

HIGHLIGHTS BROCHURE



PARENTHOOD IS AN ADVENTURE

SAVING FOR THEIR COLLEGE EDUCATION IS SIMPLE



ACHIEVE MONTANA

COLLEGE SAVINGS FOR THEIR FUTURE



Dear College Saver:

Higher education is the key to helping children move toward their future dreams and goals. That's why it is so important to start a plan now to save for tomorrow's college costs.

Achieve Montana has been developed to give families like yours an affordable and simple, yet effective way to save for college with benefits like:

- Tax advantages, including a state income tax benefit for Montana taxpayers
- Investment options that invest in mutual funds and other investments from The Vanguard Group, Inc. (Vanguard), mutual funds from Dimensional Fund Advisors LP (DFA), and a capital preservation option from New York Life Insurance Company
- Easy online account enrollment and management
- Options to help you save even more

Enclosed you'll find the information you need to start saving with Achieve Montana. Don't wait to put a plan in place to give your children the chance to explore all they want in life.

Sincerely,

Montana Board of Regents of Higher Education



**PARENTHOOD IS A
WILD RIDE**

COLLEGE SAVINGS FOR THEIR FUTURE

A Section 529 qualified tuition program (529 Plan) is a tax-advantaged savings program designed to help you save for college. You can use the assets held in your 529 Plan account to pay for your beneficiary's tuition, fees, books, and certain room and board costs, not only in Montana, but at eligible schools anywhere around the country. Funds from a 529 Plan account can be used at eligible two- and four-year schools, trade and technical institutes, and even graduate schools.

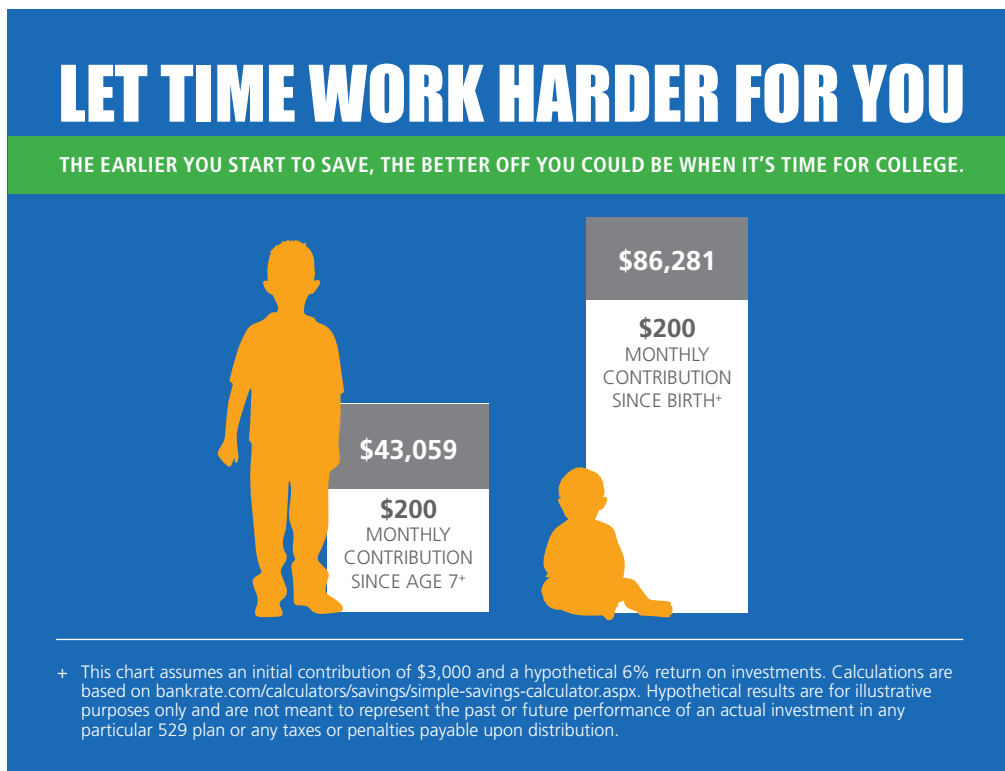
Why are 529 Plans so popular?

