Each Investment Option will be invested in one or more mutual funds and/or in a funding agreement. **Please keep in mind you will not own shares of any of these mutual funds nor will you own any interest in a funding agreement**. Instead, you will own interests in the Investments Option(s) in which you invest.

Risk Information. The risks of investing in each Investment Option are identified within each Investment Option’s description below. An explanation of these risks immediately follows the last Investment Option description.

Age-Based Investment Option

Managed Allocation Option (Risk level shifts from aggressive to conservative as the Beneficiary ages)

Investment Objective. The Managed Allocation 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 an Eligible Educational Institution.

Investment Strategy. Depending on the Beneficiary’s age, contributions to this Investment Option will be placed in one of nine age bands, each of which has a different investment objective and investment strategy. As discussed in more detail below, the age bands for younger Beneficiaries seek a favorable long-term return by investing primarily in mutual funds that invest primarily in equity securities (including real estate securities), which may have greater potential for returns than mutual funds that invest primarily in debt securities, but which also may have greater risk of loss than mutual funds that invest primarily in debt securities. As a Beneficiary nears college age, the age bands invest less in mutual funds that invest primarily in equity securities (including real estate securities) and invest more heavily in mutual funds that invest primarily in debt securities and in a funding agreement to preserve capital.

As your Beneficiary ages, assets in your Account invested in the Managed Allocation Option are moved from one age band to the next on the first “Rolling Date” following the Beneficiary’s fifth, ninth, eleventh, thirteenth, fifteenth, sixteenth, seventeenth and eighteenth birthdays. The Rolling Dates are March 20, June 20, September 20 and December 20 (or the first business day thereafter).

Each age band invests in multiple mutual funds to varying degrees. Certain of the age bands for older Beneficiaries will also invest in a funding agreement that is substantially similar to the funding agreement in which the Principal Plus Interest Option invests 100% of its assets. (See Principal Plus Interest Option for a description of the funding agreement.) The percentages of each age band’s assets allocated to each mutual fund and the funding agreement are set forth in the table below.

To varying degrees, the age bands invest in certain mutual funds that invest primarily in equity securities. As a Beneficiary ages, an age band’s investment in these funds will decrease. Through these mutual funds, an age band intends to indirectly allocate varying percentages of its assets to:

- domestic equity securities across all capitalization ranges;
- equity securities of foreign issuers, including issuers located in developed countries and issuers located in emerging markets countries; and
- equity securities of issuers 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 (REITs).

Also to varying degrees, the age bands invest in certain mutual funds that invest primarily in debt securities. As a Beneficiary ages, an age band’s combined investment in these funds, and in the funding agreement described above, will increase. Through these mutual funds, an age band intends to indirectly allocate varying percentages of its assets to:

- a wide spectrum of public, investment-grade, taxable debt securities denominated in U.S. dollars including government securities, as well as mortgage-backed, commercial mortgage-backed and asset-backed securities; and
- debt securities whose principal value increases or decreases based on changes in the Consumer Price Index for All Urban

Consumers over the life of the security (typically U.S. Treasury Inflation-Linked Securities, but also including inflation-linked bonds that are issued or guaranteed by U.S. and non-U.S. public or private sector entities).

In addition to the investments described above, to varying degrees, each age band invests a relatively small percentage of its assets in a mutual fund that invests primarily in high-yield securities (commonly called junk bonds) issued by both domestic and foreign companies.

Investment Risks. Because the Managed Allocation Option invests in a funding agreement and invests in multiple mutual funds that, taken together, invest in a diversified portfolio of securities, the Managed Allocation Option is subject to the following risks to varying degrees: Active Management Risk, Call Risk, Credit Risk, Derivatives Risk, Downgrade Risk, Emerging Markets Risk, Extension Risk, Fixed-Income Foreign Investment Risk, Floating and Variable Rate Securities Risk, Foreign Investment Risk, Funding Agreement Risk, Illiquid Investments Risk, Income Volatility Risk, Index Risk, Interest Rate Risk, Issuer Risk, Large-Cap Risk, Market Risk, Market Volatility, Liquidity, and Valuation Risk, Mid-Cap Risk, Non-Investment Grade Securities Risk, Prepayment Risk, Real Estate Investing Risk, Senior Loan Risk, Small-Cap Risk, Special Risks for Inflation-Indexed Bonds, and U.S. Government Securities Risk.

The age bands for younger Beneficiaries are subject to Emerging Markets Risk, Foreign Investment Risk, Large-Cap Risk, Market Risk, Mid-Cap Risk, Real Estate Investing Risk, and Small-Cap Risk to a greater extent than are the age bands for older Beneficiaries. Likewise, the age bands for older Beneficiaries are subject to Call Risk, Credit Risk, Downgrade Risk, Extension Risk, Fixed-Income Foreign Investment Risk, Funding Agreement Risk, Income Volatility Risk, Interest Rate Risk, Market Volatility, Liquidity and Valuation Risk, Prepayment Risk, Special Risks for Inflation-Indexed Bonds and U.S. Government Securities Risk to a greater extent than are the age bands for younger Beneficiaries.

Allocations for the Managed Allocation Option

Age Bands	TIAA-CREF Equity Index Fund	TIAA-CREF International Equity Index Fund	TIAA-CREF Emerging Markets Equity Index Fund	TIAA-CREF Real Estate Securities Fund	TIAA-CREF Bond Index Fund	TIAA-CREF Inflation-Linked Bond Fund	TIAA-CREF High-Yield Fund	TIAA-CREF Life Funding Agreement
0–4 Years	48.00%	19.20%	4.80%	8.00%	14.00%	4.00%	2.00%	0.00%
5–8 Years	42.00%	16.80%	4.20%	7.00%	21.00%	6.00%	3.00%	0.00%
9–10 Years	36.00%	14.40%	3.60%	6.00%	28.00%	8.00%	4.00%	0.00%
11–12 Years	30.00%	12.00%	3.00%	5.00%	31.50%	9.00%	4.50%	5.00%
13–14 Years	24.00%	9.60%	2.40%	4.00%	35.00%	10.00%	5.00%	10.00%
15 Years	18.00%	7.20%	1.80%	3.00%	31.50%	9.00%	4.50%	25.00%
16 Years	15.00%	6.00%	1.50%	2.50%	28.00%	8.00%	4.00%	35.00%
17 Years	12.00%	4.80%	1.20%	2.00%	24.50%	7.00%	3.50%	45.00%
18 Years and over	9.00%	3.60%	0.90%	1.50%	21.00%	6.00%	3.00%	55.00%

Risk-Based Investment Options

These Investment Options are intended for Account Owners who prefer to select an Investment Option (or several Investment Options) with a fixed risk level rather than a risk level that changes as the Beneficiary ages. Each of these Investment Options invests in one or more mutual funds and/or in a funding agreement, and each Investment Option has a different investment objective and investment strategy and is subject to different investment risks.

Allocation Options

There are three separate Allocation Investment Options. Each of these Investment Options has its own investment objective and strategy, and each has a fixed risk level that does not change as the Beneficiary ages.

Aggressive Allocation Option
(Risk level – Aggressive)

Investment Objective. This Investment Option seeks a favorable long-term return by investing in mutual funds that invest primarily in equity securities and, to a lesser extent, in mutual funds that primarily invest in debt securities.

Moderate Allocation Option
(Risk level – Moderate)

This Investment Option previously was named the "Balanced Option." As of August 12, 2014, the name of this Investment Option changed to the "Moderate Allocation Option."

Investment Objective. This Investment Option seeks moderate growth by investing in a mix of mutual funds that invest in a diversified mix of asset classes.

Conservative Allocation Option
(Risk level – Conservative to Moderate)

Investment Objective. This Investment Option seeks a conservative to moderate total return by investing in a funding agreement and mutual funds that invest primarily in debt securities and, to a lesser extent, by investing in mutual funds that invest primarily in equity securities.

Investment Strategy for each of the Allocation Options. Each of these Investment Options invests in multiple mutual funds. In addition, the Conservative Allocation Option also invests in a funding agreement. (See the Principal Plus Interest Option for a description of the funding agreement.) The percentages of each Investment Option's assets allocated to each mutual fund and the funding agreement are set forth in the table below. To varying degrees, each Allocation Option invests in four mutual funds that invest primarily in equity securities. Through these mutual funds, each Allocation Option intends to indirectly allocate a certain percentage of its assets to:

- domestic equity securities across all capitalization ranges;
- equity securities of foreign issuers, including issuers located in developed countries and issuers located in emerging markets countries; and
- equity securities of issuers 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 (REITs).

