



**SAVE FOR COLLEGE WITH
ARKANSAS' 529 PLAN.**



START INVESTING IN YOUR CHILD'S TOMORROWS TODAY.



SMART INVESTMENTS FOR TOMORROW: YOUR CHILD AND THE ARKANSAS 529 GIFT PLAN.

The quality of our tomorrows can depend on the education of our kids. Paying for that education and skill development, however, can be a challenge. One solution: the Arkansas 529 GIFT Plan, sponsored by the state of Arkansas.

Your savings can grow tax-deferred through a wide variety of investment options. Later, the money can be withdrawn tax-free to pay for qualified higher education and vocational school costs like tuition, room and board, computers and supplies at any eligible two- or four-year college, university, or trade school.¹ Plus, you can still qualify for financial aid – no matter how much you save

Why the Arkansas 529 GIFT Plan is different.

Unlike traditional savings plans, the Arkansas 529 GIFT Plan can help your college savings grow tax-deferred through an investment strategy tailored to your time horizon, risk tolerance and comfort level. In addition, the plan offers:

- tax-free withdrawals for qualified expenses¹
- up to a \$5,000 Arkansas tax deduction (\$10,000 for married couples)²
- opening minimum contribution as low as \$25.

Save for college, one cup at a time.
Put the cost of one \$4 coffee per day toward college savings and the results can be eye-opening:



*AT \$4/DAY WITH 5% INTEREST
This is a hypothetical scenario and does not reflect an actual investment.
Source: "Pay for College - College Savings Calculator."
The College Board, Apr. 2015.

¹Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

²Contributions to the plan in a tax year are deductible from Arkansas state income tax, subject to recapture in subsequent years in which a non-qualified withdrawal or a rollover out to another state's 529 plan is made.

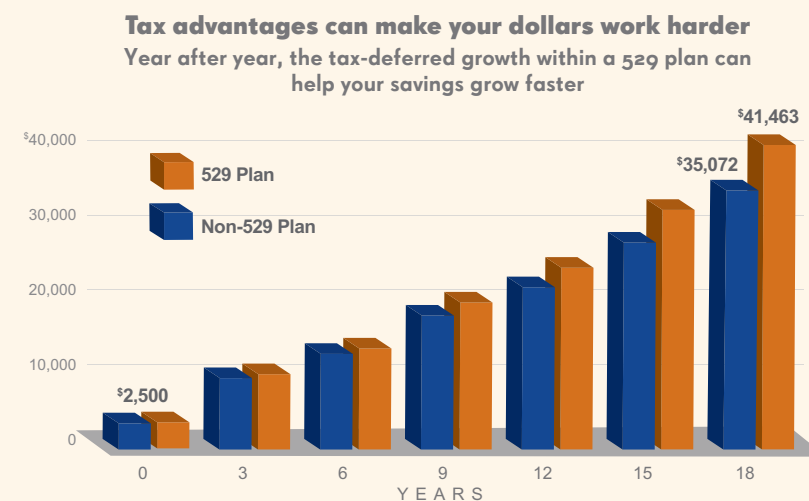
It's never too early. Or too late.

With its many tax advantages, early and regular savings to an Arkansas 529 GIFT Plan account can really add up. Whether your child is going to college in 10, 12, or even 18 years, the sooner you begin, the more time you have to add to your savings.

If your time horizon is as little as five years, saving today can still help boost your savings through the power of compounding. You pay no taxes on earnings while your money remains in your account. At the end of the day, this means that you can possibly accumulate more than if you had invested the same amount in a taxable investment.

The power of tax-deferred growth.

The chart below compares two hypothetical accounts: one taxable and another tax-deferred, each with the same \$2,500 initial investment and monthly contributions of \$100. After 18 years, the values of these accounts could be significantly different:



Assumptions: \$2,500 initial investment with subsequent monthly investments of \$100 for a period of 18 years; annual rate of return on investment of 5% and no funds withdrawn during the time period specified; taxpayer is in the 30% federal income tax bracket for all options at the time of contributions and distribution. This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or any taxes payable upon distribution.



Special tax advantages help you benefit today and tomorrow.

State tax deductions

If you're an Arkansas taxpayer, you can deduct up to \$5,000 (up to \$10,000 for married couples) of your GIFT Plan contributions from your Arkansas adjusted gross income.¹

Federal tax-deferred growth and tax-free qualified withdrawals²

All earnings are reinvested tax-deferred, giving your account the potential to grow at a faster rate than if you had invested in a comparable taxable account. Withdrawals used to pay for qualified higher education expenses are free from federal income tax, so all of your savings go toward paying for college, instead of taxes.