529 Plans can help you save for your children's higher education while also providing you with additional benefits:

- Choice of investment options
- Tax-deferred earnings
- Tax-free qualified withdrawals¹
- Control over how assets are used
- Gift and estate tax advantages

The power of saving early

The difference in a few years can be eye opening. Look at the chart below: If you opened a 529 Plan account with an initial investment of \$3,000 and contributed \$200 every month for 18 years, there could be more than \$86,000 in your 529 Plan account for college when your child is ready - double the amount if you had waited a mere 6 years to start saving.



¹ Earnings 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.



ACHIEVE MONTANA AT A GLANCE

Achieve Montana offers you and your beneficiaries important benefits:

Low Costs

Low minimums: You can open an account for as little as \$25 and make additional contributions of \$25, or \$15 with payroll deduction, where available.

High maximums: Contribute up to a total of \$396,000 per beneficiary for accounts in all 529 Plans sponsored by the State of Montana.

Competitive fees and expenses: Achieve Montana's investment options have annual asset-based fees ranging from 0.47% to 0.83% (depending on which investments you choose). There is no annual account maintenance fee if you are a Montana resident, use an automatic investment plan (AIP), take advantage of payroll deduction through your employer (if available), or maintain an account balance equal to or greater than \$25,000. All other accounts are subject to an annual account maintenance fee of \$25.

Choice

Range of investment options: Families have different investment goals, so Achieve Montana lets you choose from a variety of investment styles and asset classes, comprised of mutual funds and other investments from Vanguard, a leader in low cost mutual funds, mutual funds from DFA, an innovator in building investment solutions based on the science of capital markets, and a capital preservation option from New York Life Insurance Company.

Tax-Smart

Tax-deferred earnings: Your account earnings grow deferred from both federal and state taxes.

Federal and state tax-free qualified withdrawals: When your child is ready for college, you can withdraw the money from your Achieve Montana account free from federal and Montana state income taxes if the money is used to pay for qualified higher education expenses.²

Gift tax benefits: Your contributions also qualify for the federal \$15,000 (\$30,000 if married, making a proper election) annual gift exclusion.

Special tax benefits for Montana taxpayers:

Contributions you make to Achieve Montana may be eligible as a yearly deduction of up to \$3,000 per taxpayer per year (\$6,000 for those married, filing jointly) from adjusted gross income in computing Montana state income tax. To be eligible, the contribution must be made to your account, an account owned by your spouse, or an account owned by your child or stepchild if your child or stepchild is a Montana resident.³

Estate planning benefits: Reduce your personal taxable estate by making five years' worth of gifts to a beneficiary (up to \$75,000; \$150,000 if married, making a proper election) in one lump sum.⁴

² Earnings 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. A withdrawal used to pay tuition at a public, private, or religious elementary or secondary school is not subject to federal taxation.

³ Eligible contributions are deductible in computing Montana adjusted gross income for the tax year in which they are made. Contributions may be subject to recapture in certain circumstances, such as a non-qualified withdrawal, a withdrawal used to pay elementary or secondary school tuition expense, or a withdrawal or distribution from an account that was opened within three years prior to the date of the withdrawal or distribution (Recaptured Withdrawal). If the account owner is no longer a Montana resident at the time of a Recaptured Withdrawal, we may withhold the potential recapture tax from the Recaptured Withdrawal.

⁴ In the event the contributor does not survive the five-year period, a pro-rated amount will revert back to the contributor's taxable estate.

INVESTMENT OPTIONS TO HELP YOUR CHILDREN REACH THEIR DREAMS

Achieve Montana gives you a range of investment options that allow you to develop a path that's right for your college savings goals. Choose from an Age-Based Option and six Individual Portfolios, including a Capital Preservation Option.