Also to varying degrees, each Allocation Option invests in a number of mutual funds that invest primarily in fixed income or other types of debt securities. Through these mutual funds, each Allocation Option indirectly allocates a certain percentage of its assets to:

- a wide spectrum of public, investment-grade, taxable debt securities denominated in U.S. dollars including government securities, as well as mortgage-backed, commercial mortgage-backed and asset-backed securities;
- debt securities, the principal value of which increases and decreases based on changes in the Consumer Price Index for All Urban Consumers over the life of the security (typically U.S. Treasury Inflation-Linked Securities, but also including inflation-linked bonds that are issued or guaranteed by U.S. and non-U.S. public or private sector entities); and
- high-yield securities (commonly called junk bonds) issued by both domestic and foreign companies.

Allocations for the Allocation Options

Allocation Option	TIAA-CREF Equity Index Fund	TIAA-CREF International Equity Index Fund	TIAA-CREF Emerging Markets Equity Index Fund	TIAA-CREF Real Estate Securities Fund	TIAA-CREF Bond Index Fund	TIAA-CREF Inflation-Linked Bond Fund	TIAA-CREF High-Yield Fund	TIAA-CREF Life Funding Agreement
Aggressive Allocation Option	48.00%	19.20%	4.80%	8.00%	14.00%	4.00%	2.00%	0.00%
Moderate Allocation Option	36.00%	14.40%	3.60%	6.00%	28.00%	8.00%	4.00%	0.00%
Conservative Allocation Option	18.00%	7.20%	1.80%	3.00%	31.50%	9.00%	4.50%	25.00%

Investment Risks for each of the Allocation Options. Because each Allocation Option invests in multiple mutual funds that, taken together, invest in a diversified portfolio of securities, each Allocation Option is subject to the following risks to varying degrees: Active Management Risk, Call Risk, Credit Risk, Derivatives Risk, Downgrade Risk, Emerging Markets Risk, Extension Risk, Fixed-Income Foreign Investment Risk, Floating and Variable Rate Securities Risk, Foreign Investment Risk, Funding Agreement Risk, Illiquid Investments Risk, Income Volatility Risk, Index Risk, Interest Rate Risk, Issuer Risk, Large-Cap Risk, Market Risk, Market Volatility, Liquidity, and Valuation Risk, Mid-Cap Risk, Non-Investment Grade Securities Risk, Prepayment Risk, Real Estate Investing Risk, Senior Loan Risk, Small-Cap Risk, Special Risks for Inflation-Indexed Bonds, and U.S. Government Securities Risk. Because the Conservative Allocation Option also invests in a funding agreement, the Conservative Allocation Option is also subject to Funding Agreement Risk.

Emerging Markets Risk, Foreign Investment Risk, Large-Cap Risk, Mid-Cap Risk, Real Estate Investing Risk, and Small-Cap Risk are risks primarily associated with those underlying mutual funds that invest primarily in equity securities (as used in this paragraph the "**equity securities risks**"). The Aggressive Allocation Option is subject to the equity securities risks to a greater extent than is the Moderate Allocation Option and the Moderate Allocation Option is subject to the equity securities risks to a greater extent than is the Conservative Allocation Option. Call Risk, Credit Risk, Downgrade Risk, Extension Risk, Fixed-Income Foreign Investment Risk, Income Volatility Risk, Interest Rate Risk, Market Volatility, Liquidity and Valuation Risk, Pre-Payment Risk, Special Risks for Inflation-Indexed Bonds, and U.S. Government Securities Risk are risks primarily associated with those underlying mutual funds that invest primarily in debt securities (as used in this paragraph, the "**debt securities risk**"). The Conservative Allocation Option is subject to the debt securities risks to a greater extent than is the Moderate Allocation Option and the Moderate Allocation Option is subject to the debt securities risks to a greater extent than is the Aggressive Allocation Option.

Other Risk-Based Investment Options

In addition to the three Allocation Options, there are seven other risk-based Investment Options, including the Principal Plus Interest Option. Each of these Investment Options has its own investment objective and strategy, and each has a fixed risk level that does not change as the Beneficiary ages.

International Equity Index Option
(Risk level – Aggressive)

Investment Objective. This Investment Option seeks to provide a favorable long-term total return, mainly from capital appreciation.

Investment Strategy. Each of the mutual funds in which this Investment Option invests is considered an "index fund," meaning the mutual fund attempts to track a benchmark index. The percentage of the Investment Option's assets allocated to each mutual fund is:

TIAA-CREF International Equity Index Fund	80%
TIAA-CREF Emerging Markets Equity Index Fund	20%

Through its investments in these mutual funds, this Investment Option intends to indirectly allocate its assets to equity securities of foreign issuers, including issuers located in developed countries and in emerging markets countries.

Investment Risks. Through its investments in the mutual funds above, this Investment Option is subject to Emerging Markets Risk, Foreign Investment Risk, Index Risk, Issuer Risk, Large Cap Risk, Market Risk, and Mid-Cap Risk.

U.S. and International Equity Option
(Risk level – Aggressive)

This Investment Option previously was named the "100% Equity Option." As of August 12, 2014, the name of this Investment Option changed to the "U.S. and International Equity Option."

Investment Objective. This Investment Option seeks to provide a favorable long-term total return, mainly from capital appreciation.

Investment Strategy. This Investment Option invests 100% of its assets in mutual funds that invest primarily in equity securities. The percentage of the Investment Option's assets allocated to each mutual fund is:

TIAA-CREF Equity Index Fund	60%
TIAA-CREF International Equity Index Fund	24%
TIAA-CREF Emerging Markets Equity Index Fund	6%
TIAA-CREF Real Estate Securities Fund	10%

Through its investments in these mutual funds, this Investment Option intends to indirectly allocate its assets to the following:

- domestic equity securities across all capitalization ranges;

- equity securities of foreign issuers including issuers located in developed countries and emerging markets countries; and
- equity securities of issuers 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 (REITs).

Investment Risks. Through its investments in the mutual funds above, this Investment Option is subject to Active Management Risk, Emerging Markets Risk, Foreign Investment Risk, Index Risk, Interest Rate Risk, Issuer Risk, Large Cap Risk, Market Risk, Mid-Cap Risk, Real Estate Investing Risk, and Small-Cap Risk.

U.S. Large Cap Equity Option (Risk level – Aggressive)

Investment Objective. This Investment Option seeks to provide a favorable long-term total return, mainly from capital appreciation.

Investment Strategy. This Investment Option invests 100% of its assets in an "index fund," meaning that the mutual fund attempts to track a benchmark index. The mutual fund in which this Investment Option is invested is:

TIAA-CREF S&P 500 Index Fund	100%

Through its investment in this mutual fund, this Investment Option intends to indirectly allocate its assets to large capitalization equity securities.

Investment Risks. Through its investment in the mutual fund above, this Investment Option is subject to Index Risk, Issuer Risk, Large Cap Risk, and Market Risk.

Equity and Interest Accumulation Option (Risk level – Moderate)

Investment Objective. This Investment Option seeks to provide a moderate long-term total return.

Investment Strategy. This Investment Option invests half of its assets in an equity index mutual fund and the other half of its assets in a funding agreement. The percentage of the Investment Option's assets allocated to each investment is:

TIAA-CREF Equity Index Fund	50%
TIAA-CREF Life Funding Agreement	50%

Through its investments in a mutual fund, this Investment Option intends to indirectly allocate approximately half of its assets to domestic equity securities across all capitalization ranges.

For a description of the funding agreement in which this Investment Option invests the remaining half of its assets, see the Principal Plus Interest Option.

Investment Risks. Through its investments in the mutual fund and funding agreement above, this Investment Option is subject to Funding Agreement Risk, Index Risk, Issuer Risk, Large Cap Risk, Market Risk, Mid-Cap Risk, and Small-Cap Risk.

100% Fixed-Income Option (Risk level – Moderate)

Investment Objective. This Investment Option seeks to provide a moderate long-term rate of return, primarily through current income.

Investment Strategy. This Investment Option invests 100% of its assets in mutual funds that invest primarily in debt securities. The majority of the Investment Option is invested in an "index fund" which means that the mutual fund attempts to track a benchmark index. The percentage of the Investment Option's assets allocated to each mutual fund is:

TIAA-CREF Bond Index Fund	70%
TIAA-CREF Inflation-Linked Bond Fund	20%
TIAA-CREF High-Yield Fund	10%

Through its investments in these mutual funds, this Investment Option intends to indirectly allocate its assets to the following:

- a wide spectrum of public, investment-grade, taxable debt securities denominated in U.S. dollars including government securities, as well as mortgage-backed, commercial mortgage-backed and asset-backed securities;
- debt securities, the principal value of which increases and decreases based on changes in the Consumer Price Index for All Urban Consumers over the life of the security (typically U.S. Treasury Inflation-Linked Securities, but also including inflation-linked bonds that are issued or guaranteed by U.S. and non-U.S. public or private sector entities); and
- high-yield securities (commonly called junk bonds) issued by both domestic and foreign companies.