Estate and gift tax savings

Contribute up to \$14,000 (up to \$28,000 for married couples) per year per child to a GIFT Plan account without incurring federal gift-tax consequences. You can also contribute up to \$70,000 per child in a single year (up to \$140,000 for married couples) to take advantage of five years' worth of federal tax-free gifts at one time.³

¹Contributions to the GIFT Plan in a tax year are deductible from Arkansas state income tax, subject to recapture in subsequent years in which a non-qualified withdrawal or a rollover out to another state's 529 plan is made.

²Earnings on non-qualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

³The gift will be prorated over five years. In the event the donor does not survive the five-year period, a prorated amount will revert back to the donor's taxable estate.

Start with just a \$25 opening contribution.



Open an account with as little as \$25 and use an automatic investment plan (AIP) of \$10 per month (or \$30 per quarter). Contributions to your Arkansas 529 GIFT Plan account can also be made through payroll direct deposit (\$5 minimum per pay period if offered by your employer).¹

Contribute up to \$366,000 per child.

Make contributions until the aggregate account balance for all accounts for the same Designated Beneficiary reaches \$366,000.

Manage your account online.

Open an account quickly and easily online by going to www.arkansas529.org. It takes just minutes, and once established, you can manage your account virtually 24 hours a day, seven days a week.

Maintain full control of your assets.

If your child does not attend college, you can always transfer the account to another beneficiary, if that person is a "member of the family" (as defined by federal tax law; see the Plan's Program Description). As the Account Owner, you maintain control over withdrawals for the life of the account. And you can use the Arkansas 529 GIFT Plan to save for a technical, undergraduate or graduate education for anyone, including yourself.



Use your 529 savings at schools nationwide.

Your investments can be used at any eligible higher education institution in the U.S. and abroad, including eligible vocational schools, two- and four-year colleges, and graduate schools. Qualified higher education expenses include tuition, fees, and certain room and board, and the costs of books, computers and supplies required for enrollment or attendance.

Pick the right investment options for you.

Choose among Age-Based options, Custom Portfolio options, and Arkansas 529 GIFT Plan Savings Portfolio option to create an investment strategy that fits your risk tolerance and time horizon.

Two free programs help grow your savings even more.

Turn gifts your child gets throughout the year and purchases you make every day into college savings.

Ugift® - Give College Savings

For every milestone in your child's life, friends and family may contribute to your child's college savings in lieu of traditional gifts. Contributions can go directly to your account with a Ugift code through Ugift529.com or via an email invite. To learn more about how Ugift works, go to www.arkansas529.org.

Upromise® by Sallie Mae®

Earn your college money from online purchases, dining out, and other day-to-day spending. Simply link your Upromise account with your Arkansas 529 GIFT Plan account to transfer savings automatically to your 529 plan account on a periodic basis (subject to a \$25 minimum).² To sign up for Upromise rewards, or for more information, visit www.upromise.com/arkansas.

¹A plan of periodic investment does not assure a profit or protect against a loss in declining markets.

²Upromise is an optional service offered by Upromise, Inc., is separate from the Arkansas 529 GIFT Plan, and is not affiliated with the State of Arkansas. Terms and conditions apply to the Upromise service. Participating companies, contribution levels, and terms and conditions are subject to change at any time without notice. Transfers from Upromise to a GIFT Plan account are subject to a \$25 minimum.