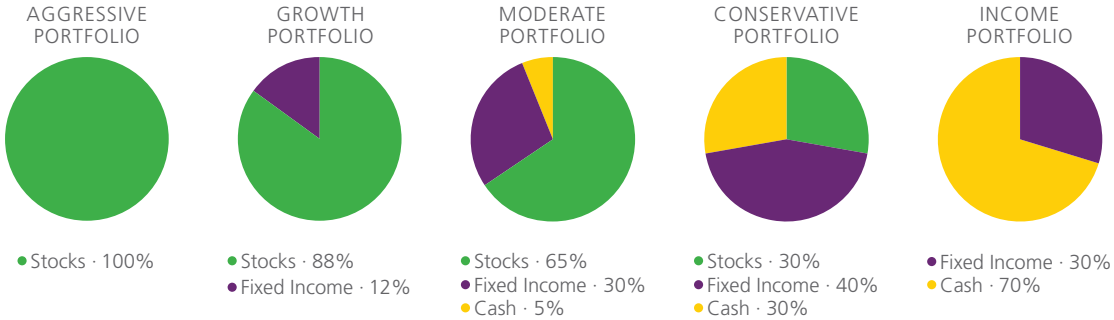
The Age-Based Option

Make saving for college even simpler by selecting an investment option that automatically rebalances your asset mix as your child nears college age. For younger children, your assets are placed in a Portfolio that invests in funds with more growth potential. As the child ages, the assets automatically shift to more conservative Portfolios.

Once you select the Age-Based Option, there's nothing more you need to do. It's like putting Achieve Montana on autopilot. This strategy can also help reduce your exposure to risk and market fluctuations.

AGE OF BENEFICIARY	UNDERLYING PORTFOLIO	TOTAL EXPENSE ⁵
0 - 4	Aggressive Portfolio	0.80%
5 - 10	Growth Portfolio	0.80%
11 - 14	Moderate Portfolio	0.81%
15 - 17	Conservative Portfolio	0.82%
18 +	Income Portfolio	0.83%

AGE-BASED OPTION



⁵ Percentages in the Total Expense column are based on the expenses charged by the underlying investment, and fees payable to the Board and the Program Manager for management of Achieve Montana. Although some of the Portfolios invest in mutual funds, they are not mutual funds. As an Achieve Montana account owner, you will own units of the Portfolios, which are municipal fund securities, not shares of mutual funds.



Individual Portfolios

The same Portfolios that are available in the Age-Based Option are also available as Individual Portfolios. Unlike the Age-Based Option, however, the Individual Portfolios do not change the types and composition of investments as your beneficiary ages. Instead, the types and composition of investments remains fixed over time.



INVESTMENT OPTION	ASSET CLASS	TOTAL EXPENSE ⁶
Aggressive Portfolio	Stock	0.80%
Growth Portfolio	Stock Fixed Income	0.80%
Moderate Portfolio	Stock Fixed Income Cash	0.81%
Conservative Portfolio	Stock Fixed Income Cash	0.82%
Income Portfolio	Fixed Income Cash	0.83%

Capital Preservation Portfolio

The Capital Preservation Portfolio invests in a guaranteed investment account held in trust by the Board at New York Life Insurance Company. Total expenses for the Capital Preservation Portfolio are 0.47%.



INVESTMENT OPTION	ASSET CLASS	TOTAL EXPENSE ⁶
Capital Preservation Portfolio	Cash	0.47%

⁶ Percentages in the Total Expense column are based on the expenses charged by the underlying investment, and fees payable to the Program Manager for management of Achieve Montana. As an Achieve Montana account owner, you will own units of the Capital Preservation Portfolio, which are municipal fund securities, not direct interests in the guaranteed investment account.

CONTRIBUTION TOOLS THAT FIT YOUR FAMILY'S NEEDS

Achieve Montana offers a variety of contribution options so you can make the program work for your family.

One-Time Flexible Contributions

You can contribute to your account according to your own schedule—whether that means once a month, once a quarter or once a year. Those contributions can be made by check, electronically from your checking or savings account, through payroll deduction or through an Automatic Investment Plan (AIP). You can even make your contributions by rolling over assets from another 529 Plan or by moving assets from other types of accounts.