Investment Risks. Through its investments in the mutual funds above, this Investment Option is subject to Active Management Risk, Call Risk, Credit Risk, Derivatives Risk, Downgrade Risk, Extension Risk, Fixed-Income Foreign Investment Risk, Floating and Variable Rate Securities Risk, Illiquid Investments Risk, Income Volatility Risk, Index Risk, Interest Rate Risk, Market Volatility, Liquidity, and Valuation Risk, Non-Investment Grade Securities Risk, Prepayment Risk, Senior Loan Risk, Special Risks for Inflation- Indexed Bonds, and U.S. Government Securities Risk.

Money Market Option (Risk level – Conservative)

Investment Objective. This Investment Option seeks to provide current income consistent with preservation of capital.

Investment Strategy. This Investment Option invests 100% of its assets in a government money market mutual fund. The mutual fund in which this Investment Option is invested is:

TIAA-CREF Money Market Fund	100%

Through its investments in this mutual fund, the Investment Option intends to indirectly allocate its assets to cash, U.S. Government securities and/or repurchase agreements that are collateralized fully by cash or U.S. Government securities. These investments include (1) securities issued by, or whose principal and interest are guaranteed by, the U.S. Government or one of its agencies or instrumentalities and (2) repurchase agreements involving securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities.

Investment Risks. Through its investment in the mutual fund above, this Investment Option is subject to Active Management Risk, Credit Risk, Current Income Risk, Fixed-Income Foreign Investment Risk, Floating and Variable Rate Securities Risk, Income Volatility Risk, Interest Rate Risk, Illiquid Investments Risk, Issuer Risk, Market Volatility, Liquidity Risk, Valuation Risk, and U.S. Government Securities Risk.

Principal Plus Interest Option (Risk level – Conservative)

Investment Objective. This Investment Option seeks to preserve capital and provide a stable return.

Investment Strategy. The assets in this Investment Option are allocated to a funding agreement issued by TIAA-CREF Life, which is an affiliate of TFI, to the Board as the policyholder on behalf of the Plan. The funding agreement provides a minimum guaranteed rate of return on the amounts allocated to it by the Investment Option. The minimum effective annual interest rate will be neither less than 1% nor greater than 3% at any time. The guarantee is made by the insurance company to the policyholder, not to Account Owners. In addition to the guaranteed rate of interest to the policyholder, the funding agreement allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life. 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. The current effective annual interest rate applicable to the funding agreement will be posted on the Plan's website. The funding agreement to which this Investment Option is allocated is:

TIAA-CREF Life Funding Agreement	100%

Investment Risks. Through its investment in the funding agreement above, this Investment Option is subject to Funding Agreement Risk.

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

Explanation of Investment Risks of the Investment Options

Active Management Risk — The risk that the strategy, investment selection or trading execution of securities by a mutual fund's investment advisor may cause the mutual fund to underperform relative to the 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 mutual fund's income.

Credit Risk (a type of Issuer Risk) — The risk that the issuer of fixed-income investments may not be able or willing to meet interest or principal payments when the bonds become due.

Current Income Risk — The risk that the income a mutual fund receives may fall as a result of a decline in interest rates. In a low interest rate environment, a money market mutual fund may not be able to achieve a positive or zero yield or maintain a stable net asset value of $1.00 per share.

Derivatives Risk — The risks associated with investing in derivatives may be different and greater than the risks associated with directly investing in the underlying securities and other instruments. A mutual fund may use futures, options, single name, or index credit default swaps, or forwards, and a mutual fund may also use more complex derivatives such as swaps that might present liquidity, credit and counterparty risk. When investing in derivatives, a mutual fund may lose more than the principal amount invested.

Downgrade Risk — The risk that securities are subsequently downgraded should advisors and/or rating agencies believe the issuer's business outlook or creditworthiness has deteriorated.

Emerging Markets Risk — The risk of foreign investment often increases in countries with emerging markets. For example, these countries may have more unstable governments than developed countries, and their economies may be based on only a few industries. Because their financial markets may be very small, share prices of financial instruments in emerging markets countries may be volatile and difficult to determine. Financial instruments of issuers in these countries may be less liquid than those of issuers in more developed countries. In addition, foreign investors (including a mutual fund) are subject to a variety of special restrictions in many such countries.

Extension Risk — The risk that during periods of rising interest rates, borrowers may pay off their mortgage loans later than expected, preventing a mutual fund from reinvesting principal proceeds at higher interest rates and resulting in less income than potentially available.

Fixed-Income Foreign Investment Risk — Investment in fixed-income securities or financial instruments of foreign issuers involves increased risks due to adverse issuer, political, regulatory, currency, market or economic developments. These developments may impact the ability of a foreign debt issuer to make timely and ultimate payments on its debt obligations to a mutual fund or impair a mutual fund's ability to enforce its rights against the foreign debt issuer. These risks are heightened in emerging or developing markets. Foreign investments may also be less liquid and more difficult to value than investments in U.S. issuers.

Floating and Variable Rate Securities Risk — Floating and variable rate securities provide for a periodic adjustment in the interest rate paid on the securities. The rate adjustment intervals may be regular and range from daily up to annually, or may be based on an event, such as a change in the prime rate. Floating and variable rate securities may be subject to greater liquidity risk than other debt securities, meaning that there may be limitations on a mutual fund's ability to sell the securities at any given time. Such securities also may lose value.

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 financial instruments of U.S. issuers. This risk may be heightened in emerging or developing markets. Foreign investments may also be less liquid and more difficult to value than investments in U.S. issuers.

Funding Agreement Risk — The risk that TIAA-CREF Life could fail to perform its obligations under the funding agreement for financial or other reasons.

Illiquid Investments Risk — The risk that illiquid investments may be difficult to sell for the value at which they are carried, if at all, or at any price within the desired timeframe.

Income Volatility Risk — The risk that the level of current income from a portfolio of fixed-income investments may decline in certain interest rate environments.

Index Risk — The risk that an index 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. Additionally, to the extent a mutual fund's investments vary from the composition of its benchmark index, the mutual fund's performance could potentially vary from the index's performance to a greater extent than if the mutual fund merely attempted to replicate the index.

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. This risk is heightened to the extent a mutual fund invests in longer duration fixed-income investments and during periods when prevailing interest rates are low or negative, an environment which may increase a mutual fund's exposure to risks associated with rising interest rates. In general, changing interest rates could have unpredictable effects on the markets and may expose fixed-income and related markets to heightened volatility.

Issuer Risk (often called Financial Risk) — The risk that an issuer's earnings prospects and overall financial position will deteriorate, causing a decline in the value of the issuer's financial instruments over short or extended periods of time.

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 portfolio investments held by a mutual fund may fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions. Market risk may affect a single issuer, industry or sector of the economy, or it may affect the market as a whole.

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 mutual fund to properly value its investments and that a mutual fund may not be able to purchase or sell an investment at an attractive price, if at all.

Mid-Cap Risk — The risk that the stocks of mid-capitalization companies often experience 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 weaker financial health and such securities can be harder to value and sell and their prices can be more volatile than more highly rated securities. While these securities generally have higher rates of interest, they also involve greater risk of default than do securities of a higher-quality rating.

Prepayment Risk — The risk that, during periods of falling interest rates, borrowers may pay off their mortgage loans sooner than expected, forcing a mutual fund to reinvest the unanticipated proceeds at lower interest rates and resulting in a decline in income.

Real Estate Investing Risk — A mutual fund that invests in securities related to the real estate industry 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, changes in zoning laws and costs resulting from the clean-up of environmental problems.

Senior Loan Risk — Many senior loans present credit risk comparable to high-yield securities. The liquidation of the collateral backing a senior loan may not satisfy the borrower's obligation to a mutual fund in the event of non-payment of scheduled interest or principal. Senior loans also expose mutual funds to call risk and illiquid investments risk. The secondary market for senior loans can be limited. Trades can be infrequent and the values for senior loans may experience volatility. In some cases, negotiations for the sale or settlement of senior loans may require weeks to complete, which may impair a mutual fund's ability to raise cash to satisfy redemptions, pay dividends, pay expenses or to take advantage of other investment opportunities in a timely manner. If an issuer of a senior loan prepays or redeems the loan prior to maturity, a mutual fund will have to reinvest the proceeds in other senior loans or instruments that may pay lower interest rates.