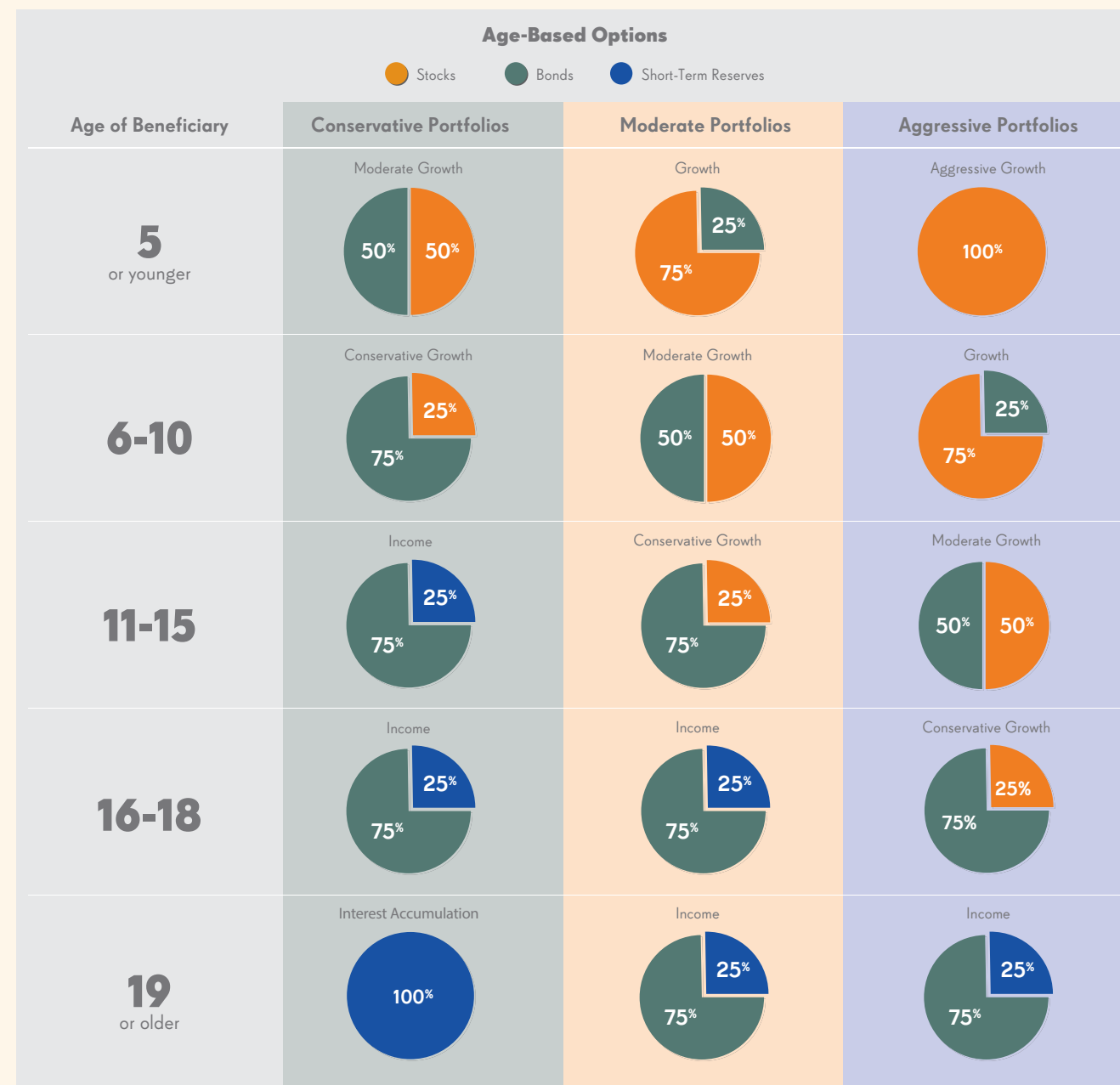


Choose the right investment options for you.

Making the savings choices that best fit your needs can be critical to achieving your goals. Whether you take a more hands-on approach to investing or prefer to be less involved, Arkansas 529 GIFT Plan gives you three options for choosing the strategy that's right for you.

1. Select an Age-Based option that automatically adjusts over time.

Select the portfolio that best corresponds to your child's age range and your risk tolerance, and Vanguard will automatically adjust your investments over time to become more conservative as your child approaches college age.