Automatic Investing

You may find it easier to contribute to your Achieve Montana account automatically through an AIP or payroll deduction. An AIP allows you to contribute to your account at regularly scheduled intervals (monthly, quarterly, semi-annually or annually).⁷ You can set up an AIP when you enroll in Achieve Montana or at a later date of your choosing and can elect to have your AIP automatically increase annually.

You may also be eligible to contribute automatically through payroll deduction if your employer offers this service. Contributions can be as little as \$15 per account per paycheck. You can set up payroll deduction when you enroll in Achieve Montana or at a later date of your choosing.⁷

Rollovers

If you have an account with another 529 Plan, you can rollover assets in that account to your Achieve Montana account. You can make a federal income tax-free rollover from another 529 Plan into your Achieve Montana account for the same beneficiary once every 12 months. You can also make a federal income tax-free rollover from another 529 Plan into your Achieve Montana account any time you change the beneficiary to a qualifying family member of your current beneficiary.⁸

Other Ways to Contribute

You can also move assets from other accounts such as UGMA/UTMA accounts, Coverdell Education Savings Accounts and certain U.S. Savings Bonds into your Achieve Montana account. Special terms may apply to these types of contributions and they may result in tax consequences.

⁷ A plan of regular investing cannot assure a profit or protect against a loss in a declining market.

⁸ For beneficiary changes to occur free from federal or state income taxes, the new beneficiary must be a Member of the Family of the original beneficiary. See the Program Description for the definition of Member of the Family.



QUESTIONS YOU MAY HAVE

What is Achieve Montana?

Achieve Montana is a 529 Plan designed to help individuals and families save for college in a tax-advantaged way. Its benefits include: tax-deferred growth, generous contribution limits and investment options that invest in mutual funds and other investments from Vanguard, a leader in low-cost mutual funds, mutual funds from DFA, an innovator in building investment solutions based on the science of capital markets, and a capital preservation option from New York Life Insurance Company.

What fees are associated with Achieve Montana?

Achieve Montana charges annual asset-based fees ranging from 0.47% to 0.83% (depending on which investments you choose). There is no annual account maintenance fee if you are a Montana resident, use an AIP, take advantage of payroll direct deposit through your employer (if available), or maintain an account balance equal to or greater than \$25,000. All other accounts are subject to an annual account maintenance fee of \$25.

What tax benefits are available to me with Achieve Montana?

Your investment grows tax deferred and can be withdrawn free from Montana state and federal income tax if used for qualified higher education expenses.⁹ Your contributions may also help you manage federal gift and estate taxes.

Are there special tax benefits for Montana taxpayers?

Yes. If you are a Montana taxpayer, you are entitled to up to a yearly \$3,000 deduction (\$6,000 if married, filing jointly) from adjusted gross income per taxpayer in computing your Montana state income tax, based on your eligible contributions to accounts in Achieve Montana. To be eligible, the contribution must be made to your account, an account owned by your spouse or an account owned by your child or stepchild if your child or stepchild is a Montana resident.¹⁰

Who can open an account?

A U.S. citizen or resident alien, 18 or older, or an entity that is organized in the U.S., with a Social Security number or Tax Identification number and a valid permanent U.S. residential address, can open an Achieve Montana account, regardless of income level. Parents, grandparents, other family members, and friends can open an account for any person they choose.

Who can contribute?

Any number of people can contribute to the same Achieve Montana account, but total contributions cannot exceed \$396,000 for all accounts for the same beneficiary in 529 Plans sponsored by the State of Montana.

Who can be a beneficiary?

Any person of any age, with a Social Security number or Tax Identification number, can be named as beneficiary of an Achieve Montana account. As account owner, you can select a child, adult, or even yourself as beneficiary. If your beneficiary decides not to attend college or another qualified post-secondary institution, you can name another beneficiary who is a qualified member of the same family as the original beneficiary without incurring any penalties. Please see the Achieve Montana Program Description for more information on who qualifies.

Does my child have to attend college in Montana?