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.

Special Risks for Inflation-Indexed Bonds – The risk that interest payments on, or market values of, inflation- indexed investments decline because of a decline in inflation (or deflation) or changes in investors' and/or the market's inflation expectations. In addition, inflation indices may not reflect the true rate of inflation.

U.S. Government Securities Risk — Securities issued by the U.S. Government or one of its agencies or instrumentalities may receive varying levels of support from the U.S. Government, which could affect a mutual fund's ability to recover should they default. To the extent a mutual fund invests significantly in securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, any market movements, regulatory changes or changes in political or economic conditions that affect the securities of the U.S. Government or its agencies or instrumentalities in which a mutual fund invests may have a significant impact on the mutual fund's performance.

Information About the Funding Agreement and the Mutual Funds in Which the Investment Options Invest. Information about the funding agreement is contained in this Disclosure Booklet. Additional information about the investment strategies and risks of each mutual fund in which an Investment Option invests is available in the mutual fund's current prospectus and statement of additional information. You can request a copy of the current prospectus, the statement of additional information or the most recent semiannual or annual report of each such mutual fund by calling 1-800-897-9059 or visiting www.tiaa.org/public/prospectuses/index.html. The investment advisor to the mutual funds is Teachers Advisors, Inc., an affiliate of the Plan Manager.

Risks of Investing in the Plan

Investment Risks. Through its investments, an Investment Option is subject to one or more of the investment risks summarized above. The value of your Account may increase or decrease over time based on the performance of the Investment Option you selected. There is a risk you could lose part or all of the value of your Account and your Account may be worth less than the total amount contributed to it.

No Guarantee of Attendance. There is no guarantee a Beneficiary will be accepted for admission to an Eligible Educational Institution, or, if admitted, will graduate or receive a degree, or otherwise be permitted to continue to be enrolled at an Eligible Educational Institution.

No Guarantee of Costs. Increases in Qualified Higher Education Expenses could exceed the rate of return of the Investment Options over the same time period. Even if the value of all Accounts 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. Changes to federal or Minnesota laws, including Section 529, may adversely impact the Plan. For example, Congress could amend Section 529 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 Minnesota could also make changes to Minnesota tax law that could materially affect the Minnesota tax treatment of the Plan. In addition, the U.S. Department of the Treasury has issued proposed regulations addressing certain aspects of Section 529, but has not issued final regulations. Final regulations, if issued, may differ from the proposed regulations and may apply retroactively. Other administrative guidance or court decisions may be issued that could affect the tax treatment described in this Disclosure Booklet.

Not an Investment in Mutual Funds or Registered Securities. Although certain Investment Options invest in mutual funds, neither the Plan nor any 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 State of Minnesota. These securities are not registered with the U.S. Securities and Exchange Commission ("**SEC**") or any state, nor are the Plan or any of the Plan's Investment Options registered as investment companies with the SEC or any state.

Potential Plan Changes, including Change of the Plan Manager. Minnesota may change or terminate the Plan. For example, the Office could change the Plan's fees or change the Plan Manager; the Board could add or close an Investment Option and/or change the investments of the Investment Options. In certain circumstances, the Board and the Office may terminate your participation in the Plan and close your Account. Depending on the change, you may be required to participate, or be prohibited from participating, in the change if your Account was established prior to the change. If the Board and the Office change the Plan Manager, your Account may automatically be invested in new investment options or you may need to open a new Account in the Plan to make future contributions on behalf of your Beneficiary. There is no guarantee such a change would be without tax implications or Plan investment options in the future will be similar to those described in this Disclosure Booklet. Certain Plan transactions, such as those that relate to changing the Plan Manager, could result in the assets of the Plan being temporarily held in cash. Certain Plan transactions could also result in additional expenses or could negatively impact the performance of the Investment Options.

Potential Impact on Financial Aid. 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 or the Beneficiary's family applies for financial assistance. Because saving for college will increase the financial resources available to the

Beneficiary, there may be some effect on the Beneficiary's eligibility. However, because these policies vary at different institutions and can change over time, it is not possible to predict how the federal financial aid program, state or local government, private organizations or the school to which your Beneficiary applies, will treat your Account.

Medicaid Eligibility. 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 529 Plan. Medicaid laws and regulations may change and you should consult with a qualified advisor regarding your particular situation.

Suitability; Investment Alternatives. The State of Minnesota, the Board, the Office, the Plan and the Plan Manager do not make any representations regarding the suitability of any Investment Options for any particular investor or the appropriateness of the Plan as a college savings investment vehicle. Other types of investments may be more appropriate depending upon your residence, financial condition, tax situation, risk tolerance or the age of the Beneficiary. Various 529 Plans 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 alternative college savings vehicles and you should consult with a qualified advisor to discuss your options.

No Insurance or Guarantee. The State of Minnesota, the Plan, the Federal Deposit Insurance Corporation, other government agencies and entities, and the service providers to the Plan do not insure any Account or guarantee any rate of return or any interest on any contribution to the Plan.

Past Performance

The following table shows the returns of each Investment Option over the time period(s) indicated. For purposes of this discussion, each age band in the Age-Based Investment Option is considered a separate Investment Option.

The table below compares the average annual total return of an Investment Option (after deducting fees and expenses) to the returns of a benchmark. The benchmark included in the table combines the benchmark(s) for the underlying investment(s) in which an Investment Option invests weighted according to the allocations to those underlying investments and adjusted to reflect any changes in the allocations and/or the benchmark(s) during the relevant time period. Benchmarks are not available for investment, are not managed, and do not reflect the fees or expenses of investing.

Past performance is not a guarantee of future results. Performance may be substantially affected over time by changes in the allocations and/or changes in the investments in which each Investment Option invests. Investment returns and the principal value will fluctuate, so that your Account, when redeemed, may be worth more or less than the amounts contributed to your Account.

For monthly performance information, visit the Plan's website at www.mnsaves.org or call the Plan.

Age-Based Investment Option

Average Annual Total Returns for the Period Ended December 31, 2016

Age Bands	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
0–4 Years	7.92%	---	---	---	4.23%	August 12, 2014
Benchmark	8.49%	---	---	---	4.51%	
5–8 Years	7.35%	---	---	---	3.92%	August 12, 2014
Benchmark	7.98%	---	---	---	4.22%	
9–10 Years	6.97%	---	---	---	3.64%	August 12, 2014
Benchmark	7.46%	---	---	---	3.92%	
11–12 Years	6.40%	---	---	---	3.28%	August 12, 2014
Benchmark	6.72%	---	---	---	3.52%	

13–14 Years	5.73%	---	---	---	2.92%	August 12, 2014
Benchmark	5.98%	---	---	---	3.11%	
15 Years	4.74%	---	---	---	2.51%	August 12, 2014
Benchmark	4.84%	---	---	---	2.52%	
16 Years	4.15%	---	---	---	2.27%	August 12, 2014
Benchmark	4.17%	---	---	---	2.17%	
17 Years	3.65%	---	---	---	2.07%	August 12, 2014
Benchmark	3.51%	---	---	---	1.82%	
18 Years and Over	3.16%	---	---	---	1.86%	August 12, 2014
Benchmark	2.84%	---	---	---	1.47%	

Risk-Based Investment Options

Average Annual Total Returns for the Period Ended December 31, 2016

Investment Option	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
Aggressive Allocation Option	7.93%	---	---	---	4.15%	August 12, 2014
Benchmark	8.49%	---	---	---	4.51%	
Moderate Allocation Option	6.91%	4.43%	7.55%	---	4.53%	August 2, 2007
Benchmark	7.46%	4.83%	7.92%	---	5.19%	
Conservative Allocation Option	4.68%	---	---	---	2.16%	August 18, 2014
Benchmark	4.84%	---	---	---	2.22%	
International Equity Index Option	2.75%	-2.08%	---	---	1.25%	June 18, 2013
Benchmark	3.07%	-1.70%	---	---	1.75%	
U.S. and International Equity Option	8.88%	5.49%	11.50%	4.64%	6.30%	October 1, 2001
Benchmark	9.49%	5.81%	11.76%	5.23%	7.28%	
U.S. Large Cap Equity Option	11.71%	---	---	---	8.39%	August 12, 2014
Benchmark	11.96%	---	---	---	8.63%	
Equity and Interest Accumulation Option	6.87%	---	---	---	4.26%	August 18, 2014
Benchmark	6.49%	---	---	---	3.92%	
100% Fixed-Income Option	3.77%	2.68%	1.53%	---	3.69%	August 16, 2007
Benchmark	4.09%	3.05%	2.03%	---	4.41%	
Money Market Option(1)	0.10%	0.03%	0.02%	---	0.29%	November 1, 2007
Benchmark	0.11%	0.05%	0.04%	---	0.34%	
Principal Plus Interest Portfolio	1.43%	1.31%	1.40%	2.22%	2.63%	October 10, 2001

(1) Effective July 1, 2011, the Plan Manager and the Office have agreed to waive the Money Market Option's Plan Manager fee and Minnesota Administrative Fee, respectively, as necessary in an attempt to maintain at least a 0.00% return for the Money Market Option. The Plan Manager, the Office or the Board may discontinue these waivers at any time without notice. Please note that after the waivers, the net return for the Money Market Option may still be negative. The performance data shown for the Money Market Option is net of all waivers then in effect.