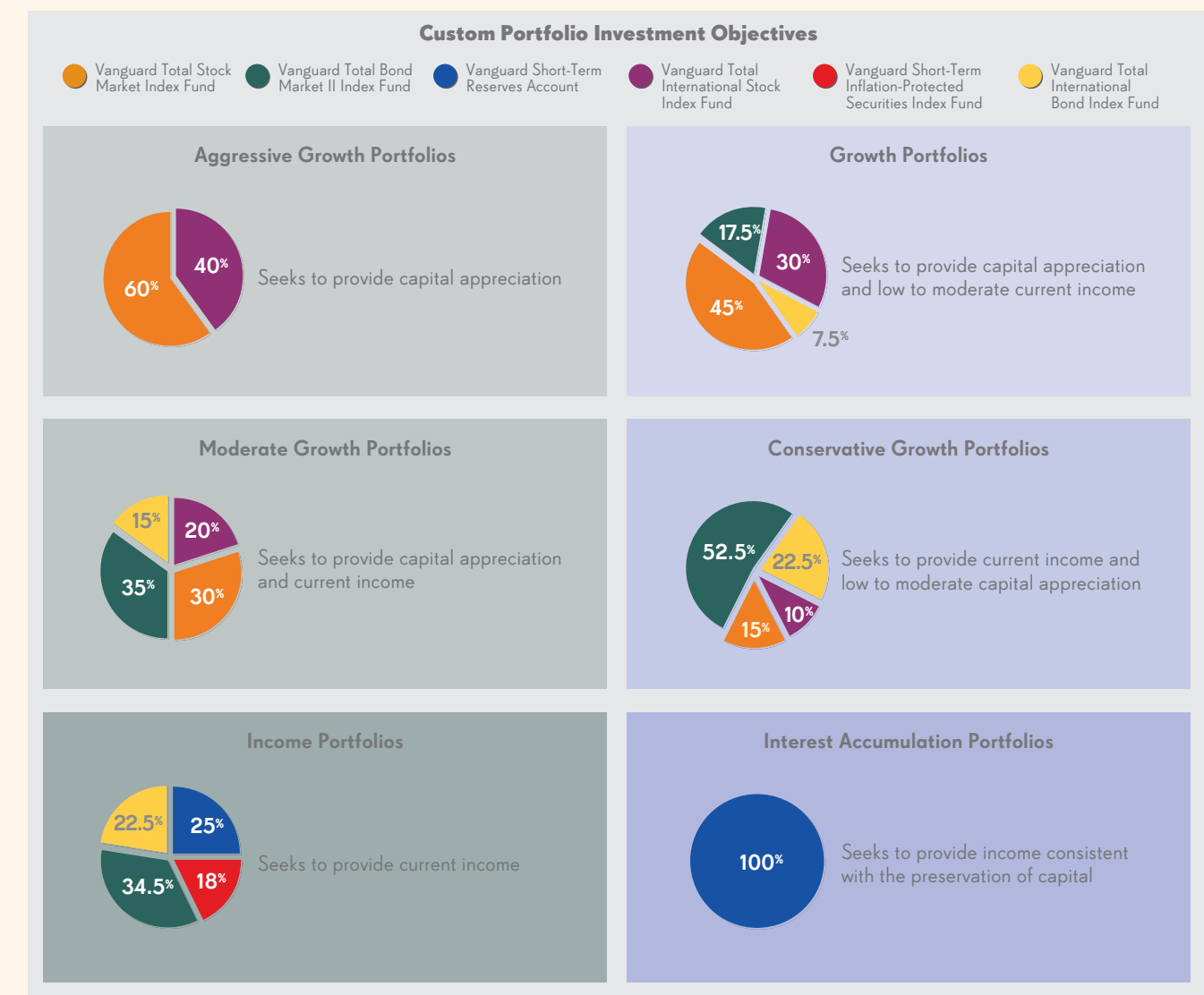


Portfolios with higher allocations to bonds and short-term investments tend to be less volatile than those with higher stock allocations. Less-volatile portfolios generally may not decline as far when markets go down, but also may not appreciate in value as much when markets go up. All investments involve risk, and you can lose money when investing in a 529 plan. For more complete information on the Arkansas 529 GIFT College Investing Plan investment options, including risks, refer to the enclosed Program Description.

2. Create your own set of Custom Portfolio options.

You can also choose from among six Custom Portfolio options that invest in stock funds, bond funds, or a short-term reserve account, all managed by Vanguard. Unlike the Age-Based options, your allocations to custom portfolios will remain generally fixed unless you decide to change them.

As your child nears college, you may choose to progressively move your savings to more conservative investments to help preserve capital and minimize the effects of market fluctuations.



NOTE: Under the federal tax rules governing all 529 plans, you may reallocate your investments twice per calendar year, or when you change the Designated Beneficiary to a member of the family of the current Designated Beneficiary on an account, without incurring federal income tax or penalties.



3. Play it safe with the Arkansas 529 GIFT Plan Savings Portfolio.

The Arkansas 529 GIFT Plan Savings Portfolio is a lower-risk, Federal Deposit Insurance Corporation (FDIC)-insured option for account owners seeking a conservative investment choice for their college savings. Sallie Mae Bank® serves as the Arkansas 529 GIFT Plan Savings Portfolio Manager.

The Savings Portfolio:

- Seeks to provide income consistent with the preservation of principal
- Invests 100% of its assets in the Sallie Mae High-Yield Savings Account (HYSA).¹

Frequently asked questions

How do I open an Arkansas 529 GIFT Plan account?

You (the Account Owner) establish an account by completing the enclosed application form and by making an investment in an account for the benefit of an individual you choose (the Designated Beneficiary). You can also enroll online at www.arkansas529.org. You may open more than one account, but each account must be for a different Designated Beneficiary.

Who can open an account?