No. You can use the assets in your Achieve Montana account toward the costs of nearly any accredited public or private, 2- or 4-year college, or technical or vocational school nationwide. In fact, many U.S. colleges and universities now have campuses or locations outside of the country, where money from your Achieve Montana account can be used. It can also be used for nearly any graduate school, medical school, or law school meeting the above criteria. Please visit <http://ope.ed.gov/accreditation/> for a complete list of qualified post-secondary institutions.

⁹ Earnings 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. A withdrawal used to pay tuition at a public, private, or religious elementary or secondary school is not subject to federal taxation.

¹⁰ Eligible contributions are deductible in computing Montana adjusted gross income for the tax year in which they are made. Contributions may be subject to recapture in certain circumstances, such as a non-qualified withdrawal, a withdrawal used to pay elementary or secondary school tuition, or a withdrawal or distribution from an account that was opened within three years prior to the date of the withdrawal or distribution (Recaptured Withdrawal). If the account owner is no longer a Montana resident at the time of a Recaptured Withdrawal, the Program Manager or its service provider may withhold the potential recapture tax from the Recaptured Withdrawal.



PARENTHOOD IS A BEAUTIFUL MESS

Can I change my investment options?

Yes. You may change your investment options up to two times per calendar year per beneficiary. If you have multiple investment options for a beneficiary, all changes for the calendar year for that beneficiary must be requested on the same day. You may also change investment options when you change the beneficiary of your account. Investment changes for future contributions can be made at any time.

Do I retain control of the money?

Yes. As the account owner, you choose the Portfolios in which you invest, as well as the distribution of the funds.

Can I use my account to pay for elementary or secondary school expenses?

You may withdraw money from your account to pay elementary or secondary school tuition expenses (K-12 tuition) federally tax free. However, a withdrawal for K-12 tuition is subject to a Montana recapture tax on contributions previously deducted from your Montana income tax and may require your beneficiary to include the earnings in their gross income. Please consult your tax advisor regarding your personal circumstances.

What qualifies as a higher education expense?

Qualified higher education expenses include tuition, certain room and board costs, fees, books, and equipment required for enrollment or attendance at an eligible institution of higher education.

Can I rollover money from another 529 Plan to Achieve Montana?

Yes. You may perform a federal income tax-free rollover from another 529 Plan into your Achieve Montana account for the same beneficiary once every 12 months. You may also perform a federal income tax-free rollover from another 529 Plan into your Achieve Montana account at any time when you change the beneficiary to a qualifying family member of the current beneficiary.¹¹

What if my child does not go to college immediately after high school?

Achieve Montana does not require the beneficiary to attend college immediately after graduating high school. There are no time or age restrictions on when your beneficiary can use the money in your account to pay for qualified higher education expenses.

¹¹ A rollover from Achieve Montana to another state's 529 Plan is considered a non-qualified withdrawal by the Montana Department of Revenue and may be subject to recapture. For beneficiary changes to occur free from federal or state income taxes, the new beneficiary must be a Member of the Family of the original beneficiary. See the Achieve Montana Program Description for the definition of Member of the Family.



BENEFITS TO GET THE MOST OUT OF YOUR ACHIEVE MONTANA ACCOUNT

Want your money to work even harder? Here are two extra opportunities to save: Ugift® and Upromise®. Signing up for these additional benefits won't take more than a few minutes, but could make a big difference in saving for college with your Achieve Montana account.

Ugift

Ugift is an innovative, easy-to-use online service that allows you to invite family and friends to celebrate holidays, birthdays, graduations, or other milestones with the gift of college savings (instead of another toy or game).

This may be one of the most meaningful gifts your child ever receives — help toward a college education. For more information, go to achievemontana.com.



HERE'S HOW IT WORKS:

- You create invitations and specially coded gift coupons, which are emailed to your loved ones.
- Family and friends send in gift contributions either through EFT using your unique gift code or by check (with as little as \$15).
- Gift contributions are invested into your Achieve Montana account.