Withdrawals

Only you, the Account Owner, may request withdrawals from your Account. There are two components of a withdrawal – principal (the amount contributed to the Account) and earnings, if any (the amount of market return or interest earned on amounts contributed). Whether the earnings portion is subject to tax depends on the purpose for which you use the withdrawal proceeds.

You will receive the Unit value next calculated for the Investment Option(s) you choose after the Plan receives your completed withdrawal request in good order. If your Account is invested in more than one Investment Option, you must select the Investment Option(s) from which your funds are to be withdrawn. 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 to your banking information on file, or if you transfer the Account to a new Account Owner, no withdrawals may be made from the Account for 30 days after the Plan has received the request form, unless you have provided a medallion signature guarantee as required on the appropriate Plan form. You will be required to provide a medallion signature guarantee for withdrawal requests of $100,000 or more.

To request a withdrawal from your Account, complete and mail the appropriate Plan form to the Plan, call the Plan, or make a request through the secure portion of the Plan website. Withdrawal proceeds may generally be paid to you, the Beneficiary, an Eligible Educational Institution, or another 529 Plan. There are certain limitations as to whom the proceeds may be paid depending on the method of withdrawal request. For more information on the potential federal tax consequences associated with withdrawals, see the section on "Federal Income Tax."

You and your Beneficiary are responsible, under federal and Minnesota tax law, to substantiate your treatment of contributions to, withdrawals from, and other transactions involving your Account. You should retain receipts, invoices and other documents and information adequate to substantiate your treatment of such transactions, including the treatment of expenses as Qualified Higher Education Expenses.

Administration of the Plan

The Plan is a tax-advantaged way to save for college tuition and certain related expenses. The Plan was established by the State of Minnesota under Section 529 and the Statute. Pursuant to the Statute, the Commissioner of the Office shall administer the Plan and shall establish the rules, terms, and conditions for the Plan and the Board shall invest the money deposited in Accounts in the Plan, and may contract for investment management and other services in connection with investing the Accounts. The Board authorizes the types of investment options offered by the Plan.

The Plan Manager

The Board and the Office selected TFI as the Plan Manager. TFI is a wholly owned, direct subsidiary of Teachers Insurance and Annuity Association of America ("**TIAA**"). TIAA, together with its companion organization, the College Retirement Equities Fund ("**CREF**"), is an American financial services and pension organization. Effective December 31, 2015, TIAA-CREF Individual & Institutional Services, LLC ("**Services**"), a wholly owned, direct subsidiary of TIAA, serves as the primary distributor and underwriter for the Plan and provides certain underwriting and distribution services in furtherance of TFI's marketing plan for the Plan. Services is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority.

Management Agreement. TFI, the Board and the Office, on behalf of the Plan, have entered into management agreements under which TFI provides certain services to the Plan including investment recommendations, recordkeeping, reporting and marketing. These agreements are set to terminate on August 31, 2019.

Other Information

Confirmations and Account Statements. You will receive confirmations of Account activity, as well as quarterly and annual Account statements indicating for the applicable time period: (1) contributions to your Account; (2) withdrawals from your Account; (3) the market value of your Account at the beginning and at the end of the period; and (4) earnings, if any, on your Account.

If you receive a confirmation you believe does not accurately reflect your instructions or an Account statement that does not accurately reflect information about your Account, you have 60 days from the date of the confirmation or Account statement to notify the Plan of the error. If you do not notify the Plan within that time, you will be deemed to have approved the information in the confirmation or Account statement and to have released the Plan and its service providers from all responsibility for matters covered in the confirmation or Account statement.

You can securely access your Account information any time through the Plan website by creating an online user name and password through the website. (Certain entity Accounts and UTMA/UGMA Accounts are not eligible for online access.)

Financial Statements. Each year, audited financial statements will be prepared for the Plan. You may request a copy by contacting the Plan.

Continuing Disclosure. To comply with Rule 15c2-12(b)(5) of the Securities and Exchange

Commission promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), the Plan Manager has executed a Continuing Disclosure Certificate (the "**Continuing Disclosure Certificate**") for the benefit of the Account Owners. Under the Continuing Disclosure Certificate, the Plan Manager will provide certain financial information and operating data (the "**Annual Information**") relating to the Plan and notices of the occurrence of certain enumerated events set forth in the Continuing Disclosure Certificate, if material. The Annual Information will be filed on behalf of the Plan with the Electronic Municipal Market Access system (the "**EMMA System**") maintained by the Municipal Securities Rulemaking Board (the "**MSRB**"). Notices of certain enumerated events will also be filed on behalf of the Plan with the MSRB.

Tax Information

The federal and Minnesota 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 with a qualified advisor regarding how the rules apply to your circumstances. Any references to specific dollar amounts or percentages in this section are current only as of the date of this Disclosure Booklet; you should consult with a qualified advisor to learn if the amounts or percentages have been updated.

Federal Tax Information

Contributions. Contributions to an Account generally will not result in taxable income to the Beneficiary. Contributions are made on an after-tax basis. A contributor may not deduct the contribution from income for purposes of determining federal income tax liability.

Incoming Rollovers. You may roll over funds (i) from an account in another state's 529 Plan to an Account in the Plan for the same Beneficiary without adverse income tax consequences, provided that it has been at least 12 months from the date of a previous transfer to a 529 Plan for that Beneficiary; (ii) from an account in another state's 529 Plan to an Account in the Plan for a new Beneficiary, without adverse Income tax consequences, provided that the new Beneficiary is a Member of the Family of the previous Beneficiary or (iii) from an Account in the Plan to another Account in the Plan for a new Beneficiary without adverse income tax consequences, provided that the new Beneficiary is a member of the family of the previous Beneficiary. If you roll over funds more than once in 12 months without a change in Beneficiary, every rollover after the first will be considered a Taxable Withdrawal or a Non-Qualified Withdrawal, depending on the circumstances. If you roll over funds to a new Beneficiary that is not a Member of the Family of the previous Beneficiary, that will be considered a Taxable Withdrawal or a Non-Qualified Withdrawal, depending on the circumstances.

Beneficiary Change. You may change your Beneficiary to a Member of the Family of the former Beneficiary without adverse income tax consequences. Otherwise, the change may be subject to income taxes. There also may be federal gift, estate and generation-skipping tax consequences of changing the Beneficiary.

Earnings. Earnings within an Account should not result in taxable income to the Account Owner or Beneficiary while the earnings are retained in the Account.

Withdrawals. All withdrawals are considered as attributable partially to contributions made to the Account and partially to earnings, if any. Only the earnings portion of a withdrawal is ever subject to federal income tax, including the Additional Tax.

The proportion of contributions and earnings for each withdrawal is determined by the Plan based on the relative portions of earnings and contributions as of the withdrawal date for the account from which the withdrawal was made. Each withdrawal you make from your Account will fall into one of the following categories:

- Qualified Withdrawal;
- Taxable Withdrawal;
- Qualified Rollover; or
- Non-Qualified Withdrawal.

The federal income tax treatment of each category of withdrawal is described below.

Qualified Withdrawals. To be a Qualified Withdrawal, the withdrawal must be used to pay for Qualified Higher Education Expenses of the Beneficiary at an Eligible Educational Institution. No portion of a Qualified Withdrawal is subject to income tax, including the Additional Tax.

Qualified Higher Education Expenses are defined generally to include tuition, certain room and board expenses, fees, the cost of computers, hardware, certain software, and internet access and related services, and the cost of books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible

Educational Institution as well as certain additional enrollment and attendance costs of Beneficiaries with special needs. To be treated as Qualified Higher Education Expenses, computers, hardware, software, and internet access and related services must be used primarily by the Beneficiary while enrolled at an Eligible Educational Institution. Qualified Higher Education Expenses do not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature.

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.

Taxable Withdrawals. A Taxable Withdrawal is a withdrawal from your Account 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 that is taken into account in determining the Beneficiary's American Opportunity Credit or Lifetime Learning Credit.