U.S. citizens and resident aliens 18 or older can open an account for anyone they would like to help save for college, vocational or trade school. There are no state residency requirements or income limits on participation.

What are the state tax benefits of the Arkansas 529 GIFT Plan?

Arkansas taxpayers can deduct up to \$5,000 (up to \$10,000 for a married couple) of their Arkansas 529 GIFT Plan contributions from their Arkansas adjusted gross income.²

Can I change the Designated Beneficiary on the account?

Yes. You can change the Designated Beneficiary to a qualifying family member of the current Designated Beneficiary, without incurring federal income taxes or penalties. Please see the Program Description for more details.

What happens if my Designated Beneficiary doesn't go to college?

You can choose from several options. You can leave the money in your Arkansas 529 GIFT Plan account in the event that your Designated Beneficiary decides to attend college at a later date. You can also change the Designated Beneficiary to a qualifying member of the family of the current Designated Beneficiary, without incurring federal income taxes or penalties. Or you can make a non-qualified withdrawal. The earnings portion of non-qualified withdrawals is subject to all applicable federal and state income taxes and an additional 10% penalty tax.

Can I roll over money from another 529 plan into the Arkansas 529 GIFT Plan?

Yes. You may perform a federal tax-free rollover from another 529 plan into the Arkansas 529 GIFT Plan for the same Designated Beneficiary once every 12 months. You may also perform a federal tax-free rollover from another 529 plan into the Arkansas 529 GIFT Plan at any time to a qualifying family member of the current Designated Beneficiary.

What expenses are involved in the Arkansas 529 GIFT Plan?

Total annual asset-based Arkansas 529 GIFT Plan fees are 0.57% (0.43% for the GIFT Plan Savings Portfolio). So for example, if you invest \$1,000, the annual fee would be just \$5.70 (\$4.30 for the GIFT Plan Savings Portfolio). All non-resident accounts are charged an annual account fee of \$20; that fee is waived if the designated beneficiary or account owner is a resident of Arkansas.

Opening an Arkansas 529 GIFT Plan account is easy.

1. Read the Program Description and Participation Agreement for important details about the Plan.
2. Enroll at www.arkansas529.org, or mail enrollment forms and \$25 initial contributions to:

GIFT College Investing Plan
P.O. Box 219376
Kansas City, MO 64121-9376

¹The HYSA is held in an omnibus savings account insured by the FDIC, which is held in trust by the Arkansas Section 529 Plan Review Committee (the "Committee") at Sallie Mae Bank. Contributions to and earnings on the investments in the Savings Portfolio are insured by the FDIC on a pass-through basis to each account owner up to \$250,000, the maximum amount set by federal law. The amount of FDIC insurance provided to an account owner is based on the total of (a) the value of an account owner's investment in the Arkansas 529 GIFT Plan Savings Portfolio; and (b) the value of all other accounts held by the account owner at Sallie Mae Bank, as determined by Sallie Mae Bank and FDIC regulations.

²Contributions to the Plan in a tax year are deductible from Arkansas state income tax, subject to recapture in subsequent years in which a non-qualified withdrawal or a rollover out to another state's 529 plan is made.

GIFT College Investing Plan
P.O. Box 219376
Kansas City, MO 64121-9376

1.800.587.7301 | arkansas529.org

For more information about the GIFT College Investing Plan (the "GIFT Plan"), call 1.800.587.7301 or visit www.thegiftplan.com to obtain a Program Description and Participation Agreement, which includes investment objectives, risks, charges, expenses and other information; read and consider it carefully before making an investment or sending money. Ascensus Broker Dealer Services, Inc. ("ABD") is the Distributor of the GIFT Plan.

If you are not an Arkansas taxpayer, consider before investing whether your or the Designated Beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.

The GIFT Plan is a college tuition savings program sponsored by the State of Arkansas and administered by the Arkansas Section 529 Plan Review Committee ("Committee"). ABD, the Program Manager, and its affiliates have overall responsibility for the day-to-day operations, including investment advisory services, recordkeeping, administrative services and marketing of the GIFT Plan. The GIFT Plan's Portfolios invest in: (i) mutual funds; or (ii) an FDIC-insured omnibus savings account held in trust by the Committee at Sallie Mae Bank. Except for the GIFT Plan Savings Portfolio, investments in the GIFT Plan are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the GIFT Plan Portfolios you choose. Except to the extent of FDIC insurance available for the GIFT Plan Savings Portfolio, you could lose all or a portion of your money by investing in the GIFT Plan, depending on market conditions. Account Owners assume all investment risks, as well as responsibility for any federal and state tax consequences.

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