Upromise

This service is designed to help families save more for college. When you join the Upromise service, you can earn college savings on eligible everyday purchases when you shop online, dine out, and much more. The extra money from your Upromise account can add up over time when it's automatically transferred to your Achieve Montana account on a periodic basis.¹²



To learn more, visit achievemontana.com and click on the Upromise logo.



**BEING A GRANDPARENT IS AN
ADVENTURE**

12 Upromise is an optional service offered by Upromise, Inc., is separate from Achieve Montana, and is not affiliated with the State of Montana. 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 an Achieve Montana account may be subject to a minimum amount, visit upromise.com for more details.

ENROLL TODAY TO GIVE YOUR CHILDREN THE CHANCE TO EXPLORE ALL THEY WANT IN LIFE

Take the first steps towards your dreams for your children.

It's simple to enroll

- 1 Read this entire Enrollment Kit, including the Achieve Montana Program Description, carefully before investing. The Program Description includes the most complete information on Achieve Montana, including fees, expenses and risks.
- 2 Decide which investment approach is best for you. Your investment choices will be applied to all future contributions. You may move current assets in your account into different investment options up to two times each calendar year or upon a change in beneficiary. However, you may change the investment allocation of future investments at any time.
- 3 Enroll. Note that you will need to open a separate Achieve Montana account for each beneficiary.

Online

The fastest way to open your account is to go to achievemontana.com and click on "Enroll." You can open and begin managing your account immediately.

To get started, you'll need:

- Your Social Security number
- Your beneficiary's Social Security number and date of birth
- Your email address
- Your bank checking or savings account number and routing number (if you want to contribute electronically via bank transfer)

If you prefer, you can complete the enclosed Enrollment Form and return it with your initial contribution as follows:

Mail to:

Achieve Montana
PO Box 219448
Kansas City, MO 64121-9448

For overnight mail:

Achieve Montana
920 Main Street, Suite 900
Kansas City, MO 64105





ACHIEVE MONTANA

QUESTIONS? WE'RE HERE TO HELP!

Client Services: 877.486.9271

Monday through Friday

7 a.m. through 6 p.m. Mountain time

You can also email us at
clientservice@achievemontana.com

For more information about Achieve Montana, call 877.486.9271 or download an Enrollment Kit. The Enrollment Kit includes a Program Description that discusses investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing.

If you are not a Montana taxpayer, before investing in Achieve Montana, you should consider the benefits of your home state's qualified tuition program. It may provide taxpayers with state tax and other benefits such as financial aid, scholarship funds, and protection from creditors that are only available through your home state's qualified tuition program. You should also consult your financial, tax, or other advisor to learn how state-based benefits (or limitations) would apply to your specific circumstances. Tax and other penalties may apply to non-qualified withdrawals. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision. In addition, you should periodically assess, and if appropriate, adjust your Section 529 Plan investment choices with your time horizon, risk tolerance and investment objectives in mind.

Achieve Montana is sponsored by the State of Montana and administered by the Montana Board of Regents of Higher Education, as sole trustee of the Montana Family Education Savings Trust (Trust). Ascensus College Savings Recordkeeping Services, LLC serves as program manager and provides recordkeeping and administrative support services for Achieve Montana. The Vanguard Group, Inc. and Dimensional Fund Advisors LP each serve as the

investment managers for the underlying investments comprising Achieve Montana's portfolios. New York Life Insurance Company serves as manager of Achieve Montana's Capital Preservation Portfolio. Although some of the portfolios invest in mutual funds, they are not mutual funds. When you invest in Achieve Montana, you are purchasing portfolio units issued by the Trust. Except to the extent of the guarantee offered by New York Life Insurance Company for the Capital Preservation Portfolio, investment returns are not guaranteed, and you could lose money by investing in Achieve Montana.

Account owners assume all investment risks as well as responsibility for any federal and state tax consequences.

Upromise is an optional service offered by Upromise, Inc., is separate from Achieve Montana, and is not affiliated with the State of Montana. 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 an Achieve Montana account may be subject to a minimum amount. Go to upromise.com to learn more about Upromise.

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