The earnings portion of a Taxable Withdrawal is subject to income tax but not to the Additional Tax.

Qualified Rollovers. A Qualified Rollover is a transfer of funds from an Account (1) to an account in another state's 529 Plan for the same Beneficiary, provided that it has been at least 12 months from the date of a previous transfer to a 529 Plan for that Beneficiary or (2) to an account in another state's 529 Plan (or an Account in the Plan for a new Beneficiary), provided that the new Beneficiary is a Member of the Family of the previous Beneficiary. No portion of a Qualified Rollover is subject to income tax, including the Additional Tax.

If you roll over funds more than once in 12 months without a change in Beneficiary, every rollover after the first will be considered a Taxable Withdrawal or a Non-Qualified Withdrawal, depending on the circumstances. If you rollover funds to a new Beneficiary that is not a Member of the Family of the previous Beneficiary, that will be considered a Taxable Withdrawal or a Non-Qualified Withdrawal, depending on the circumstances.

Qualified Rollovers may be direct or indirect. Direct Qualified Rollovers involve the transfer of funds directly from an Account to an account in another state's 529 Plan (or an Account in the Plan for a different Beneficiary). Indirect Qualified Rollovers involve the transfer of funds from an Account to the Account Owner, who then contributes the funds to an account in another state's 529 Plan (or an Account in the Plan for a different Beneficiary). To avoid adverse federal tax consequences, the funds received by the Account Owner from the rollover must be contributed to the new account (or an Account in the Plan) within 60 days of withdrawal from the Account. If the contribution to the new account (or an Account in the Plan) occurs after the 60-day time frame, the rollover will be considered a Taxable Withdrawal or a Non-Qualified Withdrawal, depending on the circumstances.

The 529 Plan of another state may impose restrictions on or prohibit certain types of incoming rollovers. Be sure to check with the other 529 Plan before requesting an outgoing rollover from the Plan.

Non-Qualified Withdrawals. A Non-Qualified Withdrawal is any withdrawal that is not: (1) a Qualified Withdrawal; (2) a Taxable Withdrawal; or (3) a Qualified Rollover.

The earnings portion of a Non-Qualified Withdrawal is subject to income tax, including the Additional Tax.

Refunds of Payments of Qualified Higher Education Expenses. If an Eligible Educational Institution refunds any portion of an amount previously withdrawn from an Account and treated as a Qualified Withdrawal, unless you contribute such amount to a qualified tuition program for the same Beneficiary not later than 60 days after the date of the refund, you may be required to treat the amount of the refund as a Non-Qualified Withdrawal or Taxable Withdrawal (depending on the reason for the refund) for federal income tax purposes. Different treatment may apply if the refund is used to pay other Qualified Higher Education Expenses of the Beneficiary.

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 ESAs, American Opportunity Credits, Lifetime Learning Credits and "qualified United States savings bonds" described in IRC Section 135 ("**qualified U.S. savings bond**s"). The available tax benefits for paying Qualified Higher Education Expenses through these programs must be coordinated in order to avoid the duplication of such benefits. Account Owners should consult a qualified tax advisor regarding the interaction under the IRC of the federal income tax education-incentive provisions addressing Account withdrawals.

Federal Gift, Estate and Generation-Skipping Transfer Tax Treatment. The tax treatment summarized in this section is complicated and will vary depending on your individual circumstances. You should consult with a qualified advisor regarding the application of these tax provisions to your particular circumstances.

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 an Account for a Beneficiary, **together with all other gifts by the contributor to the Beneficiary during the year**, are less than, or equal to, the current annual gift tax exclusion amount, no federal gift tax will be imposed on the contributor for gifts to the Beneficiary during that year. This annual gift tax exclusion amount is indexed for inflation in $1,000 increments and therefore may be adjusted in future years.

If a contributor's contributions to an Account for a Beneficiary in a single year exceeds the current annual gift tax exclusion amount, the contributor may elect to treat up to five times the current annual gift tax exclusion amount 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 need to take into account the ratable portion of the Account contribution allocated to that year.)

In addition, to the extent not previously used, each contributor has a lifetime exemption that will be applied to gifts in excess of the annual exclusion amounts referred to above. This lifetime exemption is adjusted for inflation and therefore may be adjusted in future years. A married couple may elect to split gifts and apply their combined lifetime exemption to gifts made by either of them. Accordingly, while federal gift tax returns are required for gifts in excess of the annual gift tax exclusion amount (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 effective gift tax rate is currently 40 percent.

Amounts in an 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 an 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. Each taxpayer has an estate tax exemption reduced by lifetime taxable gifts. This estate tax exemption is adjusted for inflation and therefore may be adjusted in future years. The effective estate tax rate is currently 40 percent.

A change of the Beneficiary of an Account or a transfer of funds from an Account to an 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 federal generation-skipping transfer tax. Each taxpayer has a generation-skipping transfer tax exemption that may be allocated during life or at death. This generation-skipping transfer tax exemption is adjusted for inflation and therefore may be adjusted in future years. The generation-skipping transfer tax rate is currently 40 percent. Under the proposed regulations under Section 529, these taxes would be imposed on the prior Beneficiary.

The current amount of the annual gift tax exclusion is $14,000 per year ($28,000 for married contributors electing to split gifts). The current lifetime exemption, estate tax exemption, and generation-skipping transfer tax exemption is $5,490,000 for each contributor.

Minnesota Tax Information

The following discussion applies only with respect to Minnesota taxes. Minnesota tax treatment in connection with the Plan applies only to Minnesota taxpayers. You should consult with a qualified advisor regarding the application of Minnesota tax provisions to your particular circumstances.

Contributions. Contributions to an Account generally do not result in Minnesota taxable income to the Beneficiary. Contributions to an Account are not deductible for Minnesota income tax purposes.

Withdrawals. Minnesota's income taxation of withdrawals generally follows the federal income tax treatment described above. Qualified Withdrawals and outgoing rollovers that are free from federal income tax are also free from Minnesota income tax. The earnings portions of Non-Qualified Withdrawals and Taxable Withdrawals are subject to Minnesota income tax if the taxpayer reporting the income is a Minnesota resident at the time of the distribution.

Taxes Imposed by Other Jurisdictions. Prospective Account Owners should consider the potential impact of income taxes imposed by jurisdictions other than Minnesota. It is possible that other state or local taxes apply to withdrawals from, or accumulated earnings within the Plan, depending on the residency, domicile, or sources of taxable income of the Account Owner or the Beneficiary. Account Owners and Beneficiaries should consult with a qualified advisor regarding the applicability of state or local taxes imposed by other jurisdictions.

Tax Reports

Annually, the Plan will issue Form 1099-Q to each distributee for any withdrawal(s) made from an Account in the previous calendar year as required by the IRC. The Plan will also report withdrawals to the IRS and to the State of Minnesota as may be required. Form 1099-Q shows the basis (contributions) and earnings, if any, portion for withdrawals made from your Account. The Form 1099-Q recipient (which is deemed to be the Account Owner unless the withdrawal is paid to the Beneficiary or an Eligible Educational Institution on behalf of the Beneficiary) is responsible for determining whether the earnings portion of the withdrawal is taxable, for retaining appropriate documentation to support this determination and for appropriately reporting earnings on his/her federal and Minnesota income tax forms.

Other Information About Your Account

No Pledging of Account Assets. Neither you nor your Beneficiary may use your Account or any portion of your Account as security for a loan.

Protection of your Account in the Event of a Bankruptcy. 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 assets that have been contributed to a 529 Plan account. However, bankruptcy protection for 529 Plan assets is limited and has certain conditions. To be protected, the Account Beneficiary must be (or have been during the taxable year of the contribution) a child, stepchild, grandchild, or step-grandchild of the individual who files for bankruptcy protection. In addition, contributions made to all 529 Plan accounts for the same beneficiary (meaning your Account for a Beneficiary would be aggregated with any other account you have for the same Beneficiary in a 529 Plan in another state) are protected as follows: (1) there is no protection for any assets contributed less than 365 days before the bankruptcy filing; (2) assets are protected in an amount up to $5,850 if they have been contributed between 365 and 720 days before the bankruptcy filing; and (3) assets are fully protected if they have been contributed more than 720 days before the bankruptcy filing. This information is not meant to be individual advice, and you should consult with a qualified advisor concerning your individual circumstances and the applicability of Minnesota law.

Pre-2011 Matching Grants

Matching Grants. In 2011, the State of Minnesota discontinued a matching grant ("**Matching Grant**") program available to eligible Beneficiaries in the Plan. Account contributions made in 2011 and subsequent calendar years do not qualify for an annual Matching Grant award. The following disclosure applies to Account Owners who have been awarded a Matching Grant.

Ownership, Distribution and Forfeiture. The State of Minnesota retains ownership of all previously awarded Matching Grants and earnings on Matching Grants until a distribution is made to a Beneficiary or an Eligible Educational Institution. The Matching Grant distribution must be used to pay for the Qualified Higher Education Expenses of the Beneficiary. The distribution is based on the total combined account balance of your Account and the Matching Grant Account on the date of distribution. The distribution must be withdrawn proportionately from your Account and the Matching Grant Account based on the relative total account balance of each Account to the total account balance for both Accounts. Your Account must be opened at least three years before a Beneficiary may take a distribution of Matching Grant funds. For purposes of satisfying this three-year period, the period of time that funds were held in another Account or in an account in another qualified tuition program will be included if such funds were transferred to the qualifying Account through a rollover.

You will forfeit all or a portion of your Matching Grant under certain conditions. These conditions include: (1) a transfer of funds from the Account or a change of Beneficiary; (2) the death or disability of the Beneficiary; (3) the award of a tuition scholarship to the Beneficiary or the attendance of the Beneficiary at one of the military academies; or (4) a Non-Qualified Withdrawal by the Account Owner. If you have made a misrepresentation in the Application or Participation Agreement or in the application for a Matching Grant that resulted in a Matching Grant, the Matching Grant associated with the misrepresentation will be forfeited.

Taxation of Matching Grants. The Matching Grant program has been designed so the Matching Grant, including any earnings, used for certain Qualified Higher Education Expenses while a student is pursuing a degree will be treated as a scholarship and not be subject to federal or Minnesota income taxation. However, there is no assurance the IRS or the Minnesota Department of Revenue will agree. No legal opinion has been sought regarding the federal or Minnesota tax treatment of the Matching Grant program.

Certain restrictions apply to the use of funds in Matching Grant Accounts. If the Matching Grant is used for tuition, fees, books, supplies and equipment required for enrollment or attendance of the Beneficiary at the Eligible Educational Institution, it is not likely to be subject to federal or Minnesota income tax. However, if any portion of Matching Grant funds is used as payment for room and board costs, or for any expenses other than tuition, fees, books, supplies and equipment required for enrollment or attendance of the Beneficiary at the Eligible Educational Institution, it likely will be subject to federal and Minnesota income tax. The student Beneficiary must report such amount to the IRS when filing his or her tax return. Similarly, any portion of Matching Grant funds used to pay for Qualified Higher Education Expenses at correspondence schools may not be eligible for federal or Minnesota tax-exempt treatment.

Notwithstanding the design of the Plan, the IRS or the Minnesota Department of Revenue could take the position that the Matching Grant is subject to federal and Minnesota income taxation in the year the grant is awarded. Account Owners and Beneficiaries should consult their own tax advisors regarding the federal and Minnesota tax treatment of Matching Grants.

Inactive Matching Grants. For Matching Grant purposes, Minnesota will consider an Account inactive if: (1) the Beneficiary is not the Account Owner, has reached the age of 28 and has not informed the Plan of enrollment in an Eligible Educational Institution; (2) the Beneficiary is also the Account Owner, was 18 years or older when the Account was opened and has not informed the Plan of enrollment in an Eligible Educational Institution within 10 years of opening the Account; (3) the Beneficiary is also the Account Owner, was a minor when the Account was opened, has reached the age of 28 and has not informed the Plan of enrollment in an Eligible Educational Institution; (4) the Beneficiary does not begin attendance at an Eligible Educational Institution within one year of notice by the Plan of pending inactive Account status; or (5) a deferment of the inactive status of the Account has not been obtained. The Plan will attempt to locate missing Account Owners and/or Beneficiaries to notify them of pending inactive Account status, without charge to the Account. If the Office determines a Matching Grant is inactive, it will return all Matching Grants, together with corresponding earnings, if any, to the

State of Minnesota. Such amounts will no longer be available for distribution to the Beneficiary.

APPENDIX I
to the Disclosure Booklet for the Minnesota College Savings Plan

Participation Agreement for the Minnesota College Savings Plan

Each term used but not defined in this Participation Agreement has the meaning given to it in the Disclosure Booklet. By signing the Application, you agree to all the terms and conditions in the Disclosure Booklet and in this Participation Agreement. Together, the Application and this Participation Agreement are referred to as the "**Agreement**."

This Agreement is entered into between you, the Account Owner, the Minnesota Office of Higher Education (the "**Office**"), and the Minnesota State Board of Investment (the "**Board**") on behalf of the State of Minnesota. The terms and conditions under which your Account in the Plan is offered are contained in this Agreement and the Disclosure Booklet. This Agreement becomes effective when the Plan opens an Account for you.

I hereby acknowledge and agree with and represent and warrant to the Office and the Board as follows:

1. Disclosure Booklet. I read and understand the Disclosure Booklet, this Agreement and the Application. When making a decision to open an Account, I did not rely on any representations or other information, whether oral or written, other than those in the Disclosure Booklet and this Agreement.

2. Purpose for Account. I am opening this Account to provide funds for the Qualified Higher Education Expenses of the Beneficiary.

3. Accurate Information. I accurately and truthfully completed the Application and any other documentation or information I provide or forms I fill out, including withdrawal requests, related to my Account(s) will be true and correct.

4. Account Owner Authority. As the Account Owner, I understand only I may (i) provide instructions on how to invest contributions to my Account(s), (ii) direct transfers, (iii) request a rollover, (iv) change the investment strategy of my Account(s) (as permitted by applicable law), (v) change the Beneficiary, or (vi) request withdrawals.

5. Maximum Account Balance. I understand the amount of any contribution to an Account that would cause the market value of such Account and all other Accounts in the Plan for the same Beneficiary, to exceed the maximum account balance will be rejected and returned to me. I understand the Office may change the maximum account balance at any time without notice.

6. One Beneficiary per Account. I understand there may be only one Beneficiary per Account.

7. Incoming Rollovers. If I contribute to my Account using funds from (i) an incoming rollover from another 529 Plan, (ii) a Coverdell ESA, or (iii) the redemption of a qualified U.S. savings bond, I understand I must so inform the Plan and I must provide acceptable documentation showing the earnings portion of the contribution. If such documentation is not provided, the Plan must treat the entire amount of the contribution as earnings.

8. Investment Instructions. I understand on my Application, I must select one or more of the Investment Options and, if I select more than one Investment Option, I must designate what portion of the contribution made to the Account should be invested in each Investment Option. I understand after the Account is opened, I must provide such instructions for each contribution unless Allocation Instructions have been provided to the Plan.

9. No Investment Direction. I understand all investment decisions for the Plan will be made by the Board. Although I must select the Investment Option(s) in which I want contributions to my Account invested, I cannot directly or indirectly select the investments for an Investment Option and an Investment Option's investments may be changed at any time by the Board. I also understand once invested in a particular Investment Option, contributions (and earnings, if any) may be moved to another Investment Option only twice per calendar year or if I change the Beneficiary for that Account. I understand and acknowledge transfers (including when there is a change of Beneficiary) from the Principal Plus Interest Option to the Money Market Option are not permitted and I will be provided notice in the event transfers from the Principal Plus Interest Option to the Money Market Option become permissible.

10. Withdrawals. I understand once a contribution is made to an Account, my ability to withdraw funds without adverse tax consequences is limited. I understand these restrictions and potential tax liabilities and penalties are described in the Disclosure Booklet.

11. Investment Risks. I represent I reviewed and understand the risks related to investing in the Plan discussed in the Disclosure Booklet. I understand investment returns are not guaranteed by the State of Minnesota, the Office, the Board, the Plan, or any of the service providers to the Plan (including the Plan Manager), and I assume all investment risk of an investment in the Plan, including the potential liability for taxes and penalties that may be assessable in connection with a withdrawal from my Account(s). I understand I can lose money by investing in the Plan.

12. No Guarantees. I understand participation in the Plan does not guarantee contributions and the investment return, if any, on contributions will be adequate to cover the higher education expenses of a Beneficiary or that a Beneficiary will be admitted to or permitted to continue to attend an institution of higher education.

13. Loans. I understand my Account(s) or any portion of my Account(s) cannot be used as collateral for any loan and any attempt to do so shall be void.

14. Dormant Accounts. I understand my Account will be considered dormant if:

(a) I fail to make contributions to the Account for at least three consecutive years; and

(b) Account statements mailed to me are returned as undeliverable. I understand a fee of 5% of my Account balance (not to exceed $100), plus allowable costs, may be assessed against my Account to cover the Plan's efforts to locate me, my legal heirs or the Beneficiary. I also understand if these efforts are unsuccessful, all remaining funds in my Dormant Account will be transferred to the Office which will remit all such funds to the government agency of Minnesota in charge of abandoned funds.

15. Tax Records. I understand for tax reporting purposes, I must retain adequate records relating to withdrawals from my Account(s).

16. Transfer of Account Ownership. I understand if I transfer an Account to any other person, I will cease to have any right, title, claim or interest in the Account and the transfer is irrevocable.

17. Not an Investor in Underlying Investments. I understand I am not, by virtue of my investment in an Investment Option of the Plan, a shareholder in or owner of interests in such Investment Option's investments.

18. Changes to Laws. I understand the Plan is established and maintained by the State of Minnesota pursuant to the Statute and is intended to qualify for certain federal income tax benefits under Section 529. I further understand qualification under Section 529 is vital and the Plan may be changed by the State of Minnesota, the Office or the Board at any time if it is determined such change is required to maintain qualification under Section 529. I also understand Minnesota and federal laws are subject to change for any reason, sometimes with retroactive effect, and none of the State of Minnesota, the Office, the Board, the Plan, or any of the service providers to the Plan (including the Plan Manager) makes any representation that such Minnesota or federal laws will not be changed or repealed or that the terms and conditions of the Plan will remain as currently described in the Disclosure Booklet and this Agreement.

19. UGMA/UTMA and Trust Accounts. I understand if I established the Account in my capacity as custodian for a minor under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (UGMA/UTMA) or as the trustee for a trust established for a minor, the Account will be subject to certain specific requirements pursuant to UGMA/UTMA or the trust, as applicable, I am solely responsible for compliance with such requirements, and I 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;
- not be permitted to change the Beneficiary of the Account either directly or by means of a rollover, except as permitted under UGMA/UTMA or the trust document, as applicable;
- not be permitted to name a contingent account owner, or to change ownership of the Account except as permitted under UGMA/UTMA or the trust document, as applicable; and
- be required to notify the Plan when the Beneficiary reaches the age of majority or is otherwise legally authorized to assume

ownership of the Account so the Beneficiary can be registered as the Account Owner and take control of the Account.

20. Legal Entity Account Owner. If I am a person establishing the Account on behalf of a legal entity and I sign the Application and enter into this Agreement for such entity, I represent and warrant (i) the entity may legally become, and thereafter be, the Account Owner, (ii) I am duly authorized to act on behalf of/for the entity, (iii) the Disclosure Booklet may not discuss tax consequences and other aspects of the Plan that are relevant to the entity, and (iv) the entity has consulted with and relied on a professional advisor, as deemed appropriate by the entity, before becoming an Account Owner.

21. Indemnification by Me. I recognize the establishment of any Account will be based on the statements, agreements, representations, and warranties made by me in this Agreement, on Plan forms, and in any other communications related to my Account(s). I agree to indemnify the State of Minnesota, the Plan, the Office, the Board and any of the service providers to the Plan (including the Plan Manager) and any of their affiliates or representatives from and against any and all loss, damage, liability or expense (including the costs of reasonable attorney's fees), to which said entities may be put or which they may incur by reason of, or in connection with, any misstatement or misrepresentation made by me or a Beneficiary in the above-mentioned documents or otherwise, any breach by me of the acknowledgments, representations or warranties contained in the Agreement, or any failure by me to fulfill any covenants or obligations in this Agreement. All of my statements, representations or warranties shall survive the termination of this Agreement and this indemnification shall remain enforceable against me, notwithstanding my permitted transfer of ownership of the Account to another person.

22. Termination. I understand the Office and the Board may at any time terminate the Plan and/or this Agreement, either of which may cause a distribution to be made from my Account. I further understand that I may be liable for taxes and may need to pay a penalty on the earnings, if any, of such a distribution. I may cancel this Agreement at any time by requesting a 100% withdrawal from my Account.

23. Controlling Law. This Agreement is governed by Minnesota law without regard to principles of conflicts of law.

24. Additional Documentation. I understand in connection with opening an Account for me, and prior to processing any Account transactions or changes requested by me after an Account is opened, the Plan may ask me to provide additional documentation and I agree to promptly comply with any such requests.

25. Duties and Rights of the Minnesota Entities and the Service Providers. None of the State of Minnesota, the Office, the Board, the Plan, nor any of the service providers to the Plan (including the Plan Manager) has a duty to perform any action other than those specified in the Agreement or the Disclosure Booklet. The State of Minnesota, the Office, the Board, the Plan and the service providers to the Plan (including the Plan Manager) may accept and conclusively rely on any instructions or other communications reasonably believed to be from me or a person authorized by me and may assume the authority of any authorized person continues to be in effect until they receive written notice to the contrary from me. The State of Minnesota, the Office, the Board, the Plan and the service providers to the Plan (including the Plan Manager) do not have a duty to advise me of the investment, tax, or other consequences of my actions, of their actions in following my directions, or of their failing to act in the absence of my directions. Each of the State of Minnesota, the Office, the Board, the Plan and each of the service providers to the Plan (including the Plan Manager) is a third-party beneficiary of, and can rely upon and enforce, any of my agreements, representations, and warranties in this Agreement.

26. Data Practices. I understand it is a mandatory requirement that I furnish my and my Beneficiary's Social Security number or taxpayer identification number on the Application, other Account forms or the Plan website and failure to provide it will prevent participation in the Plan. I further understand my and my Beneficiary's Social Security number or taxpayer identification number are requested pursuant to legal authority contained in the United States Code, Title 42, Section 405(c)(2) (C)(i); IRC Section 6109(a); Proposed Treasury Regulation Section 1.529-4(b)(3)(i) and (c)(2)(i); and IRS Notice 2001-81. Such numbers will be used for federal and Minnesota tax administration purposes involving Section 529(d) of the IRC. I also understand the information I provide on the Application, other Account forms, or the Plan website may be shared with other governmental or regulatory bodies and certain service providers to the Plan for the sole purpose of establishing and maintaining a qualified tuition savings Account in the Plan for me and failure to provide the information requested will prevent my participation in the Plan.

APPENDIX II
to the Disclosure Booklet for the Minnesota College Savings Plan

Privacy Policy

***Please read this notice carefully*. It gives you important information about how the Plan handles nonpublic personal information it may receive about you in connection with the Plan.**

Information the Plan Collects

Nonpublic personal information about you (which may include your Social Security number or taxpayer identification number) may be obtained in any of the following ways:

- you provide it on the Plan application;
- you provide it on other Plan forms;
- you provide it on the secure portion of the Plan's website; or
- you provide it to complete your requested transactions.

How Your Information Is Used

The Plan does not disclose your personal information to anyone for marketing purposes. The Plan discloses your personal information only to those service providers who need the information to respond to your inquiries and/or to service and maintain your Account. In addition, the Plan or its service providers 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 service providers who receive your personal information may use it to:

- process your Plan transactions;
- provide you with Plan materials; and
- mail you Plan Account statements.

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

- These service providers are required to keep your personal information confidential and to use it only for providing contractually required services to the Plan.

Security of Your Information

The Plan 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 to this Privacy Policy

The Plan will periodically review this Privacy Policy and its related practices and procedures. You will be notified of any material amendments to this Privacy Policy.

Notice About Online Privacy

The personal information you provide through the Plan's website is handled in the same way as the personal information 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, Account Information Access and Online Transactions

When you visit the Plan's website, you can go to pages that are open to the general public or log on to protected pages to enroll in the Plan, access information about your Account, or conduct certain transactions related to your Account. Once you have opened an Account in the Plan, access to the secure pages of the Plan's website is permitted only after you have created a user ID and password by supplying your Social Security number or taxpayer identification number and Account number. The user ID and password must be supplied each time you want to access your Account information online. This information serves to verify your identity.

When you enter personal data into the Plan's website (including your Social Security number or taxpayer identification number and your password) to enroll or access your Account information online, you will log in to secure pages where Secure Sockets Layer (SSL) protocol is used to protect information.

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

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

Other Personal Information Provided by You on the Plan's Website

If you decide not to enroll online and you want to request Plan materials be mailed to you, you can click on another section of the Plan's website to provide your name, mailing address and e-mail address. The personal information 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's website does not use SSL encryption protocol, your information will be safeguarded in accordance with federal and state privacy laws and industry norms.

To contact the Plan:

Visit the Plan's **website at** www.mnsaves.org;
Call the Plan toll-free at 1-877-EDU 4 MIN (1-877-338-4646); or
Write to the Plan at P.O. Box 55134, Boston, MA 02205